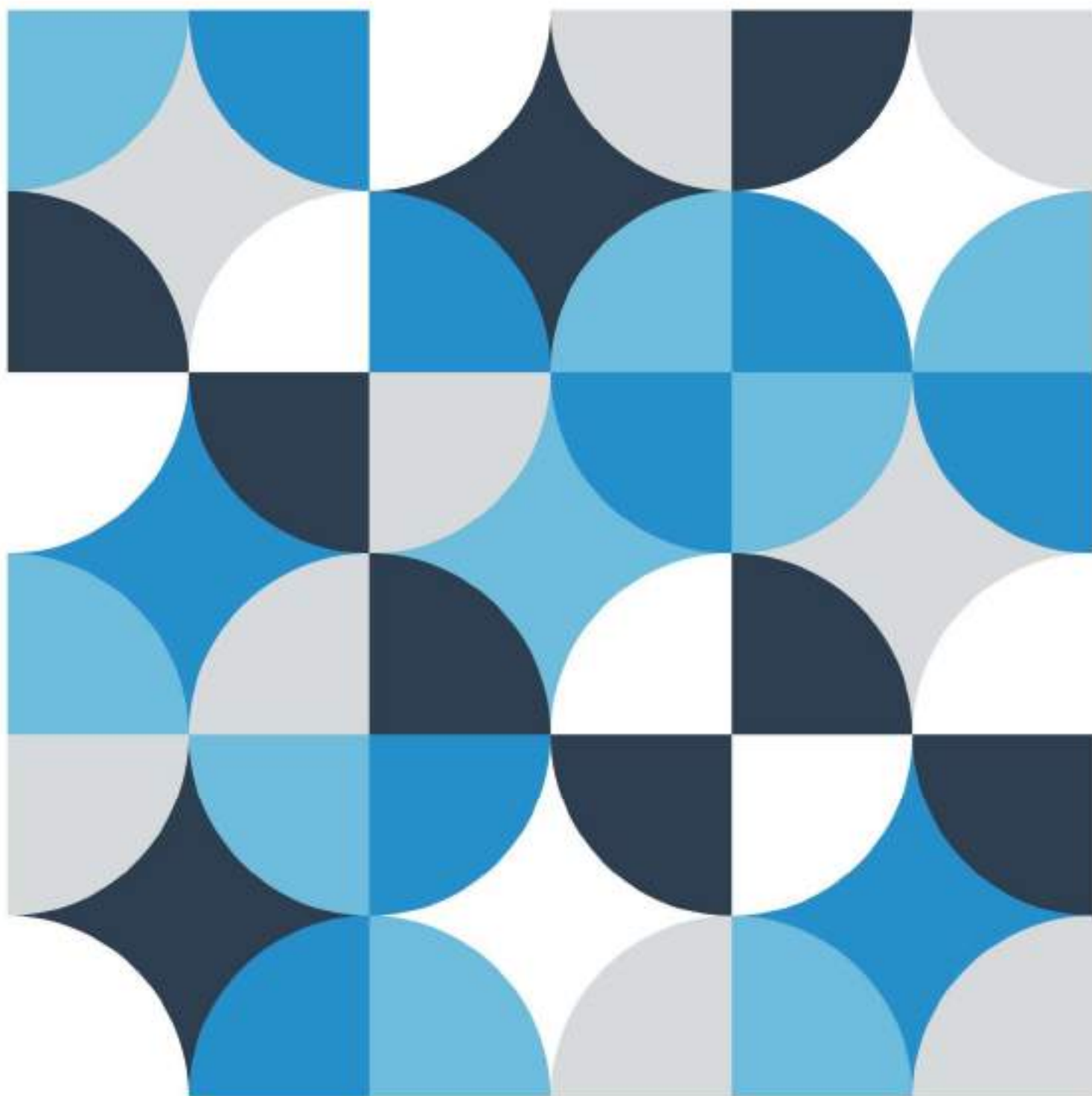


# Annual Report

**FC Porto - Futebol, SAD**  
Consolidated Accounts





## **FUTEBOL CLUBE DO PORTO – FUTEBOL, SAD**

Company issuing shares admitted to trading on a regulated market

Share Capital: 112,500,000 euros

Equity: - 171,835,855 euros (approved in General Meeting on November 10, 2021)

Registered Office – Estádio do Dragão, Via FC Porto, Entrada Poente Piso 3

Registration at 1<sup>st</sup> Commercial Registry Office of Porto and Legal Person n. 504 076 574

### **Annual Report 2021/2022**

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This document is a PDF version of the consolidated 2021/2022 Annual Report of Futebol Clube do Porto - Futebol, SAD. This version does not include information in accordance with the provisions of the regulatory technical standard (RTS) of ESEF (Delegated Regulation (EU) 2019/815). The official and audited version of the ESEF report is available on the CMVM website and on our website at <https://www.fcporto.pt/pt/clube/institucional>. In case of discrepancies between this version and the official ESEF report, the latter shall prevail.



## A. Management Report

### 1. Chairman Message

*Sporting success is the main indicator of FC Porto's health, but we are well aware that economic and financial sustainability of the PLC is a vital condition for all objectives to be achieved on the pitch. 2021/22 was truly a year worthy of Porto, as we managed to win titles while achieving a very positive result in the financial year. Our ambition is that every year from now on may be like this.*

*The victories over the championship and the Portuguese Cup - followed, in the new season, by the Supercup - were the consequence of hard and competent work of a coaching team, a squad and a global structure that always give the best they can and know how - and that is a lot - to face the difficulties that FC Porto faces - which are not few. With smaller investments, without debt waiver or State support, it is much harder to reach the top, but that is what has been consistently achieved in this home.*

*It is this combination of sporting success and good book keeping that allows us to state that the future of FC Porto may be in line with what we all aspire: winning titles and be free of constraints that impair our victories.*

**Jorge Nuno Pinto da Costa**



## 2. Governing Bodies

### **General Meeting**

President: – José Lourenço Pinto  
Secretary: – Manuel Filipe do Canto Moniz Cerqueira Gomes

### **Board of Directors**

Chairman: – Jorge Nuno de Lima Pinto da Costa  
Directors: – Adelino Sá e Melo Caldeira  
– Fernando Manuel dos Santos Gomes  
– Luís Manuel Beza de Vasconcelos Gonçalves  
– Vítor Manuel Martins Baía  
– Maria Manuela Aguiar Dias Moreira <sup>1</sup>  
– Rita de Carvalho Araújo Moreira <sup>1</sup>  
– Teresa Cristina Costa Leite de Azevedo <sup>1</sup>  
<sup>1</sup> Non-executive member

### **Audit Committee**

President: – Jorge Luís Moreira Carvalho Guimarães  
Members: – José Augusto dos Santos Saraiva  
– Nélia Sofia Ferreira Couto Lopes Novo  
Substitute member: – Cláudia Maria Filinto Gonçalves Marques de Sequeira

### **Statutory Auditors**

Ernst & Young Audit & Associados – SROC, SA, represented by Rui Manuel da Cunha Vieira

### **Remuneration Committee**

President: – Alípio Barrosa Pereira Dias  
Members: – Emídio Ferreira dos Santos Gomes  
– Joaquim Manuel Machado Faria e Almeida

### **Advisory Board**

Alípio Barrosa Pereira Dias  
Alvaro Sá Marques Rola  
António Manuel Gonçalves  
António Sousa Pereira  
Artur Santos Silva  
D. Américo Aguiar  
Emídio Ferreira dos Santos Gomes  
Fernando Alberto Pires Póvoas  
Ilídio Costa Leite Pinho  
João Duarte Coelho do Sameiro Espregueira-Mendes  
Joaquim Manuel Machado Faria e Almeida  
Jorge Alberto Carvalho Martins  
Jorge Nuno Pinto da Costa  
Jorge Rui Móia Pereira Cernadas  
José Alexandre Oliveira  
Luís António Silva Duarte Portela  
Manuel Maria Diogo  
Mário Nuno dos Santos Ferreira  
Pedro Américo Violas Oliveira Sá



### 3. Highlights

- The consolidated net result of FC Porto - Futebol, SAD is, for the second year in a row, quite positive, now reaching €20,765m.
- Recovery of revenues related to “matchday”, to values close to pre-pandemic times, but the Operating Gains excluding gains with registration rights decreased, in comparison to the previous period, due to the reduction of revenues obtained from participating in European competitions.
- Slight increase, of €3,216m, in Operating Costs excluding costs with registration rights, however, there was a decrease in Costs with staff of €9,684m.
- Results from the sale of player registration rights had a positive impact of around €83,736m to the results of the Company. On the other hand, Amortizations and impairment losses with registration rights affected the result in €38,739m.
- Assets, which amount to €418,449m, increased by €24,762m in comparison to June 30 2021, despite the decrease in the value of the squad, mainly due to the increase in receivables from clients, by €38,377m.
- As for liabilities, there is an increase of only 1% (€3,977m), reaching €530,117m, with, however, a decrease of €20,351m in comparison to the previous period in the remunerated liabilities of the Group.



#### 4. Activity Evolution

Futebol Clube do Porto – Futebol, SAD fulfils its obligations to present economic and financial information, regarding the financial year of 2021/2022, from July 1, 2021 to June 30, 2022.

This document has been executed in compliance with the current legal framework, namely the provisions of the Companies Code, the Securities Market Code and the regulations of the Portuguese Securities Market Commission (Comissão do Mercado de Valores Mobiliários – CMVM).

As required by the regulations of the European Parliament, companies with shares traded in regulated markets seated in the European Union must use, in their consolidated financial statements, international accountancy standards (IAS/IFRS) adopted by the Union for all the financial years starting on or after the 1<sup>st</sup> of January 2005.

Regarding FC Porto – Futebol, SAD, these regulations started being followed on the fiscal year of 2005/2006. Interim reports, as well as this annual report, were drawn up in accordance with international accountancy standards.



## SUMMARY OF SPORTING ACTIVITY

FC Porto could have hardly had a better sporting year. The team won the championship with a record number of points, thanks to the best defence, the best attack, the longest winning and unbeaten streak, won the Portuguese Cup, beating the main rivals on the way and achieving the ninth double in the history of the club, and won the Supercup Cândido de Oliveira at the start of the new season.

2021/22 didn't start well for the Dragons, with two ties in the first five matchdays of the Portuguese League, but the team then went on a winning streak that lasted almost an entire turn of the competition: almost five consecutive months always winning throughout 16 matchdays played between September 19 and February 11.

A never before seen streak, the team led by Sérgio Conceição beat the Portuguese record for unbeaten streak - held for 44 years by Benfica, then led by John Mortimore -, which followed up perfectly on the run of the previous season, extending the number of consecutive matches without defeats to 58, matching the feat achieved by AC Milan led by Fabio Capello - a squad packed with stars that, from 1993 to 2022, achieved the longest unbeaten streak in the major European leagues.

Only one big obstacle would be able to stop this super FC Porto. That obstacle came near the end, in Minho, but it only served to make the final victory even tastier: on May 7, when a tie would have been enough, FC Porto again celebrated the title at the home of their biggest rival, thanks to a single goal scored by Zaidu.

The season was so good that FC Porto would beat the record achieved in the first season with Sérgio Conceição as coach, achieving the status of National Champions with a never before seen 91 points from 29 victories, four ties and only one defeat.

A week after the celebrations of the 30th title filled Avenida dos Aliados, the Porto Nation headed to Oeiras, to the National Stadium, and carried the team to victory in the final of the Portuguese Cup. With more than 30 thousand Dragons in the stands, the Champions beat Tondela, walked up to the Honour Tribune and raised the 18th Cup in their history.

If, in Portugal, everything seemed to go perfectly, the reality overseas was not as perfect. Faced with a unfortunate draw and with a wide range of adversities match after match, FC Porto ended the group



stage of the Champions League in the third place, ahead of the future Italian champions, but behind the almighty Liverpool and the Spanish champion. Drawn to the Europa League, the blue and whites overcame Lazio, but, when the time came to face Lyon, the French team won and the international journey ended at the home of the historic French club.

Relentless, the young blue and white squad continued to make its way, aiming at the domestic titles they were playing for and, in the end, the effort paid off. Despite losing three leading players from the squad in January - Corona, Sérgio Oliveira and Luis Díaz - FC Porto had a dream season that crowned Sérgio Conceição as the club's most successful coach in this century and brightened the celebrations of the 40th anniversary of Jorge Nuno Pinto da Costa as chairman.





## ECONOMIC ACTIVITY

Futebol Clube do Porto - Futebol, SAD presents, for the second year in a row, quite positive results, which allows continuing the recovery from the adverse impact caused by the global pandemic by the virus Covid-19. Although the restrictions enacted to contain the harmful effects of the pandemic are gradually being lifted, this situation continues to have negative repercussions. At the start of the period being analysed, there was still a limitation to the attendance allowed in stadiums for matches, but other income may have been negatively affected by the damage it caused in various economic sectors.

In 2021/2022, FC Porto combined economic and sporting results, at least domestically, having won the double. In European competitions, the team failed to capitalize the good performances in the UEFA Champions League, where it was drawn into a very difficult group of the competition (the “group of death”), and ended up moving to the UEFA Europa League, where it was eliminated by Olympique Lyonnais in the Round of 16. As a consequence, the revenue obtained from the participation in European competitions is less than usual, but even so, the consolidated net result obtained by the Company during the period analysed was €20,826m, of which €20,765m are attributable to the equity holders of the parent company.

Before starting the analysis to the results of the Company, it should be noted that the comparative period for the financial year that ended on June 30, 2021, presents restated accounts, due to the change, by FC Porto - Futebol, SAD, of the accounting policy applicable to transactions of acquisition and sale of sporting rights of players with the same counterparty where, according to the IASB Conceptual Framework, such transactions consist of an exchange of assets, in light of the provisions of paragraphs 45-48 of International Accounting Standard 38 - Intangible Assets. Therefore, when there is no quantitative corroborative evidence, supported by evaluation techniques, to demonstrate that the fair value can be reliably measured, the intangible assets acquired (rights over registration of players) should be measured by the carrying amount of the intangible assets transferred. Therefore, the comparative period, referring to June 30, 2021, presents the impact, negative in €14,130m, on the consolidated financial statements of the Company, approved by the General Meeting of Shareholders held on November 10, 2021, restated in accordance with IAS 8 - Accounting Policies, Changes in Estimations.

Looking closely at the economic and financial situation analysed in this period, which refers to the consolidated result, meaning, the one obtained from the individual participation of the companies in



the Group included in the consolidation perimeter, net of the transactions done between them, even if it is the variation of the individual result of FC Porto – Futebol, SAD that has a decisive contribution for the consolidated result.

Further ahead in this report, there is a summary of the individual results of each company in the consolidation perimeter, so, for now, the focus will remain on the analysis of the last two years of consolidated results.

The net result of FC Porto – Futebol, SAD, like other companies in the same field of activity, comes from three components:

- Operational results excluding transactions of player registration rights;
- Results related to player registration rights and
- Financial results and results obtained from investments (plus taxes over income).

The first component, operational results excluding player registration rights, is the most stable throughout the years, as it holds the recurring gains and costs year after year, which mostly come from contracts set on the long term. This also includes the revenues obtained from participating in European competitions, a relevant and recurring item in the financial statements of the Company. The second, related to player registration rights, is the most volatile, as it reflects the decisions of the Board, each year, in reinforcing, maintaining or releasing players from the squad. Lastly, the financial results show the Group's needs for cash-flow and access to credit.

Excluding the effect of investments/lack of investment in the squad, both in assets and amortizations and impairment losses, and analysing only the operational results excluding results with player registration rights, there was an overall inferior behaviour in comparison to the previous period, due to the decrease of gains, but also due to the increase of costs.

Analysing the operational gains excluding gains with registration rights, it can be observed that, despite some items showing a positive variation, globally there was a decrease of €9,835m in comparison to 2020/2021, which represents 6% of the total.



*values in thousand euros*

<b>Operational Gains excluding gains with registration rights</b>	<b>2021/2022</b>	<b>%</b>	<b>2020/2021</b>	<b>%</b>
Merchandising	7 929	6%	5 501	4%
Tickets	8 762	6%	40	0%
UEFA Competitions	46 893	33%	73 747	48%
Other Sporting Revenues	2 201	2%	1 475	1%
Broadcasting/ Television Distribution rights	42 623	30%	49 243	32%
Advertising and Sponsorship	25 924	18%	15 717	10%
Other Services	8 217	6%	6 159	4%
Other Gains	1 231	1%	1 730	1%
<b>TOTAL</b>	<b>143 778</b>	<b>100%</b>	<b>153 613</b>	<b>100%</b>

Merchandising, mainly supplied by Warrior, a New Balance brand, and which contributed with €7,929m to overall gains, showed a notable increase of 44%, essentially as a result of the increased demand in physical stores, as, in the previous season, due to the pandemic, lockdowns were established, requiring the closure of shops and limiting the free transit.

The ticketing revenue now reached values close to the pre-pandemic numbers, despite the limitation in the number of spectators in the stadiums that still occurred at the beginning of the season. It should be noted that, in the 2020/2021 season, no spectators were allowed in the stadiums, with the exception of the match against Olympiacos, for matchday two of the UEFA Champions League group stage, when a small group of supporters was allowed to attend.

Despite the 2nd place achieved last season, given the current position of Portugal in UEFA's ranking, FC Porto qualified directly to the 2021/2022 edition of the UEFA Champions League, the biggest sports competition in the world. This item 'UEFA competitions' decreased by €26,855m, compared to the previous year, mainly due to the decrease in revenue related to the sporting performance of the FC Porto team in the group stage, which did not qualify to the knockout stages of the competition, with the team moving to the UEFA Europa League, where it was eliminated in the Round of 16. In addition, in 2020/2021, the team, apart from qualifying to the group stage of the world renowned competition, qualified to the quarter finals, which guaranteed a prize of €10,500m.

The item Other sporting revenues includes gains obtained from the exploration of the Dragon Force schools and for the participation in national competitions - Portuguese Cup, Supercup Cândido de



Oliveira and League Cup - and in pre-season tournaments. The growth of €725m in comparison to the previous period is based mainly on the increase in revenues obtained with Dragon Force, due to the end of the restrictions caused by the pandemic, occurred in 2020/2021.

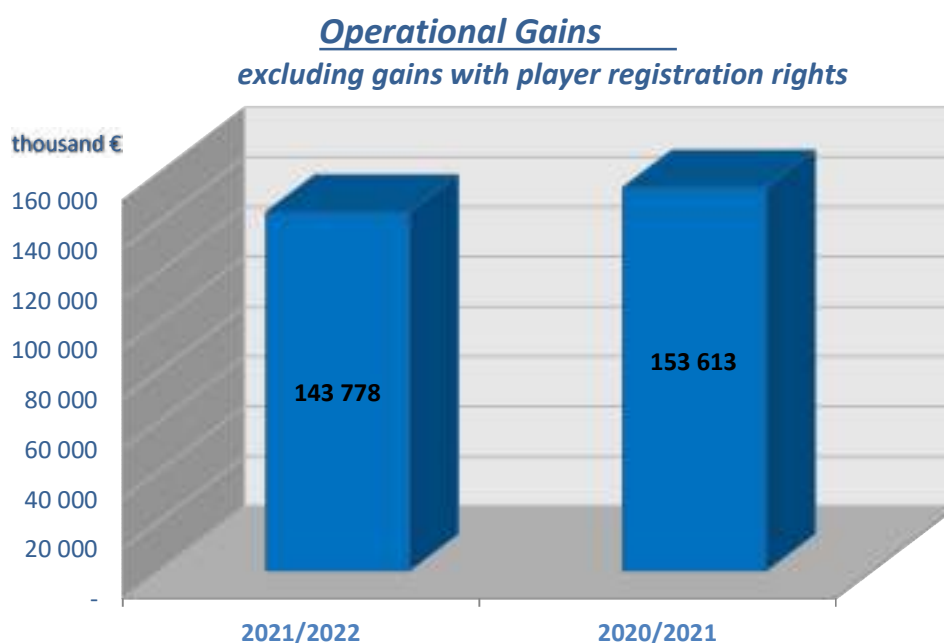
The revenues regarding the Broadcasting / Television Distribution Rights, with the biggest amount coming from the agreement signed between FC Porto – Futebol, SAD and Altice, in December, 2015 (starting after July 1, 2018), for the concession of the Television Broadcast Rights of the matches played by the Main Football Squad, at home, for Primeira Liga, as well as the Right of Commercial Exploration of Advertising Spaces at Estádio do Dragão, for ten sporting seasons, should be stable throughout the seasons while the contract is in force. However, given that, due to the pandemic, part of the matches of season 2019/2020 were played in July 2020, the relative revenues were accounted in 2020/2021, following the accounting principle that rules the special nature of the periods. The distribution rights for Porto Canal, which remained practically unchanged in comparison to the previous year, are also listed here.

Another item that shows we are starting to recover from the pandemic is Advertising and sponsorship, which presents an increase of around 65%. These revenues include the gains obtained from advertising contracts made on the official FC Porto equipment, by its main sponsors, who, in this period, were MEO, Unicer, and New Balance, and now Binance as well, but also revenues obtained from the commercialization, by PortoComercial, of the available publicity supports, and also the advertisement made in Porto Canal. In the previous year, the revenues obtained from corporate business were strongly influenced by the restrictions intended to contain the pandemic, as there was no Corporate Hospitality activity, given that attendance in stadiums was banned. Binance joining as partner of FC Porto also had a relevant contribution for the recovery of this item.

The remaining operational gains, inserted in “Other Services” and “Other Gains” and that mainly include the operational revenues of the companies in the group, with the exception of the gains already mentioned, increased €1,558m, due to the increase in the various revenues of the companies in the group, which tend to return to pre-pandemic numbers, especially in terms of visits to the Museum and Estádio do Dragão, after the temporary closure of these spaces in 2020/2021. The increase here is not greater because the previous season includes gains obtained from holding the final of the UEFA Champions League at Estádio do Dragão, as well as a higher than usual value of receipts from the reimbursement of claims, related to player insurance against accidents.



As a result of the facts above, the operational gains excluding gains with player registration rights reached €143,778m, a decrease of €8,835m in comparison to last year, as can be seen in the chart below.



As for operational costs, still excluding costs with the trade of player registration rights, there was a slight increase of €3,216m in comparison to 2020/2021.

*values in thousand euros*

Operational Costs excluding costs with registration rights	2021/2022	%	2020/2021	%
Cost of Sales	5 265	4%	3 648	3%
External supplies and services	48 865	34%	37 801	27%
Costs with staff	82 632	57%	92 316	65%
Amortizations excluding depreciation of registration rights	6 213	4%	6 380	4%
Provisions and Impairment losses excluding registration rights	372	0%	557	0%
Other costs	1 714	1%	1 143	1%
<b>TOTAL</b>	<b>145 062</b>	<b>100%</b>	<b>141 845</b>	<b>100%</b>

Following the increase in revenues obtained with merchandising, the cost of goods sold also increased, in the exact same proportion, thus maintaining the margin of this business.



Regarding external supplies and services, there was an overall increase of €11,064m, divided by the various expenses that are part of this item, especially costs related to match organisation and costs related to Corporate Hospitality, due to the return of the public to the stadiums.

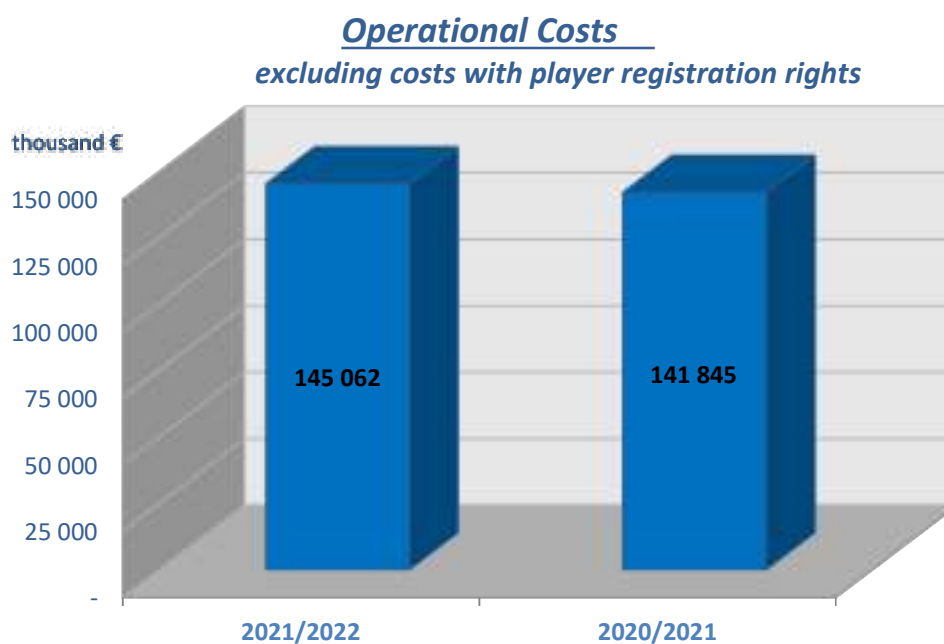
The costs with salary regarding the football squads, coaching staff and the entire staff of the several companies in this group, as well as the tax costs and insurances associated to work accidents, decreased €9,684m in this period. It should be noted that, in the previous period, there are €9,498m included for bonuses attributed to players and technical staff, for winning the National Championship and qualification to the UEFA Champions League and Portuguese Cup for the 2019/2020 season, which ended in July 2020.

The amortizations excluding depreciation of registration rights, which basically represent the amortizations accounted in EuroAntas, as the company owns Estádio do Dragão, which is being amortised over a period of 50 years, remained mostly unchanged. This item now includes, since exercise 2019/2020, the amortization of the rights of use of assets subjected to allocation agreements, as determined by IFRS 16.

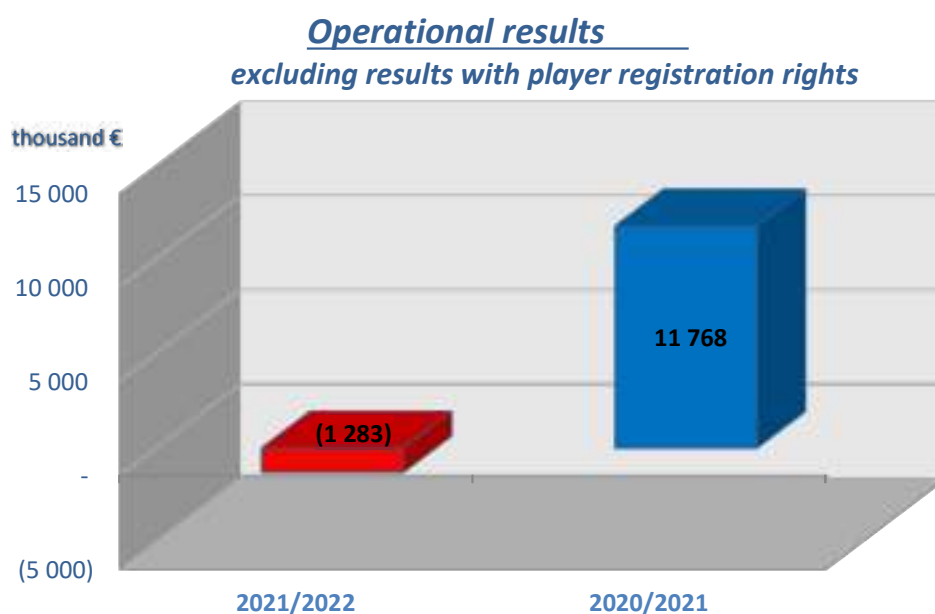
The item referring to “Provisions and impairment losses excluding registration rights” includes both the record for new provisions and impairment losses, and the reversion of those made previously, should the circumstances that originated them be considered paid. In this period, this reaches €372m for the registration of new provisions and impairment losses considered adequate.

Finally, “Other costs”, which have an insignificant weight in the cost structure, increased by €571m in comparison to the previous period.

In short, operational costs, excluding costs with player registration rights, reach €145,062m, an increase of 2%, as shown in the chart below:



The net value resulting from the sum of operational gains and costs, excluding trade of player registration rights, reached a negative overall value of €1,283m, a decrease from the positive €11,768m presented in the previous period.





We now focus on the second component of the net result, the items related to trade of registration rights, which shows the effect of investments / disinvestments on the squad, both in terms of gains and costs with the transmission of sporting rights, and of amortizations and impairment losses with player registration rights.

Contributing negatively to the result, Amortizations and Impairment losses with registration rights reached a value of €38,739m, which represents an increase of €8,876m in comparison to the previous period, reflecting the investment made in the squad, but also the registration of impairments related to the sale of sporting rights that generated capital losses, or the termination of employment contracts, even after the end of the financial year under analysis, in order to reflect the “realisable value of assets” as of 30 June 2022, as was the case of the termination of the contract with the athlete Nakajima. These impairments, which had a strong impact in this period, will allow for a decrease in amortizations in 2022/2023.

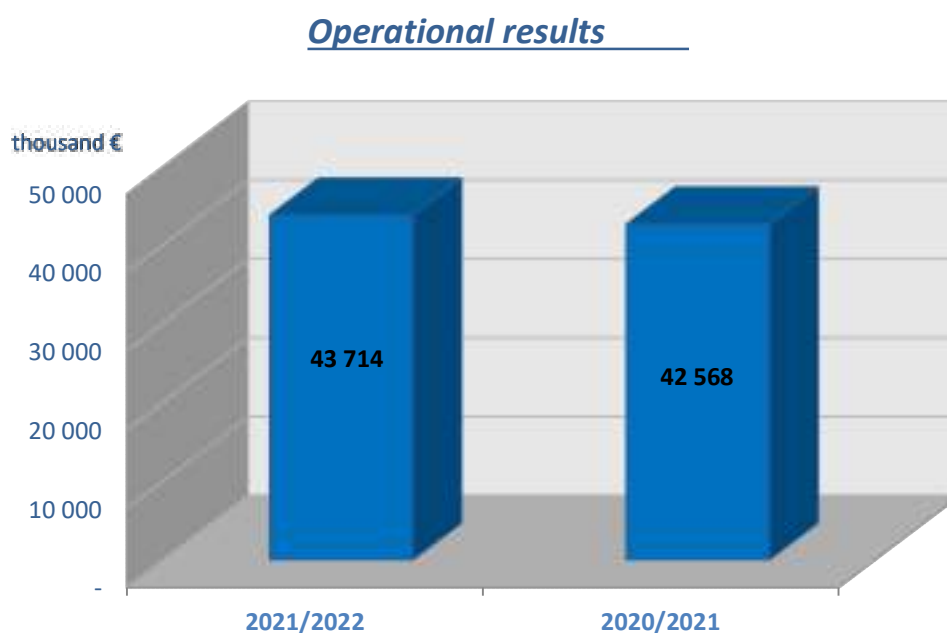
The Result with transmission of registration rights, which includes costs and gains resulting from the sale and loan of sporting rights of players, is, traditionally, a positive item in the financial statements of the Group, largely contributing to the result presented, having reached €83,736m during this period. Positively, the gains with trade of player registration rights, which include definitive transfers, loans and other revenues, such as the solidarity rights regarding players that were in the youth squads of FC Porto, reached €122,033m. Contributing to this number are the gross revenues obtained from the sale of the sporting rights of player Luis Diaz to Liverpool, for €45,000m (which may reach €60,000m, depending on the achievement of sporting objectives), during the winter transfer window, and, at the end of the season, of athletes Fábio Vieira and Vitinha, for €35,000m (which may reach €40,000m, depending on the achievement of sporting objectives) and €41,525m, respectively to Arsenal and PSG. As for the costs with the trade of registration rights, which include costs associated to those transfers and loans (namely costs regarding solidarity, intermediation fees and the cost of the value of the “pass” of the player), as well as the fee paid to the club of origin for the temporary concession of the sporting rights to FC Porto, reach €38,297m. Thus, the result with the transmission of registration rights was about €83,736m, which represents an increase of €23,074m in comparison to the period of 2020/2021, which included the income obtained from the sale of the sporting rights of players Fábio Silva and Alex Telles for €40,000m and €15,000m, respectively to Wolverhampton and Manchester United, at the start of the year, and, at the end, of Danilo Pereira to PSG, for €16,000m.





Thus, despite the increase in amortizations and impairment losses with registration rights, the high increase in Results with the trade of players, resulted in a variation in the results related to registration rights by €14,198m, reaching €44,997m in this period.

Adding the two items, the conclusion is that operational results (results before costs and financial gains, results relative to investments and tax over income), reach €43,714m, still above the €42,568m reached in 2020/2021.



We now add to this analysis the third component, the financial results and related to investments, adding taxes over income for the year.

Although the group's financial costs have increased slightly, for the increase in interest paid on loans taken, there was also, and in a larger scale, an increase in financial gains, which has led to a reduction of €1,293m in the financial result.

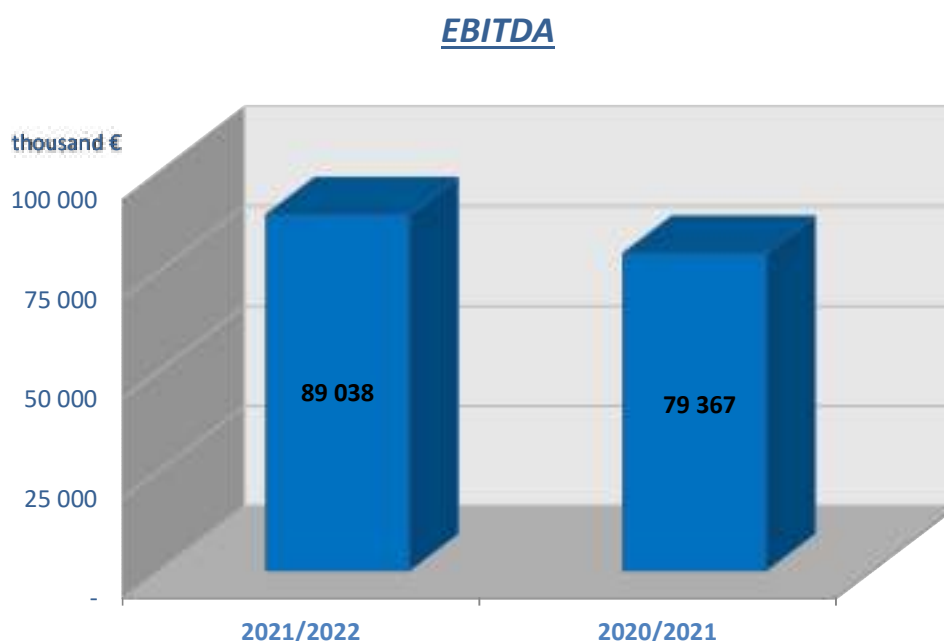
The results regarding investments, which include the results obtained with the investment in economic rights of players of which the Company does not hold the sporting rights, reached negative €942m in this period.



Finally, the last item composing the net result, the tax over income of this period, hurt the result in €735m, mostly due to automated taxation.

In conclusion to the analysis made, the Consolidated Net Result of the Company was positive and reached €20,826m, with €20,765m being attributable to equity owners of the parent company.

This positive evolution of the net result becomes even more clear looking at the EBITDA (operational cash-flow measured by the operational result, net of amortizations, impairment losses and provisions), which reflects the means freed by the operational activity of the Company. This indicator is now showing a frankly positive value, reaching €89,038m.



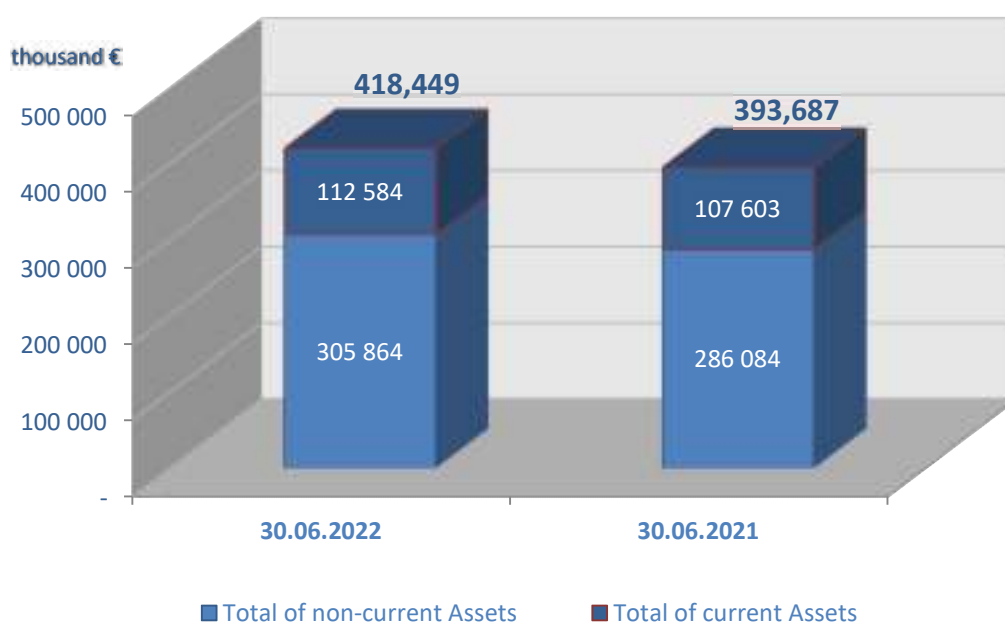
When analysing the patrimony of the Group, as of June 30, 2022, the impact of the results obtained in equity is clear, as there was a decrease by €20,785m, now reaching negative €111,668m.

Given the incorporation of EuroAntas in the group, whose share capital is not held by FC Porto - Futebol, SAD in 53%, the exclusion of minority interests ("interests not under control") means that the net equity attributable to shareholders of the Parent Company is substantially lower, reaching negative €169,070m.



As for assets, which reach €418,449m, despite the decrease in the value of the squad, increased by €24,762m compared to 30 June 2021, mainly due to the increase in receivables from clients, by €38,377m.

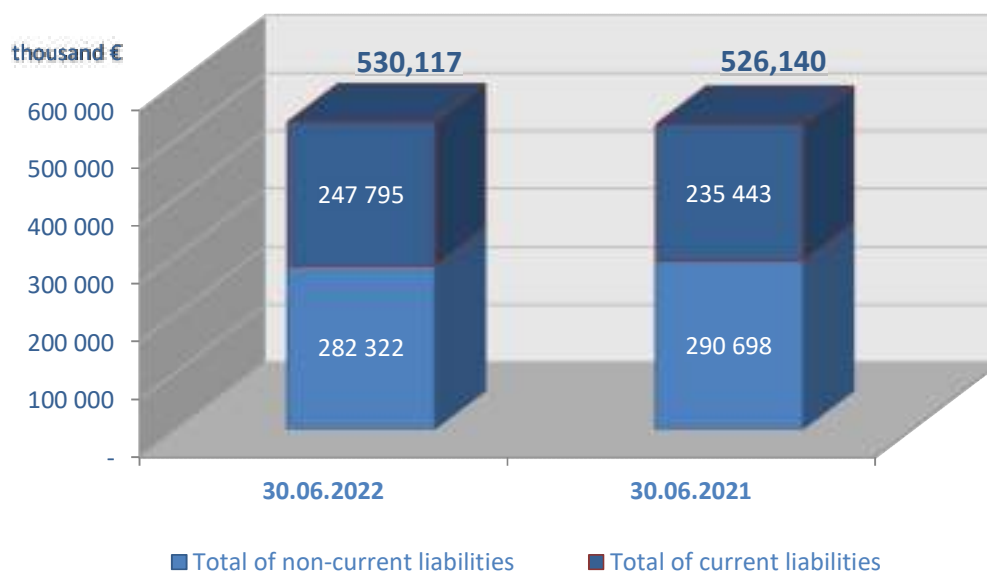
### Active



Regarding liabilities, which reach €530,117m on 30 June 2022, registered a slight increase of only 1%, essentially due to the increase of €16,584m in debt to suppliers. However, the remunerated liabilities of the Group decreased by €20,351m in comparison to the end of the previous year.



### Liabilities



As of June 30, 2022, there are no more outstanding debts to the State and the situation of the Companies in the Group next to Social Security is settled, within the legally stipulated times.

For the purposes of compliance with the obligations set out in Article 508-G of the Companies Code, as amended by Law No. 89/2017 of 28 July, FC Porto - Futebol, SAD chose to disclose the information on the consolidated non-financial statements of the FC Porto Group in the Sustainability Report, with said report containing enough information for an understanding of the evolution, performance, position and impact of the activities of the Group, including environmental, social and staff issues, equality between women and men, non-discrimination, respect for human rights, preventing corruption and bribery attempts. Said report will be available to the public in the locations and for the time period set in article 508-G of the Companies Code.



## INDIVIDUAL PERFORMANCE OF THE COMPANIES IN THE CONSOLIDATION PERIMETER

The numbers shown so far detail the consolidated economic and financial situation of FC Porto – Futebol, SAD, which means that the accounting of all the ten companies in the consolidation perimeter are taken into account, net of the transactions made between them.

Below is the individual performance of each of them, before the consolidation adjustments:

values in thousand euros

Companies in the consolidation perimeter	FC Porto Football, SAD	Porto Comercial	Porto Stadium	Porto Multimedia	Porto Seguro	Dragon Tour	Porto Media	EuroAntas	Avenida dos Aliados	Miragem
Operational gains excluding Trade of registration rights	97 785	36 588	4 606	-	1 090	3 836	7 424	2 593	4 023	28
Operational costs excluding Trade of Registration rights	(107 572)	(27 007)	(4 543)	(2)	(549)	(3 729)	(7 719)	(2 357)	(4 511)	(10)
<b>Operational results excluding the Trade of registration rights</b>	<b>(9 787)</b>	<b>9 581</b>	<b>63</b>	<b>(2)</b>	<b>541</b>	<b>107</b>	<b>(295)</b>	<b>236</b>	<b>(488)</b>	<b>18</b>
Amortizations and Impairment losses with registration rights	(38 739)	-	-	-	-	-	-	-	-	-
(Costs)/gains with Trade of registration rights	83 736	-	-	-	-	-	-	-	-	-
<b>Operational results</b>	<b>35 210</b>	<b>9 581</b>	<b>63</b>	<b>(2)</b>	<b>541</b>	<b>107</b>	<b>(295)</b>	<b>236</b>	<b>(488)</b>	<b>18</b>
Financial Results	(19 813)	(703)	23	-	26	(0)	(369)	-	(2)	-
Results related to investments	(942)	-	-	-	-	-	-	-	14	-
Tax over income	1 699	(2 216)	(26)	-	(138)	(26)	(20)	(18)	(43)	(4)
<b>Net Result of the Exercise</b>	<b>16 154</b>	<b>6 662</b>	<b>61</b>	<b>(2)</b>	<b>429</b>	<b>81</b>	<b>(684)</b>	<b>218</b>	<b>(518)</b>	<b>14</b>

The table shows that the consolidated result reached by FC Porto – Futebol, SAD was obtained largely by the individual result of the Company. However, as can be seen, the aggregate of the remaining companies that are part of the group already present a highly significant business volume. The result of PortoComercial should be mentioned, as, in this period, it reached a rather solid value, reverting the one obtained in comparison to the previous year, when it was negative, as consequence of the decrease in commercial revenues caused by the pandemic.



## 5. Other Events that Occurred During the Financial Year

- Under the scope of the issuing of bonds by the Company, there was a payment of interests of the coupons No. 1 and No. 2 of the bonds “FC PORTO SAD 2021-2023”, on November 26, 2021 and May 26, 2022, respectively. The reimbursement of the operation will occur on November 26, 2023, as set by the public offer prospectus.
- On November 22, 2021, Futebol Clube do Porto - Futebol, SAD informed the market that a search warrant at its facilities had been set in place. FC Porto - Futebol, SAD cooperated with the team of investigators whose work aimed at seizing documents that might be of interest to the investigation.
- On April 11, 2022, in a special regulated market session, the result of the Subscription Offer of Bonds “FC PORTO SAD 2022-2025” and the Trade Offer of Bonds “FC PORTO SAD 2022-2022” was presented. The offer was initially composed of 8 million bonds, with the nominal value of €5 (global amount: €40,000m), having then been increased to 10 million bonds (global amount: €50,000m). The valid demand reached €72,018m. 5 million bonds (€25,000m) were exchanged and a further 5 million bonds (€25,000m) subscribed, so the total amount of the Bond Loan “FC PORTO SAD 2022-2025” is €50,000m and the “FC PORTO 2021-2023” is €39,832m.



## 6. Relevant Events Occurred after the End of the Financial Year

- On July 5, 2022, FC Porto - Futebol, SAD reached an agreement with Sporting Clube de Braga - Futebol, SAD for the acquisition of the sporting rights of athlete David Carmo for €20,000m, plus a maximum variable amount of €2,500m, dependent on the achievement of sporting objectives. The player signed a contract valid for 5 sporting seasons, with a release fee of €80,000m.

Additionally, after June 30, 2022, the following changes to the main squad occurred:

- Arrivals: definitive acquisition of the sporting rights of players André Franco, Eustáquio, Grujic and João Marcelo (both were on temporary loan), Samuel and Veron.
- Departures: definitive transfer of the sporting rights of players Francisco Conceição, Marchesin and Sérgio Oliveira, as well as the end of the contract of athlete Mbemba and Ruben Semedo, who was on a temporary loan, and termination of contract with Nakajima.



## 7. Future perspectives

In 2021/2022, Futebol Clube do Porto - Futebol, SAD presents, for the second consecutive year, frankly positive results, thus combining a season of both economic and sporting successes, as the team won the “double” (National Championship and Portuguese Cup).

The title of national champion allowed for the direct qualification to the 2022/2023 edition of the UEFA Champions League, the biggest sporting competition in the world, and guaranteed a fixed amount that is fundamental to the company’s budget, an amount that may reach even more relevant numbers, depending on the performance of the team.

For the new season, FC Porto decided to sign young players with high potential, and also integrated in the main squad players from the youth squad, with undisputed quality and remarkable margin for progression, which will be subject to strong appreciation in the short term.

The FC Porto SAD is, above all, a sports company that aims at having sporting results that materialize in titles and in the valorisation of players that allow the club to achieve financial gains, necessary for the economic-financial balance of the Company.





## 8. Information on own shares

FC Porto – Futebol, SAD holds 100 own shares, consolidated, worth €499. These shares, although a small representation of the share capital of the company, belong to PortoSeguro, a company of the group held at 90% by FC Porto – Futebol, SAD.

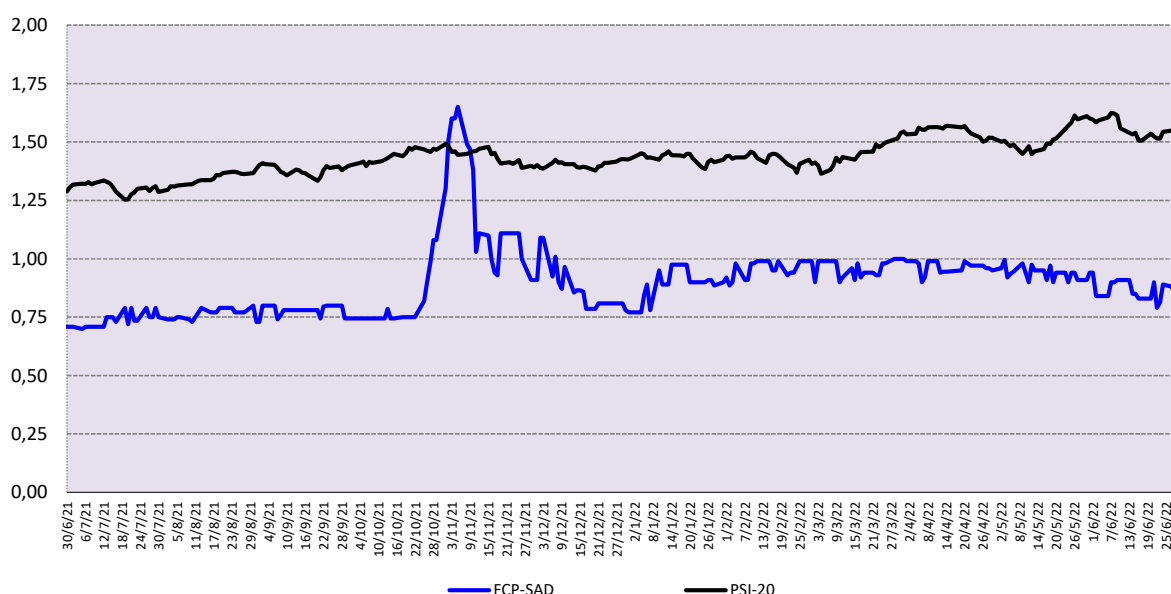
PortoSeguro has acquired 100 shares at the moment the SAD was formed, in 1997, and never alienated or acquired any more shares. Thus, FC Porto – Futebol, SAD held, in the beginning and the end of the financial year, 100 own shares, worth €500 at the time of acquisition.



## 9. Evolution of the quotation of the shares of the Company

On this date, the share capital of FC Porto - Futebol, SAD is composed of 22,500,000 ordinary shares, cashless and nominatives, in a total amount of €112,500m, and is fully subscribed, conducted and admitted to negotiation in regulated market.

Although the shares of Futebol Clube do Porto - Futebol, SAD historically present a relatively constant value, in this financial year there was an exception to this trend. Even if the variation at the start and at end of the period was not significant, respectively €0.71 and €0.82 per share, in late October / early November, there was a very significant growth, reaching a maximum of €1.69 on November 5, 2021.



PSI-20, the benchmark index of the national stock market, which measures the general performance of the Portuguese stock market, despite the growth trend in this period, shows a steady evolution.

The picture below shows the behaviour of the Company in the stock market in the last two exercises, both in terms of price evolution, and of liquidity of the shares.



	2020/2021	2021/2022
<b>Number of Businesses</b>	730	915
<b>Traded shares</b>	231 037	415 217
<b>Average number of shares traded per business</b>	316	454
<b>Liquidity</b>	172 682	427 742
<b>Maximum of the Period</b>	0.88	1.69
<b>Minimum of the Period</b>	0.65	0.70
<b>Quotation by the Start of the Period</b>	0.81	0.71
<b>Quotation by the End of the Period</b>	0.71	0.82
<b>Variation in the Season</b>	-12%	15%
<b>Capitalization in Stock Market on June 30</b>	15 975 000	18 450 000

As can be seen in the table, the increase in the Liquidity of the Company's shares stands out, rising 148%. The Number of trades rose considerably in 2021/2022, as did the average number of shares per trade, leading to an increase in the number of shares traded.

On the other hand, the Maximum and Minimum values reached during the period increased, especially the maximum value which reached €1.69 per share, as mentioned above. However, in spite of the variation occurred, the difference between the Start and End Prices is not significant.

The quotation on June 30, 2022, was set at €0.82, which means the capitalization in the stock market reached €18.450m.



## 10. Statement of the Board of Directors

Under the terms of paragraph c) of point 1 of article 29 G of the Securities Market Code, the directors of FC Porto – Futebol, SAD, in charge of the Company, state that, to their knowledge, the information presented in this management report, the annual accounts and other accounting documents required by law or legislation, even if not approved by General Meeting, has been gathered in compliance with international financial reporting standards as adopted in the European Union, giving a true and accurate image of assets and liabilities, of the financial situation and of the results of the issuer and of the companies included in the Group, and that the management report documents, when read together, faithfully lay out the evolution of business, performance and position of the issuer and of the companies included in the Group, and contains a description of the main risks and uncertainties the company has to face.

Porto, October 10, 2022

### **The Board of Directors,**

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*Jorge Nuno Lima Pinto da Costa*

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*Maria Manuela Aguiar Dias Moreira*

---

*Adelino Sá e Melo Caldeira*

---

*Rita de Carvalho Araújo Moreira*

---

*Fernando Manuel Santos Gomes*

---

*Teresa Cristina Costa Leite de Azevedo*

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*Luís Manuel Beza de Vasconcelos Gonçalves*

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*Vítor Manuel Martins Baía*



## B. Consolidated Financial Statements and Appendixes

### 1. Consolidated Statements of Financial Position

Assets	Notes	30.06.2022	30.06.2021* (restated)
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	7	120.623.407	124.606.770
Intangible assets - Players' Registration Rights	8	79.383.520	95.928.528
Other Intangible assets	7	1.513.237	1.541.081
Financial Investments		14.470	14.470
Right-of-use assets	34	16.695.659	9.683.096
Other Financial assets	9	312.036	1.235.347
Goodwill	10	4.469.164	4.469.164
Customers	11	82.697.334	48.520.247
Other non-current assets	13	155.652	85.341
<b>Total non-current assets</b>		<b>305.864.478</b>	<b>286.084.043</b>
<b>CURRENT ASSETS</b>			
Inventories	12	3.244.753	3.677.949
Customers	11	85.370.735	81.170.351
Other Debtors	14	14.436.283	10.225.627
Other Assets	13	4.722.715	4.027.091
Cash and Cash Equivalents	15	4.809.650	8.501.766
<b>Total current assets</b>		<b>112.584.135</b>	<b>107.602.784</b>
<b>TOTAL ASSETS</b>		<b>418.448.613</b>	<b>393.686.827</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share Capital	17	112.500.000	112.500.000
Own Shares		(499)	(499)
Share issue premiums		259.675	259.675
Legal reserve		193.340	191.894
Other reserves		188.262	188.262
Retained earnings		(303.022.165)	(322.302.223)
Other Changes in equity		46.224	12.039
Net profit attributable to equity holders of the parent		20.764.694	19.274.790
<b>Total equity attributable to equity holders of the parent</b>		<b>(169.070.469)</b>	<b>(189.876.062)</b>
Non-controlling interests	18	57.402.059	57.422.415
<b>TOTAL EQUITY</b>		<b>(111.668.409)</b>	<b>(132.453.647)</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Bank Loans	19	-	4.000.000
Bond Loans	19	87.709.463	63.372.911
Other Loans	19	96.217.214	133.374.108
Lease Liabilities	34	11.312.356	4.214.424
Suppliers	21	34.370.314	26.941.426
Other non-current liabilities	22	50.070.864	56.628.987
Liabilities for post-employment benefits	24	270.887	295.760
Deferred tax liabilities	16	1.813.512	1.870.184
Provisions	23	557.285	-
<b>Total non-current liabilities</b>		<b>282.321.895</b>	<b>290.697.800</b>
<b>CURRENT LIABILITIES</b>			
Bank Loans	19	5.892.925	8.644.150
Bond Loans	19	740.149	290.844
Other Loans	19	89.594.185	90.822.999
Lease Liabilities	34	2.146.293	1.576.564
Other creditors	20	9.787.207	11.129.566
Suppliers	21	81.448.186	72.293.402
Other current liabilities	22	58.186.182	50.685.151
<b>Total current liabilities</b>		<b>247.795.128</b>	<b>235.442.675</b>
<b>TOTAL LIABILITIES</b>		<b>530.117.022</b>	<b>526.140.475</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>418.448.613</b>	<b>393.686.828</b>

\* Amounts restated as described in Note 2.

The notes are an integral part of the financial statements



## 2. Consolidated Statements of Results by Category

	Notas	30.06.2022	30.06.2021* (restated)
Sales	25	7.928.659	5.500.501
Services Rendered	25	134.618.797	146.382.218
Other Income	25	1.230.834	1.730.297
Cost of Sales	12	(5.265.022)	(3.648.411)
Administrative and Other Operating Expenses	26	(48.865.277)	(37.801.481)
Personnel Costs	27	(82.631.955)	(92.315.615)
Amortizations excluding amortizations of player's registrations	7 e 34	(6.213.273)	(6.380.243)
Provisions and impairment losses excluding player's registrations	23	(372.120)	(556.519)
Other costs		(1.714.055)	(1.143.082)
Operational results excluding results with player's registrations		(1.283.412)	11.767.665
Amortizations and impairment losses related to player's registrations	28	(38.738.762)	(29.862.477)
Income from transactions of player's registrations	28	122.033.220	98.447.641
Expenses related to player's registrations	28	(38.297.001)	(37.785.297)
		44.997.458	30.799.867
Operational results		43.714.045	42.567.532
Financial expenses	29	(25.777.665)	(24.904.509)
Financial income and gains	29	4.566.710	2.400.778
Results related to investments	30	(941.904)	(56.368)
		(22.152.859)	(22.560.100)
Result before tax		21.561.187	20.007.432
Income tax	16	(735.191)	(1.183.717)
<b>Consolidated net income for the year</b>		<b>20.825.996</b>	<b>18.823.715</b>
Attributable to:			
Equity holders of the Parent Company		20.764.694	19.274.790
Non-controlling interests	18	61.301	(451.074)
Earnings per share			
Básico	32	0,92	0,86
Diluído	32	0,92	0,86

\* Amounts restated as described in Note 2.

The notes are an integral part of the financial statements



### 3. Consolidated Statements of Results and Other Comprehensive Income

	<u>Notes</u>	<u>30.06.2022</u>	<u>30.06.2021*</u> <u>(restated)</u>
<b>Consolidated net income for the period</b>		<u>20.825.996</u>	<u>18.823.715</u>
Other comprehensive income for the period			
Items that will not be reclassified to net income			
Actuarial gains and losses	24	34.185	(4.543)
<b>Total consolidated income for the year</b>		<u>20.860.181</u>	<u>18.819.172</u>
Attributable to:			
Equity holders of the parent company'		20.797.820	19.270.705
Non-controlling interests	18	<u>62.360</u>	<u>(451.532)</u>

\* Amounts restated as described in Note 2.

The notes are an integral part of the financial statements



#### 4. Consolidated Statements of Changes in Net Equity

	Atribuível aos Acionistas da Empresa-Mãe										
	Share Capital	Own Shares	Share issue premiums	Legal Reserve	Other Reserve	Retained Earnings	Other Changes in Equity	Net Result	Total	Non-Controlling Interests	Total of Equity
Balance at July 1, 2020	112.500.000	(499)	259.675	190.127	188.262	(206.361.300)	16.582	(115.939.614)	(209.146.767)	57.934.750	(151.212.017)
Application of 2019 consolidated result											
Transfer to legal reserve	-	-	-	1.767	-	-	-	(1.767)	-	-	-
Transfer to other reserves	-	-	-	-	-	-	-	-	-	-	-
Trasfer to retained earnings	-	-	-	-	-	(115.941.381)	-	115.941.381	-	-	-
Dividend distribution	-	-	-	-	-	-	-	-	-	(60.803)	(60.803)
Changes in reserves	-	-	-	-	-	-	-	-	-	-	-
Changes in perimeter	-	-	-	-	-	-	-	-	-	-	-
Consolidated comprehensive income for th	-	-	-	-	-	458	(4.543)	19.274.790	19.270.705	(451.532)	18.819.172
Balance at June 30, 2021* (restated)	112.500.000	(499)	259.675	191.894	188.262	(322.302.223)	12.039	19.274.790	(189.876.062)	57.422.415	(132.453.647)
Balance at July 1, 2021	112.500.000	(499)	259.675	191.894	188.262	(322.302.223)	12.039	19.274.790	(189.876.062)	57.422.415	(132.453.647)
Application of 2020 consolidated result											
Transfer to legal reserve	-	-	-	1.445	-	-	-	(1.445)	-	-	-
Transfer to other reserves	-	-	-	-	-	-	-	-	-	-	-
Trasfer to retained earnings	-	-	-	-	-	19.281.117	-	(19.273.344)	7.773	(7.773)	-
Dividend distribution	-	-	-	-	-	-	-	-	-	(74.943)	(74.943)
Changes in reserves	-	-	-	-	-	-	-	-	-	-	-
Changes in perimeter	-	-	-	-	-	-	-	-	-	-	-
Consolidated comprehensive income for th	-	-	-	-	-	(1.059)	34.185	20.764.694	20.797.820	62.360	20.860.181
Balance at June 30, 2022	112.500.000	(499)	259.675	193.340	188.262	(303.022.165)	46.224	20.764.694	(169.070.469)	57.402.060	(111.668.409)

\* Amounts restated as described in Note 2.

The notes are an integral part of the financial statements





## 5. Consolidated Statements of Cash Flow

	Notes	30.06.2022	30.06.2021
<b>Operating Activities</b>			
Cash receipt from customers	122.998.434	130.722.988	
Cash paid to suppliers	(55.973.136)	(59.848.164)	
Cash paid to employees	(84.762.666)	(105.432.656)	
Other receipts/payments relating to operating activities	2.824.777	1.688.021	
Income Tax	(2.135.013)	55.529	(32.814.283)
<i>Net cashflows from operating activities (1)</i>		<u>(17.047.603)</u>	<u>(32.814.283)</u>
<b>Investing Activities</b>			
Receipts from:			
Disposal of player's registration	84.846.499	44.093.594	
Interest and similar income	369.579	179.227	
Dividends	-	-	44.272.821
Payments related to:			
Acquisition/Sales of player's registration	(27.436.437)	(41.147.835)	
Property, plant and equipment	(82.471)	(27.518.908)	(41.359.148)
<i>Net cashflows from investing activities (2)</i>		<u>57.697.170</u>	<u>2.913.673</u>
<b>Financing Activities</b>			
Receipts from:			
Loans	126.962.593	237.367.820	237.367.820
Payments related to:			
Loans obtained from investors (Note 20)	(500.000)	(1.000.000)	
Dividends	-	(48.397)	
Loans	(148.779.562)	(171.006.533)	
Leasings	(1.464.497)	(1.449.311)	
Interest and similar costs	(20.560.216)	(30.989.376)	(204.493.617)
<i>Net cashflows from financing activities (3)</i>		<u>(44.341.683)</u>	<u>32.874.203</u>
Cash and Cash Equivalents in the beggining of the year	15	8.501.766	5.528.173
Net increase in cash and cash equivalents: (1)+(2)+(3)		<u>(3.692.116)</u>	<u>2.973.593</u>
Cash and Cash Equivalents in the end of the year	15	<u>4.809.650</u>	<u>8.501.766</u>

The notes are an integral part of the financial statements as of 30th june of 2022



## 6. Notes to Consolidated Financial Statements

### 1. INTRODUCTION

Futebol Clube do Porto - Futebol, S.A.D. ('FCPorto, SAD' or 'the Company'), with head office at Estádio do Dragão, Via F.C. Porto, Entrada Poente, 3rd Floor, 4350-451 Porto, Portugal, was incorporated on 30 July 1997, and is the parent company of the group of companies presented in Note 5 as the FCP Group ('Group'). Its main activity consists of participating in professional football competitions, promotion and organization of sports events.

These consolidated financial statements are presented in euros, rounded to units, which is the currency presented by the Company in its operations and therefore considered to be the functional currency.

### 2. ACCOUNTING POLICIES

The significant accounting policies used in the preparation of the consolidated financial statements are as follows and are consistent with those used in the consolidated financial statements presented for the year ended June 30, 2021, except for the accounting policy applicable to "Intangible assets - Players' registrations" - "Exchange of assets" (Note 2.5). This policy was changed in order to provide for situations of "exchange" of assets with the same counterparty. On February 18, 2022, through a statement to the CMVM (<https://web3.cmvm.pt/sdi/emitentes/docs/FR81617.pdf>), FC Porto SAD disclosed this information to the markets.

This change was applied retrospectively, as set out in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, and had an impact on the consolidated accounts prepared from the second half of the previous financial year. If this policy had been applied to the consolidated accounts for the year ending June 30, 2021, the effects would be:

Consolidated statements of financial position	Aproved amounts		Restated amounts
	30.06.2021	Adjustments	30.06.2021
Intangible Assets - Players' Registration Rights	110 058 438	(14 129 910)	95 928 528
<b>Total non-current assets</b>	<b>300 213 953</b>	<b>(14 129 910)</b>	<b>286 084 043</b>
<b>Total assets</b>	<b>407 816 737</b>	<b>(14 129 910)</b>	<b>393 686 827</b>
Net income attributable to shareholders of the parent company	33 404 700	(14 129 910)	19 274 790
<b>Total Equity attributable to shareholders of the parent company</b>	<b>(175 746 152)</b>	<b>(14 129 910)</b>	<b>(189 876 062)</b>
<b>Total EQUITY</b>	<b>(118 323 737)</b>	<b>(14 129 910)</b>	<b>(132 453 647)</b>
<b>TOTAL EQUITY and LIABILITIES</b>	<b>407 816 737</b>	<b>(14 129 910)</b>	<b>393 686 827</b>

Consolidated income statement	Aproved amounts		Restated amounts
	30.06.2021	Adjustments	30.06.2021
Income with players' registration rights transactions	112 577 551	(14 129 910)	98 447 641
Operational income	56 697 441	(14 129 910)	42 567 531
Result before taxes	34 137 342	(14 129 910)	20 007 432
<b>Consolidated net income</b>	<b>32 953 625</b>	<b>(14 129 910)</b>	<b>18 823 715</b>
<b>Attributable to: shareholders of the parent company</b>	<b>33 404 700</b>	<b>(14 129 910)</b>	<b>19 274 790</b>



<b>Consolidated Statement of Comprehensive Income</b>	Approved amounts		Restated amounts
	<b>30.06.2021</b>	<b>Adjustments</b>	<b>30.06.2021</b>
Consolidated net income	32 953 625	(14 129 910)	18 823 715
Total Consolidated Statement of Comprehensive Income	32 949 082	(14 129 910)	18 819 172
<b>Attributable to: shareholders of the parent company</b>	<b>33 400 615</b>	<b>(14 129 910)</b>	<b>19 270 705</b>

<b>Consolidated Statement of Changes in Equity</b>	Approved amounts		Restated amounts	
	<b>30.06.2021</b>		<b>30.06.2021</b>	
	Net Profit	Equity	Net Profit	Equity
Opening Balance (01.07.2020)	(115 939 614)	(151 212 017)	(115 939 614)	(151 212 017)
Consolidated Statement of Comprehensive Income	33 404 700	32 949 082	19 274 790	18 819 172
Closing Balance (30.06.2021)	33 404 700	(118 262 935)	19 274 790	(132 392 845)

This change had no impact on the cash flow statement.

## 2.1 Basis of presentation

The consolidated financial statements have been prepared on a going concern basis, from which the books and accounting records of the companies included in the consolidation reflect the International Financial Reporting Standards, as adopted by the European Union, that are effective for financial periods beginning on 1 July 2021. This assumption is subject to the future profitability of operations and transactions relating to the sale of registration rights, as well as the ability to ensure the liquidity of financial operations deemed necessary to honor the Company's commitments. Despite the uncertainty inherent in the implementation of the measures provided for in the Treasury Budget, and more detailed in Note 3.3, the Board of Directors is convinced of the ability of the Group to as a going concern basis.

Such standards include the International Financial Reporting Standards ('IFRS') issued by the International Accounting Standards Board ('IASB'), the International Accounting Standards ('IAS') issued by the Accounting Standards Committee ('ASC') and the respective interpretations – SIC and IFRIC issued by the International Financial Reporting Interpretation Committee ('IFRIC') and Standing Interpretation Committee ('SIC'), that have been adopted by the European Union. These standards and interpretations are referred to hereinafter collectively as 'IAS/IFRS'.

During the period ended on June 30, 2022, there were no changes in judgments or estimates related to prior years, nor were identified any corrections of material errors.

In the preparation of the attached financial statements, judgments and estimates were made and various assumptions were used that affected the reported amounts of assets and liabilities, as well as the reported amounts of income and expenses for the year, which are substantially disclosed in Note 2.20 to the financial statements of June 30, 2022. The various components of financial risk management are disclosed in Note 3 of the financial statements as of June 30, 2022 and remained constant in the current period.

The amounts in the financial statements for the year ended June 30, 2022 are mostly comparable to the previous year, however, as a consequence of the Covid-19 pandemic and the interruption of the sporting season in March 2020, returned in June 2020 and ended in July 2020, i.e., at the beginning of the compared year, we verified that the revenue and expenses were affected by this phenomenon, the most significant being the recognition of revenue related to Television



Transmission Rights (6.5 million euros recognized in the year ended 2020/2021 related with the previous sporting season), the prizes awarded to players and technical staff, of 9.5 million euros, namely for winning the National Championship and Portuguese Cup 2019/2020 and, in another way, the absence of ticket sales and season ticket revenue.

a) Standards, interpretations, amendments and revisions that entered into effect in the year

The following standards, interpretations, amendments and revisions endorsed by the European Union are mandatory applicable for the financial year beginning on 1 July 2021:

EU Regulation	IASB Standard or IFRIC Interpretation adopted by the EU	Issued on	Mandatory application in Exercises started on or after
Regulation no. 2097/2020	IFRS 4 Insurance contracts (to be replaced by IFRS 17): Extension of the temporary exception from application of IFRS 9 (amendments)	2020, June	1 January 2021
Regulation no. 25/2021	IFRS 9/IAS 39 Financial Instruments: Recognition and measurement; IFRS 7 Financial instruments: Disclosures; IFRS 4 Insurance contracts; and IFRS 16 Leases - Reform of benchmark interest rates - phase 2 (amendments)	2020, August	1 January 2021
Regulation no. 1421/2021	IFRS 16 Leases: Covid-19 related rent concessions after June 30, 2021 (amendments)	2021, March	1 April 2021

There were no effects in the consolidated financial statements of the Group for the year ended as of 30 June 2022, due to the adoption of the standards, interpretations, amendments and revisions mentioned above.

b) Standards, interpretations, amendments and revisions with mandatory application in future years

The following standards, interpretations, amendments and revisions, with mandatory application in future years, were, until the date of approval of these the financial statements, been endorsed by the European Union:

EU Regulation	IASB Standard or IFRIC Interpretation adopted by the EU	Issued on	Mandatory application in Exercises started on or after
Regulation no. 1080/2021	IFRS 3 Reference to the Conceptual Framework (amendments) IAS 16 Property, Plant and Equipment: Proceeds before Intended Use (amendments) IAS 37 Onerous Contracts – Costs of Fulfilling a Contract (amendments)	2020, May	1 January 2022



	IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases and IAS 41 Agriculture (amendments)		
Regulation no. 2036/2021	IFRS 17 Insurance Contracts (new)	2017, May and 2020, June	1 January 2023
Regulation no. 357/2022	IAS 1 Presentation of Financial Statements: Disclosure of Accounting Policy (amendments)	2021, February	1 January 2023
Regulation no. 357/2022	IAS 8 Definition of Accounting Estimates (amendments)	2021, February	1 January 2023
Regulation no. 1392/2022	IAS 12 Income Taxes: Deferred Taxes related to Assets and Liabilities arising from a Single Transaction (amendments)	2021, May	1 January 2023
Regulation no. 1491/2022	IFRS 17 Insurance Contracts: Initial application of IFRS 17 and IFRS 9 - Comparative Information (amendments)	2021, December	1 January 2023

The Group has not early adopted these standards and amendments on the financial statements for the year ended 30 June 2022. The Group does expect significant impacts on the financial statements from the adoption of these standards and amendments.

c) Standards, interpretations, amendments and revisions not endorsed by the European Union

The following standards, interpretations, amendments and revisions with mandatory application in future years, have not yet been endorsed by the European Union at the date of approval of these financial statements:

IASB Standard or IFRIC Interpretation adopted by the EU	Issued on	Mandatory application in Exercises started on or after
IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current and Non-Current (Amendments)	2020, January and June	1 January 2023
IFRS 16 Leases - Lease liabilities in a sale and leaseback (amendments)	2022, September	1 January 2024

These standards have not yet been endorsed by the European Union and, as such, were not adopted by the Group for the year ended as of 30 June 2022. It is not expected significant impacts on the financial statements of the Group from the adoption of these standards.



## 2.2 Basis of consolidation

Companies where the Group has control, i.e., where it has, cumulatively: (i) power over the investee; (ii) is exposed to, or has the right over, variable results of the investee; and (iii) has the ability to use its power to affect the amount of the results of the investee (definition of control used by the Group), are included in the consolidated financial statements using the full consolidation method. The equity and net result of those investees attributable to non-controlling shareholders are presented separately, under the caption “Non-controlling interests”, in the consolidated statement of financial position and in the consolidated statement of profit or loss. Entities included in the consolidated financial statements by the full consolidation method are listed in Note 5.

In business combinations occurred after the date of transition to the International Financial Reporting Standards as adopted by the European Union – IFRS (1 July 2004), the assets and liabilities of each subsidiary are measured at fair value at the date of acquisition in accordance with IFRS 3 - “Business Combinations”, and such measurement may be concluded up to 12 months after acquisition date. Any excess on the cost of acquisition over the fair value of the identifiable net assets acquired (including contingent liabilities) is recognized as goodwill (Note 2.3). Any excess of the fair value of the identifiable net assets and liabilities acquired over its cost is recognized as an income in the statement of profit or loss of the period of acquisition, after reassessment of the estimated fair value attributed to the net assets acquired. Non-controlling interests are presented according to their share in the fair value of the acquired identifiable assets and liabilities.

The results of the subsidiaries acquired or disposed during the year are included in the statement of profit or loss as from the effective date of acquisition or up to the effective date of disposal, respectively.

Adjustments to the financial statements of the subsidiaries are performed, whenever necessary, in order to adapt its accounting policies to those used by the Group. All intercompany transactions, balances and distributed dividends are eliminated during the consolidation process.

## 2.3 Business combinations and goodwill

In business combinations occurred after the date of transition to IFRS (1 July 2004), the difference between the acquisition cost of the investment in Group companies (subsidiaries) and associates, and the fair value of the identifiable assets and liabilities of those companies (including any contingent liability), as of the acquisition date, when positive, is recorded under the caption “Goodwill” (Note 10) and, when negative, after reassessing its computation, is directly recorded in the statement of profit or loss, after reconfirmation of the fair value attributed.

The Group, on a transaction-by-transaction basis (for each business combination), will choose to measure any non-controlling interest in the acquiree either at fair value or at the proportionate share of the non-controlling interest of the acquirer’s identifiable net assets.

Future contingent payments are recognized as a liability as of the date of the business combination at its fair value, with any change in the initial amount being recorded against “Goodwill”, but only during the measurement period (12 months following the acquisition date) and if related with events prior to the acquisition date, otherwise, it will have to be recorded in the statement of profit and loss.



Acquisitions or disposals in controlled entities, without resulting in loss, are treated as equity transactions between shareholders, thus only affecting the equity caption with no impact on goodwill or net results.

Where a disposal represents a loss in control, all assets and liabilities of the disposed entity will have to be derecognized and any retained interest recognized will have to be measured at fair value, with the resulting gain or loss arising from the disposal recorded in the statement of profit or loss.

Goodwill is not amortized but is subject to impairment tests on an annual basis. The recoverable amounts of cash generating units are determined based on the estimation of its value of use and from its disposal at the end of its useful life. The recoverable amount is estimated for the individual assets or, if not possible, for the cash-generating unit to which the asset belongs. These estimations require the use of assumptions based on estimates of future circumstances, which may be different from the expected outcomes. Impairment losses identified in the period are recorded in the statement of profit or loss under the caption "Provisions and impairment losses" and may not be reversed.

## 2.4 Property, Plant and Equipment

Property, Plant and Equipment acquired up to 1 July 2004 (transition date to IFRS) are recorded at "deemed cost", which corresponds to the acquisition cost net of accumulated depreciation and impairment losses recorded up to that date.

Property, Plant and Equipment acquired after that date are recorded at acquisition cost net of accumulated depreciation and impairment losses. Acquisition cost includes the expenditures directly attributed to the acquisition of the assets and to its preparation to entry into service.

Depreciation is calculated on a straight-line basis from the date the asset is available and ready for use, over the expected useful life for each group of assets. The expected useful life of the main groups of assets is as follows:

Buildings and other constructions - 8 to 50 years

Machinery and equipment - 4 to 50 years

Transport equipment - 3 to 8 years

Office equipment - 3 to 8 years

Other tangible assets - 1 to 10 years

The building associated with the Dragon Stadium is being depreciated over a period of 50 years.

Maintenance and repair costs relating to Property, Plant and Equipment which do not increase their useful life nor result in significant benefits or improvements are recorded directly as expenses in the period they are incurred.

Gains or losses arising on sale or disposal of Property, Plant and Equipment are calculated as the difference between the selling price and the carrying amount of the asset at the date of its sale/disposal; these are recorded in the income statement under either 'Other income' or 'Other expenses'.



## 2.5 Intangible assets - Players' registration rights

The caption 'Intangible assets - Players' registration rights' include costs related with the acquisition of players' registration rights, including intermediation service costs, as well as signing-on fees paid directly to the players, in accordance with the Decree-Law 103/97 of 13 September.

Whenever the costs associated to the acquisition of players' registration rights generate an obligation which is dependent of future events that are not entirely under control of the Group, namely when the payments are dependent of the maintenance of the employment contract with the player, such future obligations are not considered in the acquisition cost and, consequently, is the correspondent liability, being recognized in the profit or loss statement, under caption "Loss related with transactions of players' registration rights", as the objectives are achieved.

When the percentage owned of players' registration rights is less than 100%, it means that although the Company is entitled to full use of the player's registration rights, it has entered into an associated financial interest's contract with a third party, which consists of an investment partnership in the registration rights, resulting in the proportional sharing of the inherent results in future the transaction of these rights.

Costs associated with securing the extension of a player's employment contract are also recorded under the caption 'Intangible assets - Players' registrations', being determined a new book value for the player's registration rights which is amortized over the remaining revised contract term.

Costs included in the caption 'Intangible assets - Players' registration rights' are amortized over the period covered by contracts celebrated between the players and the Company, in accordance with Decree-Law 103/97 of 13 September.

### "Players on loan"

The acquisition costs of players' registration rights that are on temporary loan to other clubs are maintained in the caption 'Intangible assets - Players' registration rights' and continue to be amortized over the number of years these rights expire, according to the player's employment contract, as it's considered to exist a potential valorization of the player registration rights while the player plays by other club under the referred loan.

### "Exchange of Assets"

In transactions for the acquisition and disposal of player passes with the same counterparty, for which there is no quantitative corroborative evidence, supported by valuation techniques, which allow demonstrating that the fair value can be reliably measured, the rights over the "passes" of acquired players shall be measured at the carrying value of the rights to the "passes" of the disposed players, as provided in paragraphs 45-48 of International Accounting Standard 38 – Intangible assets.

### Sale of players' registrations rights

The results of the sale of players' registration rights are recorded in the income statement captions "Income related with transactions of players registration rights" and "Costs related with transactions of players registration rights" by the amount of the transaction less the net book value of the player's registration rights and other expenses incurred, including costs with intermediation services and costs with responsibilities with the solidarity mechanism (which corresponds to a compensation due, upon a player's transfer to another club, before the end of the respective labour contract at the current club, to the previous clubs, where the players were enrolled since the player's 12th to 23rd birthday - this amount corresponds to 5% of the transfer





value, to be proportionally distributed between them, 0.25% from the 12th to the 15th birthday and 0.5% from the 16th to the 23rd birthday). Whenever relevant, the effect of the financial updating of the amounts receivable in the future is considered in determining the transaction value. The recognition of revenue is only made in the period when the risks and benefits of the rights inherent to the player's passes are considered to be substantially transferred. Whenever the sale contracts contain a variable component of the sale price, depending on future conditions that are not under the control of the Group, such component is not recognized in results until it is effective.

In situations of "exchange of assets" no gains are recorded since the fair value of the assets received or receivable, net of discounts, is considered equivalent to the carrying amount of the assets given up.

## 2.6 Other intangible assets

Other intangible assets (non-players' registration rights) are registered at acquisition cost net of depreciation and accumulated impairment losses. Intangible assets are only recognized if it is probable that future economic benefits will flow from them to the Group, if they are controlled by the Group and if their value can be reliably measured.

Amortization are calculated on a straight-line basis over the estimated useful life of the assets as from the date the assets are available for use.

## 2.7 Right-of-use assets and leases

The Group assesses, at the commencement date of the contract, whether it is or contains a lease. That is, if the contract transfers the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a unique recognition and measurement approach to all leases, except for short-term and low-value asset leases. The Group recognizes lease liabilities corresponding to payments made and right-of-use assets that represent the right to use the underlying assets.

### Right-of-use

As a lessee, the Group recognizes the Right-of-use assets on the lease commencement date (that is, the date on which the underlying asset is available for use). The Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of the Right-of-use assets includes the amount of recognized lease liabilities, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated using the straight-line method over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Buildings and other constructions - 1 to 12 years  
Transport equipment - 1 to 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.



Right-of-use assets are also subject to impairment, in accordance with the policy presented in note 2.8 Impairment of non-financial assets.

#### Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of the payments to be made over the term of the contract. Lease payments include fixed payments less any incentives receivables, variable lease payments that depend on an index or rate and amounts expected to be paid related to residual value guarantees. Lease payments also include the exercise price of a purchase option, if it is reasonably expected to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses an incremental borrowing rate on the lease commencement date, because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### Short-term lease and lease of low-value assets

The Group applies the short-term lease recognition exemption, i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

### 2.8 Impairment of non-financial assets, except Goodwill

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Whenever the carrying amount of a property, plant and Equipment, right-of-use asset or intangible asset (except players' registration rights) exceeds its recoverable amount, an impairment loss is recognised in the statement of profit or loss caption 'Provisions and impairment losses excluding players' registration rights.

The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Fair value less costs to sell is the amount that would be obtained from the sale of an asset in an arm's length transaction between independent and knowledgeable parties, less costs of disposal. Value in use is the present value of estimated future cash-flow from the continue use of an asset



and from its disposal at the end of its useful life. Recoverable amounts are estimated for each asset individually.

Impairment losses recognised in prior years are reversed when it is concluded that the impairment losses previously recognised no longer exist or have decreased. This assessment is made whenever there is an indication that impairment losses previously recognised have been reversed. The reversal is recorded in the income statement caption 'Other income'. However, reversal of the impairment loss is recognised only up to the amount at which the asset would have been recorded (net of depreciation) had no impairment loss been recognised for that asset in prior years.

In the particular case of "Intangible assets - Players' registration rights", if it is estimated a loss on the recoverable amount of a player's registration rights ('impairment loss'), the corresponding impact is recognized in the income statement under the caption 'Amortization and impairment losses of players' registration rights. The recognition and quantification of such impairment losses consider the carrying amount of players' registration rights, as of 30 June 2021, of players whose employment contracts have been terminated up to the approval date of the consolidated financial statements, or that are in the condition of "players on loan", namely when the player is lent in its last year of contract, or also to subsequent losses that may be an indicator of impairment losses as at 30 June, in sale transactions of player's economic and registration rights of certain players, after the reporting date and until the date of approval of the financial statements. Beyond these conditions, in the recognition of impairment losses other factors are considered, such as the sport performance, injuries, approaches with a view of possible sales, among others.

## 2.9 Inventories

Inventories are registered at acquisition cost or net realizable value, whichever is lower, using the average cost as costing method.

Differences between cost and net realizable value, if negative, are shown as operating expenses under the caption 'Cost of sales'.

## 2.10 Provisions

Provisions are recognised when, and only when, the Group has a present obligation (legal or constructive) as result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of that obligation. Provisions are reviewed and adjusted at the end of the reporting period to reflect the best estimate as of that date. The provisions related to ongoing tax and legal processes are recognised in accordance with the risk assessment made by the Group, with the support and advice of its tax and legal consultants.



## 2.11 Financial instruments

### **Financial assets and liabilities**

Financial assets and liabilities are recognized in the consolidated statement of the financial position when the Group becomes party to the contractual provisions of the financial instrument.

Financial assets and liabilities are initially recorded at their fair value. Transaction costs directly attributable to the acquisition or issue of financial assets and liabilities (except for financial assets and liabilities measured at fair value through profit or loss) are added or deducted to the fair value of the financial asset or liability, as the case may be, in the initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or liabilities recognized at fair value through the income statement are immediately recorded in the consolidated income statement.

### **Financial assets**

All purchases and sales of financial assets are recognized on the date the respective purchase and sale agreements are signed, regardless of the financial settlement date. All financial assets recognized are subsequently measured at amortized cost, or at fair value, depending on the business model adopted by the Group and the characteristics of its contractual cash flows.

### **Classification of financial assets**

#### (i) Debt instruments and accounts receivable

The fixed income debt instruments and the accounts receivable that meet the following requirements are subsequently measured at amortized cost:

- the financial asset is held taking in consideration a business model whose purpose is to keep the asset to receive its contractual cash flows; and
- the contract terms of the financial asset give rise, on specific dates, to cash flows which are just payments of capital and interest over the outstanding principal amount.

The effective interest rate method is a method for calculating the amortized cost of a financial instrument and to allocate the respective interest during its term.

For financial assets which were not acquired or originated with impairment (i.e., impaired assets in the initial recognition), the effective interest rate is the rate that discounts exactly the estimated future cash flows (including fees and commissions paid or received that constitute an integral part of the effective interest rate, transaction costs and other premiums or discounts) during the expected life of the instrument in its gross carrying amount on the date of its initial recognition.

The amortized cost of a financial asset is the amount by which it is measured in the initial recognition minus the repayments of capital, plus the accumulated amortization, using the effective interest rate method, of any difference between that initial amount and the amount of its repayment, adjusted by potential impairment losses.



The income associated with interest is recorded in the consolidated income statement under the caption “Financial income”, through the effective interest rate method, for financial assets subsequently recorded at amortized cost or at fair value through profit or loss. The interest revenue is calculated by applying the effective interest rate to the gross carrying amount of the financial asset.

The debt instruments and the accounts receivable which meet the following requirements are subsequently measured at fair value through other comprehensive income:

- the financial asset is held taking in consideration a business model whose purpose allows both the receipt of its contractual cash flows and its disposal; and
- the contract terms of the financial asset give rise, on specific dates, to cash flows which are just payments of capital and interest over the outstanding principal amount.

(ii) Financial assets at fair value through other comprehensive income (debt instruments)

The Group measures debt instruments at fair value through other comprehensive income (OCI) if the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Group does not have financial assets classified in this category.

(iii) Financial assets designated at fair value through OCI (equity instruments)

In the initial recognition, the Group may irrevocably choose (on an instrument-by-instrument basis) to designate certain investments in equity instruments (shares) at fair value through other comprehensive income when they satisfy the definition of equity predicted within IAS 32 Financial Instruments: Presentation and are not held for trading. Classification is determined on an instrument-by-instrument basis.

The designation at fair value through other comprehensive income is not allowed if the investment is held for trading purposes or if it results from a contingent consideration recognized within the scope of a business combination.

An equity instrument is held for trading if:

- it is acquired essentially for purposes of short-term disposal.
- in the initial recognition, is part of a portfolio of identified financial instruments that the Group jointly manages and in which there is evidence of a recent real pattern of short-term profit generation; or
- if it is a derivative financial instrument (unless it is assigned to a hedging operation).



Investments in equity instruments recorded at fair value through other comprehensive income are initially measured at their fair value plus transaction costs. Subsequently, they are measured at fair value with the gains and losses resulting from its change recognized in other comprehensive income. At the moment of their disposal, the accumulated gain or loss generated by these financial instruments is not reclassified to the consolidated income statement but instead it is transferred to the heading of “Retained Earnings”.

The dividends associated with investments in equity instruments are recorded in the consolidated income statement in the moment they are attributed / declared, unless they clearly represent a recovery of part of the investment cost. The dividends are recorded in the consolidated income statement under the heading “Financial income”.

The Group does not have financial assets classified in this category.

#### (iv) Financial assets at fair value through profit or loss

Financial assets which do not meet the criteria for being measured at amortized cost or at fair value through other comprehensive income are measured at fair value through profit or loss. These assets include financial assets held for trading, financial assets designated at initial recognition to be measured at fair value through profit or loss or financial assets which are required to be measured at fair value.

Financial assets recorded at fair value through income statement are measured at fair value determined at the end of each reporting period, being the respective gains or losses recognized in the consolidated income statement, unless they are assigned to a hedging relationship.

The Group does not have financial assets classified in this category.

### **Derecognition**

Financial assets are derecognized when the contractual rights to the asset’s cash flows expire; when the Group has transferred substantially all risks and rewards of the asset to another entity; or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Group derecognizes financial assets when, and only when, the contractual rights to the cash flows have expired or have been transferred, and the Entity has transferred substantially all the risks and rewards of ownership of the asset. The cession of the right to receive the cash flows originated by the assets (for example: factoring) only gives rise to derecognition if the credit and default risks are transferred to the third party entity. Otherwise the value received from the assignment is treated as finance obtained.

### **Impairment of financial assets**

The expected credit loss model applies to: (i) debt instruments measured at amortized cost or at fair value through other comprehensive income, (ii) to the majority of loan commitments, (iii) financial guarantee contracts, (iv) to contractual assets within the scope of IFRS 15 and (v) finance lease receivables in the scope IFRS 16 – Leases.



Generally, entities are required to measure the loss allowance for financial instrument at an amount equal to 12-month expected credit losses or lifetime, depending on whether the credit risk on a financial instrument has increased significantly since initial recognition (or when the commitment or guarantee were celebrated). For trade receivables that do not contain a significant financing component and depending on the accounting policy choice of an entity in regard of other receivables from customers and account receivables from leases, a simplified approach may be applied, in which the lifetime expected credit losses are always recognized.

The measurement of expected credit losses of a financial instrument should reflect an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and be based on reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forward-looking economic conditions.

The main balances with customers may contain a significant financing component and respect to the transaction of players with other football clubs and other transactions related with the sale of TV broadcasting rights, advertising, and sponsorship. An individual analysis of those receivables is performed, which considers the specific situation of each customer, the guarantees held by the Group and other aspects as the fact that the existence of debts to football clubs restricts its licencing process to the UEFA and national competitions. In the assessment of the need for impairment, it was considered forecast of future economic conditions and the time value of money, factors that did not have material impacts.

### **Cash and Cash Equivalents**

"Cash and cash equivalents" in the consolidated statement of financial position includes cash, bank deposits and other short-term highly liquid investments with original maturities of up to three months. Bank overdrafts are presented in current liabilities under "Bank loans" in the statement of financial position, and are considered in the preparation of the consolidated statement of cash flows as "Cash and cash equivalents".

### **Classification of financial liabilities**

#### **(i) Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

The Group does not have financial liabilities classified in this category.

#### **(ii) Financial liabilities at amortised cost**

After initial recognition, trade payables and other accounts payable, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate



method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the effective interest rate amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit or loss

### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a present enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## **2.12 Contingent assets and liabilities**

Contingent assets are possible assets arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the full control of the Group. Contingent assets are not recorded in the consolidated financial statements but disclosed when future economic benefits are probable.

Contingent liabilities are defined by the Group as (i) possible liabilities arising from past events, the existence of which will only be confirmed by the occurrence, or not, of one or more uncertain future events not under full control of the Group, or (ii) present obligations arising from past events, but which are not recognised because it is unlikely that there will be an outflow of financial benefits to settle the obligation, or the amount of the obligation cannot be reliably measured.

Contingent liabilities are not recorded in the consolidated financial statements. Instead, they are disclosed in the notes to the financial statements, unless the probability of a cash outflow is remote, in which case, no disclosure is made.

## **2.13 Income tax**

The below mentioned group of companies, which is dominated by Futebol Clube do Porto – Futebol, S.A.D., has been taxed in accordance with the special regime for taxation of group companies ('Regime Especial de Tributação de Grupo de Sociedades' – 'RETGS'). The companies included in the tax group, as at 30 June 2022, and taxed according to 'RETGS', are as follows:

Futebol Clube do Porto – Futebol, S.A.D.

PortoComercial – Sociedade de Comercialização, Licenciamento e Sponsorização, S.A.





PortoEstádio, Gestão e Exploração de Equipamentos Desportivos, S.A.  
PortoSeguro - Sociedade Mediadora de Seguros do Porto, Lda.  
Dragon Tour – Agência de Viagens, S.A.  
FCP Media, S.A.  
Avenida dos Aliados – Sociedade de Comunicação, S.A.  
Miragem – Produção Audiovisual, S.A.

Income tax for the year is determined based on the taxable results of the companies included in the consolidation and takes into consideration deferred taxation.

In accordance with current legislation, the Company's tax returns are subject to review and correction by the Tax Administration for a period of four years (five years for Social Security), except when there have been tax losses, tax benefits have been granted, or inspections, claims or challenges are in progress, in which cases, depending on the circumstances, the deadlines are extended or suspended. In this context, the tax situation for the years ended June 30, 2018 to June 30, 2021 may still be subject to review and possible corrections. It should also be taken into account what is referred to in Notes 19 and 31.2 with respect to inspections, claims and challenges in progress.

The Board of Directors of the Company believe that any adjustments resulting from review by the Tax Administration and the tax situation for tax-businesses, for the years open for inspection, should not have a significant effect on the consolidated financial statements.

Under Article 88 of the Corporate Income Tax Code the Group is subject to additional taxation on a separate set of charges at the rates provided for in the mentioned article.

Deferred taxes are calculated using the balance sheet liability method and reflect the temporary differences between the amount of assets and liabilities for accounting purposes and the corresponding amounts for tax purposes. Deferred taxes are calculated and annually evaluated using the tax rates expected to be in force or announced at the time the temporary differences are reversed.

Deferred tax assets are only recorded when there is reasonable expectation that sufficient taxable profits will arise in the future to allow such deferred tax assets to be used or when there are temporary taxable differences that compensate temporary tax-deductible differences in the period they reverse. At the end of each period the Group reviews the deferred tax assets and reduces them whenever their realisation ceases to be likely.

## 2.14 Revenue

The Group recognizes revenue in accordance with IFRS 15, which establishes that an entity recognizes revenue to reflect the transfer of goods and services contracted by the customers, for an amount corresponding to the compensation that the Group expects to receive in exchange for such goods and services, on the basis of a 5-step model:

- Identifying the contract with the customer;
- Identifying performance obligations;
- Determining the transaction price;
- Allocating the transaction price to performance obligations; and



- Recognising revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognized net of bonuses, discounts and taxes (Example: commercial discounts and quantity discounts) and refers to the consideration received or to be received from the goods and services sold.

The Group considers all facts and circumstances when analyze the terms of each contract with customers, applying the requirements that determine the recognition and measurement of revenue on a harmonized way, when it refers to contracts with similar characteristics and in similar circumstances.

a) Bonuses for participation in European Competitions

Bonuses distributed by UEFA regarding the participation in the football European competitions are recognized in the period in which such participation is effective. Bonuses related to the performance in the matches of the European football competitions are recognised in the period when those matches take place.

b) Broadcasting rights, advertising and sponsorship

Revenue from broadcasting rights of football matches, sponsorship and advertising is recognized over the period of duration of the respective agreements. The beginning of the agreement generally matches the beginning of the satisfaction of the performance obligation through transfer (moment when the client acquires control of the asset). Revenue is recognized over time because the client receives and consumes simultaneously the benefits inherent to the performance of the entity as it performs its activity.

c) Ticket sales revenue

Ticket sales are recognized as revenue in the moment that the tickets are sold, and the relative matches are played. Revenue from the sale of season tickets (which grant access to a number of matches – usually 21 matches – during the sport season) is recognized over the sport season in the moment where the matches are played, being the revenue allocated proportionally.

d) Merchandising

Revenue from the sales of goods (merchandising products) is recognised net of taxes, discounts and other costs inherent to the sale, for the fair value of the consideration received or to be received. Revenues from the sale of goods are recognized in the income statement when the goods are transferred to the buyer and the amount of the sale can be reasonable quantified.

## 2.15 Accrual basis

Income and expenses are recorded in the period to which they relate, regardless of their date of payment or receipt. Differences between the amounts received or paid and the corresponding income and expenses are recognised in captions 'Other non-current assets', 'Other current assets', 'Other current liabilities' and 'Other non-current liabilities'.



## 2.16 Post-employment benefits

The Group grants to certain employee's a retirement complement benefit that configures a defined benefit plan.

In order to estimate the obligation related to these benefits, an actuarial calculation was performed using the "Projected Unit Credit Method". Actuarial gains and losses are recorded in the statement of profit and loss and other comprehensive income in the year they occur, as defined in IAS 19.

Pension liabilities are recognized on the balance sheet date under the caption "Liabilities for post-employment benefits " and represent the present value of obligations for defined benefit plans, adjusted for actuarial gains and / or liabilities for past services not recognized.

## 2.17 Foreign currency balances and transactions

All foreign currency assets and liabilities are translated to Euros at the official year-end exchange rates. Exchange gains and losses resulting from differences between the exchange rates in force on the date of the transactions and those in force on the date of collections, payment or the end of the reporting period are recognised as gain or loss in consolidated statement of profit or loss.

## 2.18 Segment information

In each period, the Group's most adequate applicable segments are identified considering the developed activities.

Information regarding income by business segment is included in Note 33.

## 2.19 Subsequent events

Events after the end of the reporting period that provide additional information on conditions existing at the end of the reporting period (adjusting events), are reflected in the consolidated financial statements. Events after the end of the reporting period that provide information about conditions arising after the end of the reporting period (non-adjusting events), when material, are disclosed in the notes to the financial statements (Note 36).

## 2.20 Judgments and estimates

In the preparation of the accompanying consolidated financial statements judgments and estimates were made and several assumptions were used that affected the value of the assets and liabilities presented, as well as the presented amounts of revenues and expenses for the period.

Estimates used and underlying assumptions were determined based on the best information available of the ongoing events and transactions, at the approval date of these financial statements, as well as based on best knowledge of past and present events. However, not



foreseeable situations may occur in subsequent periods, which were not considered in these estimates. Changes to these estimates that occur in subsequent periods will be prospectively corrected. For this reason and considering the uncertainty level incorporated, actual results of these transactions may differ of the corresponding estimates.

The most significant accounting estimates reflected in the consolidated income statements include:

a) Useful lives of property, plant and equipment and intangible assets

The useful life of an asset is the period during which an entity estimates that such asset is available for its use and should be revised at least at the end of each reporting period. The amortization/depreciation method to apply to estimated losses from the replacement of equipment before the end of its useful life, for reasons of technological obsolescence, is essential to determine the effective useful life of an asset. These parameters are defined in accordance with management's better estimate of the assets and businesses, also considering the practices adopted by entities within the same sector in which the Group operates.

b) Impairment of intangible assets – players' registration rights

Impairment of intangible assets – players' registration rights is analysed when there are facts or circumstances that indicate that its carrying amount is not recoverable.

As referred in Note 2.8, the analysis of the impairment losses estimate of players' registration rights includes a set of variables, such as termination of sport employment contracts and players' loans.

c) Impairment of goodwill

The Group performs annual impairment tests over Goodwill and whenever there is an indication that goodwill may be impaired. The recoverable amounts of cash generating units are determined based on its value in use. The utilization of this methodology requires the estimate of future cash-flows from the operations of each cash generating unit and the utilization of an appropriate discount rate.

d) Impairment of accounts receivable

An individual analysis of the main receivables is performed, which considers the specific situation of each customer, the guarantees held by the Group and other aspects as the fact that the existence of debts to football clubs restricts its licencing process to the UEFA and national competitions. In the assessment of the need for impairment, in accordance with the ECL model it was considered forward-looking economic conditions and the time value of money, factors that did not have material impacts.

The process of evaluating impairment losses is subject to several estimates and judgments, and certain circumstances and facts exist that may change the estimate of impairment losses on accounts receivable. In particular, in the case football clubs reiterate in the failure to pay, FIFA foresees in its regulations sanctions that may range from the application of fines, preventing the registration of players and other disciplinary sanctions.



e) Provisions

The evaluation of the estimates considered by management to constitute provisions and to disclose contingent liabilities results from the best information available at the date of approval of the financial statements.

3. FINANCIAL RISK MANAGEMENT

In addition to the risks inherent to the results of the sports' activity and its' impacts on the economic results and on the assets' valuation, the Group's activity is also exposed to a variety of financial risks, such as market risk, credit risk and liquidity risk. These risks are the result of the uncertainty inherent to the financial markets, which is reflected in the capacity to estimate future cash-flows and returns. The Group's risk management policy seeks to minimize any adverse effects arising from these uncertainties characteristic of financial markets.

3.1 Market risk

a) Interest rate risk

The interest rate risk primarily results from loans indexed to variable interest rates.

The Group's debt is indexed to fixed (mainly from borrowings and factoring) and variable interest rates, exposing the cost of debt to a risk of volatility. In spite of the high level of debt, the impact of such volatility in the profits and equity of the Group is considered insignificant given the weight of debt with variable interest rate versus fixed interest rate debt.

Considering that the interest rate risk is not significant, the Group does not usually enter into derivative financial instrument for the purpose of hedging this risk.

As of June 30, 2022 and 2021, the Group has a gross debt of 280.154 thousand Euros and 300.505 thousand Euros, respectively, divided between current and non-current loans (Notes 19) contracted with several institutions and other investors ("Other creditors").

Interest rate sensitivity analysis

The sensitivity analysis presented below was determined based on the Group's exposure to changes in interest rates on financial instruments, with reference to the debt at the 2021/2022 period. For financial instruments, the analysis was prepared considering that changes in market interest rates affect the financial income or cost of financial instruments indexed to variable interest rates.

The analysis performed indicated that if Euribor had been 50 basis points higher and the other variables held constant, the financial charges for the years ended June 30, 2022 and June 30, 2021 would not increase significantly, since most of the financing is fixed rate.



b) Exchange rate risk

In its operating activity, the Group carries out some transactions denominated in currencies other than Euros, namely transactions of players' registration rights. However, such transactions in foreign currency have historically been insignificant, being the vast majority contracted in Euros, and residually in U.S. dollars. Thus, the Group does not use derivatives for hedging, namely exchange rates forwards.

3.2 Credit risk

The Group's exposure to credit risk is mainly related with accounts receivable arising from the sale of players' registration rights and other transactions related with the Group's activity, namely the sale of broadcasting rights, advertising and various sponsorships. The credit risk refers to the risk of the counterparty defaulting on its payment contractual obligations, resulting in a financial loss to the Group.

In the particular case of accounts receivable from football clubs, related to the sale of players' registration rights, the risk is mitigated by the fact that the existence of overdue outstanding balances to other clubs resulting from these transactions may affect the club's licencing to the UEFA and Portuguese League competitions. In addition, there is also the possibility of presenting a formal complaint to FIFA. In such cases, the non-complying clubs are notified by the international organization to proceed with the payment. If clubs reiterate in the failure to comply, FIFA foresees in its regulations sanctions that may range from the application of fines, preventing the registration of players and other disciplinary sanctions.

The objective of this risk management is to ensure the effective credit collections on established deadlines without affecting the Group's financial stability. The evaluation of this risk is made on a regular basis, and the management's goal is (a) to evaluate the counterparty in order to assess its ability to pay the debt, (b) to monitor the evolution of the amount of trade receivables, and (c) to perform an impairment analysis of accounts receivables on a regular basis.

The Group does not consider there is significant credit risk with any entity in particular, or with a group of entities with similar characteristics, to the extent that accounts receivables are spread across various customers and different geographical areas. The Group asks for credit guarantees, when the financial position of the client recommends so. For customers with higher credit risk, or when the account receivable is greater than normal, these guarantees should be bank guarantees.

Impairment losses related to accounts receivables are calculated taking into consideration: (a) the client's risk profile, (b) the term of collection of each contract, which differs in each line of business, and (c) the customer's financial conditions. Changes in accumulated impairment losses for the years ended 30 June 2022 and 2021 are disclosed in Note 23.

As of 30 June 2022 and 2021, the Group considers that there is no need to book additional impairment losses besides the amounts recorded on those dates and summary disclosed in Note 23.



### 3.3 Liquidity risk

Liquidity risk is defined as the risk of the Group fails to settle or accomplish its obligations on stipulated time and reasonable price. The existence of liquidity implies that management parameters are set which maximize the return and minimize the opportunity costs associated with the liquidity in a safe and efficient manner.

This risk management in the Group aims to:

- Liquidity - ensure the permanent and efficient access to funds to meet correct payments to the respective due dates.
- Security - minimize the probability of default in the refund of any application of funds; and
- Financial efficiency - minimise the cost of opportunity of excessive short-term liquidity.

The Group aims to make compatible the due dates of assets and liabilities through an active management of its maturities. Normally, each contract loan is guaranteed by a receivable account balance (due to player's registration rights sale, or due to receivables amounts related to European competitions bonuses and broadcasting rights); additionally, usually, the maturity dates of such loans match the due dates of the accounts receivables.

The information considered in the notes to the consolidated financial statements, regarding the maturity analysis of financial liabilities includes the due amounts, not discounted, and based upon the worst-case scenario, which is, the shortest period in which the liability becomes due, assuming the compliance of all requirements set contractually.

Regarding liquidity risk, although the Group's financial statements show, on June 30, 2022, total equity attributable to shareholders of the Parent Company as negative by approximately 169 million Euros (190 million Euros on June 30, 2021) and negative working capital by approximately 135 million Euros (128 million Euros on June 30, 2021), it is the belief of the Board of Directors of FC Porto, SAD, supported on annual treasury budgets, that based on (i) the financing obtained in the meantime or in the process of formalization, (ii) the renegotiation of maturities of current financing, and, finally, (iii) the forecast of the possible financial receipt and / or financing of credits secured with the sale of sports rights of players, as has been the practice in previous years, this risk is properly mitigated.

It should also be noted that of the total loans, 186 million euros are related to the anticipation (factoring) of accounts receivable from the sales of players' registration rights and future revenues (UEFA, television rights and annual seats), and of these, 39 million euros have correspondence in the Customers' item (those related to accounts receivable from the sales of players' registration rights).

The accumulation of operating deficits has triggered circumstantial treasury constrains. The treasury budgets are consistent with the measures oriented towards the medium and long-term budget balance objective.

### 3.4 Regulatory risk – “Financial Fair Play”

FCP, SAD is subject to the licensing system for admission of football clubs in participating on UEFA organized competitions: "UEFA Club Licensing and Financial Fair Play Regulations".



This regulation governs the rights, duties and responsibilities of all parties involved in the club licensing system for participation in the UEFA competitions and sets in particular the sport's related to infrastructures, administrative and staff-related, legal and financial minimum criteria to be met by a sports company in order to obtain a license to participate in UEFA club competitions as part of the admission process to the competition.

According to this system FCP SAD, will have to meet a set of requirements, among which the following stands out:

1. Inexistence of overdue and unpaid debts (i) with football clubs regarding the players' registration rights transfers and (ii) towards employees and/or tax authorities and social security;
2. Verification of an equilibrium ("breakeven") between the relevant revenues and relevant costs, which the acceptable accumulated deviation raises to a 5 million Euros for a monitoring period equivalent to the sum of three exercises (the three previous seasons, except the first year of application of this criteria (season 2013/2014) in which it was considered only two seasons). However, this negative deviation may be exceeded if such excesses are fully covered by equity contributions from shareholders or and / or related parties:
  - Seasons of 2013/14 and 2014/15: 45 million Euros;
  - From season 2015/16 onwards: 30 million Euros.

The sanctions for non-compliance with these rules may include (i) warnings, (ii) fines, (iii) retention of premiums paid and, ultimately, (iv) the prohibition to participate in UEFA's organized competitions.

Taking into account the results obtained in the financial years 2013/14, 2014/15 and 2015/16, the aggregate result of break even in 2013/14 to 2015/16 monitoring period of FC Porto, SAD, shows a deficit above the acceptable deviation.

As a result of negotiations with UEFA, FC Porto SAD signed on 9 June 2017 a Settlement Agreement with the UEFA Club Financial Control Body in accordance with which, beyond the application of a fine in the amount of 700.000 Euros, a set of requirements and obligations have been established, in order to lead FC Porto to financial re-balancing, and therefore to the fulfilment of Financial Fair Play rules. The primary purpose of the agreement is to ensure that the club is break-even compliant at the latest in the Monitoring Period of 2020/2021, i.e. the club's aggregate break-even result for the seasons of 2017/2018, 2018/2019 and 2019/2020 must be a surplus or a deficit within the acceptable deviation.

Exceptionally, and considering that Covid-19 Pandemic has caused an interruption of the normal economic activities, with impact in the operational revenues of the football clubs, with a significative reduction / deferral of those operational revenues, UEFA has determined the possibility of postpone the assessment of 2019/2020 year by one year, in order to allow the assessment of that year together with year 2020/2021, also allowing the adjustment of average amounts, with reference to the 2018/2019 accounts. Thus, the Settlement Agreement signed by FC Porto SAD will be extended by one more year, and therefore FC Porto SAD will be required to be "Break-even compliant" only in the "Monitoring Period" of 2021/2022, analyzing the aggregate break even result for the seasons 2017/2018, 2018/2019, 2019/2020 and 2020/2021.





On 11 March 2022, UEFA, through the Club Financial Control Body (CFCB), pronounced on the Settlement Agreement stating that FC Porto SAD "met the overall objectives" that were part of the commitment and that all measures of articles 3 and 5 of the Settlement Agreement cease for the 2022/2023 season. However, due to the restatement of the financial statements for the year ended June 30, 2021 (See Note 2) the period of analysis was extended to the current year, thus considering the aggregate break-even result of the 2018/2019, 2019/2020, 2020/2021 and 2021/2022 seasons. Considering the results achieved in this last fiscal year, the goal was largely met, which will be formally transmitted to the competent authorities, and FC Porto SAD is convinced that it meets the conditions to fully comply with the conditions of the mentioned agreement.

Currently, FC Porto SAD is licensed and already participating in the European competitions of 2022/2023 season.

### 3.5 Sports activities risk

FC Porto, SAD has its main activity linked to participation in national and international competitions of professional soccer. The Company is therefore dependent on the existence of these sports competitions, the maintenance of its participation rights, the maintenance of the value of the prizes paid in these competitions and the sports performance achieved by its professional soccer team, including the possibility of qualifying for European competitions, mainly in the UEFA Champions League. In turn, the sports performance can be affected by the sale or purchase of sports rights of players considered essential to the sports performance of the team of FC Porto, SAD.

FC Porto, SAD, as provided for in the activity of sports companies, regularly sells the registrations of its players. In the acquisition of each player, there is no guarantee that the value of a potential sale corresponds to its fair value or even that there are buyers interested in acquiring the registration of a particular player. As usual in its activity, FC Porto, SAD has the registration rights of players that can be sold at any time, and in case of sale of these, there may not be found players to replace the sold players, ensuring at least the same level of performance.

A significant part of the operating income of FC Porto, SAD results from contracts for broadcast television rights of soccer games and advertising contracts. These revenues are dependent on the media and sports projection of the main soccer team as well as the negotiating capacity of FC Porto, SAD in relation to the entities to which the exploitation rights of those activities are assigned. Additionally, FC Porto, SAD is dependent on the ability of the counterparties of those contracts to comply with the agreed payments and, in the limit, to be able to find other entities competing with those on the market.

The costs related to the set of soccer players of FC Porto, SAD assume a critical weight in their operating accounts. The profitability and economic and financial balance of the Company are, therefore, significantly dependent on the ability of the Board of Directors of FC Porto, SAD to ensure a moderate evolution of average costs per player and the rationalization of the number of players, especially considering the criteria of Financial Fair Play defined in point 3.4.



#### 4. CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND ERRORS

During the current year, there were no changes in estimates or errors related to previous years, neither changes in accounting policies, with the exception of that referred to in the opening paragraph of Note 2.

#### 5. SUBSIDIARIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Entities included in the consolidation through the full consolidation method, their head offices, the percentage of share capital held by the Group and their activity as at 30 June 2022 and 2021 are as follows:

Company	Head Office	Activity	% share capital held 30.06.2022	% share capital held 30.06.2021
Futebol Clube do Porto – Futebol, S.A.D.	Porto	Participation in professional football competitions, promotion and organization of sports events	Parent company	Parent company
PortoComercial – Sociedade de Comercialização, Licenciamento e Sponsorização, S.A. (“PortoComercial”)	Porto	Image rights commercialization, sponsoring, merchandising and products licencing	93,5%	93,5%
F.C.PortoMultimédia - Edições Multimédia, S.A. (“PortoMultimédia”)	Porto	Editing, production and commercialization of multimedia material and to the internet, periodical and non-periodical publications	69,35%	69,35%
PortoEstádio – Gestão e Exploração de Equipamentos Desportivos, S.A. (“PortoEstádio”)	Porto	Sport equipment management and exploration	100%	100%
PortoSeguro - Sociedade Mediadora de Seguros do Porto, Lda. (“PortoSeguro”)	Porto	Insurance brokerage	90%	90%
Dragon Tour, Agência de Viagens, S.A.	Porto	Organization and sale of travel and tour packages; ticket and seat reservation; representation of other travel agencies and tourism	93,53%	93,53%
FC Porto – Media, S.A.	Porto	Concept, design, development, production, direction, promotion, marketing, acquisition, exploration rights, recording, distribution and dissemination of works and audio-visual programs, multimedia, television, video, cinema, theme, internet, channels, touristic events, cultural and sporting in any formats	98,81%	98,81%



		and systems; managing, operating and providing services in the areas of recording, production and communication of audio-visual works, television shows, sounds, images, multimedia and any other audio-visual; edition of periodical publishing, books and multimedia		
Euroantas, Promoção e Gestão de Empreendimentos Imobiliários, S.A. ("Euroantas") (a)	Porto	Exploration of real estate assets, namely of "Estádio do Dragão"	47%	47%
Avenida dos Aliados, Sociedade de Comunicação, S.A ("Avenida dos Aliados") (b)	Porto	Exploration of the cable television channel "Porto Canal".	81,42%	81,42%
Miragem – Produção audiovisual S.A. ("Miragem") (b)	Porto	Production and execution of advertising, news reports, documentaries and TV programs, in video support	81,42%	81,42%

- (a) On 22 October 2014 FC Porto SAD acquired a stake equivalent to 47% of the share capital of Euroantas to FC Porto (Club). The Board of Directors of FC Porto, SAD understood that, by acquiring this participation and by having passed to control the financial and operating policies of Euroantas, FC Porto SAD holds control over Euroantas; as such this entity became part of the consolidation perimeter as from that date.

## 6. CHANGES TO THE CONSOLIDATION PERIMETER

During the year ended 30 June 2022, there were no changes to the consolidation perimeter.

## 7. TANGIBLE AND OTHER INTANGIBLE ASSETS

During the years ended 30 June 2022 and 2021, the movements in tangible and other intangible assets, as well as depreciation and accumulated impairment losses, were as follows:

	Tangible Assets						
	30.06.2022						
	Land and Natural Resources	Buildings and Other Constructions	Machinery and Equipment	Transport Equipment	Administrative Equipment	Other Tangible Assets	Tangible Assets in Progress
<b>Cost:</b>							
Opening Balance (30/06/2021)	13 870 247	132 712 089	43 151 256	964 079	2 468 053	383 303	598 257
Additions	-	-	57 510	-	-	-	24 961
Closing Balance (30/06/2022)	13 870 247	132 712 089	43 208 766	964 079	2 468 053	383 303	623 217
<b>Accumulated Depreciations and impairment losses:</b>							
Opening Balance (30/06/2021)	-	40 836 266	25 029 283	933 552	2 447 426	293 986	-
Depreciation charge for the year	-	3 021 638	1 032 561	7 111	4 524	-	-
Closing Balance (30/06/2022)	-	43 857 904	26 061 844	940 664	2 451 950	293 986	-
<b>Net Book Value</b>	<b>13 870 247</b>	<b>88 854 186</b>	<b>17 146 922</b>	<b>23 415</b>	<b>16 103</b>	<b>89 317</b>	<b>623 217</b>



		Tangible Assets						
		30.06.2021						
		Land and Mineral Resources	Buildings and Other Constructions	Machinery and Equipment	Transport Equipment	Administrative Equipment	Other Tangible Assets	Tangible Assets in Progress
<b>Cost:</b>								
Opening Balance (30/06/2020)		13 870 247	132 712 089	43 105 114	964 079	2 468 053	383 303	598 257
Additions		-	-	46 143	-	-	-	-
Closing Balance (30/06/2021)		13 870 247	132 712 089	43 151 256	964 079	2 468 053	383 303	598 257
<b>Accumulated Depreciations and impairment losses:</b>								
Opening Balance (30/06/2020)		-	57 814 628	23 821 845	925 587	2 441 777	292 499	-
Depreciation charge for the year		-	3 021 638	1 307 438	7 656	5 650	1 487	-
Closing Balance (30/06/2021)		-	60 836 266	25 129 283	933 243	2 447 426	293 986	-
<b>Net Book Value</b>		13 870 247	71 875 823	18 021 973	30 526	20 627	89 317	598 257

		Other Tangible Assets		
		30.06.2022		
		Industrial Property	Other	Total
<b>Cost:</b>				
Opening Balance (30.06.2021)		1 995 192	380 613	2 375 804
Closing Balance (30.06.2022)		1 995 192	380 613	2 375 804
<b>Accumulated Depreciations and impairment losses:</b>				
Opening Balance (30.06.2021)		483 698	351 025	834 723
Amortization in charge for the year		20 153	7 690	27 844
Closing Balance (30.06.2022)		503 852	358 715	862 567
<b>Net Book Value</b>		1 491 340	21 897	1 513 237

		Other Tangible Assets		
		30.06.2021		
		Industrial Property	Other	Total
<b>Cost</b>				
Opening Balance (30.06.2020)		1 995 192	380 613	2 375 804
Closing Balance (30.06.2021)		1 995 192	380 613	2 375 804
<b>Accumulated amortization and impairment losses:</b>				
Opening Balance (30.06.2020)		483 545	343 335	806 879
Amortization in charge for the year		20 153	7 690	27 844
Closing Balance (30.06.2021)		503 698	351 025	834 723
<b>Net Book Value</b>		1 511 493	29 588	1 541 081

The caption 'Industrial property' relates to the right to use the "FCP" trademark, acquired in 1996, for a period of 99 years, and is being amortized over that period. Recent valuations indicate that the fair value of this asset is significantly above its carrying amount.



## 8. INTANGIBLE ASSETS – PLAYERS' REGISTRATION RIGHTS

During the financial years ended 30 June 2021 and 2020, the movement in 'Players' registration rights' as well as amortization and accumulated impairment losses, was as follows:

	Intangible Assets 'Players' Registration Rights			
	30.06.2022	30.06.2021	Adjustments	30.06.2021 (restated)
<b>Cost:</b>				
Opening Balance	167 518 736	171 273 263	-	171 273 263
Acquisitions	30 179 520	78 667 652	(14 129 910)	64 537 742
Sales	(23 944 378)	(57 083 592)	-	(57 083 592)
Transfers (Note 9)	(430 180)	(1 881 923)	-	(1 881 923)
Disposals	(15 080 280)	(9 326 753)	-	(9 326 753)
Closing Balance	158 243 419	181 648 646	(14 129 910)	167 518 736
<b>Accumulated amortization and impairment losses:</b>				
Opening Balance	71 590 208	95 129 491	-	95 129 491
Amortization in charge for the year	34 019 568	29 843 687	-	29 843 687
Impairment losses for the year	4 719 193	18 790	-	18 790
Sales	(18 650 812)	(37 093 876)	-	(37 093 876)
Disposals	(12 799 468)	(8 037 609)	-	(8 037 609)
Impairment losses utilization	(18 790)	(8 270 276)	-	(8 270 276)
Closing Balance	78 859 899	71 590 208	-	71 590 208
<b>Net Book Value</b>	<b>79 383 520</b>	<b>110 058 438</b>	<b>(14 129 910)</b>	<b>95 928 528</b>

As disclosed in Note 2, following the change in the accounting policy applicable to transactions of acquisition and sale of sports rights of players with the same counterparty, when there is no quantitative corroborative evidence, supported by valuation techniques, to demonstrate that the fair value can be reliably measured, the acquired intangible assets (rights over players' registrations) must be measured at the carrying amount of the intangible assets that were given. As a result, the net amounts including the effect of the financial discount of 11.3 million euros and 2.8 million euros related respectively to the acquisition of the players Romain Correia and João Mendes were derecognized with reference to the period ended June 30, 2021.

### Acquisitions

The main acquisitions made in the year ended 30 June 2022, in amount, can be summarized as follows:

Player	% economic rights	Acquisition Date	Vendor	Contract end date	Acquisition Cost	Additional Expenses	Financial Update Effect	Total acquisition cost
Grujic	100%	jul/21	Liverpool FC	jun/26	9 000 000	1 500 000	(1 124 022)	9 375 978
Galeno	100%	jan/22	Sporting Clube de Braga - Futebol, SAD	jun/26	9 913 779	50 000	(946 406)	9 017 373
Wendell	90%	ago/21	Bayer Leverkusen	jun/25	4 302 106	-	(328 697)	3 973 409
Bruno Costa	50%	jul/21	Portimonense Futebol, SAD	jun/24	2 500 000	221 166	(104 945)	2 616 221
Fábio Cardoso	100%	jul/21	Santa Clara Açores - Futebol, SAD	jun/26	2 200 000	110 000	(163 328)	2 146 672
Outros					399 576	2 650 291	-	3 049 867
Net amount					28 315 461	4 531 457	(2 667 398)	30 179 520



The caption "Additional expenses" refers to expenses related to the purchase of players' registration rights, namely charges for intermediation services, legal services, signing-on fees paid directly to the players, among other expenses related to the acquisition of the economic rights. It also includes the effect of discounting medium-term accounts payable originated by these transactions. In the line "Others", the "Additional charges" relate essentially to the renewal of the employment contract of the player Sérgio Oliveira.

It should be noted that in situations where the registration is less than 100%, although the Company is entitled to full use of the player's registration, it has entered into an associated financial interests contract with a third party, which consists of an investment partnership in the registration rights, resulting in the proportional sharing of the inherent results in a future transaction of these rights, if it happens (see Note 35.3).

The main acquisitions made in the year ended 30 June 2021, in amount, can be summarized as follows:

Player	% economic rights	Acquisition Date	Vendor	Contract end date	Acquisition Cost	Additional Expenses	Financial Update Effect	Total acquisition cost
Otávio	n/a	mar/21	n/a	jun/25	-	19 308 333	(2 362 671)	16 945 662
Pepê	100,0%	fev/21	Grêmio Foot-Ball Porto Alegrense	jun/26	15 397 192	2 400 000	(1 014 152)	16 783 040
Evanilson	80,0%	set/20	Tombense FC	jun/25	8 797 034	600 000	(698 404)	8 698 630
Taremi	85,0%	ago/20	Rio Ave FC - Futebol, SDUQ, Lda	jun/24	4 725 000	400 000	(237 584)	4 887 416
Zaidu	100,0%	ago/20	Santa Clara Açores - Futebol, SAD	jun/25	4 000 000	500 000	(224 238)	4 275 762
Manafá	40,0%	jan/21	Portimonense Futebol, SAD	jun/23	4 000 000	-	(308 597)	3 691 403
Toni Martínez	75,0%	out/20	FC Famalicão - Futebol, SAD	jun/25	3 200 000	362 625	(128 700)	3 433 925
Valor líquido					43 311 630			64 537 742

The charges for intermediation services related with the acquisition of players' registrations referred to above carried out in the years ended 30 June 2022 and 2021, as well as with the negotiation and renegotiation of employment contracts with players, amounted to a total of 1.885.000 Euro and 10.257.700 Euro, respectively.

In the year ended June 30, 2022, the intermediation services were provided, essentially, by the following entities: Butcher Kennedy Consulting SL, SF Football Iberia, Lda., PP Sports, Lda., XekTalent, Lda., ROOF GmbH, Gestifute - Gestão de Carreiras de Profissionais Desportivos, S.A., Global Sports Dubai DWC LLC, Yes Sports, Lda., Regufe Sports & Management, Lda.

In the year ended June 30, 2021, the intermediation services were provided, essentially, by the following entities: Gestifute - Gestão de Carreiras de Prof. Desp. SA, STV - Soccer Talents Vision, Lda, N1-Gestão de Carreiras Desportivas, Lda, Sufi Life SL, Talents Throne, Lda., Time Sports, Ltda, Bertolucci Acessoria e Propaganda Esportiva Ltda, WMG Portugal Lda., XekTalent Lda., MNM - Sports Management, Lda., MC Manager, Gestão de Carreiras Desportivas, CDR Sports Management, Footconect Management Agency, Positionnumber Unipessoal, Chab Marketing Esportivo Eireli.

The amount of the acquisitions of players' registrations in the years ended June 30, 2022 and 2021, considers the effects of the financial actualization, when applicable, in the amount of, approximately, 2.667.398 Euro and 5.236.607 Euro, respectively, referring to the installment that is due in the medium term of the accounts payable relating to the acquisition of players' registrations, namely Marko Grujic, Galeno, Wendell, Bruno Costa e Fábio Cardoso.



## Sales

Sales in the year ended June 30, 2022, which generated net capital gains of 90.526.485 Euro (Note 28), resulted, essentially, from:

(a) the sale of the sporting registration rights of the player Vitinha to Paris Saint-Germain Football Club, for the amount of 41.525.000 Euros, which generated a capital gain of 35.476.171 Euros, after deducting the overall amount of 6.048.829 Euros related to: (i) effect of the financial updating of the medium-term receivables originated by this transaction; (ii) costs with intermediation services provided by Gestifute - Gestão de Carreiras Desportivas, S.A.;

(b) the sale of the sporting registration rights of the player Fábio Vieira to Arsenal Football Club, for the amount of 35.000.000 Euro, which generated a capital gain of 28.864.102 Euro, after deduction of a total amount of 6.135.898 Euro related to: (i) effect of the financial updating of the medium-term receivables originated by this transaction; (ii) costs with intermediation service provided by Gestifute - Gestão de Carreiras Desportivas, S.A.;

(c) the sale of the sporting registration rights of the player Luis Diaz to Liverpool Football Club, for the amount of 45.000.000 Euro, which generated a capital gain of 24.918.883 Euro, after deducting the overall amount of 20.081.117 Euro related to: (i) effect of the financial updating of the medium-term receivables originated by this transaction; (ii) costs with intermediation service provided by Passion Sports Management SAD; (iii) liabilities with the solidarity mechanism ; (iv) proportion of the sale value of the pass held by third parties (20%); (v) net value.

(d) the sale of the sporting registration rights of the player Tecatito Corona to Sevilla Fútbol Club, for the amount of 3.000.000 Euro, which generated a capital gain of 713.991 Euro, after deducting the overall amount of 2.286.009 Euro related to: (i) effect of the financial updating of the medium-term receivables originated by this transaction; (ii) costs with intermediation service provided by Laco Sports Ltd; (iii) proportion of the sale value of the pass held by third parties (33,5%); (iv) net value.

Disposals in the year ended June 30, 2021, which generated net capital gains of 58.034.248 Euro (Note 28), resulted primarily from:

(a) the sale of the sporting registration rights of the player Fábio Silva to Wolverhampton Wanderers Football Club, for the amount of 40,000,000 Euros, which generated a capital gain of 25,057,500 Euros, after deducting the overall amount of 14,942,500 Euros related to: (i) effect of the financial updating of the medium-term receivables originated by this transaction; (ii) costs with intermediation services provided by Gestifute - Gestão de Carreiras Desportivas, S.A. and STV - Soccer Talents Vision, Lda;

(b) Sale of the registration rights of Danilo Pereira to FC Paris Saint-Germain, for the amount of 16,000,000 Euro, which generated a capital gain of 12,033,100 Euro, after deduction of a total amount of 3,966,900 Euro related to: (i) effect of the financial updating of the medium-term receivables originated by this transaction; (ii) costs with intermediation service provided by Gestifute - Gestão de Carreiras Desportivas, S.A.;

(c) Sale of the registration rights of Alex Telles to Manchester United FC, which generated a capital gain of 11,200,000 Euro, after deducting 3,800,000 Euro related to: (i) effect of the financial updating of the medium-term receivables originated by this transaction; (ii) proportion of the sale value of the pass held by third parties (10%); (iii) liabilities with the solidarity mechanism.



### Disposals

The amounts respect to players that terminated labor contracts with FCP SAD without having their registration rights traded.

### Impairment losses for the year

During the year ended 30 June 2022 impairment losses were recorded in the amount of 4.719.193 Euro regarding the registrations of the player Nakajima.

### Players' registration rights

As of 30 June 2022 and 2021, the aggregation of players by range of its registration rights net book value is as follows:

Net Book Value of player's registration rights	30.06.2022		30.06.2021	
	Number of players	Amount	Number of players	Amount
Greater than 2.000 mEuros	13	69 440 204	16	86 820 047
Between 1.000 mEuros and 2.000 mEu	5	7 171 567	4	6 281 281
Less than 1.000 mEuros	26	2 771 749	22	2 827 201
	<u>44</u>	<u>79 383 520</u>	<u>42</u>	<u>95 928 528</u>

Of the total number of athletes with sports work contracts in effect on 06/30/2022, 38 are not valued in the Entity's assets.

As of 30 June 2022 and 2021, in the carrying amount of players' registration rights are included the following players:





Player	30.06.2022		30.06.2021	
	% economic rights	contract end date	% economic rights	contract end date
Pepê	100%	jun/26	100%	jun/26
Otávio	67,5%	jun/25	67,5%	jun/25
Grujic	100%	jun/26	-	-
Galeno	100%	jun/26	-	-
Evanilson	80%	jun/25	80%	jun/25
Wendell	90%	jun/25	-	-
Loum (a)	75%	jun/25	75%	jun/24
Uribe	85%	jun/23	85%	jun/23
Zaidu	100%	jun/25	100%	jun/25
Taremi	85%	jun/24	85%	jun/24
Marchesín (c)	100%	jun/23	100%	jun/23
Toni Martinez	75%	jun/25	75%	jun/25
Manafá	100%	jun/23	100%	jun/23
Bruno Costa	100%	jun/24	-	-
Sérgio Oliveira (c)	80%	jun/25	80%	jun/25
Nanu (b)	100%	jun/25	100%	jun/25
Marcano	100%	jun/23	100%	jun/23

- (a) Player lent to another club or sports entity in the season 2022/23, whose loan period is not beyond 30 June 2023;  
(b) Player lent to another club or sports entity in the season 2022/23, whose loan period is not beyond 31 December 2022;  
(c) Player sold to another Club or Sport Limited Company in the 2022/23 season.

The economic rights percentages presented above take into consideration the sharing of economic rights made on the acquisition date of each player's registration rights, or its sale at a later date, as well as the percentages assigned by FC Porto SAD to third parties related with the sharing of the amount resulting from a future sale of these rights.

In addition, commitments were established with third parties, including clubs and sports agents, in order to share the amount of future capital gains that may be obtained through FC Porto SAD players registration rights' sale, upon verification of specific contractual conditions.

Additionally, call and put option rights were established regarding players' economic rights with third parties, namely clubs and sports agents, exercisable for periods and amounts contractually established.

## 9. OTHER FINANCIAL ASSETS

Caption "Other financial assets" comprise economic rights over several players, in regard of which FC Porto, SAD has sold the registration rights, but has maintained part of their economic rights.

The detail of this caption as of 30 June 2022 and 2021 is as follows:



Description	30.06.2022		30.06.2021	
	% particip	Acquisition Cost	%	Acquisition Cost
<b>Players' economic rights</b>				
Ewerton	50%	409.266	-	-
Zé Luis		-	15%	1.377.673
Gleison		-	50%	243.162
Mikel		-	33%	107.708
Rui Costa		-	5%	98.224
Fede Varela		-	15%	78.201
Outros jogadores		20.913		72.213
		<u>430.179</u>		<u>1.977.181</u>
Accumulated impairment losses (Note 19)		(118.143)		(741.835)
		<u>312.036</u>		<u>1.235.347</u>

During the years ended June 30, 2022 and 2021, the movement occurred in the caption "Other financial assets - players' economic rights", as well as in the respective accumulated impairment losses, was as follows:

	30.06.2022	30.06.2021
<b>Gross Amount:</b>		
Opening Balance	1.977.181	1.709.295
Transfer (Note 8)	430.180	1.881.923
Sales (Note 28)	-	(10.294)
Disposals	<u>(1.977.182)</u>	<u>(1.603.742)</u>
Closing Balance	<u>430.179</u>	<u>1.977.181</u>
<b>Accumulated Impairment losses</b>		
Opening Balance	741.835	1.009.654
Impairment losses of the year (Notes 23 and 28)	1.353.490	1.338.496
Sales	-	(2.574)
Disposals	<u>(1.977.182)</u>	<u>(1.603.742)</u>
Closing Balance	<u>118.143</u>	<u>741.835</u>
<b>Net Book Value</b>	<u>312.036</u>	<u>1.235.347</u>

During the year ended June 30, 2022 and 2021, impairments were estimated for these players' economic rights that correspond to the Board of Directors' best estimate of the expected recoverable value of these investments.



## 10. GOODWILL

As of 30 June 2022 and 2021, the detail of goodwill is as follows:

	<u>30.06.2022</u>	<u>30.06.2021</u>
Porto Seguro	238 045	238 045
"Porto Canal" Segment	4 231 119	4 231 119
	<u>4 469 164</u>	<u>4 469 164</u>

As of 30 June 2022, the balance of this caption respects to:

### (i) Porto Seguro:

- In the year ended June 30, 2007, in the acquisition of 90% of the capital of PortoSeguro, Lda. in the amount of 717,647 Euros, less accumulated impairment losses determined in previous years in the amount of 479,602 Euros.

### (ii) "Porto Canal" segment:

- In the year ended June 30, 2014, following the operation to increase the share capital in FCP Media, S.A., FC Porto, SAD now holds 98.78% of its share capital, in the amount of 2,901,670 Euros.

- In the year ended 30 June 2016, following the acquisition by FCP Media from Medialuso - Produções para Televisão, Lda. of an 82.4% stake in Avenida dos Aliados, FC Porto, SAD indirectly held 81.42% of the share capital of Avenida dos Aliados and Miragem - Produção Audiovisual, for a total amount of 1,329,449 Euros.

The Group performs annual impairment tests on the "Goodwill" and whenever there are indications that it may be impaired. During the years ended June 30, 2022 and June 30, 2021, the Group performed impairment tests on goodwill and no additional adjustments were required.

For purposes of impairment analysis of the subsidiaries Porto Seguro and "Porto Canal" segment, the recoverable amount was determined based on the value in use, according to the discounted cash flow method, based on the business plans developed by the people in charge of those companies and duly approved by the Board of Directors of the Company.

The fundamental assumptions used in the referred business plans (for the "Porto Canal" segment and Porto Seguro) are as follows:

<b>Period used:</b>	5 years cash-flow projections <sup>(1)</sup>
<b>Growth rate (g) <sup>(2)</sup></b>	2.0%
<b>Discount rate <sup>(3)</sup></b>	4,7% (Porto Seguro) and 8,0% (FCP Media)

<sup>(1)</sup> In the case of "Porto Canal" segment, it was used a period correspondent to the duration of the broadcasting rights of Porto Canal contract with Altice, until 30 June 2028

<sup>(2)</sup> Growth rate used to extrapolate cash flows beyond the business plan period

<sup>(3)</sup> Discount rates applied to projected cash flows

The Board of Directors, based on the discounted value of the forecasted cash flows of the Cash Generating Unit of these business segments concluded that, as of 30 June 2022, the recoverable



amounts exceed the carrying amount of their net assets, not having been established any additional need of impairment recognition. The projected cash flows were based on the historic performance and on the expectations regarding future development of the business.

The Company performed sensitivity analysis. An increase of 0.5% in the assumption of the discount rate over the years of the projections or a decrease of 0.5% in the assumption of the perpetuity grow rate would not generate additional impairment losses, as of 30 June 2022.

## 11. TRADE RECEIVABLES

### Non-current assets

The detail of non-current balances of 'Trade receivables' as of 30 June 2022 and 2021 is as follows:

	<u>30.06.2022</u>	<u>30.06.2021</u>
Trade receivables - non-current account		
Transactions of players' registration rights	84 789 014	54 019 685
Futebol Clube do Porto	<u>5 310 042</u>	<u>-</u>
	90 099 056	54 019 685
Effect of discounting trade receivables	(7 401 722)	(5 499 438)
	<u>82 697 334</u>	<u>48 520 247</u>

### Current assets

The detail of current balances of 'Trade receivables' as of 30 June 2022 and 2021 is as follows:

	<u>30.06.2022</u>	<u>30.06.2021</u>
Trade receivables - current account:		
Transactions of players' registration rights	51 989 445	49 456 560
Current Operations	<u>33 880 352</u>	<u>32 371 160</u>
	85 869 797	81 827 720
Trade receivables - doubtful accounts	7 952 333	7 732 929
	<u>93 822 131</u>	<u>89 560 648</u>
Effect discounting trade receivables	(499 062)	(657 369)
Accumulated impairment losses (Note 23)	<u>(7 952 333)</u>	<u>(7 732 929)</u>
	85 370 735	81 170 351

### Trade receivables – Transactions of players' registration rights

As of 30 June 2022 and 2021 the balance of the current and non-current caption "Trade receivables - Transactions of players' registration rights" includes, essentially, the following receivables (without financial actualization):



Entity	30.06.2022		30.06.2021	
	Current	Non-current	Current	Non-current
SASP Paris Saint-Germain Football	16 457 500	37 067 500	4 000 000	12 000 000
Arsenal Football Club PLC	8 750 000	26 250 000	-	-
Wolverhampton Wanderers FC	10 013 521	10 009 014	10 000 000	20 000 000
Vitória Sport Clube, Futebol, SAD	3 680 220	5 400 000	8 630 220	10 300 000
Manchester United Football Club Ltd	3 564 983	3 562 500	3 562 500	7 125 000
Boavista Futebol Clube, Futebol, SAD	4 714 367	-	5 550 000	-
Sporting Clube de Portugal, Futebol, SAD	-	2 500 000	-	-
FC Lokomotiv Moscow	1 500 000	-	3 000 000	-
Parma Calcio 1913 SRL	1 250 000	-	1 341 090	1 250 000
Sporting Clube de Braga, Futebol, SAD	738 000	-	1 476 000	738 000
Real Valladolid Club de Fútbol SAD	720 000	-	600 000	600 000
Juventus Football Club SPA	6 685	-	158 382	6 685
Tianjin Teda Football Club Co Ltd	-	-	3 428 548	-
Sevilla Fútbol Club	-	-	3 000 000	-
Portimonense Futebol SAD	-	-	2 678 866	-
Club Atlético de Madrid SAD	-	-	315 408	2 000 000
SAS Racing Club de Strasbourg	-	-	950 000	-
Club Atletico River Plate	-	-	233 439	-
Everton Football Club Co Ltd.	-	-	37 500	-
Others	594 169	-	494 607	-
	51 989 445	84 789 014	49 456 560	54 019 685

As of June 30, 2022, the balances receivable from the entities mentioned above result, essentially, from the sale of economic rights of players Vitinha (Paris Saint-Germain), Fábio Vieira (Arsenal Football Club), Fábio Silva (Wolverhampton Wanderers FC), Rafael Pereira and Francisco Ribeiro (Vitória Sport Clube, Futebol, SAD), Alex Telles (Manchester United Football Club Ltd), Chidozie (Boavista Futebol Clube, Futebol, SAD) e Marco Cruz (Sporting Clube de Portugal, Futebol, SAD).

The amount shown as non-current will be settled by June 30, 2024 (48,332 thousand Euros), June 30, 2025 (27,708 thousand Euros) and June 30, 2026 (8,750 thousand Euros).

About 41 million Euros (nominal value), between current and non-current balances, were assigned in factoring operations.

On June 30, 2021, the balances receivable from the above-mentioned entities resulted, essentially, from the sale of economic rights of players Fábio Silva (Wolverhampton Wanderers FC), Rafael Pereira and Francisco Ribeiro (Vitória Sport Clube, Futebol, SAD), Danilo Pereira (SASP Paris Saint-Germain Football), Alex Telles (Manchester United Football Club Ltd) e Chidozie (Boavista Futebol Clube, Futebol, SAD).

The amount shown as non-current will be settled by June 30, 2023 (27,058 thousand Euros), June 30, 2024 (22,963 thousand Euros) and June 30, 2025 (4,000 thousand Euros).

About 64 million Euros were assigned in factoring operations.

#### Trade receivables – Current operations

The balance of current assets caption "Trade receivables - Current operations" includes balances resulting from several operations, with emphasis on the amounts receivable from Futebol Clube do Porto ("Club") (13.134.614 Euros as of June 30, 2022 and 14.603.845 Euros as of June 30, 2021), which had, over the past years, originated from a wide range of factors, as: (i) acquisition and improvements



to properties whose profitability is not immediate; (ii) acquisition of Somague's participation in FC Porto, SAD; (iii) expenses with the services rendered contract related to Porto Canal; (iv) Covid-19.

The medium and long-term value of Futebol Clube do Porto ("Club") will be remunerated at market rates.

The Group's exposure to credit risk is attributable to accounts receivable relating to its operating activity. The amounts presented in the statement of financial position are net of accumulated impairment losses for doubtful accounts that were estimated by the Group, in accordance with its experience and based on its assessment of the economic environment. The Group believes that the carrying amounts of accounts receivable, net of impairment losses, approximate their fair value.

As of June 30, 2022 there is no indication that normal collection terms will not be met for amounts included under Trade receivables, of balances that are not past due and for which no impairment loss has been recognized.

Considering that the Group's most relevant clients are Group companies or Football Clubs, a specific analysis of their recoverability is performed. The calculation of impairment losses according to the Expected Credit Losses model (IFRS 9) proved to be immaterial, therefore the amount of impairment losses was not changed.

At June 30, 2022 and 2021 the ageing of trade receivables can be analyzed as follows:

<b>30.06.2022</b>	Total	- 90 days	90 - 180 days	180 - 360 days	+ 360 days
Trade receivables - current account	85 869 797	53 827 795	3 200 069	4 215 611	24 626 323
Transactions of player's registration rights	51 989 445	42 961 855	121 755	2 516 217	6 389 618
Current Operations	33 880 352	10 865 939	3 078 314	1 699 394	18 236 705
Trade receivables - doubtful accounts	7 952 333	18 514	24 600	460 950	7 448 270
	<b>93 822 131</b>	<b>53 846 308</b>	<b>3 224 669</b>	<b>4 676 561</b>	<b>32 074 593</b>
<b>30.06.2021</b>	Total	- 90 days	90 - 180 days	180 - 360 days	+ 360 days
Trade receivables - current account	81 827 720	49 904 450	3 187 779	4 649 259	24 086 232
Transactions of player's registration rights	49 456 560	43 079 503	1 747 500	1 413 938	3 215 619
Current Operations	32 371 160	6 824 947	1 440 279	3 235 322	20 870 613
Trade receivables - doubtful accounts	7 732 929	916	-	9 368	7 722 645
	<b>89 560 648</b>	<b>49 905 306</b>	<b>3 187 779</b>	<b>4 658 627</b>	<b>31 808 877</b>

At June 30, 2022 and 2021 the majority of the balance of "Trade receivables - current account - Transactions of players' registrations" with an ageing period of more than 180 days is related to contractually defined amounts, with no cases of significant delays in receipt being recorded.

At June 30, 2022 and 2021 a significant part of the balance of "Trade receivables - current account - Current operations" with an ageing period of more than 180 days is related to accounts receivable from Futebol Clube do Porto.

As of June 30, 2022 the balance of the caption "Doubtful accounts receivable" considers mostly accounts receivable from football clubs.



In determining the recoverability of trade receivables, the Group analyzes all changes in credit quality of the counterparties from the date credit was granted up to the reporting date of the financial statements. The Group does not have a significant concentration of credit risks, as the risk is diluted across a dispersed set of customers. Management believes that the credit risk does not exceed the impairment loss recorded for doubtful accounts and that the maximum exposure to credit risk corresponds to the total customers shown on the statement of financial position.

## 12. INVENTORIES

The detail of the caption 'Inventories' as of 30 June 2022 and 2021 is as follows:

	<u>30.06.2022</u>	<u>30.06.2021</u>
Inventories	4 430 333	5 268 100
Accumulated Impairment losses in inventories (Note 23)	(1 185 581)	(1 590 151)
	<u>3 244 753</u>	<u>3 677 949</u>

The inventories' caption, as of 30 June 2022 and 2021, considers the merchandise related with the exploration of the commercial areas of Futebol Clube do Porto, carried out by the subsidiary PortoComercial.

The cost of sales for the years ended 30 June 2022 and 2021 was calculated as follows:

	<u>30.06.2022</u>	<u>30.06.2021</u>
Opening Balance	5 268 100	4 771 280
Purchases	4 963 303	3 965 395
Regularizations	(131 478)	(95 619)
Closing Balance	<u>4 430 333</u>	<u>5 268 100</u>
	5 669 592	3 372 956
Impairment losses inventories (Note 23)	(404 570)	275 455
Cost of sales	<u>5 265 022</u>	<u>3 648 411</u>

## 13. OTHER NON-CURRENT AND CURRENT ASSETS

### Other non-current assets

The detail of balances included in caption "Other non-current assets" as of 30 June 2022 and 2021 is as follows:



<b>Other non-current assets</b>	<b>30.06.2022</b>	<b>30.06.2021</b>
Deferred costs - Scouting contracts	12 658	85 341
Other deferred costs	142 994	-
	<u>155 652</u>	<u>85 341</u>

#### Other current assets

The detail of caption "Other current assets" as of 30 June 2022 and 2021 is as follows:

<b>Other Current Assets</b>	<b>30.06.2022</b>	<b>30.06.2021</b>
<u>Accrued income</u>		
UEFA Champions League participation bonus	840 000	1 398 000
Broadcasting rights	150 727	179 592
Advertising/sponsoring revenue to be billed	537 923	319 151
Other accrued income	1 956 053	1 075 235
<u>Deferred expenses</u>		
Advances on account of expenses	85 566	82 347
Insurance	290 553	154 360
Publicity	121 178	90 000
Prepayment - "Centro de Treino do Olival" Rent	-	36 144
Other deferred expenses	740 715	692 262
	<u>4 722 715</u>	<u>4 027 091</u>

The amount recognized under "Champions League participation prizes" is related to the part of the premium for participation in the Champions League in the 2021/22 season not yet received. In turn, the amount recorded under "Other deferred expenses" is related to sports equipment for the 2021/22 and 2022/23 season.

#### **Multi-year contracts:**

The Group has signed contracts with other Companies that are estimated to generate future revenues (television rights and sponsorships) amounting to approximately 277.817 thousand euros as of June 30, 2022. The income earned in the year from these contracts is included under "Services rendered" in the accompanying consolidated income statement. The amounts advanced and not recognized as revenue are recorded under "Other liabilities - Revenue to be recognized". The revenue from these contracts will be recognized as future revenue in accordance with the following estimate:

2022/2023	54.729.355
2023/2024	54.329.355
2024/2025 and following	<u>168.758.078</u>
	<b>277.816.788</b>

#### **14. OTHER DEBTORS**

As of 30 June 2022 and 2021, the detail of "Other debtors" is as follows:





	<u>30.06.2022</u>	<u>30.06.2021</u>
<u>Other Accounts receivable</u>		
State and other Public Entities	10 350 834	6 174 333
Other debtors	<u>4 085 449</u>	<u>4 051 294</u>
	<u>14 436 283</u>	<u>10 225 627</u>

The caption "State and other public entities" includes VAT recoverable by various Group companies, which includes refund request to the Portuguese tax authority (AT), and the company expects that this amount will be refunded in the short term.

The caption "Other debtors" includes an amount of approximately 2 million euros related to the provision of security under the lawsuit filed by Sport Lisboa e Benfica and Sport Lisboa e Benfica - Futebol, SAD.

## 15. CASH AND CASH EQUIVALENTS

### Cash and cash equivalents

The caption 'Cash and cash equivalents' as of 30 June 2022 and 2021 can be detailed as follows:

	<u>30.06.2022</u>	<u>30.06.2021</u>
Cash	12 379	7 921
Bank deposits repayable on demand	4 329 521	8 026 096
Term Bank Deposits	<u>467 750</u>	<u>467 750</u>
	<u>4 809 650</u>	<u>8 501 766</u>

## 16. TAXES

The tax losses carried forward according to the income declarations presented by the companies included in the consolidation perimeter amounted to 172.576.035 Euros, with the following expiration dates:

	<u>Amount</u>	<u>Expiration Date</u>
Generated in the year ended		
30 June 2016	35 288 281	30 June 2030
30 June 2017	31 321 090	30 June 2031
30 June 2018	18 444 056	30 June 2025
30 June 2019	190 765	30 June 2026
30 June 2020	87 326 952	30 June 2027
30 June 2021	2 445	30 June 2033
30 June 2022 *	<u>2 446</u>	30 June 2034
	<u>172 576 035</u>	

\* estimated amounts

According to the legislation currently in force, the value of tax losses can be carried forward for a period of 5 years and can be deducted in the taxable income of the following years up to a limit of 70% of the taxable income.



## Current income taxes

The reconciliation between profit before income tax and income tax is as follows:

	30.06.2022	30.06.2021
Profit before income tax	21 561 187	20 007 432
Increasing		
Impairment losses beyond legal limits	6 192 831	1 437 491
Tax capital gains (1)	62 012 389	48 649 607
Corrections related to prior years	110 899	79 578
Non deductible financial costs (3)	8 018 652	3 689 744
Benefit expenses of termination of employment, retirement benefits and other post-employment long-term benefits	1 173 240	2 340 763
Adjustment on non deductible assets or beyond legal limits	883 625	883 625
Other	656 913	556 319
Decreasing:		
Accounting capital gains (1)	(96 506 728)	(62 091 831)
Reversal of tax deductible adjustments	(31 928)	(272 605)
Impairment losses taxes in previous years	(199 964)	(8 348 003)
Tax benefits	(217 230)	(329 668)
Payments of termination of employment, retirement benefits and other post-employment long-term benefits	(2 617 603)	(991 841)
Tax refunds and excess of income tax provision	(182 260)	(51 347)
Taxable profit	854 023	5 559 262
Tax losses used	(379 125)	(3 893 195)
Tax Base	474 897	1 666 067
Income tax rate	21,0%	21,0%
Municipal tax rate	1,5%	1,5%
Calculated Tax	1 994 944	1 657 663
Municipality tax (2)	381 698	279 097
Tax benefits (CFEI)	-	(9 229)
Autonomous taxation	608 224	646 235
Over/ (under) estimate of previous year income tax provision	114	(356)
Gains/losses RETGS	(2 193 117)	(1 333 022)
Deferred taxes	(56 672)	(56 672)
Income tax for the year	735 191	1 183 717

(1) In the calculation of the taxable profit, the Group chose to consider the reinvestment of capital gains on the sale of players' registration rights, in legal terms, which allowed to deduct 50% of tax capital gains generated in the year.

(2) Municipality tax of companies taxed according to RETGS and which present taxable profit for the year.

(3) Limitation on the deductibility of financing costs in accordance with Article 67 of the Corporate Income Tax – CIT (Tax Code of Legal Persons).

Under the Exceptional Regime for Settlement of Debts to Social Security and the Tax Authority ("RERD") granted by the Ministry of Finance to voluntary payments made by taxpayers until 31 December 2013 relating to the amounts of tax arrears, FC Porto, SAD settled the amount of 4.227.685



Euros, relating to tax processes, using the provision created for this purpose, amounting to 1.514.094 Euros and recognizing the remainder as expense for the year, amounting to 2.713.591 Euros.

Notwithstanding this payment, the Group maintains the administrative and judicial claims, and has contingent assets related to them, as detailed in Note 35.2.

#### Deferred taxes

The changes in the caption "Deferred tax liabilities" in the year ended 30 June 2022 and 2021, can be summarized as follows:

	<u>30.06.2022</u>	<u>30.06.2021</u>
<u>Opening Balance</u>		
Difference between the fair value and the tax value of the stadium (Note 5)	1 870 184	1 926 856
<u>Changes during the year</u>		
Impact on net profit	(56 672)	(56 672)
<u>Closing Balance</u>	<u>1 813 512</u>	<u>1 870 184</u>

#### 17. SHARE CAPITAL

As of June 30, 2022, the share capital of FCPorto, SAD was fully subscribed and paid up, and was composed of 22.500.000 nominative and common shares of 5 Euros each.

As of June 30, 2022 and 2021, the following legal entities had an interest in the subscribed capital of at least 20% on the ordinary shares with voting rights:

- Futebol Clube do Porto - 74.59%.

The individual financial statements of the Company show, on June 30, 2022, a negative equity, so that the provisions of Articles 35 and 171 of the Companies Code ("CSC") apply. The Board of Directors of FC Porto, SAD believes that the improvement in economic and financial results will occur in the coming years, and thus will comply with the provisions of the same article. Additionally, the Company is studying the possibility of carrying out a capital increase.

In accordance with article 171 of the CSC, companies whose equity capital is less than half of the share capital must indicate the share capital, the amount of paid-in capital and the amount of equity capital according to the last approved balance sheet in all contracts, correspondence, publications, advertisements, websites and in general in all external activity.

#### 18. NON-CONTROLLING INTERESTS

The changes in this caption during the years ended 30 June 2022 and 2021 were as follows:



Opening Balance as at 1 July 2020	57 934 750
Comprehensive income attributable to non-controlling interests	(451 532)
Distribution of dividends	(60 803)
Closing Balance as at 30 June 2021	<u>57 422 415</u>
Opening Balance as at 1 July 2021	57 422 415
Comprehensive income attributable to non-controlling interests	62 360
Distribution of dividends	(74 943)
Other variations	(7 773)
Closing Balance as at 30 June 2022	<u>57 402 059</u>

Entity	30/06/2022			30/06/2021		
	Impact on statement of financial position	Impact on net income	Dividends paid	Impact on statement of financial position	Impact on net income	Dividends paid
PortoComercial	313 074	433 033		(121 018)	(131 734)	(38 602)
PortoMultimédia	(81 869)	(750)		(81 120)	(749)	
PortoSeguro	79 793	42 870	(48 503)	85 426	48 503	(22 201)
Dragon Tour	9 130	5 248	(26 440)	38 095	1 261	
FC Porto - Media	(35 541)	(8 145)		(27 396)	254	
Euroantas	56 729 316	(314 243)		57 043 560	(324 736)	
Avenida dos Aliados	264 695	(96 324)		361 019	(43 394)	
Miragem	123 462	(387)		123 849	(479)	
	<u>57 402 059</u>	<u>61 301</u>	<u>(74 943)</u>	<u>57 422 415</u>	<u>(451 074)</u>	<u>(60 803)</u>

See Note 5 participation percentages of FC Porto, SAD.

## 19. LOANS

The details of captions 'Bank loans', 'Bonds' and 'Other loans' as of 30 June 2022 and 2021 are as follows:

Nature	30.06.2022					
	Amortised Cost			Nominal amount		
	Current	Non-current	Total	Current	Non-current	Total
Bank Loans	5 892 925	-	5 892 925	5 687 500	-	5 687 500
Bonds	740 149	87 709 463	88 449 612	-	89 832 000	89 832 000
Other loans	89 594 185	96 217 214	185 811 399	92 065 061	97 578 564	189 643 625
Factoring	89 594 185	96 217 214	185 811 399	92 065 061	97 578 564	189 643 625
	<u>96 227 260</u>	<u>183 926 677</u>	<u>280 153 936</u>	<u>97 752 561</u>	<u>187 410 564</u>	<u>285 163 125</u>
Nature	30.06.2021					
	Amortised Cost			Nominal amount		
	Current	Non-current	Total	Current	Non-current	Total
Bank Loans	8 644 150	4 000 000	12 644 150	8 000 000	4 000 000	12 000 000
Bonds	290 844	63 372 911	63 663 754	-	64 832 000	64 832 000
Other loans	90 822 999	133 374 108	224 197 107	93 597 300	136 550 795	230 148 094
Factoring	75 813 395	133 374 108	209 187 503	78 847 300	136 550 795	215 398 094
Commercial Paper	15 009 604	-	15 009 604	14 750 000	-	14 750 000
	<u>99 757 993</u>	<u>200 747 018</u>	<u>300 505 011</u>	<u>101 597 300</u>	<u>205 382 795</u>	<u>306 980 094</u>



Loans presented at amortized cost include interest accrued until June 30, 2022 payable to the respective creditors. Note that of the Factoring (Other Loans) amount of 186 million euros, 39 million euros are related to accounts receivable from sales of players' registrations rights, which have correspondence in the caption Trade Receivables.

As of 30 June 2022 the repayment schedule of the nominal amount of non-current loans can be summarized as follows:

	<b>30.06.2022</b>
2023/2024	91.253.620
2024/2025	87.188.436
2025/2026	8.968.508
	<u>187.410.564</u>

The detail of loans classified as liabilities at of 30 June 2022 is as follows:



Bank	Current	Non Current	Total	Opening Date	Interest Rate	Interest	Maturity Date
<b>Bonds</b>							
Bond Loan 2021-2023	-	39 832 000	39 832 000	mai/21	Fixed	Semi Anual	nov/23
Bond Loan 2022-2025	-	50 000 000	50 000 000	abr/22	Fixed	Semi Anual	abr/25
<b>Bank Loans</b>							
Novo Banco	4 500 000	-	4 500 000	out/13	Euribor 3M+	Quarterly	out/22
Santander Totta	1 187 500	-	1 187 500	nov/21	Euribor 12M+	Semi Anual	ago/22
<b>"Factoring"</b>							
Glas Trust	10 000 000	10 000 000	20 000 000	nov/20	Fixed	Anticipated	jan/24
Sagasta	25 927 092	64 116 064	90 043 156	mai/18	Fixed	Anticipated	set/25
Internationales Bankhaus Bodensee AG	600 000	-	600 000	jun/20	Fixed	Anticipated	out/22
Internationales Bankhaus Bodensee AG	3 000 000	9 000 000	12 000 000	jun/22	Fixed	Postecipated	set/25
Internationales Bankhaus Bodensee AG	4 000 000	8 000 000	12 000 000	dez/20	Fixed	Anticipated	ago/24
Internationales Bankhaus Bodensee AG	4 127 517	-	4 127 517	set/21	Fixed	Anticipated	mai/23
Internationales Bankhaus Bodensee AG	294 944	-	294 944	set/21	Fixed	Anticipated	jun/22
Internationales Bankhaus Bodensee AG	3 562 508	3 562 500	7 125 008	nov/20	Fixed	Anticipated	set/23
Internationales Bankhaus Bodensee AG	1 250 000	-	1 250 000	dez/20	Fixed	Anticipated	ago/22
Internationales Bankhaus Bodensee AG	6 500 000	-	6 500 000	abr/22	Fixed	Anticipated	set/22
Internationales Bankhaus Bodensee AG	29 903 000	-	29 903 000	mai/22	Fixed	Anticipated	set/22
Novo Banco	2 900 000	2 900 000	5 800 000	jan/19	Euribor 6M+	Monthly	jan/24
		<b>97 752 561</b>	<b>187 410 564</b>	<b>285 163 125</b>			

In the Loans listed in the table above, several guarantees and collaterals are contracted, such as revenues from season tickets, ticketing and membership fees, economic rights of the players Uribe, Zaidu, Evanilson and Otávio, amounts receivable from Wolverhampton for the sale of the player Fábio Silva, amounts receivable from Altice regarding broadcasting rights, amounts receivable from SC Braga for the sale of the player Galeno, amounts receivable from PSG for the sale of the player Danilo Pereira, amounts receivable from Manchester United for the sale of the player Alex Telles, amounts receivable from Parma for the sale of the player Osório, amounts receivable from UEFA for the participation in organized competitions, amounts receivable from Altice concerning Portocanal's distribution rights and amounts receivable from Altice concerning shirt sponsorship.

The detail of loans classified as liabilities at of 30 June 2021 is as follows:



Bank	Current	Non Current	Total	Opening Date	Interest Rate	Interest	Maturity Date
<b>Bonds</b>							
Bond Loan 2021-2023	-	64 832 000	64 832 000	mai/21	Fixed	Semi Annual	nov/23
<b>Bank Loans</b>							
Novo Banco	1 000 000	4 000 000	5 000 000	ago/10	Euribor 12M + spread	Annual	set/22
Novo Banco	7 000 000	-	7 000 000	out/13	Euribor 3M + spread	Quarterly	out/21
<b>"Factoring"</b>							
Glas Trust	10 000 000	20 000 000	30 000 000	nov/20	Fixed	Anticipated	jan/24
Sagasta	23 804 806	89 775 795	113 580 601	mai/18	Fixed	Anticipated	ago/25
Internationales Bankhaus Bodensee AG	1 200 000	600 000	1 800 000	jun/20	Fixed	Anticipated	out/22
Internationales Bankhaus Bodensee AG	3 000 000	-	3 000 000	set/19	Fixed	Anticipated	jul/21
Internationales Bankhaus Bodensee AG	4 000 000	12 000 000	16 000 000	dez/20	Fixed	Anticipated	ago/24
Internationales Bankhaus Bodensee AG	343 960	-	343 960	jan/20	Fixed	Anticipated	jun/21
Internationales Bankhaus Bodensee AG	294 944	-	294 944	jan/20	Fixed	Anticipated	jun/21
Internationales Bankhaus Bodensee AG	3 562 500	7 125 000	10 687 500	nov/20	Fixed	Anticipated	set/23
Internationales Bankhaus Bodensee AG	1 341 090	1 250 000	2 591 090	dez/20	Fixed	Anticipated	ago/22
Internationales Bankhaus Bodensee AG	28 400 000	-	28 400 000	mar/21	Fixed	Anticipated	set/21
Novo Banco	2 900 000	5 800 000	8 700 000	jan/19	Euribor 6M + spread	Monthly	jan/24
<b>"Commercial Paper"</b>							
Banco Carregosa-Papel Comercial FCP SAD	14 750 000	-	14 750 000	fev/21	Fixed	Postecipated	set/21
	<b>101 597 300</b>	<b>205 382 795</b>	<b>306 980 094</b>				

The average annual borrowing rate as of June 30, 2022 is 5.39% (5.94% as of June 30, 2021).



## 20. OTHER CREDITORS

As of 30 June 2022 and 2021, the caption "Other creditors" is as follows:

Entity	30.06.2022	30.06.2021
	Current	Current
Doyen Sports Investments Ltd.	-	904 607
State and other Public Entities	3 551 609	5 542 463
Other creditors	6 235 598	4 682 496
	<u>9 787 207</u>	<u>11 129 566</u>

The item "State and Other Public Entities" includes essentially corporate income tax (CIT) and Social Security.

The caption "Other creditors" as of June 30, 2022 includes remunerations payable to players and coaches of approximately 2.267 thousand Euros, whose payment occurred at the beginning of the following month (July 2022), as usual, as well as amounts payable to other external entities, namely Media Luso for the production and supply of television content for the Porto Canal, amounting to approximately 2.033 thousand Euros.

## 21. TRADE PAYABLES

### Non-current liabilities

The detail and maturity of non-current trade payables balances as of 30 June 2022 and 2021 is as follows:

	30.06.2022	> 1 YEAR	> 2 YEARS	> 3 YEARS
<u>Trade payables - non current</u>				
Tangible and intangible assets' suppliers				
Transactions of players' registration rights	37 830 438	21 950 219	15 005 219	875 000
Effect of discounting trade payables	(3 460 124)	(2 007 655)	(1 372 438)	(80 031)
	<u>34 370 314</u>	<u>19 942 564</u>	<u>13 632 781</u>	<u>794 969</u>
	<u>30.06.2021</u>	<u>&gt; 1 YEAR</u>	<u>&gt; 2 YEARS</u>	<u>&gt; 3 YEARS</u>
<u>Trade payables - non current</u>				
Tangible and intangible assets' suppliers				
Transactions of players' registration rights	29 450 345	20 763 239	8 094 606	592 500
Effect of discounting trade payables	(2 508 919)	(1 768 851)	(689 592)	(50 476)
	<u>26 941 426</u>	<u>18 994 388</u>	<u>7 405 014</u>	<u>542 024</u>

### Current liabilities

As of 30 June 2022 and 2021, the balances of current trade payables and their maturity can be detailed as follows:





	30.06.2022	Payable		
		- 90 days	90 - 180 days	+ 180 days
Trade Payables - Current account	19 625 959	19 625 959	-	-
Trade payables - bills payable				
Transactions of player's registration rights	62 411 804	51 517 662	4 478 055	6 416 088
	82 037 763	71 143 620	4 478 055	6 416 088
Effect of discounting trade payables	(589 576)	(486 664)	(42 302)	(60 610)
	81 448 186	70 656 956	4 435 752	6 355 478

	30.06.2021	Payable		
		- 90 days	90 - 180 days	+ 180 days
Trade Payables - Current account	10 833 493	10 833 493	-	-
Trade payables - bills payable				
Transactions of player's registration rights	62 185 590	47 702 461	7 374 091	7 109 037
	73 019 083	58 535 954	7 374 091	7 109 037
Effect of discounting trade payables	(725 681)	(556 669)	(86 053)	(82 960)
	72 293 402	57 979 286	7 288 039	7 026 078

As of 30 June 2022 and 2021 the main balances included in the captions, current and non-current, 'Tangible and intangible assets' suppliers – Transactions of players' registration rights' can be detailed as follows:



Entity	30.06.2022		30.06.2021	
	Current	Non-current	Current	Non-current
Gestifute, S.A.	9 593 949	8 025 000	3 623 000	4 700 000
Vitoria Sport Clube - Futebol, SAD	5 000 000	5 000 000	8 450 000	10 000 000
Sporting Clube de Portugal, Futebol SAD	-	10 000 000	-	-
Liverpool FC	3 000 000	6 000 000	-	-
Sporting Clube de Braga, Futebol SAD	2 250 000	4 500 000	1 500 000	-
Grêmio Foot-Ball Porto Alegrense	5 000 000	-	9 000 000	5 000 000
Bayer 04 Leverkusen Fußball GmbH	1 954 024	1 750 000	-	-
Portimonense Futebol SAD	3 400 000	-	3 000 000	1 400 000
STV - Soccer Talents Vision, Lda	3 000 000	400 000	1 552 500	2 077 500
Bertolucci Assessoria e Propaganda Esportiva, Ltda	3 250 000	-	3 000 000	-
Yes Sports, Lda	2 960 000	-	1 764 000	196 000
Tombense Futebol Clube	2 500 000	-	3 000 000	2 500 000
Al Duhail SC	2 200 000	-	5 700 000	-
ROOF GmbH	1 000 000	1 000 000	-	-
Santa Clara Açores Futebol SAD	1 030 615	855 000	1 814 000	1 250 000
Rio Ave Futebol Clube - Futebol SDUQ, Lda	1 750 000	-	1 750 000	1 750 000
N1-Gestão de Carreiras Desportivas, Lda	1 565 000	-	1 446 950	60 000
Pilgrim Holland BV	1 500 000	-	1 000 000	-
BM Consulting, Lda	1 000 000	-	1 000 000	-
Futebol Clube Famalicão – Futebol, SAD	913 200	-	2 100 000	-
Global Consulting Agency AG	700 000	-	700 000	-
Cantera Latina SA	700 000	-	-	-
PP Sports, Lda	694 250	-	-	-
Talents Throne, Lda	615 000	-	615 000	-
Northfields Sports B.V.	600 000	-	500 000	-
Grêmio Esportivo Anápolis	284 234	300 438	268 030	134 015
GoPro Sport Management SA	525 000	-	-	-
Pacheco & Teixeira, Lda	508 629	-	476 298	-
Temple Business Consultancy Limited	-	-	1 300 000	-
Marítimo da Madeira Futebol SAD	-	-	1 000 000	-
Nomiblu Sports, SA	-	-	759 120	-
Passion Sports Management SAS	-	-	500 000	-
Club Atlético de Madrid SAD	-	-	450 000	-
Racing Club Avellaneda	-	-	100 000	-
São Paulo Futebol Clube	-	-	32 044	-
Others	4 917 903	-	5 784 648	382 830
	62 411 804	37 830 438	62 185 590	29 450 345

At June 30, 2022, the balances payable to the entities mentioned above resulted, essentially, from charges with the acquisition of economic rights, proportions of the sale value of passes held by third parties and intermediation commissions on acquisitions and sales of passes referring to the players Galeno, Marko Grujic, Wendell, Bruno Costa, Rodrigo Fernandes, Pepê, Romain Correia, João Mendes, Vitinha, Fábio Vieira, among others.

At June 30, 2021, the balances payable to the entities mentioned above resulted, essentially, from charges with the acquisition of economic rights, proportions in the sale value of passes held by third parties and intermediation commissions on acquisitions and sales of passes regarding the players Romain Correia, João Mendes, Pepê, Nakajima, Evanilson, among others.



## 22. OTHER NON-CURRENT AND CURRENT LIABILITIES

The captions 'Other non-current liabilities' and 'Other current liabilities' as of 30 June 2022 and 2021 can be detailed as follows:

	<u>30.06.2022</u>	<u>30.06.2021</u>
<b><u>Other non-current liabilities</u></b>		
<b><u>Accrued Expenses</u></b>		
Expenses with transaction of player's registration rights, not yet due	19 648 227	19 217 067
Indemnities	300 861	1 317 878
Competition bonuses pending processing	370 000	1 048 085
	<u>20 319 089</u>	<u>21 583 029</u>
<b><u>Deferred income</u></b>		
Broadcasting rights advances / anticipated invoicing	28 936 496	33 921 488
Anticipated advertising invoicing - FC Porto main sponsor	-	1 747 404
Deferred sponsorship revenue - "Museu BMG"	1 084 323	1 779 899
Revenue related to publicity	1 530 692	94 006
	<u>31 551 511</u>	<u>37 542 798</u>
Effect of discounting other liabilities	(1 799 736)	(2 496 840)
	<u>50 070 864</u>	<u>56 628 988</u>
	<u>30.06.2022</u>	<u>30.06.2021</u>
<b><u>Other current liabilities</u></b>		
<b><u>Accrued expenses</u></b>		
Accrued payroll	1 154 679	1 507 577
Interests payable	375 762	-
Expenses with transaction of player's registration rights, not yet due	20 577 325	15 403 961
Competition bonuses pending processing	11 910 786	10 496 779
Image rights	3 198 598	3 663 802
Indemnities	2 109 741	3 324 499
Other accrued expenses	7 086 987	4 720 240
	<u>46 413 877</u>	<u>39 116 857</u>
<b><u>Deferred income</u></b>		
Broadcasting rights advances/anticipated invoicing	7 802 386	7 566 027
Anticipated advertising invoicing - FC Porto main sponsor	-	1 737 831
Deferred sponsorship revenue - "Museu BMG"	695 576	695 576
Captive seats reservation revenue to be recognized	1 804 955	-
Revenue related to publicity	1 664 590	1 729 372
	<u>11 967 506</u>	<u>11 728 806</u>
Effect of discounting other liabilities	(195 201)	(160 512)
	<u>58 186 182</u>	<u>50 685 151</u>

The caption "Other current / non-current liabilities - Accrued expenses - Expenses with players' registrations rights not yet due" includes commitments assumed in transactions relating to players' sporting registration rights, not yet due and awaiting invoicing at the date of the statement of financial position and supported by the respective contracts.

As of June 30, 2022 it includes, namely, amounts related to:

(a) charges for player intermediation services in the amount of 14.176 thousand Euro related, among others, to the renewal of Otávio's pass and the acquisition of Pepê, Zé Luís, Marcano and Nakajima's rights and sale of Luis Diaz's rights;



(b) the signing and/or renegotiation of employment contracts, namely in respect of signing bonuses in the amount of 13.743 thousand Euros relating essentially to the player Otávio;

(c) amounts payable related to the proportion of the sale value of the registration owned by third parties, upon the respective sale, in the amount of 7.169 thousand Euro, concerning, among others, Luis Diaz, Corona, Chidozie and Alex Telles;

(d) Liabilities related to the solidarity mechanism in the amount of 2.786 thousand Euro, related, among others, to Pepê, Evanilson, Marchesin, Taremi, Chidozie, Galeno and Aboubakar;

(e) Conditional amounts payable to third party clubs, in the amount of 1.670 thousand Euros, related to the player Marchesín.

As of June 30, 2021 includes, in particular, amounts related to:

(a) charges for player intermediation services in the amount of €12,860,078 related, among others, to the renewal of Otávio's pass and the acquisition of Pepê, Zé Luís, Marcano and Nakajima's passes;

(b) the signing and/or renegotiation of employment contracts, namely in respect of signing bonuses in the amount of 14,990,711 Euros relating essentially to the player Otávio

(c) amounts payable related to the proportion of the sale value of the registration owned by third parties, upon the respective sale, in the amount of 3,715,700 Euro, concerning, among others, Chidozie, Alex Telles and Defour.

(d) Liabilities related to the solidarity mechanism in the amount of 3,002,001 Euros, related, among others, to Pepê, Nakajima, Evanilson, Marchesin, Taremi, Chidozie and Aboubakar.

In the balance classification as non-current, the agreed payment dates were considered.

The item "Deferred sponsorship revenue - BMG Museum" refers to the deferral of revenue related to the agreement signed between the subsidiary Porto Comercial and the Bank of Minas Gerais as an advance under the partnership contract for advertising and support in the construction of the Museum of Futebol Clube do Porto. The contract foresees sponsorship and naming of the Museum in the amount of 8.000.000 Euros until 2025. As mentioned in Note 13, Porto Comercial acquired in October 2013 from Futebol Clube do Porto the right to explore the Museum, having paid, for such, an advance payment corresponding to the rents for 8 years of exploration in the global amount of 12.000.000 Euros.

As of June 30, 2022 and 2021, the current and non-current captions "Advance of revenue/pre-invoicing issued relating to television broadcasting rights" and "Advance of advertising revenue - main sponsor of FC Porto" are composed of the advance from Altice in 2016, relating to the assignment of:

(a) Television broadcasting rights of the games played by the Main Football Team, as visited team, in the Premier League. This advance is being recognized as income as the respective service is provided. With reference to the year ending June 30, 2021, this item also included the deferral of



income associated with the three home games of the National Championship that were only held in July 2020, as a result of the Covid-19 Pandemic.

(b) Porto Canal broadcasting rights, for a period of 12 and a half seasons, starting on January 1, 2016.

These advances are being recognized as income as the respective services are rendered.

As of June 30, 2022 and 2021, the caption "Competition prizes pending processing" includes the amounts related to prizes of series of matches and values and bonuses attributed to certain athletes in order to ensure minimum annual salaries contracted in their respective employment contracts.

At June 30, 2022 and 2021 the maturity of other current and non-current liabilities, is as follows:

	30.06.2022	> 1 YEAR	> 2 YEARS	> 3 YEARS	> 4 YEARS	> 5 YEARS
<u>Other non-current liabilities</u>						
<u>Accrued expenses</u>						
Expenses with transaction of player's registration rights, not yet due	19 648 227	11 114 864	8 533 363	-	-	-
Indemnities	300 861	300 861	-	-	-	-
Competition bonuses pending processing	370 000	370 000	-	-	-	-
	<u>20 319 089</u>	<u>11 785 726</u>	<u>8 533 363</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Rendimentos a reconhecer:</u>						
Broadcasting rights advances / anticipated invoicing	28 936 496	5 265 152	5 516 267	5 781 490	6 046 714	6 326 874
Anticipated advertising invoicing - FC Porto main sponsor	-	-	-	-	-	-
Deferred sponsorship revenue - "Museu BMG"	1 084 323	697 482	344 851	41 990	-	-
Revenue related to publicity	1 530 692	515 219	485 219	485 219	9 993	35 043
	<u>31 551 511</u>	<u>6 477 852</u>	<u>6 346 336</u>	<u>6 308 699</u>	<u>6 056 707</u>	<u>6 361 917</u>
Effect of discounting other liabilities	(1 799 736)	(784 750)	(1 014 985)	-	-	-
	<u>50 070 864</u>	<u>17 478 828</u>	<u>13 864 714</u>	<u>6 308 699</u>	<u>6 056 707</u>	<u>6 361 917</u>

	30.06.2021	> 1 Year	> 2 Years	> 3 Years	> 4 Years	> 5 Years
<u>Other non-current liabilities</u>						
<u>Accrued expenses</u>						
Expenses with transaction of player's registration rights, not yet due	19 217 067	5 560 349	7 416 093	8 640 625	-	-
Indemnities	1 317 878	1 317 878	-	-	-	-
Competition bonuses pending processing	1 048 085	1 048 085	-	-	-	-
	<u>21 583 029</u>	<u>7 926 311</u>	<u>7 416 093</u>	<u>8 640 625</u>	<u>-</u>	<u>-</u>
<u>Deferred income</u>						
Broadcasting rights advances / anticipated invoicing	33 921 488	4 984 992	5 265 152	5 516 267	5 781 490	12 373 588
Anticipated advertising invoicing - FC Porto main sponsor	1 747 404	1 747 404	-	-	-	-
Deferred sponsorship revenue - "Museu BMG"	1 779 899	695 576	695 576	344 851	43 895	-
Revenue related to publicity	94 000	28 993	3 993	9 993	9 993	45 035
	<u>37 542 780</u>	<u>7 446 965</u>	<u>5 970 720</u>	<u>5 871 111</u>	<u>5 835 378</u>	<u>12 418 623</u>
Effect of discounting other liabilities	(7 496 890)	(518 420)	(873 963)	(1 104 457)	-	-
	<u>56 628 988</u>	<u>14 454 857</u>	<u>12 512 850</u>	<u>11 407 279</u>	<u>5 835 378</u>	<u>12 418 623</u>



	30.06.2022	< 90 DAYS	90-180 DAYS	180-360 DAYS
<u>Other current liabilities</u>				
Accrued expenses				
Remunerações a liquidar	1 154 679	-	384 893	769 786
Interests payable	375 762	375 762	-	-
Expenses with transaction of player's registration rights, not yet due	20 577 325	17 681 009	132 680	2 763 637
Competition bonuses pending processing	11 910 786	11 495 786	-	415 000
Image rights	3 198 598	3 198 598	-	-
Indemnities	2 109 741	1 416 031	527 564	166 146
Other accrued expenses	7 086 987	7 086 987	-	-
	46 413 877	41 254 172	1 045 137	4 114 568
Deferred income				
Broadcasting rights advances/anticipated invoicing	7 802 386	3 950 596	1 283 930	2 567 860
Anticipated advertising invoicing - FC Porto main sponsor	-	-	-	-
Deferred sponsorship revenue - "Museu BMG"	695 576	173 894	173 894	347 788
Captive seats reservation revenue to be recognized	1 804 955	451 239	451 239	902 477
Revenue related to publicity	1 664 590	1 234 198	143 464	286 927
	11 967 506	5 809 928	2 052 526	4 105 053
Effect of discounting other liabilities	(195 201)	(108 333)	(2 719)	(84 149)
	58 186 182	46 955 766	3 094 944	8 135 472

	30.06.2021	< 90 Days	90-180 Days	180-360 Days
<u>Other current liabilities</u>				
Accrued expenses				
Accrued payroll	1 507 577	414 152	304 475	728 950
Expenses with transaction of player's registration rights, not yet due	15 403 961	13 213 788	437 283	1 752 889
Competition bonuses pending processing	10 496 779	10 496 779	-	-
Image rights	3 663 802	3 663 802	-	-
Indemnities	3 324 499	2 843 946	86 099	394 454
Other accrued expenses	4 720 240	4 720 240	-	-
	39 116 857	35 352 706	887 856	2 876 293
Deferred income				
Broadcasting rights advances/anticipated invoicing	7 566 027	3 891 507	1 224 840	2 449 680
Anticipated advertising invoicing - FC Porto main sponsor	1 737 831	434 458	434 458	868 916
Deferred sponsorship revenue - "Museu BMG"	695 576	173 894	173 894	347 788
Revenue related to publicity	1 729 372	1 705 198	8 058	16 116
Revenue related to the loan of the players	-	-	-	-
	11 728 806	6 205 057	1 841 250	3 682 500
Effect of discounting other liabilities	(160 512)	(106 045)	(9 988)	(44 480)
	50 685 151	41 451 718	2 710 120	6 514 313

## 23. PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

The movement occurred in provisions and accumulated impairment losses in the years ended 30 June 2022 and 2021 is as follows:



Description	Opening Balance 30.06.2021	Increase	Utilization	Decrease	Closing Balance 30.06.2022
Accumulated impairment loss on investments (Note 9 & 30)	741 835	1 353 490	(1 977 182)	-	118 143
Accumulated impairment loss on account receivables (Note 11)	7 732 929	507 722	-	(288 317)	7 952 333
Accumulated impairment loss on inventories (Note 12)	1 590 151	-	-	(404 570)	1 185 581
Provisions	-	557 285	-	-	557 285
	<u>10 064 915</u>	<u>2 418 497</u>	<u>(1 977 182)</u>	<u>(692 887)</u>	<u>9 813 342</u>

Description	Opening Balance 30.06.2020	Increase	Utilization	Decrease	Closing Balance 30.06.2021
Accumulated impairment loss on investments (Note 9 & 30)	1 009 654	1 338 496	(1 603 742)	(2 574)	741 835
Accumulated impairment loss on account receivables (Note 11)	7 667 753	749 972	(215 888)	(468 909)	7 732 929
Accumulated impairment loss on inventories (Note 12)	1 314 696	275 455	-	-	1 590 151
Provisions	-	-	-	-	-
	<u>9 992 103</u>	<u>2 363 924</u>	<u>(1 819 630)</u>	<u>(471 482)</u>	<u>10 064 915</u>

The provisions of 558 thousand euros are related to the Pepe-Marítimo process (Note 35.1).

#### 24. Post-employment benefits

The Group has assumed the commitment to grant certain employees cash benefits as a retirement complement. These benefits are provided for in the Company Agreement between Futebol Clube do Porto and CESP - Sindicato dos Trabalhadores do Comércio, Escritórios e Serviços de Portugal and others.

The most recent actuarial valuation of the plan's assets and of the present value of the defined benefit obligation was carried out in July 2022 by Mercer (Portugal) Lda. The present value of the defined benefit obligation and the related current and past service cost were measured using the Projected Unit Credit method.

The main assumptions followed in the above mentioned actuarial valuation were as follows:

	<u>30.06.2022</u>	<u>30.06.2021</u>
Retirement normal age	66 anos	66 anos
Mortality table	TV 88/90	TV 88/90
Disability table	EVK 80 a 50%	EVK 80 a 50%
Discount Rate	3,20%	1,00%
Inflation rate	1,70%	1,70%
Salaries increase rate	2,70%	2,70%
Pension increase rate	1,70%	1,70%

The movements in the present value of the defined benefits obligation in the years ended June 30, 2022 and 2021 are described as follows:



	<u>30.06.2022</u>	<u>30.06.2021</u>
Opening Balance	295 760	299 156
Constitution	18 236	-
Interest and current service co	6 905	7 487
Actuarial gains / (losses)	(34 185)	4 543
Benefits paid	<u>(15 829)</u>	<u>(15 426)</u>
Closing Balance	<u>270 887</u>	<u>295 760</u>

The most important risks to which the Pension Plan may be exposed are the following:

- Behavior of demographic variables;
- Changes occurring in Social Security;
- Indexation of pensions.

A sensitivity analysis was carried out with a view to measuring the impact on the liabilities for past services caused by alteration of the discount rate (positive variation of 50 b.p.), a negative impact on the value of these liabilities amounting to approximately 16.917 Euros.

## 25. SALES AND SERVICES RENDERED

### Sales

As of 30 June 2022 and 2021 the caption "Sales" refers to sales of merchandising products of FCP by Porto Comercial. The increase in merchandising revenue reflects the reopening of the FC Porto stores, after the lifting of the restrictions dictated by the COVID-19 pandemic, verified in the previous year, with the consequent closure of stores for some periods of time in that period.

### Services rendered

Services rendered for the years ended 30 June 2022 and 2021 can be detailed as follows:

	<u>30.06.2022</u>	<u>30.06.2021</u>
Sports revenue		
European competition participating bonus	46 892 508	73 747 083
Ticketing income	6 538 566	40 350
Season tickets	2 223 296	-
Other sports revenue	<u>2 200 653</u>	<u>1 475 177</u>
	<u>57 855 023</u>	<u>75 262 609</u>
Advertising	25 924 460	15 716 924
Broadcasting rights	42 622 503	49 243 323
Other services rendered	<u>8 216 810</u>	<u>6 159 362</u>
	<u>134 618 797</u>	<u>146 382 218</u>

Revenue relative to premiums from European competitions decreased relative to the previous year due to the fact that in the previous season the quarter-finals of the UEFA Champions League were reached, which represented an additional income of 16.6 million euros relative to this season, in which it was not possible to reach the Group stage of the competition. On the other hand, the superior





sportive performance in the group stage of the UEFA Champions League last season (more points) represented an additional 7 million euros in revenue compared to the season ending 30 June 2022. The amount related to group stage presence and market pool, dependent on the UEFA ranking, was also EUR 4 million higher in the previous season.

With the return of the public to the stadiums in the 2021/2022 season, revenues from ticketing and annual seats have increased substantially compared to the previous season, in which there were restrictions.

The increase in other sports revenue is based essentially on the increase in revenue obtained with Dragon Force.

Taking in consideration the Covid-19 Pandemics, part of the revenue recognized with television rights of the games for the 2019/2020 season, associated with the last three home games of the National Championship, amounting to about 6.6 M€, was recognized at the beginning of the 2020/2021 season, when the games were played, which explains the variation that occurred.

The Advertising item includes the income inherent to the advertising contracts of the main sponsors of FC Porto SAD, revenues from the marketing of advertising media available, and also the advertising that is made in Porto Canal. The amount raised in advertising in the year ended June 30, 2022 was much higher than that recorded in the same period, which was affected by the Covid-19 Pandemics (closed door games, since a significant part of advertising partnerships includes the use of boxes in the Dragon Stadium to watch the games played there).

The caption "Other operating income" includes mainly the reimbursement of players' insurance claims, the ceding of sports facilities for international matches, and compensation for the use of athletes by the national teams. This item shows a decrease due to the fact that last season the final of the UEFA Champions League and a UEFA Nations League match were held at the Dragon stadium.

## 26. EXTERNAL SUPPLIES AND SERVICES

As of 30 June 2022 and 2021, the main balances included in this caption were as follows:



	<u>30.06.2022</u>	<u>30.06.2021</u>
Specialised Services	15 623 454	12 797 719
Subcontracts	5 327 277	2 824 503
Sports material	1 054 410	1 064 875
Representation expenses	1 176 648	1 074 542
Organization costs	1 507 371	678 161
Security	2 251 579	1 453 119
Insurance	1 111 040	1 099 681
Rentals	1 401 345	1 105 586
Image rights of athletes	6 717 869	7 345 014
Fees	2 119 726	1 414 291
Advertising	756 957	602 976
Repair and maintenance	2 576 684	2 181 499
Communication	613 082	503 441
Fuels	907 892	482 823
Electricity	1 010 575	399 464
Cleaning up services	903 369	678 898
Catering Services	1 013 065	24 141
Other supplies and services	2 792 935	2 070 751
	<u>48 865 277</u>	<u>37 801 481</u>

In general, the costs with external services increased due to the fact that the public has returned to the stadiums, which led to higher costs with organization, security and cleaning costs, among others.

The caption "Specialized works" records costs of various natures associated with the Group's activity, namely: (i) costs with market research services; (ii) costs with legal consultancy services; (iii) costs with financial consultancy services, namely those provided by FC Porto - Serviços Partilhados, S.A.; and (iv) production costs of contents of the Television Channel "Porto Canal".

The caption "Subcontracts" considers, in its majority, the costs incurred related to the protocol signed between the Group and Futebol Clube do Porto, essentially consisting of the provision of facilities and use of the training center, both to the main team and to the training players, as well as the costs of travel and accommodation (made by the soccer team for the realization of the matches in the national championship, in European competitions and in the realization of training camps), incurred by the subsidiary Dragon Tour. This item also includes costs of production of Porto Canal's contents, namely advisory and production of contents, engineering technical means, among others.

The item "Image rights" relates to costs with the assignment of image rights of players of the FCP squad that are negotiated by the subsidiary Porto Comercial.

The caption "Organization expenses" considers various costs related to the realization of games.

## 27. PAYROLL EXPENSES

The balances related to payroll expenses for the years ended 30 June 2022 and 2021 of the Company and subsidiaries can be detailed as follows:



	<u>30.06.2022</u>	<u>30.06.2021</u>
Governing Bodies	2 448 897	3 417 119
Players/Coaches	58 023 688	68 317 250
Technical and administrative staff	7 831 909	7 219 239
Post-Employment Benefits (Note 23)	24 883	7 487
Charges on salaries	6 810 337	7 212 162
Insurance	3 861 730	3 691 465
Indemnities	2 037 411	1 716 890
Other payroll expenses	<u>1 593 101</u>	<u>734 002</u>
	<u>82 631 955</u>	<u>92 315 615</u>

The decrease in personnel costs is justified essentially by the attribution of variable remunerations in the last financial year for reaching the quarter finals of the UEFA Champions League, as well as by the attribution of performance bonuses relative to the championship and Portuguese Cup of the 2019/2020 season, which ended after 30 June 2020, more precisely on 1 August 2020, producing, for this reason, effects already in the financial year 2020/2021.

In the year ended June 30, 2022, compensation costs with players on loan to other clubs amounted to approximately 3.277 thousand euros (2.600 thousand euros in June 30, 2021) and compensation costs with players on loan from other clubs amounted to approximately 3.175 thousand euros (3.700 thousand euros in June 30, 2021).

At June 30, 2022, the caption "Indemnities" relates to indemnities for termination of players' employment contracts.

The remuneration of the members of the Board of Directors of the various companies that are part of the consolidation perimeter of FC Porto, SAD, in the years ended June 30, 2022 and 2021 has the following composition:

	<u>30.06.2022</u>	<u>30.06.2021</u>
Fixed remuneration	2 370 325	2 397 934
Remuneração variável	78 572	1 019 185
	<u>2 448 897</u>	<u>3 417 119</u>

The detail of remuneration for each member of the Board of Directors and other governing bodies of FC Porto, SAD is disclosed in the Corporate Governance Report.

As of June 30, 2022 and 2021, the average number of people working for the Group was as follows:

	<u>30.06.2022</u>	<u>30.06.2021</u>
Governing Bodies	8	8
Administrative staff	275	268
Technical staff	78	77
Museum	26	22
Vendors (stores)	49	49
Football players	82	75
	<u>518</u>	<u>499</u>



## 28. RESULTS OF TRANSACTIONS WITH PLAYERS' REGISTRATION RIGHTS

The results of transactions with players' registration rights in the years ended 30 June 2022 and 2021 can be detailed as follows:

	30.06.2022	30.06.2021	Adjustment	30.06.2021 (restated)
Amortization and impairment losses of player's registration rights				
Amortization of player's registration rights (Note 8)	(34 019 568)	(29 843 687)	-	(29 843 687)
Impairment losses of player's registration rights (Note 8)	(4 719 193)	(18 790)	-	(18 790)
	<u>(38 738 762)</u>	<u>(29 862 477)</u>	-	<u>(29 862 477)</u>
Income related with transactions of players registration rights				
Income relating to player's registration rights sales (i)	118 851 420	102 889 180	(14 129 910)	88 759 270
Income relating to players on loan	1 397 507	5 301 990	-	5 301 990
Other income relating to players	1 784 293	4 386 380	-	4 386 380
	<u>122 033 220</u>	<u>112 577 550</u>	<u>(14 129 910)</u>	<u>98 447 640</u>
Costs related with transactions of players registration rights				
Costs relating to player's registration rights sales (i)	(28 324 935)	(30 725 022)	-	(30 725 022)
Costs relating to players on loan	(2 567 235)	(1 094 487)	-	(1 094 487)
Other costs relating to players	(7 404 831)	(5 965 788)	-	(5 965 788)
	<u>(38 297 001)</u>	<u>(37 785 297)</u>	-	<u>(37 785 297)</u>
	<u>44 997 458</u>	<u>44 929 776</u>	<u>(14 129 910)</u>	<u>30 799 866</u>
Gains/Losses from sales of player's registration rights (Note 8) (i)+(ii)	90 526 485	72 164 158	(14 129 910)	58 034 248

As disclosed in Note 2 and Note 8, the amounts related to June 30, 2021 were restated as a result of the change in the accounting policy applicable to transactions of acquisition and sale of registration rights of players with the same counterparty, when there is no quantitative corroborative evidence, supported by valuation techniques, to demonstrate that the fair value can be reliably measured.

Impairment losses of players' registrations consider the recoverable amount, against the net book value, as of 30 June 2022, of the players' registrations whose employment contracts have been terminated up to the approval date of these financial statements and of players whose sporting situation does not allow the recovery of the book value. As of June 30, 2022, the balance of this caption refers essentially to the player Nakajima.

The amounts included in captions "Gains from the sale of players' registrations" are presented net of the carrying amount of the players' registrations, intermediation costs incurred with that sales, liabilities relating to the solidarity mechanism (if and when applicable), the effect of the financial updating of accounts receivable and payable arising from those transactions and the cost of any compensation paid. The main transactions are detailed in Note 8.

At June 30, 2022, the caption "Income from loans of players" relates, essentially, to income obtained from loans of the players Sérgio Oliveira and Fernando Andrade. At June 30, 2021, the caption "Income from loans of players" relates, essentially, to income obtained by the loan of the players Danilo Pereira (4 million Euros) e Shoya Nakajima (1 million Euros).

As of June 30, 2022, the caption "Expenses with players on loan" relates to expenses incurred with the loan of the players Grujic and Rúben Semedo. As of June 30, 2021, the caption "Cost of players on loan" relates to expenses incurred with the loan of the player Danilo Pereira and with the acquisitions, on loan, of the players Felipe Anderson, Grujic and Sarr.

In the year ended June 30, 2022, the amount of "Other income with players" includes essentially the solidarity mechanism relating to the transfer of player André Silva. In the year ended June 30, 2021,



the amount of "Other income with players" includes, essentially, the values of solidarity mechanism not claimed by third party clubs with significant seniority in the amount of 2.638 thousand euros, and other expenses derecognized during the year

The caption "Other costs with players", in the financial year ended 30 June 2022, includes essentially amounts related with the termination of the employment contract of the player Renzo Saravia, conditional amounts payable for the provision of the Marchesín and brokerage fees relating to the renewal of employment contracts. The caption "Other costs with players", in the financial year ended 30 June 2021, includes essentially amounts related with the termination of the intermediation contract of the player Danilo Pereira, costs associated with the termination of the contracts of players Luizão and Inácio and costs associated with the transfer of the player Oliver.

## 29. FINANCIAL RESULTS

Financial expenses and income for the years ended 30 June 2022 and 2021 can be detailed as follows:

	<u>30.06.2022</u>	<u>30.06.2021</u>
<u>Financial expenses</u>		
Interest	18 979 800	20 906 364
Discount effect of accounts payable	4 441 679	2 847 739
Other financial expenses	2 356 186	1 150 406
	<u>25 777 665</u>	<u>24 904 509</u>
<u>Financial income</u>		
Interest	369 580	179 227
Discount effect of accounts receivable	4 197 131	2 221 550
	<u>4 566 710</u>	<u>2 400 778</u>
Net financial expenses	<u>(21 210 955)</u>	<u>(22 503 731)</u>

The balance of the captions 'Discount effect of accounts receivable' and 'Discount effect of accounts payable' relate to interest resulting from the temporal difference between the transaction date of sale / purchase of the registration rights of several sports players and the dates of receipt / payment contractually agreed.

## 30. GAINS AND LOSSES IN INVESTMENTS

The detail of caption "Gains and losses in investments" for the years ended 30 June 2022 and 2021 is as follows:

	<u>30.06.2022</u>	<u>30.06.2021</u>
Impairment losses - players' economic rights (Note 9)	(1 353 490)	(1 338 496)
Capital gains/losses arising from the disposal of economic rights (Note 9)	411 586	1 282 128
	<u>(941 904)</u>	<u>(56 368)</u>



### 31. RELATED PARTIES

The main balances with related parties, identified below, on 30 June 2022 and 2021 and the main transactions with related entities during the year ended on that date, are detailed as follows:

Transactions	30.06.2022				
	Sales and services rendered	External supplies and services	Depreciation and other expenses	Payroll	Interest income
Futebol Clube do Porto	3 329 271	2 846 771	1 422 886	(95 137)	175 049
FCP Serviços Partilhados	55 877	7 781 403	(242)	(60 544)	12
Fundação Porto Gaia	-	36 144	-	-	-
PPTV/Olivedesportos/Sport TV	152 886	-	-	-	-
	<u>3 538 034</u>	<u>10 664 318</u>	<u>1 422 644</u>	<u>(155 681)</u>	<u>175 061</u>

Transactions	30.06.2021				
	Sales and services rendered	External supplies and services	Depreciation and other expenses	Payroll	Interest income
Futebol Clube do Porto	2 347 292	1 594 890	1 423 117	86 938	223 438
FCP Serviços Partilhados	55 877	7 011 781	1 498	15 150	25
Fundação Porto Gaia	-	16 145	-	-	-
PPTV/Olivedesportos/Sport TV	42 010	-	-	-	-
Sportinveste	-	-	-	-	-
	<u>2 445 179</u>	<u>8 642 816</u>	<u>1 424 615</u>	<u>102 088</u>	<u>223 463</u>

Balances	30.06.2022			
	Accounts receivable	Accounts payable	Other current and non-current assets	Other current and non-current liabilities
Futebol Clube do Porto	18 444 655	157 225	17 355 095	12 653 890
FCP Serviços Partilhados	12 119 098	4 109 530	62 402	4 012 787
Fundação Porto Gaia	-	-	16 086	2 460
PPTV/Olivedesportos/Sport TV	188 050	-	-	29 891
Sportinveste	-	6 898	-	-
Investiantas	-	-	5 600	-
	<u>30 751 803</u>	<u>4 273 652</u>	<u>17 439 183</u>	<u>16 699 029</u>

Balances	30.06.2021			
	Accounts receivable	Accounts payable	Other current and non-current assets	Other current and non-current liabilities
Futebol Clube do Porto	14 603 843	55 850	9 862 558	3 616 940
FCP Serviços Partilhados	10 580 317	2 000 822	22 716	3 282 653
Fundação Porto Gaia	-	-	52 230	2 460
PPTV/Olivedesportos/Sport TV	51 660	-	-	29 891
Sportinveste	-	6 898	-	-
Investiantas	-	-	5 600	-
	<u>25 235 822</u>	<u>2 063 570</u>	<u>9 943 104</u>	<u>6 931 944</u>

Futebol Clube do Porto is the main shareholder of FC Porto, SAD, being Euroantas and FC Porto Serviços Partilhados, S.A. owned by this entity (53% and 96%, respectively). Additionally, it is presented above information of Group balances and transactions with the entities Sportinveste - Multimédia, S.A. ('Sportinveste') and PPTV/Olivedesportos - Publicidade Televisão e Media, S.A. ('Olivedesportos'), as the Chairman of the Board of Directors of these entities is a referral shareholder of FC Porto, SAD.



### 32. EARNINGS PER SHARE

Earnings per share for the year, were calculated according to the following amounts:

	<u>30.06.2022</u>	<u>30.06.2021</u>
<b>Earnings</b>		
Net profit/loss considered for the computation of basic earnings per shares	20 764 694	19 274 790
Net profit/loss considered for computation of diluted earnings per shares	<u>20 764 694</u>	<u>19 274 790</u>
<b>Number of shares</b>		
Weighted number of shares used to compute the basic earnings per share	22 500 000	22 500 000
Weighted number of shares used to compute the diluted earnings per share	<u>22 500 000</u>	<u>22 500 000</u>
<b>Basic earnings per share</b>	0,92	0,86
<b>Diluted earnings per share</b>	0,92	0,86

### 33. SEGMENT INFORMATION

Operationally, the Group is organised in three major segments:

- Segment A: activity related to the participation in professional football competitions, and the promotion and organisation of sports events represented by FCP SAD.
  - Segment B: activity related to the sale of image rights, sponsorship, merchandising and product licensing represented by PortoComercial and Euroantas.
  - Segment C: activity related to the contents production and transmission of the TV channel "Porto Canal", represented by FC Porto Media, Avenida dos Aliados and Miragem.
- Other services: includes the activities of the subsidiaries PortoMultimedia, PortoEstádio, PortoSeguro and Dragon Tour.

Operational income, with the indication of transactions with other segments and those resulting from transactions with third parties, may be presented as follows:



	30.06.2022				
	<u>Segm. A</u>	<u>Segm. B</u>	<u>Segm. C</u>	<u>Outros serviços</u>	<u>Total</u>
Operational income excluding income related with transactions of player's registration rights					
Resulting from operations with external clients	97 534 588	36 165 580	6 090 595	3 987 527	143 778 290
Resulting from operations with other segments	250 183	3 015 249	5 384 441	5 544 792	14 194 665
	30.06.2021				
	<u>Segm. A</u>	<u>Segm. B</u>	<u>Segm. C</u>	<u>Outros serviços</u>	<u>Total</u>
Operational income excluding income related with transactions of player's registration rights					
Resulting from operations with external clients	122 231 078	22 364 579	5 964 124	3 053 234	153 613 015
Resulting from operations with other segments	252 119	2 384 277	5 443 696	4 196 444	12 276 535

The amounts related to operational profit, operational cash-flow and cash-flow, by segment, are as follows:

	30.06.2022					
	<u>Segm. A</u>	<u>Segm. B</u>	<u>Segm. C</u>	<u>Other services</u>	<u>Eliminations &amp; Adjustments</u>	<u>Total</u>
<b>Operational Result</b>	<b>35 210 156</b>	<b>9 817 031</b>	<b>(765 058)</b>	<b>708 803</b>	<b>(1 256 886)</b>	<b>43 714 045</b>
Amortization and depreciation excluding amortisation of players' registration rights	3 243 020	3 625 813	343 323	37 529	(1 036 412)	6 213 273
Provisions and impairments losses excuding player's registration rights	917 380	(561 994)	-	16 734	-	372 120
Amortisation and impairment losses of players' registration rights	38 738 762	-	-	-	-	38 738 762
<b>Cash-flow operacional - EBITDA (a)</b>	<b>78 109 317</b>	<b>12 880 850</b>	<b>(421 735)</b>	<b>763 066</b>	<b>(2 293 298)</b>	<b>89 038 199</b>
Gains and losses in investments	(941 904)	-	14 091	-	(14 091)	(941 904)
Financial expenses	(25 186 690)	(782 379)	(371 086)	(3 978)	566 468	(25 777 665)
Financial income	5 241 050	158 783	0	105 759	(938 881)	4 566 710
Income tax	1 698 840	(2 234 204)	(66 737)	(189 762)	56 672	(735 191)
<b>Cash-flow (b)</b>	<b>58 920 612</b>	<b>10 023 049</b>	<b>(845 467)</b>	<b>675 085</b>	<b>(2 623 130)</b>	<b>66 150 150</b>

(a) - Earnings before taxes, financial results, amortizations, provisions and impairment losses

(b) - Net profit for the year + amortizations, provisions and impairment losses

	30.06.2021					
	<u>Segm. A</u>	<u>Segm. B</u>	<u>Segm. C</u>	<u>Other services</u>	<u>Eliminations &amp; Adjustments</u>	<u>Total</u>
<b>Operational Result</b>	<b>43 473 155</b>	<b>(655 330)</b>	<b>296 522</b>	<b>710 071</b>	<b>(1 256 886)</b>	<b>42 567 532</b>
Amortization and depreciation excluding amortisation of players' registration rights	3 304 054	3 628 257	450 065	34 279	(1 036 412)	6 380 243
Provisions and impairments losses excuding player's registration rights	(43 622)	609 596	(9 455)	-	-	556 519
Amortisation and impairment losses of players' registration rights	29 862 477	-	-	-	-	29 862 477
<b>Cash-flow operacional - EBITDA (a)</b>	<b>76 596 065</b>	<b>3 582 523</b>	<b>737 131</b>	<b>744 349</b>	<b>(2 293 298)</b>	<b>79 366 770</b>
Gains and losses in investments	(56 368)	-	13 597	-	(13 597)	(56 368)
Financial expenses	(23 985 807)	(1 122 484)	(397 525)	(2 478)	603 786	(24 904 509)
Financial income	3 155 713	145	1	-	(755 082)	2 400 778
Income tax	(901 619)	(50 933)	(111 226)	(176 610)	56 672	(1 183 717)
<b>Cash-flow (b)</b>	<b>54 807 984</b>	<b>2 409 251</b>	<b>241 977</b>	<b>565 261</b>	<b>(2 401 519)</b>	<b>55 622 954</b>

(a) - Resultado antes de impostos, resultados financeiros, amortizações, provisões e Perdas por imparidade

(b) - Resultado líquido do exercício + amortizações, provisões e Perdas por imparidade

The amounts related to the main costs included in operational profit, by segment, are as follows:





30.06.2022					
	<u>Segm. A</u>	<u>Segm. B</u>	<u>Segm. C</u>	<u>Other Services</u>	<u>Total</u>
External Supplies and Services	21 116 532	14 743 230	5 708 125	7 297 390	48 865 277
Payroll Services	75 780 362	2 845 130	2 500 122	1 506 341	82 631 955

30.06.2021					
	<u>Segm. A</u>	<u>Segm. B</u>	<u>Segm. C</u>	<u>Other Services</u>	<u>Total</u>
External Supplies and Services	14 756 711	13 576 343	4 497 402	4 971 025	37 801 481
Payroll Services	86 027 127	2 284 428	2 453 840	1 550 219	92 315 615

Concentration risk in customers with more than 10% of total revenues:

30.06.2022					
	<u>Segm. A</u>	<u>Segm. B</u>	<u>Segm. C</u>	<u>Other Services</u>	<u>Total</u>
Altice	37 235 422	5 486 346	5 325 835	-	48 047 603
UEFA	46 892 508	-	-	-	46 892 508
Liverpool FC	45 000 000	-	-	-	45 000 000
Paris Saint Germain	41 525 000	-	-	-	41 525 000
Arsenal FC	35 000 000	-	-	-	35 000 000

30.06.2021					
	<u>Segm. A</u>	<u>Segm. B</u>	<u>Segm. C</u>	<u>Other Services</u>	<u>Total</u>
Altice	43 806 379	5 327 167	5 325 835	-	54 459 380
UEFA	73 747 083	-	-	-	73 747 083
Wolverhampton	40 000 000	-	-	-	40 000 000

Data on total assets and total liabilities, as well as on the investment made in the year in tangible and intangible assets, including players' registration rights, can be presented, by segment, as follows:

	30.06.2022					
	<u>Segm. A</u>	<u>Segm. B</u>	<u>Segm. C</u>	<u>Outros serviços</u>	<u>Eliminations and adjustments</u>	<u>Total</u>
Total Assets	347 200 797	148 208 504	25 833 196	19 275 728	(122 069 613)	418 448 613
Total Liabilities	516 995 020	62 300 463	31 341 954	17 694 242	(98 214 657)	530 117 022
Investment made in the current year (c)	30 179 520	24 961	57 510	-	-	30 261 991
	30.06.2021					
	<u>Segm. A</u>	<u>Segm. B</u>	<u>Segm. C</u>	<u>Outros serviços</u>	<u>Eliminations and adjustments</u>	<u>Total</u>
Total Assets	321 564 426	141 199 331	22 832 117	15 613 761	(107 522 808)	393 686 827
Total Liabilities	507 530 191	62 187 494	27 152 086	13 586 393	(84 315 689)	526 140 475
Investment made in the current year (c)	78 667 652	-	46 143	-	-	78 713 794

(c) - Increase in tangible and intangible assets, including players' passes

As FCP Group is currently developing its activity exclusively in the internal market, geographical segments are not reported.

### 34. LEASES

During the year ended 30 June 2022, the movements in right-of-use assets, as well as accumulated depreciation, were as follows:



	<b>Right-of-use assets</b>		
	<b>30.06.2022</b>		
	Buildings	Vehicles	Total
<b>Cost:</b>			
Opening Balance (01.07.2021)	12 287 338	1 574 037	13 861 375
Additions	-	387 177	387 177
Reassessment/Modifications	8 744 981	-	8 744 981
Closing Balance (30.06.2022)	21 032 319	1 961 215	22 993 534
<b>Accumulated depreciations and impairment losses:</b>			
Opening Balance (01.07.2021)	3 491 021	687 259	4 178 279
Depreciation charge for the year	1 737 751	381 844	2 119 596
Closing Balance (30.06.2022)	5 228 772	1 069 103	6 297 875
<b>Net book value</b>	<b>15 803 547</b>	<b>892 112</b>	<b>16 695 659</b>

	<b>30.06.2021</b>		
	Buildings	Vehicles	Total
<b>Cost:</b>			
Opening Balance (01.07.2020)	11 480 672	1 363 745	12 844 417
Additions	-	210 293	210 293
Reassessment/Modifications	806 666	-	806 666
Closing Balance (30.06.2021)	12 287 338	1 574 037	13 861 375
<b>Accumulated depreciations and impairment losses:</b>			
Opening Balance (01.07.2020)	1 728 260	341 789	2 070 049
Depreciation charge for the year	1 762 761	345 470	2 108 230
Closing Balance (30.06.2021)	3 491 021	687 259	4 178 279
<b>Net book value</b>	<b>8 796 317</b>	<b>886 778</b>	<b>9 683 096</b>

During the year, the lease contract for the Olival training center with Futebol Clube do Porto was revised and the term was extended until June 30, 2027 with a fixed annual rent of 2.000 thousand euros.

The caption Right-of-use assets include assets associated to lease contracts, resulting from the adoption of IFRS 16 as at 1 July 2019. As at 30 June 2022, it is mainly comprised by the right-of-use of the FCP Museum (until 30 September 2023), the Olival Training Centre (until 30 June 2027) and the FCP stores (until 29 February 2032).

During the year ended 30 June 2022, the movements in lease liabilities were as follows:

	<b>Lease liabilities (included in Other Loans)</b>		
	<b>30.06.2022</b>		
	Buildings	Vehicles	Total
Opening Balance (01.07.2021)	5 090 641	700 347	5 790 988
Additions	-	387 177	387 177
Reassessment/Modifications	8 744 981	-	8 744 981
Interest	280 393	16 511	296 904
Payments	(1 352 526)	(408 875)	(1 761 401)
Closing balance (30.06.2022)	12 763 489	695 160	13 458 649



	<b>30.06.2021</b>		
	Buildings	Vehicles	Total
Opening Balance (01.07.2020)	5 375 250	848 090	6 223 340
Additions	-	210 293	210 293
Reassessment/Modifications	806 666	-	806 666
Interest	334 005	21 906	355 911
Payments	(1 425 280)	(379 942)	(1 805 222)
Closing balance (30.06.2021)	5 090 641	700 347	5 790 988

### 35. OTHER INFORMATION

#### 35.1 Contingent liabilities

##### a) SL Benfica and SL Benfica, SAD

In May 2018, FC Porto, FC Porto – Futebol, SAD, FC Porto – Media, S.A. and Avenida dos Aliados, Sociedade de Comunicação, S.A., as well as Francisco J. Marques and part of the board members of the Club and of FC Porto SAD, were cited for the terms of a law action against them sought by Sport Lisboa e Benfica and Sport Lisboa e Benfica – Futebol, SAD, claiming an indemnity in the amount of 17,784,580 Euros. This legal proceeding appears as a reaction to the case known as “Benfica’s e-mails”. The action, pending in court (Tribunal Judicial da Comarca do Porto, Juízo Central Cível do Porto), was judged and a decision was delivered, dated 6 June 2019, which, acquitting the requests formulated by the authors, Avenida dos Aliados – Sociedade de Comunicação S.A., as well as Jorge Nuno Pinto da Costa, Adelino Caldeira and Fernando Gomes, condemned FC Porto, FC Porto – Futebol, SAD, FC Porto – Media, SAD and Francisco J. Marques in the payment of a global amount of 1.953.023 euros. Not accepting this second part of the decision from the court of first instance, FC Porto, FC Porto – Futebol, SAD, FC Porto – Media, SAD and Francisco J. Marques have appealed, in September 2019, to Tribunal da Relação do Porto, arguing for the revocation of the part of the decision that was unfavourable, and for its full acquittal from the requests made by Sport Lisboa e Benfica e Sport Lisboa e Benfica – Futebol, SAD. It was timely requested the fixation of the suspensive effect of the appeal, having the provision of a deposit being judged as well founded and, consequently, fixed such effect. The reason for being required the provision of a deposit originates precisely in ensuring the compensation of potential damages and losses, material and not material, which could have been caused to the recurrent in virtue of the provisional execution of the sentence and the reversal of the decision (appealed) in the higher court. Meanwhile, the case arrived Tribunal da Relação do Porto. On 14 January 2020, the drawn judge presented to the President of the Tribunal da Relação do Porto a request for excuse. On 20 January 2020, Futebol Clube do Porto, Futebol Clube do Porto, Futebol, SAD, FCP Media, S.A., Francisco José de Carvalho Marques, Avenida dos Aliados – Sociedade de Comunicação, SA.A., Jorge Nuno Lima Pinto da Costa, Fernando Manuel dos Santos Gomes and Adelino de Sá e Melo Caldeira, raised unconstitutionality exceptions, requesting that those were taken into account on the decision to be taken by the President of Tribunal da Relação do Porto, on the applicable legal terms. On 23 January 2020, the President of Tribunal da Relação do Porto delivered without listening the parties, a decision where it dismissed the request for excuse by the drawn judge. From this decision, understood as being unconstitutional by violation of the principle of judicial neutrality foreseen in articles 203.º and 20.º, n.º 4, of the Portuguese Republic Constitution, was, on February 4, 2020, appealed to the Tribunal Constitucional. The appeal was admitted by the President of the Tribunal da Relação do Porto, by dispatch on 6 April 2020, having the case rose to the Tribunal Constitucional on the same date. The



latter did not consider the appeal for review of constitutionality, hence the case was transferred back to Tribunal da Relação do Porto and, on January 11, 2021, was presented by the appellants FC Porto, FC Porto – Futebol, SAD, FC Porto – Media, SA, Avenida dos Aliados, Sociedade de Comunicação, SA, as well as Francisco J. Marques and, also, Jorge Nuno Pinto da Costa, Adelino Caldeira and Fernando Gomes, a request addressed to the Judge, under the terms of the applicable procedural law, so that he declares himself impeded of intervening in the case. The request was rejected on February 19, 2021. A review appeal filed on March 4, 2021, was converted in a complaint to the Conference, by order of the Judge that notified the parties on April 8, 2021. The Conference confirmed the decision of not impediment of the Judge by judgment dated June 9, 2021. An appeal was filed against this judgment, to the Supreme Court of Justice, on July 13, 2021. Having been admitted by order dated September 13, 2021. By a single decision dated November 29, 2021, confirmed by Judgment of February 3, 2022, the Supreme Court of Justice dismissed the complaint, thus maintaining the Judgment of the Oporto Court of Appeal that dismissed the appeal. The appeal filed by the appellants FC Porto, FC Porto - Futebol, SAD, FC Porto - Media, S.A., Avenida dos Aliados, Sociedade de Comunicação, S.A., Francisco J. Marques and also Jorge Nuno Pinto da Costa, Adelino Caldeira and Fernando Gomes, against the verdict of the 1st instance, in the part that was unfavorable to the same appellants, proceeded to trial. On September 13, 2022 a decision was rendered by the Oporto Court of Appeal which partially upheld the appeals filed by both the plaintiffs SLB and SLB Futebol SAD, as well as the defendants FCP, Futebol, SAD, FCP and others, thus not confirming the decision of the Court of 1st instance, so this decision is subject to appeal to the Supreme Court of Justice. In view of the abnormal extension of the Judgement and the legal complexity of the matters still in controversy, on 16 September last, an application was made to extend the time limit for filing the appeal from 30 to 60 days (with the concomitant presentation of the appeal allegations). The requested extension was granted by an order dated September 20, 2022. It remains the firm belief of the Board of Directors, supported by the opinion of its legal advisors, that the part of the decision that was unfavorable to FC Porto - Futebol, SAD, in particular, will be revoked, so it will continue to defend this belief until the last instances.

b) Julian Lopetegui

On 28 September 2020, FCP SAD was cited for the legal proceeding (under number 15440/20.0T8PRT in Juízo do Trabalho do Porto) that was put against the Entity on 24 September 2020 by Julian Lopetegui Agote. By the way of this legal proceeding, the author requests FCP SAD to be convicted in the payment of an amount of 791,839.77 euros, for labour credits emerging from personal income tax settlements for the years of 2014, 2015 and 2016. FC Porto SAD considers that the factuality invoked does not correspond to the truth, and also (without prejudice to other adequate and applicable lines of defense) FC Porto SAD considers that the invoked credit is expired. Julian Lopetegui responded to the exception of the statute of limitations presented by FC Porto SAD in the answer, alleging in the same manner as what he had already invoked in the initial petition. The process awaits the reorganization phase, in which, among other things, the date for the hearing and judgment will be set.

c) Kléber - Marítimo

Marítimo da Madeira - Futebol - SAD filed a suit on July 7, 2020, seeking an order against FC Porto, SAD to pay the amount of EUR 5,000,000.00 (five million euros), corresponding to the value for which the player Kléber Laube Pinheiro was entered on the compensation list drawn up by the Portuguese Professional Football League, plus interest accrued and coming until full and effective payment. Offered defense - in which, deducting the defense by exception and by challenge, it was concluded asking that the action was judged totally unfounded - followed the ulterior terms. On September 22, 2021 a preliminary hearing was held and the parties' representatives orally claimed their respective understandings regarding the facts contained in the pleadings and, as well as, the respective legal



subsumption, and, finally, an order was issued determining that the process be concluded for the handing down of a Sentence, whose notification is awaited. In the contestation it was argued that the action lacked grounds and, consequently, it was requested that it was judged totally unfounded, understanding that is maintained. The action was dismissed as totally unfounded, having been appealed by Marítimo da Madeira - Futebol - SAD, which was also dismissed as totally unfounded, and the respective Judgment became final. The process is therefore over, leaving only Marítimo - Futebol, SAD to pay the costs of parties due to FC Porto, SAD.

#### d) Pepe - Marítimo

Marítimo da Madeira - Futebol - SAD filed suit on July 7, 2020 requesting FC Porto, SAD to pay:

i) the amount of EUR 552,500.00, by way of capital, plus VAT at the legal rate in force, as well as late payment interest due and falling due calculated from 30/06/2004 until full and effective payment at the legal rate applicable to credits held by commercial companies, making up the already due the amount of EUR 728,488.22, which makes the overall amount settled at EUR 1,280,988.22, plus VAT at the legal rate applicable on the capital.

ii) the amount of EUR 34,760.41, corresponding to the late payment interest accrued on the amounts and during the periods of time referred to in the table in article 55 of the i.p., calculated at the legal rates applicable to credits held by commercial companies; and

iii) the salary amount provided for in the sports employment contract signed between the Defendant and the player Rubens Rodrigues dos Santos Júnior, for the 2004/2005 sports season, less the amount of EUR 75,000.00, by way of compensation for non-compliance with the respective contractual obligation, to be settled in court, plus late payment interest accrued since June 30, 2004 until effective and full payment, calculated at the legal rates in force for credits held by commercial companies.

After the answer was presented - in which, after a defense by way of exception and opposition, it was concluded that the action should be dismissed as totally unfounded - the next steps were taken. The hearing began on September 22, 2021, in the morning and afternoon, and resumed and concluded on October 1, 2021, also in the morning and afternoon. In the answer, it was argued that the action lacked grounds and, consequently, it was requested that it be judged totally unfounded. The action was judged partially well founded with a sentence of 552,500 euros, plus VAT at the legal rate in force, and accrued interest, totaling 562,070.07 euros, for a total of 1,114,570.07 euros, and falling due until effective and full payment, which was confirmed by the Court of Appeal. FC Porto, SAD appealed the respective ruling, and the deadline for Marítimo, SAD to present its counterclaim is underway. It is our firm belief that, upon appeal, FC Porto, SAD will be dismissed.

Under this process, was recognized in the year a provision of 557 thousand euros as Note 23.

#### e) Competition Authority

Under process no. PRC/2020/01 opened by the Competition Authority, FC Porto - Futebol, SAD is targeted, along with most of the other clubs of the Premier League of professional football, in a misdemeanor case for violation of competition rules: the defendants are held responsible for having entered into, and the LIGA PORTUGUESA DE FUTEBOL PROFESSIONAL, by acting as facilitator of, an agreement not to hire professional soccer players who had unilaterally terminated their employment contract "citing issues caused as a result of the Covid-19 pandemic or any exceptional decisions arising therefrom, in particular the extension of the sports season", (infringement of the provisions of paragraph c) of Article 9.1 of the Portuguese Competition Law). Article 9(1)(c) of Law 19/2012 and Article 101(1)(c) of the TFEU).

The management board issued a condemnatory decision, dated April 28, 2022, covering FC Porto - Futebol, SAD, imposing a fine of € 2,582,000 (two million, five hundred and eighty-two thousand



euros). FC Porto - Futebol, SAD judicially challenged this conviction before the Competition, Regulation and Supervision Court. We await the sending of the process to this Court. It is our firm belief that FCP SAD will be fully dismissed.

### 35.2 Contingent assets

#### a) **Tax litigation**

The Company made in previous years, payments for additional assessments of tax, recording such payments as an expense in the period in which such payments occurred. However, the Company maintains the complaints and judicial claims, calling for the return of such amounts.

Thus, there are the following contingent assets of tax to 30 June 2022:

<b>Tax</b>	<b>Nature</b>	<b>Contingent asset 30/06/2022</b>
IRC 2003	Additional tax settlement	376 950
IVA 2005 e 2006	Additional tax settlement	20 558
IRC 2005	Additional tax settlement	281 660
IRC 2006	Additional tax settlement	93 529
IVA 2007	Additional tax settlement	10 417
IRC e IVA 2008	Additional tax settlement	48 943
IRC 2009	Additional tax settlement	979 548
IRC e IRS 2010	Additional tax settlement	282 700
		<b>2 094 306</b>

### 35.3 Commitments undertaken in regard of players' future transactions

As a consequence of transactions of acquisition and sale of players' registration rights, commitments were established with third parties, namely clubs, sports agents, players and other entities that are dependent on future events, namely of future transactions (sales of players' registration rights above certain amounts established in the contracts) and sports performances.

As of June 30, 2022, the most significant contingent assets associated with future sports transactions and performances refer to, i) variable amounts receivable up to 1.75 million Euros depending on the individual performance of the athlete and Leicester City, under the sale of Ricardo Pereira; ii) variable amounts receivable up to 2 million Euros depending on the individual performance of the athlete and Manchester United, under the sale of Alex Telles; iii) variable amounts receivable up to 15 million Euros depending on the individual performance of the athlete and Liverpool, under the sale of Luis Diaz; and iv) variable amounts receivable up to 5 million Euros depending on the individual performance of the athlete and Arsenal, under the sale of Fábio Vieira.

### 35.4 Bank guarantees (in addition to the guarantees disclosed in Nota 19)

As of 30 June 2022, the Group had the following bank guarantees:

- (a) PortoComercial: bank guarantees in the amount of 114.009 Euros in favour of malls store's leaseholders



### 35.5 Other responsibilities

On November 22nd, 2021, FC Porto - Futebol, SAD was the target of searches, which took place at Estádio do Dragão, ordered by the Central Department of Investigation and Prosecution, under process no. 493/21.2TELSB (known as the "blue card" process). On that same date, other searches were conducted in other places, targeting other people, to collect evidence relating to contracts for transfers of soccer players signed by FC Porto - Futebol, SAD. During these searches there was no place for any defendant, namely, Futebol Clube do Porto, Futebol Clube do Porto - Futebol, SAD or any of its directors or employees, a situation that has not changed to this date.

The Group did not assume any responsibilities other than those described in this annex.

### 36. SUBSEQUENT EVENTS

Subsequent to the date of the financial statements, the most significant movements that occurred in the soccer squad were as follows:

Entries: definitive acquisition of the registration rights of players Stephen Eustáquio, André Franco, Gabriel Veron, João Marcelo, Samuel Portugal and David Carmo.

Departures: permanent transfer of the registration rights of the players Francisco Conceição, Sérgio Oliveira and Agustín Marchesin, the end of the contract of the players Mbemba and Ruben Semedo as well as the termination of the contract with the player Nakajima.

There were no other relevant facts that will materially affect the financial position and future results of FC Porto, SAD and all subsidiaries included in the consolidation.

### 37. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors on 10 October 2022.

### 38. EXPLANATION ADDED FOR TRANSLATION

These consolidated financial statements are a translation of financial statements originally issued in Portuguese in accordance with International Financial Reporting Standards (IFRS/IAS) as adopted by the European Union and the format and disclosures required by those Standards. In the event of discrepancies, the Portuguese language version prevails.





## 7. Statutory and Auditor's Report

*(Translation from the original Portuguese language. In case of doubt, the Portuguese version prevails.)*

### Statutory and Auditor's Report

#### REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

##### Opinion

We have audited the accompanying consolidated financial statements of Futebol Clube do Porto - Futebol, S.A.D. (the Group), which comprise the Consolidated Statement of Financial Position as at 30 June 2022 (showing a total of 418.448.613 euros and a total negative equity of 111.668.409 euros, including a net profit for the year attributable to equity holders of the Group of 20.764.694 euros), the Consolidated Statement of Profit And Loss by Nature, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Futebol Clube do Porto - Futebol, S.A.D. as at 30 June 2022, and of its consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union.

##### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and guidelines as issued by the Institute of Statutory Auditors. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. We are independent of the entities comprising the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Institute of Statutory Auditors' code of ethics.

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

##### Material uncertainty related to going concern

As a consequence of losses incurred in the last years, as at 30 June 2022, the Group's equity is negative (being applicable the provisions of article 35 of the Commercial Company Code) and current liabilities are significantly higher than current assets. These conditions indicate that a material uncertainty exists which may cast significant doubts on the Group's ability to continue as a going concern. Nonetheless, as mentioned in Notes 2.1, 3.3 and 3.4, the financial statements were prepared on a going concern basis, which considers the continued financial support of the financial institutions and other lenders, namely the renewal and/or the reinforcement of the existing credit facilities, as well as the future success of the sale of players' registration rights, as foreseen in the operating and treasury budgets, which is essential to the economic and financial stability of the Group and to the fulfilment of the financial and regulatory commitments entered to. Our opinion is not modified in respect of this matter.

##### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the "Material uncertainty related to going concern" section, the key audit matters in the current year audit are the following:





# 1. Clubs Licensing Regulations for the UEFA competitions

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>As mentioned in Note 3.4, given the non-compliance with the break-even rules, as defined in the UEFA Club Licensing Regulation, measures have been taken to ensure that access to UEFA Competitions, which is critical to the maintenance of the current business model, is assured.</p> <p>The amount of revenues arising from participation in the UEFA Competitions has continued to have a significant impact on the total revenues of the Group.</p> <p>Accordingly, the analysis of the reasonableness of the final calculation of break-even for the periods under analysis (initially the “monitoring period” was 2018-2020, but was subsequently prolonged to 2019-2022), is a key audit matter.</p>	<p>The main procedures performed were as follow:</p> <ul style="list-style-type: none"> <li>▶ We read the “Settlement Agreement” signed on 9 June 2017 with the UEFA Club Financial Control Body, regarding financial “Fair Play”;</li> <li>▶ Analysis of the reasonableness of the assumptions utilized by the Board of Directors in the final calculation of break-even for the periods under analysis (2019 to 2022), namely, assessing the reasonableness of the break-even adjustments for the periods considered in the calculation. In particular, we reviewed the detail of the break-even adjustments and, comparing it with the accounting records;</li> <li>▶ Analysis of the correspondence exchanged with UEFA related to the extension of the monitoring period until the end of the period 2021/2022;</li> <li>▶ Analysis of the correspondence exchanged with UEFA relating to the temporary emergency measures implemented in relation to financial Fair Play, as a consequence of the effects of the Covid-19 Pandemic in the football industry, which impacted the 2019/2020 and 2020/2021 seasons;</li> <li>▶ Analysis of the compliance throughout the period with other regulatory requirements, and related correspondence exchanged with UEFA; and</li> <li>▶ Analysis of subsequent events to the reporting date, which could affect the break-even calculation.</li> </ul> <p>We have also confirmed the adequacy of the disclosures included in Note 3.4.</p>



## 2. Transaction of players' registration rights

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>As at 30 June 2022, the net book value of players' registration rights is 79.384 thousand euros (2021: 95.929 thousand euros), representing 19% of total assets.</p> <p>Players' registration rights are initially measured at acquisition cost, which includes the amounts paid to the originating club and to sports agents, being subsequently amortised during the term of the contract.</p> <p>The cost recorded at the time of acquisition is based on contracts which can be complex and can include future purchase options, obligations dependent of future performance and payment deferred over the time, and also include costs with commissions and other inherent costs related with the acquisition. Additionally, there is a risk that the net book value of a given pass is impaired, due to sporting performance below expectations, injuries of the athletes and other circumstances that affect the valuation of athletes.</p> <p>In addition, the gains related with players' transfer registration rights, which at the end of the year amounted to positive net amount of 90.526 thousand euros (30.06.2021: 58.034 thousand euros), as disclosed in Note 28, have a significant impact on the Group's results and are determined based on contracts with the same characteristics.</p> <p>These circumstances justify that this subject has been considered a key audit matter.</p>	<p>We have evaluated the assumptions established by the Board of Directors in the calculation of net gains from the sale players' registration rights and in the computation of the amount of impairment losses of players' registration rights.</p> <p>In addition, we have performed the following procedures:</p> <ul style="list-style-type: none"> <li>▶ We made inquiries with Management and those responsible for the legal area about the estimates, judgments and decisions taken;</li> <li>▶ Reviewing all contracts related to the acquisition and sale of players' registration rights;</li> <li>▶ Consideration of whether the contracts have been recorded in the correct period;</li> <li>▶ Confirmation that the variable components foreseen in the contracts, depending on the future sporting performance of the athletes, whether receivable or payable, were properly booked;</li> <li>▶ Analysis of the information made available about the sports performance (time played in competitions) of the main players;</li> <li>▶ Utilization of the databases to obtain information about entities associated with sports agents, including the search for adverse news in the media, their beneficial owners, shareholders and directors;</li> <li>▶ Comparison of the percentage of the commissions against the value of the respective transfers of players' registration rights and/or the salary agreed with the player, as applicable, taking into account the non-binding guidelines of FIFA;</li> <li>▶ Testing of the computation of amortisation and of the financial discount factors at the date of initial recognition of the asset;</li> <li>▶ Testing the computation of net gains related with the sale of players' registration rights, including the financial discount factors;</li> <li>▶ Analysis of compliance with tax obligations inherent to player players' registration rights transactions, in particular with regard to payments to non-resident entities;</li> <li>▶ Analysis of subsequent events as at the reporting date; and</li> <li>▶ Validation of the information related to sports agents included in Note 8.</li> </ul> <p>We have also considered the adequacy of the applicable disclosures, namely the disclosures included in Notes 2.5, 2.8, 8, 28 and 35.3.</p>



### 3. Legal contingencies

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>As disclosed in Note 35.1 of the notes to the consolidated financial statements, the Group has identified several legal contingencies. Depending on the opinion of its internal and external legal advisors, and the judgment made by the Board of Directors in regard of the legal proceedings resulting from the activity of the Group, provisions are booked or contingent liabilities are disclosed in the financial statements, whenever the Group considers that an unfavourable outcome is probable or possible, in accordance with IAS 37. Determining the probabilities of the outcome of ongoing disputes and their respective impact on the financial statements involves a high degree of judgment.</p> <p>In this financial year the status of some legal proceedings in which the Group is involved changed.</p> <p>The complexity, the degree of judgment and the level of uncertainty associated with the outcome of legal proceedings (in terms of assessing the likelihood of the Group's outflow of resources, and in terms of quantifying the related liability or contingent liability), justify that this subject has been considered a key audit matter.</p>	<p>Our audit approach included the performance of the following procedures:</p> <ul style="list-style-type: none"> <li>▶ Understanding and evaluating the monitoring processes for legal contingencies;</li> <li>▶ Making inquiries to the Board of Directors regarding the basis for their estimates and judgements and evaluating the considerations utilized for the grading of each contingency;</li> <li>▶ Obtaining external confirmations from all lawyers with whom the Group has relations, as well as additional information prepared by external lawyers for the main ongoing processes. As a result of the analysis of this information, we have made additional inquiries to the lawyers with whom the Group has relations in order to obtain additional information and monitor the ongoing proceedings until the present date;</li> <li>▶ For material cases on trial, was reviewed the responses received from external lawyers and their consistency with court decisions, using EY lawyers in this analysis;</li> <li>▶ Reviewing the expenses incurred in the year with legal advisors;</li> <li>▶ Reading the minutes of the meetings of the Board of Directors of the various Group companies; and</li> <li>▶ Assessing the consistency of the criteria used compared with previous years.</li> </ul> <p>Our approach also included analysis of the applicable disclosures (IAS 37), included in Note 35 of the notes to the consolidated financial statements.</p>

## Responsibilities of management and the supervisory board for the consolidated financial statements

Management is responsible for:

- ▶ the preparation of consolidated financial statements that presents a true and fair view of the Group's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union;
- ▶ the preparation of the Management Report, including the Corporate Governance Report in accordance with the laws and regulations;
- ▶ designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ▶ the adoption of accounting policies and principles appropriate in the circumstances; and
- ▶ assessing the Group's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern that may cast significant doubt on the Group's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Group's financial reporting process.



## 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 ISAs 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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 management;
- ▶ conclude on the appropriateness of management's 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 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 content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- ▶ obtain sufficient and 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;
- ▶ communicate with those charged with governance, including the supervisory body, 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 matters communicated with those charged with governance, including the supervisory body, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter; and
- ▶ we also provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Our responsibility includes the verification of the consistency of the Management Report with the consolidated financial statements, and the verifications under nr. 4 and nr. 5 of article 451 of the Commercial Companies Code regarding corporate governance matters, and the verification that the remunerations report was presented and that the statement of consolidated non-financial information will be presented.



## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### On the Consolidated Management Report

Pursuant to article 451, nr. 3, paragraph e) of the Commercial Companies Code, it is our opinion that the Consolidated Management Report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited consolidated financial statements and, having regard to our knowledge and assessment over the Group, we have not identified any material misstatement.

### On the Corporate Governance Report

Pursuant to article 451, nr. 4, of the Commercial Companies Code, in our opinion, the Corporate Governance Report includes the information required of the Group in accordance with article 29-H of the Securities Code, and we have not identified any material misstatements of the information provided therein in compliance with paragraphs c), d), f), h), i) and l) of nr. 1 of the said article.

### On the Statement of consolidated non-financial information

Pursuant to article 451, nr. 6, of the Commercial Companies Code, we inform that the Group referred in its Consolidated Management Report that it will prepare a separate Report from the Consolidated Management Report that will include the consolidated non-financial information, as per article 508-G of the Commercial Companies Code, which must be published on its website within the legal timeframe.

### On the remunerations report

Pursuant to article 26-G, nr. 6 of the Securities Code, we inform that the Group has included in the Corporate Governance Report, on a separate chapter, the information required in the nr. 2 of the said article.

### On additional items set out in article 10 of the Regulation (EU) nr. 537/2014

Pursuant to article 10 of the Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and in addition to the key audit matters mentioned above, we also report the following:

- ▶ We were appointed as auditors of Futebol Clube do Porto - Futebol, S.A.D. (Group's Parent Entity) for the first time in the shareholders' general meeting held on 17 November 2016 for a mandate ending in 2019. We were appointed in the shareholders' general meeting held on 17 September 2020 for a second mandate for the period between 2020 and 2023;
- ▶ Management has confirmed that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISAs we maintained professional skepticism and we designed our audit procedures to respond to the possibility of material misstatement in the consolidated financial statements due to fraud. As a result of our work we have not identified any material misstatement to the consolidated financial statements due to fraud;
- ▶ We confirm that our audit opinion is consistent with the additional report that we have prepared and delivered to the supervisory body of the Group as at this date; and
- ▶ We declare that we have not provided any prohibited services as described in article 77, nr. 8, of the Statute of the Institute of Statutory Auditors, and we have remained independent of the Group in conducting the audit.



## European Single Electronic Format (ESEF)

The accompanying consolidated financial statements of Futebol Clube do Porto - Futebol, S.A.D. for the year ended 31 June 2022 must comply with the applicable requirements set out in the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (ESEF Regulation).

Management is responsible for preparing and disclosing the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements, included in the annual report, are presented in accordance with the requirements set out in the ESEF Regulation.

Our procedures considered the OROC Technical Application Guide (GAT 20) on ESEF reporting and included, among others:

- ▶ obtaining an understanding of the financial reporting process, including the submission of the annual report in valid XHTML format; and
- ▶ the identification and evaluation of the risks of material distortion associated with the marking-up of the information of the financial statements, in XBRL format using iXBRL technology. This evaluation was based on the understanding of the process implemented by the Group to mark-up the information.

In our opinion, the accompanying consolidated financial statements included in the annual report are presented, in all material respects, in accordance with the requirements set out in the ESEF Regulation.

Oporto, 12 October 2022

**Ernst & Young Audit & Associados – SROC, S.A.**  
**Sociedade de Revisores Oficiais de Contas**  
Represented by:

*(Signed)*

Rui Manuel da Cunha Vieira - ROC n.º 1154  
Registered with the Portuguese Securities Market Commission under license nr. 20160766



## 8. Report and Opinion of the Audit Committee

Dear Shareholders,

In compliance with the mandate attributed to it and with applicable legal and statutory provisions, the Audit Committee of Futebol Clube do Porto - Futebol, SAD reports on the audit activity developed and evaluates the Management Report, the individual and consolidated Financial Statements, and the proposition of results application of FC Porto SAD (hence forward known as Company or as FC Porto SAD) for the year ending on June 30 2022, at the responsibility of the Board of Directors.

### INTRODUCTION

Overall, and within the framework of the powers committed to us as supervisory body of the Company, gathered in its Regulation, we will proceed, during the period from July 1, 2021 to June 30, 2022, with monitoring, with due regularity:

- the management of the Company, the evolution of its business and that of its subsidiaries;
- the compliance with accounting policies and practices, as well as with the process of preparation and disclosure of financial information, supervising the review/audit of the financial statements of the Company;
- the activity of the Statutory Auditor of the Company;
- the effectiveness of the risk management, internal control, compliance and internal audit systems;
- the observance of legal, regulatory and statutory provisions;
- the development of initiatives and projects relevant to the activity of the Company, including those arising from the legislation on money laundering and fighting terrorism, in accordance with the provisions of Law 83/2017 of August 18, and the whistleblower / whistleblowing protection regime ( cfr. Law 93/2021 of December 20);
- the corporate governance system;
- the implementation of the new legal regime regarding transactions with related parties.

In carrying out our activity, we have not encountered any constraints.

As a body composed entirely of independent members in light of legal criteria and professionally qualified to exercise their respective duties, the Audit Committee developed its competences and inter-relationships with the other governing bodies and Services of the Company in accordance with the principles and conduct in the applicable legal and recommendatory provisions.



## **SUMMARY OF THE ACTIVITY CARRIED OUT BY THE AUDIT COMMITTEE IN COMPARISON TO THE 2021/2022 FINANCIAL YEAR**

- a) The Audit Committee tracked the management of the Company, the evolution of its activity and its subsidiaries, having arranged for meetings with the frequency and length considered appropriate. These meetings, considering the matters being analysed, counted on the presence of those responsible for Accounting and Taxation Services, Financial Planning and Control Management, Legal Department, as well as the Board of Directors. The access of the Audit Committee to the members of the Board of Directors, to all departments and employees and, through them, to the documents and information considered relevant to the activity of the Company was carried out regularly and without the slightest constraint, and everything was based on an appropriate professional relationship.
- b) In fulfilling its duties, the Audit Committee received, from the Board, the various services of the Group, the companies included in the group, and from the Auditor, all information and explanations required, namely for the proper understanding and evaluation of business development, performance and financial position, and of risk management and internal control systems.
- c) At the same time, the Audit Committee remained in regular and continuous contact with Ernst & Young Audit & Associados – SROC, S.A. Sociedade de Revisores Oficiais de Contas, to remain informed of the nature and findings of the work done. The supervision of compliance with accounting policies, criteria and practices and of the reliability of the financial information was exercised by the Audit Committee through the information provided by the Statutory Auditor, for the appreciation of the half-yearly and annual accounts, of the conclusions of the audits and of the assessments of procedures carried out during the year.

The Audit Committee reviewed, in detail, the information contained in the Additional Report and Duty to Inform on the 2021/2022 Statutory Audit of Accounts issued by the Statutory Auditor, which includes significant matters qualified as relevant to the exercise of supervisory function of the Audit Committee.

- d) The Audit Committee, in its meeting on September 26, 2022 (relevant event occurred after the end of the financial year), proceeded with the annual assessment of the performance of the Statutory Auditor in reference to 2021/2022, having concluded that its services were provided in accordance with the previously defined work plan, in compliance with the applicable rules and regulations, having revealed in its performance technical rigor and quality in the conclusions and





recommendations presented. The Statutory Auditor confirmed to the Audit Committee that no relevant irregularity was detected in relation to the performance of his duties and that he did not encounter any obstacles in the performance of his duties. During the year 2021/2022, the Statutory Auditor was present in 4 (four) ordinary meetings held by the Audit Committee, during which the accounts of the Company and its subsidiaries were analysed, the audit risks identified, internal control issues discussed, the annual audit plan for 2021/2022 reviewed and the main audit points and recommendations discussed. The Audit Committee exercised its role as the Company's rapporteur next to the Statutory Auditor and as recipient of the information prepared by the latter, regularly monitoring its activity, in particular through the assessment of the reports and documentation produced by him in the performance of his duties. The Audit Committee confirmed that the Statutory Auditor was provided with the information and other appropriate conditions for the effective performance of his activity.

Within the scope of the verification of the compliance with the Auditor's independence rules, the Audit Committee monitored, during the 2021/2022 financial year, the rendering of non-audit services previously validated by it, having analysed and issued the corresponding opinion on the compliance with the Auditor's independence requirements, the possibility of eventual services to be rendered by the Auditor and their compliance with the legal criteria. The Audit Committee also assessed the statement of Confirmation of Independence issued by the Statutory Auditor for the year 2021/2022.

- e) Evaluated the procedures and internal regulations instituted by the Company with regards to the legislation on money laundering and fighting terrorism and the whistleblower/whistleblowing protection regime, having held, to the extent it deemed appropriate, extraordinary meetings on February 16, April 5 and 21, July 18 and September 26, 2022 (the last two also integrating the range of relevant facts occurring after the end of the financial year under analysis), with the appointed "Responsible for Regulatory Compliance" and respective team;
- f) Confirmed the functioning of the corporate governance system and its compliance with legal, regulatory and statutory rules, as well as legislative and regulatory developments in this area. The Audit Committee analysed the Corporate Governance Report for the 2021/2022 financial year, having confirmed that this report includes the information required by No. 1 of Article 29-H of the Securities Market Code and Regulation no. 4/2013 of the Securities Market Commission.
- g) It monitored the implementation and operationalisation of the internal standard on transactions with related parties and the respective legal regime. During the 2021/2022 financial year, no transactions with related parties were subject to the previous consideration of the Audit Committee.



- h) It was made aware of the conclusions of the external audit conducted by Ernst & Young Audit & Associados - SROC, S.A. Sociedade de Revisores Oficiais de Contas, from January 12 to February 4, 2022, as well as the suggestions of procedures to be adopted in order to strengthen the Governance system of the company, which, in fact, it has been following next to the heads of the Accounting and Taxation Services, Management Control, Legal Department, as well as the Board of Directors;
- i) The Committee also monitored the process of preparation and disclosure of financial information, as well as the revision of documents on the provision of individual and consolidated accounts of the Company. Met with the Board of Directors, at its request, in the context of the resolution of the reservation by limitation of scope issued by the Statutory Auditor in the previous financial year, completed on June 30, 2021, which ended with the restatement of the comparative of 2022, regarding the trade of player registration rights, as duly disclosed in the Notes. As part of its responsibilities, the Audit Committee also examined the individual and consolidated balance sheets, the individual and consolidated statements of the results by nature, cash flows, results and other comprehensive income and changes in equity for the year that ended on June 30, 2022, and the accompanying notes.
- j) It also analysed the management report prepared by the Board of Directors, as well as the Legal Certification of Accounts and Audit Report issued by the Statutory Auditor, which includes a Material Uncertainty related with the continuity of the Company, resulting from the fact that the company presents negative equity and that current liabilities are far superior than current assets, as well as three Material Issues. However, as mentioned in the document and disclosed in notes 2.1, 3.3, and 3.4, these financial demonstrations were elaborated under a belief of continuity of operations, as financial support from financial institutions and other financing entities is expected to continue, along with the future success of sale of sporting rights of players.
- k) Thus, in fulfilling its duties, the Audit Committee observed that:
- the individual and consolidated demonstrations of financial position, the individual and consolidated demonstrations of results by nature, cash flows, results and other comprehensive income and changes in equity and corresponding notes attached allow for an adequate understanding of the financial situation of the Company, its results, comprehensive income, changes in equity, and individual and consolidated cash flows;
  - the accounting policies and valuation criteria adopted are appropriate and in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union, in order to ensure that they lead to a fair presentation of the assets and results of the Company and the companies included in the consolidation perimeter;



- the management report clarifies the evolution of the business and situation of the Company, showing the most significant aspects of the activity;
- the proposition to apply result complies with applicable legal and statutory provisions;
- the corporate governance report includes the information required by Article 29-H of the Securities Code and took into consideration the recommendations of the Code of the Portuguese Institute of Corporate Governance (IPCG).

## **OPINION ON THE REPORT, ACCOUNTS AND PROPOSAL PRESENTED BY THE BOARD OF DIRECTORS**

Within this framework and taking into consideration the information received from the Board of Directors and the different Services of the Company, as well as the conclusions included in the Legal Certification of Accounts and Audit Report, which include a material uncertainty related to continuity and three relevant matters, the Audit Committee proposes that the following should be approved:

- a) the management report,
- b) remaining financial statements;
- c) the proposition to apply the results of individual accounts presented by the Board of Directors.

Lastly, the Audit Committee expresses its thanks for the usual collaboration of the Board of Directors, the Services, and the Statutory Auditor Company.

Porto, October 12, 2022

Jorge Luís Moreira de Carvalho Guimarães

José Augusto dos Santos Saraiva

Nélia Sofia Ferreira Couto Lopes Novo

Cláudia Maria Filinto Gonçalves Marques de Sequeira



## **ATTACHMENT I**

### **CERTIFICATE OF RESPONSIBILITY**

The members of the Audit Committee of Futebol Clube do Porto - Futebol, SAD state, in accordance with line c) of no. 1 of article 29 H of the Securities Market Code, that, to the best of their knowledge, the information specified in the Management Report and other documents of the individual and consolidated accounts for exercise 2021/2022, was prepared in accordance with the applicable accounting standards, give a true and fair view of the financial position and results of the Company and its companies, and contains a faithful description of the business evolution, performance and financial position of the Company, and of the main risks and uncertainties that it faces.

Porto, October 12, 2022

Jorge Luís Moreira de Carvalho Guimarães

José Augusto dos Santos Saraiva

Nélia Sofia Ferreira Couto Lopes Novo

Cláudia Maria Filinto Gonçalves Marques de Sequeira



## **C. Corporate Governance Report**

### **PART I – INFORMATION ON THE SHAREHOLDER, ORGANIZATION AND CORPORATE GOVERNANCE STRUCTURE**

#### **A. SHAREHOLDER STRUCTURE**

<b>I. Capital structure</b>
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##### **1. Capital structure**

The share capital of FC Porto - Futebol, SAD is, on June 30, 2022, €112,500,000 (one hundred and twelve million five hundred thousand euros), represented by 22,500,000 (twenty two million five hundred thousand) shares with a nominal value of €5 (five euros) each.

To this date, the share capital is fully subscribed and paid up and is divided into 16,782,931 shares Category A and 5,717,069 Category B, respectively 74.59% and 25.41% of the capital and rights to vote of the company, depending on the identity of the holder. Category A shares only integrate this category while held by Futebol Clube do Porto, or the Management Company of Shareholdings in which the club holds the majority of share capital, automatically converting into Category B shares in the event of alienation to a third party in any way. For the purpose of exercising the right to vote, each ordinary share represents one vote.

Shares in category A give the shareholder the following special rights:

- Right to veto the decisions of the general meeting intended to merge, split, transform or dissolve the company and the change in statutes, increase or reduction of share capital and change of headquarters (article 7, no. 2 of statutes), according to article 23, no. 3 of Decree 10/2013 of January 25.
- Right to appoint at least one of the members of the Board of Directors, who will have the right of veto on deliberations of that entity with a similar objective as no. 2 of article 7 in the Statutes (article 11, no. 3 in statutes).



## **2. Restrictions regarding the transmission of shares and share holders**

There are legal restrictions to the holding of shares representing the capital of FC Porto – Futebol, SAD, due to the specific demands of the sporting activity that rule its existence. Sporting companies are ruled by the special legal regime set in Decree No. 67/97, of April 3, according to the changes introduced by Law n. 107/97, of September 16, followed by Decree n. 10/2013, of January 25. Among those specific demands are:

- The existence of two categories for shares, with category A shares remaining subscribed and held, at any time, by the founding club, can only be legally apprehended or encumbrance in favour of collective people of public right;
- The special loyalty system of the Company to the founding club, which means that the club is forced to maintain a minimum participation in the Company (not inferior to 10%); in attributing special rights to the shares held by the founding club.

## **3. Own shares**

FC Porto – Futebol, SAD holds 100 own shares, consolidated, worth €499. These shares, although a small representation of the share capital of the company, belong to PortoSeguro, a company of the group held at 90% by FC Porto – Futebol, SAD.

PortoSeguro has acquired 100 shares at the moment the SAD was formed, in 1997, and never alienated or acquired any more shares. Thus, FC Porto – Futebol, SAD held, in the beginning and the end of the financial year, 100 own shares, worth €500 at the time of acquisition.

## **4. Significant agreements involving the company and which start, are changed or cease in case the control of the company changes, following a public acquisition offer, as well as its effects**

There are no significant agreements of which the company is part of and that will start, are changed or cease, in case the control of the Company changes, following a public acquisition, or agreements between FC Porto – Futebol, SAD and the holders of the board of directors or workers foreseeing



compensations for renounce or destitution of members of the board, nor in case of dismissal of worker, termination without a cause or termination of work relation, following a public acquisition offer.

FC Porto – Futebol, SAD has also not adopted any measure intending to stop the success of public offers of acquisition that disrespect the interests of the Company and the shareholders.

**5. Regime controlling the renewal or revocation of defensive measures, especially those that foresee the limitation in number of detainable votes or belonging to a single shareholder, individually or under several shareholders**

At the General Meeting of November 12, 2015, the Company changed the no. 3 of article 7 of its statutes, eliminating the maximum percentage of rights to vote of each shareholder with preferential shares without the right to vote, as it no longer applied following the conversion of preferential shares without the right to vote into ordinary shares.

Thus, FC Porto - Futebol, SAD has no defensive measures that will have an effect of automatic and serious erosion of the patrimony of the Company, in case of a change of control or composition of the governing body, harming the free transmission of shares and free appreciation by the shareholders in their duty as members of governing bodies.

**6. Prosocial agreements known to the company and that may lead to restrictions in terms of transmission of assets or rights to vote**

The Board of Directors is unaware of any prosocial agreement as described in Art. 19 of the Securities Market Code regarding the exercise of social rights, or the transmission of shares of FC Porto – Futebol, SAD. There is no union to vote or defence agreement against public acquisition offers (take-overs).



## II. Social Participations and Obligations Detained

### 7. Qualified holdings

Under and for the purposes of Articles 16 and 20 of the Securities Code, it is reported that the Company and/or individuals with qualified social participation exceeding 5%, 10%, 15%, 20%, 25%, a third, half, two thirds and 90% of the votes, and according to reports received at the headquarters of the Company are, as of June 30, 2022, as follows:

<b>Futebol Clube do Porto</b>	<b>No. of Shares</b>	<b>% Rights to vote</b>
<i>Directly</i>	16 782 931	74.59%
<i>Through Jorge Nuno de Lima Pinto da Costa</i>	313 556	1.39%
<i>Through Alípio Jorge Calisto Fernandes</i>	2 175	0.01%
<i>Through José Américo Amorim Coelho</i>	100	0.00%
<b>Attributable total</b>	<b>17 098 762</b>	<b>75.99%</b>

<b>António Luís Alves Oliveira</b>	<b>No. of Shares</b>	<b>% Rights to vote</b>
<i>Directly</i>	1 650 750	7.34%
<i>Through Francisco António de Oliveira</i>	980	0.00%
<b>Attributable total</b>	<b>1 651 730</b>	<b>7.34%</b>

<b>Joaquim Francisco Alves Ferreira de Oliveira</b>	<b>No. of Shares</b>	<b>% Rights to vote</b>
<i>Through the company Olivedesportos SGPS, S.A</i>	1 502 188	6.68%

### 8. Number of shares and bonds held by members of the Board of Directors and Supervising Council, under the terms of no. 5 of art. 447 of the Portuguese Companies Code

Under the terms of art. 447 of the Portuguese Companies Code, it should be informed that, as of June 30, 2022, the directors of FC Porto – Futebol, SAD had the following shares and bonds issued by the Company:





<b>Titles held by Members of the Board of Directors</b>	<b>No. of Shares</b>	<b>No. of Bonds</b>
<i>Jorge Nuno de Lima Pinto da Costa*</i>	313,556	0
<i>Adelino Sá e Melo Caldeira*</i>	0	0
<i>Fernando Manuel Santos Gomes *</i>	0	15,314
<i>Luís Manuel Bezeza de Vasconcelos Gonçalves</i>	100	2,000
<i>Vítor Manuel Martins Baía*</i>	0	0
<i>Maria Manuela Aguiar Dias Moreira</i>	200	0
<i>Rita de Carvalho Araújo Moreira</i>	0	0
<i>Teresa Cristina Costa Leite de Azevedo</i>	0	0

\* Futebol Clube do Porto, of which he is Chairman/Vice-Chairman of the Board, had 16,782,931 shares on June 30, 2022.

<b>Titles held by Members of the Audit Committee</b>	<b>No. of Shares</b>	<b>No. of Bonds</b>
<i>Jorge Luís Moreira Carvalho Guimarães</i>	25	0
<i>José Augusto dos Santos Saraiva</i>	0	0
<i>Nélia Sofia Ferreira Couto Lopes Novo</i>	0	0
<i>Cláudia Maria Filinto Gonçalves Marques de Sequeira</i>	0	0

As of June 30, 2022, the Statutory Auditor, and representatives, had no representative shares of the share capital of FC Porto – Futebol, SAD, nor bonds issued by the company.

## 9. Special powers of the Board of Directors, regarding the increase of capital

The Board of Directors must, in full and exclusively, manage the activities of the company and represent it before third parties. In fulfilling the management of the company, the Board of Directors is responsible for carrying out all necessary or convenient acts for the pursuit of the objectives of the company.

The Board of Directors does not hold powers to decide on the increase of capital. As determined in article 7 of the Statutes of the Company, any increase of capital requires previous analysis by the General Meeting, and shares of Category A, held by Futebol Clube do Porto (Club), always offer the right to veto any decision of the General Meeting which aim at, namely, increasing or decreasing the share capital. However, as line b) of article 23, no. 2 of Decree n. 10/2013, of January 25, was adopted,



FC Porto no longer has, by Law, the right to veto over the change in statutes of FC Porto SAD or over the increase or decrease of share capital of that company, now, however, being given the right to veto any change to the crest or equipment of its professional football teams.

#### **10. Relevant commercial relations between owners of bonds and the Company**

There are no significant economic businesses, for any of the parties involved, between the Company and the members of the Board of Directors, Supervisory Board, owners of qualified holdings or Companies under control of the Group, except the businesses or operations done under normal circumstances for similar operations, part of the current activity of the Company.



## B. GOVERNING BODIES AND COMMITTEES

### I. GENERAL MEETING

#### a) Members of the Board of the General Meeting

#### 11. Identification and position of the members of the board of the general meeting and its term

In the General Meeting set on September 17, 2020, it was decided to elect, for the period of 2020/2023, José Lourenço Pinto as chairman of the General Meeting and Manuel Filipe do Canto Moniz Cerqueira Gomes as secretary of the General Meeting.

#### b) Exercising the right to vote

#### 12. Possible restrictions in terms of right to vote

FC Porto – Futebol, SAD, before each General Meeting, and following the legal dates, discloses the warning that a meeting will be held, including in the institutional website of the Company ([www.fcporto.pt](http://www.fcporto.pt)).

According to the Statutes of the Company, all shareholders with right to vote may participate in a General Meeting, as long as the shares are under their name by 00h00 (GMT) of the fifth negotiation day before the meeting, and if they prove their registration before the Company until the end of that same fifth negotiation day, also stating their intention to be part of the meeting in written letter addressed to the Chairman of the General Meeting until no later than the sixth negotiation day before the General Meeting, with the option of using electronic mail to do so. However, the last Chairmen of the General Meeting have decided that, considering the issues with delivery of declarations of shares, any copies received by fax or email should be accepted, as long as they follow the date disclosed in the Statutes and if the original is received before the General Meeting.

Shareholders that have a statute of singular person may be represented in the General Meetings under the current Law. Collective persons should be represented by someone designated to do so by letter that must be admitted by the Chairman of the General Meeting.



The Company offers the Shareholders a representation form which can be requested to the Company, by phone (+351 225 070 500) or email ([geral@fcporto.pt](mailto:geral@fcporto.pt)). The documents for voluntary representation must be handed at the company's headquarters, addressed to the Chairman of the General Meeting, at least three days before the General Meeting, specifying the relevant meeting, by stating the date, time and location where it will be held and the Work Order, leaving no doubts to the Chairman about the representative, who must be properly identified.

The statutes of the Company, on no. 4 of art. 8, admit the issuing of preferential shares, without voting rights, that may be redeemable, for its nominal value, added of a prize or not, if the General Meeting decides to do so. Should this be the case, the prize for the remission must be defined. In case the remission is not complied, the company must compensate the holder, for an amount set during the deliberation on the issuing. On October 31 2014, there was an increase in capital by issuing preferential shares, without the right to vote, worth €37,500,000, which have since been converted into ordinary shares.

By the end of each General Meeting, the Company issues a statement, made available on their website, as well as in the official website of CMVM, with the decisions made, the capital represented and the results of the voting. The minutes of the General Meetings are sent to any shareholder that requests them. To follow the recommendations of CMVM, the Company, as of 2009, made these minutes available on its website, but respecting the maximum deadline of fifteen days, as stipulated in Decree n. 49/2010.

### **13. Maximum percentage of voting rights that may be used by a single shareholder or by shareholders connected through no. 1 of art. 20**

Regarding the voting right, each share means one vote, and the attendance at the General Meeting is not restricted to a minimum number of shares.

At the General Meeting of November 12, 2015, the Company changed the no. 3 of article 7 of its statutes, eliminating the maximum percentage of rights to vote of each shareholder with preferential shares without the right to vote, as it no longer applied following the conversion of preferential shares without the right to vote into ordinary shares.



Thus, there are no statutory rules that foresee the existence of shares that do not offer the voting right or that establish that voting rights above a certain number are not accounted for, when used by one shareholder or other shareholders related to him.

#### **14. Decisions that, by statutory requirement, can only be taken by a qualified majority**

According to article 20 of the Statutes, the General Meeting will rule over any number of shareholders present or represented, in both calls, without prejudice to legal demands of a determined constitutive quorum for certain acts, and, namely, the need that, in the first call, there are at least two thirds of the total number of votes for the Meeting to approve some of the acts foreseen in art. 13, no. 3 of these Statutes (“The alienation and encumbrance, of any kind, of assets pertaining to the real estate patrimony of the Company must be approved by two thirds of the votes issued at the general meeting”).

## **II. ADMINISTRATION AND SUPERVISION**

### **a) Composition**

#### **15. Identification of the business model adopted**

The structure of the Governing Body of the Company is based on the reinforced Latin Model and is composed of the Board of Directors, Audit Committee and the Statutory Auditor, voted by the General Meeting of Shareholders.

#### **16. Statutory rules on procedural requirements and applicable material to appoint and replace the members, if applicable, of the Board of Directors**

The replacement of a director will occur under the terms of the Portuguese Companies Code, as there are no statutory rules on that matter, occurring as one of the following: if there are no substitute directors, the Board of Directors must choose a director, which will be approved in the next General Meeting; if a choice is not made in 60 days, the Audit Committee will appoint a substitute director,



which must also be approved in the next General Meeting; if that doesn't occur, the new director will be elected in the General Meeting.

There are no statutory rules that set the selection process of the non-executive directors. The election of the Governing Bodies, namely the Board of Directors, including all the members, is done as one process, in a list presented by the shareholders that wish it and approved in General Meeting.

## 17. Composition of the Board of Directors

According to the Statutes of the Company, the Company is ran by a Board of Directors, composed of two to nine members, of which at least two must be executive managers, elected in General Meeting, who will appoint a chairman, if one hasn't been set in the Meeting, who will always have quality vote. The term of the governing bodies lasts four years, and re-election may occur one or more times.

Currently, this body is composed of 8 members, 3 of which are non-executive, and all must manage the Company.

In a Shareholder General Meeting held on September 17, 2020, the following members were elected to be part of the Board of Directors for the term of 2020/2023:

Board of Directors (*)	<i>Date of first election</i>	<i>Date of term of mandate</i>
Jorge Nuno de Lima Pinto da Costa (Chairman)	23-Sept-1997	31-Dec-2023
Adelino Sá e Melo Caldeira	23-Sept-1997	31-Dec-2023
Fernando Manuel Santos Gomes	31-Mar-2014	31-Dec-2023
Luís Manuel Beleza de Vasconcelos Gonçalves	17-Sept-2020	31-Dec-2023
Vítor Manuel Martins Baía	17-Sept-2020	31-Dec-2023
Reinaldo da Costa Teles Pinheiro (non-executive) (*)	23-Sept-1997	31-Dec-2023
Maria Manuela Aguiar Dias Moreira (non-executive)	17-Sept-2020	31-Dec-2023
Rita de Carvalho Araújo Moreira (non-executive)	17-Sept-2020	31-Dec-2023
Teresa Cristina Costa Leite de Azevedo (non-executive)	17-Sept-2020	31-Dec-2023

(\*) The esteemed Reinaldo Teles passed away on November 25, 2020, and has not been replaced as of yet.



## **18. Difference between executive and non-executive members of the Board of Directors, and identification of non-executive members that may be considered independent**

On June 30, 2022, the Board of Directors included three non-executive members: Maria Manuela Aguiar Dias Moreira, Rita de Carvalho Araújo Moreira and Teresa Cristina Costa Leite de Azevedo.

The executive members of the Board of Directors are not independent, with the exception of Luís Manuel Beleza de Vasconcelos Gonçalves, as they are, or were in the previous term, part of the Board of Directors of Futebol Clube do Porto, which holds about 75% of the capital and of the voting rights of Futebol Clube do Porto - Futebol, SAD, and exercise a dominant influence over it. All non-executive members are independent.

The non-executive directors fulfilled their duties of participating in meetings of the Board of Directors.

Any information requested to the other members of the Governing Bodies was given by the executive directors as quickly and adequately as possible.

## **19. Professional qualifications of the members of the Board of Directors**

### **Jorge Nuno de Lima Pinto da Costa**

- Education: Secondary complete
- Other positions held at FC Porto Group, referred to in point 26.

### **Adelino Sá e Melo Caldeira**

- Degree in Law by the Universidade Federal do Estado do Rio de Janeiro, in 1980
- Lawyer since 1980 until today
- Senior Partner of the Law Firm Graça Moura & Associados from 1996 to 2005
- Senior Partner of the Law Firm Gil Moreira dos Santos, Caldeira, Cernadas & Associados from 2005 to 2018
- Senior Partner of the Law Firm Caldeira, Cernadas Sousa Magalhães & Associados since 2018
- Chairman of the Justice Council of the Federação Portuguesa de Padel since 2017
- Other positions held at FC Porto Group, referred to in point 26.



### **Fernando Manuel Santos Gomes**

- Degree in Economics by the Instituto Superior de Ciências Económicas e Financeiras da Universidade Técnica de Lisboa, in 1971
- Member of the Board of Directors of Galp Energia, SGPS from 2005 to 2015
- Chairman of the General Meeting of the Association for Museu dos Transportes e Comunicações
- Other positions held at FC Porto Group, referred to in point 26.

### **Luís Manuel Beleza de Vasconcelos Gonçalves**

- Degree in Electro-technic Engineering by the Faculdade de Engenharia da Universidade do Porto
- General Manager for Football at FC Porto – Futebol, SAD, since 2016
- Director for the Department of Scouting and Assistant General Manager at FC Shaktar Donetsk, until 2016

### **Vítor Manuel Martins Baía**

- Degree in Sports Management, Instituto Universitário da Maia
- Chairman of Fundação Vítor Baía

### **Maria Manuela Aguiar Dias Moreira**

- Degree in Law by Faculdade de Direito da Universidade de Coimbra
- "Diplôme Supérieur d'Etudes et de Recherche en Droit", Faculté de Droit et Sciences Économiques, at Institut Catholique de Paris.
- "Titularisation" at École pratique des hautes études, Paris (sociology)
- Lawyer
- Member of the Curator Board of Fundação Luso-Brasileira
- Co-founder of "Mulher Migrante - Associação de Estudo, Cooperação e Solidariedade"
- Vice-president of the General Meeting of the Associação de Cultura e Ensino de Espinho
- Founder of the Círculo de Culturas Lusófonas Maria Archer
- Member of the Monarchic Council

### **Rita de Carvalho Araújo Moreira**

- High school graduate
- Clerk at Coulours D'Argent, Lda
- Manager at Selminho Imobiliária, Lda, until 2017
- Manager at Morimor Imobiliária, Lda, until 2016
- Director at Morimor Imobiliária, Lda, until 2017





**Teresa Cristina Costa Leite de Azevedo**

- Degree in Relações Internacionais Económico – Políticas, Escola de Economia e Gestão da Universidade do Minho
- Post-graduation in Análise Financeira, Faculdade de Economia da Universidade do Porto
- Specialist in Administration and Management, ISPGAYA
- Consultant

**20. Family, professional or financial relations, usual and significant, between members of the Board of Directors and shareholders with a qualified participation above 2% of the voting rights**

There are no family, professional or business relations, usual and significant, between members of the Board of Directors and shareholders with a qualified participation above 2% of the voting rights.

**21. Organigram or functional maps regarding the distribution of competences between the several governing bodies, committees and/or departments of the Company, including information about delegation of competences, especially referring to the delegation of the daily management of the Company**

The Governing Bodies of FC Porto - Futebol, SAD are composed of the General Meeting, the Board of Directors, the Audit Committee, the Statutory Auditors, the Company Secretary, the Advisory Board and the Remuneration Committee.





Within the Board of Directors, an Executive Committee was created with the objective of deciding on matters expressly delegated to it and whose responsibility and respective execution will be especially attributed to each of its members, under the terms and with the limits defined in article 407 of the Companies Code.

b) Functioning

**22. Existence and location where the regulations for the functioning of the Board of Directors may be consulted**

The Regulation of the Board of Directors can be checked at the website of the Company, at <https://www.fcporto.pt/pt/clube/institucional>.

**23. Number of meetings held and attendance of each member of the Board of Directors to the meetings**

In this exercise, the Board of Directors met seven times, six of which with the participation of all executive and non-executive directors, and one counted on the participation of all executive directors of the Company.

**24. Indication of the bodies of the Company that may assess the performance of the executive directors**

Considering the Governing Body model implemented by FC Porto – Futebol, SAD, that integrates a Remuneration Committee that, in a way, evaluates the performance of the Board, and given the small size of the Company, it was decided that there was no need for the creation of specialized committees with the single purpose of evaluating the performance of the executive directors or the activity of existing committees.

On the other hand, FC Porto – Futebol, SAD, for its specificity as a Sporting Company, in the performance of its activity, has a number of obligations to keep in face of sporting bodies. In order to



participate in national and European competitions, the Company has to meet a number of criteria, especially of financial order, which, in a way, will prove the competence of the Board, as, if they are not met, the team will be prevented from competing.

## **25. Pre-established criteria to evaluate the performance of the executive directors**

Under the terms of their competences, the Remuneration Committee is responsible for the remunerations policy which is then approved in General Meeting. Despite being submitted to analysis annually, it is similar throughout the mandate.

The proposition for the new remuneration policy of the Board of Directors and supervision of the Company was presented by a member of the Remuneration Committee and analysed by the shareholders in the General Meeting of 2021, held on November 10, 2021, having been approved.

In this period, the remunerations of the members of the governing body did not depend on the evolution of the quotas of shares or any other variable.

There was no plan to offer shares or options to acquire shares to the directors. There was also no policy or measure set in terms of offering compensations contractually negotiated, in case of termination of duties or early retirement, or mechanisms to limit the variable remuneration. There was no contractual obligation regarding the compensation for dismissal without cause.

## **26. Availability of each member of the Board of Directors, indicating the positions held simultaneously in other companies, inside and outside the Group, and other relevant activities held by the members of those Bodies during this period**

### **Jorge Nuno de Lima Pinto da Costa**

- Chairman of the Board of FC Porto
- Chairman of the Board of Directors of InvestiAntas, SGPS, SA
- Chairman of the Board of Directors of EuroAntas, Promoção e Gestão de Empreendimentos Imobiliários, SA
- Chairman of the Board of Directors of PortoEstádio, Gestão e Exploração de Equipamentos Desportivos, SA
- Chairman of the Board of Directors of Fundação PortoGaia para o Desenvolvimento Desportivo



- Chairman of the Board of Directors of FCPortoMultimédia, Edições Multimédia, SA
- Chairman of the Board of Directors of PortoComercial, Sociedade de Comercialização, Licenciamento e Sponsorização, SA
- Chairman of the Board of Directors of FC Porto – Serviços Partilhados, SA
- Chairman of the Board of Directors of FCP Media, SA
- Chairman of the Board of Directors of Dragon Tour, Agência de Viagens, SA
- Chairman of the Board of Directors of Avenida dos Aliados, Sociedade de Comunicação, SA
- Chairman of the Board of Directors of Miragem, Produção Audiovisual, SA

### **Adelino Sá e Melo Caldeira**

- Vice-Chairman of the Board of FC Porto
- Member of the Board of Directors of Investiantas, SGPS, SA
- Member of the Board of Directors of EuroAntas, Promoção e Gestão de Empreendimentos Imobiliários, SA
- Member of the Board of Directors of PortoEstádio, Gestão e Exploração de Equipamentos Desportivos, SA
- Member of the Board of Directors of FC PortoMultimédia, Edições Multimédia, SA
- Member of the Board of Directors of PortoComercial, Sociedade de Comercialização, Licenciamento e Sponsorização, SA
- Manager of PortoSeguro – Sociedade Mediadora de Seguros do Porto, Lda.
- Member of the Board of Directors of FC Porto – Serviços Partilhados, SA
- Member of the Board of Directors of FCP Media, SA
- Member of the Board of Directors of Dragon Tour, Agência de Viagens, SA
- Member of the Board of Directors of Avenida dos Aliados, Sociedade de Comunicação, SA
- Member of the Board of Directors of Miragem, Produção Audiovisual, SA

### **Fernando Manuel Santos Gomes**

- Vice-Chairman of the Board of FC Porto
- Member of the Board of Directors of EuroAntas, Promoção e Gestão de Empreendimentos Imobiliários, SA
- Member of the Board of Directors of PortoComercial, Sociedade de Comercialização, Licenciamento e Sponsorização, SA
- Member of the Board of Directors of PortoEstádio, Gestão e Exploração de Equipamentos Desportivos, SA
- Manager of PortoSeguro – Sociedade Mediadora de Seguros do Porto, Lda.
- Member of the Board of Directors of Fundação PortoGaia para o Desenvolvimento Desportivo
- Member of the Board of Directors of FC Porto – Serviços Partilhados, SA
- Member of the Board of Directors of FCP Media, SA
- Member of the Board of Directors of Dragon Tour, Agência de Viagens, SA
- Member of the Board of Directors of Avenida dos Aliados, Sociedade de Comunicação, SA
- Member of the Board of Directors of Miragem, Produção Audiovisual, SA



**Luís Manuel Beleza de Vasconcelos Gonçalves**

- N.a.

**Vítor Manuel Martins Baía**

- Vice-Chairman of the Board of FC Porto
- Chairman of Fundação Vítor Baía

**Maria Manuela Aguiar Dias Moreira**

- Vice-president of the General Meeting of the Associação de Cultura e Ensino de Espinho

**Rita de Carvalho Araújo Moreira**

- N.a.

**Teresa Cristina Costa Leite de Azevedo**

- N.a.

c) Commissions in the Governing or Supervisory Bodies and delegated directors

**27. Identification of committees created in the Board of Directors and where can the regulations be found**

The Board of Directors believes that, apart from the Executive Committee, defined in the point below, the only specialized committee capable of facing the needs of the Company, considering its dimension and complexity, is the Remuneration Committee.

The Remuneration Committee of FC Porto – Futebol, SAD aims at setting the remunerations of the members of the Governing Bodies of the Company and at setting the remuneration policy to be applied to the members of the Board of Directors of FC Porto – Futebol, SAD.

The current Remuneration Committee of FC Porto – Futebol, SAD, elected in Shareholders General Meeting, held on September 17, 2020 for the term 2020/2023, is composed of the following members:

- Alípio Dias (Chairman)
- Emídio Ferreira dos Santos Gomes
- Joaquim Manuel Machado Faria de Almeida



## **28. Composition, if applicable, of the executive commission and/or identification of delegate director(s)**

The Executive Committee is composed of three Directors of the Company, appointed by the Board of Directors, and the Chairman of the Board of Directors must be a member and the chairman.

The term of the Executive Committee coincides with that of the Board of Directors that appoints it. In the current term, the Executive Committee is composed of the following members:

- Jorge Nuno de Lima Pinto da Costa
- Adelino Sá e Melo Caldeira
- Fernando Manuel dos Santos Gomes

## **29. Competences of each committee created and summary of the activities developed when performing those competences**

Currently there are two Committees in Futebol Clube do Porto - Futebol, SAD: the Remuneration Committee and the Executive Committee.

The Remuneration Committee is composed of members independent to the administration. To that extent, the Remuneration Committee does not include any member of another governing body to which it sets the respective remuneration, and the three members have no family ties with members of other bodies, including marital, kin or straight line to the 3rd degree, including. The members of the Remuneration Committee have knowledge and experience concerning remuneration policies. During the exercise of 2021/2022, the Remuneration Committee did not find it necessary to hire additional services to support their duties. After each meeting, the Remuneration Committee produces a minute.

This Committee is responsible for assessing the performance of the executive directors, following the criteria they see fit, in compliance with the law and the current statutory practices.

As for the Executive Committee, it is composed of three Directors of the Company, appointed by the Board of Directors, and the Chairman of the Board of Directors must be a member and the chairman.



The competencies of the Executive Committee are as follows:

- a. To propose to the Board of Directors the policies, objectives and strategies of the Company;
- b. To propose to the Board of Directors the operating budgets and the medium and long term investment and development plans, and to execute them after their approval;
- c. To approve budget changes during the financial year, including transfers between cost centres, provided that, in each year, they do not exceed one hundred and fifty million euros, without prejudice to the provisions of number two of this clause;
- d. To approve contracts for the acquisition of goods or services whose aggregate value each year does not exceed fifty million euros, without prejudice to the provisions of number two of this clause;
- e. To approve financing contracts, request bank guarantees or assume any other responsibilities that represent an increase in indebtedness, the global value of which does not exceed fifty million Euros each year, without prejudice to the provisions of number two of this clause;
- f. To acquire, dispose of or encumber any of the fixed assets of the Company, up to an individual amount of one hundred million euros;
- g. To take or lease any real estate property;
- h. To represent the Company in and out of court, actively or passively, as well as propose and pursue any actions, confess them and give up on them, settle, including arbitration actions;
- i. To acquire, dispose of or encumber shares in other companies up to a maximum of twenty million euros each year, without prejudice to the provisions of number two of this clause;
- j. To deliberate on the execution of the acquisition and disposal of own shares, when such has been deliberated by the General Meeting, and in compliance with what has been decided by the General Meeting;
- k. To manage holdings in other companies, in conjunction with the Chairman of the Board of Directors, namely by determining, with the agreement of the representatives of the respective governing bodies, and defining the guidelines for the actions of those representatives;
- l. To sign, change and terminate employment contracts;
- m. To open, operate and close bank accounts;
- n. To create mandataries for the Company;
- o. Overall, all powers that may be delegated by law, with any limitations resulting from the provisions of the preceding paragraphs.

The power to change any contract conditions previously signed and covered by the aforementioned lines c), d), e) and i) will rest with the body or bodies that would have powers to sign them, taking into account the provisions of those paragraphs and the previous number.



### III. SUPERVISION

#### a) Composition

#### **30. Identification of the supervisory body on the model adopted**

The structure of the Governing Body of the Company is based on the reinforced Latin Model and is composed of the Board of Directors, Audit Committee and the Statutory Auditor, voted by the General Meeting of Shareholders.

#### **31. Composition of the Audit Committee, indicating the minimum and maximum statutory number of members, statutory duration of terms, number of effective members, date of the first appointment and date of term of mandate of each member**

According to the Statutes of FC Porto - Futebol, SAD, the supervision of the Company will be made by an Audit Committee and a Statutory Auditor. The Audit Committee is composed of three effective members and one substitute. The term of the governing bodies lasts four years, and re-election may occur one or more times.

In a Shareholder General Meeting held on September 17, 2020, the following members were elected to be part of the Audit Committee for the period of 2020/2023:

Audit Committee	Date of first election	Date of term of mandate
Jorge Luís Moreira Carvalho Guimarães	3-Mar-2016	31-Dec-2023
José Augusto dos Santos Saraiva	13-Nov-2014	31-Dec-2023
Nélia Sofia Ferreira Couto Lopes Novo	17-Sept-2020	31-Dec-2023
Cláudia Maria Filinto Gonçalves Marques de Sequeira (Substitute)	17-Sept-2020	31-Dec-2023





### **32. Identification of the independent members of the Audit Committee, according to art. 414, no. 5 of the CSC**

As stated by the members, the regulations for incompatibility and independence criteria, determined in no. 1 of article 414 A and no. 5 of article 414, respectively, both part of the Portuguese Companies Code, are followed.

### **33. Professional qualifications of each member of the Audit Committee and other relevant curricular elements**

#### Jorge Luís Moreira Carvalho Guimarães

- Degree in Law by the Faculdade de Direito da Universidade de Coimbra, in 1982
- Post-graduation in European Studies, by the Centro de Estudos da Faculdade de Direito da Universidade de Coimbra, in 1983 (attendance)
- Lawyer, since 1984
- Other positions held referred to in point 36.

#### José Augusto dos Santos Saraiva

- Degree in Economics, by the Faculdade de Economia da Universidade do Porto (1982/3)
- Degree in Finances in the Escola Prática de Administração Militar (1983)
- Certified Accountant (Nº 25239)
- Trainer, Monitor and certified programmer (CAP EDF1202/98 DN; CCPFC/RFO-10585/00)
- HSaW Technician (Certificate n. 83/2015)
- Data Protection Officer (Certificate No. 427/2018)
- Other positions held referred to in point 36.

#### Nélia Sofia Ferreira Couto Lopes Novo

- Degree in Economics, by the Faculdade de Economia da Universidade do Porto
- Statutory Auditor No. 1288, since January 2007
- Member of the Order of Economists No. 9391
- Certified Accountant No. 58840
- Substitute member of the Representative Meeting of the Order of Statutory Auditors until 2020
- Director of the Internal Audit at Ascendi, since 2018
- Secretary of the Audit Committee at Ascendi, since 2018
- Senior Manager of the Audit & Assurance Department at KPMG & Associados, SROC, S.A., until 2018



- Teacher of Auditoria II in the Post-Graduation “Auditoria e Controlo de Gestão” at Universidade Católica Portuguesa, until June 2009

*Cláudia Maria Filinto Gonçalves Marques de Sequeira*

- Degree in Economics, Universidade Portucalense Infante D Henrique
- Post-graduation in Auditoria at Instituto Superior de Administração e Gestão (taught by PricewaterhouseCoopers)
- Statutory Auditor No. 1473
- Certified Accountant No. 59469
- Senior Manager and Coordinator of the Audit Department at João Gonçalves da Silva ROC
- Senior Manager at Accrue Partners – Tax and Management Advisors
- Manager of the Audit & Assurance Department at KPMG & Associados, SROC, S.A. (Luanda office), until 2017
- Manager of the Audit & Assurance Department at KPMG & Associados, SROC, S.A. (Porto office) until 2017

b) Functioning

**34. Existence and location where the regulations for the functioning of the Audit Committee may be consulted**

The Regulation of the Audit Committee can be checked at the website of the Company, at <https://www.fcporto.pt/pt/clube/institucional>.

**35. Number of meetings held and attendance of each member of the Audit Committee to the meetings**

In this period, the Audit Committee met 4 times, and a minute was made for each meeting. All members of the Audit Committee attended all the meetings.



**36. Availability of each member of the Audit Committee indicating the positions held simultaneously in other companies, inside and outside the Group, and other relevant activities held during this period**

*Jorge Luís Moreira Carvalho Guimarães*

- Member of the Law Firm Jorge Carvalho Guimarães, Francisco Sá Morais e Associados, RL, since 1984
- Chairman of the General Meeting of the company Ferfor – Empresa Industrial de Ferramentas e Forjados, SA
- Chairman of the General Meeting of the company Segrobe, SA
- Chairman of the General Meeting of the company Microprocessador – Sistemas Digitais, SA
- Chairman of the General Meeting of the company STE – Sociedade de Turismo de Espinho, SA
- Chairman of the General Meeting of the company Gitum – Imobiliário e Serviços, SA
- Chairman of the General Meeting of the company Ideável – Investimentos Imobiliários, SA
- Chairman of the General Meeting of the company Refaz – Sociedade Imobiliária, SA
- Chairman of the Audit and Disciplinary Committee of Futebol Clube do Porto
- Chairman of the Audit Committee of PortoComercial, Sociedade de Comercialização, Licenciamento e Sponsorização, SA
- Chairman of the Audit Committee of FCP Serviços Partilhados, SA
- Chairman of the Audit Committee of FCP Media, SA

*José Augusto dos Santos Saraiva*

- Administrative, Financial and Maintenance Coordinator CESAE
- Member of the Audit Committee of Fundação AEP, until March 2022,
- Chairman of the Audit Committee of IDARN, representing AEP,
- Rapporteur of the Audit and Disciplinary Committee of Futebol Clube do Porto,
- Member of the Audit Committee of DragonTour, SA
- Substitute member of the Audit Committee of FC Porto Media, SA
- Member of the Audit Committee of EuroAntas, SA
- Member of the Audit Committee of PortoComercial, Sociedade de Comercialização, Licenciamento e Sponsorização, SA

*Nélia Sofia Ferreira Couto Lopes Novo*

- Director of the Internal Audit at Ascendi, since 2018
- Secretary of the Audit Committee at Ascendi, since 2018
- Member of the Audit Committee of FC Porto Media, SA
- Substitute member of the Audit Committee of Futebol Clube do Porto Serviços Partilhados SA
- Substitute member of the Audit Committee of Futebol Clube do Porto



Cláudia Maria Filinto Gonçalves Marques de Sequeira

- Senior Manager and Coordinator of the Audit Department at João Gonçalves da Silva ROC
- Senior Manager at Accrue Partners – Tax and Management Advisors

c) Competences and duties

**37. Description of the procedures and applicable criteria for the intervention of the supervisory body when contracting additional services by an external auditor**

The Audit Committee, whenever appropriate, meets with the External Auditor not only in its own name but also in that of the Company, pursuant to its powers, and should propose the service provider for External Audit. The external auditing services have been analysed independently and permanently by the Audit Committee, issuing an annual opinion on the activity of the Auditor during the year and making mention of any facts that could hinder the continuity of the office for just cause. The Audit Committee is, along with the Board of Directors, the first recipient of the reports issued by the external audit firm.

As for other work carried out by the external auditor, different from audit, related to the validation of assessments of financial nature so that the Company may play in competitions organized by LPFP, since the engagement of Ernst & Young Audit & Associados – SROC, SA proved to be the most adequate, considering its experience and knowledge of the operation and accounts of the Company, and provided services related with the writing of a Comfort letter for the issuing of the bond loan PORTO SAD 2022-2025. The Audit Committee analysed and approved the services mentioned, concluding that they did not raise questions regarding the independence of the External Auditor.

**38. Other duties of the supervisory body**

The Audit Committee must supervise the activity of the Company, confirming the compliance of the law and Statutes. As a result, the Audit Committee shall, on an annual basis, create a report on the activities developed, stating any incompliance verified, and issue an opinion on the accountability documents and on the proposed applications of results, presented by the Board of Directors to the



General Meeting. This report is available on the website of the Company, and on the website of CMVM, together with the accountability documents.

All competences of the Audit Committee can be checked in the Regulations of this body, published in the website of the Company.

The annual reports on the activity of the Audit Committee are disclosed in the website of the Company, together with the accountability documents.

It must also represent the Company, for all purposes, at its External Auditor, and is responsible for, namely, proposing the person responsible for these services, their remuneration, ensuring there are, within the company, proper conditions to the provision of services, as well as being the contact of the company, as the recipient of the reports, together with the Board of Directors.

#### IV. STATUTORY AUDITOR

##### **39. Identification of the statutory auditor and its representative**

The position of Statutory Auditor of the Company is held by the Accounting Company Ernst & Young Audit & Associados – SROC, SA, seated at Avenida da República n.º 90 – 6º 1600-206 Lisboa, registered in Ordem dos Revisores Oficiais de Contas under the number 178 and with the CMVM under number 9011, represented by Rui Manuel da Cunha Vieira (ROC nº 1154).

##### **40. Indication of how long the statutory auditor has been working with the company and/or group**

Ernst & Young Audit & Associados – SROC, SA has been responsible for the statutory audits of the Company and the companies in the Group since 2016, represented by Rui Manuel da Cunha Vieira since then.



#### **41. Description of other services carried out by the Statutory Auditor to the company**

The statutory auditor is also the external auditor of the Company, as detailed in point 46 below.

<b>V. EXTERNAL AUDITOR</b>
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#### **42. Identification of the external auditor appointed under art. 8 and of the representative statutory auditor associate in those duties, and number of registration in the CMVM**

The external auditor of the Company, designated for the effect of article 8 of the CVM, is Ernst & Young Audit & Associados – SROC, SA, n. 178 and registered in the CMVM under n. 9011, represented by Rui Manuel da Cunha Vieira.

#### **43. Indication of the number of consecutive years that the external auditor and the representative statutory auditor associate have been working with the company and/or group**

The external auditor was elected for the first time in 2016 and is now on its second term, represented by associate Rui Manuel da Cunha Vieira since then.

#### **44. Rotation policy and term of the external auditor and its representative statutory auditor associate in its duties**

The Company has not set a rotation period for the external auditor. However, national legislation (Law n. 140/2015, from September 7) determines that the maximum period for the mandate of an external auditor is 2 or 3 mandates, lasting 4 or 3 years, respectively, with the exceptional possibility of extending it to a maximum of 10 years. After that maximum period, the external auditor can only be appointed again after 4 years.

To keep with this legislation, FC Porto - Futebol, SAD replaced its statutory auditor, which, for this Company, is the same as the external auditor, electing Ernst & Young Audit & Associados – SROC, SA, in November, 2016.



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**45. Indication of the body responsible for the evaluation of the external auditor and frequency of that evaluation**

The Audit Committee, in the function of its duties, proceeds with an annual evaluation of the independence of the External Auditor. Additionally, the Audit Committee promotes, whenever necessary or adequate for the activity of the Company or the configuration of the market in general, an analysis on the adequacy of the External Auditor to the exercise of its duties.

**46. Identification of works, apart from audits, done by the external auditor, as well as indication of internal procedures for the effects of approval in contracting such services and indication of reason to the contracting**

The other services of reliability guarantee and procedures agreed concern the issuing of reports on prospective financial information, debts to football clubs, players, coaches and staff, under the scope of the process of candidacy to sporting competitions of LPFP and UEFA. An item on the creation of a Comfort letter for the issuing of the Bond Loan FC PORTO SAD 2022-2025.

The Audit Committee analysed and approved the scope of said services, under the terms of the Statutes of the Ordem dos Revisores Oficiais de Contas, approved by Law 140/2015, from September 7, which determined that the request for these services did not affect the independence of the external auditor.



**47. Indication of the amount in annual remuneration paid to the auditor and to other employees belonging to the same network and indication of the percentages belonging to the following services:**

For the Company\*

Value of the services of audit committee (€) [€/ %]	70 000	33%
Value of the services of confirmation of interim financial information (€) [€/ %]	38 000	18%
Value of the services of guarantee of reliability (€) [€/ %]	12 500	6%
Value of other services (€) [€/ %]	42 750	20%

By entities part of the group \*

Value of the services of audit committee (€) [€/ %]	46 500	22%
Value of the services of guarantee of reliability (€) [€/ %]	-	0%

<b>TOTAL</b>	<b>209 750</b>	<b>100%</b>
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\* Including individual and consolidated accounts





## C. INTERNAL ORGANIZATION

### I. Statutes

#### 48. Applicable regulation to the change in statutes of the Company

As line b) of article 23, no. 2 of Law Decree no. 10/2013, of January 25 was adopted, FC Porto no longer has, by Law, the right to veto over the change in statutes of FC Porto SAD, and so the regulation set by the Portuguese Companies Code will apply on this matter.

### II. Communication of irregularities

#### 49. Means and policy to communicate irregularities occurring in the company

Although the policy on the communication of internal irregularities is not formally defined, considering the proximity of the members of the Board of Directors to the activities of the Company and its employees, FC Porto - Futebol, SAD considers that such proximity allows for the communication of whichever irregularities may appear to the Board of Directors, ensuring the implementation of procedures aimed at dealing effectively and fairly with any irregularities detected. Regarding the expertise in evaluating ethical issues and the structure and governance of the company, these functions are performed directly by the Board of Directors, specifically by the director responsible for the legal department, which maintains a constant debate on the issue.

The employees of FC Porto – Futebol, SAD must report to the legal department, or to the director in charge, any irregular practices detected or suspected, in order to prevent or stop irregularities that may cause damages to the financial health of the company or to its honour. This report must be done in writing and describe all the existing elements and information necessary that the co-operator may have and deems necessary to the assessment of the irregularity; a first approach may be done directly or by phone.

The communication of irregularities in the Company is guaranteed confidentiality and its consequence of any preliminary investigation will be of the responsibility of whoever is designated, to this end, by the concerning director.



For more specific matters or to keep with legal duties, there are specific control procedures defined. In the financial year 2020/2021, an internal procedure was implemented regarding the duty to communicate set by art. 43 of Law 83/2017, from August 18, which sets measures to fight money laundering and terrorism financing and the appointment of a person responsible for the fulfilment of the regulations, under the terms of art. 16 of that Law.

On June 18, 2022, Law No. 93/2021 of December 20 came into force. This law approves the General Regime for the Protection of Whistleblowers (“GRPW”), which forces entities that employ 50 or more employees or that, regardless of this, are considered obliged entities under the scope of application of the European Union acts on the prevention of money laundering and financing of terrorism, the obligation to implement whistleblowing channels, among others. From this date, the FC Porto Group has a whistleblowing portal that will allow the reception of reports of misconduct, covering suspicions of corruption, fraud, sexual harassment, moral harassment, discrimination, environmental crimes, among others. Access to this portal is already available and should be done through the link: <https://denuncia.fcporto.pt>.

### III. Internal control and risk management

#### **50. Persons, bodies or committees responsible for the internal audit and/or implementation of internal control**

The Internal Audit and Compliance department is the department responsible for the internal control of the Company.

#### **51. Description of the hierarchical and/or functional dependence relations with other bodies or committees of the company**

Both the departments of Internal Audit and Compliance and Management Planning and Control depend on the Board of Directors.



The Audit Committee has no responsibility in the creation and functioning of the internal control systems, but takes into consideration its existence and efficacy when assessing the risks to the company.

## **52. Other functional areas with competences in risk control**

There is also a Management Planning and Control department with the main intent of supporting the administration in the detection of relevant financial risks, which means periodically and extensively analysing the information related to financial planning and control, such as the business plan, the operation budgets and treasury and its control, management indicators, among others. These procedures are designed to help in the quality of the information disclosed to the market.

## **53. Identification and description of the main types of risk (economic, financial and legal) to which the company is exposed to in its activity**

The Board of Directors considers that FC Porto – Futebol, SAD is exposed to normal risks inherent to its activity. Thus, the main risks the company believes to be subjected to are: market risk (interest rate risk and currency risk), credit risk, liquidity risk, regulation risk (Financial Fair Play) and sporting risk. The control mechanisms of these risks are described in the attachment regarding financial demonstrations.

Apart from the financial risk, the activity of the company is also very reliant on the sporting performance of the main football team. The sporting success is a key factor to obtain the traditional revenues and to the value of its assets, as they represent invaluable gains to the company due to transfers.

## **54. Description of the process of risk identification, evaluation, accompaniment, control and management**

The governing and supervising bodies of the Company have been giving growing importance to the development and improvement of the internal control and risk management systems, concerning



operational, economic and financial aspects with a relevant impact to the activities of the companies of the Group, as recommended by national and international experts, including the CMVM on corporate governance.

Thus, for the financial year of 2010/2011, a department of Internal Audit and Compliance was created, developing its activity in the assessment of the efficiency and efficacy of the internal control system and the business processes concerning the entire Group, independently and systematically, in examining and evaluating the rigour, quality and application of the operational, accounting and financial controls, promoting an effective control at a reasonable cost, and proposing measures that present themselves as necessary to prevent possible deficiencies in the internal control system. Its function also includes assuring the full compliance with legislation and regulations affecting the organization.

The department for Internal Audit and Compliance has set an annual plan where it was determined that the audits that should be carried out in order to assess the quality of the control processes that certify the compliance of the objectives of the Internal Control System, namely those that certify the operation efficiency, the reliability of the financial and operational reports and the compliance with laws and regulations. The failures in the internal control will be reported to the upper rank, and the most severe to the Board of Directors.

#### **55. Main elements in the internal control and risk management systems implemented in the company regarding the process of disclosing financial information**

Regarding the risk control in financial reporting process, only a very limited number of collaborators of FC Porto - Futebol, SAD is involved in the financial reporting process.

All those involved in the financial analysis of the Company are deemed as having access to privileged information and as being particularly aware of their obligations and the sanctions resulting from the misuse of such information.

The system of internal control in the areas of accounting and preparation and report of financial information is based on the following key elements:



- The use of accounting principles, detailed throughout the notes to the financial statements, constitutes one of the bases of the control system;
- The plans, procedures and records of the Company and its subsidiaries enable reasonable assurance that only properly authorized transactions are recorded and that these transactions are recorded in accordance with generally accepted accounting principles;
- Financial information is analysed, in a systematic and orderly manner, by the management of operational units, ensuring ongoing monitoring and the respective budgetary control;
- During the process of preparation and review of financial information, a schedule of closing accounts is provided in advance and shared with the different areas involved, and all documents are reviewed in depth;
- As for individual financial statements of the various companies in the group, the accounting records and the preparation of financial statements are provided by administrative and accounting services. The financial statements are prepared by certified accountants and reviewed by the financial management;
- The consolidated financial statements are prepared quarterly by the consolidation team. This process represents an additional control element of the reliability of financial reporting, namely ensuring the uniform application of accounting principles and procedures of cutting operations as well as the verification of balances and transactions between companies in the group;
- The consolidated financial statements are prepared under the supervision of the CFO. The documents forming the annual report are sent for approval by the Board of Directors. After approval, the documents are sent to the External Auditor, which emits its Legal Certification of Accounts and the Audit Report; and
- The process of preparing the individual and consolidated financial information and the Management Report is supervised by the Audit Committee and the Board of Directors. On a quarterly basis, these bodies gather and analyse the individual and consolidated financial statements of the Company.

Concerning risk factors that may materially affect the accounting and financial reporting, we emphasize the use of accounting estimates that are based on the best information available at the date of preparation of the financial statements as well as the knowledge and experience of past and / or present events. We emphasize also the balances and transactions with related parties: in group FC Porto, balances and transactions with related parties mainly refer to current operational activities of the companies in the group.



The Board of Directors, in conjunction with the Audit Committee, regularly examines and supervises the preparation and disclosure of financial information, in order to circumvent the access, improper and untimely, of third parties, to relevant information.

#### IV. Investor Support

##### **56. Service responsible for investor relations, composition, functions, information provided by these services and elements for contact**

The representative of FC Porto - Futebol, SAD for relations with the capital market is the main contact for all investors, institutional and private, national and international.

This representative ensures the provision of all relevant information regarding relevant events, applicable and relevant facts, bi-yearly disclosure of results, and answer any clarification requests by investors or the general public about financial information of a public nature. He is also responsible for all matters pertaining to the relationship with the Portuguese Securities Market Commission, to ensure the timely fulfilment of obligations to the supervisory authority of capital and other financial authorities. He is also responsible for developing and maintaining the webpage for Investor Relations in the website of the Company.

For the exercise of his duties, the address, phone and fax number and email of the representative for market relations are the following:

Address: Estádio do Dragão, Via FC Porto, Entrada Poente, piso 3,  
4350-451 Porto

Phone: 22 5070500

Telefax: 22 5506931

Email: fernando.santos.gomes@fcporto.pt



## **57. Representative for market relations**

The current representative of FC Porto - Futebol, SAD for market relations is Fernando Manuel Santos Gomes, member of the Board of Directors.

## **58. Information on proportion and response time to information requests received during the year or outstanding from previous years**

When necessary, the representative of market relations ensures the provision of all relevant information regarding relevant events, applicable facts and relevant facts, disclosure of six-month results and answer to any clarification requests by investors or the general public about financial information of a public nature. All information requested by investors is analysed and must be answered in a maximum of five working days.

<b>V. Website</b>
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## **59. Addresses(s)**

FC Porto - Futebol, SAD has an internet website ([www.fcporto.pt](http://www.fcporto.pt)) with a wide range of information about the Group. The aim is to provide, to interested parties, general knowledge of the Group, its business areas, information of institutional and financial nature. In the webpage dedicated to Investor Relations, there are presentations of periodical results, accountability documents, information on General Meetings of shareholders, including summons and supporting documentation, and information of institutional nature, namely the Statutes and the identification of Governing Bodies. It is also possible to consult qualified holdings, all the privileged information and other communications issued by the Company, as well as the minutes of the General Meetings.

## **60. Address where information about the firm, its listed company, registered office and other elements mentioned in Article 171 of the Companies Code can be found**

<https://www.fcporto.pt/pt/clube/institucional>



**61. Address with the statutes and regulations of the functioning of the bodies and/or commissions**

<https://www.fcporto.pt/pt/clube/institucional>

**62. Address with information about the identity of the corporate officers, the representative for market relations, the Investor Support Office or equivalent, respective roles and means of access**

<https://www.fcporto.pt/pt/clube/institucional>

**63. Address with accounting documents, which must be accessible for at least five years, as well as the bi-annual calendar of corporate events, disclosed at the beginning of each semester, including, among others, general meetings, disclosure of annual, semi-annual and, if applicable, quarterly accounts**

<https://www.fcporto.pt/pt/clube/institucional>

**64. Address with the summon for a General Meeting and all the preparatory and subsequent information related to it**

<https://www.fcporto.pt/pt/clube/institucional>

**65. Address with the historical record of resolutions approved at general meetings of the company, the represented share capital and the voting results, with reference to the previous 3 years**

<https://www.fcporto.pt/pt/clube/institucional>





## **D. REMUNERATIONS**

### **I. Competence for determination**

#### **66. Indication as to the competence to determine the remuneration of corporate bodies**

The body responsible for conducting the performance evaluation of Executive Directors for the purpose of remuneration is the Remuneration Committee, which follows the criteria it sees fit in every moment, complying with legal and statutory standards.

### **II. Remuneration Committee**

#### **67. Composition of the Remuneration Committee, including identification of contracted individual or collective persons to provide support, and statement on the independence of each of the members and advisors**

The current Remuneration Committee of FC Porto – Futebol, SAD, elected in Shareholders General Meeting, held on September 17, 2020 for the term 2020/2023, is composed of the following members:

- Alípio Dias (Chairman)
- Emídio Ferreira dos Santos Gomes
- Joaquim Manuel Machado Faria de Almeida

The Remuneration Committee is composed of members independent to the administration. To that extent, the Remuneration Committee does not include any member of another governing body to which it sets the respective remuneration, and the three members have no family ties with members of other bodies, including marital, kin or straight line to the 3rd degree, including.

During the exercise of 2021/2022, the Remuneration Committee did not find it necessary to hire additional services to support their duties.



## **68. Knowledge and experience of the members of the remuneration committee on remuneration policy**

The members of the Remuneration Committee have knowledge and experience concerning remuneration policies.

FC Porto - Futebol, SAD believes that the experience and professional careers of the members of the Remuneration Committee allow them to perform their duties accurately and efficiently. Additionally, whenever necessary, that committee will recur to specialized resources, internal or external, to support their decisions.

### **III. Remuneration structure**

## **69. Description of the remuneration policy of the governing and supervisory bodies referred to in Article 2 of Decree n. 28/2009, of June 19**

There is an annual submission to the General Meeting of a statement on the remuneration policy of the governing and supervision bodies.

The remuneration and compensation policy of the governing bodies of FC Porto - Futebol, SAD, approved in General Meeting on November 10, 2021, is as follows:

### **I. Introduction**

The Remuneration Committee of Futebol Clube do Porto - Futebol, SAD has been, since 2009, under Law No. 28/2009 of June 19, presenting annually, at the General Assembly of the Company, a statement on remuneration policy.

With the entry into force of Law No. 50/2020 of August 25, and the consequent repeal of Law No. 28/2009 of June 19, the Remuneration Committee of Futebol Clube do Porto - Futebol, SAD is now obliged to prepare a remuneration policy for its members of the governing and supervisory bodies in accordance with the new legal regime.

It should be noted that, with the revision occurred in 2020 to the Corporate Governance Code of the Portuguese Institute of Corporate Governance, and keeping in mind the necessary harmonization with Law No. 50/2020 of August 25, the content of the remuneration policy no longer has a recommendatory basis.



The current remuneration policy is thus the reflection of the work developed by the Remuneration Committee, based on the previous statement on the remuneration policy and taking into account the referred new framework.

Taking into account the path of Futebol Clube do Porto - Futebol, SAD, the choice was made to continue to conciliate between, on the one hand, the new trends in terms of management remuneration options, and on the other hand, the weight of history, previous options and the characteristics of this Company.

The remuneration policy is the exclusive responsibility of the Remuneration Committee, composed of three members, all independent from the administration, and must be approved by the General Shareholders' Meeting, at least every 4 years and whenever a relevant change occurs.

In its action, namely in the determination, review and application of the remuneration policy, the Remuneration Committee observes the applicable law and the policies and regulations in force in Futebol Clube do Porto - Futebol, SAD, namely, the Regulation on Transactions with Related Parties, which has rules of action in order to prevent, identify and resolve conflicts of interest between the company and its directors.

## II. Legal framework

The framework for this remuneration policy is provided by the above mentioned Law no. 50/2020 of August 25, which amended the Securities Market Code (CVM).

This law, in addition to determining the frequency of the remuneration policy and its approval and the disclosure of its contents, determines, in number 2 of article 26-C of the CVM, as to its contents, that the same shall consider:

- a) An explanation of how it contributes to the business strategy of the company, its long-term interests, and its sustainability;*
- b) An explanation of how the employment and remuneration conditions of the employees of the company were taken into account when this policy was established;*
- c) A description of the different components of the fixed and variable remuneration;*
- d) An explanation of all bonuses and other benefits, regardless of their form, which may be paid to members of the governing and audit bodies, and indication of their proportion;*
- e) An indication of the duration of contracts or agreements with members of the governing and audit bodies, applicable notice periods, termination clauses and payments associated with said termination;*
- f) A description of the main features of complementary pensions or early retirement plans.*

In addition, number 3 of Article 26-C of the CVM stipulates that, if a variable remuneration is to be awarded to directors, the remuneration policy must identify:

- (a) The criteria followed to award the variable remuneration, including financial and non-financial criteria and, where applicable, the criteria related to social responsibility of the companies, in a clear and comprehensive*



*manner, and explain how the criteria contribute to the business strategy, long-term interests and sustainability of the company;*

*(b) The methods applied to determine the extent to which the performance criteria have been met;*

*c) The deferral periods and the possibility for the company to request the refund of variable remuneration that has been paid.*

On the other hand, number 4 of Article 26-C of the CVM stipulates that, if part of the remuneration is to be paid through shares, the remuneration policy must identify:

*a) The vesting periods;*

*b) If applicable, the period for holding the shares after the rights have been acquired;*

*c) How the remuneration based on shares contributes to the business strategy, long-term interests, and sustainability of the company.*

In addition to Law no. 50/2020, of August 25, any system for setting of remuneration must consider the legal rules.

The legal rules affecting the Board of Directors are established in Article 399 of the Companies Code, which basically defines as follows:

- The determination of remunerations lies with the general meeting of shareholders or a committee appointed by the same.
- The determination of remunerations must take into account the duties performed and the economic situation of the company.
- Remuneration may be fixed or consist partly of a percentage of the profits for the period, but the maximum percentage to be allocated to the directors must be authorized by a clause in the contract of the company, and will not apply to the distribution of reserves or any part of the profits for the period which could not, by law, be distributed to shareholders.

As for the members of the Audit Committee and the General Meeting, the law determines that the remuneration must consist of a fixed sum, determined in the same way by the general meeting of shareholders or by a committee appointed by the same, taking into account the duties performed and the economic situation of the company.

This is the formal framework within which the remuneration policy is to be defined.

### **III. General Principles**

The general principles to follow when setting the remuneration of the governing bodies are essentially those that, in general terms, derive from the law: on the one hand, the duties performed and on the other the economic



situation of the company. If we add to these the general market conditions for equivalent situations, the three main general principles are obtained.

a) Duties performed:

The duties performed by each member of the governing bodies cover both the duties in a formal sense and the duties in the broader sense of the specific level of responsibility of the position held, considering different criteria, such as the commitment and time dedicated, the nature, size, complexity, and skills required for the duty, or the added value to the company that results from a specific intervention or institutional representation.

Duties performed in other controlled companies also must be taken into consideration, as it represents added responsibility, and the existence of another source of income.

b) The economic situation of the company:

The size of the company and the inevitable complexity of its management are relevant aspects of the economic situation in its broadest sense, and these aspects have implications both in the need to remunerate a greater responsibility in companies with complex business models and in the capacity to remunerate management duties adequately.

c) Market criteria:

The relation between supply and demand is unavoidable in defining any remuneration, and the members of governing bodies are no exception.

It is essential to have the capacity to attract, develop and retain competent professionals, which forces the Remuneration Policy to be competitive and attractive in order to ensure the legitimate individual interests, but essentially those of Futebol Clube do Porto - Futebol, SAD and the creation of sustainable value for shareholders.

#### **IV. Framework of the principles in the legal regime**

Having consigned the general principles adopted, it is now important to frame the principles in the applicable regulatory framework:

1. Line a) of number 2 of article 26-C of CVM. Strategy, long-term interests and sustainability:

This practice has shown that the remuneration system in place at Futebol Clube do Porto - Futebol, SAD successfully supports its business strategy and also, in the long term, the alignment of the interests of members of the governing bodies with those of the Company and its sustainability, as it is a remuneration that aims at being fair and equitable, following the principles mentioned.

2. Line b) of number 2 of article 26-C of CVM. Employment and remuneration conditions of the employee:

The alignment between this policy and the remuneration plan and employment conditions of the employees of Futebol Clube do Porto - Futebol, SAD, is assured, as both remuneration systems are based on the same general principles set forth in this remuneration policy, in particular the market conditions in the reference markets for the duties performed.

3. Line c) of number 2 of article 26-C of CVM. Components of the fixed and variable remuneration;



The remuneration of executive members of the Board of Directors of the Company must be based on a monthly fixed component that rewards the executive Directors for the performance of the Company. The remunerations of members of the board are not dependent on the evolution of the price of the issued shares or of any other variable, including the profits made each year. It should be noted that the actual amounts of remuneration are fixed in compliance with the principles defined above in chapter III of this Policy.

4. Line d) of number 2 of article 26-C of CVM. Bonus and other benefits:

There are no plans to offer shares or options to acquire shares to the members of the Board of Directors. Apart from the fixed annual remuneration, there are no other prizes foreseen.

5. Line e) of number 2 of article 26-C of CVM. Agreements on the termination of director duties:

There are no agreements on payments by Futebol Clube do Porto - Futebol, SAD regarding the termination of duties of members of the Board of Directors.

6. Line f) of number 2 of article 26-C of CVM. Supplementary pension or early retirement plans.

Currently there are no supplementary pensions or early retirement plans for members of the Board of Directors in Futebol Clube do Porto - Futebol, SAD.

## **VI. Specific options**

Specific options of the proposed remuneration policy can be summarized as follows:

1. In setting all remuneration, the general principles set above will be observed: duties performed, situation of the company and market criteria.

2. Remuneration of the Executive members of the Board of Directors:

The remuneration of the executive members of the Board of Directors of the Company shall be fixed in the month of June with effect starting on July 1 to the following June 30, taking into account the sporting and/or financial results achieved.

3. The members of the remaining Governing Bodies, namely the General Meeting, Audit Committee, Company Secretary, Advisory Board and Remuneration Committee are not remunerated for these duties at Futebol Clube do Porto - Futebol, SAD.

## **70. Information on how remuneration is structured so as to align the interests of members of the board with the long-term interests of the company, as well as on how it is based on performance assessment and how it discourages taking extreme risks**

The remuneration policy for executive directors intends to ensure proper and rigorous consideration of the performance and contribution of each director to the organization's success, by aligning the interests of executive directors with those of shareholders and the Company.



Proposals for remuneration of executive directors are made, taking into account the functions performed at FC Porto - Futebol, SAD and in its different subsidiaries; responsibility and added value by individual performance; knowledge and experience gained on the job; the financial position of the Company; the remuneration in companies of the same sector and other companies listed on NYSE Euronext Lisbon. Regarding the latter point, the Remuneration Committee takes into account the limits of available information, all national companies of equivalent size, namely listed on the NYSE Euronext Lisbon, and also companies in international markets with characteristics equivalent to FC Porto - Futebol, SAD.

The setting of remunerations also takes into account the long-term performance of the group, compliance with the rules applicable to its business, the restraint in taking risks and market knowledge.

**71. Reference to the existence of a variable remuneration component and information about possible impact of performance evaluation on this component**

The remuneration of the members of the Board of Directors of the company does not foresee the existence of variable components.

**72. Deferment of payment of the variable remuneration component, specifying the period of deferment**

The remuneration of the members of the Board of Directors of the company does not foresee the existence of variable components.

**73. Criteria followed when setting the variable remuneration in shares**

The remuneration of the members of the Board of Directors of the company does not foresee the existence of variable components in shares. There was no plan to offer shares or options to acquire shares to the directors.



#### **74. Criteria followed when setting the variable remuneration in options**

The remuneration of the members of the Board of Directors of the company does not foresee the existence of variable components in options. There was no plan to offer shares or options to acquire shares to the Directors.

#### **75. Main parameters and grounds for any system of annual prizes and other non-cash benefits**

FC Porto - Futebol, SAD does not have any system of annual prizes or other non-cash benefits, in spite of the remuneration determined during this exercise.

#### **76. Main features of supplementary pension or early retirement plans for directors and date when they were approved in general meeting, in individual terms**

The Company has not established any plans to attribute shares and/or option that allow for the acquisition of shares or retirement benefit systems to members of the board of directors, and, as such, they were never brought to the attention of the General Meeting.

### **IV. Disclosure of remunerations**

#### **77. Indication of the annual amount of the remuneration received, aggregate and individually, by the members of the governing bodies of the company, coming from the company, including fixed and variable remuneration and, for the latter, mentioning the different components that led to it**

The remunerations attributed to the Board of Directors of FC Porto – Futebol, SAD during this financial year reached €1,938,000.





Director	Fixed Remuneration	Gratifications	Attendance Fees	TOTAL	% of fixed remuneration
Jorge Nuno de Lima Pinto da Costa	644 000	0	0	<b>644 000</b>	100%
Adelino Sá e Melo Caldeira	364 000	0	0	<b>364 000</b>	100%
Fernando Manuel Santos Gomes	364 000	0	0	<b>364 000</b>	100%
Luís Manuel Beza de Vasconcelos Gonçalves	280 000	0	0	<b>280 000</b>	100%
Vítor Manuel Martins Baía	280 000	0	0	<b>280 000</b>	100%
Maria Manuela Aguiar Dias Moreira (*)	0	0	0	<b>0</b>	n.a.
Rita de Carvalho Araújo Moreira	0	0	6 000	<b>6 000</b>	0%
Teresa Cristina Costa Leite de Azevedo	0	0	0	<b>0</b>	n.a.
<b>TOTAL</b>	<b>1 932 000</b>	<b>0</b>	<b>6 000</b>	<b>1 938 000</b>	100%

(\*) Maria Manuela Aguiar Dias Moreira waived the attendance fees.

Regarding this matter, reference is also made to the Annex to this Report, where the Remuneration Report provided for in Article 26 - G of the Securities Code is presented.

#### **78. Amounts paid by other companies in dominion or group, or which are subject to a common domain**

The members of the Board of Directors of FC Porto - Futebol, SAD are not remunerated by other companies in the group or by companies controlled by shareholders with qualified holdings. However, non-executive director Teresa Cristina Costa Leite de Azevedo received, during the period analysed, an allowance from FC Porto Media, of €30,000, for her services as politics commentator at Porto Canal.

#### **79. Remuneration paid in the form of profit sharing and/or payment of premiums and the reasons why these prizes or profit sharing were granted**

During the exercise, no remunerations were paid by way of profit sharing or in the form of prizes.

#### **80. Compensation paid or owed to former executive directors leaving their duties during the year**

During the exercise, no amounts were paid or owed relating to compensation to directors whose functions have ceased.



**81. Indication of the annual amount of remuneration, in aggregate and individually, of members of the supervisory bodies of the company**

Members of the Audit Committee are not remunerated for these duties at FC Porto – Futebol, SAD.

**82. Details on the remuneration in the reference year of the chairman of the general meeting**

The Chairman of the General Meeting is not paid for these duties at FC Porto – Futebol, SAD.

<b>V. Agreements with implications on remunerations</b>
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**83. Contractual limitations provided for compensation payable for unfair dismissal of directors and its relation with the variable remuneration component**

The remuneration policy maintains the principle of not contemplating compensations to directors, or members of other governing bodies, associated with the early termination of duties or the expiry of their terms, subject to compliance by the Company with legal provisions in force in this field.

**84. Reference to the existence and description, indicating the sums involved, of agreements between the company and members of the board of directors and managers, under the terms of paragraph 3 of article 248-B of the Securities Market Code, which provide for compensation in case of dismissal without cause or termination of contract following a change of control of the company**

There are no agreements between the Company and members of the board of directors or other managers of FC Porto - Futebol, SAD, within the meaning of paragraph 3 of article 248-B of the Securities Market Code, which provide for compensation in case of resignation, unfair dismissal or termination of contract following a change of control of the Company. No agreements are foreseen with the directors to ensure any compensation in the event of non-renewal of the mandate.



## **VI. Plans to attribute shares or allow for the acquisition of shares ('stock options')**

### **85. Identification of the plan and its recipients**

The Company does not have in place any kind of plan to attribute shares, or allow for the acquisition of shares to members of governing bodies or employees.

### **86. Characterization of the plan**

The Company does not have in place any kind of plan to attribute shares, or allow for the acquisition of shares.

### **87. Option rights attributable to the acquisition of shares ('stock options') to workers and employees of the company**

There are no option rights granted for the acquisition of shares to workers and employees of the company.

### **88. Control mechanisms in any possible system of employee participation in capital to the extent that the voting rights are not exercised directly by them**

Not applicable as explained above.



## **E. TRANSACTIONS BETWEEN RELATED PARTIES**

<b>I. Control mechanisms and procedures</b>
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### **89. Mechanisms implemented by the Company for the purposes of monitoring transactions with related parties**

The Board of Directors approved, with the previous binding consent from the Audit Committee, the “Regulation for transactions with related parties”, that establishes procedures and criteria to follow when approving transactions with any related party and its disclosure.

The non-recurring extraordinary operations, outside of the normal exercise of the Company, as they are relevant operations for the Company, must be previously consented by the Audit Committee.

### **90. Indication of the transactions that were subject to control in the reference year**

The commercial transactions between the Company and holders of qualifying holdings or entities that are related to them, in accordance with Article 20 of the Securities Market Code, were held under normal conditions; those transactions and balances, along with additional information can be checked in Note 31 of the attachment of consolidated accounts and note 27 of the Attachment for individual accounts of the Company.

### **91. Description of the procedures and criteria for intervention by the supervisory body for the purpose of preliminary assessment of the business carried out between the company and holders of qualifying holdings or entities that are related to them**

All transactions held in 2021/2022 with related parties were disclosed to the Audit Committee.

The applicable procedures to the intervention of the Audit Committee in the previous assessment of any businesses to be held between the Company and holders of qualifying holdings follow the norms set in the Regulation regarding transactions with related parties. The Regulation regarding transactions with related parties can be checked at the website of the Company, at



<https://www.fcporto.pt/pt/clube/institucional>, in compliance with the Recommendations I.5.1 and I.5.2 of the corporate governance code of IPCG/2020.

## II. Business related elements

### **92. Indication of the location of accounting documents where information on businesses with related parties is made available**

Information on businesses with related parties, for the period of 2021/2022, can be found in note 31 of the attachment to consolidated financial statements and note 27 of the Attachment to the individual accounts of the Company.



## PART II – EVALUATION OF THE CORPORATE GOVERNANCE

### 1. Identification of the code of corporate governance adopted

The current Report on the Company's Governance was made in accordance with the Regulation of the CMVM No. 4/2013, of August 1, and describes the structure of the corporate governance of Futebol Clube do Porto – Futebol, SAD, also presenting the policies and practices that, under this model, are seen as necessary and adequate to ensure a governing in line with the best practices.

The evaluation presented complies with the legal demands of Article 29-H of the Securities Market Code, and discloses, following the principle of comply or explain, the degree of compliance with the IPCG Recommendations integrated in the Code of Corporate Governance of the 2018 IPCG, with the 2020 revision.

The duties of disclosure required by Law No. 28/2009 of June 19, together with Articles 447 and 448 of the Commercial Companies Code and Regulation No. 5/2008 of the CMVM, of October 2, 2008, and changes to Regulation No. 7/2018, are also met.

This evaluation is relevant for the period analysed in this report, from July 1, 2021, to June 30, 2022, and for the governing bodies that were on duty at the time.

### 2. Analysis of compliance with the Code of Corporate Governance adopted

FC Porto – Futebol, SAD complies with most of the CMVM recommendations relating to Corporate Governance as follows:

CORPORATE GOVERNANCE CODE		
CHAPTER I - GENERAL PROVISIONS		
<b>General provision:</b> Corporate Governance should promote and enhance the performance of companies, as well as of the capital markets, and strengthen the trust of investors, employees and the general public in the quality and transparency of management and supervision, as well as in the sustained development of the companies.		
<b>I.1. RELATIONSHIP OF THE COMPANY WITH INVESTORS AND INFORMATION</b>		
<b>PRINCIPLE</b>		
Companies and their directors, in particular, should treat shareholders and other investors equitably, namely by ensuring mechanisms and procedures are in place for the suitable management and disclosure of information.		
<b>RECOMMENDATIONS</b>	<b>COMPLIANCE</b>	<b>REPORT</b>



I.1.1. The company should establish mechanisms to ensure, in a suitable and rigorous form, the timely disclosure of information to its governing bodies, shareholders, investors and other stakeholders, financial analysts, and to the market in general.	Adopted	Points 38, 52, 55 to 65
<b>I.2. DIVERSITY IN THE COMPOSITION AND FUNCTIONING OF THE GOVERNING BODIES OF THE COMPANY</b>		
<b>PRINCIPLES</b>		
<b>I.2.A. Companies ensure diversity in the composition of their governing bodies and the adoption of criteria of individual merit in their appointment procedures, which are exclusive to the shareholders.</b>		
<b>I.2.B. Companies should be provided with clear and transparent decision structures and ensure maximum effectiveness of their governing bodies and committees.</b>		
<b>I.2.C Companies ensure that the functioning of their bodies and committees is duly recorded, namely in minutes, to allow an understanding not only of the meaning of the decisions taken, but also of their grounds and opinions expressed by their members.</b>		
<b>RECOMMENDATIONS</b>	<b>COMPLIANCE</b>	<b>REPORT</b>
I.2.1. Companies must establish standards and requirements regarding the profile of new members of their governing bodies, suitable to the roles to be carried out; it should be reminded that, apart from individual attributes (such as competence, independence, integrity, availability, and experience), these profiles should take into consideration diversity requirements, with particular attention to gender, which may contribute to a better performance of the governing body and to the balance of its composition.	Adopted	Points 16, 19, 26 33 and 36
I.2.2. The company's managing and supervisory boards, as well as their committees, should have internal regulations — namely regulating the performance of their duties, their Chairmanship, periodicity of meetings, their functioning and the duties of their members —, disclosed in full on the company's website. Minutes of the meetings of each of these bodies should be drawn out.	Adopted	Points 22 and 34
I.2.3. The composition, number of annual meetings of the governing and supervisory bodies, as well as of their committees, should be disclosed on the company's website.	Adopted	Points 62 and 63
I.2.4. A policy for the communication of irregularities (whistleblowing) should be adopted that guarantees the suitable means of communication and treatment of those irregularities, with the safeguarding of the confidentiality of the information transmitted and the identity of its provider, whenever such confidentiality is requested.	Adopted	Points 38 and 49
<b>I.3. RELATIONSHIPS BETWEEN THE COMPANY BODIES</b>		
<b>PRINCIPLE</b>		
<b>Members of the company's bodies, especially directors, should create appropriate conditions, considering the duties of each of the bodies, to ensure balanced and efficient measures that allow for different governing bodies of the company to act in a harmoniously and in coordination, with all information required to carry out their respective duties.</b>		
<b>RECOMMENDATIONS</b>	<b>COMPLIANCE</b>	<b>REPORT</b>
I.3.1. The statutes or other equivalent means adopted by the company must establish mechanisms that, within the limits of applicable laws, permanently ensure that members of the governing and supervisory boards are provided with access to all the information and company's collaborators, in order to evaluate the performance, current situation and perspectives for further developments of the company, namely including minutes, documents supporting decisions that have been taken, calls for meetings, and the archive of meetings of the executive governing body, without impairing access to any other documents or people that may be requested for information.	Adopted	Points 18, 38 and 61
I.3.2. Each of the company's bodies and committees must ensure the timely and suitable flow of information, especially regarding the respective calls for meetings and minutes, necessary to the exercise of legal and statutory competences of each of the remaining bodies and committees.	Adopted	Points 18, 23, 28 and 38
<b>I.4. CONFLICTS OF INTEREST</b>		
<b>PRINCIPLE</b>		
<b>The existence of current or potential conflicts of interest, between members of the company's bodies or committees and the company should be prevented. The non-interference of the conflicted member in the decision process must be guaranteed.</b>		
<b>RECOMMENDATIONS</b>	<b>COMPLIANCE</b>	<b>REPORT</b>



I.4.1. The members of the managing and supervisory boards and the internal committees are bounded, by internal regulation or equivalent, to inform the respective board or committee whenever there are facts that may constitute or give rise to a conflict between their interests and the company's interest.	Adopted	Points 49, 89 to 91
I.4.2. Procedures should be adopted to guarantee that the member in conflict does not interfere in the decision process, without prejudice to the duty of providing information and other clarifications that the body, the committee or their respective members may request.	Adopted	Points 49, 89 to 91
<b>I.5. TRANSACTIONS BETWEEN RELATED PARTIES</b>		
<b>PRINCIPLE</b>		
<b>Due to the potential risks that they may hold, transactions with related parties should be justified by the interest of the company and done under market conditions, subject to principles of transparency and proper supervision.</b>		
<b>RECOMMENDATIONS</b>	<b>COMPLIANCE</b>	<b>REPORT</b>
I.5.1. The managing body should disclose in the corporate governance report or by other means publicly available the internal procedure for verifying transactions with related parties.	Adopted	Points 61, 89 to 91
I.5.2. The managing body should report to the supervisory body the results of the internal procedure for verifying transactions with related parties, including the transactions under analysis, at least every six months.	Adopted	Points 61, 89 to 91
<b>CHAPTER II - SHAREHOLDERS AND GENERAL MEETINGS</b>		
<b>PRINCIPLES</b>		
<b>II.A The suitable involvement of the shareholders in matters of corporate governance is a positive factor for the company's governance, becoming an instrument for the efficient functioning of the company and its purpose.</b>		
<b>II.B The company should promote the personal participation of shareholders in General Meetings, a space for communication of the shareholders with the company's bodies and committees and also for reflection on the company itself.</b>		
<b>II.C The company should implement adequate means for the participation and remote voting by shareholders in meetings</b>		
<b>RECOMMENDATIONS</b>	<b>COMPLIANCE</b>	<b>REPORT</b>
II.1. The company should not set an excessively high number of shares needed to confer voting rights, and it should make its choice clear in the corporate governance report every time its choice entails a diversion from the general rule that each share corresponds one vote.	Adopted	Point 13
II.2. The company must not adopt mechanisms that hinder the passing of resolutions by shareholders, including fixing a quorum for resolutions greater than that provided for by law.	Adopted	Point 14
II.3 The company should implement adequate means for the remote participation by shareholders in the General Meeting, which should be proportionate to its size.	Adopted	Point 12
II.4. The company should also implement adequate means for the exercise of remote voting, including by correspondence and electronic means.	Adopted	Point 12
II.5. The statutes that specify the limitation of the number of votes that can be held or exercised by a sole shareholder, individually or in coordination with other shareholders, should equally provide that, at least every 5 years, the amendment or maintenance of this statute will be subject to a general meeting decision — without increased quorum in comparison to the legally established — and, in that decision, all votes cast will be counted without observation of the imposed limits.	Not applicable	Clarification below
II.6. Measures that require payment or assumption of fees by the company in the event of change of control or change in the composition of the Board and that appear likely to impair the economic intention on the transfer of shares and free assessment by shareholders of the performance of Board members shall not be adopted.	Adopted	Points 2, 4, 5, 6 and 84
<b>CHAPTER III — NON-EXECUTIVE MANAGEMENT AND SUPERVISION</b>		
<b>PRINCIPLES</b>		
<b>III.A Members of governing bodies with non-executive management and supervisory duties should, effectively and judiciously, take on a role of monitoring and challenging executive management for the full accomplishment of the corporate purpose, complemented by committees for key areas to corporate governance.</b>		
<b>III.B The composition of the supervisory body and the non-executive directors should provide the company with a balanced and suitable diversity of skills, knowledge, and professional experience.</b>		
<b>III.C The supervisory body should carry out a permanent supervision of the company's governing body, also as preventive perspective, following the company's activity and, in particular, the decisions of vital importance to the company.</b>		





RECOMMENDATIONS	COMPLIANCE	REPORT
III.1. Without prejudice to the legal powers of the chair of the managing body, if he or she is not independent, the independent directors should appoint a coordinator from amongst them, namely, to: (i) act, when necessary, as an interlocutor near the chair of the board of directors and other directors, (ii) make sure there are the necessary conditions and means to carry out their functions; and (iii) coordinate the independent directors in the assessment of the performance of the managing body, as established in recommendation V.1.1.	Not adopted	Clarification below
III.2. The number of non-executive members in the managing body, as well as the number of members of the supervisory body and the number of the members of the committee for financial matters should be suitable for the size of the company and the complexity of the risks intrinsic to its activity, but sufficient to ensure, with efficiency, the duties which they have been attributed. The formation of such suitability judgment should be included in the corporate governance report.	Adopted	Points 18 and 31
III.3. In any case, the number of non-executive directors must be above that of executive directors.	Not adopted	Clarification below
III.4. Each company should include a number of non-executive directors no less than one third, but always plural, satisfying the requirements of independence. For this recommendation, the director will be considered independent if there is no association to any specific group of interests in the company, nor is, under any circumstance, likely to affect an exempt analysis or decision, particularly due to: (i) Having performed functions in any of the company's bodies for more than twelve years, consecutively or not; (ii) Having been an employee at the company or at a company holding a controlling or group relationship within the last three years; (iii) Having, in the past three years, provided services or established commercial relationship with the company or a company with which it is in a control or group relationship, either directly or as a partner, director, manager or director of legal person; (iv) Being paid by the company or by a company with which it is in a control or group relationship besides the remuneration arising from the exercise of the functions of a board member; (v) Having lived with a partner or a spouse, relative or any first degree next of kin and up to and including the third degree of collateral affinity, of directors of the company, directors of legal person with qualified participation in the company or natural persons that are direct and indirectly holders of qualifying holdings; (vi) Having been a qualified holder or representative of a shareholder of qualifying holding.	Adopted	Point 18
III.5. The provisions of paragraph (i) of recommendation III.4 do not inhibit the qualification of a new director as independent if, between the end of functions in any of the company's bodies and the new appointment, three years have passed (cooling-off period).	Not applicable	Clarification below
III.6. The supervisory body, in observance of the powers conferred to it by law, should assess and give its opinion on the strategic lines and the risk policy prior to its final approval by the management body.	Adopted	Points 30, 38 and 54
III.7. Companies should have specialised committees, separately or cumulatively, on matters related to corporate governance, appointments, and performance assessment. In the event that the remuneration committee provided for in article 399 of the Commercial Companies Code has been created and should this not be prohibited by law, this recommendation may be fulfilled by conferring competence on such committee in the aforementioned matters.	Adopted	Points 27 and 29
<b>CHAPTER IV — EXECUTIVE MANAGEMENT</b>		
<b>PRINCIPLES</b>		
<b>IV.A As a means to increase efficiency and quality of the performance of the governing body and the proper flow of information to this body, the continuous management of the company should be carried out by executive directors with qualifications, powers and experience suitable to the role. The executive board is responsible for managing the company, pursuing the company's objectives and aiming at contributing to the company's sustained development.</b>		
<b>IV.B When determining the number of executive directors, the size of the company, the complexity of its activity, and its geographical spread should be taken into account, along with the costs and the desirable agility in the functioning of the executive board.</b>		
<b>RECOMMENDATIONS</b>	<b>COMPLIANCE</b>	<b>REPORT</b>



IV.1. The managing body should approve, by internal regulation or equivalent, the rules regarding the action of the executive directors applicable to their performance of executive functions in entities outside of the group.	Not adopted	Clarification below
IV.2. The governing body should ensure that the company acts according to its objectives and does not delegate powers concerning, namely: i) the definition of the strategy and main policies of the company; ii) the organisation and coordination of the business structure; iii) matters that should be considered strategic in virtue of the amounts involved, the risk, or special characteristics.	Adopted	Point 21
IV.3. In the annual report, the managing body explains in what terms the strategy and the main policies defined seek to ensure the long-term success of the company and which are the main contributions resulting therein for the community at large.	Adopted	Point 50 to 55
<b>CHAPTER V — EVALUATION OF PERFORMANCE, REMUNERATION AND APPOINTMENT</b>		
<b>V.1 ANNUAL EVALUATION OF PERFORMANCE</b>		
<b>PRINCIPLE</b>		
<b>The company must promote the assessment of performance of the executive body and of its members individually, and also the overall performance assessment of the governing body and its specialized committees.</b>		
<b>RECOMMENDATION</b>	<b>COMPLIANCE</b>	<b>REPORT</b>
V.1.1. The managing body should annually evaluate its performance as well as the performance of its committees and executive directors, taking into account the accomplishment of the company's strategic plans and budget plans, the risk management, the internal functioning and the contribution of each member of the body to these objectives, as well as the relationship with the company's other bodies and committees.	Adopted	Clarification below
<b>V.2 REMUNERATIONS</b>		
<b>PRINCIPLES</b>		
<b>V.2.A. The remuneration policy of the members of the governing and supervisory bodies should allow the company to attract qualified professionals at an economically justifiable cost in relation to its financial situation, promote the alignment of the member's interests with those of the company's shareholders — taking into account the wealth effectively created by the company, and the financial situation of the company and the market — and become a factor of development of a culture of professionalization, promotion of merit and transparency within the company.</b>		
<b>V.2.B. Directors should receive compensation: i) that suitably remunerates the responsibility taken, the availability and the expertise placed at the disposal of the company; ii) that guarantees a performance aligned with the long-term interests of the shareholders and promotes the sustainable performance of the company; and iii) that rewards performance.</b>		
<b>RECOMMENDATIONS</b>	<b>COMPLIANCE</b>	<b>REPORT</b>
V.2.1. The company should create a remuneration committee, the composition of which should ensure its independence from the management, which may be the remuneration committee appointed under the terms of article 399 of the Commercial Companies Code.	Adopted	Clarification below
V.2.2. The remuneration should be set by the remuneration committee or the general meeting, on a proposal from that committee.	Adopted	Point 69
V.2.3. For each term of office, the remuneration committee or the general meeting, on a proposal from that committee, should also approve the maximum amount of all compensations payable to any member of a board or committee of the company due to the respective termination of office. The said situation as well as the amounts should be disclosed in the corporate governance report or in the remuneration report.	Not applicable	Point 69
V.2.4. In order to provide information or clarifications to shareholders, the chairman or, if any situation stops it, any other member of the remuneration committee should be present at the annual general meeting, as well as at any other if the respective agenda includes a matter connected to the remuneration of members of the body and committees or if such presence has been requested by the shareholders.	Adopted	Point 25
V.2.5. Within the company's budget limitations, the remuneration committee should be able to freely decide on the hiring, by the company, of any necessary or convenient consultancy services for its duty.	Adopted	Point 67
V.2.6. The Remuneration committee should ensure that the services are provided independently and that the respective providers are not involved in other services to the company, or to others in controlling or group relationship, without the clear authorization of the committee.	Adopted	Point 67



V.2.7. Taking into account the alignment of interests between the company and the executive directors, a part of their remuneration should be of a variable nature, reflecting the sustained performance of the company, and not stimulating the assumption of excessive risks.	Not adopted	Clarification below
V.2.8. A significant part of the variable component should be partially deferred in time, for a period of no less than three years, thereby connecting it to the confirmation of sustainability of the performance, in terms defined by the internal regulation of the company.	Not applicable	Clarification below
V.2.9. When the variable remuneration includes options or other instruments that are directly or indirectly dependant of the value of shares, the beginning of the period shall be deferred for a period of no less than three years.	Not applicable	Clarification below
V.2.10. The remuneration of the non-executive directors must not include a component with a value that depends on the performance of the company or its value.	Adopted	Points 77 and 78
<b>V.3. APPOINTMENTS</b>		
<b>PRINCIPLE</b>		
<b>Regardless of the manner of appointment, the profile, knowledge, and curriculum of the members of the company's governing bodies and of the executive staff must be suited to the functions carried out.</b>		
<b>RECOMMENDATIONS</b>	<b>COMPLIANCE</b>	<b>REPORT</b>
V.3.1. The company must, in adequate, but demonstrable terms, promote that propositions for the appointment of members of the company's governing bodies are accompanied of a justification in regard to the suitability of the profile, skills and curriculum vitae to the duties to be carried out.	Adopted	Points 16, 17, 19, 29, 31 and 33
V.3.2. Unless the size of the company doesn't force it, the duty of accompanying and supporting the decisions of the board of directors must be assigned to a committee of nominations.	Not applicable	Clarification below
V.3.3. This committee includes a majority of independent non-executive members.	Not applicable	Clarification below
V.3.4. The nomination committee should make its terms of reference available, and should promote, to the extent of its competences, transparent selection processes that include effective mechanisms of identification of potential candidates, and that those chosen for proposal are those who present a higher degree of merit, are best suited to the demands of the functions to be carried out, and who promote, within the organisation, a suitable diversity, including gender.	Not applicable	Clarification below
<b>CHAPTER VI — INTERNAL CONTROL</b>		
<b>PRINCIPLE</b>		
<b>Based on its mid and long term strategies, the company should establish a system of risk management and control, and of internal audit, which allows for the prediction and minimization of risks inherent to the activity of the company.</b>		
<b>RECOMMENDATIONS</b>	<b>COMPLIANCE</b>	<b>REPORT</b>
VI.1. The managing body should debate and approve the company's strategic plan and risk policy, which should include the establishment of limits on risk-taking.	Adopted	Point 50 to 55
VI.2. The supervisory board should be organised internally, implementing mechanisms and procedures of periodic control that aim at guaranteeing that risks effectively incurred by the company are consistent with the company's objectives, as set by the governing body.	Adopted	Points 38, 51 and 55
VI.3. The internal control systems, comprising the functions of risk management, compliance, and internal audit should be structured in terms adequate to the size of the company and the complexity of the inherent risks of the company's activity. The supervisory body should evaluate them and, within its competence to supervise the effectiveness of this system, propose adjustments where they are deemed to be necessary.	Adopted	Points 38, 51 and 55
VI.4. The supervisory body should provide its view on the work plans and resources allocated to the services of the internal control system, including the risk management, compliance and internal audit functions, and may propose the adjustments deemed to be necessary.	Adopted	Points 38, 51 and 55
VI.5. The supervisory body should be the recipient of the reports prepared by the internal control services, including the risk management functions, compliance and internal audit, at least regarding matters related to the approval of accounts, the identification and resolution of conflicts of interest, and the detection of potential irregularities.	Adopted	Points 38, 51 and 55



VI.6. Based on its risk policy, the company should establish a function of risk management, identifying (i) the main risks it is subjected to in carrying out its activity; (ii) the probability of occurrence of those risks and their impact; (iii) the devices and measures to adopt towards their mitigation; and (iv) the monitoring procedures, aiming at their follow up.	Adopted	Point 50 to 55
VI.7. The company should establish procedures for the supervision, periodic evaluation, and adjustment of the internal control system, including an annual evaluation of the level of internal compliance and the performance of that system, as well as the perspectives for amendments of the risk structure previously defined.	Adopted	Point 50 to 55
<b>CHAPTER VII — FINANCIAL STATEMENTS</b>		
<b>VII.1 FINANCIAL INFORMATION</b>		
<b>PRINCIPLES</b>		
<b>VII. A. The supervisory body should, independently and in a diligent manner, ensure that the governing body complies with its duties when choosing appropriate accounting policies and standards for the company, and when establishing suitable systems of financial reporting, risk management, internal control, and internal audit.</b>		
<b>VII.B. The supervisory body should promote an adequate coordination between the internal audit and the statutory audit.</b>		
<b>RECOMMENDATIONS</b>	<b>COMPLIANCE</b>	<b>REPORT</b>
VII.1.1. The supervisory body's internal regulation should impose the obligation to supervise the suitability of the preparation process and the disclosure of financial information by the governing body, including suitable accounting policies, estimations, judgments, relevant disclosure and its consistent application between financial years, duly documented and communicated.	Adopted	Point 38
<b>VII.2 STATUTORY AUDIT AND SUPERVISION</b>		
<b>PRINCIPLE</b>		
<b>The supervisory body should establish and monitor clear and transparent formal procedures on the form of selection of the company's statutory auditor and on their relationship with the company, as well as on the supervision of compliance, by the auditor, with rules regarding independence imposed by law and professional regulations.</b>		
<b>RECOMMENDATIONS</b>	<b>COMPLIANCE</b>	<b>REPORT</b>
VII.2.1. By internal regulations, the supervisory body should define, according to the applicable legal regime, the monitoring procedures aimed at ensuring the independence of the statutory audit.	Adopted	Point 38
VII.2.2. The supervisory body should be the main interlocutor of the statutory auditor in the company and the first recipient of the respective reports, having the power to, namely, propose the respective remuneration and to ensure that adequate conditions for the provision of services are ensured within the company.	Adopted	Points 37 and 38
VII.2.3. The supervisory body should assess the services provided by the statutory auditor, their independence and their suitability in carrying out their functions every year, and propose their dismissal or the termination of their services by the competent body when this is justified for due cause.	Adopted	Point 45

- *II.5. The statutes that specify the limitation of the number of votes that can be held or exercised by a sole shareholder, individually or in coordination with other shareholders, should equally provide that, at least every 5 years, the amendment or maintenance of this statute will be subject to a general meeting decision — without increased quorum in comparison to the legally established — and, in that decision, all votes cast will be counted without observation of the imposed limits.*

The statutes of the company do not specify any limitation on the number of votes that can be held or exercised by a sole shareholder, individually or in coordination with other shareholders.



- *III.1. Without prejudice to the legal powers of the chair of the managing body, if he or she is not independent, the independent directors should appoint a coordinator from amongst them, namely, to: (i) act, when necessary, as an interlocutor near the chair of the board of directors and other directors, (ii) make sure there are the necessary conditions and means to carry out their functions; and (iii) coordinate the independent directors in the assessment of the performance of the managing body, as established in recommendation V.1.1*

Given the dimension and the structure of the Company, considering, above all, the focus of said capital structure and the total number of directors that are part of the Board (eight), and considering the performance of the current Chairman of the Board of Directors, who has been adequate and in line with the interests of the Company and shareholders, FC Porto - Futebol, SAD considers that the designation of a coordinator, only to comply with a merely formal criteria, would not add any relevant value.

- *III.3. In any case, the number of non-executive directors must be above that of executive directors.*

On June 30, 2021, the Board of Directors included only three non-executive members, in a total of eight: Maria Manuela Aguiar Dias Moreira, Rita de Carvalho Araújo Moreira and Teresa Cristina Costa Leite de Azevedo.

- *III.5. The provisions of paragraph (i) of recommendation III.4 do not inhibit the qualification of a new director as independent if, between the end of functions in any of the company's bodies and the new appointment, three years have passed (cooling-off period).*

The Company has no director in the circumstance described.

- *IV.1. The managing body should approve, by internal regulation or equivalent, the rules regarding the action of the executive directors applicable to their performance of executive functions in entities outside of the group.*



The Regulation of the Board of Directors makes no reference to the action of the executive directors applicable to their performance of executive functions in entities outside of the group.

- *V.1.1. The managing body should annually evaluate its performance as well as the performance of its committees and executive directors, taking into account the accomplishment of the company's strategic plans and budget plans, the risk management, the internal functioning and the contribution of each member of the body to these objectives, as well as the relationship with the company's other bodies and committees.*

The evaluation of the performance of the Board of Directors is to be appreciated by the General Meeting under the terms set by law, having as reference the fulfilment of the strategic plan and budget of the company, risk management, internal functioning and their relations with the other bodies of the Company. The Board of Directors does not appoint a moment to, formally, proceed with the documentation of that self-evaluation, but it will be done regularly, as the Board of Directors meets frequently and promotes a close and regular monitoring to the activity of the company, which leads to fairness and adequacy to the performance of the body.

- *V.2.1. The company should create a remuneration committee, the composition of which should ensure its independence from the management, which may be the remuneration committee appointed under the terms of article 399 of the Commercial Companies Code.*

Two of the members of the Remuneration Committee were, in the previous term, members of the Board of Futebol Clube do Porto, main shareholder of the Company. However, since this is a non-executive position, FC Porto - Futebol, SAD considers that the accuracy and impartiality of this body is not questionable.

- *V.2.7. Taking into account the alignment of interests between the company and the executive directors, a part of their remuneration should be of a variable nature, reflecting the sustained performance of the company, and not stimulating the assumption of excessive risks.*



The remuneration of the members of the Board of Directors of the Company does not foresee the existence of variable components, however, the Remuneration Committee may decide on the distribution of extraordinary prizes. At the beginning of each term (every four years), the Remuneration Committee establishes the general parameters of remuneration of the Board of Directors, with the aim of making it more competitive in the market and serve as a motivating element for high individual and collective performance. However, the Remuneration Committee considers that this remuneration of the executive members of the Board of Directors of the Company shall be fixed in the month of June with effect starting in July 1 to following June 30, taking into account the sporting results achieved, offering a certain degree of variability throughout time.

- *V.2.8. A significant part of the variable component should be partially deferred in time, for a period of no less than three years, thereby connecting it to the confirmation of sustainability of the performance, in terms defined by the internal regulation of the company.*
- *V.2.9. When the variable remuneration includes options or other instruments that are directly or indirectly dependant of the value of shares, the beginning of the period shall be deferred for a period of no less than three years.*

The remuneration of the members of the Board of Directors of the company does not foresee the existence of variable components.

- *V.3.2. Unless the size of the company doesn't force it, the duty of accompanying and supporting the decisions of the board of directors must be assigned to a committee of nominations.*
- *V.3.3. This committee includes a majority of independent non-executive members.*
- *V.3.4. The nomination committee should make its terms of reference available, and should promote, to the extent of its competences, transparent selection processes that include effective mechanisms of identification of potential candidates, and that those chosen for proposal are those who present a higher degree of merit, are best suited to the demands of the functions to be carried out, and who promote, within the organisation, a suitable diversity, including gender.*

The Company does not have an appointment committee for the reasons presented in points 27, 29 and 67.



### **3. Other information**

Futebol Clube do Porto – Futebol, SAD believes that, despite the only partial compliance with the recommendations of CMVM, as explained above, the degree of adoption is still wide and complete.





## **ATTACHMENT I**

### **REMUNERATION REPORT 2021/2022**

This report aims at complying with the provisions of Article 26 - G of the Securities Code and at providing a comprehensive overview of the remuneration practices of Futebol Clube do Porto - Futebol, SAD and their alignment with the Remuneration Policy approved for the year 2021/2022, at the General Assembly held on November 10, 2021.

In this sense, this report was organized in order to promote an understanding on the remuneration of the governing and audit bodies, on the composition of the respective remunerations, on the evolution of the average salary bill, as well as on the compliance of the practices adopted in light of the guidelines of good governance of listed companies.

Below is the remuneration chart of the members of the governing bodies, with the due segregation between remunerations, as well as the relative proportion of fixed and variable remuneration.

Director	Fixed Remuneration	Gratifications	Attendance Fees	TOTAL	% of fixed remuneration
Jorge Nuno de Lima Pinto da Costa	644 000	0	0	<b>644 000</b>	100%
Adelino Sá e Melo Caldeira	364 000	0	0	<b>364 000</b>	100%
Fernando Manuel Santos Gomes	364 000	0	0	<b>364 000</b>	100%
Luís Manuel Beleza de Vasconcelos Gonçalves	280 000	0	0	<b>280 000</b>	100%
Vítor Manuel Martins Baía	280 000	0	0	<b>280 000</b>	100%
Maria Manuela Aguiar Dias Moreira (*)	0	0	0	<b>0</b>	n.a.
Rita de Carvalho Araújo Moreira	0	0	6 000	<b>6 000</b>	0%
Teresa Cristina Costa Leite de Azevedo	0	0	0	<b>0</b>	n.a.
<b>TOTAL</b>	<b>1 932 000</b>	<b>0</b>	<b>6 000</b>	<b>1 938 000</b>	100%

(\*) Maria Manuela Aguiar Dias Moreira waived the attendance fees.

As can be seen from the table above, no bonus was awarded in the year being analysed.

Additionally, members of the Board of Directors of FC Porto - Futebol, SAD are not paid by other companies in the group or in companies controlled by shareholders who own qualifying holdings, except for non-executive director Teresa Cristina Costa Leite de Azevedo, who received an allowance from FC Porto Media, as a political commentator for Porto Canal, amounting to €30,000.

Members of the Audit Committee are not remunerated for these duties at FC Porto – Futebol, SAD.



The analysis of the performance of FC Porto - Futebol, SAD (and others in the same sector of activity) should not be the same as with almost all companies, since the stakeholders go far beyond the shareholders and the goal of the company is not centred on making profit. The main focuses are sporting results, obtaining titles, mainly that of national champion, as well as the participation in the biggest football competition in the world (UEFA Champions League). Thus, the analysis of the company had to take into consideration not only the economic results, but also the sporting ones.

FC Porto, in the last 5 years, has won 3 national championships (2017/2018, 2019/2020 and 2021/2022), two Portuguese Cups (2019/2020 and 2021/2022) and three Super Cups (2018 and 2020, and additionally the 2022 one, in August). The team regularly plays in the UEFA Champions League, and in 2022/2023 will be participating for the 26th time, being only surpassed by Real Madrid and Barcelona in that regard.

Competitions	Sporting Results				
	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
First Division National Championship	1 <sup>st</sup> Place	2 <sup>nd</sup> Place	1 <sup>st</sup> Place	2 <sup>nd</sup> Place	1 <sup>st</sup> Place
Portuguese Cup	Semi finals	Defeated Finalist	Winner	Semi finals	Winner
Supercup	Winner	n.a.	Winner	n.a.	Winner
UEFA Champions League	Round of 16	Quarter finals	n.a.	Quarter finals	Group stage
UEFA Europa League	n.a.	n.a.	Round of 32	n.a.	Round of 16

From the economic and financial point of view, the company was greatly influenced by the covid-19 pandemic. The effects of the pandemic were not just related to health, as they had a deep impact in the economy and society. Specifically in sports companies, the effects were seen mainly on the absence of public in stadiums to watch matches, which led to a relevant economic impact, as, in addition to the emotion that only the presence of public can give, it deprived the clubs of a relevant volume of revenue. In the 2021/2022 financial year, normality is approaching, as only at the start of the season were there still limitations in the number of spectators in stadiums to watch matches.

However, other variables have a very significant impact on the economic and financial performance of FC Porto - Futebol SAD, with special emphasis on the behaviour of the transfer market and access to revenue allocated by UEFA for the participation in the Champions League. The absence of the team's participation in the UEFA Champions League, as occurred in 2019/2020, deprives the company of an important source of revenue, which makes it very difficult to obtain a balanced result. Similarly, the sale of sports rights of players for relevant values is common at FC Porto, significantly contributing to



its budget. However, the market and the sporting options are not always compatible, which hinders the results presented.

The combination of all these factors explains the great oscillations seen in the indicators of the economic performance of the Company:

	2017/2018	2018/2019	2019/2020	2020/2021 <sup>(***)</sup>	2021/2022
<b>Indicators of the economic performance of the Company (*)</b>					
Operational Revenues	178 200 500	264 492 893	111 432 017	252 060 656	265 811 510
EBITDA	27 920 693	73 801 377	(43 483 298)	79 366 770	89 264 505
Net Result	(28 443 897)	9 472 998	(115 939 614)	19 274 790	21 329 832
<b>Average salary bill (**)</b>					
Members of the Board of Directors	303 501	309 554	307 930	299 742	288 791
Players and coaching teams	290 666	328 398	311 473	290 828	318 325
Other co-operators	19 472	19 753	18 764	22 071	20 832

(\*) Company refers to FC Porto - Futebol, SAD in consolidated terms. Operational Revenues include Gains with trade of registration rights of players. EBITDA is the algebraic sum of the following items of the consolidated income statement by nature: "Sales", "Services Provision", "Other gains", "Sales Cost", "External supplies and services", "Costs with staff", "Other costs", "Gains with trade of player registration rights" and "Costs with trade of player registration rights". Net Result corresponds to the item of the consolidated income statement by nature of "Consolidated Net Result of the year - Attributable to: Equity holders of Parent Company"

\*\* The concept of salary bill, unlike the costs with staff show in in the Annual Report, integrates only the fixed and permanent components of remuneration (excluding namely taxation for Social Security, terminations, variable remuneration components and other benefits, namely insurances for work related accidents, health insurance, insurances for personal accidents, among other). As for the governing bodies, this corresponds to the fixed remuneration earned during the term, not including attendance fees, since it does not take into account non-executive directors.

The total costs of the economic period and the number of employees by the end of the period are taken into consideration.

\*\*\* Restated accounts

The table also shows the average salary bill over the last five years. However, the analysis of this data is very complex, since the value of the salaries received by the different employees is quite unequal. Even isolating the costs with players and coaching teams, this item presents a relevant variation between salaries, which go from the main team to youth squads. Therefore, the average values end up being uninformative, as an increase in the number of players with youth contracts, in comparison to players of the first team (which is relatively constant) has little impact on the salary volume, but dilutes the average reference value.

These oscillations at staff level explain, to a certain extent, the differences found in the average annual variation of remunerations.

In line with the Remuneration Policy in force, the remuneration systems adopted seek to ensure, on the one hand, the competitiveness of the remunerations in light of the salary market in the reference



markets for the duties performed and, on the other hand, the sporting and/or financial results achieved.

No form of remuneration is in force or foreseen in which shares or options may be awarded, or any other incentive system in shares or options.

There are no mechanisms in the Company that foresee the possibility of requesting directors to return variable remuneration.

During the financial year being analysed, there was no departure from the procedure for applying the remuneration policy, and no derogations of any nature were applied.



#### **D. Shares held by members of the Board of Directors and Audit Committee during this period**

##### **Board of Directors**

###### *Jorge Nuno de Lima Pinto da Costa*

On June 30, 2021, had 313,556 shares. Has not acquired or alienated any share since, and, as of June 30, 2022, had 313,556 shares.

Futebol Clube do Porto, of which he is Chairman of the Board, had, on June 30, 2022, 16,782,931 shares.

###### *Adelino Sá e Melo Caldeira*

No shares held. Futebol Clube do Porto, of which he is Vice-Chairman of the Board, had, on June 30, 2022, 16,782,931 shares.

###### *Fernando Manuel Santos Gomes*

No shares held. Futebol Clube do Porto, of which he is Vice-Chairman of the Board, had, on June 30, 2022, 16,782,931 shares.

###### *Luís Manuel Bezeza de Vasconcelos Gonçalves*

On June 30, 2021, had 100 shares. Has not acquired or alienated any share since, and, as of June 30, 2022, had 100 shares.

###### *Vítor Manuel Martins Baía*

No shares held. Futebol Clube do Porto, of which he is Vice-Chairman of the Board, had, on June 30, 2022, 16,782,931 shares.

###### *Maria Manuela Aguiar Dias Moreira*

On June 30, 2021, had 200 shares. Has not acquired or alienated any share since, and, as of June 30, 2022, had 200 shares.

###### *Rita de Carvalho Araújo Moreira*

No shares held.



*Teresa Cristina Costa Leite de Azevedo*

No shares held.

Audit Committee

*Jorge Luís Moreira Carvalho Guimarães*

On June 30, 2021, had 25 shares. Has not acquired or alienated any share since, and, as of June 30, 2022, had 25 shares.

*José Augusto dos Santos Saraiva*

No shares held.

*Nélia Sofia Ferreira Couto Lopes Novo*

No shares held.

*Cláudia Maria Filinto Gonçalves Marques de Sequeira*

No shares held.

Statutory Auditors

*Ernst & Young Audit & Associados – SROC, SA, represented by Rui Manuel da Cunha Vieira or Luís Miguel Gonçalves Rosado*

No shares held.

