

# ● FIRST-HALF FINANCIAL REPORT ●

2020/21



## Contents

### MANAGEMENT REPORT ON THE FIRST HALF OF 2020/21 ..... 2

|      |   |    |
|------|---|----|
| 1-1  | FIRST-HALF REVENUE .....  | 3  |
| 1-2  | COMPONENTS OF NET PROFIT .....  | 5  |
| 1-3  | SIMPLIFIED, CONSOLIDATED BALANCE SHEET AND DEBT .....                         | 6  |
| 1-4  | PLAYER TRANSFERS AND LOANS .....  | 7  |
| 1-5  | RISK FACTORS .....  | 8  |
| 1-6  | PRINCIPAL SPONSORSHIP AGREEMENTS .....  | 9  |
| 1-7  | PRINCIPAL TRANSACTIONS WITH RELATED PARTIES .....                             | 11 |
| 1-8  | APPROVAL OF THE CONDENSED, CONSOLIDATED FIRST-HALF FINANCIAL STATEMENTS ..... | 11 |
| 1-9  | FOOTBALL RESULTS AS OF 31 DECEMBER 2020 .....                                 | 12 |
| 1-10 | EVENTS SINCE 1 JANUARY 2021 .....   | 12 |
| 1-11 | FOOTBALL RESULTS AS OF 16 FEBRUARY 2021 .....                                 | 13 |
| 1-12 | OUTLOOK FOR THE SECOND HALF OF 2020/21 .....                                  | 13 |
| 1-13 | MEDIUM-TERM OUTLOOK .....   | 13 |

### CONDENSED, CONSOLIDATED FIRST-HALF 2020/21 FINANCIAL STATEMENTS .....15

|  |    |
|--|----|
| HIGHLIGHTS .....                                       | 17 |
| PRESENTATION OF THE FINANCIAL STATEMENTS .....         | 20 |
| INCOME STATEMENT .....                                 | 23 |
| CONSOLIDATED STATEMENT OF NET FINANCIAL POSITION ..... | 24 |
| CASH FLOW STATEMENT .....                              | 26 |
| STATEMENT OF CHANGES IN EQUITY .....                   | 28 |
| NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS .....   | 29 |

### STATEMENT OF RESPONSIBILITY FOR THE FIRST-HALF FINANCIAL REPORT .....62

### REPORT OF THE STATUTORY AUDITORS ON THE FINANCIAL INFORMATION FOR THE HALF-YEAR PERIOD .....63

# FIRST-HALF 2020/21 REVENUE

Revenue and earnings in H1 2020/21 (1 July to 31 December 2020), were hit hard by the direct and indirect impact of the pandemic on the professional sports and events sector.

Public health restrictions halted or severely scaled back activities at Groupama Stadium (ticketing and events). The Group was also penalised by the failure of principal Ligue 1 broadcaster Mediapro to meet its payment obligations, and by the consequences of the LFP's unfortunate decision to halt the 2019/20 top flight French championship. Had the season continued to its conclusion, as it did in all other major European countries, OL might have qualified for a European competition.

OL Groupe thus posted Total Revenue of €123.3 million in the first half, down 37% (€197.2 million in H1 2019/20). Nevertheless, several factors enabled the Group to show a certain resilience against the pandemic: new partnerships were signed, player trading generated revenue during the summer of 2020, and UEFA media rights for the Final 8 of the 2019/20 Champions League were shifted into the 2020/21 financial year, as the matches were played in August 2020.

As such, the Group estimates that the direct and indirect effects of the pandemic had a financial impact of around €111 million on Total Revenue (excluding player trading). This estimate includes Mediapro's failure to meet its payment obligations and the opportunity loss stemming from the Club's absence from the 2020/21 Champions League.

At the same time that the men's professional team was having an excellent run in the 2019/20 Champions League Final 8 (semi-final), they also played very well in the 2020/21 Ligue 1 championship, finishing at the top of the league table as of 31 December 2020 and earning the unofficial title of "Autumn Champion".

## 1-1 FIRST-HALF REVENUE

### Excellent results on the pitch

During the first half of 2020/21, the Club participated in the last part of the 2019/20 season's competitions, which could not be played because of the Covid-19 pandemic and the related restrictions. Specifically, Olympique Lyonnais played the final of the Coupe de la Ligue against PSG, the second leg of the Champions League round-of-16 against Juventus and the Champions League Final 8 (played in Lisbon with no spectators present), during which the club reached the semi-final against Bayern Munich. As for the 2020/21 season, the Club was in first place in Ligue 1 as of 31 December 2020 and was not taking part in any European competition, because it finished seventh in the abbreviated 2019/20 season, which ended at the 28<sup>th</sup> matchday.

### H1 2020/21 Total revenue: €123.3 million (€197.2 million in H1 2019/20)

| In € m (1 July to 31 December)                   | 31/12/20<br>6 mos. | 31/12/19<br>6 mos. | Chg.         | % chg.      |
|--|--------------------|--------------------|--------------|-------------|
| <b>Ticketing</b>                                 | <b>1.9</b>         | <b>21.1</b>        | <b>-19.3</b> | <b>-91%</b> |
| <i>of which French Ligue 1 and other matches</i> | 1.9                | 14.5               | -12.7        | -87%        |
| <i>of which European matches</i>                 | 0.0                | 6.6                | -6.6         | -100%       |
| <b>Media and marketing rights</b>                | <b>44.2</b>        | <b>77.8</b>        | <b>-33.6</b> | <b>-43%</b> |
| <i>of which LFP-FFF</i>                          | 17.3               | 20.3               | -2.9         | -14%        |
| <i>of which UEFA</i>                             | 26.9               | 57.6               | -30.7        | -53%        |
| <b>Sponsoring - Advertising</b>                  | <b>16.4</b>        | <b>15.6</b>        | <b>0.8</b>   | <b>5%</b>   |
| <b>Brand-related revenue</b>                     | <b>7.1</b>         | <b>8.1</b>         | <b>-1.1</b>  | <b>-13%</b> |
| <i>of which derivative products</i>              | 5.0                | 5.5                | -0.5         | -9%         |
| <i>of which other brand-related revenue</i>      | 2.1                | 2.6                | -0.6         | -21%        |
| <b>Events</b>                                    | <b>0.4</b>         | <b>5.5</b>         | <b>-5.1</b>  | <b>-92%</b> |
| <i>of which seminars and stadium tours</i>       | 0.4                | 3.3                | -2.8         | -87%        |
| <i>of which major events</i>                     | 0.0                | 2.2                | -2.2         | -100%       |
| <b>Revenue excluding player trading</b>          | <b>70.0</b>        | <b>128.2</b>       | <b>-58.2</b> | <b>-45%</b> |
| <b>Revenue from sale of player registrations</b> | <b>53.3</b>        | <b>69.1</b>        | <b>-15.8</b> | <b>-23%</b> |
| <b>Total revenue <sup>(1)</sup></b>              | <b>123.3</b>       | <b>197.2</b>       | <b>-73.9</b> | <b>-37%</b> |

<sup>1</sup> Alternative Performance Measure (APM) - "Total revenue" includes all revenue excluding player trading plus proceeds from the sale of player registrations.

### Ticketing receipts: down €19.3 million or 91%

(H1 2020/21: €1.9 million; H1 2019/20: €21.1 million)

Ticketing revenue was particularly hard hit by the pandemic-related restrictions on attendance in sporting arenas and by the Club's absence from European competitions. At the beginning of the season, attendance was limited to 5,000. It was then reduced to 1,000 on 22 September and to zero on 17 October 2020. Ticketing revenue from Ligue 1 matches totalled €1.9 million in H1 2020/21, vs €14.5 million in H1 2019/20. **The impact of the Covid-19 pandemic on Ligue 1 ticketing revenue is estimated at €16.2 million.**

The opportunity loss in ticketing revenue stemming from the Club's absence from European competitions this season totalled around €6.6 million.



**Media and marketing rights: down €33.6 million or 43%**

**(H1 2020/21: €44.2 million; H1 2019/20: €77.8 million)**

Media and marketing rights totalled €44.2 million in H1 2020/21, down €33.6 million or 43% from €77.8 million in H1 2019/20.

They included UEFA media rights of €26.9 million related to the end of the 2019/20 Champions League and recognised in 2020/21. This amount, reflecting a “Covid discount” of €3.2 million applied by UEFA, included the round-of-16 second leg, quarter-final and semi-final matches played in Lisbon in August 2020 with no spectators present. During H1 2019/20, the Club’s participation in the group stage of the Champions League generated €57.6 million in UEFA media rights, representing a significant missed opportunity for the 2020/21 financial year.

Despite the Club’s first place ranking in the Ligue 1 standings as of 31 December 2020 (vs 12<sup>th</sup> as of 31 December 2019), LFP-FFF media rights were down €2.9 million, totalling €17.3 million in H1 2020/21 (vs €20.3 million in H1 2019/20), principally because of the failure of broadcaster Mediapro to meet its payment obligations. Given the agreements signed in 2018 with Mediapro, BeIN and Free for the 2020–24 period, **the Club’s opportunity cost is estimated at around €17.7 million for the first six months of 2020/21.**

**Sponsoring and advertising revenue: up €0.8 million or 5%**

**(H1 2020/21: €16.4 million; H1 2019/20: €15.6 million)**

Sponsoring and advertising revenue rose 5% to €16.4 million, a five-year sponsorship contract with Emirates came into effect this season, and new contracts were signed with adidas, Groupama (naming) and Mastercard (now a women’s team shirt sponsor). This increase was achieved even though pandemic-related restrictions halted the hospitality business (**impact estimated at €2.4 million**).

**Brand-related revenue: down €1.1 million or 13%**

**(H1 2020/21: €7.1 million; H1 2019/20: €8.1 million)**

Brand-related revenue totalled €7.1 million in H1 2020/21 (vs. €8.1 million in H1 2019/20). The merchandising business was penalised by the closure of physical stores from end-October to mid-December 2020 but benefited from a sharp increase in e-commerce sales (up 39% vs H1 2019/20) and totalled €5 million vs €5.5 million in H1 2019/20, down only 9%. **The impact of Covid-19 on brand-related revenue is estimated at €0.8 million in H1 2020/21.**

**Events: down €5.1 million or 92%**

**(H1 2020/21: €0.4 million; H1 2019/20: €5.5 million)**

The Events business was at a total standstill in H1 2020/21 because of the various public health restrictions implemented by the French government. The number of seminars and conventions at Groupama Stadium was down 75% vs H1 2019/20, and it was impossible to organise any major events. **The full impact of the Covid-19 crisis on H1 2020/21 events revenue is estimated at €4.9 million.**

**Revenue from sale of player registrations: down €15.8 million or 23%**

**(H1 2020/21: €53.3 million; H1 2019/20: €69.1 million)**

In H1 2020/21, despite an unfavourable context throughout the transfer market, OL Groupe recognised €53.3 million in revenue from the sale of player registrations, including the transfers of Bertrand Traoré to Aston Villa (€15.9 million), Martin Terrier to Rennes (€12 million), Amine Gouiri to Nice (€7 million), Oumar Solet to Salzburg (€4 million), Kenny Tete to Fulham (€3 million), and Fernando Marçal to Wolverhampton Wanderers (€2 million), as well as incentives on earlier transfers (€7.2 million).

The Group thus achieved a very favourable level of trading revenue, while preserving a very high-quality squad. **As of 31 December 2020, the market value of the men’s professional team remained high at €409 million\*, implying potential capital gains on player assets estimated at more than €240 million.**

*\*OL market value, based on Transfermarkt and CIES*

During the year-earlier period, the Group achieved a record level of revenue from the sale of player registrations (€69.1 million), which included the transfers of Tanguy Ndombele to Tottenham (€47.6 million) and Nabil Fekir to Real Betis (€19.8 million).

## 1-2 COMPONENTS OF NET PROFIT

### Simplified, consolidated first-half income statement

| (in € m)   | 31/12/20     | % of rev.   | 31/12/19     | % of rev.   | Chg.         | % Change    |
|--|--------------|-------------|--------------|-------------|--------------|-------------|
| <b>Revenue (excl. player trading)</b>  | <b>70.0</b>  |             | <b>128.2</b> |             | <b>-58.2</b> | <b>-45%</b> |
| Gains on sale of player registrations  | 39.2         |             | 62.5         |             | -23.2        | -37%        |
| <i>of which sales of player registrations</i>  | 53.3         |             | 69.1         |             | -15.8        | -23%        |
| <i>of which residual value of player registrations</i>                                     | -14.0        |             | -6.6         |             | -7.5         | -114%       |
| <b>Total revenue (APM)</b>   | <b>123.3</b> | <b>100%</b> | <b>197.2</b> | <b>100%</b> | <b>-73.9</b> | <b>-37%</b> |
| External purchases and expenses  | -29.6        | -24%        | -45.9        | -23%        | 16.2         | 35%         |
| Taxes other than income taxes  | -3.5         |             | -3.4         |             | 0.0          | 1%          |
| Personnel costs  | -85.5        | -69%        | -79.6        | -40%        | -5.9         | -7%         |
| <b>EBITDA</b>  | <b>-9.3</b>  | <b>-8%</b>  | <b>61.8</b>  | <b>31%</b>  | <b>-71.2</b> |             |
| Net depreciation, amortisation & provisions <sup>(1)</sup>                                 | -40.0        |             | -35.5        |             | -4.5         | -13%        |
| Other ordinary income and expenses   | 6.0          |             | 0.3          |             | 5.6          |             |
| <b>Operating profit/loss</b>   | <b>-43.4</b> | <b>-35%</b> | <b>26.7</b>  | <b>14%</b>  | <b>-70.1</b> |             |
| Net financial expense  | -6.6         |             | -8.1         |             | 1.6          | 19%         |
| <b>Pre-tax profit/loss</b>   | <b>-49.9</b> | <b>-41%</b> | <b>18.5</b>  | <b>9%</b>   | <b>-68.5</b> |             |
| Income tax expense   | -0.5         |             | -3.4         |             | 2.9          | 86%         |
| Share in net profit/loss of associates   | -0.3         |             | -0.2         |             | 0.0          |             |
| <b>Net profit/loss</b>   | <b>-50.7</b> | <b>-41%</b> | <b>15.0</b>  | <b>8%</b>   | <b>-65.7</b> |             |
| <b>Net profit/loss attributable to equity holders of the parent</b>                        | <b>-50.6</b> | <b>-41%</b> | <b>14.9</b>  | <b>8%</b>   | <b>-65.4</b> |             |
| <sup>(1)</sup> of which depreciation, amortisation & provisions excl. player registrations | -11.2        |             | -10.6        |             | -0.6         | -6%         |
| of which depreciation, amortisation & provisions, player registrations                     | -28.8        |             | -24.9        |             | -3.9         | -16%        |

The Covid-19 crisis caused EBITDA to contract to €-9.3 million, down €71.2 million from H1 2019/20

(H1 2020/21: €-9.3 million; H1 2019/20: €61.8 million, a record high)

External purchases and expenses totalled €29.6 million in H1 2020/21 (vs €45.9 million in H1 2019/20, down 35%). Most of the reduction came about because expenses directly linked to the drop in business activity also declined. To a lesser extent, operating expenses were intentionally reduced, in response to the situation. As a result, the ratio of “External purchases and expenses / Total revenue” remained at 24% in H1 2020/21, vs 23% in H1 2019/20.

Personnel costs rose to €85.5 million from €79.6 million in H1 2019/20, a net increase of 7%. In reality, a rise in the variable portion of the payroll (up €13.9 million) resulting from excellent H1 results on the pitch (1<sup>st</sup> place in Ligue 1 as of 31/12/2020 and semi-final in the 2019/20 Champions League) masked an intentional reduction in the fixed portion of the payroll, linked to the Covid-19 crisis and the Club's absence from European competitions this season (10 net departures during the summer of 2020) and savings of €1.6 million related to governmental assistance measures (partial unemployment and exemption from payroll charges).

All told, the Group's H1 2020/21 EBITDA stood at €-9.3 million, down €71.2 million from H1 2019/20. This is the first time EBITDA has been negative since the new stadium came into service in January 2016.

## Operating profit/loss

(H1 2020/21: €-43.4 million; H1 2019/20: €26.7 million, down €70.1 million)

OL Groupe incurred an operating loss of €43.4 million in H1 2020/21 (vs a profit of €26.7 million in H1 2019/20). Net depreciation, amortisation & provisions totalled €40.0 million during the period (vs €35.5 million in H1 2019/20), resulting principally from the January and summer 2020 transfer windows (amortisation of player contracts). The operating loss also reflected €6 million in other ordinary operating income, composed of various payments including an advance of 70% to compensate for ticketing losses (€2.1 million) expected to be received as part of government aid measures.

## Net financial expense down €1.6 million

(H1 2020/21: €6.6 million; H1 2019/20: €8.1 million, down €1.6 million)

Net financial expense totalled €6.6 million (vs €8.1 million in H1 2019/20). There were no drawdowns under the revolving credit line after August 2020, vs average drawdowns of €73.9 million in H1 2019/20. In H1 2019/20, a financial expense of around €1 million had been recognised for the financing of player registration receivables.

## Net income/loss (Group share)

(H1 2020/21: €-50.6 million; H1 2019/20: €14.9 million)

The pre-tax loss for the first half of 2020/21 totalled €49.9 million, vs a pre-tax profit of €18.5 million in H1 2019/20, and the net loss (Group share) was €50.6 million (vs a profit of €14.9 million in H1 2019/20).

## 1-3 SIMPLIFIED, CONSOLIDATED BALANCE SHEET AND DEBT

| ASSETS (in € m)                 | 31/12/20     | 30/06/20     | EQUITY & LIABILITIES (in € m)                       | 31/12/20     | 30/06/20     |
|---------------------------------|--------------|--------------|---|--------------|--------------|
| Player registrations            | 166.2        | 179.2        | Equity (incl. non-controlling interest)             | 179.0        | 230.1        |
| Property, plant & equipment (1) | 362.3        | 368.6        | Stadium bank and bond borrowings                    | 151.9        | 161.3        |
| Other non-current assets        | 3.5          | 3.5          | Other borrowings and financial liabilities (2)      | 174.5        | 55.7         |
| Right-of-use assets             | 7.7          | 9.4          | Lease liabilities                                   | 8.2          | 10.0         |
| <b>TOTAL NON-CURRENT ASSETS</b> | <b>539.7</b> | <b>560.6</b> | <b>TOTAL FINANCIAL LIABILITIES</b>                  | <b>334.5</b> | <b>227.1</b> |
| Deferred taxes                  | 2.0          | 2.5          | Provisions  | 3.2          | 2.5          |
| Player registration receivables | 44.5         | 34.4         | Player registration payables                        | 103.0        | 135.4        |
| Other assets                    | 71.7         | 72.8         | Other non-current liabilities                       | 20.3         | 19.3         |
| Cash & cash equivalents         | 105.7        | 32.9         | Current liabilities                                 | 123.4        | 88.9         |
| <b>TOTAL ASSETS</b>             | <b>763.5</b> | <b>703.2</b> | <b>TOTAL EQUITY AND LIABILITIES</b>                 | <b>763.5</b> | <b>703.2</b> |
| (1) of which Stadium NBV        | 327.3        | 335.3        | 2) of which RCF drawdowns (excl. structuring costs) | 0.0          | 50.0         |
| of which training ground NBV    | 18.2         | 18.8         | of which "PGE" (excl. structuring costs)            | 169.0        | 0.0          |
| of which OL Academy NBV         | 10.8         | 11.0         |   |              |              |

## Prudent management amid the Covid-19 crisis; liquidity preserved

Shareholders' equity (including non-controlling interests) totalled €179.0 million as of 31 December 2020 vs €230.1 million as of 30 June 2020.

Player registration assets were down slightly to €166.2 million (vs €179.2 million as of 30 June 2020), reflecting player trading during the summer of 2020.

OL Groupe subscribed to two government-guaranteed loans (PGE) totalling €169 million (gross) during the period, and this amount was included in total cash and financial liabilities. Cash and cash equivalents stood at €105.5 million as of 31 December 2020 (vs €32.5 million as of 30 June 2020).

Debt net of cash, excluding player registration payables and receivables and the impact of IFRS 16, rose to €220.7 million as of 31 December 2020 (vs €184.1 million as of 30 June 2020). Net debt on the acquisition of player registrations was down significantly at €58.6 million (vs €101.1 million as of 30 June 2020), as a result of summer 2020 player trading.

Debt net of cash, including net receivables and payables on player registrations, improved slightly to €287.3 million as of 31 December 2020 (vs €295.2 million as of 30 June 2020).

Given the economic impact of the Covid-19 pandemic, the Group's bank and bond lenders agreed to grant a "covenant holiday" as of 31 December 2020.

Against this background, the Group has strengthened its finances, which should give it the flexibility it needs to pursue its future development with confidence.

## 1-4 PLAYER TRANSFERS AND LOANS

### Revenue from sale of player registrations in H1 2020/21

| Name   | Club                    | Date    | IFRS amount |
|--|-------------------------|---------|-------------|
| Traoré Bertrand                                  | Aston Villa             | Sept-20 | 15.9        |
| Terrier Martin                                   | Rennes                  | July-20 | 12.0        |
| Gouiri Amine                                     | Nice                    | July-20 | 7.0         |
| Solet Oumar                                      | Salzburg                | July-20 | 4.0         |
| Tete Kenny                                       | Fulham                  | Sept-20 | 3.0         |
| Marcal Fernando                                  | Wolverhampton Wanderers | Sept-20 | 2.0         |
| Andersen Joachim                                 | Fulham (loan)           | Oct-20  | 1.0         |
| Tatarusanu Ciprian                               | AC Milan                | Sept-20 | 0.5         |
| Reine-Adélaïde Jeff                              | Nice (loan)             | Oct-20  | 0.5         |
| Kitala Yann                                      | Sochaux                 | July-20 | 0.3         |
| Margueron Lucas                                  | Clermont                | July-20 | 0.0         |
| Ndicka Théo                                      | Ostend                  | July-20 | 0.0         |
| Rafael   | Istanbul Basaksehir     | Sept-20 | 0.0         |
| Racioppi Anthony                                 | Dijon                   | Sept-20 | 0.0         |
| Fofana Boubacar                                  | Servette Geneva         | Sept-20 | 0.0         |
| <b>Total transfers (15 players)</b>              |                         |         | <b>46.1</b> |
| Incentives and sundry                            |                         |         | 7.2         |
| <b>Revenue from sale of player registrations</b> |                         |         | <b>53.3</b> |



## Player loans (out) until 30 June 2021

| Name                | Club                       | Terms   |
|---------------------|----------------------------|---|
| Diop Pape Cheikh    | Dijon                      | purchase option of €5 million + up to €1.5 million in incentives + 15% of the gain on any future transfer |
| Pintor Lenny        | Troyes                     | purchase option of €6 million + 15% or 20% depending on the Troyes club's sporting results                |
| Ndiaye Ousseynou    | Bourg Peronnas             | no purchase option  |
| Fontaine Nicolas    | Union Populaire de Langreo | January 2021, no purchase option (early return from loan to Las Rozas, H1 2020/21)                        |
| Koné Youssouf       | Hatayspor                  | February 2021, no purchase option (early return from loan to Elche, H1 2020/21)                           |
| Andersen Joachim    | Fulham                     | loan fee of €1 million + €1 million in incentives, no purchase option                                     |
| Reine-Adélaïde Jeff | Nice                       | loan fee of €0.5 million + €0.5 million bonus + purchase option of €25 million                            |
| Deyonge Héritier    | Utrecht                    | loan with purchase option of €0.4 million + 15% of the gain on any future transfer                        |

## Acquisition of player registrations

| Name                               | Club             | Date    | Duration | IFRS amount |
|------------------------------------|------------------|---------|----------|-------------|
| Paqueta Lucas                      | AC Milan         | Sept-20 | 5 years  | 21.8        |
| Özkaçar Cenk                       | Altay SK         | Aug-20  | 5 years  | 1.6         |
| Keita Habib                        | Guidars FC       | July-20 | 5 years  | 1.1         |
| Pollersbeck Julian                 | Hamburg          | Sept-20 | 4 years  | 0.6         |
| Ndiaye Abdoulaye                   | Dakar Sacré Cœur | Sept-20 | 3 years  | 0.0         |
| <b>Total transfers (5 players)</b> |                  |         |          | <b>25.1</b> |
| Incentives and sundry              |                  |         |          | 5.0         |
| <b>Total acquisitions</b>          |                  |         |          | <b>30.2</b> |

## Player loans (in) until 30 June 2021

| Name              | Club     | Terms                        |
|-------------------|----------|------------------------------|
| De Sciglio Mattia | Juventus | loan with no purchase option |

## Free agent signed

| Name            | Club      | Duration                              |
|-----------------|-----------|---------------------------------------|
| Benlamri Djamel | Al Shabab | 1 year + option for 1 additional year |

Rafael's contract was terminated on 8 September 2020.

## 1-5 RISK FACTORS

In general, the risk factors indicated in the 2019/20 Universal Registration Document (pages 11-14) and online at [www.olweb.fr](http://www.olweb.fr) did not change during the first half of this year.

## 1-6 PRINCIPAL SPONSORSHIP AGREEMENTS

### KIT MANUFACTURER CONTRACT WITH adidas

According to the terms and conditions of a new contract which became effective on 1 July 2020, adidas will remain the exclusive kit manufacturer for all Olympique Lyonnais teams during the 2020-25 period.

This agreement reaffirms the excellent relations developed since 2010 between the brand and the Club, allowing both individuals and institutions to pursue a partnership which creates significant value.

Under this agreement, Olympique Lyonnais will continue to receive from adidas, for every football season, an increased minimum lump-sum payment and royalties based on the sale of products bearing the Olympique Lyonnais and adidas brands. This payment may be adjusted based on actual product sales and Olympique Lyonnais' results in the French and/or European competitions in which it plays.

With Olympique Lyonnais as intermediary, adidas has also become the kit manufacturer for Asvel (men's and women's teams) and LDLC-OL (e-sport), and a sponsor of Le Five OL (indoor football).

### SPONSORSHIP AGREEMENT WITH ALILA

Following the agreement signed with Alila Promotion for the 2016/17 and 2017/18 seasons, and subsequently for the 2018/19 and 2019/20 seasons, the agreement was renewed for two additional seasons (2020/21 and 2021/22).

The Alila Promotion brand will be visible on the back of the men's first team shirts during French Ligue 1 home and away matches. The agreement provides for brand visibility in the stadium and on social media to complement the shirt sponsorship arrangements.

### SPONSORSHIP AGREEMENT WITH BYMYCAR

Olympique Lyonnais has signed a sponsorship agreement for three seasons with BYmyCAR Lyon (from 1 July 2020 to 30 June 2023). The company will benefit from hospitality services and its logo will be visible on the women's team's shorts.

In addition, the Club and Volkswagen Bank have signed a car leasing agreement via BYmyCAR, under which the women's team will have access to electric cars.

### SPONSORSHIP AGREEMENT WITH DELIVEROO

On 15 October 2019, Olympique Lyonnais signed an agreement with Deliveroo for three seasons (2019/20 to 2021/22).

Deliveroo will appear on the back of the men's first team shirts for French Ligue 1 home and away matches, and on the left sleeve of the women's team shirts for French Division 1 matches and Champions League matches up to the quarter-final. The agreement also provides for brand visibility in the stadium and on social media to complement the shirt sponsorship arrangement, as well as for hospitality services.

From the 2020/21 season onwards, Deliveroo will appear on the back of the women's team shirts instead of on the sleeve. No other amendment was made to the agreement signed 15 October 2019.

Deliveroo has exercised its early-termination option, which will take effect as of 30 June 2021.

### SPONSORSHIP AGREEMENT WITH EMIRATES

Olympique Lyonnais signed a 5-year sponsorship agreement with Emirates on 30 January 2020, for five seasons (from 1 July 2020 until 30 June 2025).

As a premium sponsor, the Emirates brand appears on the front of the men's team shirts during European and French Ligue 1 matches.

The agreement also provides for brand visibility in the stadium as well as hospitality services to reinforce and supplement Emirates's presence on players' shirts.

### **SPONSORSHIP AGREEMENTS WITH GROUPAMA**

According to the terms and conditions of a new agreement signed on 5 October 2020, Groupama Rhône-Alpes-Auvergne will retain naming rights for the stadium and training centre, which is owned by the Club, for two additional contractual years, i.e. until 31 July 2022. The Groupama brand will be visible in the stadium and will benefit from media rights and related marketing benefits, in addition to a display called “Mon assurance spéciale OL by Groupama” (My special OL insurance by Groupama).

This agreement reaffirms the excellent relations developed since 2015 between the brand and the Club.

### **SPONSORSHIP AGREEMENT WITH INTERMARCHÉ**

Following the various agreements signed by Olympique Lyonnais SASU and Intermarché (ITM Alimentaire Centre Est) since 2011, a new agreement was signed for the 2016/17 and 2017/18 seasons. The Intermarché logo appeared on the men's team shorts for Ligue 1 home and away matches. Intermarché also benefited from brand visibility and public relations events connected with OL professional team matches. On 4 September 2018, the agreement was renewed until 2020 under the same terms and conditions.

The sponsorship has been renewed for two seasons until 2021/22. Intermarché is now an Official Supplier.

### **SPONSORSHIP AGREEMENT WITH KEOLIS**

Following various agreements since the 2015/16 season, Olympique Lyonnais and Keolis signed a new sponsorship agreement on 3 September 2018 for the 2018/19 and 2019/20 seasons. Under the terms and conditions of this agreement, the Keolis brand was visible on the left leg of the women's team shorts during women's French Division 1 matches. To enhance this visibility, Keolis also benefited from various displays of its logo in Groupama Stadium.

At the end of the 2019/20 season, the sponsorship agreement was renewed, with the same rights, until 30 June 2022.

### **SPONSORSHIP AGREEMENT WITH MASTERCARD**

On 3 April 2019, Olympique Lyonnais signed a sponsorship agreement for three seasons with Mastercard (2019/20 to 2021/22).

Mastercard will be able to use individual images of certain women's team players. Mastercard will also benefit from brand visibility in the stadium and on social media, and from hospitality services.

At the end of the 2019/20 season, the two parties signed an amendment granting additional rights to Mastercard. The Mastercard logo now appears on the front of the women's team shirts.

### **SPONSORSHIP AGREEMENT WITH ORANGE FRANCE**

As a follow-up to previous contracts in effect since 2006, Olympique Lyonnais and Orange signed a new agreement on 25 March 2016, covering the period from 2015/16 to 2017/18. Orange enjoyed Official Sponsor status, could use the Club's logos, and benefited from public relations and Club media visibility. The sponsorship agreement was renewed on 27 July 2018 for four additional seasons (2018/19 to 2021/22), with similar services.

The agreement was extended to include the OL women's team for two seasons, as from the 2020/21 season.

An amendment was signed on 2 November 2020 to extend the partnership for two additional seasons, i.e. until 30 June 2024.

### **SPONSORSHIP AGREEMENT WITH SWORD**

On 12 July 2018, Olympique Lyonnais signed a sponsorship agreement with Sword SA for three seasons (2018/19 to 2020/21). The Sword SA brand is visible in the right breast pocket position of the women's first team shirts during French Division 1 home and away matches, and also appears on their shirt front during Champions League matches. The agreement provides for brand visibility in the stadium and on various media to complement the shirt display.

For the 2020/21 season, the terms and conditions for execution of the agreement were amended, particularly to take the pandemic into account.

### **SPONSORSHIP AGREEMENT WITH TEDDY SMITH**

On 26 July 2019, Olympique Lyonnais and Teddy Smith signed a sponsorship agreement for two seasons (2019/20 and 2020/21).

The Teddy Smith brand will appear on the men's first team shorts during French Ligue 1 matches. The agreement also provides for brand visibility in the stadium and on social media to complement the shirt display, as well as for hospitality services.

An amendment was signed on 21 October 2020 to extend the sponsorship agreement for two seasons, i.e. until 30 June 2023.

### **SPONSORSHIP AGREEMENT WITH VEOLIA ENVIRONNEMENT**

After the initial, two-year sponsorship agreements covering the 2011/12 and 2012/13 seasons, Veolia Environnement and Olympique Lyonnais SASU signed new agreements for the periods 2013/14 to 2015/16 and 2016/17 to 2018/19.

Veolia's logo appeared on the front of OL players' shirts during European and Coupe de la Ligue matches. The Veolia brand also benefited from public relations and Club media visibility. Veolia Environnement is one of Olympique Lyonnais SASU's three premium sponsors.

The Club had an exit option it could exercise at the end of each contractual season in the event it received a higher overall offer.

On 5 August 2019, a new agreement was signed. During the 2019/20 season, the Veolia brand appeared on the front of the men's team shirts during European matches. In addition, during the 2020/21 and 2021/22 seasons, the company's logo will appear on the women's team shirts during Champions League matches up to the round of 16. The agreement also provides for brand visibility in the stadium and on social media to complement the shirt sponsorship arrangement, as well as for hospitality services.

As from the 2020/21 season, Veolia will be the Club's Environment Partner and will no longer appear on shirts during European matches.

## **1-7 PRINCIPAL TRANSACTIONS WITH RELATED PARTIES**

The principal transactions with related parties are detailed in Note 10.1 to the condensed, consolidated first-half 2019/20 financial statements, found on page 56 of this report.

## **1-8 APPROVAL OF THE CONDENSED, CONSOLIDATED FIRST-HALF FINANCIAL STATEMENTS**

OL Groupe's condensed, consolidated first-half 2020/21 financial statements were approved by the Board of Directors on 16 February 2021.



## 1-9 FOOTBALL RESULTS AS OF 31 DECEMBER 2020

| Men's team           |  |   |
|----------------------|--|---|
| On-pitch performance | H1 2020/21 - as of 31 December 2020  |   |
|                      | End of 2019/20 season competitions   | 2020/21 season                            |
| Ligue 1              | -  | <b>1<sup>st</sup> place at mid-season</b> |
| Champions League     | Final 8 in Lisbon with no spectators<br><b>Semi-final</b> (against Bayern Munich)<br>August 2020 | -   |
| Coupe de la Ligue    | <b>Finalist</b> (against PSG)<br>July 2020   | -   |

| Women's team         |  |   |
|----------------------|--|---|
| On-pitch performance | H1 2020/21 - as of 31 December 2020                                    |   |
|                      | End of 2019/20 season competitions                                     | 2020/21 season                                |
| Division 1           | -  | <b>2<sup>nd</sup></b>                         |
| Champions League     | <b>Winner</b><br>7 <sup>th</sup> Champions League title<br>August 2020 | <b>Qualification round of 16</b> (March 2021) |
| Coupe de France      | <b>Winner</b> (against PSG)<br>August 2020                             | -   |

## 1-10 EVENTS SINCE 1 JANUARY 2021

Following Mediapro's failure to meet its payment obligations during the first half (see below for details), the LFP and Canal+ reached an agreement on 4 February 2021. Under the agreement, Canal+ obtained exclusive rights to broadcast Ligue 1 matches from Matchday 25 until the end of the 2020/21 season, for an additional payment of €35 million. Ligue 1 plus Ligue 2 rights for the 2020/21 season will thus total €759 million (including €75 million in international rights), as opposed to €1.3 billion under the initial agreement, representing a reduction of 42%. Broadcasting rights for the 2021-24 period will be negotiated over the coming months.

In January 2021, the Club loaned out the following two players until the end of the 2020/21 season: Moussa Dembélé to Atletico Madrid (€1.5 million loan with a €33.5 million purchase option, a maximum of €5 million in incentives and 10% of the gain on any future transfer) and Jean Lucas to Brest (no payment or purchase option). At the same time, Islam Slimani, a free agent, joined the professional team from Leicester City for 18 months.

The men's team's remarkable on-the-pitch performance to date (3<sup>rd</sup> place in Ligue 1 as of 16 February 2021) demonstrates the quality of the Club's recruiting over the past 18 months and of the men's team's potential, making it possible to target a return to the Champions League in the 2021/22 season. The women's team, 2<sup>nd</sup> place in Division 1 to date and qualified for the Champions League round of 16, strengthened its squad by recruiting the young Brazilian-American Catarina Macario, a rising star in global women's football.

The OL Academy retained its 3<sup>rd</sup> place ranking among European training academies, as established by the CIES Football Observatory (November 2020). It has been one of the top four training academies in Europe for the last nine consecutive years (2012-20) and continues to play a major role in the Group's sporting and economic performance; the men's professional team has 14 players who were trained at the OL Academy.

*Ligue 1 media rights - Recap of events: In 2018, Ligue 1 broadcasting rights for the 2020-24 period were awarded to Mediapro (ca. 80%), beIN and Free for a total of €1.2 billion per season, a 60% increase over the previous cycle. In October 2020, Mediapro announced its intention to renegotiate its broadcast agreements and did not meet its October and December 2020 instalment payments to the LFP. The LFP then took out a loan to cover the October non-payment and extended cash advances to the clubs equal to the amounts expected under the contract. In December 2020, Mediapro and the LFP signed a settlement agreement, under which the rights acquired by Mediapro were returned to the LFP, and Mediapro made a €100 million payment. On 19 January 2021, the LFP launched a competitive bidding process on the lots previously held by Mediapro. As no bid reached the reserve price, the LFP entered negotiations and reached an agreement with Canal+ on 4 February 2021. Under the agreement, Canal+ obtained exclusive rights to broadcast Ligue 1 matches from Matchday 25 until 30 June 2021, for an additional payment of €35 million. Ligue 1 plus Ligue 2 rights for the 2020/21 season will thus total €759 million (including €75 million in international rights), as opposed to €1.3 billion under the initial agreement, representing a reduction of 42%. Broadcasting rights for the 2021-24 period will be negotiated over the coming months.*

## 1-11 FOOTBALL RESULTS AS OF 16 FEBRUARY 2021

|                             | MEN'S TEAM                | WOMEN'S TEAM  |
|-----------------------------|---------------------------|---|
| FRENCH LIGUE 1 / DIVISION 1 | 3ème                      | 2 <sup>nd</sup>   |
| EUROPE                      | -                         | <b>CHAMPIONS LEAGUE</b><br>Qualified for round of 16<br>(matches in March 2021) |
| COUPE DE FRANCE             | Qualified for round of 32 | Qualified for round of 16   |

## 1-12 OUTLOOK FOR THE SECOND HALF OF 2020/21

Public health conditions permitting, OL Groupe is looking forward to a host of summer events at Groupama Stadium: the Felyn festival on 18 & 19 June 2021, an Indochine concert on 26 June 2021, and a Rammstein concert on 9 & 10 July 2021 (2021/22 financial year).

OL Groupe also expects to benefit from the impact of new partnerships over a full year and post an increase in Sponsoring revenue for the 2020/21 financial year, while remaining shy of the initial target of €36 million for this activity.

Nevertheless, given the significant restrictions weighing on several Group activities because of the pandemic, the Group does not expect to see a substantial improvement in total revenue between now and 30 June 2021. The bottom line is also expected to be well into the red in the second half of the 2020/21 financial year. The Group is adapting its programme to the current situation and is pursuing its efforts to optimise all of its expenses and fixed costs and reduce new recruitments. At the same time, Olympique Lyonnais hopes to see specific provisions implemented for football in the French government's plan to assist sectors hit hard by the pandemic (events, ski resorts, tourism).

## 1-13 MEDIUM-TERM OUTLOOK

### Roadmap to 2023/24 maintained

The Group is pursuing the development of OL Valley and gradually finalising the new infrastructure planned for that area. The leisure and entertainment centre is scheduled to be delivered at the end of February 2021. The operators of the various activities should be able to begin using the facilities as soon as public health conditions permit. The Jo-Wilfried Tsonga "All in" Tennis Academy is expected to open in the second half of 2022.

In addition, the Group is pursuing its partnership with LDLC Asvel, which could be admitted to the Euroleague between now and June 2021.

The Group is also actively working on a project to build a new events venue near the stadium with a capacity of 12,000 to 16,000 people. The new arena will be built by Vinci Construction France, which won the contract, to be signed in April 2021, following a competitive bidding process. The project should represent an investment of around €141 million, and the arena is slated to open at the end of 2023. It will complement the Group's existing "Events" capacity, with the objective of hosting 80-120 events per year, including concerts, seminars and large professional trade shows, as well as sport and eSport competitions (in particular Euroleague basketball games).

By pursuing all of these strategic plans, revolving around its core football business, OL Groupe remains confident in its ability to achieve the objectives set for the period from now until 2023/24, as presented in February 2020, assuming the current public health crisis is resolved. These objectives include Total Revenue of €420-440 million (including player trading, according to the APM as indicated above) and EBITDA in excess of €100 million.

As of 16 February 2021, OL Groupe was not involved in any dispute that could significantly jeopardise its business or the sporting objectives it has set for the 2020/21 financial year.

# CONDENSED, CONSOLIDATED FIRST-HALF 2020/21 FINANCIAL STATEMENTS

## Contents

|   |           |
|---|-----------|
| <b>Highlights</b>   | <b>17</b> |
| <b>Presentation of the financial statements</b>                             | <b>20</b> |
| <b>Income statement</b>   | <b>23</b> |
| <b>Consolidated statement of net financial position</b>                     | <b>24</b> |
| <b>Cash flow statement</b>  | <b>26</b> |
| <b>Statement of changes in equity</b>                                       | <b>28</b> |
| <b>Notes to the consolidated financial statements</b>                       | <b>29</b> |
| <b>Note 1: Scope of consolidation</b>                                       | <b>29</b> |
| <b>Note 2: Use of estimates</b>   | <b>30</b> |
| <b>Note 3: Operating segments</b>   | <b>30</b> |
| <b>Note 4: Operating activities</b>   | <b>31</b> |
| Note 4.1: Revenue excluding player trading                                  | 31        |
| Note 4.2: Gains on sale of player registrations                             | 33        |
| Note 4.3: Trade receivables and assets related to customer contracts        | 34        |
| Note 4.4: Inventories   | 35        |
| Note 4.5: Other current assets  | 35        |
| Note 4.6: Other current liabilities   | 36        |
| Note 4.7: Investments in associates   | 36        |
| <b>Note 5: Expenses and employee benefits</b>                               | <b>37</b> |
| Note 5.1: Employee numbers  | 37        |
| Note 5.2: Personnel costs   | 37        |
| Note 5.3: Senior management remuneration                                    | 37        |
| Note 5.4: Pension obligations   | 38        |
| Note 5.5: Share-based payments  | 38        |
| <b>Note 6: Property, plant &amp; equipment and intangible assets</b>        | <b>39</b> |
| Note 6.1: Goodwill and other intangible assets                              | 39        |
| Note 6.2: Property, plant & equipment                                       | 42        |
| Note 6.3: Contingent liabilities (operating activities)                     | 44        |
| <b>Note 7: Other provisions and contingent liabilities</b>                  | <b>46</b> |
| Note 7.1: Provisions for risks excluding tax-related uncertainties          | 46        |
| Note 7.2: Other contingent liabilities                                      | 46        |
| Note 7.3: Net depreciation, amortisation & provisions                       | 47        |
| <b>Note 8: Financing and financial instruments</b>                          | <b>47</b> |
| Note 8.1: Non-current financial assets                                      | 47        |
| Note 8.2: Cash and cash equivalents   | 47        |
| Note 8.3: Current and non-current financial liabilities                     | 48        |
| Note 8.4: Fair value of financial instruments                               | 50        |
| Note 8.5: Debt net of cash  | 51        |
| Note 8.6: Net financial expense   | 52        |
| Note 8.7: Commitments pertaining to the financing of the Group's operations | 52        |
| <b>Note 9: Income taxes</b>   | <b>53</b> |
| Note 9.1: Breakdown of income tax and tax reconciliation                    | 53        |
| Note 9.2: Deferred taxes  | 54        |
| <b>Note 10: Equity</b>  | <b>54</b> |
| Note 10.1: Share capital  | 54        |



|   |           |
|---|-----------|
| Note 10.2: Earnings per share.....                    | 56        |
| <b>Note 11: Risk management policies .....</b>        | <b>56</b> |
| Note 11.1: Risk related to the Covid-19 pandemic..... | 56        |
| Note 11.2: Liquidity risks.....                       | 57        |
| Note 11.3: Loan agreements .....                      | 57        |
| Note 11.4: Market risks.....                          | 59        |
| Note 11.5: Risks related to Groupama Stadium .....    | 59        |
| <b>Note 12: Events subsequent to closing.....</b>     | <b>61</b> |

The consolidated financial statements comprise the financial statements of the Company, Olympique Lyonnais Groupe SA (10 avenue Simone Veil, 69150 Décines-Charpieu, France), and those of its subsidiaries. The Group has been built essentially around its professional football team. As an extension of this activity, Group subsidiaries are active in sporting events and entertainment, as well as in complementary businesses that generate additional revenue.

The consolidated financial statements were approved by the Board of Directors on 16 February 2021.

# HIGHLIGHTS

**The principal events of the first half of the 2020/21 financial year were as follows:**

## □ COVID-19

OL Groupe's activities in the first half of 2020/21 were hit hard by the direct and indirect impact of the pandemic on the professional sports and events sector. Public health restrictions halted or severely scaled back activities at Groupama Stadium (ticketing and events).

Ticketing receipts were hit particularly hard by public health measures implemented to restrict the number of spectators in sporting facilities (drastic reduction at the start of the season, then no spectators from October 2020 onwards).

Brand-related revenue was sharply curtailed because the number of spectators at Groupama Stadium was strictly limited on matchdays, impacting merchandising, and also because physical stores were closed for nearly a month during the second lockdown period. The e-commerce business was maintained during the first half.

Seminars and stadium tours were also strictly limited by the pandemic. The number of seminars and conventions at Groupama Stadium was down significantly and they were halted altogether at the end of October.

Moreover, the Group was penalised by the failure of principal Ligue 1 broadcaster Mediapro to meet its obligations, as Mediapro did not make its October and December 2020 French media rights payments. In October 2020, the LFP advanced €6.6 million to OL Groupe in compensation, to be deducted from future H2 2020/21 payments. The Group was also penalised by the consequences of the LFP's unfortunate decision to halt the 2019/20 French Ligue 1 championship. Had the season continued to its conclusion, as it did in all other major European countries, OL might have been able to qualify for a European competition.

OL Groupe continued to take all measures possible to protect the health of all people and to reduce the impact of the crisis on financial performance during the first half of 2020/21. Various measures are still in effect, such as partial unemployment, postponement of social security contributions and reduced of tax remittances. OL Groupe was exempted from the payment of €1.3 million in employer payroll charges and received €2.1 million in compensation for the loss of ticketing revenue in the first half of 2020/21.

Given the consequences of the health crisis described above, OL Groupe posted a net loss of €50.6 million for the half-year period. As of 31 December 2020, the Group also had €106 million in cash, plus undrawn RCF availability of €115 million until end-January 2021, i.e. overall available cash of €221 million as of 31 December 2020.

The Champions League competition was completed in August 2020 in the form of a "Final 8", a series of knockout matches with no spectators present. After defeating Juventus in the round-of-16 second leg, Olympique Lyonnais knocked out Manchester City in the quarter-final before bowing out in the semi-final to Bayern Munich, who went on to win the competition. The UEFA media rights revenue associated with these matches was recognised in the first half of 2020/21 (see Note 4.1).

During the summer of 2020, the women's team won their seventh UEFA Women's Champions League title (including four consecutive) and their ninth Coupe de France.

## □ **PGE and seasonal PGE**

On 23 July 2020, OL subscribed for a €92.6 million government-guaranteed loan (*prêt garanti par l'État* or “PGE”), with a maturity of 12 months. At the end of that period, the Group can exercise a 1-5-year amortisation option.

On 18 December 2020, OL subscribed for an additional €76.4 million PGE, called a “seasonal PGE” with a maturity of 12 months. At the end of that period, the Group can exercise a 1-5-year amortisation option.

These financing arrangements have strengthened the Group’s disposable cash in the context of the Covid-19 crisis and given the Group the flexibility it needs to confidently pursue its future development.

The accounting method for the PGEs is presented in Note 8.7.

## □ **Naming**

Groupama Rhône-Alpes Auvergne will continue to lend its name to Groupama Stadium, the home of Olympique Lyonnais, for a two-year duration. The new agreement will strengthen the ties between these two companies, which are both major players in the regional economy, by providing greater brand visibility within the stadium.

## □ **New companies**

Le Five OL, a company whose main purpose is to operate and manage a futsal arena, was established on 27 July 2020. The share capital of €436,500 is composed of 436,500 shares. It is 90%-held by OL Groupe and 10%-held by Le Five.

## □ **Sale of player registrations**

During the first half of the financial year, despite a very unfavourable transfer market context, Olympique Lyonnais sold several player registrations to other clubs for a cumulative amount of €53.3 million. The players transferred included Amine Gouiri to Nice (€7 million), Martin Terrier to Rennes (€12 million), Oumar Solet to RB Salzburg (€4 million), Fernando Marçal to Wolverhampton Wanderers (€2 million), Kenny Tete to Fulham (€3 million) and Bertrand Traoré to Aston Villa (€15.9 million). The Club also received incentives of €7.2 million on previous transfers. The impact of gains on the sale of player registrations is detailed in Note 6.

**As a reminder, the following major events took place during the previous financial year:**

### • **Partnership with Emirates**

OL Groupe has signed a five-year partnership agreement with Emirates. Under the deal, Emirates became the Club’s main sponsor at the beginning of the 2020/21 season.

### • **Increase in the revolving credit facility (RCF)**

The maximum drawdown under the Group’s RCF was raised from €73 million to €130 million following the unanimous agreement of all the bank lenders to cover an increase in their lending commitments in proportion to their initial share of the loan, as follows:

- permanently in late July 2019 from €73 million to €100 million until the final maturity of the refinancing agreement on 30 June 2024;

- temporarily in mid-April 2020 from €100 million to €130 million until 31 August 2020, when it declined to €115 million until 31 January 2021, at which time it reverted to €100 million (see Note 8.7).

### • Acquisition of player registrations

The Group's acquisition of several player registrations resulted in a sharp rise in intangible assets relating to player registrations (Joachim Andersen for €24 million, Bruno Guimarães for €20 million, Jeff Reine-Adélaïde for €25 million, Thiago Mendes for €22 million, Karl Toko-Ekambi for €16 million, Youssouf Koné for €9 million, Tino Kadewere for €12 million, Jean Lucas for €8 million and Camilo for €2 million) (see Note 6.1).

### • Acquisition of Reign FC (now OL Reign)

Exclusive talks starting on 25 November 2019 with a view to the acquisition of Reign FC, an inaugural member of the National Women's Soccer League (NWSL), concluded successfully with the signature of an agreement to buy the club's assets for \$3.51 million.

The assets are lodged in a newly formed US-registered company in which OL Groupe holds an 89.5% stake, representing an investment of \$3.145 million. Bill Predmore, Reign FC's former owner and chief executive, holds 7.5% of the share capital. Tony Parker, the four-time NBA champion, Chairman of Asvel Basket SASP (the current French women's and men's basketball champion) and an OL brand ambassador in the United States, holds a 3% stake.

The company is fully consolidated in the Group's financial statements.

With this €3 million acquisition, OL Groupe has become, via the newly-formed US entity, a shareholder of the NWSL, alongside the other teams of this closed league.

### • Sales of player registrations

Tanguy Ndombele was transferred to Tottenham for €60 million (gross), plus potential incentives up to a maximum of €10 million (see Note 4.2).



# PRESENTATION OF THE FINANCIAL STATEMENTS

The condensed, consolidated first-half financial statements have been prepared in accordance with IAS 34 “Interim financial reporting” and on the basis of the IFRSs and their amendments and interpretations published by the International Accounting Standards Board (IASB), as adopted by the European Union and that are mandatory from 1 January 2020. These statements are accompanied by a selection of explanatory notes.

The first-half financial statements do not include all of the information and notes that are presented with the annual financial statements. For this reason, these consolidated first-half financial statements should be read in conjunction with the consolidated financial statements for the financial year ended 30 June 2020.

## ACCOUNTING METHODS

The accounting methods applied are identical to those applied to the full-year financial statements dated 30 June 2020, with the exception of the standards, amendments and interpretations that are mandatory as of 1 July 2020 and are presented below in a series of explanatory notes:

- Amendment to IFRS 3 – Definition of a Business
- Amendment to IFRS 7, IFRS 9 and IAS 39 – Interest Rate Benchmark Reform
- Amendments to IAS 1 and IAS 8 – Definition of Material
- Amendment to IFRS 16 – Restated Rent Concessions
- Conceptual framework for financial reporting, revised in 2018

These amendments were not applicable or did not have an impact on the Group’s financial statements.

In addition, OL Groupe has finalised its analysis of the impact of the IFRS Interpretations Committee’s November 2019 recommendation on lease terms and the useful life of leasehold improvements. Implementation of this interpretation did not have a material impact on the financial statements.

In addition, the Group has opted not to bring forward the application of standards, amendments and interpretations adopted by the European Commission (or that could have been applied in advance) that will come into effect after the closing date.

This relates principally to amendments to IFRS 9, IAS 39 and IFRS 7, phase 2, published by the European Commission on 14 January 2021 and applicable to financial years beginning on or after 1 January 2021.

The standards, amendments, and interpretations adopted by the IASB that will come into effect in future financial years and for which the EU’s adoption process is underway, are as follows:

- Amendment to IAS 1: Classification of liabilities as current or non-current, published in January 2020, applicable to financial years starting on or after 1 January 2023.
- Annual improvements – 2018-20 cycle: various provisions, published on 14 May 2020 and applicable as of 1 January 2022;
- Amendments to IFRS 3 (reference to the conceptual framework), IAS 16 (accounting for proceeds before intended use) and IAS 37 (onerous contracts), published on 14 May 2020 and applicable as of 1 January 2022;

The Group is currently analysing the impact of these amendments on current and non-current liabilities.

There are no accounting principles contrary to IFRS standards mandatory for financial years beginning on or after 1 July 2020 and not yet adopted at the European level, which would have had a material impact on the financial statements for the financial period under review.

In certain cases, these rules have been adapted to the specific requirements of interim financial statements.

The information disclosed in the notes to the first-half financial statements relates to the significant items, transactions and events needed to understand the changes in the financial condition and performance of the Group.

The first-half statements of OL Groupe include the financial year's initial sales of player registrations (corresponding to the summer transfer window between 1 July and 5 October 2020) and receipts relating to the “Final 8” of the 2019/20 Champions League.

The results of the first half of the financial year are therefore not representative of those that can be expected for all of 2020/21.

## Restatement of comparative periods

The consolidated financial statements as of 31 December 2019, published in February 2020, have been restated to reflect the impact of applying the following IFRIC decision.

On 16 June 2020, the IFRIC published its final decision on how to account for sales of player registrations under IFRS. It ruled that sales of player registrations (sales of intangible assets) cannot be recognised as revenue, and so clubs must account for the transfer of the player in the form of a gain or loss on a sale (of player registrations) on a line dedicated thereto in the income statement that is separate from revenue. This decision had no impact on the presentation of the cash flow statement.

The restatement had already been implemented as of the 30 June 2020 annual closing (see Note 1.2 of the URD).

| (in € 000)  | Note       | 31/12/2019<br>published | IFRIC          | 31/12/2019<br>restated | 31/12/2020     |
|---|------------|-------------------------|----------------|------------------------|----------------|
| <b>Revenue excluding player trading</b>                             | <b>4.1</b> | <b>197,233</b>          | <b>-69,051</b> | <b>128,182</b>         | <b>69,997</b>  |
| Gains on sale of player registrations                               | 4.2        |                         | 62,499         | 62,499                 | 39,249         |
| Purchases used during the period                                    |            | -24,303                 |                | -24,303                | -11,209        |
| External costs  |            | -21,566                 |                | -21,566                | -18,438        |
| Taxes other than income taxes                                       |            | -3,438                  |                | -3,438                 | -3,460         |
| Personnel costs   | 5.2        | -79,556                 |                | -79,556                | -85,474        |
| Residual value of player registrations                              |            | -6,552                  | 6,552          |                        |                |
| <b>EBITDA</b>   |            | <b>61,818</b>           |                | <b>61,818</b>          | <b>-9,335</b>  |
| Net depreciation, amortisation & provisions                         | 7.3        | -35,467                 |                | -35,467                | -40,013        |
| Other ordinary income and expenses                                  |            | 343                     |                | 343                    | 5,983          |
| <b>Operating profit/loss</b>  |            | <b>26,694</b>           |                | <b>26,694</b>          | <b>-43,364</b> |
| <b>Net financial expense</b>  | <b>8.6</b> | <b>-8,146</b>           |                | <b>-8,146</b>          | <b>-6,584</b>  |
| <b>Pre-tax profit/loss</b>  |            | <b>18,548</b>           |                | <b>18,548</b>          | <b>-49,948</b> |
| Income tax expense  | 9.1        | -3,372                  |                | -3,372                 | -487           |
| Share in net profit/loss of associates                              |            | -211                    |                | -211                   | -255           |
| <b>Net profit/loss</b>  |            | <b>14,966</b>           |                | <b>14,966</b>          | <b>-50,690</b> |
| <b>Net profit/loss attributable to equity holders of the parent</b> |            | <b>14,869</b>           |                | <b>14,869</b>          | <b>-50,556</b> |
| Net profit/loss attributable to non-controlling interests           |            | 96                      |                | 96                     | -133           |
| Net profit/loss per share (in €)                                    |            | 0.26                    |                | 0.26                   | -0.87          |
| Diluted net profit/loss per share (in €)                            |            | 0.11                    |                | 0.11                   | -0.87          |

# INCOME STATEMENT

| (in € 000)  | Note       | H1 2020/21     | % of<br>Rev. | H1 2019/20<br>restated (1) | % of<br>Rev. |
|---|------------|----------------|--------------|----------------------------|--------------|
| <b>Revenue excluding player trading</b>                             | <b>4.1</b> | <b>69,997</b>  | <b>100%</b>  | <b>128,182</b>             | <b>100%</b>  |
| Gains on sale of player registrations (1)                           | 4.2        | 39,249         | 56%          | 62,499                     | 49%          |
| Purchases used during the period                                    |            | -11,209        | -16%         | -24,303                    | -19%         |
| External costs  |            | -18,438        | -26%         | -21,566                    | -17%         |
| Taxes other than income taxes                                       |            | -3,460         | -5%          | -3,438                     | -3%          |
| Personnel costs   | 5.2        | -85,474        | -122%        | -79,556                    | -62%         |
| <b>EBITDA</b>   |            | <b>-9,335</b>  | <b>-13%</b>  | <b>61,818</b>              | <b>48%</b>   |
| Net depreciation, amortisation & provisions                         | 7.3        | -40,013        | -57%         | -35,467                    | -28%         |
| Other ordinary income and expenses (2)                              |            | 5,983          | 9%           | 343                        | 0%           |
| <b>Operating profit/loss</b>  |            | <b>-43,364</b> | <b>-62%</b>  | <b>26,694</b>              | <b>21%</b>   |
| <b>Net financial expense</b>  | <b>8.6</b> | <b>-6,584</b>  | <b>-9%</b>   | <b>-8,146</b>              | <b>-6%</b>   |
| <b>Pre-tax profit/loss</b>  |            | <b>-49,948</b> | <b>-71%</b>  | <b>18,548</b>              | <b>14%</b>   |
| Income tax expense  | 9.1        | -487           | -1%          | -3,372                     | -3%          |
| Share in net profit/loss of associates                              |            | -255           | 0%           | -211                       |              |
| <b>Net profit/loss</b>  |            | <b>-50,690</b> | <b>-72%</b>  | <b>14,966</b>              | <b>12%</b>   |
| <b>Net profit/loss attributable to equity holders of the parent</b> |            | <b>-50,557</b> |              | <b>14,869</b>              |              |
| Net profit/loss attributable to non-controlling interests           |            | -133           |              | 96                         |              |
| Net profit/loss per share (in €)                                    |            | -0.87          |              | 0.26                       |              |
| Diluted net profit/loss per share (in €)                            |            | -0.87          |              | 0.11                       |              |

## STATEMENT OF COMPREHENSIVE INCOME (in € 000)

|   |             |                |               |
|---|-------------|----------------|---------------|
| Actuarial gains/losses on pension obligations                                 | 5.4         | 0              | 0             |
| Gain/loss related to non-current assets held for sale                         |             | -11            | 0             |
| <b>Items that cannot be reclassified into net profit/loss</b>                 |             | <b>-11</b>     | <b>0</b>      |
| Fair value of hedging instruments (stadium)                                   |             | 301            | 547           |
| Corresponding deferred taxes  |             | -81            | -188          |
| <b>Items to be reclassified into net profit/loss</b>                          | <b>11.4</b> | <b>219</b>     | <b>359</b>    |
| <b>Comprehensive income</b>   |             | <b>-50,482</b> | <b>15,325</b> |
| <b>Comprehensive income/loss attributable to equity holders of the parent</b> |             | <b>-50,349</b> | <b>15,228</b> |
| <b>Comprehensive income/loss attributable to non-controlling interests</b>    |             | <b>-133</b>    | <b>96</b>     |

(1) The Group has applied the IFRIC decision of 16 June 2020 concluding that proceeds from player transfers could no longer be recognised as “revenue” and that only the gain or loss on the sale of player registrations should be recognised on a line dedicated thereto in the income statement as stated above (see Notes “Presentation of the financial statements” and 4.2).

The comparative figures have been altered accordingly (see Note “Presentation of the financial statements”).

(2) This line item includes an advance of 70% to compensate for ticketing losses (€2.1 million) expected to be received as part of government aid measures.

# CONSOLIDATED STATEMENT OF NET FINANCIAL POSITION

## Balance Sheet – Assets

| Net amounts  | Note            | 31/12/2020     | 30/06/2020     |
|--|-----------------|----------------|----------------|
| <b>Intangible assets</b>   |                 |                |                |
| Goodwill   | 6.1             | 1,919          | 1,919          |
| Player registrations   | 6.1             | 166,222        | 179,204        |
| Other intangible assets  | 6.1             | 1,604          | 1,546          |
| <b>Property, plant &amp; equipment</b>                                   | 6.2             | <b>362,252</b> | <b>368,596</b> |
| <b>Right-of-use assets</b>   | 6.2             | <b>7,669</b>   | <b>9,362</b>   |
| <b>Other financial assets</b>  | 8.1             | <b>7,480</b>   | <b>7,260</b>   |
| <b>Receivables on sale of player registrations (portion &gt; 1 year)</b> | 4.3 & 8.4 & 8.5 | <b>23,854</b>  | <b>17,000</b>  |
| <b>Investments in associates</b>   | 4.7             | <b>4,357</b>   | <b>4,551</b>   |
| <b>Non-current assets held for sale</b>                                  | 1               | <b>1,737</b>   |                |
| <b>Deferred taxes</b>  | 9.2             | <b>1,956</b>   | <b>2,511</b>   |
| <b>Non-current assets</b>  |                 | <b>579,049</b> | <b>591,949</b> |
| <b>Inventories</b>   | 4.4             | <b>3,811</b>   | <b>2,957</b>   |
| <b>Trade receivables and assets related to customer contracts</b>        | 4.3             | <b>25,961</b>  | <b>17,943</b>  |
| <b>Receivables on sale of player registrations (portion &lt; 1 year)</b> | 4.3 & 8.4 & 8.5 | <b>20,622</b>  | <b>17,353</b>  |
| <b>Other current assets, prepayments and accrued income</b>              | 4.5 & 8.4       | <b>28,352</b>  | <b>40,099</b>  |
| <b>Cash and cash equivalents</b>   | 8.2 & 8.4       | <b>105,681</b> | <b>32,941</b>  |
| <b>Current assets</b>  |                 | <b>184,427</b> | <b>111,294</b> |
| <b>TOTAL ASSETS</b>  |                 | <b>763,477</b> | <b>703,243</b> |

## Balance sheet – Equity and liabilities

| Net amounts   | Note            | 31/12/2020     | 30/06/2020     |
|---|-----------------|----------------|----------------|
| Share capital   | 10.1            | 88,474         | 88,474         |
| Share premiums  | 10.1            | 123,388        | 123,388        |
| Reserves and retained earnings  | 10.1            | -123,924       | -87,045        |
| Other equity  | 10.1            | 138,011        | 138,011        |
| Net profit/loss attributable to equity holders of the parent            |                 | -50,556        | -36,480        |
| <b>Equity attributable to equity holders of the parent</b>              |                 | <b>175,392</b> | <b>226,348</b> |
| <b>Non-controlling interests</b>  |                 | <b>3,613</b>   | <b>3,718</b>   |
| <b>Total equity</b>   |                 | <b>179,005</b> | <b>230,067</b> |
| <b>Stadium bonds</b>  | 8.3 & 8.4 & 8.5 | <b>50,281</b>  | <b>50,189</b>  |
| <b>Stadium bank loan</b>  | 8.3 & 8.4 & 8.5 | <b>88,650</b>  | <b>95,385</b>  |
| <b>Borrowings and financial liabilities (portion &gt; 1 year)</b>       | 8.3 & 8.4 & 8.5 | <b>172,507</b> | <b>53,483</b>  |
| <b>Player registration payables (portion &gt; 1 year)</b>               | 8.3 & 8.4 & 8.5 | <b>32,310</b>  | <b>63,688</b>  |
| <b>Non-current lease liabilities</b>                                    | 8.3             | <b>5,597</b>   | <b>6,066</b>   |
| <b>Other non-current liabilities</b>                                    | 8.3 & 8.4       | <b>19,011</b>  | <b>19,277</b>  |
| <b>Provision for pension obligations</b>                                | 5.4             | <b>2,418</b>   | <b>2,341</b>   |
| <b>Liabilities directly related to non-current assets held for sale</b> | 1               | <b>1,312</b>   | <b>0</b>       |
| <b>Non-current liabilities</b>  |                 | <b>372,085</b> | <b>290,430</b> |
| <b>Provisions (portion &lt; 1 year)</b>                                 | 7.1             | <b>769</b>     | <b>115</b>     |
| <b>Financial liabilities (portion &lt; 1 year)</b>                      |                 |                |                |
| Bank overdrafts   | 8.3 & 8.4 & 8.5 | 198            | 392            |
| Stadium bonds   | 8.3 & 8.4 & 8.5 | 1,417          | 2,663          |
| Stadium bank loan   | 8.3 & 8.4 & 8.5 | 11,522         | 13,075         |
| Current lease liabilities   | 8.3             | 2,559          | 3,965          |
| Other borrowings and financial liabilities                              | 8.3 & 8.4 & 8.5 | 1,787          | 1,874          |
| <b>Trade payables &amp; related accounts</b>                            | 8.3 & 8.4       | <b>22,559</b>  | <b>21,723</b>  |
| <b>Tax and social security liabilities</b>                              | 8.3             | <b>52,187</b>  | <b>32,602</b>  |
| <b>Player registration payables (portion &lt; 1 year)</b>               | 8.3 & 8.4 & 8.5 | <b>70,715</b>  | <b>71,752</b>  |
| <b>Other current liabilities and deferred income</b>                    | 8.3 & 8.4       | <b>48,675</b>  | <b>34,585</b>  |
| <b>Current liabilities</b>  |                 | <b>212,388</b> | <b>182,746</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                     |                 | <b>763,477</b> | <b>703,243</b> |

# CASH FLOW STATEMENT

| (in € 000)   | H1 2020/21     | H1 2019/20     |
|--|----------------|----------------|
| Net profit/loss  | -50,690        | 14,966         |
| Share in net profit/loss of associates                           | 255            | 211            |
| Depreciation, amortisation & provisions (1)                      | 40,013         | 35,467         |
| Other non-cash income and expenses (2)                           | 841            | 296            |
| Capital gains on sale of player registrations                    | -39,250        | -62,499        |
| Gains on sale of other non-current assets                        | 4              | -1,467         |
| Income tax expense (3)   | 487            | 3,372          |
| <b>Pre-tax cash flow</b>   | <b>-48,340</b> | <b>-9,655</b>  |
| <b>Income tax paid</b>   | <b>1,183</b>   | <b>-731</b>    |
| <b>Net cost of debt</b>  | <b>6,350</b>   | <b>7,240</b>   |
| Change in trade and other receivables                            | 3,493          | -15,293        |
| Change in trade and other payables                               | 32,905         | 1,076          |
| <b>Change in working capital requirement</b>                     | <b>36,398</b>  | <b>-14,217</b> |
| <b>Net cash from operating activities</b>                        | <b>-4,409</b>  | <b>-17,363</b> |
| Acquisition of player registrations net of change in liabilities | -62,599        | -44,975        |
| Acquisition of other intangible assets                           | -242           | -226           |
| Acquisition of property, plant & equipment                       | -2,577         | -4,727         |
| Acquisition of non-current financial assets                      | -1,021         | -931           |
| Investments in associates  |                | -889           |
| Sale of player registrations net of change in receivables        | 43,166         | 83,831         |
| Disposal or reduction in other non-current assets                | 769            | 3,331          |
| <b>Net cash from investing activities</b>                        | <b>-22,504</b> | <b>35,414</b>  |
| New bank and bond borrowings (4)                                 | 169,036        | 3,000          |
| Interest paid (4)  | -7,081         | -4,567         |
| Interest paid on lease liabilities                               | -209           | -269           |
| Repayment of borrowings (4)                                      | -58,563        | -5,134         |
| Repayment of lease liabilities                                   | -2,497         | -2,300         |
| Acquisition of treasury shares                                   | -838           | -762           |
| <b>Net cash from financing activities</b>                        | <b>99,848</b>  | <b>-10,032</b> |
| Opening cash balance   | 32,549         | 11,608         |
| Change in cash   | 72,934         | 8,019          |
| <b>Closing cash balance</b>                                      | <b>105,483</b> | <b>19,627</b>  |

| (in € 000)                  | 31/12/2020     | 31/12/2019    |
|-----------------------------|----------------|---------------|
| Cash                        | 105,681        | 19,902        |
| Bank overdrafts             | -198           | -275          |
| <b>Closing cash balance</b> | <b>105,483</b> | <b>19,627</b> |

(1) See Note 7.3 / (2) Other non-cash income and expenses primarily included the effect of discounting on non-current assets, and accrued interest on financial liabilities / (3) See Note 9 / (4) See Note 8



## Detail of cash flows related to the acquisition of player registrations

| (in € 000)  | 31/12/2020     | 31/12/2019     |
|---|----------------|----------------|
| Acquisition of player registrations                                     | -30,184        | -98,981        |
| Player registration payables as of 31/12/20                             | 103,025        |                |
| Player registration payables as of 30/06/20                             | -135,440       |                |
| Player registration payables as of 31/12/19                             |                | 94,909         |
| Player registration payables as of 30/06/19                             |                | -40,903        |
| <b>Acquisition of player registrations net of change in liabilities</b> | <b>-62,599</b> | <b>-44,975</b> |

## Detail of cash flows related to the sale of player registrations

| (in € 000)  | 31/12/2020    | 31/12/2019    |
|---|---------------|---------------|
| Proceeds from the sale of player registrations                    | 53,288        | 69,051        |
| Player registration receivables as of 31/12/20                    | -44,475       |               |
| Player registration receivables as of 30/06/20                    | 34,353        |               |
| Player registration receivables as of 31/12/19                    |               | -78,726       |
| Player registration receivables as of 30/06/19                    |               | 93,506        |
| <b>Sales of player registrations net of change in receivables</b> | <b>43,166</b> | <b>83,831</b> |

## CHANGE IN WORKING CAPITAL REQUIREMENT

### Change in trade and other receivables

| (in € 000)                         | Changes during the period |
|------------------------------------|---------------------------|
| Trade receivables                  | -7,410                    |
| Deferred income and accruals       | 3,159                     |
| <b>Trade receivables</b>           | <b>-4,251</b>             |
| Non-current assets held for sale   | -1,737                    |
| Other assets                       | 10,338                    |
| <b>Other receivables</b>           | <b>8,601</b>              |
| Inventories                        | -857                      |
| <b>Inventories</b>                 | <b>-857</b>               |
| <b>Trade and other receivables</b> | <b>3,493</b>              |

### Change in trade and other payables

| (in € 000)   | Changes during the period |
|--|---------------------------|
| Trade payables   | 836                       |
| Prepayments and accrued income                                   | 241                       |
| <b>Trade accounts payable</b>                                    | <b>1,077</b>              |
| Liabilities directly related to non-current assets held for sale | 1,312                     |
| Other liabilities  | 30,516                    |
| <b>Other financial liabilities</b>                               | <b>31,828</b>             |
| <b>Trade and other payables</b>                                  | <b>32,905</b>             |

# CHANGES IN EQUITY

| (in € 000)   | Equity attributable to equity holders of the parent |                |                 |                                |                |   |  | non-controlling interests | Total equity   |
|--|---|----------------|-----------------|--------------------------------|----------------|---|--|---------------------------|----------------|
|  | Share capital                                       | Share premiums | Treasury shares | Reserves and retained earnings | Other equity   | Profit/loss recognised directly in equity | Total attributable to equity holders of the parent |                           |                |
| <b>Equity at 30/06/2019</b>                        | <b>88,429</b>                                       | <b>123,396</b> | <b>-2,378</b>   | <b>-79,561</b>                 | <b>138,047</b> | <b>-4,764</b>                             | <b>263,169</b>                                     | <b>3,262</b>              | <b>266,431</b> |
| Net profit/loss                                    |   |                |                 | -36,480                        |                |   | -36,480  | -126                      | -36,605        |
| Fair value of hedging instruments (1)              |   |                |                 |                                |                | 662                                       | 662  |                           | 662            |
| Actuarial gain/loss                                |   |                |                 |                                |                | 199                                       | 199  |                           | 199            |
| <b>Comprehensive income</b>                        |   |                |                 | <b>-36,480</b>                 |                | <b>861</b>                                | <b>-35,619</b>                                     | <b>-126</b>               | <b>-35,745</b> |
| Dividends  |   |                |                 |                                |                |   |  |                           | 0              |
| Capital increase (2)                               | 44  | -8             |                 |                                |                |   | 36   | 0                         | 36             |
| Change in OSRANes (2)                              |   |                |                 |                                | -36            |   | -36  |                           | -36            |
| Share-based payments                               |   |                |                 |                                |                | 471                                       | 471  |                           | 471            |
| Shares held in treasury                            |   |                | -1,061          |                                |                | -651                                      | -1,712   |                           | -1,712         |
| Currency translation adjustment                    |   |                |                 |                                |                | 52  | 52   | 7                         | 59             |
| Other  |   |                |                 |                                |                | -16                                       | -16  | 575                       | 560            |
| <b>Equity at 30/06/2020</b>                        | <b>88,474</b>                                       | <b>123,388</b> | <b>-3,439</b>   | <b>-116,041</b>                | <b>138,011</b> | <b>-4,046</b>                             | <b>226,348</b>                                     | <b>3,718</b>              | <b>230,067</b> |
| Net profit/loss                                    |   |                |                 | -50,556                        |                |   | -50,556  | -133                      | -50,689        |
| Fair value of hedging instruments (1)              |   |                |                 |                                |                | 219                                       | 219  |                           | 219            |
| Actuarial gain/loss                                |   |                |                 |                                |                |   | 0  |                           | 0              |
| Gain/loss on a non-current asset held for sale (3) |   |                |                 |                                |                | -11                                       | -11  | -1                        | -12            |
| <b>Comprehensive income</b>                        |   |                |                 | <b>-50,556</b>                 |                | <b>208</b>                                | <b>-50,348</b>                                     | <b>-134</b>               | <b>-50,482</b> |
| Dividends  |   |                |                 |                                |                |   |  |                           | 0              |
| Capital increase (2)                               | 1   | 0              |                 |                                |                |   | 1  | 0                         | 1              |
| Change in OSRANes (2)                              |   |                |                 |                                | 0              |   | 0  |                           | 0              |
| Share-based payments                               |   |                |                 |                                |                | 191                                       | 191  |                           | 191            |
| Shares held in treasury                            |   |                | -607            |                                |                | -118                                      | -725   |                           | -725           |
| Currency translation adjustment                    |   |                |                 |                                |                | -90                                       | -90  | -10                       | -101           |
| Other  |   |                |                 |                                |                | 16  | 16   | 40                        | 56             |
| <b>Equity at 31/12/2020</b>                        | <b>88,474</b>                                       | <b>123,388</b> | <b>-4,046</b>   | <b>-166,597</b>                | <b>138,011</b> | <b>-3,839</b>                             | <b>175,392</b>                                     | <b>3,613</b>              | <b>179,005</b> |

(1) This amount corresponds to the change in fair value, net of taxes, of the hedging instruments put in place as part of the Groupama Stadium loan agreement (see Note 11.4).

(2) See Note 10.1.

(3) See Note 1.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 1: SCOPE OF CONSOLIDATION

Companies for which the Group directly or indirectly has exclusive control are fully consolidated.

Companies over which the Group directly or indirectly has significant influence, particularly because it holds more than 20% of the voting rights, are accounted for using the equity method.

The companies included in the scope of consolidation are presented in the table below.

| Company   | Head office<br>Company no. | Activity                | Number of<br>months<br>consolidated | % Control<br>31/12/2020 | % Interest<br>31/12/2020 | % Control<br>30/06/2020 | % Interest<br>30/06/2020 |    |
|---|----------------------------|-------------------------|-------------------------------------|-------------------------|--------------------------|-------------------------|--------------------------|----|
| OLYMPIQUE LYONNAIS GROUPE SA                        | Lyon<br>421577495          | Holding company         | 6                                   |                         |                          |                         |                          | -- |
| <b>COMPANIES OWNED BY OLYMPIQUE LYONNAIS GROUPE</b> |                            |                         |                                     |                         |                          |                         |                          |    |
| OLYMPIQUE LYONNAIS SASU                             | Lyon<br>385071881          | Sports club             | 6                                   | 100                     | 100                      | 100                     | 100                      | FC |
| AMFL SAS  | Lyon<br>788746212          | Medical centre          | 6                                   | 51                      | 51                       | 51                      | 51                       | FC |
| OL LOISIRS DEVELOPPEMENT SAS                        | Lyon<br>832341143          | Services and consulting | 6                                   | 100                     | 100                      | 100                     | 100                      | FC |
| OL PARTNER SAS                                      | Lyon<br>832992671          | Insurance broker        | 6                                   | 95                      | 95                       | 95                      | 95                       | FC |
| OL REIGN  | Seattle                    | Sports club             | 6                                   | 89.5                    | 89.5                     | 89.5                    | 89.5                     | FC |
| OL GROUPE LLC                                       | Seattle                    | All business activities | 6                                   | 100                     | 100                      | 100                     | 100                      | FC |
| OLYMPIQUE LYONNAIS LLC                              | Seattle                    | All business activities | 6                                   | 100                     | 100                      | 100                     | 100                      | FC |
| OL PRODUCTION SAS                                   | Lyon<br>853249464          | Shows & entertainment   | 6                                   | 50                      | 50                       | 50                      | 50                       | FC |
| BEIJING OL FC Ltd                                   | Beijing                    | Services and consulting | 6                                   | 45                      | 45                       | 45                      | 45                       | EM |
| ASVEL BASKET SASP                                   | Lyon<br>388883860          | Sports club             | 6                                   | 33.33                   | 33.33                    | 33.33                   | 33.33                    | EM |
| LE TRAVAIL RÉEL SAS                                 | Lyon<br>852695741          | Human resources         | 6                                   | 30                      | 30                       | 30                      | 30                       | EM |
| LYON ASVEL FÉMININ                                  | Lyon<br>534560552          | Sports club             | 0                                   | 10                      | 10                       | 10                      | 10                       | NC |
| GOL DE PLACA  | Brazil                     | Sports club             | 0                                   | 10                      | 10                       | 10                      | 10                       | NC |
| <b>SPECIAL-PURPOSE ENTITIES (1)</b>                 |                            |                         |                                     |                         |                          |                         |                          |    |
| OL ASSOCIATION                                      | Lyon<br>779845569          | Association             | 6                                   |                         |                          |                         |                          | FC |

FC: Full consolidation

EM: Equity method

NC: Not consolidated

(1) Entities controlled by the Group by virtue of a contract, agreement or clause in the entity's articles of association are fully consolidated, even if the Group does not own any of the entity's share capital (special-purpose entities).

## Closing dates

All Group companies close their accounts on 30 June each year except for Beijing OL FC, OL Reign and Le Travail Réel (31 December). Financial statements for these entities have been prepared for the period from 1 July to 31 December.

## Le Five OL

Le Five OL, a company whose main purpose it to operate and manage a futsal arena, was established on 27 July 2020. The share capital totals €436,500 and is composed of 436,500 shares. It is 90%-held by OL Groupe and 10%-held by Le Five. OL Groupe intends to exit the capital of Le Five OL, however, by selling its shares to Le Five in two stages: in 12 months, then in 24 months from February 2021.

The financial statements were therefore presented in accordance with IFRS 5: Non-current assets held for sale, liabilities directly related to non-current assets held for sale, and the profit/loss is recognised directly in equity and appears in comprehensive income on the line entitled "Gain/loss related to non-current assets held for sale".

## NOTE 2: USE OF ESTIMATES

In preparing financial statements that comply with the IFRS conceptual framework, management is required to make estimates and assumptions that affect the amounts shown in the financial statements. The key items affected by estimates and assumptions are impairment tests of intangible assets with a finite or indefinite lifetime, deferred taxes, and provisions. These estimates are based on the assumption that the entity is a going concern and are calculated using available information. Estimates may be revised if the circumstances on which they were based should change or if new information becomes available. Actual results may differ from these estimates.

For the first half of 2020/21 and as a result of Mediapro's premature exit from the French media rights contract with the LFP, OL Groupe has made a conservative estimate, based on an overall sum, and in accordance with information currently available. The ultimate breakdown between the clubs will be determined at the end of the 2020/21 season (see Note 4.1).

For the first-half statements, evaluations were performed as if the interim period were an independent period. The notes presented below reiterate the principles for determining certain balance sheet and income statement line items.

## NOTE 3: OPERATING SEGMENTS

Pursuant to IFRS 8, "Operating Segments", an operating segment is a component of an entity that engages in business activities from which it may earn revenue and incur expenses and satisfies the following conditions:

- ☐ its operating results are reviewed regularly by the entity's chief operating decision-maker to take decisions about resources to be allocated to the segment and to assess its performance;
- ☐ discrete financial information is available for the segment.

The Group has not identified any material, distinct business segments within the meaning of this standard. The Group presents information, available in Note 4.1, breaking down revenue by nature and activity and detailing sales of player registrations.

Following the IFRIC decision published on 16 June 2020 on how to account for sales of player registrations under IFRS, sales of player registrations (sales of intangible assets) cannot be recognised as revenue. Accordingly, clubs must account for the sale of the player in the form of a gain or loss on a sale (of player registrations) on a line dedicated thereto in the income statement that is separate from revenue. How player trading activity and results are presented has thus been altered (see Note "Restatement of comparative periods").

The operation of Groupama Stadium is not considered a distinct business segment since it cannot be separated from the sporting activities developed around the professional football team, owing in particular to the size of its facilities, the attractiveness of the venue and the sources and amounts of revenue.

## NOTE 4: OPERATING ACTIVITIES

### Note 4.1: Revenue excluding player trading

#### Revenue recognition

IFRS 15 defines a five-step model for recognising ordinary revenue from contracts with customers:

- ☐ Identify the contract;
- ☐ Identify the various performance obligations, i.e. the list of distinct goods or services that the seller has promised to supply to the customer;
- ☐ Determine the overall transaction price for the contract;
- ☐ Allocate the overall transaction price to each performance obligation;
- ☐ Recognise revenue when a performance obligation has been satisfied.

Revenue recognition is tied to the performance obligation for each type of contract.

Revenue is measured and recognised as follows:

#### ☐ **Sponsoring - Advertising (including partnerships):**

The terms of sponsoring agreements indicate the amounts to be recognised for each half-year period.

#### ☐ **Media and marketing rights:**

- *LFP (French Professional Football League – Ligue 1) and FFF (French Football Federation)*

This category of revenue arises from the Club's participation in the French league and cup competition. At the start of the season, the Board of Directors of the League defines the amounts to be allocated to the Clubs for the current season and the method of allocation.

These amounts are recognised as the season progresses and matches are played.

However, because the agreement between the broadcaster Mediapro and the LFP was suspended, LFP media rights were recognised according to the existing breakdown formula and i) by applying a 52% discount corresponding to the difference between the theoretical initial amounts to be paid by all Ligue 1 broadcasters (Mediapro, Canal+/beIN, Free) and the payments secured by the LFP, including the initial payment and the settlement amount negotiated with Mediapro and ii) based on information currently available.

- *UEFA / Champions League revenue*

The triggering event for UEFA / Champions League revenue is the Club's participation in this European competition. Receipts depend on the stage the Club reaches in the competition, as set out in UEFA's financial memorandum for the season in question.

UEFA media rights as of 31 December 2020 included receipts related to the second leg of the round of 16 against Juventus and the "Final 8" played by Olympique Lyonnais in August 2020, less a "Covid reduction" of €3.2 million applied by UEFA. As the Club is not taking part in any 2020/21 European competition, no UEFA media rights were recognised with respect to the 2020/21 season.

- Brand-related revenue includes revenue relating to the sale of merchandising products, use of licences and infrastructure, as well as signing fees. Signing fees are recognised when a distinct performance obligation has been satisfied or are spread over the term of the contract to which they relate in the absence of a distinct performance obligation.
- ☐ Revenue from ticketing is tied to the football season and is recognised when the games are played. The performance obligation is realised when the games are played. Season tickets sold for the coming season are recorded as deferred income.
- ☐ Events revenue derives from the new additional businesses developed since Groupama Stadium entered service. It includes concerts, non-football sporting events, conventions, B2B seminars and corporate events, stadium tours, etc. Revenue is recognised when the services are provided.

## Breakdown of revenue excluding player trading

### Breakdown of revenue by category

Revenue broke down as follows:

| (in € 000)                           | H1 2020/21    | H1 2019/20     |
|--------------------------------------|---------------|----------------|
| Media and marketing rights (LFP-FFF) | 17,341        | 20,260         |
| Media and marketing rights (UEFA)    | 26,872        | 57,589         |
| Ticketing                            | 1,852         | 21,137         |
| Sponsoring – Advertising             | 16,434        | 15,593         |
| Events                               | 421           | 5,473          |
| Brand-related revenue (1)            | 7,076         | 8,129          |
| <b>Revenue</b>                       | <b>69,997</b> | <b>128,181</b> |

Ticketing revenue was hit hard by the pandemic-related restrictions on attendance in sporting arenas and by the Club's absence from European competitions during the 2020/21 season (down €19.2 million in all).

LFP media rights were estimated by applying a 52% discount, corresponding to the difference between the theoretical initial amounts to be paid by all Ligue 1 broadcasters (Mediapro, Canal+/beIN, Free) and the payments secured by the LFP, including the initial payment and the settlement amount negotiated with Mediapro. Based on Olympique Lyonnais's first place Ligue 1 ranking as of 31 December 2020 and on information currently available, LFP/FFF media rights declined by a net €2.9 million.

UEFA media rights corresponded only to the receipts related to OL's participation in the 2019/20 Champions League (round-of-16 second leg against Juventus and "Final 8") which ended in August 2020 with no spectators present. Broadcasters renegotiated these rights downwards because of the pandemic and the reduction in the number of matches played, causing UEFA to apply a discount of €3.2 million. UEFA media rights in the first half of 2019/20 corresponded to revenues from the group stage of the 2019/20 Champions League.

Sponsoring – Advertising revenue rose, even though the hospitality business was halted due to the pandemic restrictions. This category was boosted by new agreements and revaluations of existing agreements signed with Emirates (five years starting this season), adidas, Groupama (stadium naming) and Mastercard (now a women's team shirt sponsor).

The Events business was at a total standstill because of the various public health restrictions implemented by the French government in H1 2020/21. The number of seminars and conventions at Groupama Stadium was down very significantly in the first half, and it was impossible to organise any major events (down €5 million).

Lastly, brand-related revenue was also affected by the pandemic, as there was a second lockdown and significant restrictions on matchday fan attendance. As such, the merchandising business was penalised by the closure of physical stores from end-October to mid-December 2020 but benefited from a sharp increase in e-commerce sales.

### (1) Brand-related revenue

| (in € 000)                   | H1 2020/21   | H1 2019/20   |
|------------------------------|--------------|--------------|
| Derivative products          | 5,021        | 5,520        |
| Image-related revenue        | 366          | 886          |
| Other                        | 1,689        | 1,723        |
| <b>Brand-related revenue</b> | <b>7,076</b> | <b>8,129</b> |

## Breakdown of revenue by country

| (in € 000)              | H1 2020/21    | H1 2019/20     |
|-------------------------|---------------|----------------|
| OL Groupe France        | 69,391        | 128,181        |
| OL Groupe United States | 606           | 0              |
|                         | <b>69,997</b> | <b>128,181</b> |

## Note 4.2: Gains on sale of player registrations

### Revenue from sale of player registrations

Proceeds from the sale of player registrations are recognised as of the date the transfer contract is approved by the League, which corresponds to the date on which control is transferred. In the event such approval does not apply, the date at which the League was informed of the signature of the transfer contract prevails. Sell-on fees and other contingent fees are recognised when the condition precedent is met. So long as the condition precedent is not met, the contingent fee is recognised as an off-balance-sheet item.

Customer contracts do not include a financing component, with the exception of receivables related to the settlement of player transfer contracts (settlements over 1-5 years). The impact of discounting these receivables is not material for the financial years presented.

| (in € 000)                                       | H1 2020/21    | H1 2019/20    |
|--|---------------|---------------|
| Terrier Martin                                   | 12,000        |               |
| Marcal Fernando                                  | 1,950         |               |
| Solet Oumar                                      | 3,997         |               |
| Tete Kenny                                       | 3,000         |               |
| Traoré Bertrand                                  | 15,874        |               |
| Gouiri Amine                                     | 7,000         |               |
| Tatarusanu Ciprian                               | 500           |               |
| Kitala Yann                                      | 300           |               |
| Andersen Joachim                                 | 1,000         |               |
| Reine-Adélaïde Jeff                              | 497           |               |
| Diaz Mariano                                     | 626           |               |
| Ferland Mendy                                    | 1,536         |               |
| Tolisso Corentin                                 | 3,491         |               |
| D'Arpino Maxime                                  | 45            |               |
| Pjanic Miralem                                   | 951           |               |
| Gonalons Maxime                                  | 200           |               |
| Lovren Dejan                                     | 145           |               |
| Other  | 65            |               |
| Ndombélé Tanguy                                  |               | 47,550        |
| Cognat Timothé                                   |               | 72            |
| Rafia Hamza                                      |               | 374           |
| Fekir Nabil                                      |               | 19,750        |
| Diop Pape Cheikh                                 |               | 250           |
| Darder Sergi                                     |               | 491           |
| Mateta Jean-Philippe                             |               | 400           |
| Njie Clinton                                     |               | 119           |
| Kalulu Aldo                                      |               | 10            |
| Rose Lindsey                                     |               | 1             |
| Kolodzieczak Thimothée                           | 112           | 43            |
| Diakhaby Mouctar                                 |               | -9            |
| <b>Revenue from sale of player registrations</b> | <b>53,288</b> | <b>69,051</b> |



| (in € 000)                                   | H1 2020/21    | H1 2019/20    |
|--|---------------|---------------|
| Revenue from sale of player registrations    | 53,288        | 69,051        |
| Residual value of player registrations       | -14,039       | -6,552        |
| <b>Gains on sale of player registrations</b> | <b>39,249</b> | <b>62,499</b> |

The decrease in player registration assets reflected the transfers of M. Terrier and B. Traoré during the summer of 2020.

### Note 4.3: Trade receivables and assets related to customer contracts

#### Trade receivables and assets related to customer contracts

Receivables are initially measured at fair value, which is usually their face value. These receivables are discounted if their due date is more than six months hence. The discount rate used is the Euribor and/or BTAN rate for the maturity of the receivable.

The principal customers (revenue > 10% of consolidated total) are the LFP (French professional football league) and the sports marketing company Lagardère Sports.

In accordance with the principles defined in IFRS 9, provisions on customer receivables are recognised to account for expected losses and are determined according to the following model:

- Doubtful accounts, i.e. those with a high risk of non-payment: provisions recognised on a case-by-case basis;
- Customers for which indications of impairment have been identified (late payments, disputes, etc.): individual provisions if there are payments more than 12 months past due.
- Customers without any indication of impairment as of the closing date: provisions for expected losses are recognised on a case-by-case basis, taking into account both quantitative and qualitative information about the customer, its rating, etc. No provisions have been recognised, as the probability of non-payment is considered to be immaterial.

Trade receivables and assets related to customer contracts broke down as follows:

| (in € 000)  | 31/12/2020    | 30/06/2020    |
|---|---------------|---------------|
| Trade receivables   | 20,484        | 18,692        |
| Assets related to customer contracts (1)                          | 5,618         |               |
| Provision for bad debts   | -141          | -748          |
| <b>Trade receivables and assets related to customer contracts</b> | <b>25,961</b> | <b>17,943</b> |

(1) Corresponds to the receivable from the LFP, recognised in the financial statements as of 31 December 2020 and reflecting the Club's non-definitive ranking as of that date.

| (in € 000)                                    | 31/12/2020    | 30/06/2020    |
|---|---------------|---------------|
| Player registration receivables               | 44,475        | 34,353        |
| Provisions on player registration receivables |               |               |
| <b>Net player registration receivables</b>    | <b>44,475</b> | <b>34,353</b> |
| of which less than 1 year                     | 20,622        | 17,353        |
| of which more than 1 year                     | 23,853        | 17,000        |

Receivables on player registrations broke down as follows:

| (in € 000)   | 31/12/2020    |               | 30/06/2020    |               |
|--|---------------|---------------|---------------|---------------|
|  | current       | non-current   | current       | non-current   |
| Receivables on registrations sold in 2017/18         |               | 3,000         | 15,333        | 3,000         |
| Receivables on registrations sold in 2018/19         |               |               | 1,980         |               |
| Receivables on registrations sold in 2019/20         |               | 14,000        | 40            | 14,000        |
| Receivables on registrations sold in 2020/21         | 20,622        | 6,853         |               |               |
| <b>Total player registration receivables (gross)</b> | <b>20,622</b> | <b>23,853</b> | <b>17,353</b> | <b>17,000</b> |
|  | <b>44,475</b> |               | <b>34,353</b> |               |

Receivables on player registrations primarily included the balance of transfers in 2019/20 (€14 million related to T. Ndombé) and 2020/21 (€12.3 million related to A. Traoré, €7.2 million to M. Terrier and €4.2 million to A. Gouri).

The impact of discounting player registration receivables was not material as of 31 December or 30 June 2020.

The Covid-19 pandemic crisis has not led to any increase in customer risks in terms of actual or expected losses.

#### Note 4.4: Inventories

Under IAS 2, "Inventories", the acquisition cost of inventories includes the purchase price, transport and handling costs, and any other costs directly attributable to the acquisition of goods held for resale, less any price reductions, rebates or financial discounts. Inventories of goods held for resale are measured at their weighted average unit cost. This value is compared to the net realisable value (estimated sale price of the products). The inventory is measured at the lower of the two values. An impairment loss may be taken against obsolete, defective or slow-moving goods. Analysis of this interpretation did not lead to the recognition of any additional impairment losses relating to the pandemic.

OL Groupe inventories are related to the Merchandising business unit. These inventories solely comprise goods held for resale.

| (in € 000)              | 31/12/2020   | 30/06/2020   |
|-------------------------|--------------|--------------|
| Inventories             | 4,033        | 3,177        |
| Provisions on inventory | -222         | -220         |
| <b>Net inventories</b>  | <b>3,811</b> | <b>2,957</b> |

#### Note 4.5: Other current assets

Other current assets, prepayments and accrued income broke down as follows:

| (in € 000)                        | 31/12/2020    | 30/06/2020    |
|-----------------------------------|---------------|---------------|
| Turnover tax                      | 11,799        | 16,319        |
| Income tax receivables            | 802           | 1,985         |
| Other tax receivables             | 2,762         | 1,828         |
| Social security receivables       | 1,627         | 1,106         |
| Other current assets (1)          | 8,418         | 15,677        |
| Accruals and prepayments          | 2,944         | 3,185         |
| <b>Total other current assets</b> | <b>28,352</b> | <b>40,099</b> |
| Provisions on other assets        |               |               |
| <b>Net other assets</b>           | <b>28,352</b> | <b>40,099</b> |

(1) Reduction in the line item due to the balance in receivables due from the Club's participation in European competitions as of 30 June 2020.

## Note 4.6: Other current liabilities

| (in € 000)   | 31/12/2020     | 30/06/2020    |
|--|----------------|---------------|
| Trade payables   | 22,559         | 21,723        |
| Tax and social security liabilities                              | 52,187         | 32,602        |
| of which tax liabilities due in less than 1 year                 | 9,343          | 10,839        |
| of which social security liabilities                             | 42,843         | 21,763        |
| Other current liabilities, deferred income and accruals (1)      | 48,675         | 34,585        |
| of which liabilities on non-current assets and other liabilities | 33,565         | 22,634        |
| of which deferred income   | 15,110         | 11,951        |
| <b>Total current liabilities</b>                                 | <b>123,421</b> | <b>88,910</b> |

(1) The change in other liabilities was due to the provision for credit notes to be issued where the service could not be delivered as a result of the pandemic (€16.2 million) and the cash advance granted by the LFP to mitigate the impact of Mediapro's failure to pay the amounts due in October (€6.6 million).

Deferred income mainly reflects €5 million in French media rights and €3.9 million in season ticket receipts for future seasons.

OL Groupe took advantage of the government social security and tax programmes allowing it to defer payroll charges (mainly French social security office (URSSAF)). It is expected to clear the balance of outstanding payments over a 36-month period.

## Note 4.7: Investments in associates

Associates are companies in which the Group exercises significant influence over financial and operating policies, but which it does not control. Associates are recognised on the consolidated statement of financial position using the equity method.

### Equity method

The equity method requires the investment in an associate or joint venture to be initially recognised at cost and adjusted thereafter for the Group's share of the associate's or joint venture's profit or loss and, if applicable, other comprehensive income. Goodwill related to these entities is included in the carrying value of the investment.

| (in € 000)                            | 31/12/2020   | 30/06/2020   |
|---------------------------------------|--------------|--------------|
| <b>Opening balance</b>                | <b>4,551</b> | <b>3,620</b> |
| Dividends                             |              |              |
| Changes in the scope of consolidation |              | 1,108        |
| Other                                 | 61           |              |
| Share in net profit of associates     | -255         | -177         |
| Write-down of shares                  |              |              |
| <b>Closing balance</b>                | <b>4,357</b> | <b>4,551</b> |

## NOTE 5: EXPENSES AND EMPLOYEE BENEFITS

### Note 5.1: Employee numbers

The average number of employees in the Group, broken down by company, was as follows:

|                           | 31/12/2020 | 31/12/2019 |
|---------------------------|------------|------------|
| Olympique Lyonnais Groupe | 125        | 120        |
| Olympique Lyonnais SAS    | 246        | 250        |
| OL Association            | 142        | 131        |
| OL Production             | 1          | 0          |
| OL Reign                  | 19         | 0          |
| <b>Total</b>              | <b>533</b> | <b>501</b> |

### Note 5.2: Personnel costs

| (in € 000)              | 31/12/2020     | 31/12/2019     |
|-------------------------|----------------|----------------|
| Payroll                 | -64,222        | -59,428        |
| Social security charges | -21,253        | -20,128        |
| <b>TOTAL</b>            | <b>-85,474</b> | <b>-79,556</b> |

Including the expense under the bonus share allotment plan presented in Note 5.5.

OL Groupe placed a portion of its administrative employees on partial unemployment during the period under the French government's economic support programme.

The increase in payroll despite a reduction in fixed salary costs following the departure of certain players during summer 2020 reflected higher performance bonuses linked to on-pitch results (semi-finalist in the Champions League in August 2020 and top of the Ligue 1 standings as of 31 December 2020).

### Note 5.3: Senior management remuneration

Senior management remuneration broke down as follows:

- Short-term benefits (excluding employer's share):
  - The nine members of the senior management team received €1,518 thousand (€914 thousand fixed, €597 thousand variable, and €7 thousand in benefits-in-kind, i.e. the use of vehicles).
  - Remuneration paid to the nine senior managers in the first half of 2019/20 totalled €1,531 thousand.

The Chairman & CEO receives no remuneration from OL Groupe apart from directors' fees.

The Chairman & CEO of OL Groupe receives remuneration for his professional activities at Holnest, an investment and management holding company.

## Note 5.4: Pension obligations

| (in € 000)                                     |  | 31/12/2020   | 30/06/2020   |
|--|--|--------------|--------------|
| Present value of opening commitments           |  | 2,341        | 2,420        |
| Interest expense                               |  | 9            | 20           |
| Service cost during the financial year         |  | 152          | 271          |
| Benefits paid                                  |  | -84          | -232         |
| Adjustments                                    |  |              | 166          |
| Plan amendment                                 |  |              |              |
| Projected present value of closing commitments |  | 2,418        | 2,645        |
| Actuarial gain/loss for the financial year     |  |              | -304         |
| <b>Present value of closing commitments</b>    |  | <b>2,418</b> | <b>2,341</b> |

Changes were recognised by extrapolating the commitment from 30 June to 31 December 2020, holding actuarial parameters constant, as the impact of actuarial gains and losses was not material during the half-year period.

## Note 5.5: Share-based payments

On 12 February 2019, the Group implemented a bonus share plan. The plan is composed of two tranches and grants its beneficiaries shares in the Company provided they meet service and performance conditions.

This plan falls within the scope of IFRS 2.

In accordance with IFRS 2 "Share-based payment", the Company recognises an expense for benefits granted to employees of the Company under the bonus share plan.

The fair value of the benefit granted is set at the grant date. It was recognised in personnel costs during the vesting period, with the offsetting entries being posted to a special reserve account.

The expense was calculated over the financial year based on whether or not objectives had been met and whether the beneficiaries were still employed, so as to recognise an amount corresponding to the fair value of the shares expected to vest.

At the end of the vesting period the cumulative total of the benefits recognised will be held in reserves, whether or not the options are subsequently exercised.

| Plan characteristics for tranche 1           |   |
|--|---|
| Grant date                                   | 12/02/2019  |
| Vesting date                                 | 12/02/2020  |
| Share price on grant date                    | €2.85   |
| Maximum number of shares that can be granted | 377,500   |
| Vesting period                               | 1 year  |
| Vesting conditions                           | Service condition   |
| Performance condition                        | Performance assessed on consolidated total revenue and consolidated EBITDA for the FYs 2018-19 in relation to the final budget approved by the Board of Directors |

| Plan characteristics for tranche 2           |   |
|--|---|
| Grant date                                   | 12/02/2019  |
| Vesting date                                 | 12/02/2021  |
| Share price on grant date                    | €2.85   |
| Maximum number of shares that can be granted | 387,500   |
| Vesting period                               | 2 years   |
| Vesting conditions                           | Service condition   |
| Performance condition                        | Performance assessed on consolidated total revenue and consolidated EBITDA for the FYs 2019-20 in relation to the final budget approved by the Board of Directors |

Following a decision by the Board of Directors meeting of 6 October 2020, the performance conditions of the tranche 2 of bonus share plan were amended in grantees' favour. Revenue will no longer be used as a relevant performance metric as a result of the presentation of revenue in line with the IFRIC decision concerning how sales of player registrations should be accounted for under IFRS.

It thus decided to retain only the EBDITA-based criterion.

In the consolidated financial statements, the commitment is determined based on an estimated number of shares that will vest, measured at the share price on the grant date. The expense is then deferred over the duration of the plan. The impact of the amendment is recognised over the remaining term of the plan.

In all, 168,153 shares had vested by the end of the 2019/20 financial year taking into account the Board of Directors' decision.

### **Total costs and allocation thereof**

Based on the fair value per share and the number of bonus shares granted, and assuming performance criteria are achieved, the expense recognised in the first half came to €269 thousand, including €45 thousand in employer contributions, vs €936 thousand and €158 thousand, respectively, in H1 2019/20.

The total expense recognised in respect of tranches 1 and 2 since the beginning of the plan is €1,633 thousand.

## **NOTE 6: PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS**

### **Note 6.1: Goodwill and other intangible assets**

An intangible asset is an identifiable non-monetary asset without physical substance, held with a view to its use, from which future economic benefits are expected to flow to the entity.

#### **a) Goodwill**

Business combinations are accounted for using the purchase method in accordance with IFRS 3. The amended IFRS 3, "Business Combinations", is applied to all acquisitions carried out on or after 1 July 2009.

On first-time consolidation of a company, the company's assets and liabilities are measured at their fair value.

Any difference between the purchase cost of the shares and the overall fair value of identified assets and liabilities as of the acquisition date is accounted for as goodwill.

The fair values and goodwill may be adjusted during a period of one year after acquisition. If the purchase cost is less than the fair value of identified assets and liabilities, the difference is recognised immediately in the income statement.

As required by IFRS 3 "Business combinations" and IAS 36 as amended, goodwill is not amortised. As goodwill is an intangible asset with an indefinite useful life, it is tested for impairment annually in accordance with IAS 36, as amended (see below for a description of the procedures for implementing impairment tests).

#### **b) Player registrations**

Player registrations meet the definition of an intangible asset. They are capitalised at their acquisition cost, which is discounted if the payment is deferred over more than six months (the acquisition cost is equal to the purchase price plus costs incidental to and directly related to the transaction). The discount rate used is the Euribor and/or BTAN rate for the maturity of the receivable. The registration is recognised as an asset from the date on which the Group deems the transfer of ownership and risk to be effective. These conditions are deemed to be met on the date the transfer agreement is approved by the League, or on the date it is signed if such approval is not applicable.

Player registrations are amortised on a straight-line basis over the term of the initial contract (typically 3 to 5 years). If a contract is extended, the related external costs are included in the value of the registration, and the amortisation charge is recalculated on the basis of the new residual term.

Sell-on fees provided for in transfer deals usually require the fulfilment of certain conditions. Sell-on fees are capitalised if there is a strong probability that the conditions for payment will be met. Otherwise, sell-on fees are disclosed as contingent liabilities and capitalised when the conditions are met.

### **Special features of certain transfer agreements**

Certain transfer agreements may provide for a sell-on fee linked to the proceeds from any future transfer. This sell-on fee may be paid to the transferred player, the agent or the player's original club. At the time of the transfer, if these sell-on fees are paid to the player they are recorded as personnel costs; if they are paid to the agent or to the club they are offset against the proceeds from the sale of player registrations.

Existing transfer agreements that provide for a fixed sell-on fee are disclosed as contingent liabilities at the financial year-end. If this amount is calculated as a percentage of the transfer fee or the capital gain realised, then no calculation can be made.

### ***Impairment of non-financial assets related to player registrations***

Assets with a finite useful life, such as player registrations, are tested for impairment whenever there is an indication that their value may be impaired. A further write-down (in addition to scheduled amortisation) is then recognised if the carrying value exceeds the recoverable amount.

Impairment tests are performed based on the following three criteria:

- For player registrations held with the intent to sell, the estimated or known sale price, net of selling fees, is compared to the contract's carrying value, and a write-down may be recognised where necessary;
- If an event occurs that could have an impact on the useful life of the contract (early termination of the player's contract, irreversible disability, etc.), it may be amortised ahead of schedule;
- Indications of impairment are determined on two levels:
  - At the team level, an overall assessment of value in use is made by comparing the Club's discounted cash flows to the cumulative carrying value of all player registrations.
  - At the individual player level, potential impairment is assessed using various criteria including the player's appearance record.

The cash flows underpinning these tests are projected by management based on various scenarios, taking into account assumptions that the Club will participate in European competitions, finish near the top of the Ligue 1 table and that the player registration sales strategy will continue.

Given the Covid-19 pandemic, these tests were conducted as part of the process of preparing the interim financial statements. An impairment loss was not deemed to be reasonably likely to occur in any of the scenarios under consideration.

### **c) Future media rights**

Future media rights are initially measured at fair value and are not amortised. They are tested for impairment at the close of each subsequent financial year.

### **d) Purchased software**

Purchased software is amortised over three to five years.

### **e) Impairment of non-financial assets other than player registrations**

Given the Covid-19-related uncertainties, the Group tested all its material assets (goodwill, player contractual rights, stadium, etc.) for impairment.



The tests were conducted using the method outlined in the notes to the annual financial statements below:

According to IAS 36 "Impairment of Assets", the recoverable amount of property, plant & equipment and intangible assets must be tested as soon as indications of impairment appear.

- Intangible assets with an indefinite life (goodwill and future media rights), which are not amortised, are tested for impairment at least once a year. Impairment of goodwill may not be reversed. The goodwill recognised on the balance sheet is not material.
- An impairment loss is recognised when the carrying value of an asset is higher than its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use.
- The value in use of assets is determined on the basis of future cash flows calculated according to the discounted cash flow method. This estimate covers a five-year period.

The discount rate used for calculations is an after-tax rate, applied to cash flows after tax.

The discount rate (after tax) used as of 31 December 2020 was 8.02% (vs 8% as of 30 June 2020), with a growth rate to infinity of 1.5% (vs 1.5% as of 30 June 2020). Assets with a finite useful life are tested for impairment whenever there is an indication that their value may be impaired. A further write-down (in addition to scheduled amortisation) is then recognised if the carrying value exceeds the recoverable amount.

- Assets with a finite useful life are tested for impairment whenever there is an indication that their value may be impaired. A further write-down (in addition to scheduled amortisation) is then recognised if the carrying value exceeds the recoverable amount.

As a result, the business plans were updated as part of the process of preparing the interim financial statements. The risk was predominantly factored into the business plan, and its sensitivity to discount rates was analysed over a range of +/- 2 points.

An impairment loss was not deemed to be reasonably likely to occur in any of the scenarios under consideration.

## Goodwill

Movements during the period were as follows:

| (in € 000)              | 30/06/2020   | Increases | Decreases | 31/12/2020   |
|-------------------------|--------------|-----------|-----------|--------------|
| Olympique Lyonnais SASU | 1,866        |           |           | 1,866        |
| OL Reign                | 53           |           |           | 53           |
| <b>TOTAL</b>            | <b>1,919</b> | <b>0</b>  | <b>0</b>  | <b>1,919</b> |

## Other intangible assets

Movements during the period were as follows:

| (in € 000)                              | 30/06/2020   | Increases   | Increases through reclassification | Decreases through reclassification | Transfers out | 31/12/2020   |
|---|--------------|-------------|------------------------------------|------------------------------------|---------------|--------------|
| Concessions, patents and media rights   | 3,340        | 242         | 161                                |                                    |               | 3,743        |
| Amortisation of concessions and patents | -1,794       | -345        |                                    |                                    |               | -2,139       |
| <b>Other intangible assets</b>          | <b>1,546</b> | <b>-103</b> | <b>161</b>                         |                                    | <b>0</b>      | <b>1,604</b> |

## Intangible assets - Player registrations

### Player registrations: movements during the period

Movements during the period were as follows:

| (in € 000)                               | 30/06/2020     | Increases    | Increases through reclassification | Decreases through reclassification | Transfers out  | 31/12/2020     |
|--|----------------|--------------|------------------------------------|------------------------------------|----------------|----------------|
| Player registrations                     | 287,203        | 30,184       |                                    |                                    | -53,959        | 263,428        |
| Player registrations in effect           |                |              |                                    |                                    |                |                |
| Amortisation of player registrations (1) | -107,999       | -28,803      |                                    |                                    | 39,596         | -97,206        |
| Impairment of player registrations (2)   | 0              |              |                                    |                                    |                |                |
| <b>Player registrations</b>              | <b>179,204</b> | <b>1,381</b> | <b>0</b>                           | <b>0</b>                           | <b>-14,364</b> | <b>166,222</b> |

(1) The analysis performed did not lead to a change in the useful life of player registrations as of 31 December 2020.

(2) The impairment tests on player registrations did not reveal a loss in value during the period. No impairment was recognised as of the opening date.

### Player registration expiry schedule

The player registration expiry schedule (in terms of net carrying value) is as follows:

| (in € 000)                        | Net value<br>as of 31/12/2020 | Net value<br>as of 30/06/2020 |
|-----------------------------------|-------------------------------|-------------------------------|
| Contracts expiring in 2021        | 5,611                         | 10,101                        |
| Contracts expiring in 2022        | 8,468                         | 22,682                        |
| Contracts expiring in 2023        | 30,779                        | 37,007                        |
| Contracts expiring in 2024        | 98,238                        | 109,415                       |
| Contracts expiring in 2025        | 23,126                        |                               |
| <b>Total player registrations</b> | <b>166,222</b>                | <b>179,204</b>                |

## Note 6.2: Property, plant & equipment

### a) Property, plant & equipment

Property, plant & equipment are measured at cost (purchase price, transaction costs and directly attributable expenses). They have not been revalued.

As required by IAS 16, buildings are accounted for using the component approach.

The Group does not use the fair value of its non-financial assets to determine their recoverable amount, apart from assets held for sale.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, as estimated by the Company:

|  |               |
|--|---------------|
| • Buildings (including long-term leases) | 25-50 years   |
| • Building improvements                  | 3 to 10 years |
| • Computer equipment                     | 3 and 4 years |
| • Office equipment                       | 5 years       |
| • Office furniture                       | 8 years       |
| • Machinery and equipment                | 5 years       |
| • Vehicles                               | 3-5 years     |

Residual values are considered to be either not material or not reliably determinable.

In accordance with IAS 23, borrowing costs directly attributable to the construction of property, plant & equipment are included in their cost.

Investment grants, in particular the €20 million attributed during the 2011/12 financial year as part of the stadium financing, have been recognised as deferred income and thus deferred over the depreciation period applicable to the stadium.

## **b) Leases**

### **Lease accounting rules since 1 July 2019, in accordance with IFRS 16:**

Under IFRS 16, there is no longer any distinction for lessees between finance leases and operating leases, as was previously made under IAS 17.

A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases covered by this definition are accounted for as presented below, unless they fall within the scope of one of the exemptions provided for by the standard (leases with a lease term of 12 months or less and/or underlying asset has a low value).

In practice, property leases account for the bulk of the restatements required. For contracts not restated as leases, rent payments continue to be booked as operating expenses.

Contracts falling within the scope of IFRS 16 are recognised using the following rules.

Upon lease commencement the Company recognises a right-of-use asset and a lease liability. The asset and the liability are reported on separate lines of the balance sheet.

The lease liability is measured at the present value of the lease payments payable over the lease term.

Present value is determined using the incremental borrowing rate calculated for each country, according to the lease term. The incremental borrowing rate is a rate that reflects the profile of the lease payments.

The lease term is the period for which the lease is enforceable, i.e. the non-cancellable period plus any periods covered by an extension option if the Group is reasonably certain it will exercise that option plus periods covered by a termination option if the Group is reasonably certain not to exercise that option.

In practice, the terms adopted for the principal property leases are:

- An enforceable period of nine years (3/6/9-year commercial leases): non-cancellable period of three years and certainty of exercising the extension options after three and six years.

The various leases do not contain any early termination options, nor are there any provisions likely to require the lessors to pay the Group a non-negligible amount should the lease not be renewed at the end of the non-cancellable period.

Lease payments consist of fixed payments, variable payments that depend on an index or a rate and exercise prices of purchase options that the lessee is reasonably certain to exercise. In practice, most of the leases are fixed, there are no purchase options and no non-negligible penalties are provided for should the lease be terminated by the lessor.

### **Deferred taxes**

Pending confirmation by the IFRS Interpretations Committee, the Group has decided to recognise deferred tax on the restatement of leases (unless the impact is non-material).

The right-of-use asset is measured using the cost model as follows: cost less accumulated depreciation and impairment, adjusted, where necessary, for any lease revaluations. No impairment and no lease revaluations were recognised.

Unless there is a purchase option, the right-of-use assets are amortised over the term of the lease as presented above.

Fixtures and fittings related to leases are depreciated over the term of the lease, unless there is a set of assumptions demonstrating that the underlying asset will be used over a period that extends beyond the term of the lease.

The Group has not identified any situations in which it is a lessor nor any sale-and-leaseback transactions.

## Impairment testing:

Based on the analysis performed, no assets related to leases were identified that would need to be tested separately from a CGU.

Pending the anticipated clarifications of how to conduct impairment tests incorporating the IFRS 16 restatement and given the multiple practical difficulties identified, impairment testing was performed, firstly on a pre-IFRS 16 basis, and, secondly, on an approximate basis including the right-of-use asset and the lease liability in the carrying value of each CGU, without changing projected cash flows.

It should be noted that none of the CGUs had a recoverable amount close to their carrying value as of 31 December 2020 and also held leases.

Movements during the period were as follows:

| (in € 000)                                    | 30/06/2020     | Increases      | Increases through reclassification | Decrease through reclassification | Decreases | 31/12/2020     |
|---|----------------|----------------|------------------------------------|-----------------------------------|-----------|----------------|
| Buildings and improvements                    | 443,763        | 337            | 481                                |                                   |           | 444,581        |
| - of which right-of-use assets                | 20,739         | 14             |                                    |                                   |           | 20,753         |
| Work-in-progress: Stadium (1)                 | 1,871          | 194            |                                    | -50                               |           | 2,015          |
| Work-in-progress: Groupama OL Training Center | 90             | 117            |                                    | -90                               |           | 117            |
| Work-in-progress: Groupama OL Academy         | 368            | 30             |                                    | -346                              |           | 52             |
| Work-in-progress: Arena                       | 2,248          | 1,585          |                                    |                                   |           | 3,833          |
| Work-in-progress: OL Valley                   | 61             |                |                                    | -55                               |           | 6              |
| Work-in-progress: IT development              | 172            | 13             |                                    | -161                              |           | 24             |
| Equipment and facilities                      | 15,722         | 916            | 4                                  |                                   | -8        | 16,634         |
| - of which right-of-use assets                | 4,808          | 601            |                                    |                                   | -8        | 5,401          |
| <b>Gross amounts</b>                          | <b>464,295</b> | <b>3,192</b>   | <b>485</b>                         | <b>-702</b>                       | <b>-8</b> | <b>467,262</b> |
| Buildings and improvements                    | -80,280        | -9,887         |                                    |                                   | 4         | -90,162        |
| - of which right-of-use assets                | -15,523        | -1,890         |                                    |                                   | 4         | -17,409        |
| Equipment and furniture                       | -6,057         | -1,121         |                                    |                                   |           | -7,179         |
| - of which right-of-use assets                | -662           | -414           |                                    |                                   |           | -1,076         |
| <b>Accumulated depreciation</b>               | <b>-86,337</b> | <b>-11,008</b> |                                    |                                   | <b>4</b>  | <b>-97,341</b> |
| <b>Net amounts</b>                            | <b>377,958</b> | <b>-7,816</b>  | <b>485</b>                         | <b>-702</b>                       | <b>-4</b> | <b>369,921</b> |

(1) The work-in-progress relating to Groupama Stadium corresponded primarily to unsold building rights.

## Note 6.3: Contingent liabilities (operating activities)

### 6.3.1: Player-related commitments

#### Player-related commitments given

| (in € 000)   | Up to 1 year | 1-5 years     | More than 5 years | 31/12/2020    | 30/06/2020    |
|--|--------------|---------------|-------------------|---------------|---------------|
| Conditional commitments to clubs related to acquisitions of player registrations (1) | 2,175        | 21,325        |                   | 23,500        | 33,050        |
| Conditional commitments to agents related to player registrations (2)                | 930          | 360           |                   | 1,290         | 2,233         |
| Conditional commitments to players and staff as part of player registrations (3)     |              |               |                   | 0             | 0             |
| <b>Total</b>   | <b>3,105</b> | <b>21,685</b> | <b>0</b>          | <b>24,790</b> | <b>35,283</b> |

(1) Commitments made to clubs as part of the sale of player registrations primarily corresponded to additional add-on transfer fees to be paid in the future. They are typically contingent on the player remaining with the Club and specific on-field performance objectives being achieved.

(2) Commitments made to agents as part of the sale of player registrations are typically contingent on the player remaining with the Club and only concern those agents of players not presented as balance sheet assets.

- (3) Commitments made as part of staff and players' employment contracts are typically contingent on the player remaining with the Club and specific on-field performance objectives being achieved. They correspond to the maximum amount committed, based on the assumption that all the related conditions are met.

Players loaned out with a purchase option will re-join the squad in the event the purchase option is not exercised at the end of the loan period.

In connection with the acquisition of certain players, commitments have been made to pay a percentage of the amount of a future transfer to certain clubs or players (see Note 6.1).

As of 31 December 2020, there were no payables on player registrations secured by bank guarantees.

### 6.3.2: Commitments related to Groupama Stadium

#### Commitments related to the refinancing of virtually all of the Group's bank and bond debt as of 30 June 2017

As part of the refinancing of virtually all of the bank and bond debt, the following commitments were implemented as of the signing date, i.e. 30 June 2017:

- Commitments given by certain Group entities, represented by collateral with a maximum total value of €271.5 million, corresponding to the full amount of borrowings;
- Commitments given by certain Group members, represented by signature guarantees with a maximum total value of €287 million (can replace but not supplement the above collateral).

#### OL SASU covenants

The Group must maintain three ratios applicable to all of the debt instruments subscribed for under the overall refinancing of the Group's debt (including the long-term bank and bond debt). For more detail, please refer to Note 11.3. "Refinancing of virtually all of the bank and bond debt as of 30 June 2017".

#### Commitments related to financing the construction of the Groupama OL Training Center and Groupama OL Academy

During the 2016/17 financial year, the Group finished construction of the combined men's and women's professional training centre in Décines (inaugurated on 10 October 2016) and the OL Academy in Meyzieu (inaugurated on 27 October 2016).

For this project, OL Groupe and OL Association signed a credit agreement on 12 June 2015 in the amount of €14 million with Groupama Banque (Orange Bank since the start of 2017). The 10-year credit facility was used to partially finance the new training centre and OL Academy, which represented a total investment of around €30 million. This €30 million was financed by (i) the Groupama bank loan, (ii) two finance lease agreements totalling €3.6 million and (iii) a €1.3 million subsidy (Rhône-Alpes region). The remainder was financed using OL Groupe equity.

Furthermore, the Group entered into the following commitments as part of the construction of the training centre and Academy:

- A €14 million lien on the OL Academy (maturing in over five years),
- Transfer of Groupama Rhône-Alpes Auvergne naming and OLA partnership receivables: the committed amount as of 31 December 2020 was €4.1 million.

### 6.3.3: Other commitments

#### Other commitments received

| (in € 000)                         | Up to 1 year | 1-5 years | More than 5 years | 31/12/2020 | 30/06/2020 |
|------------------------------------|--------------|-----------|-------------------|------------|------------|
| Other joint and several guarantees |              | 334       |                   | 334        | 0          |

## Player-related commitments received

| (in € 000)  | Up to 1 year  | 1-5 years     | More than 5 years | 31/12/2020    | 30/06/2020    |
|---|---------------|---------------|-------------------|---------------|---------------|
| Commitments related to the sale of player registrations with conditions precedent (1) | 24,659        | 23,609        |                   | 48,268        | 45,100        |
| <b>Total</b>  | <b>24,659</b> | <b>23,609</b> | <b>0</b>          | <b>48,268</b> | <b>45,100</b> |

(1) Commitments related to the sale of player registrations included commitments made as part of transfer contracts providing for contingent payments to the Club after the transfer in the event certain performances are achieved.

## Other commitments given

| (in € 000)              | Up to 1 year  | 1-5 years     | More than 5 years | 31/12/2020     | 30/06/2020     |
|-------------------------|---------------|---------------|-------------------|----------------|----------------|
| Services payable        | 11,346        | 33,072        | 53,148            | 97,566         | 103,939        |
| Other commitments given | 1,699         | 1,239         | 353               | 3,291          | 6,927          |
| <b>Total</b>            | <b>13,045</b> | <b>34,311</b> | <b>53,501</b>     | <b>100,857</b> | <b>110,866</b> |

Commitments given correspond to guarantees made as part of service contracts. Service agreements that do not grant the right to use an underlying asset.

## NOTE 7: OTHER PROVISIONS AND CONTINGENT LIABILITIES

In accordance with IAS 37, provisions are recognised based on a case-by-case analysis of the probable risk and expense. A provision is made when management becomes aware of an obligation (legal or constructive) arising from past events, the settlement of which is expected to result in an outflow of resources without equivalent compensation. Provisions are classified as non-current or current depending on the expected timing of the risk or expense. Non-current provisions are discounted if the impact is material.

These are primarily provisions for disputes. Provisions, in particular those relating to labour disputes, are determined using management's best estimate based on the expected risk and following consultation with the Group's lawyers.

### Note 7.1: Provisions for risks excluding tax-related uncertainties

| (in € 000)                             | 30/06/2020 | Increases  | Decreases |           | 31/12/2020 |
|--|------------|------------|-----------|-----------|------------|
|  |            |            | Used      | Unused    |            |
| Provisions for disputes and litigation | 107        | 657        |           | -2        | 761        |
| Provisions for other risks             | 8          |            |           |           | 8          |
| <b>Total</b>                           | <b>115</b> | <b>657</b> | <b>0</b>  | <b>-2</b> | <b>769</b> |

These are short-term provisions (less than one year) and correspond to the coverage of social and commercial risks.

No provisions for tax uncertainties were recognised based on the application of IFRIC 23. Where appropriate, provisions would now be recognised for tax payable under liabilities.

### Note 7.2: Other contingent liabilities

As of 31 December 2020, the Group had not identified any contingent liabilities.

### Note 7.3: Net depreciation, amortisation & provisions

| (in € 000)  | H1 2020/21     | H1 2019/20     |
|---|----------------|----------------|
| Depreciation, amortisation & provisions on intangible assets and PP&E | -11,115        | -10,694        |
| Net provisions for retirement bonuses                                 |                | 0              |
| Other risk provisions, net  | -723           | 6              |
| Net provisions on current assets                                      | 628            | 123            |
| Exceptional provisions on non-current assets                          |                |                |
| Amortisation of non-current assets: player registrations              | -28,803        | -24,901        |
| Provisions on player registrations                                    |                |                |
| <b>TOTAL</b>  | <b>-40,013</b> | <b>-35,467</b> |

## NOTE 8: FINANCING AND FINANCIAL INSTRUMENTS

### Note 8.1: Non-current financial assets

The Group classifies its non-current financial assets into the following categories: Equity investments and related receivables, other financial assets (mostly pledged mutual funds, investment grants, deposits, guarantees and holdbacks), receivables on sales of player registrations and income tax receivables (portion > 1 year).

IFRS 9 – “Financial Instruments” made changes to how equity investments are accounted for and how gains or losses in their value are recognised through profit or loss or through other comprehensive income under the equity option. OL Groupe has elected for the “equity” option. This classification reflects the objectives for which these investments are held, as they are not held for treasury investment purposes, but as an investment intended to further the Group’s strategy.

Cost is considered to be the best possible estimate of the fair value of unquoted equities, except in certain circumstances.

Movements during the period were as follows:

| (in € 000)             | 30/06/2020   | Increases  | Decreases  | 31/12/2020   |
|------------------------|--------------|------------|------------|--------------|
| Other financial assets | 7,260        | 239        | -19        | 7,480        |
| <b>Gross amounts</b>   | <b>7,260</b> | <b>239</b> | <b>-19</b> | <b>7,480</b> |
| Impairment             |              |            |            |              |
| <b>Net amounts</b>     | <b>7,260</b> | <b>239</b> | <b>-19</b> | <b>7,480</b> |

### Note 8.2: Cash and cash equivalents

#### Detail of cash and cash equivalents

Cash and cash equivalents include cash on hand and in bank current accounts.

In the case of pledged mutual fund units, these securities are reclassified as other financial assets (current or non-current). Changes in fair value are recognised as financial income or expense.

| (in € 000)   | 31/12/2020     | 30/06/2020    |
|--------------|----------------|---------------|
| Cash         | 105,681        | 32,941        |
| <b>Total</b> | <b>105,681</b> | <b>32,941</b> |



The increase in cash as of 31 December 2020 chiefly reflects the two “PGEs” (loans guaranteed by the French government) secured during the first half.

There are no investments pledged as collateral or subject to restrictions.

### Note 8.3: Current and non-current financial liabilities

#### a) Non-current financial liabilities

Loans are classified as non-current liabilities except when their due date is less than 12 months hence, in which case they are classified as current liabilities. All contracts are interest-bearing.

Borrowings are measured at amortised cost using the effective interest method as defined by IFRS 9.

Given the impact Covid-19 has had on all 2020/21 revenue, the Group asked its bank and bond creditors during October 2020 to drop its requirement to comply with the financial ratios and liquidity ratios as of 31 December 2020 and 30 June 2021.

Prior to 31 December 2020, the Group received written confirmation from its creditors of a covenant holiday in response to its request for an exemption from the financial and liquidity ratios as of 31 December 2020 and 30 June 2021. The covenant holiday thus excludes the default clause for the purpose of the test as of 31 December 2020. Consequently, the Company is not obliged to comply as of 31 December with the financial and liquidity ratios stipulated in the credit agreement.

Given that the default clause will not apply as of 31 December 2020, OL Groupe has presented its financial liabilities under non-current liabilities in line with its contractual requirements.

A detailed description of the clauses in the credit agreements is set out in Note 11.3.

#### b) Detail of financial liabilities and other non-current liabilities

Current and non-current financial liabilities and other non-current liabilities broke down as follows:

| (in € 000)   | 31/12/2020     | 30/06/2020     |
|--|----------------|----------------|
| <b>Current financial liabilities</b>                                       | <b>17,483</b>  | <b>21,970</b>  |
| <i>excl. stadium financing</i>   | 1,985          | 2,266          |
| <i>excl. stadium financing related to lease liabilities</i>                | 2,033          | 2,027          |
| <i>related to stadium financing</i>  | 12,939         | 15,739         |
| <i>stadium financing related to lease obligations</i>                      | 526            | 1,938          |
| <b>Non-current financial liabilities</b>                                   | <b>336,046</b> | <b>224,402</b> |
| <b>Financial liabilities excl. stadium financing (1)</b>                   | <b>178,104</b> | <b>59,499</b>  |
| <i>of which related to lease liabilities</i>                               | 5,597          | 6,016          |
| <b>Financial liabilities related to stadium financing</b>                  | <b>138,931</b> | <b>145,625</b> |
| <i>of which long term</i>  | 88,650         | 95,385         |
| <i>of which stadium bonds</i>  | 50,281         | 50,189         |
| <i>of which related to lease liabilities</i>                               | 0              | 51             |
| <b>Other non-current liabilities</b>                                       | <b>19,011</b>  | <b>19,278</b>  |
| <i>of which deferred income related to CNDS subsidy</i>                    | 16,728         | 16,974         |
| <i>of which long-term loan swap (2)</i>                                    | 101            | 0              |
| <i>of which deferred income related to OL Academy and Museum subsidies</i> | 2,182          | 2,304          |
| <b>Total</b>   | <b>353,528</b> | <b>246,371</b> |

(1) The change reflects the award of two PGEs in a total amount of €168.8 million and the €50 million repayment of drawdowns on the revolving credit facility.

(2) Linked to recognition of the fair value of the new hedging instrument for the long-term loan.

## Summary of financial liabilities (reconciliation with Note 8.5)

| (in € 000)  | 31/12/2020     | up to 1 year  | 1-5 years      | more than 5 years |
|---|----------------|---------------|----------------|-------------------|
| Credit lines (RCF)  | -1,395         |               | -1,395         |                   |
| Groupama loan for OL Training Center and OL Academy       | 6,305          | 1,164         | 5,141          |                   |
| PGE 1 and seasonal PGE                                    | 168,760        |               | 168,760        |                   |
| BPI loan  | 600            | 600           |                |                   |
| Lease liabilities   | 7,630          | 2,033         | 3,082          | 2,515             |
| Bank overdrafts and other financial liabilities           | 221            | 221           |                |                   |
| <b>Financial liabilities excl. stadium financing</b>      | <b>182,122</b> | <b>4,018</b>  | <b>175,589</b> | <b>2,515</b>      |
| LT loan   | 100,172        | 11,522        | 88,650         |                   |
| Bonds   | 51,698         | 1,417         | 50,281         |                   |
| Lease liabilities   | 526            | 526           | 0              |                   |
| <b>Financial liabilities related to stadium financing</b> | <b>152,395</b> | <b>13,464</b> | <b>138,931</b> |                   |
| Other non-current liabilities                             | 19,011         |               | 3,778          | 15,233            |
| <b>Total 1</b>  | <b>353,528</b> | <b>17,483</b> | <b>318,297</b> | <b>17,748</b>     |
| <b>Total 2</b>  | <b>353,528</b> | <b>17,483</b> | <b>336,045</b> |                   |

**Non-current liabilities** primarily comprise:

- The CNDS investment subsidy, recognised as long-term deferred income, totalling €16.7 million as of 31 December 2020 (€16.9 million as of 30 June 2020);

*Reminder: Investment grants, in particular the €20 million attributed during the 2011/12 financial year as part of the Groupama Stadium financing, have been recognised as deferred income. These amounts are brought into the income statement in accordance with the depreciation schedule of the asset financed, starting on the date the asset is delivered.*

As of 31 December 2020, financial liabilities on the balance sheet bearing interest at variable rates totalled €275.4 million (PGE loan, seasonal PGE loan, long-term loan, variable-rate loans and overdrafts), vs €165.2 million as of 30 June 2020, while debt bearing interest at fixed rates totalled €59 million, vs €61.9 million as of 30 June 2020.

### c) Bank guarantees

As of 31 December 2020, there were no bank guarantees not related to player registrations.

### d) Maturity schedule of financial liabilities related to player registrations

| (in € 000)                   | 31/12/2020 | up to 1 year | 1-5 years | more than 5 years |
|------------------------------|------------|--------------|-----------|-------------------|
| Player registration payables | 103,025    | 70,715       | 32,310    |                   |

## e) Liabilities on acquisitions

| (in € 000)                                | 31/12/2020     |               | 30/06/2020     |               |
|---|----------------|---------------|----------------|---------------|
|   | current        | non-current   | current        | non-current   |
| Payables on acquisitions in 2015/16       | 900            |               | 911            |               |
| Payables on acquisitions in 2016/17       |                |               |                |               |
| Payables on acquisitions in 2017/18       | 634            |               | 1,069          | 200           |
| Payables on acquisitions in 2018/19       | 1,560          |               | 12,634         | 1,428         |
| Payables on acquisitions in 2019/20       | 52,441         | 24,579        | 57,137         | 62,060        |
| Payables on acquisitions in 2020/21       | 15,180         | 7,731         |                |               |
| <b>Total player registration payables</b> | <b>70,715</b>  | <b>32,310</b> | <b>71,751</b>  | <b>63,688</b> |
|   | <b>103,025</b> |               | <b>135,440</b> |               |

## f) Non-discounted financial liabilities

Undiscounted financial obligations (at nominal value) by maturity date are as follows:

| (in € 000) 31/12/2020                        | up to 1 year  | 1-5 years      | more than 5 years |
|--|---------------|----------------|-------------------|
| Stadium bonds                                |               | 51,000         |                   |
| LT loan for the stadium (1)                  | 12,243        | 95,243         |                   |
| PGE loans                                    |               | 169,036        |                   |
| Long-term line of credit and bank borrowings | 1,806         | 5,318          | 159               |
| Credit lines (1)                             |               |                |                   |
| <b>Total</b>                                 | <b>14,049</b> | <b>320,597</b> | <b>159</b>        |

(1) Outstandings do not include interest, as these outstandings are at variable rates.

## Note 8.4: Fair value of financial instruments

### Hedging instruments

To reduce its exposure to interest rate risk under the €136 million long-term bank loan, Olympique Lyonnais SASU maintained the hedging programme it had arranged to cover the initial stadium financing when it refinanced on 30 June 2017. This hedging programme had a notional amount averaging around €93.1 million until 30 October 2020.

After that date, a new €81 million hedging programme was put in place in the form of caps (maximum rate guarantee) that will remain in force until 30 June 2023, thereby satisfying the covenant hedging requirements stated in the loan documentation.

### Fair value of financial instruments

The Group only has level 1 financial assets (marketable securities), i.e. whose prices are listed on an active market. Level 2 financial instruments (fair value based on observable inputs) relate to swap agreements and loan agreements, while the Group had no level 3 instruments (fair value based on unobservable inputs) during the financial years presented in this report.

The IFRS 13 analysis did not reveal the need to recognise an adjustment for counterparty risk (risk of non-payment of financial assets) or for own credit risk (risk on financial liabilities).

The breakdown of financial assets and liabilities according to the special IFRS 9 categories and the comparison between carrying values and fair values are given in the table below (excluding social security and tax receivables & liabilities).

| (in € 000)                         | Fair value hierarchy | Assets at fair value through profit or loss | Cash flow hedge | Receivables, payables and loans, at amortised cost | Net value as of 31/12/2020 | Fair value as of 31/12/2020 |
|------------------------------------|----------------------|---|-----------------|--|----------------------------|-----------------------------|
| Player registration receivables    |                      |   |                 | 44,475   | 44,475                     | 44,475                      |
| Other non-current financial assets |                      |   |                 | 7,480  | 7,480                      | 7,480                       |
| Trade receivables                  |                      |   |                 | 25,961   | 25,961                     | 25,961                      |
| Other current assets (1)           |                      |   |                 | 8,418  | 8,418                      | 8,418                       |
| Cash                               | 1                    | 105,681                                     |                 |  | 105,681                    | 105,681                     |
| <b>Financial assets</b>            |                      | <b>105,681</b>                              | <b>0</b>        | <b>86,334</b>                                      | <b>192,015</b>             | <b>192,015</b>              |
| Stadium bonds                      | 2                    |   |                 | 51,698   | 51,698                     | 51,698                      |
| Long-term loan for the stadium     | 2                    |   |                 | 100,172  | 100,172                    | 100,172                     |
| Other financial liabilities        |                      |   |                 | 182,648  | 182,648                    | 182,648                     |
| Player registration payables       |                      |   |                 | 103,025  | 103,025                    | 103,025                     |
| Trade payables                     |                      |   |                 | 22,559   | 22,559                     | 22,559                      |
| Other non-current liabilities (1)  | 2                    |   | 101             |  | 101                        | 101                         |
| Other current liabilities (1)      |                      |   |                 | 33,565   | 33,565                     | 33,565                      |
| <b>Financial liabilities</b>       |                      | <b>0</b>                                    | <b>101</b>      | <b>493,666</b>                                     | <b>493,767</b>             | <b>493,767</b>              |

(1) Excluding social security/tax payables and deferred income and accruals.

## Note 8.5: Debt net of cash

Debt net of cash (or, in certain circumstances, cash net of debt) represents the balance of financial liabilities, cash and cash equivalents and player registration payables and receivables. Net debt totalled €287,386 thousand as of 31 December 2020 (€295,240 thousand as of 30 June 2020).

| (in € 000)  | 31/12/2020<br>Total consolidated | 30/06/2020<br>Total consolidated |
|---|----------------------------------|----------------------------------|
| Cash and DSRA   | 105,681                          | 32,941                           |
| Bank overdrafts   | -198                             | -392                             |
| <b>Cash and cash equivalents (cash flow statement)</b>                      | <b>105,483</b>                   | <b>32,549</b>                    |
| Stadium bonds   | -51,698                          | -52,852                          |
| Stadium borrowings  | -100,172                         | -108,460                         |
| Non-current financial liabilities   | -172,507                         | -53,483                          |
| Other current financial liabilities   | -1,787                           | -1,874                           |
| Lease liabilities   | -8,156                           | -10,032                          |
| <b>Debt net of cash</b>   | <b>-228,836</b>                  | <b>-194,153</b>                  |
| Player registration receivables (current)                                   | 20,622                           | 17,353                           |
| Player registration receivables (non-current)                               | 23,853                           | 17,000                           |
| Player registration payables (current)                                      | -70,715                          | -71,752                          |
| Player registration payables (non-current)                                  | -32,310                          | -63,688                          |
| <b>Debt net of cash, including player registration receivables/payables</b> | <b>-287,386</b>                  | <b>-295,240</b>                  |

## Note 8.6: Net financial expense

| (in € 000)  | H1 2020/21    | H1 2019/20    |
|---|---------------|---------------|
| Revenue from cash and cash equivalents                  | 6             | 0             |
| Interest on credit facilities                           | -5,925        | -6,726        |
| Interest rate hedging gains/(losses)                    | -431          | -514          |
| Discounting of player registration receivables/payables |               |               |
| <b>Net cost of debt</b>                                 | <b>-6,350</b> | <b>-7,240</b> |
| Financial provisions net of reversals                   | 0             | 0             |
| Other financial income and expense                      | -234          | -907          |
| <b>Other financial income and expense</b>               | <b>-234</b>   | <b>-907</b>   |
| <b>Net financial expense</b>                            | <b>-6,584</b> | <b>-8,146</b> |

As of 31 December 2019, net financial expense was inflated by the €1 million cost of no-recourse financing for player receivables and €0.4 million in interest expense following the drawdown on the credit line. There have been no drawdowns under the revolving credit line since August 2020.

The OSRANE bonds do not generate any financial expense, as the coupons are paid in OL Groupe shares that will be delivered when the bonds are redeemed (see Note 10.1).

## Note 8.7: Commitments pertaining to the financing of the Group's operations

### Lines of credit, guarantees and covenants

#### RCF line

The Group's financial resources include a €73 million revolving credit facility (RCF) granted to OL SASU as part of the refinancing signed with the Group's banking partners on 28 June 2017. The size of this line was then increased on 26 July 2019 to €100 million until 30 June 2024, before being temporarily raised again on 17 April 2020 to €130 million until 31 August 2020, when it was lowered back to €115 million until 31 January 2021, at which time it reverted to €100 million.

The facility bears interest at Euribor for the term of the drawdown plus a negotiated margin, and includes commitments typical of this type of agreement via security arrangements common to all of the short- and long-term debt (€271.5 million).

| (in € 000)                        | Up to 1 year | 1-5 years | More than 5 years | 31/12/2020 | 30/06/2020 |
|-----------------------------------|--------------|-----------|-------------------|------------|------------|
| Bank agreements, amount available | 15,000       | 100,000   |                   | 115,000    | 130,000    |
| Of which used via drawdowns       |              |           |                   | 0          | 50,000     |

As of 31 December 2020, there were no drawdowns on this credit line.

#### PGE Loans

To cope with the effects of the Covid-19 pandemic and to bolster its cash holdings, OL Groupe arranged its first PGE (government-guaranteed loan) of €92.6 million on 23 July 2020. With the adjustments to the government measures, OL Groupe arranged a second €76.4 million season-long PGE loan on 18 December 2020, increasing the total size of its PGE facilities to €168.8 million. The main terms and conditions of these two loan agreements are similar:

- 12-month bullet loan, with the option at the repayment date in year one of conversion into a loan repayable in (semi-annual) instalments in one of two ways:
  - Repayment over 1-5 years
  - Another year's repayment holiday followed by repayment over 1-4 years
- Repayment plan to be agreed between 60 and 120 days from the anniversary date of each loan's drawdown;
- No guarantee other than the 90% guarantee provided by the government (remaining 10% covered by the banks);

- Cost of the government-guarantee set at 0.5% in year 1, 1% in years 2 and 3 and 2% in years 4 to 6;
- 0% interest in year 1, then indexed from year 2 to the lenders' funding costs (no additional margin) + Euribor

The agreements related to these financing arrangements include commitments on the part of Olympique Lyonnais SASU in the event of accelerated maturity that are customary for this type of financing (restrictions on additional debt, cross-default clauses, no change in ownership). Since the PGE loans are provided by the same lenders as the stadium loan (tranche A and revolving credit facility), no financial ratios were laid down in the PGE loan agreements (but a periodic review clause was added should the stadium loan be repaid in full before the PGE loans reach maturity).

### Covenants

- The Group must maintain three financial ratios applicable to all of the debt instruments subscribed to under the overall refinancing of the Group's debt (including the RCF) (see Note 11.3).

### Other commitments given in connection with the Group's financing

#### €3 million bank loan

As part of the financing of its businesses, OL Groupe took out a loan with BPI, a specialised financial institution, during the 2013/14 financial year. The loan has a face value of €3 million and a seven-year maturity. The first repayment was made on 1 July 2016. The loan has a retention clause of €150 thousand.

## NOTE 9: INCOME TAXES

### Note 9.1: Breakdown of income tax and tax reconciliation

#### Breakdown of income tax

| (in € 000)                      | H1 2020/21  | H1 2019/20    |
|---------------------------------|-------------|---------------|
| Current tax                     | 0           | -2,018        |
| Deferred tax                    | -487        | -1,354        |
| <b>Total income tax expense</b> | <b>-487</b> | <b>-3,372</b> |

#### Reconciliation of tax expense

| (in € 000)                           | H1 2020/21     | %            | H1 2019/20    | %              |
|--------------------------------------|----------------|--------------|---------------|----------------|
| <b>Pre-tax profit</b>                | <b>-49,948</b> |              | <b>18,548</b> |                |
| Income tax at the standard rate      | 13,985         | -28.00%      | -6,333        | -34.14%        |
| Effect of permanent differences      | -195           | 0.39%        | -494          | -2.66%         |
| Tax credits                          | 0              | 0.00%        | 243           | 1.31%          |
| Rate effect                          | -115           | 0.23%        | 225           | 1.21%          |
| Uncapitalised tax-loss carryforwards | -15,952        | 31.94%       | 2,988         | 16.11%         |
| Other                                | 1,789          | -3.58%       |               | 0.00%          |
| <b>Total income tax expense</b>      | <b>-487</b>    | <b>0.98%</b> | <b>-3,371</b> | <b>-18.17%</b> |

## Note 9.2: Deferred taxes

As required by IAS 12, deferred taxes are recognised on all timing differences between the tax base and carrying value of consolidated assets and liabilities (except for goodwill) using the variable carryforward method.

Deferred tax assets are recognised only when it is probable that they will be recovered in the future.

Deferred tax assets and liabilities are not discounted to present value. Deferred tax assets and liabilities are netted off within the same tax entity, whether a company or tax consolidation group. Deferred taxes calculated on items recognised in other comprehensive income are taken to equity. Deferred tax assets and liabilities are presented as non-current assets and liabilities.

Tax-loss carryforwards are capitalised when it is probable that they can be set off against future profits or against deferred tax liabilities or by taking advantage of tax planning opportunities. Future results are based on the most recent forecasts by management, limited to five years.

The Group did not recognise any deferred tax assets on losses during the first half in accordance with ESMA's July 2019 recommendation.

The following table shows a breakdown of deferred tax assets and liabilities by type:

| (in € 000)                                     | 30/06/2020   | Impact on profit/loss | Impact on reserves | 31/12/2020   |
|--|--------------|-----------------------|--------------------|--------------|
| Deferred taxes related to player registrations | -3,761       | -381                  |                    | -4,142       |
| Other deferred tax assets (1)                  | 6,272        | -106                  | -68                | 6,097        |
| <b>Deferred tax assets</b>                     | <b>2,511</b> | <b>-487</b>           | <b>-68</b>         | <b>1,956</b> |
| <b>Deferred tax liabilities</b>                | <b>0</b>     |                       |                    | <b>0</b>     |
| <b>Net amounts</b>                             | <b>2,511</b> | <b>-487</b>           | <b>-68</b>         | <b>1,956</b> |

As of 31 December 2020, unrecognised deferred tax assets totalled €38.3 million (calculated at a tax rate of 25%).

- (1) Deferred taxes recognised directly in other comprehensive income were related to the impact of recognising the hedging instruments related to Groupama Stadium financing at market value and to actuarial gains and losses on retirement bonuses. The balance was principally composed of the timing difference triggered by removing the €20 million investment grant revenue related to the construction of Groupama Stadium and recognised in the accounts of Olympique Lyonnais SASU from the consolidated statements (€4.7 million as of 31 December 2020).

## NOTE 10: EQUITY

The statement of changes in equity is given in the first section: financial statements.

### Note 10.1: Share capital

**Share capital is composed of ordinary shares and has changed as follows.**

The Company is not subject to any special regulatory requirements in relation to its share capital. Certain financial ratios required by banks may take equity into account. The Group's management has not established a specific policy for the management of its capital. The Company favours financing its development through equity capital and external borrowing.

For the monitoring of its equity, the Company includes all components of equity and does not treat any financial liabilities as equity (see Note 8.3).

As of 31 December 2020, the share capital of OL Groupe comprised 58,206,656 shares with a par value of €1.52, totalling €88,474,117.

As previously reported, as of 30 June 2020, the share capital of the OL Groupe comprised 58,206,325 shares with a par value of €1.52, totalling €88,473,614.

| (in € 000)           | 31/12/2020    | 30/06/2020    |
|----------------------|---------------|---------------|
| Number of shares     | 58,206,656    | 58,206,325    |
| Par value in €       | 1.52          | 1.52          |
| <b>Share capital</b> | <b>88,474</b> | <b>88,474</b> |

|                | Number of shares | Par value in € | Share capital<br>(in €000) | Share premiums |
|----------------|------------------|----------------|----------------------------|----------------|
| As of 30/06/20 | 58,206,325       | 1.52           | 88,473                     | 123,388        |
| Changes        | 331              |                | 1                          |                |
| As of 31/12/20 | 58,206,656       | 1.52           | 88,474                     | 123,388        |

The capital increase of 331 shares corresponded to redemptions of OSRANEs during the period.

Each share confers one vote. Nevertheless, double voting rights are granted to fully paid-up shares that have been registered with the Company for at least two years in the name of the same shareholder.

### Shares held in treasury

The Group has put in place a policy to buy back its own shares in accordance with powers given to the Board of Directors by shareholders at the Annual Shareholders' Meeting. The main objective of the share buyback programme is to support the market in Olympique Lyonnais Groupe shares as part of a liquidity contract. This contract includes OL Groupe shares, mutual fund investments and cash.

Shares held in treasury under this contract are deducted from equity at their acquisition cost.

Cash and other securities included in the liquidity contract are recognised under "Other financial assets". Revenue and expenses related to the sale of treasury shares (e.g. gain or loss on sale, impairment, etc.) do not pass through the income statement. Their after-tax amounts are charged directly to equity.

### OL Groupe SA reserves

Reserves broke down as follows:

| (in € 000)            | 31/12/2020      | 30/06/2020     |
|-----------------------|-----------------|----------------|
| Legal reserves        | 2,772           | 2,698          |
| Regulated reserves    | 37              | 37             |
| Other reserves        | 130             | 130            |
| Retained earnings     | 37,825          | 36,415         |
| <b>Total reserves</b> | <b>40,764</b>   | <b>39,281</b>  |
| Other Group reserves  | -164,688        | -126,326       |
| <b>Total reserves</b> | <b>-123,924</b> | <b>-87,045</b> |

### Other equity

"Other equity" is composed of the following items:

| (in € 000)                | 31/12/2020     | 30/06/2020     |
|---------------------------|----------------|----------------|
| OSRANEs                   | 138,011        | 138,011        |
| <b>Total other equity</b> | <b>138,011</b> | <b>138,011</b> |



The balance is presented here after the few repayments recognised in previous financial years and in H1 2020/21. Details of the equity financing are provided in the annual universal registration document.

## Notes on related parties

OL Groupe is accounted for by the equity method by the Pathé group (2 rue Lamennais, 75008 Paris).

Details of the relationships between the Group, Pathé, Holnest (10 rue des Archers – Lyon) and their subsidiaries and other related parties are as follows:

- OSRANes: Holnest holds 327,138 bonds (unchanged from 30 June 2020) representing €32.7 million; Pathé holds 376,782 bonds, representing €37.7 million. These amounts are recognised in “Other equity”.
- Recharges of management fees by Holnest: €511 thousand (€1,032 thousand in H1 2019/20).
- As part of the 30 June 2017 refinancing, Holnest and Pathé subscribed to new bonds totalling €20.7 million (207 bonds) and €9 million (90 bonds), respectively.

## Note 10.2: Earnings per share

In accordance with IAS 33, basic earnings per share are calculated by dividing net profit by the weighted average number of shares taking into account changes during the period and treasury shares held at the closing date of the financial year. Diluted earnings per share are calculated by dividing the net profit attributable to equity holders of the parent by the weighted average number of shares outstanding, increased by all potentially dilutive ordinary shares (OSRANes).

|  | 31/12/2020 | 31/12/2019 |
|--|------------|------------|
| Number of shares at end of period  | 58,206,656 | 58,198,315 |
| Average number of shares   | 58,206,435 | 58,194,150 |
| Number of treasury shares held at end of period                                  | 382,829    | 643,868    |
| Pro-rata number of shares to be issued (OSRANes)                                 | 82,910,959 | 80,109,019 |
| <b>Consolidated net profit</b>   |            |            |
| Net profit attributable to equity holders of the parent (in € m)                 | -50.56     | 14.87      |
| Diluted net profit attributable to equity holders of the parent (in € m)         | -50.56     | 14.87      |
| Net profit per share attributable to equity holders of the parent (in €)         | -0.87      | 0.26       |
| Diluted net profit per share attributable to equity holders of the parent (in €) | -0.87      | 0.11       |
| <b>Net dividend</b>  |            |            |
| Total net dividend (in € m)  |            |            |
| Net dividend per share (in €)  |            |            |

## NOTE 11: RISK MANAGEMENT POLICIES

### Note 11.1: Risk related to the Covid-19 pandemic

The Group has been impacted and continues to be impacted by the effects of the measures to combat the Covid-19 pandemic. As of the date of this document, uncertainty about how the pandemic will unfold prevents the Group from estimating the future impact of the public health crisis.

Below is a non-exhaustive list of risks identified so far:

- The Ligue 1 season could be ended prematurely. This could prompt broadcasters to withhold payment of media rights to the LFP, which would have an unfavourable impact on clubs' media rights revenue. It could also potentially deprive them of revenue deriving from a higher final league position and prevent them from participating in a European competition the following year.
- Certain sponsorship contracts might also be renegotiated to reflect the fact that the stadium might be unavailable for a certain period, that the season might be ended early or that the number of spectators allowed in the stadium might be reduced.

- Matches could be held with no spectators present or with a limited number of spectators, which would cause a significant decline in the Club's ticketing and Events revenue.
- As a result of the crisis, the uncertainty and the significant revenue declines the clubs in the major European leagues are suffering, the European transfer market could shrink, with respect both to the number of transfers and their value.

## **Note 11.2: Liquidity risks**

The Group has the resources to finance its operations: a €73 million syndicated revolving credit facility (RCF) granted to OL SASU as part of the refinancing signed with the Group's banking partners on 28 June 2017. The RCF initially covered a five-year period and was renewed twice, thereby extending the RCF maturity date to 30 June 2024.

In addition, the maximum drawdown under OL Groupe's RCF was raised:

- in late July 2019 from €73 million to €100 million through to the final maturity of the refinancing contract on 30 June 2024, following the unanimous agreement of all the bank lenders to cover a €27 million increase in their lending commitments in proportion to their initial share of the loan;
- temporarily in mid-April 2020 from €100 million to €130 million until 31 August 2020, when it declined to €115 million until 31 January 2021, at which time it reverted to €100 million.

The Group has arranged two government-guaranteed PGE loans totalling €168.8 million to bolster its cash holdings (the first was for €92.6 million in July 2020 and the second for €76.4 million in December 2020).

Current financial assets came to €28.5 million less than current liabilities as of 31 December 2020; nevertheless, the Group had an unused capacity of €115 million as of 31 December 2020 under its line of credit, as stated in Note 8.7. The Company has carried out a specific review of its liquidity risk and considers that it is able to meet its future repayment obligations over the next 12 months.

## **Note 11.3: Loan agreements**

### **Syndicated operating credit line**

#### **1) Refinancing of virtually all of the bank and bond debt as of 30 June 2017**

On 30 June 2017, the Group finalised the refinancing of virtually all of its bank and bond debt.

This refinancing was structured around three debt instruments granted to or issued by Olympique Lyonnais SASU:

- a long-term bank credit agreement with an initial amount of €136 million, divided into two tranches: (i) a tranche A of €106 million, of which 50% is repaid in instalments and 50% at maturity after seven years; (ii) a tranche B of €30 million to be repaid at maturity after seven years. As of 30 June 2020, the outstanding principal on this long-term bank loan was €115.6 million;
- a €51 million bond issue, repayable at maturity after seven years.
- a five-year revolving credit facility (RCF) of €73 million, available for short-term needs and renewed twice, thereby extending the maturity date to 30 June 2024.

In addition, the maximum drawdown under OL Groupe's RCF was raised:

- in late July 2019 from €73 million to €100 million through to the final maturity of the refinancing contract on 30 June 2024, following the unanimous agreement of all the bank lenders to cover a €27 million increase in their lending commitments in proportion to their initial share of the loan;
- temporarily in mid-April 2020 from €100 million to €130 million until 31 August 2020, when it declined to €115 million until 31 January 2021, at which time it reverted to €100 million.

The three debt instruments arranged or issued by Olympique Lyonnais SASU as of 30 June 2017 are subject to three ratios applicable to the Group: (i) a gearing ratio (net debt to equity) calculated every six months with a ceiling of 1.30x, declining to 1 starting on 31 December 2020, (ii) a loan-to-value ratio (net debt divided by the sum of the market value of player registrations and the net book value of OL Groupe's property, plant and equipment) calculated every six months with a ceiling of 40%, declining to 35% starting on 31 December 2020, and (iii) a debt service coverage ratio calculated every six months on a rolling 12-month

period, with a threshold of 1 (with the proviso that if the ratio is less than 1, it will be considered as met if the cash on the Group's balance sheet, net of drawdowns under the RCF and of any credit amount in the reserve account, is greater than €20 million).

Given the impact the Covid-19 pandemic is having on all 2020/21 revenue, the Group received written confirmation before 31 December 2020 from its lenders that they had granted a covenant holiday as of the 31 December 2020 test date (waiving their rights and thus dropping the requirement for OL Groupe to comply with the ratios), so that the ratios as of that date would not cause an event of default.

The lenders under these three debt instruments (the expiry date of the security interests is exactly the same as that of the June 2017 refinancing, i.e., 30 June 2024) benefit from a common set of security interests. Specifically, they hold a first lien on the stadium, the land on which it was built, the 1,600 underground parking spaces, the land corresponding to the 3,500 outdoor parking spaces and the areas leading to the stadium. In addition, the following assets have been pledged to the lenders: the shares OL Groupe holds in Olympique Lyonnais SASU, certain bank accounts of Olympique Lyonnais SASU and various accounts receivable held by Olympique Lyonnais SASU. OL Groupe also guarantees that its subsidiary Olympique Lyonnais SASU will adhere to the obligations under its financing arrangements.

The following security interests and guarantees have been granted to the lenders in return for increases in RCF commitment ceilings:

- from €73 million to €100 million: a commitment to grant a second mortgage on the stadium (the mortgage is registered only if an event of default occurs) and certain second security interests (securities accounts, certain bank accounts and receivables of OL SASU; OL Groupe guarantee);
- €100 million to €130 million: a commitment to grant a first mortgage on the training centre (the mortgage is registered only if an event of default occurs).

The agreements related to these financing arrangements include commitments on the part of Olympique Lyonnais SASU in the event of accelerated maturity that are customary for this type of financing. In particular, these include restrictions on the amount of additional debt, cross default clauses and stability in the shareholder structure of Olympique Lyonnais SASU and OL Groupe.

To reduce its exposure to interest rate risk under the €136 million long-term bank loan, Olympique Lyonnais SASU maintained the hedging programme it had arranged to cover the initial stadium financing when it refinanced on 30 June 2017. This hedging programme had a notional amount averaging around €93.1 million until 30 October 2020.

After that date, a new €81 million hedging programme was put in place in the form of caps (maximum rate guarantee) that remains in force until 30 June 2023, thereby meeting the covenant hedging requirements stated in the loan documentation.

Based on the €136 million long-term bank financing and the €51 million bond issue, Olympique Lyonnais SASU has an average long-term financing rate, from the date of the refinancing, of around 4.11%. This rate is subject to change, depending on trends in benchmark rates.

## 2) Training centre and OL Academy

The estimated total construction cost of the new training centre and OL Academy was around €30 million.

Financing for these investments was covered by:

- A bank credit agreement signed by OL Groupe and OL Association on 12 June 2015 in the amount of €14 million and with a 10-year maturity with Groupama Banque (now Orange Bank). Outstandings under this facility totalled €6.5 million as of 31 December 2020.
- The loan agreement contains a covenant requiring that the ratio between the value of assets pledged as collateral and the outstandings under the loan, calculated annually, must be greater than or equal to 90%.
- Two finance leases, together totalling €3.6 million.
- An equity contribution of around €11.1 million.
- A subsidy of €1.3 million from the Rhône-Alpes Regional Council.

### 3) PGE loan

To help it contend with the business slowdown caused by the Covid-19 pandemic and to bolster its cash holdings, the Group arranged two government-guaranteed loans totalling €168.8 million via its Olympique Lyonnais SASU subsidiary: a €92.6 million loan on 23 July 2020 and then a €76.4 million loan on 18 December 2020.

Other than the government guarantee, no other security has been provided for these loans.

The two loan agreements include commitments by Olympique Lyonnais SASU and accelerated maturity scenarios that are customary for this type of financing and are in line with the documentation for the stadium loan.

## Note 11.4: Market risk

### Interest-rate risk

The Group has riskless, low-volatility funding sources that bear interest based on Euribor. It invests its available cash in investments that earn interest at variable short-term rates (Eonia and Euribor). In this context, the Group is subject to changes in variable rates and examines this risk regularly.

### Hedging programme related to the Groupama Stadium project

To reduce its exposure to interest rate risk under the €136 million long-term bank loan, Olympique Lyonnais SASU maintained the hedging programme it had arranged to cover the initial stadium financing when it refinanced on 30 June 2017. This hedging programme had a notional amount averaging around €93.1 million until 30 October 2020.

After that date, a new €81 million hedging programme was put in place in the form of caps (maximum rate guarantee) that remains in force until 30 June 2023, thereby meeting the covenant hedging requirements stated in the loan documentation.

With tests having proven the effectiveness of this instrument, the mark-to-market value of €100 thousand, net of tax, was recognised in other comprehensive income in the Group's H1 2020/21 financial statements.

## Note 11.5: Risks related to Groupama Stadium

### Management of risks related to the financing of Groupama Stadium

The three debt instruments granted to or issued by Olympique Lyonnais SASU under the 30 June 2017 refinancing are governed by three types of ratios, as detailed in Note 11.3.

Failure to adhere to one of these ratios could trigger accelerated maturity of the related loans, which might significantly affect the Group's medium-term outlook.

Given the impact Covid-19 pandemic is having on all 2020/21 revenue, the Group received written confirmation before 31 December 2020 from its lenders that they had granted a covenant holiday as of the 31 December 2020 test date (waiving their rights and thus dropping the requirement for OL Groupe to comply with the ratios), so that the ratios as of that date would not cause an event of default (see Note 8.3).

Outstandings under the €14 million, 10-year loan destined to partially cover investments relating to the new training centre and OL Academy, signed by OL Groupe and OL Association on 12 June 2015 with Groupama Banque (now Orange Bank) totalled €6.5 million as of 31 December 2020.

The loan agreement contains a covenant requiring that the ratio between the value of assets pledged as collateral and the outstandings under the loan, calculated annually, must be greater than or equal to 90%.

Failure to adhere to this ratio could trigger accelerated maturity of the loan, which might also significantly affect the Group's medium-term outlook.

### **Risk of dependence on revenue from marketing and media rights and uncertainty surrounding the future amount of such rights**

Media and marketing rights are one of the Group's main sources of revenue. An early end to the Ligue 1 season could prompt broadcasters not to pay media rights to the LFP, which would have an unfavourable impact on clubs' media rights revenue. It could also be unfavourable to a club by potentially depriving it of revenue deriving from a higher final league position and preventing it from participating in a European competition the following year.

Default by one of the broadcasters on its payments could have a significant impact on marketing and TV rights. In October 2020, Mediapro, the main broadcaster of the French Ligue 1 championship, announced its intention to renegotiate its broadcast agreements for the 2020-24 period. The LFP launched a competitive bidding process on the lots previously held by Mediapro. It reached an agreement with Canal+ on 4 February 2021.

### **Risks related to the revenue and profitability outlook of Olympique Lyonnais' Groupama Stadium**

The main revenue sources from operation of Groupama Stadium derive from matchday income (general admission and VIP ticketing, matchday merchandising revenue, catering commission), sponsorship revenue from marketing visibility inside the Groupama Stadium (including naming rights income), revenue from holding concerts, various sporting events (rugby matches, international football matches, etc.) and B2B seminars and corporate events.

A less favourable overall business performance could have a negative impact on some of these revenue sources. This could in turn have a significant unfavourable impact on the Group's earnings and financial condition. In addition, the Covid-19 crisis, which has had a severe impact on OL Groupe's business activity and revenue since the 2019/20 financial year, could also affect the end of the 2020/21 financial year, depending on how the pandemic unfolds and the extent to which social distancing measures are maintained.

### **Management of risks related to the revenue and profitability outlook of Olympique Lyonnais' Groupama Stadium**

The Company's revenue diversification strategy for Groupama Stadium, via the development of new resources independent of OL events, should reduce the impact that sporting uncertainty could otherwise have on the Group's earnings.

Nevertheless, depending on the French government's decisions, the Events business and other activities that bring together large numbers of people may be more severely affected than other economic activities.

## NOTE 12: EVENTS SUBSEQUENT TO CLOSING

### Player loans

Moussa Dembélé was loaned to Atletico Madrid for a fee of €1.5 million until 30 June 2021 with an option to buy for €33.5 million, plus potential incentives worth up to €5 million and a sell-on fee of 10% of the gain realised on any future transfer.

Jean Lucas joined Brest without any loan fee or option to buy until 30 June 2021.

### Acquisitions of player registrations

Islam Slimani joined OL as a free agent from Leicester City.

### Covid-19 impact

Given the significant restrictions weighing on several Group activities because of the pandemic, the Group does not expect to see a substantial improvement in total revenue between now and 30 June 2021.

### LFP media rights

The LFP launched a competitive bidding process on the lots previously held by Mediapro. As no bid reached the reserve price, the LFP entered negotiations and reached an agreement with Canal+ on 4 February 2021.

Under the agreement, Canal+ obtained exclusive rights to broadcast Ligue 1 matches from Matchday 25 until 30 June 2021, for an additional payment of €35 million. Ligue 1 rights for the 2020/21 season will thus total €759 million, as opposed to €1.3 billion under the initial agreement, representing a reduction of 42%. Broadcasting rights for the 2021-24 period will be negotiated over the coming months.

# STATEMENT OF RESPONSIBILITY FOR THE FIRST-HALF FINANCIAL REPORT

I hereby certify, that to the best of my knowledge, the condensed consolidated financial statements for the half-year period under review have been prepared in accordance with applicable accounting standards and present a true and fair view of the assets, financial position and results of the Company and of its consolidated group of companies and that the corresponding management report presents a true and fair picture of the significant events that occurred during the first six months of the financial year, their impact on the first-half financial statements, the principal transactions between related parties, as well as a description of the principal risks and uncertainties for the remaining six months of the year.

Décines, 16 February 2021

**Jean-Michel Aulas**

**Chairman and Chief Executive Officer**

# REPORT OF THE STATUTORY AUDITORS ON THE FINANCIAL INFORMATION FOR THE HALF-YEAR PERIOD

**From 1 July to 31 December 2020**

To the shareholders,

In compliance with the assignment you entrusted to us at your Shareholders' Meetings, and pursuant to Article L.451-1-2 III of the French Monetary and Financial Code, we have:

- conducted a limited review of the condensed consolidated financial statements of Olympique Lyonnais Groupe SA, covering the period from 1 July to 31 December 2020, as attached to this report;
- verified the information disclosed in the management report for the first half of the year.

These interim consolidated financial statements were prepared under the responsibility of the Board of Directors on 16 February 2021 using information available at the time amid a fast-moving Covid-19 pandemic situation and uncertainties about its effects and the future outlook. Our responsibility is to express a conclusion about these financial statements based on our limited review.

## **I - CONCLUSION ABOUT THE FINANCIAL STATEMENTS**

We conducted our limited review in accordance with French professional standards. A limited review of interim financial statements consists in obtaining information from the senior managers responsible for accounting and financial matters and analysing it. A review of this type is less extensive than that required for an audit performed in accordance with French professional standards. As a result, a limited review can provide only a moderate level of assurance that the financial statements taken together do not include any significant anomalies, less than that which would be obtained from an audit.

Based on our limited review, nothing has come to our attention that would cause us to question the compliance of the condensed consolidated first-half financial statements with IAS 34, the IFRS regarding interim financial reporting, as adopted by the European Union.

## **II – SPECIFIC VERIFICATION**

We have also examined the information contained in the management report on the condensed consolidated first-half financial statements that were the subject to our limited review. We have no observations to make as to the fairness of this information or its consistency with the condensed consolidated first-half financial statements.

Villeurbanne and Lyon, 16 February 2021

The Statutory Auditors

ORFIS

COGEPARC

Member of PKF International

Bruno Genevois

Anne Brion Turck





**WE CAN'T WAIT TO WELCOME YOU BACK**

**INVESTOR AND SHAREHOLDER CONTACTS**

[investisseur.olympiquelyonnais.com](http://investisseur.olympiquelyonnais.com)

[investisseurs@ol.fr](mailto:investisseurs@ol.fr)

GROUPAMA STADIUM – 10 avenue Simone Veil CS 70712 – 69153 Décines cedex France  
Tel: +33 (0)04 81 07 55 00 – 421 577 495 RCS LYON