



Liga Nacional de Fútbol Profesional

Annual accounts and management report at
30 June 2021



It's not football. It's LaLiga.

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BALANCE SHEET FOR THE YEAR ENDED 30 JUNE 2021

(in thousands of euros)

ASSETS	Note	To 30 June	
		2021	2020
NON-CURRENT ASSETS		117,059	57,936
Intangible assets	6	20,121	16,808
Property, plant and equipment	7	11,836	13,002
Long-term investments in group companies, multigroup and associates		29,943	2,968
Equity instruments	9	6,563	2,968
	08/10/2		
Credits to companies	021	23,380	-
Long-term financial investments	8-10	19,373	21,200
Credits to third parties		15,215	15,655
Derivatives		244	129
Other financial assets		3,914	5,416
Deferred tax assets	18	263	292
	08/10/		
Long-term sundry debtors	2014	35,523	-
Long-term accruals	4.10	-	3,666
CURRENT ASSETS		653,315	929,180
Inventories		1,223	555
Trade debtors and other accounts receivable		598,293	643,766
Clients for sales and provision of services	8-10	511,009	577,043
	08/10/2		
Clients, group companies and associates	021	11,292	13,547
	08/10/2		
Sundry debtors	014	8,881	4,103
Personal	8-10	-	140
Current tax assets	18	158	1,293
Other credits with Public Administrations	18	66,953	47,640
Short-term investments in group companies, multigroup and associates		1,286	8,679
	08/10/2		
Credits to companies	021	546	6,558
	08/10/2		
Other financial assets	019	740	2,121
Short-term financial investments	8-10	16,448	23,273
Credits to companies		8,431	7,652
Other financial assets		8,017	15,621
Short-term accruals	4.10	2,317	83,902
Cash and cash equivalents	12	33,748	169,005
		770,374	987,116

Notes 1 to 26 of the attached Report form an integral part of these annual accounts for the year ended 30 June 2021.

BALANCE SHEET FOR THE YEAR ENDED 30 JUNE 2021

(in thousands of euros)

EQUITY AND LIABILITIES	Note	To 30 June	
		2021	2020
EQUITY	13	8,287	8,189
Own funds		8,148	8,136
Social Fund		8,136	8,136
Profit/(loss) for the year	3	12	-
Adjustments for changes in value		139	53
Hedging operations	11	139	53
NON-CURRENT LIABILITIES		66,698	86,022
Long-term provisions		11,149	11,163
Other provisions	4.9	11,149	11,163
Long-term debt	8-14	55,549	35,621
Debt with financial entities		44,730	8,432
Finance lease creditors		1,784	3,293
Other financial liabilities		9,035	23,896
Long-term accruals	4.10	-	39,238
CURRENT LIABILITIES		695,389	892,905
Short-term provisions		148	148
Short-term debt	8-14	24,401	30,391
Debt with financial entities		14,219	3,030
Finance lease creditors		1,485	1,389
Other financial liabilities		8,697	25,972
Trade creditors and other accounts payable		149,602	113,121
Suppliers	8-14	65,504	64,705
Suppliers, group companies and associates	8-14-21	7,439	3,138
Sundry creditors	8-14	71,867	41,866
Staff (remunerations pending payment)	8-14	3,354	2,844
Other debts with Public Administrations	18	1,122	467
Client advances	8-14	316	101
Short-term accruals	4.10	521,238	749,245
		770,374	987,116

Notes 1 to 26 of the attached Report form an integral part of these annual accounts for the year ended 30 June 2021.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2021

(In thousands of euros)

	Note	To 30 June	
		2021	2020
CONTINUING OPERATIONS			
Net Turnover	17	1,894,257	1,902,352
Sponsorship, licences and others		97,952	86,618
Sales management income Sponsorship		-	127
Income from the negotiation/marketing of Audiovisual Rights		1,796,305	1,815,607
Procurements	17	(1,757,510)	(1,764,378)
Sponsorships and Licences Clubs/SADs		(14,987)	(9,700)
Sales management expenses Sponsorship		(46,451)	(37,569)
Expenses from the negotiation/marketing of Audiovisual Rights		(1,696,072)	(1,717,109)
Other operating income		39,030	39,174
Sundry and other current management income	17	33,824	34,411
Football pools	4.11-17	5,206	4,763
Staff costs	17	(33,822)	(32,067)
Wages, salaries and the like		(27,545)	(26,079)
Staff welfare costs		(6,277)	(5,988)
Other operating expenses		(138,314)	(145,609)
External services	17	(97,457)	(106,680)
Taxes		(37)	(4)
Losses, impairment and changes in provisions for commercial operations	10	(1,472)	(923)
Other current management expenses	17	(39,348)	(38,002)
Depreciation of fixed assets	6-7	(9,235)	(7,195)
Impairment and gain/(loss) from disposals of fixed assets	6-7	(229)	-
Other Profits (Losses)		3,032	3,353
OPERATING PROFIT/(LOSS)		(2,791)	(4,370)
Financial income		3,707	5,015
Financial expenses		(1,466)	(280)
Exchange rate differences		662	(365)
FINANCIAL PROFIT/(LOSS)	19	2,903	4,370
PRE-TAX PROFIT/(LOSS)		112	-
Taxes on profits	18	(100)	-
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		12	-
PROFIT/(LOSS) FOR THE YEAR	3	12	-

Notes 1 to 26 of the attached Report form an integral part of these annual accounts for the year ended 30 June 2021.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021 (in thousands of euros)

A) STATEMENT OF RECOGNISED INCOME AND EXPENSES FOR THE YEAR ENDED 30 JUNE 2021

	Note	To 30 June	
		2021	2020
Result of the profit and loss account	3	12	-
Income and expenses recognised directly in equity			
For cash flow hedges		115	125
Tax effect	18	(29)	(31)
Total Income and expenses recognised directly in equity		86	94
Transfers to the profit and loss account		-	-
Total transfers to the profit and loss account		-	-
TOTAL RECOGNISED INCOME AND EXPENSES		98	94

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021 (in thousands of euros)

B) STATEMENT OF CHANGES IN TOTAL EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Social Fund (Note 14)	Other Equity Instruments (Note 11)	Profit/(loss) for the year (Note 3)	TOTAL
BALANCE, 2019 END	8,122	(41)	14	8,095
ADJUSTED BALANCE, 2020 START	8,122	(41)	14	8,095
Total recognised income and expenses	-	94	-	94
Operations with partners and owners	14	-	(14)	-
BALANCE, 2020 END	8,136	53	-	8,189
ADJUSTED BALANCE, 2021 START	8,136	53	-	8,189
Total recognised income and expenses	-	86	12	98
Operations with partners and owners	-	-	-	-
BALANCE, 2021 END	8,136	139	12	8,287

Notes 1 to 26 of the attached Report form an integral part of these annual accounts for the year ended 30 June 2021.

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

(In thousands of euros)

	2021	2020
Pre-tax profit/(loss) for the year	112	-
Adjustment to profit/(loss)		
- Amortisation of fixed assets	9,235	7,195
- Value adjustments for trade impairment	1,472	923
- Impairment and gain/(loss) from disposals of fixed assets	229	-
- Variations in provisions	(14)	(24,166)
- Financial income	(3,707)	(5,015)
- Financial expenses	1,466	280
- Exchange rate differences	(662)	365
	8,019	(20,418)
Changes in working capital:		
- Inventories	(668)	(555)
- Debtors and other accounts receivable	(259,902)	(93,459)
- Creditors and other accounts payable	121,732	159,433
- Other current liabilities	(32,136)	11,919
- Other non-current assets and liabilities	1,942	6,534
	(169,032)	83,872
Other cash flows from operating activities:		
- Interest paid	(1,466)	(280)
- Dividend charges	4,549	2,427
- Interest charged	539	467
- Charges (payments) for tax on profits	1,035	(411)
	4,657	2,203
Cash flows from operating activities	(156,244)	65,657
Payments for investments:		
- Group companies and associates	(17,412)	(10,186)
- Intangible assets	(12,773)	(8,856)
- Property, plant and equipment	(2,420)	(4,358)
- Other financial assets	(2,137)	(19,877)
	(34,742)	(43,277)
Charges for divestments:		
- Group companies and associates	31	8,385
- Other financial assets	8,962	5,235
	8,993	13,620
Cash flows from investment activities	(25,749)	(29,657)
Charges and payments for financial liability instruments:		
- Debt with financial entities	46,074	(4,480)
	46,074	(4,480)
Cash flows from finance activities	46,074	(4,480)
EFFECT OF VARIATIONS IN EXCHANGE RATES	662	(365)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	(135,257)	31,155
Cash and cash equivalents at the start of the year	169,005	137,850
Cash and cash equivalents at the end of the year	33,748	169,005

Notes 1 to 26 of the attached Report form an integral part of these annual accounts for the year ended 30 June 2021.

REPORT TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2021 (in thousands of euros)

1. General information

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

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

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

During the financial year ended 30 June 2021, and based on that set out in Royal Decree-Law 5/2015 of 4 April 2015, the sales of Clubs/SAD's audiovisual rights have been managed centrally with LaLiga, pursuant to Article 2 of said Royal Decree, as the organising entity with the joint marketing authority over audiovisual rights, see Note 4.11.

At 30 June 2021, LaLiga is the parent entity of the following legal entities, all of which are a subsidiary of LaLiga:

- Sociedad Española de Fútbol Profesional, S.A.U.
- LaLiga Servicios Digitales, S.L.U.
- Sports Entertainment and Innovation, S.L.U. (company broken up, see note 9)
- LaLiga Content Protection, S.L. (newly formed company, see Note 9)
- Digital & Sports Innovation, S.L.U. (newly formed company, see Note 9)
- LaLiga Tech, S.L.U. (newly formed company, see Note 9)
- LaLiga Entertainment, S.L.U. (newly formed company, see Note 9)
- LaLiga DMCC (previously named LNFP FZE)
- LaLiga (USA) Inc.
- LaLiga South Africa Proprietary Limited
- Beijing Spanish Football League Consulting Co., Ltd.
- LaLiga Singapore Pte. Ltd.

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- LaLiga LFP Mex, S.R.L.C.V.

On the other hand, the Association of Spanish Professional Leagues, in which LaLiga is an associate with a 25% stake, maintains an associated entity relationship with LaLiga.

During financial year ended 30 June 2019, LaLiga finalised a Joint Venture agreement to form LaLiga North America, LLC with a 50% shareholding, for 15 years, in the United States and Canada, with Relevent Sports Group, one of the largest sports agencies in the United States and the main football industry agency in the region. Relevent Sports Group organises the International Champions Cup, an international tournament where the main teams from the European Leagues play pre-season matches in both the United States and other parts of the world.

Additionally, during financial year ended 30 June 2021, LaLiga finalised a Joint Venture agreement to form Spanish Football Sports & Entertainment (Shanghai) Co., Ltd., with a 50% shareholding, for 15 years, in China, with Mediapro Super Sports (Shanghai) Consulting Co., Ltd., to promote, exploit and market sporting commercial rights.

Despite the group being exempt from the obligation to file consolidated annual accounts due to , as previously mentioned, LaLiga being a sports association and not a company (according to Article 122 of the Commercial Code, only groups, public limited and limited liability companies are considered companies) and, therefore, Article 42.1 of said Code of Commerce does not apply, it has consolidated the subsidiaries at 30 June 2021 on a voluntary basis.

2. Presentation basis

a) True and fair image

The annual accounts have been prepared from LaLiga's accounting records and are presented in accordance with current legislation, the rules established in the General Accounting Plan approved by Royal Decree 1514/2007 and the amendments incorporated into it by Royal Decree 1159/2010 and Royal Decree 602/2016 to show the true and fair image of the assets, the financial position and the results, as well as the veracity of the cash flows included in the cash flows statement.

Additionally, the annual accounts have been adapted to the General Accounting Plan for "Sports Public Limited Companies" pursuant to Royal Decree 1564/1989 and always giving due consideration to the general mandatory criteria and rules emanating from the General Accounting Plan, Royal Decree 1514/07 of 20 November and the rules and resolutions of the Accounting and Auditing Institute.

The members of LaLiga's Executive Committee estimate that the annual accounts for financial year ended 30 June 2021, which were prepared on 27 September 2021, will be approved by the Assembly without any amendments.

REPORT TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2021 (in thousands of euros)

b) Critical aspects of the assessment and estimation of uncertainty

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

Recognition of income

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

c) Going concern

At the end of financial year ended 30 June 2021, the Association had negative working capital amounting to 42,074 thousand euros. The negative working capital generated by the Association in the year includes 521,238 thousand euros included under "Short-term accruals", composed of the advance management of billings with audiovisual business operators and not represented by a real cash outflow obligation. This situation will be reversed, i.e., the working capital will become positive, with the usual flow of the association's operations.

At the end of financial year ended 30 June 2021, the Group of which LaLiga is the Parent Association presents negative equity of 4,253 thousand euros as a result of losses for the year of 16,245 thousand euros. At 27 September, the date these annual accounts were prepared, consolidated equity is positive.

The losses mentioned in the preceding paragraph mainly correspond to the information described in note 9 and, accordingly during financial year ended 30 June 2021, the Parent Association has undertaken a corporate restructuring process to rationalise its activity and maximise the value of its assets and businesses with special emphasis on the technology branch developed by LaLiga up to that date (see note 9). This process is in its development and investment phase. The business plans of these companies contemplate the generation of future benefits in upcoming years, and require financing from LaLiga or third parties until such benefits occur.

In this sense, while this result occurs and following prudent criteria, the Group's technology companies have not recorded the expenses related to the development of computer applications incurred during financial year ended 30 June 2021 as a higher value of the asset (see Notes 4.1.b).

On the other hand, it is important to note that, in the first three months since the launch of LaLiga Tech, S.L., opportunities have opened on the five continents.

Additionally, contracts worth 963 thousand euros have been closed in these three months, of

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which 39% is concentrated in ten Content Protection clients – 378 thousand euros – and 61% is the contract with World Padel Tour – 585 thousand euros.

Likewise, the LaLiga agreement with the CVC investment fund whereby this investor contributes funds amounting to 2,000 million euros to clubs to improve professional football competitions organised by LaLiga and, therefore, to maximise the value of the audiovisual rights and, in general, to develop the other businesses, will generate a series of additional synergies with other competitions in which CVC is involved (Six Nations Rugby Tournament, Pro14, Premiership Rugby, Volleyball World, etc.) that will accelerate growth in the technology business, without, of course, taking into account the contribution to the development of the business that their successful experience in other sports investments will bring to the development of LaLiga (Formula One, MotoGP, etc.).

Finally, and regarding the development and marketing of LaLiga's OTT, LaLiga SportsTV, it is important to consider that a payment service will be applied to certain content from 1 October, which will imply the start of monetising the development carried out up to this point.

All the subsidiaries are in equity balance at year-end because LaLiga has made and will make the necessary contributions via equity loans or other financial instruments to guarantee the viability of such subsidiaries (see note 9). Considering the foregoing, these annual accounts have been prepared under the going concern principle.

3. Application of results

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

Given that the result of the Profit and Loss Account for financial year ended 30 June 2021 showed a 12 thousand euro profit (0 euros in financial year ended 30 June 2020), the Executive Committee makes the following proposal for approval by the General Assembly: "Distribution of Profit (Surplus) after taxes to the LaLiga Social Fund".

4. Accounting criteria

4.1 Intangible assets

a) Patents and trademarks

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

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b) Computer software

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

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

However, as stated in Notes 2.c and 9, and following prudent criteria, the Group's technology companies have not recorded the expenses related to the development of computer applications incurred during financial year ended 30 June 2021 as a higher value of the asset.

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

4.2 Property, plant and equipment

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

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

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

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

The depreciation of property, plant and equipment, with the exception of land that is not depreciated, is systematically calculated using the straight-line method based on its estimated

REPORT TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2021 (in thousands of euros)

useful life, taking into account the depreciation actually suffered by its operation, use and enjoyment. The estimated useful lives are:

	<u>Years of estimated useful life</u>
Technical facilities	10
Furniture	10
Information processing equipment	5

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

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

4.3 Financial assets

a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not traded on an active market.

Current assets are classified under "Credits to companies" and "Trade debtors", except for maturities over 12 months from the balance sheet date are classified as non-current assets.

These financial assets are initially valued at their fair value, including the directly attributable transaction costs and subsequently at amortised cost, recognising accrued interest based on their effective interest rate, understood as the discount rate that equals the book value of the instrument with all its estimated cash flows until its maturity. Notwithstanding the foregoing, both at the time of initial recognition and subsequently, credits for commercial operations with a maturity of no more than one year are valued at their par value provided that the effect of not updating the flows is not significant.

At least at the close of the financial year, the necessary valuation corrections for impairment are made if there is objective evidence that not all the amounts owed will be collected.

The amount of the impairment is the difference between the asset's book value and the present value of the estimated future cash flows, discounted at the effective interest rate at the time of initial recognition. Value corrections, as well as their reversal, are recognised in the profit and loss account.

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b) Investments held to maturity

Financial assets held to maturity are debt securities with fixed or determinable charges and fixed maturities traded on an active market where LaLiga's management has the effective intention and capacity to hold until maturity.

If LaLiga were to sell a non-negligible amount of financial assets held to maturity, the entire category would be reclassified as available for sale.

These financial assets are included in non-current assets, except those with a maturity of less than 12 months from the balance sheet date, which are classified as current assets.

The valuation criteria for these investments are the same as for loans and receivables.

c) Investments in the equity of group companies, multigroup and associates

They are valued at their cost less, where appropriate, the accumulated impairment losses. However, when there is an investment prior to its qualification as a group company, multigroup or associate, its book value is considered as the cost of the investment prior to that qualification. Prior valuation corrections recorded directly in equity remain there until they are derecognised.

If there is objective evidence that the book value is not recoverable, the appropriate valuation corrections are made for the difference between its book value and the recoverable amount, understood as the greater amount between its fair value less costs to sell and the present value of the cash flows derived from the investment. Unless there is better evidence of the recoverable amount, when estimating the impairment of these investments, the equity of the investee company is taken into account, corrected by the tacit capital gains existing on the date of the valuation. The value correction and, where appropriate, its reversal is recorded in the profit and loss account in the year in which it occurs.

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

4.4 Financial derivatives and accounting hedges

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

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Cash flow hedges

The effective part of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are temporarily recognised in equity. Their allocation to the profit and loss account is made in the years in which the expected hedged operation affects the result, unless the hedge corresponds to a forecast transaction that ends in the recognition of a non-financial asset or liability, in which case the amounts recorded in equity are included in the cost of the asset when it is acquired or the liability when it is assumed.

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

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

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

4.5 Equity

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

4.6 Financial liabilities

Debits and payables

This category includes debits for trade operations and debits for non-trade operations. These borrowings are classified as current liabilities, unless LaLiga has an unconditional right to defer their settlement for at least 12 months after the balance sheet date.

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

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

In the event of a renegotiation of existing debts, it is considered that there are no substantial modifications of the financial liability when the lender of the new loan is the same as the one that granted the initial loan and the present value of the cash flows, including net commissions,

REPORT TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2021 (in thousands of euros)

does not differ by more than 10% from the present value of the cash flows pending payment of the original liability calculated under the same method.

4.7 Current and deferred taxes

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

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

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

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

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

4.8 Employee benefits

a) Retirement award

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

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

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

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

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

b) Severance payments

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

c) Profit sharing and bonus plans

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

4.9 Provisions and contingent liabilities

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

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

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

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

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

LaLiga has recorded provisions amounting to 10,913 thousand euros in its long-term provisions account (10,913 thousand euros at the end of the financial year to 30 June 2020), derived from the following events:

a) Provision to the Insolvency Guarantee Fund.

Within this account, LaLiga provisioned the amounts derived from the application of that established in Article 59 of its Articles of Association for insolvent clubs. During the financial year ended 30 June 2020, the Executive Committee decided to use this provision to mitigate the exceptional costs incurred as a consequence of the need to guarantee the safety of the competition, as well as its completion, given the situation generated by the coronavirus (COVID-19) (see Note 26). For this reason, at 30 June 2020, there was no provisioned amount pending application for this concept.

b) Provision to the Salary Guarantee Fund.

Within this account, the debit balances held with clubs where LaLiga, in compliance with the provisions of the Collective Agreement signed with the Association of Spanish Footballers, has had to anticipate player salaries, are provisioned. The amount of the provision for this concept at year-end 30 June 2021 amounts to 10,913 thousand euros (10,913 thousand euros at year-end 30 June 2020).

Additionally, LaLiga had recorded a provision of 17,364 thousand euros in its long-term provisions account until year-end 30 June 2020, which was allocated in the 2015/2016 season with the unused funds from the old compensation provision and allocation system for abandonment of category for sporting reasons that was replaced by the system currently in force contained in Book VIII of the General Regulations of LaLiga, implemented as a result of Royal Decree-Law 5/2015 of 30 April coming into force. This amount was available for use in exceptional situations.

During financial year ended 30 June 2020, the Executive Committee made the decision to use this fund to compensate the exceptional costs that LaLiga had to bear to preserve safety and allow the completion of the competition given situation generated as a consequence of the coronavirus (COVID-19) (see Note 26).

At the end of financial years ended 30 June 2021 and 2020, a long-term provision is held for other responsibilities based on past events associated with the activity of the Association.

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4.10 Accruals

At the end of financial year ended 30 June 2021, the Balance Sheet reflects accruals of liabilities for short-term anticipated income of 521,238 thousand euros (749,245 thousand euros at the end of financial year ended 30 June 2020), with the majority of this amount being income corresponding to audiovisual rights of contracts whose accrual will occur during the 2021/2022 season.

At the end of financial year ended 30 June 2021, the Balance sheet does not reflect accruals of liabilities for long-term anticipated income, although it did reflect accruals of liabilities for long-term anticipated income at the end of financial year ended 30 June 2020 of 39,238 thousand euros. This amount resulted from the anticipated billings of audiovisual rights on international contracts whose accrual would occur after more than one year.

The asset reflects short-term anticipated expenses at the end of financial year ended 30 June 2021 of 2,317 thousand euros. At the end of financial year ended 30 June 2020, the asset reflected anticipated expenses of 83,902 thousand euros, the majority of which corresponded to amounts paid on account to clubs/SADs for part of the audiovisual rights for the entire season 2019/2020 and, to a lesser extent, expenses of the 2020/2021 season.

Similarly, at the end of financial year ended 30 June 2020, the Balance Sheet reflected accruals of assets for long-term anticipated expenses of 3,666 thousand euros, the total amount resulting from the anticipated billing for the use of Microsoft Azure.

4.11 Recognition of income

Income and expenses are allocated based on the accrual criterion, i.e., when the real flow of goods and services that they represent occurs, regardless of when the monetary or financial flow derived from them occurs. This income will be valued at the fair value of the consideration received, deducting discounts and taxes.

The recognition of sales income occurs at the time the significant risks and benefits inherent to the ownership of the sold good have been transferred to the buyer, with current management of said good, or control over it, being maintained.

Regarding income from the provision of services, these are recognised considering the degree of completion of the provision at the balance sheet date, as long as the result of the transaction can be reliably estimated.

LaLiga classifies the dividends obtained in its position as the Parent Association as financial income.

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a) Income from the assignment of trademark licences

LaLiga records the income received from the transfer of trademark licences based on the economic nature of the corresponding contracts. This income must correlate with the costs and compensation to be paid by LaLiga.

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

Joint marketing of audiovisual rights RDL 5/2015

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

- It assumes primary responsibility for the supply of goods and/or services.
- It has the capacity to set sales prices to end customers.
- It bears the credit risk assumed for the amount receivable from the customer.
- It has the freedom to choose its suppliers.
- It is consistent with the treatment applied during the 2015/2016 season in accordance with the statutory modifications approved in the Assembly.

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

Regarding the distribution of the gambling tax on Sports Betting corresponding to LaLiga, only the "remaining amounts" must be considered income attributable to LaLiga itself once the following applications have been made:

- 1) Payment of the debts contracted by LaLiga as a result of the early cancellation of the Recovery Plan, amounting to 1,001 thousand euros during financial year ended 30 June 2021 (897 thousand euros in financial year ended 30 June 2020).

This debt is associated with the 1991 Recovery Plan and corresponds to the payment this season of the loan requested by LaLiga in its day to remedy the debt that the clubs/SAD belonging to LaLiga had with the Mortgage Bank, the Higher Council for Sports, Social Security and the Public Treasury. On the other hand, another part of this debt was to cover the costs of restructuring works of stadiums in accordance with the requirements determined in RD 769/1993.

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2) Secondly:

- 2.a) For the construction, expansion, remodelling, adaptation, improvement, maintenance, conservation of the sports facilities of the clubs/SAD belonging to Professional Football, amounting to 7,436 thousand euros during financial year ended 30 June 2021 (8,649 thousand euros in financial year ended 30 June 2020).

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

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

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

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

The amount corresponding to LaLiga in financial year ended 30 June 2021 for its part of the distribution of the gambling tax on Sports Betting amounted to 16,237 thousand euros (16,171 thousand euros in financial year ended 30 June 2020). Additionally, an amount of 102 thousand euros has been recovered from the financing of works charged to Quinielas (75 thousand euros in financial year ended 30 June 2020), plus the amount returned from salary debts that has amounted to 0 thousand euros (1,773 thousand euros in financial year ended 30 June 2020), thus resulting in the final amount collected

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of 16,339 thousand euros (18,019 thousand euros in financial year ended 30 June 2020). At 30 June 2021, there is no amount pending collection with the Higher Council for Sports (2,351 thousand euros at 30 June 2020 that has been collected during the current financial year), see Note 10.

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

3.a) 60% of the remaining amounts resulting from deducting the total amount received in financial year ended 30 June 2021 by LaLiga from the distribution of the gambling tax on Sports Betting that amounted to 16,237 thousand euros (16,171 thousand euros in financial year ended 30 June 2020) plus the amount recovered from the financing of works charged to Quinielas, which amounted to 102 thousand euros (75 thousand euros in financial year ended 30 June 2020) plus the amount repaid from salary debts that amounted to 0 euros (1,773 thousand euros in financial year ended 30 June 2020), i.e., 16,339 thousand euros (18,019 thousand euros in financial year ended 30 June 2020) derived from the amounts of the previous sections 1), 2.a) and 2.b), and that will be distributed directly to the clubs without being considered in LaLiga's Profit and Loss Account.

3.b) The remaining 40% will be recorded in LaLiga's Profit and Loss Account as income for the latter, amounting to 3,161 thousand euros during financial year ended 30 June 2021 (3,389 thousand euros in financial year ended 30 June 2020).

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

	Thousands of euros	
	30.06.2021	30.06.2020
Amounts to distribute		
Collections from Quinielas	16,237	16,171
Refunds of salary debts	-	1,773
Recovery of works financing	102	75
Total to distribute	16,339	18,019
Amounts with specific destinations		
Recovery Plan	(1,001)	(897)
Facilities	(7,436)	(8,649)
Player salary guarantee	-	-
Remaining amounts	7,902	8,472
Direct payment to clubs	60%	5,083
LaLiga income	40%	3,389

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4.12 Leases

a) When LaLiga is the lessee – Finance lease

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

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

b) When LaLiga is the lessee – Operating lease

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

c) When LaLiga is the lessor

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

4.13 Transactions in foreign currency

a) Functional and presentation currency

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

b) Transactions and balances

Transactions in foreign currency are translated into the functional currency using the prevailing exchange rates on the transaction dates. Foreign currency gains and losses resulting from the settlement of these transactions and from the translation at the closing exchange rates of the monetary assets and liabilities denominated in foreign currency are recognised in the profit and

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loss account, except where they are deferred in equity such as qualified cash flow hedges and qualified net investment hedges.

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

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

4.14 Transactions between related parties

In general, transactions between group companies are initially accounted for at fair value. Where appropriate, if the agreed price differs from its fair value, the difference is recorded taking into account the economic reality of the transaction. Subsequent valuations are carried out pursuant to the corresponding regulations.

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

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

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

4.15 Business combinations

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

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

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The cost of the combination is determined by aggregating:

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

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

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

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

If the valuation processes necessary to apply the acquisition method described above cannot be completed on the end date of the year in which the combination occurs, this accounting is considered provisional, and said provisional values may be adjusted in the period necessary to obtain the information required that in no case will be longer than one year. The effects of the adjustments made in this period are recorded retroactively, amending the comparative information if necessary.

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

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

5. Financial risk management

5.1 Financial risk factors

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

The main financial risks impacting LaLiga are listed below:

a) Market risk

- (i) Exchange rate risk

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

(ii) Price risk

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

(iii) Interest rate risk of cash flows

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

b) Credit risk

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

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

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

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

The maximum credit risks at 30 June 2021 and 2020 are detailed below:

	Thousands of euros	
	<u>2021</u>	<u>2020</u>
Short-term investments in group companies, multigroup and associates	1,286	8,679
Long-term investments in group companies, multigroup and associates	23,380	-
Long-term financial investments	19,373	21,200
Cash and cash equivalents	33,748	169,005
Short-term financial investments	16,448	23,273
Long-term trade debtors and other accounts receivable	35,523	-
Short-term trade debtors and other accounts receivable	598,293	643,766
	<u>728,051</u>	<u>865,923</u>

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5.2 Estimation of fair value

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

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

6. Intangible assets

The detail and movement of items included in "Intangible assets" for financial years ended 30 June 2021 and 2020 is as follows:

	Thousands of euros				
	30/06/2020	Additions	Derecognitions	Transfers	30/06/2021
Patents, licences, trademarks and the like	73	-	-	-	73
Computer software	21,189	8,330	(3,599)	2,736	28,656
Computer software in progress	3,135	4,443	(358)	(2,736)	4,484
Total Cost of Intangible Assets	24,397	12,773	(3,957)	-	33,213
Accumulated amortisation on Patents, licences, trademarks and the like	(46)	(11)	-	-	(57)
Accumulated amortisation on Computer Software	(7,543)	(5,652)	160	-	(13,035)
Total Accumulated depreciation	(7,589)	(5,663)	160	-	(13,092)
Book Value of Intangible Assets	16,808	7,110	(3,797)	-	20,121

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	Thousands of euros				
	30/06/2019	Additions	Derecognitions	Transfers	30/06/2020
Patents, licences, trademarks and the like	73	-	-	-	73
Computer software	13,500	7,963	(521)	247	21,189
Computer software in progress	2,932	893	(443)	(247)	3,135
Total Cost of Intangible Assets	16,505	8,856	(964)	-	24,397
Accumulated amortisation on Patents, licences, trademarks and the like	(39)	(7)	-	-	(46)
Accumulated amortisation on Computer Software	(3,793)	(3,832)	82	-	(7,543)
Total Accumulated depreciation	(3,832)	(3,839)	82	-	(7,589)
Book Value of Intangible Assets	12,673	5,017	(882)	-	16,808

The main elements included under "Patents, licenses, trademarks and the like" and "Computer software" in the Association's intangible assets, and their amortisation periods, are:

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

During financial years ended 30 June 2021 and 2020, additions have been made under "Computer software in progress" and "Computer software" and mainly correspond to three applications that LaLiga has been developing in a very satisfactory manner, where their evolution and consequent investment continues.

- **BI&BA System:** for 913 thousand euros during financial year ended 30 June 2021 (2,286 thousand euros activated during financial year ended 30 June 2020).

This platform seeks to capture the digital behaviour of LaLiga's followers in a single environment, managing the information obtained to improve decision making.

This project is being developed in several phases, which is why part of the project is recorded as computer software and part as computer software in progress.

The net book value of this software at the end of financial year ended 30 June 2021 is 5,238 thousand euros.

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- **Mediacoach application:** for 2,945 thousand euros during financial year ended 30 June 2021 (4,306 thousand euros activated during financial year ended 30 June 2020).

The Mediacoach platform is a technological solution made up of a set of products and services provided to clubs for the technical, tactical and physical analysis of player and team performance. It comprises Mediacoach Desktop (video analysis tool), Mediacoach Live (App for real-time monitoring of matches), Mediacoach Portal (Service access portal), Mediacoach Reports (Performance reports) and Mediacoach Broadcast (Integrations with TV). Additionally, the platform provides statistical content on teams and players, pre and post game to digital environments for publication on portals, apps and Social Media.

The basis of all products is the positioning data and speed of the players on the pitch obtained via video cameras, software and associated servers installed in all stadiums, which together with the event data in which each player participates, is stored and transformed into multiple physical and sports performance variables that are delivered through the platform's different products.

The amount corresponding to computer software in progress of this software relates to the evolutionary developments of new software functionalities.

The net book value of this software at the end of financial year ended 30 June 2021 is 8,891 thousand euros.

- **Capacity Management System:** for 2,086 thousand euros during financial year ended 30 June 2021 (486 thousand euros activated during financial year ended 30 June 2020).

The Capacity Management System project, CMS, is based on the developments carried out for the Castor project, and directly related to the obligations resulting from the Regulation on the prevention of violence, racism, xenophobia and intolerance in sport, as well as the technological update of the stadium access and security systems of the clubs/SADs.

The net book value of this software at the end of financial year ended 30 June 2021 was 2,780 thousand euros.

Additionally, during financial year ended 30 June 2021, the Association acquired "Anti-piracy software" for 3,576 thousand euros. In the same financial year, the Association derecognised this "Anti-piracy software" by means of a non-monetary contribution to the equity of the newly created subsidiary company in financial year ended 30 June 2021, LaLiga Content Protection, S.L. (see Note 9).

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Similarly, during financial year ended 30 June 2021, derecognitions of the Association's intangible assets for a net book value of 221 thousand euros have occurred, which are recorded under "Impairment and gain/(loss) from disposals of fixed assets" in the profit and loss account. During financial year ended 30 June 2020, there were derecognitions of the Association's intangible assets for a net book value of 882 thousand euros. An amount of 786 thousand euros was derecognised associated with the non-monetary contribution to the equity of the newly created subsidiary company in financial year ended 30 June 2020, Sports Entertainment and Innovation, S.L.U. (see Note 9), while an amount of 96 thousand euros corresponded to the sale of elements complementary to the non-monetary contribution to the same subsidiary.

After the end of financial year ended 30 June 2021, and as reported in Note 23, LaLiga approved a non-monetary contribution of intangible assets (mainly the "BI&BA System" platform, the "Mediacoach application and the "Capacity Management System" application) for an approximate amount of 18,099 thousand euros to the subsidiary "LaLiga Tech, S.L.U." (see Note 9).

At the end of financial year ended 30 June 2021, there are fully amortised intangible assets in use amounting to 2,469 thousand euros; 702 thousand euros at the end of financial year ended 30 June 2020.

7. Property, plant and equipment

The detail and movement of items included in "Property, plant and equipment" for financial years ended 30 June 2021 and 2020 is as follows:

	Thousands of euros				
	30/06/2020	Additions	Derecognitions	Transfers	30/06/2021
Facilities	3,791	620	-	-	4,411
Other facilities	16,485	1,544	-	-	18,029
Furniture	481	-	-	-	481
Information processing equipment	2,835	256	(22)	-	3,069
Total Cost of Property, Plant and Equipment	23,592	2,420	(22)	-	25,990
Accumulated depreciation on Facilities	(8,535)	(3,123)	-	-	(11,658)
Accumulated depreciation on Furniture	(254)	(49)	-	-	(303)
Accumulated depreciation on Information processing equipment	(1,801)	(400)	8	-	(2,193)
Total Accumulated depreciation	(10,590)	(3,572)	8	-	(14,154)
Book Value of Property, plant and equipment	13,002	(1,152)	(14)	-	11,836

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	Thousands of euros				
	30/06/2019	Additions	Derecognitions	Transfers	30/06/2020
Facilities	2,349	1,456	(14)	-	3,791
Other facilities	13,877	2,608	-	-	16,485
Furniture	435	58	(12)	-	481
Information processing equipment	2,617	236	(18)	-	2,835
Total Cost of Property, Plant and Equipment	19,278	4,358	(44)	-	23,592
Accumulated depreciation on Facilities	(5,656)	(2,881)	2	-	(8,535)
Accumulated depreciation on Furniture	(205)	(52)	3	-	(254)
Accumulated depreciation on Information processing equipment	(1,383)	(423)	5	-	(1,801)
Total Accumulated depreciation	(7,244)	(3,356)	10	-	(10,590)
Book Value of Property, plant and equipment	12,034	1,002	(34)	-	13,002

At the end of financial year ended 30 June 2021, there are fully depreciated tangible fixed assets in use amounting to 3,821 thousand euros; 1,023 thousand euros at the end of financial year ended 30 June 2020.

The following are representative additions for both periods (financial years ended 30 June 2021 and 2020):

Concept	Amounts (Thousands of euros)	
	2021	2020
Installation of 360° Security Cameras	-	824
Cabling for Camera Installations	420	700
Aerial Camera Installations	360	313
VAR Installations	-	194
INTEL 360° Installations	-	88
Improvements to LaLiga's office facilities	-	58
Total	780	2,177

Within its obligations resulting from the Regulation for the prevention of violence, racism, xenophobia and intolerance in sport, LaLiga is updating the video surveillance and recording systems to the new 360° technology in the stadiums of its partners. During financial year ended 30 June 2020, this technology was installed in three stadiums: Carlos Belmonte Stadium, Montilivi Stadium and Reale Arena Stadium. No installations of this technology were carried out

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during financial year ended 30 June 2021 as many stadiums had ongoing works during this season.

The heading of "Other Facilities" includes 6,371 thousand euros related to the installations of the video surveillance and recording systems of the aforementioned new 360° technology and of which LaLiga is the lessee under a financial lease (7,270 thousand of euros in financial year ended 30 June 2020).

Within its strategy of maximising security in stadiums and with the aim of making football enjoyable by all audiences, LaLiga is making significant efforts in investing and implementing the latest security technology.

During the financial year ended 30 June 2021, there have been derecognitions in the Association's property, plant and equipment for a net book value of 14 thousand euros (34 thousand euros at the end of financial year ended 30 June 2020). An amount of six thousand euros as derecognised associated with the non-monetary contribution to the equity of the newly created subsidiary in financial year ended 30 June 2021, LaLiga Content Protection, S.L. (see Note 9). In turn, and in financial year ended 30 June 2020, an amount of 13 thousand euros was derecognised associated with the non-monetary contribution to the equity of the newly created subsidiary in financial year ended 30 June 2020, Sports Entertainment and Innovation, S.L.U. (see Note 9), while an amount of 21 thousand euros corresponded to the sale of elements complementary to the non-monetary contribution to the same subsidiary.

After the end of financial year ended 30 June 2021, and as reported in Note 23, LaLiga approved a non-monetary contribution of property, plant and equipment (mainly technical facilities and information processing equipment) of approximately 1,691 thousand euros to the subsidiary "LaLiga Tech, S.L.U." (see Note 9).

LaLiga has taken out various insurance policies to cover the risks to which tangible fixed assets are subject. The coverage of these policies is considered sufficient.

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8. Analysis of financial instruments

8.1 Analysis by category

The book value of each of financial instrument category established in the rule for recording and valuing "Financial Instruments" for financial years ended 30 June 2021 and 2020, except investment in the equity of group companies, multigroup and associates (see Note 9), is as follows:

	Thousands of euros					
	Long-term financial assets					
	Equity instruments		Debt securities		Credits, Derivatives and Others	
	2021	2020	2021	2020	2021	2020
Credits to third parties (Note 10)	-	-	-	-	15,215	15,655
Credits to companies	-	-	-	-	23,380	-
Sundry debtors (Note 10)	-	-	-	-	35,523	-
Other financial assets (Note 10)	-	-	-	-	3,914	5,416
Hedging derivatives (Note 11)	-	-	-	-	244	129
	-	-	-	-	78,276	21,200
	Short-term financial assets					
	Equity instruments		Debt securities		Credits, Derivatives and Others	
	2021	2020	2021	2020	2021	2020
Other financial assets (Note 10)	-	-	-	-	8,757	17,742
Credits to companies (Note 10)	-	-	-	-	8,977	14,210
Trade debtors and other accounts receivable (Note 10)	-	-	-	-	531,182	594,833
	-	-	-	-	548,916	626,785
	-	-	-	-	627,192	647,985

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	Thousands of euros					
	Long-term financial liabilities					
	Debt with financial entities		Obligations and other marketable securities		Loans, Derivatives and Others	
	2021	2020	2021	2020	2021	2020
Debits and payables (Note 15)	44,730	8,432	-	-	-	-
Finance lease (Note 15)	1,784	3,293	-	-	-	-
Other financial liabilities (Note 15)	-	-	-	-	9,035	23,896
	46,514	11,725	-	-	9,035	23,896
	Short-term financial liabilities					
	Debt with financial entities		Obligations and other marketable securities		Loans, Derivatives and Others	
	2021	2020	2021	2020	2021	2020
Debits and payables (Note 15)	14,219	3,030	-	-	148,480	112,654
Finance lease (Note 15)	1,485	1,389	-	-	-	-
Other financial liabilities (Note 15)	-	-	-	-	8,697	25,972
	15,704	4,419	-	-	157,177	138,626
	62,218	16,144	-	-	166,212	162,522

8.2 Analysis by maturity

At 30 June 2021 and 2020, the amounts of financial instruments with a specific or determinable maturity classified by year of maturity are as follows:

	Thousands of euros						
2021	Financial assets						
	2022	2023	2024	2025	2026	Subsequent years	Total
Other financial investments:							
- Credits to companies	546	6,380	-	17,000	-	-	23,926
- Credits to third parties	8,431	1,443	2,142	1,005	1,110	9,515	23,646
- Other financial assets	8,757	1,039	1,362	1,161	-	352	12,671
- Sundry debtors	8,881	8,881	8,881	8,881	8,880	-	44,404
- Hedging derivatives	-	-	-	244	-	-	244
- Trade debtors and other accounts receivable	522,301	-	-	-	-	-	522,301
	548,916	17,743	12,385	28,291	9,990	9,867	627,192

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2020	Thousands of euros						
	Financial assets						
	2021	2022	2023	2024	2025	Subsequent years	Total
Other financial investments:							
- Credits to companies	14,210	1,928	2,216	2,609	1,690	7,212	29,865
- Other financial assets	17,742	1,714	1,178	-	-	2,524	23,158
- Hedging derivatives	-	-	-	-	-	129	129
- Trade debtors and other accounts receivable	594,833	-	-	-	-	-	594,833
	626,785	3,642	3,394	2,609	1,690	9,865	647,985

2021	Thousands of euros						
	Financial liabilities						
	2022	2023	2024	2025	2026	Subsequent years	Total
- Debt with financial entities	14,219	14,750	14,817	14,121	1,042	-	58,949
- Finance lease creditors	1,485	1,235	-	549	-	-	3,269
- Other financial liabilities	8,697	1,842	357	357	357	6,122	17,732
- Trade creditors and other accounts payable	148,480	-	-	-	-	-	148,480
	172,881	17,827	15,174	15,027	1,399	6,122	228,430

2020	Thousands of euros						
	Financial liabilities						
	2021	2022	2023	2024	2025	Subsequent years	Total
- Debt with financial entities	3,030	2,086	2,250	2,317	1,779	-	11,462
- Finance lease creditors	1,389	1,458	980	558	221	76	4,682
- Other financial liabilities	-	2,396	-	-	-	21,500	23,896
- Trade creditors and other accounts payable	138,626	-	-	-	-	-	138,626
	143,045	5,940	3,230	2,875	2,000	21,576	178,666

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9. Shareholdings in group companies, multigroup and associates

Shareholdings in Group companies

The details of shareholdings in Group companies at the end of financial year ended 30 June 2021 is as follows:

Name and address	Legal form	Activity	Proportion of capital		Voting rights	
			Direct %	Indirect %	Direct %	Indirect %
Sociedad Española de Fútbol Profesional, S.A.U.	Public Limited Company	Provision of Services	100%	-	100%	-
LaLiga Servicios Digitales, S.L.U.	Limited Company	Provision of Services	100%	-	100%	-
LaLiga Content Protection, S.L.	Limited Company	Provision of Services	75%	-	75%	-
Sports Entertainment and Innovation, S.L.U.	Limited Company	Provision of Services	100%	-	100%	-
Digital & Sports Innovation, S.L.U.	Limited Company	Provision of Services	100%	-	100%	-
LaLiga Tech, S.L.U.	Limited Company	Provision of Services	100%	-	100%	-
LaLiga Entertainment, S.L.U.	Limited Company	Provision of Services	100%	-	100%	-
Asociación de Ligas Profesionales Españolas	Association	Promotion and defence of professional sports	-	-	25%	-
LaLiga DMCC (previously named LNFP FZE)	Limited Company	Provision of Services	100%	-	100%	-
La Liga (USA) Inc.	Delaware Corporation	Provision of Services	100%	-	100%	-
Beijing Spanish Football League Consulting Co., Ltd.	Limited Company	Provision of Services	100%	-	100%	-
La Liga South Africa Proprietary Limited	Limited Company	Provision of Services	100%	-	100%	-
LaLiga Singapore Pte Ltd.	Limited Company	Provision of Services	100%	-	100%	-
LaLiga LFP Mex, S.R.L.C.V.	Limited Company	Provision of Services	99.96%	0.04%	99.96%	0.04%
Spanish Football Sports & Entertainment (Shanghai) Co., Ltd.	Limited Company	Provision of Services	-	50%	-	50%
LaLiga North America, LLC	Limited Company	Provision of Services	-	50%	-	50%

None of the Group companies in which LaLiga has a shareholding is listed on a Stock Market

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International scope

Continuing with its international expansion strategy, during financial year ended 30 June 2019, LaLiga finalised a Joint Venture agreement with a 50% shareholding, for 15 years, in the United States and Canada, with Relevant Sports Group, one of the largest sports agencies in the United States and the main football industry agency in the region.

The “Joint Venture” agreement arises after viewing the opportunity to ally with a partner to work with to maximise awareness, interest and the value of our rights with a strategy in a territory that presents a major opportunity but that in turn can sometimes be complicated, extensive and diverse such as the markets of the United States and Canada. The objective of this agreement is to be a fundamental part of the growth of the football culture ahead of the 2026 World Cup that will take place in North America, generating new business opportunities for LaLiga as well as for LaLiga Santander and LaLiga Smartbank clubs and ultimately increase the brand value and television rights in what is the second most important market outside of Spain in economic terms.

On 1 July 2019, LaLiga, together with LaLiga Servicios Digitales, S.L.U., formed the company LaLiga LFP Mex, S.R.L.C.V. continuing the international expansion strategy.

Finally, and during financial year ended 30 June 2021, LaLiga finalised a Joint Venture agreement to form Spanish Football Sports & Entertainment (Shanghai) Co., Ltd., with a 50% shareholding, for the next 15 years, in China, with Mediapro Super Sports (Shanghai) Consulting Co., Ltd., to promote, exploit and market sporting commercial rights.

LaLiga therefore currently has six international subsidiaries and two fully operational “Joint Ventures”.

The main objectives of these subsidiaries in the territories in which they are established are the following:

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

National scope

During financial year ended 30 June 2018, LaLiga formed a new company in Spain, LaLiga Servicios Digitales, S.L.U., whose corporate purpose is the provision of digital and technological services related to sport, as well as defending intellectual property rights. The company began operations on 1 July 2018. LaLiga Servicios Digitales, S.L.U. is a company managed independently from LaLiga that provides the majority of its services to clients external to LaLiga.

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During financial year ended 30 June 2020, LaLiga formed a new company in Spain called Sports Entertainment and Innovation, S.L.U. through a monetary contribution of three thousand euros to the share capital on 14 February 2020. Subsequent to the commercial incorporation of the entity – on 16 June 2020 – LaLiga made a non-monetary contribution using intangible assets (see Note 6) and property, plant and equipment (see Note 7) amounting to 799 thousand euros. The non-monetary contribution was split between a capital increase of 92 thousand euros and a share premium of 707 thousand euros. The corporate purpose of this company is the provision of services to develop and exploit products of a digital and technological nature, consulting in new technologies and development of products and services to preserve intellectual property rights. The company began operations on 14 February 2020.

Sports Entertainment and Innovation, S.L.U. has:

- A business unit formed by the set of assets and liabilities that make up the OTT business consisting of the multi-channel digital platform dedicated to the distribution of sports content ("OTT Business").
- A business unit made up of the contents that feed the multi-channel digital platform and that are not part of the OTT Business ("Content Business").

Subsequently, on 27 May 2021, and within the restructuring process that LaLiga intends to carry out to rationalise its activity, achieve better management and maximise the value of its assets and businesses, with a special emphasis on the exploitation of the LaLiga's technology branch, LaLiga – as Sole Partner of Sports Entertainment and Innovation, S.L.U. – approved the full spin-off, separating the "OTT Business" and the "Content Business" through the transfer, as a unit and by universal succession, of both businesses – with accounting effects at 1 July 2020 based on the application of the Registration and Valuation Regulation 21.2 – to the following companies.

- Digital & Sports Innovation, S.L.U. that receives the "Content Business". This company was incorporated on 27 April 2021 through a monetary contribution of three thousand euros to the share capital, and its corporate purpose is to provide professional services to develop and exploit digital and technological products.
- LaLiga Tech, S.L.U. that receives the "OTT Business". This company was incorporated on 27 April 2021 through a monetary contribution of three thousand euros to the share capital, and its corporate purpose is the development, maintenance, marketing and evolution of computer applications and/or tools and provision of services related to these tools.

During the financial year ended 30 June 2021, LaLiga formed a new company in Spain called LaLiga Entertainment, S.L.U., whose corporate purpose is the development, promotion and commercial marketing of entertainment attractions for physical and/or virtual users located in certain theme, amusement or leisure parks. The company began operations on 1 March 2021. LaLiga Entertainment, S.L.U. is managed independently from LaLiga, as is expected to become a joint venture with the entry of new partners.

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Additionally, during financial year ended 30 June 2021, LaLiga formed a new company in Spain called LaLiga Content Protection, S.L. through a monetary contribution of three thousand euros to the share capital on 21 July 2020. The corporate purpose of this new company is the provision of anti-piracy services. Subsequent to the commercial incorporation of the entity – on 30 October 2020 – LaLiga made a non-monetary contribution using intangible assets (see Note 6) and property, plant and equipment (see Note 7) amounting to 3.582 million euros. The non-monetary contribution is split between a capital increase of 212 thousand euros and a share premium of 3,370 thousand euros.

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

With respect to Sociedad Española de Fútbol Profesional, S.A.U. and Servicios, Infraestructuras y Mantenimiento en el Deporte, S.L.U., on 1 December 2020, LaLiga – as Sole Shareholder of Sociedad Española de Fútbol Profesional, S.A.U. – approved the merger through absorption of Servicios, Infraestructuras y Mantenimiento en el Deporte, S.L.U. (absorbed company) by Sociedad Española de Fútbol Profesional, S.A.U. (absorbing company), with the former being dissolved without liquidation and the transfer of all its corporate assets to the latter as a unit. On 9 March 2021, the merger operation was registered in the Mercantile Registry, consequently closing the absorbed company (Servicios, Infraestructuras y Mantenimiento en el Deporte, S.L.U.).

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

In the case of the Association of Spanish Professional Leagues, an association created during financial year ended 30 June 2018 and of which, apart from LaLiga, the National Indoor Football League (LNFS), the Association of Basketball Clubs (ACB) and the Association of Spanish Handball Clubs (ASOBAL) are members. It is an association so there are no shares but rather components of the association, with LaLiga representing 25% of the associates.

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The details of shareholdings in Group companies at the end of financial year ended 30 June 2020 was as follows:

Name and address	Legal form	Activity	Proportion of capital		Voting rights	
			Direct %	Indirect %	Direct %	Indirect %
Sociedad Española de Fútbol Profesional, S.A.U.	Public Limited Company	Provision of Services	100%	-	100%	-
Servicios, Infraestructuras y Mantenimientos en el Deporte, S.L.U.	Limited Company	Provision of Services	-	100%	-	100%
LaLiga Servicios Digitales, S.L.U.	Limited Company	Provision of Services	100%	-	100%	-
Sports Entertainment and Innovation, S.L.U.	Limited Company	Provision of Services	100%	-	100%	-
Asociación de Ligas Profesionales Españolas	Association	Promotion and defence of professional sports	-	-	25%	-
LaLiga DMCC (previously named LNFP FZE)	Limited Company	Provision of Services	100%	-	100%	-
La Liga (USA) Inc.	Delaware Corporation	Provision of Services	100%	-	100%	-
Beijing Spanish Football League Consulting Co., Ltd.	Limited Company	Provision of Services	100%	-	100%	-
La Liga South Africa Proprietary Limited	Limited Company	Provision of Services	100%	-	100%	-
LaLiga Singapore Pte Ltd.	Limited Company	Provision of Services	100%	-	100%	-
LaLiga LFP Mex, S.R.L.C.V.	Limited Company	Provision of Services	99.96%	0.04%	99.96%	0.04%
LaLiga North America, LLC	Limited Company	Provision of Services	-	50%	-	50%

None of the Group companies in which LaLiga had a shareholding is listed on a Stock Market

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The amounts of capital, reserves, income for the year and other information of interest, as they appear in the individual annual accounts of the companies, at the end of 30 June 2021 are as follows:

Company	Equity						Accounting value in the matrix	Dividends received
	Capital	Reserves and other items	Issue Premium	Operating profit/(loss)	Profit/(Loss) for the year			
Sociedad Española de Fútbol Profesional, S.A.U.	2,104	421	-	1,715	1,381	2,104	1,682	
LaLiga Servicios Digitales, S.L.U.	3	10	-	216	86	3	-	
LaLiga Content Protection, S.L.	286	-	5,447	(969)	(969)	3,585	-	
Sports Entertainment and Innovation, S.L.U.	-	-	-	-	-	-	-	
Digital & Sports Innovation, S.L.U. (*)	3	(1,474)	-	(5,370)	(5,370)	6	-	
LaLiga Tech, S.L.U. (*)	3	(317)	-	(7,694)	(7,694)	802	-	
LaLiga Entertainment, S.L.U.	3	-	-	-	-	3	-	
Asociación de Ligas Profesionales Españolas	-	-	-	-	-	-	-	
LaLiga DMCC (previously named LNFP FZE)	14	9	-	195	195	14	384	
La Liga (USA) Inc.	-	36	-	39	93	-	-	
Beijing Spanish Football League Consulting Co., Ltd.	46	131	-	51	154	46	740	
La Liga South Africa Proprietary Limited	-	-	-	303	217	-	239	
LaLiga Singapore Pte. Ltd.	-	-	-	232	121	-	123	
LaLiga LFP Mex, S.R.L.C.V.	-	17	-	24	6	-	-	
Spanish Football Sports & Entertainment (Shanghai) Co., Ltd.	43	-	-	518	370	-	-	
LaLiga North America, LLC	-	856	-	(528)	(528)	-	-	
Totals						6,563	3,168	

All companies that are operational at 30 June 2021 are audited, with the exception of the Asociación de Ligas Profesionales Españolas.

(*) These companies are in equity balance due to the granting of participating loans (see note 21). LaLiga carried out a corporate restructuring process in financial year ended 30 June 2021 with the aim of rationalising its activity and maximising the value of its assets and businesses

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with special emphasis on the technology developed by LaLiga up to that date. As a result of this restructuring and the investment phase they are in, these subsidiaries have incurred the losses shown in the above table and which have resulted in negative equity in the consolidated annual accounts amounting to 4,253 thousand euros at the end of financial year ended 30 June 2021. At 27 September, the date these annual accounts were prepared, consolidated equity is positive.

However, the business plans of these companies contemplate the generation of future benefits in upcoming years, and require financing from LaLiga or third parties until such benefits occur.

In this sense, while this result occurs and following prudent criteria, the Group's technology companies have not recorded the expenses related to the development of computer applications incurred during financial year ended 30 June 2021 as a higher value of the asset (see Notes 2.c and 4.1.b).

On the other hand, it is important to note that, in the first three months since the launch of LaLiga Tech, S.L., opportunities have opened on the five continents.

Additionally, contracts worth 963 thousand euros have been closed in these three months, of which 39% is concentrated in ten Content Protection clients – 378 thousand euros – and 61% is the contract with World Padel Tour – 585 thousands of euros.

Likewise, the LaLiga agreement with the CVC investment fund whereby this investor contributes funds amounting to 2,000 million euros to clubs to improve professional football competitions organised by LaLiga and, therefore, to maximise the value of the audiovisual rights and, in general, to develop the other businesses, will generate a series of additional synergies with other competitions in which CVC is involved (Six Nations Rugby Tournament, Pro14, Premiership Rugby, Volleyball World, etc.) that will accelerate growth in the technology business, without, of course, taking into account the contribution to the development of the business that their successful experience in other sports investments will bring to the development of LaLiga (Formula One, MotoGP, etc.).

Finally, and regarding the development and marketing of LaLiga's OTT, LaLiga SportsTV, it is important to consider that a payment service will be applied to certain content from 1 October, which will imply the start of monetising the development carried out up to this point.

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The amounts of capital, reserves, income for the year and other information of interest, as they appear in the individual annual accounts of the companies, at the end of 30 June 2020 were:

Company	Thousands of euros						
	Capital	Equity Reserves and other items	Issue Premium	Operating profit/(loss)	Profit/(Loss) for the year	Accounting value in the matrix	Dividends received
Sociedad Española de Fútbol Profesional, S.A.U.	2,104	421	-	411	1,056	2,104	1,165
Servicios, Infraestructuras y Mantenimientos en el Deporte, S.L.U.	100	20	100	823	607	-	-
LaLiga Servicios Digitales, S.L.U.	3	95	-	15	(85)	3	-
Sports Entertainment and Innovation, S.L.U.	95	-	706	(2,460)	(2,460)	801	-
Asociación de Ligas Profesionales Españolas	-	-	-	-	-	-	-
LaLiga DMCC (previously named LNFP FZE)	14	90	-	388	327	14	938
La Liga (USA) Inc.	-	48	-	35	27	-	-
Beijing Spanish Football League Consulting Co., Ltd.	45	(1,094)	-	1,755	1,293	46	2,121
La Liga South Africa Proprietary Limited	-	(10)	-	314	213	-	-
LaLiga Singapore Pte. Ltd.	-	3	-	138	129	-	324
LaLiga LFP Mex, S.R.L.C.V.	-	-	-	17	9	-	-
LaLiga North America, LLC	-	2,165	-	(2,716)	(2,687)	-	-
Totals						2,968	4,548

All companies that were operational at 30 June 2020 were audited, with the exception of the Asociación de Ligas Profesionales Españolas.

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10. Loans and receivables

	Thousands of euros	
	2021	2020
Non-current:		
Long-term investments in group companies, multigroup and associates	23,380	-
Credits to companies	23,380	-
- Loans to group companies (Note 21)	23,380	-
Long-term financial investments	19,373	21,200
Credits to third parties	15,215	15,655
- Accounts receivable by Collective Agreement	9,978	11,182
- AFE Joint Commission Loans	2,404	2,404
- Loan for "Works"	79	44
- Loan for "Economic Value LaLiga Participation" Promoted Clubs	2,754	2,025
Derivatives	244	129
- Derivatives (Note 11)	244	129
Other financial assets	3,914	5,416
- Other Assets "Recovery Plan / Works"	3,562	4,632
- Other Assets	352	784
Long-term sundry debtors	35,523	-
- Clubs' Current accounts "Covid expenses financing" (Note 14)	35,523	-
	78,276	21,200
	Thousands of euros	
	2021	2020
Current:		
Trade debtors and other accounts receivable	531,182	594,833
Clients for sales and provision of services	511,009	577,043
- Accounts receivable from Clients / Sponsors	511,009	577,043
Clients, group companies and associates	11,292	13,547
- Accounts receivable Group companies (Note 21)	11,292	13,547
Sundry debtors	8,881	4,103
- Clubs' Current accounts	-	1,752
- Clubs' Current accounts "Covid expenses financing" (Note 14)	8,881	-
- Accounts receivable "Higher Council for Sports"	-	2,351
Personal	-	140
- Personal	-	140
Short-term investments in group companies, multigroup and associates	1,286	8,679
Credits to third parties	546	6,558
- Loans to group companies (Note 21)	546	6,558
Other financial assets	740	2,121
- Dividends Receivable "Beijing Spanish Football League Consulting Co., Ltd." (Note 19)	740	2,121
Short-term financial investments	16,448	23,273
Credits to third parties	8,431	7,652
- Loan for "Economic Value LaLiga Participation" Promoted Clubs	4,130	2,560
- Club Loans "Additional Provision I RD 5/2015"	-	1,101
- Loans for Women's Football "Art. 6 e.1) RD 5/2015"	78	95
- Loans to Entities of Second Division B "Art. 6 e.2) RD 5/2015"	431	410
- Accounts receivable by Collective Agreement	3,712	3,340
- Accounts receivable "Financing of Works"	80	146
Other financial assets	8,017	15,621
- Other Assets	305	131
- Deposits	7,712	15,489
	580,698	626,785

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

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

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

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

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

Continuing with the analysis of receivables, the balances pending collection from these groups of debtors are included under "Accounts receivable from Clients / Sponsors". The variation with respect to the previous financial year is mainly due to the effect of the net decrease in income (see Note 17) and in turn to the decrease in the anticipated invoicing issued related to the national and international batches of the audiovisual rights for the 2021/2022 season (see Note 4.10). Additionally, it should be noted that a good part of these invoices has been collected after the close of financial year ended 30 June 2021 and after preparing these annual accounts.

The heading "Accounts receivable "Higher Council for Sports"" included the debt that the Higher Council for Sports had at the end of financial year ended 30 June 2020 with the Association for the distribution of the gambling tax on Sports Betting corresponding to LaLiga as a consequence of the 2020 General State Budget pending approval on said date.

With respect to the heading "Club Loans "Additional Provision I RD 5/2015"", during the 2016/2017 season LaLiga obtained a loan that was guaranteed through audiovisual rights,

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using the mechanism established in the First Additional Provision of RD 5/2015, whose amount has subsequently been loaned to clubs/SADs that used it to pay debts with the Public Administrations in full. These loans were renewed during financial year ended 30 June 2019 and therefore reflected as long or short term according to their estimated payment date. During financial year ended 30 June 2021, an amount of 1,101 thousand euros has been received (1,631 thousand euros in financial year ended 30 June 2020), with all loans granted having been settled at 30 June 2021.

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

In relation to "Deposits", the amount at the end of financial year ended 30 June 2021 mainly corresponds to a surety. On 9 August 2019, Commercial Court number 2 of Madrid issued an order by which, as a result of the partial estimate of the precautionary measure requested by LaLiga against the R.F.E.F. of cessation or impediment to the holding of LaLiga Santander and Liga Smartbank football matches on Fridays of each week, it was agreed that LaLiga would provide a guarantee amounting to 15 million euros. During financial year ended 30 June 2021, the Provincial Court estimated the precautionary measures requested by LaLiga against the resolution of the Commercial Court, with the Association withdrawing the surety for 9 million euros. Additionally, in June 2021, the Provincial Court of Madrid estimated the resource of LaLiga for the dispute of matches on Mondays and Fridays. The judgment thus resolves the appeal that LaLiga filed after the case went to trial in February 2020 and the Commercial Court number two dismissed the employer's claim and ordered the parties to reach an agreement. The remaining amount corresponds to lower quantity deposits.

In general, accounts receivable from clients overdue less than six months are considered to have not suffered any impairment in value. In any case, from the analysis carried out at the end of the year, it has been concluded that there no "Loans and accounts receivable" have suffered any impairment in addition to the 2,435 thousand euros (2,884 thousand euros in financial year ended 30 June 2020).

The movement of the provision for impairment on accounts receivable from clients is as follows:

	<u>Thousands of euros</u>	
	<u>2021</u>	<u>2020</u>
Impairment at the start of the year	(2,884)	(2,884)
Impairment for the year	-	-
Accounts receivable derecognised due to bad debts	449	-
Impairment at the end of the year	(2,435)	(2,884)

Additionally, during financial year ended 30 June 2021, the Association derecognised 1,472 thousand euros directly against the profit and loss account (923 thousand euros in financial

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year ended 30 June 2020) associated with receivables with clients as they were not considered collectible.

11. Derivative financial instruments

The detail of the financial instruments contracted by LaLiga at 30 June 2021 and 2020 is as follows:

	Thousands of euros			
	2021		2020	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps – cash flow hedges	139	-	53	-
Total	139	-	53	-

Interest rate swaps

During the 2016/2017 season, and associated with the novation of the syndicated loan, see Note 14, the interest rate coverage was partially novated, 50% in favour of Banco Santander, 25% in favour of Bankia and another 25% in favour of Banco Bilbao Vizcaya Argentaria. Following this novation, the notional principal of the interest rate swap contracts outstanding at 30 June 2021 would amount to 8,533 thousand euros (10,626 thousand euros at 30 June 2020).

At 30 June 2021, the variable interest rate is the EURIBOR, as it was at 30 June 2020.

12. Cash and cash equivalents

The detail of cash and cash equivalents amounts at 30 June 2021 and 2020 is as follows:

	Thousands of euros	
	2021	2020
Cash	4	6
Banks	33,744	168,999
Total Cash and cash equivalents	33,748	169,005

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

The decrease in the cash position with respect to the end of financial year ended 30 June 2020 is mainly due to the effect of the following factors:

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- a) Advance payments to television operators, both national and international, which at 30 June 2021 are lower than the anticipated payments on the same date of the previous period.
- b) During financial year ended 30 June 2021 under "Withholdings made to clubs / SADs for obligations "Art. 6 RD 5/2015"", higher payment obligations have been satisfied than withholdings corresponding to the Compensation Fund for relegation, mainly due to:
- The characteristics of the clubs/SADs that were relegated in the 2019/2020 season.
 - The effect of the amendment to section 1 of article 6, letter a), reducing the financing of the Compensation Fund due for relegation from 3.5% to 2.5%.
- c) In the context of the restructuring process that LaLiga intends to carry out to streamline its activity and achieve better management and maximise the value of its assets and businesses, with special emphasis on the exploitation of the technology developed by LaLiga, the Association has granted a series of participating loans to its subsidiaries Digital & Sports Innovation, S.L.U., LaLiga Tech, S.L.U. and LaLiga Content Protection, S.L. for an amount of 14,750 thousand euros (see Note 21.d).

13. Equity

The composition of Equity at 30 June 2021 and 2020 is as follows:

	Thousands of euros	
	2021	2020
Social Fund	8,136	8,136
Surplus Profit/(loss) for the year	12	-
Hedging operations	139	53
	8,287	8,189

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14. Debits and payables

The detail of debits and payables at 30 June 2021 and 2020 is as follows:

	Thousands of euros	
	2021	2020
Non-current:		
Debt with financial entities	44,730	8,432
- Loans with credit Institutions – Syndicated	6,188	8,432
- Loans with credit Institutions – Covid Financing	38,542	-
Finance lease creditors	1,784	3,293
- Finance lease creditors	1,784	3,293
Other financial liabilities	9,035	23,896
- Economic Value LaLiga Participation	1,485	1,350
- Withholdings made with Clubs/SADs for obligations "Art. 6 RD 5/2015"	6,121	21,500
- Other	1,429	1,046
	55,549	35,621
	Thousands of euros	
	2021	2020
Current:		
Short-term debt	24,401	30,391
Debt with financial entities	14,219	3,030
- Loans with credit Institutions – Syndicated	2,345	2,194
- Debts with Credit Institutions for Club Loans "Additional Provision I RD 5/2015"	-	836
- Loans with credit Institutions – Covid Financing	11,458	-
- Loans with credit Institutions – Credit line	416	-
Finance lease creditors	1,485	1,389
- Finance lease creditors	1,485	1,389
Other financial liabilities	8,697	25,972
- Economic Value LaLiga Participation	5,251	3,187
- Withholdings made with Clubs/SADs for obligations "Art. 6 RD 5/2015"	104	21,806
- Accounts payable to third parties by Collective Agreement	78	187
- Sundry deposits received and others	3,264	792
Trade creditors and other accounts payable	148,480	112,654
- Suppliers	65,504	64,705
- Accounts payable to related parties (Note 21)	7,439	3,138
- Sundry creditors	-	349
- Clubs' Current accounts	71,867	41,517
- Remuneration Pending Payment	3,354	2,844
- Client advances	316	101
	172,881	143,045
	228,430	178,666

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

The heading "Economic Value LaLiga Participation" corresponds to the amounts that LaLiga owes to the clubs that have ceased to be part of it for this concept. These amounts will be returned to said clubs/SADs based on the recovery of the amounts loaned by LaLiga to the clubs/SADs that have become part of it, see Note 10.

The financial leases signed with different banking entities to finance the installation of video surveillance and recording systems of the new 360° technology are recorded under "Finance lease creditors", see Note 7.

As reflected in Note 10, as a consequence of that established in the agreement signed on 25 August 2011 between LaLiga and the Association of Spanish Footballers to call off the strike initiated by the latter, specifically Annex I, LaLiga guaranteed the payment of the debts that its associated clubs/SADs had with their professional players corresponding to the 2010/2011, 2011/2012, 2012/2013, 2013/2014 and 2014/2015 seasons. To make the payment of said debts guaranteed by LaLiga, nominative promissory notes were delivered to the players whose maturities ended during the 2016/2017 season. The heading "Accounts payable by Collective Agreement" includes the amount of those promissory notes that at the end of each year had not been presented for collection.

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

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

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

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

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

The first financial year in which the effective application of the aforementioned changes took place was that ended 30 June 2021.

The variation in the balance at the end of each financial year depends directly on the characteristics of the club/SAD that may be relegated by applying the criteria determined in Book VIII of LaLiga's General Regulations. During financial year ended 30 June 2021, higher payment obligations have been satisfied than withholdings corresponding to the Compensation Fund for relegation, mainly due to:

- The characteristics of the clubs/SADs that were relegated in the 2019/2020 season.
- The effect of the amendment to section 1 of article 6, letter a), reducing the financing of the aforementioned Compensation Fund due for relegation from 3.5% to 2.5%.

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

Finally, "Clubs' Current Accounts" includes the balances pending payment to them. The variation with respect to the previous financial year is mainly due to the total amount pending payment related to audiovisual rights at the end of 30 June 2021 being greater than that of the previous financial year.

a) Loans with credit institutions

Syndicated financing

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

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

Amortisation Date	Amount to Amortise (Thousands of euros)
30 June 2022	2,345
30 June 2023	2,245
30 June 2024	2,286
30 June 2025	1,657
Total	8,533

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

- Debt service coverage ratio.
- Adjusted debt/adjusted EBITDA ratio.
- Maximum investment in CAPEX.

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

Both at the end of financial year ended 30 June 2021 and 2020, LaLiga has complied with the requirements of said ratios, and expects to comply with them for financial year ended 30 June 2022.

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

Club financing

With the approval by an enhanced majority of the Extraordinary General Assembly on 14 July 2016, LaLiga signed a financing agreement with Bankia and Banco Bilbao Vizcaya Argentina on 28 July 2016 for a maximum amount of 20 million euros. The purpose of this financing is set

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out in the First Additional Provision of RD 5/2015 of 30 April on payment of debts with Public Administrations by football clubs or entities participating in LaLiga.

On 14 March 2019, LaLiga signed a novation with Bankia and Banco Bilbao Vizcaya Argentaria for the previous loan. The interest rate paid by LaLiga for this financing is Euribor plus 2% per annum.

During financial year ended 30 June 2021, the remaining amounts of principal drawn down have been repaid, amounting to 836 thousand euros.

Credit lines

During financial year ended 30 June 2021, two credit policies were formalised, mainly intended to speed up management of the payment of Value Added Tax returns to clubs/SADs:

- On 3 August 2020, the Credit Line contracted with Banco Santander for a maximum of 100,000 thousand euros, with 0 euros drawn down at the end of the year. The Credit Line matures on 3 August 2021. Quarterly settlement of interest. Interest rate 1.5%.
- On 23 September 2020, the Credit Line contracted with BBVA for a maximum of 50,000 thousand euros, with 416 thousand euros drawn down at the end of the year. The Credit Line matures on 23 March 2022. Quarterly settlement of interest. Interest rate 1.65%.

COVID financing

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

On 25 February 2021, the Association told members of the Executive Committee, who approved, that in relation to the budgets and expenses that LaLiga is assuming and paying on behalf of the clubs/SAD, they will be distributed to them in five seasons among the clubs that competed in each of those seasons. In this sense, and as stated in Note 10, LaLiga has collection rights recorded under the "Sundry debtors" for 8,881 thousand euros and "Long-term sundry debtors" for 35,523 thousand euros.

In line with the above, the Association has worked with Banco Santander to receive an ICO Guarantees Facility Loan Policy as an investment for 50,000 thousand euros, intended to pay the aforementioned extraordinary expenses that LaLiga has assumed on behalf of the clubs/SADs. The policy matures on 31 July 2025, with a grace period until 31 July 2021. The interest rate is 2.20%, with the first interest payment period being August 2021.

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The balances pending repayment at 30 June of each financial year on the above policy are as follows:

Amortisation Date	Amount to Amortise (Thousands of euros)
Year ended 30 June 2022	11,458
Year ended 30 June 2023	12,500
Year ended 30 June 2024	12,500
Year ended 30 June 2025	12,500
Year ended 30 June 2026	1,042
Total	50,000

In July 2021, the Association made an early partial amortisation of 14,477 thousand euros, so the outstanding balance at the preparation date is 35,523 thousand euros.

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

	2021	2020
	No. of Days	No. of Days
Average payment period to suppliers	34	33
Ratio of operations paid	34	32
Ratio of operations pending payment	33	6
	Amount Thousands of euros	Amount Thousands of euros
Total payments made	375,120	418,188
Total payments outstanding	23,389	18,298

c) Guarantees

At the end of financial year ended 30 June 2021, there are guarantees held with banks amounting to 3,618 thousand euros (5,538 thousand euros at the end of financial year ended 30 June 2020). Most guarantees provided by the LaLiga are as a result of LaLiga filing various Economic-Administrative claims with the Central Economic-Administrative Courts (TEAC).

15. Long-term staff benefit obligations

Retirement award

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

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The expected costs of these benefits are accrued during the working life of the employees in accordance with an accounting method similar to that of defined contribution pension plans. In financial year ended 30 June 2021, the expense amounted to 205 thousand euros (131 thousand euros in financial year ended 30 June 2020).

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

16. Open litigation in progress

The detail and situation of the most relevant legal matters pending resolution is as follows:

Identification of the Procedure	Brief description of the dispute
Contentious-Administrative Chamber National Court. Ordinary Procedure 196/2016.	Contentious-administrative appeal filed against Higher Council for Sports resolutions approving the amendment of LaLiga's Articles of Association and the General Regulations on audiovisual rights. Favourable judgment pending appeal.
Contentious-Administrative Chamber National Court. Ordinary Procedure 377/2016.	Contentious-administrative appeal against the Resolution of the Higher Council for Sports approving the Regulation on TV Broadcasting.
Contentious-Administrative Chamber National Court. Ordinary Procedure 336/2016.	Contentious-administrative appeal against the resolution of the President of the Higher Council for Sports dated 5 July 2016 requesting the inadmissibility of the arbitration filed on 9 June 2016 challenging the Regulation on TV Broadcasting. Favourable judgment pending appeal.
Contentious-Administrative Chamber National Court. Ordinary Procedure 574/2018.	Contentious-administrative appeal against the Resolution of the Higher Council for Sports of 26 July 2018 approving amendments to the Regulation on TV Broadcasting.
Ordinary Procedure 1077/2018 Court of First Instance No. 61 of Madrid.	Challenge of the agreement by the control body that determines the value of the penalty point. Favourable judgment pending appeal.
Ordinary Procedure 132/2020 Court of First Instance No. 15 of Madrid.	Challenge of the agreement by the control body of 19 December 2019 and request for a judgment to render accounts.
Appeal 01/2021 Supreme Court (Section 3) contentious-administrative chamber.	Appeal against Royal Decree 958/2020 of 3 November.
Ordinary Procedure 32/2020 Central contentious-administrative Court No. 1.	Appeal to challenge the Higher Council for Sports Resolution that resolves the existing conflict regarding the approval of the 2019/2020 season calendar.
Ordinary Procedure 32/2020 Central contentious-administrative Court No. 2 of Madrid.	Appeal filed against the resolution of the CAS that resolves the conflict of powers regarding the disciplinary proceedings initiated by the RFEF against a club affiliated to LaLiga. LaLiga acts as co-defendant.
Ordinary Procedure 33/2020 Central contentious-administrative Court No. 8 of Madrid.	Appeal against the Higher Council for Sports resolution of 16 October 2020 that resolves the conflict regarding the scheduling of Monday and Friday matches. LaLiga acts as co-defendant.
Ordinary Procedure 36/2020 Central contentious-administrative Court No. 3 of Madrid.	Appeal against the Higher Council for Sports resolution approving the amendment of Article 124 of the General Regulations of the RFEF.

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Sanctioning File 2020169 PLCO. Galicia Regional Government. Department of Health.	Penalty procedure currently suspended.
Ordinary Procedure No. 37/2020 of the Court of First Instance No. 67 of Madrid.	Claim and request for arbitration on public accountability in relation to various agreements of LaLiga's General Assembly on 28 October 2019 approving the annual accounts and budgets. Favourable judgment pending appeal.
Identification of the Procedure	Brief description of the dispute
Ordinary Procedure 20/2019 Central contentious-administrative Court No. 12 of Madrid.	Challenge the agreement of the Higher Council for Sports Board of Directors in its meeting on 29 March 2019, in which it agreed to dismiss the request for the amendments of Articles 153, 154, 155, 156 and 214 of the General Regulations of R.F.E.F. LaLiga acts is co-defendant.
Ordinary Procedure 1468/2018 Commercial Court No. 12 of Madrid.	Claim filed by LaLiga with a request for a precautionary measure to have the unfairness of the conduct declared and cessation and prohibition of subsequent repetition of unfair behaviour against the R.F.E.F. given the denial of authorisation to hold official matches of the National League Championship outside the national territory.
Ordinary Procedure 829/2019 of the Court of First Instance No. 35 of Madrid.	Claim for arbitration on compliance with the marketing agreement signed between LaLiga and R.F.E.F. on the audiovisual rights of Copa SM El Rey, regarding access to information and auditing.
Ordinary Procedure No. 1443/2019 and precautionary measures followed before the Commercial Court No. 2 of Madrid.	Claim filed by LaLiga with a request for precautionary measures to have the unfairness of the conduct declared and abuse of a dominant position against the R.F.E.F. regarding the power to schedule matches on Mondays and Fridays. Favourable ruling on appeal.
Contentious-Administrative Chamber of the National Court.	Appeal against the Resolution of the director of the Data Protection Agency that resolves the penalty procedure PS/0036/2018 with a request for precautionary measures.
Economic-Administrative Claim with the TEAC.	Agreement to initiate the derivation of joint liability derived from the enforcement procedure that was followed against Recreativo. Not being satisfied, an economic-administrative claim is filed with the TEAC. Processing status: appealed before the National Court.
Economic-Administrative Claim with the TEAC.	Agreement to initiate the derivation of joint liability, notified on 14-02-18, derived from the enforcement procedure that was taken against Real Jaén. The return of the participation fee was in 2014. Regarding this agreement, allegations were filed and rejected. Processing status: filing of an economic-administrative claim with the TEAC.
Economic-Administrative Claim with the TEAC.	Agreement to initiate the derivation of joint liability, notified on 14-02-18, derived from the enforcement procedure that was taken against Racing de Santander. The federative rights transfer operations took place from 2013 to 2016. Not being compliant, allegations have been filed against said agreement to the regional Revenues Agency - Special Delegation of Cantabria and they have been rejected. Processing status: favourable resolution.

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

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17. Income and expenses

a) Net Turnover

Income from the marketing of audiovisual rights

The detail of the income from the marketing of audiovisual rights at the end of financial years ended 30 June 2021 and 2020 by territory is as follows:

	Thousands of euros	
	2021	2020
Marketing Audiovisual Rights National	1,094,143	1,105,230
Marketing Audiovisual Rights International	701,740	708,430
<i>Subtotal Negotiation / Marketing of Audiovisual Rights</i>	<i>1,795,883</i>	<i>1,813,660</i>
Advertising Spain	-	45
Technical costs - Information right Spain	-	1,902
Sale of images and other services Spain	422	-
<i>Subtotal Re-invoicing Production Costs</i>	<i>422</i>	<i>1,947</i>
	<i>1,796,305</i>	<i>1,815,607</i>

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

The decrease in the marketing of audiovisual rights compared to financial year ended 30 June 2020 was 19,302 thousand euros. This decrease was due to the net effect of the following two factors:

- Upwards impact of 94,537 thousand euros derived from the cut-off effect of operations that, in accordance with the accrual principle, occurred over the 2019/2020 season (see Note 26).
- Downwards impact mainly as a consequence of the contractual review of certain operators as a result of the conditions derived from the health crisis.

Income from "Sponsorship, licences and others"

The detail of the income from "Sponsorship, licences and others" at the end of financial years ended 30 June 2021 and 2020 by territory is as follows:

	Thousands of euros	
	2021	2020
Spain	44,209	43,693
Africa	-	1,867
Americas	30,561	17,795
Asia / Oceania	7,954	6,252
Europe	15,228	16,840
MENA	-	298
	<i>97,952</i>	<i>86,745</i>

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The increase in revenues with respect to the financial year ended 30 June 2020 has occurred as a result of upward renewals of contracts in force, the most significant in this case being EA Sports in America.

b) Other operating income

Sundry and other current management income

The breakdown of this heading at the end of financial years ended 30 June 2021 and 2020 is as follows:

	Thousands of euros	
	2021	2020
Radio Broadcasts	457	712
Sundry Income	3,145	2,778
Sundry Income Group Companies	8,372	6,891
Data Income	1,900	2,057
Recovery for Abandonment of Division	3,546	2,174
LaLiga National and International Promotion - 1%	15,174	16,630
LaLiga Apps	1,230	3,169
	33,824	34,411

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

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

The breakdown of this heading at the end of financial years ended 30 June 2021 and 2020 is as follows:

	Thousands of euros	
	2021	2020
Procurements:		
Expenses Sponsorships and Licences Clubs/SADs	14,987	9,700
Sales management expenses and Sponsorship	46,451	37,569
Marketing Audiovisual Rights expenses	1,696,072	1,717,109
	1,757,510	1,764,378

The heading "Commercial management expenses and Sponsorships" includes the costs associated with the income from licences and sponsorships. The increase in expenses compared to financial year ended 30 June 2020 is mainly due to the increase in expenses associated with the purchase of DBR for 1 million euros, and the launch of E-Sports for 7 million euros.

Under "Marketing Audiovisual Rights Expenses", there is a decrease of 21,037 thousand euros compared to financial year ended 30 June 2020. This decrease was due to the net effect of the following two factors:

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- Upwards impact of 93,298 thousand euros derived from the cut-off effect of operations that, in accordance with the accrual principle, occurred over the 2019/2020 season (see Note 26).
- Downwards impact mainly as a consequence of the contractual review of certain operators as a result of the conditions derived from the health crisis, which implies a reduction in the distribution of audiovisual rights among clubs/SAD.

d) Operating grants included in profit or loss

LaLiga obtained and recognised the distribution of 45.50% of the gambling tax on Sports Betting as subsidy income, fundamentally, for 3,169 thousand euros (3,389 thousand euros in financial year ended 30 June 2020), see Note 4.11, section 3.b.

e) Staff costs

The breakdown of staff costs for financial years ended 30 June 2021 and 2020 is as follows:

	Thousands of euros	
	2021	2020
Wages, salaries and the like	27,545	26,079
Pension Plan Contribution	2	-
Other staff welfare costs	397	553
Staff welfare costs:		
- Social Security	5,878	5,435
	33,822	32,067

The heading "Wages, salaries and the like" for financial year ended 30 June 2021 includes compensation costs of 322 thousand euros (220 thousand euros in financial year ended 30 June 2020).

The increase in spending on wages and salaries is mainly due to the average increase in the Association's staff by 28 people over financial year ended 30 June 2020.

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

	2021	2020
Management Staff	19	18
Managers	75	69
Coordination and/or advisory staff Level I	143	130
Coordination and/or advisory staff Level II	133	122
Support Level I	82	90
Support Level II	46	11
	498	440

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

	2021			2020		
	Men	Women	Total	Men	Women	Total
Management Staff	13	7	20	12	5	17
Managers	57	19	76	53	19	72
Coordination and/or advisory staff Level I	103	45	148	105	40	145
Coordination and/or advisory staff Level II	101	40	141	95	33	128
Support Level I	44	47	91	48	48	96
Support Level II	22	6	28	13	3	16
	340	164	504	326	148	474

The average number of people employed during the year with a disability greater than or equal to 33%, distributed by category is:

	2021	2020
Coordination and/or advisory staff Level II	-	1
Support Level I	1	1
Support Level II	2	2
	3	4

f) Other current management expenses

	Thousands of euros	
	2021	2020
Competition Arbitration	5,434	2,930
R.F.E.F. (Royal Spanish Football Federation) Agreement	25,406	23,116
Professional Football Foundation Agreement	950	2,059
AFE Agreement	3,200	3,200
Donation to the Women's Football Association	-	1,600
Aficiones Unidas Agreement	-	103
LaLiga 4Sports Agreement	-	3,323
Other Expenses	4,358	1,671
	39,348	38,002

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

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

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g) External services

	Thousands of euros	
	2021	2020
Leases and royalties	5,573	3,529
Repair and conservation	1,927	559
Independent professional services	50,312	58,785
Insurance premiums	876	765
Banking services and the like	643	262
Advertising and public relations	32,424	32,403
Supplies	760	504
Other Services	4,942	9,873
	97,457	106,680

"Leases and royalties" mainly include the rental of the LaLiga head offices in Madrid and Barcelona.

Independent Professional Services has reduced mainly due to a series of events neither being held or held with restrictions that has led to cost savings, the most notable being the Davis Cup, the International Champions Cup or events related to "El Clásico".

Within "Advertising and public relations", the main expenses correspond to those incurred by new Branded Content agreements with various publishing groups.

"Other services" records sundry expenses including travel expenses and supplies.

18. Tax on profits and tax position

a) Tax Position

Assets

	Thousands of euros	
	2021	2020
Short term:		
Tax Authority debtor for VAT.	64,360	47,519
Tax Authority debtor for I.G.I.C. (Canary Islands tax)	18	7
Tax Authority, withholdings and payments on account	158	1,293
Tax Authority, other concepts	2,575	-
Tax Authority debtor for Personal Income Tax.	-	114
	67,111	48,933

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Subsequent to 30 June 2021, LaLiga has collected 20,122 thousand euros from the 64,360 thousand euros owed by the Tax Authority for VAT.

Liabilities

	Thousands of euros	
	2021	2020
Short term:		
Tax Authority creditor for Personal Income Tax.	577	-
Creditor to Social Security Bodies	545	467
	1,122	467

b) Tax on profits

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

	Thousands of euros		
	Profit and loss account		
Income and expenses balance for the year			12
Corporation Tax			(100)
Pre-tax profit/(loss)			112
	Increases	Decreases	
Permanent differences	1,564	(3,168)	(1,604)
Collaboration in favour of non-profit entities	1,563	-	1,563
Dividend exemption (see Notes 9 and 19)	-	(3,168)	(3,169)
Disciplinary proceedings	1	-	2
Temporary differences			
Amortisation limitation – 70%	-	(25)	(25)
Contributions to Retirement Award	-	(210)	(210)
Other differences	3,364	(762)	2,602
Offset of negative tax bases			(190)
Previous tax base			685
Total amount			171
Deductions			(66)
Liquid amount			105

The corporation tax expense is made up of:

	Thousands of euros	
	2021	2020
Current tax	105	-
Deferred tax	-	-
Regularisation of previous years	(5)	-
	100	-

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

During financial year ended 30 June 2021, the Association offset 190 thousand euros of negative tax bases that were generated in financial year ended 30 June 2018. The amount of inactive

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negative tax bases of the Association pending offset at 30 June 2021 amounts to 20,488 thousand euros and distributed by year generated as follows:

Source year	Base
2018	2,384
2020	18,104
Total	20,488

Deductions have been applied to the full amount for financial year ended 30 June 2021 for 66 thousand euros (0 euros at 30 June 2020). Withholdings, interim payments and unused payments on account amount to 158 thousand euros.

Withholdings and interim payments for financial year ended 30 June 2020 amounting to 1,293 thousand euros were recovered during financial year ended 30 June 2021.

On 30 July 2020, the Association was notified by means of an information request of the commencement of tax actions regarding 2017, 2018 and 2019, which is still under consideration at the date these annual accounts were prepared, and it is not expected that the result of this will have a significant effect on them.

LaLiga has inspections by the tax authorities pending for the following years of the main taxes applicable to it:

VAT: 2017 - 2021
 Personal Income Tax: 2017 - 2021
 Social Security: 2017 - 2021
 Corporation Tax: 2016/2017 - 2019/2020

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

c) Deferred tax

The detail of deferred taxes is as follows:

	Thousands of euros	
	2021	2020
Deferred tax assets:		
- Temporary differences	263	292
Deferred taxes	263	292

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

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The gross movement in deferred taxes is as follows:

	Thousands of euros	
	2021	2020
Start balance	292	323
Charge to the profit and loss account	-	-
Tax charged directly to equity	(29)	(31)
End balance	263	292

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

19. Financial profit/(loss)

	Thousands of euros	
	2021	2020
Financial income:		
From shareholdings in equity instruments		
- Dividends in group companies and associates (Note 9 and 18.b)	3,168	4,548
From marketable securities and other financial instruments		
- Of third parties	539	467
	3,707	5,015
Financial expenses:		
From marketable securities and other financial instruments	(1,466)	(280)
	(1,466)	(280)
Exchange rate differences	662	(365)
Financial profit/(loss)	2,903	4,370

The amount recorded under "Dividends in group companies and associates" of 3,168 thousand euros (4,548 thousand euros in financial year ended 30 June 2020) corresponds to:

- Dividends of 1,682 thousand euros from Sociedad Española de Fútbol Profesional, S.A.U. for financial year ended 30 June 2020 approved by the Sole Shareholder on 15 April 2021, and paid on 30 April 2021 (1,165 thousand euros in financial year ended 30 June 2020).
- Dividends of 740 thousand euros from Beijing Spanish Football League Consulting Co., Ltd. for financial year 2020, approved by the Sole Partner, and whose accumulated amount is pending collection at the end of financial year ended 30 June 2021 (see Note 10). During financial year ended 30 June 2020, dividends amounting to 2,121 thousand euros were distributed for financial years 2016, 2017, 2018 and 2019, approved by the Sole Partner, and whose accumulated amount has been collected during financial year ended 30 June 2021 (see Note 10).

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- Dividends of 384 thousand euros from LaLiga DMCC (previously called LNFP FZE) for financial year ended 30 June 2021 approved by the Sole Partner on 26 April 2021 and paid on 24 May 2021 (938 thousand euros in financial year ended 30 June 2020).
- Dividends of 123 thousand euros from LaLiga Singapore Pte. Ltd. for financial year ended 30 June 2021 whose interim dividend was approved by the Sole Partner on 1 April 2021 and paid on 27 April 2021 (324 thousand euros in financial year ended 30 June 2020).
- Dividends of 239 thousand euros from LaLiga South Africa Proprietary Limited for financial year ended 30 June 2021 approved by the Sole Partner on 1 March 2021 and paid on 1 and 3 June 2021.

20. Executive Committee and senior management

a) Remuneration to the members of the Executive Committee

Members of the Executive Committee do not receive any remuneration for their roles, as happened in financial year ended 30 June 2020, although the Chairman of the Association receives a remuneration as Chairman, which is included in the breakdown of section b) of this note of the report. Likewise, during financial year ended 30 June 2021, the Association has not granted advances or loans to the members of the Executive Committee and there are no payments for life insurance or pension plans.

b) Remuneration and loans to senior management staff

The total remuneration accrued in financial year ended 30 June 2021 to senior management amounts to 5,519 thousand euros (6,215 thousand euros in financial year ended 30 June 2020), and there are no loans to senior management at the end of financial years ended 30 June 2021 and 2020.

c) Other information on the compliance body

During the 2020/2021 season, LaLiga continuously monitored conflicts of interest in a similar manner to that demanded by current business regulations. Based on the information provided by the affiliates themselves; the members of LaLiga's ordinary governance and administration body (i.e. the Executive Committee) and the competent management body on the management of audiovisual rights in accordance with the provisions of Royal Decree-Law 5/2015 of 30 April (i.e. the Audiovisual Rights Management Oversight Body); as well as based on public information and analysis by LaLiga's Management and its Compliance Body, have been aware of the following current or potential conflicts of interest:

- Three clubs affiliated with LaLiga, FC Barcelona, Real Madrid CF and Club Atlético de Madrid, S.A.D., took part in the Super League project promoted by European Society

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Super League, S.L. in the 2020/2021 season, whose potential impact has been analysed by LaLiga and is described on pages 2 and 3 of the 2021 Management Report. The three clubs are members of the Audiovisual Rights Management Oversight Body. Club Atlético de Madrid, S.A.D. is also a member of the Executive Committee. However, it is noted that Club Atlético de Madrid, S.A.D., also ceased its involvement in the aforementioned project during the 2020/2021 season.

- Various clubs have formed part (by themselves or through people linked to them) of other sports organisations, and are members of their governing bodies in the cases below:
 - FC Barcelona has been part of the governing bodies of UEFA and RFEF.
 - Real Madrid CF has been part of the governing bodies of UEFA and RFEF.
 - Club Atlético de Madrid, S.A.D. has been part of the governing bodies of RFEF.
 - Sevilla FC, S.A.D. been part of the governing bodies of RFEF.
 - The main shareholder of the Girona FC, S.A.D., a member club of the Executive Committee, has held shares in various football clubs during the 2020/2021 season that, in turn, are members of professional leagues in other countries, among them, the Premier League, French Football League (Ligue 1) and Major League Soccer in the USA.

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

In addition to the above, the minutes of meetings held during the 2020/2021 season by the different bodies of LaLiga list the specific conflict of interest situations that were evident at that time. Specifically:

- (i) One of the members of the Board of Directors of an affiliate club of LaLiga, Granada Club de Fútbol, S.A.D., is linked to an entity that is LaLiga's partner in a joint venture constituted abroad. An eventual conflict of interest within the Joint Venture was extended to the actions of said club in the LaLiga bodies. It is of note, however, that the aforementioned club has not been part of the Executive Committee during the 2020/2021 season. Likewise, this was reported on at the meeting of the Executive Committee on 14 October 2020 and at the General Assembly Meeting on 30 June 2021.
- (ii) The Chairman of LaLiga, Mr Javier Tebas Medrano, who, in that position, is a member of the Executive Committee and the Audiovisual Rights Management Oversight Body, has reported the following circumstances:
 - a) his membership of the UEFA Executive Committee representing European Leagues. The Executive Committee approved Mr Tebas holding this position at its meeting on 25 March 2021.
 - b) his family link to the non-member secretary of the Board of Directors of C.F. Fuenlabrada, S.A.D., of which the Executive Committee and the General Assembly of LaLiga were made aware on 27 September and 28 October 2019, respectively. Likewise, in adopting decisions pertaining to the aforementioned club, Mr Tebas has abstained from

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participating, delegating the competence to the Vice Chairmen of LaLiga, pursuant to internal regulations. This circumstance was reported in the Good Governance Reports for the 2018/2019 and 2019/2020 seasons.

21. Other operations with related parties

The transactions detailed below were carried out with related parties:

a) Sale of goods and provision of services

	Thousands of euros	
	2021	2020
Provision of services:		
Sociedad Española de Fútbol Profesional, S.A.U. - General Services	1,045	492
Servicios, Infraestructuras y Mantenimientos en el Deporte, S.L.U.	-	174
LaLiga Servicios Digitales, S.L.U.	631	1,120
Sports Entertainment and Innovation, S.L.U.	-	2,187
Digital & Sports Innovation, S.L.U.	213	-
LaLiga Tech, S.L.U.	5,069	-
LaLiga Content Protection, S.L.	185	-
LaLiga DMCC (previously named LNFP FZE)	-	986
La Liga South Africa Proprietary Limited	723	440
La Liga (USA) Inc.	727	697
Beijing Spanish Football League Consulting Co., Ltd.	328	4,389
LaLiga LFP Mex, S.R.L.C.V.	566	31
LaLiga Singapore Pte Ltd	166	843
	9,653	11,359

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

b) Purchase of goods and receipt of services

	Thousands of euros	
	2021	2020
Receipt of services:		
Sociedad Española de Fútbol Profesional, S.A.U.	645	223
Servicios, Infraestructuras y Mantenimientos en el Deporte, S.L.U.	-	1,076
LaLiga Servicios Digitales, S.L.U.	1,500	2,161
LaLiga Content Protection, S.L.	613	-
Digital & Sports Innovation, S.L.U.	10	-
LaLiga DMCC (previously named LNFP FZE)	328	745
La Liga South Africa	623	1,098
La Liga (USA) Inc.	1,200	434
Beijing Spanish Football League Consulting Co., Ltd.	2,368	2,996
LaLiga Singapore Pte Ltd.	778	813
LaLiga LFP Mex, S.R.L.C.V.	323	--
	8,388	9,546

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

	Thousands of euros	
	2021	2020
Accounts receivable from related parties (Note 10):		
Sociedad Española de Fútbol Profesional, S.A.U.	1,265	1,181
Servicios, Infraestructuras y Mantenimientos en el Deporte, S.L.U.	-	211
LaLiga Servicios Digitales, S.L.U.	646	1,399
Sports Entertainment and Innovation, S.L.U.	-	2,788
LaLiga Content Protection, S.L.	97	-
Digital & Sports Innovation, S.L.U.	37	-
LaLiga Tech, S.L.U.	2,088	-
LaLiga Entertainment, S.L.U.	623	-
LaLiga DMCC (previously named LNFP FZE)	64	211
LaLiga LFP Mex, S.R.L.C.V.	161	-
La Liga South Africa Proprietary Limited	214	351
La Liga (USA) Inc.	152	129
Beijing Spanish Football League Consulting Co., Ltd	5,817	6,989
Spanish Football Sports & Entertainment (Shanghai) Co., Ltd.	35	-
LaLiga Singapore Pte Ltd.	93	288
	11,292	13,547

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

	Thousands of euros	
	2021	2020
Accounts payable to related parties (Note 14):		
Sociedad Española de Fútbol Profesional, S.A.U.	4,211	2,555
Servicios, Infraestructuras y Mantenimientos en el Deporte, S.L.U.	-	168
LaLiga Servicios Digitales, S.L.U.	1,500	26
LaLiga Content Protection, S.L.	283	-
Digital & Sports Innovation, S.L.U.	7	-
LaLiga DMCC (previously named LNFP FZE)	119	92
La Liga South Africa Proprietary Limited	126	109
La Liga (USA) Inc.	970	8
Beijing Spanish Football League Consulting Co., Ltd	-	179
LaLiga LFP Mex, S.R.L.C.V.	6	1
LaLiga Singapore Pte Ltd.	217	-
	7,439	3,138

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d) Loans granted to related companies

	Thousands of euros	
	2021	2020
Start balance	6,558	4,760
Loans granted during the year	20,096	10,183
Amortisations received on loans	(2,728)	(8,385)
	23,926	6,558

Loans to related companies correspond to the following Group companies to develop their activity:

Long term

	Thousands of euros	
	2021	2020
Digital & Sports Innovation, S.L.U.	6,937	-
LaLiga Tech, S.L.U.	11,313	-
LaLiga Servicios Digitales, S.L.U.	3,630	-
LaLiga Content Protection, S.L.	1,500	-
	23,380	-

Short term

	Thousands of euros	
	2021	2020
LaLiga DMCC (previously named LNFP FZE)	-	31
LaLiga USA Inc.	30	30
LaLiga Entertainment, S.L.U.	516	-
LaLiga Servicios Digitales, S.L.U.	-	1,497
Sports Entertainment and Innovation, S.L.U.	-	5,000
	546	6,558

Since financial year ended 30 June 2019, a credit policy has been granted to LaLiga Servicios Digitales, S.L.U. of up to 4 million euros with a maturity date of 31 July 2022. The annual interest rate is the 12-month EURIBOR plus 3.3%. The amount outstanding at the end of financial year ended 30 June 2020 will be returned once LaLiga Servicios Digital, S.L.U. receives the amount owed by its main clients during August of the next financial year.

On 14 February 2020, the Association formalised a participating loan agreement with Sports Entertainment and Innovation, S.L.U. for 5,000 thousand euros with a maturity date of 30 June 2021, and an interest rate of 5% of the borrower's profits after taxes. During financial year ended 30 June 2021, there have been renewals of the loan conditions, the last being dated 21 May 2021, increasing the amount to 17,000 thousand euros with a maturity date of 30 June 2025.

Additionally and as reported in Note 9, on 27 May 2021, and within the restructuring process that LaLiga intends to carry out to rationalise its activity, achieve better management and

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maximise the value of its assets and businesses, with a special emphasis on the exploitation of the LaLiga's technology branch, LaLiga – as Sole Partner of Sports Entertainment and Innovation, S.L.U. – approved the full spin-off, separating the "OTT Business" that LaLiga Tech S.L.U. received and the "Content Business" that Digital & Sports Innovation S.L.U. received through the transfer, as a unit and by universal succession, of both businesses – with accounting effects at 1 July 2020 based on the application of the Registration and Valuation Regulation 21.2. In this sense, the participating loan originally signed with Sports Entertainment and Innovation, S.L.U. has been distributed among the entities receiving the business in such a way that:

- At 30 June 2021, Digital & Sports Innovation, S.L.U. has an amount of 6,937 thousand euros associated with the participating loan contract maturing on 30 June 2025 and an interest rate of 5% of the borrower's profits after taxes.
- At 30 June 2021, LaLiga, S.L.U. has an amount of 11,313 thousand euros associated with the participating loan contract maturing on 30 June 2025 and an interest rate of 5% of the borrower's profits after taxes.

In addition to the above, a new participating loan has been granted to LaLiga Tech, S.L.U. for 1,250 thousand euros maturing on 30 June 2023 and an interest rate of 5% of the borrower's profits after taxes.

Finally, on 22 October 2020, the Association formalised a participating loan contract with LaLiga Content Protection, S.L. for 1,500 thousand euros. The maturity date is 30 June 2023, and the interest rate is 5% of the borrower's profit after taxes.

22. Information on the environment

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

23. Events after the reporting period

After the end of financial year ended 30 June 2021, the following items of fixed assets and equity instruments have been derecognised:

- "BI&BA System" platform amounting to 5,244 thousand euros.
- "Mediacoach" application amounting to 8,967 thousand euros.
- "Capacity Management System" applications amounting to 2,800 thousand euros.

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- Other intangible assets amounting to 878 thousand euros.
- Items of property, plant and equipment (mainly technical facilities and information processing equipment) amounting to 1,983 thousand euros.
- 75% shareholding in the entity "LaLiga Content Protection, S.L." amounting to 3,585 thousand euros.

The above derecognitions are carried out through a non-monetary contribution to the equity of the subsidiary LaLiga Tech, S.L.U. (see Note 9).

During July 2021, the Association made an early partial amortisation of 14,477 thousand euros of the ICO COVID-19 Guarantee Facility described in Note 14.

Similarly, in July 2021, the Association amortised the amount drawn down of 416 thousand euros at 30 June 2021 from the Credit Line contracted with BBVA described in Note 14.

At the Executive Committee on 4 August and the Extraordinary General Assembly on 12 August, a strategic operation was presented between LaLiga and the CVC Capital Partners fund (hereinafter CVC) with the aim of increasing the value of LaLiga and its clubs/SADs.

This strategic operation called "LaLiga Impulso" was unanimously approved by the Executive Committee on 4 August and voted on favourably by 38 of the associates in the Assembly on 12 August, with the project being rejected by Real Madrid C.F., F.C. Barcelona, Athletic Club de Bilbao and Real Oviedo.

In the following days, Real Oviedo confirmed its approval of the project, so 39 clubs therefore support the LaLiga Impulso strategic project.

After the approval by the Extraordinary General Assembly, LaLiga's Management and CVC Capital Partners were still negotiating the final terms of the agreement at the date these annual accounts were prepared.

Once signed, the agreement would involve a contribution from CVC of approximately 2,000 million euros to LaLiga and its clubs, thus constituting LaLiga Impulso as the pillar that will enable the future growth of audiovisual and commercial rights of clubs in exchange for a share in the profits obtained from these activities. Given that the Extraordinary General Assembly agreed that LaLiga Impulso will not affect clubs that were not in agreement, it is estimated that the agreement involves CVC having a shareholding of 8.202% in the operating profits of the audiovisual rights for clubs in LaLiga Santander and LaLiga Smartbank and who, in addition, join the capital of a LaLiga subsidiary with a shareholding similar to that mentioned above. This subsidiary's functions, among others, will be to enhance the development and digital transformation that allows the improvement of the entertainment content, the capture and data analysis capacity, as well as direct integration with the fans.

REPORT TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2021 (in thousands of euros)

24. Auditor's fees

The fees accrued during financial year ended 30 June 2021 for individual and consolidated audit services amounted to 76 thousand euros (72 thousand euros in financial year ended 30 June 2020) and for other verification services amounting to 27 thousand euros (9 thousand euros in financial year ended 30 June 2020).

Likewise, the fees accrued by other companies in the PwC network for consultancy services were 104 thousand euros (102 thousand euros in financial year ended 30 June 2020).

25. Segmented information

LaLiga's financial information broken down by operating segment for financial year ended 30 June 2021 is shown below:

	Thousands of euros		
	Licences, sponsorships and the like	Marketing Audiovisual Rights	Total
CONTINUING OPERATIONS			
Net Turnover	97,952	1,796,305	1,894,257
Sponsorship, licences and others	97,952	-	97,952
Sales management income Sponsorship	-	-	-
Income from Marketing Audiovisual Rights	-	1,796,305	1,796,305
<i>Negotiation/Marketing of Audiovisual Rights</i>	-	1,796,305	1,796,305
<i>Re-invoicing Production Costs</i>	-	-	-
Procurements	(61,438)	(1,696,072)	(1,757,510)
Sponsorships and Licences Clubs/SADs	(14,987)	-	(14,987)
Sales management expenses Sponsorship	(46,451)	-	(46,451)
Marketing Audiovisual Rights expenses	-	(1,696,072)	(1,696,072)
Other operating income	32,496	6,534	39,030
<i>Sundry and other current management income</i>	27,290	6,534	33,824
<i>Football pools</i>	5,206	-	5,206
Staff costs	(17,838)	(15,984)	(33,822)
Other operating expenses	(53,269)	(85,048)	(138,314)
<i>External services</i>	(28,306)	(69,155)	(97,457)
<i>Taxes</i>	(17)	(20)	(37)
<i>Losses, impairment and changes in provisions for commercial operations</i>	(26)	(1,446)	(1,472)
<i>Other current management expenses</i>	(24,920)	(14,427)	(39,348)
Depreciation of fixed assets	(1,891)	(7,344)	(9,235)
Other Profits (Losses)	1,044	1,991	3,032
Impairment and gain/(loss) from disposals of fixed assets	(229)	-	(229)
OPERATING PROFIT/(LOSS)	(3,173)	382	(2,791)
FINANCIAL PROFIT/(LOSS)	3,279	(376)	2,903
PRE-TAX PROFIT/(LOSS)	106	6	112
Taxes on profits	(94)	(6)	(100)
PROFIT/(LOSS) FOR THE YEAR	12	-	12

See Note 17 for greater analysis of the above items.

REPORT TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2021 (in thousands of euros)

LaLiga's financial information broken down by operating segment for financial year ended 30 June 2020 is shown below:

	Thousands of euros		
	Licences, sponsorships and the like	Marketing Audiovisual Rights	Total
CONTINUING OPERATIONS			
Net Turnover	86,745	1,815,607	1,902,352
Sponsorship, licences and others	86,618	-	86,618
Sales management income Sponsorship	127	-	127
Income from Marketing Audiovisual Rights	-	1,815,607	1,815,607
<i>Negotiation/Marketing of Audiovisual Rights</i>	-	1,813,660	1,813,660
<i>Re-invoicing Production Costs</i>	-	1,947	1,947
Procurements	(47,269)	(1,717,109)	(1,764,378)
Sponsorships and Licences Clubs/SADs	(9,700)	-	(9,700)
Sales management expenses Sponsorship	(37,569)	-	(37,569)
Marketing Audiovisual Rights expenses	-	(1,717,109)	(1,717,109)
Other operating income	31,957	7,217	39,174
<i>Sundry and other current management income</i>	27,194	7,217	34,411
<i>Football pools</i>	4,763	-	4,763
Staff costs	(16,907)	(15,160)	(32,067)
Other operating expenses	(58,397)	(87,212)	(145,609)
<i>External services</i>	(36,909)	(69,771)	(106,680)
<i>Taxes</i>	(2)	(2)	(4)
<i>Losses, impairment and changes in provisions for commercial operations</i>	-	(923)	(923)
<i>Other current management expenses</i>	(21,486)	(16,516)	(38,002)
Depreciation of fixed assets	(1,393)	(5,802)	(7,195)
Other Profits (Losses)	718	2,635	3,353
Impairment and gain/(loss) from disposals of fixed assets	-	-	-
OPERATING PROFIT/(LOSS)	(4,546)	176	(4,370)
FINANCIAL PROFIT/(LOSS)	4,546	(176)	4,370
PRE-TAX PROFIT/(LOSS)	-	-	-
Taxes on profits	-	-	-
PROFIT/(LOSS) FOR THE YEAR	-	-	-

See Note 17 for greater analysis of the above items.

26. Impact of the health crisis (COVID-19)

The 2020/2021 season and particularly the 2019/2020 season were affected by the exceptional circumstances that occurred since March 2020 resulting from the health crisis caused by the coronavirus (COVID-19) and which, as a maximum exponent, were cemented with the publication of Royal Decree 463/2020 on 14 March 2020 declaring the state of emergency to manage the health crisis caused by the coronavirus (COVID-19) that came into force on 14 March and ended on 21 June 2020, and after that with the declaration of a new state of emergency through Royal Decree 926/2020 on 25 October 2020 declaring the emergency to contain the spread of infections caused by SARS-COV-2 that came into force on 25 October and ended on 9 May 2021.

REPORT TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2021 (in thousands of euros)

As a first reactive measure to address the crisis, the Association activated the contingency plans previously prepared for these circumstances that have allowed the continuity of activities, trying as much as possible to approximate them to reality. For this, organisational measures to manage the crisis, both individual (management of infections or isolation) and group were implemented. These measures were aimed at reducing the impact of this health crisis on the continuity of the Association's activities and businesses and to be able to extend them as long as necessary in accordance with the circumstances.

Specifically, the lockdown measures imposed meant:

- Approximately 100% of the workforce moving to working from home that, at the date these annual accounts were prepared, partially continues.
- That, from an average workforce of 440 employees in financial year ended 30 June 2020, there were 55 employees included in temporary redundancy programme that had different durations depending on the activities they affected. In financial year ended 30 June 2021, the workforce has not been affected by new temporary redundancies.

Within the business context and the Association's operations, it has a financial year starting on 1 July and ending on 30 June; a period aligned with the professional football seasons, and, therefore, aligned with its main economic activities. However, exceptionally and resulting from the aforementioned health crisis, from the date the first state of emergency came into force through Royal Decree 463/2020 on 14 March 2020, the Government of Spain decreed all sporting activity to close, postponing the "LaLiga Santander" and "LaLiga Smartbank" professional football competitions until they could resume on 11 June 2020. This postponement had an effect on LaLiga's economic activities, as the 2019/2020 season for LaLiga Santander ended in July 2020 and for LaLiga Smartbank in August 2020.

This has led to the fact that, in accordance the accrual principle, income and expenses associated with the 2019/2020 season have to be recognised in financial year ended 30 June 2021. This has mainly affected "Marketing Audiovisual Rights" since the effect in "Licences, sponsorships and the like" is not significant and the impacts have already been included in the accounts for financial years ended 30 June 2020 and 30 June 2021.

REPORT TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2021 (in thousands of euros)

The detail of the profit and loss account corresponding to both the full 2019/2020 season and financial year ended 30 June 2020 for the main affected segment (Marketing Audiovisual Rights) (detailed in Note 25 of the report) is set out below:

	Thousands of euros		
	Full 2019/2020 season	Financial year ended 30 June 2020	Variation
Marketing Audiovisual Rights			
CONTINUING OPERATIONS			
Net Turnover	1,910,144	1,815,607	94,537
Sponsorship, licences and others	-	-	-
Sales management income Sponsorship	-	-	-
Income from Marketing Audiovisual Rights	1,910,144	1,815,607	94,537
<i>Negotiation/Marketing of Audiovisual Rights</i>	1,908,197	1,813,660	94,537
<i>Re-invoicing Production Costs</i>	1,947	1,947	-
Procurements	(1,810,407)	(1,717,109)	(93,298)
Sponsorships and Licences Clubs/SADs	-	-	-
Sales management expenses Sponsorship	-	-	-
Marketing Audiovisual Rights expenses	(1,810,407)	(1,717,109)	(93,298)
Other operating income	7,217	7,217	-
<i>Sundry and other current management income</i>	7,217	7,217	-
<i>Football pools</i>	-	-	-
Staff costs	(15,160)	(15,160)	-
Other operating expenses	(88,451)	(87,212)	(1,239)
<i>External services</i>	(70,687)	(69,771)	(916)
<i>Taxes</i>	(2)	(2)	-
<i>Losses, impairment and changes in provisions for commercial operations</i>	(923)	(923)	-
<i>Other current management expenses</i>	(16,839)	(16,516)	(323)
Depreciation of fixed assets	(5,802)	(5,802)	-
Other Profits (Losses)	2,635	2,635	-
Impairment and gain/(loss) from disposals of fixed assets	-	-	-
OPERATING PROFIT/(LOSS)	176	176	-
FINANCIAL PROFIT/(LOSS)	(176)	(176)	-
PRE-TAX PROFIT/(LOSS)	-	-	-
Taxes on profits	-	-	-
PROFIT/(LOSS) FOR THE YEAR	-	-	-

REPORT TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2021 (in thousands of euros)

As a continuation of the above, and for comparative purposes, the detail of the profit and loss account corresponding to both the full 2020/2021 season and financial year ended 30 June 2021 for the main affected segment (Marketing Audiovisual Rights) (detailed in Note 25 of the report) is set out below:

	Thousands of euros		
	Full 2020/2021 season	Financial year ended 30 June 2021	Variation
Marketing Audiovisual Rights			
CONTINUING OPERATIONS			
Net Turnover	1,701,768	1,796,305	(94,537)
Sponsorship, licences and others	-	-	-
Sales management income Sponsorship	-	-	-
Income from Marketing Audiovisual Rights	1,701,768	1,796,305	(94,537)
<i>Negotiation/Marketing of Audiovisual Rights</i>	1,701,768	1,796,305	(94,537)
<i>Re-invoicing Production Costs</i>	-	-	-
Procurements	(1,602,774)	(1,696,072)	93,298
Sponsorships and Licences Clubs/SADs	-	-	-
Sales management expenses Sponsorship	-	-	-
Marketing Audiovisual Rights expenses	(1,602,774)	(1,696,072)	93,298
Other operating income	6,534	6,534	-
<i>Sundry and other current management income</i>	6,534	6,534	-
<i>Football pools</i>	-	-	-
Staff costs	(15,984)	(15,984)	-
Other operating expenses	(83,809)	(85,048)	1,239
<i>External services</i>	(68,239)	(69,155)	916
<i>Taxes</i>	(20)	(20)	-
<i>Losses, impairment and changes in provisions for commercial operations</i>	(1,446)	(1,446)	-
<i>Other current management expenses</i>	(14,104)	(14,427)	323
Depreciation of fixed assets	(7,344)	(7,344)	-
Other Profits (Losses)	1,991	1,991	-
Impairment and gain/(loss) from disposals of fixed assets	-	-	-
OPERATING PROFIT/(LOSS)	382	382	-
FINANCIAL PROFIT/(LOSS)	(376)	(376)	-
PRE-TAX PROFIT/(LOSS)	6	6	-
Taxes on profits	(6)	(6)	-
PROFIT/(LOSS) FOR THE YEAR	-	-	-

According to the information shown in the above tables, it can be seen how financial year ended 30 June 2021 had the net effect of the following factors:

- Upwards impact on the recognition of net turnover for 94,537 thousand euros derived from the cut-off effect of operations that, in accordance with the accrual principle, occurred over the 2019/2020 season.
- Downwards impact on the recognition of net turnover mainly as a consequence of the contractual review of certain operators as a result of the conditions derived from the health crisis (see Note 17.a).

Within the scope of its competencies, LaLiga drew up an action protocol for the return of LaLiga teams to competing and finishing the 2019/2020 season and for the competition in the 2020/2021 season. The protocol was a document that sought to combine, on one hand, the

REPORT TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2021 (in thousands of euros)

resumption and correct development of the competitions and, on the other hand, the creation of a raft of measures aimed at preventing a re-outbreak of the disease.

The strict application of the action protocol for LaLiga teams returning to complete the 2019/2020 season, and to ensure the integrity and safety of the competition, meant extraordinary expenses being assumed in financial year ended 30 June 2020 that are set out grouped by concept below and that were recorded in the Association's profit and loss account in the aforementioned financial year:

Description	Amounts (Thousands of euros)
COVID-19 tests	11,808
Displacements	12,000
Other	3,428
Total	27,236

As reported in Note 4.10 of the report, LaLiga recorded two provisions in its long-term provision account at the end of financial year ended 30 June 2019 – one for Compensation for Relegation of 17,364 thousand euros and the Bankruptcy Guarantee Fund of 6,802 thousand euros – named as a consequence of the source of the funds that established these provisions and are freely available in terms how they can be allocated. During financial year ended 30 June 2020, the Association's management and members of its Executive Committee deemed the amounts allocated for this purpose to be sufficient and, given the exceptional nature of the expenses incurred as a result of the health crisis, considered the reversal of these provisions to be appropriate.

As reported in Note 14, in financial year ended 30 June 2021, and in order to support and maintain competitions and the value of audiovisual and commercial rights, LaLiga has managed the extraordinary expenses generated by the health crisis (COVID-19), consisting mainly of travel expenses and testing, together with adapting stadiums to the action protocol. These expenses have been incurred and paid on behalf of the clubs/SADs, and will be distributed to them over five seasons between the clubs/SADs competing in each of those seasons.

Additionally and in line with the above, the Association has worked with Banco Santander to receive an ICO Guarantees Facility Loan Policy as an investment for 50,000 thousand euros, intended to pay the aforementioned extraordinary expenses that LaLiga has assumed on behalf of the clubs/SADs (see note 14), with the outstanding balance on the preparation date of these annual accounts at 35,523 thousand euros (see note 23).

While it is difficult to estimate the possible effect of the above situation could have in the coming months, it is the opinion of members of the Association's Executive Committee that no additional economic impacts or significant financial resources to those described in this note will be required. The Association will continue to monitor the potential impact of the health crisis and take all possible measures to mitigate the effects.

MANAGEMENT REPORT FOR THE YEAR ENDED 30 JUNE 2021

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

During the 2020/2021 season, LaLiga made a profit of 12 thousand euros (0 euros at the end of the 2019/2020 season). The net profit is similar to that shown in any other year despite the impacts of the COVID-19 pandemic during this season.

The "Net Turnover" for the 20/21 season has two important effects, such as the cut-off of the previous season, as part of the competition had to be played beyond 30 June 2020, the adjustment of which is taken into account in the 20/21 season, and the downwards impact on the recognition of net turnover, mainly as a consequence of the contractual review of certain operators as a result of the conditions derived from the health crisis.

"Net Turnover" in the financial year to 30 June 2021 amounted to 1,894,257 thousand euros, a decrease of 8,095 thousand euros compared to the 19-20 season.

There was an increase of 11,207 thousand euros in income from sponsorships, licences and others compared to the previous year as a result of upwards renewals of contracts in force, the most significant being EA Sports.

Income from the marketing of audiovisual rights decreased mainly due the impact on certain contracts for the marketing of audiovisual rights of LaLiga clubs/SADs directly affected by the measures taken to fight the COVID-19 pandemic, the most significant being the contract with Horeca.

EVENTS THAT OCCURRED DURING THE SEASON

Within its global strategy, LaLiga continued with the internationalisation of the competition during the 2020/2021 season. For this, it has continued to work on positioning LaLiga as the best television sports content while maintaining the best league position in the world in the sporting sphere.

In the audiovisual area, LaLiga has continued with its continuous improvement on audiovisual content with the aim of its followers enjoying spectacular, novel content and where audiovisual excellence predominates. During this year in which most of the matches were played behind closed doors, a virtual grandstand and sound were offered in the broadcasts with the aim of providing viewers with added value.

With regard to international activity, expansion continued in the 2020-2021 season by closing a joint venture agreement to set up the SPANISH FOOTBALL SPORTS & Entertainment (Shanghai) Co., Ltd., with a 50% percentage of participation, for the next 15 years, in China, with MediaPro Super Sports (Shanghai) Consulting Co., Ltd., in order to promote, exploit and market sports

MANAGEMENT REPORT FOR THE YEAR ENDED 30 JUNE 2021

trading rights. It has been a year of confirming the importance that international weight supposes in LaLiga's strategy and financial data.

The technological activity has seen a year of consolidation and confirmation of a new own operating activity within the LaLiga Group and, for this reason, new companies were created to exploit the digital and technological products, as well as for the development, maintenance, marketing and evolution of the applications developed within the Group.

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

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

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

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

- At a social level: consequent to the loss of sporting and financial incentives, it would drastically decrease the interest of fans. In addition, solidarity with grassroots football and other sports, such as the commitments that LaLiga currently has with RFEF and the Higher Council for Sports would be lost
- At a governance level: all the governance structures of current European football would be broken. With this Super League model, the 15 founding clubs would decide everything

MANAGEMENT REPORT FOR THE YEAR ENDED 30 JUNE 2021

- At an industry level: KPMG's expert report also estimated that the financial and tax impact of the Super League could be equivalent to 0.79% of GDP, made up of:
 - A loss of more than €9,000m in total income generated by LaLiga and the industry adjacent to its competitions
 - The direct and indirect loss of about 100,000 jobs
 - The loss of over €2,100m in tax collection

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

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

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

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

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

EVOLUTION OF THE WORKFORCE

Throughout the season 2020/2021 there was an increase of 58 employees in the LaLiga workforce as a result of the increase in activity of all areas with the strategic objective of maximising income obtained from traditional sources and the exploration of new business lines.

AVERAGE PAYMENT PERIOD TO SUPPLIERS

The Association's average period of payment to providers during the 2020/2021 season was 34 days, with the legal maximum based on Law 15/2010 of 5 July being 60 days.

MANAGEMENT REPORT FOR THE YEAR ENDED 30 JUNE 2021

ENVIRONMENT

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

RESEARCH AND DEVELOPMENT

After the last season in which the Spanish Innovation Certification Agency (ACIE) and the European Quality Assurance (ECA) decided that several of the projects launched were worthy of said certification due to their eminently technological and innovative nature, LaLiga has maintained the commitment to innovation and took this a step further during the year with the creation of subsidiary companies dedicated to technological and digital innovation.

SIGNIFICANT EVENTS AFTER YEAR END

At the Executive Committee on 4 August and the Extraordinary General Assembly on 12 August, a strategic operation was presented between LaLiga and the CVC Capital Partners fund (hereinafter CVC) with the aim of increasing the value of LaLiga and its clubs/SADs.

This strategic operation called "LaLiga Impulso" was unanimously approved by the Executive Committee on 4 August and voted on favourably by 38 of the associates in the Assembly on 12 August, with the project being rejected by Real Madrid C.F., F.C. Barcelona, Athletic Club de Bilbao and Real Oviedo.

In the following days, Real Oviedo confirmed its approval of the project, so 39 clubs therefore support the LaLiga Impulso strategic project.

After the approval by the Extraordinary General Assembly, LaLiga's Management and CVC Capital Partners were still negotiating the final terms of the agreement at the date these annual accounts were prepared.

Once signed, the agreement would involve a contribution from CVC of approximately 2,000 million euros to LaLiga and its clubs, thus constituting LaLiga Impulso as the pillar that will enable the future growth of audiovisual and commercial rights of clubs in exchange for a share in the profits obtained from these activities. Given that the Extraordinary General Assembly agreed that LaLiga Impulso will not affect clubs that were not in agreement, it is estimated that the agreement involves CVC having a shareholding of 8.202% in the operating profits of the audiovisual rights for clubs in LaLiga Santander and LaLiga Smartbank and who, in addition, join the capital of a LaLiga subsidiary with a shareholding similar to that mentioned above. This subsidiary's functions, among others, will be to enhance the development and digital transformation that allows the improvement of the entertainment content, the capture and data analysis capacity, as well as direct integration with the fans.

MANAGEMENT REPORT FOR THE YEAR ENDED 30 JUNE 2021

ACQUISITION OF OWN SHARES

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

USE OF FINANCIAL INSTRUMENTS

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

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

PREPARATION OF THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2021

Diligence that states that the members of Liga Nacional de Fútbol Profesional's Executive Committee are aware of all content in the Annual Accounts and the Management Report corresponding to the year ended 30 June 2021 of Liga Nacional de Fútbol Profesional, presented to the Executive Committee and prepared by them at its meeting on 27 September 2021, across 81 sheets, all initialled by the secretary and the stamp of the Association, numbered as follows:

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Profit and loss account	3
Statement of recognised income and expenses	4
Statement of changes in total equity	5
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Secretary

PREPARATION OF THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2021

On 27 September 2021 the Executive Committee of Liga Nacional de Fútbol Profesional prepared the annual accounts and the management report for financial year ended 30 June 2021, which are constituted by the preceding documents attached to this text.

SIGNATORIES

Chairman	First Deputy Chairman	Second Deputy Chairman
Secretary	Sevilla FC, SAD	Real Betis Balompié, SAD
Real Sociedad de Fútbol, SAD	Levante Unión Deportiva, SAD	Club Atlético Osasuna
Villarreal C.F., SAD	Club Deportivo Tenerife, SAD	Girona F.C., SAD
Sociedad Deportiva Éibar, SA	Unión Deportiva Las Palmas	UD Almería, SAD
Club Deportivo Lugo, SAD		