



**FC BARCELONA**

**ASSEMBLEA GENERAL**  
ORDINÀRIA I EXTRAORDINÀRIA  
**JUNY 2021**

20<sup>TH</sup> JUNE 2021 — CAMP NOU



**Rakuten**

**beko**

## 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.

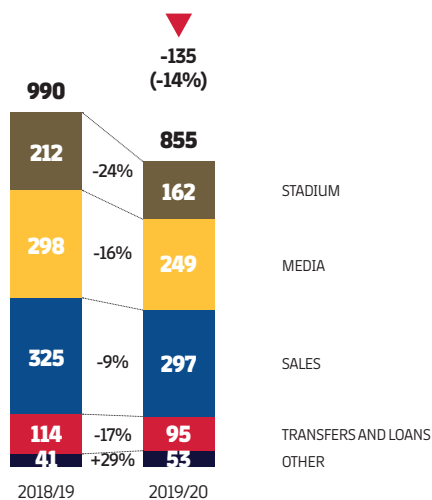
\*\* Earnings before interest, taxes, depreciation, and amortization.

- 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.

TREND IN REVENUE  
(Millions of euros)

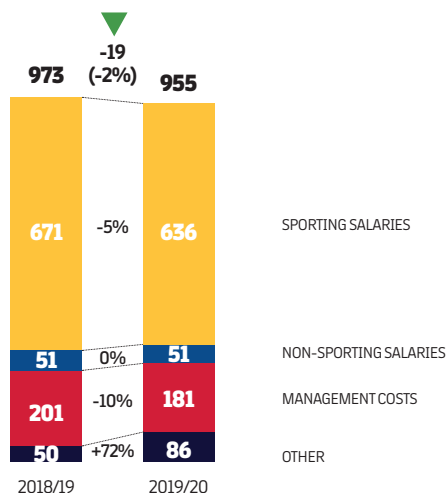


Expenditure

• 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).

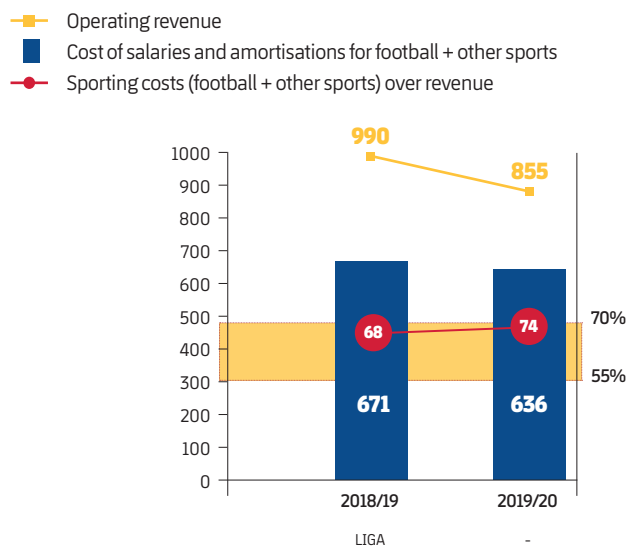
TREND IN EXPENSES  
(Millions of euros)



## 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.

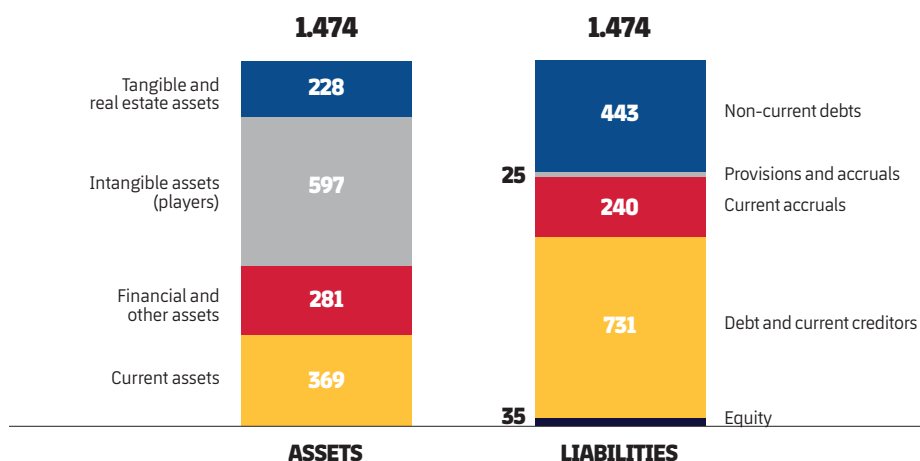
### SUMMARY OF INCOME STATEMENT AT YEAR-END 2019/20 (Millions of euros)

	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)



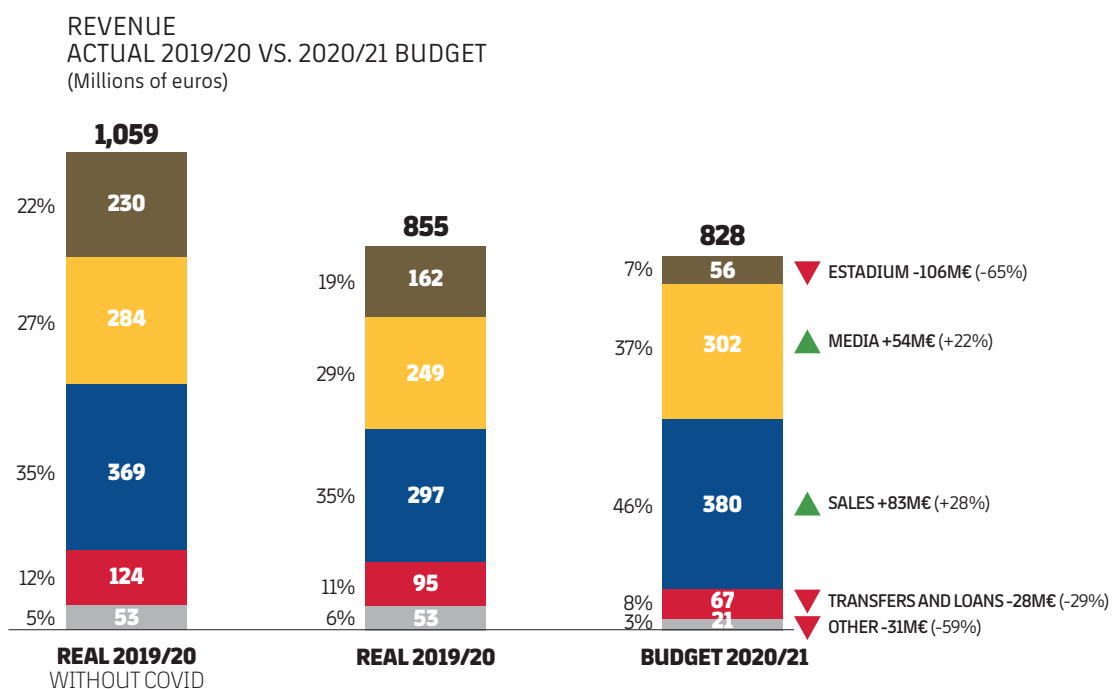
## OBJECTIVES 2020/21

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

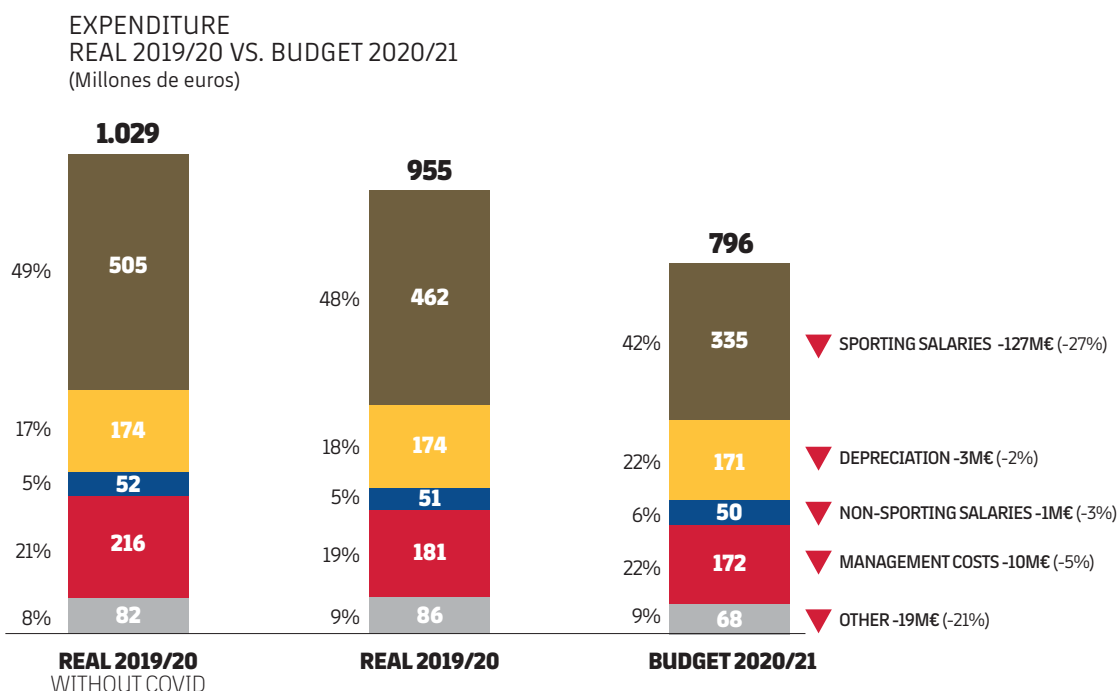
### REVENUE

- A fall of -3% in operating revenue is expected.
- 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.



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**Rakuten**

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