Registered Number 721923

BRERA HOLDINGS PLC

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2022

COMPANY INFORMATION

Directors	Daniel Joseph McClory(Appointed July 2022) Goran Pandev (Appointed January 2023) Alberto Libanori (Appointed July 2022) Christopher Paul Gardner (Appointed January 2023) Pietro Bersani (Appointed January 2023) Sergio Carlo Scalpelli(Appointed October 2022 & resigned June 2023)) Alessandro Aleotti (Appointed July 2022) Abhishek Mathews (Appointed June 2024) Giuseppe pirola(Appointed June 2024) Pierluigi Galoppi(Appointed June 2023) Federico pisanty(Appointed June 2024 & Resigned August 2024) Adrio Maria de carolis (Appointed & Resigned July 2022) Richard Grey (Appointed June 2022 & Resigned July 2022)
Company secretary	Goodbody secretarial limited (Appointed June 2022 & Resigned Sep 2022) Canco nominees limited (Appointed Sep 2022)
Registered number	721923
Registered office	5th Floor Rear, Connaught House, 1 Burlington Road Dublin 4, Ireland
Auditors	Gannon Kirwan Somerville Limited, Unit 5, The Courtyard Business Centre, Orchard Lane, Blackrock, Co. Dublin
Bankers	Wise Bank SA Avenue Lousie 54/S52 Brussels 1050 Belgium

Solicitors	Philips Lee Solicitors 5th Floor Rear, Connaught House, 1 Burlington Road Dublin 4, Bevilacqua 1050 Convention Avenue Net, Suite 500, Washington , DC 20036 USA

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DIRECTORS REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2022

The Directors present their annual report and audited financial statements for the period ended 31 December 2022.

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' Report and the consolidated financial statements in accordance with Irish law and regulations.

Irish company law requires the company directors to prepare the Group and Company financial statements for each financial period. Under company law, the directors have elected to prepare the Group and Company financial statements in accordance with the Companies Act 2014 and International Financial Reporting Standards ("IFRS") as adopted by the EU ("EU IFRS").

Under company law, the Directors must not approve the Group and Company financial statements unless they are satisfied, they give a true and fair view of the assets, liabilities and financial position of the Group as at the financial period end date, of the profit or loss for that financial year and otherwise comply with the Companies Act 2014.

In preparing each of the group and company financial statements, the Directors are required to:

· select suitable accounting policies for the Group's financial statements and then apply them consistently.

· make judgments and accounting estimates that are reasonable and prudent.

· state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and

· prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for ensuring that the Group keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Group and Company, enable at any time the assets, liabilities, financial position and profit or loss of the Group to be determined with reasonable accuracy and enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

The principal activity of the group is engaged in a range of businesses including football division progression, global football player transfer services, sponsorship services, and football school services and consulting services on football projects.

There has been no significant change in these activities during the financial period from January 2022 to December 2022.

Business review

We were incorporated pursuant to the laws of Ireland as Brera Holdings Limited, a private company limited by shares, on June 30, 2022, to become the holding company for Brera Milano S.r.l., an Italian limited liability company (società a responsabilità limitata), or Brera Milano. Brera Milano, the operating company and subsidiary of Brera Holdings Limited, was formed on December 20, 2016, and was named KAP S.r.l. until September 9, 2022. KAP was acquired by us on July 29, 2022. KAP was renamed Brera Milano S.r.l. on September 9, 2022. Brera Holdings Limited re-registered as an Irish public limited company and was renamed as Brera Holdings PLC on October 27, 2022. On April 28, 2023, we acquired 90% of the outstanding common shares of Fudbalski Klub Akademija Pandev, a joint stock company organized under the laws of North Macedonia on June 9, 2017, or Akademija Pandev or FKAP, which owns the football club of the same name that was founded in 2010.

The Group and Company Statements of Financial Position as of 31 December 2022 and 31 December 2021 are shown on pages 18 and 19, respectively. Group net liabilities on 31 December 2022 were €131,213(2021: €253,821). On 31 December 2022, the Group held €347,229 (2021: €26,957) as cash or short-term deposits. The Group had tangible assets totalling €299,754 (2021: €377,587) at the reporting date.

Group has turnover during the year is € 162,407(2021: 420,167).

Brera Holdings PLC is an Irish holding company focused on expanding social impact football by developing a global portfolio of emerging football clubs with increased opportunities to earn tournament prizes, gain sponsorships, and provide other professional football and related consulting services. We seek to build on the legacy and brand of Brera FC, the first football club that we acquired in July 2022. Brera FC is an amateur football association which has been building an alternative football legacy since its founding in 2000. We are focused on bottom-up value creation from sports clubs and talent outside mainstream markets, innovation-powered business growth, and socially impactful outcomes.

Football is one of the most popular spectator sports on Earth, with a global market valued at $1.8 billion in 2019, projected to reach $3.8 billion by 2027, with Europe currently being the largest market ("Global football market by type, manufacturing process and distribution channel: global opportunity analysis and industry forecast, 2021–2027," May 2021). We believe that the leaders in the football industry, as with all enterprises, must demonstrate an awareness of social issues. We believe that teams that do not demonstrate such awareness will not succeed, and that the European football industry is signaling a need for socially-impactful ways to expand access to capital and revenues.

With this in mind, we organized, promoted and participated in the FENIX Trophy, our newly formed non-professional pan-European football tournament recognized by UEFA. As noted above, FENIX is an acronym for "Friendly European Non-professional Innovative Xenial". The FENIX Trophy was intended to allow Brera FC to connect with the local community, increase our fanbase, and develop important relationships with other European football clubs. We believe that discussions about the FENIX Trophy spread awareness of these tenets of social impact football. We also believe that the competition's meaning goes beyond the game itself: It is an immersive experience meant to highlight the best practices within non-professional football: sportsmanship, bonds with the local community, sustainability, use of technology, and friendship among clubs. We therefore believe the FENIX Trophy will significantly support our social-impact football value proposition. The FENIX Trophy was inaugurated in 2021 and had its first tournament from September 2021 to June 2022. We believe that the initial competition met or exceeded our expectations of its value for our social-impact football brand. The tournament was a public relations success – the Final Eight of the FENIX Trophy tournament, which took place in Rimini, Italy in June 2022, enjoyed extensive national (SKY Sports TV) and international (ZDF) media coverage. We intend to capitalize on this success and include even more amateur clubs in the FENIX Trophy's 2022-2023 tournament.

We also expect that social awareness and impact will become a growing public focus due to the 2022 FIFA World Cup. As such, while the "transfer market," in which teams can transfer players and managers in exchange for significant compensation both to the transferring teams and the transferred individuals, is expected to continue, we believe that it must ultimately be part of a vision of football that includes a bottom-up nurturing of players, including those from disadvantaged backgrounds or communities, such as those historically and currently competing for Brera FC. We intend to be a leader in guiding the industry toward a more inclusive approach to professional football, through the use of unconventional routes and undiscovered markets with the aim to unleash their full potential.

To that end, we are developing our "Global Football Group" portfolio of professional football clubs. Our Global Football Group will be modeled on the collaborative, brand-aligned holding company structure of Manchester, England-based City Football Group Limited. Under our Global Football Group structure, we intend to acquire top-division football teams in Africa, South America, Eastern Europe, and potentially other emerging markets, and give them access to the global transfer market. We likewise expect that acquisitions of Eastern European and other non-mainstream market teams will enable us to compete and potentially win significant revenue in UEFA and potentially other regional competitions. We believe that Brera FC's brand of social impact football and our Global Football Group portfolio of local football club favorites will also allow us to gain increasing sponsorship revenue. We intend to expand on our noncompetitive children's football school offerings, which we expect will generate significant revenue as well as enhance our social impact football brand and related value. Based on these and other innovative initiatives, we expect that our experience with innovative capital-raising and revenue-generating activities will draw further revenue in the form of consulting opportunities from football clubs, associations, investors and others.

Our revenue currently depends on our business strategy and marketing consultancy services which we provide to commercial clients mainly in the digital media and broadband sectors, our football school services and our newly formed tournament, the FENIX Trophy. We expect that our future revenues will depend on expanding these services, acquiring professional football clubs, qualifying for or winning football tournaments and earning tournament prizes, successfully providing transfer market services, and entering into sponsorship agreements.

Results and dividends

The loss for the year, after taxation, amounted to €1,226,855 (2021: loss € 87,056).

Directors

The directors who served during the period were:

Alessandro Aleotti (Appointed July 2022)
Daniel Joseph McClory(Appointed July 2022)
Goran Pandev (Appointed January 2023)
Alberto Libanori (Appointed July 2022)
Christopher Paul Gardner (Appointed January 2023)
Pietro Bersani (Appointed January 2023)
Sergio Carlo Scalpelli(Appointed October 2022)

Directors and their interests
In accordance with Section 329 of the Companies Act 2014, the directors' shareholdings and the movements therein during the period ended 31 December 2022 were as follows:

	Class A Ordinary Shares	Class B Ordinary Shares
	31/12/2022	31/12/2022
Daniel Joseph McClory	2,300,000	
Goran Pandev		50,000
Alberto Libanori		50,000
Christopher Paul Gardner		150,000
Pietro Bersani		50,000
Sergio Carlo Scalpelli		200,000
Alessandro Aleotti	2,550,000	

Principal risks and uncertainties

Risk management overview

Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily the result of fluctuations in interest rates and foreign exchange rates as well as, to a lesser extent, inflation and credit and concentration risks. This note provides information about our exposure to each of these risks, our objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated financial statements.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's credit risk is primarily attributable to its cash and cash equivalents and trade receivables and other receivables.

As at December 31, 2022, approximately 95% of the Group's trade receivable arose from 2 customers, (2021: approximately 75% of the Group's trade receivable arose from 3 customers). In order to minimize the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

Cash and cash equivalents are placed with credit-worthy financial institutions with high credit ratings assigned by international credit-rating agencies and therefore credit risk is limited. The Group has adopted procedures in extending credit terms to customers and monitoring its credit risk. Credit evaluations are performed on customers requiring credit over a certain amount. Before accepting any new customer, the Group carries out research on the credit risk of the new customer and assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed when necessary

Concentration of credit risk

Financial instruments, which potentially subject the Group to concentration of credit risk, consist primarily of cash deposits and accounts receivable. The Company minimizes the concentration of credit risk associated with its cash by maintaining its cash with high-quality insured financial institutions. For the cash deposit in the traditional banks in Italy, cash balances in excess of the amount covered by the statutory Deposit Guarantee Scheme in Italy (i.e., EUR100,000) are at risk. For the cash deposit in non-traditional banks (i.e., Wise Europe SA), the whole amount of the cash deposit is at risk since it is not insured by the government.

As of December 31, 2022, and 2021, we had cash deposits in a non-traditional bank, Wise Europe SA, amounting to EUR292,658 and EUR0, respectively. These deposits are not insured by the local government. The Company performed a detailed credit risk assessment concerning the uninsured deposit made in Wise

Europe SA and determined that the credit risk is low, based on the following factors: (i) Wise Europe SA safeguards its customers' funds by holding them in a mix of cash in leading commercial banks and low-risk liquid assets, as required by its regulatory obligations; (ii) Wise Europe SA is authorized by the National Bank of Belgium ("NBB"), which ensures that the bank operates under the regulations and guidelines set by the NBB; and (iii) the Group has not experienced losses on these bank accounts and does not believe it is exposed to any significant credit risk with respect to these bank accounts.

Concentration risk

One customer accounted for 74% of our sales for the period ended December 31, 2022, and three customers accounted for 75% of our sales for the years ended December 31, 2021. Accounts receivable from these customers was €24,400 and €71,038 as of December 31, 2022 and 2021, respectively.

Interest Rate Risk

We are exposed to market risks in the ordinary course of our business. Our primary interest rate relates to interest-bearing long-term borrowings. It is estimated that a 50-basis point change in interest rates will affect our loss before tax by €110 and €125 as of December 31, 2022 and 2021, respectively. The effect of rising interest rates on our financial condition is expected to be negligible given that we do not have material debt or accounts receivable.

Foreign Currency Exchange Risk

The majority of our cash flows, financial assets and liabilities are denominated in U.S. dollars and euros, which are the functional currencies for the Company and Brera Milano, respectively. The reporting currency of the consolidated financial statements is euros. We are exposed to financial risk related to the fluctuation of foreign exchange rates and the degree of volatility of those rates. Currency risk is limited to the proportion of our business transactions denominated in currencies other than the euro, primarily for capital expenditures, potential future debt, if any, and various operating expenses such as salaries and professional fees. We do not currently use derivative financial instruments to reduce our foreign exchange exposure and management does not believe our current exposure to currency risk to be significant.

Inflation Risk

We do not believe that inflation has had a material effect on our business, financial condition or results of operations. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition and results of operations.

Credit risk

Credit risk is the risk of financial loss to us if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from our cash held with banks and other financial intermediaries.

The carrying amount of the cash represented the maximum credit exposure which amounted to €347,229 and €26,957 as of December 31, 2022 and 2021, respectively.

We had assessed no significant increase in credit risk from initial recognition based on the availability of funds, the regulatory and economic environment of the financial intermediary. As a result, the loss allowance recognized during the period was limited to 12 months expected credit losses. Based on historical information, and adjusted for forward-looking expectations, we had assessed a zero-loss allowance on this cash balance as of December 31, 2022 and 2021, respectively.

Liquidity risk management

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance its operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

Capital risk management policies and objectives

Management reviews the capital structure regularly to ensure that the Group will be able to continue as a going concern. The capital structure comprises only issued capital, reserves and retained earnings. As a part of this review, the management consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debts or the redemption of existing debts. The Group's overall strategy remains unchanged.

Future developments

The directors are not expecting to make any significant changes in the nature of the business in near future.

Accounting records

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at 5th Floor Rear, Connaught House, 1 Burlington Road, Dublin 4.

Statement on relevant audit information
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:
• so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
• the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Post balance sheet events

The following post balance sheet events affected the Group since the period end:

(i) Initial Public Offering

On January 26, 2023, we entered into an underwriting agreement (the "Underwriting Agreement") with Revere Securities, LLC, as representative of the underwriters named on Schedule 1 thereto (the "Representative"), relating to the Company's initial public offering (the "Offering") of 1,500,000 Class B Ordinary Shares (the "Offering Shares") of the Company, at an Offering price of US$5.00 per share (the "Offering Price"). Pursuant to the Underwriting Agreement, in exchange for the Representative's firm commitment to purchase the Offering Shares, the Company agreed to sell the Offering Shares to the Representative at a purchase price of US$4.65 (93% of the public offering price per share). The Company also granted the Representative a 45-day over-allotment option to purchase up to an additional 225,000 Class B Ordinary Shares at the Offering Price, representing fifteen percent (15%) of the Class B Ordinary Shares sold in the Offering, from the Company, less underwriting discounts and commissions and a non-accountable expense allowance.

The Offering Shares commenced trading on the Nasdaq Capital Market under the symbol "BREA". The closing of the Offering took place on January 31, 2023. After deducting underwriting discounts and commissions and non-accountable expense allowance, the Company received net proceeds of approximately US$6,900,000.

The Company also issued the Representative a warrant to purchase up to 105,000 Class B Ordinary Shares (7% of the Class B Ordinary Shares sold in the Offering) (the "Representative’s Warrants”). The Representative’s Warrants are exercisable at any time from July 26, 2023 to July 26, 2028 for US$5.00 per share (100% of the Offering Price per Class B Ordinary Share). The Representative’s Warrants contain customary anti-dilution provisions for share dividends, splits, mergers, and any future issuance of ordinary shares or ordinary shares equivalents at prices (or with exercise and/or conversion prices) below the exercise price. The Representative’s Warrant also contains piggyback registration rights in compliance with FINRA Rule 5110..

(ii) Entry into a Letter of Intent with Fudbalski Klub Akademija Pandev

On February 13, 2023, we entered into a binding letter of intent (the "Letter of Intent”) with Fudbalski Klub Akademija Pandev, a joint stock company organized under the laws of North Macedonia ("FKAP”), and its sole equity holder, Goran Pandev, our director (the "FKAP Owner”), relating to the acquisition of FKAP by the Company or Brera Milano.

Pursuant to the Letter of Intent, the Company, FKAP and the FKAP Owner will enter into a securities purchase agreement and other documents or agreements (the "Definitive Agreements”) that will be consistent with the Letter of Intent and will describe the terms upon which the Company will acquire from the FKAP Owner a number of shares of the issued and outstanding capital stock or other equity interests of FKAP constituting 90% of the outstanding common shares of FKAP after such acquisition. The Company will pay the FKAP Owner EUR600,000 on the date that the parties enter into the Definitive Agreements. Additionally, for a period of ten years beginning with December 31, 2023, and following each year thereafter until December 31, 2033, the Company shall issue to the FKAP Owner a number of restricted Class B Ordinary Shares of the Company equal to the quotient of the Applicable Net Income Amount (as defined below) divided by the VWAP Per Share (as defined below). For purposes of the Letter of Intent, the "Applicable Net Income Amount” shall be equal to the sum of (i) 15% of the net income actually received by FKAP from players’ transfer market fees received during the applicable year; plus (ii) 15% of the net income actually received by FKAP from Union of European Football Associations prize money paid for access to European qualifying rounds (not including group stages, and only including such rounds) during the applicable year; and "VWAP Per Share” means the average of the daily Volume-Weighted Average Price per share of the Class B Ordinary Shares for each of the ten consecutive trading days beginning on the trading day immediately prior to the measurement date.

(iii) Entry into a Contract with Tchumene FC Sports Association

On March 17, 2023, we entered into a contract (the "Contract”) with Tchumene FC Sports Association, a football club organized under the laws of Mozambique ("Tchumene FC” or the "Club”), relating to a strategic partnership through the establishment of sponsorship and franchising relationships between us and Tchumene FC.

Pursuant to the Contract, for the 2023 football season, Tchumene FC will be rebranded as "Brera Tchumene FC” with simultaneous modification of its logo and corporate colors. We will determine the Club’s game shirt sponsor, deliver media relating to the Club on its communication channels, manage external media relations, use the Club’s brand for any communication activity and promotion, and promote the Club around the world through its relationship network with football operators and finance partners in the United States. We will not intervene or assume responsibility over the sports management of the Club and all of the Club’s sporting activity will remain under the exclusive control of Tchumene FC. The Company will pay Tchumene FC €25,000, of which €15,000 was paid upon signing the Contract and €10,000 will be paid by the middle of the 2023 football season. Additionally, if the Contract is renewed automatically for an additional annual term as described below, the Company will pay €25,000 in one lump sum within thirty days of such renewal of the Contract for the following football season. We will decide the shirt sponsor of the Club’s football shirts. If the sponsor is an Italian company that already works with us, part of the sponsorship revenue may be allocated to Tchumene FC; however, if the sponsor is from Mozambique, we will negotiate with Tchumene FC the division of the sponsorship revenue in accordance with market standards.

The Contract will automatically renew for each subsequent football season in which Tchumene FC plays in the Mozambique second division, unless terminated at the end of any football season by either party upon 30 days' notice or upon a breach of contract with 30 days' notice. If Tchumene FC enters Mozambique football's first division, the Contract will be terminated with the intent to renegotiate the terms to include greater commitments between the parties.

(iv) Entry into a Share Purchase Agreement with Fudbalski Klub Akademija Pandev

On April 28, 2023, we entered into an agreement for the purchase and sale of outstanding common shares (the "Share Purchase Agreement") with Fudbalski Klub Akademija Pandev, a joint stock company organized under the laws of North Macedonia ("FKAP"), and its sole equity holder, Goran Pandev, our director (the "FKAP Owner"), relating to the acquisition of FKAP by the Company.

Pursuant to the Share Purchase Agreement, the Company acquired from the FKAP Owner 2,250 common shares of FKAP, constituting 90% of the outstanding common shares of FKAP, and the Company paid the FKAP Owner EUR600,000 upon the signing of the Share Purchase Agreement. Additionally, for a period of ten years beginning with December 31, 2023, and following each year thereafter until December 31, 2033, the Company shall issue to the FKAP Owner a number of restricted Class B Ordinary Shares of the Company equal to the quotient of the Applicable Net Income Amount (as defined below) divided by the VWAP Per Share (as defined below). For purposes of the Share Purchase Agreement, the "Applicable Net Income Amount" shall be equal to the sum of (i) 15% of the net income actually received by FKAP from players' transfer market fees received during the applicable year; plus (ii) 15% of the net income actually received by FKAP from Union of European Football Associations prize money paid for access to European qualifying rounds (not including group stages, and only including such rounds) during the applicable year; and "VWAP Per Share" means the average of the daily Volume-Weighted Average Price per share of the Class B Ordinary Shares for each of the ten consecutive trading days beginning on the trading day immediately prior to the measurement date.

Auditors

Pursuant to Section 383 of the Companies Act 2014, the company has appointed Gannon Kirwan Somerville Limited as Auditor"

This report was approved by the board on 14 February 2025 and signed on its behalf.

Alberto Libanori .... Daniel J McClory ....

Alberto Libanori **Daniel Joseph McClory**

Director **Director**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRERA HOLDINGS PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Brera Holdings Plc 'the Company' and its subsidiaries 'the Group' for the period ended 31st December 2022, which comprise the Consolidated statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and notes to the financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards ('IFRS') as adopted by the European Union.

In our opinion:

- the Group financial statements give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2022 and of its loss for the / then ended;
- the Company statement of financial position gives a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2022;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2014; and
- the Group financial statements and Company financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are

independent of the Group in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited, and the Company statement of financial position is in agreement with the accounting records and returns.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Group and the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of any of sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions, are not complied with by the Company. We have nothing to report in this regard.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.This description forms part of our auditor's report.

Liam Somerville

Liam Somerville FCCA
Statutory Auditor
For and on behalf of
Gannon Kirwan Somerville Ltd
Unit 5, The Courtyard Business Centre
Orchard Lane, Blackrock,
Co. Dublin

CONSOLIDATED STATEMENT OF COMPREHENSIVE IINCOME
FOR THE PERIOD ENDED 31 DECEMBER 2022

	Note	2022	2021
		€	€
Revenue	4	162,407	420,167
Cost of revenue	10	(90,270)	(110,588)
Gross profit		**72,137**	**309,579**
Administrative expenses	9	(1,298,873)	(316,669)
Other Income(expense)	5	4,869	(47,942)
Fair Value Movements			
Operating Losses	6	**(1,221,867)**	**(55,032)**
Interest payable and similar charges		(4,988)	(2,693)
Profit/(loss) before taxation		**(1,226,855)**	**(57,725)**
Tax on loss	11	-	(29,331)
Profit/(loss) for the financial year		**(1,226,855)**	**(87,056)**

All amounts relate to continuing operations.

There were no recognised gains and losses for 2022 or 2021 other than those included in the consolidated profit and loss account.

The notes on pages 24 to 55 form part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE IINCOME FOR THE PERIOD ENDED 31 DECEMBER 2022

	Note	2022	2021
		€	€
Profit/(loss) for the financial year		(1,226,855)	(87,056)
Other comprehensive income			
Currency translation differences		**26,773**	**-**
Other comprehensive income for the financial year		**26, 773**	**-**
Total comprehensive income for the financial year		**(1,200,082)**	**(87,056)**

Signed on behalf of the board:

Alberto Libanori .... Daniel J McClory ....

Alberto Libanori **Daniel Joseph McClory**

Director **Director**

Date: 14 February 2025 Date: 14 February 2025

The notes on pages 24 to 55 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022	2021
Non-Current assets		€	€
Tangible assets	13	11,365	14,175
Right of use assets	14	288,389	363,412
		299,754	**377,587**
Current assets			
Trade and other receivables	15	478,116	193,621
Cash at bank and in hand	17	347,229	26,957
		825,345	220,578
Total Assets		**1,125,099**	598,165
Shareholder' Equity			
Called up share capital presented as equity	26	46,294	-
Subscription receivable		(935)	(935)
Foreign exchange reserve		26,773	-
Other reserves		1,302,846	25,515
Profit and loss account		(1,506,191)	(279,336)
Total Equity		**(131,213)**	**(253,821)**
Non-current liabilities			
Non-current lease liabilities	21	226,773	295,587
Non-current loan payable	20	15,713	21,916
Non-Current liabilities		**242,486**	317,503
Current Liabilities			
Trade & other payables	18	1,013,826	534,483
Current Liabilities		1,013,826	534,483
Total Liabilities		**1,256,312**	**851,986**
Total Equity and Liabilities		**1,125,099**	**598,165**

The financial statements were approved and authorised for issue by the board:

Alberto Libanori .... Daniel J McClory ....

Alberto Libanori **Daniel Joseph McClory**

Director **Director**

Date: 14 February 2025 Date: 14 February 2025

The notes on Pages 24 to 55 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022
Non-Current assets		€
Right of use assets		263,652
		263,652
Current assets		
Trade and other receivables		277,547
Cash at bank and in hand		292,658
		570,205
Total Assets		**833,857**
Shareholder' Equity		
Called up share capital presented as equity		46,294
Subscription receivable		(935)
Foreign exchange reserve		11,893
Other reserves		1,301,248
Profit and loss account		(777,314)
Total Equity		**581,186**
Non-current liabilities		
Creditors: amounts falling due after more than one year		-
Non-Current liabilities		**-**
Current Liabilities		
Trade & other payables		252,671
Current Liabilities		**252,671**
Total Liabilities		**252,671**
Total Equity and Liabilities		**833,857**

The financial statements were approved and authorised for issue by the board:

Alberto Libanori .... Daniel J McClory ....

Alberto Libanori — **Director** — Date: 14 February 2025

Daniel Joseph McClory — **Director** — Date: 14 February 2025

The notes on Pages 24 to 55 form part of these financial statements.

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

	Called up share capital	Subscription receivable	Foreign exchange reserve	Other reserves	Profit and loss account	Total equity
	€		€	€	€	€
At 1 January 2022	13,939	(13,939)		25,515	(279,336)	(253,821)
Comprehensive income for the year						
Loss for the year	-	-	-	-	(1,226,855)	(1,226,855)
Total comprehensive income for the year	-	-	-	25,515	(1,506,191)	(1,480,676)
Change in translation to presentation currency	-	-	26,773	-	-	26,773
Shares issued for cash & Surrender of shares	32,355	13,004	-	1,277,332	-	1,322,691
Total transactions with owners	32,355	13,004	26,773	1,277,332	-	1,349,464
At 31 December 2022	46,294	(935)	26,773	1,302,846	(1,506,191)	(131,213)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2021

	Called up share capital	Subscriptions Receivable	Foreign exchange reserve	Other reserves	Profit and loss account	Total equity
	€		€	€	€	€
At 1 January 2021	13,939	(13,939)	-	25,243	(192,280)	(167,037)
Comprehensive income for the year						
Imputed Interest	-	-	-	272	-	272
Loss for the year	-	-	-	-	(87,056)	(87,056)
Total comprehensive income for the year	-	-	-	25,515	(279,336)	(253,821)
At 31 December 2021	**13,939**	**(13,939)**	**-**	**25,515**	**(279,336)**	**(253,821)**

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2022

	Called up share capital	Subscription receivable	Foreign exchange reserve	Other reserves	Profit and loss account	Total equity
	€		€	€	€	€
At 1 January 2022	-	-	-	-	-	-
Comprehensive income for the year						
Loss for the year	-	-	-	-	(777,314)	(777,314)
Total comprehensive income for the year	-	-	-	-	(777,314)	(777,314)
Change in translation to presentation currency	-	-	11,893	1,301,248	-	1,313,141
Shares issued for cash & Surrender of shares	46,294	(935)	-	-	-	45,359
Total transactions with owners	46,294	(935)	11,893	1,301,248	(777,314)	581,186
At 31 December 2022	46,294	(935)	11,893	1,301,248	(777,314)	581,186

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2022

	2022	2021
	€	€
Profit (loss) after tax for the financial year	(1,226,855)	(57,725)
Adjustments for:		
Depreciation on plant and equipment	4,019	4,455
Depreciation on right-of-use assets	92,293	64,426
Gain on modification of lease, net	(451)	-
Change in provisions	(11,000)	-
Bad debt written off / recovered	5,261	-
Interest expense	4,946	2,421,
Operating (loss) profit before working capital changes	(1,131,787)	(13,577)
Change in deferred tax assets	262,684	-
Change in trade and other receivables	82,205	(38,250)
Change in deposits and prepayments	(107,577)	(69,194)
Change in deferred revenue	194,877	29,371
Change in trade and other payables	310,054	97,562
Cash (used in) generated from operations	(916,612)	33,066
Tax paid	(824)	(6,217)
Net cash (used in) generated from operating activities	(917,436)	(26,849)
Investing activity		
Purchase of plant and equipment	(1,209)	(16,353)
Acquisition of a subsidiary	(25,000)	-
Cash used in an investing activity	(26,209)	(16,353)
Financing activities		
Loan from a shareholder	-	(20,000)
Repayment of loan from a shareholder	(20,000)	-
Proceeds from shares issuance for cash	1,346,607	-
Repayment of lease liabilities	(82,516)	(54,762)
Interest portion of lease liabilities	(3,680)	(2,234)
Interest paid on long term borrowing	(183)	(187)
Contributions	-	272
Partial repayment of long-term borrowing	(3,084)	-
Net cash generated from (used in) financing activities	1,237,144	(36,911)
Net increase (decrease) in cash and cash equivalents	293,499	(26,415)
Cash and cash equivalents at beginning of the year	26,957	53,372
Effect of foreign exchange rate changes	26,773	-
Cash and cash equivalents at end of the year	347,229	26,957

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

1. General information

Brera Holdings PLC (FKA Brera Holdings Limited) ("Brera Holdings" or the "Company"), a public company limited by shares, was incorporated in Ireland on June 30, 2022. The registered number is 721923. The company's registered office and principal place of business is 5th Floor Rear, Connaught House, 1 Burlington Road, Dublin 4, Ireland.

These financial statements comprising the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the related notes constitute the group financial statements of Brera Holdings Limited for the financial period ended 31 December 2022.

Brera Holdings PLC (FKA Brera Holdings Limited) ("Brera Holdings" or the "Company"), a public company limited by shares, was incorporated in Ireland on June 30, 2022.

The sole subscriber to the incorporation constitution of the Company was Goodbody Subscriber One Limited who subscribed for one (1) ordinary share for EUR1.00. On July 11, 2022, the one ordinary share was transferred to Daniel Joseph McClory, and on July 14, 2022, the ordinary share was surrendered to the Company and cancelled in accordance with Irish law. On July 13, 2022, an amended constitution was adopted by the Company reflecting an authorized share capital of EUR1.00 and US$1,750,000 divided into 50,000,000 Class A Ordinary Shares, nominal value US$0.005 per share, 250,000,000 Class B Ordinary Shares, nominal value US$0.005 per share, 50,000,000 preferred shares, nominal value US$0.005 per share, and one ordinary share with a nominal value of EUR1.00. On July 14, 2022, the Company issued 8,100,000 Class A Ordinary Shares and 100,000 Class B Ordinary Shares.

Brera Milano S.r.l. (FKA KAP S.r.l.) ("Brera Milano" or "KAP"), an Italian limited liability company (società a responsabilità limitata), was formed on December 20, 2016.

On July 18, 2022, the Company entered into a preliminary agreement for the purchase of all the shares of Brera Milano with Marco Sala, Stefano Locatelli, Alessandro Aleotti, Christian Rocca, Sergio Carlo Scalpelli, and MAX SRL (the "Acquisition"). Pursuant to the terms of the agreement, the Company acquired 100% of equity interest of Brera Milano on July 29, 2022. As a result, Brera Milano became a wholly owned subsidiary of the Company.

The Company also agreed to contribute EUR253,821 to Brera Milano upon the final completion of the formal obligations under this agreement at the Milan Register of Companies, in order to restore Brera Milano's share capital due to a EUR253,821 liability indicated by its financial statements. On July 29, 2022, the Company executed the final deed of share transfer, paid EUR253,821 for purposes of restoring Brera Milano's share capital, and completed certain other required formalities. On the same day, the share transfer became effective under Italian law. As a result, Brera Milano became a wholly-owned subsidiary of the Company.

The Acquisition was accounted for as a reverse recapitalization, with no goodwill or other intangible assets recorded, in accordance with the guidance in paragraphs B19–B27 of IFRS 3 for reverse acquisitions. Brera Milano was determined to be the accounting acquirer based upon the terms of the Acquisition and other factors including: (i) former Brera Milano shareholders owning approximately 35% of the combined company (on a fully diluted basis) immediately following the closing of the Acquisition and are the largest shareholders' party of the Company, (ii) former Brera Milano shareholder, Alessandro Aleotti, being appointed as the Chief Strategy Officer and a director of the Company, and (iii) former Brera Milano shareholder, Sergio Carlo Scalpelli, being appointed as the Chief Executive Officer and a director of the Company; (iv) shareholders of the Company other than the former Brera Milano shareholders continuing as passive investors; and (v) the combined company continuing the football related business with Brera Milano shareholders being the major subject matter experts of this industry in the Company and having the power to direct the development and operations of the combined company after the Acquisition.

As of December 31, 2022, the Company, which was established as a non-operational shell corporation on June 30, 2022, has undergone a transformation following a reverse acquisition completed on July 29, 2022. Prior to this acquisition, the Company had issued shares to existing shareholders as a shell corporation, and it was not qualified as a business under the definition of IFRS 3. With reference to IFRS 3 Appendix B, this would not constitute as a business combination since there is no substantive change in the reporting entity or its assets and liabilities. Consequently, the consolidated financial statements of the Company as of December 31, 2021, represented a continuation of the financial statements of Brera Milano and the assets and liabilities are presented at their historical carrying values. As of December 31, 2022, the Company's consolidated financial statements are prepared in accordance to IFRS 10 and represented the aggregated financial results of all entities within the Group.

The Company, via its wholly-owned operating subsidiary, Brera Milano, is engaged in a range of businesses including football division progression, global football player transfer services, sponsorship services, and football school services and consulting services on football projects.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements are disclosed in note 3.

2. Accounting policies

2.1 Basis of preparation of financial statements

The consolidated financial statements consist of the consolidated statements of financial position, the consolidated statements of profit or loss, consolidated statements of changes in equity, consolidated statements of cash flows and the notes to the consolidated financial statements.

The consolidated statements of financial position has been prepared based on the nature of the transactions, distinguishing: (a) current assets from non-current assets, where current assets are intended as the assets that should be realized, sold or used during the normal operating cycle, or the assets owned with the aim of being sold in the short term (within 12 months); (b) current liabilities from non-current liabilities, where current liabilities are intended as the liabilities that should be paid during the normal operating cycle, or over the 12-month period subsequent to the reporting date.

The consolidated statements of profit or loss have been prepared based on the function of the expenses.

The consolidated statements of cash flows have been prepared using the indirect method.

The consolidated financial statements present all amounts rounded to the nearest Euro ("EUR"), unless otherwise stated. They also present comparative information in respect to the previous period.

2.2 Going concern

The financial statements are prepared on a going concern basis which assumes the company will continue to meet liabilities as they fall due. The Directors have prepared projected cash flow information for the year from the date of their approval of these financial statements.

The company has reported a loss of EUR 1,226,855 for the period ended December 31, 2022, and as of that date, the Group has a deficit in equity attributable to shareholders of the Company of EUR131,213 and the Group had net liabilities of EUR131,213 and net current liabilities of EUR188,481.

The Group's ability to continue as a going concern is dependent upon its ability to generate profitable operations in the future and/or obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management has plans to seek additional capital through public offerings, private equity offerings, debt financings, and government or other third-party funding. Daniel Joseph McClory, our Executive Chairman, as provided the board of directors with a written commitment letter indicating his intention to fund he Company as needed for the foreseeable future to the extent that revenues from existing operations or alternative funding is not available. The directors of the Company consider that the Group will have sufficient working capital to finance its operations and to meet its financial obligations for at least the next twelve months from the date of approval of these consolidated financial statements.

2.3 <u>Functional and presentation currency</u>

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). These consolidated financial statements are presented in Euro (the Group's presentation currency).

Entity	Functional Currency
Brera Holdings PLC	United States dollar ("US$")
Brera Milano S.r.l.	Euro ("EUR")

Change in functional currency

The Company has changed its determination of functional currency from Euro ("EUR") to United States Dollar ("US$") from its date of incorporation (i.e. June 30, 2022), based on the expectation of the increased exposure to the US$ as a result of the growth in international operations.

The change in functional currency has been accounted for prospectively from the date of change. As a result of the change, the Group has restated its consolidated financial statements for comparative purposes in accordance with IAS 21 - The Effects of Changes in Foreign Exchange Rates.

The impact of the change in functional currency on the Group's consolidated financial statements has been reflected in the consolidated statement of profit or loss, the consolidated statement of financial position, and the consolidated statement of cash flows.

2.4Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Depreciation is charged to allocate the cost of assets, over their estimated useful lives, using the straight-line method, on the following bases:

	Years
Leasehold improvements	5
Furniture and fittings	5
Office equipment and software	5
Motor vehicles	10
Building	20
Other	5

Impairment on property, plant and equipment and right-of-use assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

2.5 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions for legal claims, service warranties and one-time termination benefits for certain employees are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

2.6 Financial Instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date/settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(i) Amortized cost and interest income

Interest income is recognized using the effective interest method for financial assets measured subsequently at amortized cost and debt instruments/receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade and other receivables and loan receivables) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognizes lifetime ECL for trade receivables. For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(ii) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 120 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

In order to minimize the credit risk, management of the Company has created a team responsible for the determination of credit limits and credit approvals for customers.

(iii) Definition of default

The Group considers for internal credit risk management purposes and based on historical experience, that an event of default to have occurred when there is information obtained from internal or external sources that indicates the debtor is unlikely to pay its creditors, including the Group.

(iv) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. These events include evidence that there is significant financial difficulty of the debtors or it is becoming probable that the debtor will enter bankruptcy.

(v) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

(vi) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities including trade and other payables, loans from shareholders and borrowings are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest method, with interest expense recognized on an effective yield basis, except for short-term payables when the recognition of interest would be immaterial.

Interest-bearing loans are initially recognized at fair value, and are subsequently measured at amortized cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

2.7 Revenue from contract with customers

Revenue is measured based on the consideration specified in a contract with a customer and recognized as and when control of a service is transferred to a customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognized over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or

- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognized at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e., only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Revenues are recognized upon the application of the following steps:

1. Identification of the contract or contracts with a customer;

2. Identification of the performance obligations in the contract;

3. Determination of the transaction price;

4. Allocation of the transaction price to the performance obligations in the contract; and

5. Recognition of revenue when, or as, the performance obligation is satisfied.

The Group enters into services agreements and statements of work which set out the details of the work streams for each project to be provided to the customers. The work streams are generally capable of being distinct and accounted for as separate performance obligations.

Revenue recognized from contracts with customers is disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

- In 2023, the Company transitioned its business model into acquiring and operating professional sports teams worldwide. The principal activities of the Company for the period ended December 31, 2023 were advertising and sponsorships associated with the operation of its international sports teams, while for the period ended December 31, 2022 the principal activities were the provision of consultancy services related to the legacy business of Brera Milano. Under the current business model, commercial revenue (whether settled in cash or value in kind) mainly comprises the exploitation of the Brera brand through sponsorships, advertising and other commercial agreements.

Our revenue has been disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The categories of the majority or our revenue are as follows:

- Consulting – for the years ended December 31, 2022 and 2021, we entered into consulting agreements which required us to perform a service (our performance obligation) for an agreed upon fee.

The Group has elected to apply the practical expedient provided in IFRS 15, to recognize revenue in the amount to which it has the right to invoice and has not disclosed the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period.

2.8 Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2.9 Leases

Definition of a lease

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

For contracts entered into or modified on or after the date of initial application of IFRS 16 or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of motor vehicles that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;

- any lease payments made at or before the commencement date, less any lease incentives received;

- any initial direct costs incurred by the Group; and

- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

Inventories

Inventories are valued at the lower of cost and net realizable value basis. Cost comprises purchase cost of goods, direct labor. Costs of purchases inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Inventories are accounted for on a first-in-first-out (FIFO) basis.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognizes and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;

- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

- amounts expected to be payable by the Group under residual value guarantees;

- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and

- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

2.10 Borrowing costs

All borrowing costs are recognized in profit or loss in the period in which they are incurred.

2.11 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.
The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit/(loss) before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.12 Cash & Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.13 Trade Receivables

Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognized at fair value. They are subsequently measured at amortized cost using the effective interest method, less loss allowance.

2.14 Trade Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.15 Share Capital

The ordinary share capital of the company is presented as equity

2.16 Foreign Currency Translation

Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency”).

2.17 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

The following table lists the constituent companies in the Group.

Company name	**Jurisdiction**	**Incorporation Date**	**Ownership**
Brera Holdings PLC	Ireland	June 30, 2022	Group Holding Company
Brera Milano Srl	Italy	December 20, 2016	100% (via Brera Holdings PLC)

2.18 Change in accounting policies

New and amended standards and interpretations.

The following new standards and amendments were adopted by the Group for the first time in the current financial reporting period with no resulting impact to the consolidated financial statement:

Amendments to IFRS 9, IAS 39, and IFRS 7.

Forthcoming requirements

A number of new standards, amendments to standards and interpretations issued are not yet effective and have not been applied in preparing these financial statements. These new standards, amendments to standards and interpretations are not expected to have a material impact on the Group's financial statements as the Group has no transactions that would be affected by these new standards and amendments.

The principal new standards, amendments to standards and interpretations are as follows:

- IAS 1 Presentation of Financial Statements - effective 1 January 2023
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - effective 1 January 2023
- IAS 12 Income Taxes (amended) - effective 1 January 2023
- IA1 Presentation of Financial Statements - effective 1 January 2024
- IAS 16 leases - effective 1 January 2024

There would not have been a material impact on the financial statements if these standards had been applied in the current year.

3. Accounting estimates and judgements

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes.

- Note 1: Reverse recapitalization

The Acquisition was accounted for as a reverse recapitalization, with no goodwill or other intangible assets recorded, in accordance with the guidance in paragraphs B19–B27 of IFRS 3 for reverse acquisitions. Brera Milano was determined to be the accounting acquirer based upon the terms of the Acquisition and other factors including: (i) former Brera Milano shareholders owning approximately 35% of the combined company (on a fully diluted basis) immediately following the closing of the Acquisition and are the largest shareholders' party of the Company, (ii) former Brera Milano shareholder, Alessandro Aleotti, being appointed as the Chief Strategy Officer and a director of the Company, and (iii) former Brera Milano shareholder, Sergio Carlo Scalpelli, being appointed as the Chief Executive Officer and a director of the Company; (iv) shareholders of the Company other than the former Brera Milano shareholders continuing as passive investors; and (v) the combined company continuing the football related business with Brera Milano shareholders being the major subject matter experts of this industry in the Company and having the power to direct the development and operations of the combined company after the Acquisition.

The Company was a shell corporation established in 2022 with no operations at incorporation date. The Company has issued shares to the existing shareholders, and it is not qualified as a business under the definition of IFRS 3. With reference to IFRS 3 Appendix B, this would not constitute as a business combination since there is no substantive change in the reporting entity or its assets and liabilities. Accordingly, the Company's consolidated financial statements represent a continuation of the financial statement of Brera Milano and the assets and liabilities are presented at their historical carrying values.

- Note 2: Lease assessment of the lease term of lease liabilities depending on whether the Group is reasonably certain to exercise the extension options. In the past six months, we have not exercised the extension options of the majority of our leases. As a result, we have no long-term leases at this time.

- Note 3: Financial assets fair valued through profit or loss. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and classifications in the consolidated statements of financial position that may be necessary were the Company unable to continue as a going concern and these adjustments could be material.

The Group's policy is to recognize transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (e.g. over-the-counter derivatives) is determined using valuation techniques that maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments

- Note 4: Assessment of the Group's future liquidity and cash flows

- Note 5: Goodwill

Goodwill is monitored by management at the level of each operating segment. The Group tests whether goodwill has suffered any impairment on an annual basis. The fair values of net tangible assets and intangible assets acquired are based upon preliminary valuations and the Group's estimates and assumptions are subject to change within the measurement period (potentially up to one year from the acquisition date).

We test goodwill for impairment annually, at the CGU level, and wherever events or circumstances make it more likely than not that an impairment may have occurred, such as a significant adverse change in the business climate or a decision to sell all or a portion of a CGU.

4. Turnover

An analysis of turnover by class of business is as follows:

	2022	2021
	€	€
Consultancy revenue	162,407	420,167
	1,147,492	**162,407**

5. Other income (Expense)

	2022	2021
	€	€
Other Income (Expense)	4,869	(47,942)
	4,869	**(47,942)**

6. Loss on ordinary activities before taxation

The operating loss is stated after charging:

	2022	2021
	€	€
Depreciation of tangible fixed assets	96,311	68,881
Exchange differences	26,773	-
Rent – Short term leases	2,951	3,597

7. Employees

The average monthly number of employees, including the Directors, during the year was as follows:

	2022
	No.
Employees	0
Directors	7
	7

8. Directors' remuneration

	2022	2021
	€	€
Directors' remuneration	118,699	58,164
	118,699	58,164

9.General and administrative expenses

Included within general and administrative expenses are the following expenses.

	2022	2021
	€	€
Advertising and marketing expenses	17,566	1,210
Bad debt expenses	5,261	-
Bank and other charges	4,424	2,718
Cleaning expenses	8,888	9,250
Depreciation	96,311	68,881
Director’s emoluments (included in note 19)	118,699	58,164
Entertainment expenses	33,651	13,172
Insurance	3,190	1,680
Listing fee	47,464	-
Office supplies and administrative expenses	10,453	36,158
Professional and consultancy services - third parties	643,825	47,020
Professional and consultancy services - related parties	46,000	-
Expenses on short term leases	2,951	3,597
Sponsorship - related party	100,000	30,000
Staff costs	38,993	-
Stamp duties and other taxes	5,214	2,089
Subscriptions	427	5,454
Transportation and accommodation	39,466	11,613
Utilities	3,344	1,729
Other administrative expenses	72,746	23,934
	1,298,873	316,669

10 Cost of revenue

Cost of revenue primarily consists of expenses for consultants directly involved in the delivery of services to customers.

	2022	2021
	€	€
Cost of revenue	90,270	110,588

72% and 26% of the cost of revenue were incurred from transactions with related parties of the Company for the period ended December 31, 2022 and 2021 respectively.

Four suppliers, each accounted for over 10% of the Group’s total cost of revenue, represented 88% and 56% of the Group’s cost of revenue for the years ended December 31, 2022 and 2021 respectively. Trade payable from these suppliers was EUR37,853, EUR6,112 and EUR7,560 as of December 31, 2022 and 2021 respectively.

11. Taxation

Ireland

Brera Holdings PLC is a holding company registered in Ireland. The Company was incorporated in Ireland on June 30, 2022, no provision for income taxes in the Ireland has been made as Brera Holdings PLC did not generate any Ireland taxable income for the period ended December 31, 2022. The corporate tax rate for trading income in Ireland in 2022 is 12.50% (2021:12.50%).

Italy

The Company conducts its major businesses in Italy and is subject to tax in this jurisdiction. During the years ended December 31, 2022, 2021 and 2020, all taxable income (loss) of the Company is generated in Italy. As a result of its business activities, the Company files tax returns that are subject to examination by the Italian Revenue Agency.

Italian companies are subject to two enacted income taxes at the following rates:

	2022	**2021**
IRES (state tax)	24.00%	24.00%
IRAP (regional tax)	3.90%	3.90%

IRES is a state tax and is calculated on the taxable income determined on the income before taxes modified to reflect all temporary and permanent differences regulated by the tax law.

IRAP is a regional tax and each Italian region has the power to increase the current rate of 3.90% by a maximum of 0.92%. In general, the taxable base of IRAP is a form of gross profit determined as the difference between gross revenues (excluding interest and dividend income) and direct production costs (excluding interest expense and other financial costs).

For the years ended December 31, 2022, 2021 and 2020, the Company's income tax expenses are as follows:

	2022	**2021**
	€	€
Current tax expenses	-	29,331
	-	29,331

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2022	**2021**
	€	€
(Loss) profit before tax for the year	(1,226,855)	(57,725)
Expected income tax recovery – IRES	(112,400)	(13,854)
Expected income tax recovery – IRAP	(18,265)	(2,251)
Expected income tax recovery – Ireland	(94,815)	-

Tax loss not recognized	225,480	-
Permanent differences	-	45,436
Current tax expenses	-	29,331

12. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 304 of the Companies Act 2014 and has not presented its own Profit and Loss Account in these financial statements. The loss of the parent Company for the year was €777,314.

13. Tangible fixed assets

	Office equipment	Leasehold improvement	Total
	€	€	€
Cost:			
At 1 January 2021	15,076	7,200	22,276
Additions	1,209	-	1,209
Modification			
Disposals			
At December 31, 2022	16,285	7,200	23,485
Depreciation:			
At 1 January 2021	(6,661)	(1,440)	(8,101)
Depreciation on disposal			
Depreciation for the year	(2,579)	(1,440)	(4,019)
At December 31, 2022	(9,240)	(2,880)	(12,120)
Net book value			
At December 31, 2022	7,045	4,320	11,365
At December 31, 2021	8,415	5,760	14,175

14. Right of use assets

	Office Space and garage	Office equipment	Vehicles	Total
	€	€	€	€
Cost:				
At 1 January 2021	341,591	3,315	84,787	429,693
Additions	-	-	22,752	22,752
Modification			(5,482)	(5,482)
Disposals				
At December 31, 2022	341,591	3,315	102,057	446,963

Depreciation:				
At 1 January 2021	(43,986)	(182)	(22,113)	(64,281)
Depreciation on disposal				
Depreciation for the year	(62,829)	(660)	(28,804)	(92,293)
At December 31, 2022	(9,240)	(2,880)	(158,574)	(170,694)
Net book value				
At December 31, 2022	234,776	2,473	51,140	288,389
At December 31, 2021	297,605	3,133	62,674	363,412

15. Debtors

	2022	2021
	€	€
Trade debtors	36,661	124,427
Deposits	39,193	39,694
Prepayments	139,578	29,500
Deferred Offering costs	262,684	-
	656,419	**193,621**

16.Deferred offering costs

Deferred offering cost means any fees, commissions, costs, expenses, concessions and other amounts payable to any party, including, without limitation, brokers, underwriters, advisors (accounting, financial, legal and otherwise) and any consultants, in connection with the Company's initial public offering of Class B Ordinary Shares ("Offering Shares"). The Offering Shares commenced trading on the Nasdaq Capital Market under the symbol "BREA". The closing of the Offering took place on January 31, 2023. Upon completion of the IPO, these deferred offering costs shall be reclassified from current assets to stockholders' equity and recorded against the net proceeds from the offering.

	2022	2021
	€	€
Deferred offering costs	262,684	-

17. Cash and cash equivalents

	2022	2021
	€	€
Cash at bank and in hand	347,229	26,957
	347,229	**26,957**

18. Creditors: Amounts falling due within one year

	2022	2021
	€	€
Trade creditors	650,258	369,575
Deferred Revenue	224,248	29,371
Lease liabilities	80,637	77,520
Income tax payable	52,480	53,304
Loan payable	6,203	3,084
	1,013,826	**532,854**

19.Deferred revenue

Deferred revenue, also known as unearned revenue, represents amounts received or invoiced in advance of delivering goods or rendering services. These amounts are recognized as revenue when the performance obligations under the contracts are fulfilled. The Company accounts for deferred revenue in accordance with IFRS 15 - Revenue from Contracts with Customers

	2022	2021
	€	€
Deferred revenue – outside parties	224,248	29,371

20.Loan Payable

Analysis of the maturity of loans is given below:

	2022	2021
	€	€
Amounts falling due within one year	6,203	3,084
Loan payable		
Amounts falling due 2-5 years		
Loan payable	15,713	21,916
	21,916	**25,000**

The loan was drawn on June 25, 2020 from an independent third party. The monthly interest rate is 0.0625% and the annualized interest rate is 0.75% per annum. The loan term is 6 years and repayment of principal begins 2 years from the loan drawdown date

21. Lease liabilities and commitment

The Group entered into lease agreements for office space, garage, office equipment and vehicles with expiration dates ranging from 2023 to 2027. The lease terms were between 2 to 6 years. The Company's lease liabilities payables and commitments for minimum lease payments under these leases as at December 31, 2022 and 2021 are as follows:

	2022	2021
	€	€
Lease liabilities payable:		
Less than 1 year	80,637	77,520
1 to 3 years	141,909	147,453
3 to 5 years	84,864	131,904
More than 5 years	-	16,230
	307,410	373,107

A maturity analysis of lease liabilities based on undiscounted gross cash flow is reported in the table below:

	2022	2021
	€	€
Less than 1 year	82,666	80,054
1 to 3 years	144,273	150,793
3 to 5 years	85,289	133,169
More than 5 years	-	16,250
	312,228	380,266

22. Financial Instruments

	2022	2021
	€	€
Financial assets		
Financial assets at amortized cost	383,890	151,384
Financial liabilities		
Financial liabilities at amortized cost	896,422	414,575
Lease liabilities	307,410	373,107

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as value in use in IAS 36 Impairment of Assets.

23. Loan from a shareholder

The balance represents the loan from a shareholder, Sergio Carlo Scalpelli, our Chief Executive Officer and director, in the amount of EUR20,000, interest-free with repayment scheduled on March 31, 2022, June 30, 2022 and September 30, 2022 in the amount of EUR7,000, EUR7,000 and EUR6,000, respectively. Sergio Carlo Scalpelli waived the repayment schedule, and the repayment date of the full amount was rescheduled to September 30, 2022. The full amount of the loan was repaid to Sergio Carlo Scalpelli on September 30, 2022. The outstanding balance of the loan amounted to EUR0 and EUR20,000 for the years ended December 31, 2022 and 2021, respectively.

24. Provisions

The balance represents the termination benefits for directors of Brera Milano. Provisions for termination benefits for directors are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. The former director of Brera Milano, Marco Sala, agreed to waive the entitled provision upon his resignation as director of Brera Milano in 2022.

25.Reconciliation of liabilities arising from financing activities

	Loan payable	Loan from a shareholder	Lease liabilities	Total
	€	€	€	€
At January 1, 2020	-	-	4,474	4,474
Financing cash flows	25,000	-	(1,883)	23,117
Interest expenses	-	-	28	28
At December 31, 2020	25,000	-	2,619	27,619
Financing cash flows	-	20,000	(56,996)	(36,996)
New leases entered	-	-	425,250	425,250
Interest expenses	-	-	2,234	2,234
At December 31, 2021	25,000	20,000	373,107	418,107
Financing cash flows	(3,084)	(20,000)	(86,196)	(109,280)
New leases entered	-	-	22,752	22,752
Change on modification of lease	-	-	(5,933)	(5,933)
Interest expenses	-	-	3,680	3,680
At December 31, 2022	21,916	-	307,410	329,326

26. Share capital

	2022	2021
	€	€
Allotted, called up and fully paid		
2,850,000 (2021 – 2,850,000) ordinary shares of $0.005 each	35,988	13,466
2,205,000 (2021 – 100,000) ordinary shares of $0.005 each	10,306	473
Subscription Receivable	(935)	(13,939)
	45,359	0

The authorized share capital of the Company consists of 350,000,001 shares, consisting of (i) 300,000,000 shares of ordinary shares, with a nominal value of US$0.005 per share, of which 50,000,000 shares are designated Class A Ordinary Shares, nominal value US$0.005 per share, and 250,000,000 shares are designated Class B Ordinary Shares, nominal value US$0.005 per share, and (ii) 50,000,000 shares of preferred shares, with a nominal value of US$0.005 per share and (iii) one ordinary share with a nominal value of EUR1.00. Class A Ordinary Shares are entitled to ten votes per share on proposals requiring or requesting shareholder approval, and Class B Ordinary Shares are entitled to one vote on any such matter.
The sole subscriber to the incorporation constitution of Brera Holdings Limited was Goodbody Subscriber One Limited who subscribed for one (1) ordinary share for EUR1.00 on June 30, 2022 but no cash has been received. On July 11, 2022, the one ordinary share was transferred to Daniel Joseph McClory, and on July 14, 2022, the ordinary share was surrendered to the Company and cancelled in accordance with Irish law. On July 13, 2022, an amended constitution was adopted by Brera Holdings Limited reflecting an authorized share capital of EUR1.00 and US$1,750,000 divided into 50,000,000 Class A Ordinary Shares, nominal value US$0.005 per share, 250,000,000 Class B Ordinary Shares, nominal value US$0.005 per share, 50,000,000 preferred shares, nominal value US$0.005 per share, and one ordinary share with a nominal value of EUR1.00. On July 14, 2022, the Company issued 8,100,000 Class A Ordinary Shares and 100,000 Class B Ordinary Shares.

As part of the Reorganization, 100% of Brera Milano shares were acquired by the Company in exchange for the payment of EUR25,000 to Brera Milano shareholders (the "Acquisition”). The Company also agreed to contribute EUR253,821 to Brera Milano upon the final completion of the formal obligations under their agreement at the Milan Register of Companies, in order to restore Brera Milano’s share capital due to a EUR253,821 liability indicated by its financial statements.

The Acquisition was accounted for as a reverse recapitalization, with no goodwill or other intangible assets recorded, in accordance with the guidance in paragraphs B19–B27 of IFRS 3 for reverse acquisitions. Brera Milano was determined to be the accounting acquirer based upon the terms of the Acquisition and other factors including: (i) former Brera Milano shareholders owning approximately 35% of the combined company (on a fully diluted basis) immediately following the closing of the Acquisition and are the largest shareholders’ party of the Company, (ii) former Brera Milano shareholder, Alessandro Aleotti, being appointed as the Chief Strategy Officer and a director of the Company, and (iii) former Brera Milano shareholder, Sergio Carlo Scalpelli, being appointed as the Chief Executive Officer and a director of the Company; (iv) shareholders of the Company other than the former Brera Milano shareholders continuing as passive investors; and (v) the combined company continuing the football related business with Brera Milano shareholders being the major subject matter experts of this industry in the Company and having the power to direct the development and operations of the combined company after the Acquisition.

As of December 31, 2022, the Company, which was established as a non-operational shell corporation on June 30, 2022, has undergone a transformation following a reverse acquisition completed on July 29, 2022. Prior to this acquisition, the Company had issued shares to existing shareholders as a shell corporation, and it was not qualified as a business under the definition of IFRS 3. With reference to IFRS 3 Appendix B, this would not constitute as a business combination since there is no substantive change in the reporting entity or its assets and liabilities. Consequently, the consolidated financial statements of the Company as of December 31, 2021, represented a continuation of the financial statements of Brera Milano and the assets and liabilities are presented at their historical carrying values. As of December 31, 2022, the Company's consolidated financial statements are prepared in accordance to IFRS 10 and represented the aggregated financial results of all entities within the Group.

On July 22, 2022, September 19, 2022, October 7, 2022, October 26, 2022, and November 4, 2022, we conducted private placements of Class B Ordinary Shares and entered into certain subscription agreements with a number of (i) accredited investors as defined in Section 2(a)(15) of the Securities Act, and Rule 501 promulgated thereunder, in reliance upon the exemption contained in Section 4(a)(2) of the Securities Act, and Rule 506(b) of Regulation D promulgated thereunder, and applicable state securities laws or (ii) non-U.S. persons made in compliance with the provisions of Regulation S promulgated under the Securities Act. Pursuant to the agreements, we issued 1,505,000 Class B Ordinary Shares at $1.00 per share for a total of US$1,505,000. The shares are subject to certain lockup provisions until 180 days after the commencement of trading of our Class B Ordinary Shares, subject to certain exceptions. Boustead acted as placement agent in this private placement. Pursuant to our engagement letter agreement with Boustead, in addition to payments of a success fee of US$105,350, or 7% of the total purchase price of the shares sold in the private placement, and a non-accountable expense allowance of US$15,050, or 1% of the total purchase price of the shares sold in the private placement, we agreed to issue Boustead a five-year warrant to purchase up to 105,350 Class B Ordinary Shares, exercisable on a cashless basis, with an exercise price of US$1.00 per share, subject to adjustment.

On September 21, 2022, Daniel Joseph McClory, our Executive Chairman and director, surrendered his 2,500,000 Class A Ordinary Shares and we issued 2,250,000 Class A Ordinary Shares to Pinehurst Partners LLC, whose sole beneficial owner is Daniel Joseph McClory, 200,000 Class B Ordinary Shares to Lucia Giovannetti, and 50,000 Class B Ordinary Shares to Christopher Paul Gardner, our director, for US$11,250, US$1,000 and US$250, respectively.

On October 5, 2022, Marco Sala surrendered 250,000 of his Class A Ordinary Shares, Daniel Joseph McClory surrendered 250,000 of his Class B Ordinary Shares and we issued 50,000 Class A Ordinary Shares to each of Daniel Joseph McClory and Alessandro Aleotti, our Chief Strategy Officer and director, and 50,000 Class B Ordinary Shares to each of Alberto Libanori, our director, Pietro Bersani, our director, Goran Pandev, our director, and Sergio Carlo Scalpelli, our Chief Executive Officer and director, for aggregate purchase prices of $250 each, and 250,000 Class B Ordinary Shares to Grant McClory, Daniel Joseph McClory's adult son, for US$1,250.

On November 11, 2022, we issued 100,000 Class B Ordinary Shares to Christopher Paul Gardner, our director, and 50,000 Class B Ordinary Shares to Sergio Carlo Scalpelli, our Chief Executive Officer and director, for US$500 and US$250, respectively

27. Reserves

Share premium account

The share premium account represents the difference between the par value of the shares issued and the issue price.

Foreign exchange reserve

Includes all current and prior period foreign exchange movements regarding balance sheet items.

Other reserves

Other reserves represent contributions towards the funding of legal costs.

Called-up share capital

Represents the nominal value of shares that have been issued.

Profit and loss account

Includes all current and prior period retained profits and losses.

28. Basic and diluted (loss) earnings per share

The calculation of the basic and diluted (loss) earnings per share attributable to the shareholders of the Group is based on the following data:

(Loss) earnings

	2022 EUR	2021 EUR
(Loss) earnings for the purpose of basic and diluted (loss) earnings per share	(1,226,855)	(87,056)

Number of shares

	2022	2021
Weighted average number of ordinary shares for the purposes of basic (loss) earnings per share (Ordinary shares Class A)	5,203,562	2,850,000
Weighted average number of ordinary shares for the purposes of basic (loss) earnings per share (Ordinary shares Class B)	709,301	100,000

Diluted (loss) earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue during the year to assume conversion of all dilutive potential ordinary shares. The Company had no dilutive shares as of December 31, 2022, and 2021 .

The Group computes net (loss) earnings per share of Ordinary Shares Class A and Ordinary Shares Class B stock using the two-class method. Basic net (loss) earnings per share is computed using the weighted-average number of shares outstanding during the period. Diluted net (loss) earnings per share is computed using the weighted-average number of shares and the effect of potentially dilutive securities outstanding during the period. Potentially dilutive securities consist of restricted stock units and other contingently issuable shares. The dilutive effect of outstanding restricted stock units and other contingently issuable shares is reflected in diluted earnings per share by application of the treasury stock method.

The rights, including the liquidation and dividend rights, of the holders of our Ordinary Shares Class A and Ordinary Shares Class B stock are identical, except with respect to voting.

In the years ended December 31, 2022, 2021 the net (loss) earnings per share amounts are the same for Ordinary Shares Class A and Ordinary Shares Class B stock because the holders of each class are entitled to equal per share dividends or distributions in liquidation.

The following table sets forth the computation of basic and diluted net (loss) earnings per share for the years ended December 31, 2022, 2021, which includes both Ordinary Shares Class A and Ordinary Shares Class B:

	2022		2021	
	Ordinary shares Class A	**Ordinary shares Class B**	**Ordinary shares Class A**	**Ordinary shares Class B**
Net (loss) earnings per share, basic and diluted				
Numerator:				
Allocation of undistributed net (loss) earnings	(1,079,683)	(147,172)	(84,105)	(2,951)
Denominator:				
Weighted average shares	5,203,562	709,301	2,850,000	100,000
Basic and diluted net (loss) earnings per share	(0.21)	(0.21)	(0.03)	(0.03)

29. Related party transactions

	2022	2021
	EUR	**EUR**
Other receivables – related parties		
Alessandro Aleotti	333	333
Marco Sala	333	333
Sergio Carlo Scalpelli	333	333
Christian Rocca	334	334
Stefano Locatelli	-	1,334
Brera Calcio AS	3,076	-
Deposits and prepayments – related parties		
Max Srl	38,856	14,545
Stefano Locatelli	35,868	14,000
Sergio Carlo Scalpelli	22,020	-
Trade and other payables – related parties		
Max Srl	19,666	6,112
Stefano Locatelli	9,867	-
Brera Calcio AS	-	36,600
Sergio Carlo Scalpelli	4,146	-
Francesca Duva	3,090	-
Loan from a shareholder		
Sergio Carlo Scalpelli	-	20,000

30. Post balance sheet events

(i) Initial Public Offering

On January 26, 2023, we entered into an underwriting agreement (the "Underwriting Agreement") with Revere Securities, LLC, as representative of the underwriters named on Schedule 1 thereto (the "Representative"), relating to the Company's initial public offering (the "Offering") of 1,500,000 Class B Ordinary Shares (the "Offering Shares") of the Company, at an Offering price of US$5.00 per share (the "Offering Price"). Pursuant to the Underwriting Agreement, in exchange for the Representative's firm commitment to purchase the Offering Shares, the Company agreed to sell the Offering Shares to the Representative at a purchase price of US$4.65 (93% of the public offering price per share). The Company also granted the Representative a 45-day over-allotment option to purchase up to an additional 225,000 Class B Ordinary Shares at the Offering Price, representing fifteen percent (15%) of the Class B Ordinary Shares sold in the Offering, from the Company, less underwriting discounts and commissions and a non-accountable expense allowance.

The Offering Shares commenced trading on the Nasdaq Capital Market under the symbol "BREA". The closing of the Offering took place on January 31, 2023. After deducting underwriting discounts and commissions and non-accountable expense allowance, the Company received net proceeds of approximately US$6,900,000.

The Company also issued the Representative a warrant to purchase up to 105,000 Class B Ordinary Shares (7% of the Class B Ordinary Shares sold in the Offering) (the "Representative's Warrants"). The Representative's Warrants are exercisable at any time from July 26, 2023 to July 26, 2028 for US$5.00 per share (100% of the Offering Price per Class B Ordinary Share). The Representative's Warrants contain customary anti-dilution provisions for share dividends, splits, mergers, and any future issuance of ordinary shares or ordinary shares equivalents at prices (or with exercise and/or conversion prices) below the exercise price. The Representative's Warrant also contains piggyback registration rights in compliance with FINRA Rule 5110..

(ii) Entry into a Letter of Intent with Fudbalski Klub Akademija Pandev

On February 13, 2023, we entered into a binding letter of intent (the "Letter of Intent") with Fudbalski Klub Akademija Pandev, a joint stock company organized under the laws of North Macedonia ("FKAP"), and its sole equity holder, Goran Pandev, our director (the "FKAP Owner"), relating to the acquisition of FKAP by the Company or Brera Milano.

On February 13, 2023, we entered into a binding letter of intent (the "Letter of Intent") with Fudbalski Klub Akademija Pandev, a joint stock company organized under the laws of North Macedonia ("FKAP"), and its sole equity holder, Goran Pandev, our director (the "FKAP Owner"), relating to the acquisition of FKAP by the Company or Brera Milano.

Pursuant to the Letter of Intent, the Company, FKAP and the FKAP Owner will enter into a securities purchase agreement and other documents or agreements (the "Definitive Agreements") that will be consistent with the Letter of Intent and will describe the terms upon which the Company will acquire from the FKAP Owner a number of shares of the issued and outstanding capital stock or other equity interests of FKAP constituting 90% of the outstanding common shares of FKAP after such acquisition. The Company will pay the FKAP Owner EUR600,000 on the date that the parties enter into the Definitive Agreements. Additionally, for a period of ten years beginning with December 31, 2023, and following each year thereafter until December 31, 2033, the Company shall issue to the FKAP Owner a number of restricted Class B Ordinary Shares of the Company equal to the quotient of the Applicable Net Income Amount (as defined below) divided by the VWAP Per Share (as defined below). For purposes of the Letter of Intent, the "Applicable Net Income Amount" shall be equal to the sum of (i) 15% of the net income actually received by FKAP from players' transfer market fees received during the applicable year; plus (ii) 15% of the net income actually received by FKAP from Union of European Football Associations prize money paid for access to European qualifying rounds (not including group stages, and only including such rounds) during the applicable year; and "VWAP Per Share" means the average of the daily Volume-Weighted Average Price per share of the Class B Ordinary Shares for each of the ten consecutive trading days beginning on the trading day immediately prior to the measurement date.

(iii) Entry into a Contract with Tchumene FC Sports Association

On March 17, 2023, we entered into a contract (the "Contract") with Tchumene FC Sports Association, a football club organized under the laws of Mozambique ("Tchumene FC" or the "Club"), relating to a strategic partnership through the establishment of sponsorship and franchising relationships between us and Tchumene FC.

Pursuant to the Contract, for the 2023 football season, Tchumene FC will be rebranded as "Brera Tchumene FC" with simultaneous modification of its logo and corporate colors. We will determine the Club's game shirt sponsor, deliver media relating to the Club on its communication channels, manage external media relations, use the Club's brand for any communication activity and promotion, and promote the Club around the world through its relationship network with football operators and finance partners in the United States. We will not intervene or assume responsibility over the sports management of the Club and all of the Club's sporting activity will remain under the exclusive control of Tchumene FC. The Company will pay Tchumene FC €25,000, of which €15,000 was paid upon signing the Contract and €10,000 will be paid by the middle of the 2023 football season. Additionally, if the Contract is renewed automatically for an additional annual term as described below, the Company will pay €25,000 in one lump sum within thirty days of such renewal of the Contract for the following football season. We will decide the shirt sponsor of the Club's football shirts. If the sponsor is an Italian company that already works with us, part of the sponsorship revenue may be allocated to Tchumene FC; however, if the sponsor is from Mozambique, we will negotiate with Tchumene FC the division of the sponsorship revenue in accordance with market standards.

The Contract will automatically renew for each subsequent football season in which Tchumene FC plays in the Mozambique second division, unless terminated at the end of any football season by either party upon 30 days' notice or upon a breach of contract with 30 days' notice. If Tchumene FC enters Mozambique football's first division, the Contract will be terminated with the intent to renegotiate the terms to include greater commitments between the parties.

(iv) Entry into a Share Purchase Agreement with Fudbalski Klub Akademija Pandev

On April 28, 2023, we entered into an agreement for the purchase and sale of outstanding common shares (the "Share Purchase Agreement") with Fudbalski Klub Akademija Pandev, a joint stock company organized under the laws of North Macedonia ("FKAP"), and its sole equity holder, Goran Pandev, our director (the "FKAP Owner"), relating to the acquisition of FKAP by the Company.

Pursuant to the Share Purchase Agreement, the Company acquired from the FKAP Owner 2,250 common shares of FKAP, constituting 90% of the outstanding common shares of FKAP, and the Company paid the FKAP Owner EUR600,000 upon the signing of the Share Purchase Agreement. Additionally, for a period of ten years beginning with December 31, 2023, and following each year thereafter until December 31, 2033, the Company shall issue to the FKAP Owner a number of restricted Class B Ordinary Shares of the Company equal to the quotient of the Applicable Net Income Amount (as defined below) divided by the VWAP Per Share (as defined below). For purposes of the Share Purchase Agreement, the "Applicable Net Income Amount" shall be equal to the sum of (i) 15% of the net income actually received by FKAP from players' transfer market fees received during the applicable year; plus (ii) 15% of the net income actually received by FKAP from Union of European Football Associations prize money paid for access to European qualifying rounds (not including group stages, and only including such rounds) during the applicable year; and "VWAP Per Share" means the average of the daily Volume-Weighted Average Price per share of the Class B Ordinary Shares for each of the ten consecutive trading days beginning on the trading day immediately prior to the measurement date.

31. **Approval of financial statements**

The board of Directors approved these financial statements for issue on 14 February 2025.