



Sports ERP

The Smartest Way to Manage Sports



Financial Scoreboard (Turkish Public Sports Clubs)

SEASON 2020/21

1 September 2021

Preface

About SportsERP

SportsERP is a unique end-to-end business management software for sports clubs. With this project, the following innovations are provided in order to place the business processes of sports clubs on a healthy information infrastructure and to ensure efficiency and automation in all business areas:

- Automatic feed and centralization of all possible data.
- Contract management and monitoring (players, agents, transfers, sponsors, etc.).
- Automatic calculations by harnessing central and club-specific data.
- Standard reporting infrastructure.
- Ready to use know-how for the sports industry.
- Compatibility with all smart devices and instant access from anywhere.
- Dynamic budget system with what-if scenarios.
- Exclusive innovative management solutions.

The main idea is to prepare all the necessary R&D studies in detail and to make all clubs ready for efficient and low-cost use.

What is the purpose of this report?

The following report has been prepared by the SportsERP team in order to objectively compare the financial situation of the Turkish big four public clubs.

What are the pre-acceptances?

Our report has been prepared in accordance with the financial statement principles accepted by UEFA and the tables are created by taking football logic and structure into consideration. Therefore, some modifications have been made in the revenues and expenses included in the financial statements. In addition, since the financial statements of all our clubs were not published in the same standard, the assumptions explained in the report were made during the financial classifications. Finally, as the 2019/20 season was completed in an exceptional way due to COVID-19, some revenue and expense items were hung over the 2020/21 financials. This situation, which may differ from one club to another due to accounting policies, should be considered when reading financial statements.

Regards
SportsERP Team

Client partners



Corporate Investors



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SEASON 2020/21 OVERVIEW

The Turkish Super League 2020/21 season has been recorded as an exceptional season witnessed by the audience in recent years. With the completion of the 2019/20 season, when the COVID-19 pandemic started and the last competition was extended until July 26, football stakeholders took a short vacation and opened the Super League 2020/21 season on September 11, 2020. Turkish Football Federation (TFF), considering the effects of the pandemic in the 2019/20 season, removed the relegation from the league, with the teams addition from the TFF 1st League, the Super League 's new season was played with 21 teams for the first time in Turkish Football history. The season, which started approximately one month late, was completed in its normal time and lasted one month shorter than normal. At the same time, with the addition of three more teams, an extra eight weeks were squeezed into this one-month shorter season.

The season, which maintains its originality in terms of sports, has witnessed breathtaking competition until the last weeks. While the champion was not determined until the last draw, the same was on the relegation line that continued until the last weeks. The suspense has given to supporters the most exciting season in the last years.

Başakşehir, which completed the 2019/20 season as the champion, was close to the last ranks of the league until the last weeks of the 2020/21 season and was able to rise to the 12th place with the achieved results in the very last weeks.

Even though their important stars Alexander Sörloth, Jose Sosa and Filip Novak in the 2019/20 season left the team, Trabzonspor team who signed for stars such as Vitor Hugo, Anastasios Bakasetas, Fousseni Diabete and Flavio, started the 2020/21 season with the championship hope again. Trying to push on the top ranks throughout the season, Trabzonspor was able to complete the league as 4th.

Fenerbahçe entered 2020/21 season under the leadership of former captain and new sporting director, Emre Belözoğlu. The club attracted attention with the transfer of more than 20 players and was shown as one of the nearest potential clubs to raise the championship title by all sports specialists at the beginning of the season. Although, they finished league performance as leader by far in their away scorecard, due to consecutive lost points home and they were able to complete the league 3rd after their rivals Galatasaray and Beşiktaş.

Signing for stars such as Arda Turan, Gedson Fernandes, Mostafa Mohammed and Henry Onyekuru, Galatasaray made an assertive entry into the 2020/21 season. The Yellow-Red team, took the lead in the 24th week, regressed to the second place in the 29th week. Galatasaray, was ranked second in the league in both home and away performances, was able to complete the league in second place even though their performance was near to the championship title until the last minute.

Besiktas Team who started the transfer season quietly, also has become assertive thanks to stars signing for the Club in the last days of the summer Mercato, such as Valentin Roiser, Vincent Aboubakar and Rachid Ghezzal. The black and white squad were relatively unprepared in the first weeks, started to climb up in the following weeks of the league with the adaptation of the new players to the team and become the league's leaders in the 15th week. Beşiktaş road to the Podium was not easy for a short time due to the possibility of losing the championship to its archrivals in the last weeks; however, they were able to celebrate the championship with the final whistle of the last match, making a double shot by being champions and qualified to the Champions league.

	Team	M	W	T	L	Points
1	Beşiktaş	40	26	6	8	84
2	Galatasaray	40	26	6	8	84
3	Fenerbahçe	40	25	7	8	82
4	Trabzonspor	40	19	14	7	71
5	Sivasspor	40	16	17	7	65
6	Hatayspor	40	17	10	13	61
7	Alanyaspor	40	17	9	14	60
8	Fatih Karagömrük	40	16	12	12	60
9	Gaziantep FK	40	15	13	12	58
10	Göztepe	40	13	12	15	51
11	Konyaspor	40	12	14	14	50
12	Başakşehir FK	40	12	12	16	48
13	Çaykur Rizespor	40	12	12	16	48
14	Kasımpaşa	40	12	10	18	46
15	Yeni Malatyaspor	40	10	15	15	45
16	Antalyaspor	40	9	17	14	44
17	Kayserispor	40	9	14	17	41
18	BB Erzurumspor	40	10	10	20	40
19	MKE Ankaragücü	40	10	8	22	38
20	Gençlerbirliği	40	10	8	22	38
21	Denizlispor	40	6	10	24	28

In the 2020/21 Ziraat Turkish Cup, Trabzonspor bid farewell to the cup by losing against Adana Demirspor in the 5th round.

Both in the quarterfinals Fenerbahçe and Galatasaray lost their games against Basaksehir and Alanyaspor leaving an opportunity to not miss by Beşiktaş. After eliminating Tarsus İdman Yurdu, Çaykur Rizespor, Konyaspor and Başakşehir respectively, Beşiktaş became the champion of the Ziraat Turkish Cup by defeating Alanyaspor 2-0 in the final match played on May 18, 2021.

The SportsERP Team congratulate Beşiktaş Club winner of both the Super League and the Ziraat Turkish Cup in the 2020/21 season, which can be described as the most difficult season ever, despite all the difficulties.



The UEFA performance scorecard of Turkish teams has decreased compared to previous seasons. 2020/21 Super League Champion Beşiktaş was eliminated by PAOK in the 2nd qualifying round of the UEFA Champions League and advanced to the 3rd Round of the UEFA Europa League. The team was eliminated by Rio Ave team on penalties shoot-outs and ended his UEFA journey.

Although our representative Galatasaray eliminated Neftçi Baku in the 2nd round of the UEFA Europa League and Hajduk Split in the 3rd round, they were eliminated by the Scottish Rangers team in the play-off round and put an end to their European dream.

Pos ^	Country	16/17 v	17/18 v	18/19 v	19/20 v	20/21 v	Pts v	Clubs
1 =	England	14.928	20.071	22.642	18.571	24.357	100.569	7
2 =	Spain	20.142	19.714	19.571	18.928	19.500	97.855	7
3 =	Italy	14.250	17.333	12.642	14.928	16.285	75.438	7
4 =	Germany	14.571	9.857	15.214	18.714	15.214	73.570	7
5 =	France	14.416	11.500	10.583	11.666	7.916	56.081	6
6 =	Portugal	8.083	9.666	10.900	10.300	9.600	48.549	5
7 =	Netherlands	9.100	2.900	8.600	9.400	9.200	39.200	5
8 =	Russia	9.200	12.600	7.583	4.666	4.333	38.382	6
9 =	Belgium	12.500	2.600	7.800	7.600	6.000	36.500	5
10 =	Austria	7.375	9.750	6.200	5.800	6.700	35.825	5
11 =	Scotland	4.375	4.000	6.750	9.750	8.500	33.375	4
12 =	Ukraine	5.500	8.000	5.600	7.200	6.800	33.100	5
13 =	Turkey	9.700	6.800	5.500	5.000	3.100	30.100	5
14 =	Denmark	8.500	5.250	4.875	5.125	4.125	27.875	4
15 =	Cyprus	5.500	7.000	6.125	5.125	4.000	27.750	4
16 =	Serbia	2.875	6.375	6.000	6.000	5.500	26.750	4
17 =	Czech Republic	5.500	5.500	6.500	2.500	6.600	26.600	5
18 =	Croatia	5.125	5.125	5.750	4.375	5.900	26.275	5

Source: <https://www.uefa.com/memberassociations/uefarankings/country/#/yr/2021>

Fenerbahçe and Trabzonspor, on the other side, could not represent Turkey in UEFA competitions in the 2020/21 season due to the results they received in the previous season. Sivasspor in the UEFA Europa League group stage; Başakşehir, in the UEFA Champions' League group stage represented Turkey. Due to the unsuccessful results of the country teams compared to previous seasons, Turkish Clubs completed the 2020/21 season in the 26th place and the ranking in Country points decreased to 13th.

UEFA rankings of Turkish representatives are in response to the unsuccessful results compared to previous years in UEFA competitions. Having completed 2020/21 season as champions, Beşiktaş is ranked 30th among European clubs, while Başakşehir ranked 60th, Fenerbahçe, which could not participate in UEFA competitions in the last two seasons, ranked 86th, and Galatasaray 96th. Trabzonspor, was able to collect points in UEFA competitions only in the 2019/20 season and ranked 184th.

Pos ^	Club	Country v	16/17 v	17/18 v	18/19 v	19/20 v	20/21 v	Pts v
30 =	 Beşiktaş	TUR	20.000	19.000	5.000	3.000	2.000	49.000
60 =	 İstanbul Başakşehir	TUR	1.500	6.000	2.000	11.000	6.000	26.500
86 =	 Fenerbahçe	TUR	10.000	1.500	8.000	-	-	19.500
96 =	 Galatasaray	TUR	-	0.500	8.000	6.000	2.500	17.000
143 =	 Osmanlıspor	TUR	8.000	-	-	-	-	8.000
164 =	 Konyaspor	TUR	2.000	5.000	-	-	-	7.000
182 =	 Sivasspor	TUR	-	-	-	-	4.000	4.000
183 =	 Alanyaspor	TUR	-	-	-	-	2.000	2.000
184 =	 Trabzonspor	TUR	-	-	-	3.000	-	3.000
185 =	 Yeni Malatyaspor	TUR	-	-	-	2.000	-	2.000
186 =	 Akhisar	TUR	-	-	3.000	-	-	3.000

Source: <https://www.uefa.com/memberassociations/uefarankings/club/#/yr/2021>

The total scores of Turkish teams are added together to form the country score, and the Turkey ranking determined by the country score that determines how many teams and from which qualifying round the representatives will participate for the next season's UEFA competitions. On the other hand, the points obtained by the clubs also play an important role in determining the revenues they will earn due to the coefficient share that has come into play in the past years. In summary, on behalf of the development of club football in Turkey, the points that all Turkish representatives will earn each season are also going to affect the other potential representatives.

EXTERNAL FACTORS AFFECTING CLUBS

In the 2020/21 Season, the EUR/TRY parity has increased by 37%.

Even though it varies depending on the number and cost of foreign football players in Turkish clubs, 40-60% of the operating expenses are realized in EURO. When foreign player salaries, agent expenses and most of the transfer payments are considered, it is seen that the foreign currency expenses of the Turkish clubs increased by 37% throughout the season. While this situation increased the annual expenses of four big football companies by 470 million TL in total, it was reflected in the 2020/21 season as an additional expenditure increase of approximately 235 million TL. When we add the valuation differences amounting to 281 million TL in the financial statements, we can say that the final loss due to the exchange rate increase in the 2020/21 season is over 500 million TL (€ 56 million).



According to TUIK data, consumer prices increased by 16.59% in the 2020/21 Season.

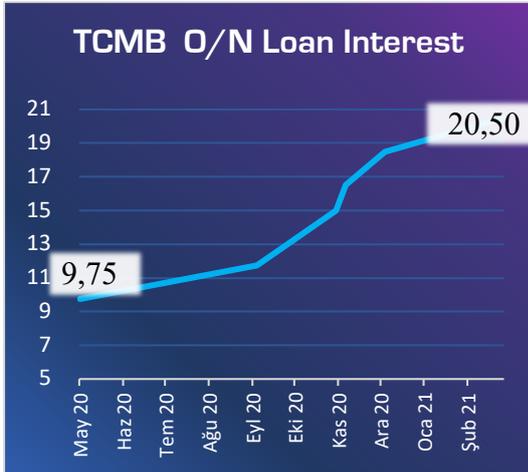
All operating expenses in local currency of our clubs such as accommodation, travel, security, cleaning, facility, and health, increased based on inflation. On the other side, when we consider that most of the players have an inflation increase clause in their contracts, the effect of inflation on the club's financial statements cannot be ignored. The inflation increases the annual expenses of the four big football companies by 200 million TL, and its effect on the 2020/21 season can be evaluated as an additional expense of approximately 100 million TL.

With the new regulation that started in December 2019, the taxation of player wages was increased from 15% to 40%.

Salaries paid to players constitute approximately 80% of the football operating expenses of Turkish clubs. According to the tax practices valid before December 2019, the tax cost of a player who received a net salary of 1 million TL was approximately 175 thousand TL. With the new regulation, this salary is now approximately 665 thousand TL together with the taxes to be paid by the club and the player. Considering that in practice, the wages of the players are generally understood as the net wages that will remain in the pocket of the players, the tax burden on the clubs has increased by about four times. In this case, it is expected that the wage expenses of the four big football companies will automatically increase by 42% and the reflection of it on their annual costs will be approximately 600 million TL (€ 67 million). Since this cost update cannot be covered by the clubs, it is expected that together with partial decreases in local player wages, a decrease is expected in the wages and indirectly qualifications of the foreign players coming to the country.

The CBRT (Central Bank of the Republic of Turkey) overnight lending rate, which is an important indicator for interest rates in the 2020/21 Season, increased from 9.75% to 20.50%.

It is a known fact by the public that our clubs are under a critical debt load due to the debt crisis they have. Even though significant part of their costs is reflected to the associations, the



total financial debts of our four big clubs are over nine billion TL. Compared to the plans they made at the beginning of the season; interest rates nearly doubled towards the end of the season. In this case, considering the seasonal average, it will be possible to say that the financial expenses have increased by approximately 50% compared to the beginning of the season plans. In this case, the consolidated interest expenses of the 4 big clubs increased by approximately 900 million TL (€ 100 million) annually. As the unexpected increase in interest rates gradually affected the financial statements in the 2020/21 period, its reflection to

this season on a consolidated basis was approximately 450 million TL (€ 50 million). The portion of the mentioned costs on football companies in the 2020/21 season is approximately 190 million TL (€ 21,3 million). On the other hand, the consolidated DAILY INTEREST EXPENSE of our four big clubs is currently around 6 million TL (€ 670 Thousand).

As a result of the negotiations with the broadcaster and the exchange rate increases, the net broadcast pool distributed to the Super League clubs was approximately 150 million USD less in the 2020/21 season compared to the result of the tender.

As a result of the tender held in November 2016, Super League and TFF 1st League matches were given to the broadcaster for 500 million USD. According to the agreement with the broadcaster, half of the pool would be paid in USD; and the other half in TL (with subject to annual inflation valuation). Within two months after the auction, the portion of the pool to be paid in TL was fixed at 3.26, and due to the rise of the USD/TL parity, losses occurred in the USD counterpart of the TL portion of the pool. In the 2018/19 season, the broadcaster wanted to negotiate the terms of the agreement, and as a result of the negotiations, they obtained a discount from the USD pool and the USD/TL rate fixed at 5.80. Finally, due to the pandemic losses, the broadcaster asked for another discount again and the broadcast pool distributed to the Super League in the 2020/21 season was amounted 2 billion 40 million TL. When we look at the USD equivalent, it is approximately 267 million USD when we convert it from the season's average exchange rate. As a result, after the cuts made by the TFF according to the tender price, although the share to be distributed to the Super League should have been approximately 415 million USD, the share of the Super League on a seasonal basis decreased by approximately 150 million USD after four years, due to discounts, negotiations and exchange rate effects. Considering that the four big clubs have a share of nearly 40% from the

pool, the total impact of this loss on their financials in the 2020/21 season could be considered as a loss of approximately 55 million USD.

On the other hand, since the TFF increased the number of teams competing in the Super League from 18 to 21 in the 2020/21 season, broadcasting revenues were distributed to 21 clubs instead of 18. As a matter of fact, due to the division of performance shares and equal distribution (participation) shares from the broadcast pool, the total loss for the four big clubs only because of the increase in the number of teams, was approximately 65 million TL.

Datum	Super League Broadcasting Pool	Explanations
November 2016	415 million USD	As a result of the tender, the broadcasting rights of Super League and TFF 1st League were given to the broadcaster for 500 million USD. After deducting the cuts made by the TFF from the pool, various expenses and the shares of the lower leagues, the share of the Super League was expected to be approximately 415 million USD.
January 2017	381 million USD	It was agreed that the half of the pool to be paid in USD, the other half in TL. The portion to be paid in TL was fixed at 3.26 USD/TL rate and the Super League share decreased to 381 million USD in the 2017/18 season due to the sharp increase in the rate.
August 2019	300 million USD	The broadcaster requested improvement in the tender conditions on the grounds that it could not generate sufficient revenue, and as a result of the negotiations, a discount was applied over the USD pool and the USD pool was fixed at the rate of 5,80 EUR/TL. As a result, the USD equivalent of the Super League broadcast pool was 300 USD million in the 2019/20 season.
July 2020	267 million USD	Due to the pandemic, the broadcaster requested a discount again and as a result of the negotiations, the right to discount was granted again. Due to the increase in the exchange rates, the USD equivalent of the Super League broadcast pool was 267 USD million in the 2020/21 season. In addition, with the increase in the number of teams competing in the Super League from 18 to 21, an erosion has occurred in the individual the clubs' revenues.

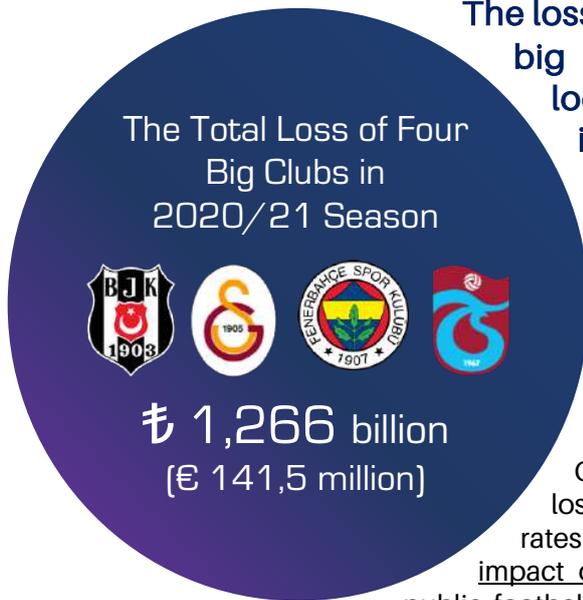
In the 2020/21 Season, there were restrictions on the intake of spectators to the stadiums due to the pandemic.

The Turkish Football Federation, in its statement in October 2020, stated that it would be allowed in league and cup matches to receive spectators up to 50% of the lodges. Therefore, the other stands, which were of great importance for the four big clubs, were left completely empty. Even though there are various effects of the matches without the audience, the negative effect on the financials of the four big football companies was approximately 370 million TL (€ 42 million) in the 2020/21 season.



With the 2021/22 season, TFF has announced that all the stands in the stadiums will receive spectators with 50% capacity. It is expected that the losses in the audience revenues of clubs will be alleviated in the 2021/22 season. However, the fans hesitation about watching the competitions collectively due to the pandemic, the necessity of getting vaccinated (in case a significant part of the young people are not yet vaccinated) or having a PCR test for each match (which has a high cost) signal that the gap in this area will continue forcing the clubs for a while.

A GENERAL REVIEW



The loss in the financial statements for the four big football companies, which are the locomotives of Turkish football, continues in the 2020/21 financial season due to the pandemic.

Due to the debt spiral that our clubs have entered in the last 10 years, their financial situation is unfortunately getting worse every year. In the 2020/21 season, which was overshadowed by COVID-19, the global pandemic left a deep impact on the financial statements of the Turkish clubs.

Considering the decrease in broadcasting revenues, loss of spectators, increase in exchange rates & interest rates and the general economic recession, the total impact of COVID-19 on the profit/loss statements of the public football companies of the four big clubs in the 2020/21 season was approximately as much as the loss of the clubs.

(₺ million)					Total
Operating Revenues	529,5	596,0	665,4	386,8	2.177,7
Operating Expenses	(464,0)	(840,2)	(747,4)	(410,9)	(2.462,5)
Operating Profit/(Loss)	65,5	(244,2)	(82,0)	(24,1)	(284,8)
Non-operating Profit/(Loss)	(40,1)	13,8	0,0	(28,7)	(55,0)
Transfer account	(64,5)	(81,4)	67,1	34,7	(44,1)
Financial Profit/(Loss)	(350,1)	(123,1)	(185,0)	(209,8)	(868,0)
Tax Profit/(Loss)	(10,0)	0,3	(1,0)	(3,0)	(13,7)
Net Profit/Loss	(399,2)	(434,6)	(200,9)	(230,9)	(1.265,6)

During the pandemic season, the operating revenues of the four big clubs were insufficient to even cover their operating expenses.

As can be seen from the table above, all our clubs, except for Beşiktaş, cannot finance their operating expenses with their operating revenues. In this table, the expected situation should be that the clubs switch from their activities to a plus and finance their financial losses and other losses with these pluses. Even though it is seen that Beşiktaş generates added value from its activities; The profits earned from this remained well below the deficits in its financial activities and Beşiktaş had a loss of 399 million TL (€ 44,6 million) at the end of the period. Galatasaray by adding the losses obtained from its transfer activities and financing activities

to the losses it has obtained from its operations, closed the season with a loss of 435 million TL (€ 48,6 million). Fenerbahce and Trabzonspor, tried to cover the losses they obtained from their activities with the profits they obtained from the transfers, but Fenerbahçe closed the season with a loss of 201 million TL (€ 22,5 million) and Trabzonspor with a loss of 231 million TL (€ 25,8 million) as a result of the losses in their financing activities.

While the profitable results of Fenerbahçe and Trabzonspor draw attention in transfer activities, the high financial losses of Beşiktaş and Trabzonspor in their financial activities draw attention.

Financial liabilities and expenses are unsustainable

Apart from the effects of the pandemic, the biggest burden on Turkish clubs is the debts they bear and the interest burden brought by these debts. As of May 31, 2021, the total liabilities of the publicly traded football companies of the four big clubs amounted to 12 billion 77 million TL (€ 1 billion 160 million). As in every season, financial debts constitute the biggest share in liabilities. The financial debt burden on the four big club football companies was realized as 9 billion 101 million TL (€ 874 million). Financial debts, which were 6 billion 142 million TL at the end of last season, increased by 2 billion 959 million TL, in other words increased by 48%. There are two major factors in this increase. First, financing of the companies' losses amounting to 1 billion 266 million TL during the season; Second, the financial debts transferred from the associations to the companies with the Banks Association (Bankalar Birliği) structuring and the interests of these debts reflected to the associations. As a result, due to these factors, the related party other receivables balances increased by TL 1 billion 617 million. We would like to emphasize again that the current consolidated **DAILY INTEREST EXPENSE** of the four big clubs is around **6 million TL (€ 670 Thousand)**.

(₺ million)					Total
Current Assets	1.857	448	2.481	205	4.991
Non-current assets	319	1.825	256	625	3.024
Total Assets	2.176	2.273	2.737	830	8.015
Short term liabilities	826	581	3.441	315	5.162
Short term liabilities	3.042	2.447	299	1.127	6.915
Total liabilities	3.868	3.028	3.740	1.441	12.077
Equity	(1.692)	(755)	(1.003)	(611)	(4.062)

Similar financial statements, common problems

When the balance sheets of the clubs are examined, we come across structures that are very similar to each other. When the assets are examined, the biggest difference in the current / fixed assets distribution is that Galatasaray includes their receivables from related party in fixed assets. On the other hand, the biggest difference between the balance sheet structures of the four big companies is that Trabzonspor has been able to reduce its receivables from the association, which is the controlling partner, up to 49 million TL. The other big difference is that Fenerbahçe's financial debts are in the short-term because Fenerbahçe could not complete the financial debt restructuring process as of 31 May 2021, the balance sheet date.

(₺ million)					Total
Financial liabilities	2.893	2.224	2.911	1.073	9.101
Total liabilities	3.868	3.028	3.740	1.441	12.077
Other Receivables Due from Related Parties	1.607	1.500	2.221	49	5.376
Total Equity	2.176	2.273	2.737	830	8.015

When the asset and liability structures in the balance sheets of the clubs are examined, excluding Trabzonspor, the majority of the assets consist of other receivables from related parties. On the liability side, very similarly, we see that approximately 75% of the total liabilities in all clubs are financial debts.

Receivables from associations, which are the controlling partners of publicly traded football companies, continue to increase in the 2020/21 season.

There are two reasons behind this chronic problem, which is constantly encountered in the structuring of football companies. First, the resource needs of amateur branches operating within the association; the other is the demand of financial institutions to provide financing to football companies, which they see having more secure cash flow. For these reasons, loans are granted to football companies, but a significant part of these loans were used to finance the deficits of amateur branches. Even though it is announced that there are definite provisions in consortium loans that companies cannot transfer funds to associations from the date of signature, it does not seem possible to improve this situation without going to the root cause of the problem and finding a solution.

The locomotives of Turkish football are “deep in dept”.

Unfortunately, applying many of the financial analysis techniques did not yield meaningful results due to the negative financial progress of the balance sheets. To summarize, assuming that the receivable from related parties cannot be collected within one year, the current assets (expected to be turned into cash within one year) of any of our clubs are not sufficient to meet their short-term debts (planned to be paid within one year). The liabilities of our four big clubs have exceeded their assets. Due to this situation, the four big clubs, which are the locomotives of our country's football, are considered as "deep in dept" according to the provisions of Article 376 of the Turkish Commercial Law (TCL).

Even though football companies of these clubs are evaluated “deep in dept” according to the provisions of TCL 376, they share with the public that they are not in fact "deep in debt" with their balance sheets prepared in accordance again with the provisions of TCL 376. In these balance sheets prepared in accordance with TCL 376, the testimonial values of the players of the companies, the brand & license rights of the companies are brought to their fair values, and it is announced to the public that the assets of the companies are more than their liabilities. The relevant balance sheets are shared with the public by the notifications announced by Public Disclosure Platform who already received these balance sheet from companies.



REVENUES

Football companies of four big clubs generated 96 million TL less operating revenues in the 2020/21 season compared to the previous one.

The football company with the highest revenue was Fenerbahçe Futbol A.Ş., with an operating revenue of 665 million TL. The most important factor in Fenerbahçe's leadership was the fact that it could generate more revenue in advertising, sponsorship and licensed product sales compared to other clubs. On top of this, when compared to the previous season, its revenues increased by 128 million TL.

Another club that increased its revenues compared to the previous season was Beşiktaş. Despite the decrease of 69 million TL in audience revenue and 38 million TL decrease in UEFA revenues, it managed to increase its operating revenues by 37 million TL with the increase in broadcasting revenues, sponsorship & advertising revenues.

Trabzonspor compensated the decrease in broadcast and stadium revenues with the fan

(₺ million)					Total
Broadcasting revenues	236	231	227	133	827
Advertising & Sponsorship	159	216	230	166	770
Stadium Revenue	35	58	54	13	160
Licensed Product	77	93	151	46	368
Cup Revenues	14	2	1	27	40
Other	8	-	3	3	14
Operating Revenues	530	596	665	387	2.178

token revenues thanks to the agreement it made in the 2020/21 season, and also with sponsorship & advertising revenues. The club was able to generate revenues very close to the previous season.

The biggest loss in Galatasaray's revenues was the 205 million TL decrease in UEFA revenues. This loss of revenues was followed by the stadium revenues with a loss of 141 million TL, while another loss was in the retail revenues with approximately 20 million TL. Despite the increases in broadcast and sponsorship & advertising revenues (with the effect of fan token revenues), there was a loss of 257 million TL compared to the previous



REVENUES-BROADCASTING RIGHTS



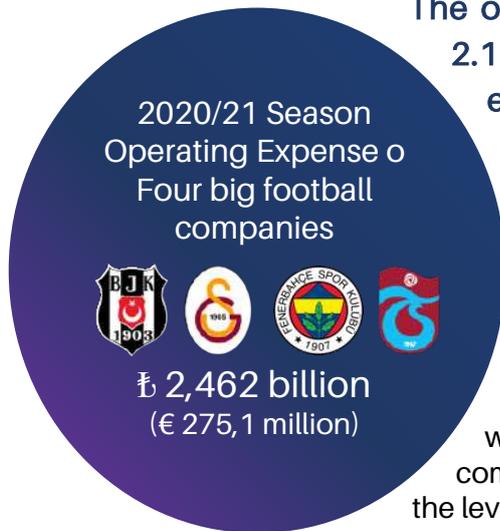
Due to the high broadcast revenue share they have received in the 2020/21 Super League Football Season in reference to their past championships, with 209.9 million TL, Galatasaray became the team with the highest broadcasting revenues in the 2020/21 season, with 16.7 million TL more broadcasting revenue than League Champion Beşiktaş.

The broadcast pool has been severely eroded since the tender was held in November 2016. While the total share of the Super League clubs was expected to be 414 million USD according to the calculations made from the tender price, it decreased to 267 million USD. With the increase in the number of teams from 18 to 21 in the 2020/21 season, the average revenues of the clubs in the Super League decreased again.

After all these effects, the broadcast pool share between the clubs in the 2020/21 season is summarized in the table below.

Clubs (₺ million)	P	Performance	Participation	Champions	Ranking	Total
1. BEŞİKTAŞ	84	64,9	36,0	52,7	39,6	193,2
2. GALATASARAY	84	64,9	36,0	77,3	31,7	209,9
3. FENERBAHÇE	82	63,8	36,0	66,8	23,7	190,3
4. TRABZONSPOR	71	58,2	36,0	21,1	15,8	131,1
5. SİVASSPOR	65	54,9	36,0	-	7,9	98,8
6. HATAYSPOR	61	49,3	36,0	-	4,0	89,2
7. ALANYASPOR	60	48,1	36,0	-	-	84,2
8. F.KARAGÜMRÜK	60	49,3	36,0	-	-	85,3
9. GAZİANTEP FK	58	48,1	36,0	-	-	84,2
10. GÖZTEPE	51	42,5	36,0	-	-	78,6
11. KONYASPOR	50	42,5	36,0	-	-	78,6
12. BAŞAKŞEHİR FK	48	40,3	36,0	3,5	-	79,8
13. RİZESPOR	48	40,3	36,0	-	-	76,3
14. KASIMPAŞA	46	38,1	36,0	-	-	74,1
15. MALATYASPOR	45	39,2	36,0	-	-	75,2
16. ANTALYASPOR	44	39,2	36,0	-	-	75,2
17. KAYSERİSPOR	41	35,8	36,0	-	-	71,8
18. ERZURUMSPOR	40	33,6	36,0	-	-	69,6
19. ANKARAGÜCÜ	38	31,3	36,0	-	-	67,4
20. GENÇLERBİRLİĞİ	38	31,3	36,0	-	-	67,4
21. DENİZLİSPOR	28	24,6	36,0	-	-	60,6
Total		940,4	756,4	221,4	122,7	2.040,8

OPERATING EXPENSES



The operating revenues of our clubs, amounting to 2.178 billion TL, fell behind the operating expenses of 2.462 billion TL. With the effect of transfer and financing activities, their deficits increased even more.

Publicly traded football companies basically have two activities. Football, which is their main activity, is fed by the profits they get from their auxiliary retailing activities. It would be useful to evaluate these two activities separately in the analyzes made. When viewed with this method, the operating expenses of football companies, which are only from football activities, were at the level of 2 billion 134 million TL (€ 238,4 million).

A total of 1 billion 730 million TL (€ 193,3 million) of football activity expenses were spent for Team Salaries. When the share of the Team Salaries in football operating expenses of the clubs are examined, it is observed that it is between 80-83% by all clubs. Considering the agent fees additionally, more than 85% of football operating expenses are spent on teams.

When we look at the ratio of expenditures to revenues, we can say that all of the football operating revenues are spent on the team, except for Beşiktaş. In fact, it is seen in the financial statement of Galatasaray that this ratio is above 100%. Despite the effects of the pandemic, the fact that this rate, which is accepted in the 60-70% band in world standards, is so high in these clubs, is one of the most important reasons for the losses in the financial statements of the clubs. In cases where there are financially unsuccessful transfer operations, these two factors add up and push the clubs to a loss; The debts acquired in order to finance the losses made accelerate the loss in the financials and even make it an inextricable situation.

(₺ million)					Total
Team Salaries	319	595	509	307	1.730
Licensed Product cost	37	45	67	25	173
Agent Expenses	N/A	26	33	N/A	59
Employee Expenses	11	31	26	12	80
Other Operating Exp.	97	144	113	67	421
Total Operating Exp.	464	840	747	411	2.462
Merchandising Gen. Operating Exp.	30	50	58	17	155
Licensed Product cost	37	44	67	25	173
Merch. Operating Exp.	67	94	125	42	328
Football Operating Exp.	397	746	622	369	2.134

In order to prevent the club's loss in this regard, it is critical to manage seasonal transfer & staff planning more efficiently as a result of limiting competition, structuring & supporting a club.

When we look at the financial reflections of the football activities of the clubs, we can say that

(₺ million)					Total
Football Operating Revenues	452	503	514	341	1.810
Football Operating Expense	397	746	623	369	2.134
Profit/(Loss)	55	(243)	(109)	(28)	(324)

only Beşiktaş has a plus in the 2020/21 season. Unfortunately, our other clubs had deficits in their football activities. Although some of these deficits were financed by retail operating profits, period-end losses became inevitable with the addition of transfer and financial activities. The critical issue for our clubs is the need to increase football activities/revenues quickly.

When we look at the licensed product costs, it is seen that there is a certain percentage of licensed product sales revenues in all our clubs. While Beşiktaş's cost for the 100 TL product they sold in fan stores is 43 TL, Fenerbahçe's is 44 TL, Trabzonspor's 47 TL and Galatasaray's 48 TL.

When we look at the staff expenses included in the general administrative and sales & marketing activities, we can say that Beşiktaş has a very saving staff cost of 11.1 million TL compared to other clubs.

The highest staff cost is seen in Fenerbahçe with 26 million TL. In terms of the number of staff involved in all activities (players, technical staff, administrative staff and store employees), Galatasaray became the club with the highest

				
The number of employees (store & player inc.)	265	583	502	184
Employees exp. (₺ million) General Administration & Marketing)	11,1	18,5	26,0	11,6

human resources number with 583 people. Since these numbers and costs are based on the financial statements announced to the public by the clubs, the differences in company structuring are also reflected in the clubs' figures. To give an example, the fact that Beşiktaş conducts infrastructure activities within the association has had a decreasing effect on the human resources numbers and costs of its publicly traded company. The reason for the high number of staff members in Fenerbahçe's sales & marketing activities and the high operating expense of retailing is since the stores are mostly within the club. In other clubs, the ratio of franchise stores is higher than Fenerbahçe.

	TFF- Fines
	₺ 815.000
	₺ 200.000
	₺ 553.000
	₺ 204.900

While no data were found in the financial reports of Beşiktaş and Trabzonspor for expenses such as agent expenses, 33 million TL for Fenerbahçe and 26 million TL for Galatasaray were recorded.

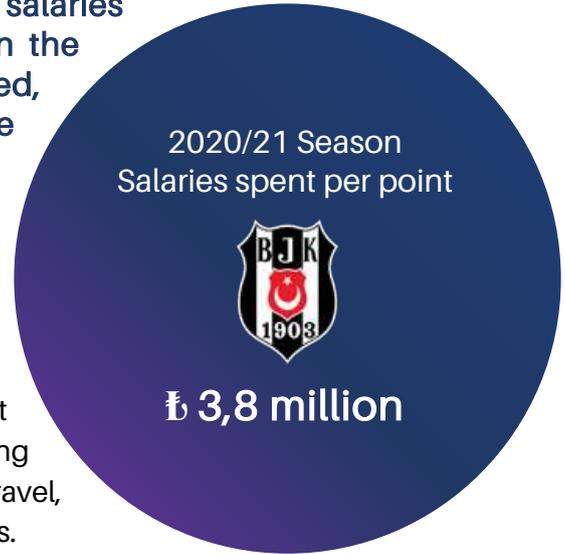
The fines in the 2020/21 season given by the TFF for managerial, sportive and fan activities -if any-, are summarized in the table on the left. According to the information obtained from the TFF website, Beşiktaş paid the most fines, while Galatasaray was the club that paid the least.

EXPENSES- TEAM SALARIES

Trabzonspor, was the team that paid the least salaries to their teams in the 2020/21 Season. When the points earned in return for wages are evaluated, Beşiktaş has been the team that achieved the most efficient results in return for wages.

85% of Football Operating Expenses are composed of Team Expenses

When we exclude the retailing activities of our clubs, it is seen that 82% of football operating expenses are used for Team Salaries. When we include the agent expenses, this rate rises to over 85%. The remaining approximately 15% is used for expenses such as staff, travel, accommodation, cleaning, security, facility and fixtures.



All Football Operating Revenues (Excluding Retailing) was Spent on Teams

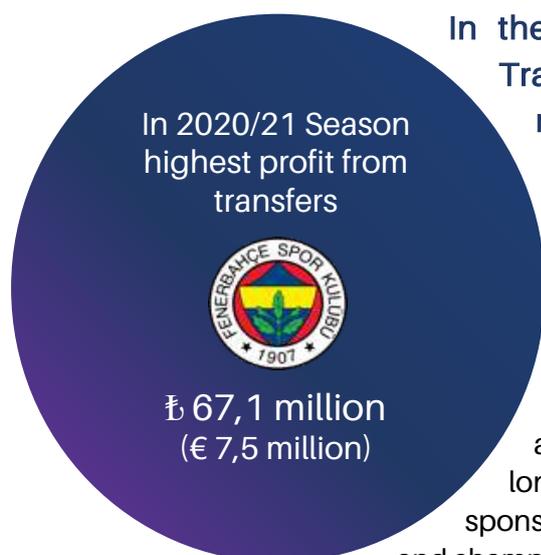
When we exclude the commercial, i.e. merchandising operations of our clubs, the revenues generated should be used in proportion to the needs of the clubs. However, during the pandemic season, the falling football operating revenues were not enough to cover the expenses of our clubs. When we exclude licensed product sales revenues, our four big football companies generated 1 billion 810 million TL (€ 202,2 million) football operating revenues. However, the generated operating revenues were only sufficient for football team expenditures. In this case, when other operating expenses, transfer profits/losses and financial expenses are added, it was inevitable for our clubs to incur losses.

				
Gross Team Salaries (₺ million)	319	595	509	307
Salary per point (₺ million)	3,8	7,1	6,2	4,3
Gross Team Salaries (€ million)	35,1	65,4	55,9	33,8

While Beşiktaş is the club that transfers its football operating revenues to team expenditures in the most economical way, Galatasaray, which used a budget far above its revenues just only for team expenditures, lagged behind in this ranking.



TRANSFERS ACCOUNT



In the 2020/21 Season, only Fenerbahçe and Trabzonspor made a profit based on the reflection of the transfer movements on the financial statements.

Unfortunately, as publicly known, transfer transactions have been one of the biggest factors in the financial loss of Turkish football. The election pressure within the associations (usually take place) every three years pushes the administrations towards short-term goals rather than long-term planning. While fans, club members, sponsors and other stakeholders await notable transfers and championships; The financial situation of clubs are ignored by almost all stakeholders. Under all these pressures and due to the "deep in debt" level balance sheets taken over; it has become almost impossible for the managements to control the financial situation while trying to respond to the demands of the stakeholders.

In order to prevent these clubs, which are public domain and have more missions than just being sports clubs, from sinking into debt, inspections on some issues such as restrictions on competition, abuse sanctions have become necessary to be carried out by supervisory authorities.

The Team Expenditure Limit application, which was introduced by the TFF for the first time in the 2019/20 season, tried to respond to this need, and tried to curb the loss of the clubs. However, it could not achieve the expected improvement due to the depreciation of TL against EUR, the general economic recession, the decrease in broadcasting revenues, the effects of the pandemic and increased taxation. Despite all negative factors, regulatory authorities have a great role to play in supporting the clubs with fair practices such as limiting expenditures, encouraging academy players, improving academies, directing club managements to transparent and innovative methods.

(₺ million)					Total
Player Sales Profit/Loss	8,9	14,5	159,8	87,8	271,0
Other transfer Revenues	4,9	22,6	23,2	-	50,7
Amortisation	(64,3)	(91,5)	(77,6)	(45,9)	(301,5)
Other transfer expenses	(14,0)	(27,0)	(38,3)	(7,2)	(86,5)
Net Transfer Account	(64,5)	(81,4)	67,1	34,7	(66,3)

With the Team Spending Limit regulation, clubs did not only focus on incoming players; they have also started to strive to gain economic benefits from outgoing players. In the past 2-3 years, Fenerbahçe and Trabzonspor have made significant breakthroughs in this field and have been extremely successful in transforming transfer transactions into economic benefits.

When we reclassify the financial statements according to the accounting standards accepted by UEFA, it is seen that Fenerbahçe and Trabzonspor profited from the transfers, while Beşiktaş and Galatasaray lost. The success of Fenerbahçe and Trabzonspor, which receive an additional contribution of 10% to their football operating revenues from their transfer activities, is remarkable. These two clubs have managed to create significant added value as an example to Turkish football in recent years in order to evaluate the players economically.

While Trabzonspor has earned a serious revenue by selling European clubs of its stars such as Alexander Sörloth and Yusuf Yazıcı in the last two seasons, Fenerbahçe has also earned remarkable revenues by selling its stars such as Vedat Muriqi, Jailson and Eljif Elmas to foreign clubs in the same seasons.



FINANCIAL PROFIT/LOSS

Galatasaray Sportif A.Ş was the football company that made the least loss in financing activities in the 2020/21 Season.

(₺ million)					Total
Financial Revenues	181,6	180,9	324,9	0,5	687,9
Financial Expense	(389,8)	(258,5)	(426,5)	(200,1)	(1.274,9)
Exchange Dif. Profit/Loss	(141,9)	(45,5)	(83,4)	(10,2)	(281,0)
Financial Profit/Loss	(350,1)	(123,1)	(185,0)	(209,8)	(868,0)

Galatasaray has eased its financial debts with the revenues it received from real estate projects in the past years and its effect can be observed in the financials of the company.

Another factor in this matter, where financial debts are important, is the related party transactions of the clubs. Apart from Trabzonspor, the football

companies of our other three clubs are in serious debt position to the associations, which are their controlling partners. The reason for this situation, as we have mentioned in the previous chapters, is that financial institutions want to give loans to football companies where cash flow is more intense. This chronic problem, which has been increasingly carried from the past to the present, has great effects on the financial statements of football companies. Finally, in consortium loans also, debts were taken from associations and given to football companies and related party credit/debt accounts grew even more. Although it is stated that there are definite provisions in the consortium loans that the financing of the associations cannot be made beginning from the date of signature, it does not seem possible to fix this structure in its current state without getting to the root of the problem and finding a solution.

(₺ million)					Total
Financial Liability	2.893	2.224	2.911	1.073	9.101
Other Receivables Due From Related Parties	1.607	1.500	2.221	49	5.376
Net Financial Liability	1.286	724	690	1.024	3.725

Financial debts on football companies are used for financing needs of both associations and football companies, as mentioned earlier. And yet, when we net the financial debts through football companies and credit balance from associations, we

can calculate how much of the debt is used for financing needs of football companies. The net financial debt value in the table will be an accurate indicator in calculating how much net financing expenses football companies will have. For example, Fenerbahçe, which has the highest financial debt, uses 76% of its financial debts to finance the association. As a matter of fact, despite its high financial debt, the financial loss in the football company was not realized at the same high level.

ISTANBUL STOCK EXCHANGE - STOCK PERFORMANCES



After the fluctuating course of stocks in the 2020/21 Season, Fenerbahçe's shares with a 179% increase in value became the most profitable for its investors.

In the 2020/21 season, which corresponds to the dates between 1 June 2020 and 31 May 2021, BIST 100 index increased from 1.065 TL to 1.421 TL, providing its investors with a 33% gain in TL terms. BIST 100 Index lost 3% to its investors on EUR basis.

When we look at the performance of Fenerbahçe stock on EUR basis, we see that it offers a 103% increase in value to its investors. Fenerbahçe was followed by Beşiktaş, which completed the season as champion, with an increase in value of 125% (64% in EUR) in its shares on TL basis. Galatasaray shares, on the other hand, offered a 5% depreciation on TL basis (31% on EUR basis) to its investors, while investors of Trabzonspor shares experienced a depreciation of 27% on TL basis (47% on EUR basis) at the end of the season.

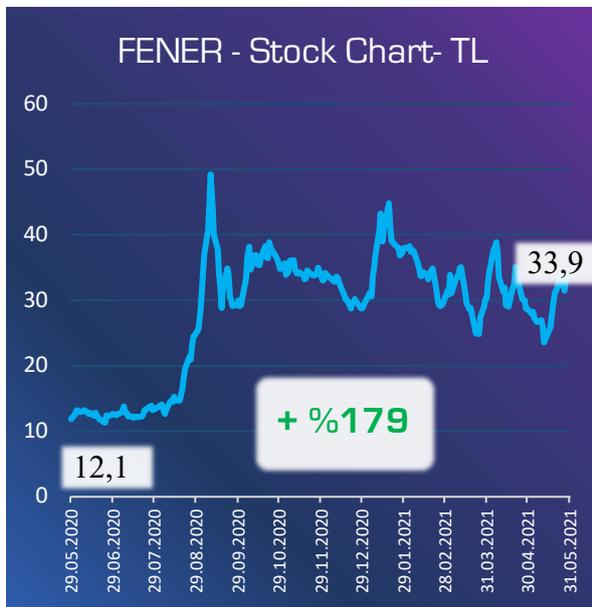
When we look at the publicly held ratios of the shares, Beşiktaş and Trabzonspor were the most publicly offered clubs with 49%. Galatasaray followed with 40%, while Fenerbahçe was the football company with the least public offering with a rate of 33%.

(€ million)	Publicly Held	Market Value (31.5.2021)
	% 49	1.348,8
	% 40	1.755,0
	% 33	3.355,4
	% 49	1.250,0

In terms of market values, on May 31, 2021, the club with the highest value was Fenerbahçe with a company valuation of 3 billion 355 million TL (€ 322,1 million). Galatasaray followed Fenerbahçe with a value of 1 billion 755 million TL (€ 168,5 million). Beşiktaş is third with a value of 1 billion 349 million TL (€ 129,5 million) and Trabzonspor is fourth with a value of 1 billion 250 million TL (€ 120 million).



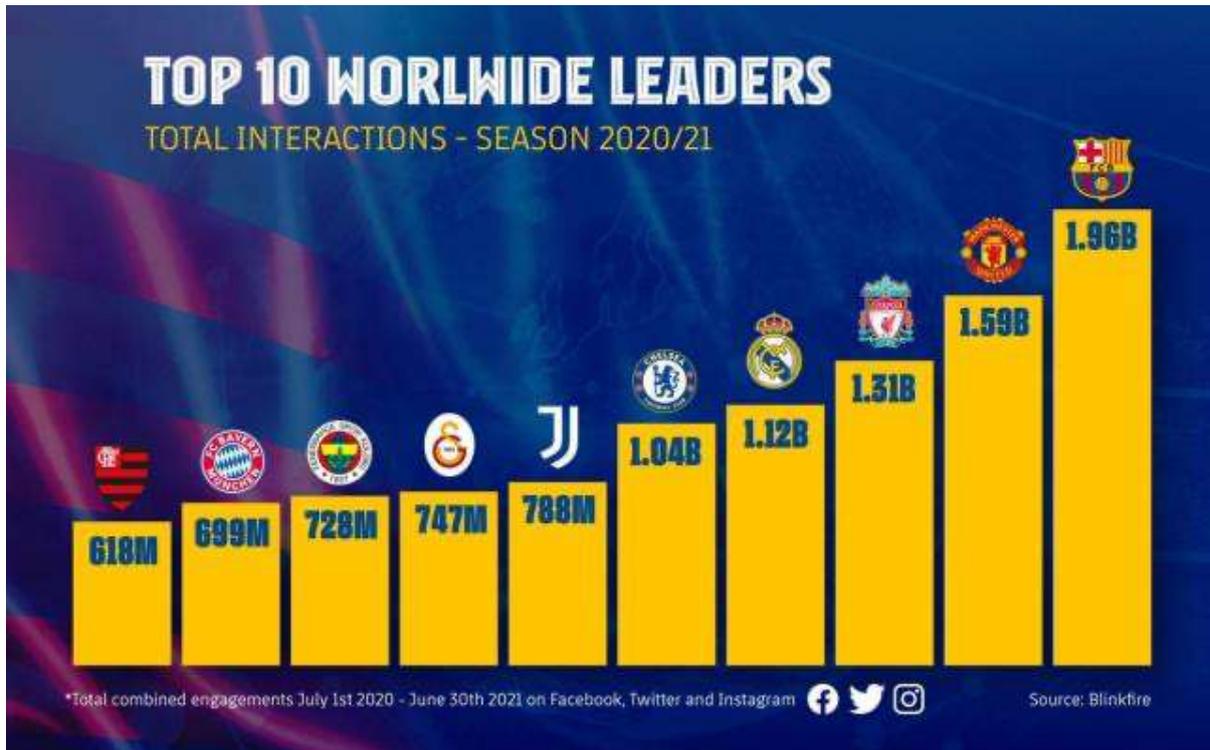
Four Big Football Company Stock Charts for the Season 2020/21



SOCIAL MEDIA LEAGUE

According to the study conducted among all world clubs in the 2020/21 Season, Galatasaray ranked 7th and Fenerbahçe 8th among the 10 world clubs that received the most interaction on social media channels.

According to the study conducted by Blinkfire Analytics based on the data of the 2020/21 season, Barcelona has become the champion among all the world clubs with its leadership in almost all channels. While Barcelona's closest followers were Premier League clubs such as Manchester United, Liverpool, and Chelsea, its arch-rival Real Madrid was also among its close followers. In the study that includes all the world clubs, two of our clubs from Turkey managed to be among the clubs that received the most interaction in the 2020/21 season.



In the study conducted by Blinkfire Analytics, the total interaction of the clubs on Twitter, Facebook and Instagram in the 2020/21 season was taken into account. According to the study, Galatasaray ranked 7th in the world and the leader in Turkey with a total of 747 million interactions. Fenerbahçe, on the other hand, was the second club from our country to be included in the list and ranked the 8th in the world with 728 million interactions.



After Galatasaray and Fenerbahce entering the top 10 in the world rankings, another remarkable achievement was that on Twitter Fenerbahce was ranked 2nd in the world behind Barcelona.



CRYPTO LEAGUE

Galatasaray Fan Token increased its value by 440% in the 2020/21 season.

Galatasaray was the first club to step into the Fan Token market among the four big sports clubs. After entering the Fan Token market with the Socios company, Galatasaray Fan Token was exported at a price of 10 TL in June 2020, and in the 2020/21 season. Although it went up to 300 TL in the last weeks of the season when the chance of championship increased, it was able to close the season with a price of 54.39 TL. Despite the decrease experienced with the loss of the championship, it has made a profit of 440% on TL basis over the price at which it was first offered. As of the date of the report, its value is 89.32 TL.

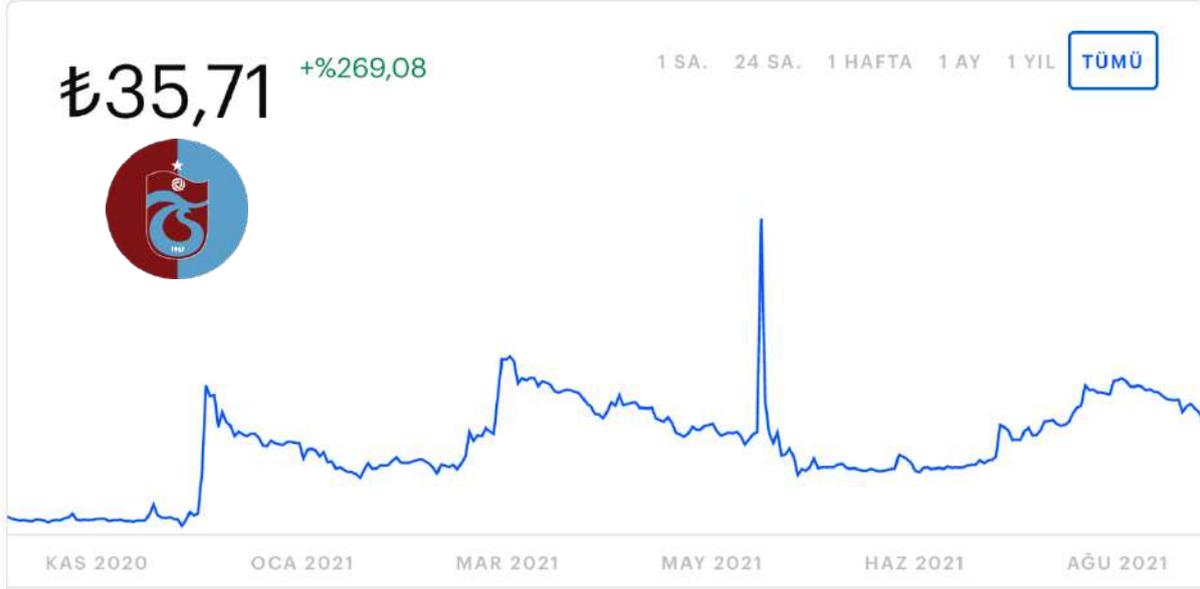


Source: <https://www.coinbase.com/price/galatasaray-fan-token>

A total of 10 million tokens have been produced and 3.5 million have been presented to investors to date. The market value of the tokens in circulation is 312 million TL as of the date of the report.



Trabzonspor, which entered the fan token market second after Galatasaray, issued tokens at 8 TL in September 2020. With the increase in other fan tokens towards the end of the season, although it saw 81.29 TL on May 15, 2021, it completed the 2020/21 season with a price of 21.57 TL and a profit of 170% was achieved. On the report date, its value increased to 35.7 TL.



Source: <https://www.coinbase.com/tr/price/trabzonspor-fan-token>

Trabzonspor, which has chosen the same method and company as Galatasaray for token issuance, has made an agreement with Socios. A total of 10 million Trabzonspor Fan Tokens were produced and 2.4 million of them were put into circulation. The market value of the circulating tokens as of the report date is 84 million TL. In addition, the Club opened a separate item for fan token revenues under other incomes from main activities in its financial statements and announced that it earned 29.8 million TL in the 2020/21 season. In the report we have prepared, the relevant items are classified under operating revenues in order to make the comparison correctly.

Fenerbahçe Token was not issued in the 2020/21 season, but in August 2021.

Unlike the other two clubs, Fenerbahçe signed an agreement with Paribu, a domestic stock market, and presented its tokens to local investors. Collecting two different demands, the club offered 500 thousand tokens for sale at a price of 30 TL, while 20 million tokens were offered to its investors for 15 TL. However, there is a 9-month sales ban for tokens offered for sale for 15 TL, and after 9 months, it is possible to sell 1 in 15 every month in a 15-month period.



Source: <https://www.coinbase.com/tr/price/fenerbahce-token>

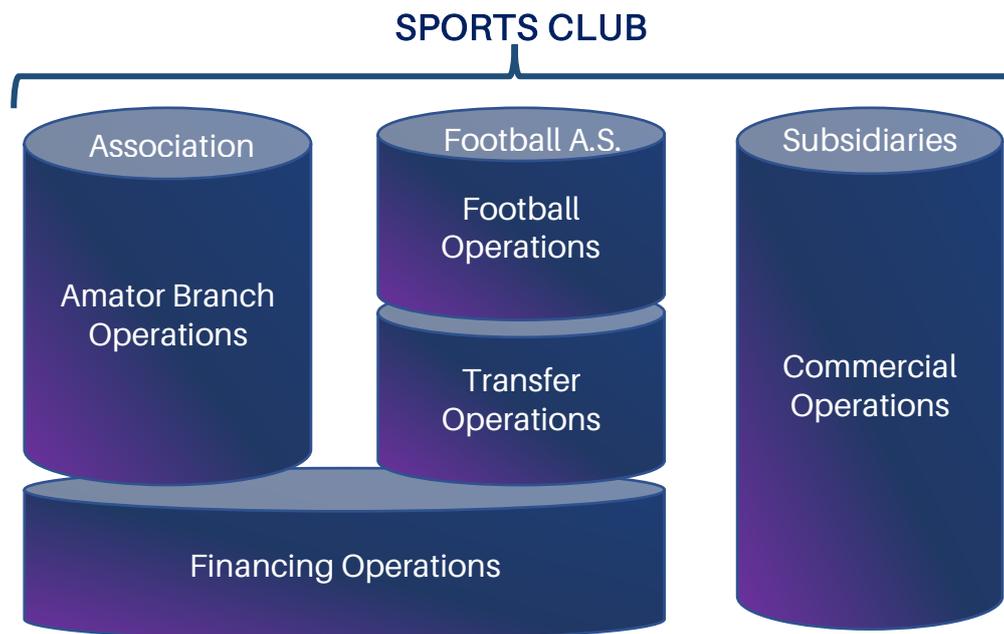
It is planned that the tokens, which were announced to have been produced in a total of 190 million 700 thousand, will decrease to 100 million after a 25-year burning plan. The tokens, which started to be actively traded on the stock market on August 13, 2021, quickly exceeded 100 TL and are now being traded at 76.3 TL as of the date of the report. In its PDP (Public Disclosure Platform) statement, the club announced that only the football company earned 268.5 million TL from token sales.

Beşiktaş does not yet have an agreement for the issuance of crypto assets. After the revenues of other clubs, the steps that Beşiktaş will take in the crypto asset market are eagerly awaited by both fans and investors.

CONCLUSION

The debt spiral, our clubs are in, is well known to the public. However, in order to understand how this problem arises and how it can be solved, and even to generate ideas, it is necessary to understand the operational structures of clubs clearly and simply. First of all, as evaluating football companies alone will not be different from focusing on only a part of the whole, it is inevitable to consider and evaluate all the activities of the clubs as a whole.

The image below summarizes the basic activity structures of our four big clubs.



As can be seen from the image, sports clubs have three main activities within their body. The first is the activities of the association and the amateur sports branches they include, the second is the professional football activities structured as a public football company, and the third and last one is the commercial affiliates established for the purpose of making profit in general.

Current Situation

Amateur branches make a loss in most of our clubs. Even though the term financial loss is used here, our sports clubs actually finance amateur branch activities. For example, the activity of many amateur sports branches with almost zero revenues can only be realized thanks to the clubs undertaking the expenses. These expenses are also covered by bank debts, and the accumulated bank debts over the years and the interest expenses reflected in the annual statements create a great burden on the clubs.

Football activities, on the other hand, differ from one club to another and shows seasonality, excluding the pandemic period, but generally proceed equally. However, in periods when the financial debts of the clubs were relatively low, the loss of football activities was an important factor in reaching such current levels of debts.

Transfer activities are activities in which professional players are transferred between football clubs. Although, Fenerbahçe and Trabzonspor have started to make profits by avoiding the deficits here in the last seasons, it is possible to say that Turkish football in general has been losing financially in terms of transfers.

Commercial activities, on the other hand, are the subsidiaries of our clubs, in which they make commercial breakthroughs in order to gain financial gain by using their brand and fan power. In the current situation, although there are activities that make profit especially in retail operations, it seems possible for our clubs, whose main activity is not trade, to carry out more profitable operations in this field.

Finally, the financing activities are the activities which the clubs finance the deficits in amateur and professional sports branch and the deficits in transfer, if any. Due to the debt burden accumulated over time, the maintenance of the existing debt is also carried out under this activity.

Suggestions

In amateur branches, it is inevitable for clubs to be supported in order to minimize the deficits. The best example is the tax incentive system, which came into effect in May 2018 and changed again after 1.5 years, putting clubs in a difficult situation. It is critically important that this system be put back into operation efficiently. Since it is not known how much of the taxes paid by the clubs in the current order will be returned to the clubs, the clubs have difficulties in planning their budgets. This may result in the reduction of budgets in amateur branches or the closure of branches.

Another issue is the increase in player taxes. As of December 2019, the total incomes tax payable from the wages to be paid to the players based on the contracts made, has been increased from 15% (indirectly) to 40%. In this case, the tax burden on the players' wages increased by 3.8 times and there was a 42% increase in the player's wage expenses. It will be very important to withdraw this tax increase, which means destruction for the clubs, or at least to extend it over a period of 5-year plan.

Losses experienced from both sportive activities and transfer activities in amateur and professional branches should be under strict control by regulatory authorities. The best example of this situation has been the team spending limits introduced by the TFF. Although there are areas open to improvement in the system, it is important that this structure and similar regulations, like ensuring the contracts being controlled before they come into force, should be designed in every field in order to prevent sports from giving a financial deficit.

As of today, the revenue items in the system are insufficient to move the clubs forward. For this reason, the shares of sports clubs (amateur and football branches) from the Betting revenues brought forward by some clubs can be rearranged and regulated like the percentages gained by clubs in previous years. In addition, the crypto asset breakthroughs of our clubs have created a substantial value in order to be able to place new revenue items in the system. It would be important that such innovative projects are implemented by our clubs.

As publicly known, there is an artificial growth in wages and transfer fees in the Turkish sports market. It is critically important to investigate the causes of this situation (such as artificial competition) properly and to take measures to reduce costs quickly without affecting the quality. We think that this issue can only be resolved on a platform where our clubs do voluntarily exist. Within this platform, it is critical to decide together not only on cost-reducing factors, but at the same time on all common gains in legal, economic and sporting matters.

Finally, even if all the measures mentioned above are implemented, it has become very difficult for our clubs to maintain their existence in the current indebted structure. Although it changes from club to club, Beşiktaş, Fenerbahçe and Galatasaray have debts of approximately 3 billion TL on a consolidated basis within the association and football companies. These debts, which are structured with approximately 20% (variable) interest today, constitute an annual average of 600 million TL consolidated interest expense. Considering that they have a consolidated revenues of just over 1 billion TL each, it is not possible for them to continue their activities efficiently with this indebted structure.

In summary, the financial debts of the clubs have become unsustainable and the financial restructuring agreements made with the banks have allowed them to live with these debts only for a certain period of time. In a few years, they will need resources to pay off or significantly reduce their financial debts. The ideal scenario is for clubs to leverage their own assets and create the resources they need. New revenue items such as real estate sales, evaluation of subsidiaries, creation of new earnings by making use of brands, crypto asset revenues, potential betting revenues could be considered as examples to the solution. In cases where clubs cannot produce solutions within their own structure, it will be inevitable to provide these resources from outside the club. In the scenario where this resource is required to be provided from outside the club, the most important question will be who will provide the resource and under what conditions.



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