



Celtic plc

Interim Report

December 2022

Celtic plc (the “Company”)

INTERIM REPORT FOR THE SIX MONTHS TO 31 DECEMBER 2022

Key Operational Items

- Currently first in the SPFL Premiership.
- 14 home fixtures (2021: 19).
- Participation in the UEFA Champions League group stages.

Key Financial Items

- Revenue increased by 44.8% to £76.5m (2021: £52.9m).
- Profit from trading was £28.1m (2021: £7.0m).
- Profit from transfer of player registrations (shown as profit on disposal of intangible assets) £1.8m (2021: £25.8m).
- Profit before taxation of £33.9m (2021: £27.6m).
- Acquisition of player registrations of £5.7m (2021: £16.8m).
- Period end cash net of bank borrowings of £59.2m (2021: £25.6m).

Celtic plc

CHAIRMAN'S STATEMENT

I am honoured to present my first Chairman's statement on behalf of Celtic Football Club. Being back to chair the club that I have always supported and served for almost 18 years as CEO, is a privilege. I look forward to fulfilling the role, and playing my part in our Club going forward.

The results for the six months ended 31 December 2022 show revenues of £76.5m (2021: £52.9m) and a profit before taxation of £33.9m (2021: profit before tax of £27.6m). The profit from trading, representing the profit excluding player related gains and charges, amounted to £28.1m (2021: profit of £7.0m).

The key factors driving the improvement in the underlying trading performance in the six months to 31 December 2022 compared to the same period last year, was the direct qualification to the UEFA Champions League Group stages. This was the key driver in our revenue increase over the same period last year which reflected UEFA Europa League Group stage participation. Gains from player trading this year of £1.8m (2021: £25.8m) were notably lower, reflecting our strategy of assembling a new football playing squad under our Football Manager, Ange Postecoglou. Period end net cash at bank was £59.2m (2021: £25.6m). After adjusting for a net trading balance on prior inbound and outbound transfers, this sum reduces to £50.2m at December 2022 (2021: £39.7m). The introductory page to these interim results summarises the key events in the period.

This year is the second season under Ange and the success delivered in season 2021/22 in securing the SPFL title ensured we qualified directly for the UEFA Champions League Group stages for season 2022/23. This allowed us to plan and execute our transfer business early. Following from the permanent signings of Daizen Maeda, Cameron Carter-Vickers and Joao Pedro Neves Filipe (Jota), we went on to sign Alexandro Bernabei, Sead Haksabanovic, Aaron Mooy, Benjamin Siegrist and brought in loan signings Oliver Abildgaard and Moritz Jenz.

As the season got underway in August, we were presented with a tough Champions League Group stage draw, alongside 14 times Champions League winners Real Madrid, RB Leipzig and Shakhtar Donetsk. Despite a number of strong footballing performances we all shared Ange's disappointment in not progressing further, but took heart from the competitive performances and experience gained by our young team which will serve them well in future European competition.

On domestic footballing matters, we currently sit 9 points ahead at the top of the SPFL Premiership, have reached the Viaplay Cup Final and have reached the fifth round of the Scottish Cup. We sit in a satisfactory position domestically, but strive to keep improving as a club and during the January transfer window we further added to the squad by signing Alistair Johnston, Yuki Kobayashi, Tomoki Iwata (loan with obligation to buy) and Hyeongyu Oh. Josip Juranovic, Oliver Abildgaard, Moritz Jenz, Scott Robertson and Giorgos Giakoumakis moved on to continue their careers elsewhere and we wish them all the best for the future.

Our B Team continues to develop in the Lowland League under Darren O'Dea and Stephen McManus. A key objective of our B Team and Academy is to develop first team players and already this season B Team players Bosun Lawal and Rocco Vata have made their first team debuts. This is a major milestone and achievement for our young players and reflects our strategy of developing Academy players through our system. Our Women's team also continues to progress under Fran Alonso and at the time of writing we sit second in the league and are in the fifth round of the Scottish Cup.

Celtic plc

CHAIRMAN'S STATEMENT (Continued)

As we look ahead, our immediate priority is to secure domestic success for season 2022/23, with a view to progressing into the Champions League Group stages for a second consecutive year. We also wish to build upon the progress made in our Academy and the Women's team, and are currently exploring development opportunities at our Barrowfield training ground with a view to enhancing the facilities for these squads.

We will also continue to contribute to the development of UEFA European Club Competition through participation in the European Club Association. The forthcoming changes to European Club Competition from 2024 onwards bring a number of exciting changes that we will embrace and look to take advantage of.

In line with the seasonality inherent in our earnings profile, the second half of the financial year will see losses incurred, as our earnings are biased toward the first half of the financial year. These losses however will be in part mitigated by gains on player trading realised from the January 2023 transfer window along with greater revenue from operating activities than was previously anticipated. The bias in earnings towards the first half of the financial year reflects the fact that UEFA distributions and UEFA match ticket income are largely recognised in the first half of the financial year and as in previous years, the second half of the financial year typically sees lower retail sales. Our outturn earnings can also be materially impacted by football success and the year end assessment of player registration carrying values. Taking all of this into consideration, we would expect our total outturn profit before tax for the year ending 30 June 2023 to be significantly lower than the result posted for the first six months of the financial year.

On behalf of the Board, I wish to thank our supporters for their unwavering dedication and support of our Club. I wish to also thank our shareholders and commercial partners for continuing to back the Club as they have done over many years.



Peter Lawwell
Chairman
10 February 2023

Celtic plc

INDEPENDENT REVIEW REPORT TO CELTIC PLC

Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2022 which comprises the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement and related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2022 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the London Stock Exchange AIM Rules for Companies.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410, however future events or conditions may cause the Group to cease to continue as a going concern.

Responsibilities of directors

The directors are responsible for preparing the half-yearly financial report in accordance with the London Stock Exchange AIM Rules for Companies which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the Company's annual accounts having regard to the accounting standards applicable to such annual accounts.

Celtic plc

INDEPENDENT REVIEW REPORT TO CELTIC PLC (Continued)

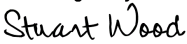
In preparing the half-yearly financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Transparency (Directive 2004/109/EC) Regulations 2007 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

DocuSigned by:

D8CD362D513C4D9...

BDO LLP
Chartered Accountants
Glasgow, UK
Date: 10 February 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Celtic plc

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS TO 31 DECEMBER 2022

	Note	2022 Unaudited £000	2021 Unaudited £000
Revenue	2	76,542	52,858
Operating expenses (before intangible asset transactions)		(48,398)	(45,810)
Profit from trading before intangible asset transactions		28,144	7,048
Exceptional operating (expense) / income	3	(53)	1,063
Amortisation of intangible assets	7	(6,018)	(6,251)
Profit on disposal of intangible assets		1,757	25,752
Other income	3	10,000	-
Operating profit		33,830	27,612
Finance income	4	636	456
Finance expense	4	(611)	(512)
Profit before tax		33,855	27,556
Income tax expense	5	(5,767)	(3,210)
Profit and total comprehensive income for the period		28,088	24,346
Basic earnings per Ordinary Share	6	29.72p	25.78p
Diluted earnings per Share	6	20.74p	18.01p

The notes on pages 10 to 13 form part of these financial statements.

Celtic plc

Registered number: SC3487

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2022

	Notes	2022 Unaudited £000	2021 Unaudited £000
NON-CURRENT ASSETS			
Property plant and equipment		55,920	57,087
Intangible assets	7	34,324	27,522
Trade and other receivables	8	4,515	14,664
		<u>94,759</u>	<u>99,273</u>
CURRENT ASSETS			
Inventories		2,534	2,940
Trade and other receivables	8	30,095	32,180
Cash and cash equivalents	10	60,142	27,798
		<u>92,771</u>	<u>62,918</u>
TOTAL ASSETS		<u>187,530</u>	<u>162,191</u>
EQUITY			
Issued share capital	9	27,166	27,168
Share premium		14,990	14,951
Other reserve		21,222	21,222
Accumulated profits		39,566	29,975
TOTAL EQUITY		<u>102,944</u>	<u>93,316</u>
NON-CURRENT LIABILITIES			
Interest bearing liabilities/ bank loans		-	932
Debt element of Convertible Cumulative Preference Shares		4,174	4,174
Trade and other payables		9,018	7,883
Lease Liabilities		163	352
Deferred tax	5	3,189	2,904
Provisions		77	99
		<u>16,621</u>	<u>16,344</u>
CURRENT LIABILITIES			
Trade and other payables		38,390	26,124
Current borrowings		1,048	1,336
Lease Liabilities		394	562
Provisions		7,271	6,686
Deferred income		20,862	17,823
		<u>67,965</u>	<u>52,531</u>
TOTAL LIABILITIES		<u>84,586</u>	<u>68,875</u>
TOTAL EQUITY AND LIABILITIES		<u>187,530</u>	<u>162,191</u>

Approved by the Board on 10 February 2023.

The notes on pages 10 to 13 form part of these financial statements.

Celtic plc

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS ENDED 31 DECEMBER 2022

	Share capital £000	Share premium £000	Other reserve £000	Accumulated Profits £000	Total £000
EQUITY SHAREHOLDERS' FUNDS AS AT 1 JULY 2021 (Audited)	27,168	14,912	21,222	5,629	68,931
Share capital issued	-	39	-	-	39
Profit and total comprehensive income for the period	-	-	-	24,346	24,346
EQUITY SHAREHOLDERS' FUNDS AS AT 31 DECEMBER 2021 (Unaudited)	27,168	14,951	21,222	29,975	93,316
EQUITY SHAREHOLDERS' FUNDS AS AT 1 JULY 2022 (Audited)	27,166	14,951	21,222	11,478	74,817
Share capital issued	-	39	-	-	39
Profit and total comprehensive income for the period	-	-	-	28,088	28,088
EQUITY SHAREHOLDERS' FUNDS AS AT 31 DECEMBER 2022 (Unaudited)	27,166	14,990	21,222	39,566	102,944

The notes on pages 10 to 13 form part of these financial statements.

Celtic plc

CONSOLIDATED CASH FLOW STATEMENT FOR THE 6 MONTHS ENDED 31 DECEMBER 2022

	Note	2022 Unaudited £000	2021 Unaudited £000
Cash flows from operating activities			
Profit for the period after tax		28,088	24,346
Income tax expense		5,767	3,210
Depreciation		1,292	1,320
Amortisation		6,018	6,251
Reversal of prior period impairment charge		-	(1,095)
Profit on disposal of intangible assets		(1,757)	(25,752)
Finance costs		611	512
Finance income		(636)	(456)
		39,383	8,336
Decrease in inventories		453	921
Decrease in receivables		4,137	1,190
Decrease in payables and deferred income		(15,522)	(6,644)
Cash generated from operations		28,451	3,803
Interest paid		(31)	(42)
Interest received		327	19
<i>Net cash flow from operating activities</i>		28,747	3,780
Cash flows from investing activities			
Purchase of property, plant and equipment		(892)	(801)
Purchase of intangible assets		(14,341)	(13,801)
Proceeds from sale of intangible assets		16,197	20,660
<i>Net cash generated from investing activities</i>		964	6,058
Cash flows from financing activities			
Repayment of debt		(640)	(640)
Payments on leasing activities		(343)	(378)
Dividend on Convertible Cumulative Preference Shares		(455)	(481)
<i>Net cash used in financing activities</i>		(1,438)	(1,499)
Net increase in cash equivalents		28,273	8,339
Cash and cash equivalents at 1 July		31,869	19,459
Cash and cash equivalents at 31 December	10	60,142	27,798

The notes on pages 10 to 13 form part of these financial statements.

Celtic plc

NOTES TO THE FINANCIAL INFORMATION

1. BASIS OF PREPARATION

The financial information in this interim report comprises the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement and accompanying notes. The financial information in this interim report has been prepared under the recognition and measurement requirements in accordance with UK adopted international accounting standards, but does not include all of the disclosures that would be required under those accounting standards. The accounting policies adopted in the financial statements for the year ended 30 June 2023 will be in accordance with UK adopted international accounting standards.

The financial information in this interim report for the six months to 31 December 2022 and to 31 December 2021 has not been audited, but it has been reviewed by the Company's auditor, whose report is set out on pages 4 and 5.

Adoption of standards effective for periods beginning 1 July 2022

The following amended standards have been adopted as of 1 July 2022

- Amendments to IFRS 3, IAS 16 and IAS 37 - Property Plant and Equipment Proceeds before Intended Use
- Amendments to IFRS 1, IFRS 9, IAS 41 and Illustrative examples accompanying IFRS 16 - Annual Improvements to IFRSs (2019-2020 Cycle)

Going concern

The Company has sufficient financial resources available to it, together with established contracts with a number of customers and suppliers. As a consequence, the Directors believe that the Company is well placed to continue managing its business risks successfully and they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial information in this interim report.

2. REVENUE

	6 months to 31 Dec 2022 Unaudited £000	6 months to 31 Dec 2021 Unaudited £000
Football and stadium operations	28,250	23,558
Multimedia and other commercial activities	30,866	13,973
Merchandising	17,426	15,327
	76,542	52,858
Number of home games	14	19

3. EXCEPTIONAL OPERATING ITEMS AND OTHER INCOME

The exceptional operating expense of £0.05m represents settlement payments. In the previous period an exceptional operating credit resulted from an impairment reversal in relation to intangible assets offset by settlement payments. These items are deemed to be unusual in relation to what management consider to be normal operating conditions.

Other income represents incoming cash or receivables to the business which is not deemed to be generated from the normal course of business and does not meet the definition of revenue under IFRS15. In the current financial year, this is represented by the receipt of insurance proceeds in relation to business interruption. The amount of income is only recognised when the likelihood and value of any receipt is virtually certain i.e. the cash or confirmation of payment have been received.

Celtic plc

NOTES TO THE FINANCIAL INFORMATION (Continued)

4. FINANCE INCOME AND EXPENSE

	6 months to 31 December 2022 Unaudited £000	6 months to 31 December 2021 Unaudited £000
Finance income:		
Interest receivable on bank deposits	310	19
Notional interest income	326	437
	<u>636</u>	<u>456</u>

	6 months to 31 December 2022 Unaudited £000	6 months to 31 December 2021 Unaudited £000
Finance expense:		
Interest payable on bank and other loans	(31)	(40)
Notional interest expense	(296)	(188)
Dividend on Convertible Cumulative Preference Shares	(284)	(284)
	<u>(611)</u>	<u>(512)</u>

5. TAXATION

Tax has been charged at 19% for the six months ended 31 December 2022 (2021: 19%) representing the best estimate of the average annual effective tax rate expected to apply for the full year, applied to the pre-tax profit of the six month period. After accounting for deferred tax, this has resulted in tax expense in the statement of comprehensive income of £5.8m (2021: £3.2m).

6. EARNINGS PER SHARE

Basic earnings per share has been calculated by dividing the profit for the period of £28.1m (2021: £24.3m) by the weighted average number of Ordinary Shares in issue of 94,515,655 (2021: 94,446,660). Diluted earnings per share has been calculated by dividing the profit for the period by the weighted average number of Ordinary Share, Convertible Cumulative Preference Shares and Convertible Preferred Ordinary Shares in issue, assuming conversion at the balance sheet if dilutive.

Celtic plc

NOTES TO THE FINANCIAL INFORMATION (Continued)

7. INTANGIBLE ASSETS

	31 December 2022 Unaudited £000	31 December 2021 Unaudited £000
Cost		
At 1 July	67,511	49,559
Additions	5,650	16,760
Disposals	(13,683)	(19,186)
At period end	59,478	47,133
Amortisation		
At 1 July	32,022	31,256
Charge for the period	6,018	6,251
Reversal of prior period impairment	-	1,094
Disposals	(12,886)	(18,990)
At period end	25,154	19,611
Net Book Value at period end	34,324	27,522

8. TRADE AND OTHER RECEIVABLES

	31 December 2022 Unaudited £000	31 December 2021 Unaudited £000
Trade receivables	21,232	34,381
Prepayments and accrued income	7,053	7,436
Other receivables	6,325	5,027
	34,610	46,844

Amounts falling due after more than one year included above are:

	31 December 2022 Unaudited £000	31 December 2021 Unaudited £000
Trade receivables	4,515	14,664

Celtic plc

NOTES TO THE FINANCIAL INFORMATION (Continued)

9. SHARE CAPITAL

	Authorised		Allotted, called up and fully paid			
	31 December		31 December			
	2022	2021	2022	2022	2021	2021
	Unaudited		Unaudited		Unaudited	
	No 000	No 000	No 000	£000	No 000	£000
Equity						
Ordinary Shares of 1p each	223,681	223,681	94,526	945	94,457	945
Deferred Shares of 1p each	677,885	676,275	677,885	6,778	676,275	6,763
Convertible Preferred Ordinary Shares of £1 each	14,721	14,722	12,718	12,718	12,734	12,734
Non-equity						
Convertible Cumulative Preference Shares of 60p each	18,298	18,297	15,797	9,478	15,797	9,479
Less reallocated to debt:						
Initial debt	-	-	-	(2,753)	-	(2,753)
	<u>934,585</u>	<u>932,975</u>	<u>800,926</u>	<u>27,166</u>	<u>799,263</u>	<u>27,168</u>

10. ANALYSIS OF NET CASH AT BANK

The reconciliation of the movement in cash and cash equivalents per the cash flow statement to net cash is as follows:

	31 December 2022 Unaudited £000	31 December 2021 Unaudited £000
Bank Loans due after more than one year	-	(932)
Bank Loans due within one year	(948)	(1,236)
Cash and cash equivalents:		
Cash at bank and on hand	<u>60,142</u>	<u>27,798</u>
Net cash at bank at period end	<u>59,194</u>	<u>25,630</u>

11. POST BALANCE SHEET EVENTS

Since the balance sheet date, we have acquired the permanent registration of Hyeongyu Oh from Suwon Samsung Bluewings.

We have also permanently transferred the registrations of Josip Juranovic to Union Berlin, Scott Robertson to Fleetwood Town and Giorgos Giakoumakis to Atlanta United. In addition, the temporary registrations of Moritz Jenz and Oliver Abildgaard were cancelled and the registration of Yosuke Ideguchi was temporarily transferred to Avispa Fukuoka.

Celtic plc

Directors

Ian P Bankier (Chairman) (resigned 31 December 2022)

Peter Lawwell (Chairman) (appointed 1 January 2023)

Michael Nicholson (Chief Executive Officer)

Christopher McKay (Chief Financial Officer)

Thomas E Allison

Dermot F Desmond

Brian D H Wilson

Sharon M Brown

Company Secretary

Christopher M Duffy

Registered Office

Celtic Park

Glasgow

G40 3RE

Registered Number

SC003487