



SUMMARY OF  
ACTIVITY  
2019/20  
AND OBJECTIVES  
2020/21

## SUMMARY OF ACTIVITY 2019/20

### Outbreak of the Covid-19 pandemic

- The 2019/20 season will be marked by the outbreak of the Covid-19 pandemic, which has unfortunately affected and continues to affect millions of people around the world. As for the impact on our club, the pandemic led to the implementation of the state of alarm on 14 March 2020, which consequently led to the stoppage of all professional sports competitions, as well as the total closure of the Club's facilities. During the month of June 2020, the Club was able to partially reopen its facilities, complying with all the established protection and hygiene measures; and on 11 June 2020, the La Liga competition recommenced.
- However, the Club has suffered financially from the consequences of these measures, as the matches being resumed had to be played behind closed doors, while the influx of visitors to the facilities, as well as the sale of Club products, have also been affected by the reduction and limitations on international tourism. Additionally, the Euroleague Basketball competition has been cancelled, and this has also generated an associated loss of revenue for this reason.
- It is with this in mind that we include below in the Club's management report an estimate of the main financial impacts that the global Covid-19 pandemic has had on the Club (in thousands of euros) and which has been sent to the Spanish National Sports Council (Consejo Superior de Deportes, CSD):

	Figures as at 30 June de 2020 *	Covid-19 Impacts	Estimated close without Covid-19
<b>Revenue:</b>			
Stadium	162,464	67,468	229,932
Media and TV rights	248,537	35,406	283,943
Sales	296,849	72,260	369,109
Transfers and others	147,580	28,591	176,171
<b>Total revenue</b>	<b>855,430</b>	<b>203,725</b>	<b>1,059,155</b>
<b>Expenditure:</b>			
Sporting personnel cost	636,396	42,336	678,732
Non-sporting personnel cost	50,981	1,500	52,481
Management costs	186,011	30,168	216,179
Other	81,837	-	81,837
<b>Total expenses</b>	<b>955,225</b>	<b>74,004</b>	<b>1,029,229</b>
<b>Operating profit</b>	<b>(99,795)</b>	<b>129,721</b>	<b>29,926</b>
Total financial income	2,496	-	2,496
Total financial expenses	30,722	-888	29,834
<b>Net profit/loss before corporation tax</b>	<b>(128,021)</b>	<b>130,609</b>	<b>2,588</b>
Corporation tax	(30,682)	-	-595
<b>Net profit/loss after corporation tax</b>	<b>(97,339)</b>	<b>-</b>	<b>1,993</b>
<b>EBITDA **</b>	<b>103,968</b>	<b>129,721</b>	<b>233,689</b>

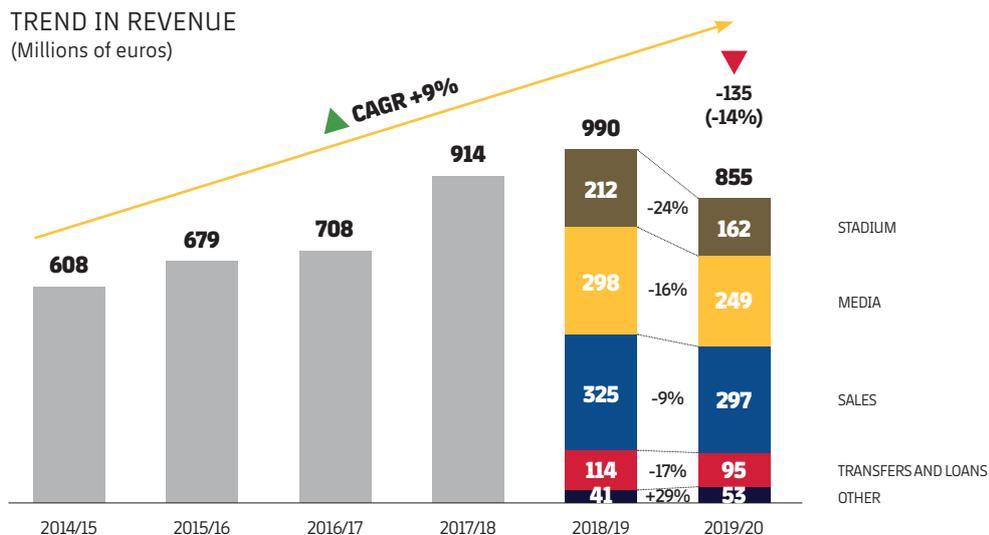
\* Figures obtained from analytical accounting, which may show a different classification from that of the consolidated financial statements.

\*\* Earnings before interest, taxes, depreciation, and amortization.

- In this table we see the estimated combined effects of the fall in revenue and expenditure as a result of the pandemic, as well as the effect of the postponement of La Liga and the UEFA Champions League competitions, which has generated a divergence between the end of the Club's financial year (30 June of each year in accordance with the Articles of Association) and the sporting season. This second fact has led to certain items of revenue and expenses which during a regular season would have been recognised in the 2019/20 season having instead to be transferred to the 2020/21 financial year.
  - In the Stadium section, the loss of income comes mainly from the partial refund of season tickets to members, the loss of box office tickets behind closed doors and the loss of operating revenue from the operation of facilities (Museum, Hospitality, events etc.).
  - The fall in Media revenue comes from the postponement of competitions, which has led to part of the television revenue for La Liga and the UEFA Champions League being moved to the 2020/21 reporting period.
  - In the section on Commercial revenue, the fall in revenue was generated by the loss of the ability to sign certain trade agreements that were in an advanced stage of negotiation prior to the pandemic, as well as the losses associated with marketing of products in the Club's official stores.
  - Finally, the item "Others" includes transfers that would have been made at the end of the domestic competition, which could not be made.
- On the expenditure side, the cost section for sporting and non-sporting personnel includes the real savings that the Club has achieved as a result of the agreed salary reduction agreements and furlough schemes (ERTOs) that it would not have put in place had there not been a pandemic.
  - In the management expenses section, the amounts come from the savings made by the Club for expenses directly attributable to the generation of income that has not actually been generated, such as the cost of Seient Lliure, television rights compensation expenses to the LFP, travel expenses, maintenance, cleaning, surveillance and access and commercial intermediation services, etc.
- From this breakdown we can see that the combined effect of the pandemic and the transfer of accounting revenue and expenses, the 2020/21 season has resulted in lower revenues being estimated by the Club at €203,725,000 and lower estimated expenses of €73,116,000. Therefore, if the Club had not suffered the effects of Covid-19, it is estimated that the accounting profit for the year would have been €1,993,000 instead of the current loss of -€97,339,000.

## Revenue

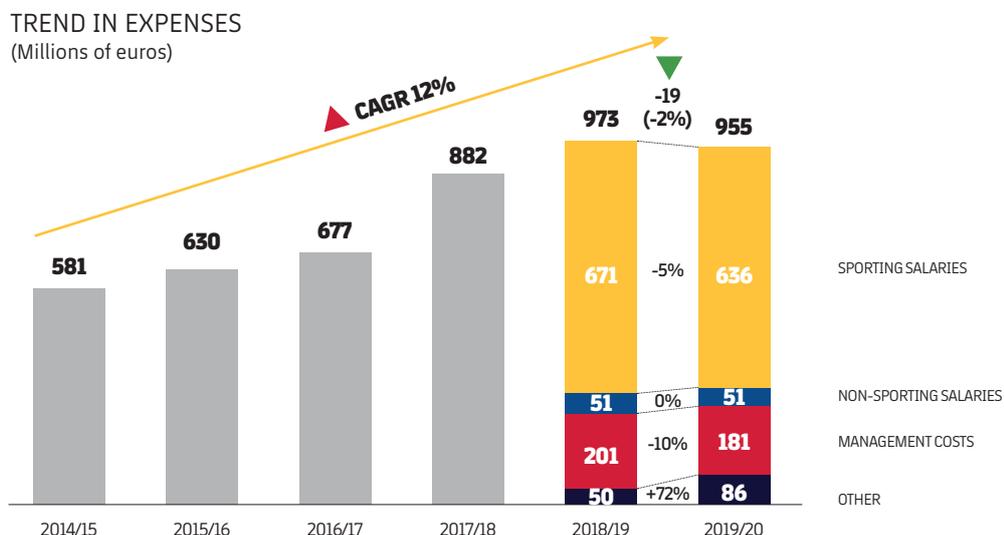
- The 2019/20 financial year closed with an operating revenue of €855 million, a reduction of -14% on €990 million in the previous year (a decrease of -€135 million) and 18% below the budgeted figure of €1.047 billion. The figure for revenue this season has been significantly affected, as we have discussed, by the global Covid-19 pandemic.
- The main changes from the previous year are as follows:
  - Revenues from the operation of the Stadium and other facilities have fallen by -24%, mainly due to the establishment of the state of alarm on 14 March 2020, due to the outbreak of the Covid-19 pandemic.
  - In the Media section, revenues are down by -17%. The main cause is, firstly, the decrease in the amount for broadcasting the UCL, since in the accounting for the 2019/20 financial year the participation of the first team has only been recognised up to the round of 16 (the classification for the quarter-finals happened during the 2020/21 financial year), while in the previous year the team participated in the UCL semi-finals. Secondly, revenues from LFP broadcasts have also decreased. The reduction is explained by the partial postponement of the competition, which meant that part of the income corresponding to matches played in the 2019/20 sporting season had to be accounted for within the 2020/21 financial year.
  - Revenue from the Commercial Area fell by -9% compared to the previous season, from €325 million to €297 million. The main variation has been caused by revenues from Barça Licensing & Merchandising, SL, the company wholly-owned by the Club that manages the merchandising, which as a result of the Covid-19 pandemic has seen its revenues fall by -21%. It should be noted that before the start of the pandemic, the monthly results had steadily been higher than those of the previous year.
  - The Transfers and Loans section has also been affected by the uncertainty generated by the pandemic. The resumption of competitions in June meant that the summer 2020 market has had to be reinvented resulting in fewer movements than usual. As a result, there was a decrease of -€19 million in this section compared to the previous year.
  - Other revenue, which includes various items, total €53 million.



### Expenditure

• Operating costs fell by -2% from the previous season, from €973 million to €955 million, mainly for the following reasons:

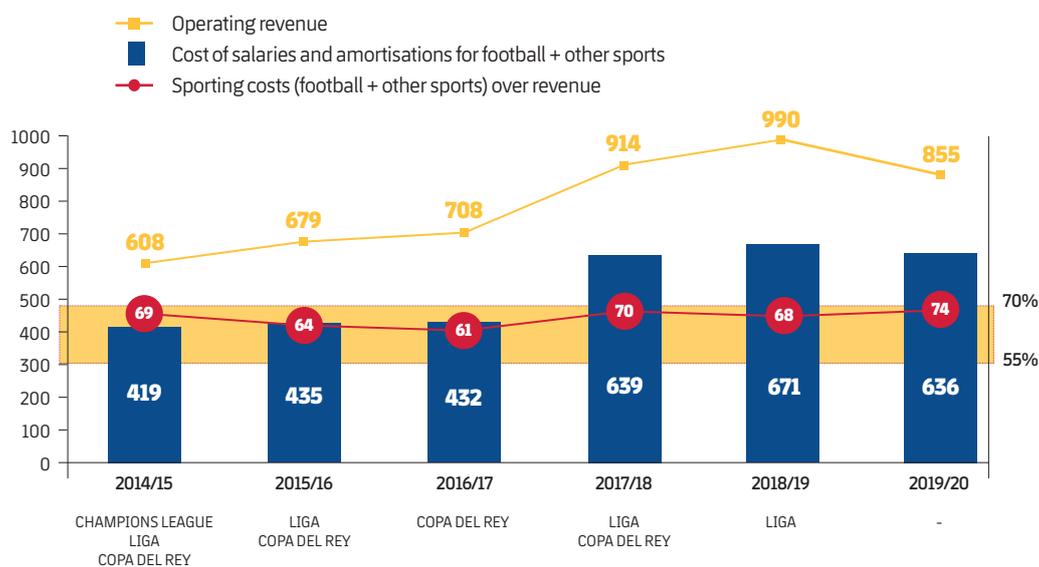
- Spending on sporting salaries fell, mostly as a result of salary reduction agreements and furlough schemes (ERTO) negotiated and applied during the season, as well as the drop in variable bonuses due to the failure to win La Liga and the transfer of the variables for the UCL quarter-finals to the 2020/21 season.
- With regard to non-sporting salaries, they remain in line with the previous season, also being affected by the inclusion of non-sporting personnel in a furlough scheme (ERTO).
- Management expenses fell by -10%. This variation is due to the decrease of certain expenses as a direct consequence of Covid-19 (matches behind closed doors, reduced travel), as well as the efforts made by the Club to reduce the economic impact of the pandemic.
- The Other Expenses section increased by 71%, largely due to the increase in the amounts of the impairments of the players on loan (spending that has its offsetting entry in revenue).



## Trend in sporting costs

The sporting cost-to-income ratio was 74% (+6 points compared to the previous season). The wage cost has been lower due to the agreed wage reductions and the furlough scheme applied (-5% compared to the previous year), however, the greater fall in percentage of income has led to an increase in the ratio.

SPORTING COSTS OVER TOTAL REVENUE  
(Millions of euros)



## Result

The 2019/20 financial year closed with after-tax loss of -€97 million and a positive EBITDA of €104 million. This result was mainly caused by the Covid-19 pandemic, as indicated in the first section.

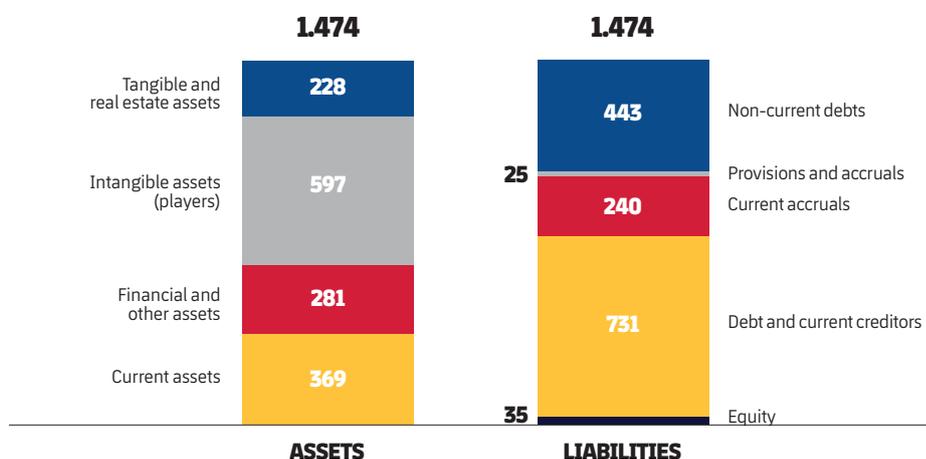
SUMMARY OF INCOME STATEMENT AT YEAR-END 2019/20  
(Millions of euros)

	REAL 2019/20
Operating revenue	855
Operating expenditure	-955
Operating profit	-100
Net Profit	-128
Profit after tax	-97

### Balance Sheet

- Net debt as at 30 June 2020 stands at €488 million. Taking into account that the total investments made in the development of the Espai Barça is €109 million, the adjusted debt is €379 million, placing the statutory ratio set out in Article 67 of the Articles of Association of the Club, on Debt/EBITDA, at 3.64, on this occasion clearly above the established maximum limit of 2.
- At treasury management level, the Club closed the year with €162 million in available cash. The gross bank debt is €480 million, an amount corresponding mainly to the different long-term debt issues that the Club has, as well as to the loan for the financing of the Espai Barça.
- The net equity fell and stood at the end of June at €35 million. During the 2019/20 season, investments were made in tangible fixed assets and non-sporting intangible assets for €50 million, of which the main part, €29 million, corresponds to investments in the Espai Barça. Turf improvements and changes were also made on two pitches at the Ciutat Esportiva. In the field of new technologies and digital services, improvements were made to corporate systems, ticketing management systems and a new CRM was developed.

BALANCE SHEET AT 30/06/2020  
(Millions of euros)



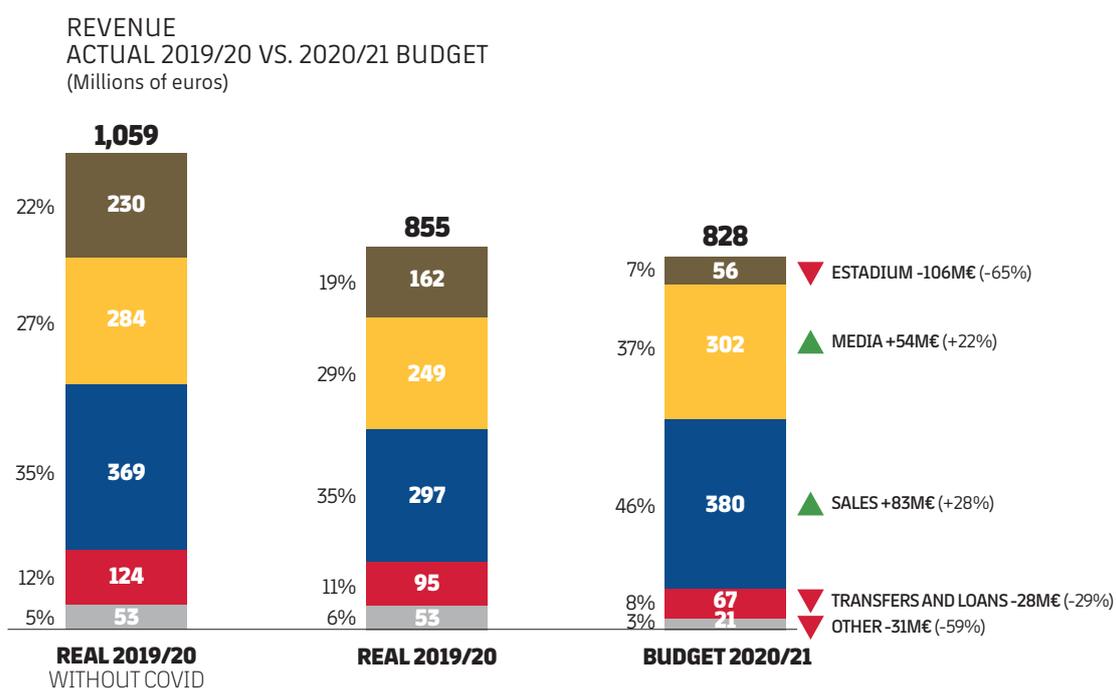
## OBJECTIVES 2020/21

SUMMARY OF PROFIT AND LOSS ACCOUNT FOR 2020/21 BUDGET  
(Millions of euros)

	BUDGET 2020/21
Operating revenue	828
Operating expenditure	-796
Operating profit	32
Net Profit	1
Profit after tax	1
EBITDA	231

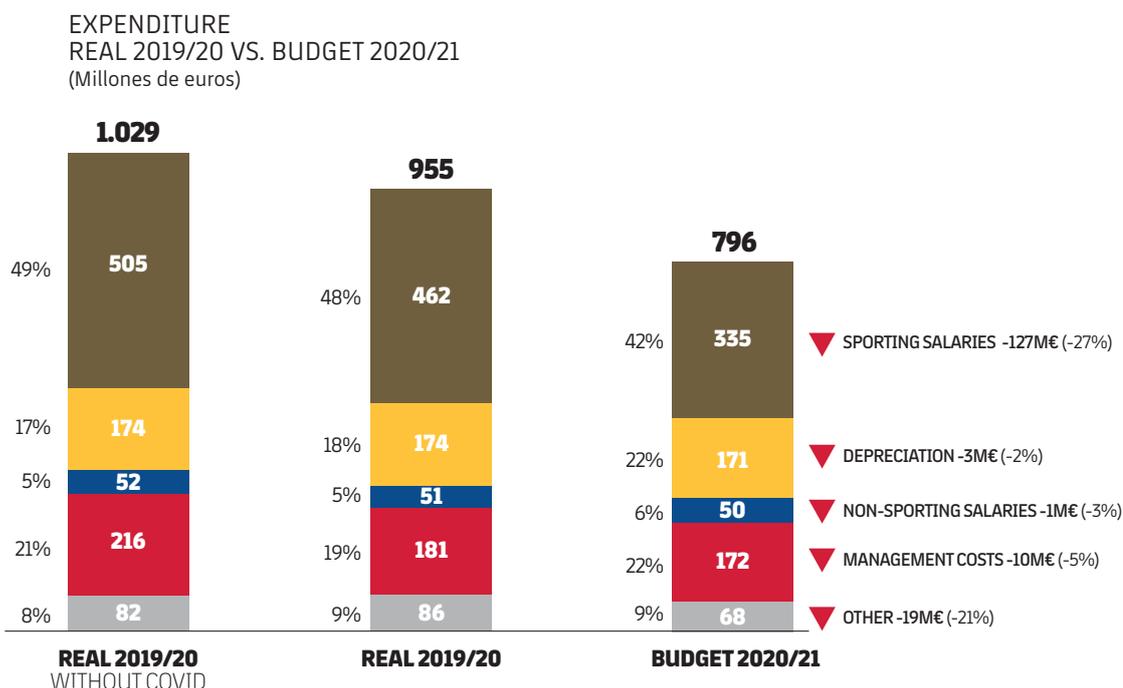
## REVENUE

- Stadium revenues fell mainly due to the consequences of the pandemic, which in this financial year affected the Club's facilities from day one. For this reason, the Club expects a scenario without spectators until February, a capacity of 25% up until May and 50% during the last two months of the season.
- In the Media section, the forecast increase in revenue over the previous season is due to the fact that matches for the 2019/20 season were played during the months of July and August (normally the 2020/21 season). Additionally, during the month of August there were also earnings for qualifying for the quarter-finals of the UEFA Champions League.
- The Sales revenue forecast is positive, as the Club has been able to maintain most of the sponsorship and sales revenue items. However, Merchandising revenue is expected to fall due to the lower tourism as a result of Covid-19, as well as a drop in the income from tours and friendly matches due to the impossibility of holding matches with spectators. This fall is offset by the forecast of revenue related to the enhancement of the different digital assets that the Club has created and developed over the last few years.



**EXPENDITURE**

- The Club has planned a significant effort to reduce the sporting payroll, mainly through the departure of players with high salaries and through salary deferral mechanisms that allow the current payroll to be adapted to the Club’s income generation within the context of the pandemic.
- The reduction in non-sporting salaries and management expenses is mainly due to the current assumptions with regard to the health situation caused by Covid-19. Therefore, they show the savings as a result of the exhaustive control that the Club has carried out to reduce these types of expenses to those that are only essential in the current context.
- The item Other expenses decreased as a result of the lower amount for impairments due to the transfer of players (which is offset by the corresponding revenue), and to a lower forecast of provisions for payment defaults. At the same time, this decrease is offset by the increase in losses due to the transfer of players during the summer market, as well as by the amortisation of new equity investments.



Overall, the budgeted operating profit for the 2020/21 season stands at 32 million euros, which including financial results and taxes, represents an expected profit after tax of 1 million euros.

**2020/21 SEASON BUDGET**

(Millions of euros)

	First Team	Youth Football	Women's Football	Basketball	Handball	Hockey	Futsal	Other sections	Other Activities	Total
<b>CONTINUING OPERATIONS</b>										
<b>Net turnover</b>	<b>513,425</b>	<b>1,277</b>	<b>4,871</b>	<b>12,382</b>	<b>1,551</b>	<b>429</b>	<b>1,419</b>	<b>1,503</b>	<b>202,374</b>	<b>739,232</b>
Revenue from competitions	13,747	21	10	312	49	3	59	0	1,840	16,041
Revenue from subscribers and members	5,780	-	-	56	5	-	-	-	17,883	23,724
Revenue from broadcasts and pending television rights	286,173	36	1,080	3,943	595	-	404	-	7,211	299,441
Revenue from marketing and advertising	207,725	1,221	3,781	8,071	902	426	956	1,485	175,150	399,716
Provision of services	-	-	-	-	-	-	-	18	291	309
<b>Work performed by the company on its own assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,542</b>	<b>1,542</b>
<b>Supplies</b>	<b>-3,477</b>	<b>-1,040</b>	<b>-593</b>	<b>-722</b>	<b>-487</b>	<b>-260</b>	<b>-372</b>	<b>-1,019</b>	<b>-18,615</b>	<b>-26,585</b>
Consumption of sporting equipment	-1,393	-745	-487	-495	-376	-184	-271	-1,008	-15,919	-20,881
Other external consumption and expenses	-2,083	-295	-107	-227	-110	-75	-100	-11	-1,313	-4,322
Impairment of goods, raw materials and other supplies	-	-	-	-	-	-	-	-	-1,382	-1,382
<b>Other operating revenue</b>	<b>6,511</b>	<b>1,653</b>	<b>131</b>	<b>35</b>	<b>52</b>	<b>8</b>	<b>67</b>	<b>-</b>	<b>14,060</b>	<b>22,516</b>
Operating revenue and other current management revenue	6,511	1,653	-	31	44	8	-	-	13,726	21,973
Operating subsidies included in the result for the year	-	-	131	4	8	-	67	-	333	544
<b>Personnel expenses</b>	<b>-230,202</b>	<b>-28,004</b>	<b>-4,136</b>	<b>-35,092</b>	<b>-5,919</b>	<b>-1,952</b>	<b>-3,834</b>	<b>-1,680</b>	<b>-51,619</b>	<b>-362,439</b>
Salaries and wages of sporting personnel	-228,021	-24,838	-3,640	-34,163	-5,238	-1,595	-3,395	-1,337	-4,123	-306,349
Salaries, wages and similar	-1,348	-847	-	-258	-208	-66	-65	-	-36,742	-39,533
Social security contributions	-785	-2,283	-496	-661	-465	-289	-372	-343	-9,332	-15,027
Provisions	-49	-36	-	-10	-8	-2	-2	-	-1,423	-1,530
<b>Other operating expenditure</b>	<b>-75,498</b>	<b>-8,393</b>	<b>-1,387</b>	<b>-4,848</b>	<b>-1,822</b>	<b>-633</b>	<b>-1,207</b>	<b>-1,351</b>	<b>-80,042</b>	<b>-175,182</b>
External services	-47,742	-4,645	-663	-2,113	-643	-295	-467	-333	-69,477	-126,378
Taxes	-2,544	-274	-	-10	-1	-	-	-	-1,335	-4,163
Losses, deterioration and change in provisions for commercial transactions	-275	-	-	-	-	-	-	-	-2,276	-2,551
Travel	-3,739	-1,772	-563	-1,879	-986	-225	-571	-575	-155	-10,465
Player acquisition costs	-	-428	-	-40	-3	-	-	-122	-	-592
Other current management costs	-21,199	-1,274	-162	-807	-189	-114	-169	-320	-6,799	-31,033
<b>Depreciation of fixed assets</b>	<b>-164,270</b>	<b>-6,083</b>	<b>-36</b>	<b>-595</b>	<b>-511</b>	<b>-3</b>	<b>-74</b>	<b>0</b>	<b>-20,316</b>	<b>-191,886</b>
<b>Imputation of non-financial fixed assets and other subsidies</b>	<b>70</b>	<b>39</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>109</b>
<b>Impairment and gains(losses) from disposal of fixed assets</b>	<b>23,086</b>	<b>5,171</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,258</b>
Impairment and losses	-	-	-	-	-	-	-	-	-	-
Impairment losses Intangible Sporting Fixed Assets	-4,325	-741	-	-	-	-	-	-	-	-5,066
Reversal of impairment of Intangible Sporting Fixed Assets	4,325	741	-	-	-	-	-	-	-	5,066
Gains(losses) from disposals and others	23,086	5,171	-	-	-	-	-	-	-	28,258
Losses from Intangible Sporting Fixed Assets	-29,640	-1,200	-	-	-	-	-	-	-	-30,840
Gains from Intangible Sporting Fixed Assets	52,726	6,371	-	-	-	-	-	-	-	59,098
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-3,495</b>	<b>-3,495</b>
Extraordinary losses	-	-	-	-	-	-	-	-	-3,500	-3,500
Other extraordinary revenue	-	-	-	-	-	-	-	-	5	5
<b>OPERATING PROFIT</b>	<b>69,644</b>	<b>-35,379</b>	<b>-1,151</b>	<b>-28,839</b>	<b>-7,136</b>	<b>-2,410</b>	<b>-4,002</b>	<b>-2,547</b>	<b>43,889</b>	<b>32,070</b>
<b>Financial revenue</b>	<b>3,477</b>	<b>385</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23</b>	<b>3,886</b>
<b>From negotiable securities and other financial instruments</b>	<b>3,477</b>	<b>385</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23</b>	<b>3,886</b>
From third parties	3,477	385	-	-	-	-	-	-	23	3,886
<b>Financial expenses</b>	<b>-2,068</b>	<b>-106</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-31,996</b>	<b>-34,170</b>
Debts with third parties	-2,068	-106	-	-	-	-	-	-	-31,996	-34,170
<b>Exchange rate differences</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-200</b>	<b>-200</b>
Exchange rate gains	-	-	-	-	-	-	-	-	350	350
Exchange rate losses	-	-	-	-	-	-	-	-	-550	-550
<b>Impairment and gains(losses) from disposals of financial instruments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-800</b>	<b>-800</b>
Losses on stakes in financial assets	-	-	-	-	-	-	-	-	-800	-800
<b>FINANCIAL PROFIT(LOSS)</b>	<b>1,409</b>	<b>279</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-32,973</b>	<b>-31,285</b>
<b>PRE-TAX EARNINGS</b>	<b>71,053</b>	<b>-35,100</b>	<b>-1,151</b>	<b>-28,839</b>	<b>-7,136</b>	<b>-2,410</b>	<b>-4,002</b>	<b>-2,547</b>	<b>10,916</b>	<b>785</b>
<b>Income tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>448</b>	<b>448</b>
<b>NET PROFIT/LOSS FOR THE YEAR</b>	<b>71,053</b>	<b>-35,100</b>	<b>-1,151</b>	<b>-28,839</b>	<b>-7,136</b>	<b>-2,410</b>	<b>-4,002</b>	<b>-2,547</b>	<b>11,364</b>	<b>1,233</b>

The amounts do not cover the distribution of income or the indirect costs by sections.



# CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR (ended June 30, 2019), AND CONSOLIDATED MANAGEMENT REPORT

*(Translation of consolidated financial statements and consolidated management report originally issued in Catalan. In the event of discrepancy, the Catalan-language version prevails)*





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Translation of a report originally issued in Catalan based on our work performed in accordance with prevailing audit regulations in Spain and of consolidated financial statements originally issued in Catalan and prepared in accordance with the regulatory framework for financial information applicable to the Group in Spain (see Note 2.1). In the event of discrepancy, the Catalan-language version prevails.

## AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

To the General Assembly of Futbol Club Barcelona:

### Opinion

We have audited the consolidated financial statements of Futbol Club Barcelona (the Club) and its subsidiaries (the Group), which comprise the consolidated balance sheet at June 30, 2020, the consolidated income statement, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes thereto for the year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of the Group at June 30, 2020 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in Note 2 to the accompanying consolidated financial statements) and, specifically, the accounting principles and criteria contained therein.

### Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those regulations are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the consolidated financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided any non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Most relevant audit issues

Most relevant audit issues are those matters that, in our professional judgment, were the most significant assessed risks of material misstatements in our audit of the consolidated financial statements of the current period. These risks were assessed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these risks.




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### *Recognition of contingent liabilities*

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**Description** At June 30, 2020 the Club is involved in several legal proceedings and verification and inspection proceedings brought by the tax authorities. Based on the best available information, the Club's Board of Directors has assessed and quantified the risks that may arise for the Club, recording a provision when the risk has been considered as probable. This assessment and quantification requires a considerable amount of judgment by the Club's Board of Directors and has therefore been a significant matter in our audit.

**Our response** As part of our audit work, we have asked both the Club's legal department and external advisors for written confirmation of the assessment and quantification of the risks that may arise as a result of said proceedings. Additionally, we have engaged our tax and legal experts to verify the conclusions reached by the Club's legal department and external advisors. Lastly, we have assessed the adequacy of the information disclosed in Notes 13.3 and 15.7 to the accompanying financial statements, in accordance with the regulatory framework for financial information applicable to the Group.

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### *Measurement of intangible sporting assets*

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**Description** At June 30, 2020 the Group has intangible sporting assets in the balance sheet, net of amortization and impairment, amounting to 596.7 million euros, which correspond to the necessary costs for obtaining the players' registration rights and other similar rights from other entities. These rights are amortized based on the term of the contracts signed. The measurement of intangible sporting assets is subject to significant judgment in order to determine whether there are indications of impairment and, if any, estimate their recoverable amount. As a result of this circumstance, and given the relevance of the balance of this heading, we have considered this area a relevant audit issue.

**Our response** As part of our audit work, we have analyzed the procedures established by the Club for the recognition and amortization of the rights acquired, as well as for the identification of potential impairment and determination of the corresponding amount, if any, assessing the reasonableness of the assumptions and information used. Additionally, we have analyzed the main additions and derecognitions of the financial year against supporting documentation, and the reasonableness of the depreciation and amortization charge based on the terms of the agreements signed. Lastly, we have assessed the adequacy of the information disclosed in Notes 4.1 and 5 to the accompanying financial statements, in accordance with the regulatory framework for financial information applicable to the Group.

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### **Other information: Consolidated management report**

Other information refers exclusively to the consolidated management report for the year ended June 30, 2020, the preparation of which is the responsibility of the Club's Board of Directors and is not an integral part of the consolidated financial statements.



Our audit opinion on the consolidated financial statements does not cover the consolidated management report. In conformity with prevailing audit regulations in Spain, our responsibility in terms of the consolidated management report is to assess and report on the consistency of the consolidated management report with the consolidated financial statements based on the knowledge of the Group we obtained while auditing the financial statements, and not including any information not obtained as evidence during the course of the audit. In addition, our responsibility is to assess and report on whether the content and presentation of the consolidated management report are in conformity with applicable regulations. If, based on the work carried out, we conclude that there are material misstatements, we are required to disclose them.

Based on the work performed, as described in the above paragraph, the information contained in the consolidated management report is consistent with that provided in the consolidated financial statements for the year ended June 30, 2020 and their content and presentation are in conformity with applicable regulations.

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#### **Responsibility of the Club's Board of Directors for the consolidated financial statements**

The Club's Board of Directors is responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the equity, financial position and consolidated results of the Group, in accordance with the regulatory framework for financial information applicable to the Group in Spain, identified in Note 2 to the accompanying consolidated financial statements, and for such internal control as it determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Club's Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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#### **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.



- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Club's Board of Directors.
- ▶ Conclude on the appropriateness of the Club's Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Club's Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the significant risks communicated with the Club's Board of Directors, we determine those that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the most significant assessed risks.

We describe those risks in our auditor's report unless law or regulation precludes public disclosure about the matter.

ERNST & YOUNG, S.L.  
(Registered in Spain's Official Register of Auditors  
under No. S0530)

(Original in Catalan signed by Xavier Pujol Pamies, registered in Spain's Official Register of Auditors under No. 18302)

August 17, 2020



**CONSOLIDATED BALANCE SHEET AT JUNE 30, 2020**

(Thousand of euros)

ASSETS	Notes	6/30/2020	6/30/2019	EQUITY AND LIABILITIES	Notes	6/30/2020	6/30/2019
<b>NON-CURRENT ASSETS</b>				<b>EQUITY</b>	<b>Note 12</b>		
<b>Intangible assets</b>		<b>620,799</b>	<b>542,418</b>	<b>CAPITAL AND RESERVES</b>		<b>32,845</b>	<b>130,184</b>
Intangible sporting assets	<b>Note 5</b>	596,678	527,795	<b>Social Fund</b>		<b>130,779</b>	<b>127,832</b>
Intangible non-sporting assets	<b>Note 6</b>			Social Fund		130,779	127,832
Software		17,421	13,159	<b>Reserves</b>		<b>(595)</b>	<b>(2,140)</b>
Development		414	465	Other reserves		(595)	(2,140)
Leaseholds		788	827	Retained earnings		-	(35)
Audiovisual property rights		3,481	-	<b>Profit for the year attributable to the parent company</b>		<b>(97,339)</b>	<b>4,527</b>
Intangible assets in progress and prepayments		2,017	172	<b>Grants, donations and bequests received</b>	<b>Note 12,2</b>	<b>2,342</b>	<b>2,423</b>
<b>Property, plant and equipment</b>	<b>Note 7</b>	<b>227,815</b>	<b>205,561</b>	<b>Total equity</b>		<b>35,187</b>	<b>132,607</b>
Stadiums and arenas		67,883	67,903				
Other land and constructions		36,822	36,825	<b>NON-CURRENT LIABILITIES</b>			
Plant and other PP&E items		12,775	13,077	<b>Non-current provisions</b>	<b>Note 13.1</b>	<b>16,208</b>	<b>16,208</b>
Property, plant and equipment under construction and prepayments		110,335	87,756	<b>Non-current payables</b>	<b>Note 14.1</b>	<b>442,542</b>	<b>511,737</b>
<b>Investment property</b>	<b>Note 8</b>	<b>13,446</b>	<b>13,616</b>	Bonds and other marketable debt securities		197,987	197,385
<b>Non-current investments in group companies and associates</b>	<b>Note 10.2</b>	<b>7,069</b>	<b>6,773</b>	Bank borrowings		13,318	61,488
Equity instruments		3,670	3,670	Payables to sporting entities	<b>Note 14.3</b>	196,674	181,287
Loans to companies	<b>Note 20.2</b>	3,399	3,103	Sports personnel	<b>Note 14.3</b>	34,488	70,503
<b>Non-current financial investments</b>	<b>Note 10.1</b>	<b>125,580</b>	<b>101,489</b>	Other financial liabilities		75	1,074
Loans to sporting entities		108,766	92,233	<b>Deferred tax liabilities</b>	<b>Note 15.6</b>	<b>581</b>	<b>608</b>
Other financial assets		16,814	9,256	<b>Non-current accruals</b>	<b>Note 16</b>	<b>9,160</b>	<b>10,673</b>
<b>Deferred tax assets</b>	<b>Note 15.6</b>	<b>52,713</b>	<b>22,217</b>	<b>Total non-current liabilities</b>		<b>468,491</b>	<b>539,226</b>
<b>Non-current trade receivables</b>	<b>Note 10.3</b>	<b>58,083</b>	<b>64,233</b>				
<b>Total non-current assets</b>		<b>1,105,505</b>	<b>956,307</b>	<b>CURRENT LIABILITIES</b>			
				<b>Current provisions</b>	<b>Note 13.2</b>	<b>3,356</b>	<b>3,234</b>
<b>CURRENT ASSETS</b>				<b>Current payables</b>	<b>Note 14.2</b>	<b>268,483</b>	<b>11,944</b>
<b>Inventory</b>	<b>Note 11</b>	<b>3,206</b>	<b>3,484</b>	Bonds and other marketable debt securities		2,507	1,143
<b>Trade and other receivables</b>	<b>Note 10.3</b>	<b>194,707</b>	<b>233,207</b>	Bank borrowings		265,967	10,792
Receivables from season-ticket holders and club members		-	175	Other financial liabilities		9	9
Receivables from group companies	<b>Note 20.2</b>	607	574	Trade and other payables	<b>Note 14.3</b>	462,196	493,634
Accounts receivable from sporting entities		58,750	85,915	Suppliers		84,054	106,271
Other receivables		77,606	73,353	Suppliers, group companies	<b>Note 20.2</b>	753	307
Sports personnel	<b>Note 14.3</b>	54,118	67,922	Other payables		21,111	25,609
Non-sports personnel		128	265	Other payables to related parties	<b>Note 20.2</b>	4,484	3,523
Current income tax assets	<b>Note 15.1</b>	134	2,678	Payables to sporting entities		126,221	79,455
Other receivables from public administrations	<b>Note 15.1</b>	2,793	2,162	Sports personnel	<b>Note 14.3</b>	164,140	160,875
Prepayments to suppliers / creditors		571	163	Non-sports personnel		6,019	3,116
<b>Current financial investments</b>		<b>2,139</b>	<b>2,312</b>	Other payables to public administrations	<b>Note 15.1</b>	55,190	113,870
<b>Current accruals</b>	<b>Note 16</b>	<b>6,264</b>	<b>5,326</b>	Customer advances		224	608
<b>Cash and cash equivalents</b>		<b>162,206</b>	<b>158,362</b>	Current accruals	<b>Note 16</b>	<b>236,314</b>	<b>178,353</b>
Cash		162,206	158,362	<b>Total current liabilities</b>		<b>970,349</b>	<b>687,165</b>
<b>Total current assets</b>		<b>368,522</b>	<b>402,691</b>	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,474,027</b>	<b>1,358,998</b>
<b>TOTAL ASSETS</b>		<b>1,474,027</b>	<b>1,358,998</b>				

Notes 1 to 24 to the accompanying consolidated financial statements are an integral part of the consolidated balance sheet at June 30, 2020.

# CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2020

(Thousand of euros)

	Notes	Actual 2019/20	Budget 2018/19
<b>CONTINUING OPERATIONS</b>			
<b>Revenue</b>	<b>Note 18.1</b>	<b>708,257</b>	<b>836,730</b>
Revenue from competitions		80,891	113,980
Revenue from season ticket holders and membership card holders		55,200	60,884
Revenue from TV broadcasts and TV rights		248,489	298,122
Revenue from marketing and advertising		323,237	363,331
Rendering of services		440	413
<b>Work performed by the entity and capitalized</b>		<b>1,560</b>	<b>1,374</b>
<b>Cost of sales</b>		<b>(31,288)</b>	<b>(33,963)</b>
Consumption of sports equipment		(24,321)	(29,165)
Other consumables and external expenses		(2,338)	(4,006)
Impairment of goods, raw materials and other consumables	<b>Note 11</b>	(4,629)	(792)
<b>Other operating income</b>	<b>Note 18.2</b>	<b>20,526</b>	<b>15,441</b>
Ancillary income		19,917	14,895
Grants related to income		609	546
<b>Employee benefits expense</b>	<b>Note 18.3</b>	<b>(487,120)</b>	<b>(541,920)</b>
Wages and salaries of sports personnel		(430,350)	(485,482)
Wages and salaries of non-sports personnel		(40,582)	(41,012)
Social security costs		(14,750)	(14,109)
Provisions		(1,438)	(1,317)
<b>Other operating expenses</b>		<b>(192,790)</b>	<b>(206,945)</b>
External services	<b>Note 18.4</b>	(125,916)	(129,229)
Taxes		(3,956)	(5,485)
Losses on, impairment of and change in trade provisions	<b>Note 10.3</b>	(6,932)	(1,450)
<i>Impairment losses on trade receivables</i>		(8,938)	(1,450)
<i>Reversal of impairment losses on trade receivables</i>		2,006	-
Away matches		(7,614)	(11,428)
Player acquisition expenses		(1,215)	(2,823)
Other current management expenses		(47,157)	(56,530)
<b>Depreciation and amortization</b>		<b>(192,032)</b>	<b>(159,869)</b>
Amortization of player acquisition rights	<b>Note 5</b>	(174,020)	(145,528)
Other depreciation and amortization	<b>Notes 6 and 7</b>	(18,012)	(14,341)
<b>Grants related to non-financial assets and other grants</b>	<b>Note 12.2</b>	<b>108</b>	<b>108</b>
<b>Impairment losses and gains (losses) on disposal of non-current assets</b>		<b>73,034</b>	<b>103,173</b>
<i>Impairment losses and losses</i>	<b>Notes 5 and 8</b>	(170)	2,688
<i>Impairment losses on intangible sporting assets</i>		(43,319)	(26,311)
<i>Impairment losses on property, plant and equipment</i>		43,319	28,811
<i>Reversal of impairment losses on intangible sporting assets</i>		(196)	(36)
<i>Reversal of impairment losses on property, plant and equipment</i>		26	224
Gains (losses) on disposals	<b>Note 5</b>	73,204	100,485
<i>Losses on property, plant and equipment</i>		(112)	(235)
<i>Gains on property, plant and equipment</i>		55	-
<i>Losses on intangible sporting assets</i>		(6,267)	(210)
<i>Gains on intangible sporting assets</i>		79,528	100,930
<b>Charges for the year and utilization of provisions</b>	<b>Note 18.5</b>	<b>(50)</b>	<b>3,413</b>
Charges of provisions		(95)	(3,312)
Utilization of provisions		45	6,725
<b>OPERATING PROFIT/(LOSS)</b>		<b>(99,795)</b>	<b>17,542</b>
<b>Finance income</b>		<b>1,828</b>	<b>1,478</b>
From marketable securities and other financial instruments		1,828	1,478
Of third parties		1,828	1,478
<b>Finance costs</b>		<b>(29,515)</b>	<b>(17,018)</b>
Third-party borrowings		(29,515)	(17,018)
<b>Exchange gains (losses)</b>		<b>188</b>	<b>138</b>
Exchange gains		668	362
Exchange losses		(480)	(224)
<b>Impairment and gains (losses) on disposal of financial instruments</b>	<b>Note 10.2</b>	<b>(727)</b>	<b>1,416</b>
Impairment losses on financial instruments		-	(24)
Impairment losses on receivables from group companies		(727)	(1,225)
Reversal of impairment losses on receivables from group companies		-	2,665
<b>FINANCE COST</b>		<b>(28,226)</b>	<b>(13,986)</b>
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>(128,021)</b>	<b>3,556</b>
Income tax	<b>Note 15.4</b>	30,682	971
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>(97,339)</b>	<b>4,527</b>

Notes 1 to 24 to the accompanying consolidated financial statements are an integral part of the consolidated income statement for the year ended June 30, 2020.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2020

(Thousand of euros)

### A) CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSES

(Thousand of euros)

	Notes	Actual 2019/20	Budget 2018/19
<b>CONSOLIDATED PROFIT/(LOSS) FOR THE PERIOD (I)</b>		<b>(97,339)</b>	<b>4,527</b>
Grants, donations and bequests received	<b>Note 12.2</b>	(108)	(108)
Tax effect	<b>Nota 15.3</b>	27	27
<b>TOTAL AMOUNTS TRANSFERRED TO CONSOLIDATED INCOME STATEMENT (II)</b>		<b>(81)</b>	<b>(81)</b>
<b>TOTAL CONSOLIDATED RECOGNIZED INCOME AND EXPENSES (I + II)</b>		<b>(97,420)</b>	<b>4,446</b>

Notes 1 to 24 to the accompanying consolidated financial statements are an integral part of the consolidated statement of recognized income and expenses for the year ended June 30, 2020.

### B) CONSOLIDATED STATEMENT OF ALL CHANGES IN EQUITY

(Thousand of euros)

	Social Fund	Reserves	Profit/(loss) for the year attributable to the parent company	Prior-year losses	Grants, donations and bequests	Total
<b>Balance at July 1, 2018</b>	<b>114,902</b>	<b>(2,140)</b>	<b>12,930</b>	<b>(35)</b>	<b>2,504</b>	<b>128,161</b>
Appropriation of profit for the year 2017/18	12,930	-	(12,930)	-	-	-
Total consolidated recognized income and expenses	-	-	4,527	-	(81)	4,446
<b>Balance at June 30, 2019</b>	<b>127,832</b>	<b>(2,140)</b>	<b>4,527</b>	<b>(35)</b>	<b>2,423</b>	<b>132,607</b>
Appropriation of profit for the year 2018/19	2,947	1,545	(4,527)	35	-	-
Total consolidated recognized income and expenses	-	-	(97,339)	-	(81)	(97,420)
<b>Balance at June 30, 2020</b>	<b>130,779</b>	<b>(595)</b>	<b>(97,339)</b>	<b>-</b>	<b>2,342</b>	<b>35,187</b>

Notes 1 to 24 to the accompanying consolidated financial statements are an integral part of the consolidated statement of all changes in equity for the year ended June 30, 2020.

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2020

(Thousand of euros)

	Actual 2019/20	Budget 2018/19
<b>CASH FLOWS FROM OPERATING ACTIVITIES (I)</b>		
<b>Profit/(loss) for the year before tax</b>	<b>(128,021)</b>	<b>3,556</b>
<b>Adjustments to profit/(loss)</b>		
- Depreciation and amortization	192,032	159,869
- Impairment losses	12,268	(1,862)
- Change in provisions	122	2,360
- Grants released to income	(108)	(108)
- Gains from derecognition and disposals of non-current assets	(73,204)	(100,485)
- Finance income	(1,828)	(1,478)
- Finance costs	29,515	17,018
- Exchange gains	(188)	(138)
- Liabilities accruals recognized in profit or loss, net	(509,848)	(510,843)
- Other income and expenses	353	(1,281)
<b>Changes in working capital</b>		
- Inventory	(4,179)	(3,255)
- Trade and other receivables	2,421	16,819
- Inclusion of assets accruals	(938)	(2,887)
- Trade and other payables	(79,757)	8,206
- Other current liabilities	-	4,649
- Inclusion of liabilities accruals	566,296	488,214
- Other non-current assets and liabilities	(29,865)	36,346
<b>Other cash flows from operating activities</b>		
- Interest paid	(26,048)	(14,371)
- Interest received	1,828	1,478
- Income tax receipts (payments)	2,731	14,322
	<b>(46,418)</b>	<b>116,129</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES (II)</b>		
<b>Payments on investments</b>		
- Intangible sporting assets	(245,254)	(205,803)
- Intangible non-sporting assets	(15,146)	(7,888)
- Property, plant and equipment	(34,830)	(60,039)
- Group companies and associates	(1,023)	(4,553)
- Other financial assets	(9,565)	(516)
<b>Proceeds from disposals</b>		
- Intangible sporting assets	148,397	75,048
- Property, plant and equipment	-	545
- Other financial assets	2,179	356
	<b>(155,242)</b>	<b>(202,850)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES (III)</b>		
<b>Proceeds from and payments of financial liabilities</b>		
- Issue of bank borrowings	214,316	55,179
- Issue of bonds and other marketable debt securities	-	197,385
- Repayment and redemption of bank and other borrowings	(8,812)	(48,126)
	<b>205,504</b>	<b>204,438</b>
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III)</b>	<b>3,844</b>	<b>117,717</b>
Cash and cash equivalents at July 1	158,362	40,645
Cash and cash equivalents at June 30	162,206	158,362

Notes 1 to 24 to the accompanying consolidated financial statements are an integral part of the consolidated cash flow statement for the year ended June 30, 2020.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

## 1. Club Activity

Futbol Club Barcelona (hereinafter the Club) is a non-for-profit private association of individuals, with its own legal personality and full capacity, incorporated on November 29, 1899. It is domiciled in Barcelona at Avenida Aristides Maillol, s/n.

The corporate purposes of the Club are, among others, to promote soccer mainly, and sport in general, take part in competitions and foster physical and sporting events for its official members and, where appropriate, the general public.

On October 5, 2013 the Assembly approved the new Bylaws of the Club, which include an article establishing that the Board of Directors shall ensure that the Club's equity is maintained.

The Club is the parent of a group (hereinafter the Group). Pursuant to article 7 of Royal Decree 1159/2010, of September 17, passing the Standards for the Preparation of Consolidated Financial Statements, the Club issued consolidated financial statements for the first time in the year ended June 30, 2019, due to the relevance of the subsidiary Barça Licensing & Merchandising, S.L.U., a company that started its activities on July 1, 2018 upon expiry of the exclusive operating agreement signed with the company Futbol Club Barcelona Merchandising, S.L.U. (a company belonging to the Nike group). Until that date, the Club did not issue consolidated financial statements as the interest held in subsidiaries was not material, either individually or in the aggregate, to the true and fair view of the equity, financial position or results of the Group, the parent company of which is the Club.

There are other subsidiaries that have not been consolidated in these consolidated financial statements, as they are not material, either individually or in the aggregate, to the true and fair view of the equity, financial position or results of the Group (Note 10.2).

The information on the subsidiary, which has been accounted for using the full consolidation method, is as follows:

Corporate name	Business address	Country	Ownership %
Barça Licensing & Merchandising, S.L.U.	Avinguda Aristides Maillol, s/n, 08028, Barcelona	Spain	100%

Barça Licensing & Merchandising, S.L.U. was incorporated on March 23, 2018 and its corporate purpose consists in the retail sale, including promotion, commercialization and distribution, in any form permitted by mercantile practices and uses, of toys, sports items and sports- and non-sportswear under the brands owned by FC Barcelona. The subsidiary is not listed on the stock exchange.

Given the nature of its activities, the Club has no environmental liabilities, expenses, assets, provisions or contingencies that could have a significant effect on its equity, financial position and results. Consequently, these notes to the consolidated financial statements do not include specific disclosures related to information on environmental issues.

## 2. Basis of presentation of the consolidated financial statements

### 2.1. Regulatory Framework for Financial Information applicable to the Group

The accompanying consolidated financial statements have been authorized for issue by the Board of Directors of the Club in accordance with the regulatory framework for financial information applicable to the Group, which is set out in:

- a. The Spanish Commercial Code and other mercantile law.
- b. The Spanish General Accounting Plan approved by Royal Decree 1514/2007 of November 16, and Standards for the Preparation of Consolidated Financial Statements and amendments to the Spanish General Accounting Plan passed by Royal Decree 1159/2010, of September 17, which were modified by Royal Decree 602/2016, of December 2 and its industry adaptations, as well as any standards that do not violate the New General Accounting Plan and are established in the General Accounting Plan adapted to public limited sports companies.
- c. Statutory standards approved by the Spanish Accounting and Audit Institute implementing the Spanish General Accounting Plan and associated standards.
- d. Other applicable Spanish accounting regulations

These consolidated financial statements also include the disclosures required by the Regulations on Economic Control for sports clubs and public limited sports companies affiliated to the Spanish Professional Soccer League (LFP by its acronym in Spanish), published in May 2014, as well all the disclosures required by the Spanish National Sports Council (Consejo Superior de Deportes) through a statement issued on February 18, 2015.

## 2.2. True and fair view

The accompanying consolidated financial statements have been obtained from the auxiliary accounting records of the Club and its subsidiary, and include the corresponding consolidation adjustments and eliminations in accordance with prevailing accounting legislation to give a true and fair view of the Group's equity, financial position, and results. The consolidated cash flow statement has been prepared to present fairly the origin and use of the Group's monetary assets such as cash and cash equivalents.

As indicated in Note 1, some subsidiaries have not been consolidated in these consolidated financial statements, as they are not material, either individually or in the aggregate, to the true and fair view of the equity, financial position or results of the Group (Note 10.2).

These consolidated financial statements, which have been authorized for issue by the Club's Board of Directors, will be submitted for approval by the General Assembly of Members. It is expected that they will be approved without modification. The consolidated financial statements for the year 2018/19 were approved by the General Assembly of Members on October 6, 2019.

## 2.3. Non-mandatory accounting policies applied

The Club has not applied any non-mandatory accounting policies. Additionally, the Club's Board of Directors has prepared these consolidated financial statements in accordance with all mandatory accounting principles and standards that have a material impact thereon. All mandatory accounting policies have been applied.

## 2.4. Critical issues concerning the measurement and assessment of uncertainty

The accompanying consolidated financial statements were prepared using estimates made by the Club's Board of Directors to measure the assets, liabilities, income, expenses, and commitments recognized therein. These estimates relate basically to the following:

- The application of the going concern principle (Note 2.5).
- The assessment of possible impairment losses on certain assets (Notes 4.1, 4.2, 4.3, 4.6 and 4.7).
- The useful lives of intangible assets, property, plant and equipment and investment property (Notes 4.1, 4.2 and 4.3).
- The calculation of provisions (Note 4.11).
- The analysis of the recoverability of the tax assets recorded in the accompanying consolidated balance sheet based on the future business plan prepared by the Club's Board of Directors (Note 4.9).

Although these estimates were made on the basis of the best information available at 2019/20 year-end, given the uncertainty inherent in them, events may occur in the future that may require prospective adjustments (upwards or downwards) in subsequent years. Said uncertainty is increased by the current lack of efficient medical treatment for COVID-19. Therefore, the consequences for the Group will largely depend on the evolution of the pandemic in the next months, and its impact on the Spanish and international sports competitions in which the several teams of the Club participate.

## 2.5. Going concern

The accompanying consolidated balance sheet at June 30, 2020 shows negative working capital amounting to 601,827 thousand euros (284,474 thousand euros at June 30, 2019), which may cast doubt on the application of the going concern principle.

This significant deterioration of working capital in comparison with the prior year, has been mainly due to: (i) transfer of non-current bank borrowings to current bank borrowings (Note 14.1); (ii) investments made in Espai Barça (Note 14.1); (iii) investments for the acquisition of player registration rights (Notes 10.1 and 14.2); and (iv) drawdown of credit lines with financial institutions to meet liquidity needs arisen mainly as a result of COVID-19 (Note 14.2).

However, the Club's Board of Directors has prepared these consolidated financial statements under the going concern principle because of the following mitigating factors:

- The Group includes current accruals in the liabilities side of the balance sheet, which at June 30, 2020 amount to 236,314 thousand euros (Note 16). These accruals do not entail any future financial obligations for the Group since they are included in the consolidated balance sheet as they are invoiced in line with the collection periods established in the agreements, and are recognized as an income on an accrual basis.
- The limit of undrawn credit facilities at June 30, 2020 amounts to 28,247 thousand euros (Note 14.2).
- There is no legal non-compliance that prevents the Group from continuing to operate normally under its equity position at June 30, 2020.
- The Group's cash-flow projection for the next 12 months shows that it is capable of meeting its payment commitments in the short term. Said cash projection has considered the foreseeable impacts derived from COVID-19 based on available information at the date these consolidated financial statements were authorized for issue.
- In order to face the expected significant decrease in revenue for the 2020/21 season due to COVID-19, the Club's Board of Directors and Management have adopted a set of measures to mitigate its impact which are expected to achieve a balance in the income statement.
- At the date these consolidated financial statements were authorized for issue, a waiver of the ratios indicated in Note 14.4 has been agreed with the North American holders of the Senior Notes, at both December 31, 2019 and June 30, 2020. Thus, compliance with said ratios will not be required until June 30, 2021 (Notes 14.1 and 24). For this agreement to be effective, among other aspects, the other holders of Senior Notes shall also grant the corresponding waiver under substantially similar terms. At the date these consolidated financial statements were authorized for issue, negotiations with the other holders are at a highly advanced stage and it is expected that an agreement will be reached shortly. It has also been agreed with the North American financial institution that granted the Club a loan amounting to 90 million euros in order to fund the first phase of the construction of Espai Barça to extend the maturity of the loan by one year to August 16, 2021 and grant the Club a waiver of the ratios indicated in Note 14.4 until June 30, 2021 (inclusive) (Notes 14.2 and 24).

## 2.6. Comparison of information

In accordance with mercantile law, for comparative purposes the Club has included the figures for the year ended June 30, 2019 in addition to those for the year ended June 30, 2020 for each item of the consolidated balance sheet, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement. The notes to the financial statements also include quantitative information, except where disallowed by an accounting standard.

## 2.7. Grouping of items

Certain items in the consolidated balance sheet, the consolidated income statement, the consolidated statement of changes in equity and the consolidated statement of cash flows have been aggregated to facilitate reader comprehension; however, whenever the amounts involved are material, the information is disclosed separately in the related notes to the consolidated financial statements.

## 2.8. Basis of consolidation

July 1, 2018 was considered to be the date on which Barça Licensing & Merchandising, S.L.U. was integrated into the Group. This subsidiary was incorporated on March 23, 2018, although it did not start its activities until July 2018 (Note 1). The subsidiary has been accounted for using the full consolidation method and all significant balances and transactions between consolidated entities have been eliminated on consolidation.

## 3. Distribution of the Club's result

The proposed appropriation of the 2019/20 losses, which will be submitted for approval by the General Assembly of Members, plans to fully allocate losses to the Social Fund. Additionally, the profit for the year 2018/19 was fully allocated to the Social Fund.

## 4. Recognition and measurement standards

The main accounting policies and measurement bases used by the Group in the preparation of the consolidated financial statements for the current year, in accordance with the Spanish General Accounting Plan, were as follows:

## 4.1. Intangible assets

### *Intangible sporting assets*

The costs necessary for acquiring the player registration rights from other clubs and the amounts paid of a similar nature are recognized under intangible assets and are amortized on a straight-line basis over the term of the player's first contract, excluding any residual value. Player registration rights are recognized as intangible assets when all significant conditions for the player's transfer are met, i.e., unconditional effectiveness, which means that there has to be a legally binding agreement between both clubs and between the purchasing club and the player. Additionally, in the event that a player is renewed, amortization is prospectively reestimated in accordance with the new term of the contract.

The agreements for the acquisition of player registration rights usually include variable remuneration which depend on the Club's and the player's sporting performance. These variable payments are recorded when the conditions they are subject to are met, and are amortized from the moment they are recognized until the end of the employment contract with in force the player.

In the event that a new contract is signed or the player is renewed, the amounts that entail higher remuneration, such as signing bonuses, are considered as employee benefits expense, without prejudice to the fact that since they are pending accrual they shall be recorded according to their nature for the amounts pending accrual over one year in the "Non-current trade receivables" heading, and for the amounts pending accrual within one year in the "Current trade and other receivables - Sports personnel" heading in the consolidated balance sheet. This criterion is also applied in the acquisition of player or coach image rights, which will be recorded in the consolidated income statement according to their nature as the economic benefits associated with the contract flow to the Group. Additionally, in the event of early termination or loan of players the criteria indicated in the below headings shall apply, that is, the income or expense thereof shall be recognized in the consolidated income statement according to their nature.

As for the acquisition of preferential options on a player's registration or other similar rights, expenses are initially recorded as an asset provided that there is no reasonable doubt that the pre-emption right can be exercised or that it can be transferred, and it has economic value. Expenses shall be amortized at final acquisition on a straight-line basis over the term of the contract with the Club. Otherwise, the whole amount shall be transferred to profit or loss.

In the event of early termination of contracts, the outstanding cost is fully amortized and, together with the corresponding income, is recorded in the consolidated income statement. The sale of a player's registration rights is recognized when it is not effectively subject to any conditions and the risks and rewards have substantially been transferred to the new club.

In the event of the loan of players, the cost of the loan is recorded in the consolidated income statement as the proportional portion of the amortization for the term of the loan.

No training costs for junior soccer players or other sports players are capitalized.

### *Intangible non-sporting assets:*

As a general rule, intangible non-sporting assets are initially recognized at acquisition or production cost. After initial recognition, these assets are carried at cost less accumulated amortization and any accumulated impairment. These assets are amortized over their useful lives.

Software includes the costs incurred to acquire and develop computer programs, including website development costs. Expenses for maintenance are taken to the consolidated income statement in the year incurred. Software is amortized on a straight-line basis over 5 years.

As for audiovisual property rights, the Group records in this caption the costs incurred in the acquisition and development of TV shows, documentaries and exclusive content for digital platforms. Audiovisual property rights are amortized on a straight-line basis over the period during which these rights are temporarily loaned to third parties.

Leaseholds are recorded at cost in the assets side of the consolidated balance sheet and correspond to the amount paid for the rights to lease premises, whereby the acquiree assumes the rights and obligations of the transferor, less accumulated amortization and any impairment loss. Leaseholds are amortized on a straight-line basis over the period for which the rights and obligations of the leased asset are acquired.

***Impairment of intangible assets, property, plant and equipment and investment property***

Whenever an indication of impairment is detected, the Group tests the corresponding assets to determine whether their recoverable amount has fallen below their carrying amount.

The recoverable amount is the higher of an asset's estimated fair realizable value less costs to sell and value in use.

The value in use of the players is determined considering the whole first team soccer squad as a single cash-generating unit, since the players on their own do not generate independent cash flows, except in the event that they are sold.

As a result of the foregoing, at the end of each reporting period, Club Management arranges for an independent expert to carry out appraisals of most of its assets recorded in the "Investment property" heading in order to verify that the recoverable amounts of these assets are equal or higher than their carrying amounts. These appraisals have been made based on the present uses of the assets included in this heading.

In the event that an impairment loss needs to be recorded, the carrying amount of the asset is reduced to the higher of fair value less costs to sell, value in use and zero.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized on the asset in prior years. The reversal of an impairment loss is recognized as income.

**4.2. Property, plant, and equipment**

Property, plant and equipment items are initially measured at acquisition price or production cost, restated up to 1996 in accordance with prevailing legislation, and are subsequently recorded net of accumulated depreciation and any impairment loss, in accordance with the criterion set forth in Note 4.1 above.

Property, plant and equipment acquired for free up to June 30, 2000 is recognized at their market value at acquisition date in accordance with the corresponding certificates and expert reports.

The cost of assets acquired or produced subsequent to January 1, 2008 with installation periods exceeding one year includes financial expenses accrued prior to putting the assets to use when these expenses meet capitalization requirements.

Expenses for repairs and maintenance of property, plant and equipment items are taken to the consolidated income statement in the year incurred. However, expenses incurred for improvements which increase the capacity or efficiency, or prolong the useful life of the asset are capitalized as an increase in the value of the item.

The Group depreciates its property, plant and equipment using the straight-line method, applying annual depreciation rates that reflect the estimated useful lives of the corresponding assets, which break down as follows:

	<b>Years of estimated useful life</b>
Stadiums, arenas and other constructions	25 a 50
Machinery, facilities and tools	3.3 a 10
Transport equipment	5
Furniture and fixtures	10 a 12.50
Data processing equipment	4 a 5

**4.3. Investment property**

"Investment property" in the consolidated balance sheet reflects the values of land, buildings and other structures held either to earn rentals or for capital appreciation upon disposal due to future increases in their respective market prices.

These assets are measured according to the criteria indicated in Note 4.2 on property, plant and equipment.

#### 4.4. Exchanges of assets

Assets acquired in exchange for other assets are analyzed individually to determine whether the related transaction has commercial substance.

When the transaction has commercial substance, the asset received is measured at the fair value of the asset given up, plus any monetary compensation where applicable, unless the fair value of the asset received is more evident. Any valuation differences arising upon derecognition of the asset given up are recognized in the consolidated income statement.

When the exchange does not have commercial substance or when fair value cannot be reliably measured, the asset received is measured at the carrying amount of the asset given up, plus any monetary compensation, where applicable.

#### 4.5. Leases

Leases are classified as finance leases when the conditions of the lease agreement indicate that substantially all the risks and rewards incidental to ownership of the asset are transferred. All other leases are classified as operating leases.

##### *Operating leases*

Income from operating leases where the Group acts as lessor are recorded in the consolidated income statement in the year incurred.

When the Group acts as lessee in an operating lease arrangement, lease expenses are recognized in the consolidated income statement in the year incurred.

Any collection or payment that might be made when arranging an operating lease will be treated as advance collection or payment, allocated to profit or loss over the lease term in accordance with the time pattern in which the benefits of the leased asset are provided or received.

#### 4.6. Financial instruments

##### 4.6.1. Financial assets

##### *Classification*

The financial assets held by the Group are classified into the following categories:

- a. Loans and receivables: financial assets arising on the sale of goods and the rendering of services in the course of the Group's trade operations; and financial assets that are neither equity instruments nor derivatives, not arising on trade transactions, with fixed or determinable payments, and which are not traded in an active market.
- b. Equity investments in group companies, jointly controlled entities and associates: group companies are companies related to the Club through relationships of control, and associates are those over which the Club exercises significant influence. Jointly controlled entities are companies that are controlled jointly by one or more venturers in accordance with an agreement. As indicated in Note 1, some subsidiaries have not been consolidated in these consolidated financial statements, as they are not material, either individually or in the aggregate, to the true and fair view of the equity, financial position or results of the Group (Note 10.2).

##### *Initial measurement*

Financial assets are initially measured at the fair value of the consideration given plus directly attributable transaction costs.

In the case of equity investments in group companies that give control over the subsidiary, the fees paid to legal advisors and other professionals in connection with the acquisition have been recognized directly in the consolidated income statement since January 1, 2010.

##### *Subsequent measurement*

Loans and receivables are subsequently measured at amortized cost.

Equity investments in group companies, jointly controlled entities and associates are subsequently measured at cost less any accumulated impairment. Impairment loss is calculated as the difference between the carrying amount and recoverable amount, which is deemed to be the higher of fair value less costs to sell and the present value of future cash flows from the investment. Unless better evidence is available, the recoverable amount is estimated taking into account the equity of the investee, adjusted by any unrealized capital gains existing on the measurement date, including any goodwill.

At least at each reporting period, financial assets not measured at fair value are tested for impairment. Objective evidence of impairment exists if the recoverable value of a financial asset is less than its carrying amount. Any impairment losses are recognized in the consolidated income statement.

Specifically, the criteria used by the Group for calculating any impairment losses on trade and other receivables is to monitor receivable balances individually at year end.

The Group derecognizes financial assets when the contractual rights to the cash flows from the financial asset expire or have been transferred, provided that substantially all the risks and rewards of ownership of the asset have been transferred.

However, when financial assets are transferred but related risks and rewards incidental to ownership are retained, the Group does not derecognize them. Instead, it recognizes a financial liability at an amount equal to the consideration received.

#### 4.6.2. Financial liabilities

Financial liabilities include trade and other payables arising on the purchase of goods or services in the Group's trade operations, or those which, while not having commercial substance, cannot be considered as derivative financial instruments.

Trade and other payables are initially measured at the fair value of the consideration received, adjusted by directly attributable transaction costs. Subsequently, these financial liabilities are measured at amortized cost.

The Group derecognizes financial liabilities when the obligations are extinguished.

### 4.7. Inventory

Inventory is valued at acquisition price. Costs of purchase include the invoice price after deducting any trade discounts, rebates and other similar items, plus all other costs incurred until the goods are available for sale, such as transport, insurance, and others directly attributable to the acquisition of inventory items.

Given that the Group's inventory is available for sale in less than one year, finance costs are not included in the acquisition cost.

The Group measures inventory at weighted average cost.

When the net realizable value of inventory is less than acquisition cost, the corresponding impairment provision is recognized in the consolidated income statement.

### 4.8. Foreign currency transactions

The Group's functional currency is the euro. Therefore, transactions in other currencies are considered to be denominated in foreign currency and are recognized at the exchange rates prevailing at the dates of the transactions.

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to euros at the rates then prevailing. Any resulting gains or losses are recognized directly in the consolidated income statement in the year in which they arise.

### 4.9. Income tax

As from the fiscal year starting July 1, 2018 the Club and the subsidiary Barça Licensing & Merchandising, S.L.U. file a consolidated income tax return, and the Club is the parent of tax group no. 568/18. On June 26, 2018 the Club informed the tax authorities of the formation of said tax group.

Income tax payable or receivable includes the amount related to the expense or income from current and deferred tax.

The current income tax is the amount that the Group pays as a result of the tax returns it files each year for corporate income tax purposes. Deductions and other tax relief applicable to payable taxes, excluding withholdings and payments on account, and tax loss carryforwards applied in the current reporting period are accounted for as a reduction in current tax.

Deferred tax expense or income relates to the recognition and settlement of deferred tax assets and liabilities. These include the temporary differences, measured at the amount expected to be payable or recoverable, between the carrying amounts of assets and liabilities and their tax bases, as well as unused tax loss carryforwards and unused tax credits. These amounts are measured by applying to the relevant temporary difference or tax credit the tax rate at which they are expected to be realized or settled.

Deferred tax liabilities are recognized for all taxable temporary differences, except to the extent that they arise from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affect neither accounting profit nor taxable profit.

Deferred tax assets are only recognized to the extent that it is considered probable that the Group will have future taxable income to enable their application.

Deferred tax assets and liabilities relating to items recognized directly in equity are recognized in equity.

Recognized deferred tax assets are reassessed at the end of each reporting period and the appropriate adjustments are made where there are doubts as to their future recoverability. Similarly, at each reporting date, the Club reassesses unrecognized deferred tax assets, recognizing a previously unrecognized deferred tax asset to the extent that it has become probable that taxable profit will be available against which the asset can be utilized.

#### 4.10. Income and expenses

Revenue and expenses are recognized on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, less discounts and taxes.

Revenue from the sale of goods is recognized when the Club has transferred to the buyer the significant risks and rewards of ownership of the goods sold, and retains neither continuing managerial involvement nor effective control over the goods sold.

Revenue from the rendering of services is recognized based on the stage of completion of the transaction at the end of the reporting period to the extent that the outcome of the transaction can be estimated reliably.

Interest received on financial assets is recognized using the effective interest rate method. In any event, interest accrued after acquisition is recognized as income in the consolidated income statement.

As a result of the exceptional events derived from COVID-19, at June 30, 2020 the 2019/20 season has not finished yet, and both the Spanish League and the UEFA Champions League are still being played. Taking this circumstance into consideration, income and expenses at June 30, 2020 have been recognized as follows:

- a. Revenue from TV broadcasting rights have been recorded in proportion to the games played at financial year end, applying an adjustment factor based on audiences. Additionally, revenue from TV broadcasting rights and/or any consideration received for participating in a competition that is a variable consideration and is subject to certain conditions to be met by the Club is recorded when said conditions are met.
- b. Revenue from sponsorship contracts that is a fixed consideration is recorded proportionally over the period covered by the sponsorship rights contract.
- c. Revenue from the 2019/20 season tickets has been recorded in proportion to the games played behind closed doors. The Club has offered its season-ticket holders several alternatives to get a refund on the portion of their season tickets that could not be used.
- d. The wages and salaries of the Club's professional players have been fully recognized at June 30, 2020 in accordance with the employment contracts signed, which meet the provisions established in Royal Decree 1006/1985 of June 26, regulating the special employment relationship of sports professionals.
- e. Bonuses to players subject to the fulfilment of certain future conditions by the player and/or the Club, such as the player participating in a certain number of games and/or the Club's performance in the competitions, have been recorded when the condition has been fulfilled or when it is highly probable that it will be fulfilled.

#### 4.11. Provisions and contingencies

In preparing the consolidated financial statements, the Board of Directors of the Club makes a distinction between:

1. Provisions: credit balances covering present obligations arising from past events, the settlement of which is likely to cause an outflow of resources, but which are uncertain as to their amount and/or timing.
2. Contingent liabilities: possible obligations arising from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group.

The consolidated financial statements recognize all provisions for which it is considered more likely than not that the corresponding obligation will have to be settled. Contingent liabilities are not recognized in the consolidated financial statements, but they are disclosed in the accompanying notes, unless the possibility of an outflow in settlement is considered to be remote.

Provisions are measured at the present value of the best estimate of the amount required to settle the obligation or transfer it, taking into account the information available on the event and its consequences. Adjustments arising from the discounting of the provision are recognized as an expense when accrued.

The Club's Board of Directors is responsible for estimating and quantifying the risks related to potential provisions to be recorded and contingent liabilities to be disclosed in the notes to the consolidated financial statements. It estimates and quantifies these risks based, among others, on the valuation made by its lawyers and other advisors.

#### 4.12. Termination benefits for dismissal, end of contract and other

In accordance with prevailing legislation, the Group is required to pay indemnities to employees whose contracts are terminated under certain circumstances. Reasonably quantifiable termination benefits for dismissals are therefore recognized as an expense in the year in which the decision to terminate employment is made and a valid expectation with respect to third parties regarding the termination has been created. The Group has not recognized any significant provision for this concept in the accompanying consolidated financial statements.

The Club has signed contracts with players that include the payment of bonuses for contract termination under certain conditions. These bonuses are measured on a straight-line basis as an expense over the term of the contract.

Additionally, there are commitments to certain players that are linked to their performance and other external factors, which are recorded when achieved.

#### 4.13. Environmental assets and liabilities

Environmental assets are deemed to be assets used on a lasting basis in the Group's operations whose main purpose is to minimize environmental impact and protect and restore the environment, including the reduction or elimination of future pollution. The Group's activities, by their very nature, do not have a significant impact on the environment.

#### 4.14. Pension commitments

The Group recognizes pension commitment costs or retirement bonuses are recognized on an accrual basis.

The cost of the commitments to retired personnel, which consist of a supplement to Social Security pensions, and the cost of retirement bonuses are externalized through a defined benefit insurance policy.

Pension commitments to active personnel are part of a pension scheme of defined contributions to Banc Sabadell 8 Pension Fund. The contributions to the Pension Fund during 2019/20 amount to 1,438 thousand euros (1,317 thousand euros at 2018/19 year end). These contributions are recorded in the consolidated income statement under "Employee benefits expense".

#### 4.15. Criteria used for the recognition and measurement of employee benefits expense

Pursuant to the standards on the preparation of the budgets for the Clubs and public limited sports companies by the Spanish Professional Soccer League, employee benefits expense shall be presented in accordance with the following measurement criteria:

***Non-sports and structure employee benefits expenses***

This heading includes the following categories:

- Technical non-sports personnel: Sport manager, technical secretary, representative, physiotherapist, equipment managers.
- Other non-sports personnel: other employees bound to the Group under an employment contract including management personnel, administrative personnel, security and access staff, marketing, communication, maintenance and other personnel.

***Sports employee benefits expense***

For the purposes of these consolidated financial statements, the squad expenses include all types of remuneration (wage, salary, compensation, remuneration in kind, etc.), as well as the social security contributions paid by the company, collective bonuses and others. In the case of players received or given on loan, all income and expense thereof are included.

The following distinction shall be made:

- Expenses for squad that can be registered with the Spanish Professional Soccer League:

The squad that can be registered with the Spanish Professional Soccer League consists of the players bound to the Club under an employment contract allocated to the first team, that is, numbers 1 to 25 inclusive, and the players who are not allocated to the squad, as well as the coach, assistant coach and fitness coach.

- Expenses for squad that cannot be registered with the Spanish Professional Soccer League:

The squad that cannot be registered with the Spanish Professional Soccer League consists of the players bound to the Club under an employment contract or any other type of contract allocated to the other teams and dependent on any category; coaches, assistant coaches and fitness coaches of the corresponding teams.

**4.16. Grants, donations and bequests**

The Group uses the following criteria for the recognition of grants, donations and bequests received:

1. Non-refundable grants, donations and bequests: measured at the fair value of the amount or asset received depending on whether they are monetary or non-monetary grants, donations and bequests, and allocated to profit in proportion with the amortization or depreciation charges for those assets, or when the assets are disposed of or impaired, except for those received from members or owners, which are recognized directly in equity and are not considered income.
2. Operating grants: they are taken to profit and loss when awarded, unless they are earmarked to finance operating losses for a future period, in which case they are recognized in those periods. Those awarded to finance specific expenses are recognized as the financed expenses are accrued.

**4.17. Current and non-current accruals**

The amounts received pending recognition as income in the consolidated income statement, mainly related to TV and sponsorship contracts and membership fees, are recorded under the "Non-current accruals" and "Current accruals" headings based on their allocation to profit or loss. These amounts, which do not entail any future financial obligations, are recognized as an income only in the corresponding years (accruals principle).

**4.18. Current / Non-current classification**

Current assets comprise assets associated with the normal operating cycle, which generally is considered to be one year, as well as those expected to mature, or to be sold or realized in the short term as from the reporting date, financial assets held for trading, except financial derivatives that will be settled in more than one year, and cash and cash equivalents. All other assets are classified as non-current.

Similarly, current liabilities are liabilities associated with the normal operating cycle, financial liabilities classified as held for trading, except financial derivatives that will be settled in more than one year, and, in general, all liabilities expected to fall due or to be extinguished in the short term. All other liabilities are classified as non-current.

#### 4.19. Related-party transactions

The Group conducts all related-party transactions on an arm's length basis. In addition, transfer prices are adequately supported, so the Club's Board of Directors considers that there are no material risks in this connection that could give rise to significant liabilities in the future.

## 5. Intangible sporting assets

This heading includes the player acquisition rights and other similar concepts. The movements in this heading in the consolidated balance sheet during the 2019/20 and 2018/19 seasons are as follows:

<u>June 30, 2020:</u>	Thousands of euros			
	Balances at 6/30/2019	Additions and charges	Derecognitions, disposals and decreases	6/30/2020
<b>Cost:</b>				
Soccer	798,458	290,430	(90,336)	998,552
Basketball	4,470	320	(150)	4,640
Handball	1,980	600	(30)	2,550
Roller Hockey and other sports	510	57	(76)	491
Advances	950	16,000	(400)	16,550
<b>Total cost</b>	<b>806,368</b>	<b>307,407</b>	<b>(90,992)</b>	<b>1,022,783</b>
<b>Accumulated amortization:</b>				
Soccer	(274,167)	(172,625)	26,322	(420,470)
Basketball	(2,734)	(839)	60	(3,513)
Handball	(1,208)	(496)	30	(1,674)
Roller Hockey and other sports	(464)	(60)	76	(448)
<b>Total accumulated amortization</b>	<b>(278,573)</b>	<b>(174,020)</b>	<b>26,488</b>	<b>(426,105)</b>
<b>Impairment:</b>				
Soccer	-	(43,319)	43,319	-
<b>Total impairment</b>	<b>-</b>	<b>(43,319)</b>	<b>43,319</b>	<b>-</b>
<b>Total net amount</b>	<b>527,795</b>	<b>90,068</b>	<b>(21,185)</b>	<b>596,678</b>

<u>June 30, 2019:</u>	Thousands of euros			
	Balances at 6/30/2018	Additions and charges	Derecognitions, disposals and decreases	06/30/2019
<b>Cost:</b>				
Soccer	687,907	322,430	(211,879)	798,458
Basketball	3,500	1,120	(150)	4,470
Handball	1,920	110	(50)	1,980
Roller Hockey and other sports	555	76	(121)	510
Advances	5,866	400	(5,316)	950
<b>Total cost</b>	<b>699,748</b>	<b>324,136</b>	<b>(217,516)</b>	<b>806,368</b>
<b>Accumulated amortization:</b>				
Soccer	(243,437)	(143,801)	113,071	(274,167)
Basketball	(1,574)	(1,280)	120	(2,734)
Handball	(875)	(358)	25	(1,208)
Roller Hockey and other sports	(482)	(89)	107	(464)
<b>Total accumulated amortization</b>	<b>(246,368)</b>	<b>(145,528)</b>	<b>113,323</b>	<b>(278,573)</b>
<b>Impairment:</b>				
Soccer	(2,500)	(26,311)	28,811	-
<b>Total impairment</b>	<b>(2,500)</b>	<b>(26,311)</b>	<b>28,811</b>	<b>-</b>
<b>Total net amount</b>	<b>450,880</b>	<b>152,297</b>	<b>(75,382)</b>	<b>527,795</b>

Player acquisition rights are considered as an expense in future seasons, net of the effect of impairment provisions, in accordance with the following estimate:

	Thousands of euros	
	6/30/2020	6/30/2019
<b>Season:</b>		
2019/2020	-	149,411
2020/2021	186,288	138,976
2021/2022	177,542	130,720
2022/2023*	130,725	108,688
2023/2024 y siguientes	102,123	-
<b>Total</b>	<b>596,678</b>	<b>527,795</b>

\* At June 30, 2019 it corresponds to the expense for the 2022-2023 and subsequent seasons.

The additions for the year correspond to the acquisition of player registration rights amounting to 291,407 thousand euros (323,736 thousand euros at June 30, 2019).

At June 30, 2020 and 2019 there are contingent liabilities derived from the agreements reached with other clubs for the acquisition of the registration rights of players belonging to the first team, which are subject to the fulfillment of several conditions. The probability of occurrence depends on uncertain future events, with a maximum payable amount of 129 million euros based on the contractual agreements applicable at June 30, 2020 (62 million euros in the year ended June 30, 2019). Additionally, there are agreements with clubs over which the Club has contingent accounts receivable related to players that have been sold or loaned for a maximum amount of 31 million euros (19 million euros at June 30, 2019).

Also, the Club retains pre-emption and other similar rights over certain players amounting to 16,550 thousand euros (950 thousand euros at June 30, 2019). In the current year pre-emption rights over three players have been derecognized for an amount of 400 thousand euros, which have been recorded in the "Gains/(losses) on disposals" heading in the accompanying consolidated income statement. The Board of Directors and sport management of the Club consider that there is no indication that these pre-emption or other similar rights may be impaired.

Disposals for the current year mainly correspond to the sale of players, which have generated profit of 74,958 thousand euros and losses of 3,819 thousand euros, which have been recorded in the "Gains/(losses) on disposals" heading in the accompanying consolidated income statement (profit of 98,526 thousand euros in the year ended June 30, 2019). Additionally, during the current year, employment contracts with several players have been terminated, resulting in a loss of 2,048 thousand euros (210 thousand euros in the year ended June 30, 2019).

Also, the "Gains/(losses) on disposals" heading in the accompanying consolidated income statement includes other profit amounting to 4,570 thousand euros (2,404 thousand euros in the year ended June 30, 2019), mainly generated as a result of collections of variable amounts for the sporting performance established in the agreements for the sale of registration rights and for the sale of players who belonged to the Club in prior years.

The Club's Board of Directors is not aware of any situations that require the recognition of significant impairment losses at June 30, 2020.

The average term of the employment contracts with the squad that can be registered with the Spanish Professional Soccer League is 5 years from the date they are signed.

At June 30, 2020 and 2019, fully amortized items amount to 2,735 and 2,895 thousand euros, respectively.

The players are hired under an employment contract drawn up in conformity with Royal Decree 1006/1985 of June 26, regulating the special employment relationship of sports professionals, under the general scheme.

Income from the loan and training of players recorded under the "Other operating income" heading in the consolidated income statement during the year 2019/20 amounts to 15,382 thousand euros (12,690 thousand euros in the year 2018/19). (Note 18.2).

## 6. Intangible non-sporting assets

The movements in this heading of the consolidated balance sheet during the 2019/20 and 2018/19 seasons are as follows:

### June 30, 2020:

	Thousands of euros				
	Balances at 6/30/2019	Additions and charges	Derecognitions, disposals and decreases	Transfers	Balances at 6/30/2020
<b>Cost:</b>					
Software	34,035	9,103	(63)	152	43,227
Development	508	-	-	-	508
Leaseholds	894	30	-	-	924
Audiovisual property rights	-	4,016	-	-	4,016
Intangible assets in progress and prepayments	172	1,997	-	(152)	2,017
<b>Total cost</b>	<b>35,609</b>	<b>15,146</b>	<b>(63)</b>	<b>-</b>	<b>50,692</b>
<b>Accumulated amortization:</b>					
Software	(20,876)	(4,930)	-	-	(25,806)
Development	(43)	(51)	-	-	(94)
Leaseholds	(67)	(69)	-	-	(136)
Audiovisual property rights	-	(535)	-	-	(535)
<b>Total accumulated amortization</b>	<b>(20,986)</b>	<b>(5,585)</b>	<b>-</b>	<b>-</b>	<b>(26,571)</b>
<b>Total net amount</b>	<b>14,623</b>	<b>9,561</b>	<b>(63)</b>	<b>-</b>	<b>24,121</b>

### June 30, 2019:

	Thousands of euros				
	Balances at 6/30/2018	Additions and charges	Derecognitions, disposals and decreases	Transfers	Balances at 6/30/2019
<b>Cost:</b>					
Software	27,705	6,330	-	-	34,035
Development	-	508	-	-	508
Leaseholds	-	894	-	-	894
Intangible assets in progress and prepayments	16	156	-	-	172
<b>Total cost</b>	<b>27,721</b>	<b>7,888</b>	<b>-</b>	<b>-</b>	<b>35,609</b>
<b>Accumulated amortization:</b>					
Software	(16,915)	(3,961)	-	-	(20,876)
Development	-	(43)	-	-	(43)
Leaseholds	-	(67)	-	-	(67)
<b>Total accumulated amortization</b>	<b>(16,915)</b>	<b>(4,071)</b>	<b>-</b>	<b>-</b>	<b>(20,986)</b>
<b>Total net amount</b>	<b>10,806</b>	<b>3,817</b>	<b>-</b>	<b>-</b>	<b>14,623</b>

Additions in the years 2019/20 and 2018/19 mainly relate to the development and implementation of the CRM, new computer program licenses, improvements to the COR project and the development of the e-commerce platform of the subsidiary Barça Licensing & Merchandising, S.L.U. In the year 2019/20 audiovisual property rights property rights have also been recognized corresponding to the cost for the production of the documentary "Matchday".

At June 30, 2020 and 2019, the Club's fully amortized items amount to 14,644 and 12,242 thousand euros, respectively.

## 7. Property, plant, and equipment

The movements in this heading of the consolidated balance sheet during the 2019/20 and 2018/19 seasons are as follows:

### June 30, 2020:

	Thousands of euros				
	Balances at 6/30/2019	Additions and charges	Derecognitions, disposals and decreases	Transfers	Balances at 6/30/2020
<b>Cost:</b>					
Stadiums and arenas	173,379	3,584	(3,667)	4,421	177,717
Other land and buildings	51,549	10	-	1,032	52,591
Plant and other PP&E items	51,161	1,209	(452)	1,959	53,877
Property, plant, and equipment under construction and prepayments	87,756	30,027	(36)	(7,412)	110,335
<b>Total cost</b>	<b>363,845</b>	<b>34,830</b>	<b>(4,155)</b>	<b>-</b>	<b>394,520</b>
<b>Depreciation:</b>					
Stadiums and arenas	(105,476)	(7,918)	3,560	-	(109,834)
Other land and buildings	(14,724)	(1,045)	-	-	(15,769)
Plant and other PP&E items	(38,084)	(3,464)	446	-	(41,102)
<b>Total accumulated depreciation</b>	<b>(158,284)</b>	<b>(12,427)</b>	<b>4,006</b>	<b>-</b>	<b>(166,705)</b>
<b>Total net amount</b>	<b>205,561</b>	<b>22,403</b>	<b>(149)</b>	<b>-</b>	<b>227,815</b>

### June 30, 2019:

	Thousands of euros				
	Balances at 6/30/2018	Additions and charges	Derecognitions, disposals and decreases	Transfers	Balances at 6/30/2019
<b>Coste:</b>					
Stadiums and arenas	170,086	3,629	-	(336)	173,379
Other land and buildings	51,520	29	-	-	51,549
Plant and other property, plant, and equipment	48,741	2,295	-	125	51,161
Property, plant, and equipment under construction and prepayments	34,239	54,086	(780)	211	87,756
<b>Total cost</b>	<b>304,586</b>	<b>60,039</b>	<b>(780)</b>	<b>-</b>	<b>363,845</b>
<b>Depreciation:</b>					
Stadiums and arenas	(99,850)	(5,626)	-	-	(105,476)
Other land and buildings	(13,765)	(959)	-	-	(14,724)
Plant and other PP&E items	(34,399)	(3,685)	-	-	(38,084)
<b>Total accumulated depreciation</b>	<b>(148,014)</b>	<b>(10,270)</b>	<b>-</b>	<b>-</b>	<b>(158,284)</b>
<b>Total net amount</b>	<b>156,572</b>	<b>49,769</b>	<b>(780)</b>	<b>-</b>	<b>205,561</b>

Additions for the year 2019/20 mainly correspond to the works on Espai Barça works and the renovation of fields Tito Vilanova, no. 8 and 9 of Ciutat Esportiva. Disposals for the year 2019/20 mainly correspond to fully depreciated items of the old Mini Estadi, which has been demolished in the current year. Transfers correspond to the commissioning of the Johan Cruyff Stadium. During the year 2019/20, financial expenses amounting to 3,881 thousand euros have been capitalized.

Additions for the year 2018/19 mainly corresponded to the works on Espai Barça, furniture and fixtures of Paseo de Gracia store, renovation of fields no. 2 and 3 of Ciutat Esportiva, renovation of the artificial turf on fields no. 8 and 9 of Ciutat Esportiva, improvements in the handball arena and works on Johan Cruyff Stadium. During the year 2018/19, financial expenses amounting to 2,367 thousand euros were capitalized.

On April 5, 2014 the proposal for Espai Barça was approved by referendum, commissioning the Board of Directors with the execution of the project for the new Camp Nou, the new Palau Blaugrana and the new Espai Barça. On August 16, 2018 the Club took out a loan from a North American financial institution for a maximum amount of 90 million euros to meet payments related to this project (Note 14.1). At June 30, 2020 the accumulated costs incurred in Espai Barça amount to 109,278 thousand euros, which have been mainly funded through said loan (80,161 thousand euros at June 30, 2019).

During the year 2019/20 the Group has derecognized property, plant and equipment items, generating net losses of 57 thousand euros (losses of 235 thousand euros in 2018/2019).

The separate cost value of the buildings and land located in the properties owned by the Group at June 30, 2020 and 2019 is as follows:

	Thousands of euros	
	6/30/2020	6/30/2019
Land	22,289	22,289
Buildings	208,019	202,639
<b>Total</b>	<b>230,308</b>	<b>224,928</b>

Within the project for adapting the sports grounds and facilities to the safety measures established in the Violence Prevention Regulations, in prior seasons the Club obtained free property, plant and equipment items from the Spanish Professional Soccer League for an amount of 11,081 thousand euros. These items, which are included in the "Stadiums and arenas" line, are presented at the value resulting from the works certification issued by the Spanish Professional Soccer League with a balancing entry in the "Capital grants" heading (Note 12.2).

It is Group policy to take out the insurance policies necessary to cover the potential risks to which the various items of property, plant, and equipment are exposed. The Club's Board of Directors considers that the significant risks are appropriately hedged.

At June 30, 2020 and 2019, fully depreciated items amount to 72,877 and 63,354 thousand euros, respectively.

## 8. Investment property

The movements in this heading of the consolidated balance sheet during the 2019/20 and 2018/19 seasons are as follows:

### June 30, 2020:

	Thousands of euros		
	Balances at 6/30/2019	Additions and reversal of impairment	Balances at 6/30/2020
<b>Cost:</b>			
Land in L'Hospitalet de Llobregat (Can Rigalt)	37,236	-	37,236
Land in Viladecans	18,744	-	18,744
Other land	682	-	682
<b>Total cost</b>	<b>56,662</b>	<b>-</b>	<b>56,662</b>
<b>Impairment:</b>			
Land in Viladecans	(15,614)	26	(15,588)
Land in L'Hospitalet de Llobregat (Can Rigalt)	(27,432)	(196)	(27,628)
<b>Total impairment</b>	<b>(43,046)</b>	<b>(170)</b>	<b>(43,216)</b>
<b>Total net amount</b>	<b>13,616</b>	<b>(170)</b>	<b>13,446</b>

### June 30, 2019:

	Thousands of euros		
	Balances at 6/30/2018	Additions and reversal of impairment	Balances at 6/30/2019
<b>Cost:</b>			
Land in L'Hospitalet de Llobregat (Can Rigalt)	37,236	-	37,236
Land in Viladecans	18,744	-	18,744
Other land	682	-	682
<b>Total cost</b>	<b>56,662</b>	<b>-</b>	<b>56,662</b>
<b>Impairment:</b>			
Land in Viladecans	(15,578)	(36)	(15,614)
Land in L'Hospitalet de Llobregat (Can Rigalt)	(27,656)	224	(27,432)
<b>Total impairment</b>	<b>(43,234)</b>	<b>188</b>	<b>(43,046)</b>
<b>Total net amount</b>	<b>13,428</b>	<b>188</b>	<b>13,616</b>

The Group's investment property corresponds to the plots of land from which future profit of any nature or gains from their sale are expected. The consolidated income statement for the current year shows no income from these plots of land.

#### *Can Rigalt*

The Club owns 4 plots of land located in L'Hospitalet de Llobregat (Barcelona) of an approximate area of 30,783, 23,676, 3,578 and 2,533 square meters, respectively. The two first plots are assigned to the "Modification of the PGM Sector of Can Rigalt Municipal Area to the North of Avinguda Collblanc in Pubilla Casas district".

At June 30, 2020 the Club's Board of Directors has arranged an update of the appraisal of the plots of land to an independent expert. The appraisal revealed that an impairment had to be recorded for an amount of 196 thousand euros.

#### *Viladecans*

In the 2007/08 season, the Club acquired some plots of land in Viladecans (Barcelona), of an area of 278,544 square meters, for an amount of 18,744 thousand euros.

At June 30, 2020 the Club's Board of Directors has arranged an update of the appraisal of the plots of land to an independent expert. The appraisal revealed that an impairment reversal had to be recorded for an amount of 26 thousand euros.

## 9. Leases

### 9.1 Operating leases in which the Group acts as a lessor

As a lessor, the Group records revenue from the occasional lease of the Group's facilities for third-party events, such as concerts and other events. The amounts received for such events vary based on the negotiations with the organizers. At year end the Group has no significant non-cancelable minimum lease payments with the lessees.

### 9.2 Operating leases in which the Group acts as a lessee

The Group leases several premises, facilities and equipment in order to carry out activities related to its normal course of business. The Group has no significant non-cancelable minimum lease payments with the lessors. Additionally, the expenses from operating leases for the year are not significant.

## 10. Financial assets

### 10.1. Non-current financial investments

The breakdown of "Non-current financial investments" at June 30, 2020 and 2019 is as follows:

Categories	Thousands of euros					
	6/30/2020			6/30/2019		
	Loans to third parties	Other financial assets	Total	Loans to third parties	Other financial assets	Total
Loans to sporting entities	108,766	-	108,766	92,233	-	92,233
Other financial assets	-	16,814	16,814	-	9,256	9,256
<b>Total</b>	<b>108,766</b>	<b>16,814</b>	<b>125,580</b>	<b>92,233</b>	<b>9,256</b>	<b>101,489</b>

**Loans to sporting entities:**

The “Loans to sporting entities” heading at June 30, 2020 and 2019 mainly includes the accounts receivable from sporting entities for the sale or loan of players. The breakdown thereof is as follows:

	Thousands of euros	
	6/30/2020	6/30/2019
Borussia Dortmund (Francisco Alcácer)	-	11,009
C.D. Leganés (José Arnaiz)	-	1,667
Everton, F.C (Lucas Digne)	-	3,341
Everton, F.C (Yerry Mina)	-	9,736
Everton, F.C (André Gomes)	-	14,340
C.A. Osasuna (Marc Cardona)	-	1,000
Valencia C.F. (Jasper Cillessen)	-	28,500
R.C. Celta de Vigo (Denis Suárez)	-	9,675
Real Betis Balompié (Marc Bartra)	-	151
Watford, F.C. (Gerard Deulofeu)	-	3,914
U.S. Sassuolo Calcio (Marlon Da Silva)	3,000	6,000
Santos, F.C (Gabriel Barbosa)	2,900	2,900
Futbolny Klub Zenit (Malcom Oliveira)	19,379	-
A.S. Roma (Carles Pérez)	6,839	-
Juventus, F.C. (Alejandro Marqués)	3,895	-
Juventus, F.C. (Arthur Melo)	60,680	-
Sporting Clube de Braga (Abel Ruiz)	6,165	-
Getafe, C.F. (Marc Cucurella)	5,908	-
<b>Total</b>	<b>108,766</b>	<b>92,233</b>

On July 11, 2019 the Club signed a non-recourse factoring agreement whereby accounts receivable from sporting entities were sold for an amount of 82 million euros, mainly corresponding to non-current accounts receivable.

The breakdown by maturity of the items comprising “Non-current loans to sporting entities” at June 30, 2020 and 2019 is as follows:

**June 30, 2020:**

	Thousands of euros		
	2021/22	2022/23 and subsequent seasons	Total
Non-current loans to sporting entities	44,650	64,116	108,766
<b>Total</b>	<b>44,650</b>	<b>64,116</b>	<b>108,766</b>

**June 30, 2019:**

	Miles de Euros		
	2021/21	2021/22 and subsequent seasons	Total
Non-current loans to sporting entities	48,323	43,910	92,233
<b>Total</b>	<b>48,323</b>	<b>43,910</b>	<b>92,233</b>

**Other financial assets:**

The other financial assets mainly correspond to a loan granted on October 26, 2016 amounting to 12,000 thousand euros, with a repayment period of 6 years and quarterly repayments of 500 thousand euros. The interest rate is 3%. At June 30, 2020 2,000 thousand euros have been repaid and total interest recognized in the consolidated income statement amounts to 187 thousand euros (243 thousand euros at June 30, 2019).

Additionally, at June 30, 2020 this caption includes the amount pending collection in the long term related to the buy-out clause of a soccer player from the junior team who is no longer in the Club.

## 10.2. Group companies, joint ventures and associates

The breakdown of this heading at June 30, 2020 and 2019 is as follows:

	Thousands of euros	
	6/30/2020	6/30/2019
<b>Equity instruments</b>	<b>3,670</b>	<b>3,670</b>
<b>Loans to companies (Note 20.2)</b>	<b>3,399</b>	<b>3,103</b>
Nominal value	9,747	8,724
Impairment losses	(6,348)	(5,621)
<b>Total</b>	<b>7,069</b>	<b>6,773</b>

At June 30, 2020 and 2019 the "Equity instruments" heading includes the ownership interest in the companies FCBarcelona HK Limited and FCB North America LLC, which are not included in the scope of consolidation as said interest is not material, individually or in the aggregate, to the true and fair view of the equity, financial positions or results of the Group.

The most significant disclosures related to equity instruments corresponding to group companies, joint ventures and associates are as follows:

### June 30, 2020:

Name / Address	% ownership		Thousands of euros						
	Direct	Indirect	Share capital	Profit/(loss)		Other equity	Total equity	Book value	
				Operating	Net			Cost	Impairment losses
FCBarcelona HK Limited (Hong Kong) (*)	100%	-	3,670	201	158	(3,319)	509	3,670	-
FCB North America LLC (United States of America) (*)	100%	-	0,09	(767)	(856)	(5,471)	(6,327)	0,09	-
Haikou Barça Missions Hills (Republic of China) (*)	-	50%	3,660	(389)	(1,313)	(633)	1,714	-	-
<b>Total</b>								<b>3,670</b>	<b>-</b>

(\*) Unaudited amounts translated at historical exchange rate.

### June 30, 2019:

Name / Address	% ownership		Thousands of euros						
	Direct	Indirect	Share capital	Profit/(loss)		Other equity	Total equity	Book value	
				Operating	Net			Cost	Impairment losses
FCBarcelona HK Limited (Hong Kong) (*)	100%	-	3,670	110	(633)	(2,686)	351	3,670	-
FCB North America LLC (United States of America) (*)	100%	-	0,09	(1,265)	(1,351)	(4,120)	(5,471)	0,09	-
Haikou Barça Missions Hills (Republic of China) (*)	-	50%	3,660	(453)	(633)	-	3,027	-	-
<b>Total</b>								<b>3,670</b>	<b>-</b>

(\*) Unaudited amounts translated at historical exchange rate.

The operating profit (loss) of the companies shown in the above table correspond entirely to continuing operations.

The ownership interest held in FCBarcelona HK Limited has not been impaired since according to its business plan for the coming years it is expected that this company will generate positive cash flows.

At June 30, 2020 and 2019 the "Loans to companies" heading includes contributions made to the group companies FCBarcelona HK Limited and FCB North America LLC for an amount of 3,110 and 6,637 thousand euros, respectively, so that they can meet their cash needs (3,088 and 5,636 thousand euros, respectively, at June 30, 2019). The loans to FCB North America LLC have been impaired by 6,348 thousand euros (5,621 thousand euros at June 30, 2019).

Based on the information available at the date these consolidated financial statements were authorized for issue, the Club has decided to record an impairment loss on these receivables from the subsidiary FCB North America LLC for an amount of 727 thousand euros (1,225 thousand euros at June 30, 2019), recorded under the "Impairment and gains (losses) on disposal of financial instruments" heading in the accompanying consolidated income statement. In the year 2018/19 the Club recorded a reversal of the impairment loss on the receivables from FCBarcelona HK Limited for an amount of 2,665 thousand euros, based on the business plan of this company for the coming years.

Pursuant to Additional provision eighteen of the General Tax Law 58/2003 of December 17 in relation to the obligation to inform about the goods and rights located abroad, the Group informs that Group employees, who are residents in Spain for tax purposes, are authorized to operate with bank accounts located abroad, the holders of which are foreign subsidiaries.

These accounts are summarized as follows:

Accounts Number	Account type	Opening year	Bank	Country	Subsidiary holder
1	Current account	2013	HSBC	Hong Kong	FC Barcelona HK Limited
2	Savings account	2013	HSBC	Hong Kong	FC Barcelona HK Limited
1	Time deposit	2013	HSBC	Hong Kong	FC Barcelona HK Limited

### 10.3. Trade and other receivables

The breakdown of this heading at June 30, 2020 and 2019 is as follows:

	Thousands of euros	
	6/30/2020	6/30/2019
<b>Non-current trade receivables (Note 14.3)</b>	<b>58,083</b>	<b>64,233</b>
Receivables from season-ticket holders and club members	-	175
Receivables from group companies (Note 20.2)	607	574
Accounts receivable from sporting entities	58,750	85,915
Other receivables	77,606	73,353
Sports personnel (Note 14.3)	54,118	67,922
Non-sports personnel	128	265
Prepayments to suppliers / creditors	571	163
Current income tax assets (Note 15.1)	134	2,678
Other receivables from Public Administrations (Note 15.1)	2,793	2,162
<b>Current trade receivables</b>	<b>194,707</b>	<b>233,207</b>
<b>Total</b>	<b>252,790</b>	<b>297,440</b>

**Accounts receivable from sporting entities:**

At June 30, 2020 and 2019 the "Accounts receivable from sporting entities" heading includes accounts receivable from sporting entities for the sale or loan of players and other receivables in accordance with the following breakdown:

	Thousands of euros	
	6/30/2020	6/30/2019
<b>Accounts receivable from Spanish Professional Soccer League</b>	<b>6,658</b>	<b>7,540</b>
<b>Accounts receivable from sporting entities as a result of the sale or loan of players and other:</b>		
Soccer:		
Girona, F.C. (Marc Muniesa)	-	97
Watford Football Club (Gerard Deulofeu)	-	4,416
Sevilla, F.C. (Manuel Agudo)	-	22
Sevilla, F.C. (Aleix Vidal)	-	3,000
Borussia Dortmund (Francisco Alcácer)	-	11,009
Everton F.C. (Yerry Mina)	-	9,750
Everton F.C. (André Gomes)	-	9,560
Valencia, C.F. (Jasper Cillessen)	-	13,850
U.D. Las Palmas (Iñigo Ruiz de Galarreta)	-	200
A.S. Mónaco F.C. (Keita Balde)	-	113
F.C. Internazionale de Milano (Keita Balde)	-	6
Juventus F.C. (Pablo Moreno)	900	500
Real Betis Balompié (Marc Bartra)	151	182
Everton F.C. (Lucas Digne)	3,327	6,683
C.D. Leganés (José Arnaiz)	1,667	1,667
U.S. Sassuolo Calcio (Marlon Da Silva)	3,000	3,000
C.A. Boston River (Ronald Araújo)	1,500	2,500
C.A. Osasuna (Marc Cardona)	1,000	2,025
R.C. Celta de Vigo (Denis Suárez)	303	5,934
R.C. Deportivo A Coruña (Adrián Ortola)	200	309
A.S. Saint-Étienne (Sergi Palencia)	1,333	-
Futbolny Klub Zenit (Malcom Oliveira)	9,444	-
A.S. Roma (Carles Pérez)	4,000	-
Juventus F.C. (Alejandro Marqués)	4,180	-
Juventus F.C. (Arthur Melo)	5,725	-
Sporting Clube de Braga (Abel Ruiz)	660	-
Real Sporting Gijón (Alberto Botía)	1,019	-
Getafe, F.C. (Marc Cucurella)	5,970	-
F.C. Schalke 04 (Jean Clair Todibo)	1,740	-
Real Betis Balompié (Carles Aleñà)	200	-
Manchester City (Pablo Moreno)	128	-
	46,447	74,823
Other sports	-	482
<b>Total accounts receivable from sporting entities</b>	<b>53,105</b>	<b>75,305</b>
<b>Other federations and associations</b>	<b>5,645</b>	<b>3,070</b>
<b>Total</b>	<b>58,750</b>	<b>85,915</b>

**Other receivables:**

The breakdown of this heading at June 30, 2020 and 2019 is as follows:

	Thousands of euros	
	6/30/2020	6/30/2019
Exclusivity contracts and sponsors	60,129	46,649
Accounts receivable for TV broadcasts and sports shows	8,529	7,540
Others	8,948	19,164
<b>Total</b>	<b>77,606</b>	<b>73,353</b>

The "Others" heading includes 5,903 thousand euros corresponding to trade receivable balances from the subsidiary Barça Licensing & Merchandising, S.L.U. (11,360 thousand euros at June 30, 2019).

The impairment losses recorded at June 30, 2020 and 2019 in the "Other receivables" heading in the accompanying consolidated balance sheet amount to 12,817 and 5,885 thousand euros, respectively. The accompanying consolidated income statement for the current year includes impairment expenses amounting to 8,938 thousand euros (expenses of 1,450 thousand euros in the year 2018/19) and an income from the reversal of impairment amounting to 2,006 thousand euros (no income in 2018/19).

#### 10.4. Information on the nature and extent of risks arising from financial instruments

The Group centralizes financial risk management in the Finance Department and Board of Directors of the Club, which have the necessary mechanisms in place to control exposure to fluctuations in interest and exchange rates, as well as to credit and liquidity risk. The main financial risks to which the Group is exposed are outlined below:

##### 1. Credit risk

In general, the Group holds its cash and cash equivalents at financial entities with high credit ratings. The Group performs an individual analysis of its accounts receivable, thus reducing credit risk.

##### 2. Liquidity risk

In order to guarantee liquidity and meet all payment commitments arising from its activities, the Group has available the cash and cash equivalents shown in the consolidated balance sheet, as well as the financing and credit lines described in Note 14. Additionally, if needed, the Club could sell some assets or future revenue.

##### 3. Market risk (includes interest rate risk and foreign currency risk)

The Group's cash balances and financial borrowings expose it to interest rate risk, which could have an adverse impact on its earnings performance and cash flows. The Club's Board of Directors estimates that the aforementioned risk should not result in a significant impact on the accompanying consolidated financial statements. Interest rate risk is concentrated in Senior Notes and bank borrowings (Note 14).

Foreign currency transactions are exposed to foreign currency risk. The value of monetary liabilities has been adjusted by applying the exchange rate prevailing at June 30, 2020 and the gains or losses from this measurement have been recorded in the "Exchange gains (losses)" heading in the consolidated income statement. The Group is not exposed to significant foreign currency risk.

## 11. Inventory

Inventory corresponds to the products commercialized by the subsidiary Barça Licensing & Merchandising, S.L.U.

At June 30, 2020, there were firm commitments to purchase products amounting to 11,225 thousand euros (13,997 thousand euros at June 30, 2019).

The movements in "Impairment losses" are as follows:

	Thousands of euros	
	6/30/2020	6/30/2019
Opening balance	792	-
Impairment losses	4,629	792
<b>Closing balance</b>	<b>5,421</b>	<b>792</b>

Impairment losses mainly correspond to the adjustment of the value of inventory to their net realizable value. Specifically, the significant increase in the provision for impairment in the current year is due to the fact that as a result of COVID-19, stores had to close temporarily and tourism dropped in Barcelona. Consequently, it is expected that a substantial portion of first-team soccer shirts for the 2019/2020 season will remain unsold.

The Group has taken out insurance policies to recover the net carrying amount of inventory.

## 12. Equity

At June 30, 2020 the Club's social fund amounts to 130,779 thousand euros positive (127,832 thousand euros at June 30, 2019). Considering the Club's losses in the year 2019/20, the social fund has been reduced to 33,177 thousand euros.

### 12.1. Equity for the purposes of the Sports Law

The Sports Law of October 15, 1990 establishes that the clubs that take part in professional sports competitions shall become public limited sports companies. As an exception to this rule, the clubs taking part in official professional soccer competitions that in accordance with the audits performed by the LFP have obtained a net equity balance since the year 1985/86 can retain their current legal structure. Futbol Club Barcelona meets this condition. In this case, the aforementioned Law requires the Club's Board of Directors to provide a bank guarantee for 15% of the Club's expense budget.

### 12.2. Grants

The information on the grants received by the Group that form part of consolidated equity and the amounts taken to the consolidated income statement in this connection are as follows:

<b>June 30, 2019:</b>		<b>Thousands of euros (*)</b>			
<b>Entity</b>	<b>Nature</b>	<b>6/30/2018</b>	<b>Transfer to profit or loss</b>	<b>Tax effect (Note 15.3)</b>	<b>6/30/2019</b>
Generalitat de Catalunya (Regional government of Catalonia)	Público	112	(6)	1	107
Spanish Professional Soccer League (Note 7)	Privado	1,794	(102)	26	1,718
Works of art	Privado	598	-	-	598
<b>Total</b>		<b>2,504</b>	<b>(108)</b>	<b>27</b>	<b>2,423</b>

(\*) Net of tax effect

At June 30, 2020 and 2019 the Group had met all the requirements for receiving the above-listed grants.

## 13. Provisions and contingencies

### 13.1. Non-current provisions

The breakdown of the non-current provisions in the consolidated balance sheet at June 30, 2020 and 2019 is as follows:

<b>June 30, 2020:</b>		<b>Thousands of euros</b>		
<b>Non-current provisions</b>	<b>6/30/2019</b>	<b>Charge for the year</b>	<b>Transfers</b>	<b>6/30/2020</b>
Provision for taxes (Note 15.7)	14,295	-	1,913	16,208
Provisions for other liabilities	1,913	-	(1,913)	-
<b>Total</b>	<b>16,208</b>	<b>-</b>	<b>-</b>	<b>16,208</b>

<b>June 30, 2019:</b>		<b>Thousands of euros</b>		
<b>Non-current provisions</b>	<b>6/30/2018</b>	<b>Charge for the year</b>	<b>Transfers</b>	<b>6/30/2019</b>
Provision for taxes (Note 15.7)	14,295	-	-	14,295
Provisions for other liabilities	1,913	-	-	1,913
<b>Total</b>	<b>16,208</b>	<b>-</b>	<b>-</b>	<b>16,208</b>

### 13.2. Current provisions

The breakdown of this heading at June 30, 2020 and 2019 is as follows:

Current provisions	Thousands of euros					6/30/2020
	6/30/2019	Charge for the year	Utilized	Cancellation	Transfers	
Provisión para impuestos (Nota 15.7)	3,234	-	-	-	-	3,234
Provisión por otras responsabilidades	-	122	-	-	-	122
<b>Total</b>	<b>3,234</b>	<b>122</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,356</b>

Current provisions	Thousands of euros					6/30/2019
	6/30/2018	Charge for the year	Utilized	Cancellation	Transfers	
Provision for taxes (Note 15.7)	874	3,234	(656)	(218)	-	3,234
<b>Total</b>	<b>874</b>	<b>3,234</b>	<b>(656)</b>	<b>(218)</b>	<b>-</b>	<b>3,234</b>

The balance of this heading in the consolidated balance sheet at June 30, 2020 and 2019 mainly consists of a provision for future tax liabilities.

The members of the Club's Board of Directors and its advisors consider that no significant additional risks other than those recorded in these consolidated financial statements will arise.

### 13.3. Contingencies

The breakdown of the Group's main contingencies at June 30, 2020 is as follows:

- During 2015 criminal pre-trial proceedings commenced at Central Court of Instruction nº 5 of the Spanish National High Court as a result of the lawsuit filed by DIS-Esportes y Organização de Eventos LTDA against the Club and other members. The lawsuit was based on alleged crimes as a result of contractual simulation in the contracts entered into by the Club when signing Neymar da Silva Santos Jr. In the Order dated July 8, 2016 the Central Court of Instruction nº 5 of the Spanish National High Court dismissed the case provisionally without prejudice. Subsequently, on September 23, 2016 the Criminal Division of the National High Court decided to continue with the proceedings. Finally, on November 3, 2016 the Central Court of Instruction nº 5 issued an order to start an oral trial against the Club and other individuals for two crimes of corruption between individuals and fraud. The Club's Board of Directors and legal advisors consider that the risk derived from the future trial is low. Consequently, the Group has not recorded any provision for this matter at June 30, 2020.
- In November 2009 the European Commission received a claim stating that four Spanish soccer clubs (Real Madrid CF, Athletic Club Bilbao, Club Atlético Osasuna and FC Barcelona) may have been receiving a preferential treatment regarding the income tax over public limited sports companies.

In 2016, the European Commission declared that Spain had unlawfully provided aid in the form of a tax break to the four soccer clubs mentioned above. According to the European Commission, this regime was not compatible with the internal market and, consequently, Spain was required to immediately withdraw the aid and recover from the beneficiaries the aid amount granted. Futbol Club Barcelona and Athletic Club appealed against the European Commission's decision to the General Court of the European Union. On February 26, 2019 the General Court of the European Union issued its judgment on T-865/16 Club v Commission annulling the European Commission's decision. Consequently, the appeal lodged by the Club was upheld.

The European Commission lodged an appeal to the Court of Justice against the General Court's judgment. Said appeal is currently pending resolution. The Club's Board of Directors and legal advisors consider that the risk of a negative ruling on this appeal is low and, therefore, the Group has not recorded any provision for this matter.

- On August 11, 2017 the Club sued former FC Barcelona player Neymar Jr at Social Court of Barcelona no.15 for breach of contract. The former FC Barcelona player Neymar Jr also filed a lawsuit against the Club at Social Court of Barcelona no.32. The purpose of the lawsuit was to claim an amount of money based on section 4.1.1 of the contract signed between the Club and the player on July 1, 2016. The Club claimed the entire bonus paid to the player (20,750 thousand euros) and the player claimed the portion of the unpaid bonus (43,650 thousand euros). The trial took place on October 6, 2019 and the ruling was issued on June 19,

2020, fully dismissing the lawsuit filed by the player and partially upholding the lawsuit filed by the Club and sentencing the player to refund an amount of 6,797 thousand euros to the Club. This ruling can be appealed against by both parties. The Club's Board of Directors and legal advisors consider that the risk derived from this dispute is low.

## 14. Financial liabilities

The breakdown of this heading at June 30, 2020 and 2019 is as follows:

Categories	Thousands of euros									
	6/30/2020					6/30/2019				
	Bank borrowings	Bonds and other marketable debt securities	Payables to sports personnel	Others	Total	Bank borrowings	Bonds and other marketable debt securities	Payables to sports personnel	Others	Total
Debits and items payable:										
Non-current payables	13,318	197,987	34,488	196,749	442,542	61,488	197,385	70,503	182,361	511,737
<b>Non-current</b>	<b>13,318</b>	<b>197,987</b>	<b>34,488</b>	<b>196,749</b>	<b>442,542</b>	<b>61,488</b>	<b>197,385</b>	<b>70,503</b>	<b>182,361</b>	<b>511,737</b>
Debits and items payable:										
Current payables	265,967	2,507	-	9	268,483	10,792	1,143	-	9	11,944
Trade and other payables	-	-	164,140	298,056	462,196	-	-	160,875	332,759	493,634
<b>Current</b>	<b>265,967</b>	<b>2,507</b>	<b>164,140</b>	<b>298,065</b>	<b>730,679</b>	<b>10,792</b>	<b>1,143</b>	<b>160,875</b>	<b>332,768</b>	<b>505,578</b>
<b>Total financial instruments</b>	<b>279,285</b>	<b>200,494</b>	<b>198,628</b>	<b>494,814</b>	<b>1,173,221</b>	<b>72,280</b>	<b>198,528</b>	<b>231,378</b>	<b>515,129</b>	<b>1,017,315</b>

### 14.1. Non-current payables

The breakdown by maturity of the items composing "Non-current payables" is as follows:

	Thousands of euros				
	Non-current				
	2021/22	2022/23	2023/24	2024/25 and subsequent seasons	Total
Bonds and other marketable debt securities	-	-	197,987	-	197,987
Bank borrowings	9,137	4,181	-	-	13,318
Payables to sporting entities (Note 14.3)	100,147	63,836	32,691	-	196,674
Other non-current liabilities (Note 14.3):					
Compensation for contract termination	28,671	3,389	2,376	52	34,488
Others	-	-	-	75	75
<b>Total</b>	<b>137,955</b>	<b>71,406</b>	<b>233,054</b>	<b>127</b>	<b>442,542</b>

<b>30 de juny de 2019:</b>	<b>Thousands of euros</b>				
	<b>Non-current</b>				
	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2024/25 and subsequent seasons</b>	<b>Total</b>
Bonds and other marketable debt securities	-	-	-	197,385	197,385
Bank borrowings	48,120	9,187	4,181	-	61,488
Payables to sporting entities (Note 14.3)	77,588	77,338	26,361	-	181,287
Other non-current liabilities (Note 14.3):					
Compensation for contract termination	47,543	19,664	3,234	62	70,503
Others	-	-	-	1,074	1,074
<b>Total</b>	<b>173,251</b>	<b>106,189</b>	<b>33,776</b>	<b>198,521</b>	<b>511,737</b>

***Bonds and other marketable debt securities:***

On August 28, 2018 the Club issued Senior Notes for an amount of 90 million euros which matured on August 28, 2023 and accrued a fixed interest rate lower than 2%. Said Senior Notes were acquired by a US insurance company. At June 30, 2020 the amortized cost at which said debt has been recorded amounts to 89 million euros. Additionally, on August 28, 2018 the Club carried out a second issue of Senior Notes for an amount of 50 million euros, maturing on August 28, 2023, and also accruing an annual fixed interest rate lower than 2%. These Senior Notes were acquired by another US insurance company. At June 30, 2020 the amortized cost at which said debt has been recorded amounts to 49 million euros.

Additionally, on May 16, 2019 the Club carried out a third issue of Senior Notes for an amount of 30 million euros, maturing on May 23, 2024, and accruing an annual fixed interest rate lower than 2.50%. These Senior Notes were acquired by a French insurance company. At June 30, 2020 the amortized cost at which said debt has been recorded amounts to 29.5 million euros.

Furthermore, on May 16, 2019 the Club carried out a fourth issue of Senior Notes for an amount of 30 million euros, maturing on May 23, 2024, and accruing an annual fixed interest rate lower than 2.50%. These Senior Notes were acquired by a French asset management company. At June 30, 2020 the amortized cost at which said debt has been recorded amounts to 29.5 million euros.

The issues of Senior Notes require that several half-yearly and annual ratios calculated based on the Club's consolidated financial statements be met (Note 14.4). Additionally, the subsidiaries FCBarcelona HK Limited, FCB North America LLC y Barça Licensing & Merchandising, S.L.U. are the guarantors for said debt.

***Bank borrowings:***

On June 1, 2017 the Club took out a loan amounting to 20 million euros for a period of 6 years maturing on June 1, 2023, with quarterly repayments and a 1-year grace period, linked to 12-month Euribor plus a spread. At June 30, 2020 the amount payable totals 12.2 million euros, of which 8.2 million euros mature in the long term (16 and 12 million euros, respectively, at June 30, 2019).

On June 20, 2019 the Club took out a loan amounting to 15 million euros for a period of 3 years maturing on June 20, 2022, with quarterly repayments, linked to 12-month Euribor plus a spread. At June 30, 2020 the amount payable totals 10 million euros, of which 5 million euros mature in the long term (15 and 10 million euros, respectively, at June 30, 2019).

## 14.2. Current payables

The breakdown of "Current payables" at June 30, 2020 and 2019 is as follows:

	<b>Thousands of euros</b>	
	<b>6/30/2020</b>	<b>6/30/2019</b>
Bonds and other marketable debt securities (payable interest)	2,507	1,143
Bank borrowings	265,967	10,792
Others	9	9
<b>Total</b>	<b>268,483</b>	<b>11,944</b>

**Bank borrowings:**

The breakdown of "Bank borrowings" at June 30, 2020 and 2019 is as follows:

	Thousands of euros			
	6/30/2020		6/30/2019	
	Nominal value	Amortized cost	Nominal value	Amortized cost
Current loans from credit institutions	145,044	145,044	9,377	9,377
Bank borrowings - credits drawn down	117,753	117,753	-	-
Payables for reverse factoring transactions	2,874	2,874	1,323	1,323
Interest payable and other	296	296	92	92
<b>Total</b>	<b>265,967</b>	<b>265,967</b>	<b>10,792</b>	<b>10,792</b>

**Bank loans:**

On August 16, 2018 a US financial institution granted a loan to the Club for an amount of 90 million euros to fund the first phase of the construction of Espai Barça. The subsidiary Barça Licensing & Merchandising, S.L.U. acts as the guarantor for this loan. This loan matures on August 16, 2020. In the event of a delay in the Espai Barça project, the loan agreement establishes that both parties will negotiate an extension of the loan maturity, while in the event that the Club's Board of Directors decides not to go ahead with the project or the relevant validation bodies do not approve it, said loan should be repaid in half-yearly instalments of 18 million euros, with the first instalment to be repaid 6 months after confirmation of final cancellation of the project until the drawdown amounts are entirely repaid. This loan accrues interest at Euribor plus a spread. At June 30, 2020 90 million euros have been drawn down (40 million euros at June 30, 2019, which are recorded in the long term).

On July 11, 2019 the Club was granted a loan without collateral for an amount of 45 million euros. Said loan, which was refinanced on December 20, 2019, matures on December 31, 2020 and accrues interest at a yearly fixed rate of 4.5%.

Except for those arranged on June 20, 2019 and July 11, 2019, the loans taken out by the Club require that several half-yearly and annual ratios calculated based on the Club's consolidated financial statements be met (Note 14.4).

**Payables for drawdown credits:**

The Group has been granted credit facilities at June 30, 2020 and 2019 with the following limits:

	Thousands of euros		
	Limit	Undrawn Amount	Draw-down Amount
June 30, 2020	146,000	28,247	117,753
June 30, 2019	128,883	128,883	-

During the year 2019/20 the Club has renewed all the credit facilities. The credit facilities currently mature between December 2020 and June 2023 and most of them are linked to Euribor plus a market spread. These credit facilities have been granted without the Club having to provide any collateral. The limits on most of the credit facilities have been increased and their maturities have been extended, based on the COVID-19 guarantee scheme launched by the Spanish Official Credit Institute (ICO by its acronym in Spanish).

**14.3. Trade and other payables**

The breakdown of the accounts included under this heading at June 30, 2020 and 2019 is as follows:

	Thousands of euros	
	6/30/2020	6/30/2019
Suppliers	84,054	106,271
Suppliers, group companies (Note 20.2)	753	307
Other payables	21,111	25,609
Trade payables to related parties (Note 20.2)	4,484	3,523
Payables to sporting entities	126,221	79,455
Sports personnel	164,140	160,875
Non-sports personnel	6,019	3,116
Other payables to Public Administrations (Note 15.1)	55,190	113,870
Customer advances	224	608
<b>Total</b>	<b>462,196</b>	<b>493,634</b>

***Payables to sporting entities:***

At June 30, 2020 and 2019 the breakdown of "Payables to sporting entities", which have arisen mainly as a result of the acquisition of player registration rights by the Club, is as follows:

**June 30, 2020:**

	Thousands of euros	
	Current	Non-current (Note 14.1)
<i>Soccer clubs:</i>		
FC Girondins de Bordeaux (Malcom Oliveira)*	9,891	10,114
Grêmio Foot-Ball Porto Alegrense (Arthur Melo)*	7,996	13,500
Valencia C.F. (Neto)*	6,500	13,000
Liverpool Football Club (Coutinho)*	29,254	40,000
A.F.C. Ajax (Frenkie De Jong)*	16,011	48,034
Club Atlético de Madrid (Pre-emption rights)	5,000	5,000
Juventus, F.C. (Matheus Pereira)	3,758	3,843
Juventus, F.C. (Miralem Pjanic)	4,814	52,861
Sporting Clube de Braga (Trincao)	9,630	9,840
Villarreal, C.F. (Denis Suárez)	241	482
Club Atlético Mineiro (Emerson)*	6,000	-
Real Valladolid, C.F. (José Arnaiz)	250	-
Real Betis Balompié (Junior Firpo)	9,000	-
S.D. Eibar (Marc Cucurella)	2,420	-
U.D. Las Palmas (Pedro González)	1,250	-
Albacete Balompié (Rey Manaj)	2,000	-
Sociedade Esportiva Palmeiras (Matheus Fernandes)*	4,642	-
São Paulo Futebol Clube (Emerson)	33	-
FC Bayern München AG (Arturo Vidal)	950	-
R.C. Deportivo A Coruña (Brandariz)	73	-
Others	6,508	-
<b>Total payables to sporting entities</b>	<b>126,221</b>	<b>196,674</b>

\*The clubs have sold their accounts receivable to a financial institution.

June 30, 2019

	Thousands of euros	
	Current	Non-current (Note 14.1)
<i>Soccer clubs:</i>		
FC Bayern München AG (Arturo Vidal)	10,925	-
Bayer 04 Leverkusen (Arturo Vidal)	143	-
FC Girondins de Bordeaux (Malcom Oliveira)	10,114	20,227
Grêmio Foot-Ball Porto Alegrense (Arthur Melo)	7,732	20,250
K.A.S. Eupen (Moussa Wagué)	1,986	-
Club Atlético Mineiro (Emerson)	6,170	6,000
Real Valladolid, C.F. (José Arnaiz)	250	250
Valencia C.F. (Neto)	11,960	19,500
Liverpool Football Club (Coutinho) *	27,936	66,667
A.F.C. Ajax (Frenkie De Jong)	-	48,616
Others	2,239	(223)
<b>Total payables to sporting entities</b>	<b>79,455</b>	<b>181,287</b>

\*El Liverpool Football Club ha factorizado con una entidad financiera su derecho de cobro.

#### Personnel:

The breakdown of current and non-current balances held with sports personnel is the following:

	Thousands of euros			
	6/30/2020		6/30/2019	
	Receivable balances (Note 10.3)	Payable balances	Receivable balances (Note 10.3)	Payable balances
<b>Non-current</b>				
First team players	52,565	32,661	61,389	67,770
Other sports players	5,518	1,827	2,844	2,733
<b>Total non-current</b>	<b>58,083</b>	<b>34,488</b>	<b>64,233</b>	<b>70,503</b>
<b>Current</b>				
First team players	49,646	157,440	64,622	157,097
Other sports players	4,472	6,700	3,300	3,778
<b>Total current</b>	<b>54,118</b>	<b>164,140</b>	<b>67,922</b>	<b>160,875</b>
<b>Total</b>	<b>112,201</b>	<b>198,628</b>	<b>132,155</b>	<b>231,378</b>

Outstanding sports employee benefits payable at year end were settled at the beginning of July 2020 for an amount of 51,782 thousand euros.

Non-current and current receivable balances mainly include the signing bonuses for amounts pending accrual of 58,083 and 54,118 thousand euros, respectively (64,233 and 67,922 thousand euros at June 30, 2019, respectively). The additions for the year amount to 44,405 thousand euros, whereas disposals amount to 7,919 thousand euros (44,780 and 10,446 thousand euros, respectively, in the year 2018/19).

Additionally, the amounts accrued for that concept have been transferred to "Employee benefits expense" and "External services" for 52,983 and 3,457 thousand euros, respectively (62,124 and 6,232 thousand euros, respectively, in the year 2018/19).

#### **14.4. Covenant to satisfy financial ratios**

Both the loans mentioned in Notes 14.1 and 14.2 (except for those arranged on June 20, 2019 and July 11, 2019) and the issues of Senior Notes mentioned in Note 14.1 require that several half-yearly and annual ratios be met. Said ratios are determined based on net financial debt and financial expenses, both over EBITDA, which are calculated based on the figures shown in the Club's consolidated financial statements. At June 30, 2020 the Club has not met the ratios established in the aforementioned financing agreements.

As established in the Senior Notes, in the event of non-compliance within a maximum period of one year since first non-compliance event (that is December 31, 2020) these debts will be considered past due. According to the most recently updated budget for the year 2020/21, the Club's Board of Directors considers that these ratios will be met at December 31, 2020. However, considering current uncertainty derived from the COVID-19 situation and to avoid the risk of non-compliance, the Club has reached an agreement with the North American holders of the Senior Notes and a waiver has been obtained, both at December 31, 2019 and June 30, 2020, and compliance will not be required until June 30, 2021. For this agreement to be effective, among other aspects, the other holders of Senior Notes shall also grant the corresponding waiver under substantially similar terms. At the date these consolidated financial statements were authorized for issue, negotiations with the other holders are at a highly advanced stage and it is expected that an agreement will be reached shortly (Notes 2.5 and 24).

Additionally, in connection with the loan granted by a US financial institution for an amount of 90 million euros to fund the first phase of the construction of Espai Barça (Note 14.2), the Club has obtained a waiver of the half-yearly and annual ratios until June 30, 2021 (inclusive). Certain conditions of said loan have also been amended and its maturity has been extended until August 16, 2021 (Notes 2.5 and 24).

#### 14.5. Information on the average payment period to suppliers

The information required by Additional Provision Three of Law 15/2010 of July 5 (modified by Final Provision Second of Law 31/2014 of December 3) prepared in accordance with the Resolution by ICAC of January 29, 2016 on the information to be included in the financial statements regarding the average payment period to suppliers in trade transactions.

	6/30/2020	6/30/2019
	Days	Days
Average payment period to suppliers	84	73
Ratio of transactions paid	82	73
Ratio of transactions pending payment	105	91

	Thousands of euros	
Total payments made	250,775	233,737
Total payments outstanding	19,645	14,621

In accordance with the ICAC Resolution, the calculation of the average supplier payment period considered commercial transactions involving the delivery of goods and the rendering of services from the effective date of Law 31/2014, of December 3.

For the sole purpose of providing the information required by this Resolution, suppliers are trade creditors in respect of amounts due in exchange for goods and services supplied, which are included in the "Suppliers" heading of the current liabilities side in the consolidated balance sheet.

"Average payment period to suppliers" is the time elapsed between the delivery of the goods or the rendering of the services by the supplier and the actual payment of the transaction.

The balances with sporting entities and assets suppliers are settled in accordance with the agreements signed by the parties, and thus, the legal deadline established for trade transactions can be exceeded.

## 15. Tax matters

### 15.1. Current balances with public administrations

The breakdown of current balances with public administrations at June 30, 2020 and 2019 is as follows

#### Receivable balances:

	Thousands of euros	
	6/30/2020	6/30/2019
VAT receivable from tax authorities (Note 10.3)	2,505	2,162
Personal income tax receivable from tax authorities (Note 10.3)	288	-
Corporate income tax receivable from tax authorities (Note 10.3)	134	2,678
<b>Total</b>	<b>2,927</b>	<b>4,840</b>

#### Saldos acreedores

	Thousands of euros	
	6/30/2020	6/30/2019
Current personal income tax payable to tax authorities	49,291	101,913
Payables to Social Security entities	1,820	1,668
VAT payable to tax authorities	3,597	9,054
Other concepts payable to tax authorities	482	1,235
<b>Total</b>	<b>55,190</b>	<b>113,870</b>

### 15.2. Reconciliation of accounting profit and taxable income

The reconciliation of accounting profit and consolidated taxable income is as follows:

#### June 30, 2020:

	Thousands of euros		
	Increase	Decrease	Total
Accounting profit/(loss) (before tax)			(128,021)
Permanent differences:			
Deduction due to international double taxation	1,175	-	1,175
Fines, penalties, donations and gifts	951	-	951
Termination benefits	9,575	-	9,575
Others	714	-	714
Temporary differences:			
Provision for risks and expenses	70,666	(50,119)	20,547
Provision for bad debts	1,288	(1,175)	113
Non-deductible depreciation and amortization for tax purposes	-	(694)	(694)
<b>Consolidated taxable income</b>	<b>84,369</b>	<b>(51,987)</b>	<b>(95,640)</b>

<b>June 30, 2019:</b>	<b>Thousands of euros</b>		
	<b>Increase</b>	<b>Decrease</b>	<b>Total</b>
Accounting profit/(loss) (before tax)			3,556
Permanent differences:			
Deduction due to international double taxation	2,060	-	2,060
Fines, penalties, donations and gifts	622	-	622
Others	1,259	(2,665)	(1,406)
Temporary differences:			
Provision for risks and expenses	55,330	(51,159)	4,171
Provision for bad debts	998	-	998
Non-deductible depreciation and amortization for tax purposes	-	(2,881)	(2,881)
Utilization of tax loss carryforwards	-	(48)	(48)
<b>Consolidated taxable income</b>	<b>60,269</b>	<b>(56,753)</b>	<b>7,072</b>

The main differences between the taxable base of the income tax and the accounting profit/(loss) correspond to provisions recorded during the current and prior years that were not considered deductible for tax purposes.

For the tax periods beginning on or after 2013 and 2014, pursuant to article 7 of Law 16/2012 the depreciation and amortization of property, plant and equipment, intangible assets and investment property could be deducted up to 70% of the depreciation and amortization that would have been deductible had this percentage not been applied. The depreciation and amortization that was not deductible according to said Law is deducted on a straight-line basis over 10 years or over the useful life of the asset as from the first tax period beginning in 2015. The reversal of non-deductible depreciation and amortization in the year ended June 30, 2020 amounts to 694 thousand euros (2,881 thousand euros at June 30, 2019).

### 15.3. Tax recognized in equity

At June 30, 2020 and 2019 the breakdown of taxes recognized directly in equity is as follows:

<b>June 30, 2020:</b>	<b>Thousands of euros</b>		
	<b>Increase</b>	<b>Decrease</b>	<b>Total</b>
<b>Deferred tax:</b>			
Arising in the year	27	-	27
Grants (Note 12.2)			
<b>Total tax recognized directly in equity</b>	<b>27</b>	<b>-</b>	<b>27</b>

<b>June 30, 2019:</b>	<b>Thousands of euros</b>		
	<b>Increase</b>	<b>Decrease</b>	<b>Total</b>
<b>Deferred tax:</b>			
Arising in the year	27	-	27
Grants (Note 12.2)			
<b>Total tax recognized directly in equity</b>	<b>27</b>	<b>-</b>	<b>27</b>

#### 15.4. Reconciliation of accounting profit (loss) and corporate income tax expense (income)

The reconciliation of accounting profit (loss) and corporate income tax expense (income) is as follows:

	Thousands of euros	
	6/30/2020	6/30/2019
Accounting profit/(loss) (before tax)	(128,021)	3,556
Permanent differences	12,415	1,276
Total Base	(115,606)	4,832
Tax rate	25%	25%
Tax liability	(28,902)	1,208
Applied or capitalized deductions	(1,607)	(930)
Other adjustments	-	(717)
Adjustment of deductions and unused tax loss carryforwards	(173)	(532)
<b>Total tax expense / (income) recognized in the consolidated income statement</b>	<b>(30,682)</b>	<b>(971)</b>

The "Other adjustments" heading in the year 2018/19 mainly corresponds to unused tax loss carryforwards amounting to 2,445 thousand euros arisen as a result of a court judgment, corresponding to financial years 2002/03 and 2003/04, which were offset in the 2017/18 income tax return.

#### 15.5. Breakdown of corporate income tax expense (income)

The breakdown of the consolidated corporate income tax expense (income) is as follows:

	Thousands of euros	
	6/30/2020	6/30/2019
Current tax	-	840
Deferred tax	(30,682)	(1,474)
Adjustments to prior year's current tax	-	(337)
<b>Total consolidated tax expense / (income)</b>	<b>(30,682)</b>	<b>(971)</b>

As indicated in Note 4.9, as from the year 2018/19 the Club files the income tax return on a consolidated basis together with its subsidiary Barça Licensing & Merchandising, S.L.U., and the Club is the parent of the consolidated tax group. Income tax receivable at June 30, 2020 and 2019 was calculated as follows:

	Thousands of euros	
	6/30/2020	6/30/2019
Taxable income Futbol Club Barcelona	(96,461)	3,963
Taxable income Barça Licensing & Merchandising, S.L.U.	821	3,155
Offset of unused tax loss carryforwards Barça Licensing & Merchandising, S.L.U.	-	(47)
Consolidated taxable income	(95,640)	7,071
Tax payable (25%)	-	1,768
Deductions Futbol Club Barcelona	-	(922)
Deductions Barça Licensing & Merchandising, S.L.U.	-	(6)
Payments on account Futbol Club Barcelona	-	(2,269)
Payments on account Barça Licensing & Merchandising, S.L.U.	-	(1,249)
Withholdings	(134)	-
<b>Corporate income tax receivable from tax authorities</b>	<b>(134)</b>	<b>(2,678)</b>

Final income tax refundable in the year 2018/19 has amounted to 2,865 thousand euros, since the Club has applied a greater amount of tax loss carryforwards arisen in prior years (991 thousand euros) and a lower amount of deductions (61 thousand euros).

### 15.6. Deferred tax assets and liabilities

The breakdown of the balances in these accounts at June 30, 2020 and 2019 is as follows:

**June 30, 2020:**

Description	Thousands of euros			
	Deferred tax assets		Deferred tax liabilities	
	Amount	Tax effect	Amount	Tax effect
Grants	-	-	2,324	581
Tax credits related to unused loss carryforwards	96,517	24,129	-	-
Temporary differences	106,708	26,677	-	-
Unused deductions	-	1,907	-	-
		<b>52,713</b>		<b>581</b>

**June 30, 2019:**

Description	Thousands of euros			
	Deferred tax assets		Deferred tax liabilities	
	Amount	Tax effect	Amount	Tax effect
Grants	-	-	2,432	608
Tax credits related to unused loss carryforwards	1,868	467	-	-
Temporary differences	86,740	21,685	-	-
Unused deductions	-	65	-	-
		<b>22,217</b>		<b>608</b>

Unused tax loss carryforwards amounting to 96,517 thousand euros correspond to the ones arisen at June 30, 2020 (95,640 thousand euros) and the ones arisen in the year 2009/10 (527 thousand euros) and 2010/11 (350 thousand euros).

The above-listed deferred tax assets have been recognized in the consolidated balance sheet since, based on the best estimate of the future profits of the tax group of which the Club is the parent, including certain tax planning initiatives, the Club's Board of Directors considers that it is probable that these assets may be recovered within a time horizon of less than 10 years, as established by accounting regulations.

The losses for the year 2019/20 are due to a dramatic drop in revenue because of the COVID-19 situation, which has particularly affected revenue from competitions (gate money and hospitality), marketing (merchandising, museum and other) and TV broadcasts and rights, as the 2019/20 season could not be completed at June 30, 2020. The Club's Board of Directors considers that the losses for the year 2019/20 are temporary, and that once activity goes back to normal, profit will be obtained again as in prior years. The Club's Board of Directors and Management have adopted a set of measures to mitigate the impact of COVID-19 which are expected to achieve a balance in the income statement for the 2020/21 season. As from the 2021/22 season it is expected that revenue and profit will grow again significantly and sustainably, by boosting digital business, merchandising activities of the subsidiary Barça Licensing & Merchandising, S.L.U. and the commercialization of the stadium's naming right, among other actions.

### 15.7. Years open to inspection and tax inspections

In 2016 the tax authorities notified the Club of the beginning of verification and inspection proceedings regarding the periods comprised between seasons 2011/12 and season 2014/15. Pursuant to article 148 of the General Tax Law and article 178 of General Regulations governing Tax Proceedings, these tax proceedings were considered as general and were completed on May 4, 2018, issuing notifications of assessments signed in agreement for tax liabilities for the income tax, VAT, personal income tax withholdings and non-resident withholdings amounting to 10,288 thousand euros, late payment interest amounting to 2,383 thousand euros and fines amounting to 800 thousand euros. These assessments were recorded under "Other payables to public administrations" in the liabilities side of the consolidated balance sheet at June 30, 2018 and paid in July and August 2018. Additionally, in October 2018 the fine corresponding to the corporate income tax assessments signed in agreement was paid for an amount of 656 thousand euros (Note 13.2).

On June 29, 2018 the Club was notified of settlement agreements derived from the aforementioned assessments signed in disagreement, amounting to 13,496 thousand euros, and late payment interest amounting to 3,298 thousand euros, regarding the corporate income tax, the value added tax, withholdings on account of non-resident taxation and personal income tax withholdings for the period between January 2012 and June 2015.

In July 2018 the Club filed economic and administrative claims to the Central Economic and Administrative Court against said settlement agreements. Furthermore, in January 2019 the Club filed economic and administrative claims to the Central Economic and Administrative Court against the administrative fines amounting to 16,481 thousand euros derived from the inspection and which were also received in January 2019. During June 2020 the Central Economic and Administrative Court dismissed the aforementioned claims. On July 20, 2020 the Club filed administrative appeals to the Spanish National High Court.

The Club's Board of Directors and its tax advisors consider that the provision recorded at June 30, 2020 in the "Non-current provision" heading of the consolidated balance sheet is sufficient to settle the liabilities that may arise as a result of the assessments signed in disagreement (Note 13).

On July 5, 2019 the tax authorities commenced general verification and inspection proceedings regarding the following taxes and periods:

- i) Corporate income tax for the 2015/16, 2016/17 and 2017/18 seasons.
- ii) VAT, withholdings on employee/independent professionals income tax, investment income and non-residents taxation for the period between July 2015 and June 2018.

Under prevailing tax regulations, tax returns may not be considered final until they have either been inspected by tax authorities or until the four-year inspection period has expired. At June 30, 2020 the Club is open to inspection for the following taxes and periods:

- i) Corporate income tax for the year 2018/19.
- ii) VAT, withholdings on employee/independent professionals income tax, investment income and non-residents taxation for the period comprised between July 2018 and May 2020.

The Board of Directors of the Club considers that the above-mentioned taxes have been appropriately settled and, therefore, in the event of discrepancies in the interpretation of the tax treatment applied to transactions, any potential liabilities that could arise would not have a significant impact on the accompanying consolidated financial statements.

## 16. Accruals

The breakdown of "Non-current accruals" and "Current accruals" at June 30, 2020 and 2019 is as follows:

	Thousands of euros					
	6/30/2020			6/30/2019		
	Assets	Liabilities		Assets	Liabilities	
	Current	Current	Non-current	Current	Current	Non-current
Multi-year contracts	-	225,140	4,000	-	169,599	5,500
Season tickets and membership cards	-	11,174	-	-	8,754	-
Other accruals	6,264	-	5,160	5,326	-	5,173
<b>Total</b>	<b>6,264</b>	<b>236,314</b>	<b>9,160</b>	<b>5,326</b>	<b>178,353</b>	<b>10,673</b>

**Multi-year contracts:**

The Group has awarded several exclusivity contracts that are estimated to generate future income for the Group amounting approximately to 1,208,004 thousand euros at June 30, 2020 (1,332,954 thousand euros at June 30, 2019). Income accrued in the year from these contracts is included in the "Revenue" heading in the accompanying consolidated income statement. The amounts billed and not accrued, as well as advances received, are recorded under the "Non-current accruals" or "Current accruals" headings in the liabilities side of the accompanying consolidated balance sheet depending on the estimated time of accrual.

These contracts will be recognized as income in future seasons according to the following estimate:

	Thousands of euros	
	6/30/2020	6/30/2019
2019/20	-	382,975
2020/21	395,416	396,096
2021/22	304,577	142,098
2022/23 *	105,725	411,785
2023/24 and subsequent seasons	402,286	-
<b>Total</b>	<b>1,208,004</b>	<b>1,332,954</b>

\*At June 30, 2019 it corresponds to the income for the 2022-2023 and subsequent seasons.

The marketing of the services provided by the Group continues to be gradually recorded, in line with prior years, under specific multi-year contracts. Additionally, the most significant goods and rights subject to marketing and the terms of the corresponding contracts detailed below.

**a) Sponsorship of sports equipment**

On October 25, 2006 a contract was signed with Nike European Operations Netherlands, BV (hereinafter Nike), whereby the Club appointed Nike as the exclusive technical sponsor and supplier of sports products. Additionally, the Club awarded Nike the exclusive and non-exclusive license for selling sponsorship products that bear property rights. The contract came into force on July 1, 2008 and it was initially signed for a period of 5 years, although the Club and Nike Europe BV included a potential extension of 5 additional years that was approved by the General Assembly of August 29, 2007.

On January 1, 2011 the Club and Nike signed an addendum to the sponsorship contract whereby the contract was extended to June 2018.

On May 20, 2016 the Club signed an addendum to the contract, which was approved by the General Assembly of Club Member Delegates, whereby its validity was extended to June 30, 2028.

**b) TV broadcasts**

Royal Decree regulating the centralized sale of the soccer TV rights (Royal Decree Law 5/2015 of April 30, on urgent measures regarding the selling of operation rights over audiovisual content in professional soccer competitions) came into force on May 1, 2016. The main purpose of this Royal Decree is to establish a joint system for the selling of the professional soccer TV rights.

With the new law, no club can directly sell its operation rights over audiovisual content. Taking part in an official professional soccer competition shall necessarily entail the transfer of this rights to the organizer of the competition: the Spanish Professional Soccer League (LFP) for La Liga and La Liga 2, and the Spanish Soccer Association (RFEF) for the Spanish Cup.

The Club has sold accounts receivable derived from TV income for the 2020/21 season for an amount of 92,806 thousand euros, assuming no responsibility for the rights sold, except for the rendering of future services. This amount will be recorded as income when services are provided.

**c) Official sponsor**

On January 19, 2017 the Club signed a contract with Rakuten INC, granting them, among other rights, the worldwide shirt sponsorship and exploitation right. This contract came into force on July 1, 2017 and will expire on June 30, 2021.

**Season tickets and membership cards:**

The balance recorded in this heading at June 30, 2020 and 2019 mainly corresponds to the deferred portion of the membership cards for the calendar years 2020 and 2019, respectively.

## 17. Foreign currency

The Group does not carry out significant recurring transactions in foreign currencies.

## 18. Income and expenses

### 18.1. Revenue

The distribution of revenue by activity and geographical segments at June 30, 2020 and 2019 is as follows:

#### June 30, 2020:

Actividades	Thousands of euros			
	First team, soccer	Other sports and Club structure	Barça Licensing & Merchandising	Total
Revenue from competitions:				
Gate money from La Liga matches	34,513	787	-	35,300
Gate money from other Spanish competitions	7,238	2	-	7,240
Gate money from international competitions	8,683	872	-	9,555
Friendly and other matches	12,185	756	-	12,941
Hospitality	15,581	274	-	15,855
Total revenue from competitions	78,200	2,691	-	80,891
Revenue from membership card holders and season ticket holders	36,194	19,006	-	55,200
Revenue from TV broadcasts and TV rights	241,953	6,536	-	248,489
Revenue from the rendering of services	429	75	(64)	440
Revenue from marketing and advertising (*):				
Marketing	33,289	44,284	44,552	122,125
Sponsorship	195,809	5,114	-	200,923
Advertising and other income	35	154	-	189
Total revenue from marketing and advertising	229,133	49,552	44,552	323,237
<b>Total</b>	<b>585,909</b>	<b>77,860</b>	<b>44,488</b>	<b>708,257</b>

(\*) It includes revenue from marketing as a result of participating in the Champions League

Geographical markets	Percentage (based on turnover)			
	First team, soccer	Other sports and Club structure	Barça Licensing & Merchandising	Total
Spain	66%	7%	7%	80%
International	17%	2%	1%	20%
<b>Total</b>	<b>83%</b>	<b>9%</b>	<b>8%</b>	<b>100%</b>

**June 30, 2019:**

Activitie	Thousands of euros			
	First team, soccer	Other sports and Club structure	Barça Licensing & Merchandising	Total
Revenue from competitions:				
Gate money from La Liga matches	47,667	1,156	-	48,823
Gate money from other Spanish competitions	6,908	-	-	6,908
Gate money from international competitions	16,829	926	-	17,755
Friendly and other matches	17,700	591	-	18,291
Hospitality	21,885	318	-	22,203
Total revenue from competitions	110,989	2,991	-	113,980
Revenue from membership card holders and season ticket holders	41,882	19,002	-	60,884
Revenue from TV broadcasts and TV rights	288,890	9,232	-	298,122
Revenue from the rendering of services	290	123	-	413
Revenue from marketing and advertising (*):				
Marketing	32,784	61,550	61,439	155,773
Sponsorship	195,766	11,312	-	207,078
Advertising and other income	285	195	-	480
Total revenue from marketing and advertising	228,835	73,057	61,439	363,331
<b>Total</b>	<b>670,886</b>	<b>104,405</b>	<b>61,439</b>	<b>836,730</b>

(\*) It includes revenue from marketing as a result of participating in the Champions League

Geographical markets	Percentage (based on turnover)			
	First team, soccer	Other sports and Club structure	Barça Licensing & Merchandising	Total
Spain	68%	8%	7%	83%
International	14%	2%	1%	17%
<b>Total</b>	<b>82%</b>	<b>10%</b>	<b>8%</b>	<b>100%</b>

**18.2. Other operating income**

The breakdown of this heading at June 30, 2020 and 2019 is as follows:

	Thousands of euros	
	6/30/2020	6/30/2019
Others	4,535	2,205
Loan and training of players (Note 5)	15,382	12,690
Operating grants	609	546
<b>Total</b>	<b>20,526</b>	<b>15,441</b>

### 18.3. Employee benefits expense

The breakdown of this heading for the year ended June 30, 2020 and 2019 is as follows:

	Thousands of euros					
	Wages and salaries	Termination benefits	Collective bonuses	Social security	Other (*)	Total
Wages and salaries of sports personnel:						
First team players and coaching staff	275,622	12,893	53,814	357	11,042	353,728
Rest of coaching staff and other sports employees	67,131	1,096	6,463	5,432	2,289	82,411
Total wages and salaries of sports personnel	342,753	13,989	60,277	5,789	13,331	436,139
Wages and salaries of structure personnel:	39,515	368		8,695	2,403	50,981
<b>Total</b>	<b>382,268</b>	<b>14,357</b>	<b>60,277</b>	<b>14,484</b>	<b>15,734</b>	<b>487,120</b>

(\*) The "Other" column in wages and salaries of sports personnel corresponds to remuneration earned by the sports personnel in addition to the annual payroll and which is not paid during the year.

	Thousands of euros					
	Wages and salaries	Termination benefits	Collective bonuses	Social security	Others	Total
Squad registrable with LFP	275,622	12,893	53,814	357	11,042	353,728
Squad not registrable with LFP	67,131	1,096	6,463	5,432	2,289	82,411
<b>Total</b>	<b>342,753</b>	<b>13,989</b>	<b>60,277</b>	<b>5,789</b>	<b>13,331</b>	<b>436,139</b>

	Thousands of euros					
	Wages and salaries	Termination benefits	Collective bonuses	Social security	Others	Total
Wages and salaries of sports personnel:						
First team players and coaching staff	311,943	-	85,314	378	19,626	417,261
Rest of coaching staff and other sports employees	61,306	300	6,786	5,013	206	73,611
Total wages and salaries of sports personnel	373,249	300	92,100	5,391	19,832	490,872
Wages and salaries of structure personnel:	38,440	306	-	9,725	2,577	51,048
<b>Total</b>	<b>411,689</b>	<b>606</b>	<b>92,100</b>	<b>15,116</b>	<b>22,409</b>	<b>541,920</b>

(\*) The "Other" column in wages and salaries of sports personnel corresponds to remuneration earned by the sports personnel in addition to the annual payroll and which is not paid during the year.

	Thousands of euros					
	Wages and salaries	Termination benefits	Collective bonuses	Social security	Others	Total
Squad registrable with LFP	311,943	-	85,314	378	19,626	417,261
Squad not registrable with LFP	61,306	300	6,786	5,013	206	73,611
<b>Total</b>	<b>373,249</b>	<b>300</b>	<b>92,100</b>	<b>5,391</b>	<b>19,832</b>	<b>490,872</b>

The breakdown of total expenses associated with the sporting squad for the years ended June 30, 2020 and 2019 is as follows:

	Thousands of euros					
	6/30/2020			6/30/2019		
	Squad registrable with LFP	Squad not registrable with LFP	Total	Squad registrable with LFP	Squad not registrable with LFP	Total
Sports personnel remuneration and social security	353,728	82,411	436,139	417,261	73,611	490,872
Image rights to companies	25,153	459	25,612	33,372	479	33,851
Expenses associated with the Sports personnel:						
Amortization of players	166,238	7,782	174,020	140,277	5,251	145,528
Expenses from impairment of players	43,036	283	43,319	25,934	377	26,311
Reversal of impairment of players	(43,036)	(283)	(43,319)	(28,434)	(377)	(28,811)
Loss/(profit) on the sale of players	(46,837)	(26,824)	(73,661)	(84,421)	(16,299)	(100,720)
Loss/(profit) on the loan of players	(12,389)	(1,778)	(14,167)	(9,469)	(399)	(9,868)
Others	523	101	624	451	106	557
<b>Total Cost of Sports Personnel</b>	<b>486,416</b>	<b>62,151</b>	<b>548,567</b>	<b>494,971</b>	<b>62,749</b>	<b>557,720</b>

The total employee benefits expense shown below includes the amounts detailed in the calculation of the indicator of employee benefits expense associated with the squad registrable with LFP, as defined by the Economic Control Regulations of the LFP, as well as the amounts associated with the squad not registrable with LFP:

	Thousands of euros	
	2019/20	2018/19
Wages and salaries of sports personnel and other	487,120	541,920
Image rights to companies	25,612	33,851
Others	624	557
<b>Total</b>	<b>513,356</b>	<b>576,328</b>

#### 18.4. External services

This heading in the accompanying consolidated income statement includes, among others, the amounts incurred by the Club for the image rights of players and coaches composing the Club's sporting squads, amounting to 25,612 thousand euros in the current year and 33,851 thousand euros in the 2018/19 season. The breakdown of these costs is as follows:

	2019/20		2018/19	
	Average period of agreements	Thousands of euros	Average period of agreements	Thousands of euros
Soccer	4,6 anys	25,252	4,6 anys	33,490
Basketball	2 anys	360	2 anys	361
		<b>25,612</b>		<b>33,851</b>

As for the players that have sold their image rights to Image Management Companies, the Club pays them for this concept a maximum amount of 15% of the overall remuneration earned by the player. During the current year, the Club has recorded an expense amounting to 624 thousand euros corresponding to the remuneration earned by sports agents (557 thousand euros in the 2018/19 season). This amount includes, where appropriate, the payment of applicable taxes.

## 18.5. Charges for the year and utilization of provisions and others

The breakdown of this item in the consolidated income statement for the years ended June 30, 2020 and 2019 is as follows:

	Thousands of euros	
	2019/20	2018/19
Charges for the year	-	(3,234)
Non-recurring expenses	(95)	(78)
<b>Charge for the year and other non-recurring expenses</b>	<b>(95)</b>	<b>(3,312)</b>
Reversal of provisions	-	225
Non-recurring income	45	6,500
<b>Utilization of provisions and other non-recurring income</b>	<b>45</b>	<b>6,725</b>
<b>Total</b>	<b>(50)</b>	<b>3,413</b>

"Charges for the year" in the year 2018/19 mainly consists of a provision for future tax liabilities.

"Non-recurring income" in the year 2018/19 includes the partial cancelation of a provision for a career-end bonus, in accordance with new contractual terms established.

## 19. Contribution by entity to profit/(loss) for the year

The contribution by each entity included in the scope of consolidation to consolidated profit/(loss) is as follows:

	Thousands of euros	
	6/30/2020	6/30/2019
Futbol Club Barcelona	(97,602)	2,947
Barça Licensing & Merchandising, S.L.U.	263	1,580
<b>Total</b>	<b>(97,339)</b>	<b>4,527</b>

## 20. Related-party transactions and balances

### 20.1. Related-party transactions

The breakdown of related-party transactions during the 2019/20 and 2018/19 seasons is as follows:

Company	Thousands of euros	
	6/30/2020	6/30/2019
<b>Contributions:</b>	<b>(4,300)</b>	<b>(4,585)</b>
Futbol Club Barcelona Foundation	(4,300)	(4,585)
<b>Services received:</b>	<b>(3,293)</b>	<b>(2,653)</b>
Futbol Club Barcelona Foundation	(38)	(58)
FC Barcelona HK Limited	(2,342)	(2,037)
FC Barcelona North America LLC	(913)	(558)
<b>Services provided:</b>	<b>877</b>	<b>1,224</b>
Futbol Club Barcelona Foundation	597	591
FC Barcelona North America LLC	84	157
Haikou Barça Mission Hills	196	476
<b>Finance income:</b>	<b>131</b>	<b>133</b>
FC Barcelona HK Limited	43	47
FC Barcelona North America LLC	88	86

## 20.2. Related-party balances

The breakdown of the balances with related parties is as follows:

Company	Thousands of euros	
	6/30/2020	6/30/2019
<b>Non-current loans to group companies and associates:</b>		
FC Barcelona HK Limited (Note 10.2)	3,109	3,088
FC Barcelona North America LLC (Note 10.2)	290	15
<b>Trade and other receivables:</b>		
Futbol Club Barcelona Foundation (Note 10.3)	2	4
FC Barcelona HK Limited (Note 10.3)	11	38
FC Barcelona North America LLC (Note 10.3)	5	56
Haikou Barça Mission Hills (Note 10.3)	589	476
<b>Trade and other payables:</b>		
FC Barcelona HK Limited (Note 14.3)	(660)	(307)
FC Barcelona North America LLC (Note 14.3)	(93)	-
Futbol Club Barcelona Foundation (Note 14.3)	(4,484)	(3,523)

## 20.3. Board of Directors and Executive Committee remuneration

As set forth in the Club's by-laws, the members of the Board of Directors have neither earned nor accrued any remuneration, advances or loans from the Club during the years 2019/20 and 2018/19.

Additionally, the remuneration earned by the Club's Executive Committee, which include the estimated variable remuneration at June 30, 2020 and 2019 in the wages heading, is as follows:

<u>June 30, 2020:</u>	Thousands of euros		
	Wages	Pension Plans	Termination Benefits
Executive Committee	3,588	100	-

<u>June 30, 2019:</u>	Thousands of euros		
	Wages	Pension Plans	Termination Benefits
Executive Committee	3,985	97	-

At June 30, 2020 and 2019 the members of the Club's Executive Committee have not received any advance or loan from the Club.

During the 2019/20 season directors' and executive's liability insurance premiums for damages arising in the performance of their duties have been paid for an amount of 427 thousand euros (371 thousand euros in the 2018/19 season).

## 21. Other information

### 21.1. Employees

The Group's average headcount during the current and prior year by professional category is as follows:

Categories	2019/20		2018/19	
	Average headcount	Average number of employees with a disability > 33% over total headcount	Average headcount	Average number of employees with a disability > 33% over total headcount
Executive Committee	13	-	15	-
Professional sports personnel	674	9	642	7
Administrative personnel	487	6	468	6
Other employees (facilities, stores and other)	238	3	213	4
<b>Total</b>	<b>1,412</b>	<b>18</b>	<b>1,338</b>	<b>17</b>

Additionally, the breakdown of headcount by gender at June 30, 2020 and 2019 is as follows:

#### June 30, 2020:

Categories	6/30/2020		
	Men	Women	Total
Executive Committee	13	1	14
Professional sports personnel	598	57	655
Administrative personnel	273	226	499
Other employees (facilities, stores and other)	158	155	313
<b>Total</b>	<b>1,042</b>	<b>439</b>	<b>1,481</b>

#### June 30, 2019

Categorie	6/30/2019		
	Men	Women	Total
Executive Committee	13	1	14
Professional sports personnel	599	64	663
Administrative personnel	257	214	471
Other employees (facilities, stores and other)	180	156	336
<b>Total</b>	<b>1,049</b>	<b>435</b>	<b>1,484</b>

At June 30, 2020 the Club's Board of Directors consists of 13 men and 1 woman (17 men and 2 women at June 30, 2019).

### 21.2. Audit fees

Audit fees and the fees for services provided by the Group's auditor in the years 2019/20 and 2018/19 are as follows:

	Thousands of euros	
	2019/20	2018/19
Audit services	190	188
Other assurance services	77	97
<b>Total audit and verification services</b>	<b>267</b>	<b>285</b>
Tax services	25	-
Other services	12	3
<b>Total professional services</b>	<b>304</b>	<b>288</b>

### 21.3. Guarantee commitments to third parties and other financial liabilities

At June 30, 2020 and 2019, the Group has provided guarantees amounting to 30,016 and 28,818 thousand euros, respectively. The most significant guarantees at June 30, 2020 relate to the tax assessments signed in disagreement (Note 15.7).

The Club's Board of Directors considers that any unforeseen liabilities at June 30, 2020 that could arise from the above-mentioned guarantees, if any, would not be significant.

### 21.4. Control ratios for sporting bodies

The main ratios established in the Economic Control Regulations and other LFP mandatory standards are indicated below. For comparative purposes the figures of the prior year are included.

#### Break-even point indicator

The difference between the relevant income and expenses gives the result of break-even point. The total result of break-even point will be the sum of the break-even point results for each accounting period covered by the monitoring period, that is, the T, T-1 and T-2 accounting periods, where T is the annual accounting period, for which the audited financial statements have been requested:

	Thousands of euros		
	T	T-1	T-2
	6/30/2020	6/30/2019	6/30/2018
Relevant income	818,400	954,544	881,714
Relevant expenses	871,874	846,653	778,245
Break-even point ( + surplus, - deficit)	(53,474)	107,891	103,469
Total break-even point	157,886	-	-
Required break-even point	>0	-	-
<b>Conclusion</b>	<b>MET</b>	<b>-</b>	<b>-</b>

The calculation of relevant income and its reconciliation to the accompanying consolidated financial statements are as follows:

	Thousands of euros		
	T	T-1	T-2
	6/30/2020	6/30/2019	6/30/2018
Relevant income			
Gate money, members and season ticket holders	133,254	171,580	159,286
Sponsorship and advertising	196,522	198,072	216,510
Broadcasting rights	243,932	292,790	179,464
Commercial activities	122,093	155,585	108,723
Other operating income	17,367	13,827	1,777
Profit from intangible sporting assets	50,687	84,450	203,578
Financial income and currency translation differences	2,496	1,418	1,060
Operating grants	70	70	100
Other income not classified in the above headings	51,979	36,752	11,216
<b>Total relevant income</b>	<b>818,400</b>	<b>954,544</b>	<b>881,714</b>
Income recognized in the consolidated financial statements			
Total operating income	860,681	-	-
Total financial income	2,496	-	-
<b>Total income recognized in the consolidated financial statements</b>	<b>863,177</b>	<b>-</b>	<b>-</b>
<b>Difference</b>	<b>44,777</b>	<b>-</b>	<b>-</b>
Reconciling items			
Income from transactions not related to the professional soccer activity	44,777	-	-
<b>Total reconciling items</b>	<b>44,777</b>	<b>-</b>	<b>-</b>

The calculation of relevant expenses and their reconciliation to the accompanying consolidated financial statements are as follows:

	Thousands of euros		
	T	T-1	T-2
	6/30/2020	6/30/2019	6/30/2018
Relevant expenses			
Cost of sales / equipment	33,400	6,320	4,525
Employee remuneration expense	415,159	471,745	462,902
Other operating expenses	177,067	181,523	164,009
Amortization / Impairment of player registration rights	211,274	166,210	113,503
Losses on the sale of player registration rights	3,850	29	200
Finance cost and dividends	30,721	17,242	12,912
Other expenses not classified in the above headings	403	3,584	20,195
<b>Total relevant expenses</b>	<b>871,874</b>	<b>846,653</b>	<b>778,245</b>
Expenses recognized in the consolidated financial statements			
Total operating expenses	960,477	-	-
Total financial expenses	30,721	-	-
<b>Total expenses recognized in the consolidated financial statements</b>	<b>991,198</b>	<b>-</b>	<b>-</b>
<b>Difference</b>	<b>119,324</b>	<b>-</b>	<b>-</b>
Reconciling items			
Depreciation / Impairment of property, plant, and equipment	12,586	-	-
Depreciation / Impairment of sporting assets	11,208	-	-
Tax expenses (corporate income tax)	-	-	-
Expenses from directly-attributable community development activities	4,897	-	-
Other expenses not included in the above reconciling items	90,633	-	-
<b>Total reconciling items</b>	<b>119,324</b>	<b>-</b>	<b>-</b>

#### *Indicator of employee benefits expense related to the registrable squad*

It is considered that there is an indication of a potential future economic and financial imbalance when the annual economic amount of the employee benefits expense associated with the registrable squad, players and coaches of the Club is higher than 70% of the relevant income for the season, as defined in the Economic Control Regulations of LFP.

	Thousands of euros	
	6/30/2020	6/30/2019
Employee benefits expense related to the first team soccer squad (*)	386,648	458,752
Relevant income	818,400	954,544
Indicator of employee benefits expense related to the registrable squad	47%	48%
Required indicator of employee benefits expense related to the registrable squad	<70%	<70%
<b>Conclusion</b>	<b>MET</b>	<b>MET</b>

(\*) It includes expenses for wages, image management companies and remuneration earned by agents.

The calculation and reconciliation of income is shown in the break-even point calculation above.

The reconciliation of the expenses associated with the registrable soccer squad with the total employee benefits expense is as follows:

	Thousands of euros	
	6/30/2020	6/30/2019
Employee benefits expense related to the registrable soccer squad (a)	379,404	451,084
Non-sports soccer and structure employee benefits expense related to the first team soccer squads (b)	7,244	7,668
Total employee benefits expense related to the first team soccer squad	386,648	458,752
Expenses squad not registrable with LFP	75,727	66,528
Non-sports employee benefits expense excluding those included in section (b) and registrable employee benefits expense excluding those included in section (a)	50,981	51,048
<b>Total employee benefits expense</b>	<b>513,356</b>	<b>576,328</b>

#### *Ratio of net debt to relevant income*

As defined in the Regulations there is an indication of a potential economic and financial imbalance when net debt at the end of each season is higher than 100% of the entity's relevant income.

In accordance with the regulations, the amount of net debt corresponds to the sum of the net debt for transfers (that is, the net amount of accounts receivable and payable for the sale of players), of the amounts pending payment for the financing facilities received from banks, related parties and third parties, of the advance collections to be accrued in more than 1 year and of the amounts payable to assets suppliers less cash and cash equivalents and temporary financial investments. Net debt does not include trade and other payables.

	Thousands of euros	
	6/30/2020	6/30/2019
Net debt	488,367	217,204
Relevant income	818,400	954,544
Ratio of net debt to relevant income	59,7%	22,7%
Required ratio of net debt to relevant income	<100%	<100%
<b>Conclusion</b>	<b>COMPLEX</b>	<b>COMPLEX</b>

The breakdown of net debt is as follows:

	Thousands of euros	
	6/30/2020	6/30/2019
<b>Non-current payables</b>		
Bonds and other marketable debt securities (Note 14.1)	(197,987)	(197,385)
Bank borrowings (Note 14.1)	(13,318)	(61,488)
Payables to sporting entities for sales and loans of players (Note 14.3)	(196,674)	(181,287)
Accruals (Note 16)	(9,160)	(10,673)
<b>Total non-current payables</b>	<b>(417,139)</b>	<b>(450,833)</b>
<b>Current payables</b>		
Bonds and other marketable debt securities (Note 14.2)	(2,507)	(1,143)
Bank borrowings (Note 14.2)	(265,967)	(10,801)
Payables to sporting entities for sales and loans of players (Note 14.3)	(126,221)	(79,455)
Other payables	(8,394)	(11,482)
<b>Total current payables</b>	<b>(403,089)</b>	<b>(102,881)</b>
<b>Total liabilities entries</b>	<b>(820,228)</b>	<b>(553,714)</b>
<b>Compensating assets entries</b>		
Non-current receivables from sporting entities for sales and loans of players (Note 10.1)	108,766	92,233
Current receivables from sporting entities for sales and loans of players (Note 10.3)	58,750	85,915
Cash and cash equivalents	164,345	158,362
<b>Total compensating assets entries</b>	<b>331,861</b>	<b>336,510</b>
<b>Total</b>	<b>(488,367)</b>	<b>(217,204)</b>

## 22. Income statement by sports

In the supplementary information included in the consolidated income statement by sports, the Club has used the following criteria to allocate amounts to the reportable sports:

- The income and expenses that due to their nature can be allocated to each sports activity have been recorded directly in the corresponding sport.

The consolidated income statement by sports for the year 2019/20 and, for comparative purposes, the consolidated income statement for the year 2018/19 is presented in Appendix I, which is an integral part of this note.

## 23. Budget settlement

Appendix II shows the consolidated budget for the 2019/20 season and the consolidated budget of the Club for the 2018/19 season approved at the General Assemblies held on October 6, 2019 and October 20, 2018, respectively, compared to the settlements for the years ended June 30, 2020 and June 30, 2019. The settlements show the same structure and are prepared in accordance with the same criteria as the ones used in the income statements in the corresponding financial statements.

## 24. Subsequent events

In connection with the loan granted by a US financial institution for an amount of 90 million euros to fund the first phase of the construction of Espai Barça (Note 14.2), in August 2020 the Club has obtained a waiver of the half-yearly and annual ratios until June 30, 2021 (inclusive). Certain conditions of said loan have also been amended and its maturity has been extended until August 16, 2021. This debt is shown as current in the consolidated financial statements for the year ended June 30, 2020. However, at the date these consolidated financial statements were authorized for issue its maturity has been reclassified as non-current.

Furthermore, in August 2020 a waiver of the half-yearly and annual ratios has been agreed with the North American holders of the Senior Notes, at both December 31, 2019 and June 30, 2020. Thus, compliance with said ratios will not be required until June 30, 2021. For this agreement to be effective, among other aspects, the other holders of Senior Notes shall also grant the corresponding waiver under substantially similar terms. At the date these consolidated financial statements were authorized for issue, negotiations with the other holders are at a highly advanced stage and it is expected that an agreement will be reached shortly (Note 14.1).



# APPENDICES

## APPENDIX I

## CONSOLIDATED INCOME STATEMENT BY SPORTS FOR THE YEAR ENDED JUNE 30, 2020

(Thousands of euros)

	Soccer	Jr Soccer Teams	Basketball	Handball	Roller Hockey	Indoor Football	Non-Prof.	BLM and Other	Total
<b>CONTINUING OPERATIONS</b>									
<b>Revenue</b>	<b>585,909</b>	<b>529</b>	<b>8,537</b>	<b>1,791</b>	<b>587</b>	<b>473</b>	<b>539</b>	<b>109,892</b>	<b>708,257</b>
Revenue from competitions	78,200	153	1,582	105	10	155	-	685	80,891
Revenue from season ticket holders and membership card holders	36,195	-	768	39	4	21	-	18,174	55,200
Revenue from TV broadcasts and TV rights	241,952	210	3,265	1,084	-	(2)	-	1,980	248,489
Revenue from marketing and advertising	229,133	166	2,922	564	574	299	532	89,049	323,237
Rendering of services	429	-	-	-	-	-	7	3	440
<b>Work performed by the entity and capitalized</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,560</b>	<b>1,560</b>
<b>Cost of sales</b>	<b>(1,704)</b>	<b>(892)</b>	<b>(801)</b>	<b>(388)</b>	<b>(240)</b>	<b>(279)</b>	<b>(539)</b>	<b>(31,696)</b>	<b>(31,288)</b>
Consumption of sports equipment	(999)	(763)	(681)	(332)	(210)	(236)	(522)	(20,578)	(24,321)
Other consumables and external expenses	(706)	(129)	(120)	(57)	(30)	(44)	(17)	(1,236)	(2,338)
Impairment of goods, raw materials and other consumables	-	-	-	-	-	-	-	(4,629)	(4,629)
<b>Other operating income</b>	<b>12,785</b>	<b>3,055</b>	<b>24</b>	<b>7</b>	<b>(0)</b>	<b>61</b>	<b>12</b>	<b>-</b>	<b>20,526</b>
Ancillary income	12,785	3,008	11	(1)	(0)	6	5	-	19,917
Grants related to income	-	47	12	8	-	55	6	-	609
<b>Employee benefits expense</b>	<b>(363,392)</b>	<b>(27,766)</b>	<b>(30,172)</b>	<b>(6,492)</b>	<b>(1,879)</b>	<b>(4,164)</b>	<b>(1,489)</b>	<b>(51,767)</b>	<b>(487,120)</b>
Wages and salaries of sports squad	(360,433)	(24,454)	(29,214)	(5,800)	(1,528)	(3,734)	(1,204)	(3,983)	(430,350)
Wages and salaries et al. of non-sports personnel	(2,121)	(916)	(267)	(219)	(69)	(77)	-	(36,913)	(40,582)
Social security costs	(781)	(2,366)	(681)	(464)	(280)	(351)	(285)	(9,541)	(14,750)
Provisions	(56)	(30)	(10)	(8)	(2)	(2)	-	(1,330)	(1,438)
<b>Other operating expenses</b>	<b>(100,809)</b>	<b>(8,550)</b>	<b>(4,835)</b>	<b>(1,551)</b>	<b>(460)</b>	<b>(1,182)</b>	<b>(1,150)</b>	<b>(74,252)</b>	<b>(192,790)</b>
External services	(58,957)	(4,341)	(2,331)	(716)	(218)	(548)	(409)	(58,395)	(125,916)
Taxes	(2,752)	(319)	(12)	(0)	-	-	-	(874)	(3,956)
Losses on, impairment of and change in trade provisions	(15)	-	-	-	-	-	-	(6,917)	(6,932)
Impairment losses on trade receivables	(640)	-	-	-	-	-	-	(8,299)	(8,938)
Reversal of impairment losses on trade receivables	625	-	-	-	-	-	-	1,381	2,006
Away matches	(2,981)	(1,713)	(1,444)	(601)	(109)	(358)	(362)	(47)	(7,614)
Player acquisition expenses	-	(962)	-	(1)	10	(70)	(150)	(41)	(1,215)
Other current management expenses	(36,105)	(1,214)	(1,048)	(232)	(143)	(207)	(229)	(7,978)	(47,157)
<b>Depreciation and amortization</b>	<b>(168,671)</b>	<b>(4,595)</b>	<b>(876)</b>	<b>(496)</b>	<b>(20)</b>	<b>(40)</b>	<b>-</b>	<b>(17,334)</b>	<b>(192,032)</b>
<b>Grants related to non-financial assets and other grants</b>	<b>70</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>108</b>
<b>Impairment losses and gains (losses) on disposal of non-current assets</b>	<b>46,837</b>	<b>26,502</b>	<b>(90)</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(227)</b>	<b>73,035</b>
Impairment losses and losses	-	-	-	-	-	-	-	(170)	(170)
Impairment losses on intangible sporting assets	(43,036)	(282)	-	-	-	-	-	-	(43,319)
Impairment losses on property, plant and equipment	-	-	-	-	-	-	-	(196)	(196)
Reversal of impairment losses on intangible sporting assets	43,036	283	-	-	-	-	-	-	43,319
Reversal of impairment losses on property, plant and equipment	-	-	-	-	-	-	-	26	26
Gains / (losses) on disposals	46,837	26,502	(90)	13	-	-	-	(57)	73,204
Losses on property, plant and equipment	-	-	-	-	-	-	-	(112)	(112)
Gains on property, plant and equipment	-	-	-	-	-	-	-	55	55
Losses on intangible sporting assets	(3,850)	(2,309)	(90)	(18)	-	-	-	-	(6,267)
Gains on intangible sporting assets	50,687	28,811	-	30	-	-	-	-	79,528
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(50)</b>	<b>(50)</b>
Non-recurring losses	-	-	-	-	-	-	-	(95)	(95)
Other non-recurring income	-	-	-	-	-	-	-	45	45
<b>OPERATING PROFIT/(LOSS)</b>	<b>11,026</b>	<b>(11,678)</b>	<b>(28,213)</b>	<b>(7,117)</b>	<b>(2,012)</b>	<b>(5,132)</b>	<b>(2,627)</b>	<b>(54,041)</b>	<b>(99,795)</b>
<b>Finance income</b>	<b>1,173</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>655</b>	<b>1,828</b>
<b>From marketable securities and other financial instruments</b>	<b>1,173</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>655</b>	<b>1,828</b>
Of third parties	1,173	-	-	-	-	-	-	655	1,828
<b>Financial costs</b>	<b>(439)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(29,076)</b>	<b>(29,515)</b>
Third-party borrowings	(439)	-	-	-	-	-	-	(29,076)	(29,515)
<b>Exchange gains (losses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>188</b>	<b>188</b>
Exchange gains	-	-	-	-	-	-	-	668	668
Exchange losses	-	-	-	-	-	-	-	(480)	(480)
<b>Impairment of and gains/(losses) on disposal of financial instruments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(727)</b>	<b>(727)</b>
Losses on interest in financial assets	-	-	-	-	-	-	-	(727)	(727)
<b>FINANCE COST</b>	<b>735</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(28,961)</b>	<b>(28,226)</b>
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>11,760</b>	<b>(11,678)</b>	<b>(28,213)</b>	<b>(7,117)</b>	<b>(2,012)</b>	<b>(5,132)</b>	<b>(2,627)</b>	<b>(83,002)</b>	<b>(128,021)</b>
Income tax	-	-	-	-	-	-	-	30,682	30,682
<b>PROFIT/(LOSS) FOR THE YEAR</b>	<b>11,760</b>	<b>(11,678)</b>	<b>(28,213)</b>	<b>(7,117)</b>	<b>(2,012)</b>	<b>(5,132)</b>	<b>(2,627)</b>	<b>(52,320)</b>	<b>(97,339)</b>

This appendix is an integral part of Note 22 to the consolidated financial statements, pursuant to Sports Law 10/1990 of October 15 and Royal Decree 1251/1999 of July 16 on Public Limited Sports Companies.

## APPENDIX I

## CONSOLIDATED INCOME STATEMENT BY SPORTS FOR THE YEAR ENDED JUNE 30, 2019

(Thousands of euros)

	Soccer	Jr Soccer Teams	Basketball	Handball	Roller Hockey	Indoor Football	Non-Prof.	BLM and Other	Total
<b>CONTINUING OPERATIONS</b>									
<b>Revenue</b>	<b>670,885</b>	<b>2,251</b>	<b>11,264</b>	<b>2,305</b>	<b>528</b>	<b>1,215</b>	<b>1,140</b>	<b>147,142</b>	<b>836,730</b>
Revenue from competitions	110,990	49	2,015	146	10	222	-	549	113,980
Revenue from season ticket holders and membership card holders	41,882	-	777	40	4	22	-	18,159	60,884
Revenue from TV broadcasts and TV rights	288,890	1,773	2,825	647	-	88	-	3,900	298,122
Revenue from marketing and advertising	228,834	430	5,647	1,472	515	884	1,140	124,410	363,331
Rendering of services	289	-	-	-	-	-	-	124	413
<b>Work performed by the entity and capitalized</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,375</b>	<b>1,375</b>
<b>Cost of sales</b>	<b>(3,095)</b>	<b>(1,091)</b>	<b>(913)</b>	<b>(489)</b>	<b>(201)</b>	<b>(303)</b>	<b>(734)</b>	<b>(27,137)</b>	<b>(33,963)</b>
Consumption of sports equipment	(950)	(953)	(796)	(403)	(161)	(240)	(726)	(24,936)	(29,165)
Other consumables and external expenses	(2,145)	(137)	(117)	(86)	(40)	(64)	(8)	(1,408)	(4,006)
Impairment of goods, raw materials and other consumables	-	-	-	-	-	-	-	(792)	(792)
<b>Other operating income</b>	<b>12,044</b>	<b>1,031</b>	<b>11</b>	<b>33</b>	<b>5</b>	<b>63</b>	<b>41</b>	<b>2,212</b>	<b>15,441</b>
Ancillary income	12,044	923	8	32	5	25	13	1,844	14,895
Grants related to income	-	109	3	1	-	38	27	368	546
<b>Employee benefits expense</b>	<b>(427,625)</b>	<b>(22,518)</b>	<b>(25,613)</b>	<b>(7,001)</b>	<b>(2,272)</b>	<b>(4,298)</b>	<b>(1,505)</b>	<b>(51,090)</b>	<b>(541,920)</b>
Wages and salaries of sports squad	(424,345)	(19,465)	(24,676)	(6,292)	(1,911)	(3,853)	(1,233)	(3,706)	(485,482)
Wages and salaries et al. of non-sports personnel	(2,318)	(938)	(266)	(253)	(82)	(91)	-	(37,065)	(41,012)
Social security costs	(903)	(2,083)	(661)	(447)	(277)	(351)	(271)	(9,115)	(14,109)
Provisions	(60)	(31)	(9)	(9)	(2)	(2)	-	(1,204)	(1,317)
<b>Other operating expenses</b>	<b>(120,918)</b>	<b>(8,441)</b>	<b>(6,507)</b>	<b>(2,067)</b>	<b>(786)</b>	<b>(1,371)</b>	<b>(1,181)</b>	<b>(65,673)</b>	<b>(206,945)</b>
External services	(65,556)	(4,012)	(3,306)	(886)	(318)	(578)	(287)	(54,282)	(129,226)
Taxes	(3,762)	(311)	(7)	-	-	-	-	(1,405)	(5,485)
Losses on, impairment of and change in trade provisions	(970)	-	-	-	-	-	-	(480)	(1,450)
Impairment losses on trade receivables	(970)	-	-	-	-	-	-	(480)	(1,450)
Reversal of impairment losses on trade receivables	-	-	-	-	-	-	-	-	-
Away matches	(4,787)	(2,706)	(1,746)	(861)	(315)	(499)	(428)	(87)	(11,428)
Player acquisition expenses	(2,273)	(307)	(42)	(56)	(10)	-	(135)	-	(2,823)
Other current management expenses	(43,570)	(1,105)	(1,406)	(264)	(144)	(294)	(332)	(9,419)	(56,533)
<b>Depreciation and amortization</b>	<b>(140,837)</b>	<b>(3,733)</b>	<b>(1,319)</b>	<b>(359)</b>	<b>-</b>	<b>(88)</b>	<b>-</b>	<b>(13,533)</b>	<b>(159,869)</b>
<b>Grants related to non-financial assets and other grants</b>	<b>70</b>	<b>39</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>109</b>
<b>Impairment losses and gains (losses) on disposal of non-current assets</b>	<b>86,781</b>	<b>15,579</b>	<b>758</b>	<b>(25)</b>	<b>-</b>	<b>(13)</b>	<b>-</b>	<b>93</b>	<b>103,172</b>
Impairment losses and losses	2,500	-	-	-	-	-	-	188	2,688
Impairment losses on intangible sporting assets	(25,934)	(378)	-	-	-	-	-	-	(26,311)
Impairment losses on property, plant and equipment	-	-	-	-	-	-	-	(36)	(36)
Reversal of impairment losses on intangible sporting assets	28,434	378	-	-	-	-	-	-	28,811
Reversal of impairment losses on property, plant and equipment	-	-	-	-	-	-	-	224	224
Gains / (losses) on disposals	84,281	15,579	758	(25)	-	(13)	-	(95)	100,484
Losses on property, plant and equipment	(140)	-	-	-	-	-	-	(95)	(235)
Losses on intangible sporting assets	(29)	(138)	(5)	(25)	-	(13)	-	-	(210)
Gains on intangible sporting assets	84,450	15,717	763	-	-	-	-	-	100,930
<b>Other</b>	<b>6,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,088)</b>	<b>3,412</b>
Non-recurring losses	-	-	-	-	-	-	-	(3,313)	(3,313)
Other non-recurring income	6,500	-	-	-	-	-	-	225	6,725
<b>OPERATING PROFIT/(LOSS)</b>	<b>83,806</b>	<b>(16,882)</b>	<b>(22,319)</b>	<b>(7,603)</b>	<b>(2,726)</b>	<b>(4,796)</b>	<b>(2,239)</b>	<b>(9,699)</b>	<b>17,542</b>
<b>Finance income</b>	<b>1,042</b>	<b>422</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>1,478</b>
<b>From marketable securities and other financial instruments</b>	<b>1,042</b>	<b>422</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>1,478</b>
Of third parties	1,042	422	-	-	-	-	-	14	1,478
<b>Financial costs</b>	<b>(685)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16,333)</b>	<b>(17,018)</b>
Third-party borrowings	(685)	-	-	-	-	-	-	(16,333)	(17,018)
<b>Exchange gains (losses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>139</b>	<b>139</b>
Exchange gains	-	-	-	-	-	-	-	363	363
Exchange losses	-	-	-	-	-	-	-	(225)	(225)
<b>Impairment of and gains/(losses) on disposal of financial instruments</b>	<b>-</b>	<b>-</b>	<b>(23)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,440</b>	<b>1,416</b>
Gains on interest in financial assets	-	-	-	-	-	-	-	2,665	2,665
Losses on interest in financial assets	-	-	(23)	-	-	-	-	(1,225)	(1,248)
<b>FINANCE COST</b>	<b>357</b>	<b>422</b>	<b>(23)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14,741)</b>	<b>(13,985)</b>
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>84,162</b>	<b>(16,460)</b>	<b>(22,342)</b>	<b>(7,603)</b>	<b>(2,726)</b>	<b>(4,796)</b>	<b>(2,239)</b>	<b>(24,440)</b>	<b>3,557</b>
Income tax	-	-	-	-	-	-	-	970	970
<b>PROFIT/(LOSS) FOR THE YEAR</b>	<b>84,162</b>	<b>(16,460)</b>	<b>(22,342)</b>	<b>(7,603)</b>	<b>(2,726)</b>	<b>(4,796)</b>	<b>(2,239)</b>	<b>(23,470)</b>	<b>4,527</b>

This appendix is an integral part of Note 22 to the consolidated financial statements, pursuant to Sports Law 10/1990 of October 15 and Royal Decree 1251/1999 of July 16 on Public Limited Sports Companies.

**APPENDIX II****Consolidated budget and budget settlement for the year ended June 30, 2020**

(Thousands of euros)

	ACTUAL 2019/20	BUDGET 2019/20
<b>CONTINUING OPERATIONS</b>		
<b>Revenue</b>	<b>708,257</b>	<b>875,570</b>
Revenue from competitions	80,891	111,976
Revenue from season ticket holders and membership card holders	55,200	61,638
Revenue from TV broadcasts and TV rights	248,489	281,221
Revenue from marketing and advertising	323,237	420,735
Rendering of services	440	-
<b>Work performed by the entity and capitalized</b>	<b>1,560</b>	<b>1,629</b>
<b>Cost of sales</b>	<b>(31,288)</b>	<b>(44,013)</b>
Consumption of sports equipment	(24,321)	(38,560)
Other consumables and external expenses	(2,338)	(4,186)
Impairment of goods, raw materials and other consumables	(4,629)	(1,268)
<b>Other operating income</b>	<b>20,526</b>	<b>14,521</b>
Ancillary income	19,917	13,526
Grants related to income	609	995
<b>Employee benefits expense</b>	<b>(487,120)</b>	<b>(532,428)</b>
Wages and salaries of sports personnel	(430,350)	(469,666)
Wages and salaries of non-sports personnel	(40,582)	(44,875)
Social security costs	(14,750)	(16,455)
Provisions	(1,438)	(1,431)
<b>Other operating expenses</b>	<b>(192,790)</b>	<b>(227,130)</b>
External services	(125,916)	(156,810)
Taxes	(3,956)	(4,925)
Losses on, impairment of and change in trade provisions	(6,932)	(2,109)
Impairment losses on trade receivables	(8,938)	(2,109)
Reversal of impairment losses on trade receivables	2,006	-
Away matches	(7,614)	(11,314)
Player acquisition expenses	(1,215)	(1,263)
Other current management expenses	(47,157)	(50,708)
<b>Depreciation and amortization</b>	<b>(192,032)</b>	<b>(154,098)</b>
<b>Grants related to non-financial assets and other grants</b>	<b>108</b>	<b>109</b>
<b>Impairment losses and gains (losses) on disposal of non-current assets</b>	<b>73,034</b>	<b>109,012</b>
Impairment losses and losses	(170)	-
Impairment losses on intangible sporting assets	(43,319)	(42,797)
Impairment losses on property, plant and equipment	(196)	-
Reversal of impairment losses on intangible sporting assets	43,319	42,797
Reversal of impairment losses on property, plant and equipment	26	-
Gains (losses) on disposals	73,204	109,012
Losses on property, plant and equipment	(112)	-
Gains on property, plant and equipment	55	-
Losses on intangible sporting assets	(6,267)	(3,313)
Gains on intangible sporting assets	79,528	112,325
<b>Charges for the year and utilization of provisions</b>	<b>(50)</b>	<b>(3,579)</b>
Charges of provisions	(95)	(3,579)
Utilization of provisions	45	-
<b>OPERATING PROFIT/(LOSS)</b>	<b>(99,795)</b>	<b>39,594</b>
<b>Finance income</b>	<b>1,828</b>	<b>1,762</b>
<b>From marketable securities and other financial instruments</b>	<b>1,828</b>	<b>1,762</b>
Of third parties	1,828	1,762
<b>Finance costs</b>	<b>(29,515)</b>	<b>(26,918)</b>
Third-party borrowings	(29,515)	(26,918)
<b>Exchange gains (losses)</b>	<b>188</b>	<b>-</b>
Exchange gains	668	250
Exchange losses	(480)	(250)
<b>Impairment and gains (losses) on disposal of financial instruments</b>	<b>(727)</b>	<b>-</b>
Losses on interest in financial assets	(727)	-
<b>FINANCE COST</b>	<b>(28,226)</b>	<b>(25,156)</b>
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>(128,021)</b>	<b>14,438</b>
Income tax	30,682	(2,960)
<b>PROFIT/(LOSS) FOR THE YEAR</b>	<b>(97,339)</b>	<b>11,479</b>

This appendix is an integral part of Note 23 to the consolidated financial statements.

## APPENDIX II

## Consolidated budget and budget settlement for the year ended June 30, 2019

(Thousands of euros)

	REAL 2018/19	PPT 2018/19
<b>CONTINUING OPERATIONS</b>		
<b>Revenue</b>	<b>836,730</b>	<b>828,861</b>
Revenue from competitions	113,980	109,994
Revenue from season ticket holders and membership card holders	60,884	60,599
Revenue from TV broadcasts and TV rights	298,122	267,076
Revenue from marketing and advertising	363,331	391,192
Rendering of services	413	-
<b>Work performed by the entity and capitalized</b>	<b>1,375</b>	<b>1,299</b>
<b>Cost of sales</b>	<b>(53,963)</b>	<b>(35,214)</b>
Consumption of sports equipment	(29,165)	(31,010)
Other consumables and external expenses	(4,006)	(4,205)
Impairment of goods, raw materials and other consumables	(792)	-
<b>Other operating income</b>	<b>15,441</b>	<b>11,083</b>
Ancillary income	14,895	10,302
Grants related to income	546	781
<b>Employee benefits expense</b>	<b>(541,920)</b>	<b>(512,061)</b>
Wages and salaries of sports personnel	(485,482)	(454,734)
Wages and salaries of non-sports personnel	(41,012)	(43,190)
Social security costs	(14,109)	(12,777)
Provisions	(1,317)	(1,360)
<b>Other operating expenses</b>	<b>(206,945)</b>	<b>(189,984)</b>
External services	(129,226)	(125,362)
Taxes	(5,485)	(5,364)
Losses on, impairment of and change in trade provisions	(1,450)	(1,802)
Impairment losses on trade receivables	(1,450)	(1,802)
Away matches	(11,428)	(10,713)
Player acquisition expenses	(2,823)	(846)
Other current management expenses	(56,533)	(45,898)
<b>Depreciation and amortization</b>	<b>(159,869)</b>	<b>(156,808)</b>
<b>Grants related to non-financial assets and other grants</b>	<b>109</b>	<b>109</b>
<b>Impairment losses and gains (losses) on disposal of non-current assets</b>	<b>103,172</b>	<b>87,333</b>
Impairment losses and losses	2,688	2,500
Impairment losses on intangible sporting assets	(26,311)	(31,190)
Impairment losses on property, plant and equipment	(36)	-
Reversal of impairment losses on intangible sporting assets	28,811	33,690
Reversal of impairment losses on property, plant and equipment	224	-
Gains (losses) on disposals	100,484	84,833
Losses on property, plant and equipment	(235)	-
Losses on intangible sporting assets	(210)	(38)
Gains on intangible sporting assets	100,930	84,871
<b>Charges for the year and utilization of provisions</b>	<b>3,412</b>	<b>(3,500)</b>
Charges of provisions	(3,313)	(3,500)
Utilization of provisions	6,725	-
<b>OPERATING PROFIT/(LOSS)</b>	<b>17,542</b>	<b>31,117</b>
<b>Finance income</b>	<b>1,478</b>	<b>612</b>
<b>From marketable securities and other financial instruments</b>	<b>1,478</b>	<b>612</b>
Of third parties	1,478	612
<b>Finance costs</b>	<b>(17,018)</b>	<b>(14,742)</b>
Third-party borrowings	(17,018)	(14,742)
<b>Exchange gains (losses)</b>	<b>139</b>	<b>(300)</b>
Exchange gains	363	250
Exchange losses	(225)	(550)
<b>Impairment and gains (losses) on disposal of financial instruments</b>	<b>1,416</b>	<b>(2,009)</b>
Gains on interest in financial assets	2,665	-
Losses on interest in financial assets	(1,248)	(2,009)
<b>FINANCE COST</b>	<b>(13,985)</b>	<b>(16,440)</b>
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>3,557</b>	<b>14,677</b>
Income tax	970	(3,669)
<b>PROFIT FROM ONGOING OPERATIONS</b>	<b>4,527</b>	<b>11,008</b>
<b>PROFIT/(LOSS) FOR THE YEAR</b>	<b>4,527</b>	<b>11,008</b>

This appendix is an integral part of Note 23 to the consolidated financial statements.



## Futbol Club Barcelona and subsidiaries

Consolidated management report  
for the year ended June 30, 2020

### Impact of COVID-19

The 2019-20 season will be marked by the COVID-19 pandemic, which has unfortunately affected and continues to affect millions of people worldwide. As for the impact on our Club, the pandemic entailed the declaration of the State of Emergency on March 14, 2020, which resulted in the suspension of all professional sports competitions and the close-down of the Club's facilities. During June 2020 the Club could partially reopen its facilities, adopting all protection and hygiene measures established; on June 11, 2020 the Spanish League could resume.

Still, the Club has suffered the economic consequences of these measures, since games had to resume behind closed doors, while visits to facilities, and sales of Club products, has also been affected by the reduction in and restrictions on international tourism.

Additionally, the EuroLeague Basketball was cancelled, generating a loss of revenue.

The table shown below in the Club's management report includes an estimate of the main economic impacts that the global COVID-19 pandemic has had on the Club (in thousands of euros), which has been sent to the Spanish High Council for Sports (CSD by its acronym in Spanish).

	Thousands of euros		
	Figures at June 30, 2020 *	Impacts of COVID	Estimated closing with no COVID
<b>Income:</b>			
Stadium	162,464	67,468	229,932
Media and TV rights	248,537	35,406	283,943
Commercial	296,849	72,260	369,109
Other and transfers	147,580	28,591	176,171
<b>Total income</b>	<b>855,430</b>	<b>203,725</b>	<b>1,059,155</b>
<b>Xpenses</b>			
Sports personnel costs	636,396	42,336	678,732
Non-sports personnel costs	50,981	1,500	52,481
Management expenses	186,011	30,168	216,179
Other	81,837	-	81,837
<b>Total xpenses</b>	<b>955,225</b>	<b>74,004</b>	<b>1,029,229</b>
<b>Operating profit/(loss)</b>	<b>(99,795)</b>	<b>129,721</b>	<b>29,926</b>
Total financial income	2,496	-	2,496
Total financial expenses	30,722	(888)	29,834
<b>Net profit/loss before corporate income tax</b>	<b>(128,021)</b>	<b>130,609</b>	<b>2,588</b>
Corporate income tax	(30,682)	-	(595)
<b>Net profit/loss after corporate income tax</b>	<b>(97,339)</b>	<b>-</b>	<b>1,993</b>
<b>EBITDA **</b>	<b>103,968</b>	<b>129,721</b>	<b>233,689</b>

\* Figures obtained from cost accounting, which may show a different classification to that presented in the consolidated financial statements.

\*\* Operating profit/loss, plus depreciation and amortization, impairment and provisions.

This table shows the estimated overall effect of the drop in income and expenses caused by the pandemic, and also the effect of the postponement of the Spanish League and the UEFA Champions League, which has generated a divergence between the end of the Club's financial year (June 30 of every year in accordance with the bylaws) and the sports season. As a result of the latter event some income and expenses that in a normal season would have been recorded in the 19/20 season have been transferred to the 20/21 financial year.

In the Stadium section, the drop in income is mainly due to the partial refund of season tickets to members, the loss in gate money because of games played behind closed doors and the decrease in operating revenue from facilities (Museum, Hospitality, events...). As for revenue from Media, the drop is due to the postponement of competitions, which has caused that a portion of TV income for the Spanish League and the UEFA Champions League be transferred to the 2020/21 season. In the Commercial income section, the decrease in income is due to the failure to sign certain commercial agreements that were at an advanced stage of negotiation before the pandemic, as well as the losses associated with the sale of products in the Club's official stores. Lastly, the "Other" heading includes sales of players that would have happened at the end of the Spanish competition and that could not be carried out.

As for expenses, the sports and non-sports personnel costs section includes the actual savings that the Club obtained as a result of the salary reduction agreements and furloughs, which would have not happened had the pandemic not existed. As for management expenses, the amounts correspond to savings obtained by the Club on expenses directly attributable to the generation of income that has not taken place either, e.g. Seient Lliure expenses, compensation expenses for TV rights to the LFP, travel, maintenance, cleaning, security and access expenses, and commercial intermediation services, among others.

As a result, the combined effect of the pandemic and the transfer of income and expenses to the 20/21 season has led to lesser income, which the Club has estimated at 203,725 thousand euros, and lesser estimated expenses of 73,116 thousand euros. Therefore, had the Club not suffered the effects of COVID-19 estimated the results for the year would have been a profit of 1,993 thousand euros instead of losses of 97,339 thousand euros.

## Operating income

In connection with the accompanying consolidated financial statements, operating income for the current season has decreased to 855,430 thousand euros, which means a reduction of 134,909 thousand euros compared to the year 2018/2019. It should be mentioned that until the end of March 2020, when the economic effects of the global pandemic start to show, the Club's consolidated income where higher than budgeted.

The three business segments, i.e. Stadium, Media and Commercial, have suffered the ravages of the global pandemic and they account for 95% of total drop in revenue on the prior season.

In the Stadium segment, until the competition was suspended, attendance to Camp Nou had been increasing, and revenue from tickets was growing by 21% compared to the prior season (and 4% compared to budget), which means that game after game revenue was being the same as or higher than the amounts budgeted. However, the lack of games between mid-March and June prevented this upward trend from continuing. Additionally, revenue from season tickets have dropped because of the provision for partial refund recorded by the Club. On the contrary, the change in the structure of the Spanish Super Cup competition, held in January 2020, generated an increase in revenue of 5,800 thousand euros on the prior year.

In the Media segment, the decrease in income is due to two clearly different factors. The drop in TV rights for the Spanish League, the reduction is due to the postponement of the competition, which has caused that a portion of revenue corresponding to the games played in the 2019/20 season be recorded in the financial year 202/21. As for the TV rights for the international competition, the suspension of the competition has also generated a reduction on the budgeted amounts and on the prior season, since it happened right when the group stage and the first leg of the round of 16 of the UEFA Champions League had been completed.

In the Commercial segment, direct store management through the subsidiary Barça Licensing & Merchandising, S.L. has generated revenue of 54,393 thousand euros, which means a reduction on the 2018/19 season despite the fact that monthly results prior to the pandemic had been substantially higher than the prior season's average. As for revenue from sponsors, there has been no considerable impact in the rendering of services associated with the agreements signed. Therefore, the Club has been able to maintain the significant level of revenue from sponsorships. On the contrary, ongoing negotiations and extensions of new sponsorship contracts have been affected by the pandemic and could not be signed due to the economic standstill caused by COVID-19.

## Non-sports investments

During the current season 49,976 thousand euros have been invested, of which 29,117 thousand euros correspond to the Espai Barça project. The Club has invested in the Ciutat Esportiva, mainly to keep the fields in ideal conditions, and also in new development aspects and in equipment for other sports and Schools. As for Information Technologies, the Club has improved its website and apps, and internal operating systems.

Investments in Espai Barça have mainly focused on the performance of preliminary work in Les Corts area, and other investments have also been made in order to meet the requirements established in the MPGM.

## Registration rights and sales of players

During the current 2019/2020 season the registration rights of the following players have been mainly acquired: Griezmann, Pjanic, Junior, Braithwaite, Cucurella, Matheus Pereira and Manaj (and also Trincao, Pedri and Matheus Fernandes, which will be part of the first team soccer squad in 2020/21). This fact, in addition to the several variables related to the achievement of goals, has meant a total aggregate investment of 307,407 thousand euros. Additionally, the Club has sold players for an amount of 151,152 thousand euros (Arthur, Malcom, Carles Pérez, Cucurella, Alejandro Marqués and Abel Ruiz, among others).

## Sports employee benefits expense over operating income

Sports employee benefits expense continue to be affected by recent changes in the sector. Inflation in the soccer market has affected the acquisition cost of players and the cost of new contracts and renewals. Despite this, it should be noted that the Club has also managed to reduce the total wage bill related to sports personnel for the 2019/2020 season thanks to the pay reduction agreements reached during the season.

In any case, because of the significant decrease in income, salaries expense for sports personnel in accordance with the ratio defined by the LFP, which considers wage costs net of amortization over relevant operating income, is 47% and is clearly below the maximum ratio of compliance, which is set at 70%.

## EBITDA and Net Debt

Consolidated earnings before interest, tax, depreciation and amortization (EBITDA) for the current 2019/2020 season have amounted to 103,968 thousand euros, which has been highly impacted by the drop in income. As indicated above, it should be mentioned that had the COVID-19 effect not existed, estimated EBITDA would have increased up to 233,689 thousand euros.

Consolidated net debt amounts to 488,367 thousand euros at June 30, 2020. Net debt, excluding the funding of non-recurring property, plant and equipment investment projects (Espai Barça), as established in article 67 of the Club's bylaws, amounts to 379,089 thousand euros. Consequently, consolidated net debt over EBITDA ratio set in the above article has been 3.64, above the maximum allowed, which is established at 2.00. However, if estimated consolidated EBITDA did not consider the COVID effect, and the same level of indebtedness (which would undoubtedly be much lower had the pandemic not happened) was maintained, debt over EBITDA ratio would be 1.62, that is, within the margins allowed by the Club's bylaws.

## Profit / (loss) for the year

Consolidated losses before tax amounts to 128,021 thousand euros and losses after tax amount to 97,339 thousand euros. These results are significantly negative, but have occurred within an exceptional situation that has affected society as a whole, and the professional football industry in particular, due to the global COVID-19 pandemic, as indicated above. Despite this, capital and reserves at June 30, 2020 are 32,845 thousand euros positive, with total equity amounting to 35,187 thousand euros.

As indicated above, had the pandemic not existed, the Club estimates that it would have obtained consolidated profit before tax of 2,588 thousand euros and consolidated profit after tax of 1,993 thousand euros.

## Research and development

During the current season the Club has carried out research and development activities in IT and sports science.

## Information on the average payment period to suppliers

At June 30, 2020 the Club's and Barça Licensing & Merchandising, S.L.U.'s average payment period to suppliers is 84 days. The balances with Sporting Entities and Assets Suppliers are settled in accordance with the agreements signed by the parties, and thus, the legal deadline established for trade transactions can be exceeded.

## Subsequent events

In connection with the loan granted by a US financial institution for an amount of 90 million euros to fund the first phase of the construction of Espai Barça (Note 14.2 to the consolidated financial statements), in August 2020 the Club has obtained a waiver of the half-yearly and annual ratios until June 30, 2021 (inclusive). Certain conditions of said loan have also been amended and its maturity has been extended until August 16, 2021. This debt is shown as current in the consolidated financial statements for the year ended June 30, 2020. However, at the date these consolidated financial statements were authorized for issue its maturity has been reclassified as non-current.

Furthermore, in August 2020 a waiver of the half-yearly and annual ratios has been agreed with the North American holders of the Senior Notes, at both December 31, 2019 and June 30, 2020. Thus, compliance with said ratios will not be required until June 30, 2021. For this agreement to be effective, among other aspects, the other holders of Senior Notes shall also grant the corresponding waiver under substantially similar terms. At the date these consolidated management report was authorized for issue, negotiations with the other holders are at a highly advanced stage and it is expected that an agreement will be reached shortly (Note 14.1 to the consolidated financial statements).

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**AUTHORIZATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND CONSOLIDATED MANAGEMENT REPORT FOR ISSUE**

The consolidated financial statements for the year ended June 30, 2020, which comprise the consolidated balance sheet, the consolidated income statement, the consolidated statement of changes in equity, the consolidated cash flow statement and the notes thereto, Appendices I and II to the Notes and the consolidated management report, were authorized for issue by the Board of Directors on August 17, 2020.

On behalf of the Board of Directors the consolidated financial statements and the consolidated management report (signature on the original in catalan).



**FC BARCELONA**