

INVESTMENT VALUATION UPDATE

Subject Company: Brera Holdings PLC (BREA)

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Date: January 24th, 2025

Brera Holdings PLC, an Ireland-based multi-club ownership company with a focus on acquiring and developing promising clubs in professional sports, has recently issued several important announcements. These updates include new earnings figures, capital increases and the acquisition of Juve Stabia, an Italian soccer club. Given the significance of these developments, we believe an update to our investment valuation report is warranted.

In the following sections, we will first examine these recent updates in a chronological order, highlighting key details and their potential impact on Brera's strategic trajectory. Following this, we will revisit the assumptions made in our original investment valuation report from May 2024 to examine if these hold under the new circumstances. If required, we will adjust our revenue trajectory and implied stock price estimates, for the years 2025 and beyond to reflect the latest information. This approach should ensure that our analyses of promising small- and micro-cap stocks remain accurate for our readers and investors.

1. Acquisition of Italian Serie B soccer club Juve Stabia SpA

On December 8, 2024, Brera Holdings PLC announced to investors its binding agreement to acquire 51.72% of the Italian Serie B soccer club, Societa Sportiva Juve Stabia SPA, for a total price of EUR 7.5 million (USD 7.7 million).¹ The agreement also includes additional performance bonuses of up to EUR 5.5 million (USD 5.65 million), contingent on the club's playoff qualification for Serie B or promotion to Serie A during the current 2024/25 season. This acquisition is a significant development for Brera's multi-club ownership (MCO) strategy and structured in a phased approach to ensure a successful transition and operational stability.

Brera's most recent acquisition will be completed in three stages, with the final step targeted for March 31, 2025. In the first stage, completed late December 2024, Brera secured a 21.74% ownership stake through an initial payment of EUR 1.5 million (EUR 1 million in Brera shares and EUR 0.5 million in cash). The cash component was allocated to support Juve Stabia's working capital, ensuring financial stability and uninterrupted operations during the acquisition period.

On January 10, 2025, the second stage of the agreement was completed successfully and ahead of schedule.² It increased Brera's ownership to 34.62% through an additional payment of EUR 1.5 million (EUR 1 million in shares and EUR 0.5 million in cash). The swift completion of this phase, with due diligence finalized quicker than initially anticipated, highlights an efficient acquisition process and a strong alignment between the parties involved. Completion of the acquisition is now set for March 2025, where Brera will reach its target ownership of 51.72% through an additional payment of EUR 2 million (EUR 1.5 million in cash and EUR 0.5 million in shares).

Altogether, Juve Stabia will receive EUR 4.5 million across the three phases (EUR 2 million in Brera shares and EUR 2.5 million in cash). The ownership stake transfer includes a majority position previously held by the Langella family and their XX Settembre Holding Srl, purchased for a total of EUR 3 million. Consequently, the acquisition's total price is set at EUR 7.5 million (USD 7.7 million), financed through the issuance of up to 2 million Series A preferred shares of Brera Holdings PLC, priced at USD 5.00 per share. The offering proceeds will primarily fund the Juve Stabia acquisition, but any remainder is used to secure Brera's operational stability, which has suffered recently.³

2. Revenue Impact of the Acquisition of Juve Stabia SpA

The acquisition of Juve Stabia adds a substantial revenue stream to Brera Holdings' portfolio and warrants an update of its financial trajectory. Based on our revised analysis, the incremental revenue contribution from Juve Stabia varies depending on whether the club remains in Series B or achieves promotion to Series A in the 2024/25 season.

In the conservative scenario (*club remains in Series B*) the acquisition is projected to generate an additional USD 5.15 million in annual revenues for Brera Holdings. This estimate reflects the club's strong reputation within Series B, its stable revenue streams from broadcasting rights and sponsorship, as well as its potential for operational improvement over the year. Planned upgrades to the current stadium and infrastructure are expected to increase matchday income

¹ <https://www.marketscreener.com/quote/stock/BRERA-HOLDINGS-PLC-149905978/news/Brera-Holdings-PLC-entered-into-a-binding-term-sheet-to-acquire-51-72-stake-in-La-Societa-Sportiva-48556316/>

² <https://www.breraholdings.com/press-release?i=141510>

³ <https://www.irishtimes.com/business/2024/07/20/dublin-based-brera-football-groups-auditor-warns-on-going-concern/>

and improve the club's marketability to premium sponsors. Moreover, Brera's global network can be leveraged to further expand sponsorship opportunities and fan engagement.

In a best-case scenario (club gets *promoted to Series A*), the revenue contribution from the soccer club could increase to USD 8.7 million annually. This scenario assumes significantly higher sponsorship and broadcasting revenue as well as increased matchday income due to greater visibility and better attendance. However, achieving this outcome would require the payment of a EUR 5 million (USD 5.13 million) performance fee, which has been negotiated as incentive fee in the Juve Stabia purchase agreement. Table 1 summarizes the revenue impact of the Juve Stabia acquisition under these two scenarios.

Table 1: Updated Revenue Estimation according to SEC filings, newspaper articles and industry multiples

Date	Name	Purchasing Price (Local Currency)	Value/Purch. Price in \$	Est. Multiple of Revenue	Est. Revenue Incr. (Y1)	Stake
Unknown	Brera FC & FENIX Trademark	-	280,000	1.2	233,333	100%
17-Mar-23	Brera Tchumene FC - Consulting Relationship	-	-	0	-	
10-May-23	North Macedonia FC Akademija Pandev - Renamed to Brera FC	600,000	648,000	1.5	432,000	90%
15-Jun-23	Manchester United PLC - Strategic Stake - SOLD to INEOS	150,000	162,000	0	-	
15-Jul-23	UYBA Volley Ssdarl	840,000	907,200	2	453,600	51%
15-Sep-23	Bayanzurkh Sporting Ilch FC - Renamed to Bera Ilch FC in March 24	-	72,000	1.5	48,000	
31-Mar-25	Completion of acquiring 52% of Juve Stabia (Series B) soccer club	7,500,000	7,725,000	1.5	5,150,000	52%
Existing Asset Purchases plus Revenue Shares		1,590,000	2,069,200		1,166,933	
Existing Assets plus Juve Stabia Acquisition (Series B)		9,090,000	9,794,200		6,316,933	
Existing Assets plus Juve Stabia Acquisition (Promotion Series A)		14,090,000	14,994,200		9,833,600	

Although the acquisition of Juve Stabia represents an important milestone for Brera Holdings PLC, it also highlights the need to adjust the expectations set in our May 2024 report. At that time, we projected annual revenues of approximately USD 12 million for 2024 and USD 15 million for 2025 in the conservative case, with best-case scenarios reaching USD 25.5 million and USD 31.8 million, respectively. These assumptions were based on the expectation of two sizable acquisitions in 2024, which have not taken place as expected – although Brera was already in talks to acquire an Italian series B soccer team in April 2024.

The slower acquisition pace in the last year can be attributed to several factors, including limited liquidity and a reliance on capital raising activities to finance deals. Additionally, the competitive market for acquiring undervalued sports clubs may have delayed the identification of suitable opportunities that align with Brera's strategic objectives.⁴

As a result, the updated revenue trajectory for 2025 and beyond now centers around USD 6.3 to USD 9.8 million, depending on Juve Stabia's league performance. While these figures represent a significant adjustment from our earlier projections, they still show that Brera Holdings PLC is able to generate substantial revenue growth through strategic acquisitions – even if the timeline for scaling the company is proven a little longer than initially expected.

3. Updated Medium Term Revenue Estimates and Implied Share Price Projections

To examine the medium-term potential of Brera Holdings PLC and its stock price, we created an updated table with revenue estimates for 2024 until 2027 and adjusted our previous assumptions. The figures for 2024 are still estimates as the final figures for 2024 are expected in May 2025 at the earliest.

Compared to our report in May 2024, we have merged the conservative and best-case scenario to create a more robust baseline estimate for Brera. In table 2, we incorporate operational improvements and organic revenue growth but also reflect on the company's current financial realities. This approach provides a more realistic basis and avoids reliance on overly optimistic outcomes such as further acquisitions or the promotion of Juve Stabia to Series A. Although these events could present significant upside in the future, it makes more sense to focus on tangible facts and developments at this stage.

For 2024, the revenue estimate of USD 3.23 million is based on the extrapolated figures from the first half of the year, as detailed in the most recent SEC filing.⁵ For this year, we expect revenues of USD 8.08 million, which reflect organic growth and contributions from the successfully integrated acquisition of Juve Stabia. The projections for 2026 and 2027 illustrate a significant improvement in Brera Holdings' financial trajectory, with revenues expected to grow to USD 10.09 million in 2026 and USD 12.62 million in 2027 under the baseline scenario. Based on these figures and a

⁴ <https://s3.amazonaws.com/sec.irpass.cc/2815/0001213900-24-114140.htm>

⁵ <https://www.marketscreener.com/quote/stock/BRERA-HOLDINGS-PLC-149905978/news/Brera-Holdings-PLC-Reports-Earnings-Results-for-the-Half-Year-Ended-June-30-2024-48674427/>

peer group multiple of 5.0x for multi-club ownership (MCO) models, the implied market capitalization would grow to approximately USD 55.76 million by the end of 2027. These projections illustrate that if Brera continues to increase its revenues and manages to stabilize its operations, its valuation offers substantial upside potential over the next years, even under the more conservative baseline scenario.

Table 2: Updated Revenue Estimation according to SEC filings, own calculations and industry multiples

	Revenues and Scenario Estimates for 2024 to 2027				
	2023	2024	2025	2026	2027
Key Financials (\$)					
Total Revenues	1,169,680	3,228,800	8,075,267	10,094,083	12,617,604
EBITDA	(1,914,400)	(2,871,600)	(1,947,628)	(298,564)	1,798,120
Net Income	(2,217,600)	(4,511,075)	(3,513,843)	(1,392,304)	(240,380)
Total Assets	5,656,500	15,889,500	18,272,925	21,013,864	24,165,944
Peer Group Multiple MCO	5.00	5.00	5.00	5.00	5.00
Revenues	1,169,680	3,228,800	8,075,267	10,094,083	12,617,604
EV Forecast (Peer Multiple)	5,848,400	16,144,000	40,376,333	50,470,416	63,088,020
- Total Preferred Equity	79,000	5,079,000	5,079,000	5,079,000	5,079,000
- Total Debt	169,000	3,100,000	4,100,000	5,000,000	6,000,000
+ Total Cash + ST Inv.	3,234,000	741,320	2,154,080	2,843,386	3,753,269
Market Capitalization (Implied)	8,834,400	8,706,320	33,351,413	43,234,802	55,762,289
# of Shares outstanding	11,200,000	13,000,000	14,000,000	14,500,000	15,000,000
Implied stock valuation per Share	0.79	0.67	2.38	2.98	3.72
Discounted implied Share price	0.87	0.67	2.38	2.71	3.07
Current Share price (Jan 24th, 2025)	0.75	0.75	0.75	0.75	0.75
Difference Implied vs. Current	16%	-11%	218%	261%	310%

Furthermore, scrutinizing the figures from 2023 onwards helps to explain why the stock price has been relatively muted for 2024. It simply reflected ongoing operational challenges and uncertainties, including liquidity constraints and a slower than expected progress of planned acquisitions. However, as the Juve Stabia acquisition is fully integrated in 2025 and earnings begin to reflect the growth in revenue and show some operational improvements, the stock could see significant upside potential. Even under our baseline scenario, the share price could triple over the course of this year alone and continue rising in the years after. This confirms the view that, although 2024 was a challenging transition year, Brera is positioning itself for meaningful value creation over the medium term.

However, the risks shown in the most recent SEC filing, like the persistent cash drag and the ongoing going concern issues, must be solved to fully unlock this potential. These challenges, including liquidity issues and a substantial working capital deficit, show that even with promising growth, leadership needs to prioritize stabilizing operations and to ensure earnings are announced in a timely manner. This should take precedence before pursuing new acquisitions on a global level.

Therefore, our baseline scenario reflects cautious optimism. It demonstrates that Brera's multi-club ownership strategy is progressing steadily, even as the pace of acquisitions has been slower than initially anticipated. The revenue trajectory illustrates that operational improvements and organic growth are achievable, while still leaving room for surprises on the upside. Should Juve Stabia secure promotion to Series A or Brera execute additional acquisitions in the near term, these projections would likely need to be revised upward. For now, however, the focus remains on addressing liquidity challenges and stabilizing the existing portfolio to lay a stronger foundation for long-term growth.

We have to keep in mind that the current stock price already reflects many of the challenges, leaving room for significant upside as early as this year. Even with slow but steady progress on operations and the completion of the Juve Stabia acquisition, Brera has the potential to exceed expectations and reward patient investors who believe in its long-term strategy. Therefore, it might be worth taking another shot.

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