Club Brugge NV
Herenweg 9
8300 Knokke-Heist (Westkapelle)
RLE (Ghent, division Bruges) 0460.444.251

Initial Public Offering of up to 4,667,203 existing Shares

*Grizzly Sports NV (the "**Selling Shareholder**") is offering up to 4,667,203 existing ordinary shares in the share capital of Club Brugge (as defined under section 21 "Definitions") (the "**Offer Shares**"), which include, unless the context indicates otherwise, the Over-Allotment Shares (as defined below) and the Offer Shares offered pursuant to the Increase Option (as defined below). Assuming no exercise of the Over-Allotment Option or the Increase Option (as defined below), the Offer Shares will constitute not more than 28.3% of the issued ordinary shares in the share capital of Club Brugge (the "**Shares**"). Assuming the Over-Allotment Option and the Increase Option are fully exercised, the Offer Shares will constitute not more than 40.7% of the issued Shares and the number of existing Shares offered will not exceed 4,667,203. See section 13 "The Offering".*

An investment in the Offer Shares involves substantial risks and uncertainties. Prospective investors are advised to carefully consider the information contained in the Prospectus and, in particular in section 2 "Risk Factors" on page 13 and following, before investing in the Offer Shares. In such "Risk Factor" section, the most material risk factors have been presented first within each (sub)category. Several material risks relate to the dependency of the Company's financial performance on the sporting success of the Company's first team, which cannot be guaranteed. In particular, it is highlighted that underperformance by the Company's first team may impact (i) the Company's media rights revenues, as these depend, to a considerable extent, on the participation and, to a lesser extent, on the performance of the Company's first team in European football competitions; (ii) the Company's ability to identify, attract and develop talented players and transfer them to other clubs generating a capital gain and thus impact gains on transfers; and (iii) the Company's matchday revenues, as an extended period of poor performance by the Company's first team could have a material adverse effect on the matchday attendance. In addition, infectious disease outbreaks, such as the ongoing COVID-19 pandemic, have adversely affected, and may in the future adversely affect, the Company's financial performance, due to a negative impact on operating income. Investors should read in their entirety, understand and consider all risk factors before making an investment decision to invest in the Offer Shares. Every decision to invest in the Offered Shares must be based on all information provided in this Prospectus. Prospective investors must be able to bear the economic risk of an investment in the Offer Shares and should be able to sustain a partial or total loss of their investment.

*The offering of the Offer Shares (the "**Offering**") consists of (i) the initial public offering of Shares to retail and institutional investors in Belgium (the "**Belgian Offering**"); (ii) a private placement in the European Economic Area (the EEA) (other than Belgium) pursuant to applicable exemptions under the Prospectus Regulation, including but not limited to "qualified investors" within the meaning of article 2(e) of the Prospectus Regulation; (iii) a private placement in the United States to persons who are reasonably believed to be "qualified institutional buyers" or "QIBs" as defined in, and in reliance on Rule 144A under the United States Securities Act of 1993, as amended from time to time (the "**U.S. Securities Act**" and "**Rule 144A**"); and (iv) private placements to qualified and/or institutional investors under applicable laws of the relevant jurisdiction in the rest of the world, as described in more detail in section 15 "Selling Restrictions". The Offering outside the United States will be made in compliance with Regulation S under the U.S. Securities Act.*

THE OFFER SHARES HAVE NOT BEEN REGISTERED WITH OR RECOMMENDED OR APPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER U.S. FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

*The Offering to investors referred to in (ii), (iii) and (iv) above is herein referred to as the "**International Institutional Offering**". The Offering is made only in those jurisdictions in which, and only to those persons to whom, the Offering may be lawfully* *made. Prospective purchasers are hereby notified that the Selling Shareholder and Club Brugge may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. The Company is not taking any action to permit a public offering of the Offer Shares in any jurisdiction outside Belgium.*

*Prior to the Offering, there has been no public market for the Shares. Application has been made to list and admit all of the Shares to trading under the symbol "CLUB" with international securities identification number ("**ISIN**") BE0974381130 on Euronext Brussels, a regulated market organized by Euronext Brussels NV ("**Euronext Brussels**"). Subject to acceleration or extension of the timetable for the Offering, trading on an "as-if-and-when-issued/delivered"-basis in the Shares on Euronext Brussels is expected to commence on or about 26 March 2021 (the "**Listing Date**").*

The price of the Offer Shares (the "Offer Price") is expected to range between €17.50 to €22.50 (inclusive) per Offer Share (the "Price Range").

*The Offering will take place from 8:00 Central European Time ("**CET**") on 17 March 2021 until 10:00 CET on 25 March 2021 for both prospective institutional investors and prospective retail investors (the "**Offering Period**"), subject to acceleration or extension of the timetable for the Offering, and subject as set out below to the Preferential Retail Allocation (as defined below). The Price Range is indicative. The Offer Price and the exact number of Offer Shares offered in the Offering will be determined by the Selling Shareholder, after consultation with the Joint Global Coordinators (as defined below), after the end of the Offering Period on the basis of the book building process and taking into account economic and market conditions, a qualitative and quantitative assessment of demand for the Offer Shares and other factors deemed appropriate. The Offer Price and the exact number of Offer Shares to be sold will be stated in a pricing statement (the "**Pricing Statement**") which will be published through a press release on or around 25 March 2021 and filed with the Belgian Financial Services and Markets Authority (the "**FSMA**"). The Selling Shareholder, after consultation with the Joint Global Coordinators, reserves the right to increase or decrease the lower limit of the Price Range or to decrease the upper limit of the Price Range. If the Price Range is modified, the change will be announced by means of a press release. Any changes to narrow the Price Range will not void purchase orders that have already been submitted. The Offer Price for investors shall not, however, exceed the higher end of the Price Range. In the event that the lower limit of the Price Range is decreased or the Offer Price is set below the lower end of the Price Range, this will be published in a supplement to the Prospectus. Any change in the number of Offer Shares and/or the Price Range will be announced in a press release that will be posted on the Company's website.*

*In accordance with Belgian regulations, a minimum of 10% of the Offer Shares must be allocated to retail investors in Belgium, subject to sufficient retail demand (the "**Preferential Retail Allocation**"). Subject to acceleration or extension of the timetable for the Offering, payment (in euro) for, and delivery of, the Offer Shares (the "**Closing**") is expected to take place on or about 29 March 2021 (the "**Closing Date**"). If Closing does not take place on the Closing Date as planned or at all, the Offering may be withdrawn, in which case all subscriptions for the Offer Shares will be disregarded, any allocations made will be deemed not to have been made and any subscription payments made will be returned without interest or other compensation and transactions in the Offer Shares on Euronext Brussels may be annulled. Any transactions in Shares prior to Closing are at the sole risk of the parties concerned. Club Brugge, the Selling Shareholder, J.P. Morgan AG as listing and paying agent (the "**Listing and Paying Agent**") and the Underwriters (as defined below) do not accept responsibility or liability for any loss towards any person as a result of the withdrawal of the Offering or the (related) annulment of any transactions in Shares on Euronext Brussels.*

The Selling Shareholder reserves the right to withdraw the Offering or to reduce the maximum number of Offer Shares at any time prior to the allocation of the Offer Shares, it being understood that the reduction of the maximum number of Offer Shares will not result in a withdrawal of the Offering. Any withdrawal of the Offering or reduction of the maximum number of Offer Shares will be announced by means of a Company press release, through electronic information services such as Reuters or Bloomberg, and in a supplement to the Prospectus. Any changes to the maximum number of Offer Shares or any extension of the Offering Period will not void purchase orders that have already been submitted.

*Credit Suisse Securities (Europe) Limited, J.P. Morgan AG and Joh. Berenberg, Gossler & Co. KG are acting as Joint Global Coordinators and, together with Belfius Bank NV, as Joint Bookrunners (together with the Joint Global Coordinators, the "**Underwriters**"). Belfius Bank NV will act as Retail Coordinator.*

The Offer Shares will be delivered in book-entry form through the facilities of Euroclear Belgium.

*In the event that the Offer Shares initially offered have been subscribed in full, the aggregate number of Offer Shares sold may be increased by up to 25% of the aggregate number of Offer Shares initially offered (the "**Increase Option**"). Any decision to exercise the Increase Option will be communicated at the latest on the date of announcement of the Offer Price, which is currently expected to be on or around 25 March 2021.*

*The Selling Shareholder has granted Credit Suisse Securities (Europe) Limited, as the stabilization manager (the "**Stabilization Manager**"), on behalf of itself and the Underwriters, an option, exercisable within 30 calendar days following the Listing Date, to purchase additional Shares in an aggregate amount equal to up to 15% of the aggregate number of Offer Shares initially offered (including the Offer Shares sold pursuant to the effective exercise of the Increase Option) that have been effectively subscribed (the "**Over-Allotment Shares**"), to cover over-allotments or short positions, if any, at the Offer Price (the "**Over-Allotment Option**").*

Each purchaser of Offer Shares, in making a purchase, will be deemed to have made certain acknowledgments, representations and agreements as set out in section 15 "Selling Restrictions" and section 16 "Transfer Restrictions".

This Prospectus has been approved by the FSMA, as competent authority under the Prospectus Regulation, on 16 March 2021. The FSMA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the quality of the securities and of Club Brugge that are subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Offer Shares.

This Prospectus is valid until 15 March 2022 (included). The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid.

The three Joint Global Coordinators and four Joint Bookrunners have been authorized by Club Brugge to use this Prospectus for the subsequent resale or final placement of the Shares in the context of the Offering.

Joint Global Coordinators and Joint Bookrunners

Credit Suisse Securities (Europe) Limited | **J.P. Morgan AG** | **Joh. Berenberg, Gossler & Co. KG**

Belfius Bank NV

This Prospectus is dated 16 March 2021.

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1 Summary

Section A – Introduction and warnings

This summary should be read as an introduction to this prospectus dated 16 March 2021 (the "**Prospectus**") and is provided to aid investors when considering whether to invest in the shares described hereafter, but is not a substitute for the Prospectus.

The Prospectus relates to the offering (the "**Offering**") by the Selling Shareholder of up to 4,667,203 existing ordinary shares (the "**Offer Shares**") in the share capital of Club Brugge, a limited liability company (*naamloze vennootschap*/*société anonyme*) organized and existing under Belgian laws, having its registered office at Herenweg 9, 8300 Knokke-Heist (Westkapelle), Belgium and registered with the Register of Legal Entities (Ghent, division Bruges) under number 0460.444.251 and with Legal Entity Identifier (LEI) 9676008V5Q1U1S8JSX89 (phone number +32 50 40 21 21; website ipo.clubbrugge.be). The Prospectus also relates to the admission to listing and trading of the ordinary shares in the share capital of Club Brugge (the "**Shares**") on the regulated market organized by Euronext Brussels NV ("**Euronext Brussels**").

Any decision to invest in the Shares should be based on a consideration of the Prospectus as a whole. An investor could lose all or part of the capital invested. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the relevant national legislation, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons responsible for the summary, including any translation hereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Shares.

The international securities identification number ("**ISIN**") of the Shares is BE0974381130. The Offer Shares are offered by the Selling Shareholder, *i.e.,* Grizzly Sports NV, a limited liability company (*naamloze vennootschap*/*société anonyme*) organized and existing under Belgian laws, having its registered seat at Hertogsstraat 31, 1000 Brussels, Belgium and registered with the Register of Legal Entities (Brussels, Dutch-speaking division) under number 0639.868.121.

The competent authority that approved the Prospectus is the Belgian Financial Services and Markets Authority (the "**FSMA**"), having its registered office at Congresstraat 12, 1000 Brussels, Belgium and with phone number (+32) 02 220 52 11 and with website www.fsma.be. The FSMA has approved the Prospectus on 16 March 2021.

Section B – Key information on the issuer

Who is the issuer of the securities?

The issuer of the Shares is Club Brugge (corporate details of which are included in this summary under section 1.A "*Introduction and warnings*"). It operates under the laws of Belgium.

Club Brugge, together with its subsidiaries (jointly the "**Company**"), is one of the most popular and successful football clubs in Belgium. This leading position is based on the Company's sporting track record in both Belgian and European competitions and a business model tailored to maximize revenue and total operating income streams from activities such as the organization of matches, the sale of media rights and commercial activities, including sponsorships, advertising, merchandising and player trading.

Immediately prior to the Listing Date (as defined below), the Selling Shareholder will be Club Brugge's reference shareholder, owning 94.34% of Club Brugge's share capital and voting rights. All other direct shareholders of Club Brugge individually will own less than 3.00% of its share capital and voting rights. The indirect shareholders of the Selling Shareholder are, among others, Bart Verhaeghe (controlling), Vincent Mannaert, Peter Vanhecke and Jan Boone.

Club Brugge's management committee (the "**Management Committee**") consists of Vincent Mannaert (Chief Executive Officer), Roel Vaeyens (Chief Sports Officer), Bob Madou (Chief Commercial Officer), Veroniek Degrande (Chief Financial Officer and, as of April 2021, Head of Finance), Jannes Labaere (Chief Information Officer), Thomas Delameillieure (Chief Legal Officer), Arthur Lesaffre (Chief Compliance Officer), Jan De Winne (Human Resources Manager), Jeroen De Smet (Commercial Director), Nicky Laukens (Chief Financial Officer, as of April 2021) and Stefaan Van Damme (Operations Manager).

Club Brugge's statutory auditor is BDO Bedrijfsrevisoren CVBA, having its registered seat at Da Vincilaan 9, 1930 Zaventem, Belgium and registered with the Register of Legal Entities under number 0431.088.289, represented by Ms. Veerle Catry.

What is the key financial information regarding the issuer?

The summary of the financial information set out below has been derived from, and should be read in conjunction with and is qualified in its entirety by the financial information included elsewhere in this Prospectus. Investors should not rely on interim results as being indicative of results the Company may expect for the full year.

Consolidated statement of profit and loss and other comprehensive income data

	Six months ended 31 December		Year ended 30 June		
	2019	**2020**	**2018**	**2019**	**2020**
	(unaudited)	*(unaudited)*	*(audited)*	*(audited)*	*(audited)*
		(€ '000 unless otherwise stated)			
Total operating income	99,412	50,592	57,438	81,701	119,611
Operating profit/loss.....................................	56,391	10,450	327	14,364	35,032
Profit (loss) for the year	39,839	7,788	(81)	9,737	24,126
Period-to-period growth total operating income..	-	(50.89)%	7.31%	42.24%	46.40%
Operating profit margin	56.72%	20.66%	0.57%	17.58%	29.29%
Earnings per share (after the Stock Split)[1]	3.47	0.68	(0.01)	0.85	2.10

Consolidated statement of financial position data

	As at 31 December	As at 30 June		
	2020	**2018**	**2019**	**2020**
	(unaudited)	*(audited)*	*(audited)*	*(audited)*
		(€ '000 unless otherwise stated)		
Total assets...	135,448	70,239	87,176	129,056
Total equity	54,415	14,287	23,729	46,627
Net financial debt(1).......................................	(2,710)	15,304	14,608	21,691

(1) Net financial debt is defined as current and non-current loans and borrowings less cash and cash equivalents.

Consolidated statement of cashflows data

	Six months ended 31 December		Year ended 30 June		
	2019	**2020**	**2018**	**2019**	**2020**
	(unaudited)	*(unaudited)*	*(audited)*	*(audited)*	*(audited)*
		(€ '000 unless otherwise stated)			
Net cash flows from operating activities.........	18,093	23,550	(2,575)	20,750	11,937
Net cash flows from investing activities..........	(8,558)	1,967	(7,427)	(19,032)	(13,492)
Net cash flows from financing activities..........	3,540	(1,543)	(2,493)	6,905	1,032

What are the key risks that are specific to the issuer?

The following is a selection of the key risks that relate to the Company's industry, business, operations and financial condition, based on the probability of their occurrence and the expected magnitude of their negative impact. In making this selection (as with the selection further below on key risks specific to the Shares), the Company has considered circumstances such as the probability of the risk materializing on the basis of the current state of affairs, the potential impact that the materialization of the risk could have on the Company's business, financial condition, results of operations and prospects, and the attention that management of the Company would, on the basis of current expectations, have to devote to these risks if they were to materialize. Investors should read in their entirety, understand and consider all risk factors that are material before making an investment decision to invest in the Offer Shares.

- Infectious disease outbreaks, such as the COVID-19 pandemic, have adversely affected, and may in the future adversely affect, the Company's financial performance, due to a negative impact on operating income.

[1] Earnings per share are in exact euro amount and not presented in thousands of euros.

- The Company's media rights revenues depend, to a considerable extent, on the participation and, to a lesser extent, on the performance of its first team (the "**First Team**") in European competitions. If the First Team cannot participate in any European competition, its media rights revenues can be materially adversely impacted. Furthermore, if the First Team is able to participate in a European competition, UEFA regulations provide for payments, the amount of which depends on the stage of the relevant championship that the First Team is able to reach, with the amount of such payments being generally lower in early stages and higher in late or final stages. In addition, the Company's matchday revenues may be adversely affected as the First Team will play fewer games in its home stadium if it does not play in any European competition in a given season.
- The Company's total operating income is dependent, to a considerable extent, upon its ability to identify, attract and develop talented players and transfer them to other clubs generating a capital gain.
- The Company's cash flow and prospects, including in particular its matchday revenues, may be adversely affected in case of continued underperformance by its First Team and/or a decline in its popularity, particularly in case of a decrease in matchday attendance.
- Serious injuries to or losses of key players may affect the First Team's performance and could cause a loss on disposal of the relevant players' Player Registration Rights or a write down of the carrying value of such players.
- The Company is subject to development, financing and construction risk in relation to the new stadium that will be constructed by the Company (the "**New Stadium**") and while the Company will incur substantial upfront costs for its development, the anticipated benefits of the New Stadium may not be realized or at a later date than expected.
- Changes in applicable tax and social security laws may adversely affect the Company's attractiveness for talented players and thus the Company's financial performance, e.g. due to increased salary costs.
- If the Company's brand or reputation, or that of the football industry as a whole, is damaged, for instance by (regulatory investigations into) match fixing or money laundering in the football industry, the Company's ability to maintain or expand its fan base, sponsors, and commercial partners or to sell its products may be materially impaired.
- Changes in applicable regulations issued by industry bodies or competition formats may adversely affect the Company's media rights revenues and sponsorship revenues.
- Acts of third parties and business interruptions due to events outside of the Company's control, other than infectious disease outbreaks, may adversely affect the Company's financial performance, due to a negative impact on operating income.

Section C – Key information on the securities

What are the main features of the securities?

The Shares are ordinary shares in the issued share capital of Club Brugge. The ISIN of the Shares is BE0974381130. The Shares are denominated in and will trade in euro. All Shares belong to the same class of securities and are in registered or dematerialized form. The Offering relates to the offering by the Selling Shareholder of up to 3,246,750 existing Shares, not including any Over-Allotment Shares (as defined below). The aggregate number of Offer Shares sold may, pursuant to the Increase Option (as defined below), be increased by up to 25% of the aggregate number of Offer Shares initially offered. Assuming no exercise of the Over-Allotment Option (as defined below) but a full exercise of the Increase Option, the Offer Shares will not constitute more than 35.4% of the issued Shares. Assuming the Over-Allotment Option and the Increase Option are fully exercised, the Offer Shares will constitute not more than 40.7% of the issued Shares and the number of existing Shares offered will not exceed 4,667,203.

The Shares carry the right to participate in dividends and other entitlements declared after the Closing Date (as defined below), in respect of the financial year ending 30 June 2021 and future years, if any. Club Brugge's dividend policy is to retain any future profits for the foreseeable future to expand the growth and development of its business, and, therefore, Club Brugge does not anticipate paying dividends to its shareholders in the foreseeable future. Each Share confers the right to attend Club Brugge's shareholders' meeting (the "**Shareholders' Meeting**") and to cast one vote at such Shareholders' Meeting, except that each Share that is fully paid-up and registered to the name of the same shareholder for a continuous period of at least two years shall entitle such shareholder to cast two votes at a Shareholders' Meeting. Investors who, after delivery, wish to have their Shares registered, should request that Club Brugge record the Shares in Club Brugge's share register. The two-year period shall begin on the date on which the Shares are registered in Club Brugge's share register.

Upon future issuance of Shares to be subscribed in cash, convertible bonds and subscription rights, each shareholder in principle has a preferential subscription right in proportion to its existing Shares. If certain requirements are met, such preferential subscription rights can be restricted or suppressed by the Shareholders' Meeting or by Club Brugge's board of directors, in the event that the latter is authorized hereto within the framework of Club Brugge's authorized capital.

A register of registered Shares (which may be held in electronic form) is maintained at Club Brugge's registered office. It may be consulted by any holder of Shares. A dematerialized security is represented by an entry on account, in the name of the owner or holder, at a clearing institution or certified accountholder. Holders of Shares may elect, at any time, to have their registered Shares converted into dematerialized Shares, and *vice versa*, at their own expense.

There are no restrictions on the transferability of the Shares, except for the lock-up arrangements imposed on Club Brugge, the Selling Shareholder and its indirect shareholders. However, the Offering to persons located or resident in, or who are citizens of, or who have a registered address in countries other than Belgium, and the transfer of Offer Shares into jurisdictions other than Belgium may be subject to specific regulations or restrictions.

In the event of insolvency, any claims or holders of Shares are subordinated to those of the creditors of Club Brugge. This means that an investor could potentially lose all or part of his/her invested capital.

Where will the securities be traded?

Application has been made to list all Shares under the symbol "CLUB" on Euronext Brussels. Subject to acceleration or extension of the timetable for the Offering, trading in the Shares on Euronext Brussels is expected to commence, on an "as-if-when-issued/delivered" basis, on or about 26 March 2021 (the "**Listing Date**"). Prior to the Offering, there has been no public market for the Shares.

What are the key risks that are specific to the securities?

The following is a selection of key risks relating to the Shares.

- The price of the Shares might fluctuate significantly, and prospective investors could lose all or part of their investment.
- There is no existing market for the Shares and it is uncertain if one will develop to provide investors with adequate liquidity.
- The Selling Shareholder will continue to exert control over the Company and significant corporate decisions.
- Future sales of Shares, or the perception in the public markets that such sales may occur, may depress the stock price.

Section D – Key information on the offer of securities to the public and/or the admission to trading on a regulated market

Under which conditions and timetable can I invest in this security?

The Offering

The Selling Shareholder is offering in aggregate up to 3,246,750 Offer Shares (equaling 28.3% of all Shares at the Closing Date (as defined below)), not including the exercise of the Increase Option or the Over-Allotment Option (both as defined below). In case the Increase Option and the Over-Allotment Option are both exercised in full, a maximum of 4,667,203 Offer Shares will be offered (equaling 40.7% of all Shares at the Closing Date (as defined below)). No dilution will occur as a consequence of the Offering.

The Offering consists of (i) the initial public offering of Shares to retail and institutional investors in Belgium; (ii) a private placement in the EEA (other than Belgium) pursuant to applicable exemptions under the Prospectus Regulation, including but not limited to "qualified investors" within the meaning of article 2(e) of the Prospectus Regulation; (iii) a private placement in the United States to persons who are reasonably believed to be "qualified institutional buyers" or "QIBs", as defined in, and in reliance on, Rule 144A; and (iv) private placements to qualified and/or institutional investors under applicable laws of the relevant jurisdiction in the rest of the world. The Offering outside the United States will be made in compliance with Regulation S under the U.S. Securities Act. The Offering is made only in those jurisdictions in which, and only to those persons to whom, the Offering may be lawfully made.

Increase Option

In the event that the Offer Shares initially offered have been committed to be subscribed in full, the aggregate number of Offer Shares sold in the Offering by the Selling Shareholder may be increased by up to 25% of the aggregate number of Offer Shares initially offered (the "**Increase Option**"). Any decision to exercise the Increase Option will be communicated at the latest on the date of announcement of the Offer Price (as defined below), which is currently expected to be on or around 25 March 2021.

Over-Allotment Option

The Selling Shareholder has granted the Stabilization Manager, on behalf of itself and the Underwriters, an option (the "**Over-Allotment Option**"), exercisable within 30 calendar days following the Listing Date, even if the Offering has not been subscribed in full, pursuant to which it may require the Selling Shareholder to sell at the Offer Price (as defined below) up to 15% of the aggregate number of Offer Shares initially offered (including the Offer Shares sold pursuant to the effective exercise of the Increase Option) that have been effectively subscribed (the "**Over-Allotment Shares**"), to cover over-allotments or short positions, if any, in connection with the Offering.

Offering Period

Prospective investors may subscribe for Offer Shares during the period commencing at 8:00 (CET) on 17 March 2021 and ending at 10:00 (CET) on 25 March 2021 and prospective Belgian retail investors may subscribe for Offer Shares in the period commencing at 8:00 (CET) on 17 March 2021 and ending at 10:00 (CET) on 25 March 2021 (the "**Offering Period**"). The Offering Period may be extended in certain circumstances. There is no early closing of the Offering Period for retail investors.

Offer Price and number of Offer Shares

The price of the Offer Shares (the "**Offer Price**") is expected to range between €17.50 and €22.50 (inclusive) per Offer Share (the "**Price Range**"). The Offer Price will be determined on the basis of a book building process in which only institutional investors can participate. The Offer Price and the maximum number of Offer Shares and Over-Allotment Shares will be stated in a pricing statement (the "**Pricing Statement**"), which will be published through a press release that will also be posted on Club Brugge's website and filed with the FSMA.

The Price Range may be changed. The maximum number of Offer Shares may be decreased prior to the allocation of the Offer Shares. The Selling Shareholder reserves the right to increase or decrease the lower limit of the Price Range or to decrease the upper limit of the Price Range. If the Price Range is modified, the change will be announced by means of a press release. Any changes to narrow the Price Range will not void purchase orders that have already been submitted. The Offer Price for investors shall not, however, exceed the higher end of the Price Range. In the event the lower limit of the Price Range is decreased or the Offer Price is set below the lower end of the Price Range, this will be published in a supplement to the Prospectus. In the event of publication of a supplement to this Prospectus, investors will have the right to withdraw their orders made prior to the publication of the supplement. Such withdrawal must be done within the time period set forth in the supplement (which shall not be shorter than three business days after publication of the supplement).

Allocation

Allocation of the Offer Shares to subscribers is expected to take place at the end of the Offering Period on or about 25 March 2021, subject to acceleration or extension of the timetable for the Offering. Allocation of Offer Shares will be determined by the Selling Shareholder, in consultation with Club Brugge and upon recommendation of the Joint Global Coordinators. There is no maximum or minimum number of Offer Shares for which prospective investors may subscribe and multiple (applications for) subscriptions are permitted. In the event that the Offering is over-subscribed, investors may receive fewer Offer Shares than they applied for.

Preferential retail allocation and information for retail investors

In accordance with Belgian regulations, a minimum of 10% of the aggregate number of Offer Shares must be allocated to retail investors in Belgium, subject to sufficient retail demand. The Offering of Shares by the Selling Shareholder to retail investors is hereinafter referred to as the "**Retail Offering**". However, the proportion of Offered Shares allocated to retail investors may be increased (up to 25% of the aggregate number of Offer Shares) or decreased in an equal manner if subscription orders received from them exceed or do not reach, respectively, 10% of the Offered Shares effectively allocated. In case of over-subscription of the Offer Shares reserved for retail investors, the allocation to retail investors will be made on the basis of objective and quantitative allocation criteria, whereby all retail investors will be treated equally. The criteria used for this purpose are the preferential treatment of applications submitted by retail investors via the channels of Belfius Bank NV in Belgium. Therefore, retail investors may receive fewer Offer Shares than they subscribed for, in which case the reduction percentage will be identical, on the one hand, within the group of retail subscription orders submitted through Belfius Bank and, on the other hand, within the group of retail subscription orders submitted elsewhere.

Only one application per retail investor will be accepted, as is in line with market practices and to ensure the equal treatment of retail investors. There is no minimum or maximum amount of Offer Shares that may be purchased in one purchase order. To be valid, purchase orders must be submitted no later than 10:00 (CET) on 25 March 2021. Orders will be irrevocable after the end of the Offering Period (even in the case of a reduction in the size of the Offer) and investors are legally bound to purchase the number of Shares indicated in their purchase order which have been allocated to them at the Offer Price. In principle, share applications by retail investors may be submitted at no cost to the investor.

Payment

Payment for and delivery of the Offer Shares will take place on or about 29 March 2021 (the "**Closing Date**"), unless the Offering Period is extended, in which case the Closing Date will be indicated in a supplement to this Prospectus. The Offer Price must be paid by the investors in full, in euro. Taxes, expenses and costs charged by financial intermediaries for the submission of applications, if any, must be borne by the investor. The Offer Price must be paid by investors by authorizing their financial institutions to debit their bank accounts with such amount for value on the Closing Date, unless the Offering has been withdrawn.

Admission to trading

An application has been made for the listing and admission to trading on Euronext Brussels of all Shares, including the Offer Shares. The Shares are expected to be listed under the symbol "CLUB" with an ISIN code of BE0974381130. Trading is expected to commence on the Listing Date and will start at the latest on the Closing Date, when the Offer Shares will be delivered to investors. As of the Listing Date until the Closing Date and delivery of the Offer Shares, the Shares will be traded on Euronext Brussels on an "as-if-and-when issued and/or delivered" basis.

Delivery of Shares

The Offer Shares will be delivered in book-entry form only, and will be credited on or around the Closing Date to investors' securities accounts via Euroclear Belgium, the Belgian central securities depository, with registered office at Koning Albert II Laan 1, 1210 Brussels, Belgium. If Closing does not take place on the Closing Date as planned or at all, the Offering may be withdrawn, in which case all subscriptions for Offer Shares will be disregarded, any allocations made will be deemed not to have been made and any subscription payments made will be returned without interest or other compensation and transactions in the Offer Shares on Euronext Brussels may be annulled. Any dealings in Shares prior to Closing are at the sole risk of the parties concerned.

Lock-up provisions

Club Brugge is expected to agree pursuant to the Underwriting Agreement that, subject to certain exceptions and except if the Underwriters consent to a deviation from the lock-up arrangements, it will not, and will procure that none of its subsidiaries will, for a period of 180 days from the Closing Date, enter into certain transactions in relation to the Shares and certain other securities, including, directly or indirectly, issuing, offering, pledging, selling or otherwise transferring or disposing of any Shares.

In addition, the Selling Shareholder is expected to agree pursuant to the Underwriting Agreement that, subject to certain exceptions and except if the Underwriters consent to a deviation from the lock-up arrangements, they will not, for a period of 365 days from the Closing Date, enter into certain transactions in relation to the Shares and certain other securities, including, directly or indirectly, issuing, offering, pledging, selling or otherwise transferring or disposing of any Shares. The restrictions to which the Selling Shareholder is subject shall not prohibit the Selling Shareholder from, among other things, disposing or lending of Shares for the purposes of the Offering, including (i) the sale of the Shares under the Underwriting Agreement; and (ii) transferring Shares intra-group or intra-family, provided in the case of (ii) transferees agreeing to be bound by lock-up restrictions.

In addition, Bart Verhaeghe, Vincent Mannaert, Peter Vanhecke and Jan Boone, in their capacity of indirect shareholders of the Selling Shareholder, are expected to agree pursuant to a separate lock-up agreement to be entered into with the Underwriters, that, subject to certain exceptions and except if the Underwriters consent to a deviation from the lock-up arrangements, they will not, for a period of 365 days from the Closing Date, enter into certain transactions in relation to the Shares and certain other securities, including directly or indirectly, issuing, offering, pledging, selling, or otherwise transferring or disposing of any Shares. The restrictions to which these indirect shareholders of the Selling Shareholder are subject shall not prohibit them from, among other things, disposing or lending of Shares for the purposes of the Offering, including (i) the sale of the Shares under the Underwriting Agreement; and (ii) transferring Shares intra-group or intra-family, provided in the case of (ii) transferees agreeing to be bound by lock-up restrictions.

Underwriters

Credit Suisse Securities (Europe) Limited, J.P. Morgan AG and Joh. Berenberg, Gossler & Co. KG are acting as joint global coordinators (the "**Joint Global Coordinators**") and, together with Belfius Bank NV, as joint bookrunners (the "**Joint Bookrunners**"). The Joint Global Coordinators and the Joint Bookrunners are acting as underwriters (the "**Underwriters**").

Listing and Paying Agent

J.P. Morgan AG is the listing and paying agent (the "**Listing and Paying Agent**") with respect to the Shares on Euronext Brussels.

Retail Coordinator

Belfius Bank NV is the retail coordinator (the "**Retail Coordinator**") with respect to the Shares on Euronext Brussels.

Stabilization Manager

Credit Suisse Securities (Europe) Limited is the stabilization manager (the "**Stabilization Manager**") with respect to the Shares on Euronext Brussels.

Timetable

Certain key dates in connection with the Offering are summarized in the following table. These are all anticipated dates, which are subject to any unforeseen circumstances.

Date	Event
17 March 2021 (8:00 (CET))	Expected date of publication of the Prospectus
17 March 2021 (8:00 (CET))	Expected start of Offering Period (including Retail Offering)
25 March 2021 (10:00 (CET))	Expected end of Retail Offering
25 March 2021 (10:00 (CET))	Expected end of Offering Period
25 March 2021	Pricing and allocation
25 March 2021	Publication of Offer Price and results of the Offering
26 March 2021	Expected Listing Date
29 March 2021	Expected Closing Date

Estimated expenses

The estimated fees, expenses, commissions related to the Offering borne by Club Brugge amount to approximately €2.2 million.. The underwriting fees, discretionary fees and expenses will be borne by the Selling Shareholder. No expenses have been or will be charged to the investors by Club Brugge or the Selling Shareholder in relation to the Offering. Assuming placement of the maximum number of Offer Shares (including the full exercise of the Increase Option), that the Offer Price is at the mid-point of the Price Range and that the Over-Allotment Option is exercised in full, the underwriting fees and expenses will be approximately

€5.0 million. The Selling Shareholder may additionally pay the Underwriters a discretionary fee calculated on the gross proceeds of the Offering, at their full discretion.

Who is the offeror and/or person asking for admission to trading?

The Offer Shares are offered by the Selling Shareholder, *i.e.,* Grizzly Sports NV (corporate details of which are included in this summary under section 1.A "*Introduction and warnings*"). Immediately prior to Closing, the Selling Shareholder will control the Company and this will remain the case following Closing, in particular taking into account that the Shares held by the Selling Shareholder will have double voting rights.

Why is the prospectus being produced?

Reasons for the Offering and use of proceeds

The Offering is expected to further raise Club Brugge's profile as a commercially run business within the football industry, to create a new long-term shareholder base for Club Brugge, to enable direct ownership by its fans and to provide liquidity for the Selling Shareholder. Club Brugge believes that the Offering will provide it with better access to the capital markets which, in the future, may help to fund additional growth and to further strengthen its operations and financial position. The Offering will also allow Club Brugge to incentivize existing and future management and senior staff. However, at the date of this Prospectus, there are no specific plans to set up any management share incentive schemes. Club Brugge will not receive proceeds from the Offering. Assuming a full placement of the Offer Shares (including the full exercise of the Increase Option and the Over-Allotment Option), and assuming further that the Offer Price is at the mid-point of the Price Range, the Selling Shareholder will receive aggregate proceeds from the Offering of a gross amount of approximately €93.34 million and of a net amount of approximately €88.34 million.

Underwriting Agreement

Club Brugge, the Selling Shareholder and the Underwriters expect to enter into an underwriting agreement on or about 25 March 2021 (the "**Underwriting Agreement**") with respect to the Offering. Entering into the Underwriting Agreement may depend on various factors, including, but not limited to, market conditions and the result of the book building process. Subject to certain conditions set forth in the Underwriting Agreement, the Selling Shareholder will agree to sell the Shares and the Underwriters will severally agree to purchase, with a view to immediate placement with investors, the following percentage of the total number of the Offer Shares:

Underwriters	**Percentage of Offer Shares to be sold (rounded)**
Credit Suisse Securities (Europe) Limited	36.36%
J.P. Morgan AG	36.36%
Joh. Berenberg, Gossler & Co. KG	13.64%
Belfius Bank NV	13.64%
Total percentage of Offer Shares to be sold	**100%**

The Underwriters will be under no obligation to purchase any Offer Shares prior to the execution of the Underwriting Agreement (and then only on the terms and subject to the conditions set out therein). The Underwriting Agreement is expected to provide that if an Underwriter defaults, in certain circumstances, the purchase commitments of the non-defaulting Underwriters may be increased or the Underwriting Agreement may be terminated.

The Underwriting Agreement is expected to provide that the Joint Global Coordinators will, on behalf of the Underwriters, have the right to terminate, on behalf of the Underwriters, collectively but not individually, the Underwriting Agreement and their obligation thereunder to purchase and deliver the Offer Shares (i) upon the occurrence of certain customary events, including, but not limited to, if Club Brugge or the Selling Shareholder fails to comply with any of their respective material obligations, contained in the Underwriting Agreement; if there is a material adverse change in the financial markets in Belgium, the United Kingdom, the United States or any other member of the European Union; or if admission to listing of the Shares on Euronext Brussels is suspended or withdrawn; and (ii) if the conditions contained in the Underwriting Agreement, such as the delivery of certificates from Club Brugge and the Selling Shareholder and legal opinions, are not satisfied or waived. After publication of the supplement, the subscriptions for the Offer Shares will automatically be cancelled and withdrawn, and subscribers will not have any claim to delivery of the Offer Shares or to any compensation.

Most material conflicts of interest

Certain of the Underwriters and/or their respective affiliates have engaged or may in the future, from time to time, engage in commercial banking (including loans and credit facilities), investment banking and financial advisory and ancillary activities in the ordinary course of their business with Club Brugge or any parties related to it, in respect of which they have received or may in the future receive customary fees and commissions.

The most material conflicts of interest of the Company include (i) several credit agreements entered into between the Company and Belfius Bank NV, among which a loan agreement entered into with Belfius Bank NV regarding the financing of Belfius Basecamp for a principal amount of €15.0 million; (ii) a sponsorship agreement, as amended from time to time, pursuant to which Belfius Bank NV is a premium partner of the Company for a duration of five seasons, ending 30 June 2023, and for a fixed consideration of €1.250 million and a variable bonus of maximum €0.25 million per season (as from the 2020/2021 season), which includes the option to transfer certain rights and obligations thereunder to Candriam NV; (iii) a collaboration agreement pursuant to which Belfius Bank NV will order (video) content from Club Media House for a duration of three seasons, ending 30 June 2023, and for a consideration of minimum €50,000 per season; (iv) Belfius Verzekeringen NV being the sole supplier of group insurances taken up by the Company for the benefit of its players and staff; and (v) Belfius Bank NV enjoying exclusivity in the financial sector (*i.e.,* banking, insurance, asset management, investment and leasing activities) (with the exception of the existing partnership with insurance broker D'Hondt Insurance) and being the preferred supplier of products from the financial sector (with a right for Belfius Bank NV to give a quote and to meet a third party's quote).

2 Risk Factors

An investment in the Shares involves a high degree of risk as described in more detail in the below risk factors. The trading price of the Shares could decline due to any of these risks materializing, and investors could lose all or part of their investment.

The most material risk factor is presented first in each category. In selecting and ordering these risk factors, the Company has considered circumstances such as the probability of the risk materializing on the basis of the current state of affairs, the potential impact which the materialization of the risk could have on the Company's business, financial condition, results of operations and prospects, and the attention that management of the Company would, on the basis of current expectations, have to devote to these risks if they were to materialize. The order in which the subsequent risk factors are presented is not necessarily an indication of the aforementioned circumstances.

Furthermore, although the Company believes that the risks and uncertainties described below are the material risks and uncertainties concerning the Company's business and the Shares, they are not the only risks and uncertainties relating thereto. Other risks, facts or circumstances not presently known to the Company, or that the Company currently deems to be immaterial, could, individually or cumulatively, prove to be important and could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

2.1 Risks relating to the Company's business and industry

2.1.1 Risks relating to the Company's business

(i) *The Company's media rights revenues depend, to a considerable extent, on the participation and, to a lesser extent, on the performance of its First Team in European Competitions.*

The Company's media rights revenues may be materially impacted by the participation and, to a lesser extent, the performance of the First Team in the Champions League and/or the Europa League. See also section 7.3.4 "*Media rights revenues*" for a detailed description on how European media rights revenues are generated.

In the financial years ended 30 June 2018, 2019 and 2020 the total media rights revenues from all competitions in which the First Team participated amounted to €9.0 million, €39.5 million and €36.4 million, respectively (or 15.7%, 48.3% and 30.4% of the Company's Total Operating Income, respectively). In the six months ended 31 December 2019 and 2020, the total media rights revenues from all competitions in which the First Team participated amounted to €32.7 million and €38.7 million, respectively (or 32.9%, and 76.5% of the Company's Total Operating Income, respectively). While the First Team participated in the Champions League in the 2018/2019, 2019/2020 and 2020/2021 seasons, it played only in the third qualifying round of the Champions League and the play-off round (qualification) of the Europa League in the 2017/2018 season and was not able to play in the group stage of the Champions League nor of the Europa League in that season. In the 2018/2019, 2019/2020 and 2020/2021 seasons, the First Team played in the group stage of the Champions League and in the round of 32 of the Europa League. As a result, the Company's European media rights revenues amounted to €1.7 million, €32.2 million and €28.3 million in the 2017/2018, 2018/2019 and 2019/2020 seasons, respectively (or 18.9%, 81.5% and 77.7% of the Company's total media rights revenues, respectively, or 3.0%, 39.4% and 23.7% of the Company's Total Operating Income, respectively). If the First Team cannot participate in the group stage level of either European Competition, as was the case in the 2017/2018 season, the Company's media rights revenues can be materially adversely impacted. In that season, the Company's European media rights revenues were €30.5 million less than in the following season. In the six months ended 31 December 2019 and 2020, the Company's European media rights revenues amounted to €28.7 million and €34.5 million, respectively (or 87.8% and 89.1% of the Company's total media rights revenues, respectively, or 28.9% and 68.2% of the Company's Total Operating Income, respectively).

Qualification for the Champions League and/or the Europa League is dependent upon the performance of the First Team in the Jupiler Pro League 1A and the Belgian Cup and, in certain circumstances, upon its performance in the Champions League and the Europa League in the previous season(s). It cannot be guaranteed that the First Team will be able to qualify for either European Competition, it being understood that for the 2021/2022 season, at the date of this Prospectus, the First Team is already certain of qualification for the Champions League, the Europa League or the Conference League.

Furthermore, the participation of the First Team in the Champions League or the Europa League may in the mid to long term be influenced by factors beyond the Company's control. For example, the number of places in each European Competition available to the clubs of each national football association in Europe can vary from year to year based on a ranking system (the UEFA country coefficient ranking) which is determined on a rolling average basis over the last five seasons. Belgium is currently ranked ninth, with 36,500 points, Austria is ranked tenth with 35,825 points and Scotland is ranked eleventh with 33,375 points. Belgium has consistently been ranked in the top ten for the past seven years, resulting in a direct qualification spot for the Champions League group stage for the national league champion, plus a place for the third qualifying round for that league's runner up. However, if the performance of Belgian clubs in Europe materially and consistently declines for consecutive seasons, causing Belgium to drop two places in the UEFA country coefficient ranking, the number of places in each European Competition available to Belgian clubs may decline and it may be more difficult for the First Team to qualify for each of the European Competitions in future seasons. For the Champions League, this drop would entail that the winner of the Jupiler Pro League 1A would no longer receive a direct qualification spot for the Champions League group stage. Rather, it would only secure a place for the play-off qualification round of the Champions League in which it would play against the champion of a lower ranked country. The runner up of the Jupiler Pro League 1A would, however, still secure a place for the third qualifying round of the Champions League. For Belgium to drop two places in the UEFA country coefficient ranking, it would need to be overtaken by two other countries. The number of places in each European Competition available to the clubs of each national football association can also be revised at the occasion of changes to the existing competition formats or the introduction of new competition formats. For instance, it is expected that the launch of the Conference League in the 2021/2022 season will result in Belgium being granted only one place for the Europa League (via the qualification rounds), instead of three as is currently the case. The two teams that will no longer qualify for the Europa League will then participate in the qualification rounds of the Conference League instead.

If the First Team does not qualify to play for the Champions League in a particular season, it may still qualify to play in the Europa League. However, participating in the Europa League generates significantly less revenues than participating in the Champions League, as shown in section 7.3.4 "*Media rights revenues*" (e.g. a minimum fee of €2.7 million per win in the Champions League, compared to a fee of €570,000 per win in the Europa League). In addition, there can be no guarantee that the First Team will qualify to play in the Europa League in any season.

While failure to participate in any European Competition in a given season would result in a decrease of expenses and players' wages and bonuses, it would also result in a material decrease in the Company's total media rights revenues for such season, which cannot be offset in full by a decrease in operating costs. In addition, the Company's matchday revenues may be adversely affected as the First Team will play fewer games in its home stadium if it does not play in any European Competition in a given season, as was the case in the 2017/2018 season. In that season, the Company's matchday revenues were €4.1 million less than in the following season.

Furthermore, if the First Team is able to participate in either European Competition, UEFA regulations provide for payments, the amount of which depends on the stage of the relevant European Competition that the First Team is able to reach, with the amount of such payments being generally lower in early stages and higher in late or final stages, as further described in section 7.3.4 "*Media rights revenues*" and section 8.2.3(i)(b) "*Belgian football*". Even if the First Team is able to qualify to play in any European Competition, there can be no guarantee that it will be able to advance in the competition and obtain the relevant higher fees set by UEFA.

As further background to the risk described above, reference is made, without limitation, to the following section(s) of this Prospectus: section 7.3.2 "*The First Team's performance, fan base and number of home games*", section 7.3.4 "*Media rights revenues*", section 8.2 "*Commercial aspects of domestic European leagues and European Competitions*", section 8.4 "*Format of Belgian and European competitions*" and section 9.1.4 "*Key business drivers*".

(ii) The Company's Total Operating Income is dependent, to a considerable extent, upon its ability to identify, attract and develop talented players and transfer them to other clubs generating a capital gain.

The Company may not be able to attract talented players early in their careers and to develop such players with a view to boost their individual performance and transfer them to other football clubs generating a capital gain. As the capital gain on transfers comprises an important part of the Company's Total Operating Income (*i.e.,* 36.8%, 13.7% and 41.1% of Total Operating Income in the financial years ended 30 June 2018, 2019 and 2020, respectively), this strategy is crucial to the Company's business model and differs from that of many other top tier international football clubs operating with a net spend (as opposed to profit) on player transfers.

The Company's ability to implement its business strategy and identify talented players early in their careers depends on the quality and success of its recruiting, as well as the quality of its proprietary sporting data and analytics tools. Furthermore, once a talented player is identified, the Company needs to be successful in attracting the player by offering a compelling proposition, such as, among others, the prospect of playing in the Jupiler Pro League 1A and in the Champions League and Europa League, and the prospect of subsequently being transferred to other top clubs, including clubs in the Big 5 Leagues or other major European or other leagues. It is uncertain what the impact of Brexit will be on transfers to and from football clubs in the United Kingdom, but to date the Company has not experienced any negative impact in this respect nor does it foresee any such impact in the future.

If the Company is not able to source a considerable number of players for the First Team through its own attract-and-develop strategy or through its own youth academy, Club NXT, at a relatively low cost or none at all, and has to source in more experienced players at higher transfer prices, future gains on transfers could be reduced or negatively impacted. Sourcing in players at higher transfer prices would also increase the fixed cost base of the Company, which may render it more difficult to offset potential revenue losses in the future by decreasing operating costs.

In addition, in light of the prestige associated with participating in the European Competitions, primarily the Champions League, a failure to regularly qualify for a European Competition could negatively affect the Company's ability to attract and retain players or command higher values in the transfer market.

In order to achieve a boost in sporting performance of an individual player, player development strategies, such as individualized training programs and close monitoring of a player's sporting and mental performance, need to prove successful both for externally attracted players and homegrown youth players. Any failure to boost sporting performance of an individual player may cause the Company to record a loss on a disposal of Player Registration Rights by selling such Player Registration Rights below their net book value.

As further background to the risk described above, reference is made, without limitation, to the following section(s) of this Prospectus: the risk factor 2.1.1(vii) in relation to the counterparty credit risk the Company is exposed to in case of outgoing transfers; section 7.3.3 "*Gains or losses on disposal of Player Registration Rights*", section 7.3.4 "*Media rights revenues*", section 7.3.5 "*Commercial revenues*", section 8.2 "*Commercial aspects of domestic European leagues and European Competitions*", section 8.4 "*Format of Belgian and European competitions*" and section 9.1.4 "*Key business drivers*".

(iii) The Company's cash flow and prospects, including in particular its matchday revenues, may be adversely affected in case of continued underperformance by its First Team and/or a decline in its popularity, particularly in case of a decrease in matchday attendance.

The First Team has played in the top football league in Belgium (*i.e.,* the Jupiler Pro League 1A) since 1959 and has consistently achieved a top position (ranked first or second) in the Jupiler Pro League 1A for the last six seasons as well as for the current season, with the First Team, as at the date of this Prospectus, being ranked first with a nineteen point lead to the second ranked team. The First Team has further been able to participate in the Champions League and/or Europa League in five of the last six seasons. However, the continued sporting success of the First Team cannot be guaranteed. In particular, the participation of the First Team in the Champions League or Europa League may in the mid to long term be influenced by factors beyond the Company's control, such as Belgium's ranking in the UEFA country coefficient ranking (see section 8.1.4(i) "*The Jupiler Pro League 1A is a rising league in global football*").

A significant amount of the Company's Total Operating Income derives from matchday revenues in respect of home games of the First Team at the Jan Breydel Stadium. The Company's matchday revenues in the financial years ended 30 June 2018, 2019 and 2020 amounted to €13.6 million, €17.7 million and €18.0 million, respectively, corresponding to 23.7%, 21.7% and 15.1%, respectively, of the Company's Total Operating Income. In the six months ended 31 December 2019 and 2020, the Company's matchday revenues amounted to €12.6 million and €2.9 million, respectively, corresponding to 12.7% and 5.7%, respectively, of the Company's Total Operating Income. Revenues generated from matchday events, in particular revenues generated by matchday ticket sales and food and beverage sales, are highly dependent on the continued attendance at matches by the Company's fans as well as on the number of home games the First Team plays each season.

Prior to the onset of the COVID-19 pandemic, matchday attendance has historically been very high, irrespective of the sporting performance of the First Team, due to the Company's loyal fan base. The average attendance rate for matches in the Jan Breydel Stadium for the last three seasons was over 95%[2]. However, all home games in both domestic competitions and European Competitions that have been played in the 2020/2021 season up until the date of this Prospectus have been played without or with a limited number (up to approximately 30% of the stadium capacity) of spectators as further set out in risk factor 2.1.2(i) on the impact of public health crises, including the COVID-19 pandemic. Consequently, matchday revenues in the 2020/2021 season have been adversely affected and will be lower than historically has been the case.

A further potential impact on matchday revenues would be an extended period of poor performance by the First Team for a multiple number of seasons which could have a material adverse effect on the Company's popularity, brand and fan base, which could in turn affect the Company's matchday revenues.

Furthermore, in case of poor performance of the First Team, particularly in consecutive seasons, the following key revenue and income streams of the Company may be adversely impacted:

- sponsorship and advertising revenue (e.g. under certain high value sponsorship contracts, sponsorship payments could for example be reduced or terminated if the First Team would be relegated from the Jupiler Pro League 1A; something that has not occurred since 1959);
- media rights revenues; and
- income from gains on disposal of Player Registration Rights.

As a result of the specific adverse effects identified above, a general and continued decline in the sporting success and/or the popularity of the First Team would materially adversely affect the Company's business and thus its cash flow and prospects.

As further background to the risk described above, reference is made, without limitation, to the following section(s) of this Prospectus: see risk factor 2.1.2(i) on the impact of public health crises, including the COVID-19 pandemic, section 7.3.2 "*The First Team's performance, fan base and number of home games*", section 7.3.4 "*Media rights revenues*", section 7.3.5 "*Commercial revenues*", section 8.2 "*Commercial aspects of domestic European leagues and European Competitions*", section 8.4 "*Format of Belgian and European competitions*" and section 9.1.4 "*Key business drivers*".

(iv) Serious injuries to or losses of key players may affect the First Team's performance and could cause a loss on disposal of the relevant players' Player Registration Rights or a write down of the carrying value of such players.

Despite the Company's insurance coverage, injuries to key players, particularly if career-threatening or career-ending, could have a material adverse effect on the Company's business. These injuries could have a negative effect upon the performance of the First Team and may also result in a loss of the income that would otherwise have resulted from a transfer of that

[2] Excluding visitor seats and prior to the COVID-19 pandemic.

player's Player Registration Rights. In addition, depending on the circumstances, the Company may be required to write down the carrying value of a player on its balance sheet and record an impairment charge in its operating expenses to reflect any losses resulting from career threatening or career ending injuries to that player.

The First Team is often required to travel to play matches in domestic competitions and European Competitions. Travel is typically done by bus (domestic competition) or by plane (European Competitions). It cannot be excluded that accidents, including bus or plane crashes, would occur, which could result in the serious injury or even death of one or multiple players in the First Team, rendering it difficult or impossible for the First Team to compete effectively in any competition, which could result in the loss of associated income such as media rights revenues and income from a transfer of that player's Player Registration Rights.

The examples of injuries and death of players mentioned in this risk factor are not exhaustive.

A player of the First Team can also test positive for the COVID-19 virus, in which case he would be subject to quarantine measures until testing negative again. This would render him unable to participate in competitive games for Club Brugge until such quarantine would be over. Furthermore, despite the Company’s compliance with the Pro League’s formal testing protocol and other specific measures taken by the Company to reduce the risk of an outbreak of the COVID-19 virus within the First Team, including weekly testing, players who have been infected may also infect other players. For example, five players on the First Team tested positive for the COVID-19 virus prior to the Europa League game against Dinamo Kiev on 18 February 2021 and were therefore unable to participate in this Europa League game (which resulted in a draw). Depending on the importance and the number of the players testing positive, this could potentially impact the competitiveness of the First Team in the weeks that these players are unable to play. Under certain circumstances, both domestic competition and European Competition games can be postponed in the event that a significant number of players is unable to participate.

Any write down of or loss on disposal of Player Registration Rights could have a material adverse effect on the Company’s Total Operating Income, including in particular gains on disposal of Player Registration Rights.

The Company’s insurance only covers some, but not all, of the aforementioned events. For instance, the Company is typically insured for fixed amounts (based on the market or book value of the player) in the event of death of a player as a consequence of an accident (e.g. following a bus or plane crash) and by natural cause(s), but not for permanent (total) disablement of the players. In case of a disablement of a player caused by an occupational accident or a non-occupational illness or accident, the Company would continue to pay certain predetermined amounts (based, among other things, on the player’s salary) into the player’s pension fund for a pre-determined amount of time (up to one year in the event of an occupational accident), following which the player will depend solely on payments under his health or occupational accident insurance. Even for events that are covered by insurance, pay-outs under such insurance may not be sufficient to compensate the Company fully for losses or damages that may occur as a result of such events. For instance, the Company is not insured for indirect income loss (such as a loss of matchday revenues) as a consequence of a player’s injury, as this type of coverage is typically not available in the insurance market.

As further background to the risk described above, reference is made, without limitation, to the following section(s) of this Prospectus: section 7.3.2 "*The First Team's performance, fan base and number of home games*", section 7.3.3 "*Gains or losses on disposal of Player Registration Rights*", section 7.3.6 "*Player wages and amortization and write-downs of Player Registration Rights*", section 8.2 "*Commercial aspects of domestic European leagues and European Competitions*" and section 9.1.4 "*Key business drivers*".

(v) Negotiation of key media contracts is handled by industry bodies representing the interests of various football clubs and is partly outside the Company's control, and failure to secure media contracts beneficial to the Company may adversely affect the Company's Total Operating Income.

A substantial part of the Company's Total Operating Income is generated from the sale of media rights (15.7%, 48.3% and 30.4% of Total Operating Income for the financial years ending 30 June 2018, 2019 and 2020, respectively, and 32.9% and 76.5% of Total Operating Income for the six months ended 31 December 2019 and 2020). Contracts for these media rights (both domestic and international) are negotiated by industry associations such as the Pro League and UEFA. The Company is not a direct party to the media contracts negotiated by such bodies with media companies and does not participate directly in the contract negotiations. The Company can only indirectly influence the decision-making process by means of a weighted voting system in the relevant association, particularly in the Pro League. As a result, the Company may be subject to media rights contracts with media distributors with whom the Company may not otherwise contract or media rights contracts that provide less favorable terms than what the Company would be able to negotiate individually with media distributors.

As further background to the risk described above, reference is made, without limitation, to the following section(s) of this Prospectus: section 7.3.4 "*Media rights revenues*", section 8.2 "*Commercial aspects of domestic European leagues and European Competitions*" and section 9.1.4 "*Key business drivers*".

(vi) The Company is subject to development, financing and construction risk in relation to the New Stadium and while the Company will incur substantial upfront costs for its development, the anticipated benefits of the New Stadium may not be realized or may only be realized at a later date than originally expected.

A New Stadium is being developed by the Company, which, contrary to the Jan Breydel Stadium, which is used by the Company, but owned by the City of Bruges, is envisaged to be owned by the Company itself. The construction of the New Stadium is planned to start in the first half of 2022 and is envisaged to be completed at the start of the 2023/2024 season, subject to obtaining a building permit (*omgevingsvergunning/permis de construction*). On 8 March 2021, the Company submitted the building permit application for the New Stadium. Until completion, the First Team will continue to play its matches in the Jan Breydel Stadium. It cannot be guaranteed that the New Stadium will be completed on time or on budget, or when the First Team could play its first match in the New Stadium. Any delay in the development and/or building phase can occur without any fault attributable to any party and therefore it is not possible to assess the probability of any delays in the development and construction of the New Stadium. Furthermore, in the development and construction phase, the Company will incur only costs, and the associated revenues are expected to be generated only following completion. During development and construction of the New Stadium, events beyond the Company's control may occur that (temporarily) delay or obstruct the finalization and delivery of the New

Stadium, including third parties lodging complaints or appeals in respect of the Company's building permit (*omgevingsvergunning*/*permis de construction*), both in the application phase and after the building permit for the New Stadium is obtained by the Company. Such events, and in particular challenges in respect of such building permit, could cause the anticipated benefits of the New Stadium (if any) not to be realized or to be realized at a later date than expected.

In this respect, it is noted that in contrast to the Jan Breydel Stadium, which has been home to both the Company and a second Bruges based football club, Cercle Brugge, the New Stadium is expected to be solely used by the Company as soon as a new stadium has been built for Cercle Brugge. Initially, it was envisaged that Cercle Brugge would move to another new stadium, located outside the city center of Bruges. However, in October 2020, the Council of State (*Raad van State*/*Conseil d'Etat*) annulled the regional land-use plan (*gewestelijk ruimtelijk uitvoeringsplan*/*plan d'éxecution spatial regional*) that allowed for a football stadium to be built on the contemplated site. Even though the Flemish government approved a remediated regional land-use plan in which the complaints of the Council of State are accommodated in November 2020 (against which appeals can be lodged until mid-April 2021), the construction of Cercle Brugge's new stadium may be delayed as a result hereof. The Company has committed to let Cercle Brugge play in the New Stadium during a transitional period, if needed. Consequently, the environmental impact assessment prepared by the Company takes into account the impact of Cercle Brugge playing in the New Stadium during such transitional period.

The Company will further be required to seek funding that may take the form of bank debt or debt instruments to construct the New Stadium. The form of such funding will depend on the situation of the debt market at the time funding is sought. The terms of any debt financing may entail restrictions on the business, dividend payments or cash flow planning of the Company and may, notwithstanding the current low level of financial debt of the Company, limit the Company's ability to incur additional indebtedness, make investments or incur liens. In such case, the Company may also be subject to stringent financial covenants.

In addition, anticipated increases in revenues linked to the completion of the New Stadium, such as increased matchday revenues through increased sales of matchday and season tickets reflecting the larger capacity of the New Stadium for seating (*i.e.*, a planned increase of seating capacity from 28,415 to approximately 40,000 general seats, with an increase in season ticket holder seats from 24,300 to approximately 36,000 seats[3], including an increase in VIP/B2B sponsor seats from 2,038 to 5,000 seats) and hospitality packages and increased sponsorship revenues through stadium naming rights, may not materialize. The Company may not be able to consistently sell all (or a substantial part of) matchday or season tickets in the New Stadium due to the increased ticket availability which may exceed demand, and the demand for naming right partnerships may not be as high as expected.

As further background to the risk described above, reference is made, without limitation, to the following section(s) of this Prospectus: section 7.3.7 "*The Company's New Stadium*", section 8.2 "*Commercial aspects of domestic European leagues and European Competitions*", and section 9.1.3 "*Infrastructure and facilities*".

[3] The 36,000 season tickets in the New Stadium would include 31,000 B2C tickets and 5,000 VIP/B2B sponsor tickets, as compared to the 2,038 VIP/B2B sponsor tickets that are included in the 24,300 season tickets that are available in the Jan Breydel Stadium.

(vii) The Company is exposed to the risk of losses in the event of non-performance by counterparties under the Company's media contracts, sponsorship agreements and other commercial agreements such as transfer agreements.

The Company derives a substantial part of its Total Operating Income from media contracts negotiated by Belgian and international football associations with a limited number of media distributors (*i.e.,* 15.7%, 48.3% and 30.4% of Total Operating Income in the financial years ended 30 June 2018, 2019 and 2020, respectively, and 32.9% and 76.5% of Total Operating Income for the six months ended 31 December 2019 and 2020). While payments under media contracts are typically made in advance installments and financial guarantees are provided by the relevant domestic and European media rights holders, the Company is (through the Belgian and international football associations) exposed to the credit risk of these media distributors. No (unremedied) non-performance by counterparties to these media contracts has occurred in the past five financial years.

Similarly, the Company's sponsorship revenues are derived from partnership contracts with corporate sponsors in various industries, pursuant to which the Company is exposed to the credit risk of such sponsors. For the financial years ended 30 June 2018, 2019 and 2020, 49.8%, 52.4% and 55.8%, respectively, of the Company's sponsorship revenues is derived from contracts with the top five sponsors. The Company typically requires advance payments of sponsorship moneys. No (unremedied) non-performance by counterparties to the Company's sponsor contracts has occurred in the past five financial years.

To a certain extent, the Company is also exposed to the credit risk of other football clubs within Belgium and globally for the payment of transfer fees in respect of players, given that, depending on the transaction, some of these fees are paid to the Company in installments, and/or are subject to the relevant player's performance in future sporting seasons. Income from gains on the disposal of Player Registration Rights has represented on average 30.5% of Total Operating Income in the past three financial years, with about 85.0%, 88.3% and 80.2% of such income being generated by the top three transfers for the financial year ended 30 June 2018, 2019 and 2020, respectively. Given the considerable amount per transfer, any non-payment of a major transfer sum could have a material impact for the Company. While football clubs are incentivized to pay transfer fees on time, as any default on such payment could, among other things, cause a club to lose its license to play in domestic competitions and/or European Competitions under UEFA and FIFA regulations, there can be no guarantees that each of the clubs with whom the Company transacts, will always pay such fees timely when due. No (unremedied) non-performance has occurred by football clubs with whom the Company has concluded transfer agreements in the past five financial years.

As further background to the risk described above, reference is made, without limitation, to the following section(s) of this Prospectus: section 7.3.3 "*Gains or losses on disposal of Player Registration Rights*", section 7.3.4 "*Media rights revenues*", section 7.3.5 "*Commercial revenues*", section 8.2 "*Commercial aspects of domestic European leagues and European Competitions*" and section 9.1.4 "*Key business drivers*".

(viii) It may not be possible to renew or replace key sponsorship agreements on similar or better terms.

The Company's revenues derived from contracts with sponsors in the financial years ended 30 June 2018, 2019 and 2020 represented 13.9%, 10.8% and 8.5% of the Company's Total

Operating Income, respectively, with 49.8%, 52.4% and 55.8% of the sponsorship revenues for the financial year ended on 30 June 2018, 2019 and 2020, respectively, being generated by the top five sponsors. Sponsors include major national and international companies active in various industries. The sponsorship agreements have fixed terms, typically spanning a number of seasons (with the average tenure of the current sponsors being four seasons). While demand for sponsorship opportunities is viewed as high by the Company, when these contracts expire, or if they are terminated earlier, the Company may not always be able to renew or replace them with contracts on similar or better terms.

Furthermore, sponsorship contracts typically include sector exclusivity provisions limiting the Company's ability to attract new sponsors in certain lines of industry that coincide with the industry of existing sponsors. In addition, new regulations in respect of advertisement for gambling at sporting events, under development at the time of this Prospectus, may limit the Company's ability to continue sponsorship arrangements with existing sponsors or attract new sponsors active in the gambling industry.

If the Company fails to renew or replace sponsorship agreements on similar or better terms, it could experience a material decrease in sponsorship revenue.

As further background to the risk described above, reference is made, without limitation, to the following section(s) of this Prospectus: section 7.3.5 "*Commercial revenues*", section 8.2 "*Commercial aspects of domestic European leagues and European Competitions*" and section 9.1.4 "*Key business drivers*".

(ix) The Company is exposed to risks in relation to the aging Jan Breydel Stadium, at least until completion of the New Stadium.

The Jan Breydel Stadium is owned by the City of Bruges and the Company and Cercle Brugge, a second Bruges based football club, have been granted a right to use and manage the Jan Breydel Stadium and the practice fields next to it for free. Until completion of the New Stadium, the Company will continue to use the Jan Breydel Stadium, together with Cercle Brugge (see also section 9.1.3(i) "*Jan Breydel Stadium*"). While the City of Bruges is responsible for all costs and investments relating to the structure and/or stability of the building, the building shell and major infrastructure works, the Company, together with Cercle Brugge, are responsible for the daily maintenance and any normal or non-structural repairs and renovations of the Jan Breydel Stadium, including the main football field and the practice fields. In certain circumstances, part of the cost for maintenance and improvements works is borne by the Company and Cercle Brugge as users. By way of example, during the 2019/2020 season the City of Bruges carried out works to address shortcomings in the electricity works of the Jan Breydel Stadium up to a capped investment amount, with the balance of the investment amount borne by the Company and Cercle Brugge in equal parts.

The Company will therefore need to make capital expenditures to maintain the Jan Breydel Stadium in operating condition. Such capital expenditures amounted to €1.4 million, €0.4 million and €0.7 million in the financial years ended 30 June 2018, 2019 and 2020, respectively. Given the age of the Jan Breydel Stadium (built in 1975), structural construction improvements may be required to maintain it in operating condition and to avoid damage to persons or property.

While the structural safety of the Jan Breydel Stadium is closely monitored, it cannot be excluded that, notwithstanding maintenance and improvement works, structural aging of the

Jan Breydel Stadium could cause harm to persons or property. While the responsibility for maintaining the structural safety and stability of the Jan Breydel Stadium principally lies with the City of Bruges (see section 9.1.3 "*Infrastructure and facilities"*), if the Company were held liable for any damage caused by the structural ageing of the stadium, it could be required to indemnify such damage, which could, in turn, adversely affect the Company's financial performance.

The Company's insurance only covers some, but not all, of the events that could cause such damage, and even for those events that are covered, it may not be sufficient to compensate the Company fully for losses or damages that may occur as a result of such events. Typically, the insurance policies provide for general exclusions. Each damage case implies an *ad hoc* analysis by the insurance provider.

No damage to persons or property has been caused by the use of, defects in or aging of the Jan Breydel Stadium in the past ten financial years, other than minor events. As further background to the risk described above, reference is made, without limitation, to the following section(s) of this Prospectus: section 7.3.7 "*The Company's New Stadium*", section 8.2 "*Commercial aspects of domestic European leagues and European Competitions*", section 9.1.3 "*Infrastructure and facilities*".

(x) The Company's business is dependent upon its ability to attract and retain key management and coaching staff, the departure of which could adversely affect the performance of the First Team.

The Company seeks to attract and retain highly qualified management and coaching staff. Competition for talented staff, like for talented players, is, and will continue to be, intense. The Company's ability to attract and retain the highest quality management and coaching staff is key to the success of the First Team in competitions and, consequently, critical to the Company's financial performance. Compared to other football clubs, the quality of the management and coaching staff are of greater importance to the Company's strategy. Such strategy is successful if talented players that are recruited, can be developed to players that are ready to thrive in other competitions, while new talented players continue to be attracted through the Company's scouting network and its youth academy, Club NXT. Any successor staff may not be as successful as the Company's current staff. While the Company enters into employment or service contracts with each of its key personnel with the aim of securing their services for the term of the contract, the retention of their services for the full term of the contract cannot be guaranteed due to possible contract disputes or approaches by other clubs. Replacing any key staff member will further require management time and resources.

In recruiting management and coaching staff, the Company faces competition from other football clubs in Belgium and internationally. As a result, the Company is required to pay salaries generally comparable to its main competitors in Belgium and abroad. Despite the adoption of the UEFA Club Licensing and Financial Fair Play Regulations and similar regulations issued by the Royal Belgian Football Association, football clubs are spending substantial sums on salaries and certain clubs may have more sources of funds than the Company. The increase in competition for qualified staff, and the consequent increase in salaries, could adversely affect the Company's ability to attract and maintain key staff (such as highly qualified coaches and sporting staff) if it were unable to match salaries offered by other clubs. Consequently, the performance of the First Team could be affected, which in turn could adversely affect the Company's business, results of operations, financial condition, cash flow and prospects, including media rights revenues and matchday revenues.

2.1.2 Risks relating to the Company's industry

(i) Infectious disease outbreaks, such as the ongoing COVID-19 pandemic, have adversely affected, and may in the future adversely affect, the Company's financial performance, due to a negative impact on operating income.

The outbreak of the COVID-19 pandemic has caused public life worldwide to be severely disrupted. Government imposed measures and fear for infection has caused the public to be unable or unwilling to attend major public events, such as football matches. In Belgium, the Belgian government implemented a number of measures to reduce the spread of the COVID-19 pandemic, including a nationwide lockdown and social distancing measures. All major sporting events were suspended on 12 March 2020, and the Pro League's board of directors officially ended the Pro League season on 15 May 2020 after 29 games were played (as compared to the usual 30 games and 10 play-off matches). In the 2020/2021 season, during the first two home games organized by each football team, no spectators were allowed in the stadium. From 12 September 2020 until 23 October 2020, football games were allowed to be played with partial attendance, at levels determined on a stadium-by-stadium basis. In the Jan Breydel Stadium, matchday attendance was capped at approximately 30% of the stadium capacity. Therefore, from 12 September 2020 to 23 October 2020, the First Team's home games could be played with up to 9,200 spectators attending, it being understood that no away game spectators (constituting 5% of the Jan Breydel Stadium capacity) were allowed. As from 23 October 2020 until at least the date of this Prospectus, the Belgian government decided again that no spectators are allowed in the stadiums, due to an upturn of the COVID-19 pandemic. With respect to European Competitions, UEFA has stated that attendance rates must be in line with local regulations. There is a high degree of uncertainty on the evolution of the COVID-19 pandemic and any measures adopted by governmental authorities. It is therefore unclear whether any of the existing measures will be revoked, mitigated or strengthened in the future.

Any continued or reinstated government prohibition on attendance of fans during football matches (be it a full or a partial prohibition), as well as the fear of infection causing large numbers of fans not to attend football matches, and the potential cancellation of football matches and/or competitions, may have an adverse effect on:

- matchday revenues: due to lower matchday ticket, food and beverage, and corporate hospitality revenues, lower revenues from the sale of merchandise at matches, and season ticket holders (potentially) reclaiming (part of) their season ticket price, as the case may be, by requesting the 5% season ticket rebate on the price of a season ticket offered by the Company at the request of season ticket holders for each Jupiler Pro League 1A home game that they are unable to attend due to restrictions imposed in the context of the COVID-19 pandemic (see section 7.3.1(ii)(c) "*Matchday revenues*"). The Company has estimated that lost revenues due to the COVID-19 pandemic amounted to €8.1 million for the six month period ended 31 December 2020;
- commercial revenues: due to sponsors reclaiming (part of) the payments made under their sponsorship agreements (it being understood that the Company, to the extent possible, has compensated partners and sponsors for missed hospitality with non-cash

compensation measures such as additional promotional exposure through, for example, digital content);

- media rights revenues: due to (*ad hoc*) decreases of media rights payments as a consequence of (potential) (i) decisions by the relevant industry bodies (Pro League and UEFA), such as the decision by UEFA to lower the fixed starting fees for teams entering the Champions League in the group stage, which resulted in a €1.1 million reduction in the Company's European media rights revenues for the 2020/2021 season; and/or (ii) underlying contractual arrangements with the relevant media rights partners, with respect to the cancellation of football matches and/or competitions (see section 7.3.1(ii)(a) "*Domestic and European media rights revenues*"); and
- gains on disposal of Player Registration Rights: due to the impact of the COVID-19 pandemic on other football clubs' spending capabilities and risk appetite, and consequently lower transfer volumes and prices.

Furthermore, if several key members of the First Team or staff were infected by the COVID-19 virus or were subject to quarantine measures or travel restrictions, making them unable to perform their day-to-day tasks for prolonged periods, the Company's sporting performance could be adversely affected, which, in turn, could affect the Company's financial performance (see risk factors 2.1.1(i) and 2.1.1(iii) regarding the impact of decreased sporting performance on the Company's financial performance). For example, five players on the First Team tested positive for the COVID-19 virus prior to the Europa League game against Dinamo Kiev on 18 February 2021 and were therefore unable to participate in this Europa League game (which resulted in a draw).

As further background to the risk described above, reference is made, without limitation, to the following section(s) of this Prospectus: section 7.3.1 "*Impact of the COVID-19 pandemic*".

(ii) Changes in applicable tax and social security laws may adversely affect the Company's attractiveness for talented players and thus the Company's financial performance, e.g. due to increased salary costs.

The Company's overall profitability may be impacted in case of a change in tax and social security laws applicable to it and/or certain of its players. Like many professional sporting clubs in Belgium, the Company benefits from a tax exemption scheme pursuant to which the salary cost of its players is reduced as a result of an 80% salary tax exemption. This may provide a financial competitive advantage for the Company compared to non-Belgian football clubs when attracting talented players as it could allow the Company to pay higher net salaries. The tax exemption is subject to certain conditions, including, for some players, the reinvestment of 50% of the tax benefit into youth development. Furthermore, the Company also benefits from a cap on social security contributions due on the wages of the players.

However, it is expected that changes will be made to these tax and social security regimes. In the Belgian federal government statement dated 30 September 2020, it was announced that these regimes will be reformed by the current federal government. As a result of those changes, the Company's player salary costs could increase and, consequently, it may become more difficult for the Company to attract or retain top players, which could adversely impact the Company's sporting performance, which, in turn, would have a material adverse effect on the Company's business, results of operations, financial condition, cash flow and prospects (see risk factors 2.1.1(i) and 2.1.1(iii) regarding the impact of decreased sporting performance on the

Company's financial performance). Player wages and technical staff costs amounted to €19.8 million, €19.6 million and €27.6 million in the financial years ended 30 June 2018, 2019 and 2020, respectively, representing 34.7%, 29.1% and 32.6% of total operating costs in said financial years. In the six months ended 31 December 2019 and 2020, player wages and technical staff costs amounted to €15.1 million and €15.1 million, respectively, representing 35.1% and 37.7% of total operating costs in said six-month periods.

As further background to the risk described above, reference is made, without limitation, to the following section(s) of this Prospectus: section 9.13 "*Regulatory environment*".

(iii) If the brand or reputation of the Company or of the football industry as a whole is damaged, for instance by (regulatory investigations into) match fixing or money laundering in the football industry, the Company's ability to maintain or expand its fan base, sponsors, and commercial partners or to sell its products may be materially impaired.

The success of the Company's business depends to a great extent on the value and strength of the "Club Brugge" brand and, more generally, on the reputation of the football industry as a whole.

The Company has in the past received, and is likely to continue to receive, a high degree of media coverage. Unfavorable publicity regarding the behavior of members of the First Team on or off the field, or the behavior of members of the Company's staff, Board of Directors and/or management, or, more generally, the behavior of other football clubs, could negatively affect the Company's brand and reputation. In addition, any failure to respond effectively to negative publicity could erode the Company's brand and reputation.

Historically, there have been a number of high-profile match fixing and other gambling and corruption scandals in European and Belgian football. More specifically, a large-scale investigation is currently being conducted by the Belgian judicial authorities into money laundering, membership of criminal organizations, bribery and match fixing in Belgian football competitions extending to almost all football clubs in Belgium, including the Company and other major Pro League clubs. The investigation was first made public in October 2018 and is presently still ongoing. In the framework of this investigation, the Company commissioned a group-wide forensic audit by an international accounting and law firm to identify whether the Company had participated in any of the alleged improper activities; no relevant activities were found. While management believes there are no reasons to assume that the Company can be charged with any wrongdoing in connection with this investigation, and parallel investigations by the Royal Belgian Football Association have not resulted in any official match fixing or similar charges against the Company or its players, staff, directors or managers, it cannot be excluded that the Company or any current or former members of its personnel may be subject to civil, criminal or tax investigations and procedures in the future.

As a result of the aforementioned investigation, more stringent rules and transparency requirements are being imposed on Belgian football clubs, such as a new set of regulations on football intermediaries and compulsory registrations for such intermediaries with the Flemish government. In addition, a "clearing department" has been incorporated within the Royal Belgian Football Association, verifying all contracts and payments between players, clubs and intermediaries. If irregularities were detected, a club could, among other things, as the case may be cumulatively, undergo a ban on player transfers, have league points deducted, could be ordered to pay a fine amounting to €2,500 up to €50,000 or, in case of recidivism, a percentage of up to 10% of the domestic media rights received by such club, while a broker or agent could risk his or her license and a player could risk suspension. In the Belgian federal government statement dated 30 September 2020, more stringent controls on sports brokers are announced.

Further, pursuant to the Belgian Law of 20 July 2020, professional football clubs, sports agents in the football sector and the Royal Belgian Football Association will be subject to the Anti-Money Laundering Law with effect from 1 July 2021. As such, professional football clubs will have to fulfil three main obligations, *i.e.*, an obligation of vigilance, a reporting obligation to the Belgian Financial Intelligence Processing Unit (*CFI*, *Cel voor financiële informatieverwerking*/*CTIF, la Cellule de traitement des informations financières*) and an obligation to preserve collected data. Non-compliance may result in (i) a public statement announcing the identity of the professional football club and the nature of the infringement; (ii) a revocation or suspension of the license of the football club; or (iii) a temporary prohibition for any person with management responsibilities within the breaching entity or for the person considered responsible for the infringement to carry out tasks of management within the breaching entity. In addition, administrative and criminal penalties can be imposed. See also section 11.15 "*Prevention of money laundering and terrorist financing*".

Lastly, new regulations in respect of advertisement for gambling at sporting events, under development at the time of this Prospectus, may limit the Company's ability to continue sponsorship arrangements with existing sponsors or attract new sponsors active in the gambling industry.

If any or more of the Company's players, staff members, directors, managers and/or agents who represent the Company were found to be involved in match fixing, money laundering, gambling, corruption or similar scandals, the Company, its players, staff, directors and managers could be subject to material sanctions, including, without limitation, fines, exclusion from competitions and civil and criminal sanctions. Additionally, certain sponsorship contracts, in particular high value sponsorship contracts include express termination provisions linked to behavior of the Company that could cause reputational damage to its sponsors, such as match fixing. For example, Belfius Bank can terminate its commercial relation with Club Brugge (including the premium partnership agreement – see also section 14.5 "*Other relationships with the Underwriters*") in case Club Brugge fails to adhere to socially accepted principles of ethics and corporate social responsibility (such as principles of financial and commercial ethics, anti-corruption, money laundering, match fixing, discrimination and doping) or damages its reputation. If any such termination provisions were invoked, this could materially adversely affect both the Company's revenues from such sponsorship contract as well as any other commercial arrangement with Belfius Bank. Such termination could also cause the need for the Company to seek other financing sources at potentially less beneficial terms.

Another key risk to the brand of football as a whole is the issue of doping. While the Company has no reason to believe this would be the case, if any of the players of the Company's teams, in particular of the First Team, were found to be using performance enhancing drugs, the brand and reputation of the Company could be severely damaged.

As a result of brand damaging events, the size, engagement, and loyalty of the Company's fan base and the demand for its products, including ticket sales, may decline. Damage to the Company's brand or reputation or loss of fan commitment could require additional resources to rebuild its brand and reputation, and impair the Company's ability to expand its fan base, sponsors and commercial partners or the Company's ability to sell its products, which would result in a decrease in the Company's key revenue and income streams.

As further background to the risk described above, reference is made, without limitation, to the following section(s) of this Prospectus: section 7.3.2 "*The First Team's performance, fan base and number of home games*" and section 9.1.4 "*Key business drivers*".

(iv) The Company is subject to various regulations, and failure to comply with such regulations may lead to sanctions imposed on the Company which may adversely affect the Company's financial performance.

The Company is subject to complex regulations issued by industry bodies such as the Royal Belgian Football Association, the Pro League, UEFA and FIFA which regulate the activity of football clubs in the various national and international competitions. Compliance may be burdensome and any breaches may result in, among other things, withholding of championship money, transfer bans and ultimately disqualification from competitions.

For example, clubs competing to participate in the Champions League and Europa League competitions are subject to the UEFA Club Licensing and Financial Fair Play Regulations. Breaches of the UEFA Club Licensing and Financial Fair Play Regulations have recently resulted in clubs being punished by way of significant fines and even exclusion from UEFA competitions. Recent examples include (i) the exclusion of a Kazakh football club from participating in any UEFA club competition for which it would otherwise qualify in the 2020/2021 and 2021/2022 seasons as well as a fine of €100,000; (ii) a fine of €10 million imposed on Manchester City with respect to dishonest concealment of equity funding[4]; and (iii) fines of €75,000 and €50,000, respectively, imposed on a Slovenian and Serbian football club, for failing to satisfy overdue payable requirements by regulated deadlines[5]. While management believes this would not be the case, the Company could, similarly to any other European club, be found to be out of compliance with the UEFA Club Licensing and Financial Fair Play Regulations or other applicable regulations issued by UEFA, in which case sporting, operational and financial penalties could be applied, which could adversely affect the Company's ability to field a competitive team in the Europa League or Champions League during those seasons and therefore affect its financial performance. If the Company is subject to UEFA sanctions, it could furthermore restrict the Company's ability to enter into new sponsorship contracts, or could cause current sponsors to terminate their contracts.

The Company is also subject to the regulations issued by the Royal Belgian Football Association and the Pro League entailing, among other things, rules with respect to financial fair play, license criteria, transfers and transfer periods and levies on entrance fees for the benefit of the Royal Belgian Football Association. If the Company were in breach of any of these regulations, it could be prevented from playing in the Jupiler Pro League 1A and/or the Belgian Cup, which would have a significant adverse effect on its matchday revenues and ability to attract and retain players, as well as on its sponsorship and media rights revenues.

In particular, each year, the Company must apply for licenses to participate in competitions in which it intends to play. For instance, the Company must apply for a license with the licensing commission of the Royal Belgian Football Association in order to play in the Jupiler Pro

[4] Source: https://www.tas-cas.org/fileadmin/user_upload/CAS_Media_Release_6785_Decision.pdf.
[5] Source: https://www.uefa.com/insideuefa/about-uefa/news/0258-0f8e7332f58c-3b8db5f6698a-1000--three-clubs-sanctioned-for-breach-of-ffp-regulations/?referrer=%2Finsideuefa%2Fnews%2Fnewsid%3D2637436.

League 1A and Belgian Cup. An application file must be submitted with such body and stringent conditions set forth in the regulations issued by the Royal Belgian Football Association, including conditions in relation to the stadium infrastructure of a club, must be complied with in order for the Company to be granted a license. Similarly, the Company must also apply for an annual license with the licensing commission of the Royal Belgian Football Association to compete in European Competitions and must comply with conditions imposed pursuant to the UEFA and Belgian financial fair play regulations to be granted such license. At the date of this Prospectus, the current procedure pursuant to which licenses are granted by the Royal Belgian Football Association to Belgian football clubs is under review and is expected to be thoroughly reformed.[6] While the Company has never in its history failed to obtain any of the aforementioned licenses, it cannot be excluded that the Company may fail to renew or obtain any such annual license. If the Company is not able to renew or obtain any such license, this would prevent the Company's teams from playing in the relevant competition, which could cause the Company to lose associated revenues and income, including media rights revenues, matchday revenue and sponsorship revenues, comprising a very substantial part of the Company's Total Operating Income. If the First Team would be prevented from playing in the Jupiler Pro League 1A, almost all revenue streams of the Company would decline steeply.

As further background to the risk described above, reference is made, without limitation, to the following section(s) of this Prospectus: section 8.2 "*Commercial aspects of domestic European leagues and European Competitions*", section 8.4 "*Format of Belgian and European competitions*" and section 9.13 "*Regulatory environment*".

(v) Changes in applicable regulations issued by industry bodies or competition formats may adversely affect the Company's media rights revenues and sponsorship revenues.

Future changes to regulations issued by industry bodies such as the Royal Belgian Football Association, the Pro League, FIFA and UEFA may adversely affect the Company's business, results of operations, financial condition, cash flow and prospects. These regulations could cover various aspects of the Company's business, such as the format of competitions, the eligibility of players, the operation of the transfer market and the distribution of media rights revenues.

For example, the European Club Association, an association representing the interests of football clubs playing in European competitions, has announced it is investigating options to reform the European football competition landscape. The reforms could lead to a new type of European competition format where selected football clubs would exclusively participate in this new pan-European competition (and no longer in national competitions or other European Competitions). FIFA and the six football confederations, including UEFA, have explicitly stated that such a pan-European competition would not be recognized by either FIFA or the respective confederation and that any club or player involved in such a pan-European competition would as a consequence not be allowed to participate in any such pan-European competition organized by FIFA or the respective confederation (including the European Competitions). In response to the pan-European competition format initiative, UEFA is reportedly negotiating an updated version of the Champions League.

[6] Source: https://www.rbfa.be/nl/nieuws/kbvb-voert-grondige-hervorming-door-van-het-licentiesysteem-voor-het-profvoetbal.

Furthermore, the launch of the Conference League in the 2021/2022 season is expected to have an impact on the number of places granted to Belgium in the Europa League.

It is uncertain how the European competition landscape will evolve in the future and what the role and participation level of the Company and its teams will be in such a rearranged landscape. If the First Team were unable to participate in any such pan-European competition, as opposed to other top European football clubs, or if it would play the Conference League instead of the Europa League, its media rights revenues and sponsorship revenues, among other things, could be adversely impacted due to a reduced interest of broadcasters and sponsors for competitions other than the new pan-European competition.

In addition, discussions are ongoing between five Belgian football clubs (*i.e.,* AA Gent, Club Brugge, KRC Genk, RSC Anderlecht and Standard Liege) and six Dutch football clubs (*i.e.,* Ajax Amsterdam, AZ Alkmaar, FC Utrecht, Feyenoord Rotterdam, PSV Eindhoven and Vitesse) on the opportunity to set up a cross-border competition, the so-called "BeNeLiga", with an aim to rank closely behind the Big 5 Leagues. On the date of this Prospectus, it is, however, uncertain whether this BeNeLiga will be formed and if so, what the potential timing of its realization will be.

As further background to the risk described above, reference is made, without limitation, to the following section(s) of this Prospectus: section 8.2 "*Commercial aspects of domestic European leagues and European Competitions*" and section 8.4 "*Format of Belgian and European competitions*".

(vi) The Company's cash flow, business reputation and brand may be adversely affected if it fails to adequately protect personal data it collects.

The Company collects and processes personal data (including, name, address, age, bank details and other personal data) from fans, suppliers, business contacts and employees, including players, as part of its operations, including through membership subscriptions and data collection through the Company's mobile application and web shop. With respect to players, such data also includes medical data, given the Company's data-driven approach to player development. Therefore, the Company must comply with applicable data protection and privacy laws in Belgium and in other jurisdictions, including GDPR. Those laws and regulations impose certain requirements in respect of the collection, use and processing of personal information.

The Company is exposed to the risk that the personal data gathered could be wrongfully accessed and/or used, whether internally or externally by third parties, or otherwise lost or disclosed or processed in breach of data protection regulations. If the Company or any of the third party service providers on which the Company relies, fails to process personal data in a lawful or secure manner or if any theft or loss of personal data were to occur, the Company could face liability under data protection laws, including civil or criminal sanctions. Each of these factors could also harm the Company's business reputation and its brand (see also section 2.1.2(iii) "*Risks relating to the Company's industry*"). Although the Company puts in place customary safeguards against unlawful access to personal data, it has become clear that the value of personal data has increased in recent times and exposes the Company to ransomware or other means of unlawful access to personal data. Hence, the Company considers this to be a genuine risk.

As further background to the risk described above, reference is made, without limitation, to the following section(s) of this Prospectus: section 9.13 "*Regulatory environment*".

(vii) The football market and other connected markets in which the Company operates are highly competitive and increased competition could cause the Company's sporting results to lag behind those of football clubs with greater access to finance and could cause profitability to decline.

The Company faces competition from other football clubs. While the financial results of the Company have been better than those of comparable clubs in Belgium and similar clubs across Europe in recent years, some European competitors with a similar sporting strategy are bigger and may have more resources and means of access to finance, including investment by wealthy private individuals, giving them a financial competitive advantage to acquire talented players and coaching staff within the boundaries of UEFA Club Licensing and Financial Fair Play Regulations. This could result in improved performance from those teams in domestic competitions and European Competitions, making it more difficult for the Company to effectively compete against such teams and reach its sporting goals (including participation in European Competitions).

From a commercial perspective, the Company also actively competes across other connected markets. The primary areas of competition, nationally and internationally, include, but are not limited to:

- other businesses seeking corporate sponsorships such as other sports teams, entertainment events and television and digital media outlets;
- broadcast and digital content providers seeking consumer attention and leisure time, advertiser income and consumer e-commerce activity; and
- alternative forms of corporate hospitality and live entertainment such as other live sports events, concerts, festivals, theater, cinemas and similar events.

Increased competition in any of the above areas could cause associated revenues and/or profits to decline.

It has become clear that the Company's revenue model is an example for other clubs, both in Belgium and abroad, and therefore, due to the high visibility of the club, the risk increases that other clubs intensify their attempts to work at par with the Company and adhere to similar strategies and means.

As further background to the risk described above, reference is made, without limitation, to the following section(s) of this Prospectus: section 8.2 "*Commercial aspects of domestic European leagues and European Competitions*".

(viii) Certain regulations applicable to the Company impose restrictions on its shareholders, including a shareholder's ability to invest in more than one football club, and a failure to comply with such restrictions could adversely affect the Company's ability to be granted or to maintain its licenses, which, in turn, could adversely affect the Company's financial performance.

In accordance with the regulations issued by the Royal Belgian Football Association, a football club is only allowed to compete in the Jupiler Pro League 1A if it has obtained a license granted annually by the Royal Belgian Football Association. Such license is not granted to a football club if an "associated legal entity" thereof is also associated with another professional football club active in the Jupiler Pro League 1A or the Pro League 1B. "Associated legal entity" is a concept which is broadly defined and includes, among other things, entities that directly or indirectly own 10% or more of the voting rights in a club, entities who can influence the appointment of the members of the executive management or the representatives of the club at the Pro League, and directors and certain other senior persons within the club. If in the future, any such "associated legal entity", including existing or future shareholders qualifying under such definition, would be deemed associated with another professional Belgian football club, the Company may not be granted its annual license, and the Company may not be able to participate in the Jupiler Pro League 1A. While this risk cannot be excluded, particularly in respect of future shareholders who may purchase the Company's publicly traded shares, it is deemed unlikely to materialize. The consequences of such risk would, however, be material as the Company could lose all associated revenues in respect of the relevant competition if any license were withdrawn, suspended or not awarded.

Furthermore, a license may also be withheld if any of the aforementioned "affiliated legal entities" would, among other things, (i) be condemned for certain criminal offences or match-fixing; (ii) be suspended or excluded by certain sports or professional organizations; or (iii) conduct activities as an intermediary. In addition, the license may also be withheld if a club does not comply with a written request of the Pro League to dismiss any "affiliated legal entity" of the club that (i) participates in certain betting activities with respect to football games; or (ii) directly or indirectly holds 10% or more of the shares in a betting company. A detailed list of the situations pursuant to which an "affiliated legal entity" may cause a license to be withheld is included in the relevant regulations and is reiterated in the Articles of Associations. The Company is confident that within the shareholder base prior to the Offering, there is currently no genuine risk that a license would not be obtained due to the abovementioned rules. However, as a listed company with a free float of maximum 40.7% (not taking into account any sale of Shares by the Other Shareholders), it cannot be excluded that another shareholder could be in breach of these rules and thus put the Company's license at risk.

If a Shareholder qualifies as an "associated legal entity" as defined in the regulations issued by the Royal Belgian Football Association and such Shareholder would be in any of the situations referred to above, he/she/it will be required to promptly inform the Board of Directors pursuant to the Articles of Association. The Articles of Association of Club Brugge, as will be in force following Closing, will include a right for the Board of Directors to suspend all voting rights of such Shareholder or take any other appropriate measures to avoid any impact on the Company's license.

In addition, in order to obtain a European license, the Company must not only comply with the criteria of the national license, but also with the relevant UEFA criteria (included in the UEFA Club Licensing and Financial Fair Play Regulations). In this context, certain information obligations in respect of parties that directly or indirectly hold 10% or more of its Shares or voting rights must be complied with. Following Closing and despite the requirement imposed on the Shareholders in the Articles of Association to provide the Company with the requested information, this information may not always be available to the Company in respect of its publicly held shares, and this could affect the Company's ability to obtain or maintain its European license, precluding the First Team from participation in the European Competitions.

If, as a consequence of its shareholding structure, the Company no longer complies with requirements to obtain or maintain its domestic and/or European annual license, it may not be able to renew or maintain such license(s) and could be precluded from participation in domestic competitions and/or European Competitions, and this would cause the Company to lose a major part of its revenue streams, including media rights revenues and matchday revenues.

As further background to the risk described above, reference is made, without limitation, to the following section(s) of this Prospectus: section 9.13 "*Regulatory environment*".

(ix) Acts of third parties and business interruptions due to events outside of the Company's control, other than infectious disease outbreaks, may adversely affect, the Company's financial performance, due to a negative impact on operating income.

There has been a significant increase in terrorist attacks in Europe over the past years, particularly in large venues such as stadiums and concert halls. Any terrorist attack in or near the Jan Breydel Stadium or the New Stadium or in a similar location, even if not directly linked to the Company, could result in immediate losses to the Company and reduce the number of fans willing to attend matches in person. This would, among other things, have an adverse effect on matchday revenues such as ticket sales. In addition, any prolonged business interruption at the Company's match or training facilities could adversely affect the performance of the First Team.

Hooliganism, particularly if attributable to the fan base of the Company, could adversely impact the Company's brand, reputation and operations. Current football regulations further provide that individual football clubs may be held (strictly) liable for certain acts committed by their fans, such as vandalism, the use of pyrotechnics, match stoppage or racist chants. Clubs may be fined or may be subject to other sporting sanctions, including being required to play a certain number of matches without fans present or even disqualification from competitions, any of which, were they to occur, would have an adverse effect on matchday revenues and on-pitch performance. It cannot be guaranteed that events outside of the Company's control will not cause the imposition of such sanctions. A recent example is the conviction of the Company by the Belgian Arbitral Court for Sport in respect of derisive chants by a number of fans during a match. A fine of €1,000 was imposed on the Company. In case of repeated or more far-reaching acts of hooliganism, more severe sanctions can be imposed on the Company.

The Company's operations may further be adversely impacted by other events beyond the Company's control, such as earthquakes, fires, power failures, telecommunication losses or acts of war. Such events, whether natural or manmade, could cause severe interruption to the Company's operations, and as a result, the Company's business could suffer serious harm. In addition, in case of poor general economic conditions in Belgium, the personal disposable income of individual fans and the corporate marketing and hospitality budgets of corporate fans could be adversely affected, which in turn could adversely affect the Company's matchday revenues. Matchday tickets sales in any given season may be impacted more immediately by any of the foregoing events, as season tickets are sold upfront for the entire season.

The Company has taken out several insurance policies covering some, but not all, of the aforementioned business interruption events, and even for those events that are covered, it may not be sufficient to compensate the Company fully for losses or damages that may occur as a result of such events. For example, the Company's real estate is covered against, amongst others, earthquakes, fires and natural disasters for an amount of up to €12,500,000 per building. The Company is also covered against any damages caused by terrorism in accordance with the Belgian Law of 1 April 2007 relating to the insurance against damages caused by terrorism.

As further background to the risk described above, reference is made, without limitation, to the following section(s) of this Prospectus: section 7.3.2 "*The First Team's performance, fan base and number of home games*", section 7.3.4 "*Media rights revenues*", section 7.3.5 "*Commercial revenues*", section 8.2, "*Commercial aspects of domestic European leagues and European Competitions*" and section 9.1.4 "*Key business drivers*".

2.2 Risks related to the IPO and the Shares

(i) The price of the Shares might fluctuate significantly, and prospective investors could lose all or part of their investment.

Volatility in the market price of the Shares may prevent prospective investors from being able to sell acquired Offer Shares at or above the price paid for such Offer Shares in the context of this Offering. The trading price of the Shares may be volatile and subject to wide price fluctuations in response to various factors, including:

- performance of the Company in the transfer periods;
- performance of the First Team in domestic competitions and/or European Competitions;
- changes in the Company's key personnel; and
- investor perceptions of the Company and the football industry (e.g. due to the COVID-19 pandemic).

These and other factors might cause the market price of the Shares to fluctuate substantially, which might limit or prevent investors from readily selling their Shares and may otherwise negatively affect the liquidity of the Shares.

In addition, Euronext Brussels may experience significant price and volume fluctuations as a whole. This volatility has had a significant impact on the market price of securities issued by many companies across many industries. The changes frequently appear to occur without regard to the operating performance of the affected companies. Accordingly, the price of the Shares could fluctuate based upon factors that have little or nothing to do with the Company, and these fluctuations could materially reduce the share price for the Shares.

(ii) There is no existing market for the Shares and it is uncertain if one will develop to provide investors with adequate liquidity.

Prior to this Offering, there has been no public market for the Shares. It cannot be predicted to which extent investor interest in the Company will lead to the development of an active trading market on Euronext Brussels or how liquid that market might become. If an active trading market does not develop, investors may have difficulty selling any Shares they may have acquired, and the value of such Shares might be materially impaired. Other football clubs have seen illiquid aftermarkets due to the propensity of fans or investors to hold onto positions.

The initial offer price for the Shares will be determined by the Selling Shareholder in consultation with the Joint Global Coordinators and will be influenced by general investor interest prior to the Offering. The offer price may not be indicative of prices that will prevail in the open market following this Offering. Consequently, prospective investors may not be able to sell Shares they acquired at prices equal to or greater than their own acquisition price in the context of this Offering.

(iii) *The Selling Shareholder will continue to exert control over the Company and significant corporate decisions.*

Immediately prior to Closing, the Selling Shareholder will control 94.34% of Club Brugge's Shares, representing 94.34% of the voting power of all outstanding Shares. Upon Closing, the Shares owned by the Selling Shareholder are expected to represent 67.4% of the voting power of all outstanding Shares, taking into account the double voting rights attached to the Shares which will (following liquidation of Ourson Sports) be held by Grizzly Sports (and assuming the full exercise of the Increase Option and the Over-Allotment Option) (see section 12.2 "*Holdings immediately prior to and after Closing*"). The Selling Shareholder reserves the right to reduce the maximum number of Offer Shares at any time prior to the allocation of the Offer Shares, it being understood that the reduction of the maximum number of Offer Shares will not result in a withdrawal of the Offering.

As a result, Grizzly Sports will have the ability to determine the outcome of a vast majority of matters submitted to the shareholders of Club Brugge for approval, including the election and removal of directors and any merger, consolidation, or sale of all or substantially all of the Company's assets. The interests of Grizzly Sports might not coincide with the interests of the other holders of Shares and Grizzly Sports may delay, defer or potentially prevent a change in control of Club Brugge or any other corporate transaction. No voting arrangements are made or are envisaged to be made at the time of this Prospectus between the Shareholders of Club Brugge immediately prior to the Offering. In addition, Grizzly Sports is represented by four out of seven members in Club Brugge's Board of Directors.

(iv) *Future sales of Shares, or the perception in the public markets that such sales may occur, may depress the stock price.*

Sales of substantial amounts of Shares in the public market after this Offering by the Selling Shareholder or any other holder of Shares, or the perception that these sales could occur, could adversely affect the price of the Shares and could impair the Company's ability to raise capital through the sale of additional securities.

Club Brugge, the Selling Shareholder and the Indirect Shareholders are expected to agree pursuant to the Underwriting Agreement that, subject to certain exceptions and except if the Underwriters consent to a deviation from the lock-up arrangements, they will not, for a minimum period of 180 days (Club Brugge) *c.q.* 365 days (the Selling Shareholder and the Indirect Shareholders) from the Closing Date, enter into certain transactions in relation to the Shares and certain other securities, including, directly or indirectly, issuing, offering, pledging, selling or otherwise transferring or disposing of any Shares (see section 12.2 "*Holdings immediately prior to and after Closing*" and section 14.2 "*Lock-up arrangements*").

At the time of this Prospectus, no block sales are envisaged to occur by the Selling Shareholder, but the Company cannot guarantee that other Shareholders would not initiate a block sale after the Offering.

(v) *The Company's ability to pay dividends is subject to its results of operations, distributable reserves and solvency requirements and the Shares have no guaranteed dividends.*

Club Brugge intends to retain any future profits for the foreseeable future to expand growth and development of its business and, therefore, does not anticipate paying dividends to its

Shareholders in the foreseeable future. No dividends have been paid out by Club Brugge in the past ten financial years. Future dividend payments, if any, would need to follow a change in dividend policy, decided by the Board of Directors, and would require sufficient distributable reserves (see also section 11.8.3 "*Dividend rights*"). Any decision to pay dividends in the future will be at the discretion of the Shareholders' Meeting and will depend upon Club Brugge's results of operations, financial condition, distributable reserves, contractual restrictions (none of which exist at the time of this Prospectus), restrictions imposed by applicable law and other factors deemed relevant by the Shareholders' Meeting and the Board of Directors from time to time. Furthermore, the Shares by nature have no guaranteed dividends and holders of the Shares may therefore not have recourse if dividends are not declared. Club Brugge's ability to pay dividends may be further restricted by the terms of any future debt or debt instrument the Company may take out or issue (see risk factor 2.1.1(vi) regarding the financing of the New Stadium). Consequently, the ability of prospective investors to achieve a return on their investment may depend primarily on appreciation in the price of the Shares and not on dividend returns.

(vi) Certain Shareholders may not be able to exercise pre-emptive rights and as a result may experience dilution upon future issuances of Shares.

In order to raise funding in the future, Club Brugge may issue additional Shares. Club Brugge's Shareholders generally have a pre-emptive right to subscribe to any new Shares that Club Brugge proposes to issue. Nonetheless, Shareholders located in certain jurisdictions may not be able to exercise their pre-emptive rights unless applicable securities law requirements have been complied with or an exemption from such requirements is available. In particular, Shareholders located in the United States may not be entitled to exercise these rights unless either the Shares and any other securities issued by Club Brugge that are offered and sold are registered under the U.S. Securities Act, or the Shares and such other securities are offered pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. This is particularly relevant for investors from the United States as the Offering will also extend to certain investors in the United States. Club Brugge may be unable or unwilling to file any such registration statement or to qualify under an exemption from the registration requirements of the U.S. Securities Act. In the event such Shareholders may not be able to exercise their pre-emptive rights in connection with any future issuance of Shares by Club Brugge, their shareholding may be diluted.

(vii) The Shares will be listed and traded on Euronext Brussels on an "as-if-and-when-issued and/or delivered" basis from the Listing Date until the Closing Date. Euronext Brussels may annul all transactions effected in the Shares if they are not delivered on the Closing Date.

Application has been made to list the Shares on Euronext Brussels under the symbol "CLUB". In accordance with the provisions of the Underwriting Agreement, Club Brugge expects that the Shares will be admitted to listing and that trading in the Shares will commence prior to the Closing Date on the Listing Date on an "as-if-and-when-issued/delivered" basis. The Closing Date is expected to occur within three calendar days following the Listing Date. Closing may not take place on the Closing Date or at all, if certain conditions of events referred to in the Underwriting Agreement are not satisfied or waived or occur on or prior to such date (for example, upon the occurrence of certain customary events including, but not limited to, if Club Brugge or the Selling Shareholder fails to comply with any material obligation contained in the

Underwriting Agreement; if there is a material adverse change in the financial markets in the United States, Belgium or the EEA; or if admission to listing of the Shares on Euronext Brussels is withdrawn; see section 14 "*Plan of Distribution*"). Trading in the Shares before Closing will take place subject to the condition that, if Closing does not take place, the Offering will be withdrawn, all applications for the Shares will be disregarded, any allocations made will be deemed not to have been made, any application payments made will be returned without interest or other compensation and transactions on Euronext Brussels will be annulled. All dealings in the Shares prior to settlement and delivery are at the sole risk of the parties concerned.

3 Important Information

3.1 General

The content of this Prospectus is not to be considered or interpreted as legal, financial or tax advice. Prior to making any decision whether to purchase the Offer Shares, prospective investors should read this Prospectus. Investors should ensure that they read the whole of this Prospectus and not just rely on key information or information summarized within it. Each prospective investor should consult his or her own stockbroker, bank manager, lawyer, auditor or other financial, legal or tax advisors before making any investment decision with regard to the Offer Shares, among other things to consider such investment decision in light of his or her personal circumstances and in order to determine whether or not such prospective investor is eligible to subscribe for the Offer Shares. In making an investment decision, prospective investors must rely on their own examination and analysis of the Company, the Shares and the terms of the Offering, including the merits and risks involved.

Prospective investors should rely only on the information contained in this Prospectus, the Pricing Statement and any supplement to this Prospectus within the meaning of article 23 of the Prospectus Regulation. Club Brugge does not undertake to update this Prospectus, unless required pursuant to article 23 of the Prospectus Regulation, and therefore potential investors should not assume that the information in this Prospectus is accurate as of any date other than the date of this Prospectus. The delivery of this Prospectus at any time after the date hereof will not, under any circumstances, create any implication that there has been no change in the Company's affairs since the date hereof or that the information set forth in this Prospectus is correct as of any time since its date.

No representation or warranty, express or implied, is made or given by the Listing and Paying Agent, the Underwriters, or any of their affiliates or any of their respective directors, personally liable partners (as the case may be), officers or employees or any other person, as to the accuracy, completeness or fairness of the information or opinions contained in this Prospectus, or incorporated by reference herein, and nothing in this Prospectus, or incorporated by reference herein, is, or shall be relied upon as, a promise or representation by the Listing and Paying Agent and/or the Underwriters or any of their respective affiliates or representatives as to the past or future. None of the Listing and Paying Agent and the Underwriters accepts any responsibility whatsoever for the contents of this Prospectus or for any other statements made or purported to be made by either itself or on its behalf in connection with the Company, the Selling Shareholder, the Offering or the Shares. Accordingly, the Listing and Paying Agent and the Underwriters disclaim, to the fullest extent permitted by applicable law, all and any liability, whether arising in tort or contract or which they might otherwise be found to have in respect of this Prospectus and/or any such statement.

Although the Underwriters are party to various agreements pertaining to the Offering and each of the Underwriters has entered or might enter into a financing arrangement with Club Brugge and/or the Selling Shareholder or any of their affiliates, this should not be considered as a recommendation by any of them to invest in the Offer Shares.

3.2 Responsibility statement

This Prospectus is made available by Club Brugge. Club Brugge accepts responsibility for the information contained in this Prospectus. Section 12 "*Selling Shareholder and Related Party Transactions*" has been drafted on the basis of information provided by the Selling Shareholder. The Selling Shareholder also assumes responsibility for this (and only this) section of the Prospectus.

Each of Club Brugge (for the entirety of this Prospectus) and the Selling Shareholder (only with respect to the section for which they assume responsibility) declares that to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

None of the Underwriters makes any representation or warranty, express or implied, as to, or assume any responsibility for, the accuracy or completeness or verification of the information in this Prospectus, and nothing in this Prospectus is, or shall be relied upon as, a promise or representation by the Underwriters, whether as to the past or the future. Accordingly, the Underwriters disclaim, to the fullest extent permitted by applicable law, any and all liability, whether arising in tort, contract or otherwise, in respect of this Prospectus or any such statement.

3.3 Approval and validity of the Prospectus

This Prospectus has been approved by the FSMA, as competent authority under the Prospectus Regulation. The FSMA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the quality of the securities and of Club Brugge that are subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Offer Shares.

This Prospectus shall be valid for use only by Club Brugge for a period of up to 12 months after its approval by the FSMA and shall thus expire on 15 March 2022, at the latest. The obligation to supplement this Prospectus (which does not prevent Club Brugge from voluntarily supplementing this Prospectus), in the event of significant new factors, material mistakes or material inaccuracies (see section 3.6 "*Supplements*" and section 13.8 "*Right to withdraw order*") shall cease to apply upon the earlier of (i) the Closing Date; or (ii) the expiry of the validity period of this Prospectus.

Without prejudice to the responsibility of Club Brugge for inconsistencies between the different language versions of the Prospectus or the summary of the Prospectus, the FSMA approved the English version of this Prospectus on 16 March 2021. This Prospectus has been prepared in English and translated into Dutch. The summary of the Prospectus has also been translated into French. Club Brugge is responsible for the consistency between (i) the English and Dutch versions of the Prospectus; and (ii) the Dutch, French and English versions of the summary of the Prospectus. In case of discrepancies between the different versions of this Prospectus, the English version will prevail. However, the translations may be referred to by investors in transactions with Club Brugge.

3.4 Industry and market data

The Prospectus includes market share, economic and industry data and industry forecasts, which were obtained by Club Brugge from industry publications and surveys, industry reports prepared by consultants, internal surveys and customer feedback. Where third-party information has been sourced in this Prospectus, the source of such information has been identified. Third-party reports or presentations referenced in the Prospectus include reports, presentations or data books of Deloitte (e.g. "Socio-economic impact study of the Pro League on the Belgian economy", June 2020), PwC ("Sports Survey 2019"), FIFA ("Global transfer market report 2019") and UEFA ("UEFA Club Competition Landscape, Benchmarking the clubs qualified and licensed to compete in the UEFA competition season 2019/20").

The reports, presentations or data books represent research opinions or viewpoints and are not a representation of fact. Each report, presentation or data book speaks as of its original publication date or as of the date it was presented. The representative contents of the reports, presentations or data books presentations contained in the reports or presentations may reflect an opinion or a quantitative and qualitative snapshot that is refreshed on a regular basis and are subject to change without notice.

The third-party sources Club Brugge has used generally state that the information they contain has been obtained from sources believed to be reliable. These third-party sources also state, however, that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on significant assumptions.

As Club Brugge does not have access to the facts and assumptions underlying such market data, or statistical information and economic indicators contained in these third-party sources, Club Brugge is unable to verify such information. Thus, while the information has been accurately reproduced with no omissions that would render it misleading, and Club Brugge believes it to be reliable, Club Brugge cannot guarantee its overall accuracy or completeness.

In addition, certain information in this Prospectus is not based on published data obtained from independent third parties or extrapolations therefrom, but is rather based upon Club Brugge's best estimates, which are in turn based upon information obtained from trade and business organizations and associations, consultants and other contacts within the industry in which Club Brugge operates, information published by competitors, and Club Brugge's own experience and knowledge of conditions and trends in the markets in which Club Brugge operates.

Club Brugge cannot assure that any of the assumptions that it has made while compiling this data from third-party sources are accurate or correctly reflect Club Brugge's position in the industry and none of Club Brugge's internal estimates have been verified by any independent sources. None of Club Brugge, the Selling Shareholder or the Underwriters makes any representation and/or warranty as to the accuracy or completeness of this information. None of Club Brugge, the Selling Shareholder or the Underwriters have independently verified this information and, while Club Brugge believes it to be reliable, none of Club Brugge, the Selling Shareholder or the Underwriters can guarantee its accuracy. Club Brugge confirms that all third-party data contained in this Prospectus has been accurately reproduced and, so far as Club Brugge is aware and able to ascertain from information published by that third-party, no facts have been omitted that would render the reproduced information inaccurate or misleading.

3.5 Notices to investors

In making an investment decision, investors must rely on their own assessment, examination, analysis and enquiry of the Company, the terms of the Offering and the contents of this Prospectus, including the merits and risks involved. Any purchase of the Offer Shares should be based on the assessments that an investor may deem necessary, including the legal basis and consequences of the Offering, and including possible tax consequences that may apply, before deciding whether or not to invest in the Offer Shares. In addition to their own assessment of the Company and the terms of the Offering, investors should rely only on the information contained in this Prospectus, including the risk factors described herein.

Investors must also acknowledge that: (i) they have not relied on the Underwriters or any person affiliated with the Underwriters in connection with any investigation of the accuracy of any information contained in this Prospectus; and (ii) they have relied only on the information contained in this Prospectus, and that no person has been authorized to give any information or to make any representation concerning the Company, the Shares or the Offering (other than as contained in this

Prospectus) and, if given or made, any such other information or representation should not be relied upon as having been authorized by the Company, the Selling Shareholder or the Underwriters.

None of the Company, the Selling Shareholder or the Underwriters, or any of their respective representatives, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares.

The Underwriters are acting exclusively for Club Brugge and the Selling Shareholder and no one else in connection with the Offering. They will not regard any other person (whether or not a recipient of this document) as their respective clients in relation to the Offering and will not be responsible to anyone other than Club Brugge and the Selling Shareholder for providing the protections afforded to their respective clients nor for giving advice in relation to the Offering or any transaction or arrangement referred to herein.

The distribution of this Prospectus and the offer, acceptance, delivery, transfer, exercise, purchase of, subscription for, or trade in the Offer Shares may, in certain jurisdictions, be restricted by law, and this Prospectus may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. This Prospectus does not constitute an offer to sell, or an invitation of an offer to purchase, any Offer Shares in any jurisdiction in which such offer or invitation would be unlawful. Neither the Prospectus nor any related materials may be distributed or transmitted to, or published in any jurisdiction except under the circumstances that will result in compliance with any applicable laws or regulations. Club Brugge, the Selling Shareholder and the Underwriters require persons into whose possession this Prospectus comes to inform themselves of and observe all such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction. None of Club Brugge, the Selling Shareholder or the Underwriters or any of their respective affiliates or representatives accepts any legal responsibility for any violation by any person, whether or not a prospective purchaser of Shares, of any such restrictions. Club Brugge, the Selling Shareholder and the Underwriters reserve the right in their own absolute discretion to reject any offer to purchase Offer Shares that Club Brugge, the Selling Shareholder, the Underwriters or their respective agents believe may give rise to a breach or violation of any laws, rules or regulations.

Notice to prospective investors in the United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States for offer or sale as part of their distribution and may not be offered or sold, directly or indirectly, within the United States, unless an exemption from the registration requirements of the U.S. Securities Act is available. The Offer Shares are being offered and sold: (i) in the United States only to persons who are reasonably believed to be Qualified Institutional Buyers as defined in, and in reliance on, Rule 144A; and (ii) outside the United States in compliance with Regulation S and in accordance with applicable law. Prospective investors are hereby notified that sellers of the Offer Shares may be relying on the exemption from the registration requirements of Section 5 of the U.S. Securities Act provided by Rule 144A. The distribution of this Prospectus and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law. For certain restrictions on the transfer of the Offer Shares, see section 15 "*Selling Restrictions*" and section 16 "*Transfer Restrictions*."

THE OFFER SHARES HAVE NOT BEEN REGISTERED WITH OR RECOMMENDED OR APPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER U.S. FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

In the United States, this Prospectus is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider purchasing the particular securities described herein. The information contained in this Prospectus has been provided by Club Brugge and other sources identified herein. Distribution of this Prospectus to any person other than the offeree specified by the Underwriters or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorized, and any disclosure of its contents, without Club Brugge's prior written consent, is prohibited. Any reproduction or distribution of this Prospectus in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited. This Prospectus is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for, or otherwise acquire, the Offer Shares.

Notice to investors in the European Economic Area

An offer to the public of any Offer Shares may not be made in any EEA Member State (each a "**Relevant State**") other than an offer to the public in Belgium unless the Prospectus has been (i) passported or approved by the competent authority in such Relevant State and (ii) published in accordance with the Prospectus Regulation. This Prospectus has been prepared on the basis that all offers of Offer Shares in any Relevant State, other than the offers contemplated in Belgium, will be made pursuant to an exemption under the Prospectus Regulation from the requirement to produce a prospectus for offers of Offer Shares. Accordingly, any person making or intending to make any offer within the EEA of Offer Shares which are the subject of the placement contemplated in this Prospectus should only do so in circumstances in which no obligation arises for Club Brugge, the Selling Shareholder or the Underwriters to produce a prospectus for such offer. Neither Club Brugge, the Selling Shareholder nor the Underwriters have authorized, nor do Club Brugge, the Selling Shareholder or the Underwriters authorize, the making of any offer of Offer Shares through any financial intermediary, other than offers made by the Underwriters which constitute the final placement of Offer Shares contemplated in this Prospectus.

The Offer Shares have not been, and will not be, offered to the public in any Relevant State, except for Belgium. Notwithstanding the foregoing, an offering of the Offer Shares may be made in a Relevant State:

- to any legal entity which is a qualified investor as defined in the Prospectus Regulation; and/or
- to fewer than 150 private or legal persons (other than qualified investors as defined in the Prospectus Regulation) per Relevant State, subject to obtaining the prior consent of the Underwriters; and/or
- in any other circumstances falling under the scope of article 1(4) of the Prospectus Regulation;

provided that no such offer of Offer Shares shall require Club Brugge, the Selling Shareholder or any Underwriters to publish a prospectus pursuant to article 3 of the Prospectus Regulation or supplement a prospectus pursuant to article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to any Offer Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the Offering and any Offer Shares to be offered so as to enable an investor to decide to purchase any Offer Shares.

Notice to investors in the United Kingdom

This Prospectus (and any other offering or publicity materials or application form(s) relating to the Offer Shares) is for distribution only to persons who (i) are outside the United Kingdom, or (ii) are persons (a) falling within article 49(2)(a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.") of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "**Order**"), (b) have professional experience in matters relating to investments falling within Article 19(5) of the Order, or (c) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the United Kingdom Financial Services and Markets Act 2000, as amended (the **"UKFSMA"**)) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "**Relevant Persons**"). This Prospectus is directed only at Relevant Persons and must not be distributed to, acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this Prospectus relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

No Offer Shares have been offered or will be offered pursuant to the Offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the Offer Shares has been approved by the Financial Conduct Authority, except that the Offer Shares may be offered to the public in the United Kingdom at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or

(c) in any other circumstances falling within Section 86 of the UKFSMA,

provided that no such offer of the Offer Shares shall require the Company, the Selling Shareholder, or any Underwriter to publish a prospectus pursuant to Section 85 of the UKFSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Offer Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Offer Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

3.6 Supplements

Every significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Offer Shares and which arises or is noted between the date of this Prospectus and the later of (i) the closing of the Offering Period and (ii) the start of trading of the Offer Shares on Euronext Brussels, shall be mentioned in a supplement to this Prospectus without undue delay.

Such a supplement shall be approved by the FSMA in accordance with article 23 of the Prospectus Regulation and published in accordance with article 21 under the Prospectus Regulation. The summary, and any translations thereof, shall also be supplemented, where necessary, to take into account the new information included in the supplement. In case a significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Offer Shares arises after the later of (i) the closing of the Offering Period and (ii) the start of trading of the Offer Shares on Euronext Brussels, Club Brugge will not supplement this Prospectus, unless it intends to make use of this Prospectus for an offering or listing other than the Offering.

Investors who have already agreed to purchase or subscribe for the Offer Shares before the supplement is published shall have the right, exercisable within three business days after the publication of the supplement, to withdraw their acceptances, provided that the significant new factor, material mistake or material inaccuracy arose or was noted before the earlier of (i) the closing of the Offering Period and (ii) the delivery of the Offer Shares. This period may be extended by Club Brugge or the Selling Shareholder. The final date of withdrawal shall be stated in the supplement in accordance with the relevant provisions under the Prospectus Regulation. Investors are not allowed to withdraw their acceptance in any other circumstances.

Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable, be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall, except as so modified or superseded, no longer constitute a part of this Prospectus. For the avoidance of doubt, the Pricing Statement will not be considered as a supplement to the Prospectus.

3.7 Availability of the Prospectus

This Prospectus is available to retail investors in Belgium in English and Dutch. The summary of the Prospectus will be made available in French. A copy of the Prospectus will be made available to investors on a durable medium at no cost, and can be obtained by potential investors at Belfius Bank upon request by phone: +32 (0)2 222 12 02 (NL) or +32 (0)2 222 12 01 (FR), or on its website (www.belfius.be/clubbrugge).

Subject to selling and transfer restrictions, the Prospectus is also available to investors in Belgium in English and Dutch, and the summary of the Prospectus is available in French, on the following websites: Club Brugge's website (ipo.clubbrugge.be) and the websites of Euronext Brussels and Belfius Bank (www.belfius.be/clubbrugge).

The posting of the Prospectus on the internet does not constitute an offer to sell or a solicitation of an offer to buy any of the Offer Shares to or from any person in any jurisdiction in which it is unlawful to make such offer or solicitation to such person. The electronic version may not be copied, made available or printed for distribution. Information on Club Brugge's website (ipo.clubbrugge.be) or any other website, including any websites accessible from hyperlinks on Club Brugge's website, does not form part of and is not incorporated by reference in this Prospectus.

3.8 Presentation of financial and other information

3.8.1 IFRS information and financial information

This Prospectus contains consolidated financial information of the Company as at and for the financial years ended 30 June 2018, 2019 and 2020.

The Consolidated Financial Statements of the Company as of and for the financial years ended 30 June 2018, 2019 and 2020 have all been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("**IFRS**") and have been audited by the Statutory Auditor, as indicated in its report included in this Prospectus.

This Prospectus also contains interim financial information of the Company as of and for the six month-periods ended 31 December 2019 and 2020.

The Interim Financial Information of the Company as of and for the six month-periods ended 31 December 2019 and 2020 have all been prepared in accordance with IFRS and have not been audited, but have been subject to a review by the Statutory Auditor, as indicated in its report included in this Prospectus.

Financial information published by the Company after Closing in furtherance of its on-going disclosure obligations will include consolidated financial statements of the Company in accordance with IFRS.

No facts have been omitted from the aforementioned information which would render the reproduced information inaccurate or misleading.

3.8.2 Non-IFRS financial measures

This Prospectus contains two non-IFRS measures, *i.e.,* EBITDA and net financial debt, which are not required by IFRS. The EBITDA measure is calculated as follows: 'Profit (loss) for the year'+ 'Income taxes' + 'Financial result' + 'Amortization and write-downs of player registration rights' + 'Amortization of other intangible assets and depreciation of property, plant and equipment' + 'Depreciation of right-of-use assets'. Net financial debt is defined as current and non-current loans and borrowings less cash and cash equivalents.

The Company presents these non-IFRS measures because it believes that these are widely used by certain investors, securities analysts and other interested parties as a supplemental measure of performance. These non-IFRS measures may not be comparable to similarly titled measures of other companies and have limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of the Company's operating results as reported under IFRS. Non-IFRS measures such as EBITDA and net financial debt are not measurements of performance or liquidity under IFRS or any other generally accepted accounting principles. In particular, these non-IFRS measures should not be considered as an alternative to: (i) revenue, Total Operating Income, operating profit or profit for the period (as determined in accordance with IFRS) as a measure of the Company's operating performance; or (ii) any other measures of performance under generally accepted accounting principles. Some of the limitations of non-IFRS measures are that:

- they do not reflect the Company's cash expenditures or future requirements for capital expenditure or contractual commitments;
- they do not reflect changes in, or cash requirements for, the Company's working capital needs; and
- they do not reflect the interest expense, or the cash requirements necessary, to service interest or principal payments on the Company's debts.

3.8.3 Rounding and negative figures

Certain figures in this Prospectus, including financial data, have been rounded. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them.

In preparing the Financial Statements, most numerical figures are presented in thousands of euros. For the convenience of the reader of this Prospectus, certain numerical figures in this Prospectus are rounded to the nearest hundred thousand. As a result of this rounding, certain numerical figures presented herein may vary slightly from the corresponding numerical figures presented in the Financial Statements.

The percentages (as a percentage of revenues or costs and period-on-period percentage changes) presented in the textual financial disclosure in this Prospectus are derived directly from the financial information contained in the Financial Statements. Such percentages may be computed using the numerical figures expressed in thousands of euros in the Financial Statements. Therefore, such percentages are not calculated on the basis of the financial information in the textual disclosure that has been subjected to rounding adjustments in this Prospectus.

In tables, negative amounts are shown between brackets. Alternatively, negative amounts may also be shown by "-" or "negative" before the amount.

3.8.4 Exchange rates

The table below sets forth, for the periods indicated, the period-end, average and high and low rates determined by the European Central Bank for Euro/US Dollar. The Euro/US Dollar exchange rate determined by the European Central Bank on 15 March 2021 was €0.8389 to $1.00. The rate may differ from the actual rates used in the preparation of the Financial Statements and other financial information appearing in this Prospectus.

	Euro per US$ 1.00			
Period	**High**	**Low**	**Average(1)**	**Period end(2)**
February 2021	0.8345	0.8180	0.8266	0.8250
January 2021	0.8289	0.8105	0.8217	0.8240
2020	0.9340	0.8143	0.8768	0.8149
2019	0.9184	0.8669	0.8934	0.8902
2018	0.8004	0.8880	0.8467	0.8734

(1) For each of the years 2018, 2019 and 2020, this represents the yearly averages of the monthly averages of the EUR/US$ exchange rates determined by the European Central Bank for the relevant period, which monthly averages were computed by calculating the average of the daily EUR/US$ exchange rates on the business days of each month during the relevant period. For the months (or periods) of 2021, this represents the monthly (or period) averages of the EUR/US$ exchange rates determined by the European Central Bank for such month (or period), which averages were computed in the same manner described above.

(2) Represents the EUR/US$ exchange rates for the purchase of U.S. Dollars determined by the European Central Bank on the last working day of the relevant period.

Fluctuations in the exchange rates between the Euro and U.S. Dollar in the past are not necessarily indicative of fluctuations that may occur in the future. No representation is made that the Euro amounts referred to in this Prospectus could have been or could be converted into U.S. Dollars at the above exchange rates or at any other rate.

3.9 Enforcement of civil liabilities

Club Brugge is a public limited liability company incorporated under the laws of Belgium. Most directors and all members of its Management Committee live outside the United States and all Club Brugge's assets and of the assets of these individuals are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon these individuals or Club Brugge or to enforce against them judgments obtained in the United States based on the civil liability provisions of the U.S. securities laws or any state or territory within the United States. There is uncertainty as to the enforceability in Belgium of original actions or actions for enforcement of judgments of United States courts of civil liabilities predicated solely upon the federal securities laws of the United States.

In addition, Club Brugge's corporate affairs and the rights afforded to its Shareholders are governed by its Articles of Association and by the Belgian Companies' and Associations' Code, as amended and restated from time to time. These rights differ in certain respects from the rights of shareholders in other jurisdictions. In particular, rights afforded to shareholders under Belgian law differ in certain respects from the rights of shareholders in companies incorporated in the United States, a difference that is particularly relevant for investors from the United States, as the Offering will also extend to certain investors in the United States. For example, Belgian law currently limits significantly the circumstances under which the shareholders of Belgian companies may bring derivative actions. Under Belgian law, in most cases, only Club Brugge may be the proper plaintiff for the purposes of maintaining proceedings in respect of wrongful acts committed against Club Brugge and, generally, neither an individual shareholder, nor any group of shareholders, has any direct right of action against third parties in such circumstances. In addition, Belgian law does not afford appraisal rights to dissenting shareholders in the form typically available to shareholders in a company incorporated in the United States.

3.10 Forward-looking statements

This Prospectus contains "forward-looking statements" within the meaning of the securities laws of certain jurisdictions, including statements under the captions "*Summary*," "*Risk Factors*," "*Operating and Financial Information*," "*Football Industry*," "*Business*" and in other sections. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the words "believes," "estimates," "anticipates," "expects," "intends," "may," "will," "plans," "continue," "on-going," "potential," "predict," "project," "target," "seek" or "should" or, in each case, their negative or other variations or comparable terminology or by discussions of strategies, plans, objectives, targets, goals, future events or intentions. These forward-looking statements appear in a number of places throughout this Prospectus. Forward-looking statements include statements regarding intentions, beliefs or current expectations concerning, among other things, results of operations, prospects, growth, strategies and dividend policy and the industry in which Club Brugge operates. In particular, certain statements are made in this Prospectus regarding management's estimates of future growth.

By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. No undue reliance should be placed on these forward-looking statements. Any forward-looking statements are made only as of the date of this Prospectus, and Club Brugge does not intend, and does not assume any obligation, to update forward-looking statements set forth in this Prospectus.

Many factors may cause Club Brugge's results of operations, financial condition, liquidity and the development of the industries in which Club Brugge competes to differ materially from those expressed or implied by the forward-looking statements contained in this Prospectus.

3.11 Available information

Club Brugge has agreed that, for so long as any Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, it will, during any period in which it is neither subject to Section 13 or 15(d) of the U.S. Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act.

3.12 Documents incorporated by reference

The Articles of Association are incorporated in this Prospectus by reference and, as such, form part of this Prospectus. The Articles of Association (or copies thereof) may be obtained in electronic form free of charge from Club Brugge's website at ipo.clubbrugge.be. Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

4 Reasons for the Offering and Use of Proceeds

4.1 Reasons for the Offering

The Offering is expected to further raise Club Brugge's profile as a commercially run business within the football industry, to create a new long-term shareholder base for Club Brugge, to enable direct ownership by its fans and to provide liquidity for the Selling Shareholder. Club Brugge believes that the Offering will provide it with better access to the capital markets which, in the future, may help to fund additional growth and to further strengthen its operations and financial position. The Offering will also allow Club Brugge to incentivize existing and future management and senior staff. However, at the date of this Prospectus, there are no specific plans to set up any management share incentive schemes.

4.2 Use of proceeds

Club Brugge will not receive proceeds from the Offering. Assuming a full placement of the Offer Shares (including the full exercise of the Increase Option and the Over-Allotment Option), and assuming further that the Offer Price is at the mid-point of the Price Range, the Selling Shareholder will receive aggregate proceeds from the Offering of a gross amount of approximately €93.34 million and a net amount of approximately €88.34 million. The total fees and expenses related to the Offering are estimated to amount to €7.2 million out of which €2.2 million will be borne by Club Brugge and the balance by the Selling Shareholder. See also section 13.14 "*Interest of natural and legal persons involved in the Offering*".

5 Dividend Policy

5.1 Dividend policy

Club Brugge intends to retain any future profits for the foreseeable future to expand growth and development of its business and, therefore, does not anticipate paying dividends to its Shareholders in the foreseeable future.

Future dividend payments, if any, would need to follow a change in dividend policy, decided by the Board of Directors, and would require sufficient distributable reserves. See section 11.8.3 "*Rights attached to voting rights – Dividend rights*".

5.2 Dividend history (covering the period of the historical financials)

Club Brugge has not declared or distributed dividends to its Shareholders over the financial years ending 30 June 2018, 2019 and 2020.

6 Working Capital, Capitalization and Indebtedness

6.1 Working capital statement

In Club Brugge's opinion, the working capital available to Club Brugge is sufficient for its present requirements and for at least 12 months following the date of this Prospectus.

6.2 Capitalization and indebtedness

The following table sets forth the Company's consolidated capitalization and net financial indebtedness as of 31 December 2020 on an actual basis.

This table should be read in conjunction with section 7 "*Operating and Financial Review*", the Financial Statements and related notes included elsewhere in the Prospectus. There have been no material changes to the Company's consolidated capitalization and net financial indebtedness since 31 December 2020, except for the fees and expenses related to the Offering that will be borne by Club Brugge as set out in section 4.2 "*Use of proceeds*".

Statement of capitalization

	As at 31 December 2020
	(unaudited) *(€ '000) unless otherwise stated*
Total current debt (including portion of non-current debt)	**4,030**
Guaranteed..	-
Secured	623
Unguaranteed / Unsecured	3,407
Total non-current debt (excluding portion of non-current debt)	**29,879**
Guaranteed..	-
Secured	13,919
Unguaranteed / Unsecured	15,960
Shareholders equity	**54,415**
Share capital	15,247
Legal reserves	1,525
Other reserves	37,643
Total...	**88,324**

Statement of financial indebtedness

	As at 31 December 2020
	(unaudited) *(€ '000) unless otherwise stated*
Cash..	32,252
Cash equivalents	-

	As at 31 December 2020
	(unaudited) *(€ '000) unless otherwise stated*
Other current financial assets	-
Liquidity	**32,252**
Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)...........................	3,321
Current portion of non-current financial debt	709
Current financial indebtedness	**4,030**
Net current financial indebtedness	**(28,222)**
Non-current financial debt (excluding current portion and debt instruments)	29,879
Debt instruments	-
Non-current trade and other payables...........	5,967
Non-current financial indebtedness	**35,846**
Total financial indebtedness.........................	**7,624**

- There is a mortgage mandate of €9.0 million on the Belfius Basecamp facilities.
- The financial debts per 31 December 2020 include non-current leasing debts of €0.96 million and current leasing debts of €3.4 million.

7 Operating and Financial Review

The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the Company's Financial Statements included in this Prospectus, as well as with section 3.8 "*Presentation of financial and other information*" and section 7.1 "*Selected Financial Information*".

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. The Company's actual results may differ materially from those discussed in these forward-looking statements as a result of various factors, including, without limitation, those set forth in section 3.10 "*Forward-looking statements*" and section 2 "*Risk Factors*".

7.1 Selected Financial Information

Investors should read and analyze the information below in conjunction with the Financial Statements and related notes included elsewhere in the Prospectus as well as with the information presented under section 3.8 "*Presentation of financial and other information* and elsewhere in this section 7 "*Operating and Financial Review*"**.**

The summary Financial Statements set out below has been derived from, and should be read in conjunction with and is qualified in its entirety by the Financial Statements included elsewhere in this Prospectus.

7.1.1 Consolidated statements of profit and loss and other comprehensive income

	Six months ended 31 December		**Financial year ended 30 June**		
	2019	**2020**	**2018**	**2019**	**2020**
	(unaudited)	*(unaudited)*	*(audited)*	*(audited)*	*(audited)*
	(€ '000) unless otherwise stated				
Matchday revenues	12,555	2,851	13,584	17,731	17,997
Media rights revenues	32,717	38,666	8,953	39,498	36,410
- *Domestic*	*3,995*	*4,185*	*7,273*	*7,307*	*8,604*
- *European*	*28,722*	*34,481*	*1,680*	*32,191*	*28,346*
Commercial revenues	7,256	6,715	11,042	11,643	13,455
Other revenues	1,162	961	2,279	1,448	2,502
Gains on disposal of Player Registration Rights	45,666	1,288	21,072	11,157	49,061
Other operating income	56	111	508	224	186
Total operating income	**99,412**	**50,592**	**57,438**	**81,701**	**119,611**
Purchase of materials, supplies and other consumables	(878)	(722)	(1,331)	(1,165)	(1,521)
Other operating expenses	(12,115)	(9,442)	(14,347)	(20,473)	(21,843)
Player wages and technical staff costs	(15,093)	(15,143)	(19,782)	(19,636)	(27,622)
Other personnel	(2,532)	(2,405)	(4,346)	(4,432)	(5,557)
Losses on disposal of Player Registration Rights	(16)	(416)	(2,333)	(3,306)	(1,111)
Amortization and write-downs of Player Registration Rights	(9,081)	(9,591)	(11,466)	(15,424)	(19,187)
Amortization of other intangible assets and depreciation of property, plant and equipment	(1,440)	(1,507)	(1,722)	(1,632)	(2,891)

	Six months ended 31 December		Financial year ended 30 June		
	2019	**2020**	**2018**	**2019**	**2020**
	(unaudited)	*(unaudited)*	*(audited)*	*(audited)*	*(audited)*
	(€ '000) unless otherwise stated				
Depreciation of right-of-use assets.....	(1,786)	(916)	(1,560)	(872)	(4,228)
Other non-cash expenses..................	(80)	0	(224)	(397)	(619)
Total operating costs........................	**(43,021)**	**(40,142)**	**(57,111)**	**(67,337)**	**(84,579)**
Operating profit...............................	**56,391**	**10,450**	**327**	**14,364**	**35,032**
EBITDA..	**68,698**	**22,465**	**15,075**	**32,292**	**61,338**
Financial income...............................	1,700	637	128	96	452
Financial expenses............................	(385)	(360)	(177)	(191)	(620)
Financial result.................................	**1,315**	**277**	**(49)**	**(95)**	**(168)**
Income (loss) before taxes	**57,706**	**10,727**	**278**	**14,269**	**34,864**
Current taxes....................................	(17,997)	(2,634)	(517)	(3,558)	(11,007)
Deferred taxes..................................	130	(305)	158	(974)	269
Total income taxes...........................	**(17,867)**	**(2,939)**	**(359)**	**(4,532)**	**(10,738)**
Profit (loss) for the period................	**39,839**	**7,788**	**(81)**	**9,737**	**24,126**
Attributable to the shareholders of Club Brugge NV	39,839	7,788	(81)	9,737	24,126
Remeasurement of defined benefit obligation	**0**	**0**	**(50)**	**(295)**	**54**
Actuarial gains/losses arising during the period	0	0	(64)	(444)	110
Income tax effect	0	0	14	149	(56)
Total other comprehensive income (loss)	**0**	**0**	**(50)**	**(295)**	**54**
Total comprehensive income (loss) for the period	**39,839**	**7,788**	**(131)**	**9,442**	**24,180**
Earnings per share					
Basic earnings per share	12,61	2,55	(0.02)	2.99	7.76
Diluted earnings per share	12,61	2,55	(0.02)	2.99	7.76

7.1.2 Consolidated statement of financial position

	As at 31 December	As at 30 June		
	2020	**2018**	**2019**	**2020**
	(unaudited)	*(audited)*	*(audited)*	*(audited)*
	(€ '000) unless otherwise stated			
ASSETS				
Non-current assets				
Player Registration Rights, net......................	50,757	43,979	40,501	49,922
Other intangible assets	430	431	451	285
Property, plant & equipment........................	22,500	6,598	19,910	21,835
Right-of-use assets......................................	4,847	1,543	1,424	2,328
Receivables on sale of Player Registration Rights	6,698	4,405	1,865	17,774
Other non-current assets	7	3	7	4
Total non-current assets..............................	**85,239**	**56,959**	**64,158**	**92,148**
Current assets				
Inventories	875	212	340	432
Trade and other receivables.........................	2,858	2,706	4,003	3,596
Receivables on sale of Player Registration Rights	14,224	10,271	9,958	24,285
Cash and cash equivalents............................	32,252	91	8,717	8,195
Assets held for sale	0	0	0	400
Total current assets.....................................	**50,209**	**13,280**	**23,018**	**36,908**
Total assets	**135,448**	**70,239**	**87,176**	**129,056**
EQUITY AND LIABILITIES				
Shareholders' Equity				
Share capital..	15,247	4,039	4,039	15,247
Share premium	0	11,208	11,208	0
Retained earnings	39,534	(835)	8,902	31,746
Remeasurement reserve for pensions	(366)	(125)	(420)	(366)
Shareholders' equity total	**54,415**	**14,287**	**23,729**	**46,627**
Non-current liabilities				
Loans and borrowings	28,919	14,210	22,888	29,232
Lease liabilities..	960	1,178	1,095	1,009
Payables on purchase of Player Registration Rights	5,967	6,828	4,983	2,951
Deferred tax liabilities	1,276	364	1,189	971
Pension obligations......................................	406	123	530	407
Total non-current liabilities	**37,528**	**22,703**	**30,685**	**34,570**
Current liabilities				
Loans and borrowings	623	1,185	437	654
Lease liabilities..	3,407	375	341	1,337
Trade and other payables.............................	8,297	5,753	10,384	9,521
Payables on purchase of Player Registration Rights	9,825	18,794	14,155	20,986

	As at 31 December	As at 30 June		
	2020	2018	2019	2020
	(unaudited)	*(audited)*	*(audited)*	*(audited)*
		(€ '000) unless otherwise stated		
Current tax liabilities	7,649	452	50	5,016
Contract liabilities	12,254	6,690	7,394	9,929
Other current liabilities	1,450	0	1	416
Total current liabilities	**43,505**	**33,249**	**32,762**	**47,859**
Total liabilities	**135,448**	**70,239**	**87,176**	**129,056**

7.1.3 Consolidated statement of cash flows

	As at and for the six months ended 31 December		As at and for the financial year ended 30 June		
	2019	2020	2018	2019	2020
	(unaudited)	*(unaudited)*	*(audited)*	*(audited)*	*(audited)*
			(€ '000) unless otherwise stated		
Cash flows from operating activities					
Profit (loss) for the period	39,839	7,788	(81)	9,737	24,126
Adjustments for:					
- Depreciations, amortizations and impairment losses	12,387	12,015	14,972	18,326	26,925
- Gains on disposal of Player Registration Rights	(45,666)	(1,288)	(21,072)	(11,157)	(49,061)
- Losses on disposal of Player Registration Rights	16	416	2,333	3,306	1,111
- Pension obligations	0	0	(38)	(35)	(16)
- Net finance costs	(1,315)	(277)	162	143	168
- Income taxes	17,867	2,939	359	4,532	10,738
	23,128	**21,593**	**(3,365)**	**24,852**	**13,991**
Changes in:					
- Inventories	(509)	(443)	(131)	(205)	(412)
- Trade and other receivables	(1,066)	738	(1,035)	(1,297)	363
- Other assets	3	(1)	(1)	(5)	3
- Trade and other payables	1,156	(1,456)	1,818	684	1,588
- Contract liabilities	(921)	2,325	289	704	2,535
- Other liabilities	609	1,033	(58)	1	415
Cash generated from operating activities	**22,400**	**23,789**	**(2,483)**	**24,734**	**18,483**
Interest paid	(307)	(239)	(27)	(24)	(506)
Income taxes paid	(4,000)	0	(65)	(3,960)	(6,041)
Net cash from / (used in) operating activities	**18,093**	**23,550**	**(2,575)**	**20,750**	**11,937**

	As at and for the six months ended 31 December		As at and for the financial year ended 30 June		
	2019	**2020**	**2018**	**2019**	**2020**
	(unaudited)	*(unaudited)*	*(audited)*	*(audited)*	*(audited)*
			(€ '000) unless otherwise stated		
Cash flows from investing activities					
Proceeds from sale of Player Registration Rights	27,006	20,021	13,253	17,735	31,854
Acquisition of Player Registration Rights.	(30,172)	(16,004)	(18,513)	(25,450)	(38,005)
Acquisition of other intangible assets	(50)	(223)	(106)	(102)	(213)
Acquisition of property, plant and equipment...	(5,356)	(1,864)	(2,066)	(11,232)	(7,145)
Interest received..................................	14	37	5	17	17
Net cash from / (used in) investing activities...	**(8,558)**	**1,967**	**(7,472)**	**(19,032)**	**(13,492)**
Cash flows from financing activities					
Proceeds from loans and borrowings......	6,023	0	147	8,829	6,023
Repayment of borrowings.....................	(248)	(344)	(1,084)	(1,038)	(437)
Payment of lease liabilities....................	(1,850)	(1,415)	(1,556)	(871)	(4,220)
Payment of treasury shares	(309)	0	0	0	(309)
Other...	(76)	216	0	(15)	(25)
Net cash from / (used in) financing activities...	3,540	(1,543)	(2,493)	6,905	1,032
Net increase / (decrease) in cash and cash equivalents	13,075	23,974	(12,495)	8,626	(522)
Cash and cash equivalents at the beginning of the period.........................	8,717	8,195	12,586	91	8,717
Impact of exchange rate fluctuations	458	83	-	-	-
Cash and cash equivalents....................	**22,250**	**32,252**	**91**	**8,717**	**8,195**

7.1.4 Non-IFRS Financial Information

The Company uses EBITDA and net financial debt as non-IFRS measures. For an explanation of the respective definitions, methods of calculation and the rationales for the utilization of these metrics and their inclusion in this Prospectus, see section 3.8.2 "*Non-IFRS financial measure*."

The following table sets forth non-IFRS financial information for the Company as at and for the periods indicated:

	Six months ended 31 December		Financial year ended 30 June		
	2019	**2020**	**2018**	**2019**	**2020**
	(unaudited)	*(unaudited)*	*(audited)*	*(audited)*	*(audited)*
		(€ '000, unless otherwise stated)			
EBITDA...................................	**68,698**	**22,465**	**15,075**	**32,292**	**61,338**

	As at 31 December	As at 30 June		
	2020	2018	2019	2020
	(unaudited)	*(audited)*	*(audited)*	*(audited)*
		(€ '000 unless otherwise stated)		
Net financial debt..................................	**(2,710)**	**15,304**	**14,608**	**21,691**

The following table reconciles EBITDA to profit (loss) for the period, which is the closest IFRS financial measure to this non-IFRS measure, for the periods indicated.

	Six months ended 31 December		Financial year ended 30 June		
	2019	2020	2018	2019	2020
	(unaudited)	*(unaudited)*	*(audited)*	*(audited)*	*(audited)*
		(€ '000) unless otherwise stated			
Profit (loss) for the period	**39,839**	**7,788**	**(81)**	**9,737**	**24,126**
Add back					
Income taxes	17,867	2,939	359	4,532	10,738
Financial result..............................	(1,315)	(277)	49	95	168
Amortization and write-downs of Player Registration Rights..............	9,081	9,591	11,466	15,424	19,187
Amortization of other intangible assets and depreciation of property, plant and equipment	1,440	1,507	1,722	1,632	2,891
Depreciation of right-of-use assets.	1,786	916	1,560	872	4,228
EBITDA	**68,698**	**22,465**	**15,075**	**32,292**	**61,338**

The following table reconciles net financial debt to current and non-current loans and borrowings, which are the closest IFRS financial measures to this non-IFRS measure as at the dates indicated.

	As at 31 December	As at 30 June		
	2020	2018	2019	2020
	(unaudited)	*(audited)*	*(audited)*	*(audited)*
		(€ '000 unless otherwise stated)		
Loans and borrowings (Current)..............	623	1,185	437	654
Loans and borrowing (Non-Current).........	28,919	14,210	22,888	29,232
Less				
Cash and cash equivalents......................	32,252	91	8,717	8,195
Net financial debt	**(2,710)**	**15,304**	**14,608**	**21,691**

7.2 Overview of the Company

An overview of the Company is provided under section 11.16 "*Group structure*".

7.3 Key factors affecting the results of the operations and financial conditions of the Company

7.3.1 Impact of the COVID-19 pandemic

(i) 2019/2020 season

Similar to other governments worldwide, the Belgian government implemented a number of measures to reduce the spread of the COVID-19 pandemic, including a nationwide lockdown and social distancing measures. All major sporting events were suspended on 12 March 2020, and the board of directors of the Pro League officially ended the Pro League season on 15 May 2020 after 29 games were played (as compared to the usual 30 games and 10 Play-Off matches). The final round of fixtures in the Jupiler Pro League 1A was played on 7 March 2020, at which date the First Team was 15 points clear of the second placed team in the Jupiler Pro League 1A and the Pro League therefore crowned the First Team as the champions of the Jupiler Pro League 1A for the 2019/2020 season. The Belgian Cup final for the 2019/2020 season was played between the First Team and Royal Antwerp FC on 1 August 2020 at the King Baudouin Stadium in Brussels without any spectators attending.

(a) Domestic and European media rights revenues

The domestic media rights contract between the Pro League and MP & Silva, which expired at the end of the 2019/2020 season, did not contain any contractual obligations for potential rebates in case of the cancellation of games. Accordingly, there was no impact on domestic media rights revenues for the financial year ended 30 June 2020.

Similarly, European media rights revenues were not impacted, as the First Team's participation in the Champions League and Europa League games ended before the COVID-19 pandemic impacted the European Competitions.

(b) Commercial revenues

Despite the cancellation of the Play-Offs of the Jupiler Pro League 1A (see also section 8.4.2(i) "*The Jupiler Pro League 1A*"), which are key fixtures in the Belgian football calendar, no commercial partner or sponsor requested a refund in respect of the 2019/2020 season.

(c) Matchday revenues

Matchday revenues were impacted due to the cancellation of five home games in the 2019/2020 season, including the Play-Offs of the Jupiler Pro League 1A (see also section 8.4.2(i) "*The Jupiler Pro League 1A*"), which are major contributors to the Company's matchday revenues. This resulted in a reduction of the Company's matchday revenues associated with those matches, including matchday tickets, food and beverage, and corporate hospitality revenues, as well as commercial revenues from the sale of merchandise at matches. The Company has estimated that lost revenues amounted to €1.4 million, partially offset by a reduction in the end-of-season discretionary bonuses for players and staff for the financial year ended 30 June 2020 and savings of the operating costs associated with holding home matches, with an estimated negative impact to net profit of approximately €0.3 million.

(d) Gains on disposal of Player Registration Rights

There was no impact from the COVID-19 pandemic on gains on disposal of Player Registration Rights in the 2019/2020 season.

(e) Discretionary measures to limit the impact of the COVID-19 pandemic

The Company also initiated a number of discretionary measures to compensate the fans for the cancellation of games. These measures included: (i) offering every existing season ticket holder the opportunity to purchase season tickets at a discounted price by extending the usual 'early bird' purchase arrangements for the 2020/2021 season; (ii) as the only football club in the Jupiler Pro League 1A, providing each season ticket holder with an Eleven Sports TV subscription to watch the Jupiler Pro League 1A games; (iii) where existing season ticket holders chose to extend their season tickets, crediting every existing season ticket holder's ClubID with €25 extra spending money; (iv) extending existing credit on Blue Cards to 30 September 2020 instead of 15 June 2020 (if not spent by such date, it would usually have been cancelled on the Blue Card and instead been recognized as revenue as at 30 June 2020); and (v) waiving fees payable by hospitality and VIP clients in relation to Champions League group phase matches in the 2020/2021 season, had any such fees been payable.

In order to compensate for the loss in revenues and the compensation to fans, the Company took measures to reduce internal costs. These included a reduction of the end-of-season discretionary bonuses for players (otherwise linked to performance in the Play-Off games which had been cancelled); and reducing bonuses for other staff, which provided for an estimated net impact of €1.6 million. There were no reductions to base salaries and no redundancies with regards to players or staff.

(ii) *2020/2021 season*

After a two-week delay, the Jupiler Pro League 2020/2021 season started on 8 August 2020. Except for three home games played in the Jupiler Pro League 1A between 12 September 2020 and 23 October 2020 where up to 9,200 spectators were allowed in the Jan Breydel Stadium, representing a utilization rate of approximately 30% of the stadium capacity, all other 18 home games, including 14 home games in the domestic competitions and four home games in European Competitions, up until the date of this Prospectus were played without any spectators being allowed in the stadiums. The Company is operating under the assumption that the government imposed measures prohibiting matchday attendance will remain in place for the remainder of the 2020/2021 season. Hence, the impact of the COVID-19 pandemic on the financial results for the remainder of the season is expected to be similar to the impact on the financial results for the six months period ended 31 December 2020.

(a) European and domestic media rights revenues

As regards the European media rights revenues, UEFA has requested the lowering of the €15.3 million fixed starting fees for teams entering the

Champions League in the group stage. The deductions vary by size of any given national league, and Belgium has agreed to a €5.5 million deduction in European media rights revenues. This €5.5 million deduction will be spread over the coming five years, and as a result, the Company will have a €1.1 million reduction of its European media rights revenues for the 2020/2021 season.

In addition, due to the premature termination of the Jupiler Pro League 1A in the 2019/2020 season, the participating clubs in the Jupiler Pro League 1A agreed that the winner of the 2019/2020 season, *i.e.,* the Company, should redistribute a part of its domestic media rights (see also section 7.3.4 "*Media rights revenues*") with the other clubs in the Jupiler Pro League 1A by way of a one-off "*exceptional solidarity compensation*" payment. This payment reduced the Company's media rights revenue for the six months ended 31 December 2020 by €0.8 million, and will amount to €1,7 million for the financial year ending on 30 June 2021.

The Eleven Sports Media Rights Agreement is independent of matchday attendance, but does contain a force majeure clause dealing with the impact of the COVID-19 pandemic (and other force majeure events) on the domestic media rights payments thereunder. There would be no financial impact from the COVID-19 pandemic on the domestic media rights revenues attributable to Club Brugge unless a significant number of matches were to be cancelled completely and not played or played behind closed doors during a prolonged and continuous period. In such case, (part of the) payments under the Eleven Sports Media Rights Agreement could be suspended or reduced. As of the date of this Prospectus, all the matches in the Jupiler Pro League 1A scheduled thus far have been played, with less than 25% of the matches remaining to be played.

(b) Commercial revenues

The number of sponsors has increased to 30 (as at 31 December 2020) and a number of sponsors have upgraded their sponsorship levels, resulting in an increased value of €1.8 million as compared to the season 2019/2020. As a result, commercial revenues for the financial year ended 30 June 2021 are expected to be broadly in line with the financial year ended 30 June 2020, despite a limited amount of €0.6 million being refunded to commercial partners and sponsors, specifically relating to corporate hospitality. Most of the Company's sponsorship agreements concluded since the COVID-19 pandemic entitle the sponsors to rebates in case of matches being cancelled or played without any spectators attending due to the COVID-19 pandemic, but typically only to the extent that no other non-cash compensation measures (e.g. additional VIP seats during future home games or additional promotional exposure through, for example, digital content and activation) are possible.

(c) Matchday revenues

For the 2020/2021 season, the Company has sold all of the available 24,300 season tickets, including all of the available 2,400 corporate hospitality tickets. However, matchday revenues have been impacted by the COVID-19 pandemic given that no or only a reduced number of spectators have been allowed in the

Jan Breydel Stadium in any given match of the current season to date. Also, no single matchday tickets have been sold and no fans of visiting teams (constituting 5% of the total stadium capacity) have been allowed in the Jan Breydel Stadium since the beginning of the 2020/2021 season up until the date of this Prospectus.

For the 2020/2021 season, as of the date of this Prospectus, the Company has played all home games (both in domestic competitions and European Competitions) without spectators, except for three home games in the Jupiler Pro League 1A played between 12 September 2020 and 23 October 2020 that were played with a limited capacity of approximately 9,200 spectators in the Jan Breydel Stadium.

Season ticket holders, whether private individuals or corporate sponsors, have been granted the option to request, on a game-by-game basis, a 5% season ticket price rebate on the price of their season ticket for each Jupiler Pro League 1A home game that they are unable to attend due to restrictions imposed in the context of the COVID-19 pandemic. Approximately 6,000 of the Company's 24,300 season ticket holders have voluntarily relinquished their option to receive a rebate for the entirety of the 2020/2021 season, regardless of the number of home games that they are unable to attend. Furthermore, for the first 15 home games for which season ticket holders could request the 5% rebate, approximately 50% of the season ticket holders (also including those season ticket holders who have attended one or more home games) have not requested this rebate.

Where matches have taken place with no or a limited number of spectators, matchday revenues will further be adversely impacted due to reduced consumption of food and beverages at the Jan Breydel Stadium, including the lack of provision of corporate hospitality.

Overall, the Company has estimated that lost revenues due to the COVID-19 pandemic amounted to €8.1 million for the six month period ended 31 December 2020.

(d) Gains on disposal of Player Registration Rights

Due to the COVID-19 pandemic, transfer volumes in the summer transfer window in the 2020/2021 season were significantly lower as compared to previous seasons. However, the transfer price for comparable players generally remained at the same level as prior to the COVID-19 pandemic. As the Company's financial position did not require it to transfer players, it decided to wait for conditions to normalize in order to realize the full value potential of its players and to not transfer any players in this summer transfer window.

The winter transfer window in the 2020/2021 season also showed a significant drop in transfer volumes compared to the winter transfer windows in previous seasons, as well as a significant concentration of sales, with the global top 20 transfers representing over 50% of the total transfer volume. The Company decided to transfer Krépin Diatta to AS Monaco for an amount of €16.7 million (excluding potential milestone payments of €3.3 million and a 10% sell-on payment). Overall, in this winter transfer window, the Company generated a total of €21.2 million of gross proceeds (*i.e.,* €13.3 million of net gains) resulting from the disposal of Player Registration Rights, to be received over time and to be recorded in the financials for the financial year ending 30 June 2021.

7.3.2 *The First Team's performance, fan base and number of home games*

Most of the Company's key revenue streams are directly and indirectly impacted by the performance of the First Team and the ability to maintain and develop its fan base, which currently constitutes the biggest fan base in Belgium with the highest average stadium visitors in Belgium since the 2012/2013 season (according to Transfermarkt.be). In the medium-to-long term, sporting performance can have an impact on day and season ticket sales, media rights revenues and commercial revenues. If the First Team performs well, more fans attend matches and being associated with the First Team becomes more valuable for sponsors, enabling the Company to charge higher sponsorship fees. In addition, the First Team's successful performance in the Jupiler Pro League 1A is critical in order to qualify for European Competitions, which results in significant additional revenue for the Company. Good performance in the Belgian competitions and European Competitions is also helpful in maintaining and developing further the Company's fan base. Conversely, an extended period of poor performance by the First Team for a multiple number of seasons could have a material adverse effect on the Company's popularity, brand and fan base, which could in turn affect the Company's allocated portion of media rights and its ability to attract sponsors. Most importantly, extended poor sports performance could have an adverse impact on the monetary value of the Company's players and negatively affect the Company's ability to sell such players' Player Registration Rights above their net book value or at all, as well as to attract and develop new talented players in the future.

The table below sets forth the Company's sporting results for the seasons indicated, as at the date of the Prospectus:

Position achieved **Season**	**2020/2021(1)**	**2019/2020**	**2018/2019**	**2017/2018**	**2016/2017**	**2015/2016**
Jupiler Pro League 1A	1st place (ongoing)	1st place	2nd place	1st place	2nd place	1st place
Belgian Cup	Quarter final	Final	Round of 32	Semi final	Round of 32	Final
Champions League	Group stage	Group stage	Group stage	3rd qualifying round	Group stage	-
Europa League	Round of 32	Round of 32	Round of 32	Play-off round	-	Group stage

(1) At the date of this Prospectus, the 2020/2021 season is still ongoing, with the First Team ranking first in the Jupiler Pro League 1A with a nineteen point lead. With regard to the European Competition, the First Team participated in the group stage of the Champions League and finished in third place (behind Borussia Dortmund and Lazio Roma), with eight points, only one goal away from reaching the round of 16, which is its best performance ever in the Champions League. It subsequently played in the round of 32 fixtures in the Europa League.

In addition, the number of home games played by the Company in each season has an impact on its results of operations. A higher number of home games results in higher matchday and commercial revenue, including revenue from merchandising, food and beverage and hospitality, and *vice versa*. The revenue generated from corporate hospitality and VIP services represents a significant proportion of matchday revenue. If a home game is cancelled and/or attendance to such home game is lower, the Company may lose all or a portion of the expected matchday and commercial revenue. The Company must reserve a number of tickets for its home games for visitors from the opposing team. In particular, the Group must reserve between 700 to 1,500 tickets (depending on the opposing team) for every Belgian competition home game, and 5% of the stadium capacity for every European Competition home game. These tickets cannot always be fully sold due to selling restrictions or low attendance of visiting fans from the opposing teams. Due to the measures taken in the context of the COVID-19 pandemic, no visitors from the opposing team have been allowed to attend home games during the 2020/2021 season and, except for a limited number of home fans who were allowed to attend three home games between 12 September and 23 October 2020, home fans have not been permitted to attend either.

The table below sets forth a detailed breakdown of home games and away games played by the Company in both domestic and international competitions, for the periods indicated:

No. of games played	**Six months ended 31 December**		**Financial year ended 30 June**		
	2019	**2020**	**2018**	**2019**	**2020**
Jupiler Pro League 1A(1)					
Home games	11	10	20	20	15
Away games	9	9	20	20	14
Belgian Cup and Belgian Super Cup(2)					
Home games	0	0	2	0	1
Away games	1	3	3	1	4
European Competitions(3)					
Home games	5	3	2	4	6
Away games	5	3	2	4	6
Total games played					
Total home games	16	13	24	24	22
Total away games	17	13	25	25	24
Total games played	**33**	**26**	**49**	**49**	**46**

(1) The reduced number of matches played for the six-month period ended 31 December 2020 compared to 31 December 2019 was due to the delayed start of the 2020/2021 season.

(2) In the 2019/2020 season, the Belgian Cup final was only held on 1 August 2020.

(3) Including qualifying rounds. The Company directly qualified into the group stages of the Champions League for the 2019/2020 season, but played qualifying matches for the 2018/2019 season. As a result, the Company played less matches during the six-month period ended 31 December 2020 as compared to the six-month period ended 31 December 2019.

As set out under section 8.4.2 "*Overview of Belgian competitions*", the format of the Jupiler Pro League 1A has changed for the 2020/2021 and 2021/2022 seasons. In these seasons, the number of teams participating in the Jupiler Pro League 1A has been increased from 16 to 18 teams. After the regular competition, a shortened version of Play-Offs will be organized, with the four highest ranked teams participating in Play-Off 1 and the four clubs that finish fifth to eighth in the regular competition participating in Play-Off 2. As a result, if the Company obtains a place in one of the Play-Off rounds after the regular competition, 40 games, of which 20 will be home games, will be played.

7.3.3 Gains or losses on disposal of Player Registration Rights

One of the key elements of the Company's business model and strategy is sourcing, attracting and developing high quality talent, with a view to monetizing players by transferring them to football clubs in other top tier leagues around the world. If the Company is successful in implementing its strategy, and is able to sell the Player Registration Rights of players it developed internally, or to sell the Player Registration Rights of players that it acquired externally, above their net book value, the Company is able to generate significant profits which it records as 'Gains on disposal of Player Registration Rights'.

The ability of the Company to sell a player's Player Registration Rights at a premium is correlated, to a high degree, with its First Team's sporting performance and, in particular, with the Company's ability to qualify for European Competitions, which typically results in an increase in the value of players. However, the Company may be able to sell the Player Registration Rights of very talented players at high premiums despite the First Team's performance in football competitions. The majority of the income from the transfer of players, recorded in the profit and loss statement as 'Gains on disposal of Player Registration Rights', is usually generated during the summer transfer window or "*summer mercato*" which typically runs from 15 June to 31 August. Due to the COVID-19 pandemic, in the 2020/2021 season, the Belgian "*summer mercato*" ran from 7 July to 31 August and an additional registration period was permitted from 8 September to 5 October. Gains or losses on transfers are recorded in the fiscal year in which it occurs (*i.e.,* gains or losses on transfers occurring after 30 June will be recorded in the results of operations for the period commencing 1 July). To a lesser extent, players may also be transferred during the winter transfer window or "*winter mercato*" which typically runs for the month of January of each year.

In the 2017/2018, 2018/2019 and 2019/2020 seasons, the Company transferred a total of nine players to clubs in the Big 5 Leagues (and other leagues in the same top football countries) and 16 players to clubs in other leagues. Accordingly, for the financial years ended 30 June 2018, 2019 and 2020, the Company generated gains on disposal of Player Registration Rights of €21.1 million, €11.2 million and €49.1 million, respectively, which represented 36.8%, 13.7% and 41.1% of the Company's Total Operating Income in the same periods. In the six month period ended 31 December 2020, the Company's player transfers generated gains on disposal of Player Registration Rights of €1.3 million, representing 2.6% of Total Operating Income for the period. In the six month period ended 31 December 2019, gains on disposal of Player Registration Rights were €45.7 million, representing 46.0% of Total Operating Income for the period. See also section 7.7.1(v) "*Gains on disposal of Player Registration Rights*".

7.3.4 Media rights revenues

The Company generates media revenues from both domestic and international broadcasting agreements negotiated between the Pro League and one or more selected media broadcasters, and between UEFA and its main sponsors and media broadcasting providers, respectively. Under these agreements, media broadcasters pay media rights to the Pro League and UEFA which, in turn, pay the relevant media rights portion to the Company directly, based on a separately defined division key. The Company refers to revenues generated from domestic agreements with the Pro League and from international agreements with UEFA as 'domestic media revenues' and 'European media revenues', respectively. Domestic and European media revenues are recorded cumulatively under 'media rights revenues'.

A significant portion of media revenues is derived from the Pro League's allocation of the global broadcasting rights for broadcasts of Belgian competitions, including the Jupiler Pro League 1A matches. The broadcasting rights relating to these domestic competitions for the 2018/2019, and 2019/2020 seasons were sold to broadcaster MP & Silva for an aggregate amount of approximately €81.0 million per annum, split among member-clubs in accordance with an agreed division key. From the 2020/2021 season onwards, the Belgian competition's broadcasting rights for five seasons have been sold by the Pro League to broadcaster Eleven Sports, for an overall amount of approximately €101 million per annum pursuant to the Eleven Sports Media Rights Agreement. The revenues are split between the teams playing in the domestic leagues on the basis of a division key including various parameters approved by the Pro League. The largest share of such overall amount will be distributed to the football clubs based on trailing five-year historical sporting performance combined with the sportive success in the latest season as well with commercial success. Other relevant parameters include, among others, the number of TV appearances, the number of Belgian trained players and the quality of the youth academy. Subject to the First Team's performance in the Jupiler Pro League 1A, the Company's share of such overall amount is expected to be from approximately 10.0% to 12.0% per annum, representing the largest share of domestic media rights revenues received by all Pro League clubs because of the Company's historical sporting performance combined with its commercial success. The potential uplift from the previous media rights agreement to the Eleven Sports Agreement is expected to represent an increase of domestic media rights revenues received by the Company of approximately 30% per annum. In addition, the domestic media rights revenues with respect to the Belgian Cup are distributed on a game-by-game basis and vary from €10,000 to €75,000 per game.

The Company generated domestic media revenues of €7.3 million, €7.3 million and €8.1 million for each of the financial years ended 30 June 2018, 2019 and 2020, respectively, which constituted 12.7%, 8.9% and 6.8%, respectively, of the Company's Total Operating Income. In the financial year ended 30 June 2020, there were no rebates of domestic media rights revenues due to the cancellation of the Jupiler Pro League 1A play-off games. See also sections 7.3.1(i)(a) "*Domestic and European media rights*" and section 7.3.1(ii)(a) "*European and domestic media rights*". The Company generated domestic media revenues of €4.0 million and €4.2 million for the six months ended 31 December 2019 and 2020, respectively, which constituted 4.0% and 8.3%, respectively, of the Company's Total Operating Income.

The revenues from domestic media rights are distributed to clubs participating in the Jupiler Pro League 1A on the basis of a division key including various parameters approved by the Pro League. According to the applicable parameters, the four highest ranked teams in the regular competition of the Jupiler Pro League 1A must together donate an amount of €1.8 million out of the media rights payments received in the relevant season to certain other clubs that participated in the Jupiler Pro League 1A (a so-called "*solidarity payment*"). The team that qualifies for the group phase of the Champions League must pay 70% of the total amount, with the second team paying 15% and the other teams respectively 7.5%. The fees generated by the qualification to the Champions League more than offset this "*solidarity payment*". In the 2017/2018, 2018/2019 and 2019/2020 seasons, the Company obtained the first or second place in the Jupiler Pro League 1A and, as a result, had to pay its portion of the "*solidarity payment*".

In addition, due to the premature termination of the Jupiler Pro League 1A in the 2019/2020 season, the participating clubs in the Jupiler Pro League 1A agreed that the winner of the 2019/2020 season, *i.e.,* the Company, must redistribute a part of its domestic media rights revenues (as further described below) with the other clubs in the Jupiler Pro League 1A by way of a one-off "exceptional solidarity compensation" payment. The impact of such payment on the Company's media rights revenue for the six months ended 31 December 2020 was €0.8 million and will be €1.7 million for the full financial year.

As for the European media rights revenues, for the 2020/2021 season of the Champions League, clubs eliminated in the qualification round will receive a €5.0 million fee. Each club participating in the group stage will receive income through the following pillars: (i) a starting fee, (ii) performance-related fixed fees per game played dependent on the outcome, (iii) a fee based on the club coefficient ranking, and (iv) a share of the market pool. The starting fee of the Champions League group stage is €15.3 million and an additional fee is paid amounting to €2.7 million per win and €0.9 million per draw. A club will receive another €9.5 million when qualifying for the round of 16. The fee based on club coefficient ranking is based on performances over a ten-year period. A total amount of €585.0 million has been divided into 'coefficient shares', with each share worth €1.1 million. The lowest-ranked team will receive one share (€1.1 million), adding one share to every rank so the highest-ranked team will receive 32 shares (€35.5 million). The estimated available amount for the market pool of €292 million will be distributed in accordance with the proportional value of each TV market represented by clubs taking part in the group stage, provided that, if more than one team from the same association participates in the Champions League, this amount is split among them as per predetermined rules (source: UEFA, 2020/2021 UEFA club competitions revenue distribution system).

As a result of the COVID-19 pandemic, however, UEFA has requested the lowering of the €15.3 million fixed starting fees for teams entering the Champions League in the group stage. The deductions vary by size of any given domestic national league, and Belgium has agreed to a €5.5 million deduction in European media rights revenues. This €5.5 million deduction will be spread over the coming five seasons, and, as a result, the Company will have a €1.1 million reduction in its European media rights revenues for the 2020/2021 season. See also section 8.2.3 "*Analysis of sources of revenue*" for further information.

For a medium sized club such as the Company, participating in the group stage of the Champions League, revenues are expected to exceed €25.0 million. This includes the group stage allocation of €15.3 million, decreased with the €1.1 million reduction due to the COVID-19 pandemic, and assumes ten UEFA coefficient shares and an estimated payment of €2.0 million of the total market pool of €292 million for the 2020/2021 season (source: UEFA, 2020/2021 UEFA club competitions revenue distribution system).

For the Europa League, the same pillars of income apply, however, the amounts per pillar differ. The starting fee is €2.9 million and bonus fees are paid of €570,000 per win (depending on how many draws there were at the group stage) and €190,000 per draw. Additional fees are paid when advancing through the stages, increasing from €500,000 when qualifying as runner-up for the round of 32 and €4.5 million when playing in the final. A total amount of €84.0 million has been divided into 'coefficient shares', with each coefficient share in the Europa League worth €71,430, while the total market pool is €168.0 million (source: UEFA, 2020/2021 UEFA club competitions revenue distribution system). See also section 8.2.3 "*Analysis of sources of revenue*" for further information.

The Company played in the group stage of the Champions League in the 2018/2019, and 2019/2020 seasons and in the round of 32 of the Europa League in the 2018/2019 and 2019/2020 seasons, but only played in the third qualifying round and play-offs of the European Competitions in the 2017/2018 season. As a result, the Company recognized European media revenues of €1.7 million, €32.2 million and €28.3 million for the financial years ended 30 June 2018, 2019 and 2020, respectively, which constituted 3.0%, 39.4% and 23.7%, respectively, of the Company's Total Operating Income. The Company played in the group stage of the Champions League in the 2019/2020 season and the 2020/2021 season and therefore generated European media revenues of €28.7 million and €34.5 million for the six months ended 31 December 2019 and 2020, respectively, which constituted 28.9% and 68.2%, respectively, of the Company's Total Operating Income in those periods. For an illustration of the Company's sporting results in each season in both domestic and international competitions, please see the relevant table under section 7.3.2 "*The First Team's performance and fan base*" above.

7.3.5 Commercial revenues

Commercial revenues consist of revenues generated from the exploitation of the brand "*Club Brugge*" through sponsorship and other commercial agreements and events, Club Brugge branded merchandise and distribution and sales of such goods.

The Company generates sponsorship revenues from certain sponsorship, advertising and licensing contracts with leading international and domestic companies. As at 31 December 2020, the Company had a broad base of 30 sponsors. These relationships are the primary method by which the Company monetizes the value of the Company's brand and its community of supporters by providing its sponsors with media and content creation, hospitality, stadium visibility and partnership activation, and therefore have a significant impact on the Company's Total Operating Income. The average tenure of the Company's sponsors is four years, such as the Company's current contract with the sportswear company Macron, which started in the 2019/2020 season through to the 2023/2024 season. These sponsorship relationships generate revenue with relatively low fixed costs. In addition, the Company's New Stadium and the relevant naming rights are expected to become significant drivers for the Company's revenues from sponsorship from the start of the 2023/2024 season onwards. The Company also generates revenue from advertising, e.g. led boarding at the stadium, as well as from merchandising of branded goods which, historically, have been sold primarily through the physical store at the Jan Breydel Stadium, and now are also being sold increasingly through the Company's web shop. In addition, in the summer of 2021, a new physical store is expected to be opened in a prime location in the City of Bruges. The Company's online presence, through social media platforms, website, mobile application and the Company's own in-house media content house, with increased advertising opportunities, is expected to be a driving force in further commercial revenue growth.

The Company generated €11.0 million, €11.6 million and €13.5 million of commercial revenues for each of the financial years ended 30 June 2018, 2019 and 2020, respectively, which represented 19.2%, 14.2% and 11.3% of the Company's Total Operating Income, respectively. The Company generated €7.3 million and €6.7 million of commercial revenue for the six months ended 31 December 2019 and 2020, respectively, which represented 7.3% and 13.2% of the Company's Total Operating Income, respectively.

7.3.6 Player wages and amortization and write-downs of Player Registration Rights

Player wages and the amortization and write-downs of Player Registration Rights represent the Company's major expenses.

Wages for all players under contract with the Company and its technical staff are accounted for under 'Players wages and technical staff costs' while wages for other staff are recorded under 'Other personnel'. As of 1 February 2021, players under contract comprise 58 players of which 33 players are in the First Team and technical staff comprises six members. Players' wages are, for the most part, comprised of a fixed part (including base salary, sign-on fee and royalty fee) and a variable part (bonuses) which is usually correlated to the First Team's and/or the relevant player's performance in the Belgian competitions and European Competitions. Bonuses for the performance in the domestic league are specified in the contract of each player. Bonuses for the qualification to European Competitions and the performance in those competitions are generally awarded to the First Team by the management and divided amongst the players by the players themselves. The fixed part of player's wages usually remains steady irrespective of the First Team's performance.

When a Belgian professional football club loans in a player from another domestic club, the player remains on the payroll of his mother club, and the mother club is responsible for the payment of the salary. The match premiums, however, are born by the club to which the player is (temporarily) transferred. The two clubs can agree that the lending club pays a transfer fee to the mother club that covers the salary of the player. In that case, the player is qualified to play for the lending club in games against the mother club. However, parties can also agree otherwise and, for example, agree on a fee that is less than the salary of the loaned player. In that case, the player is not qualified to play against the mother club (no other agreement between clubs on this matter is allowed). When a Belgian professional football club loans a player from a foreign club, the player is removed from the payroll of the mother club for the duration of the loan following the suspension of his employment agreement with the mother club. The lending club enters into a new employment contract with the player (for the duration of the loan) and is responsible for the payment of the loaned player's salary. It is possible that an additional transfer fee for the temporary transfer of the player is agreed upon between the two clubs. A similar process is followed when a Belgian professional football club loans out (temporary transfer) its players to foreign clubs.

The Company incurred €19.8 million, €19.6 million and €27.6 million of player wages and technical staff costs for each of the financial years ended 30 June 2018, 2019 and 2020, respectively, which represented 34.7%, 29.1% and 32.6% of the Company's total operating costs, respectively. The Company incurred €15.1 million and €15.1 million of players wages and technical staff costs for the six months ended 31 December 2019 and 2020, respectively, which represented 35.1% and 37.7% of the Company's total operating costs, respectively.

When the Company purchases a player's Player Registration Rights it records the transfer fee paid as an intangible asset on the balance sheet at the date on which control is transferred to the Company (*i.e.,* upon signing of a binding agreement, and fulfilment of the relevant conditions precedent), which is then amortized over the length of the player's contract. One-off and unconditional agency fees are also capitalized together with the relevant transfer fees, whereas recurring agency fees are recorded under other costs. For the financial years ended 30 June 2018, 2019 and 2020, the Company incurred costs for amortization and write-downs of Player Registration Rights of €11.5 million, €15.4 million and €19.2 million, respectively, representing 20.1%, 22.9% and 22.7% of the Company's total operating costs. As at 30 June 2018, 2019 and 2020, Player Registration Rights, net were €44.0 million, €40.5 million and €49.9 million, respectively, representing 62.6%, 46.4% and 38.7% of the Company's total assets, respectively.

For the six months ended 31 December 2019 and 2020, the Company incurred costs for amortizations and write-downs of Player Registration Rights of €9.1 million and €9.6 million, respectively, representing 21.2% and 23.9% of the Company's total operating costs, respectively. As at 31 December 2020, Player Registration Rights, net were €50.8 million, representing 37.5% of the Company's total assets.

7.3.7 The Company's New Stadium

The Company's New Stadium, which will be owned by the Company itself and the construction of which is planned to start in the first half of 2022, is due for completion at the start of the 2023/2024 season. The New Stadium is expected to play a significant role in the overall customer experience for the Company's fans, and to have a material change on the Company's results of operations and financial performance following completion. The New Stadium will also have significantly increased seating capacity, from 28,415 to approximately 40,000 general seats, with an increase in season ticket holder seats from approximately 24,300 (capped at 85% of the total stadium capacity) to approximately 36,000 seats (*i.e.,* capped at 90% of the total stadium capacity), comprising of 31,000 regular seats and 5,000 VIP/sponsor seats (as compared to 2,038 VIP/sponsor seats in the Jan Breydel Stadium). An uplift in both regular and VIP ticket and membership pricing, are expected to have a significant impact on the Company's Total Operating Income. Revenues from sponsors and advertising are also set to benefit from new sponsorship opportunities linked to the naming rights of the New Stadium and its four main stands. In addition, the various improvements contemplated to the overall commercial infrastructure of the New Stadium, include an increase in the number of food, beverage and merchandising points-of-sale, combined with the newest techniques to optimize food and beverages servicing to reduce waiting times and create better buying opportunities for an increasing number of customers, as well as initiatives to attract fans earlier and keep them longer in the New Stadium, which are expected to have a positive impact on the level of the Company's matchday and commercial revenues. Further, a new flagship merchandising store as well as a museum and a restaurant will be opened in the New Stadium and stadium tours and e-sports games will be organized, creating monetizing opportunities on non-matchdays. In deference to the community and to simplify the construction process, no concerts will be organized in the New Stadium. The New Stadium will allow the Company to move out of the Jan Breydel Stadium, which is 45 years old and requires significant ongoing maintenance, with respect to which the Company is partly liable (see risk factor 2.1.1(ix) on the risks in relation to the aging Jan Breydel Stadium).

The Company estimates that the overall construction cost of the New Stadium will be approximately €100 million. The construction cost is expected to be spread over four years (and is estimated to amount to approximately €3.0 million, €20.0 million, €55.0 million and €22.0 million in the financial years ending 30 June 2021, 2022, 2023 and 2024, respectively), treated as capital expenditures and capitalized on the balance sheet. The cost of the building will then be depreciated over an estimated life of 30 years. The New Stadium will be fully financed by way of debt finance. On 10 January 2020, the Company reached an in principle agreement with the City of Bruges for a long-term lease agreement of 50 years for the land on which the New Stadium will be built, with the possibility of an extension of 49 additional years at the Company's request. The annual lease will amount to approximately €50,000 (indexed annually on the basis of the health index). The in principle agreement was issued by the city of Bruges in the format of a decision of the College of Mayor and Aldermen and was made public. On 24 July 2020, the Company selected a design and build consortium, based on a design and build competition. A design and build agreement with this winning consortium is currently being negotiated.

On 21 August 2020, the Company held its first public consultation on the New Stadium and presented the New Stadium's design to the public. The New Stadium's design provides for a neighborhood friendly stadium with less noise and external lighting compared to the Jan Breydel Stadium and the inclusion of a large newly renovated park area, maintained at the expense of the City of Bruges. In the New Stadium's design, attention is also paid to energy efficiency. On top of the applicable mandatory environmental requirements with regard to heating and ventilation, rainwater will be neutralized and recuperated for sanitation and field irrigation purposes. On 8 March 2021, the Company submitted the building permit application for the New Stadium. In the current envisaged timetable, which may be impacted by factors beyond the Company's control, including actions by third parties, the building permit for the New Stadium is expected to be issued in the second half of 2021, with construction to commence in the first half of 2022 (provided that no appeals are lodged), so that completion is expected at the start of the 2023/2024 season. At 30 June 2020, the Company has incurred €0.8 million in capital expenditures associated with developing the New Stadium and at 31 December 2020, a further €0.7 million .

7.4 Seasonality and timing of contractual payments

The Company experiences seasonality in its revenue and cash flow, limiting the overall comparability of interim financial periods, particularly first half-year results *vis-à-vis* second half-year results. In any given interim period, the Company's Total Operating Income may vary based on the number of games played in that period, which affects the amount of day ticket sales and media rights revenues recognized. Similarly, certain of the Company's costs derive from hosting games at its stadium, and these costs will also vary based on the number of home games played in the period.

In the past three financial years, all season tickets were sold out, with the majority of season tickets for domestic competitions being pre-purchased prior to the beginning of each season, and recorded on the balance sheet as contract liabilities. The substantial majority of season tickets are sold prior to 30 June in each year (representing about 40% of the matchday revenues), thereby providing (i) significant visibility over matchday revenues for the following financial year; and (ii) positive working capital carry. The relevant revenues are then recognized in the profit and loss statement based on the number of home games played in any given fiscal period. Domestic and European media rights revenues are both earned and paid within each financial year. Typically, revenue generated by the First Team's participation in the Champions League and the Europa League, which represent the majority of European media revenues (to the extent the Company is able to qualify for either competition), is generated in the first half of the financial year in respect of the Champions League and in the second half of the financial year in respect of the Europa League. In addition, if the First Team performs well in the Champions League and were to participate in the round of 16, the Company would generate significant additional broadcasting and matchday revenues in the second half of those years also. The base revenues generated from the Eleven Sports Media Rights Agreement are predictable at the start of each financial year for the duration of the agreement. If the First Team secures a higher position in the Jupiler Pro League 1A (if possible), the Company can generate additional revenues from the Eleven Sports Media Rights Agreement for that financial year. See also section 7.3.4 "*Media rights revenues*".

The majority of the Company's income from player sales, recorded in the profit and loss statement as 'Gains on disposal of Player Registration Rights', is typically generated during the summer transfer window (the "*summer mercato*") which typically runs from 15 June to 31 August. Due to the COVID-19 pandemic, in the 2020/2021 season, the Belgian "summer mercato" ran from 7 July to 31 August and an additional registration period was permitted from 8 September to 5 October. Gains or losses on transfers are recorded in the fiscal year in which it occurs (i.e., gains or losses on transfers occurring after 30 June will be recorded in the results of operations for the period commencing 1 July). Unless the transfer occurs before the end of June, the relevant gains or losses are recorded in the first half of each financial year. To a lesser extent, players may also be transferred during the winter transfer window which typically runs during the month of January of each year (the "*winter mercato*").

The Company has a strong predictability over its cash flow originating from sponsorship agreements due to the timing of the specific payments under such sponsorship agreements. The Company recognizes the relevant revenue season by season on the dates of invoicing specified in each sponsorship agreement, in line with the performance obligations included within the contract and based on the sponsorship rights enjoyed by the individual sponsor. In instances where the sponsorship rights remain the same over the duration of the contract, revenue is recognized as performance obligations are satisfied evenly over time (*i.e.,* on a straight-line basis). With respect to sponsorship contracts with multiple performance obligations, the Company allocates the total consideration receivable to one performance obligation, and then recognizes the allocated revenue evenly over time as performance obligations are satisfied (*i.e.,* on a straight-line basis). Upon presentation of financial statements, the relevant revenue is divided over the number of home games played during the period. Payment timing under the Company's sponsorship may vary from sponsor to sponsor. Typically, the Company can control the timing of the payments under the majority of its contracts, including the contracts governing the distribution of the Belgian competition broadcasting rights revenues, and players' transfer contracts. The receipt of payments for transfers of players to other football clubs is guaranteed by article 49 of the UEFA Club Licensing and Financial Fair Play Regulations, which provides that each license applicant must prove that as at 31 March preceding the license season it has no overdue payables towards other football clubs for transfer undertaken prior to the previous 31 December. In the event the license applicant fails to prove it has no overdue payables, it may lose its license to participate in domestic competitions and European Competitions.

7.5 Explanation of key income statement items

7.5.1 Total operating income

Operating income consists of revenues and profits generated from the Company's operations, including revenues from matchday, media rights, and commercial activities, and gains on disposal of Player Registration Rights.

(i) Matchday revenues

Matchday revenues consist mainly of revenues from season and matchday tickets for home games in the Jupiler Pro League 1A, matchday tickets for home games in European Competitions, the Company's share of gate receipts from domestic Belgian

Cup matches, the sale of memberships, revenues from food and beverage, as well as some VIP and corporate hospitality.

(ii) *Media rights revenues*

Media rights revenues consist mainly of revenues deriving from media contracts for the participation in Belgian competitions and the qualification to and participation in European Competitions. The Company refers to revenues generated from domestic agreements negotiated by the Pro League and from international agreements negotiated by UEFA as 'domestic media revenues' and 'European media revenues', respectively.

(iii) *Commercial revenues*

Commercial revenues consist of revenues generated from the commercialization of the brand "*Club Brugge*" through sponsorship and other commercial agreements and events, "*Club Brugge*" branded merchandise and distribution and sales of such goods as well as the corporate hospitality included in contracts with the Company's largest sponsors.

(iv) *Other revenues*

Other revenues are mainly comprised of rental payments paid by Cercle Brugge for its use of the Jan Breydel Stadium, amounts received for players loaned to other clubs and compensation received for players playing international matches for their national teams.

(v) *Gains on disposal of Player Registration Rights*

Gain on disposal of Player Registration Rights consists of profits from the transfer of players' Player Registration Rights to other clubs. The gains on disposal are the difference between the sale proceeds and the net book value (at time of sale), net of agent fees, sell-on fees due to previous clubs and solidarity payments, if applicable.

(vi) *Other operating income*

Other operating income comprises mainly of membership fees of (youth and women) players, donations and various other income.

7.5.2 Total operating costs

Operating costs consist of expenses and losses incurred by the Company's operations, including costs for purchase of materials, suppliers and other consumables, costs for player wages and technical staff, other personnel, losses on disposal of Player Registration Rights, and amortization and write-downs of Player Registration Rights.

(i) *Purchase of materials, supplies and other consumables*

Purchase of materials, supplies and other consumables consists mainly of the inventories purchased for the sale of merchandise.

(ii) *Other operating expenses*

Other operating expenses include amongst others, administration costs, organizational costs, travel and accommodation, maintenance, insurance (not related to labor agreements), and costs for service providers including agents. Other operating expenses also include contributions paid to the Royal Belgian Football Association on all season and ticket revenues for domestic matches played at home.

(iii) *Player wages and technical staff costs*

Player wages and technical staff costs consist mainly of expenses for salaries of players under contract with the Company, as well as salaries of the key technical staff, including social security expenses, and performance bonuses. Player wages also include the cashback received by the Company as discount on the insurance policies for its players as well as the reduction on personnel taxes. The Company receives back 80% of the taxes paid for players under 26 years and 80% for players above 26 under certain conditions (investment obligations). See also section 9.13 "*Regulatory environment*" for further details on reduction in personnel taxes.

(iv) *Other personnel*

Other personnel consists of the salaries (and the relevant social security expenses and bonuses) for all other personnel, including all personnel of the commercial, sports and corporate functions departments (see section 9.1.2 "*Company's organization and business units*").

(v) *Loss on disposal of Player Registration Rights*

Loss on disposal of Player Registration Rights consists of losses arising either from the transfer of players to other clubs or upon the early termination of contracts. The losses on disposal arise when the sale proceeds, net of agent fees, sell-on fees due to previous clubs and solidarity payments, if applicable, are lower than the net book value at the time of sale. In addition, where a contract is terminated, the net book value will be written down to zero.

(vi) *Amortization and write-downs of Player Registration Rights*

Amortization of Player Registration Rights are incurred over the length of the player's contract. One-off or unconditional agency fees are also capitalized together with players' purchase costs and amortized. Write-downs can occur when a player sustains such serious injuries that he will be permanently barred from playing football at a professional level going forward. The Company has insurance policies in place in order to mitigate the Company's losses due to such permanent injuries to its players.

(vii) *Amortization of other intangible assets and depreciation of property, plant and equipment*

Amortization of other intangible assets and depreciation of property, plant and equipment is mainly comprised of depreciations of property, plant and equipment, including depreciation of the renovated parts of the Jan Breydel Stadium as well as its pitch and surrounding training grounds.

Starting from 1 July 2019, amortization of other intangible assets and depreciation of property, plant and equipment also includes depreciation of the Belfius Basecamp.

(viii) *Depreciation of right-of-use-assets*

Depreciation of right-of-use-assets mainly consists of depreciation amounts related to (i) incoming player rental agreements; and (ii) the land on which the Belfius Basecamp is situated. The relevant lease contract (*erfpachtovereenkomst*/*contrat d'emphytéose*) has a term of 50 years and ends on April 2068. At the end of the contract, the Company has the right to extend the lease for an additional 49 years.

(ix) *Other non-cash expenses*

Other non-cash expenses include amortizations of other intangible assets and provisions for inventory.

7.5.3 Financial income/(expenses)

Financial income/(expenses) consists primarily of income and expenses generated from interest income for outstanding receivables, and interest payable under the Company's loan agreements with Club Brugge Foundation and Belfius Bank (for the Belfius Basecamp).

7.5.4 Current taxes

Current taxes comprise the expected tax payable on the taxable income for the period and any adjustment to the tax payable in respect of previous periods.

7.5.5 Deferred taxes

Deferred taxes are recognized with regards to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the carrying amounts used for taxation purposes. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. See also note 3.19.2 of the Financial Statements.

7.6 Recent developments

7.6.1 Winter transfer window for the 2020/2021 season

The winter transfer window for the 2020/2021 season was open from 1 January 2021 through 1 February 2021. During this transfer window, the Company generated a total of €21.2 million in gross proceeds (*i.e.,* €13.3 million of net gains), resulting from the disposal of Player Registration Rights, to be received over time.

The key outgoing transfers included that of Krépin Diatta to AS Monaco for an amount of €16.7 million (excluding potential milestone payments of €3.3 million and a 10% sell-on payment), Luan Peres to Santos FC for an amount of €2.8 million and Siebe Schrijvers to Oud-Heverlee Leuven for an amount of €1.7 million. The key acquisitions included that of Bas Dost from Eintracht Frankfurt for an amount of €4.0 million.

7.6.2 Schiervelde Stadium

On the date of this Prospectus, the Company is negotiating a 30-year lease agreement with the city of Roeselare for the use of the Schiervelde Stadium for its Club NXT U23 Team. The Club NXT U23 Team intends to use the Schiervelde Stadium, which in the past has been used by the former professional football club KSV Roeselare and has a seating capacity of approximately 8,400 seats, to play home games in the Pro League 1B. The Company intends to convert the main stadium stand (including the stand’s office facilities) into a junior basecamp training center for the U13-U16 teams of Club NXT, who will also use nearby training pitches. This redevelopment is expected to entail approximately €0.5 million of capital expenditures in each of the 2020/2021 and 2021/2022 seasons and is expected to be depreciated over ten years. See also section 9.1.3(iii) "*Schiervelde Stadium and Watertoren site*".

7.7 Results of operations

The following table sets forth the Company's consolidated statement of profit and loss for the six months ended 31 December 2019 and 2020, and the financial years ended 30 June 2018, 2019 and 2020:

	Six months ended 31 December		**Financial year ended 30 June**		
	2019	**2020**	**2018**	**2019**	**2020**
	(unaudited)	*(unaudited)*	*(audited)*	*(audited)*	*(audited)*
	(€ '000) unless otherwise stated				
Matchday revenues	12,555	2,851	13,584	17,731	17,997
Media rights revenues	32,717	38,666	8,953	39,498	36,410
- *Domestic*	*3,995*	*4,185*	*7,273*	*7,307*	*8,064*
- *European*	*28,722*	*34,481*	*1,680*	*32,191*	*28,346*
Commercial revenues	7,256	6,715	11,042	11,643	13,455
Other revenues	1,162	961	2,279	1,448	2,502
Gains on disposal of Player Registration Rights	45,666	1,288	21,072	11,157	49,061
Other operating income	56	111	508	224	186
Total operating income	**99,412**	**50,592**	**57,438**	**81,701**	**119,611**
Purchase of materials, supplies and other consumables	(878)	(722)	(1,331)	(1,165)	(1,521)
Other operating expenses	(12,115)	(9,442)	(14,347)	(20,473)	(21,843)
Player wages and technical staff costs	(15,093)	(15,143)	(19,782)	(19,636)	(27,622)
Other personnel	(2,532)	(2,405)	(4,346)	(4,432)	(5,557)
Losses on disposal of Player Registration Rights	(16)	(416)	(2,333)	(3,306)	(1,111)
Amortization and write-downs of Player Registration Rights	(9,081)	(9,591)	(11,466)	(15,424)	(19,187)
Amortization of other intangible assets and depreciation of property, plant and equipment	(1,440)	(1,507)	(1,722)	(1,632)	(2,891)
Depreciation of right-of-use assets	(1,786)	(916)	(1,560)	(872)	(4,228)
Other non-cash expenses	(80)	0	(224)	(397)	(619)
Total operating costs	**(43,021)**	**(40,142)**	**(57,111)**	**(67,337)**	**(84,579)**
Operating profit	**56,391**	**10,450**	**327**	**14,364**	**35,032**
EBITDA(1)	**68,698**	**22,465**	**15,075**	**32,292**	**61,338**
Financial income	1,700	637	128	96	452
Financial expenses	(385)	(360)	(177)	(191)	(620)
Financial result	**1,315**	**277**	**(49)**	**(95)**	**(168)**
Income/(loss) before taxes	**57,706**	**10,727**	**278**	**14,269**	**34,864**
Current taxes	(17,997)	(2,634)	(517)	(3,558)	(11,007)
Deferred taxes	130	(305)	158	(974)	269

	Six months ended 31 December		Financial year ended 30 June		
	2019	2020	2018	2019	2020
	(unaudited)	*(unaudited)*	*(audited)*	*(audited)*	*(audited)*
	(€ '000) unless otherwise stated				
Total income taxes...........................	**(17,867)**	**(2,939)**	**(359)**	**(4,532)**	**(10,738)**
Profit (loss) for the period................	**39,839**	**7,788**	**(81)**	**9,737**	**24,126**

(1) *For a reconciliation of EBITDA to Profit (loss) for the period, please refer to section 7.1 "Selected Financial Information" of this Prospectus.*

7.7.1 Six months ended 31 December 2020 compared to six months ended 31 December 2019

(i) Matchday revenues

Matchday revenues decreased by €9.7 million, or 77.0%, to €2.9 million for the six months ended 31 December 2020 from €12.6 million for the six months ended 31 December 2019, primarily as a result of the COVID-19 pandemic. As a result of government restrictions, three home games played were limited to 9,200 spectators allowed in the stadium and all other 18 home games (14 home games in domestic competitions and four home games in European Competitions) were played without spectators being allowed to attend the matches. These limitations reduced the Company's matchday revenues associated with those matches, including matchday tickets, food and beverage, and corporate hospitality revenues. Season ticket holders (both private individuals and corporate sponsors) have been granted the option to request, on a game-by-game basis, a 5% rebate on the price of their season ticket for each home game that they are unable to attend due to restrictions imposed in the context of the COVID-19 pandemic. Approximately 6,000 of the Company's 24,300 season ticket holders have voluntarily relinquished their option to receive a rebate for the entirety of the 2020/2021 season, regardless of the number of home games that they are unable to attend. Overall, for the first 15 home games for which season ticket holders could request the 5% rebate, approximately 50% of the season ticket holders (also including those season ticket holders who have attended one or more home games as well as the season ticket holders who have voluntarily relinquished their option to receive a rebate for the entire season) have not requested this rebate. See also section 7.3.1(ii)(c) "*Matchday revenues*".

(ii) Media rights revenues

The following table sets forth the breakdown of the Company's domestic and European media rights revenue for the six months ended 31 December 2020 and 2019:

	For the six months ended 31 December	
	2019	2020
	(unaudited)	*(unaudited)*
	(€ '000 unless otherwise stated)	
Domestic media rights revenues	3,995	4,185
European media rights revenues	28,722	34,481
Total media rights revenue	**32,717**	**38,666**

Media rights revenues increased by €6.0 million, or 18.3%, to €38.7 million for the six months ended 31 December 2020 from €32.7 million for the six months ended 31 December 2019. The increase in European media rights revenue primarily reflected the Company's improved performance in the Champions League group stage in the 2020/2021 season, where it won eight points compared to three points won in the 2019/2020 season. The increase in domestic media rights revenue was primarily a result of the new domestic media rights agreement between the Pro League and Eleven Sports and the Company maintaining the first place in the Jupiler Pro League 1A. This increase was partially offset by a one-off COVID-19 related "*exceptional solidarity compensation*" payment of €0.8 million by the Company in the six month period ended 31 December 2020. See also section 7.3.1(ii)(c) "*Matchday revenues*" and section 7.3.4 "*Media rights revenues*".

(iii) *Commercial revenues*

Commercial revenues decreased by €0.6 million, or 8.2%, to €6.7 million for the six months ended 31 December 2020 from €7.3 million for the six months ended 31 December 2019, primarily as a result of the COVID-19 pandemic. As most home games (15 of 18) were played without stadium spectators, and the balance with only a limited number of spectators, less commercial revenues were recognized during the six months ended 31 December 2020. In addition, a limited amount of refunds was provided to commercial partners and sponsors, specifically relating to parts of the corporate hospitality envisaged in the sponsorship agreements. There was also a decrease in merchandising from the in-house merchandise shop at the Jan Breydel Stadium which was only partially compensated by the increase in online sales of the merchandise through the Company's web shop. See also section 7.3.5 "*Commercial revenues*".

(iv) *Other revenues*

Other revenues decreased by €0.2 million, or 16.7%, to €1.0 million for the six months ended 31 December 2020 from €1.2 million for the six months ended 31 December 2019, primarily as a result of the cancelation and/or postponement of international games; and consequently, a reduction in compensation received for players that participated in international matches for their national teams.

(v) *Gains on disposal of Player Registration Rights*

Gains on disposal of Player Registration Rights decreased by €44.4 million, or 97.2%, to €1.3 million for the six months ended 31 December 2020 from €45.7 million for the six months ended 31 December 2019, primarily due to the First Team not transferring as many of its higher valued players during the six months ended 31 December 2020 compared to the six months ended 31 December 2019. In the six-month period ended 31 December 2019, eight players were transferred compared to one player for the six-month period ended 31 December 2020.

This was also impacted by the higher losses on disposal of Player Registration Rights from €16,162 for the six month period ended 31 December 2019 to €0.4 million for the six month period ended 31 December 2020.

The Company transferred several players during the winter mercato in January 2021, the impact of which will be reflected in the financial statements for the financial year ended 30 June 2021. See section 7.6 "*Recent developments*".

(vi) *Other operating income*

Other operating income increased by €55,679, or 98.2%, to €0.1 million for the six months ended 31 December 2020 from €56,149 for the six months ended 31 December 2019, primarily as a result of fluctuations in insurance received.

(vii) *Total operating income*

As a result of the foregoing, the Company's Total Operating Income decreased by €48.8 million, or 49.1%, to €50.6 million for the six months ended 31 December 2020 from €99.4 million for the six months ended 31 December 2019, primarily as a result of the COVID-19 pandemic which lead to a significant reduction in (i) matchday revenues, (ii) gains on the disposal of Player Registration Rights and (iii) commercial revenues.

(viii) *Purchase of materials, supplies and other consumables*

Purchase of materials, supplies and other consumables decreased by €0.2 million, or 22.2%, to €0.7 million for the six months ended 31 December 2020 from €0.9 million for the six months ended 31 December 2019, primarily as a result of a decrease in spectator attendance at the Jan Breydel Stadium and the in-house merchandise shop located in the Jan Breydel Stadium due to the restrictions imposed due to the COVID-19 pandemic.

(ix) *Other personnel*

Other personnel decreased by €0.1 million, or 4.0%, to €2.4 million for the six months ended 31 December 2020 from €2.5 million for the six months ended 31 December 2019.

(x) *Losses on disposal of Player Registration Rights*

Losses on disposal of Player Registration Rights increased by €0.4 million to €0.4 million for the six months ended 31 December 2020 from €16,162 for the six months ended 31 December 2019, primarily as a result of transfers of Player Registration Rights below their net book value.

(xi) *Amortization of and write-downs of Player Registration Rights*

Amortization of Player Registration Rights increased by €0.5 million, or 5.5%, to €9.6 million for the six months ended 31 December 2020 from €9.1 million for the six months ended 31 December 2019, primarily reflecting the higher book value of the Company's players during the period.

(xii) *Amortization of other intangible assets and depreciation of property, plant and equipment*

Amortization of other intangible assets and depreciation of property, plant and equipment increased by €0.1 million, or 4.8%, to €1.5 million for the six months ended 31 December 2020 from €1.4 million for the six months ended 31 December 2019.

(xiii) Depreciation of right-of-use assets

Depreciation of right-of-use assets decreased by €0.9 million, or 50.0%, to €0.9 million for the six months ended 31 December 2020 from €1.8 million for the six months ended 31 December 2019, primarily as a result of reduced depreciation associated with player rentals.

(xiv) Total operating costs

As a result of the foregoing, the Company's total operating costs decreased by €2.9 million, or 6.7%, to €40.1 million for the six-month period ended 31 December 2020 from €43.0 million for the six-month period ended 31 December 2019. This is primarily as a result of (i) the significant decrease in other operating expenses to €9.4 million for the six-month period ended 31 December 2020 from €12.1 million for the six-month period ended 31 December 2019; (ii) no non-cash expenses for the six-month period ended 31 December 2020, compared to the €80,477 for the six-month period ended 31 December 2019; and (iii) the lower depreciation of right-of-use assets to €0.9 million for the six-month period ended 31 December 2020 compared to €1.8 million for the six-month period ended 31 December 2019.

(xv) Financial income/(expenses), net

Financial income/(expenses), net decreased by €1.0 million, or 76.9%, to €0.3 million for the six months ended 31 December 2020 from €1.3 million for the six months ended 31 December 2019. This is as a result of non-realized exchange gains on GBP for the six-month period ended 31 December 2020.

(xvi) Current taxes

Current taxes decreased by €15.4 million, or 85.6%, to €2.6 million for the six months ended 31 December 2020 from €18.0 million for the six months ended 31 December 2019. The decrease in current taxes from the six-month period ended 31 December 2019 to the six-month period ended 31 December 2020 primarily reflected the decrease in operating profits.

(xvii) Deferred taxes

Deferred taxes increased by €0.4 million to €0.3 million for the six months ended 31 December 2020 from €(0.1 million) for the six months ended 31 December 2019, primarily as a result of primarily as a result of the recognition of temporary differences between the IFRS accounting value and the tax value.

7.7.2 Financial year ended 30 June 2020 compared to the financial year ended 30 June 2019 and the financial year ended 30 June 2018

(i) Matchday revenues

Matchday revenue increased by €0.3 million, or 1.7% to €18.0 million for the financial year ended 30 June 2020 from €17.7 million for the financial year ended 30 June 2019, which was an increase of €4.1 million, or 30.1% from €13.6 million for the financial year ended 30 June 2018.

Prior to the COVID-19 pandemic, matchday revenue was highly correlated with the number of home games played in any given fiscal period. For a detailed breakdown of the games played by the Company in both domestic competitions and European Competitions in the periods under review, please refer to the table included in section 7.3.2 "*The First Team's performance and fan base*" above.

The increase in revenues from the financial year ended 30 June 2019 to the financial year ended 30 June 2020 and from the financial year ended 30 June 2018 to the financial year ended 30 June 2019 were primarily driven by the Company's performance and participation in European Competitions which led to a higher number of home games being played.

While the Company has consistently achieved a top-two position in the Jupiler Pro League 1A in the financial years ended 30 June 2018 (2017/2018 season), 30 June 2019 (2018/2019 season) and 30 June 2020 (2019/2020 season), its performance in the European Competitions varied between the three seasons. In the Jupiler Pro League 1A, the Company obtained first place in the 2017/2018 and 2019/2020 seasons and the second place in the 2018/2019 season. These positive results led to all 24,300 season tickets being sold out in all three seasons, with additional day ticket sales, resulting in strong food and beverage sales and high levels of revenues from VIP and corporate hospitality. For every Belgian competition home game, a number of tickets, ranging from 700 to 1,500 depending on the opponent, must be reserved for visitors from the opposing team. For every European Competition game 5% of the stadium capacity must be reserved for visitors from the opposing team. These tickets cannot always be fully sold due to selling restrictions. Conversely, while the Company qualified for the Champions League in the 2018/2019 season and for the Europa League in the 2018/2019 season, in the 2017/2018 season it only played in the European Competitions qualification rounds but was not able to qualify for any European Competitions, which resulted in lower revenues in the financial year ended 30 June 2018. Furthermore, in the two Champions League qualification rounds in the 2017/2018 season, the season ticket holders entered these two home games for free further to a decision taken by the Company for the benefit of its fan base.

Higher matchday revenues in the financial year ended 30 June 2020 as compared to the financial year ended 30 June 2019 were driven by the Company's performance in the Champions League and the Europa League in the 2019/2020 season when the First Team played a higher number of games (one additional home game) as compared to those played in the 2018/2019 season. Matchday revenues were adversely impacted due to the cancellation of five home matches in the Jupiler Pro League 1A play-offs in the 2019/2020 season, which are usually key contributors to the Company's matchday revenue. This resulted in a reduction of the Company's matchday revenues associated with those matches, including tickets, food and beverage, and corporate hospitality revenues, as well as commercial revenues from the sale of merchandise at matches. The Company has estimated that lost revenues amounted to €1.4 million, partially offset by savings of the operating costs associated with holding home matches, with an estimated impact to net profit of approximately €0.3 million.

(ii) *Media rights revenues*

The following table sets forth the breakdown of the Company's domestic and European media rights revenue years ended 30 June 2018, 2019 and 2020:

	For the financial year ended 30 June		
	2018	**2019**	**2020**
	(audited)	*(audited)*	*(audited)*
	(€ '000 unless otherwise stated)		
Domestic media rights revenues	7,273	7,307	8,064
European media rights revenues	1,680	32,191	28,346
Total media rights revenue	**8,953**	**39,498**	**36,410**

Media rights revenues decreased by €3.1 million, or 7.8% to €36.4 million for the financial year ended 30 June 2020 from €39.5 million for the financial year ended 30 June 2019. The amount for the financial year ended 30 June 2019 was an increase of €30.5 million, or 338.9%, from €9.0 million for the financial year ended 30 June 2018.

The decrease from the financial year ended 30 June 2019 to the financial year ended 30 June 2020 was driven by the decrease in European media revenues by €3.9 million, or 12.1%, to €28.3 million for the financial year ended 30 June 2020 from €32.2 million for the financial year ended 30 June 2019. The decrease in European media revenues from the financial year ended 30 June 2019 to the financial year ended 30 June 2020 was a result of collecting fewer points in the Champions League group stage and receiving a lower share of the market pool due to the participation of two Belgian football clubs in the Champions League in the financial year ended 30 June 2020 as compared to the financial year ended 30 June 2019.

The increase from the financial year ended 30 June 2018 to 30 June 2019 was driven by the increase in European media revenues of €30.5 million. This increase in European media revenues reflected the First Team's participation in both the Champions League and the Europa League in the 2018/2019 season, while it only played in the European Competitions qualification rounds and did not qualify for any European Competition in the 2017/2018 season.

Domestic media revenues increased to €8.1 million for the financial year ended 30 June 2020 from €7.3 million for the financial year ended 30 June 2019, which was in line with the €7.3 million for the financial year ended 30 June 2018. The increase from the financial year ended 30 June 2019 to the financial year ended 30 June 2020 was mainly the result of better positioning and achieving the first place in the Jupiler Pro League 1A. Further, there was also an increase in the aggregate amount divided between the Pro League clubs of 2.0% compared to the financial year ended 30 June 2019 and 2.7% compared to the financial year ended 30 June 2018.

(iii) *Commercial revenues*

Commercial revenues increased by €1.9 million, or 16.4% to €13.5 million from €11.6 million for the financial year ended 30 June 2019 which was an increase of €0.6 million, or 5.5%, from €11.0 million for the financial year ended 30 June 2018.

The increase from the financial year ended 30 June 2019 to the financial year ended 30 June 2020 was primarily due to an increase in sponsorship revenues from its enhanced shirt sponsorship deal with Unibet. Unibet was the Company's shirt-sleeve sponsor for the 2018/2019 season. For the 2019/2020 season, this sponsorship amount was substantially higher as the contract provided that Unibet would become the Company's main shirt sponsor.

The increase from the financial year ended 30 June 2018 to the financial year ended 30 June 2019 was primarily due to the increase in sponsorship revenue reflecting the addition of Unibet as a shirt sponsor.

(iv) *Other revenues*

Other revenues increased by €1.1 million, or 78.6% to €2.5 million for the financial year ended 30 June 2020 from €1.4 million for the financial year ended 30 June 2019 which was a decrease of €0.9 million, or 39.1% from €2.3 million for the financial year ended 30 June 2018.

The increase from the financial year ended 30 June 2019 to the financial year ended 30 June 2020 was primarily due to an increase in the amounts received for players on loan to other domestic clubs.

The decrease in other revenues from the financial year ended 30 June 2018 to the financial year ended 30 June 2019 was primarily due to less players on loan to other clubs in the ordinary course of business.

(v) *Gains on disposal of Player Registration Rights*

Gains on disposal of Player Registration Rights increased by €37.9 million, or 338.4% to €49.1 million for the financial year ended 30 June 2020 from €11.2 million for the financial year ended 30 June 2019, which was a decrease of €9.9 million, or 46.9%, from €21.1 million for the financial year ended 30 June 2018.

The increase in gains on disposal of Player Registration Rights from the financial year ended 30 June 2019 to the financial year ended 30 June 2020 was primarily due to a higher number of outgoing player transfers, one of which was the Company's most valuable outgoing transfer ever.

The decrease in gain on disposal of Player Registration Rights from the financial year ended 30 June 2018 to the financial year ended 30 June 2019 was primarily due to a lower number of outgoing player transfers.

(vi) *Total operating income*

As a result of the factors discussed above, the Company's Total Operating Income increased by €37.9 million, or 46.4%, to €119.6 million for the financial year ended 30 June 2020 from €81.7 million for the financial year ended 30 June 2019, which was an increase of €24.3 million, or 42.3%, from €57.4 million for the financial year ended 30 June 2018.

The increase from the financial year ended 30 June 2019 to the financial year ended 30 June 2020 was a combination of increases in matchday revenues, commercial revenues and other revenues and, particularly, gains on disposal of Player Registration Rights.

The increase from the financial year ended 30 June 2018 to the financial year ended 30 June 2019 was due mainly to (i) the increase of €30.5 million in the Company's total media rights revenues from €9.0 million to €39.5 million, and (ii) the increase of €4.1 million in matchday revenues from €13.6 million in the financial year ended 30 June 2018 to €17.7 million in the financial year ended 30 June 2019, mainly driven by the Company's participation in the Champions League, which more than offset the decrease of €9.9 million in gains on disposal of Player's Registration Rights from €21.1 million in the financial year ended 30 June 2018 to €11.2 million in the financial year ended 30 June 2019.

(vii) *Other operating expenses*

The following table sets forth the breakdown of the Company's other operating expenses for the financial years ended 30 June 2018, 2019 and 2020:

	For the financial year ended 30 June		
	2018	**2019**	**2020**
	(audited)	*(audited)*	*(audited)*
	(€ '000 unless otherwise stated)		
General administration	1,879	4,339	5,040
Rent and other services	1,216	1,425	1,487
Organization, equipment and security	3,679	4,162	5,465
Travelling expenses	1,671	1,858	2,027
Utilities, maintenance and repair	1,310	1,530	2,422
Hotel, restaurant and reception	846	1,079	695
Consulting and other advisory expenses	3,115	5,267	3,832
Interim	42	50	87
Other taxes	589	763	788
Total	**14,347**	**20,473**	**21,843**

Other operating expenses increased by €1.3 million, or 6.3%, to €21.8 million for the financial year ended 30 June 2020 from €20.5 million for the financial year ended 30 June 2019, which was an increase of €6.2 million from €14.3 million for the financial year ended 30 June 2018.

The increase in other operating expenses from the financial year ended 30 June 2019 to the financial year ended 30 June 2020 primarily reflected (i) higher expenses for general administration which grew from €4.3 million in the financial year ended 30 June 2019 to €5.0 million in the financial year ended 30 June 2020; (ii) higher expenses for organization, equipment and security which increased from €4.2 million in the financial year ended 30 June 2019 to €5.5 million in the financial year ended 30 June 2020; and (iii) higher travelling expenses which grew from €1.9 million for the financial year ended 30 June 2019 to €2.0 million for the financial year ended 30 June 2020. The increase in other operating expenses was partially offset by lower consulting and other advisory expenses which decreased from €5.3 million in the financial year ended 30 June 2019 to €3.8 million in the financial year ended 30 June

2020. These increases mainly reflected the Company's non-domestic champion route to participating in both the Champions League and the Europa League for the 2019/2020 season. The Company incurred €1.1 million in consulting and other advisory expenses related to the Offering in the financial year ended 30 June 2020.

The increase in other operating expenses from the financial year ended 30 June 2018 to the financial year ended 30 June 2019 primarily reflected (i) higher expenses for general administration which grew from €1.9 million in the financial year ended 30 June 2018 to €4.3 million in the financial year ended 30 June 2019; (ii) higher expenses for organization, equipment and security which increased from €3.7 million in the financial year ended 30 June 2018 to €4.2 million in the financial year ended 30 June 2019; and (iii) higher consulting and other advisory expenses which increased from €3.1 million in the financial year ended 30 June 2018 to €5.3 million in the financial year ended 30 June 2019. Both increases mainly reflected the Company's participation in both the Champions League and the Europa League in the 2018/2019 season.

The increase in consulting and other advisory expenses from the financial year ended 30 June 2018 to the financial year ended 30 June 2019 was due to higher expenses for agents and advisors, including €0.5 million of legal services, out of which €0.3 million was incurred in connection with regulatory matters, as well as a one-off retroactive payment of €1.9 million relating to historical expenses incurred by the Company in financial years prior to the financial year ended 30 June 2019. These expenses were originally born by the shareholders who were reimbursed by the Company during the course of the financial year ended 30 June 2019. These historical expenses relate to travel, representation and consultancy work undertaken for the Company since the acquisition of the football activities of the Club Brugge Foundation by Club Brugge.

(viii) *Player wages and technical staff costs*

The following table sets forth the breakdown of the Company's player wages and technical staff costs for the financial years ended 30 June 2018, 2019 and 2020:

	For the financial year ended 30 June		
	2018	**2019**	**2020**
	(audited)	*(audited)*	*(audited)*
	(€ '000 unless otherwise stated)		
Player and technical staff wages	24,041	24,849	34,543
Social security charges	674	625	925
Defined benefit cost	3,900	3,622	4,732
Other expenses	62	97	374
Reduction on personnel taxes	(8,895)	(9,557)	(12,952)
Total	**19,782**	**19,636**	**27,622**

Total player wages and technical staff costs increased by €8.0 million, or 40.8% to €27.6 million for the financial year ended 30 June 2020 from €19.6 million for the financial year ended 30 June 2019, which was a slight decrease of €0.2 million, or 1.0% from €19.8 million for the financial year ended 30 June 2018.

The increase in player wages and technical staff costs from the financial year ended 30 June 2019 to the financial year ended 30 June 2020 was primarily due to a double bonus pay-out relating to the First Team (i) winning the Jupiler Pro League 1A in the 2019/2020 season; and (ii) qualifying for the Champions League group stage in the 2019/2020 season from a second place in the Jupiler Pro League 1A in the 2018/2019 season, triggering a bonus equal to winning the Jupiler Pro League 1A. Additionally, there were success fees paid to players transferred to other clubs, and there have been some salary increases in the framework of contract renewals with key players and technical staff. These increases were partially offset by a reduction in the end-of-season discretionary bonuses for players and staff for the financial year ended 30 June 2020 as a part of the Company's response to the COVID-19 pandemic.

Player wages and technical staff costs for the financial years ended 30 June 2018 and 30 June 2019 remained stable. During the financial year ended 30 June 2019, there was an increase in fixed salaries of players originating from contract renewals and bonuses paid out linked to the First Team's performance in the Champions League and Europa League for the 2018/2019 season. This increase in costs was almost fully offset by the absence of the championship player bonuses in the 2018/2019 season since the First Team ended second in the Jupiler Pro League 1A.

(ix) *Other personnel*

Other personnel increased by €1.2 million, or 27.3% to €5.6 million for the financial year ended 30 June 2020 from €4.4 million for the financial year ended 30 June 2019, which was a slight increase of €0.1 million, or 2.3% from €4.3 million for the financial year ended 30 June 2018.

The increase in other personnel from the financial year ended 30 June 2019 to the financial year ended 30 June 2020 was primarily due to an increase in FTEs.

Other personnel remained relatively stable for the financial years ended 30 June 2018 and 30 June 2019.

(x) *Losses on disposal of Player Registration Rights*

Losses on disposal of Player Registration Rights decreased by €2.2 million, or 66.7% compared to €1.1 million for the financial year ended 30 June 2020 from €3.3 million for the financial year ended 30 June 2019, which was an increase of €1.0 million, or 43.5% from €2.3 million for the financial year ended 30 June 2018.

The decrease in losses on disposal for Player Registration Rights from the financial year ended 30 June 2019 to the financial year ended 30 June 2020 was primarily due to the lower number of outgoing transfers of Player Registration Rights below their net book value compared to the financial year ended 30 June 2019.

The increase in losses on disposal of Player Registration Rights from the financial year ended 30 June 2018 to the financial year ended 30 June 2019 primarily relates to the higher number of outgoing transfers of Player Registration Rights below their net book value compared to the financial year ended 30 June 2018.

The Company sometimes makes the strategic decision to transfer a player's Player Registration Rights below their net book value when such player is no longer playing in and contributing to the Company's teams in order to reduce the salary base of the Company.

(xi) *Amortization of and write-downs of Player Registration Rights*

Amortization and write-downs of Player Registration Rights increased by €3.8 million, or 24.7% to €19.2 million for the financial year ended 30 June 2020 from €15.4 million for the financial year ended 30 June 2019, which was an increase of €3.9 million, or 33.9% from €11.5 million for the financial year ended 30 June 2018.

The increase in amortization and write-downs for Player Registration Rights from the financial year ended 30 June 2019 to the financial year ended 30 June 2020 was primarily due to the purchase of new and highly talented players during the financial year ended 30 June 2020, increasing the total value of Player Registration Rights on the balance sheet of the Company while transferring Player Registration Rights with a lower book value as they depreciated during the contract period of the relevant player with the Company.

The increase in amortization and write-downs of Player Registration Rights from the financial year ended 30 June 2018 to the financial year ended 30 June 2019 was primarily due to the purchase of new and highly talented players during the financial year ended 30 June 2019, increasing the total value of Player Registration Rights on the balance sheet of the Company while transferring Player Registration Rights with a lower book value as they depreciated during the contract period of the relevant player at the Company.

(xii) *Amortization of other intangible assets and depreciation of property, plant and equipment*

Amortization of other intangible assets and depreciation of property, plant and equipment increased by €1.3 million, or 81.3% to €2.9 million for the financial year ended 30 June 2020 from €1.6 million for the financial year ended 30 June 2019, which was a decrease of €0.1 million, or 5.9%, from €1.7 million for the financial year ended 30 June 2018.

The increase in amortization of other intangible assets and depreciation of property, plant and equipment from the financial year ended 30 June 2019 to the financial year ended 30 June 2020 was primarily due to the first year of depreciation on the newly constructed Belfius Basecamp facilities.

Amortization of other intangible assets and depreciation of property, plant and equipment from the financial year ended 30 June 2018 to the financial year ended 30 June 2019 was stable.

(xiii) *Depreciation of right-of-use assets*

Depreciation of right-of-use assets increased by €3.3 million, or 366.7% to €4.2 million for the financial year ended 30 June 2020 from €0.9 million for the financial year ended 30 June 2019, which was a decrease of €0.7 million, or 43.8% from €1.6 million for the financial year ended 30 June 2018.

The increase in depreciation of right-of-use assets from the financial year ended 30 June 2019 to the financial year ended 30 June 2020 was primarily due to (i) player rental agreements during the 2019/2020 season, while the Company had no player rental agreements during the 2018/2019 season and (ii) the first year of depreciation of €29,000 during the financial year ended 30 June 2020 on the land on which the Belfius Basecamp facilities are constructed.

The decrease in depreciation of right-of-use assets from the financial year ended 30 June 2018 to the financial year ended 30 June 2019 was primarily due to no player rental agreements during the 2018/2019 season, while the Company had player rental agreements in the 2017/2018 season.

(xiv) *Total operating costs*

As a result of the factors discussed above, the Company's total operating costs increased by €17.3 million, or 25.7% to €84.6 million for the financial year ended 30 June 2020 from €67.3 million for the financial year ended 30 June 2019, which was an increase of €10.2 million, or 17.9% from €57.1 million for the financial year ended 30 June 2018.

The increase in total operating costs from the financial year ended 30 June 2019 to the financial year ended 30 June 2020 was primarily due to (i) the increase of €8.0 million in player wages and technical staff costs from €19.6 million in the financial year ended 30 June 2019 to €27.6 million in the financial year ended 30 June 2020; (ii) the increase of €3.8 million in amortization and write-downs of Player Registration Rights from €15.4 million in the financial year ended 30 June 2019 to €19.2 million in the financial year ended 30 June 2020; and (iii) the increase of €3.3 million in the depreciation of right-of-use assets from €0.9 million in the financial year ended 30 June 2019 to €4.2 million in the financial year ended 30 June 2020.

The increase from the financial year ended 30 June 2018 to the financial year ended 30 June 2019 was due mainly to (i) the increase of €6.2 million in other operating expenses from €14.3 million in the financial year ended 30 June 2018 to €20.5 million in the financial year ended 30 June 2019; and (ii) the increase of €3.9 million in amortization and write-downs of Player Registration Rights from €11.5 million in the financial year ended 30 June 2018 to €15.4 million in the financial year ended 30 June 2019.

(xv) *Current taxes*

Current taxes increased by €7.4 million, or 205.6% to €11.0 million for the financial year ended 30 June 2020 from €3.6 million for the financial year ended 30 June 2019, which is an increase of €3.1 million, or 620.0% from €0.5 million for the financial year ended 30 June 2018.

The increase in current taxes from the financial year ended 30 June 2019 to the financial year ended 30 June 2020 primarily reflected the increase in operating profits.

The increase in current taxes from 2018 to 2019 primarily reflected the increase in operating profit.

(xvi) *Deferred taxes*

Deferred taxes decreased by €1.3 million to €(0.3) million for the financial year ended 30 June 2020 from €1.0 million for the financial year ended 30 June 2019, which was an increase of €1.2 million from €(0.2) million for the financial year ended 30 June 2018.

The decrease in deferred taxes from the financial year ended 30 June 2019 to the financial year ended 30 June 2020 was primarily due to the reversal of temporary differences related to Player Registration Rights coming from the different accounting treatment under IFRS as compared to Belgian GAAP.

The increase in deferred taxes from 2018 to 2019 was primarily due to the increase in the Company's income subject to tax.

7.8 Liquidity and capital resources

The Company's principal sources of liquidity are:

- cash generated from operating activities; and
- external loans outstanding.

Club Brugge has a subordinated loan from Club Brugge Foundation amounting to €15.0 million, and bearing yearly fixed interest of 1%. This loan relates back to the original acquisition of football activities by Club Brugge from Club Brugge Foundation (former Club Brugge VZW) in 2012 and has been restructured in the context of the redemption of 200 Shares previously held by Club Brugge Foundation as described in section 11.3 "*History of share capital*". According to the terms of the agreement, the loan is repayable in 2052. The interest on the loan was historically capitalized. Starting from the financial year ending 30 June 2020, interest is paid annually, with the principal amount only due on maturity. Please see note 16 of the Financial Statements for additional detail. The loan can be extended at Club Brugge's option for an additional period of 30 years on the same conditions.

During the financial year ended 30 June 2018, the Company entered into an arrangement to build the Belfius Basecamp training facilities, in Knokke-Heist, Belgium. Club Brugge Development acted as project coordinator to build the facilities. In April 2018, Club Brugge Development entered into a short-term financing facility for 12 months for a total amount of €12.5 million to construct the facilities. In June 2019, the short-term financing facility was increased by €2.5 million to cover costs for the furniture and fittings. The short-term financing facility totaled €15 million and was extended for one year. In March 2020, the short-term financing facility was repaid in full by selling the Belfius Basecamp to Club Brugge Oefencentrum. To finance the purchase and acquire full ownership of the Belfius Basecamp facilities, Club Brugge Oefencentrum entered into two long-term credit facilities with Belfius, each for a duration of 20 years. The first long-term credit facility was for €12.5 million to cover the original short-term financing facility and the second long-term credit facility was for €2.5 million to cover the costs for the furniture and fittings. Both long-term loans together total €15 million at a blended fixed interest rate of 2.06% per year. Both long-term credit facilities will be repaid periodically at each quarter end over a 20-year period, through 2040. As at 31 December 2020, the outstanding amounts under the long-term credit facilities with Belfius Bank amount in aggregate to €13.9 million (non-current) and €0.6 million (current), respectively.

7.8.1 *Cash flow*

The table below summarizes the Company's consolidated cash flow for the six months ended 31 December 2019 and 2020, and the financial years ended 30 June 2018, 2019 and 2020.

	Six months ended 31 December		Financial year ended 30 June		
	2019	**2020**	**2018**	**2019**	**2020**
	(unaudited)	*(unaudited)*	*(audited)*	*(audited)*	*(audited)*
	(€ '000 unless otherwise stated)				
Cash and cash equivalents at beginning of period..............	8,717	8,195	12,586	91	8,717
Impact of exchange rate fluctuations	458	83	-	-	-
Net increase/(decrease) in cash and cash equivalents	13,075	23,974	(12,495)	8,626	(522)
Cash and cash equivalents at end of period.......................	**22,250**	**32,252**	**91**	**8,717**	**8,195**
Net cash from/(used in) operating activities...............	18,093	23,550	(2,575)	20,750	11,937
Net cash from/(used in) investing activities................	(8,558)	1,967	(7,427)	(19,032)	(13,492)
Net cash from/(used in) financing activities	3,540	(1,543)	(2,493)	6,905	1,032

7.8.2 *Six months ended 31 December 2020 compared to six months ended 31 December 2019*

(i) Net cash from/(used in) operating activities

Net cash generated from operating activities increased by €5.5 million to an inflow of €23.6 million for the six months ended 31 December 2020, from an inflow of €18.1 million for the six months ended 31 December 2019. The increase was primarily attributable to the reduction of income taxes paid to €0 for the six-month period ended 31 December 2020 compared to €4.0 million for the six-month period ended 31 December 2019 as there was no advance tax paid during the six-month period ended 31 December 2020.

(ii) Net cash from/(used in) investing activities

Net cash used in investing activities increased by €10.6 million to an inflow of €2.0 million for the six months ended 31 December 2020, from an outflow of €8.6 million for the six months ended 31 December 2019. The increase was primarily attributable to the lower costs on the acquisition of players from €30.2 million for the six-month period ended 31 December 2019 to €16.0 million for the six-month period ended 31 December 2020. There were lower costs on the acquisition of property, plant and equipment from €5.4 million for the six-month period ended 31 December 2019 to €1.9 million for the six-month period ended 31 December 2020.

(iii) *Net cash from/(used in) financing activities*

Net cash generated from financing activities decreased by €5.0 million to an outflow of €1.5 million for the six months ended 31 December 2020, from an inflow of €3.5 million for the six months ended 31 December 2019. The decrease was primarily attributable to a decrease in proceeds from loans and borrowings to €0 for the six-month period ended 31 December 2020 compared to €6.0 million for the six-month period ended 31 December 2019.

7.8.3 Financial year ended 30 June 2020 compared to the financial year ended 30 June 2019 and the financial year ended 30 June 2018

(i) *Net cash from/(used in) operating activities*

Net cash generated from operating activities decreased by €8.9 million, or 42.8%, to an inflow of €11.9 million for the financial year ended 30 June 2020 from an inflow of €20.8 million for the financial year ended 30 June 2019, which was an increase of €23.4 million from an outflow of €2.6 million for the financial year ended 30 June 2018.

The decrease in net cash from operating activities from the financial year ended 30 June 2019 to the financial year ended 30 June 2020 was primarily attributable to the €8.0 million increase in player wages and technical staff costs (combination of bonuses and contract renewals).

The increase in net cash from operating activities from the financial year ended 30 June 2018 to the financial year ended 30 June 2019 was primarily attributable to (i) the €30.5 million increase in European media rights revenues; (ii) the €4.1 million increase in matchday revenues, which was mostly driven by the participation in the European Competitions; and (iii) partly offset by the €6.2 million increase in other operating expenses, which was also driven by the participation in the European Competitions.

(ii) *Net cash from/(used in) investing activities*

Net cash used in investing activities decreased by €5.5 million, or 28.9%, to an outflow of €13.5 million for the financial year ended 30 June 2020 from an outflow of €19.0 million for the financial year ended 30 June 2019, which was an increase of €11.6 million, or 156.8%, from an outflow of €7.4 million for the financial year ended 30 June 2018.

The decrease in net cash used in investing activities from the financial year ended 30 June 2019 to the financial year ended 30 June 2020 was primarily attributable to a decrease in outflows from acquisition of property, plant and equipment from €11.2 million in the financial year ended 30 June 2019 to €7.1 million in the financial year ended 30 June 2020, which was attributable to the completion of the construction of Belfius Basecamp, resulting in €4.1 million less cash outflows. Additionally, the delta between incoming and outgoing cash flows related to Player Registration Rights in the 2019/2020 season was €1.6 million less negative as compared to the 2018/2019 season due to significant disposals of Player Registration Rights.

The increased cash outflow from investing activities from the financial year ended 30 June 2018 to the financial year ended 30 June 2019 results from the increased spending that was mainly related to the Belfius Basecamp. Additionally, the delta between incoming and outgoing cash flows related to Player Registration Rights in the 2018/2019 season was €2.5 million more negative as compared to season 2017/2018, meaning, due to an increase in acquisitions of Player Registration Rights, more cash was paid than received in the 2018/2019 season relating to transfers of Playing Registration Rights than in the 2017/2018 season.

(iii) *Net cash from/(used in) financing activities*

Net cash generated from financing activities decreased by €5.9 million, or 85.5% to an inflow of €1.0 million for the financial year ended 30 June 2020 from an inflow of €6.9 million for the financial year ended 30 June 2019, which was an increase of €9.4 million from an outflow of €2.5 million for the financial year ended 30 June 2018.

The decrease from the financial year ended 30 June 2019 to the financial year ended 30 June 2020 was primarily attributable to (i) a decrease in proceeds from loans and borrowings which went from €8.8 million in the financial year ended 30 June 2019 to €6.0 million in the financial year ended 30 June 2020; and (ii) increased outflows from payments of lease liabilities which went from €0.9 million in the financial year ended 30 June 2019 to €4.2 million in the financial year ended 30 June 2020 due to an increase in players on loan from other clubs.

The increase from the financial year ended 30 June 2018 to the financial year ended 30 June 2019 was primarily attributable to the increase in proceeds from loans and borrowings which went from €0.1 million in the financial year ended 30 June 2018 to €.8.8 million in the financial year ended 30 June 2019 resulting primarily from the loan for the construction of the Belfius Basecamp.

7.8.4 *Capital expenditure and investments*

Historically, a portion of the Company's capital expenditure has been used to build and further develop the playing fields at the Jan Breydel Stadium, to refurbish the Jan Breydel Stadium and the Belfius Basecamp, which is now fully established. Going forward the Company estimates that while there may be further renewals of the pitches, it will primarily require maintenance expenditures for the upkeep of the fields, particularly those at the Belfius Basecamp. Starting in the second half of the financial year ended 30 June 2020, the Company has also incurred capital expenditures in connection with construction of the New Stadium. These amounts are expected to continue through completion of the New Stadium, in time for the start of the 2023/2024 season. In the financial year ended 30 June 2019, led-boarding required capital expenditure for upgrading, and the sound system of the Jan Breydel Stadium was also upgraded in the same year. Further capital expenditures in respect of furniture and fixtures for the Belfius Basecamp amounted to €0.4 million.

The Company defines capital expenditure as “any investment that is durable for the Company and has an expected lifetime of more than one year”. The following table shows the Company's capital expenditures for the six months ended 31 December 2019 and 2020, and the financial years ended 30 June 2018, 2019 and 2020.

	Six months ended 31 December		Financial year ended 30 June		
	2019	2020	2018	2019	2020
	(unaudited)	*(unaudited)*	*(audited)*	*(audited)*	*(audited)*
	(€ '000 unless otherwise stated)				
Acquisition cost of other intangible assets(1)............	50	223	107	102	213
Acquisition cost of property, plant and equipment(2).....................	3,433	2,096	2,457	15,187	4,694
Total capital expenditure	**3,483**	**2,319**	**2,564**	**15,289**	**4,907**

(1) The acquisition of intangible assets is related to software investments by the Company for ClubLab and administrative purposes.

(2) The increase in acquisition of property, plant and equipment is related to the Belfius Basecamp construction.

7.8.5 *Off-balance sheet arrangements, contractual arrangements and other arrangements*

(i) Off-balance sheet arrangements

The Company's off-balance sheet arrangements primarily relate to pledges made in connection with certain external loans, and commitments made by the Company to clubs as part of the purchase of Player Registration Rights, that primarily corresponds to contingent transfer fees to be paid in the future. These fees are typically contingent on the player remaining with the club and specific sporting performance objectives being achieved. Existing transfer agreements that provide for a fixed retrocession fee are disclosed as off-balance-sheet commitments at the financial year-end. However, if this amount is calculated as a percentage of the final transfer fee or the capital gain realized, then no calculation can be made. This is for both incoming and outgoing transfers.

The Company's off-balance sheet commitments as at 31 December 2020 mainly included:

- A pledge (mortgage mandate) for a total amount of €9.0 million related to an external loan for Belfius Basecamp;
- €4.6 million of contingent assets related to the sale of Player Registration Rights and consisting of commitments made by other football clubs to the Company as part of transfer contracts providing for payments to the Company of fees contingent on the player's achievement of specified sporting objectives; and
- €5.7 million of commitments made by the Company to other football clubs in connection with the purchase of Player Registration Rights as part of transfer contracts providing for the payment of fees to other football clubs contingent on the achievement of specified sporting objectives.

The amounts mentioned above only include fixed fees, and do not include success fees based on a percentage of the subsequent sale of the player, since no reliable estimate can be made for these transactions.

(ii) *Special features of certain transfer agreements*

Certain of the Company's transfer agreements may provide for retrocession of part of the proceeds of a future transfer. Such retrocession fees may be paid to the transferred player, his agent or the player's original club. If the retrocession fees are paid to the player at the time of the transfer, they are recorded as personnel expenses; conversely, if they are paid to the player's agent or its football club they are offset against the proceeds from the sale of Player Registration Rights.

(iii) *Defined contribution plans*

The Company contributes to the following post-employment defined contribution plans in Belgium:

- The defined contribution plan for general white-collar employees (excluding coaches and training personnel). This plan provides a retirement lump sum, a death-in-service coverage and a waiver of premium coverage to all employees except the (youth) coaches and blue collar workers. The employer’s premium is expressed as a percentage of a reference salary (6.5% of the minimum between the reference salary and a ceiling, plus 8.5% of the part of the reference salary exceeding the ceiling).
- The defined contribution plan for professional players. This plan provides a retirement lump sum and a death-in-service coverage to all professional football players. The employer’s premium depends upon the player’s reference salary.
- The defined contribution plan for principal coaches and training personnel. This plan provides a retirement lump sum and a death-in-service coverage to the principal football coach. The yearly employer’s premium is a fixed amount.

There are also several other plans which are closed to new entrants and for which no contribution is paid anymore.

For all plans, no employees' contribution is applicable. The retirement lump sum is determined as the capitalization of all premiums affected to the retirement coverage.

See note 29 of the Financial Statements for additional information related to any statutory regulated employee benefit plans, social insurance contributions and health insurance contributions.

(iv) *Contractual obligations*

The following table summarizes the payments that the Company is obliged to make under its financial indebtedness and leases as at 30 June 2020 as well as other contractual liabilities. The information presented in the table below reflects management's estimates of interest and the contractual maturities of the Company's obligations. These estimates may differ significantly from the actual maturity of these obligations.

Contract liabilities relate to advance payments of matchday and commercial revenues, such as prepaid season tickets. These revenues are recognized when the relevant performance obligations are satisfied.

	Payments due by period as at 30 June 2020			
	Less than 1 Year	**Between 1-5 Years**	**Over 5 Years**	**Total**
	(€ '000 unless otherwise stated)			
Loans and borrowings..	1,105	4,268	32,574	37,947
Lease liabilities	1,337	189	820	2,346
Contract liabilities	9,929	0	0	9,929
Total	12,371	4,457	33,394	50,222

(v) *Payables*

Trade payables were €5.9 million at 30 June 2020. These relate primarily to outstanding invoices for the completion of the Belfius Basecamp training center, and are all due within one year. 'Payroll related payables', which was €3.6 million as at 30 June 2020, include accruals for holiday pay and year-end bonuses for employees. The unpaid group insurance premium payables correlate with the number of players at year end, but also depend on the other variable parameters that only crystallize just before 30 June of each period, such as final placement in the Jupiler Pro League 1A, number of points earned, number of goals per player and total number of matches played.

Payables on purchase of Player Registration Rights are related to the incoming transfers in the current and prior years; outstanding payables due in more than one year are classified as non-current liabilities.

	Financial year ended 30 June		
	2018	**2019**	**2020**
	(audited)	*(audited)*	*(audited)*
	(€ '000 unless otherwise stated)		
Trade payables	2,017	8,712	5,931
VAT payables	636	0	0
Payroll related payables.	3,077	1,646	3,568
Accrued expenses...........	23	26	22
Trade and other payables........................	**5,753**	**10,384**	**9,521**

(vi) *Receivables*

Trade and other receivables were €3.6 million as at 30 June 2020.

	Financial year ended 30 June		
	2018	**2019**	**2020**
	(audited)	*(audited)*	*(audited)*
	(€ '000 unless otherwise stated)		
Trade receivables...........	1,208	2,822	2,545
Allowances for doubtful debtors..........................	(173)	(173)	(25)
Prepaid expenses.....................	1,508	1,209	723
Other receivables	163	145	353
Trade and other receivables....................	**2,706**	**4,003**	**3,596**

Receivables on the sale of Player Registration Rights are related to the outgoing transfer in the current and prior years. Outstanding receivables due in more than one year are classified as non-current assets.

Receivables on sale of Player Registration Rights in € '000	**30 June 2018**	**30 June 2019**	**30 June 2020**
To be received in the year 2023/2024			3,236
To be received in the year 2022/2023			3,226
To be received in the year 2021/2022		182	11,312
To be received in the year 2020/2021		1,683	24,285
To be received in the year 2019/2020	4,405	9,958	
To be received in the year 2018/2019	10,271		
Receivables on sale of Player Registration Rights	**14,676**	**11,823**	**42,059**
Non-Current	4,405	1,865	17,774
Current	10,271	9,958	24,285
Receivables on sale of Player Registration Rights	**14,676**	**11,823**	**42,059**

7.8.6 Foreign exchange rate exposure

Payments and receipts relating to the transfer of Player Registration Rights may give rise to foreign exchange exposures. Due to the nature of the transfer of Player Registration Rights, the Group may not always be able to predict such cash flows until the transfer has taken place. Where possible and depending on the payment profile of fees relating to the transfer of Player Registration Rights payable and receivable, the Group will consider measures to limit the exposure to foreign exchange risks.

Based on the exchange rates existing as of 30 June 2020, a 10% appreciation of the GBP compared to the EUR would have resulted in an increase of €2.1 million in receivables on sale of Player Registration Rights and an increase of €0.6 million in payables on purchase of player registration rights. Conversely, a 10% decrease of the GBP compared to the EUR would have resulted in a decrease of €1.7 million in receivables on sale of Player Registration Rights and a decrease of €0.4 million in payables on purchase of Player Registration Rights.

7.9 Critical accounting estimates and significant judgments

(d) Interim Financial Information

In preparing the Interim Financial Information for the six-month periods ended 31 December 2019 and 2020, the Company's management has made judgments and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by the Company's management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

(e) Financial Statements

In preparing the Financial Statements, the Company's management has made judgments and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Financial Statements includes the following:

7.9.1 Recognition of domestic media rights revenues

Domestic media rights revenues represent revenues from the Belgian broadcasting contract negotiated centrally by the Pro League, *i.e.,* the Eleven Sports Media Rights Agreement. Revenue from this contract is linked to performance in the national competition. The Pro League decides on the distribution of the total media rights revenues available between the participating clubs. The largest share will be distributed based on the trailing five-year historical sporting performance combined with the sportive success in the latest season, together with commercial success. Other relevant parameters include the number of TV appearances, the number of Belgian trained players and the quality of the youth academy. As the Jupiler Pro League 1A ends before the end of the financial year, all of the criteria for recognition of media rights revenues are known and taken into account for revenue recognition within any given financial year. During the year, domestic media rights revenues are recognized over time based on the number of home matches played and the estimated ranking at the end of the season. However, domestic media rights revenues need to be estimated during interim financial periods as these revenues depend on the final ranking of the First Team in the Jupiler Pro League 1A. The Company estimates the variable consideration in its interim financial statements on the assumption that it will finish the season ranked second.

7.9.2 Player Registration Rights

Player Registration Rights are initially recognized at cost at the moment that control has been transferred to the Company, which is the moment when a binding agreement is signed and the critical conditions of the purchase agreement have been fulfilled. The costs include all directly attributable expenses to the transfer, and the costs are discounted to take into account payments spread over more than one year. Directly attributable costs may consist of transfer fees for players, termination agreements for incoming staff, key staff compensation fees and the related agents' fees. Variable transfer fees are only recognized as an intangible asset at the moment that the obligating event occurs.

Player Registration Rights are fully amortized, taking into account no residual value, on a straight-line basis over the period covered by the player's contract. Where a contract is extended at a later date, any costs (mainly agent fees) associated with securing the extension are added to the carrying value of the Player Registration Rights and then amortized over the new contract life. The appropriateness of the useful life is reviewed at the end of each reporting period and adjusted if needed. The initial contract lifetime of the Player Registration Rights varies between one and five years.

Upon disposal, Player Registration Rights are derecognized from the balance sheet. The date of disposal is the date that control transfers to the acquiring club, which is at the moment a binding agreement is signed and the critical conditions of the sale contract have been fulfilled. Gains or losses on disposals compared to the book value at that time are presented as 'Gains on disposal of Player Registration Rights' or 'Losses on disposal of Player Registration Rights', respectively.

When the Company acts as a lessor (for players rented out to other clubs), it determines at lease inception whether the lease is a finance or an operating lease. The Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When selling Player Registration Rights, the Company derecognizes the rights initially recognized and amortized as an intangible asset from its statement of financial position, with effect from the date that control transfers. This is the time at which a binding agreement is signed and the critical conditions of the agreement are fulfilled. Player Registration Rights of players acquired are recognized as of the moment that there is a binding agreement between all parties (selling club, Club Brugge and player) and all critical conditions are fulfilled.

Incremental costs directly linked to the disposal of Player Registration Rights, such as agent fees, are deducted from the gains (or losses) on disposal of Player Registration Rights. Earn-outs and other contingent fees in connection with disposal of Player Registration Rights are recognized when it is highly probable that a significant reversal of the amount of cumulative revenues recognized will not occur when the uncertainty associated with the variable consideration is resolved. Until such time, earn-outs and other contingent fees are recognized as off-balance sheet items.

7.9.3 Right-of-use-assets

In respect of its leased property, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. Leases within the Company mainly relate to land, vehicles and IT-equipment. Player incoming rental agreements (fees paid to clubs for players on loan) are also treated as leases under IFRS 16, as the contract conveys the right to control the use of related players for a period of time in exchange for consideration.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- 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 under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including vehicles and IT equipment.

The Company elected to treat incoming rental agreements (fees paid to clubs for players on loan) in accordance with IFRS 16 'Leases' and not in accordance with IAS 38 'Intangible assets' given that the Company does not have economic rights on the player. Hence, incoming rented players are included in the right-of-use assets and not in the Player Registration Rights.

7.9.4 Impairment testing

The Company performs an impairment review on (in)tangible assets, including player and key football management staff registrations, if adverse events indicate that the amortized carrying value of the asset may not be recoverable. While no individual can be separated from the single cash generating unit ("**CGU**"), being the operations of the Company as a whole, there may be certain circumstances where an individual is taken out of the CGU, when it becomes clear that they will not be able to play in the Company's teams again, for example, a player sustaining a career threatening injury. If such circumstances were to arise, the carrying value of the individual would be assessed against the Company's best estimate of the individual's fair value less any costs to sell.

In the financial years ended 30 June 2018, 2019 and 2020 and the six-month period ended 31 December 2020, notwithstanding the impact of the COVID-19 pandemic on the football industry in the latter financial year, no impairment losses had to be recognized, as the Company has been performing at a very high level and the market value of the First Team is significantly higher than its carrying value.

7.9.5 Post-Employment Benefits

The Company makes certain judgments regarding the actuarial assumptions which are used in the calculation of the defined benefit obligation.

For defined employer contribution plans, Belgian employers have to guarantee a minimum return on the employer contributions paid as per article 24 of the Belgian Law of 28 April 2003 on occupational pensions. For plans insured through a class 21 insurance product (*tak 21 verzekeringen/assurances de branche 21*), this minimum legal return is set at 3.25% for employer contributions paid before 31 December 2015, 3.75% for employee contributions paid before 31 December 2015 and 1.75% for all premiums paid from and after 1 January 2016. For all other plans (insured through a class 23 insurance product (*tak 23 verzekeringen/assurances de branche 23*) or managed by a pension fund), the minimum return guarantee is 1.75% for both employee contributions and employer contributions.

Unlike classical employer contribution plans in other countries, an employer's obligation in Belgium is not limited to the payment of fixed contributions into a separate entity. Due to the minimum return guarantee borne by the employer, defined contribution plans in Belgium are considered as defined benefit plans under IAS 19 'Employee Benefits' as published by the International Accounting Standards Board and approved by the EU.

The Company calculates its defined benefit obligation using the projected unit credit method, with no allowance for future premiums. With the application of this method, the current vested reserve is projected until retirement using the minimum legal rate. To obtain the defined benefit obligation, this projected capital is then actualized at the calculation date using the discount rate.

7.10 Significant accounting policies

See note 3 of the Consolidated Financial Statements and note 3 to the Interim Financial Information for a discussion of the Company's significant accounting policies.

7.11 Significant change in the Company’s financial position

No significant change in the financial position of the Company has occurred since 31 December 2020.

8 Football Industry

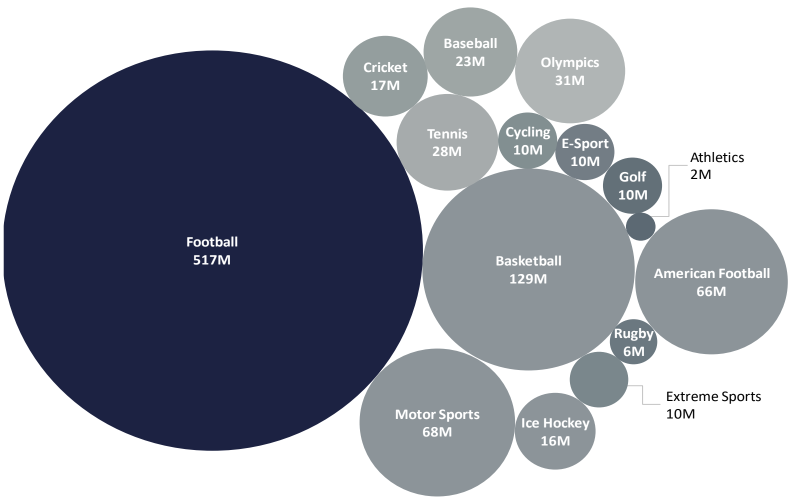
8.1 Global sports and football market

8.1.1 Football is the most popular sport in the world

Nielsen's survey of 18 markets across the Americas, Europe, the Middle East and Asia shows that football is consistently the number one sport in terms of popularity, with 43% of respondents (736 million people) indicating to be either "interested" or "very interested" in the sport in 2017. Basketball places second in the survey, capturing the interest of 36% of those interviewed (626 million people) (source: Nielsen's World Football Report 2018).

In terms of fans, football competitions are the most followed in the world on social media (Facebook, Instagram, YouTube and Twitter), followed by basketball (second) and motor sports (third) (source: UEFA club competition landscape 2019/2020), as shown by the below graph.

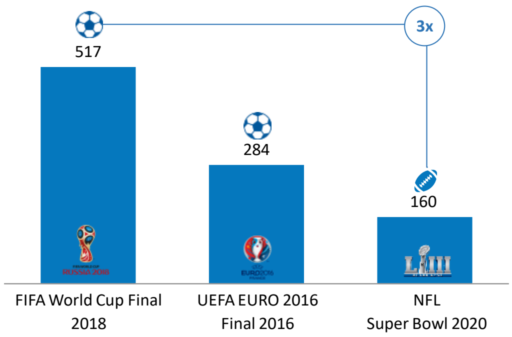
Combined number of followers on Facebook, Instagram, YouTube and Twitter as of July 2019



Source: Deloitte's UK Money Football League 2020

The global average live audience of the 2018 FIFA World Cup was 516.6 million (source: FIFA's 2018 World Cup Russia, Global broadcast and audience summary), three times the average live viewership of the largest non-football event, the Super Bowl, attracting an average live audience of 99.9 million U.S. viewers and an estimated additional 30-50 million non-U.S. viewers in 2019 (source: Statista, Super Bowl Pales in Comparison to the Biggest Game in Soccer, 2021).

Global TV viewership average audience by major sporting events (millions)



Source: FIFA's Global Broadcast and Audience Summary 2018, ESPN's European Championship 2016, Statista Super Bowl Can't Hold the Candle to the Biggest Game in Soccer, 2020

Within the sports media rights landscape, football dominated the share of value, commanding 40.6% of total value in global sports media rights in 2018. American football has the second largest share in media rights with 15.6% (source: SportBusiness Consulting's Global Media Report 2018).

8.1.2 *The football market is growing supported by secular trends*

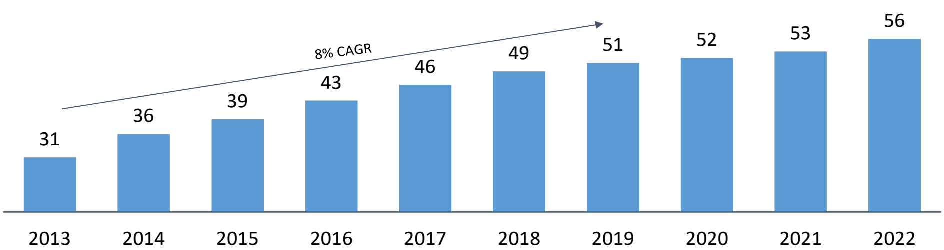
(i) Growth in the overall sports market

The global sports market, defined as revenues generated from sports events (traditional sports media, ticketing and corporate hospitality, sponsorship and advertising and digital sports media) and through sports brands (licensing and merchandising), grew 8.0% annually in the last three to five years. The European sports market has seen similar growth of 8.0% annually (source: PwC's Sports Survey 2020). Within the global sports market, football is the leading sport in terms of media rights revenues and fans and has the highest revenue growth potential after e-sports, according to a survey done by PwC (source: PwC's Sport Survey 2020).

(ii) Increasing demand for live sports content

Revenues from media rights form an important part of the global sports market. As illustrated by the below graph, the global value of sports media rights experienced year-on-year growth of 8% from 2013 to 2019, reaching $51 billion in 2019 (source: SportBusiness Consulting's Global Media Report 2017, 2018 and 2019).

Total global value of sports media rights by year (USD billion)



Source: TVSM Global Report 2017, 2018 and 2019

In a rapidly changing media landscape shifting towards "on demand" viewing, live sports are one of the last forms of media watched at the time of broadcast. The engaged and scaled audience for live sports makes this form of media a highly attractive asset for media companies globally with premium and secularly increasing value (source: Nielsen's Year in Sports Media Report 2015).

Competition for media rights is further increased by a maturing streaming market, with companies such as Amazon offering direct-to-customer solutions. Digital sports media grew at 11.5% in 2019. Nearly 60% of sports-interested millennials consume sports content online, with over 50% of respondents across most regions and age groups stating their willingness to pay for online sports content (source: PwC's Sport Survey 2019).

Streaming has also caused a further expansion of fan bases for live sports globally as it provides a greater potential reach to areas with less traditional media coverage on a particular sport. The rise of streaming and the globalization of audiences will drive media sports rights revenues up 75% from 2018 to $85.1 billion in 2025 according to Rethink Technology Research (source: Rethink Technology Research 2019).

Within global sports media revenues, football is expected to further increase its share to more than 50% in 2025, primarily through increased viewership of Europe's top leagues in other regions, in particular in Asia Pacific, including China, as well as in North America (source: Rethink Technology Research 2019).

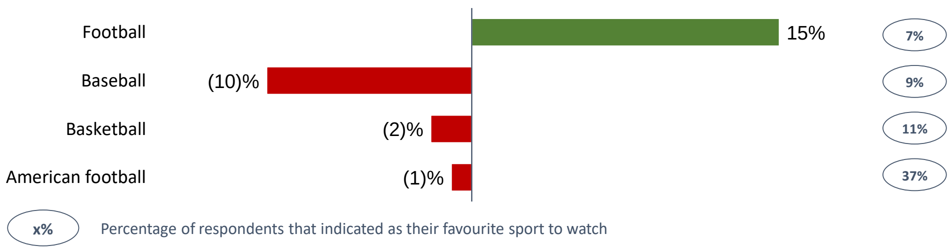
(iii) *Increasing popularity of football outside Europe*

Football is increasingly popular compared with other live entertainment content. Viewership of the World Cup in 2018 increased by 27.7% compared to the World Cup in 2014. Viewer retention[7] also increased significantly from 66.8% in 2014 to 81.2% in 2018. Most viewers were situated in Asia (43.7%) and Europe (20%), with a large part of viewers in Asia being situated in China (18.4%) (source: FIFA broadcasting summary 2014 and 2018).

Recent growth in popularity has mostly been driven by the United States and China. In the United States, while American football was still ranked the favorite sport by Americans (37%) in a 2017 Gallup study, its popularity has declined over the last years. As illustrated in the below graph, football is the only sport among the top four most popular sports in the United States with increasing popularity. Compared to 2013, the percentage of people in the United States that indicate football as their favorite sport increased by 15% in 2017 (source: Gallup sports historical trends 2017).

Change in popularity of the top sports in the US

Change in percentage of favourite sport to watch of US respondents of the top four sports by popularity

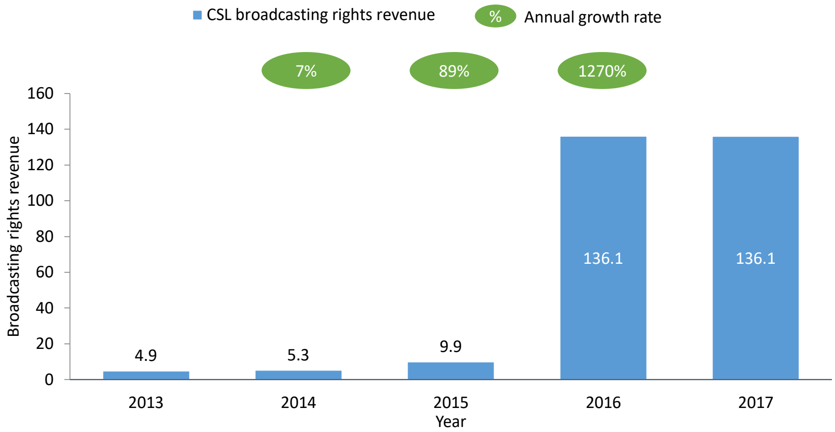


Source: Gallup sports historical trends 2017

China has around 300 million football supporters among its 1.4 billion citizens with many supporting European football clubs. A 2015 government approved reform plan to raise the standard of Chinese football has had a large impact on the interest of Chinese citizens in football. This is particularly evidenced by an over thirteen times increase in broadcasting rights value in 2016 compared to 2015 as shown in the graph below (source: EUSME - The football industry in China).

[7] Viewer retention is calculated as the percentage of viewers who watch one minute and who then continue to watch for at least 20 minutes.

Chinese Super League broadcasting rights revenue (EUR millions)



Source: EUSME The football industry in China

(iv) *Influx of foreign investments*

Foreign investors (*i.e.,* investors who invest outside of their domestic country) continue to invest in football clubs. In 2017, foreign owners from 13 different countries had invested across sixteen leagues. Between 2016 and September 2019, 20 clubs from the different top tier football leagues in Europe were acquired by foreign investors. In the last few years, investors outside traditional football countries have been acquiring both minority and majority stakes in football clubs. Foreign investment from elsewhere than Europe is becoming more widespread. Between 2015 and 2017, six of the aforementioned 20 clubs and several lower-division clubs were taken over by Chinese investors (e.g. the acquisition of a majority stake by the Chinese retail giant Suning in Inter Milan[8]), a level not matched by any other country in that period. Recently, investors from the United States have also been increasingly interested in football clubs, as evidenced by the majority stake acquired by the American hedge fund Elliot Management in AC Milan in July 2018[9], the 10% stake of the private equity fund Silver Lake in City Football Group, the owner of, among others, Manchester City, in November 2019[10] and the recent acquisitions of Toulouse FC by Red Capital in July 2020 and A.S. Roma by the Friedkin Group in August 2020[11] (source: UEFA Benchmarking report 2017 and 2018; Reuters, Investment Firm RedBird Capital buys majority stake in French soccer club Toulouse, 20 July 2020).

England is most pronounced in terms of foreign ownership. There have been over 50 changes of majority ownership amongst Premier League and English Football League Championship clubs since 2005. Contributing to this churn, English football attracts more foreign interest than other national football leagues. At the end of the 2018/2019 season around 60% of clubs in the English top two divisions had a foreign owner (source: Deloitte's UK annual review football finance 2019). Next to England, France has also seen increasing interest from foreign investors. In September 2020, Abu Dhabi-based City Football Group acquired the French football club ESTAC Troyes, which is the 10th football in its portfolio after having acquired Belgian football club Lommel SK

[8] Source: https://www.bbc.com/sport/football/36458237.
[9] Source: https://www.prnewswire.com/news-releases/city-football-group-announces-us500-million-strategic-investment-by-silver-lake-300965772.html.
[10] Source: https://www.prnewswire.com/news-releases/city-football-group-announces-us500-million-strategic-investment-by-silver-lake-300965772.html.
[11] Source: https://www.asroma.com/en/news/2020/8/the-friedkin-group-are-the-new-owners-of-as-roma.

in May 2020. (Source: BBC, City Football Group, Man City's parent company, buys Troyes stake, 3 September 2020). The influx of foreign investment has generally led to a professionalization of the involved football clubs since one of the key reasons for foreign investors to invest in a football club is to operate it as a business in order to gain dividends and capital growth (source: KPMG Football Benchmark, Key motivations behind buying a professional football club, 2020). Foreign investors also view football as an optimal channel to diversify their ownership portfolios, improve their brand awareness or public image and to win new markets and customers. (source: KPMG, Foreign investors in European football — can Italy become the next preferred target?, 2020).

8.1.3 European clubs are still the center of global football and related economic activity

The 20 largest football clubs in the world, by revenue, are all based in Europe (source: Deloitte's Football Money League). To provide greater context, the 20th largest European football club by revenue in the 2018/2019 season (*i.e.,* SSC Napoli, Italy) generated €207.4 million in revenues, while the largest club by revenue in the United States (*i.e.,* Atlanta United) generated estimated revenues of $78 million (€70 million at a spot rate of 0.91 USD/EUR). FC Barcelona leads the list as the largest football club in 2019 by revenue, totaling €840.8 million (source: Deloitte's Football Money League 2020, Forbes' Major League Soccer's Most Valuable Teams 2019).

Due to Europe's long history in football, European clubs have had the opportunity to become established brands in the industry. The top four largest clubs in the world by revenue have all existed for over 115 years and have grown to global brands with a loyal international fan base, evidenced by their growing social media reach (source: Deloitte Football Money League 2020).

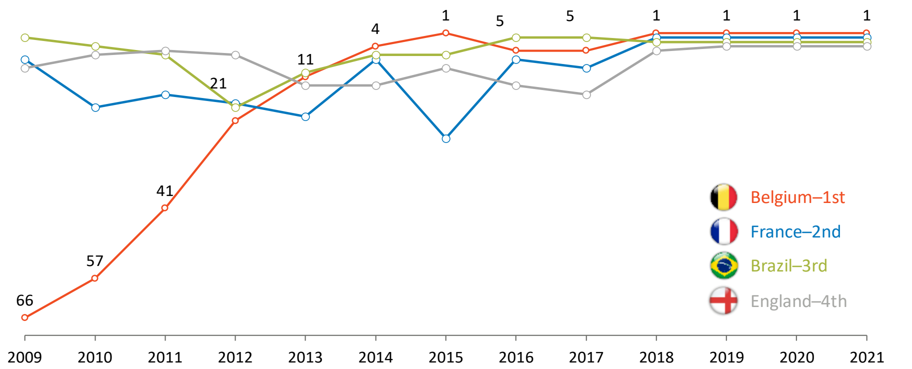
At the heart of European football are the cross-border European Competitions. The Champions League is the biggest competition in the world in terms of social media followers, with 136 million combined followers over Facebook, Instagram, YouTube and Twitter followed by the NBA with 116 million followers combined over the four platforms (source: The UEFA Club Competition Landscape 2019/2020). European Competitions are viewed as the arena in which the best players in the world can display their talents and where the biggest clubs search for talent.

8.1.4 The Jupiler Pro League 1A is a rising league in global football

(i) Belgium is highly ranked worldwide and in European Competitions

As at the date of this Prospectus, the Belgian national football team is ranked first in the FIFA world ranking, a global ranking system for national teams which awards points based on the results of all FIFA-recognized international matches. The evolution of the Belgian national football team from the 66th position in 2009 to the first position over a period of six years is reflected in the graph below. As of 18 February 2021, Belgium has 1,780 points, preceding France (1,755 points) and Brazil (1,743 points).

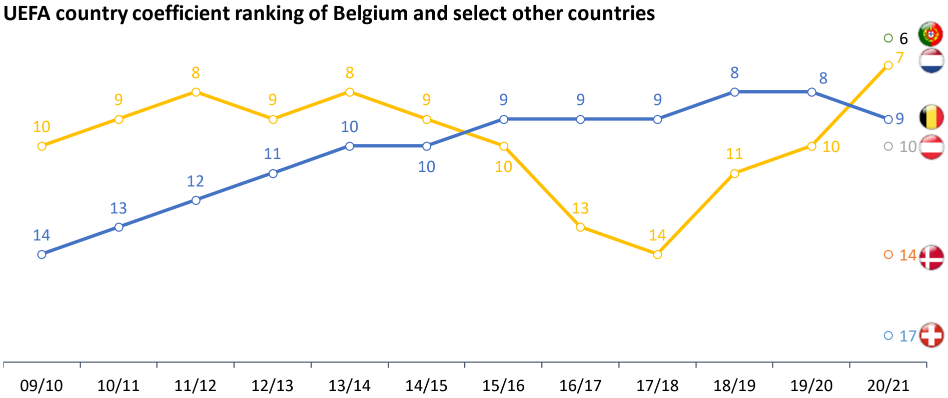
Evolution of the FIFA national football ranking over time for Belgium and selected other countries



Many of the top performing players of the Belgian national team have been trained and developed in clubs playing in the Jupiler Pro League 1A and some of them return to Jupiler Pro League 1A clubs at a later stage of their football career after playing in other top leagues around the world. This has a positive effect on the popularity of and interest in the Jupiler Pro League 1A.

On a club level, Belgium is currently ranked ninth in the UEFA country coefficient ranking, a year-on-year ranking system that is determined on a rolling average basis on the results of each association's clubs in the five previous seasons of the European Competitions. Belgium currently has 36,500 points and is ranked directly behind Russia (38,382 points). It is therefore included in the top ten countries that receive a direct qualification spot for the Champions League group stage for the national league champion, plus a place for the third qualifying round for that league's runner up. Austria (tenth), Scotland (eleventh) and Ukraine (twelfth) rank after Belgium, with Belgium having a 675 point lead in comparison to Austria (source: uefa.com). The evolution of the UEFA country coefficient ranking of Belgium and its current followers is shown by the graph below. Only if the performance of Belgian clubs in Europe would materially and consistently decline for consecutive seasons, causing Belgium to drop two places in the UEFA country coefficient ranking, would the number of qualification places in each European Competition available to Belgian clubs decline.

UEFA country coefficient ranking of Belgium and select other countries



Source: UEFA

(ii) *Popularity of the Jupiler Pro League 1A*

Football is the most popular sport in Belgium, both in terms of membership and viewership. The Royal Belgian Football Association has at least twice as many members as the Royal Belgian Tennis Federation, which is the sports federation with the second largest membership in Belgium (source: Beleidsplan Voetbal Vlaanderen 2017/2020 and website of Association des Clubs Francophones de Football — www.acff.be)). In terms of viewers, the top five viewed programmes in Belgium between 1997 and 2018 were all football matches of the Belgian national team. European Competition games were watched by 7% to 10% of Belgians (*i.e.,* between 750,000-1,000,000 viewers), often making those part of the top ten most viewed programmes for particular channels (source: CIM's top 10 most watched programmes 2018 and most watched programmes of all times in Flanders and Wallonia).

The increase in popularity of the Jupiler Pro League 1A is also evidenced by the steady increase in the aggregate value of the Belgian domestic media rights. This value increased by about 58% since 2011 and has increased again by about 23% in 2020 (based on a three-year average for the former media rights agreement concluded between the Pro League and MP & Silva and an estimated five-year average for the recent Eleven Sports Media Rights Agreement) as a result of the Eleven Sports Media Rights Agreement.

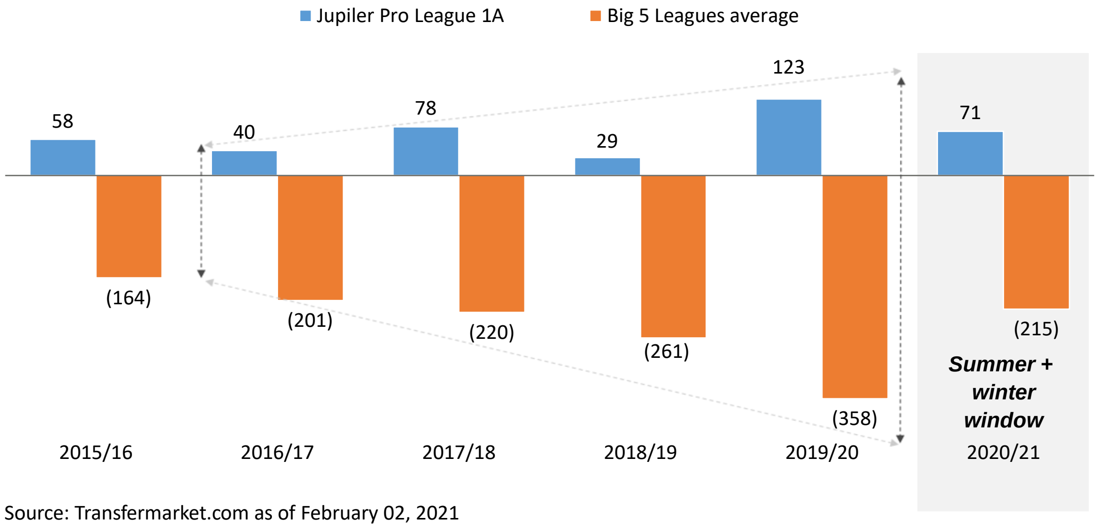
The Jupiler Pro League 1A is also gaining increased popularity outside Belgium. Increased U.S. engagement with the league led ESPN+ to secure the U.S. streaming rights for the Jupiler Pro League 1A in February 2021 (source: Sporttechie, ESPN+ begins streaming Belgian Pro League games, 2021)

(iii) *The Jupiler Pro League 1A supports net gains on player trading*

Unlike many football teams in other major leagues, the football teams participating in the Jupiler Pro League 1A, taken as a whole, are able to realize net gains on player trading. For example, football clubs in the Big 5 Leagues have increased their spending on player transfers over recent years, while this spending has remained relatively stable for football clubs participating in the Jupiler Pro League 1A (source: transfermarket.com).

The increasing gap between the average player transfer fees spent by clubs in major leagues (e.g. the Big 5 Leagues) and other clubs, creates the opportunity for Belgian clubs to sell the Player Registration Rights of players acquired at a relatively low value to bigger clubs for a profit. This is evidenced by the below graph that shows increasing net player trading gains in the Jupiler Pro League 1A. While, for example, clubs in the Big 5 Leagues spend increasingly higher sums on player transfers resulting in an increasing net trading loss. For the Jupiler Pro League 1A, the 2019/2020 season resulted in a net trading gain of €123 million, increasing from €40 million in the 2016/2017 season, while for the Big 5 Leagues the net trading loss increased from €200 million to €352 million over the same periods (source: transfermarket.com as of 9 September 2020).

Net player trading amount per league (EUR millions)



Source: Transfermarket.com as of February 02, 2021

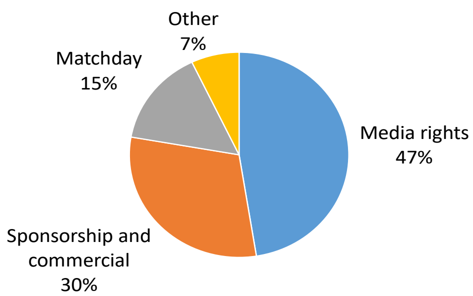
8.2 Commercial aspects of domestic European leagues and European Competitions

8.2.1 Overview of revenues in European football

Revenues of European top-division football clubs have significantly increased over recent years, with accelerated growth in the last five to six years from 2015. As shown by the below graph, the market size of European professional football clubs in top-divisions, measured by revenues, has almost doubled from €11.7 billion in 2009 to €21.1 billion in 2018. This increase was most pronounced amongst the Big 5 Leagues, now representing 75% of the European market (source: UEFA the European Club Football Landscape 2018).

Media rights remain the largest source of revenue for European clubs representing 47% of total revenue in 2018. Sponsorship revenue comes second with 30%, as reflected in the below pie chart (source: UEFA, The European Club Football Landscape 2018).

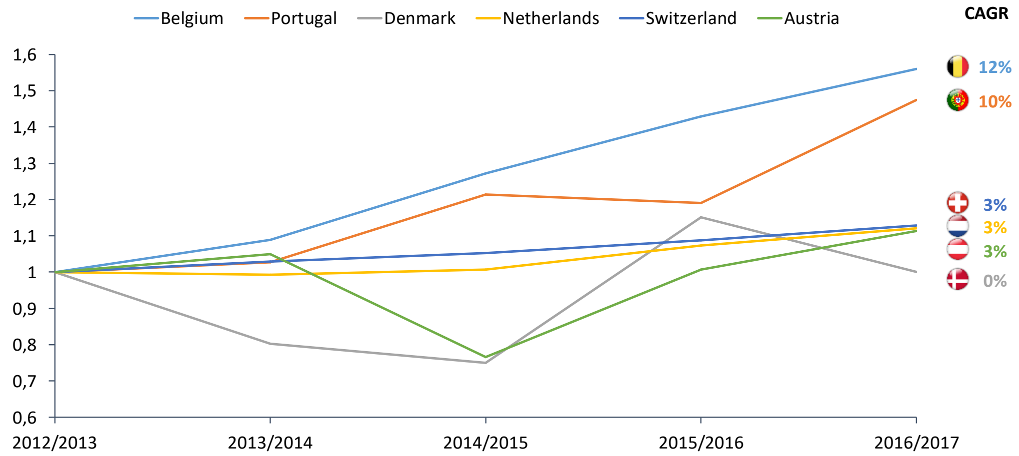
Breakdown of 2018 European top-division club revenues by source



Source: UEFA the European Club Football Landscape 2018

Amongst other European leagues, the Belgian top football league has been one of the fastest growing leagues with an annual revenue growth rate of 12% since the 2012/2013 season. This compared to a growth rate of the Big 5 Leagues of 9% for the same period (source: Deloitte Annual Review of Football Finance). Portugal's top league was the second fastest growing league with a growth of 10% per year (source: Deloitte's Socio-economic impact study on Pro League on the Belgian economy June 2018 and 2019). The revenue growth in European leagues other than the Big 5 Leagues is illustrated by the below chart.

Indexed revenue growth in European non-Big 5 Leagues (base is season 2012/2013)



Source: Deloitte's Socio-economic impact study on Pro League on the Belgian economy June 2018 and 2019

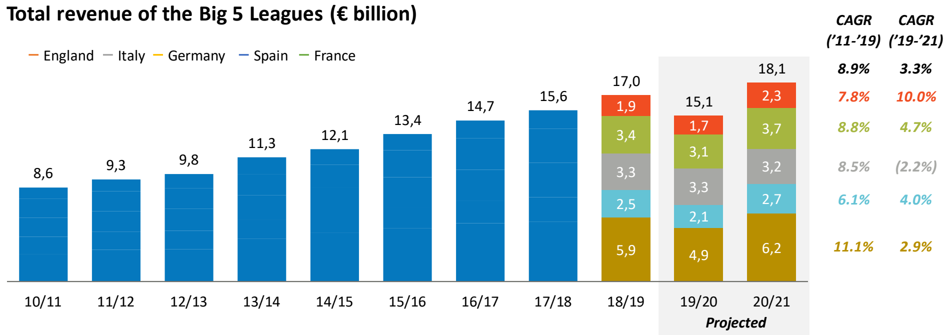
8.2.2 *Impact of the COVID-19 pandemic on revenue*

(i) European football landscape

European football has been a huge success story in its ability to generate revenue growth, led by broadcast but supported by commercial and matchday revenues. The impact of the COVID-19 pandemic caused a temporary reduction in revenues for the 2019/2020 season. While all football clubs are impacted, those clubs with unsustainable losses prior to the COVID-19 pandemic or high dependency on matchday revenues, risk being hit hardest.

Also the financial year(s) covering the 2020/2021 season will be impacted by the COVID-19 pandemic as restrictions for visiting stadia have been in place during the 2020/2021 season. However, for the 2021/2022 season, a 'V-shaped' recovery is expected for the Big 5 Leagues as fans continue to desire consuming top level football driving recovery and future long-term revenue growth (source: Deloitte's Annual Review of Football Finance 2020).

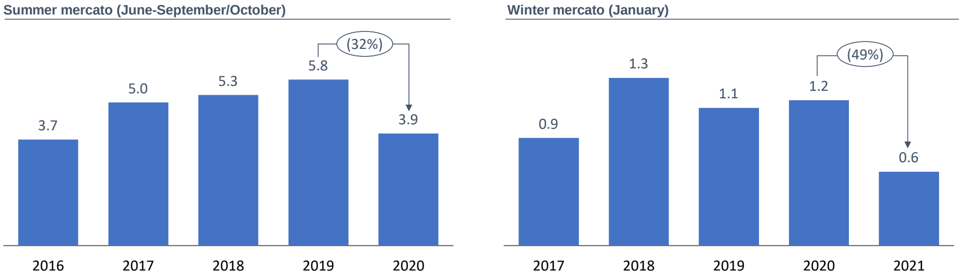
Total revenue of the Big 5 Leagues (€ billion)



Source: Deloitte's Annual Review of Football Finance 2020

Further, the COVID-19 pandemic also has an impact on the football clubs' spending capabilities and risk appetite, and has led to lower transfer volumes and prices in the summer transfer window in 2020, leading to a total value decrease to $3.9 billion compared to $5.8 billion in 2019 (source: FIFA International transfer market snapshot June-October 2020). The impact of the COVID-19 pandemic was also seen in the winter transfer window in 2021, which declined with 49% to $0.6 billion (source: FIFA International transfer market snapshot January 2021).

Transfer fees for international transfers worldwide ($ billion)



Source: FIFA International transfer market snapshot June-October 2020 and January 2021

(ii) Belgian football

The positive evolution of revenues in the Jupiler Pro League 1A in recent years has been temporarily interrupted due to the COVID-19 pandemic. The decrease will be mainly due to a drop in ticketing, sponsoring and commercial revenues as well as in gains on disposal of Player Registration Rights during the last months of the 2019/2020 season as one regular game and the ten Play-Off games were cancelled after the outbreak of the COVID-19 pandemic in March 2020 (source: Deloitte's Socio-economic impact study on Pro League on the Belgian economy, June 2020).

The 2020/2021 season started broadly on time on 8 August 2020. Up until the date of this Prospectus, all matchdays in this season have been played without spectators, except for three home games where a limited number of spectators (up to approximately 30% of the stadium capacity) were allowed. Besides the number of spectators, the impact on traditional revenue sources for the 2020/2021 season will also depend on the decisions of individual clubs, such as potential discounts applied on gate receipts and season passes and sponsoring agreements. See also section 7.3.1(i)(e) "*Discretionary measures to limit the impact of the COVID-19 pandemic*" for an overview of the discretionary measures taken by the Company in this regard.

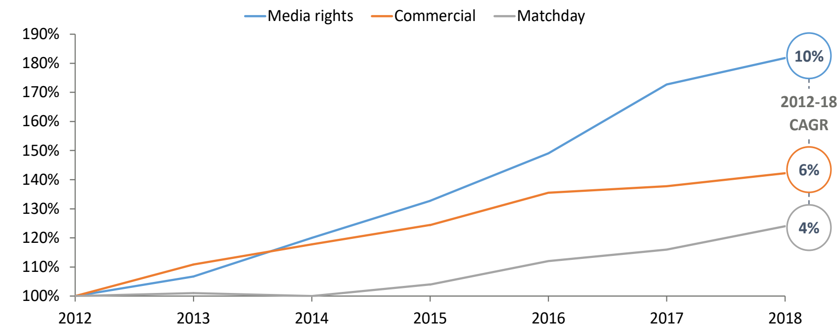
8.2.3 Analysis of sources of revenue

(i) Media rights revenue

(a) European football landscape

Media rights revenues include the national and international broadcast of domestic league football, together with European media rights revenues from the Champions League and Europa League, when qualification is achieved. Driven by the globalization of European football, media rights were the biggest growth driver from 2012 to 2018, with a CAGR of 10%. (source: UEFA, the European Club Footballing Landscape, 2014-2018). Domestic broadcasting rights represented 37% of total revenue of European clubs in 2018 and grew at a 9% annual growth rate between 2008 and 2017. European media rights revenues represented 10% of total revenues in 2018 and increased at a faster pace than domestic rights. From 2016 to 2017, the value of European media rights grew 9% per year, despite being mid-cycle, while they remained flat between 2017 and 2018 (source: UEFA, The European Club Football Landscape 2017 and 2018).

Indexed revenues for European football clubs by revenue stream (2012=100%)

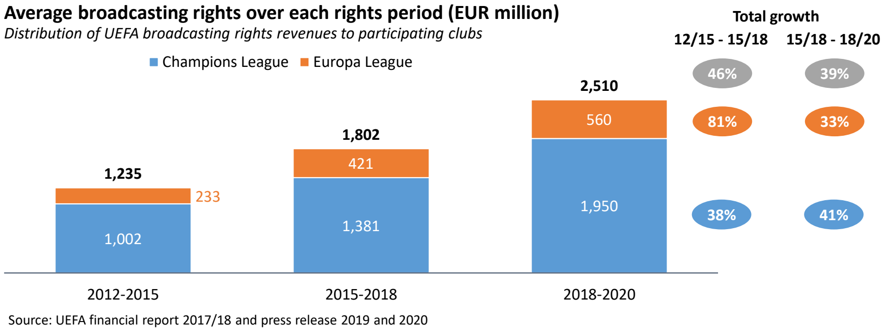


Source: UEFA footballing landscape 2014-2018

In recent years, the increase in value of media rights across Europe has been supported by increasing competition from new direct-to-customer technology platforms that have entered the market and are competing for football media rights. Recent examples include Amazon acquiring one of the packages for the current cycle of Premier League broadcast rights and rights to broadcast a selection of Champions League games in Germany[12], Facebook purchasing the rights to show a selection of Champions League in Latin America[13] and streaming platform DAZN acquiring the rights to broadcast a selection of Bundesliga matches and Champions League matches in Germany as well as exclusive rights of European competitions in Canada[14]. In Belgium, the financial group KBC acquired exclusive rights to 'near live' mobile clips and non-exclusive online highlights rights with respect to the Jupiler Pro League 1A[15].

Media rights revenues generated through the European Competitions are distributed to clubs based on participation and performance. Combining both the Champions League and Europa League, total revenues from media rights have increased by 39% from 2015-2018 to 2018-2020, while Champions League media rights increased by 41% as demonstrated by the graph below. On a club level, Champions League media rights revenues are significantly bigger than those for the Europa League (source: UEFA financial report 2017/2018). This is due to the larger distribution of revenues, but also due to the fact that revenue distributions of the Champions League are shared with fewer clubs compared to the Europa League, since less clubs participate in the group stage of the Champions League (32) compared to the Europa League (48) (source: UEFA financial report 2017/18 and press release 2019 and 2020).

[12] Source: https://www.theguardian.com/media/2019/dec/10/amazon-sky-champions-league-germany-premier-league-football; https://www.bbc.co.uk/sport/football/44396151.
[13] Source: https://www.uefa.com/insideuefa/about-uefa/administration/marketing/news/0248-0f8e627c1aed-4d879d2ef440-1000--facebook-acquires-2018-21-uefa-champions-league-media-rights-in/; https://www.espn.com/soccer/conmebol-copa-libertadores/story/3657994/facebook-buys-rights-to-broadcast-select-copa-libertadores-matches-from-2019-22.
[14] Source: https://www.sportspromedia.com/news/dazn-bundesliga-tv-rights-2020-21-eurosport-dfl; https://www.dazn.com/en-DE/news/soccer/dazn-secures-champions-league-rights-becomes-new-home-of-live-football-in-germany/xko63ctqb2ly179fcacn1zxk3.
[15] Source: https://media.sportbusiness.com/news/kbc-bank-lands-belgian-pro-league-clips-highlights-deal/.



(b) Belgian football

In recent times, media rights have become an increasingly important source of revenue for Jupiler Pro League 1A clubs. Increased competition in the local market for broadcasting rights and rights now extending beyond the domestic market, have driven growth, with media rights representing on average 22% of club revenues (source: Deloitte's Socio-economic impact study on Pro League on the Belgian economy June 2020).

The rise in broadcasting revenues to €80.9 million in the 2017/2018 season and subsequently to €84.3 million in the 2018/2019 season was driven by a renewal of the television contract with Belgian providers Proximus, Telenet and VOO (indirectly through MP & Silva). In the 2017/2018 season, the 2018/2019 season and the 2019/2020 season this deal generated approximately €81 million of broadcasting revenues per annum. The television contract gave access to the broadcasting rights of the Jupiler Pro League 1A and the Pro League 1B, excluding other competitions like the Belgian Cup or European Competitions (source: Deloitte's Socio-economic impact study on Pro League on the Belgian economy June 2020).

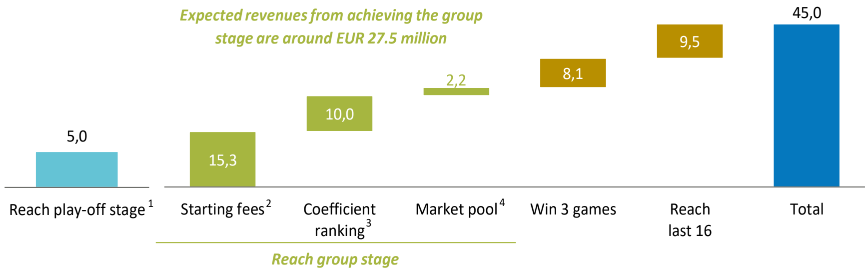
The Eleven Sports Media Rights Agreement was agreed between the Pro League and Eleven Sports in the second quarter of 2020 and an agreement among Pro League clubs as to the division key to be applied in respect of the total generated revenues was agreed in the third quarter of 2020. The Eleven Sports Media Rights Agreement has resulted in an increase of the overall revenues generated by the sale of the Belgian football media rights compared to the previous contract. The new media contract provides for an aggregate revenue of approximately €101 million per annum, compared to approximately €81 million per annum under the previous contract.

In addition to rights for the domestic competition, Belgian clubs also benefit from the increasing media rights revenues from UEFA through the European Competitions in which they participate. For the 2020/2021 season of the Champions League, clubs eliminated in the qualification round will receive a €5.0 million fee. Each club participating in the group stage will receive income through the following pillars: (i) a starting fee, (ii) performance-related fixed fees per game played dependent on the outcome, (iii) a fee based on the club coefficient ranking and (iv) a share of the market pool. The starting fee of the Champions League group stage is €15.3 million and an additional fee is paid amounting to €2.7 million per win and €0.9 million per draw. A club will receive another €9.5 million when qualifying for the round of 16. The fee based on club coefficient ranking is based on performances over a ten-year period. A total amount of €585 million has been divided into 'coefficient shares', with each share worth €1.1 million. The lowest-ranked team will receive one share (€1.1 million), adding one share to every rank so the highest-ranked team will receive 32 shares (€35.5 million). The estimated available amount for the market pool of €292 million will be distributed in accordance with the proportional value of each TV market represented by clubs taking part in the group stage, provided that if more than one team from the same association participates in the Champions League, this amount is split among them as per predetermined rules (source: UEFA, 2020/2021 UEFA club competitions revenue distribution system).

As a result of the COVID-19 pandemic, however, UEFA has requested the lowering of the fixed starting fees for teams entering the Champions League in the group stage. The deductions vary by size of any given domestic national league, and Belgium has agreed to a €5.5 million deduction in European media rights revenues. This €5.5 million deduction will be spread over the coming five seasons, and, as a result, the Company will have a €1.1 million reduction in its European media rights revenues for the 2020/2021 season.

For a medium sized club, such as the Company, participating in the group stage of the Champions League, expected revenues are around €26.5 million per season. This includes, as illustrated in the graph below, the group stage allocation of €15.3 million, decreased with the €1.1 million reduction due to the COVID-19 pandemic, and assumes ten UEFA coefficient shares and an estimated payment of €2.0 million of the total market pool of €292 million for the 2020/2021 season (source: UEFA, 2020/2021 UEFA club competitions revenue distribution system).

Illustrative pay-out of Champions League participation for medium sized club in the 2019/2020 season (EUR million)



Source: SportBusiness Consulting's Global Media Report 2018
[1] Clubs that are eliminated in the play-offs will each receive a fixed payment of €5.0mm; [2] Each of the 32 clubs that qualify for the group stage can expect to receive a group stage allocation of EUR 15.25 million; [3] Assuming 9 UEFA coefficient shares; [4] Assuming 0.75% of total market pool of EUR 292 million for season 2019/20

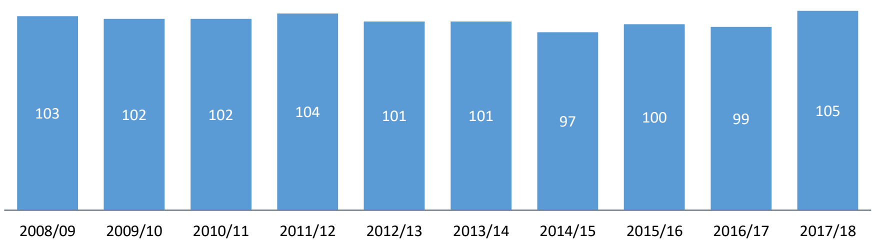
For the Europa League, the same pillars of income apply, however, the amounts per pillar differ. The starting fee is €2.9 million and bonus fees are paid of €570,000 per win and €190,000 per draw. Additional fees are paid when advancing through the stages, increasing from €500,000 when qualifying as runner-up for the round of 32 to €4.5 million when playing in the final. A total amount of €84.0 million has been divided into 'coefficient shares', with each coefficient share in the Europa League worth €71,430, while the total market pool is €168.0 million (source: UEFA, 2020/2021 UEFA club competitions revenue distribution system).

(ii) *Matchday revenue*

(a) European football landscape

Matchday revenues typically include revenue from the sale of gate receipts and season tickets (ticketing revenues) for fans to attend matches in person, as well as revenues from hospitality, including sale of food and beverages in the stadium area. Due to a largely stable number of spectators attending games across Europe, as shown by the graph below, matchday revenues of European football leagues remain well supported (source: Deloitte's Football Money League 2020 and the European Club Football Landscape).

Aggregate European attendance figures (million)



Source: UEFA the European Club Football Landscape 2018

(b) Belgian football

Matchday revenues in Belgian football have previously formed the largest proportion of total revenues across the various leagues (26% of total revenues in the 2018/2019 season) and have been on an upward trend (source: Deloitte's Socio-economic impact study on the Pro League on the Belgian economy, June 2020). The ticketing revenue of the 24 clubs participating across Belgian leagues has increased from €83.4 million in the 2015/2016 season to €99.3 million in the 2018/2019 season, representing a compound annual growth rate (CAGR) of 5.3% reflecting the increased popularity of football across the region (source: Deloitte's Socio-economic impact study on Pro League on the Belgian economy, June 2020). The growth in ticketing revenues is driven by two main reasons. One significant source is the increased participation of Belgian clubs in European Competitions in which they have the opportunity to play against the best teams in Europe. Fans are generally willing to pay more for a ticket to see their team face major European clubs (for example the recent visit of Real Madrid, PSG and Manchester United to Club Brugge in the 2019/2020 season). In addition, a participation in European Competitions increases the number of games during a season, which has a positive impact on the number of tickets sold (source: Deloitte's Socio-economic impact study on Pro League on the Belgian economy June 2020). The second driver of ticketing revenue increase is the scarcity in the number of tickets available for top clubs in the region, resulting in high demand for tickets, especially given the popularity of football in Belgium and the ongoing shift towards entire families who attend football games together (source: Company internal data). The possibility of increasing ticket prices can provide further upside without a negative impact on attendance levels (source:

Voetbalkrant.com, Abonnementenverkoop: Club de meeste, Antwerp uitverkocht en Kompany-hype is over, 2019).

(iii) Commercial revenue

(a) European football landscape

Commercial revenues typically include partnership sponsoring and advertising revenues, merchandising and revenues from branded products. The graph below shows a substantial increase in commercial revenues for European clubs with an average CAGR of 6% over the last six years (source: UEFA, the European Club Footballing Landscape, 2014-2018). This is due to the professionalization of football's commercial engine and the shift of clubs to be run as businesses. It is also driven by increased demand in sports advertising (source: UEFA, the European Club Footballing Landscape, 2014-2018).

In addition, traditional sponsorships are evolving, with brands looking for alignment on brand and purpose, digital marketing platforms and partnerships underpinned by data and increasing spend on digital marketing. The digital reach of clubs presents commercial opportunities to better monetize their digital assets and content (source: Deloitte's Money League 2020).

(b) Belgian football

Belgian football clubs have also experienced growth from sponsorship revenues as corporate sponsors continue to look for product placement opportunities and for more innovative and creative forms of advertising. As sponsorship generates high margins, it is an attractive source of revenue for football clubs (source: Deloitte's Socio-economic impact study on Pro League on the Belgian economy June 2020).

Sponsorship and advertisement accounted for €76.2 million of total clubs' revenues in the 2018/2019 season, an increase of approximately 23% compared with the 2015/2016 season. Taking a closer look on how sponsorship revenues are distributed across the clubs, 50% of total sponsorship (€38.2 million) flows to the five teams that have obtained the best sporting results over the last five seasons ("**G5**"), being Club Brugge, RSC Anderlecht, KAA Gent, K.R.C. Genk and Standard de Liège. The remaining 11 clubs in the Jupiler Pro League 1A ("**K11**") and the clubs in the Pro League 1B capture the remaining 50% of sponsorship revenues, with the majority going to the K11 teams. Belgian companies or international companies with a substantial footprint in Belgium are fueling the growth in sponsorship revenues (source: Deloitte's Socio-economic impact study on Pro League on the Belgian economy June 2020).

(iv) Player trading

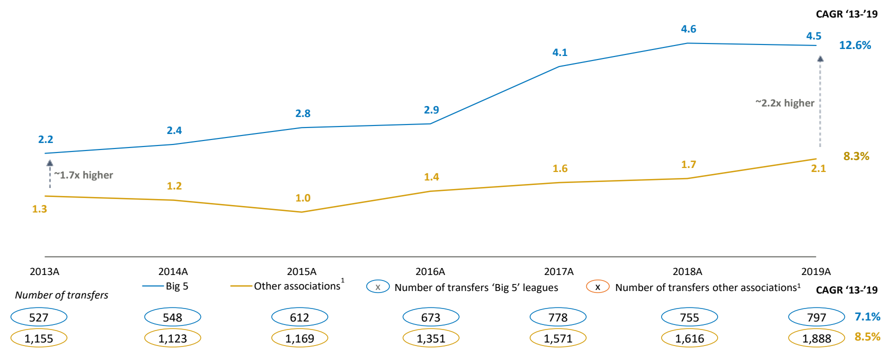
(a) European football

Growing revenues result in increasingly large budgets of clubs in the Big 5 Leagues to spend on player transfers. Not only have the top 20 European clubs been able to increase their investment in players, medium sized and smaller clubs have also increased spending on international players. The total spend on transfers in the Big 5 Leagues increased from €2.2 billion in 2013 to €4.5 billion in 2019, equivalent to a CAGR of 12.6% (source: FIFA's Transfer window analysis winter and summer 2019 and Global transfer market report 2019). The number of transfers for which a transfer fee is paid by the Big 5 Leagues also increased from 527 in 2013 to 797 in 2019 (including both the winter transfer window and the summer transfer window), an increase of 7.1% annually. This not only drives competition for the most valuable talented players, but also for players at smaller clubs who are considered to be rising stars (source: FIFA's Transfer window analysis winter and summer 2019 and Global transfer market report 2019).

The table below shows the total spending on transfers by the Big 5 Leagues compared to other leagues. Compared to other clubs, clubs in the Big 5 Leagues spend on average 2.2 times more on transfers (€4.5 billion compared to €2.1 billion). In addition, the average transfer fee is increasingly higher for clubs in the Big 5 Leagues compared with other clubs across Europe. In 2013, the clubs from the Big 5 Leagues had an average player transfer fee that was 3.7 times higher than for other clubs, while in 2019 (including both the winter transfer window and the summer transfer window) this increased to 5.1 (€5.7 million versus €1.1 million, respectively). This increasing gap benefits clubs outside the Big 5 Leagues, creating an opportunity to develop players and sell their Player Registration Rights to the Big 5 League clubs at a premium (source: FIFA's Transfer window analysis winter and summer 2019 and Global transfer market report 2019).

As the transfer market is globalized, clubs in the Big 5 Leagues also engage in transfers of players outside of their domestic market. The average incoming international transfers increased by 10.1% to an average of 4.0x incoming international transfers during the summer transfer window in 2019. In total, 175 of the 446 clubs completed at least one international transfer that involved a transfer fee (source: FIFA's Transfer window analysis summer 2019).

Total spending on transfers by the largest 5 European leagues and other associations (EUR billion)



Source: FIFA Transfer Window Analysis Summer and Winter 2019; [1] Other associations include all (country) associations excluding England, Spain, Italy, Germany and France

(b) Belgian football

Player trading plays a very important role for the financial performance of the Belgian clubs, as net transfer amounts for the Jupiler Pro League 1A are a net gain. Belgian clubs also continuously focus on developing youth players by retaining players in their youth teams and growing them all the way through to the First Team. Home-grown youth players are accompanied with significantly less cost than players coming from other clubs and are therefore an attractive way to increase player trading revenues. (source: Deloitte's Socio-economic impact study on Pro League on the Belgian economy, June 2020).

8.3 Trend towards proprietary stadiums

In the last ten years, 241 stadium projects were undertaken in Europe of which around half were new builds, while the other half were rebuilds and renovations. Around 18% of top-division clubs fully include their stadium as a club asset, while 14% only partly record their stadium as an asset (UEFA the European Club Football Landscape 2018).

New stadium developments and renovations of existing stadiums can further increase the live experience for match attendees and can lead to material incremental revenue from increased capacity as well as enhanced hospitality and sponsorship opportunities. Top clubs across Europe having developed a new stadium are evidence of this strategy. Examples include Arsenal's move from Highbury to the Emirates stadium in the 2006/2007 season, Juventus' move from Stadio Olimpico Grande Torino to the Juventus Stadium in the 2011/2012 season and Olympique Lyonnais' recent development of the Parc Olympique Lyonnais. Clubs have achieved significant revenue uplifts after they moved to their new or renovated stadiums. As illustrated in the table below, an average increase of 86% in match day revenues has been recorded across Arsenal, Bayern Munich, Juventus, Liverpool, Olympique Lyonnais, Manchester City and Manchester United, in the first year of use of their newly developed stadiums (source: club annual reports and websites).

Matchday revenue uplift for select clubs with recent stadium development projects

		Matchday or ticketing revenue uplift (based on local currency)			
	First year in developed stadium	**One year after stadium opening**	**Two years after stadium opening**	**Increase (decrease) in seating capacity**	**New build / renovation**
Arsenal	2007	105%	114%	57%	New build
Bayern Munich	2006	108%	120%	1%	New build
Juventus	2011	174%	228%	64%(1)	New build
Liverpool	2016	19%	30%	19%	Renovation
Manchester City	2015	21%	20%	16%	Renovation
Manchester United	2006	30%	42%	12%	Renovation
Olympique Lyonnais	2016	150%	296%	46%	New build
Average new build		**134%**	**190%**	**42%**	
Average renovation		**23%**	**31%**	**16%**	

(1) Compared to Stadio Olimpico Grande Torino

Source: information from relevant companies

8.4 Format of Belgian and European competitions

8.4.1 Overview of European competitions

(i) Introduction

The Champions League and Europa League are European club competitions organized by UEFA. From the 2021/2022 season onwards, a third European club competition format will be launched, the Conference League. The number of available positions for each domestic league in the Champions League, Europa League and Conference League depends upon the overall UEFA country coefficient ranking of each domestic league, based on the performance of the clubs from each domestic league in previous European Competitions. See also section 8.1.4(i) "*The Jupiler Pro League 1A is a rising league in global football*". As at the date of this Prospectus, Belgium is ranked ninth in the UEFA association country coefficient ranking.

(ii) *Champions League*

The Champions League includes the top clubs from 55 European domestic leagues. The top four clubs from the four highest ranked domestic leagues will directly enter the Champions League group stage, whilst the fifth and the sixth ranked domestic leagues are granted two direct places. The leagues ranked seventh to tenth are each granted one direct place into the group stage of the Champions League.

As a result for Belgium, the winner of the Jupiler Pro League 1A in the 2019/2020 season qualifies directly for the 2020/2021 Champions League group stage, whilst the runner-up qualifies for the third qualifying round of the Champions League (source: UEFA Regulations 2020/21 Champions League).

The Champions League has a 32-club group stage leading to a 16-club knockout phase. The third ranked clubs in each group proceed to the Europa League's round of 32. The Champions League first took place in the 1955/1956 season (under the name "Europa Cup"). FC Bayern München is the current titleholder (source: UEFA, Paris 0-1 Bayern: Coman scores Champions League final winner, 2020[16]).

(iii) *Europa League*

Until the 2020/2021 season, Belgium is granted three places for the Europa League, which are awarded to the Belgian Cup winner, the third ranked club of the Play-Off 1 and the winner of the match between the winner of Play-Off 2 and the team finishing fourth in Play-Off 1 (play-off test match) (it being understood that this match is not played in the event that the Belgian Cup winner plays in the Play-Off 1 group. In this case, the last ticket for the second qualifying rounds of the Europa League is awarded directly to the winner of Play-Off 2). While the Belgian Cup winner proceeds directly to the group stage of the Europa League, the third ranked team in the Play-Off 1 moves to the third qualifying round and the winner of the play-off test match goes into the second qualifying round.

If the winner of the Belgian Cup qualifies for the Champions League group stage or third qualifying round via the play-offs, the third club of the Play-Off 1 qualifies for the group stage of the Europa League.

A club may also qualify for the Europa League if it is eliminated in the qualifying phase or the group stage of the Champions League. Clubs finishing third in their group in the Champions League enter the Europa League at the round of 32. The clubs eliminated in the Champions League's third qualifying round, transfers to the Europa League play-offs.

The Europa League has a 48-club group stage leading to a 32-club knockout phase. This involves an initial round of 32, a round of 16, quarter-finals, semi-finals and the final.

[16] Source: https://www.uefa.com/uefachampionsleague/match/2030150--paris-vs-bayern/.

The Europa League first took place in the 1971/1972 (source: UEFA Regulations 2020/21 Europa League). Sevilla FC is the current titleholder (source: UEFA, 2019/20 Season, Sixth success for Sevilla[17]).

Upon the launch of the Conference League in the 2021/2022 season (see also section 8.4.1(iv) "*Conference League*"), the Europa League group stage will be reduced from 48 to 32 teams in eight groups of four, leading to an additional knockout round play-offs between the eight group runners-up the eight third ranked teams, while the group winners progress automatically to the round of 16. In addition, the winner of the Conference League will be qualified for next season's Europa League. As a result hereof, the Belgian Cup winner will no longer proceed directly to the group stage of the Europa League, but will have to qualify via the play-off round. In turn, the third ranked team in the Play-Off 1 and the winner of the play-off test match will no longer qualify for the Europa League qualification rounds, but will participate in the qualification rounds of the Conference League.

(iv) *Conference League*

In the 2021/2022 season, a new European club competition format will be launched, the Conference League. This new structure is created to ensure that more UEFA national associations are represented in the group stage of one or more European competitions.

The Conference League has a group stage with eight groups of four teams. The winners of the group stage will pass automatically to the round of 16, while the runners-up and the third-ranked teams will play additional knockout round play-offs, followed by quarter-finals, semi-finals and the final. Before the group stage, there will be three qualifying rounds and a play-off round. On the date of this Prospectus, Belgium is expected to be granted two places for the qualifying rounds, which are expected to be awarded to the third and fourth ranked teams in the Jupiler Pro League 1A. Besides, a number of teams that are eliminated from the Champions League and the Europa League will be transferred to the Conference League as well.

8.4.2 Overview of Belgian competitions

(i) *The Jupiler Pro League 1A*

In Belgium, the Pro League organizes all professional football matches for both the Jupiler Pro League 1A and the Pro League 1B. Besides these competitions, the Pro League also organizes the Belgian Cup and the Belgian U21 Cup on a mandate of the Royal Belgian Football Association (source: Pro League website (proleague.be)).

(a) Regular competition

In the Jupiler Pro League 1A, typically 16 teams play 30 matches in total, in a regular competition from July to March in double round-robin format. The winner of the regular competition qualifies for the third qualifying round of the Europa League. The team finishing sixteenth in the regular competition is relegated to the Pro League 1B.

[17] Source: https://www.uefa.com/uefaeuropaleague/news/0260-102fc36c1cf2-d36b3df55d5d-1000/.

Due to the COVID-19 pandemic, the Jupiler Pro League 1A was terminated after 29 matches instead of 40 in the 2019/2020 season and the ranking at that time was declared to be definitive (making the Company champion). It was also decided that no teams had to be relegated to the Pro League 1B and that the teams playing in the Pro League 1B that were still in the running for promotion to play in the Jupiler Pro League 1A, were promoted. Hence, in the 2020/2021 and 2021/2022 seasons, 18 teams will participate in the Jupiler Pro League 1A, each of them playing 34 games per season. At the end of the 2020/2021 season, the team finishing eighteenth in the regular competition is relegated to the Pro League 1B, while the team finishing seventeenth plays test matches against the highest ranked team of the Pro League 1B that was not promoted directly. An external study is ordered to investigate the best possible competition format (from a sporting and commercial perspective) that will be applicable after the end of the 2021/2022 season. If no agreement can be reached on such new competition format, three teams will be relegated to the Pro League 1B, while only one team will be promoted from the Pro League 1B to the Jupiler Pro League 1A, so that, at the start of the 2022/2023 season, there will again be 16 teams competing in the Jupiler Pro League 1A (source: RBFA Regulations Pro League 2020/2021).

After the regular competition, teams participate in the play-offs. The play-offs are typically split into Play-Off 1, consisting of ten games per club, and Play-Off 2, consisting of six matches per club. The play-off format was introduced in the 2009/2010 season with the aim to increase competitiveness and improve the experience of the league for spectators. In the 2020/2021 season and, potentially, in the 2021/2022 season, an alternative play-off schedule will be organized, whereby Play-Off 1 and Play-Off 2 each consist of six games per participating club (source: RBFA Regulations Pro League 2020/2021).

(b) Play-Off 1

The sixth highest ranked teams after the regular competition face each other in Play-Off 1. All six teams in Play-Off 1 start with half the number of points that they earned in the regular competition. The six clubs play 10 games in total, playing each other twice, once at home and once away. In the 2020/2021 and, 2021/2022 season, only the four highest ranked teams after the regular competition will play in Play-Off 1, each team playing six games in total. The highest ranked team after Play-Off 1 is the winner of the Jupiler Pro League 1A and qualifies directly for the Champions League group stage. The club ranked second qualifies for the third qualifying round of the Champions League. If the winner of Play-Off 1 also happens to be the winner of the regular competition, the third ranked team in Play-Off 1 also qualifies for the third qualifying round of the Europa League (source: RBFA Regulations Pro League 2020/2021).

(c) Play-Off 2

Starting in the 2019/2020 season, the sixteen clubs that finish seventh to sixteenth in the regular competition of the Jupiler Pro League 1A and those that finish first to sixth in the regulator competition of the Pro League 1B form four groups. All teams start the Play-Off 2 with zero points and play the other clubs in its group twice, once at home and once away. The four winners of each group play the semi-finals with one home game and one away game. The two winners of the semi-finals play the Play-Off 2 final with again one home game and one away game. Due to the COVID-19 pandemic, the set-up of Play-Off 2 has been changed as well in the 2020/2021 and 2021/2022 season. During these seasons, only the four clubs that finish fifth to eighth in the regular competition of the Jupiler Pro League 1A will play in Play-Off 2, each team playing six games in total and starting with half the number of points that they earned in the regular Jupiler Pro League 1A competition. The winner of the Play-Off 2 plays the number four of the Play-Off 1 for a place in the second qualifying rounds of the Europa League, except if the winner of the Belgian Cup plays in Play-Off 1; in that case, the ticket for the second qualifying rounds of the Europa League is awarded directly to the winner of Play-Off 2 (source: RBFA Regulations Pro League 2020/2021).

(ii) *Pro League 1B*

The Pro League 1B consists of eight teams that play for promotion to the Jupiler Pro League 1A in two periods. After these two periods, the winner of the first period plays the winner of the second period for the title in a home and an away game. The winner of this final is the winner of the Pro League 1B and is promoted to the Jupiler Pro League 1A. A team is also considered to have won the Pro League 1B if it wins both the first and second period, in which case no final is played. During the 2020/2021 and 2021/2022 seasons, the eight teams participating in the Pro League 1B will play each other twice in one period. The winner of this period is the winner of the Pro League 1B and is promoted to the Jupiler Pro League 1A. In addition, in the 2020/2021 season, the runner-up of the Pro League 1B will play against the penultimate team in the Jupiler Pro League 1A for a potential extra promotion place (source: RBFA Regulations Pro League 2020/2021).

(iii) *Belgian Cup*

The Belgian Cup is a knock-out style competition that occurs every season and is organized by the Pro League. Local Belgian amateur clubs and professional clubs face each other in matches contested throughout the course of the season. The winning team qualifies for the next round via a single knockout game, except for the semi-finals in which a home and an away game are played to decide which team progresses to the final. The winner of the final, a single game, receives the Belgian Cup and qualifies for the group stage of the Europa League. The income of each game is split equally between the two participating clubs (source: RBFA regulations Pro League 2020/2021).

(iv) *Belgian Super Cup*

The Pro League organizes a match every year between the winner of the Jupiler Pro League 1A and the winner of the Belgian Cup. The winner of the Jupiler Pro League 1A has the home advantage for this game. The winner of the match wins the Belgian Super Cup. Ticketing revenues for this competition are divided between the Pro League (20%) and the participating clubs (40% each). Any revenue from commercial contracts of the Pro League are divided between the Pro League (50%) and the participating clubs (25%) (source: Reglementenbundel Pro League Editie 2 July 2018).

8.4.3 Potential new format: the BeNeLiga

In the summer of 2019, five Belgian football clubs (*i.e.,* AA Gent, Club Brugge, KRC Genk, RSC Anderlecht and Standard Liege) and six Dutch football clubs (*i.e.,* Ajax Amsterdam, AZ Alkmaar, FC Utrecht, Feyenoord Rotterdam, PSV Eindhoven and Vitesse) discussed the opportunity to set up a cross-border competition, the so-called "BeNeLiga", with an aim to rank closely behind the Big 5 Leagues. The initiating clubs commissioned a market analysis performed by Deloitte to identify the theoretical added value of such a new competition. The study has been supported by the Royal Belgian Football Association and its Dutch equivalent, *i.e.,* the Royal Dutch Football Association (*Koninklijke Nederlandse Voetbalbond/Association Royale néerlandaise de football*) (source: Metrotime 25 October 2019 and Belga).

In October 2019, Deloitte issued a positive first report after which the initiating clubs agreed to continue to the second phase of the feasibility study, focusing on the competition format, the effects on various existing competitions and an impact analysis per club (source: Metrotime, 25 October 2019 and Belga).

Bert Habets (former RTL CEO), was appointed as project leader of the BeNeLiga in August 2020 to initiate the next phase in which the clubs have to reach agreement on the allocation of the tickets for the European competition (source: Telegraaf 28 August 2020).

For participating clubs, the BeNeLiga is expected to lead to a value increase for media rights and sponsorship agreements.

9 Business

9.1 Overview of principal activities and principal market(s)

9.1.1 Introduction

Club Brugge is one of the most popular and successful football clubs in Belgium. Throughout its 129-year heritage, Club Brugge has won the Jupiler Pro League 1A 16 times, the Belgian Super Cup a record 15 times and the Belgian Cup a record 11 times, the majority of which were won in its recent history, (*i.e.,* since 1980, Club Brugge has won the Jupiler Pro League 1A 10 times, the Belgian Super Cup 15 times and the Belgian Cup 8 times). More recently, it has held a top position (#1 or #2) in the Jupiler Pro League 1A for the past six seasons.

Club Brugge has leveraged the leading position of its First Team in the Jupiler Pro League 1A into an increasingly strong track record in European football, playing in the Champions League and/or Europa League (or its historic predecessors) 43 times in the last 50 seasons. More recently, the First Team played in the group stage of the Champions League in four of the past five seasons. As winner of the Jupiler Pro League 1A in the 2015/2016, 2017/2018 and 2019/2020 seasons, the First Team qualified directly for the Champions League group stage of the subsequent European seasons. In the 2019/2020 season, Club Brugge, as the first Belgian club, reached the group stage of the Champions League via the qualification route (following its second place in the Jupiler Pro League 1A in the 2018/2019 season) and then later played in the round of 32 of the Europa League against Manchester United. The participation of the First Team in the Champions League group stage in the current 2020/2021 season marked its best performance ever, winning eight points, finishing third in the group stage (missing only two points to qualify for the round of 16) and subsequently qualifying again for the round of 32 of the Europa League. In the 2014/2015 season, as runner-up in the Jupiler Pro League 1A, Club Brugge reached the quarter finals of the Europa League.

In its rich history, Club Brugge has reached two finals (in the 1975/1976 and the 1977/1978 seasons) and two semi-finals (in the 1987/1988 and 1991/1992 seasons) in the European competitions. Club Brugge is the only Belgian club to have ever played the final of the European Cup I (forerunner of the current Champions League) (in the 1977/1978 season). It has also played in the UEFA Cup final (forerunner of the current Europa League) (in the 1975/1976 season) and it holds the European record for number of consecutive participations in the Europa League (20). In total, the Company has made 21 appearances in the Champions League and 32 appearances in the Europa League. This sporting track record has enabled Club Brugge to develop one of Belgium's leading sports brands backed by a community of over one million loyal fans with whom Club Brugge connects not only via live matches, but also through various other channels such as social media platforms and Club Brugge's website and mobile application. Club Brugge's Jan Breydel Stadium was sold out on most match days, with an average occupancy[18] of over 95% over the past three seasons, reflecting the highest cumulative home attendance of all football clubs participating in the Jupiler Pro League 1A. Club Brugge's media rights are sold collectively with other clubs through industry bodies in both domestic competitions and European Competitions and Club Brugge has been able to attract a diversified range of sponsors, including leading domestic and international corporations.

[18] Excluding visitors seats and prior to the COVID-19 pandemic.

In 2012, Club Brugge converted from being a “not for profit” organization into a commercially run group under its current leadership. Embodying its slogan of ‘No Sweat/No Glory’, Club Brugge embarked on a multi-year transformation including a professionalization of Club Brugge’s management and organization. Core to the success of Club Brugge has since been a strategic focus on innovation, including the deployment of technology throughout every part of its business. This focus on leveraging data analytics on both the sports and commercial side has led to higher success rates in both sporting and commercial risk-reduction.

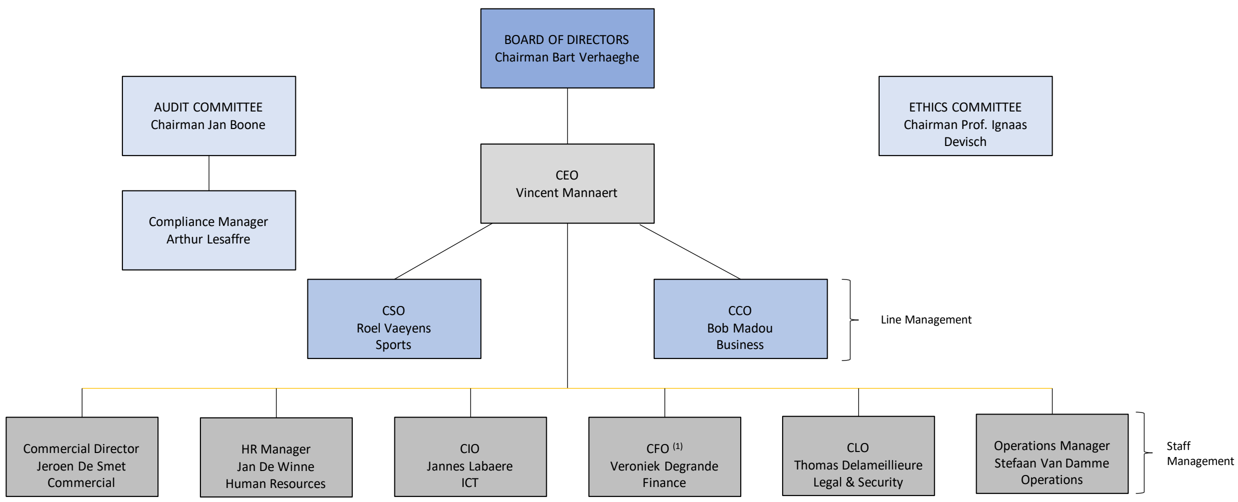
The players and staff benefit from training and preparation in the state-of-the-art infrastructure and facilities at the Belfius Basecamp, which was commissioned in 2019. In addition, the New Stadium is envisaged to be completed at the start of the 2023/2024 season.

Finally, the Club NXT U23 Team participates in the Pro League 1B in the 2020/2021 season, which makes Club Brugge the first football club in Belgian history to have two professional teams participating at the Pro League level[19].

9.1.2 *Company’s organization and business units*

The following chart provides an overview of the Company’s organization and business units, including the heads of each business unit.

CLUB BRUGGE
ORGANIGRAM



(1) As of April 2021, Veroniek Degrande will become Head of Finance and Nicky Laukens will join the Company as CFO.

(i) *Sports department*

The Sports department is responsible for overseeing everything in relation to the First Team, the Club NXT U23 Team, Club NXT (the Company’s youth academy) and Club YLA (women’s teams). In addition to ensuring continued sporting success, the Sports department is responsible for the sourcing, recruitment, acquisition, training and

[19] This does not breach the principle that a license will not be granted by the Royal Belgian Football Association if an “associated legal entity” is also associated with another professional football club active in the Jupiler Pro League 1A or the Pro League 1B (see also risk factor 2.1.2(viii) regarding the regulations imposing restrictions on the Shareholders).

development, and ultimately, sale of players' Player Registration Rights. The 75 staff members (other than the players – as at 1 February 2021) include all coaches and training personnel, physicians, nutritionists, scouts and data scientists. ClubLab, the unit developing the Company's scientific and data-driven approach to player training, development and injury prevention, forms an integral part of this department.

(a) First Team

The First Team plays professional football in the domestic Belgian competitions, the Jupiler Pro League 1A and the Belgian Cup, and, subject to qualifying, in European football competitions, including the Champions League and the Europa League.

As at 1 February 2021 (COB) (end of the winter transfer window of the 2020/2021 season), the Company has 33 players under contract who form part of its First Team. The other players under contract with the Company play for the Club NXT U23 Team and are being developed so as to increase their chances to obtain a starting position on the First Team or the first team of other clubs.

The Company and the players of the First Team enter into a contract that is based on a Pro League-prescribed model contract. The First Team players generally enter into contracts of between three and five years' duration.

As at 1 February 2021, the First Team (excluding players who are currently loaned to other clubs and including players who are loaned in from other clubs) is composed of following players:

Name	Position	Nationality	Age	Years Left on Contract[20]
Chidozie David Okereke	Attack	Nigerian	23	2
Youssouph Mamadou Badji	Attack	Senegalese	19	3
Noa Lang	Attack	Dutch	21	3
Bas Dost	Attack	Dutch	31	1
Tahith Chong	Attack	Dutch	21	0
Nabil Dirar	Attack	Belgian/Moroccan	35	0
Charles De Ketelaere	Midfield	Belgian	20	2
Eder Fabian Balanta	Midfield	Colombian	28	3
Hans Vanaken	Midfield	Belgian	28	4
Mats Rits	Midfield	Belgian	27	3 (1)
Ruud Vormer	Midfield	Dutch	32	1 (1)
Thomas Van den Keybus	Midfield	Belgian	19	2
Cisse Sandra	Midfield	Belgian	17	2
Brandon Mechele	Defender	Belgian	28	2 (1)

[20] The numbers between brackets indicate the Company's option to extend the relevant player contract with the indicated number of years.

Name	Position	Nationality	Age	Years Left on Contract[20]
Eduard Sobol	Defender	Ukrainian	25	3
Federico Ricca Rostagnol	Defender	Italian/Uruguayan	26	2
Ignace Van der Brempt	Defender	Belgian	18	2
Kouakou Odilon Dorgeless Kossounou	Defender	Ivorian	20	3
Matej Mitrovic	Defender	Croatian	27	1
Maxim De Cuyper	Defender	Belgian	20	2
Clinton Mukoni Mata Pedro Lourenço	Defender	Belgian	28	3
Stefano Denswil	Defender	Dutch/Suriname	27	0
Ethan Horvath	Goalkeeper	Belgian	25	0
Nick Shinton	Goalkeeper	Belgian	19	1
Senne Lammens	Goalkeeper	Belgian	18	2
Simon Mignolet	Goalkeeper	Belgian	33	4

As at 1 February 2021, the key staff members supporting the Company's First Team are:

Name	Function	Nationality	Years Left on Contract
Philippe Clement	Head coach	Belgian	2
Johan Van Rumst	Assistant coach	Belgian	2
Jonas Ivens	Assistant coach	Belgian	2
Frederic De Boever	Goalkeeper coach	Belgian	Contract of indefinite duration
Eddie Rob	Physical coach	Belgian	Contract of indefinite duration
Carl Hoefkens	Talent Coach 1st Team & Academy	Belgian	Contract of indefinite duration
Dieter Deprez	Coordinator ClubLab	Belgian	Contract of indefinite duration
John Bessell	Performance Analyst	Australian	Contract of indefinite duration
Dévy Rigaux	Team Manager	Belgian	Contract of indefinite duration
Bruno Vanhecke	Team Doctor	Belgian	Contract of indefinite duration
Thomas Tampere	Team Doctor	Belgian	Contract of indefinite duration
David Bombeke	Medical Coordinator	Belgian	Contract of indefinite duration
Rodrigo Sobreira De Melo	Performance Specialist	Brazilian	1
Thomas De Jongh	Physiotherapist	Belgian	Contract of indefinite duration
Leen Van Damme	Physiotherapist	Belgian	Contract of indefinite duration
Ronny Werbrouck	Masseur	Belgian	Contract of indefinite duration

(b) Sourcing and recruitment of players

The Sports department is responsible for the identification and attraction of talented players early in their careers. The Sports department relies on (proprietary) unique and centralized players' databases to identify and monitor promising talents nationally and internationally and among youth players, and advanced software programs for data analytics, allowing optimized targeting and diligence when recruiting new players. In this process, the Sports department often uses video scouting techniques as an additional filter to the pool of potential target players, allowing the Sports department to cost-efficiently monitor a large number of prospects.

The Company's recruiting network and infrastructure is also an important source of football talent. Through the Company's extensive scouting network, players are recruited both for the First Team and the youth sector teams.

As at 1 February 2021, the Company's scouting network is managed within the Company by 8 FTEs and three independent scouting service providers and it uses the services of four screening and scouting consultants and 27 freelance scouts. Furthermore, the Company has established a network of contacts in key target areas around the world, with a main focus on Belgium, Europe, South and Latin America and Australia and potential growth in Africa and the United States. The Company is continuously expanding its geographic reach, which is illustrated by the fact that it has traded players with 41 different countries over the last five years, compared to 18 different countries in the 2015/2016 season (source: Transfermarkt.be).

Besides this scouting network, the Company's experienced coaches, data scientists, video/performance analysts and medical practitioners are also involved in the recruitment process.

(c) Club NXT

Club NXT consists of 15 junior teams with players under 21 years old, including the Club Next U23 Team that plays in the Pro League 1B since the 2020/2021 season, and is a key source of new talent for the First Team. The aim of Club NXT is to identify talented young players, mainly in Belgium, but also in Europe (in particular in the rest of the Benelux, France, Scandinavia and the Balkans), Africa and South America, and develop and optimize their professional guidance on a technical, tactical, physical and mental level in order to create a flow of talent from the youth teams up to the First Team. Each football season a minimum of two youth players are promoted to the First Team, and the aim is to increase this number significantly. This approach saves the Company the expense of purchasing such players' Player Registration Rights on the transfer market at potentially high values and thus presents higher potential for value creation. Players from Club NXT may be lent to other clubs in order to develop and gain first team experience at those other clubs with a view to enhance their transfer value. Players from Club NXT who do not make it into the First Team frequently achieve a place at another professional football club, thereby generating income for the Company from player loans, transfer fees, solidarity payments and/or training compensation. Club NXT has partnerships with ten local teams in different regions in Belgium with whom tournaments and friendly games are organized and sporting know-how is exchanged, increasing the Company's access to talented young players in such local teams.

(d) Development and transfer of players

The Sports department caters for the development of players with a view to boost their individual performance. To push the boundaries of player development, the Sports department uses "ClubLab", a proprietary data platform that collects, analyzes and applies (historical) sports and health-related data, thereby aiming to improve performance, minimize risks in decision-making processes by extensive mental and physical testing (relating to training, games and transfers), minimize injury levels and further strengthen data-driven evaluations, in cooperation with partner universities, such as the University of Technology of Sydney, the University of Ghent and the University of Antwerp (which has established an academic chair on "Corporate Governance in Football", sponsored by the Company), and partner technology companies, such as Wyscout, Wimu, Hudl, SciSports and SoccerLab. Additionally, ClubLab develops state-of-the-art nutritional analysis and recovery programs tailored to each individual player's needs.

Furthermore, the department is responsible for the Company's player transfers and the creation of a strong pipeline to replace outgoing transfers, while maintaining the quality of the team.

The Company has built a network and reputation among top performing football clubs in major leagues (including the Big 5 Leagues) to sell the Player Registration Rights of its talented players.

(e) Female football teams

Since 2010, the Company also operates three fully-integrated women's teams, one of which currently plays in the Women's Super League, Belgium's top-division for women's football. The women's team has been the subject of a rebranding in 2020, reflecting the increasing attention to and profiling of women's football and the Company's engagement to provide for professional support, guidance and training of female football players. In honor of Yvonne Lahousse, one of the strong women in the Company's history, the women's section is called Club YLA and currently consists of three teams (*i.e.,* a first team, a second team and a youth team). The broadcasting rights for games played by Club YLA are also included in the Eleven Sports Media Rights Agreement.

(ii) Commercial department

As at 1 February 2021, the Commercial department has 26 professionals and caters for all revenue generating areas outside of sport. The commercial department is focused on monetizing the Club Brugge brand. The commercial department is responsible for the negotiation of direct media contracts and the indirect involvement (through the Pro League) in the negotiation of domestic media contracts, the sourcing and servicing of sponsors and advertisers, the sale and provision of VIP and corporate hospitality and the optimization of sales in food and beverage and events. The department also commercializes the match days and takes care of the sale of "Club Brugge" branded merchandise, directly through the stadium store, as well as online and through selected retailers. Starting from the summer 2021, it is also expected to sell merchandise through a prime located store which will be leased in the City of Bruges. The revenues generated by this store are expected to be on par with the store located in the Jan Breydel Stadium within two years from its opening. Further, the commercial department also develops customized marketing content, using Club Media House, the Company's in-house media agency, by creating proprietary branded image and video content and distributing it through direct or indirect online media channels and directly to existing or prospective sponsors. Club Media House is expected to entail a capital expenditure of €0.2 million in the financial year ending 30 June 2021 and to generate an estimated revenue of €0.3 million to €0.5 million per year.

(iii) *Corporate Functions department*

As at 1 February 2021, the Company's Corporate Function's department counts 34 professionals, including 21 FTEs and independent contractors in Operations, five FTEs in Finance and HR, three FTEs and independent contractors in Legal & Security, one FTE in Compliance, three FTEs and independent contractors in ICT and one independent contractor in Investor Relations. Further detail on the sub-departments follows:

(a) The Operations department looks after all areas of maintenance, food and travel services, greenkeeping as well as the upkeep and cleaning of the Belfius Basecamp and the Jan Breydel Stadium. The Operations department's personnel members include restaurant staff, drivers, green keepers, receptionists, cleaning and maintenance personnel, all key for delivering seamless services and ensuring that the Company's operations run smoothly.

(b) The Finance department is mainly responsible for the monthly closing and reporting of the profit and loss statements, financial planning and analysis, managing accounts payable and receivable, payroll administration, tax accounting, preparing license applications for the Royal Belgian Football Association and making sure the Company complies with the Belgian and European financial fair play regulations.

(c) The Legal & Security department is composed of two divisions: Legal and Security. The Legal division is responsible for corporate housekeeping, contracting (sports, commercial, insurance etc.), legal procedures, GDPR and intellectual property protection. The Security division takes care of all security related matters during matchdays and stakeholder management (government, stewards, police, etc.).

(d) The Compliance department monitors the internal controls and financial reporting process and aims to implement these in the daily operations. The department makes sure the Company's Code of Ethics is strictly observed. The compliance manager reports directly to the Audit and Risk Committee.

(e) The ICT department supports and enables the business. The ICT team ensures that the Sports and Commercial departments have state-of-the art tools and infrastructure to conduct their operations (e.g. data analytics). Additionally, the ICT team focuses on the smooth running of all ICT applications and ensure maximum security of the ICT infrastructure and the Company's data (players, fans, personnel etc.).

(f) The HR department is responsible for all employment matters of the Company.

(g) The recently developed Investor Relations department will be responsible for managing the communication between the Company's management and prospective investors as from the date of the Offering.

(iv) Club Brugge Foundation

The Club Brugge Foundation is an independent not-for-profit organization. The Club Brugge Foundation does not form part of the legal corporate structure of the Company, but it has a deep rooted connection with the Company. As part of the transformation of the football club "Club Brugge" in 2012 from a "not for profit" organization into a commercially run operation, all activities relating to the football club (including the commercial and football activities) were transferred from the Club Brugge Foundation to Club Brugge and the Club Brugge Foundation provided Club Brugge with a long-term (vendor) loan. This loan was restructured in 2019. The interest payments from Club Brugge to the Club Brugge Foundation provide the funding of the running costs for Club Brugge Foundation (see section 7.8 "*Liquidity and capital resources*" and section 11.3 "*History of share capital*") and represented approximately 33% of its funding in the financial year ended 30 June 2020. Its other funding sources are fundraising activities, donations and contributions, private sponsorship and grants, among which grants from the City of Bruges. As further detailed in section 9.10 "*Environment and social responsibility*", the Club Brugge Foundation is critical to the Company's community outreach and corporate social initiatives. Its volunteers also provide vital support as stewards on matchdays at the Jan Breydel Stadium.

9.1.3 Infrastructure and facilities

(i) Jan Breydel Stadium

The Jan Breydel Stadium has been home to both the Company and, a second Bruges based football club, Cercle Brugge, since 1975. The Jan Breydel Stadium has a listed capacity of 29,042 seats of which 28,415 seats (including a maximum of 2,600 seats available and sold to fans of visiting teams and/or fans of the Company on a game-by-game basis[21]) are actually in use, with an average occupancy[22] of over 95% during the Company's matches over the past three football seasons. In the 2020/2021 season, due to the COVID-19 pandemic, no spectators are allowed in the stadiums, except for three home games played between 12 September 2020 and 23 October 2020 where a limited number of spectators (capped at approximately 9,200 spectators) were allowed.

The Jan Breydel Stadium is owned by the City of Bruges, but the Company and Cercle Brugge have been granted a right to use and manage the stadium and the practice fields next to it for free. While the City of Bruges is responsible for all costs and investments

[21] In the 2018/2019 season, 15 games out of 20 home games in the Jupiler Pro League 1A were sold out. In the 2019/2020 season, 11 games out of 15 home games in the Jupiler Pro League 1A were sold out.
[22] Excluding visitors seats and prior to the COVID-19 pandemic.

relating to the structure and/or stability of the building, the building shell and major infrastructure works, the Company, together with Cercle Brugge, is responsible for the daily maintenance and any normal or non-structural repairs and renovations of the Jan Breydel Stadium, including the main football field and the practice fields. In that respect, the Company and Cercle Brugge have concluded a framework agreement. Pursuant to this agreement, an annual compensation amounting to €350,000 is due by Cercle Brugge covering, amongst others, its share of the maintenance and repair costs. As regards other investment costs relating to the Jan Breydel Stadium, Cercle Brugge will only have to bear 33.33% of such costs, whereas the remaining 66.67% is at the expense of the Company.

The Jan Breydel Stadium is due to be replaced by the New Stadium, to be owned by the Company itself, as further described below (see section 9.1.3(iv) "*New Stadium*").

(ii) *Belfius Basecamp*

Belfius Basecamp, the Company's new 10,000 m² training facility located in Knokke-Heist, near Bruges, was commissioned in 2019 and represents a key asset in the implementation of the Company's sporting strategy to boost individual and collective player performance. The complex comprises four outdoor practice fields (*i.e.,* three heated hybrid fields and one natural grass field) of which one field has led-lightning, a large outdoor coordination and physical work-out zone in artificial grass and an indoor artificial grass field for adverse weather conditions. The Belfius Basecamp also includes indoor physical training facilities, a rehabilitation area, high tech fitness facilities, dressing rooms, hotel recovery rooms, a restaurant and a wellness and swimming pool, as well as an auditorium for team meetings and press conferences, offices for other staff and additional facilities for the well-being of players and staff. The training center further allows the use of advanced video analysis and GPS tracking tools. The complex' total investment value amounted to €18.0 million, of which €15.0 million was financed through external debt via credit facilities with Belfius Bank, which is one of the Company's key sponsors.

(iii) *Schiervelde Stadium and Watertoren site*

With the admission of the Club NXT U23 Team into the Pro League 1B as from the 2020/2021 season, there is a need to upgrade the existing stadium facilities located in Lokeren for both the players, fans and sponsors of the Club NXT U23 Team. The Company is therefore negotiating an agreement with the city of Roeselare for the use of the Schiervelde Stadium for a 30-year term. This stadium, which in the past has been used by the former professional football club KSV Roeselare, is expected to be used by the Club NXT U23 Team to play home games in the Pro League 1B and has a seating capacity of approximately 8,400 seats. The Company intends to convert the main stadium stand (including the stand's office facilities) into a junior basecamp training center for the U13-U16 teams of Club NXT, who will also use nearby training pitches. This redevelopment is expected to entail approximately €0.5 million of capital expenditures in each of the 2020/2021 and 2021/2022 seasons and is expected to be depreciated over ten years.

In addition, on the date of this Prospectus, the Company is negotiating a 30-year lease agreement with the city of Bruges with regard to the Watertoren site with training pitches located in Bruges. These additional pitches will be used by the U6-U12 teams of Club NXT and Club YLA.

All of these new facilities will further strengthen the Club NXT U23 Team, Club YLA and the youth development initiatives of Club Brugge funneling the pipeline of future players for the First Team.

(iv) New Stadium

The Company's New Stadium, which at the time of this Prospectus is in its design phase and expected to be completed at the start of the 2023/2024 season, is set to play a significant role in the overall customer experience for the Company's fans.

The seating capacity is due to increase from 28,415 to 40,000 seats and the VIP seating will more than double. The New Stadium is expected to have more points of sale for food and beverage as well as merchandise, and all seats will enjoy rain cover (as opposed to the partial seat cover in the Jan Breydel Stadium). In addition to the extra capacity, new pricing for ticketing, hospitality and food and beverages is expected to increase revenues. The modern and more optimal layout of the envisaged New Stadium is expected to help optimize yield management compared to the Jan Breydel Stadium, which does not allow for optimization of pricing in tickets, VIP and food and beverage. With the New Stadium, the Company also expects its fanbase to further diversify and to welcome more families with children and women, and, overall, to further strengthen the quality of the Company's fans' live experience and to reinforce the Company's brand recognition. Lastly, in contrast to the Jan Breydel Stadium, which is owned by the City of Bruges and has been home to both the Company and a second Bruges based football club, Cercle Brugge, the New Stadium will be fully owned by the Company, for its sole use as soon as a new stadium has been built for Cercle Brugge. The Company has offered Cercle Brugge to play in the New Stadium during a transitional period, if needed.

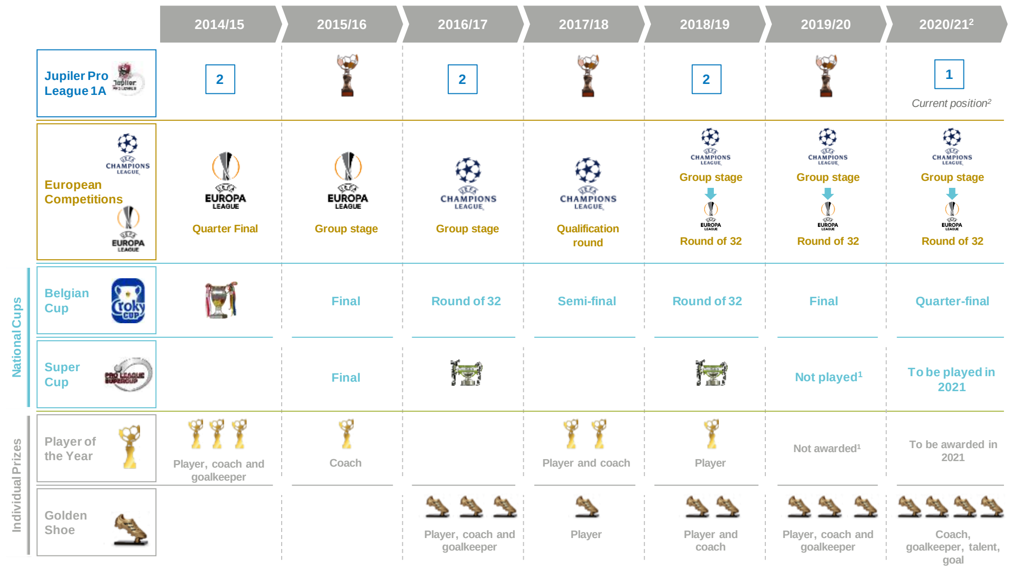
On 24 July 2020, the Company selected a design and build consortium, based on a design and build competition. A design and build agreement with the winning consortium is currently being negotiated. On 8 March 2021, the Company submitted the building application for the New Stadium. In the current envisaged timetable, which may be impacted by factors beyond the Company's control, including actions by third parties, the building permit for the New Stadium is expected to be issued in the second half of 2021, with construction to commence in the first half of 2022 (provided that no appeals are lodged), so that completion is expected at the start of the 2023/2024 season. Until completion, the First Team will continue to play its matches in the Jan Breydel Stadium. Given that the New Stadium will be located right next to the Jan Breydel Stadium, the transition to the New Stadium is expected to be seamless.

9.1.4 Key business drivers

(i) Sporting success

Sporting success is ultimately the Company's main business driver. Consistent good sporting results in recent years have enabled the Company to increase revenues from matchday activities, commercial activities (sponsorship, advertising and merchandise) and media rights (particularly with increased participation in European Competitions).

The Company's sporting success in both the domestic competitions and European Competitions has in turn helped to attract young talent. The Company's training and development programs coupled with the opportunities it creates for players to compete at the highest level in European football (Champions League), have allowed the Company to hone its talent pool and aid young talented players in achieving their best performance. Many young successful players have been sold on to top clubs, including those in the Big 5 Leagues, providing substantial financial returns for the Company. Over the past decade, the Company has made significant re-investments, in both players and infrastructure, which has facilitated a virtuous circle helping to propel the Company's sportive and financial success.



Source: Public information; ¹ Cancelled due to COVID; ² As of March 05, 2021

(ii) *Organization of matches*

The Company sells 24,300 season tickets for the Jan Breydel Stadium every year (all season tickets sold out every season for the past three seasons). Furthermore, the Company organizes food and beverage sales at the Jan Breydel Stadium as well as hospitality, which is predominantly corporate and VIP tickets including hospitality packages. Given that the Jan Breydel Stadium is typically sold out and runs with an average of over 95% occupancy[23] for the last three seasons, the main growth in the current stadium comes from the number of matches played, as current infrastructure provides limited upside in yield management. This varies primarily depending on participation in European Competitions, as the domestic matchday schedule is relatively fixed from season to season. See also section 7.3.1 "*Impact of the COVID-19 pandemic*".

(iii) *Sale of media rights*

Media rights are also a major driver for the Company's business. The Company receives revenues from two kinds of media rights: domestic and European.

(a) Firstly, with regards to media rights for Belgian domestic competitions, the Pro League negotiates and enters into multi-year contracts with contending

[23] Excluding visitor seats and prior to the COVID-19 pandemic.

broadcasters or intermediaries. The previous contract with MP & Silva ran until July 2020. Due to the high demand for football content consumption, the contract renewals over the past decade have led to increasing revenues. A new media rights contract for domestic media rights, *i.e.,* the Eleven Sports Media Rights Agreement, was agreed with Eleven Sports in the second quarter of 2020, covering the next five seasons (from the 2020/2021 season to the 2024/2025 season). The revenues are split between the teams playing in the domestic league on the basis of a division key including various parameters approved by the Pro League. The parameters relate to, amongst others, (current and historical) sporting performance, number of Belgian trained players, etc. Moreover, the team that qualifies for the group phase of the Champions League must donate a portion of the media rights payments received in the relevant season to certain other clubs that participated in the Jupiler Pro League 1A (a so-called "*solidarity payment*"), in light of the high fees generated by the qualification to the Champions League, which more than offsets the amount of the "*solidarity payment*".

(b) If the Company is able to qualify and participate in European Competitions organized by UEFA, it is entitled to a portion of European media rights. UEFA typically negotiates three year contracts with broadcasters, the fees from which are then divided amongst the competing teams depending on historical performance and ranking, points earned and level of progression within each of the tournaments, with the Champions League carrying the largest proportion of the fees. A new three year cycle will start as from the season 2021/2022 onwards. At the date of this Prospectus, UEFA has not finalized the negotiations on this new media rights contract nor has it provided any indication on the level of media rights revenues for this new cycle.

(iv) Commercial activities: sponsorship, advertising and merchandise

The Company's commercial activities include sponsorship, advertising and merchandising. The Company benefits from a stable, loyal and diversified group of sponsors, with 30 sponsors in total as of 30 June 2020. The table below shows the relative percentage of the Company's top sponsors in the total sponsorship revenues for the financial year ended on 30 June 2020:

Relative percentage of top sponsors in total sponsorship revenues

Top 10	**Year ending 30 June 2020** ***Revenue (€ '000 unless otherwise stated)***	**% of total**
Top 3	4,748	47%
Top 5	5,660	56%
Top 10	6,914	68%

The Company segments its sponsors into categories with (i) main partners generating sponsorship revenues of at least €2.5 million per season, (ii) premium partners generating sponsorship revenues of at least €0.5 million per season; (iii) partners generating sponsorship revenues of at least €0.2 million per season; and (v) advertisers generating sponsorship revenues of at least €50,000 per season. On the date of this

Prospectus, main partners and premium partners are Unibet, Eleven Sports, Macron, Belfius, Alheembouw and Candriam.

The Company sells branded products in its in-house merchandise store located at the Jan Breydel Stadium. Furthermore, the Company has launched a new online shop in 2019 (www.clubshop.be) in order to boost its merchandising activities. In the summer of 2021, a new physical store is expected to be opened in a prime location in the City of Bruges.

The continued investments in data collection of the fan base are undertaken to create additional opportunities for sponsorship, advertising and merchandising. Furthermore, the Company's online presence, through social media platforms, the Company's website, and its mobile application, with increased advertising opportunities, is expected to be a driving force in further commercial activities.

(v) *Training, development and transfer of players*

The recruitment, training and development of players and then subsequent disposal of their Player Registration Rights is at the core of the Company's operations and engrained into the strategy of the Company.

The Company's Sports department disposes of a combination of advanced technology (ClubLab, see section 9.1.2(i)(d) "*Company's organization and business units"*) and Belfius Basecamp as a state-of-the-art facility (see section 9.1.3(ii) "*Company's organization and business units"*) to optimize the training and development of players that it sources from its Club NXT academy and its scouting network (see section 9.1.2(i)(b) "*Company's organization and business units"*).

As a result, according to Transfermarkt.be, the First Team is the highest valued Belgian team, with a reported market value of €138.1 million[24] at 1 February 2021 (Source: Transfermarkt.be), compared to a reported market value of €93.4 million, €90.6 million and €101.5 million in the financial years ended 30 June 2018, 2019 and 2020, respectively, and with a strong pipeline for outgoing transfers. In the financial years ended 30 June 2018, 2019 and 2020, the transfer value of players transferred by the Company to another football club amounted to €26.1 million, €15.9 million and €63.2 million, respectively. As the Company has demonstrated in the past, outgoing transfers have a limited impact on the ability of the Company to reach the first or second position in the Jupiler Pro League 1A and participate in the European competitions.

9.2 Competitive strengths

Over the last few years, the Company has been successful in managing the football club "Club Brugge" as a highly professional business that is well positioned to take advantage of global trends in the football market. In doing so, Club Brugge has benefited from its top position in the Jupiler Pro League 1A to realize a solid financial performance and growth, while abiding by the principles of good and transparent governance.

This translates into the Company's following competitive strengths:

[24] Including players who are loaned out to other football clubs and excluding players who are loaned in from other football clubs.

The Company's leading position in the Jupiler Pro League 1A enables it to gain regular access to European Competitions participation which, in turn, results in significant revenues and increase of the Company's visibility, generating a virtuous cycle of success.

The consistent leading performance of the Company in Belgian national competitions, in particular the Jupiler Pro League 1A, has created a high likelihood of participation in European Competitions for the Company going forward. The First Team held a top final position (#1 or #2) in the Jupiler Pro League 1A for the past six seasons and could therefore benefit from Belgium's top ten rank in the UEFA country coefficient ranking which entails that Belgian football teams currently compete for one direct qualification to the Champions League group stage (reserved for the winner of the Jupiler Pro League 1A) and one opportunity to play in the third qualifying round of the Champions League (reserved for the runner-up in the Jupiler Pro League 1A). Furthermore, the winner of the Belgian Cup is granted a place for the play-off rounds of the Europa League (see section 8.4.1 "*Overview of European competitions"*).

Therefore, a leading position in the Belgian top football league facilitates consistent access to European Competitions.

As shown in section 8.2.3(i) "*Media rights revenue"*, football clubs participating in the Champions League and/or the Europa League are awarded significant fixed and variable media rights revenues. Stable access to European Competitions therefore provides access to a significant revenue stream. Furthermore, participation in European Competitions drives additional ticket sales from European Competition matches played in the Jan Breydel Stadium.

The benefits of participation in European Competitions create new opportunities for the Company to further invest in its First Team's performance, creating a virtuous cycle reinforcing the Company's leading position in Belgian football and its overall sporting and financial success.

The First Team's consistent strong performance in Belgian competitions increases the likelihood of the First Team being able to participate in European Competitions and generates additional revenues, which are therefore considered to be relatively recurring. At the date of this Prospectus, the First Team is already certain of qualification for the Champions League, the Europa League or the Conference League in the 2021/2022 season. Furthermore, the First Team's participation in European Competitions also creates international visibility for its players and increases the individual players' values while enhancing the Company's ability to attract young and ambitious players.

With its advanced, data-driven player development strategy, the Company is uniquely placed to capitalize on opportunities in the transfer market.

As shown in section 8.2.3(iv)(a) "*Analysis of sources of revenue"* the global football transfer market has experienced a significant increase in size over the past six seasons, which has been driven by a highly competitive environment among top performing international teams to acquire talented players. The COVID-19 pandemic has brought a considerable drop in the level of investments on the transfer market. However, for the transfers that have taken place, the price paid for any such player's Player Registration Rights does not appear to have been impacted.

The Company strongly believes that its capabilities to develop young talented players through its data driven approach, state-of-the-art infrastructure (*i.e.,* Belfius Basecamp – see section 9.1.3(ii) "*Company's organization and business units"*) and proprietary data analytics (*i.e.,* ClubLab – see section 9.1.3(ii) "*Company's organization and business units"*) improves the overall performance of its teams, acts as a risk-reducing mechanism on player transfers and enhances the individual player's value, which in turn leads to higher transfer income if such player is transferred to other football clubs, particularly top performing football clubs in major leagues willing to pay substantial transfer premiums for highly talented players. The Company is widely regarded as a "talent factory" in the European football market and has a unique attraction to young high-potential players, attributed to the great player visibility it can provide by offering opportunities to play in European Competitions and the Company's historic track record of successes in player development. Over the last five seasons, the Company successfully completed on average eight outgoing transfers per year. The average player tenure is 25 months.

Club NXT also plays an important role in this strategy, as it allows younger players to benefit from the Company's data-driven training and best-in-class infrastructure while providing exposure to highly competitive games throughout the season. The Club NXT U23 Team is playing in the Pro League 1B this 2020/2021 season, which makes Club Brugge the first football club in Belgian history to have two professional teams participating at the Pro League Level. Charles De Ketelaere, who joined the Company's youth academy in 2008 as a seven-year old and is currently valued at €16.0 million (estimated) (source: transfermarket.be as at 1 February 2021), exemplifies the additional value brought by Club NXT. In addition the Company's women's team, known as Club YLA, is successfully participating in the Super League, which is the premier Belgian league for women's football.

In order to benefit from this strength in developing talented players, the Company has further built a solid network among top performing football clubs in major leagues (including the Big 5 Leagues), the Company's target markets to sell its talented players' Players Registration Rights at significant premiums to international clubs with high and increasing budgets. Players transferred by the Company become its ambassadors and sustain the Company's position of being a stepping stone towards top-tier football clubs within the transfer market.

Recent examples where the Company's player transfer strategy has proven successful include the transfer of Wesley Moreas for a transfer value of €25.0 million, generating a return multiple of 6.0x, the transfer of Marvelous Nakamba for €11.1 million, generating a return multiple of 3.0x and the transfer of Arnaut Danjuma Groeneveld for a transfer amount of €16.5 million, generating a return multiple of 7.8x.

Although investments on the transfer market in general have decreased due to the COVID-19 pandemic, the Company continues to see opportunities to monetize the value of its players as illustrated by the transfer of Krépin Diatta for a transfer value of €16.7 million (excluding potential milestone payments of €3.3 million and a 10%-sell on payment). This transfer generated a return multiple of 6.3x during the winter transfer window in the 2020/2021 season and underlines the ability of Club Brugge to operate its player strategy in the current market. Despite market conditions, the value of the First Team has continued to increase, allowing the Company to continue making return on its player investments.

With respect to the outgoing transfers in the 2017/2018, 2018/2019, 2019/2020 and 2020/2021 seasons, the Company has generated an average return multiple of 2.7x[25].

Name	**Details on acquisition of player**			**Details on sale of player's Player Registration Rights**			
	Transfer Fee (€)	**Transfer Club**	**# seasons at Company**	**Gross Sales Value (€)**	**Return Multiple**	**Transfer Club**	**Transfer Window**
Krépin Diatta	2,650,000	Sarpsborg 08 FF	3	16,700,000	6.3	AS Monaco	2020/2021

[25] Calculated as gross sales value divided by the gross purchase price. This excludes for instance sell-on fees, payments to previous clubs, etc.

Name	Details on acquisition of player			Details on sale of player's Player Registration Rights			
	Transfer Fee (€)	**Transfer Club**	**# seasons at Company**	**Gross Sales Value (€)**	**Return Multiple**	**Transfer Club**	**Transfer Window**
Moraes Wesley	4,200,000	AS Trencin	3	25,000,000	6.0	Aston Villa	2019/2020
Groeneveld Danjuma Arnaut	2,100,000	NEC Nijmeghen	1	16,460,905	7.8	Bournemouth	2019/2020
Izquierdo José	5,010,000	Once Caldas	3	14,500,000	2.9	Brighton & Hove Albion	2017/2018
Nakamba Marvelous	3,950,000	Vitesse Arnhem	2	11,083,676	3.0	Aston Villa	2019/2020
Limbombe Anthony	2,300,000	NEC Nijmegen	2	8,250,000	3.6	Nantes	2018/2019
Oulare Obbi	0	LOSC Lille	2	7,500,000	∞ (1)	Watford	2015/2016
Ryan Mathew	125,000	Central Coast Mariners	2	7,000,000	56.0	Valencia Club de Futbol	2015/2016
Denswil Stefano	0	Ajax	4	6,000,000	∞ (1)	Bologna	2019/2020
Meunier Thomas	200,000	Virton	3	6,000,000	30.0	PSG	2015/2016
Perisic Ivan	200,000	FC Sochaux	2	4,000,000	20.0	Borussia Dortmund	2011/2012
Engels Björn	0	Lokeren	6	4,500,000	∞ (1)	Olympiacos	2017/2018
TOTAL	**20,735,000**			**127,001,041**			

(1) Infinite as on zero cost contract.

With an increasing willingness among these teams to pay substantial transfer fee premiums to acquire the best talent, the Company will continue to develop this network to further bolster its player transfer revenue model.

This is, among others, illustrated by the current (estimated) market value of some of the First Team's current players:

Name	Transfer fee paid upon acquisition of player (€)	Market value(1) (€) (estimated by a third party and subject to change)	Months at Club Brugge as at the date of this Prospectus
Charles De Ketelaere	0	16,000,000	Club NXT
Hans Vanaken	4,250,000	15,000,000	68
Emmanuel Dennis(2)	1,400,000	11,000,000	44
Odilon Kossounou	3,850,000	8,000,000	20
Noa Lang	6,000,000	8,000,000	5

Name	Transfer fee paid upon acquisition of player (€)	Market value(1) (€) (estimated by a third party and subject to change)	Months at Club Brugge as at the date of this Prospectus
Brandon Mechele	0	5,500,000	Club NXT
Youssouph Badji	700,000	5,000,000	14

(1) Source: transfermarket.be (as at 9 March 2021).

(2) Loaned out to FC Köln (Bundesliga) for the rest of the 2020/2021 season.

A strong, highly visible revenue base with significant upside potential from New Stadium development.

The Company has solid, diverse and highly visible revenue streams that support its sporting ambitions. Typically, more than 80% of annual Total Operating Income is visible in the first quarter of the relevant financial year due to multi-year contracts such as media rights contracts and sponsorship contracts and the fact that season tickets are typically almost fully sold out prior to the start of the season. Over the last three financial years, the Company has shown steady growth across most of its revenue streams and expects further revenue growth in the near to medium term.

As a key component in the Company's envisaged further revenue growth and as a testimony of the trend towards club proprietary stadiums (see section 8.3 "*Trend towards proprietary stadiums"*), the Company is currently in the planning process for a new stadium, which will be a cost-efficient pure football stadium (no mixed use).

The New Stadium is set to play a significant role in the overall customer experience for the Company's fans, and to effect a significant change in the Company's results of operations and financial performance. In particular, a planned increase of seating capacity (from 28,415 to approximately 40,000 general seats, with an increase in season ticket holder seats from approximately 24,300 to approximately 36,000 seats[26], including an increase in VIP/sponsor seats from 2,038 to 5,000 seats) and a planned uplift in both regular (both matchday and season tickets) (by an estimated 10%) and VIP ticket and membership (by an estimated 30%) pricing are expected to have an important positive impact on the Company's revenues. Revenues from sponsors and advertising are also likely to increase as a consequence of new sponsorship opportunities linked to the naming rights of the New Stadium and its four main stands. In addition, the overall infrastructure of the New Stadium has been designed to boost commercial and matchday revenues, among others through an increase in the number of food, beverage (expecting a significant (three times) increase in food and beverage spend per seat) and merchandising points-of-sale aimed at creating more, smoother and better buying opportunities for customers.

The Company has a loyal and engaged fan base making the Company's brand one of the most recognizable and valuable in Belgium.

The Company's historical legacy and sporting track record has enabled it to develop an iconic Belgian sports brand backed by a community of over one million loyal and emotionally engaged fans. The Company is the most loved football club in Belgium and has one of the most loyal fan communities in Europe regardless of results. (source: Insites consulting, September 2019). The Company connects with its fan base not only via live matches, but also through various other channels such as social media platforms and the Company's own media content house, website and mobile application. The Company

[26] The 36,000 season tickets in the New Stadium include 31,000 B2C tickets and 5,000 VIP/B2B sponsor tickets as compared to the 2,038 VIP/B2B sponsor tickets that are included in the 24,300 season tickets that are available in the Jan Breydel Stadium.

enjoys a very strong brand recognition in the Belgian market: 84% of people in Belgium recognize the "Club Brugge" brand on a level equivalent to that of Disney (90%) and Netflix (89%) (source: Insites consulting, September 2019). The Company's very strong brand creates opportunities to attract high quality and loyal sponsors and advertisers such as Unibet, Belfius and Macron and to upgrade the partnership with existing sponsors, driving the Company's commercial revenues forward.[27]

The Company has a highly experienced management team and committed ownership base.

The Company has a highly experienced management team focused on realizing the full business potential of the Company. The Company has attracted top managerial talent from other football clubs and global corporations with expertise in the sports and sports technology, finance, marketing and commercial sectors.

In 2011, Bart Verhaeghe became chairman of the Company and a year later (indirect) majority shareholder. Under his leadership and that of the Company's Chief Executive Officer, Vincent Mannaert, the Company transformed from a "not for profit" organization into a commercially run operation. The multi-year transformation with a focus on sporting results led to a full professionalization of the Company, with an influx of talented management professionals to fill key roles within the Company and a streamlined and effective corporate structure. The professionalized sports, commercial and operational organization has allowed the Company to consistently put forward good financial results. The Company has been fully self-funded since the transformation, with no need for additional equity funding.

9.3 Strategy and objectives

The Company has put forward ambitious sporting objectives.

The Company aims to consistently rank first or second in the Jupiler Pro League 1A in each Belgian football season, in line with the past six seasons. On the European level, the Company's ambition is to consistently participate in European Competitions. In particular, it aims to play in the group stage of the Champions League at least every other season and the Europa League round of 32 every season.

The Company aims to continue maximizing significant revenue opportunities in the player transfer market.

The Company believes there will continue to be increasing opportunities to generate high transfer profits from player trading. The player transfer market continues to grow and the market has experienced an increase in transfer values for players, driven primarily by the spending of top football clubs in major leagues. The Company aims to continue capitalizing on these opportunities by leveraging its specialized scouting network combined with best-in-class player training and development capabilities.

Developing talented individuals is at the heart of the Company's strategy. The brand new Belfius Basecamp training complex and the Company's state-of-the-art development infrastructure, including ClubLab, will be instrumental in implementing this strategy. The Company will continue to collaborate with its players to reach joint development goals and monetize on the highest achievable transfer opportunities.

[27] Other sponsors include Eleven Sports, Candriam, Woutim, Winsol, Daikin, Evian, Jupiler, Nakd, Euro millions, Lipton, Pepsi, LG, Konvert, ConXion, Isagenix, Latexco, Alheembouw, Techbox and AB InBev.

The Company aims to further develop matchday and commercial revenues by leveraging opportunities created by the New Stadium.

The Company plans to open the New Stadium at the start of the 2023/2024 season, raising current capacity of 28,415 to about 40,000 seats. The Company believes the constant demand for matchday tickets coupled with the current shortage of season tickets will drive increases in matchday revenue as soon as the New Stadium opens. The improved capacity will also result in a higher amount of revenues from increased and higher priced memberships. In addition, there will be more and better facilities with respect to food and beverage and merchandising, further increasing matchday revenues. The New Stadium will also provide an opportunity to increase the Company's commercial revenues, in particular via naming rights for corporate sponsors.

The Company aims to stay at the forefront of new technologies and innovation in the football industry.

The Company will continue focusing on technology and innovation throughout its operations to stay at the forefront of the European football industry. Its proprietary ClubLab collects data on players from all dimensions, feeding into different analytical models from screening and monitoring players in training to analysis on recovery periods, transfer markets and much more. The aim of the Company is to develop these capabilities further with a view to, among others, achieve performance optimization and enhancing injury prevention for its players and efficient screening in transfer periods.

The Company aims to further monetize its brand through in-house content production, fan community expansion and engagement.

The rapid shift of media consumption towards digital media platforms presents the Company with multiple growth opportunities and potential new revenue streams. The Company's media house and digital media platforms, such as websites, mobile application and social media, are expected to become the primary method by which the Company engages, connects and transacts with its fans around the world. The newly developed Club Media House, the Company's in-house media agency, covers the press and media as well as match entertainment, facilitates the development and exploitation of the Company's brand and design and (digital) marketing. Further, it enables the Company to create content in addition to traditional matchday content. Club Media House creates proprietary image and video content which is distributed through direct or indirect online media channels and directly to existing or prospective sponsors. An in-house content production studio, recently built at Belfius Basecamp, will further bolster these capabilities. The independently developed content is used by the Company to increase engagement with its current fan base and to reach out to new fan bases provides substantial value to sponsors and partners through new targeted advertising opportunities.

In this context, Club Brugge has also entered into a direct media rights contract with Eleven Sports (through The 12th Player BV, a joint venture between Eleven Sports Network NV and Mediapro Internacional S.L.U), pursuant to which the latter is granted the exclusive right to distribute audio-visual material in relation to the Company (whether produced by itself or the Company). The Company retains the right to distribute any such audio-visual material via its own multimedia channels such as the Company's website, Facebook, Instagram, TikTok, etc.

As from the 2020/2021 season, the Company redeveloped its membership program to enhance direct fan engagement. Fans need to buy a membership, the so-called ClubID, in order to purchase matchday tickets. The price for such membership has been increased, with part of the price being converted into credits attributed to the fan's mobile application account. These credits can then be spent on merchandising goods, food and beverages inside the stadium and various other experiences on matchdays on which such fan receives a 5% cashback. This new service seeks to motivate fans to migrate to the Company's revamped mobile application, allowing the Company to track and monitor user activities so fans can be better served in the future. Increased fan activity on the Company's mobile application will also allow the Company to collect more data on its fanbase and to optimize its digital media presence in order to offer a more targeted marketing proposition to existing or future advertising partners. On the date of this Prospectus, the Club Brugge mobile application has more than 70,000 users subscribing to targeted push notifications linked with their ClubID and over 65,000 of such push messages have been published by the Company.

The Company intends to expand its ClubID-program even further with the launch of a "comfort" edition, the price of which will be higher than the price of the standard ClubID. This would create a new segmentation between VIP fans and regular fans. In addition, a license model for company accounts, the so-called Corporate Club License, is expected to be launched, providing for a new B2B network platform granting access to exclusive services and events. The Corporate Club License is expected to enable the Company to further realize value on its B2B relationships.

The further development of the Company's online presence and associated data collection, through social media platforms, the Company's website, its mobile application and the Club ID and its own in-house media content house, is considered a key area for investment to boost commercial revenue growth.

The Company aims to maximize the potential of new competition formats (e.g. BeNeLiga).

The Company will continue to invest in the potential development of a combined league between the eight Belgian and ten Dutch top football teams, including the Company, commonly referred to as the "BeNeLiga". Such a new competition format could cause a positive disruption to the Company's media rights revenue model, allowing the Company to substantially increase its media rights revenues. The high visibility that this new competition format could enjoy due to the dual-nation interest is expected to generate high value media rights revenues for the Company. Demand for matchday and season tickets would likely increase as well in this new format as it would provide for more competitive games. This higher sportive level is expected to be beneficial also for attracting the best talent and providing them with the best training ground. While no decisions have been made on the establishment of this new league, the Company views it as a key opportunity to boost its overall revenues.

The Company aims to further optimize its operational efficiency and to improve its overall profitability.

The Company will continue to set the example of operational excellence among European football clubs. It aims to further increase operating margins by optimizing its cost structure, in particular leveraging its value proposition to keep player salaries at a relatively low percentage of total revenues. As the Company expands its businesses, including through sponsorship, merchandising and the development of the New Stadium, it will seek to further diversify its revenue streams and improve its overall profitability.

9.4 History

The Company has a rich history dating back to the late 19th century, making it one of the oldest football clubs on the European continent. In 1891, at the initiative of former college football team members, the Brugsche Football Club was founded. In 1897 it merged with another football club with its roots in the City of Bruges, Football Club Brugeois, assuming the latter's name.

At the end of 1912, Football Club Brugeois moved to a new stadium which was first rented and then bought and went by the name "De Klokke". In this stadium, the first great success of the Company was sealed with a first Jupiler Pro League 1A title in 1920. That same year, the club received the official royal title of “Royal Association”. When in 1931, the Company’s president passed away in a car accident, the “De Klokke” stadium was renamed into “Albert Dyserinck stadium”, which was eventually sold in 2000. Long before that, in 1975, the current Jan Breydel Stadium was commissioned and made into the home stadium for the Company. The Jan Breydel Stadium is due to be replaced by the New Stadium (expected at the start of the 2023/2024 season).

After a period of limited sporting success following the first Jupiler Pro League 1A title in 1920, the Company qualified to participate in the Jupiler Pro League 1A again in 1959 under the leadership of coach Norberto Höfling. The Company has never again been relegated from the top Belgian league. With a total of 15 Belgian Super Cup wins and 11 Belgian Cup wins, more than any other club in Belgium, and 16 Jupiler Pro League 1A titles, the Company is one of the best performing football clubs in Belgian football history.

In 2011, Bart Verhaeghe became chairman of the Company and a year later (indirect) majority shareholder. Under his leadership, the Company transformed from a “not for profit” organization into a commercially run operation. The multi-year transformation with a focus on sporting results lead to a full professionalization of the Company, with an influx of talented management professionals to fill key roles within the Company and a streamlined and effective corporate structure. The professionalized sports, commercial and operational organization allowed the Company to consistently achieve good financial results. The Company has been fully self-funded since the transformation, with no need for additional equity funding. The Company’s sporting results followed accordingly, with top final positions (#1 or #2) in the Jupiler Pro League 1A in each of the last six seasons and the Company being one of only two football teams that have consistently played in the Jupiler Pro League 1A’s Play-Off 1 since the introduction of the Play-Off format in the 2009/2010 season. The Company has leveraged the leading position of its First Team in the Jupiler Pro League 1A into a good track record in European football, playing in the Champions League and/or Europa League (or its historic predecessors) 43 times in the last 50 seasons. More recently, it played in the group stage of the Champions League in four of the five past seasons. As winner of the Jupiler Pro League 1A in the 2015/2016, 2017/2018 and 2019/2020 seasons, the First Team qualified directly for the Champions League group stage of the subsequent European seasons. In the 2019/2020 season, Club Brugge, as the first Belgian club, reached the group stage of the Champions League via the qualification route (following its second place in the Jupiler Pro League 1A in the 2018/2019 season) and then later played in the round of 32 of the Europa League against Manchester United. The First Team’s participation in the current 2020/2021 season marked its best performance ever in the Champions League, winning eight points and finishing third in the group stage.

In addition, the Company’s players are widely recognized for their individual performance, as evidenced by the number of individual prizes won in recent years and by the numerous highly valued outgoing transfers (see also section 9.2 “*Competitive strengths*”). The Belgian Golden Shoe, one of the most prestigious awards for players in the Belgian football industry, was awarded to Club Brugge players in four of the last five seasons (José Izquierdo, Ruud Vormer, Hans Vanaken (twice)). Ludovic Butelle (2016) and Simon Mignolet (2019, 2020) were recognized as best goalkeepers by the same organization. Furthermore, in the Company’s sporting staff, Michel Preud’homme (2016), Ivan Leko (2018), both former coaches of the First Team, and Philippe Clement (2019, 2020), the current coach of the First Team, have been awarded best coach. In addition, Wesley Moraes (2018) and Charles De Ketelaere (2020) were recognized as most promising players of the years. Charles De Ketelaere was also awarded Best Young Athlete of the Year in Belgium and included into UEFA’s ‘Top 50 players under 20 to watch for 2021’. Also, currently there are eight players of the First Team regularly playing for their respective (youth) national teams, including four players playing for the Belgian national team, the Red Devils (source: transfermarket.be, 15 March 2021).

The following graph shows the success of the First Team in the Jupiler Pro League 1A in the last five seasons.

Position achieved Season	2020/2021[1]	2019/2020	2018/2019	2017/2018	2016/2017	2015/2016
Jupiler Pro League 1A	1st place (ongoing)	1st place	2nd place	1st place	2nd place	1st place
Belgian Cup	Quarter final	Final	Round of 32	Semi final	Round of 32	Final
Champions League	Group stage	Group stage	Group stage	3rd qualifying round	Group stage	-
Europa League	Round of 32	Round of 32	Round of 32	Play-off round	-	Group stage

(1) At the date of this Prospectus, the 2020/2021 season is still ongoing, with the First Team ranking first in the Jupiler Pro League 1A with a nineteen point lead. With regard to the European Competition, the First Team participated in the group stage of the Champions League and finished in third place (behind Borussia Dortmund and Lazio Roma), with only one goal away from reaching the round of 16, which is its best performance ever in the Champions League. It subsequently played in the round of 32 fixtures in the Europa League.

9.5 Good governance

The Company sets the example in Belgian football in terms of compliance and transparency initiatives, particularly in light of recent scandals in Belgian football. The Company believes it is the first professional football club in Belgium to adopt its own Code of Ethics setting forth principles on how the Company manages its business contracts and third party interactions.

In particular vis-à-vis intermediaries (so-called "football agents"), the Company developed a code of conduct setting out the policy on how to interact with these intermediaries. As part of this policy, the Company requires each intermediary with whom it works to complete a "Know Your Agent" form, requesting details on registration, potential conflict of interests and corporate, financial and identification information and providing for warranties to be given by the relevant intermediary to the benefit of the Company.

Furthermore, it has appointed a compliance officer and set up an independent Ethics Committee, chaired by Ignaas Devisch, a professor in ethics at Ghent University, to ensure compliance by the Company and its various stakeholders with the standards of ethics the Company puts forward as included in the Company's Code of Ethics. In addition, the Company also set up an informal audit body. Given the fact that, subject to and as of Closing, the Company will be required to set up an Audit and Risk Committee, the informal audit body will no longer exist. See also section 10 "*Management, Employees and Corporate Governance*".

9.6 Risk management

A key focus area of the Company is its risk management. The Company uses various mechanisms to manage the operational and other risks it is subject to in order to enhance the stability of its operations and financial parameters. For instance, the Company uses advanced technological monitoring tools to track sporting performance and medical data in relation to its players with a view to (i) mitigating risks on inbound transfers, (ii) minimizing injury levels and (iii) enhancing player performance continuously. These risk management activities are viewed as a key element of the Company's strategy to maximize its operational efficiency.

Another risk management tool the Company uses is risk insurance. The Company has a number of industry standard insurance policies, ranging from player injury insurance, to fire insurance, labor accident insurance and D&O insurance.

9.7 Investments

The Company continuously invests in the development of its player base, its infrastructure and facilities and its business operations as a whole as set out under section 9.1.3 "*Infrastructure and Facilities*" and section 9.1.4 "*Key business drivers*". In particular, the Company most recently invested in the Belfius Basecamp training facility, commissioned in 2019, and plans to build the New Stadium, expected to be commissioned for at the start of the 2023/2024 season.

9.8 Intellectual property

The Company considers intellectual property to be important to the operation of its business, and critical to driving growth in its commercial revenue, particularly with respect to sponsorship revenue. Certain of the Company's commercial partners have rights to use the Company's intellectual property, in particular the "Club Brugge" logo. In order to protect the Company's brand, the rights of commercial partners to use such intellectual property are laid down contractually. The Company's brand is a key business asset and therefore the Company has a portfolio of "Club Brugge" related registered trademarks and trademark applications. The Company also actively procures copyright protection and copyright ownership of materials such as literary works, logos, photographic images and audio visual footage, including slogans such as "No Sweat/No Glory" (as it relates to the Company). So far, the Company has had no need to make substantial investments in enforcement actions in relation to its intellectual property.

The Company further considers the proprietary databases and algorithms it has developed in respect of sporting and medical data regarding players as well as data collected in respect of its fan base as a key asset to its business. ClubLab, the Company's proprietary data platform combining sports and health-related data, allows the Company to provide tailored training schedules and objectives for players (e.g. nutrition requirements, recovery protocols, etc.).

In its contracts with players, the Company consistently seeks to acquire player portrait rights insofar as they relate to the player's identity or image in connection with "Club Brugge" as a football club, such in accordance with the collective bargaining agreement of 3 July 2020 in relation to football players and with the collective bargaining agreement of 28 April 2020 in relation to coaches. These intellectual property rights form a crucial part of the Company's revenue model in respect of media rights. Individual players maintain their own portrait rights in contexts unrelated to "Club Brugge" as a football club.

9.9 Third-party suppliers

The Company has contractual arrangements with a broad range of suppliers. These suppliers include food and beverage suppliers to cater for matchday events, commercial partners supplying shirts and other merchandising materials, ICT service providers, general consulting service providers, such as legal consultants and attorneys and scouting consultants, and event hosting service providers. Furthermore, the Company also frequently enters into contracts with agents and intermediaries in respect of (i) the negotiation of inbound or outbound player transfers, (ii) the negotiation of player contracts and (iii) the assistance provided by such agent or intermediary to players.

9.10 Environment and social responsibility

The Company is committed to a wide-ranging corporate social responsibility program through the Club Brugge Foundation, an independent not-for-profit organization, which does not form part of the legal corporate structure of the Company, but has a deep rooted connection with it. The mission of the Club Brugge Foundation is to develop and implement the corporate social initiatives of the Company and to act as a link to local communities. The work of the Club Brugge Foundation is divided into four areas: sports, unity (social integration), health and education. Initiatives include "*Voetbalkraks*", a football team for children with autism or behavioral disorders, the "Homeless team" where Club Brugge Foundation seeks to unite homeless people in football events and other social activities and the "G-team", a team for players with a mental or physical disability. The Club Brugge Foundation has over 300 volunteers and benefits from the Company's network and resources as set out in section 9.1.2(iv) "*Company's organization and business units*".

9.11 Legal and arbitration proceedings

As at the date of this Prospectus, the Company is involved in a number of legal proceedings, which are incidental to the ordinary course of business. The Company has not provisioned for these proceedings, as it believes the probability of any significant losses is low, though such assessments are inherently uncertain given the nature of litigation.

The most material legal proceedings relate to the following matters:

- Krinkels NV, a contractor with whom Club Brugge Development has entered into a construction agreement relating to the construction of the outdoor areas of Belfius Basecamp, has initiated a claim against Club Brugge Development and Club Brugge Oefencentrum in relation to the payment of Krinkels NV's invoices for a principal amount of €2.9 million, to be increased with compensation for damages, provisionally estimated at approximately €0.8 million. Club Brugge Development and Club Brugge Oefencentrum dispute such claim on the basis of an alleged faulty execution of the construction agreement. Krinkels NV has seized Club Brugge Development's and Club Brugge Oefencentrum's bank accounts at Belfius Bank for said principal amount of €2.9 million. Such seizure was subsequently limited to €1.3 million by a decision of the Court of Appeal of Ghent. With regard to the proceedings on the merits of the case, Club Brugge Oefencentrum has, by way of an interlocutory judgement by the Court of Appeal of Ghent, been ordered to pay a provisional amount of €0.5 million. A court-ordered mediation between Krinkels NV, on the one hand, and Club Brugge Oefencentrum and Club Brugge Development, on the other hand, was not successful. A hearing on the merits of the case is scheduled before the Enterprise Court of Bruges on 10 June 2021.
- Pro Athlete BV, an agent providing assistance services relating to a former player of the Company, Arnout Groeneveld, has initiated a claim against Club Brugge in relation to the payment of a commission of €112,500 and a success fee of €775,000 as compensation for the assistance services provided by Pro Athlete BV with respect to the player and the intermediary services relating to transfer of Arnout Groeneveld by Club Brugge to AFC Bournemouth Limited. Club Brugge disputes such claim on the basis that (i) the commission of the payment claimed by Pro Athlete BV relates to services that have never been rendered as the payment date of the claimed part is dated after expiry of the assistance agreement with Pro Athlete BV and is therefore not due; and (ii) the success fee is not due as the agent was not involved in arranging the transfer. The merits of the dispute are scheduled to be heard by the Enterprise Court of Bruges on 7 September 2021.

9.12 Material contracts

As any similar company or group, the Company regularly enters into agreements with third parties in the context of its day to day operations. The most material agreements are the following:

- *Media rights contracts*: While the Company typically is not a direct party to these agreements, media rights agreements are the source of the Company's largest revenue stream. Contracts regarding media rights (both domestic and international) are negotiated and entered into by industry associations such as the Pro League (Jupiler Pro League 1A, Pro League 1B and Belgian Cup) and UEFA (Champions League and Europa League). Revenues from these collectively negotiated media rights agreements are distributed among football clubs taking part in the relevant competition according to pre-agreed division keys and depending on a number of factors, including sporting results in the relevant competition.

- *Player and transfer related contracts*. The Company enters into a range of different contracts to secure players and effect transfers of Player Registration Rights. These include the employment contracts with the players themselves, as well as contracts with intermediaries assisting the Company on (i) the negotiation of such employment contracts with the players, (ii) the assistance provided by such intermediaries to players and (iii) the negotiation of inbound or outbound player transfers. During the annual transfer windows, the Company enters into transfer agreements with various other football clubs in relation to the acquisition or sale of Player Registration Rights.

- *Sponsorship contracts*: The Company has entered into and will continue to enter into sponsorship agreements with a multitude of corporate sponsors in various industries. At 31 December 2020, the total number of active sponsors is 30. The sponsorship agreements have finite terms, typically spanning a number of seasons.

- *Other material contracts*. Other material contracts of the Company include a loan agreement entered into with Belfius Bank regarding the financing of Belfius Basecamp for a principal amount of €15 million, the agreement with the City of Bruges regarding the use of the Jan Breydel Stadium and the loan agreement with Club Brugge Foundation for a principal amount of €15 million (see section 9.1.2(iv) "*Company's organization and business units*").

9.13 Regulatory environment

The Company is subject to a wide range of regulations issued by governmental and non-governmental authorities.

Non-governmental regulations include regulations issued by industry bodies such as the Royal Belgian Football Association, the Pro League, UEFA and FIFA.

At the national level, the cornerstone football regulation is the Union Regulation (*Bondsreglement/Règlement federal football*) issued by the Royal Belgian Football Association. This regulation lays down the general regulatory framework for all Belgian football clubs and other actors active in the football industry in Belgium and addresses issues ranging from the organization of competitions, regulations on working with intermediaries, licensing requirements to sanction mechanisms and the competence of the Belgian Arbitral Court for Sport. The procedure pursuant to which licenses are granted by the Royal Belgian Football Association to Belgian football clubs is currently under review and is expected to be thoroughly reformed in order to foster a healthy financial management, amongst other by installing a continuous monitoring system of the football clubs' financial management. In addition thereto, the Pro League also has issued several separate sets of regulations (e.g. regulations on training compensation and solidarity payments).

At the European level, UEFA has issued and continues to issue a broad range of regulations applicable to the Company, one of which is the UEFA Club Licensing and Financial Fair Play Regulations. This regulation lays down, among others, the conditions which a football club must meet to be granted a license to participate in the European Competitions. Another important UEFA regulation is the UEFA Stadium Infrastructure Regulation, setting out the criteria which football stadiums must meet to allow for European Competition matches to be played there.

At the international level, the Company is subject to several regulations imposed by FIFA, such as the FIFA Regulations on the Status and Transfer of Players (the "**FIFA Transfer Regulations**") and the FIFA Regulations on Working with Intermediaries (it being understood that the latter are integrated in the Union Regulations).

As regards transfers of players, the Company is subject to different regulations depending on the domestic or international nature of the transfer. Domestic transfers of players between football clubs are governed by the Union Regulations and the regulations issued by the Pro League, which allow a professional football player to enter into a contract with and be registered to play for any football club. Players are permitted to move to another club during the term of their contract if both clubs agree on such transfer and subject to the applicable transfer windows as set out below. International transfers of players between clubs are governed by the FIFA Transfer Regulations. The Union Regulations and the FIFA Transfer Regulations require a transferee club to distribute 5% of any compensation fee they pay to the clubs that trained the relevant player (*i.e.,* a so-called solidarity payment). The transferor club may also be entitled to receive payment of "training compensation" under the Union Regulations and the FIFA Transfer Regulations when certain conditions are met, including conditions regarding the player's age and status. Subject to limited exceptions, transfers of professional players may only take place during one of the transfer windows. In Belgium, the summer transfer window typically runs from 15 June to 31 August (it being understood that, due to the COVID-19 pandemic, in the 2020/2021 season, the Belgian summer transfer window ran from 7 July to 31 August and an additional registration period was permitted from 8 September to 5 October) and the winter transfer window typically runs during the month of January.

Furthermore, statutory regulations specific to the football industry to which the Company is subject include the Belgian Law of 21 December 1998 on safety during football games, the Belgian Law of 24 February 1978 on professional athletes and specific provisions in the Flemish decree on private employment intermediaries. The Company is further subject to the collective bargaining agreement dated 3 July 2020 in relation to football players and the collective bargaining agreement dated 28 April 2020 in relation to coaches.

Moreover, the Belgian Law of 4 May 2007 on the tax regime of remunerated sportsmen provides for a tax incentive which reduces the salary cost of players of professional football clubs. A football club needs to levy salary taxes on the remuneration paid to its players. Such salary tax should principally be paid to the Belgian treasury. However, the tax incentive provides that a football club is exempted from paying 80% of the levied salary taxes to the Belgian treasury. Such exemption is only applicable provided certain conditions are met. The salary tax exemption is as a rule only applicable to salaries of young players, *i.e.,* players below 26 years old. The exemption, however, also applies to other players provided that at least 50% of the exempted salary taxes of players older than 26 years old are reinvested in (i) the education of players below 23 years old (whereby a cap needs to be respected), and/or (ii) salaries of coaches and support staff of players below 23 years old. The reinvestment needs to be made by the end of the calendar year following the calendar year during which the exemption applied.

In addition, the Belgian Law of 24 February 1978 on professional athletes regulates the social status of a football player and prescribes supplementary contractual requirements for labor agreements between the football player and the football club. More specifically, once a football player is entitled to a certain yearly salary of its employer, the agreement between the employer (the football club) and the football player qualifies as a labor agreement of a professional athlete. For the period between 1 July 2019 and 30 June 2021 this yearly threshold is set at €10,612. This irrefutable presumption also applies on the qualification of the agreements with coaches of football players.

According to the Belgian Royal Decree of 28 November 1969 implementing the Law of 27 June 1969 for revision of the Law of 28 December 1944 regarding social security for employees, the calculation base of social contributions due on salaries of a professional athlete (including football players) is capped at the maximum amount that qualifies for the calculation of unemployment allowance. This implies that social contributions due are calculated on a lump-sum basis. As of 1 March 2020, social contributions are calculated monthly on a gross amount of €2,399.25, unless the salary of the football player is lower than such gross amount. In the latter case, the social contributions are calculated on the actual salary. The maximum amount that qualifies for the calculation of unemployment allowance is indexed annually. The aforementioned lump sum calculation only applies to professional athletes (including football players). Social contributions due on salaries paid to coaches are calculated on their actual salary.

It is, however, expected that changes will be made to these tax and social security regimes (see also risk factor 2.1.2(ii) on the changes in applicable tax and social security laws).

Finally, new regulations in respect of advertisement for gambling at sporting events, under development at the time of this Prospectus, may limit the Company’s ability to continue sponsorship arrangements with existing sponsors or attract new sponsors active in the gambling industry.

10 Management, Employees and Corporate Governance

This section summarizes the rules and principles governing Club Brugge's corporate governance structure in accordance with the Belgian Companies' and Associations' Code, other relevant legislation, the Articles of Association and the Corporate Governance Charter as of Listing.

Club Brugge is committed to high standards of corporate governance and relies on the Belgian Code on Corporate Governance (the "**2020 Code**") as a reference code. The 2020 Code is based on a "comply or explain" approach. Belgian listed companies should follow the 2020 Code, but may deviate from those of its provisions that are not otherwise contained in the Belgian Companies' and Associations' Code, provided they disclose the justification for any such deviation in the annual corporate governance statement included in the annual report.

The Board of Directors intends to comply with the 2020 Code, except with respect to the following:

- in deviation of provision 4.14 of the 2020 Code, no independent internal audit function has been established. This deviation is explained by the size of the Company. The Audit and Risk Committee will regularly assess the need for the creation of an independent internal audit function and, where appropriate, will call upon external persons to conduct specific internal audit assignments and will inform the Board of Directors of their outcome;
- in deviation of provision 7.6 of the 2020 Code, the non-executive directors do not receive part of their remuneration in the form of Shares. This deviation is explained by the fact that the interest of the non-executive directors are currently considered to be sufficiently oriented to the creation of long-term value for Club Brugge, also considering the fact that all non-executive directors (excluding independent directors) already indirectly hold Shares (see section 10.11 "*Equity holdings*"). Therefore the payment in Shares is not deemed necessary. However, Club Brugge intends to review this provision in the future in order to align its corporate governance with this provision of the 2020 Code;
- pursuant to article 7:91 of the Belgian Companies' and Associations' Code and provisions 7.6 and 7.11 of the 2020 Code, Shares should not vest and Share options should not be exercisable within three years as of their granting. The Board of Directors has been explicitly authorized in the Articles of Association to deviate from this rule. Club Brugge is of the opinion that this allows for more flexibility when structuring Share-based awards. For example, it is customary for share incentive plans to provide for a vesting in several instalments over a well-defined period of time, instead of vesting after three years only. This seems to be more in line with prevailing practice;
- in deviation of provision 7.9 of the 2020 Code, no minimum threshold of Shares to be held by the CEO or other members of the Management Committee is set. This deviation is explained by the fact that the interest of all of the members of the Management Committee is currently considered to be sufficiently oriented to the creation of long-term value for Club Brugge; and
- in deviation of provision 7.12 of the 2020 Code, no provisions enabling Club Brugge to recover variable remuneration paid or withhold the payment thereof are included in the contracts of the CEO or other members of the Management Committee. This deviation is explained by the fact that Club Brugge considers there to be sufficient checks and balances for the calculation of the variable remuneration.

Club Brugge has adopted a corporate governance charter (the "**Corporate Governance Charter**"), conditional upon and with effect as of Listing. Club Brugge will review Club Brugge's corporate governance at regular intervals and adopt any changes deemed necessary and appropriate.

Club Brugge adopted certain changes to its Articles of Association at the extraordinary Shareholders' Meeting held on 16 March 2021, conditional upon and with effect as of Listing.

The Articles of Association and the Corporate Governance Charter will be made available on Club Brugge's website (ipo.clubbrugge.be) and can be obtained free of charge at Club Brugge's registered office after Closing.

Even prior to Closing, the Company, as a privately held group, was already committed to high standards of corporate governance. For example, the Board of Directors and Management Committee had no overlap in members except for the CEO. Furthermore, the Company had appointed a compliance officer and set up an independent Ethics Committee to ensure compliance by the Company and its various stakeholders with its standards of ethics. See also section 9.5 "*Good Governance*". Lastly, Club Brugge installed an advisory committee to support the Board of Directors in fulfilling its monitoring responsibilities in the broadest sense, including the monitoring of risks.

10.1 Management structure

Club Brugge has a one-tier board structure consisting of a Board of Directors and an informal executive committee (the "**Management Committee**").

10.2 Board of Directors

10.2.1 Powers, responsibilities and functioning

The Board of Directors is vested with the power to perform all acts that are necessary or useful for the realization of Club Brugge's objectives, except for those actions that are specifically reserved by law or the Articles of Association for the Shareholders' Meeting.

In particular, the Board of Directors is responsible for:

- defining the general policy strategy of Club Brugge and its subsidiaries;
- deciding on all major strategic, financial and operational matters of Club Brugge;
- overseeing the management by the CEO and other members of the Management Committee; and
- all other matters reserved to and obligations imposed (including disclosure obligations) on the Board of Directors by law or the Articles of Association.

Within certain limits imposed by law, the Board of Directors is entitled to delegate special powers to the Management Committee or other designated persons, including the CEO.

In principle, the Board of Directors meets at least four times a year. Additional meetings may be called with appropriate notice at any time to address specific needs of the business. The Board of Directors is convened by the chairman whenever the interest of Club Brugge so requires or at the request of two directors.

(i) *Quorum*

The Board of Directors can only deliberate and decide on matters stated on the agenda and only if at least half of its members are present or represented at the meeting.

The Board of Directors can only lawfully deliberate and decide on matters that are not stated on the agenda if all the members are present at the meeting and agree to this meeting.

Each director can grant a proxy to one of his/her colleagues to represent him/her at a specific Board of Directors meeting. However, each director can only represent one colleague.

(ii) *Deliberation and voting*

The decisions of the Board of Directors are taken by a simple majority of votes. The Board of Directors' decisions can be taken through unanimous written resolutions.

10.2.2 Composition, appointment and removal

The Board of Directors is a collegial body. As of the date of this Prospectus, the Board of Directors comprises four members. Subject to and effective as of Listing, the Board of Directors will consist of seven members.

The appointment and renewal of directors will, as of Listing, be based on a recommendation of the Remuneration and Nomination Committee to the Board of Directors and is subject to approval by the Shareholders' Meeting.

Pursuant to the 2020 Code, at least half of the directors should be non-executive and at least three directors should be independent in accordance with the independence criteria set out in the Belgian Companies' and Associations' Code and the 2020 Code. The composition of the Board of Directors effective as of Listing complies with these recommendations.

As of 1 July 2025, at least one-third of the directors must be of the opposite gender. As illustrated below (see section 10.3.3 "*CVs directors*"), the composition of the Board of Directors will already meet this requirement subject to and effective as of Listing (*i.e.,* the post-IPO board).

10.2.3 Term of appointment

Although the term of office of directors under Belgian law is limited to six years (renewable), the 2020 Code recommends that it be limited to four years. Subject to and effective as of Listing, the Articles of Association will limit the term of office of directors to four years.

10.2.4 Conflict of interest

Other than with respect to the services agreements entered into between Club Brugge and the respective management or holding companies of its directors, Club Brugge is not aware of any potential conflicts between the personal interests or other duties of the directors (based on the post-IPO composition of the Board of Directors) on the one hand and the interests of Club Brugge on the other hand.

No director (based on the post-IPO composition of the Board of Directors) has a family relationship with any other director or member of the Management Committee.

Club Brugge is aware of the fact that Mr. Bart Verhaeghe, Mr. Vincent Mannaert, Mr. Jan Boone and Mr. Peter Vanhecke continue as members of the Board of Directors while also continuing to be indirect Shareholders. The Board of Directors does not expect that these circumstances will cause them to have a conflict with the duties they have towards Club Brugge.

For the procedure to be applied in case of conflict of interest, please see section 10.7.1 "*Conflicts of interest procedures*" below.

10.3 Directors

10.3.1 Pre-IPO board

As of the date of this Prospectus, the Board of Directors is composed as follows:

Name	Age	Position	Director since (first nomination)	Mandate expires at the Annual Shareholders' Meeting held in
Bart Verhaeghe	55	Non-executive director and chairman	2012	2023
Peter Vanhecke	52	Non-executive director	2012	2023
Jan Boone	49	Non-executive director	2012	2023
Vincent Mannaert	46	Executive director and CEO	2012	2025

10.3.2 Post-IPO board

Subject to and effective as of Listing, the Board of Directors will be composed as follows:

Name	Age	Position	Director since (first nomination)	Mandate expires at the Annual Shareholders' Meeting held in
Bart Verhaeghe	55	Non-executive director and chairman	2012	2024
Peter Vanhecke	52	Non-executive director	2012	2024
Jan Boone	49	Non-executive director	2012	2024
Vincent Mannaert	46	Executive director and CEO	2012	2024
Cind Du Bois	40	Independent Director	2021	2024
Lucy Quist	46	Independent Director	2021	2024
Sangeeta Desai	45	Independent Director	2021	2024

10.3.3 CVs directors

(i) Bart Verhaeghe

Bart Verhaeghe is the current indirect majority shareholder of Club Brugge and is also founder and chairman of LakeSprings NV, a family holding with participations in companies active in real estate development, value investment, football and non-profit. Through LakeSprings NV, Mr. Verhaeghe is majority shareholder and chairman of, among others, Uplace NV, a real estate developer, and Redwoods Capital NV, a value investment fund. From 2016 until 2019, Mr. Verhaeghe was vice president of the Royal Belgian Football Association and he was the Belgian delegation leader for the 2018 World Cup in Russia. Mr. Verhaeghe is co-founder and contributor of AntiCancer Fund, a private foundation providing research-based information on and funding for cancer therapies. In 1998, Mr. Verhaeghe also founded Retail Estates NV, a publicly listed real estate investment trust. In 1993, Mr. Verhaeghe founded the real estate developer Eurinpro, which was sold in 2006 to an Australian listed company (Goodman). Prior to that, he was shareholder and CEO at Groep Verelst NV, a general construction company active in Belgium, The Netherlands, Germany and France, which was sold to management in 2001. He holds a Master of Laws from the Catholic University of Leuven and an MBA from the Vlerick Business School.

(ii) *Peter Vanhecke*

Peter Vanhecke is director and indirect shareholder of Club Brugge. He is also the founder and managing director of Hahnwald Investments Ltd., an investment and management company, also known under its trade name Castel Capital. Mr. Vanhecke further holds director positions in Insperion 1 Ltd. and Vanhecke Consulting BV. Between 2011 and 2015, he was the CEO of PJSC Ukrnafta, a CEE/CIS-based, integrated oil and gas company, and before that, he held various senior positions in investment banking (Lazard, Wasserstein Perella, Dresdner Kleinwort Wasserstein, Renaissance Capital) and in management consulting (Boston Consulting Group). He started his career as a corporate attorney at Baker&McKenzie. He holds a Master of Laws from the Catholic University of Leuven, an LL.M. degree of Northwestern University (Chicago) and an MBA from Columbia Business School (New York).

(iii) *Jan Boone*

Jan Boone is director and indirect shareholder of Club Brugge. Jan Boone is the CEO of Lotus Bakeries NV since 2011. Lotus Bakeries NV is quoted on Euronext Brussels. The Boone family holds the large majority of the shares of Lotus Bakeries NV. Mr. Boone is also the chairman of Animalcare Group Plc., a company listed on the London Stock Exchange. Mr. Boone was previously the chairman of Omega Pharma. He started his career at PriceWaterhouseCoopers Bedrijfsrevisoren BV and holds a Master in Applied Economics Sciences from the Catholic University of Leuven and a licence spéciale en révisorat from the University of Mons Hainaut.

(iv) *Vincent Mannaert*

Vincent Mannaert joined Club Brugge as CEO in 2011. Mr. Mannaert is also an indirect shareholder of Club Brugge. From 2007 to 2011, he served as CEO of another Belgian football club, SV Zulte Waregem. Mr. Mannaert is the vice president of the ECA Competitions Working Group and was a director of the Pro League. He started his career as an attorney and held various consulting positions. He holds a Master of Laws from the Free University of Brussels.

(v) *Cind Du Bois*

Dr. Cind Du Bois is a professor in economics at the Royal Military Academy since 2009 and, since 2019, she is also a member of its board of directors. Besides, Cind Du Bois is attached to Modul University in Vienna as an external lecturer, teaching an MBA course on managerial economics. In 2017-2018, she also acted as an external expert for the training unit of Frontex. Subject to Listing, she will be an independent non-executive director in Club Brugge. She holds a Master (University of Antwerp) and a PhD in Applied Economics (Free University of Brussels) as well as a certificate of higher education in Terrorism and Radicalization (University of Liège).

(vi) Lucy Quist

Lucy Quist is a managing director at Morgan Stanley. She is the Global Head of Change Leadership in Technology and the Global Chief Diversity & Inclusion Officer for Technology, Operations and Firm Resilience. She built her senior executive experience in the telecommunications industry as former CEO of AirtelTigo Ghana Ltd. (formerly Airtel Ghana) (until October 2017) and, prior to that, with senior leadership positions at Millicom International Cellular SA and Vodafone Group plc. Lucy Quist also served as vice president of FIFA's Normalization Committee in Ghana. Further, she currently holds board mandates in INSEAD and Mercy Ships and, until 2019, she was the chair of the board of directors of Petra Trust Ltd. Subject to Listing, she will be an independent non-executive director in Club Brugge. She is a chartered engineer who holds a degree in electrical and electronic engineering (University of East London) and an MBA from INSEAD.

(vii) Sangeeta Desai

Sangeeta Desai is chair of the board of directors of Mopar Media Group AB and independent non-executive director in Panther Media Group Ltd. and Ocean Outdoor Ltd. She is also chair of the audit committee of the latter. Until 2018, she held various senior management positions in the international television content, production and distribution industry. She served as group COO and CFO, and, subsequently, CEO of emerging markets at FremantleMedia and as COO at Hit Entertainment. During her employment at FremantleMedia, she also held directorships in various other FremantleMedia entities. Prior to that, Sangeeta Desai gained finance and investment experience at Apax Partners, Goldman Sachs and JP Morgan. Subject to Listing, she will be an independent non-executive director in Club Brugge. She holds a Bachelor of Science in Business Administration (UC Berkeley) and an MBA (the Wharton School, University of Pennsylvania).

The business address for all of the directors is Herenweg 9, 8300 Knokke-Heist (Westkapelle), Belgium.

10.3.4 Involvement in legal proceedings, investigations and/or bankruptcies

Each of the directors (post-IPO) has confirmed to Club Brugge that there has or have been no (i) convictions in relation to fraudulent offenses during the past five years; (ii) bankruptcies, receiverships, liquidations of any companies or companies put into administration in which such directors held any office, directorships, or partner or senior management positions during the past five years; or (iii) official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) involving such directors, or (iv) disqualification by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer during the past five years.

10.3.5 Past and current mandates

In the five years preceding the date of this Prospectus, the directors (based on the post-IPO composition of the Board of Directors) have held the following directorships or memberships of administrative, management or supervisory bodies and/or partnerships apart from mandates in Club Brugge or its subsidiaries:

Name	Current mandates	Past mandates
Bart Verhaeghe	LakeSprings NV, Redwoods Capital NV, Fagus Invest NV, Bever Investments NV, Ox NV, Noctuam NV, Vansteelandt BV, Beaver Lakes NV, UMP NV, Uplace NV, Oak Lane NV, Broekland NV, Bay Leaf NV, Abdijschool NV, Hornbeam Hedge NV, Grizzly Sports NV, Ourson Sports NV, Club Brugge Foundation VZW, Itinera Institute VZW	Royal Belgian Football Association, Optimize Triathlon NV, Cubs partners CVBA, Cup-A-Lot NV, Ustay NV, Uwork NV, Workstay NV, Utower NV, Voka – Kamer van Koophandel Halle-Vilvoorde VZW, Vlerick Business School SON
Peter Vanhecke	Hahnwald Investments Ltd., Insperion 1 Ltd., Vanhecke Consulting BV	Get Transfer Ltd., Milumen Ltd., Cannoniere S.à r.l., Cannoniere holding S.à r.l., Hattrick Sports Group Ltd., Castel Capital BV, Vastero Ltd., Farlot Trading Ltd., Get Transport Ltd.
Jan Boone	Lotus Bakeries NV (and other related entities), Animalcare Group Plc, Ourson Sports NV, Mercuur Consult BV, Stephenson NV, Die Tafelberg BV, Beukenlaan NV, Caracookie CVBA, Excelsus NV	Durabrik Bouwbedrijven NV, Omega Pharma NV, Omega Pharma Invest NV
Vincent Mannaert	Vincere Consulting BV, Ourson Sports NV, Grizzly Sports NV	Pro League
Cind Du Bois	Royal Military Academy	N/A
Lucy Quist	INSEAD, Mercy Ships	Airtel Ghana Ltd., Petra Trust Ltd., FIFA GFA Normalization Committee
Sangeeta Desai	Ocean Outdoor Ltd., Mopar Media Group AB, Panther Media Group Ltd., Aurora Acquisition Corp.	DNEG Ltd., FremantleMedia Ltd., Hit Entertainment Ltd., FCB Productions Inc. (formerly Original Fremantle LLC), MISO HOLDINGS ApS, MISO FILM ApS, 495 Productions Holdings LLC, Wildside Srl, Abot Hameiri Communication Ltd., FremantleMedia Canada Inc., Fremantlemedia Portugal S.A., FremantleMedia Group Ltd., FremantleMedia Ltd., UMI Mobile Inc., Easy Tiger Holdings Pty Ltd., Easy Tiger Productions Pty Ltd., FremantleMedia Mexico SA DE CV, FremantleMedia Services S DE RL DE CV, Bend IT TV Ltd. (and other Fremantle related entities)

10.4 Management Committee

The Management Committee is composed of the CEO, who chairs the Management Committee, and the other members of the Management Committee. Such other members are appointed and removed by the Board of Directors upon advice of the CEO and the Remuneration and Nomination Committee.

The Management Committee exercises the duties assigned to it by the Board of Directors. The Management Committee is an informal executive committee, *i.e.,* not a formal corporate body provided for under the Belgian Companies' and Associations' Code.

Club Brugge's Management Committee consists of the following members:

Name	Age	Position
Vincent Mannaert[28]	46	Chief Executive Officer
Roel Vaeyens[29]	42	Chief Sports Officer
Bob Madou[30]	39	Chief Commercial Officer
Veroniek Degrande	56	Chief Financial Officer[31]
Stefaan Van Damme[32]	36	Operations Manager
Jannes Labaere[33]	36	Chief Information Officer
Thomas Delameillieure[34]	30	Chief Legal Officer
Arthur Lesaffre[35]	30	Chief Compliance Officer
Jan De Winne[36]	34	Human Resources Manager
Jeroen De Smet[37]	40	Commercial Director
Nicky Laukens[38]	37	Chief Financial Officer[39]

10.4.1 CVs Management Committee members

(i) Vincent Mannaert

For the biography of Vincent Mannaert, please see section 10.3.3 "*CVs directors*" above.

[28] Vincent Mannaert provides services through Vincere Consulting BV.
[29] Roel Vaeyens provides services through Flotan – Roel Vaeyens CommV.
[30] Bob Madou provides services through Komvest BV.
[31] As of April 2021, Veroniek Degrande will be Head of Finance.
[32] Stefaan Van Damme provides services through Stevad Consulting BV.
[33] Jannes Labaere provides services through L.A.B. Projects & Services CommV.
[34] Thomas Delameillieure provides services through Alba Legal BV.
[35] Arthur Lesaffre provides services through ARNTHOR BV.
[36] Jan De Winne provides services through Jan De Winne CommV.
[37] Jeroen De Smet provides services through Livinz Consult BV.
[38] Nicky Laukens provides services through Finkens BV.
[39] As of April 2021.

(ii) *Roel Vaeyens*

Roel Vaeyens has worked for Club Brugge since February 2012 and has served as Chief Sports Officer since June 2019. He previously consulted for various sport clubs and federations worldwide. He holds a Master and a PhD in Physical Education from Ghent University and is currently affiliated as a guest professor there. He also holds a club management programme certificate issued by the European Club Association and obtained the UEFA A coaching degree at the Royal Belgian Football Association.

(iii) *Bob Madou*

Bob Madou joined Club Brugge as Chief Commercial Officer in 2018. He previously worked as communication director and business director at the Royal Belgian Football Association and as a marketing director at the Vlaamse Radio & Televisieomroeporganisatie NV. Currently, Mr. Madou is an independent board member of Tennis Vlaanderen VZW. He holds a Master in Kinesiology and a Master in Education Sciences from the Catholic University of Leuven.

(iv) *Veroniek Degrande*

Veroniek Degrande has worked as an accountant for Club Brugge since 1984 and has subsequently served as finance manager, from 2004 to 2012, and as Chief Financial Officer from 2012 onwards. She holds a Bachelor in Accountancy and Fiscality from the Hantal College of Kortrijk and a postgraduate degree as tax consultant. As from April 2021, Veroniek will be the Company's Head of Finance.

(v) *Stefaan Van Damme*

Stefaan Van Damme joined Club Brugge as Operations Manager in December 2020. He has previously worked as a technical director at Studio Plopsa NV and as an inspection engineer at TÜV Nederland. He holds a degree in electromechanics from the Katholieke Hogeschool Sint-Lieven.

(vi) *Jannes Labaere*

Jannes Labaere joined Club Brugge as Chief Information Officer in May 2019. He has previously worked as Chief Information Officer at B.O.E.M.M. NV and as an independent ICT consultant. He holds a Bachelor in Applied Informatics from Hogeschool Ghent and a project management professional certification of the Project Management Institute.

(vii) *Thomas Delameillieure*

Thomas Delameillieure joined Club Brugge as Chief Legal Officer in January 2021. He has previously worked as a lawyer at Rivus Advocaten, a boutique law firm based in Brussels and Switzerland providing legal assistance for high net worth individuals. He holds a Master of Laws from the Catholic University of Leuven and a Master of Notarial Law from the same university. He is enrolled as a teaching assistant at the Law Faculty of the Catholic University of Leuven and as a guest professor of law at the Brugge Business School and the University College Thomas More. He speaks regularly on seminars and is also the author of various publications.

(viii) *Arthur Lesaffre*

Arthur Lesaffre joined Club Brugge as Chief Compliance Officer in May 2019. As of October 2020, Arthur also serves as Club Brugge's Investor Relations Officer. From 2013 until 2019, he worked in audit at KPMG Bedrijfsrevisoren CVBA. He has been certified as a data protection officer by the Data Protection Institute in September 2019 and holds a master of science in business administration from the University of Ghent.

(ix) *Jan De Winne*

Jan De Winne joined Club Brugge as HR manager in April 2020. He has previously worked as an HR manager at Biscuiterie Jules Destrooper NV, Lantmännen Unibake Londerzeel NV (international role) and Finvision group (5 entities). He holds a degree in modern languages-economics at St-Lodewijkscollege and did an executive masterclass in human resource management at Vlerick Business School.

(x) *Jeroen De Smet*

Jeroen De Smet joined Club Brugge as commercial director in April 2020. He has previously worked as a sales director (Flanders and The Netherlands/International partnerships) at Studio Plopsa NV and as an office manager at AGO Jobs & HR. He holds a Bachelor in Orthopedagogy from the Hogeschool Gent and a degree in sales and marketing management from Syntra.

(xi) *Nicky Laukens*

Nicky Laukens will be joining Club Brugge as Chief Financial Officer as of April 2021. From 2016 until now, he served in various roles at Ontex NV, a company quoted on Euronext Brussels, most recently as its Vice President of Finance of the Europe Division. Prior to that, he served as Finance Lead International and Commercial Finance at Recticel NV and in various roles at Procter & Gamble. Mr. Laukens holds a Master in Applied Economics Sciences from the Catholic University of Leuven and a Master in Financial Management from the Vlerick Business School.

The business address for all of the members of the Management Committee is Herenweg 9, 8300 Knokke-Heist (Westkapelle), Belgium.

10.4.2 Conflict of interest

Other than with respect to the services or employment agreements entered into between Club Brugge, on the one hand, and the respective (management or holding companies of the) members of the Management Committee, on the other hand, Club Brugge is not aware of any potential conflicts between the personal interests or other duties of the members of the Management Committee on the one hand and the interests of Club Brugge on the other hand.

No member of the Management Committee has a family relationship with any other member of the Management Committee or director.

10.4.3 Involvement in legal proceedings, investigations and/or bankruptcies

Each of the members of the Management Committee has confirmed to Club Brugge that there has or have been no (i) convictions in relation to fraudulent offenses during the past five years; (ii) bankruptcies, receiverships, liquidations of any companies or companies put into administration in which such members held any office, directorships, or partner or senior management positions during the past five years; or (iii) official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) involving such members, or (iv) disqualification by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer during the past five years.

10.4.4 Past and current mandates

In the five years preceding the date of this Prospectus, the members of the Management Committee have held the following directorships or memberships of administrative, management or supervisory bodies and/or partnerships apart from mandates in Club Brugge or its subsidiaries:

Name	Current mandates	Past mandates
Vincent Mannaert	Vincere Consulting BV, Ourson Sports NV, Grizzly Sports NV	Pro League
Roel Vaeyens	Flotan CommV	N/A
Bob Madou	Komvest BV, Stichting Brugse Mug Heli, Tennis Vlaanderen VZW	Royal Belgian Football Association, Vlaamse Radio & Televisieomroeporganisatie NV
Veroniek Degrande	N/A	N/A
Stefaan Van Damme	Stevad Consulting BV	N/A
Jannes Labaere	L.A.B. Projects & Services CommV	B.O.E.M.M. NV
Thomas Delameillieure	Alba Legal BV	N/A
Arthur Lesaffre	ARNTHOR BV	N/A
Jan De Winne	Jan De Winne CommV	N/A
Jeroen De Smet	Livinz Consult BV	Studio Plopsa NV
Nicky Laukens	Finkens BV, Wijnhandel Laurel BV	Ontex NV, Recticel NV

10.5 CEO

The CEO is responsible for the day-to-day management of Club Brugge. He has direct operational responsibility for Club Brugge and oversees the organization and day-to-day management of the Company. The CEO is responsible for the execution and management of the outcome of all Board of Directors decisions.

The CEO leads the Management Committee, which reports to him, within the framework established by the Board of Directors and under its ultimate supervision. The CEO chairs the Management Committee.

The CEO is appointed and removed by the Board of Directors and reports directly to it.

10.6 Board committees

The Board of Directors has established two Board committees conditional upon and with effect as of Listing, which are responsible for assisting the Board of Directors and making recommendations in specific fields: the Audit and Risk Committee (in accordance with article 7:99 of the Belgian Companies' and Associations' Code and provisions 4.10-4.16 of the 2020 Code) and the Remuneration and Nomination Committee (in accordance with article 7:100 of the Belgian Companies' and Associations' Code and provisions 4.17-4.23 of the 2020 Code). The terms of reference of these committees of the Board of Directors are primarily set out in the Corporate Governance Charter.

10.6.1 Audit and Risk Committee

Following Listing, the Audit and Risk Committee will advise the Board of Directors on accounting, audit and internal control matters, and shall, in particular:

- inform the Board of Directors on the result of the statutory audit of the annual accounts and, the consolidated accounts of Club Brugge and explain how the statutory audit of the annual accounts and the consolidated accounts of Club Brugge contributed to the integrity of the financial reports and the role the Audit and Risk Committee played in this process;
- monitor the financial reporting process in relation to Club Brugge and make recommendations or proposals to safeguard the integrity of the process;
- monitor the effectiveness of Club Brugge's internal control and risk management systems and as long as there is an internal audit, monitor the internal audit of Club Brugge and its effectiveness;
- monitor the statutory audit of the annual and the consolidated accounts of Club Brugge, including any follow-up on any questions and recommendations made by the statutory auditor;
- review and monitor the independence of the statutory auditor, in particular whether the provision of additional services to Club Brugge is appropriate. More specifically, the Audit and Risk Committee analyses, together with the statutory auditor, the threats for the statutory auditor's independence and the security measures taken to limit these threats, when the total amount of fees exceeds the criteria specified in article 4, §3 of Regulation (EU) No 537/2014; and
- make recommendations to the Board of Directors for the appointment and reappointment of the statutory auditor of Club Brugge in accordance with article 16, §2 of Regulation (EU) No 537/2014.

The Audit and Risk Committee also reports regularly to the Board of Directors on the exercise of its duties, identifying any matters where it considers that action or improvement is needed, and making recommendations as regards the steps to be taken.

Following Listing, the Audit and Risk Committee will consist of at least three members appointed for a term not exceeding that of their Board of Directors membership, all being non-executive directors and a majority of them being independent directors. The chairman of the Audit and Risk Committee shall be designated by the Audit and Risk Committee but shall not be the chairman of the Board of Directors.

Conditional upon and with effect as of Listing, the following directors will form the Audit and Risk Committee: Mr. Jan Boone, Ms. Sangeeta Desai and Ms. Cind Du Bois.

The Audit and Risk Committee will meet at least four times a year and whenever it deems necessary in order to carry out its duties.

10.6.2 Remuneration and Nomination Committee

The Remuneration and Nomination Committee advises the Board of Directors principally on matters regarding the appointment and remuneration of directors and the Management Committee members and shall, in particular:

- make proposals to the Board of Directors on the remuneration policy for directors and members of the Management Committee and the persons responsible for the day-to-day management of Club Brugge, as well as, where appropriate, on the resulting proposals to be submitted by the Board of Directors to the Shareholders' Meeting;
- make proposals to the Board of Directors on the individual remuneration of directors and members of the Management Committee, and the persons responsible for the day-to-day management of Club Brugge, including variable remuneration and long-term incentives, whether or not stock- related, in the form of stock options or other financial instruments, and arrangements on early termination, and where applicable, on the resulting proposals to be submitted by the Board of Directors to the Shareholders' Meeting;
- prepare a remuneration report to be included by the Board of Directors in the annual corporate governance statement; and
- present and provide explanations in relation to the remuneration report at the Annual Shareholders' Meeting.

The Remuneration and Nomination Committee also reports regularly to the Board of Directors on the exercise of its duties, identifying any matters where it considers that action or improvement is needed, and making recommendations as regards the steps to be taken.

Following Listing, the Remuneration and Nomination Committee shall consist of three members, all being non-executive directors and a majority of them being independent directors. The chairman of the Remuneration and Nomination Committee shall be designated by the Board of Directors and shall be either the chairman of the Board of Directors or another non-executive director.

Conditional upon and with effect as of Listing, the following directors will form the Remuneration and Nomination Committee: Mr. Jan Boone, Ms. Sangeeta Desai and Ms. Lucy Quist.

The Remuneration and Nomination Committee will meet at least two times a year and whenever it deems necessary in order to carry out its duties.

10.7 Potential conflicts of interest and related party transactions

10.7.1 Conflict of interest procedures

Article 7:96 of the Belgian Companies' and Associations' Code provides for a special procedure if a director of Club Brugge, save for certain exempted decisions or transactions, directly or indirectly has a financial interest that conflicts with the interests of Club Brugge following a decision or transaction that falls within the Board of Directors' powers. The director concerned must inform the other directors before any decision of the Board of Directors is taken and the Statutory Auditor must also be notified. The director thus conflicted may not participate in the deliberation or vote on the conflicting decision or transaction. If all directors are conflicted, the decision or the transaction will be submitted to the Shareholders' Meeting.

The minutes of the meeting of the Board of Directors must set out the director's declaration of the conflict of interest, the nature of the relevant decision or transaction, the financial impact of the matter on Club Brugge, and justify the decision taken. An excerpt of the minutes must be published in Club Brugge's annual report. The report of the Statutory Auditor to the annual accounts must contain a description of the financial impact on Club Brugge of each of the Board's decisions in matters where a conflict arises.

10.7.2 Related party transactions

Save for certain exempted decisions or transactions (see below), article 7:97 of the Belgian Companies' and Associations' Code provides for a special procedure when the Board of Directors has to decide on transactions between Club Brugge (as soon as it has become listed), on the one hand, and a related party, on the other hand. In accordance with IAS 24 ("Related party disclosures"), related parties include (i) directors and key managers, together with all of their close family members and any entities they control or jointly control; (ii) group companies (except for Subsidiaries, unless the controlling Shareholder of Club Brugge holds a participation representing 25% or more of the capital of such Subsidiary or giving right to 25% or more of any profit distribution of such Subsidiary); and (iii) associated entities and joint ventures and their respective subsidiaries. The procedure also applies to decisions on contributions in kind and (de)mergers. Similarly, certain transactions of Club Brugge's Subsidiaries with their related parties will require the prior approval of Club Brugge's Board of Directors. Subject to certain conditions, the procedure also applies to transactions between Club Brugge and subsidiaries of Club Brugge in which the controlling Shareholder of Club Brugge (directly or indirectly) holds a certain ownership or economic interest.

Prior to such decisions or transactions, the Board of Directors appoints a special committee of three independent directors in accordance with article 7:97 of the Belgian Companies' and Associations' Companies Code, which, if deemed necessary, may be supported by one or more independent experts appointed by the special committee. This committee describes the decision or transaction and determines the commercial advantages and disadvantages of the decision or transaction for Club Brugge and the shareholders. It also calculates and establishes the financial consequences of the decision or transaction, and determines whether or not the decision or transaction is manifestly detrimental in light of Club Brugge's policy. If the committee does not find the decision or transaction to be manifestly detrimental, but believes it will prejudice Club Brugge, it must clarify what benefits the decision or transaction will provide that compensates for the identified prejudices. The committee's recommendation must be submitted in writing, stating each of the above elements to the Board of Directors. The Board of Directors must then make a decision, taking into account the committee's recommendation. If a director is involved in the decision or transaction, such director may not participate in the deliberation or vote. If all directors are involved, the decision or the transaction will be submitted to the Shareholders' Meeting.

The minutes of the Board of Directors must mention whether the procedure has been complied with and include a justification of any deviation from the committee's recommendation. The written recommendation of the committee and the decision of the Board of Directors must be communicated to the Statutory Auditor, who must issue a separate opinion on the accuracy of the data contained in the recommendation of the committee and in the minutes of the Board of Directors.

An announcement must be made at the latest at the time that the decision is adopted or the transaction is entered into. Announcements need to include the name of the related party and the nature of the relationship, the date and the value of the transaction, and any other information necessary to assess whether it is fair and reasonable from the perspective of Club Brugge and of the non-related shareholders (including minority shareholders). The advice of the committee (and if applicable, the reasons for departing from it by the Board of Directors) should be attached to the announcement, as well as the opinion of the Statutory Auditor. The annual report of Club Brugge must contain an overview of all announcements made during the financial year, with reference to the place where the announcements can be consulted.

Decisions or transactions which are in the ordinary course of business and on normal market terms are exempt from the scope of application of article 7:97 of the Belgian Companies' and Associations' Code. However, the Board of Directors must provide for an adequate procedure to enable it to assess whether a transaction falls within this exemption. Anyone who is a related party in the relevant matter should not take part in that assessment.

Decisions or transactions with a value of less than 1% of Club Brugge's consolidated net assets are also exempt. However, decisions or transactions with the same related party over a 12-month period have to be aggregated and if the materiality threshold is met on aggregation, the rules have to be complied with for each decision or transaction.

Other exemptions include (i) decisions and transactions with respect to (certain components of) the remuneration of members of the Board of Directors, members of the Management Committee and persons charged with the day-to-day management, (ii) the acquisition or disposal of own Shares, (iii) the distribution of interim dividends and (iv) capital increases in the framework of the authorized capital without restriction or suppression of the preferential subscription rights of existing Shareholders. See section 12.4 "*Related party transactions*" for a list of related party transactions that Club Brugge has entered into during the period covered by the historical financial information and up to the date of this Prospectus. The procedure set out above was not applicable to these transactions as Club Brugge was not yet listed at the time.

10.8 Dealing Code

With a view to preventing market abuse, in particular insider dealing and unlawful disclosure of inside information and market manipulation, and pursuant to the Market Abuse Regulation, the Board of Directors has established the Dealing Code, which is attached to the Corporate Governance Charter, subject to and with effect as of Listing.

The Dealing Code describes, amongst others, the declaration and conduct obligations of the members of the Board of Directors and members of the Management Committee, certain other employees and certain other persons with respect to transactions in Shares and other financial instruments issued by Club Brugge. The Dealing Code set limits on carrying out transactions in Shares and other financial instruments issued by Club Brugge and prohibits dealing by the aforementioned persons during certain windows, the so-called "closed periods". Besides the closed periods of 30 calendar days immediately preceding the publication of the annual and half-year results of Club Brugge, as imposed by mandatory laws, the Chief Compliance Officer may, during all other periods considered as sensitive, when the aforementioned persons or any other persons have knowledge of sensitive information that has not yet been made public, announce additional closed periods. The following two periods will in any event be examples of such additional closed periods:

- the summer transfer window or "summer mercato", which typically runs from 1 June to 31 August for domestic registrations and from 15 June to 31 August for international registrations; and
- the winter transfer window or "winter mercato", which typically runs from 1 January to 31 January.

Furthermore, as set out in the Dealing Code, the Company shall draw up a list of all persons who have access to inside information and who are working for the Company under a contract of employment, or otherwise performing tasks through which they have access to inside information, such as advisers, accountants or credit rating agencies. Such list may also include players, agents or consultants having access to inside information that may exist in respect of player transfers. The list shall be continuously updated in accordance with the applicable legal provisions.

Any person included on the insider list, shall be informed thereof and shall be required to acknowledge in writing that he/she is aware of the legal and regulatory duties entailed by his/her activities, as well as of the sanctions applicable to insider dealing and the unlawful disclosure of inside information.

The list of persons with access to inside information is managed by the Company's compliance officer.

10.9 Board of directors remuneration

10.9.1 Remuneration policy components

The Shareholders' Meeting determines the remuneration of the members of the Board of Directors.

10.9.2 Remuneration for the Board of Directors in the financial year ended 30 June 2020

For the financial year ended 30 June 2020, the members of the Board of Directors were not remunerated for their activities as board members.

However, in such financial year, a large amount of work, related in particular to the development of the New Stadium as well as certain other strategic initiatives of Club Brugge, was undertaken by e.g. real estate experts working within the companies affiliated to some of the Board members. These real estate, consulting and/or project management services were awarded by the Company to such companies, as per below:

- €1,391,500 (incl. VAT) was paid to LakeSprings NV, the holding company controlled by Bart Verhaeghe, for services rendered under a service agreement dated 23 December 2018;
- €268,448.78 (incl. VAT) was paid to Uplace NV, a company controlled by Bart Verhaeghe, for services rendered under a service agreement dated 2 April 2020;
- €72,600 (incl. VAT) was paid to Vanhecke Consulting BV, the management company of Peter Vanhecke, for services rendered under a service agreement dated 23 December 2018;

- €66,500 (incl. VAT) was paid to Stephenson NV, the management company of Jan Boone, for services rendered under a service agreement dated 23 December 2018; and
- €21,780 (incl. VAT) was paid to Permeke Invest NV, the management company of Bart Coeman (member of the Board until 1 March 2021), for services rendered under a service agreement dated 23 December 2018.

For the remuneration received by the CEO for the financial year ended 30 June 2020, please see section 10.10.2 "*Remuneration of members of the Management Committee in the financial year ended 30 June 2020*" below.

At the date of this Prospectus, there are no amounts reserved or accrued by Club Brugge or its subsidiaries to provide pension, retirement or similar benefits for the members of the Board of Directors.

10.9.3 Remuneration for the Board of Directors as of financial year ending 30 June 2021

In accordance with article 3:6, §3 of the Belgian Companies' and Associations' Code, the remuneration report for the financial year ending on 30 June 2021 (and any financial year thereafter), which forms part of the corporate governance declaration which shall be included in Club Brugge's annual report, to be published in 2021, shall contain at least the following information about the directors, the CEO and the other members of the Management Committee:

1. the total amount of remuneration, broken down by component, paid out by the Company. This information is provided with a breakdown between:
   - base remuneration;
   - variable remuneration: for all extra incentives subject to performance criteria, indicating the form in which this variable remuneration is paid;
   - pension: the amounts paid during the financial year covered by the annual report or the costs of services which have been delivered during the financial year covered by the annual report, depending on the pension plan with an explanation of the applicable pension schemes; and
   - other components of the remuneration, such as the cost or monetary value of insurance coverage and fringe benefits, with an explanation of the details of the main components;
2. the relative share of fixed and variable remuneration;
3. an explanation of how the total amount of remuneration complies with the remuneration policy, including how it contributes to the long-term performance of Club Brugge;
4. information on how the performance criteria have been applied;
5. the number of shares, share options or other rights to acquire shares, offered, granted, exercised or lapsed in the course of the financial year covered by the annual report, their main characteristics and the main conditions for their exercise, including the price and date of exercise and any change thereto;

6. in case one of the directors, members of the Management Committee or CEO would leave Club Brugge, the justification of and the decision by the Board of Directors, as recommended by the Remuneration and Nomination Committee, on the relevant person's right to a severance payment and the calculation basis for such severance payment;

7. if applicable, information regarding the use of the possibility to recover variable remuneration; and

8. information on any deviations from the procedure for implementing the remuneration policy and on any temporary deviations as set out article 7:89/1, §5 of the Belgian Companies' and Associations' Code, with an explanation of the nature of the exceptional circumstances and stating the specific components from which deviations are made.

With respect to the directors and the CEO, this information is presented on an individual basis. As far as the other members of the Management Committee are concerned, the information in bullets 1 – 4, 7 and 8 is presented on a global basis and the information in bullets 5 and 6 is presented on an individual basis.

Club Brugge's remuneration report shall also describe the annual change in remuneration, the annual change in the evolution of Club Brugge's performance and the annual change in the average remuneration, expressed in full-time equivalents, of Club Brugge's employees, other than the directors, the CEO and the other members of the Management Committee, over at least five financial years and presented together in a way that allows for comparison.

Lastly, the remuneration report shall also include the ratio between on the one hand the highest compensation among the directors, the CEO and the other members of the Management Committee and on the other hand the lowest compensation, expressed on a full-time equivalent basis, among employees.

10.9.4 Legal constraints applicable as of Listing

By law, certain restrictions apply to the remuneration of the CEO, the other members of the Management Committee and the executive members of the Board of Directors. Variable remuneration can only be paid to the CEO, the other members of the Management Committee and the executive members of the Board of Directors if the performance criteria explicitly mentioned in the contractual or other provisions governing the relationship were met in the relevant period.

If the variable remuneration constitutes more than 25% of the total annual remuneration package, at least 25% of the variable remuneration must relate to pre-determined and objectively measurable performance criteria deferred over a minimum period of two years, and at least another 25% must relate to such criteria deferred over a minimum period of three years (except where the Articles of Association provide otherwise or the Shareholders' Meeting expressly approves an exception). The Articles of Association authorize Club Brugge to deviate from such rule, as allowed under the Belgian Companies' and Associations' Code.

In respect of share-based remuneration, Shares can only vest and options giving the right to receive Shares or any other rights to acquire Shares can only be exercisable as from three years after the grant (except where the Articles of Association provide otherwise or the Shareholders'

Meeting expressly approves an exception). The Articles of Association authorize Club Brugge to deviate from such rule, as allowed under the Belgian Companies' and Associations' Code.

The remuneration of the non-executive directors cannot be dependent on Club Brugge's results. No stock options should be granted to non-executive directors.

10.9.5 Adjustments to variable remuneration

There are no contractual provisions in place between Club Brugge and the executive directors or the other members of the Management Committee that give Club Brugge a contractual right to reclaim from said persons the variable remuneration that would be awarded based on erroneous financial information.

10.10 Management Committee remuneration

10.10.1 Remuneration policy components

The Board of Directors determines the remuneration of the members of the Management Committee.

10.10.2 Remuneration of members of the Management Committee in the financial year ended 30 June 2020

For the financial year ended 30 June 2020, remuneration in the total amount of €1,070,850 was awarded to the CEO. This remuneration was comprised of the following elements:

– base salary: €1,070,850 (incl. VAT);

– variable remuneration (relating to historical performance): N/A;

– pension (the amounts paid or the costs of the services provided during the financial year ended 30 June 2020): N/A; and

– other components of the remuneration (such as the costs or value of insurances and other benefits in kind): N/A.

For the financial year ended 30 June 2020, remuneration in the total amount of €1,811,585 was awarded to the members of the Management Committee[40], other than the CEO, jointly. This remuneration was, on a global level, comprised of the following elements:

– base salary: €1,509,544 (incl. VAT);

– variable remuneration (relating to historical performance): €284,350;

– pension (the amounts paid or the costs of the services provided during the financial year ended 30 June 2020): €17,691; and

– other components of the remuneration (such as the costs or value of insurances and other benefits in kind): N/A.

At the date of this Prospectus, an amount of €92,987 has been reserved or accrued by Club Brugge or its subsidiaries to provide pension, retirement or similar benefits for the members of the Management Committee.

[40] As at 30 June 2020 (including remuneration paid to members of the Management Committee that are no longer member of the Management Committee at the date of this Prospectus and it being understood that Jan De Winne and Jeroen De Smet only became members of the Management Committee in April 2020).

10.10.3 Remuneration of members of the Management Committee as of financial year ending 30 June 2021

Please see section 10.9.3 "*Remuneration for the Board of Directors as of financial year ending 30 June 2021*" above.

10.10.4 Legal constraints applicable as of Listing

Please see section 10.9.4 "*Legal constraints applicable as of Listing*" above.

10.10.5 Adjustments to variable remuneration

Please see section 10.9.5 "*Adjustments to variable remuneration*" above.

10.11 Equity holdings

As of the date of this Prospectus, Mr. Bart Verhaeghe, Mr. Vincent Mannaert, Mr. Jan Boone and Mr. Peter Vanhecke are (indirect) Shareholders of Club Brugge. For the detailed shareholdings, please see section 11.16 "*Group structure*" and section 12.2 "*Holdings immediately prior and after Closing*" below.

10.12 Incentive plans and award programs

The Offering will allow Club Brugge to incentivize existing and future management and senior staff. However, at the date of this Prospectus, there are no specific plans to structure any management incentive schemes.

10.13 Employees

The Company's total number of employees in full time equivalents for the financial year ended on 30 June 2020 was 120, 73 of which are active in the sporting department (including 50 football players of both the First Team and the Club NXT U23 Team), 18 in the commercial department, 19 in operations and another 10 in the finance, HR and overhead departments. The Company's total average number of employees in full time equivalents for the last three financial years ranged between 120 and 134. The Company frequently makes use of volunteers contracted by Club Brugge Foundation to perform, among other things, security, greenkeeping and community work during matchdays. In the financial year ended on 30 June 2020, the average number of such volunteers was 350.

The Company maintains excellent relations with its employees, both players and staff members, and views its employees as a crucial factor to its overall success. The Company is further subject to the collective bargaining agreement dated 3 July 2020 in relation to football players and the collective bargaining agreement dated 28 April 2020 in relation to coaches.

11 Description of Club Brugge's Share Capital, Articles of Association and Group Structure

11.1 General

Club Brugge is a public limited liability company incorporated originally under the name "De Klokke" in the form of a limited liability company (*naamloze vennootschap*/*société anonyme*) under Belgian law. Club Brugge was first incorporated on 9 April 1997 by the Club Brugge Foundation, Mr. Jacques De Nolf and Mr. Norbert Roels. Pursuant to the provisions of the Belgian Companies' and Associations' Code, the liability of the Shareholders of Club Brugge is in principle limited to the amount of their respective committed contribution to the capital of Club Brugge.

Club Brugge is registered with the Register of Legal Entities (Ghent, division Bruges), under number 0460.444.251. Club Brugge's registered office is located at Herenweg 9, 8300 Knokke-Heist (Westkapelle), Belgium with phone number (+32) 050 40 21 21.

This section summarizes information relating to Club Brugge's share capital, the Articles of Association and certain material rights of its Shareholders under Belgian law and the Company's corporate structure. The contents of this section are derived primarily from the Articles of Association as these will be in effect upon Listing. The Articles of Association were last amended by the Extraordinary Shareholders' Meeting held on 16 March 2021. The entry into force of certain amendments to the Articles of Association further to such Extraordinary Shareholders' Meeting is conditional upon and with effect as of Listing.

This section further provides details of certain provisions of Belgian law and information on Club Brugge's group structure. The description provided hereafter is only a summary and does not purport to provide a complete overview of the Articles of Association or the relevant provisions of Belgian law.

11.2 Club Brugge's object

Club Brugge's object is described in detail in article 3 of the Articles of Association, the key elements of which can be summarized as follows. Club Brugge's object is, both in Belgium and abroad, the following:

- development, promotion and supervision of sports, sportsmen and sports teams and organization of and participation in all possible events relating to (the practice of) sport;
- operation of catering establishments in the broadest sense of the word;
- import and export, purchase and sale, wholesale and retail trade, representation and brokering, design, manufacturing, processing, maintenance, repair and hiring out of varied goods;
- publicity, advertising, marketing and general communication in all forms;
- realization and exploitation of radio and television broadcasts;
- building and converting, demolishing, buying and selling, subdividing, renting and leasing, exchanging, urbanizing all real estate (including stadium and sports infrastructure), project analysis and development (including development study) of real estate projects (including stadium and sports infrastructure) and study of financing needs and techniques for the realization thereof; and
- in general, all activities related to the real estate sector, stadium and sports infrastructure or to movable or immovable investments and management.

The above list is not exhaustive in that Club Brugge may perform all acts that are in any way related to or that may contribute to the realization of its object.

11.3 History of share capital

At the time of Club Brugge's incorporation, its share capital amounted to 10,000,000 Belgian francs, represented by 200 shares, each representing an identical fraction of Club Brugge's share capital. On 6 June 2012, the Extraordinary Shareholders' Meeting converted the share capital to €247,893.52.

On 4 December 2012, Ourson Sports, Vanhecke Consulting BV, Tielt Connection VOF, Dirk Van Tornhaut and Frank Bamelis entered into Club Brugge's shareholding structure through a capital increase of €15,000,000, of which €3,791,531.39 was subscribed to in capital and €11,208,468.61 in issuance premium. 3,059 new Shares were issued in such capital increase, bringing the total number of Shares to 3,259.

On 21 October 2019, the Board of Directors resolved to acquire 200 own Shares from Club Brugge Foundation on the basis of an authorization granted by an Extraordinary Shareholders' Meeting held on that same date. These treasury Shares were immediately cancelled. This cancellation of Shares was charged against the distributable reserve account. As a consequence, the capital was, as of that moment, represented by 3,059 Shares.

On 25 May 2020, the Board of Directors resolved to incorporate the issuance premium of €11,208,468.61 into the capital in the framework of the authorized capital, bringing the capital from €4,039,424.91 to €15,247,893.52 (see also section 11.5 "*Authorized capital*").

On 16 March 2021, the Extraordinary Shareholders' Meeting resolved to divide the existing Shares into multiple Shares with a factor of 3,750. As a consequence of this Stock Split, the number of Shares went from 3,059 Shares to 11,471,250 Shares.

The number of Shares outstanding at the beginning of the financial year ending 30 June 2021 was thus 3,059 and has increased to 11,471,250 Shares as a result of the Stock Split.

Reference is made to section 11.16 "*Group structure*" and section 12.1 "*Description of the Selling Shareholder*" for an overview of the Company's current shareholding and a description of the Selling Shareholder.

11.4 Issued share capital

As of the date of this Prospectus, the issued share capital of Club Brugge consists of 11,471,250 ordinary shares without nominal value further to the Stock Split decided by the Extraordinary Shareholders' Meeting of 16 March 2021. The share capital of Club Brugge amounts to €15,247,893.52.

On the date of this Prospectus, no own Shares are held by Club Brugge and all issued Shares are fully paid-up and are subject to, and have been issued under, the laws of Belgium.

The net asset value (total assets minus total liabilities) per Share as of the date of the latest balance sheet (*i.e.*, 31 December 2020) before the Offering is €4.74.[41]

Club Brugge's share capital will amount to €15,247,893.52 as of Closing.

[41] Taking into account the Stock Split as already having occurred.

11.5 Authorized capital

On 16 March 2021, the Extraordinary Shareholders' Meeting authorized the Board of Directors, conditional upon and with effect as of Listing, to increase the share capital in one or more transactions by a number of Shares, or by financial instruments giving the right to a number of Shares such as, but not limited to, convertible bonds or subscription rights, so as to increase the share capital of Club Brugge in one or several times by a (cumulated) amount of maximum 100% of the amount of the share capital as such amount is recorded immediately after Listing.

Within the framework of the authorized capital, the Board of Directors is empowered to proceed with a capital increase in any form, including, but not limited to, a capital increase accompanied by the restriction or suppression of preferential subscription rights. This authorization includes the restriction or suppression of preferential subscription rights for the benefit of one or more specific persons (whether or not employees of Club Brugge or its subsidiaries) and in connection with capital increases in the event of a public tender offer (see section 11.10 "*Take-over legislation*").

The authorization is valid for a term of five years as from the date of the publication of the authorization in the annexes to the Belgian State Gazette (*Belgisch Staatsblad/Moniteur belge*). In connection with capital increases in the event of a public tender offer, the authorization is only valid for a term of three years as from the date of the Extraordinary Shareholders' Meeting referred to at the beginning of this paragraph.

Prior to 16 March 2021, the Board of Directors was authorized by the Extraordinary Shareholders' Meeting of 21 October 2019 to increase the share capital of Club Brugge in one or several times by a (cumulated) amount of maximum €200 million.

On 25 May 2020, the Board of Directors made use of the authorization to incorporate the issuance premium of €11,208,468.61 into the capital, bringing it from €4,039,424.91 to €15,247,893.52.

11.6 Acquisition of own Shares

In accordance with the Belgian Companies' and Associations' Code, the Articles of Association permit Club Brugge to acquire, on or outside the stock market, its own Shares, profit-sharing certificates or associated certificates by resolution approved by the Shareholders' Meeting by a majority of at least 75% of the votes cast at such meeting where at least 50% of the share capital and at least 50% of the profit certificates, if any, are present or represented. Prior approval by the Shareholders is not required if Club Brugge purchases the Shares in order to offer them to the Company's personnel, in which case the Shares must be transferred within a period of 12 months as from their acquisition.

At the Extraordinary Shareholders' Meeting of 16 March 2021, conditional upon and with effect as of Listing, the Board of Directors was granted the authorization to purchase a maximum number of Shares which added together does not represent more than 20% of the issued capital at a price per Share which may not be higher than the maximum price permitted by applicable law and which may not be lower than €0.01. This authorization is valid for five years as from the date of publication in the annexes to the Belgian State Gazette of the amendment to the Articles of Association for the purposes thereof. The authorization is also valid if the acquisition is made by one of Club Brugge's Subsidiaries, as set out in article 7:221 of the Belgian Companies' and Associations' Code.

The Board of Directors is furthermore authorized, conditional upon and with effect as of Listing, to acquire own Shares where such acquisition is necessary to prevent imminent serious harm to Club Brugge. This authorization is valid for three years as from the date of publication of the authorization in the annexes to the Belgian State Gazette.

The Shares can only be acquired by Club Brugge or a Subsidiary with funds that would otherwise be available for distribution as dividend. Only fully paid-up Shares may be acquired. An offer to purchase Shares must be made by way of an offer to all shareholders under the same conditions. Shares can also be acquired by Club Brugge without offer to all shareholders under the same conditions, provided that the acquisition of the shares is effected in the central order book of Euronext Brussels or, if the transaction is not effected via the central order book, provided that the price offered for the Shares is lower than or equal to the highest independent bid price in the central order book of Euronext Brussels at that time. No restrictions exist with respect to the total nominal value or fractional value of the Shares that can be held by Club Brugge. Voting rights attached to Shares held by Club Brugge as treasury shares are suspended.

Club Brugge may dispose of its own Shares, profit-sharing certificates or associated certificates in accordance with the Belgian Companies' and Associations' Code and its Articles of Association.

At the Extraordinary Shareholders' Meeting of 16 March 2021, conditional upon and with effect as of Listing, the Board of Directors was granted the authorization to transfer its own Shares to one or more specific persons other than personnel.

The authorizations referred to above are also valid if the acquisition or transfer is made by one of Club Brugge's Subsidiaries or by every third party acting in its own name but on behalf of those companies, as set out in article 7:221 of the Belgian Companies' and Associations' Code.

Club Brugge must notify the FSMA of the transactions described above. The FSMA shall verify whether the repurchase transactions are in accordance with the resolution of the Shareholders' Meeting or, as the case may be, the Board of Directors; if it is of the opinion that these transactions are not in accordance with the resolution, the FSMA may publish its advice.

As of the date of this Prospectus, Club Brugge does not hold any own Shares.

11.7 Form and transferability of the Shares

All of the Shares belong to the same class of securities and are in registered or dematerialized form. A register of registered Shares (which may be held in electronic form) is maintained at Club Brugge's registered office. It may be consulted by any holder of Shares. A dematerialized security is represented by an entry on account, in the name of the owner or holder, at a clearing institution or certified accountholder. Holders of Shares may elect, at any time, to have their registered Shares converted into dematerialized Shares, and vice versa, at their own expense.

The Shares are freely transferable, subject to any contractual restrictions by the lock-up arrangements described in section 14.2 "*Lock-up arrangements*".

11.8 Rights attached to the Shares

11.8.1 Preferential subscription rights

The Belgian Companies' and Associations' Code and the Articles of Association give Shareholders pro rata preferential subscription rights to subscribe to any issuance of Shares to be subscribed in cash, convertible bonds and subscription rights. The preferential subscription rights may be exercised during a period determined by the Shareholders' Meeting or by the Board of Directors acting within the framework of Club Brugge's authorized capital, with a legal minimum of 15 days from the date on which the subscription is opened. The preferential subscription right shall be negotiable during the entire subscription period and no restrictions may be imposed with regard to such negotiability other than those applicable to the securities to which such right relates.

The Shareholders' Meeting may restrict or suppress the preferential subscription rights for any capital increase or issue of convertible bonds or subscription rights, subject to the quorum and majority requirements applying to an amendment to the Articles of Association (the presence or representation of at least 50% of Club Brugge's share capital and a majority of at least 75% of the votes cast), and subject to special reporting requirements described in articles 7:191 and following of the Belgian Companies' and Associations' Code. Shareholders may also authorize the Board of Directors to restrict or suppress the preferential subscription rights for any capital increase or issue of convertible bonds or subscription rights when issuing securities within the framework of Club Brugge's authorized capital, subject to the same special reporting requirements. In such a case, the directors who *de facto* represent the beneficiary of the cancellation of the preferential subscription right or an affiliated person as defined in article 7:193, § 1, sixth subparagraph of the Belgian Companies' and Associations' Code, may not take part in the vote at the Board of Directors meeting.

11.8.2 Right to request items to be added to the agenda and to ask questions at the Shareholders' Meeting

One or more Shareholders that together hold at least 3% of Club Brugge's share capital may request that items be added to the agenda of any convened meeting and submit proposals for resolutions with regard to existing agenda items or new items to be added to the agenda, provided that (i) they prove ownership of such shareholding as at the date of their request and record their Shares representing such shareholding on the Record Date; and (ii) the additional items on the agenda and/or proposed resolutions have been received in writing by Club Brugge at the latest on the twenty-second day preceding the date of the relevant Shareholders' Meeting. The shareholding must be proven by a certificate evidencing the registration of the relevant Shares in the share register of Club Brugge or by a certificate issued by the certified accountholder or clearing institution certifying the book-entry of the relevant number of dematerialized Shares in the name of the relevant Shareholder(s).

If additional agenda items are so requested, Club Brugge shall publish a revised agenda of the Shareholders' Meeting, at the latest on the fifteenth day preceding the Shareholders' Meeting. The right to request that items be added to the agenda or that proposed resolutions in relation to existing agenda items be submitted does not apply in case of a second Shareholders' Meeting that must be convened because the quorum was not obtained during the first Shareholders' Meeting.

Within the limits of article 7:139 of the Belgian Companies' and Associations' Code, the directors and the auditor shall answer, during the Shareholders' Meeting, the questions raised by Shareholders. Shareholders can ask questions either during the meeting or prior to the meeting (in paper or electronic form), provided that Club Brugge receives the written question at the latest on the sixth day preceding the Shareholders' Meeting.

11.8.3 Dividend rights

The Offer Shares carry the right to participate in dividend distributions by Club Brugge declared after the Closing Date, in respect of the financial year ending 30 June 2021 and future years. All Shares participate equally in Club Brugge's profits, if any. No limitations, other than the limitations set out in this section 11.8.3, apply to the right of Shareholders to share in Club Brugge's profits.

In general, Club Brugge may only pay dividends with the approval of the Shareholders' Meeting, although the Board of Directors may declare interim dividends without Shareholder approval. The right to distribute such interim dividends is, however, subject to certain legal restrictions. Dividends can be distributed throughout the financial year.

Under Belgian corporate law, no distribution may be made if the net assets, as shown in the annual accounts, have decreased or could decrease as a result of the distribution below the amount of the paid-up or, if higher, of the called-up capital increased with all reserves not distributable by Belgian law or the Articles of Association. The maximum amount of the dividend that can be distributed is determined by reference to Club Brugge's stand-alone financial statements prepared in accordance with Belgian GAAP. In addition, under Belgian law and the Articles of Association, Club Brugge must allocate 5% of its Belgian GAAP annual net profit (*nettowinst*/*bénéfices nets*) to a legal reserve in its stand-alone statutory accounts until such reserve equals 10% of Club Brugge's share capital, before it can distribute dividends. As from 31 October 2020, Club Brugge's legal reserve amounts to €1,524,789.35 and thus equals 10% of its share capital as legally required. Pursuant to the Articles of Association, the Board of Directors determines as of which date any distribution of dividends will be payable.

Payment of any future dividend on Shares in cash will in principle be made in euro. Any dividend on Shares that are paid to Shareholders through Euroclear Belgium will be automatically credited to the relevant Shareholders' account. There are no restrictions in relation to the payment of dividends under Belgian law in respect of Shareholders who are non-residents of Belgium. However, see section 17.1.1(v) "*Non-Resident individuals and companies*" for a discussion of certain aspects of taxation of dividends and refund procedures for Non-Resident individuals and companies. Payments of profits and other payments are announced in a notice by Club Brugge. A claim for any declared dividend and other distributions lapses after five years from the date on which such dividends or other distributions became payable. Any dividend or other distribution that is not claimed within this period will be considered to have been forfeited to Club Brugge and will be carried to the reserves of Club Brugge.

Club Brugge does not have a policy of cumulative nature of dividend payments.

The tax legislation of a Shareholder's EEA Member State or other relevant jurisdictions and of Club Brugge's country of incorporation may have an impact on the income received from the Shares.

For more information on the dividend policy of Club Brugge, see section 5 "*Dividend Policy*" and section 2.2 regarding the risk factor relating to the Company's ability to pay dividends.

11.8.4 Voting rights

(i) Double voting rights

In principle, a Share confers the right to attend the Shareholders' Meeting and to cast one vote at such Shareholders' Meeting. However, the Company has opted to implement double voting rights in accordance with article 7:53 of the Belgian Companies' and Associations' Code. Accordingly, further to article 40 of the Articles of Association, each Share that is fully paid-up and registered to the name of the same Shareholder for a continuous period of at least two years shall entitle such Shareholder to cast two votes at a Shareholders' Meeting. The two-year period shall begin on the day on which the Shares are registered, even if such registration took place before the adoption of the provision in the Articles of Association introducing the double voting right and before Club Brugge is listed.

Each Share that is converted into a dematerialized Share or the ownership of which is transferred shall lose the double voting right. The transfer of Shares as a result of a succession, liquidation of a matrimonial property regime or a transfer, whether for valuable consideration or free of charge, on behalf of an heir shall not, however, result in the loss of this voting right or interrupt the two-year period. The same shall apply in the event of a transfer of Shares between companies controlled by the same shareholder, or in the event of joint control, by the same shareholders, whether natural or legal persons, or between one of these companies and these controlling shareholders. If the Shares are held by a company, the change of control of that company shall be deemed to be a transfer of those Shares, unless the change of control takes place on behalf of the spouse, the legal cohabitating partner or one or more heirs of the controlling shareholder or shareholders. The Belgian Companies' and Associations' Code provides for certain other circumstances that result in a loss of the double voting right.

A merger or split of Club Brugge would not affect the double voting right that may continue to be exercised in the recipient companies, if the articles of association of these companies so provide.

For more information on the impact of the double voting rights, see also risk factor 2.2(iii) relating to the Selling Shareholding continuing to exert control over the Company and significant corporate decisions.

(ii) *Suspension of voting rights*

Under certain circumstances, the Board of Directors has the right to suspend all voting rights of any Shareholder controlling 10% or more of the voting rights in Club Brugge if such shareholder or any person or entity directly or indirectly controlling such shareholder would be in a situation that could cause the Company's license to play in a national competition to be withheld, suspended or revoked (see risk factor 2.1.2(viii) regarding the regulations imposing restrictions on the Shareholders).

11.9 Right to attend and vote at Shareholders' meeting

11.9.1 Shareholders' Meetings

The Annual Shareholders' Meeting is held on the third Monday of October each year at 7 p.m. If such day is a legal public holiday in Belgium, the meeting shall take place at the same hour on the following business day, as decided by the Board of Directors. The Shareholders' Meeting takes place at the registered office of Club Brugge or at any other place designated by the convening notice convening the Shareholders' Meeting. The first Annual Shareholders' Meeting after the Offering will be held on 18 October 2021.

The special and Extraordinary Shareholders' Meetings shall be held on the day, at the hour and in the place designated by the convening notice. They may be held at locations other than the registered office.

The Annual Shareholders' Meetings, special Shareholders' meetings and Extraordinary Shareholders' Meetings may be convened by the Board of Directors or by the Statutory Auditor and must be convened at the request of Shareholders representing one-tenth of Club Brugge's share capital.

11.9.2 Notices convening the Shareholders' Meeting

Holders of registered Shares must receive written notice of the Shareholders' Meeting by regular mail at least 30 days prior to the meeting. Club Brugge must also publish a notice of the meeting in the Belgian State Gazette, in a newspaper with national distribution (except for those Annual Shareholders' Meetings which take place at the location, place, day and hour indicated in the Articles of Association and whose agenda is limited to the approval of the annual accounts, the annual reports of the Board of Directors and the Statutory Auditor, discharge to be granted to the directors and Statutory Auditor, the remuneration report and termination provisions) and in media that can be reasonably considered having effective distribution among the public in the EEA and that is swiftly accessible in a non-discriminatory manner. The notices are published at least 30 days prior to the meeting. If a new convocation is required for lack of quorum and the date of the second meeting was mentioned in the first notice, then, in the absence of new agenda items, notices are published at least 17 days in advance of that second meeting.

As from the publication of the notice, Club Brugge shall make the information required by law available on Club Brugge's website (https://clubbrugge.be/nl) for a period of five years after the relevant Shareholders' Meeting.

11.9.3 Formalities to attend and vote at the Shareholders' Meeting

A Shareholder wishing to attend and participate in the Shareholders' Meeting must:

- have the ownership of its Shares recorded in its name, as at midnight Central European Time, on the fourteenth calendar day preceding the date of the meeting (the "**Record Date**"), either through registration in the shareholders' register in the case of registered Shares or through book-entry in the accounts of an authorized account holder or clearing institution in the case of dematerialized Shares; and
- notify Club Brugge (or the person designated by Club Brugge) of its intention to participate in the meeting by returning a signed original paper form or, if permitted by Club Brugge in the notice convening the Shareholders' Meeting, by sending a form electronically (in which case the form shall be signed by means of an electronic signature in accordance with applicable Belgian law), at the latest on the sixth calendar day preceding the day of the meeting. In addition, the holders of dematerialized Shares must, at the latest on the same day, provide Club Brugge (or the person designated by Club Brugge), or arrange for Club Brugge (or the person designated by Club Brugge) to be provided, with an original certificate issued by the certified accountholder or clearing institution certifying the number of Shares owned on the Record Date by the relevant shareholder and for which it has notified its intention to participate in the meeting.

Holders of profit-sharing certificates, non-voting shares, bonds, subscription rights or other securities issued by Club Brugge, as well as holders of certificates issued with the cooperation of Club Brugge and representing securities issued by the latter, may participate in the

Shareholders' Meeting insofar as the law or the Articles of Association entitle them to do so and, as the case may be, give them the right to participate in voting. If they intend to participate, such holders are subject to the same formalities concerning admission and access, and forms and filing of proxies, as those imposed on shareholders.

11.9.4 Voting by proxy

Any Shareholder with the right to vote may either personally participate in the meeting or give a proxy to another person, who need not be a Shareholder, to represent him or her at the meeting. A Shareholder may designate, for a given meeting, only one person as proxy holder, except in circumstances where Belgian law allows the designation of multiple proxy holders. The appointment of a proxy holder may take place in paper form or electronically (in which case the form shall be signed by means of an electronic signature in accordance with applicable Belgian law), through a form which shall be made available by Club Brugge. The signed original paper or electronic form must be received by Club Brugge at the latest on the sixth calendar day preceding the day of the meeting. Any appointment of a proxy holder shall comply with relevant requirements of applicable Belgian law in terms of conflicting interests, record keeping and any other applicable requirements.

11.9.5 Remote voting in relation to the Shareholders' Meeting

The notice convening the meeting may allow Shareholders to vote remotely in relation to the Shareholders' Meeting by sending a paper form or, if specifically allowed in the notice convening the meeting, by sending a form electronically (in which case the form shall be signed by means of an electronic signature in accordance with applicable Belgian law). These forms shall be made available by Club Brugge. The original signed paper form must be received by Club Brugge at the latest on the sixth calendar day preceding the date of the meeting. Voting through the signed electronic form may occur until the last calendar day before the meeting.

Club Brugge may also organize a remote vote in relation to the Shareholders' Meeting through other electronic communication methods, such as, among others, one or several websites. Club Brugge shall specify the practical terms of any such remote vote in the convening notice.

Shareholders voting remotely must, in order for their vote to be taken into account for the calculation of the quorum and voting majority, comply with the admission formalities.

11.9.6 Electronic Shareholders' Meeting

The Board of Directors may allow the Shareholders, holders of non-voting shares, non-voting profit certificates, convertible bonds, subscription rights or certificates issued in cooperation with Club Brugge, to remotely participate in the Shareholders' Meeting by way of electronic means of communication set up by Club Brugge. Concerning the compliance with the attendance and majority conditions, the Shareholders who participate in such manner, shall be deemed to be present at the place where the Shareholders' Meeting is held.

Club Brugge must be able to verify the capacity and identity of the Shareholders on the basis of the used electronic means of communication.

The electronic means of communication must enable the holders of securities mentioned above to directly, simultaneously and continuously take knowledge of the discussions during the meeting, and, as far as Shareholders are concerned, to exercise the right to vote on all items on which the Shareholders' Meeting must vote. The electronic means of communication must also enable the holders of securities to participate in the deliberations and to exercise the right to ask questions.

11.9.7 Quorum and majorities

In general, there is no attendance quorum requirement for an Annual Shareholders' Meeting, except as provided for by law in relation to certain decisions. Decisions are taken by a majority of the votes cast, except where the law or the Articles of Association provide for a special majority.

Matters involving special quorum and majority requirements include, among others, amendments to the Articles of Association, issues of new Shares, convertible bonds or subscription rights and decisions regarding mergers and demergers, which require at least 50% of the share capital to be present or represented and a majority of at least 75% of the votes cast. If the quorum is not reached, a second meeting may be convened at which no quorum shall apply. The special majority requirements, however, remain applicable.

11.10 Take-over legislation

Public takeover bids for shares and other securities giving access to voting rights (such as subscription rights or convertible bonds, if any) are subject to supervision by the FSMA. Public takeover bids must be extended to all of the voting securities, as well as all other securities giving access to voting rights. Prior to making a bid, a bidder must publish a prospectus which has been approved by the FSMA prior to publication.

Belgium has implemented the Thirteenth Company Law Directive (European Directive 2004/25/EC of 21 April 2004) in the Belgian Law of 1 April 2007 on public takeover bids (the "**Takeover Law**") and the Belgian Royal Decree of 27 April 2007 on public takeover bids (the "**Takeover Royal Decree**"). The Takeover Law provides that a mandatory bid must be launched if a person, as a result of its own acquisition or the acquisition by persons acting in concert with it or by persons acting for their account, directly or indirectly holds more than 30% of the voting securities in a company having its registered office in Belgium and of which at least part of the voting securities are traded on a regulated market or on a multilateral trading facility designated by the Takeover Royal Decree. The mere fact of exceeding the relevant threshold through the acquisition of shares will give rise to a mandatory bid, irrespective of whether the price paid in the relevant transaction exceeds the current market price. The duty to launch a mandatory bid does not apply in certain cases set out in the Takeover Royal Decree, such as (i) in case of an acquisition, if it can be shown that a third party exercises control over Club Brugge or that such party holds a larger stake than the person holding 30% of the voting securities; (ii) in case of an acquisition in the context of an enforcement of security provided that the acquirer disposes of the shares exceeding the 30% threshold within twelve months and does not exercise the voting rights attached to those excess shares; or (iii) in case of a capital increase with preferential subscription rights decided by the Shareholders' Meeting.

In principle, the authorization of the Board of Directors to increase the share capital of Club Brugge through contributions in kind or in cash with cancellation or limitation of the preferential subscription rights of the existing Shareholders is suspended as of the notification to Club Brugge by the FSMA of a public takeover bid for the securities of Club Brugge. The Shareholders' Meeting can, however, under certain conditions, expressly authorize the Board of Directors to increase the capital of Club Brugge in such case by issuing Shares in an amount of not more than 10% of the existing Shares at the time of such a public takeover bid. Such authorization was granted to the Board of Directors on 16 March 2021, conditional upon and with effect as of Listing (see section 11.5 "*Authorized capital*"). Those powers remain in effect for a period of three years from the date of the adoption of this authorization.

11.11 Squeeze out

Pursuant to article 7:82 of the Belgian Companies' and Associations' Code and the regulations promulgated thereunder, a person or legal entity, or different persons or legal entities acting alone or in concert, who own, together with Club Brugge, 95% or more of the securities with voting rights in a public company are entitled to acquire the totality of the securities with voting rights in that company by issuing a squeeze-out offer. The securities that are not voluntarily tendered in response to such an offer are deemed to be automatically transferred to the bidder at the end of the procedure. At the end of the squeeze-out procedure, the company is no longer deemed a public company. The consideration for the securities must be in cash and must represent the fair value (verified by an independent expert) as to safeguard the interests of the transferring Shareholders.

A squeeze-out offer is also possible upon completion of a public takeover bid, provided that the bidder holds at least 95% of the voting capital and 95% of the voting securities of the public company. In such a case, the bidder may require that all remaining Shareholders sell their securities to the bidder at the offer price of the takeover bid, provided that, in case of a voluntary takeover offer, the bidder has also acquired 90% of the voting capital to which the offer relates. The shares that are not voluntarily tendered in response to any such offer are deemed to be automatically transferred to the bidder at the end of the procedure.

11.12 Sell-out right

Within three months following the expiration of an offer period related to a public takeover bid, holders of voting securities or of securities giving access to voting rights may require the offeror, acting alone or in concert, who owns at least 95% of the voting capital and 95% of the voting securities in a public company following a takeover bid, to buy their securities at the price of the bid, on the condition that, in case of a voluntary takeover offer, the offeror has acquired, through the acceptance of the bid, securities representing at least 90% of the voting capital subject to the takeover bid.

11.13 Liquidation proceedings

Club Brugge can only be dissolved by a resolution of the Shareholders' Meeting passed with a majority of at least 75% of the votes cast at an Extraordinary Shareholders' Meeting where holders of at least 50% of the share capital are present or represented.

If, as a result of losses incurred, the ratio of Club Brugge's net assets (determined in accordance with Belgian legal and accounting rules) to share capital is less than 50%, the Board of Directors must convene an Extraordinary Shareholders' Meeting within two months of the date upon which the Board of Directors discovered or should have discovered this undercapitalization. At this Shareholders' Meeting, the Board of Directors needs to propose either the dissolution or the continuation of Club Brugge. In the latter case the Board of Directors must propose measures to restore Club Brugge's financial situation. The Board of Directors must justify its proposals in a special report to the Shareholders.

If, as a result of losses incurred, the ratio of Club Brugge's net assets to share capital is less than 25%, the same procedure must be followed, it being understood, however, that in that event Shareholders representing at least 25% of the votes at this meeting can decide to dissolve Club Brugge. If the amount of Club Brugge's net assets has dropped below €61,500 (the minimum amount of share capital of a Belgian public limited liability company), any interested party is entitled to request the competent court to dissolve Club Brugge. The court can order Club Brugge's dissolution or grant a grace period for Club Brugge to remedy the situation.

If Club Brugge is dissolved for any reason, the liquidation must be carried out by one or more liquidators, appointed by the Shareholders' Meeting, with such appointment being ratified by the commercial court. Any balance remaining after discharging all debts, liabilities and liquidation costs must first be applied to reimburse, in cash or in kind, the paid-up capital of the Shares not yet reimbursed. Any remaining balance shall be equally distributed amongst all the Shareholders.

11.14 Transparency legislation

11.14.1 Disclosure of significant shareholdings

Pursuant to the Belgian Law of 2 May 2007 on the disclosure of significant shareholdings in issuers whose securities are admitted to trading on a regulated market and containing various provisions, as amended from time to time (the "**Transparency Law**"), a notification to Club Brugge and to the FSMA is required to be made by all natural persons and legal entities on the occurrence of, among other things, any one of the following triggering events, subject to limited exceptions:

- an acquisition or disposal of voting securities, voting rights or financial instruments that are treated as voting securities;
- the reaching of a threshold by persons or legal entities acting in concert;
- the conclusion, modification or termination of an agreement to act in concert;
- the downward reaching of the lowest threshold;
- the passive reaching of a threshold;
- the holding of voting securities in Club Brugge upon the first admission of them to trading on a regulated market;
- where a previous notification concerning financial instruments treated as equivalent to voting securities is updated;
- the acquisition or disposal of the control of an entity that holds voting securities in Club Brugge; and
- where Club Brugge introduces additional notification thresholds in the Articles of Association,

in each case where the percentage of voting rights attached to the securities held by such persons reaches, exceeds or falls below the legal threshold, set at 5% of the total voting rights, and 10%, 15%, 20% and so on in increments of 5% or the additional threshold of 3% provided for in the Articles of Association.

The notification must be made as soon as possible and at the latest within four trading days following the occurrence of the triggering event. Where Club Brugge receives a notification of information regarding the reaching of a threshold, it has to publish such information within three trading days following receipt of the notification.

No Shareholder may cast a greater number of votes at a Shareholders' Meeting than those attached to the rights or securities it has notified in accordance with the Transparency Law at least 20 days before the date of the Shareholders' Meeting, subject to certain exceptions.

11.14.2 Right to identify Shareholders

Also pursuant to the Transparency Law, Club Brugge has the right to request information as to the identity of its Shareholders from intermediaries (such as investment firms, credit institutions and central securities depositories), who must respond without delay, in order to allow a direct dialogue between Club Brugge and their (ultimate) Shareholders. This obligation to transmit shareholders information applies to the whole chain in case of multiple intermediaries.

The following information can be requested by Club Brugge in relation to its Shareholders:

- name and contact details (including full address and, where available, email address);
- in case the Shareholder is a legal person holding more than 10% of the Shares or voting rights in Club Brugge, a description of its main activity;
- in case the Shareholder is a legal person, its registration number;
- the number of Shares held;
- the classes of the Shares held; and
- the date from which the Shares have been held.

11.14.3 Facilitation of exercise of Shareholders' rights

The intermediaries mentioned above (see section 11.14.2 "*Right to identify Shareholders*") have a duty to relay information provided by Club Brugge to the Shareholders on behalf of whom it is holding Shares, and Club Brugge has an obligation to provide such information to the intermediaries. This concerns (i) all information which Club Brugge is required to provide to its Shareholders for them to exercise their rights stemming from the securities they hold or (ii) an indication as to where the information referred to in (i) can be found on Club Brugge's website.

Intermediaries also have the obligation to transfer, without delay and in accordance with the instructions given by the Shareholders, all information provided by the Shareholders for the attention of Club Brugge.

11.15 Prevention of money laundering and terrorist financing

The Belgian Law of 20 July 2020 brings professional football clubs and sports agents in the football sector under the scope of application of the Belgian Law of 18 September 2017 on the prevention of money laundering and terrorist financing and on the restriction of the use of cash (the "**Anti-Money Laundering Law**"). The provisions relating to professional football clubs enter into force on 1 July 2021. The provisions relating to sports agents in the football sector will enter into force on a date still to be determined.

The three main obligations which professional football clubs will have to fulfil are the following:

- obligation of vigilance: professional football clubs will have to perform a survey with regard to the clients with whom they enter into a business relation. This implies the identification and identity verification through documentary evidence. The obligation must be fulfilled before the commencement of a business relation. If such identification is impossible, the professional football club cannot enter into the business relation or should terminate it. In addition to the identification, the professional football club has to collect all useful and necessary information regarding the characteristics and motives of the client and the purpose and nature of the business relation or occasional transaction. Furthermore, the professional football club has to maintain an ongoing vigilance, which entails a careful examination of the transactions during the business relation and an update of the collected data.

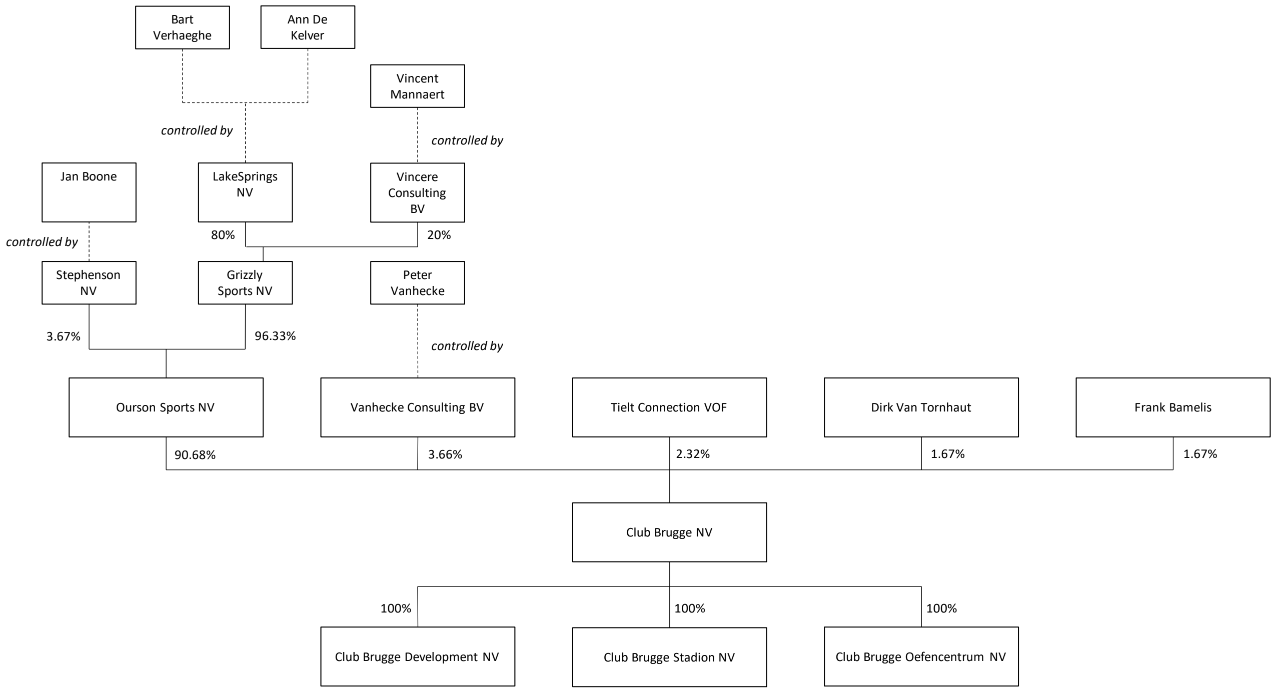
- reporting obligation: when a professional football club knows or suspects that a transaction or service, still to be carried out, is related to money laundering or terrorist financing it will need to report this to the Belgian Financial Intelligence Processing Unit (*CFI*, *Cel voor financiële informatieverwerking*/*CTIF, la Cellule de traitement des informations financières*). Such notification cannot be communicated to the reported client or to third parties.
- obligation to preserve collected data: professional football clubs will need to preserve the collected data for a period of ten years after the termination of the business relation. Thereafter, destruction is mandatory.

In order to make sure the obligations imposed by the Anti-Money Laundering Law are met, professional football clubs have to develop effective policies, procedures and internal control measures and have to indicate a responsible person who monitors the legal compliance. Furthermore, the professional football club must carry out a risk assessment based on the collected data. The results of the assessment will influence the extent of the abovementioned obligations.

The Federal Public Service Economy, SMEs, Self-employed and Energy (*Federale Overheidsdienst Economie, KMO's, Middenstand en Energie*/*Service public fédéral Economie, P.M.E., Classes moyennes et Energie*) will supervise the fulfilment of the legal obligations by the professional football clubs and sports agents. Non-compliance may result in (i) a public statement announcing the identity of the professional football club and the nature of the infringement, (ii) a revocation or suspension of the license of the football club; or (iii) a temporary prohibition for any person with management responsibilities at the breaching entity or for the person considered responsible for the infringement to carry out tasks of management at the breaching entity. In additional, administrative and criminal penalties can be imposed.

11.16 Group structure

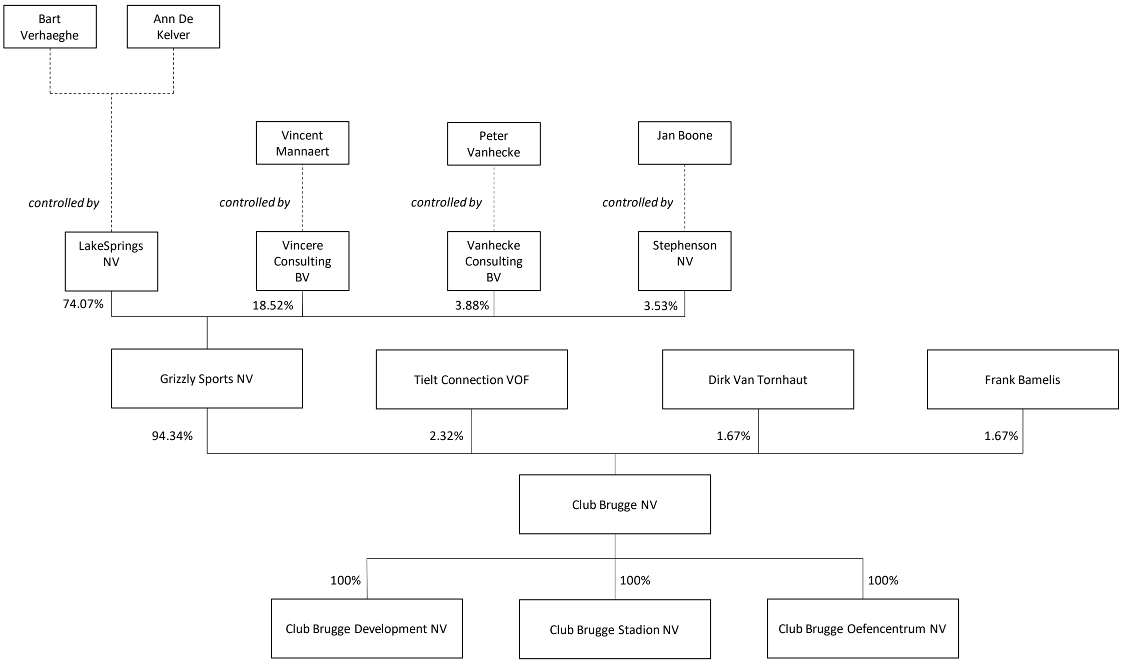
The following chart shows Club Brugge's organization and its relationship to its Shareholders and Subsidiaries on the date of this Prospectus:



Prior to the Closing, Ourson Sports and Grizzly Sports will be restructured as follows (the "**Restructuring**"):

- on the Listing Date, immediately prior to Listing, (i) Stephenson NV will contribute its shares in Ourson Sports (representing 3.67% of all outstanding shares in Ourson Sports); and (ii) Vanhecke Consulting NV will contribute its shares in Club Brugge (representing 3.66% of all outstanding shares in Club Brugge NV), in kind in Grizzly Sports; and
- immediately thereafter, but still prior to Listing, Ourson Sports will be dissolved and liquidated. Consequently, all further rights and obligations of Ourson Sports under this Prospectus and otherwise will be assumed by Grizzly Sports.

The following chart shows Club Brugge's organization and its relationship to its Shareholders and Subsidiaries as it will be after completion of the Restructuring on the Listing Date, immediately prior to Listing:



Club Brugge is the core operational entity where all sporting operations are brought under. The Company is further organized in three subsidiary companies, with Club Brugge owning all shares in each such subsidiary. The Subsidiaries are used by the Company to centralize certain activities and risks in relation to the Company's operations. Club Brugge Development is a vehicle used to group the real estate development activities of the Company, in particular in relation to the Belfius Basecamp and the New Stadium. Once the infrastructure is developed and commissioned, the assets are brought under the relevant holding vehicle. As such, Club Brugge Oefencentrum has acquired the Belfius Basecamp from Club Brugge Development in early 2020 and now owns it and leases it to Club Brugge. Similarly, it is currently envisaged that Club Brugge Stadion will acquire and own the New Stadium.

Certain information in relation to Club Brugge's Subsidiaries as of Closing appears below:

Name	Jurisdiction	Registered office	Ownership	Capital
Club Brugge Development	Belgium	Herenweg 9, 8300 Knokke-Heist (Westkapelle)	100%	€62,500
Club Brugge Stadion	Belgium	Herenweg 9, 8300 Knokke-Heist (Westkapelle)	100%	€62,500
Club Brugge Oefencentrum	Belgium	Herenweg 9, 8300 Knokke-Heist (Westkapelle)	100%	€62,500

12 Selling Shareholder and Related Party Transactions

12.1 Description of the Selling Shareholder

As shown above in section 11.16 "*Group Structure*", at the date of this Prospectus and until immediately prior to the Listing on the Listing Date, the controlling shareholder of Club Brugge is Ourson Sports. As of the Listing Date, Ourson Sports' affiliate Grizzly Sports will be the sole controlling shareholder of Club Brugge.

At the date of this Prospectus, Ourson Sports is a holding company that solely holds Shares in Club Brugge. The ultimate indirect controlling shareholders of Ourson Sports are Mr. Bart Verhaeghe and his spouse, Mrs. Ann De Kelver. At the date of this Prospectus, Grizzly Sports is a holding company that (indirectly through its shareholding in Ourson Sports) holds Shares in Club Brugge. The ultimate indirect controlling shareholders of Grizzly Sports are, at the date of this Prospectus, identical to those of Ourson Sports.

After completion of the Restructuring, the indirect shareholders of Grizzly Sports as Selling Shareholder are Mr. Bart Verhaeghe and Mrs. Ann De Kelver, Mr. Vincent Mannaert, Mr. Peter Vanhecke and Mr. Jan Boone. Each of these indirect shareholders will as such participate proportionally in the Offering through their shareholding in Grizzly Sports.

The Other Shareholders will in principle be free to sell or maintain their Shares following the Closing.

12.2 Holdings immediately prior to and after Closing

The Selling Shareholder is offering in aggregate up to 3,246,750 Offer Shares in the Offering, assuming no exercise of the Increase Option and the Over-Allotment Option, it being understood that, as a consequence of the Restructuring, on the Closing Date only Grizzly Sports will effectively transfer Offer Shares in the framework of the Offering. Assuming the Over-Allotment Option and Increase Option are fully exercised, the Offer Shares will constitute 40.7% of the issued Shares.

The following table presents the ownership of the Shares, (1) immediately prior to Closing but after the Stock Split with factor 3,750; (2) giving effect to the Offering, assuming a full placement of the Offer Shares (excluding the Increase Option and the Over-Allotment Option); (3) giving effect to the Offering, assuming (i) a full placement of the Offer Shares (excluding the Increase Option), and (ii) assuming full exercise of the Over-Allotment Option; and (4) giving effect to the Offering, assuming (i) a full placement of the Offer Shares (including the Increase Option) and (ii) assuming full exercise of the Over-Allotment Option; in the latter case, the Offer Shares represent 40.69% of the Shares:

		Shares owned immediately prior to Closing (following the Restructuring)		**Shares owned after Closing**		**Shares owned after Closing assuming full exercise of the Over-Allotment Option**		**Shares owned assuming exercise of the Increase Option and full exercise of Over-Allotment Option**	
		Number[2]	**%**	**Number**	**%**	**Number**	**%**	**Number**	**%**
1.	Selling Shareholder [1]	10,822,500	94.34%	7,575,750	66.04%	7,088,738	61.80%	6,155,297	53.66%
2.	Other Shareholders	648,750	5.66%	648,750	5.66%	648,750	5.66%	648,750	5.66%

	Shares owned immediately prior to Closing (following the Restructuring)		Shares owned after Closing		Shares owned after Closing assuming full exercise of the Over-Allotment Option		Shares owned assuming exercise of the Increase Option and full exercise of Over-Allotment Option	
- Tielt Connection VOF[42]	266,250	2.32%	266,250	2.32%	266,250	2.32%	266,250	2.32%
- Dirk Van Tornhaut	191,250	1.67%	191,250	1.67%	191,250	1.67%	191,250	1.67%
- Frank Bamelis	191,250	1.67%	191,250	1.67%	191,250	1.67%	191,250	1.67%
3. Public	0	0%	3,246,750	28.30%	3,733,763	32.55%	4,667,203	40.69%
Total	**11,471,250**	**100%**	**11,471,250**	**100%**	**11,471,250**	**100%**	**11,471,250**	**100%**

(1) All Offer Shares are offered by the Selling Shareholder. The Other Shareholders will in principle be free to sell or maintain their Shares following or in the context of the Closing.

(2) On 16 March 2021, the Extraordinary Shareholders' Meeting decided to split the existing Shares at a ratio of 3,750 new Shares to one existing Share resulting in a share capital represented by 11,471,250 Shares.

All of the Shares have the same voting rights. Voting rights are suspended, however, when such Shares are held by Club Brugge as treasury shares and in certain instances as decided upon by the Board of Directors in accordance with the Articles of Association with respect to Shareholders controlling 10% or more of the voting rights in Club Brugge (see risk factor 2.1.2(viii) regarding the regulations imposing restrictions on the Shareholders).

In accordance with section 11.8.4 "*Voting rights*", each Share that is fully paid-up and registered to the name of the same Shareholder for a continuous period of at least two years shall entitle such Shareholder to cast two votes at a Shareholders' Meeting. The following table presents the voting power of the Shareholders (1) after Closing, assuming a full placement of the Offer Shares (excluding the Increase Option and the exercise of the Over-Allotment Option) (*i.e.*, option 2 in the above table) and a sale of all the Shares owned by the Other Shareholders following or in the context of the Closing; and (2) after Closing, assuming a full placement of the Offer Shares (excluding the Increase Option and the exercise of the Over-Allotment Option) (*i.e.*, option 2 in the above table) and no sale of the Shares owned by the Other Shareholders following or in the context of the Closing. For the avoidance of doubt, Shares held by the Other Shareholders are not Offer Shares. Furthermore, if the Selling Shareholder would lend pursuant to the Stock Lending Agreement, it would lose double voting rights for such number of Shares. The table below assumes that no stock lending occurs.

[42] The ultimate beneficial owners of Tielt Connection VOF are Luc Maes, Carole Maes, Stefaan Van Hulle and Karel Vlaemynck.

	Voting power after Closing assuming the Other Shareholders sold all their Shares	Voting power after Closing assuming the Other Shareholders maintained all their Shares
	%	%
1. Selling Shareholder	79.55%	76.93%
2. Other Shareholders	0%	6.59%
- Tielt Connection VOF	0%	2.70%
- Dirk Van Tornhaut	0%	1.94%
- Frank Bamelis	0%	1.94%
3. Free float	20.45%	16.48%
Total	**100%**	**100%**

12.3 Conflicting interests

See sections 10.2.4 "*Conflict of interest*", 10.4.2 "*Conflict of interest*" and 10.7 "*Potential conflicts of interest and related party transactions*".

12.4 Related party transactions

12.4.1 Lease agreement with Club Brugge Oefencentrum

Club Brugge and Club Brugge Oefencentrum, one of Club Brugge's wholly owned subsidiaries, entered into a lease agreement with respect to Belfius Basecamp. The lease agreement came into effect on 1 January 2020, with an annual lease amounting to €1,100,000 and a one-off usage fee of €500,000 for the period between 21 June 2019 until 31 December 2019 (*i.e.,* the period before the lease agreement was effective). The lease agreement has been entered into for a duration of nine years (*i.e.,* until 31 December 2029). The lease may be adjusted after one year on the basis of the health price index as published by the Belgian Statistical Office (*Statbel, het Belgisch statistiekbureau/Statbel, l'office belge de statistique*). The lease agreement may be terminated by the end of its term by means of a notice period of three months before the end of its term. Without such explicit termination, the agreement will each time be tacitly renewed for a duration of nine years. The maximum duration of the lease agreement is equal to the duration of the leasehold regarding the grounds on which the Belfius Basecamp is erected (*i.e.,* 50 years as from 4 April 2018, renewable with one additional term of 49 years).

12.4.2 Loan with Club Brugge Foundation

Club Brugge entered into a loan agreement with Club Brugge Foundation for a principal amount of €15.0 million (see sections 7.8 "*Liquidity and capital resources*" and 9.1.2(iv) "*Club Brugge Foundation*"). See also note 16, 31 and 10 of the Financial Statements for additional detail.

12.4.3 Cost transfer agreement with Club Brugge Foundation

Club Brugge entered into an agreement with Club Brugge Foundation for the transfer of costs in relation to the provision of certain personnel, services and equipment by Club Brugge to Club Brugge Foundation. This agreement was entered into for an unlimited period and came into effect on 1 July 2012. The agreement can be terminated by each of the parties, taking into account a notice period of three months. The amount invoiced by Club Brugge amounts to around €100,000 per year.

12.4.4 Services agreements with members of the Board of Directors and Management Committee

Club Brugge entered into several services agreements with the management or holding companies of the members of the Board of Directors and some members of the Management Committee. These agreements are discussed in note 33 of the Financial Statements. See also sections 10.9.2 "*Remuneration for the Board of Directors in the financial year ended 30 June 2020*" and 10.10.2 "*Remuneration of members of the Management Committee in the financial year ended 30 June 2020*".

12.5 Lock-up arrangements

The sales, issuances or transfers of Shares by Club Brugge and the Selling Shareholder are restricted by the lock-up arrangements described in section 14.2 "*Lock-up arrangements*" below. The Joint Global Coordinators may, in their sole discretion and at any time, waive such restrictions.

13 The Offering

13.1 Introduction

Certain key dates in connection with the Offering are summarized in the following table. These are all anticipated dates, which are subject to any unforeseen circumstances.

Date	Event
17 March 2021 (8:00 (CET))	Expected date of publication of the Prospectus
17 March 2021 (8:00 (CET))	Expected Start of Offering Period (including Retail Offering)
25 March 2021 (10:00 (CET))	Expected End of Retail Offering
25 March 2021 (10:00 (CET))	Expected End of Offering Period
25 March 2021	Pricing and Allocation
25 March 2021	Publication of Offer Price and Results of the Offering
26 March 2021	Expected Listing Date
29 March 2021	Expected Closing Date

13.2 Conditions and nature of the Offering

The Offering relates to the offering by the Selling Shareholder of up to 3,246,750 existing Shares, not including any Over-Allotment Shares or the exercise of the Increase Option. The aggregate number of Offer Shares sold may, pursuant to the Increase Option, be increased up to 25% of the aggregate number of Offer Shares initially offered. Any decision to exercise the Increase Option will be communicated on the date of the announcement of the Offer Price at the latest. See section 14.3 "*Increase Option*". Assuming no exercise of the Over-Allotment Option but a full exercise of the Increase Option, the Offer Shares will constitute not more than 35.4% of the issued Shares. Assuming the Over-Allotment Option and the Increase Option are fully exercised, the Offer Shares will constitute not more than 40.7% of the issued Shares and the number of existing Shares offered will not exceed 4,667,203. In the event that the maximum number of Offer Shares is reduced, this will be published in a supplement to the Prospectus.

The Offering consists of (i) the initial public offering of Shares to retail and institutional investors in Belgium (the "**Belgian Offering**"); (ii) a private placement in the EEA (other than Belgium) pursuant to applicable exemptions under the Prospectus Regulation, including but not limited to "qualified investors" within the meaning of article 2(e) of the Prospectus Regulation; (iii) a private placement in the United States to persons who are reasonably believed to be Qualified Institutional Buyers, as defined in, and in reliance on Rule 144A under the U.S. Securities Act; and (iv) private placements to qualified and/or institutional investors under applicable laws of the relevant jurisdiction in the rest of the world, as described in more detail in section 15 "*Selling Restrictions*". The Offering outside the United States will be made in compliance with Regulation S under the U.S. Securities Act. The offering to investors referred to in (ii), (iii) and (iv) above is herein referred to as the "**International Institutional Offering**". The Offering is made only in those jurisdictions in which, and only to those persons to whom, the Offering may be lawfully made.

The Joint Global Coordinators and Joint Bookrunners are Credit Suisse, J.P. Morgan and Berenberg. Belfius Bank is a Joint Bookrunner and the Retail Coordinator. See section 14 "*Plan of Distribution*".

The aggregate number of Offer Shares sold may, pursuant to the Increase Option, be increased by up to 25% of the aggregate number of Offer Shares initially offered. Any decision to exercise the Increase Option will be communicated at the latest on the date of the announcement of the Offer Price. See section 14.3 "*Increase Option*".

The actual number of Offer Shares to be sold by the Selling Shareholder in the Offering (including any decision by the Selling Shareholder to exercise the Increase Option) will only be determined after the Offering Period and will be announced by means of a Company press release, simultaneously with the publication of the Offer Price and the allocation to retail investors, which are currently expected to take place on or about 25 March 2021. The Selling Shareholder reserves the right to withdraw the Offering or to reduce the maximum number of Offer Shares at any time prior to the allocation of the Offer Shares, it being understood that the reduction of the maximum number of Offer Shares will not result in a withdrawal of the Offering. Any withdrawal of the Offering or reduction of the maximum number of Offer Shares will be announced by means of a Company press release, through electronic information services such as Reuters or Bloomberg, and in a supplement to the Prospectus. Any changes to the maximum number of Offer Shares or any extension of the Offering Period will not void purchase orders that have already been submitted.

13.3 Share lending – Stabilization

The Selling Shareholder is expected to agree to lend to the Stabilization Manager (on behalf of the Underwriters) a number of Shares equal to up to 15% of the number of subscribed Offer Shares (including pursuant to any effective exercise of the Increase Option), in order to enable the Stabilization Manager to settle any over-allotments.

The Selling Shareholder is also expected to grant to the Underwriters (represented by the Stabilization Manager) the Over-Allotment Option to purchase, at the Offer Price, additional Shares in an aggregate amount of up to 15% of the number of subscribed Offer Shares for the purpose of covering any such over-allotments (*i.e.,* to cover the short position resulting from the aforementioned stock loan and over-allotment) and thus facilitate stabilization activities, if any. The Over-Allotment Option will be exercisable for a period of 30 days following Listing Date. See section 14.4 "*Over-Allotment Option and price stabilization*".

13.4 Offer Price

The Offer Price will be a single price in euro, exclusive of the Belgian tax on stock exchange transactions, if applicable (see section 17.1 "*Belgian Taxation*"), and costs, if any, charged by financial intermediaries for the submission of applications.

The Offer Price will be determined on the basis of a book building process in which only institutional investors can participate, taking into account various relevant qualitative and quantitative elements, including but not limited to the number of Offer Shares requested, the size of purchase orders received, the condition of the investors submitting such purchase orders and the prices at which the purchase orders were made, as well as economic and market conditions at that time.

The Price Range has been determined by the Selling Shareholder following recommendations from the Joint Global Coordinators, taking into account market conditions and factors including but not limited to:

- the condition of the financial markets;
- Club Brugge's financial position;

- qualitative assessment of the demand for the Offer Shares; and
- all other factors deemed relevant.

The Selling Shareholder reserves the right to increase or decrease the lower limit of the Price Range or to decrease the upper limit of the Price Range. If the Price Range is modified, the change will be announced by means of a Company press release. Any changes to narrow the Price Range will not void purchase orders that have already been submitted. The Offer Price for investors shall not, however, exceed the higher end of the Price Range. In the event the lower limit of the Price Range is decreased or the Offer Price is set below the lower end of the Price Range, this will be published in a supplement to the Prospectus. In the event of publication of a supplement to this Prospectus, investors will have the right to withdraw their orders made prior to the publication of the supplement (see also section 13.8 "*Supplement – Right to withdraw order*").

The Offer Price and the maximum number of Over-Allotment Shares will be stated in the Pricing Statement which will be published through a press release that will also be posted on Club Brugge's website and filed with the FSMA.

Retail investors in Belgium can only acquire the Offer Shares at the Offer Price and are legally bound to purchase the number of Shares indicated in their purchase order at the Offer Price.

13.5 Offering Period

The Offering Period will begin on 17 March 2021 and is expected to close no later than 10:00 (CET) on 25 March 2021. The Prospectus will be made available on 16 March 2021. The Offering Period can be closed, at the earliest, six business days after the start of the Offering Period and, hence, prospective investors can submit their orders at least during six business days after the start of the Offering Period. In the event the Offering Period is extended, this will be announced by means of a Company press release and, to the extent legally required, be published in a supplement to the Prospectus. Prospective investors can submit their purchase orders during the Offering Period.

Share applications by retail investors may be submitted at the counters of Belfius Bank at no cost to the investor. Applications are not binding upon the Selling Shareholder or the Underwriters as long as they have not been accepted in accordance with the allocation rules described below under "*The Offering – Allocation*".

Investors wishing to place purchase orders for the Offer Shares through intermediaries other than of Belfius Bank should request details of the costs which these intermediaries may charge, which they will have to pay themselves.

To be valid, purchase orders must be submitted no later than 10:00 (CET) on 25 March 2021.

13.6 Retail investors in Belgium

A retail investor shall mean an individual person resident in Belgium or a legal entity located in Belgium that does not qualify as a qualified investor (*gekwalificeerde belegger*/*investisseur qualifié*) as defined in article 2 (e) of the Prospectus Regulation.

Retail investors must indicate in their purchase orders the number of Offer Shares they are committing to purchase. Only one application per retail investor will be accepted. If the Underwriters determine, or have reason to believe, that a single retail investor has submitted several purchase orders, through one or more intermediaries, they may disregard such purchase orders. There is no minimum or maximum amount of Offer Shares that may be purchased in one purchase order.

To be valid, purchase orders must be submitted no later than 10:00 (CET) on 25 March 2021.

Orders will be irrevocable after the end of the Offering Period (even in case of reduction) and investors are legally bound to purchase the number of Shares indicated in their purchase order which have been allocated to them at the Offer Price. In principle, share applications by retail investors may be submitted at no cost to the investor. However, in the event that a supplement to this Prospectus is published, retail investors shall have the right to withdraw their share applications made prior to the publication of the supplement within the time limits set out in the supplement (which shall not be shorter than three business days after publication of the supplement) as set out under section 3.6 "*Supplements*" and section 13.8 "*Supplement – Right to Withdraw Order*".

The Retail Coordinator will coordinate the retail offering and centralise the orders and settlements of the retail tranche of the Offering.

13.7 Institutional investors

Institutional investors must indicate in their purchase orders the number of Offer Shares they are committing to purchase, and the prices at which they are making such purchase orders during the book building period. Only institutional investors can participate in the book building process during the Offering Period. There will be no minimum or maximum amount for applications by institutional investors.

J.P. Morgan AG will coordinate the settlements of the institutional tranche of the Offering.

13.8 Supplement – Right to withdraw order

A supplement to this Prospectus will be published in accordance with what is set out in section 3.6 "*Supplements*".

A supplement to this Prospectus will in any event be published in accordance with article 23 of the Prospectus Regulation in the event (i) the Offering Period is extended; (ii) the lower limit of the Price Range is decreased or the Offer Price is set below the lower end of the Price Range; (iii) the maximum number of Offer Shares is reduced; (iv) the Underwriting Agreement is not executed or is executed but subsequently terminated; or (v) the Offering is withdrawn.

If such supplement to the Prospectus is published, investors will have the right to withdraw their orders made prior to the publication of the supplement. Such withdrawal must be done within the time period set forth in the supplement (which shall not be shorter than three business days after publication of the supplement). However, in the latter case, if the Offering is withdrawn, all subscriptions for Offer Shares will be disregarded, any allocations made will be deemed not to have been made and any subscription payments made will be returned without interest or other compensation and transactions in the Offer Shares on Euronext Brussels may be annulled (see section 13.11 "*Form and delivery of the Offer Shares and withdrawal of the Offering*").

13.9 Allocation

The number of Offer Shares allotted to investors will be determined at the end of the Offering Period on the basis of the respective demand of both retail and institutional investors and on the quantitative and, for institutional investors only, the qualitative analysis of the order book, and in accordance with Belgian regulations relating to allocation to retail and institutional investors as set forth below. As a result of such allocation mechanism, there is no determined tranche for retail and institutional investors. Allocation to investors will be determined by the Selling Shareholder, in consultation with Club Brugge and upon recommendation of the Joint Global Coordinators, and full discretion will be exercised as to whether or not and how to allocate the Offer Shares subscribed for. There is no maximum or minimum number of Offer Shares for which prospective investors may subscribe and, multiple (applications for) subscriptions are permitted for institutional investors.

In accordance with Belgian regulations, a minimum of 10% of the aggregate number of Offer Shares must be allocated to retail investors in Belgium, subject to sufficient retail demand (the "**Preferential Retail Allocation**"). However, the proportion of Offered Shares allocated to retail investors may be increased (up to 25% of the aggregate number of Offer Shares) or decreased in an equal manner if subscription orders received from them exceed or do not reach, respectively, 10% of the Offered Shares effectively allocated.

In case of over-subscription of the Offer Shares reserved for retail investors, the allocation to retail investors will be made on the basis of objective and quantitative allocation criteria, whereby all retail investors will be treated equally. The criteria used for this purpose are the preferential treatment of applications submitted by retail investors via the channels of Belfius Bank in Belgium. Therefore, retail investors may receive fewer Offer Shares than they subscribed for, in which case the reduction percentage will be identical, on the one hand, within the group of retail subscription orders submitted through Belfius Bank and, on the other hand, within the group of retail subscription orders submitted elsewhere.

The results of the Offering, the allocation for retail investors, the allocation criteria (in case of over subscription) and the Offer Price will be announced by means of a Company press release, which is currently expected to take place on or about 25 March 2021.

13.10 Payment and taxes

The Offer Price must be paid by the investors in full, in euro, together with any applicable stock exchange taxes (*taks op de beursverrichtingen*/*taxe sur les opérations de bourse*) and costs. The purchase of Offer Shares is subject to the Belgian tax on stock exchange transactions if (i) it is executed in Belgium through a professional intermediary, or (ii) deemed to be executed in Belgium, which is the case if the order is directly or indirectly made to a professional intermediary established outside of Belgium, either by private individuals with habitual residence in Belgium, or legal entities for the account of their seat or establishment in Belgium. The tax on stock exchange transactions is levied at a rate of 0.35% of the Offer Price, capped at €1,600 per transaction and per party. For further information about applicable taxes, see section 17.1 "*Belgian Taxation*".

The Closing Date is expected to be 29 March 2021 unless the Offering Period is extended, in which case the Closing Date will be indicated in a supplement to this Prospectus. The Offer Price must be paid by investors by authorizing their financial institutions to debit their bank accounts with such amount for value on the Closing Date, unless the Offering has been withdrawn.

13.11 Form and delivery of the Offer Shares and withdrawal of the Offering

The Offer Shares will have the same rights and benefits as the other Shares, including the right to dividends for the financial year ending 30 June 2021 and future years, if any. For a further description of the Shares and the rights and benefits attached thereto, see section 11 "*Description of Club Brugge's Share Capital, Articles of Association and Group Structure*".

All Offer Shares will be delivered in book-entry form only, and will be credited on or around the Closing Date to investors' securities accounts via Euroclear Belgium, the Belgian central securities depository, Koning Albert II Laan 1, 1210 Brussels, Belgium.

Investors who, after delivery, wish to have their Shares registered, should request that Club Brugge record the Shares in Club Brugge's share register. Each Share that is registered to the name of the same Shareholder for a continuous period of at least two years, starting from the date on which the Shares are registered in Club Brugge's share register, shall entitle such Shareholder to cast two votes at a Shareholders' Meeting.

Holders of registered Shares may request that their registered Shares be converted into dematerialized Shares and *vice versa*. Any costs incurred in connection with the conversion of Shares into another form will be borne by such shareholders.

All Offer Shares will be fully paid-up upon their delivery and freely transferable, subject to what is set forth under section 14 "*Plan of Distribution*".

The Closing may not take place on the Closing Date or at all if certain conditions or events referred to in the Underwriting Agreement are not satisfied or waived or occur on or prior to such date. See section 14 "*Plan of Distribution*".

If Closing does not take place on the Closing Date as planned or at all, the Offering may be withdrawn, in which case all subscriptions for Offer Shares will be disregarded, any allocations made will be deemed not to have been made and any subscription payments made will be returned without interest or other compensation and transactions in the Offer Shares on Euronext Brussels may be annulled. Any dealings in Shares prior to Closing are at the sole risk of the parties concerned. Neither Club Brugge, the Selling Shareholder, the Underwriters, the Listing and Payment Agent nor Euronext Brussels accept any responsibility or liability for any loss incurred by any person as a result of a withdrawal of the Offering or the related annulment of any transactions in Shares on Euronext Brussels.

13.12 Trading and listing on Euronext Brussels

An application has been made for the listing and admission to trading on Euronext Brussels of all Shares, including the Offer Shares. The Shares are expected to be listed under the symbol "CLUB" with an ISIN code of BE0974381130.

Trading is expected to commence on or about 26 March 2021 and will start at the latest on the Closing Date, when the Offer Shares are delivered to investors.

As of the Listing Date until the Closing Date and delivery of the Offer Shares, the Shares will be traded on Euronext Brussels on an "as-if-and-when issued and/or delivered" basis. Investors who wish to effect transactions in Shares prior to the Closing Date, whether such transactions are effected on Euronext Brussels or otherwise, should be aware that the issuance and delivery of the Offer Shares may not take place on the expected Closing Date, or at all, if certain conditions or events referred to in the Underwriting Agreement (as defined below) are not satisfied or waived or do not occur on or prior to such date. Euronext Brussels may annul all transactions effected in the Shares if the Offer Shares are not delivered on the Closing Date. See section 2.2 "*Risks Relating to the Shares and the Offering*" and section 14.1 "*Underwriting*". Club Brugge, the Selling Shareholder, the Listing and Paying Agent, the Underwriters and Euronext Brussels cannot be held liable for any damage arising from the listing and trading on an "if-and-when-issued and/or delivered" basis as of the Listing Date until the expected Closing Date.

Prior to the Listing, no public market existed for the Shares issued by Club Brugge. See also risk factor 2.2(ii) on the risk that there is no existing market for the Shares.

13.13 Authorizations

This Prospectus and the participation of the Selling Shareholder in the Offering was approved by the Board of Directors on 3 March 2021. The required amendments to Club Brugge's Articles of Association, conditional upon and with effect as of Listing, were approved by the shareholders of Club Brugge at their Extraordinary Shareholders' Meeting held on 16 March 2021.

At board meetings of the Selling Shareholder held on 3 March 2021, the Selling Shareholder approved the parts of the Prospectus for which they are responsible and agreed to sell the Offer Shares in the Offering as described in this Prospectus.

13.14 Interest of natural and legal persons involved in the Offering

Assuming placement of the maximum number of Offer Shares (including the full exercise of the Increase Option), that the Offer Price is at the mid-point of the Price Range and that the Over-Allotment Option is exercised in full, the underwriting fees and expenses will be approximately €5.0 million. The Selling Shareholder may additionally pay the Underwriters a discretionary fee calculated on the gross proceeds of the Offering, at their full discretion. The underwriting fees will be paid by the Selling Shareholder. The Underwriters may further be reimbursed by the Selling Shareholder for all reasonable and documented expenses up to an amount of €75,000 per Underwriter incurred in connection with the Offering.

All fees and expenses related to the Offering will be borne by Club Brugge, except for the underwriting fees, discretionary fees and expenses, which will be borne by the Selling Shareholder as set out above. Except as disclosed above, no other party has a material interest in the Offering other than Club Brugge's management, the Selling Shareholder and Club Brugge.

See also section 14.5 "*Other relationships with the Underwriters*" with regard to other interests that the Underwriters (or their affiliates) have relating to the Company and thus indirectly to the Offering.

13.15 Jurisdiction and competent courts

The Belgian Offering is subject to Belgian law and the courts of Brussels, Belgium, Dutch-speaking division, are exclusively competent to adjudicate any and all disputes with investors concerning the Offering.

14 Plan of Distribution

14.1 Underwriting

Club Brugge, the Selling Shareholder and the Underwriters expect to enter into an underwriting agreement on or about 25 March 2021 (the "**Underwriting Agreement**") with respect to the offer and sale of the Offer Shares in the Belgian Offering and the International Institutional Offering. Entering into the Underwriting Agreement may depend on various factors, including, but not limited to, market conditions and the result of the book building process. Subject to certain conditions set forth in the Underwriting Agreement, the Selling Shareholder will agree to sell the Shares and the Underwriters will severally agree to purchase, with a view to immediate placement with investors, the following percentage of the total number of the Offer Shares:

Underwriters	Percentage of Offer Shares to be sold (rounded)
Credit Suisse	36.36%
J.P. Morgan	36.36%
Berenberg	13.64%
Belfius Bank	13.64%
Total percentage of Offer Shares to be sold	**100.00%**

The Underwriters will be under no obligation to purchase any Offer Shares prior to the execution of the Underwriting Agreement (and then only on the terms and subject to the conditions set out therein). The Underwriting Agreement is expected to provide that if an Underwriter defaults, in certain circumstances, the purchase commitments of the non-defaulting Underwriters may be increased or the Underwriting Agreement may be terminated. The Underwriters will distribute the Offer Shares to investors, subject to prior sale, when, as and if they will have been delivered to them, subject to the satisfaction or waiver of the conditions that will be contained in the Underwriting Agreement, including the receipt by the Underwriters of certificates from Club Brugge and certain legal opinions. In the Underwriting Agreement, Club Brugge and the Selling Shareholder will make certain customary representations and warranties and Club Brugge (and for breach of representations and warranties of the Selling Shareholder), the Selling Shareholder, will agree to indemnify the Underwriters against certain liabilities in connection with the Offering in the absence of willful misconduct and fraud, and a monetary limitation for the Selling Shareholder. If the Underwriting Agreement is not executed or is executed but subsequently terminated, a supplement to the Prospectus to this effect will be published. In such case, the Closing may not take place on the Closing Date or at all. If Closing does not take place on the Closing Date as planned or at all, the Offering may be withdrawn, in which case all subscriptions for Offer Shares will be disregarded, any allocations made will be deemed not to have been made and any subscription payments made will be returned without interest or other compensation and transactions in the Offer Shares on Euronext Brussels may be annulled. See also section 13.8 "*Supplement – Right to withdraw order*" and section 13.11 "*Form and delivery of the Offer Shares and withdrawal of the Offering*" in this respect. For further information in respect of the Underwriters' fees, see section 13.14 "*Interest of natural and legal persons involved in the Offering*". For further information in respect of any other relationships between the Company and the Underwriters, see section 14.5 "*Other relationships with the Underwriters*".

The actual number of Offer Shares to be sold by the Selling Shareholder in the Offering (including any decision by the Selling Shareholder to exercise the Increase Option) will only be determined after the Offering Period and will be announced by means of a Company press release, simultaneously with the publication of the Offer Price and the allocation to retail investors, which are currently expected to take place on or about 25 March 2021.

The Price Range is subject to change as a result of market conditions and other factors. It cannot be guaranteed that an active trading market will develop for the Shares or that the Shares will trade in the public market after the Offering at or above the Offer Price. For further information, see section 2.2 "*Risks Related to the IPO and the Shares*".

The Underwriting Agreement is expected to provide that the Joint Global Coordinators will, on behalf of the Underwriters, have the right to terminate, on behalf of the Underwriters, collectively but not individually, the Underwriting Agreement and their obligation thereunder to purchase and deliver the Offer Shares (i) upon the occurrence of certain customary events including, but not limited to, if Club Brugge or the Selling Shareholder fails to comply with any material obligation contained in the Underwriting Agreement; if there is a material adverse change in the financial markets in the United States, Belgium or the EEA; or if admission to listing of the Shares on Euronext Brussels is withdrawn; and (ii) if the conditions contained in the Underwriting Agreement, such as the delivery of certificates from Club Brugge and the Selling Shareholder and legal opinions, are not satisfied or waived. After publication of the supplement, the subscriptions for the Offer Shares will automatically be cancelled and withdrawn, and subscribers will not have any claim to delivery of the Offer Shares or to any compensation.

14.2 Lock-up arrangements

14.2.1 Club Brugge lock-up arrangements

Club Brugge is expected to agree pursuant to the Underwriting Agreement (which is expected to be entered into on or about 25 March 2021) that it will not, and will procure that none of its subsidiaries will, for a period of 180 days from the Closing Date, without the prior written consent of the Joint Global Coordinators, acting on behalf of the Underwriters (subject to certain limited exceptions): (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any Shares or other shares of Club Brugge, or any securities convertible into or exercisable or exchangeable for, Shares or other shares of Club Brugge, or file any registration statement under the U.S. Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing; or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Shares or other shares of Club Brugge, whether any such transaction is to be settled by delivery of Shares or other securities, in cash or otherwise; or (iii) publicly announce such an intention to effect any such transaction.

The foregoing restrictions shall not apply to the Restructuring, any corporate action in connection with a takeover offer, capital reorganization, legal merger, split up or similar transaction or process, in each case to the extent involving Club Brugge. With respect to the granting of awards in options or Shares by Club Brugge or the issuance of Shares upon exercise of options granted by Club Brugge pursuant to employee incentive schemes, the Company shall first obtain the permission of the Joint Global Coordinators (who shall also consult with the

Retail Coordinator) as to the quantum of the employee incentive scheme prior to its announcement

14.2.2 Selling Shareholder and Indirect Shareholders lock-up arrangements

In addition, the Selling Shareholder is expected to agree pursuant to the Underwriting Agreement (which is expected to be entered into on or about 25 March 2021) that it will not, for a period of 365 days from the Closing Date, without the prior written consent of the Joint Global Coordinators, acting on behalf of the Underwriters (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any Shares or other shares of Club Brugge, or any securities convertible into or exercisable or exchangeable for Shares or other shares of Club Brugge, or request or demand that Club Brugge file any registration statement under the U.S. Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing; or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Shares or other shares of Club Brugge, whether any such transaction is to be settled by delivery of Shares or other securities, in cash or otherwise; or (iii) publicly announce such an intention to effect any such transaction.

The foregoing restrictions shall not apply to (i) the sale of the Offer Shares in the Offering; and (ii) the lending of Shares to the Joint Global Coordinators (acting on behalf of the Underwriters) pursuant to the Stock Lending Agreement; (iii) accepting a general offer for all of the Shares, giving an irrevocable commitment to accept such an offer or disposing of Shares to an offeror or potential offeror during the period of such an offer; (iv) any disposal required by law, regulation or a court of competent jurisdiction; (v) transferring Shares intra-group or intra-family, provided that these transferees agree to be bound by lock-up restrictions; or (vi) the Restructuring.

In addition, the Indirect Shareholders, are expected to agree pursuant to a separate lock-up agreement with the Joint Global Coordinators (acting on behalf of the Underwriters) (which is expected to be entered into on or about 25 March 2021) that they will not, for a period of 365 days from the Closing Date, without the prior written consent of the Joint Global Coordinators, acting on behalf of the Underwriters (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any Shares or other shares of Club Brugge, or any securities convertible into or exercisable or exchangeable for Shares or other shares of Club Brugge, or request or demand that Club Brugge file any registration statement under the U.S. Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing; or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Shares or other shares of Club Brugge, whether any such transaction is to be settled by delivery of Shares or other securities, in cash or otherwise; or (iii) publicly announce such an intention to effect any such transaction. The foregoing shall not apply to (i) the sale of the Offer Shares in the Offering; and (ii) the lending of Shares to the Joint Global Coordinators (acting on behalf of the Underwriters) pursuant to the Stock Lending Agreement; (iii) accepting a general offer for all Shares or the Selling Shareholder followed by a public takeover bid on all of the Shares, giving an irrevocable commitment to accept such an offer or disposing of Shares to an offeror or potential offeror during the period of such an offer; (iv) any disposal required by law, regulation or a court of competent jurisdiction; (v) transferring Shares intra-group or intra-family, provided that these transferees agree to be bound by lock-up restrictions; or (vi) the Restructuring.

14.3 Increase Option

In the event that the Offer Shares initially offered have been subscribed in full, the aggregate number of Offer Shares sold may be increased by up to 25% of the aggregate number of Offer Shares initially offered.

Any decision to exercise the Increase Option will be communicated at the latest on the date of announcement of the Offer Price, which is currently expected to be on or around 25 March 2021. To the extent that such Increase Option has been exercised, the Underwriters will severally purchase the additional Shares in the same proportion as set forth in the table under section 14.1 "*Underwriting*" above.

14.4 Over-Allotment Option and price stabilization

In connection with the Offering, the Stabilization Manager or its agents may, during the Stabilization Period and to the extent permitted by applicable law, over-allot and effect transactions to stabilize the price of the Shares or any options, warrants or rights with respect to, or other interest in, the Shares or other securities of Club Brugge. These activities may support the market price of the Shares at a level higher than that which might otherwise prevail and may affect the price of the Shares or any options, warrants or rights with respect to, or other interest in, the Shares or other securities of Club Brugge. Stabilization will not be executed above the Offer Price. The Stabilization Manager and its agents are not required to engage in any of these activities and, as such, there is no assurance that these activities will be undertaken; if undertaken, the Stabilization Manager or its agents may end any of these activities at any time and must be brought to an end within 30 days after the commencement of conditional dealings in the Shares. Such stabilization transactions may be effected on the regulated market of Euronext Brussels, in the over-the-counter markets or otherwise. The Stabilization Period may be terminated at any time.

Under the possible stabilization measures, investors may, in addition to the Offer Shares being offered, be allocated up to 15% of the number of Offer Shares initially offered (including, for the avoidance of doubt, the number of Offer Shares subscribed for pursuant to the effective exercise of the Increase Option, if any). Within the scope of a possible over-allotment, such additional Shares will be provided for the account of the Stabilization Manager, acting on behalf of the Underwriters, in the form of a securities loan from Selling Shareholder.

The Selling Shareholder is expected to grant to the Stabilization Manager, on behalf of itself and the Underwriters, an option to purchase additional Shares in an aggregate amount equal to up to 15% of the aggregate number of Offer Shares initially offered (including the Offer Shares sold pursuant to the effective exercise of the Increase Option) that have been effectively subscribed, to cover over-allotments or short positions, if any, at the Offer Price (the "**Over-Allotment Option**").

The Over-Allotment Option may be exercised for a period of 30 days following the Listing Date, even if the Offering has not been subscribed in full. To the extent the Over-Allotment Option is exercised, each Underwriter will become severally obligated, subject to certain conditions, to purchase the same proportion of Shares for which the Over-Allotment Option is exercised as set forth in the table under section 14.1 "*Underwriting*" above. In order to be able to effect any over-allotments made prior to the exercise of the Over-Allotment Option, it is expected that the Selling Shareholder will lend shares to the Stabilization Manager.

Within one week of the end of the Stabilization Period, the following information will be made public: (i) whether or not stabilization was undertaken; (ii) the date on which stabilization started; (iii) the date on which stabilization last occurred; (iv) the price range within which stabilization was carried out, for each of the dates on which stabilization transactions were carried out; (v) the final size of the Offering, including the result of the stabilization and the exercise of the Over-Allotment Option, if any and (vi) the trading venue on which the stabilization transactions were carried out, where applicable.

14.5 Other relationships with the Underwriters

In connection with the Offering, each of the Underwriters and any of their respective affiliates, acting as an investor for its own account, may take up Shares in the Offering and in that capacity may retain, purchase or sell for its own account such securities and any Shares or related investments and may offer or sell such Shares or other investments otherwise than in connection with the Offering. Accordingly, references in the Prospectus to Shares being offered or placed should be read as including any offering or placement of Shares to any of the Underwriters or any of their respective affiliates acting in such capacity. None of the Underwriters intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Shares.

Certain of the Underwriters and/or their respective affiliates have engaged or may in the future, from time to time, engage in commercial banking (including loans and credit facilities), investment banking and financial advisory and ancillary activities in the ordinary course of their business with Club Brugge or any parties related to it, in respect of which they have received or may in the future receive customary fees and commissions.

In particular, Club Brugge and/or other members of the Company have also entered into several agreements with a number of Underwriters (or their affiliates), including the following:

- Club Brugge Development and Club Brugge Oefencentrum entered into several credit agreements with Belfius Bank, of which two long-term credit facilities, entered into by Club Brugge Oefencentrum for an aggregate amount of €15.0 million, are currently still outstanding (see section 7.8 “*Liquidity and capital resources*”).
- On 4 June 2018, Club Brugge entered into a sponsorship agreement with Belfius Bank, as amended from time to time, for a total duration of five seasons, starting 1 June 2018 and ending 30 June 2023, for a fixed consideration of €1.250 million and a variable bonus of maximum €0.25 million per season (as from the 2020/2021 season) and which includes the option to transfer certain rights and obligations thereunder to Candriam NV. As a premium partner, Belfius Bank enjoys visibility in the Jan Breydel Stadium and at Belfius Basecamp and is granted a hospitality offering in respect of, amongst others, home games of Club Brugge in the Jupiler Pro League 1A and European Competition away games. In addition, Belfius Bank enjoys exclusivity in the financial sector (*i.e.*, banking, insurance, asset management, investment and leasing activities) (with the exception of the existing partnership with insurance broker D'Hondt Insurance) and is the preferred supplier of products from the financial sector (with a right for Belfius Bank to give a quote and to meet a third party’s quote). Moreover, for the duration of the agreement, Club Brugge grants Belfius Bank the right to include the brand name “Belfius”

in all communications concerning the training center in Knokke-Heist (known as "Belfius Basecamp"). Belfius Bank has a termination right in case Club Brugge fails to adhere to socially accepted principles of ethics and corporate social responsibility (such as principles of financial and commercial ethics, anti-corruption, discrimination and doping) or damages its reputation.

- The Company has taken up group insurances for the benefit of its players and staff with Belfius Verzekeringen NV as sole supplier.
- On 21 October 2020, Club Brugge entered into a collaboration agreement with Belfius Bank pursuant to which Belfius Bank will order (video) content from Club Media House for a duration of three seasons, ending 30 June 2023, and for a consideration of minimum €50,000 per season. If Belfius Bank, during a certain season, orders content for less than the agreed minimum amount of €50,000, it will compensate such amount fully in the following season(s). If, at the end of this collaboration agreement, Belfius Bank ordered content for less than the agreed minimum amount of €150,000, Club Brugge will have the right to invoice the unspent balance without any services being due.

15 Selling Restrictions

15.1 No public offering outside Belgium

No action has been or will be taken in any jurisdiction other than Belgium that would, or is intended to, permit a public offering of the Offer Shares, or the possession, circulation or distribution of this Prospectus or any other material relating to the Offer Shares, in any jurisdiction where action for that purpose is required. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisements in connection with the Offer Shares may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of such country or jurisdiction.

Purchasers of the Offer Shares may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the Offer Price.

Persons into whose hands this Prospectus comes, are required by Club Brugge, the Selling Shareholder and the Underwriters, to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Offer Shares or have in their possession or distribute such offering material, in all cases at their own expense. Neither Club Brugge, the Selling Shareholder nor the Underwriters accept any legal responsibility for any violation by any person, whether or not a prospective subscriber or purchaser of any of the Offer Shares, of any such restrictions.

15.2 United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act or under any applicable securities laws or regulations of any state of the United States, and may not be offered, sold, pledged or transferred, directly or indirectly, within the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the Offer Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act, and within the United States to persons reasonably believed to be Qualified Institutional Buyers in reliance on Rule 144A under the U.S. Securities Act.

In addition, until 40 days after the commencement of the Offering an offer or sale of Offer Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

Any offer or sale of Shares in the United States will be made by broker-dealers, which may be affiliates of the Underwriters, who are registered as such under the U.S. Exchange Act. Terms used above shall have the meanings given to them by Regulation S and Rule 144A under the U.S. Securities Act.

Each purchaser of the Shares will be deemed to have made the representations and warranties set out under section 16 "*Transfer Restrictions*".

15.3 European Economic Area (except for Belgium)

In relation to each relevant EEA Member State (each a "**Relevant State**"), except for Belgium, an offer to the public of any Offer Shares may not be made in that Relevant State unless the Prospectus has been (i) passported or approved by the competent authority in such Relevant State and (ii) published in accordance with the Prospectus Regulation. This Prospectus has been prepared on the basis that all offers of Offer Shares, other than the offers contemplated in Belgium, will be made pursuant to an exemption under the Prospectus Regulation from the requirement to produce a prospectus for offers of Offer Shares:

- to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- to fewer than 150 private or legal persons (other than qualified investors as defined in the Prospectus Regulation) per Relevant State, subject to obtaining the prior consent of the Underwriters; and/or
- in any other circumstances falling under the scope of article 1(4) of the Prospectus Regulation,

provided that no such offer of Offer Shares shall require Club Brugge, the Selling Shareholder or any Underwriter to publish a prospectus pursuant to article 23 of the Prospectus Regulation or supplement to a prospectus pursuant to article 23 of the prospectus Regulation.

In the case of any Offer Shares being offered to a financial intermediary as that term is used in article 5(1) of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed to and with Club Brugge, the Selling Shareholder and the Underwriters that the Offer Shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in a Relevant State, other than Belgium, to qualified investors, in circumstances in which the prior consent of the Underwriters has been obtained to each such proposed offer or resale.

Club Brugge, the Selling Shareholder, the Underwriters and their affiliates and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement, and agreement.

For the purposes of this provision, the expression an “offer to the public” in relation to any Offer Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the Offering and any Offer Shares to be offered so as to enable an investor to decide to purchase, or subscribe for, any Offer Shares.

15.4 United Kingdom

No Offer Shares have been offered or will be offered pursuant to the Offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the Financial Conduct Authority, except that the Offer Shares may be offered to the public in the United Kingdom at any time:

(f) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(g) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or

(h) in any other circumstances falling within Section 86 of the UKFSMA,

provided that no such offer of the Offer Shares shall require the Company, the Selling Shareholder, or any Underwriter to publish a prospectus pursuant to Section 85 of the UKFSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to the Offer Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Offer Shares and, within this section 15.4 "*United Kingdom*", the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

15.5 Japan

The Offer Shares have not been and will not be registered under the Financial Instruments and Exchange Law (Law No. 25 of 1948, as amended) (the "**FIEL**"). This document is not an offer of securities for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or entity organized under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements under the FIEL and otherwise in compliance with such law and any other applicable laws, regulations and ministerial guidelines of Japan.

15.6 Switzerland

The Offer Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**"). No application has or will be made to admit the Offer Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Shares or the Offering may be publicly distributed or otherwise made publicly available in Switzerland.

15.7 Canada

The Offer Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Offer Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this Offering.

15.8 Dubai International Financial Centre

This Prospectus relates to an 'exempt offer' in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("**DFSA**"). This Prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Prospectus nor taken steps to verify the information set forth herein and has no responsibility for the Prospectus. The Shares to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Offer Shares should conduct their own due diligence on the Shares. If an investor does not understand the contents of this Prospectus, he or she should consult an authorized financial advisor.

15.9 Australia

This document (a) does not constitute a prospectus, a product disclosure statement or other disclosure document under the Corporations Act 2001 of the Commonwealth of Australia ("**Corporations Act**"); (b) does not purport to include the information required of a prospectus, a product disclosure statement or other disclosure document under the Corporations Act; (c) has not been, nor will it be, lodged as a disclosure document with, or registered by, the Australian Securities and Investments Commission ("**ASIC**"), the Australian Securities Exchange operated by ASX Limited or any other regulatory body or agency in Australia; and (d) may not be provided in Australia other than to select investors ("**Exempt Investors**") who are able to demonstrate that they both (i) fall within one or more of the categories of investors under section 708(8) or 708(11) of the Corporations Act to whom an offer may be made without disclosure under Part 6D.2 of the Corporations Act and (ii) are "wholesale clients" for the purpose of section 761G of the Corporations Act.

The Offer Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for, or buy, the Offer Shares may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any Offer Shares may be distributed, received or published in Australia, except where disclosure to investors is not required under Chapters 6D and 7 of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the Offer Shares, each purchaser or subscriber of Offer Shares represents and warrants to Club Brugge, the Selling Shareholder, the Underwriters and their affiliates that such purchaser or subscriber is an Exempt Investor.

As any offer of Offer Shares under this document, any supplement or the accompanying prospectus or other document will be made without disclosure in Australia under Parts 6D.2 and 7.9 of the Corporations Act, the offer of those Offer Shares for resale in Australia within 12 months may, under the Corporations Act, require disclosure to investors if none of the exemptions in the Corporations Act applies to that resale. By applying for the Offer Shares each purchaser or subscriber of Offer Shares undertakes to Club Brugge, the Selling Shareholder and the Underwriters that such purchaser or subscriber will not, for a period of 12 months from the date of issue or purchase of the Offer Shares, offer, transfer, assign or otherwise alienate those Offer Shares to investors in Australia except in circumstances where disclosure to investors is not required under the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

This document contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this document is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

16 Transfer Restrictions

16.1 United States

The Shares have not been and will not be registered under the U.S. Securities Act or the applicable securities laws of any state or other jurisdiction of the United States and may not be offered, sold, pledged or transferred, directly or indirectly, within the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

Each purchaser of the Offer Shares within the United States will be deemed to have represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(i) the purchaser is authorized to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations;

(i) the purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to restrictions on transfer;

(ii) the purchaser is (i) a Qualified Institutional Buyer; (ii) aware that the sale to it is being made pursuant to an exemption from the registration requirements of the U.S. Securities Act; and (iii) acquiring such Offer Shares for its own account or for the account of a Qualified Institutional Buyer, for investment purposes and not with a view to further distribution of such Offer Shares;

(iii) the purchaser is aware that the Offer Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act;

(iv) if in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, or any economic interest therein, such Offer Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a Qualified Institutional Buyer purchasing for its own account or for the account of a Qualified Institutional Buyer in a transaction meeting the requirements of Rule 144A; (ii) in compliance with Regulation S under the U.S. Securities Act; (iii) in accordance with Rule 144 under the U.S. Securities Act (if available); or (iv) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction;

(v) the purchaser acknowledges that the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Offer Shares;

(vi) the purchaser will not deposit or cause to be deposited such Offer Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

(vii) the purchaser acknowledges that Club Brugge, the Selling Shareholder and the Underwriters shall not recognize any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions;

(viii) if it is acquiring any of the Offer Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account;

(ix) it represents that if, in the future, it offers, resells, pledges or otherwise transfers such Offer Shares while they remain "restricted securities" within the meaning of Rule 144A(a)(3), it shall notify such subsequent transferee of the restrictions set out above; and

(x) the purchaser acknowledges that Club Brugge, the Selling Shareholder, the Underwriters and their respective affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

16.2 European Economic Area

Each person in a relevant EEA Member State, other than persons receiving offers contemplated in the Prospectus in Belgium, who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated hereby will be deemed to have represented, warranted and agreed to and with each of the Underwriters, the Selling Shareholder and Club Brugge that:

(i) it is a qualified investor within the meaning of article 2(e) of the Prospectus Regulation; and

(ii) in the case of any Offer Shares acquired by it as a financial intermediary (i) the Offer Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any relevant EEA Member State other than qualified investors, as that term is defined in the Prospectus Regulation, or in other circumstances falling within article 1(4) of the Prospectus Regulation (a) – (d) and the prior consent of the Joint Global Coordinators has been given to the offer or resale; or (ii) where Offer Shares have been acquired by it on behalf of persons in any relevant EEA Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the Prospectus Regulation as having been made to such persons.

17 Taxation

17.1 Taxation in Belgium

The paragraphs below present a summary of certain material Belgian federal income tax consequences of the ownership and disposal of Shares by an investor that purchases such Shares in connection with this Offering. The summary is based on laws, treaties and regulatory interpretations in effect in Belgium on the date of this Prospectus, all of which are subject to change, including changes that could have retroactive effect.

Investors should appreciate that, as a result of evolutions in law or practice, the eventual tax consequences may be different from what is stated below.

This summary does not purport to address all tax consequences of the acquisition, ownership and disposal of Shares, and does not take into account the specific circumstances of particular investors, some of which may be subject to special rules, or the tax laws of any country other than Belgium. This summary does not describe the tax treatment of investors that are subject to special rules, such as banks, insurance companies, undertakings for collective investment, brokers in securities or currencies, persons that hold, or will hold, Shares as a position in a straddle, share-repurchase transaction, conversion transactions, synthetic security or other integrated financial transactions. This summary does not address the tax regime applicable to Shares held by Belgian tax residents through a fixed basis or a permanent establishment located outside Belgium. This summary does not address any local taxes that may be due in connection with an investment in Shares, other than Belgian local surcharges which generally vary from 0% to 9% of the investor's income tax liability.

Investors should consult their own advisors regarding the tax consequences of an investment in Shares in the light of their particular circumstances, including the effect of any state, local or other national laws.

17.1.1 Belgian taxation of dividends of Shares

For Belgian income tax purposes, the gross amount of all benefits paid on or attributed to the Shares is generally treated as a dividend distribution. By way of exception, the repayment of capital carried out in accordance with the Belgian Companies' and Associations' Code is not treated as a dividend distribution to the extent that such repayment is imputed to the fiscal capital. This fiscal capital includes, in principle, the actual paid-up statutory share capital and, subject to certain conditions, the paid-up issuance premiums and the contributions done in exchange for the issuance of profit-sharing certificates. However, as of 1 January 2018, a repayment of capital carried out in accordance with the Belgian Companies' and Associations' Code is partly considered to be a distribution of the existing taxed reserves (irrespective of whether they are incorporated into the capital) and/or of the tax-free reserves incorporated into the capital whereby such portion is determined on the basis of the ratio of certain taxed reserves and tax-free reserves incorporated into the capital over the aggregate of such reserves and the fiscal capital.

Belgian withholding tax of 30% is normally levied on dividends, subject to such relief as may be available under applicable domestic or tax treaty provisions.

In the case of a redemption of the Shares, the redemption price (after deduction of the part of the fiscal capital represented by the redeemed Shares) will, in principle, be treated as a dividend subject to a Belgian withholding tax of 30%, subject to such relief as may be available under applicable domestic or tax treaty provisions. No Belgian withholding tax will be triggered if this redemption is carried out on a stock exchange and meets certain conditions.

In case of liquidation of Club Brugge, any amounts distributed in excess of the fiscal capital will in principle be subject to a 30% Belgian withholding tax, subject to such relief as may be available under applicable domestic or tax treaty provisions.

(i) *Belgian Resident Individuals*

For Belgian Resident Individuals who acquire and hold Shares as a private investment, the Belgian dividend withholding tax fully discharges their personal income tax liability. They may nevertheless elect to report (the gross amount of) the dividends in their personal income tax return. Where such individual opts to report them, dividends will normally be taxable at the lower of the generally applicable 30% withholding tax rate on dividends or at the progressive personal income tax rates applicable to the taxpayer's overall declared income. If the beneficiary reports the dividends, the income tax due on such dividends will not be increased by local surcharges. In addition, if the dividends are reported, the Belgian dividend withholding tax levied at source may, in both cases, be credited against the personal income tax due and is reimbursable to the extent that it exceeds the personal income tax due, provided that the dividend distribution does not result in a reduction in value of or a capital loss on the Shares. The latter condition is not applicable if the individual can demonstrate that he has held Shares in full legal ownership for an uninterrupted period of 12 months prior to the payment or attribution of the dividends.

It should also be noted that a first tranche of dividends, up to an amount of €812 for income year 2020, distributed to a Belgian Resident Individual can be exempted from Belgian withholding tax. This exemption of withholding tax must be requested by each taxpayer via the tax declaration.

For Belgian Resident Individuals who acquire and hold Shares for professional purposes, the Belgian withholding tax does not fully discharge their income tax liability. Dividends received must be reported by the individual and will, in such a case, be taxable at the individual's personal income tax rate increased with local surcharges. The Belgian dividend withholding tax levied at source may be credited against the personal income tax due and is reimbursable to the extent that it exceeds the income tax due, subject to two conditions: (i) the taxpayer must own Shares in full legal ownership on the date on which the beneficiaries of the dividends are identified and (ii) the dividend distribution may not result in a reduction in value of or a capital loss on Shares. The latter condition is not applicable if the individual can demonstrate that he has held the Shares in full legal ownership for an uninterrupted period of 12 months prior to the payment or attribution of the dividends.

(ii) *Belgian Resident Companies*

(a) Corporate income tax

For Belgian Resident Companies, the dividend withholding tax does not fully discharge the corporate income tax liability. The gross dividend income (including the Belgian withholding tax) must be declared in the corporate income tax return and will be subject to a corporate income tax rate of 25%. In certain circumstances and subject to certain conditions, reduced corporate income tax rates may apply.

Any Belgian dividend withholding tax levied at source may be credited against the corporate income tax due and is reimbursable to the extent that it exceeds the corporate income tax due, subject to two conditions: (i) the taxpayer must own the Shares in full legal ownership on the date on which the beneficiaries of the dividends are identified, and (ii) the dividend distribution may not result in a reduction in value of or a capital loss on the Shares. The latter condition is not applicable if the company can demonstrate (i) that it has held the Shares in full legal ownership for an uninterrupted period of 12 months prior to the payment or attribution of the dividends or (ii) that during that period, the Shares have never been held in full legal ownership at any point in time by a taxpayer other than (a) a Belgian Resident Company or (b) a Non-Resident company having, in an uninterrupted manner, invested the Shares in a Belgian establishment.

If the object of the beneficiary solely or mainly consists in managing and investing funds collected in order to pay legal or complementary pensions, the Belgian dividend withholding tax levied at source may be credited against the corporate income tax due and is reimbursable to the extent that it exceeds the corporate income tax due, provided that the taxpayer has held the Shares in full legal ownership for an uninterrupted period of sixty days. This condition is not applicable if the taxpayer can demonstrate that the dividends are not connected to an arrangement or a series of arrangements which is not genuine and has been put in place for the main purpose or one of the main purposes of obtaining a tax credit of the Belgian dividend withholding tax.

Belgian Resident Companies can, subject to certain conditions, deduct 100% of the gross dividend received from the taxable income, provided that at the time of a dividend payment or attribution the Conditions for the Application of the Dividend Received Deduction Regime are met.

The Conditions for the Application of the Dividend Received Deduction Regime depend on a factual analysis and for this reason the availability of this regime should be verified upon each dividend distribution.

(b) Belgian withholding tax

Dividends distributed to a Belgian Resident Company will be exempt from Belgian withholding tax provided that the Belgian Resident Company holds, upon payment or attribution of the dividends, at least 10% of Club Brugge's share capital and such minimum participation is held or will be held during an uninterrupted period of at least one year.

In order to benefit from this exemption, the Belgian Resident Company must provide Club Brugge or its paying agent at the latest upon the attribution or payment of the dividend with a certificate confirming its qualifying status and the fact that it meets the two required conditions. If the investor holds the required minimum participation for less than one year, at the time the dividends are paid on or attributed to Shares, Club Brugge will levy the Belgian withholding tax but will not transfer it to the Belgian Treasury, provided that the investor certifies its qualifying status, the date from which the investor has held such minimum participation, and the investor's commitment to hold the minimum participation for an uninterrupted period of at least one year.

The investor must also inform Club Brugge or its paying agent when the one-year period has elapsed or if its shareholding will drop below 10% of Club Brugge's share capital before the end of the one-year holding period. Upon satisfying the one-year shareholding requirement, the Belgian provisionally withheld dividend withholding tax will be paid to the investor.

Please note that the above withholding tax exemption will not be applicable to dividends which are connected to an arrangement or a series of arrangements for which the Belgian tax administration, taking into account all relevant facts and circumstances, has proven, unless evidence to the contrary, that this arrangement or this series of arrangements is not genuine and has been put in place for the main purpose or one of the main purposes of obtaining the dividend received deduction, the above dividend withholding tax exemption or one of the advantages of the EU Parent-Subsidiary Directive (Council Directive 2011/96/EU of 30 November 2011) in another EU Member State. An arrangement or a series of arrangements is regarded as not genuine to the extent that they are not put into place for valid commercial reasons which reflect economic reality.

(iii) *OFPs*

For OFPs, the dividend income is generally tax-exempt. Subject to certain limitations, any Belgian dividend withholding tax levied at source may be credited against the corporate income tax due and is reimbursable to the extent that it exceeds the corporate income tax due.

(iv) *Belgian Resident Legal Entities*

For Belgian Resident Legal Entities, the Belgian dividend withholding tax in principle fully discharges their Belgian income tax liability in this respect.

(v) *Non-Resident individuals and companies*

(a) Non-Resident income tax

For Non-Resident individuals and companies, the Belgian dividend withholding tax will be the only tax on dividends in Belgium, unless the Non-Resident holds Shares in connection with a business conducted in Belgium through a fixed base in Belgium or Belgian permanent establishment.

If Shares are acquired by a Non-Resident in connection with a business in Belgium, the investor must report any dividends received, which will be taxable at the applicable Belgian Non-Resident individual or corporate income tax rate(s), as appropriate. Belgian dividend withholding tax levied at source may be credited against Belgian Non-Resident individual or corporate income tax and is reimbursable to the extent that it exceeds the income tax due, subject to two conditions: (i) the taxpayer must own the Shares in full legal ownership on the date on which the beneficiaries of the dividends are identified and (ii) the dividend distribution may not result in a reduction in value of, or a capital loss on, the Shares. The latter condition is not applicable if (i) the Non-Resident individual or company can demonstrate that the Shares were held in full legal ownership for an uninterrupted period of 12 months prior to the payment or attribution of the dividends, or (ii) the Non-Resident company can demonstrate that, during that period, the Shares have never been held in full legal ownership at any point in time by a taxpayer other than (a) a Belgian Resident Company or (b) a Non-Resident company having, in an uninterrupted manner, invested the Shares in a Belgian establishment.

Non-Resident companies whose Shares are attributable to a Belgian establishment may deduct up to 100% of the gross dividends included in their taxable profits if, at the date dividends are paid or attributed, the Conditions for the Application of the Dividend Received Deduction Regime are met. The application of the dividend received deduction regime depends, however, on a factual analysis to be made upon each distribution, and its availability should be verified upon each distribution.

(b) Belgian dividend withholding tax relief for Non-Residents

Under Belgian tax law, Belgian withholding tax is not due on dividends paid to a foreign pension fund which satisfies the following conditions: (i) it is a Non-Resident saver in the meaning of article 227, 3° of the Belgian ITC which implies that it has separate legal personality and fiscal residence outside of Belgium; (ii) whose corporate purpose consists solely in managing and investing funds collected in order to pay legal or complementary pensions; (iii) whose activity is limited to the investment of funds collected in the exercise of its statutory mission, without any profit making aim; (iv) which is exempt from income tax in its country of residence; and (v) except in specific circumstances provided that it is not contractually obligated to redistribute the dividends to any ultimate beneficiary of such dividends for whom it would manage the Shares, nor obligated to pay a manufactured dividend with respect to the Shares under a securities borrowing transaction. The exemption will only apply if the foreign pension fund provides a certificate confirming that it is the full legal owner or usufruct holder of the Shares and that the above conditions are satisfied. The foreign pension fund must then forward that certificate to Club Brugge or its paying agent.

Dividends distributed to Non-Resident companies established in an EU Member State or in a country with which Belgium has concluded a double tax treaty that includes a qualifying exchange of information clause and qualifying as a parent company, will be exempt from Belgian withholding tax provided that Shares held by the Non-Resident company, upon payment or attribution of the dividends, amount to at least 10% of Club Brugge's share capital and such minimum participation is held or will be held during an uninterrupted period of at least one year.

A Non-Resident company qualifies as a parent company provided that (i) for companies established in an EU Member State, it has a legal form as listed in the annex to the EU Parent-Subsidiary Directive (Council Directive 90/435/EC of 23 July 1990), as amended by Directive 2003/123/EC of 22 December 2003, or, for companies established in a country with which Belgium has concluded a qualifying double tax treaty, it has a legal form similar to the ones listed in such annex (provided that, as regards the companies governed by Belgian law, the reference to '*besloten vennootschap met beperkte aansprakelijkheid'/'société privée à responsabilité limitée*', to '*coöperatieve vennootschap met onbeperkte aansprakelijkheid/société cooperative à responsabilité illimitée*', and to '*gewone commanditaire vennootschap*'/'*société en commandite simple*', should be understood as a reference to respectively the '*besloten vennootschap'/'société à responsabilité limitée'*, the '*coöperatieve vennootschap*'/'*société coopérative*', and the '*commanditaire vennootschap*'/'*société en commandite*'); (ii) it is considered to be a tax resident according to the tax laws of the country where it is established and the double tax treaties concluded between such country and third countries; and (iii) it is subject to corporate income tax or a similar tax without benefiting from a tax regime that derogates from the ordinary tax regime

In order to benefit from the above exemption, the investor must provide Club Brugge or its paying agent with a certificate confirming its qualifying status and the fact that it meets the conditions to be considered as a parent company.

If the investor holds a minimum participation for less than one year, at the time the dividends are paid on or attributed to Shares, Club Brugge will levy the Belgian withholding tax but will not transfer it to the Belgian Treasury provided that the investor certifies at the latest upon the attribution of the dividends its qualifying status, the date from which the investor has held such minimum participation, and the investor's commitment to hold the minimum participation for an uninterrupted period of at least one year.

The investor must also inform Club Brugge or its paying agent if the one-year period has expired or if its shareholding will drop below 10% of Club Brugge's share capital before the end of the one-year holding period. Upon satisfying the one-year shareholding requirement, the provisionally withheld dividend withholding tax will be paid to the investor.

Please note that the above withholding tax exemption will not be applicable to dividends which are connected to an arrangement or a series of arrangements for which the Belgian tax administration, taking into account all relevant facts and circumstances, has proven, unless evidence to the contrary, that this arrangement or this series of arrangements is not genuine and has been put in place for the main purpose or one of the main purposes of obtaining the dividend received deduction, the above dividend withholding tax exemption or one of the advantages of the Parent-Subsidiary Directive in another EU Member State. An arrangement or a series of arrangements is regarded as not genuine to the extent that they are not put into place for valid commercial reasons which reflect economic reality. Pursuant to recent jurisprudence of the European Court of Justice, the withholding tax exemption may even be refused if the receiving Parent Company cannot be considered as the beneficial owner of the dividends.

Dividends distributed by a Belgian company to a non-resident company will be exempt from withholding tax, provided that (i) the non-resident company is established in the European Economic Area or in a country with whom Belgium has concluded a tax treaty that includes a qualifying exchange of information clause, (ii) the non-resident company is subject to corporate income tax or a similar tax without benefiting from a tax regime that derogates from the ordinary tax regime, (iii) the non-resident company does not satisfy the 10%-participation threshold but has a participation in the Belgian company with an acquisition value of at least €2.5 million upon the date of payment or attribution of the dividend, (iv) the dividends relate to shares which are or will be held in full ownership for at least one year without interruption; and (v) the non-resident company has a legal form as listed in the annex to the Parent-Subsidiary Directive, as amended from time to time, or, has a legal form similar to the ones listed in such annex (provided that, as regards the companies governed by Belgian law, the reference to '*besloten vennootschap met beperkte aansprakelijkheid'/'société privée à responsabilité limitée*', to '*coöperatieve vennootschap met onbeperkte aansprakelijkheid/société cooperative à responsabilité illimitée*', and to '*gewone commanditaire vennootschap*'/*'société en commandite simple*', should be understood as a reference to respectively the '*besloten vennootschap'/'société à responsabilité limitée'*, the '*coöperatieve vennootschap*'/'*société coopérative*', and the '*commanditaire vennootschap*'/'*société en commandite*') and that is governed by the laws of another EEA Member State, or, by the law of a country with whom Belgium has concluded a qualifying double tax treaty. This exemption applies to the extent that the withholding tax which would have been due in case this exemption would not exit, would not be creditable nor reimbursable in the hands of the non-resident company.

In order to benefit from the exemption of withholding tax, the non-resident company must provide the Belgian company or its paying agent with a certificate confirming (i) it has the above described legal form, (ii) it is subject to corporate income tax or a similar tax without benefiting from a tax regime that deviates from the ordinary domestic tax regime, (iii) it holds a participation of less than 10% in the capital of the Belgian company but with an acquisition value of at least €2.5 million upon the date of payment or attribution of the dividend, (iv) the dividends relate to shares in the Belgian company which it has held or will hold in full legal ownership for an uninterrupted period of at least one year, (v) to which extent it could in principle, would this exemption not exist, credit the Belgian withholding tax or obtain a reimbursement according to the legal provisions applicable upon 31 December of the year preceding the year of the payment or attribution of the dividends, and (vi) its full name, legal form, address and fiscal identification number, if applicable.

If an investor cannot benefit from the exemption of withholding tax, the investor may benefit from a reduced withholding tax rate based on a double tax treaty. Belgium has concluded tax treaties with over 95 countries, reducing the Belgian dividend withholding tax rate to 20%, 15%, 10%, 5% or 0% for residents of those countries, depending on conditions, amongst others, related to the size of the shareholding and certain identification formalities. Such reduction may be obtained either directly at source or through a refund of taxes withheld in excess of the applicable tax treaty rate.

Prospective holders should consult their own tax advisors as to whether they qualify for reduced rate of Belgian withholding tax on dividends, and as to the procedural requirements for obtaining such reduced rate of Belgian withholding tax (either upon the payment of dividends or further to refund claims).

17.1.2 Capital gains and losses on Shares

(i) Belgian Resident Individuals

In principle, Belgian Resident Individuals acquiring and holding Shares as a private investment should not be subject to Belgian capital gains tax on the disposal of Shares, and capital losses are not tax deductible.

However, capital gains realized by a private individual on the disposal of Shares are taxable at 33% (plus local surcharges) if the capital gain is deemed to be realized outside the scope of the normal management of the individual's private estate. Capital losses, however, are generally not tax deductible.

Moreover, capital gains realized by Belgian Resident Individuals on the disposal of Shares for consideration, outside the exercise of a professional activity, to a Non-Resident company (or a body constituted in a similar legal form), to a foreign State (or one of its political subdivisions or local authorities) or to a Non-Resident legal entity, are in principle taxable at a rate of 16.5% if, at any time during the five years preceding the sale, the Belgian Resident Individual has owned directly or indirectly, alone or with his/her spouse or with certain relatives, a substantial shareholding in Club Brugge (*i.e.,* a shareholding of more than 25% in Club Brugge). This capital gains tax does not apply if the Shares are transferred to the above-mentioned entities if they are established in the EEA. Capital losses, however, are generally not tax deductible.

Belgian Resident Individuals who hold Shares for professional purposes are taxable at the ordinary progressive personal income tax rates (plus local surcharges) on any capital gains realized upon the disposal of Shares, except for Shares held for more than five years, which could be taxable at a separate rate of in principle, 10% (capital gains realized in the framework of the cessation of activities under certain circumstances) or 16.5% (other), both plus local surcharges. Capital losses on Shares incurred by Belgian Resident Individuals who hold Shares for professional purposes are in principle tax deductible.

Capital gains realized by Belgian Resident Individuals upon the redemption of Shares or upon the liquidation of Club Brugge will generally be taxable as a dividend (see section 17.1.1(i) "*Belgian Resident Individuals*").

(ii) Belgian Resident Companies

Belgian Resident Companies are in principle not subject to Belgian capital gains taxation on gains realized upon the disposal of the Shares provided that the Conditions for the Application of the Dividend Received Deduction Regime are met. If one of these conditions is not met, capital gains on gains realized upon the disposal of the Shares are subject to corporate income tax at the general corporate income tax rates. Capital losses on Shares incurred by resident companies are generally not tax deductible.

Shares held in the trading portfolios of Belgian qualifying credit institutions, investment enterprises and management companies of collective investment undertakings are subject to a different regime. The capital gains on such Shares are taxable at the standard corporate income tax rate of 25% and the capital losses on such Shares are tax deductible. Internal transfers to and from the trading portfolio are assimilated to a realization.

Capital gains realized by Belgian Resident Companies upon the redemption of Shares or upon the liquidation of Club Brugge will, in principle, be subject to the same taxation regime as dividends (see section 17.1.1(ii) "*Belgian Resident Companies*").

(iii) *OFPs*

Capital gains and capital losses realized by OFPs upon the disposal of the Shares are not to be taken into account for the determination of the taxable result of the OFPs.

(iv) *Other Belgian Resident Legal Entities*

Belgian Resident Legal Entities are, in principle, not subject to Belgian capital gains taxation on the disposal of Shares. However, capital gains realized upon disposal of (part of) a substantial participation in a Belgian company (being a participation representing more than 25% of the share capital of Club Brugge at any time during the last five years prior to the disposal) may under certain circumstances give rise to a 16.5% tax. Capital losses on Shares incurred by Belgian resident legal entities are not tax deductible.

Capital gains realized by Belgian resident legal entities upon the redemption of Shares or upon the liquidation of Club Brugge will in principle be taxed as dividends (see section 17.1.1(iv) "*Belgian Resident Legal Entities*").

(v) *Non-Resident individuals or Non-Resident companies*

Non-Resident individuals or companies are, in principle, not subject to Belgian income tax on capital gains realized upon disposal of the Shares, unless the Shares are held as part of a business conducted in Belgium through a fixed base in Belgium or a Belgian PE. In such a case, the same principles apply as described with regard to Belgian individuals (holding the Shares for professional purposes) or Belgian companies.

Non-Resident individuals who do not use the Shares for professional purposes and who have their fiscal residence in a country with which Belgium has not concluded a tax treaty or with which Belgium has concluded a tax treaty that confers the authority to tax capital gains on the Shares to Belgium, might be subject to tax in Belgium if the capital gains arise from transactions which are to be considered speculative or beyond the normal management of one's private estate or in case of disposal of a substantial participation in a Belgian company as mentioned in the tax treatment of the disposal of the Shares by Belgian individuals (see section 17.1.2(i) "*Capital gains and losses on Shares*"). Such Non-Resident individuals might therefore be obliged to file a tax return and should consult their own tax advisor.

17.1.3 Annual tax on securities accounts

The law of 17 February 2021 on the introduction of an annual tax on securities accounts (the "**Law of 17 February 2021**") has introduced an annual tax on securities accounts into Belgian law effective as from 26 February 2021. Pursuant to the Law of 17 February 2021, a 0.15% tax is applicable to Belgian Residents and Non-Residents who hold securities accounts with an average value, over a period of twelve consecutive months starting on 1 October and ending on 30 September of the subsequent year, higher than €1,000,000. The Shares are principally qualifying securities for the purposes of this tax.

For the calendar year 2021, the average value of securities accounts will as a general rule be calculated from 26 February 2021 until 30 September 2021.

The tax due is limited to 10% on the difference between the taxable amount and the aforementioned cap of €1.0 million. This cap is assessed per securities account (irrespective whether the account is held in Belgium or abroad) and involves Belgian as well as foreign securities accounts held by Belgian Residents. Securities held by Non-Residents only fall within the scope of the annual tax on securities accounts provided they are held on securities accounts with a financial intermediary established or located in Belgium. Note that pursuant to certain double tax treaties, Belgium has no right to tax capital. Hence, to the extent that the annual tax on securities accounts is viewed as a tax on capital within the meaning of these double tax treaties, treaty override may, subject to certain conditions, be claimed. Belgian establishments from Non-Residents are however treated as Belgian Residents for purposes of the annual tax on securities accounts so that both Belgian and foreign securities accounts fall within the scope of this tax.

The annual tax on securities accounts is in principle due by the financial intermediary established or located in Belgium. Otherwise, the annual tax on securities accounts needs to be declared and is due by the holder of the securities accounts itself, unless the holder provides evidence that the annual tax on securities accounts has already been withheld, declared and paid by an intermediary which is not established or located in Belgium. In that respect, intermediaries located or established outside of Belgium could appoint an annual tax on securities accounts representative in Belgium. Such a representative is then liable towards the Belgian Treasury (*Thesaurie*/*Trésorerie*) for the annual tax on securities accounts due and for complying with certain reporting obligations in that respect. If the holder of the securities accounts itself is liable for reporting obligations (e.g. when a Belgian Resident holds a securities account abroad with an average value higher than €1.0 million), the deadline for filing the tax return for the annual tax on securities accounts corresponds with the deadline for filing the annual tax return for personal income tax purposes electronically, irrespective whether the Belgian Resident is an individual or a legal entity. In the latter case, the annual tax on securities accounts must be paid by the tax payer on 31 August of the year following the year on which the tax was calculated, at the latest.

As a general rule, no annual tax on securities accounts is due provided that the average value of the securities account is less than €1.0 million.

Please note that the annual tax on securities accounts contains several (specific) anti-abuse provisions that intend to remediate tax avoidance (e.g. conversion of qualifying financial instruments to non-qualifying financial instruments (such as nominative shares) or splitting an existing securities account into several securities accounts in order to avoid reaching the cap of €1,000,000 on the relevant securities account). Prospective investors should consult their own professional advisors in relation to the possible application of any anti-abuse provisions within the context of the annual tax on securities accounts.

17.1.4 Tax on stock exchange transactions

No tax on stock exchange transactions is due upon subscription to Shares (primary market transactions).

The purchase and the sale and any other acquisition or transfer for consideration of existing Shares (secondary market transactions) is subject to the Belgian tax on stock exchange transactions (*taks op de beursverrichtingen*/*taxe sur les opérations de bourse*) if (i) it is executed in Belgium through a professional intermediary, or (ii) deemed to be executed in Belgium, which is the case if the order is directly or indirectly made to a professional intermediary established outside of Belgium, either by private individuals with habitual residence in Belgium, or legal entities for the account of their seat or establishment in Belgium.

The tax on stock exchange transactions is levied at a rate of 0.35% of the purchase price, capped at €1,600 per transaction and per party.

A separate tax is due by each party to the transaction, and both taxes are collected by the professional intermediary. However, if the intermediary is established outside of Belgium, the tax will in principle be due by the Belgian investor, unless the investor can demonstrate that the tax has already been paid. Professional intermediaries established outside of Belgium can, subject to certain conditions and formalities, appoint a Stock Exchange Tax Representative, which will be liable for the tax on stock exchange transactions in respect of the transactions executed through the professional intermediary. If such a Stock Exchange Tax Representative would have paid the tax on stock exchange transactions due, the Belgian investor will, as per the above, no longer be the debtor of the tax on stock exchange transaction.

No tax on stock exchange transactions is due on transactions entered into by the following parties, provided they are acting for their own account: (i) professional intermediaries described in article 2.9° and 10° of the Belgian Law of 2 August 2002 on the supervision of the financial sector and financial services; (ii) insurance companies described in article 2, §1 of the Belgian Law of 9 July 1975 on the supervision of insurance companies; (iii) pension institutions referred to in article 2,1° of the Belgian Law of 27 October, 2006 concerning the supervision of pension institutions; (iv) undertakings for collective investment; (v) regulated real estate companies; and (vi) Belgian Non-Residents provided they deliver a certificate to their financial intermediary in Belgium confirming their Non-Resident status.

17.1.5 The proposed Financial Transaction Tax

On 14 February 2013 the EU Commission adopted a Draft Directive on a common Financial Transaction Tax (the "**FTT**"). Earlier negotiations for a common transaction tax among all 28 EU Member States had failed. The current negotiations between Austria, Belgium, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the "**Participating Member States**") are seeking a compromise under "enhanced cooperation" rules, which require consensus from at least nine nations. Earlier Estonia dropped out of the negotiations by declaring it would not introduce the FTT.

The Draft Directive currently stipulates that once the FTT enters into force, the Participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions should thus be abolished once the FTT enters into force.

However, the Draft Directive on the FTT remains subject to negotiations between the Participating Member States. It may therefore be altered prior to any implementation, of which the eventual timing and outcome remains unclear. Additional EU Member States may decide to participate or drop out of the negotiations. If the number of Participating Member States would fall below nine, it would put an end to the project.

In June 2016, the Participating Member States declared that they would continue their efforts in the second half of the year but since then the negotiating parties have not been successful in reaching an agreement. The FTT was at a standstill but yet renewed discussions between the Participating Member States took place in May and June 2019.

Prospective investors should consult their own professional advisors in relation to the FTT.

17.2 U.S. tax consideration

17.2.1 Certain U.S. federal income tax considerations

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of Shares by a U.S. Holder (as defined below) pursuant to the Offering. This summary deals only with purchasers of Shares that will hold the Shares as capital assets (generally, property held for investment). The discussion does not address any U.S. tax consequences to holders of the Shares that are not U.S. Holders, and does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Shares by particular investors (including consequences under the alternative minimum tax), and does not address state, local, non-U.S. or non-income tax laws (such as the estate or gift tax laws). This summary also does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, individual retirement accounts and other tax-deferred accounts, tax-exempt organizations, dealers in securities or currencies, traders that elect to mark-to-market, investors that will hold the Shares as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes, persons that have ceased to be U.S. citizens or lawful permanent residents of the United States, investors holding the Shares in connection with a trade or business, U.S. citizens or lawful permanent residents living abroad, U.S. Holders that actually or constructively own 10% or more of the total voting power or value of Club Brugge's outstanding equity securities, investors required to include certain amounts in income no later than the time such amounts are reflected on their financial statements or investors whose functional currency is not the U.S. Dollar).

As used herein, the term "U.S. Holder" means a beneficial owner of Shares that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organized under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if either a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Shares will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities or arrangements treated as partnerships for U.S. federal income tax purposes should consult their tax advisors concerning the U.S. federal income tax consequences to them and their partners of the acquisition, ownership and disposition of Shares by the partnership.

The summary is based on the tax laws of the United States including the Internal Revenue Code of 1986, as amended (the "**Code**"); legislative history, final, temporary, and proposed regulations issued under the Code; published rulings and court decisions; all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING AND DISPOSING OF THE SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL AND NON-U.S. TAX LAWS, NON-INCOME TAX LAWS (SUCH AS ESTATE AND GIFT TAXES) AND OTHER FEDERAL TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

17.2.2 Passive foreign investment company

Club Brugge does not believe that it would properly have been treated as a passive foreign investment company ("**PFIC**") for its financial year ended 30 June 2020. Further, and based on its historic and expected operations, composition of assets and market capitalization (which will fluctuate from time to time), Club Brugge does not expect that it should be a PFIC for the financial year ending on 30 June 2021, or for the foreseeable future. However, the determination of whether Club Brugge is a PFIC is a factual determination that is made annually, after the close of the relevant taxable year. Therefore, it is possible that Club Brugge could be a PFIC for the current taxable year or in future years based on the composition of its assets or income, as well as its market capitalization. Moreover, the application of the PFIC rules is unclear in certain respects, such as the proper characterization of particular assets.

In general, a non-U.S. corporation will be a PFIC for any taxable year if at least (i) 75% of its gross income is classified as "passive income" or (ii) 50% of its assets (determined on the basis of a quarterly average value) produce or are held for the production of passive income. For these purposes, cash and other liquid assets are considered passive assets. In making this determination, the non-U.S. corporation is treated as earning its proportionate share of any income and owning its proportionate share of any assets of any corporation in which it holds a 25% or greater interest (by value). The determination of whether Club Brugge will be a PFIC will also depend, in part, on how, and how quickly, it uses its liquid assets. Under the PFIC rules, if Club Brugge were considered a PFIC at any time that a U.S. Holder held the Shares, Club Brugge would continue to be treated as a PFIC with respect to such holder's investment unless (i) Club Brugge ceased to be a PFIC and (ii) the U.S. Holder had made a "deemed sale" election under the PFIC rules.

If Club Brugge were a PFIC for any taxable year in which a U.S. Holder held Shares, such U.S. Holder would be subject to additional taxes on any "excess distribution" and any gain realized from the disposition of Shares (regardless of whether Club Brugge continued to be a PFIC) unless the U.S. Holder made a mark-to-market election or qualified electing fund election. A U.S. Holder would have an excess distribution to the extent that distributions on Shares during a taxable year exceeded 125% of the average amount received during the three preceding taxable years (or, if shorter, the U.S. Holder's holding period). To compute the tax on excess distributions or any gain, (i) the excess distribution or gain would be allocated ratably over the U.S. Holder's holding period, (ii) the amount allocated to the current taxable year and any year before Club Brugge became a PFIC would be taxed as ordinary income in the current year and (iii) the amount allocated to other taxable years would be taxed at the highest applicable marginal rate in effect for each year and an interest charge would be imposed to recover the deemed benefit from the deferred payment of the tax attributable to each year. Additionally, dividends paid by Club Brugge would not be eligible for the special reduced rate of tax described below under section 17.2.3 "*Dividends and other distributions on shares*."

The rest of this summary assumes that Club Brugge will not be a PFIC for any taxable year during which a U.S. Holder owns Shares. U.S. Holders should consult their own tax advisors about the potential application of the PFIC rules to their investment in the Shares and any elections that may be available to them to mitigate the adverse effect of the PFIC rules.

17.2.3 Dividends and other distributions on Shares

Based on the assumption, stated above under section 17.2.2 "*Passive foreign investment company*", that Club Brugge will not be a PFIC, the gross amount of dividends paid to a U.S. Holder with respect to Shares (including the amount of any non-U.S. taxes withheld therefrom) generally will be included in the U.S. Holder's gross income as ordinary income from non-U.S. sources to the extent paid out of Club Brugge's current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). Distributions in excess of Club Brugge's earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder's adjusted tax basis in the Shares and thereafter as capital gain. However, Club Brugge does not intend to calculate its earnings and profits under U.S. federal income tax principles. Therefore, U.S. Holders should expect generally to treat a distribution as a dividend even if that distribution might otherwise meet the definition of a non-taxable return of capital or as capital gain under the rules described above. The dividends will not be eligible for the dividends-received deduction available to U.S. corporations in respect of dividends received from other U.S. corporations or, absent the corporate U.S. Holder meeting certain ownership thresholds, the dividends-received deduction available for certain foreign corporations. With respect to non-corporate U.S. Holders, including individual U.S. Holders, dividends may be "qualified dividend income," which is taxed at the long-term capital gain rate provided that: (1) Club Brugge is eligible for the benefits of the U.S.-Belgium income tax treaty (the "**Treaty**"); (2) Club Brugge is not a PFIC (as discussed above) with respect to the U.S. Holder for either its taxable year in which the dividend was paid or the preceding taxable year; and (3) certain other requirements are met.

The amount of any dividend paid in Euro that will be included in the gross income of a U.S. Holder will be the U.S. dollar value of the dividend payment based on the exchange rate in effect on the date such dividend distribution is included in such U.S. Holder's income, whether or not the payment is in fact converted into U.S. dollars at that time.

For U.S. federal income tax purposes, U.S. Holders will be treated as having received the amount of any non-U.S. taxes withheld with respect to a payment of dividends, and as then having paid over the withheld taxes to the relevant non-U.S. tax authorities. As a result of this rule, the amount of dividend income a U.S. Holder is required to include in gross income for U.S. federal income tax purposes with respect to a payment of dividends may be greater than the amount of cash actually received (or receivable) by such U.S. Holder with respect to the payment.

A U.S. Holder that is not eligible for the dividends-received deduction generally will be entitled, subject to certain limitations, to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for non-U.S. income taxes withheld with respect to distributions on the Shares. U.S. Holders that are eligible for benefits under the Treaty will not be entitled to a foreign tax credit for the amount of any non-U.S. taxes withheld in excess of the applicable treaty rate. If the dividends are qualified dividend income (as discussed above), the amount of the dividend taken into account for purposes of calculating the foreign tax credit limitation will in general be limited to the gross amount of the dividend, multiplied by the reduced rate divided by the highest rate of tax normally applicable to dividends.

Dividends paid by Club Brugge generally will constitute "passive category income" for purposes of the foreign tax credit. The rules governing foreign tax credits are complex, and prospective U.S. Holders should consult their tax advisors concerning the applicability of the foreign tax credit rules with respect to the Shares based on their particular circumstances.

17.2.4 Sale or other taxable disposition of Shares

Based on the assumption, stated above under section 17.2.2 "*Passive foreign investment company*", that Club Brugge will not be a PFIC, a U.S. Holder generally will recognize a capital gain or loss for U.S. federal income tax purposes on the sale or other taxable disposition of Shares in an amount equal to the difference, if any, between the amount realized and the U.S. Holder's adjusted tax basis in the Shares, in each case as determined in U.S. dollars. U.S. Holders should consult their tax advisors regarding how to account for proceeds received on the sale or other taxable disposition of Shares that are not paid in U.S. dollars. In general, capital gains recognized by a non-corporate U.S. Holder, including an individual, are subject to a lower rate of tax under current law if such U.S. Holder held the Shares for more than one year. The deductibility of capital losses is subject to limitations. Any such gain or loss generally will be treated as U.S. source income or loss for foreign tax credit purposes.

In the event a U.S. Holder is subject to non-U.S. income tax upon the sale or other taxable disposition of the Shares, such U.S. Holder may not be able to credit such non-U.S. income tax against its U.S. federal income tax liability with respect to the gain realized on such sale or other taxable disposition. Prospective purchasers should consult their tax advisors regarding the creditability of any non-U.S. taxes.

17.2.5 Net investment income tax

Section 1411 of the Code imposes a 3.8% federal tax (in addition to other federal taxes) on the net investment income (as defined for U.S. federal income tax purposes) ("**NII**") of U.S. holders who are individuals, estates or trusts to the extent such holder's modified adjusted gross income (as defined in Section 1411(d) of the Code) exceeds certain income thresholds. NII would generally include all income from the Shares and any taxable gain on the sale or other disposition of the Shares. U.S. holders are urged to consult their tax advisors regarding the effect, if any, of Section 1411 of the Code on their investment in the Shares.

17.2.6 Information reporting and backup withholding

Dividend payments and proceeds from the sale or other taxable disposition of Shares may be subject to information reporting to the U.S. Internal Revenue Service ("**IRS**"). In addition, a U.S. Holder (other than exempt U.S. Holders who establish their exempt status if required) may be subject to backup withholding on cash payments received in connection with dividend payments and proceeds from the sale or other taxable disposition of Shares made within the United States or through certain U.S.-related financial intermediaries.

Backup withholding will not apply, however, to a U.S. Holder who furnishes a correct taxpayer identification number, makes other required certifications and otherwise complies with the applicable requirements of the backup withholding rules. Backup withholding is not an additional tax. Rather, any amount withheld under the backup withholding rules will be creditable or refundable against the U.S. Holder's U.S. federal income tax liability, provided the required information is furnished to the IRS in a timely manner. U.S. Holders should consult their tax advisors concerning the application of the information reporting and backup withholding rules to their particular circumstances.

17.2.7 Foreign financial asset reporting

Certain U.S. Holders are required to report their holdings of certain "specified foreign financial assets", including equity of foreign entities, if the aggregate value of all of these assets exceeds certain threshold amounts. The Shares are expected to constitute "specified foreign financial assets" subject to these requirements unless the Shares are held in an account at certain financial institutions. U.S. Holders should consult their tax advisors regarding the application of these reporting requirements, and the substantial penalties for non-compliance.

18 Legal Matters

Certain legal matters in connection with this Offering have been passed upon for the Company by Argo Law BV, with respect to the laws of Belgium, and Dentons UK and Middle East LLP, with respect to the laws of the United States. Certain legal matters in connection with this Offering have been passed upon for the Underwriters by Linklaters LLP, with respect to the laws of the United States and Belgium.

19 Independent Auditors

BDO Bedrijfsrevisoren CVBA, represented by Ms Veerle Catry, independent auditors, has audited the financial information for the financial years ended 30 June 2018, 2019 and 2020 in the Consolidated Financial Statements, and has issued an unqualified auditor's report thereon, which is included in this Prospectus.

BDO Bedrijfsrevisoren CVBA is located at Da Vincilaan 9, 1930 Zaventem, Belgium. BDO Bedrijfsrevisoren CVBA is a member of the Belgian Institute of Auditors (*Instituut van de Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises)*.

20 Availability of documents

The following documents (or copies thereof) may be obtained free of charge from the Company's website (ipo.clubbrugge.be):

- this Prospectus (including the Financial Statements);
- the Articles of Association;
- the Pricing Statement (which will be available after pricing of the Offering);
- the Corporate Governance Charter;
- the Code of Ethics; and
- the Dealing Code.

21 Definitions

“**2020 Code”**	means the Belgian Code on Corporate Governance dated 9 May 2019
“Annual Shareholders’ Meeting”	means Club Brugge’s annual shareholders’ meeting in accordance with the Articles of Association
“Anti-Money Laundering Law”	means the Belgian Law of 18 September 2017 on the prevention of money laundering and terrorist financing and on the restriction of the use of cash, as amended
“Article 203 ITC Taxation Condition”	means the conditions relating to the taxation of the underlying distributed income, as described in article 203 of the Belgian ITC
“Articles of Association”	means the articles of association of Club Brugge
“Audit and Risk Committee”	means a committee of the Board of Directors to be established in accordance with article 7:99 of the Belgian Companies’ and Associations’ Code and provisions 4.10 to 4.16 of the Corporate Governance Code, advising the Board of Directors on accounting, audit and internal control matters
“BCC”	means the Belgian Companies Code (*Wetboek van vennootschappen*/*Code des sociétés*) of 7 May 1999, as replaced by the Belgian Companies’ and Associations’ Code
“Belfius Bank”	means Belfius Bank NV, a limited liability company (*naamloze vennootschap*/*société anonyme*) organized and existing under Belgian laws, having its registered seat at Karel Rogierplein 11, 1210 Brussels and registered with the Register of Legal Entities (Brussels) under number 0403.201.185
“Belfius Basecamp”	means the training facilities and training fields located at Herenweg 9, 8300 Knokke-Heist, Belgium
“Belgian Arbitral Court for Sport”	means the court that is competent for arbitration in sports matters in Belgium
“Belgian Companies’ and Associations’ Code”	means the Belgian Companies’ and Associations’ Code (*Wetboek van Vennootschappen en Verenigingen*/*Code des sociétés et des associations*) of 23 March 2019, as amended
“Belgian Cup”	means the knockout football competition for all professional and amateur football clubs in Belgium (*Beker van België*/*Coupe de Belgique de football*)
“Belgian GAAP”	means the accounting principles generally accepted in Belgium
“Belgian Investor”	means either (i) private individuals with habitual residence in Belgium, or (ii) legal entities for the account of their seat or establishment in Belgium
“Belgian ITC”	means the Belgian Income Tax Code of 10 April 1992, as amended

"Belgian Offering"	means the initial public offering of Shares to retail and institutional investors in Belgium
"Belgian Resident Company"	means a company subject to Belgian corporate income tax (*i.e.,* a corporate entity that has its statutory seat (unless it can be proven that the tax residence of the company is situated in another State than Belgium), its main establishment, its administrative seat or seat of management in Belgium
"Belgian Resident Individual"	means an individual subject to Belgian personal income tax (*i.e.,* an individual who is domiciled in Belgium or has his seat of wealth in Belgium or a person assimilated to a resident for purposes of Belgian tax law)
"Belgian Resident Legal Entity"	means a legal entity subject to Belgian income tax on legal entities (*i.e.,* a legal entity other than a Belgian Resident Company, that has its statutory seat, its main establishment, its administrative seat or seat of management in Belgium)
"Belgian Resident"	means any individual, company or legal entity that is a Belgian Resident Company, a Belgian Resident Individual or a Belgian Resident Legal Entity
"Belgian Super Cup"	means the football club competition played as a single match between the winner of the Jupiler Pro League 1A and the winners of the Belgian Cup
"BeNeLiga"	means a new competition format currently under development which would entail top teams of the Belgian and Dutch top football leagues to participate in a new joint league
"Benelux"	means Belgium, the Netherlands and Luxembourg
"Berenberg"	means Joh. Berenberg, Gossler & Co. KG, a limited commercial partnership organized and existing under the laws of Germany, having its seat at Neuer Jungfernstieg 20, 20354 Hamburg, Germany
"Big 5 Leagues"	means the top tier football leagues of England, France, Germany, Italy and Spain
"Blue Card"	means a prepaid card that a matchday ticket holder can use to make purchases in and around the Jan Breydel Stadium. This type of card will no longer be in use at the date of this Prospectus
"Board of Directors"	means the board of directors of Club Brugge
"CAGR"	means compound annual growth rate
"Cercle Brugge"	means Cercle Brugge Koninklijke Sportvereniging CVBA, a cooperative company with limited liability (*coöperatieve vennootschap met beperkte aansprakelijkheid/société cooperative à responsabilité limitée*) organized and existing under Belgian laws, having its registered seat at Olympialaan 74,

	8200 Brugge and registered with the Register of Legal Entities (Ghent, division Bruges) under number 0554.798.824
"Champions League"	means the Union of European Football Associations Champions League
"Closing Date"	means the date on which Closing is expected to take place, *i.e.,* 29 March 2021
"Closing"	means the payment (in euro) for and delivery of the Offer Shares
"Club Brugge Development"	means Club Brugge Development NV, a limited liability company (*naamloze vennootschap*/*société anonyme*) organized and existing under Belgian laws, having its registered seat at Herenweg 9, 8300 Knokke Heist and registered with the Register of Legal Entities (Ghent, division Bruges) under number 0672.698.661
"Club Brugge Foundation"	means Club Brugge Foundation vzw, a not-for-profit organization (*vereniging zonder winstoogmerk*/*association sans but lucratif*) organized and existing under Belgian laws, having its registered seat at Olympialaan 72, 8200 Brugge and registered with the Register of Legal Entities (Ghent, division Bruges) under number 0406.531.948.
"Club Brugge Oefencentrum"	means Club Brugge Oefencentrum NV, a limited liability company (*naamloze vennootschap*/*société anonyme*) organized and existing under Belgian laws, having its registered seat at Herenweg 9, 8300 Knokke Heist and registered with the Register of Legal Entities (Ghent, division Bruges) under number 0672.703.314
"Club Brugge Stadion"	means Club Brugge Stadion NV, a limited liability company (*naamloze vennootschap*/*société anonyme*) organized and existing under Belgian laws, having its registered seat at Herenweg 9, 8300 Knokke Heist and registered with the Register of Legal Entities (Ghent, division Bruges) under number 0672.704.601
"Club Brugge"	means Club Brugge NV, a limited liability company (*naamloze vennootschap*/*société anonyme*) organized and existing under Belgian laws, having its registered seat at Herenweg 9, 8300 Knokke Heist and registered with the Register of Legal Entities (Ghent, division Bruges) under number 0460.444.251
"Club Media House"	means the Company's in-house media agency
"Club NXT U23 Team"	means the team of the Company playing in the Pro League 1B
"Club NXT"	means the Company's football academy aiming to detect and develop talented youth players
"ClubID"	means the membership card granted to (season) ticket holders which can, among others, be used to make purchases in and

	around the Jan Breydel Stadium and, in the future, the New Stadium
"ClubLab"	means the separate organizational unit of the Company developing the Company's scientific and data-driven approach to player training and development and injury prevention
"Code of Ethics"	means the code of ethics adopted by the Company setting forth principles on how the Company manages its business contracts and third party interactions
"Company"	means Club Brugge and its Subsidiaries
"Conditions for the Application of the Dividend Received Deduction Regime"	means (i) a company holds Shares representing at least 10% of the Company's share capital or a participation in the Company with an acquisition value of at least €2,500,000; and (ii) the Shares have been held or will be held in full ownership for an uninterrupted period of at least one year; and (iii) the Article 203 ITC Taxation Condition is met. Under certain circumstances the conditions referred to under (i) and (ii) do not need to be fulfilled in order for the dividend received deduction to apply
"Conference League"	means the Union of European Football Associations Europa Conference League
"Consolidated Financial Statements"	means the audited statutory consolidated financial statements of the Company prepared in accordance with IFRS as at and for the financial years ended 30 June 2018, 2019 and 2020
"Corporate Governance Charter"	means the corporate governance charter adopted by Club Brugge, conditional upon and with effect as of Closing
"Credit Suisse"	means Credit Suisse Securities (Europe) Limited, a limited liability company organized and existing under the laws of England and Wales, having its registered seat at One Cabot Square, London E14 4QJ, United Kingdom
"Dealing Code"	means the dealing code adopted by the Company.
"EBITDA"	means earnings before interest, tax, depreciation and amortization
"EEA Member State"	means a member state of the EEA
"EEA"	means the European Economic Area
"Eleven Sports Media Rights Agreement"	means the five-year domestic media rights agreement, covering the 2020/2021 to the 2024/2025 seasons, which was entered into between Eleven Sports and the Pro League in the second quarter of 2020
"English Football League Championship"	means the competition of second division football clubs in England
"Ethics Committee"	means the committee established within the Company, chaired by an independent expert and including, among others, the

	captain of the First Team, the chairperson of Club Brugge, representatives of the Club Brugge Foundation and representatives of Club NXT, with a purpose of safeguarding the compliance with the Code of Ethics.
"EU Member State"	means a member state of the EU
"EU"	means the European Union
"Euronext Brussels"	means the regulated market organized by Euronext Brussels NV
"Europa League"	means the Union of European Football Associations Europa League
"European Competitions"	means the Champions League and the Europa League
"Eurozone"	means the Economic and Monetary Union of the EU Member States that have adopted the euro currency as their sole legal tender
"Extraordinary Shareholders' Meeting"	means a shareholders' meeting of Club Brugge other than the Annual Shareholders' Meeting
"FIFA Transfer Regulations"	means the Regulations on the Status and Transfer of Players, issued by FIFA in 2020 and as amended
"FIFA"	means the Féderation Internationale de Football Association
"Financial Statements"	means the Consolidated Financial Statements and the Interim Financial Information
"First Team"	means the team of the Company playing in the Jupiler Pro League 1A
"FSMA"	means the Belgian Financial Services and Markets Authority
"GDPR"	means Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation)
"Grizzly Sports"	means Grizzly Sports NV, a limited liability company (*naamloze vennootschap*/*société anonyme*) organized and existing under Belgian laws, having its registered seat at Hertogsstraat 31, 1000 Brussels and registered with the Register of Legal Entities (Brussels, Dutch-speaking division) under number 0639.868.121
"IFRS 10"	means International Financial Reporting Standards 10 — Consolidated Financial Statements
"IFRS"	means International Financial Reporting Standards as adopted by the European Union
"Increase Option"	means the option to increase the aggregate number of Offer Shares sold by the Selling Shareholder up to 25% of the aggregate number of Offer Shares initially offered

"Indirect Shareholders"	means Bart Verhaeghe, Vincent Mannaert, Peter Vanhecke and Jan Boone
"Interim Financial Information"	means: • the unaudited condensed consolidated financial statements of the Company as of and for a six month-period ending 31 December 2020; and • the unaudited condensed consolidated financial statements of the Company as of and for a six month-period ending 31 December 2019
"International Institutional Offering"	means a private placement (i) in the EEA (other than Belgium) pursuant to applicable exemptions under the Prospectus Regulation, including but not limited to "qualified investors" within the meaning of article 2(e) of the Prospectus Regulation; (ii) in the United States to persons who are reasonably believed to be Qualified Institutional Buyers; and (iii) to qualified and/or institutional investors under applicable laws of the relevant jurisdiction in the rest of the world, whereby the Offering outside the United States will be made in compliance with Regulation S
"IPO"	means the initial public offering of up to 4,667,203 existing Shares
"J.P. Morgan"	means J.P. Morgan AG, a public limited company organized and existing under the laws of Germany, having its registered seat at Taunustor 1, TaunusTurm, 60310 Frankfurt am Main, Germany
"Jan Breydel Stadium"	means the home stadium of the Company located at Koning Leopold III-laan 50, Sint-Andries, Bruges, Belgium
"Joint Bookrunners"	means Credit Suisse, J.P. Morgan, Berenberg and Belfius Bank
"Joint Global Coordinators"	means Credit Suisse, J.P. Morgan and Berenberg
"Jupiler Pro League 1A"	means the competition of first division professional football clubs in Belgium
"Listing and Paying Agent"	means J.P. Morgan AG
"Listing Date"	means the date on which the Listing is expected to take place and on which the trading on an "as-if-and-when-delivered" basis in the Offer Shares on Euronext Brussels is expected to commence, *i.e.*, 26 March 2021
"Listing"	means the first listing of the Shares on Euronext Brussels
"Management Committee"	means the informal executive committee of Club Brugge
"Market Abuse Regulation"	means the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission

	Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, as amended
"New Stadium"	means the new stadium that will be constructed by the Company next to the present location of the Jan Breydel Stadium
"Non-Resident"	means any individual, company or legal entity that is not a Belgian Resident Company, a Belgian Resident Individual or a Belgian Resident Legal Entity
"Offer Price"	means the price per Offer Share
"Offer Shares"	means the Shares that are being offered by the Selling Shareholder under this Offering
"Offering Period"	means the offering period which begins on 17 March 2021 and is expected to end no later than 10:00 (CET) on 25 March 2021
"Offering"	means the offering of Shares by the Selling Shareholder to institutional and retail investors in Belgium and through private placements to certain investors in various other jurisdictions
"OFP"	means a Belgian Organization for Financing Pensions (that is, a Belgian pension fund incorporated as an organization for financing pensions within the meaning of article 8 of the Belgian Law of 27 October 2006 on the supervision of institutions for occupational retirement provision)
"Other Shareholders"	means the holders of Shares immediately prior to the Closing, other than the Selling Shareholder, *i.e.,* Tielt Connection VOF, Dirk Van Tornhaut and Frank Bamelis
"Ourson Sports"	means Ourson Sports NV, a limited liability company (*naamloze vennootschap*/*société anonyme*) organized and existing under Belgian laws, having its registered seat at Hertogsstraat 31, 1000 Brussels and registered with the Register of Legal Entities (Brussels, Dutch-speaking division) under number 0639.869.705
"Over-Allotment Option"	means the option to be granted by the Selling Shareholder to the Stabilization Manager (on behalf of the Underwriters) under the Underwriting Agreement, pursuant to which the Stabilization Manager may require the Selling Shareholder to sell additional Shares at the Offer Price if the Over-Allotment Option is exercised in full as detailed in *"Plan of Distribution – Over-Allotment Option and Stabilization"*
"Over-Allotment Shares"	means the Shares that may be made available pursuant to the Over-Allotment Option
"PFIC"	means a passive foreign investment company
"Player Registration Rights"	means the economic and federative registration rights in relation to a player, the latter entailing the right to register such player with the relevant national football body in order for such

	player to be allowed to play in official national and international competitions
"Play-Off 1"	means the phase in the Jupiler Pro League 1A during which the six highest ranked football teams after the regular competition play each other, also known as the "Champions League play-offs", as this format may be amended from time to time
"Play-Off 2"	means the phase in the Jupiler Pro League 1A during which the football teams that, after the regular competition, are ranked seventh to 15th in the Jupiler Pro League 1A and those that are ranked second to sixth in the Pro League 1B play each other, also known as the "Europa League play-offs", as this format may be amended from time to time
"Play-Offs"	means the Play-Off 1 and the Play-Off 2
"Preferential Retail Allocation"	means the minimum allocation of 10% of the Offer Shares to retail investors in Belgium, subject to sufficient retail demands
"Premier League"	means the competition of first division football clubs in England
"Price Range"	means the range within which the Offer Price may be set, expected to be between €17.50 and €22.50 per Offer Share
"Pricing Statement"	means the pricing statement detailing the Offer Price and the maximum number of Over-Allotment Shares, which will be filed with the FSMA
"Pro League 1B"	means the competition of second division professional football clubs in Belgium
"Pro League"	means the organization that groups all professional football clubs in Belgium and that manages the Belgian competitions, including the Jupiler Pro League 1A, the Pro League 1B, the Belgian Supercup and (partially) the Belgian Cup
"Prospectus Law"	means the Belgian Law of 11 July 2018 on the public offering of securities and the admission of securities to trading on a regulated market, as amended
"Prospectus Regulation"	means the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/7, as amended and any relevant delegated regulations and, with regard to the United Kingdom, as it forms part of domestic UK law by virtue of the European Union (Withdrawal) Act 2018
"Prospectus"	means this prospectus dated 16 March 2021
"Qualified Institutional Buyer"	means a "qualified institutional buyer," as defined in, and in reliance on, Rule 144A under the U.S. Securities Act

“Record Date”	means the 14th calendar day preceding to the date of a Shareholders’ Meeting
“Regulation S”	means Regulation S of the U.S. Securities Act
“Remuneration and Nomination Committee”	means a committee of the Board of Directors to be established in accordance with article 1:100 of the Belgian Companies’ and Associations’ Code and provisions 4.17-4.23 of the Corporate Governance Code, advising the Board of Directors on matters regarding the appointment and remuneration of directors and members of the Management Committee
“Restructuring”	means the restructuring of Ourson Sports and Grizzly Sports, comprised of the following operations: • on the Listing Date, immediately prior to Listing, (i) Stephenson NV will contribute its shares in Ourson Sports (representing 3.67% of all outstanding shares in Ourson Sports); and (ii) Vanhecke Consulting NV will contribute its shares in Club Brugge (representing 3.66% of all outstanding shares in Club Brugge), in kind in Grizzly Sports; and • immediately thereafter, but still before Listing, Ourson Sports NV will be dissolved and liquidated. Consequently, all further rights and obligations of Ourson Sports under this Prospectus and otherwise will be assumed by Grizzly Sports
“Retail Coordinator”	means Belfius Bank
“Retail Offering”	means the offering of Shares by the Selling Shareholder to retail investors in Belgium
“Royal Belgian Football Association”	means the non-governmental regulatory body for Belgian football named Royal Belgian Football Association (*Koninklijke Belgische Voetbalbond*/*Fédération royale belge de football*)
“Rule 144A”	means Rule 144A under the U.S. Securities Act
“Schiervelde Stadium”	means the stadium that will be used as the Club NXT U23 Team’s home stadium, located at Dikmuidsesteenweg 374, 8800 Roeselare, Belgium
“Selling Shareholder”	means Grizzly Sports NV, a limited liability company (*naamloze vennootschap*/*société anonyme*) organized and existing under Belgian laws, having its registered seat at Hertogsstraat 31, 1000 Brussels and registered with the Register of Legal Entities (Brussels, Dutch-speaking division) under number 0639.868.121
“Shareholder(s)”	means a holder of Shares
“Shareholders’ Meeting”	means an Annual Shareholders’ Meeting and/or Extraordinary Shareholders’ Meeting

"Shares"	means ordinary shares in Club Brugge's share capital
"Stabilization Manager"	means Credit Suisse
"Stabilization Period"	means the period between the Listing Date and the date that is 30 days after the Listing Date
"Statutory Auditor"	means BDO Bedrijfsrevisoren CVBA, having its registered seat at Da Vincilaan 9, 1930 Zaventem, Belgium and registered with the Register of Legal Entities under number 0431.088.289, represented by Ms Veerle Catry
"Stock Exchange Tax Representative"	means a Belgian stock exchange tax representative
"Stock Lending Agreement"	means the securities lending agreement to be entered into between the Selling Shareholder and the Stabilization Manager
"Stock Split"	means the division of the existing Shares into multiple Shares with a factor of 3,750, as a result of which the number of Shares went from 3,059 to 11,471,250 Shares, following a decision by the Extraordinary Shareholders' Meeting of 16 March 2021
"Subsidiaries"	means each company in which Club Brugge directly or indirectly holds a controlling participation, *i.e.,* Club Brugge Development, Club Brugge Oefencentrum and Club Brugge Stadion
"Takeover Law"	means the Belgian Law of 1 April 2007 on public takeover bids, as amended
"Takeover Royal Decree"	means the Belgian Royal Decree of 27 April 2007 on public takeover bids, as amended
"Total Operating Income"	means in relation to the Company its total revenues and other income in a given financial period
"Transparency Law"	means the Belgian Law of 2 May 2007 on the disclosure of significant shareholdings in issuers whose securities are admitted to trading on a regulated market and containing various provisions, as amended
"U.S. Exchange Act"	means the U.S. Securities Exchange Act of 1934, as amended
"U.S. Foreign Corrupt Practices Act"	means the United States Foreign Corrupt Practices Act of 1977 (15 U.S.C. § 78dd-1, *et seq*.) regarding accounting transparency requirements under the U.S. Exchange Act and bribery of foreign officials, as amended
"U.S. GAAP"	means the accounting principles generally accepted in the United States of America
"U.S. Holder"	means a beneficial owner of Shares that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S.

	federal income tax regardless of its source or (iv) a trust if either a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes
"U.S. Securities Act"	means the United States Securities Act of 1933, as amended
"UEFA Club Licensing and Financial Fair Play Regulations"	means the Club Licensing and Financial Fair Play Regulations, issued by UEFA in 2018, as amended
"UEFA Stadium Infrastructure Regulation"	means the Stadium Infrastructure Regulations, issued by UEFA in 2018, as amended
"UEFA"	means the Union of European Football Associations
"UKFSMA"	means the United Kingdom Financial Services and Markets Act 2000, as amended
"Underwriters"	means each of the Joint Global Coordinators and Joint Bookrunners
"Underwriting Agreement"	means the underwriting agreement described in section 14.1 "*Underwriting*"
"Union Regulations"	means the regulations issued by the Royal Belgian Football Association, as amended or restated from time to time
"United States"	means the United States of America, its territories and possessions, any state of the United States and the District of Columbia
"VAT"	means value added tax
"World Cup"	means the international association football competition contested by the men's national teams of the FIFA members

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Consolidated Financial Statements

Statutory Auditor' report on the Consolidated Financial Statements

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CLUB BRUGGE NV

Auditor's report
to the administrative body
for the years ended 30 June 2020, 2019 and 2018
(Consolidated financial statements)

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AUDITOR'S REPORT TO THE ADMINISTRATIVE BODY OF CLUB BRUGGE NV FOR THE YEARS ENDED 30 JUNE 2020, 2019 AND 2018 (CONSOLIDATED FINANCIAL STATEMENTS)

In the context of the contractual audit of the special-purpose consolidated financial statements ('consolidated financial statements) of Club Brugge NV ('the Company') and its subsidiaries (together referred to as 'the Group'), we hereby present our auditor's report. It includes our report on the audit of the consolidated financial statements.

We have been engaged by the administrative body on 10 June 2020 to audit the consolidated financial statements for the years ended 30 June 2020, 2019 and 2018 of the Group for the purpose of being included in a Registration Statement to be filed with the Financial Services and Market Authority ("FSMA") in the context of the admission to trading on Euronext Brussels of all existing shares placement of the Group.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Unqualified opinion

We have performed the contractual audit of the Group's consolidated financial statements, which comprise the consolidated statements of financial position as at 30 June 2020, 2019 and 2018, and the consolidated statements of profit or loss and other comprehensive income , the consolidated statements of changes in equity and the consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the Group's net equity and financial position as at 30 June 2020, 2019 and 2018, as well as of its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) as applicable in Belgium. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section in this report. We have complied with all the ethical requirements that are relevant to the audit of consolidated financial statements in Belgium, including those concerning independence.

We have obtained from the administrative body and company officials the explanations and information necessary for performing our audit.

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

Emphasis of matter paragraph

Without qualifying our opinion, we draw attention to Note 31.1.1 of the consolidated financial statements, which describes the impact of the COVID-19 pandemic on the activities of the Group.

Responsibilities of the administrative body for the drafting of the consolidated financial statements

The administrative body is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, and for such internal control as the administrative body determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, the administrative body is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the administrative body either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 it is not a guarantee that an audit conducted in accordance with ISAs 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 consolidated financial statements.

When executing our audit, we respect the legal, regulatory and normative framework applicable for the audit of the consolidated financial statements in Belgium. However, an audit does not guarantee the future viability of the Group, neither the efficiency and effectiveness of the management of the Group by the administrative body. Our responsibilities with respect to the administrative body's use of the going concern basis of accounting are described below.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
  Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the administrative body;

- Conclude on the appropriateness of the administrative body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the management, the supervision and the performance of the Group audit. We assume full responsibility for the auditor's opinion.

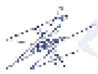
We communicate with the administrative body regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during the audit.

We also provide the administrative body with a statement that we respected the relevant ethical requirements relating to independence, and we communicate with them about all relationships and other issues which may influence our independence, and, if applicable, about the related measures to guarantee our independence.

Statement concerning independence

- Our audit firm and our network did not provide services which are incompatible with the audit of the consolidated financial statements and our audit firm remained independent of the Group during the terms of our mandate.

Roeselare, 15 March 2021



Digitally signed by Veerle Catry (Signature)
DN: cn=Veerle Catry (Signature), c=BE
Date: 2021.03.15 18:11:55 +01'00'

BDO Bedrijfsrevisoren CVBA
Auditor
Represented by Veerle Catry

Consolidated Financial Statements

Consolidated statement of financial position

Assets in € '000 as at	Note	30 June 2020	30 June 2019	30 June 2018	1 July 2017
Non-current assets					
Player registration rights, net	7.1	49.922	40.501	43.979	36.471
Other intangible assets	7.2	285	451	431	498
Property, plant & equipment	8	21.835	19.910	6.598	5.841
Right-of-use assets	9	2.328	1.424	1.543	688
Receivables on sale of player registration rights	12	17.774	1.865	4.405	285
Other non-current assets		4	7	3	3
Total non-current assets		**92.148**	**64.158**	**56.959**	**43.786**
Current assets					
Inventories	10	432	340	212	161
Trade and other receivables	11	3.596	4.003	2.706	1.656
Receivables on sale of player registration rights	12	24.285	9.958	10.271	1.274
Cash and cash equivalents	13	8.195	8.717	91	12.586
Assets held for sale	14	400	0	0	0
Total current assets		**36.908**	**23.018**	**13.280**	**15.677**
TOTAL ASSETS		**129.056**	**87.176**	**70.239**	**59.463**

The accompanying notes form an integral part of these consolidated financial statements.

Equity and liabilities in € '000 as at	Note	30 June 2020	30 June 2019	30 June 2018	1 July 2017
Shareholders' Equity					
Share capital	15.1	15.247	4.039	4.039	4.039
Share premium	15.1	0	11.208	11.208	11.208
Retained earnings	15.1	31.746	8.902	-835	-754
Remeasurement reserve for pensions		-366	-420	-125	-75
Shareholders' equity total		**46.627**	**23.729**	**14.287**	**14.418**
Non-current liabilities					
Loans and borrowings	16	29.232	22.888	14.210	15.108
Lease liabilities	17	1.009	1.095	1.178	349
Payables on purchase of player registration rights	19	2.951	4.983	6.828	5.501
Deferred tax liabilities	20.6	971	1.189	364	536
Pension obligations	29	407	530	123	98
Total non-current liabilities		**34.570**	**30.685**	**22.703**	**21.592**
Current liabilities					
Loans and borrowings	16	654	437	1.185	1.084
Lease liabilities	17	1.337	341	375	345
Trade and other payables	18	9.521	10.384	5.753	3.535
Payables on purchase of player registration rights	19	20.986	14.155	18.794	12.030
Current tax liabilities	20.2	5.016	50	452	0
Contract liabilities	21	9.929	7.394	6.690	6.401
Other current liabilities	22	416	1	0	58
Total current liabilities		**47.859**	**32.762**	**33.249**	**23.453**
TOTAL LIABILITIES		**129.056**	**87.176**	**70.239**	**59.463**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of profit and loss and other comprehensive income for the year ended

In € '000	Note	30 June 2020	30 June 2019	30 June 2018
Matchday revenues	24.1	17.997	17.731	13.584
Media rights revenues	24.2	36.410	39.498	8.953
Domestic		*8.064*	*7.307*	*7.273*
European		*28.346*	*32.191*	*1.680*
Commercial revenues	24.3	13.455	11.643	11.042
Other revenues	24.4	2.502	1.448	2.279
Gains on disposal of player registration rights	7.1	49.061	11.157	21.072
Other operating income	25	186	224	508
Total operating income		**119.611**	**81.701**	**57.438**
Purchase of materials, supplies and other consumables		-1.521	-1.165	-1.331
Other operating expenses	26	-21.843	-20.473	-14.347
Player wages and technical staff costs	27	-27.622	-19.636	-19.782
Other personnel	28	-5.557	-4.432	-4.346
Losses on disposal of player registration rights	7.1	-1.111	-3.306	-2.333
Amortization and write-downs of player registration rights	7.1	-19.187	-15.424	-11.466
Amortization of other intangible assets and depreciation of property, plant and equipment	7.2/8	-2.891	-1.632	-1.722
Depreciation of right-of-use assets	9	-4.228	-872	-1.560
Other non-cash expenses		-619	-397	-224
Total operating costs		**-84.579**	**-67.337**	**-57.111**
Operating profit		**35.032**	**14.364**	**327**
EBITDA	**2.4**	**61.338**	**32.292**	**15.075**
Financial income	30	452	96	128
Financial expenses	30	-620	-191	-177
Financial result		**-168**	**-95**	**-49**
Income (loss) before taxes		**34.864**	**14.269**	**278**
Current taxes	20.1	-11.007	-3.558	-517
Deferred taxes	20.1	269	-974	158
Total Income taxes		**-10.738**	**-4.532**	**-359**
Profit (loss) for the year		**24.126**	**9.737**	**-81**
Attributable to the shareholders of Club Brugge NV		*24.126*	*9.737*	*-81*
Attributable to non-controlling interests		*0*	*0*	*0*
Other comprehensive income not recycled through profit or loss				
Remeasurement of defined benefit obligation	20.4	54	-295	-50
Actuarial gains/losses arising during the period	20.4	*110*	*-444*	*-64*
Income tax effect	20.4	*-56*	*149*	*14*
Total other comprehensive income (loss)		***54***	***-295***	***-50***
Total comprehensive income (loss) for the year		**24.180**	**9.442**	**-131**
Attributable to the shareholders of Club Brugge NV		*24.180*	*9.442*	*-131*
Attributable to non-controlling interests		*0*	*0*	*0*

Consolidated statement of profit and loss and other comprehensive income for the year ended

In € '000	Note	30 June 2020	30 June 2019	30 June 2018
Earnings per share				
Basic earnings per share	15.3	7,76	2,99	-0,02
Diluted earnings per share	15.3	7,76	2,99	-0,02

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of changes in Equity for the year ended		Attributable to owners of the parent				
In € '000	**Note**	**Share Capital**	**Share Premium**	**Retained earnings**	**Remeasurement reserve for pensions**	**Total Equity**
Balance at 1 July 2017		**4.039**	**11.208**	**-754**	**-75**	**14.418**
Profit (loss) for the year				-81		-81
Other Comprehensive income (loss) for the year	20.4				-50	-50
Total Comprehensive income (loss) for the year				-81	-50	-131
Transactions with owners of the Company						0
Dividends						0
Total Contributions and distributions						0
Balance at 30 June 2018		**4.039**	**11.208**	**-835**	**-125**	**14.287**
Profit (loss) for the year				9.737		9.737
Other Comprehensive income (loss) for the year	20.4				-295	-295
Total Comprehensive income (loss) for the year				9.737	-295	9.442
Transactions with owners of the Company						0
Dividends						0
Total Contributions and distributions						0
Balance at 30 June 2019		**4.039**	**11.208**	**8.902**	**-420**	**23.729**
Profit (loss) for the year				24.126		24.126
Other Comprehensive income (loss) for the year	20.4				54	54
Total Comprehensive income (loss) for the year				24.126	54	24.180
Transactions with owners of the Company		11.208	-11.208	-1.282		-1.282
Dividends						0

Consolidated statement of changes in Equity for the year ended		Attributable to owners of the parent				
In € '000	**Note**	**Share Capital**	**Share Premium**	**Retained earnings**	**Remeasurement reserve for pensions**	**Total Equity**
Total Contributions and distributions		11.208	-11.208	-1.282	0	-1.282
Balance at 30 June 2020		**15.247**	**0**	**31.746**	**-366**	**46.627**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of cashflows for the year ended				
In € '000	**Note**	**30 June 2020**	**30 June 2019**	**30 June 2018**
Cash flows from operating activities				
Profit (Loss) for the year		24.126	9.737	-81
Adjustments for:				
- Depreciations, amortizations and impairment losses		26.925	18.326	14.972
- Gains on disposal of player registration rights	7.1	-49.061	-11.157	-21.072
- Losses on disposal of player registration rights	7.1	1.111	3.306	2.333
- Pension obligations		-16	-35	-38
- Net finance costs	28	168	143	162
- Income taxes	20.1	10.738	4.532	359
		13.991	24.852	-3.365
Changes in:				
- Inventories		-412	-205	-131
- Trade and other receivables		363	-1.297	-1.035
- Other assets		3	-5	-1
- Trade and other payables		1.588	684	1.818
- Contract liabilities	21	2.535	704	289
- Other liabilities		415	1	-58
Cash generated from operating activities		18.483	24.734	-2483
Interest paid		-506	-24	-27
Income taxes paid		-6.041	-3.960	-65
Net cash from / (used in) operating activities		11.937	20.750	-2.575
Cash flows from investing activities				
Proceeds from sale of player registration rights		31.854	17.735	13.253
Acquisition of player registration rights		-38.005	-25.450	-18.513
Acquisition of other intangible assets	7.2	-213	-102	-106
Acquisition of property, plant and equipment		-7.145	-11.232	-2.066
Interest received		17	17	5
Net cash from / (used in) investing activities		-13.492	-19.032	-7.427
Cash flows from financing activities				
Proceeds from loans and borrowings	16	6.023	8.829	147
Repayment of borrowings	16	-437	-1.038	-1.084
Payment of lease liabilities	17	-4.220	-871	-1.556
Payment of treasury shares	15.1	-309	0	0
Other		-25	-15	0
Net cash from / (used in) financing activities		1.032	6.905	-2.493
Net increase / (decrease) in cash and cash equivalents		-522	8.626	-12.495
Cash and cash equivalents at 1 July	13	8.717	91	12.586
Cash and cash equivalents at 30 June	13	8.195	8.717	91

The accompanying notes form an integral part of these consolidated financial statements.

Notes

1 Reporting entity

Club Brugge NV (the 'Company') is domiciled in Belgium. The Company's registered office is at Herenweg 9, 8300 Knokke-Heist. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the 'Group'). The Company's main activity is the operation of a professional football club. Information about the Group's structure is provided in note 33.

2 Basis of preparation

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs as adopted by the EU or IFRS).

These are the Group's first consolidated financial statements prepared in accordance with IFRS, with an IFRS transition date of 1 July 2017.

The Group has not historically published consolidated financial statements in accordance with its previous GAAP and as a consequence, the reconciliations required by IFRS 1 First-Time Adoption of International Financial Reporting Standards (IFRS 1) are not required and have not been disclosed in these consolidated financial statements. The transitional disclosures regarding mandatory exceptions and optional exemptions as required by IFRS 1 are included in Note 5.

The consolidated financial statements were authorized for issue by the Company's Board of Directors on 15 March 2021.

2.2 Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the following material item in the statement of financial position:

- The net defined benefit asset / liability is measured at the fair value of the plan assets, less the present value of the defined benefit obligation.

2.3 Functional and presentation currency

These consolidated financial statements are presented in thousands of euro ('KEUR') in the tables, which is the Company's functional currency. All amounts have been rounded to the nearest thousand Euro's, unless otherwise indicated. The Euro is the Company's operating and presentation currency.

2.4 Alternative performance measures

In its decision making, the Group uses some alternative performance measures (APMs) that are not defined in IFRS. They are used because they provide information useful to assess the Group's development and performance. These measures should not be viewed in isolation or as an alternative to the measures presented in accordance with IFRS. These APMs may not be comparable to similar measures presented by other companies.

The current APM used by the Group is explained and reconciled below:

- EBITDA = Earnings before interest, tax, depreciation and amortization. The EBITDA-measure is calculated as follows: 'Profit (loss) for the year'+ 'Income taxes' + 'Financial result' + 'Amortization and write-downs of player registration rights' + 'Amortization of other intangible assets and depreciation of property, plant and equipment' + 'Depreciation of right-of-use assets'.

EBITDA reconciliation for the year ended

In € '000	30 June 2020	30 June 2019	30 June 2018
Profit (loss) for the year	**24.126**	**9.737**	**-81**
Income taxes	10.738	4.532	359
Financial result	168	95	49
Amortization and write-downs of player registration rights	19.187	15.424	11.466
Amortization of other intangible assets and depreciation of property, plant and equipment	2.891	1.632	1.722
Depreciation of right-of-use assets	4.228	872	1.560
EBITDA	**61.338**	**32.292**	**15.075**

2.5 Use of estimates and judgments

In preparing these consolidated financial statements, management has made judgments and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

- Note 24.2: Recognition of Media rights revenues – domestic. The media rights revenues – domestic needs to be estimated during interim financial periods as these revenues depend on the final ranking of Club Brugge in the Pro League. Club Brugge estimates the variable consideration in the interim financial statements on the assumption that it will obtain the 2nd place.
- Disposal of player registration rights and timing of recognition of earn-outs and other contingent fees on the disposal of player registration rights. Earn-outs and other contingent fees are recognized when it is highly probable that a significant reversal of the amount of cumulative transfer income recognized will not occur when the uncertainty associated with the variable consideration is resolved. As long as this criterion is not met, earn-outs and other contingent fees are recognized as off-balance sheet items. Due to the Covid-19 pandemic, a number of competitions only ended after 30 June 2020. The milestones related to the result in those competitions were not highly probable as per 30 June 2020 and were therefore only recognized after year-end. Given that the football industry is an inherently unpredictable sector in terms of results, milestones are only recognized when they are mathematically certain.
- Timing of recognition of player registration rights. Player registration rights are recognized as of the moment that there is a binding agreement between all parties (selling club, Club Brugge and player) and all critical conditions are fulfilled.
- Note 29: post-employment benefits. Judgments are made concerning actuarial assumptions which are used in the calculation of the defined benefit obligation.
- Note 9 and 17: Right-of-use assets and lease liabilities. Judgement is made in respect of the lease period, the exercise of the purchase option and the incremental borrowing rate.

Information about assumptions and estimation uncertainties at 30 June 2020 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

– Note 3.8: Impairment testing for player registration rights – determination of “cash generating unit”.

3 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of the consolidated financial statements. These are the Group’s first consolidated financial statements and which are prepared in accordance with IFRS, with an IFRS transition date of 1 July 2017.

The accounting policies set out below have been applied consistently across the Group to all the periods presented in these consolidated financial statements as well as in preparing the opening IFRS statement of financial position as at 1 July 2017 for the purpose of the transition to IFRSs, unless otherwise stated.

3.1 General principles

The Group has adopted IFRS 16 ‘Leases’ as at 30 June 2020, its first annual IFRS reporting date. In accordance with IFRS 1, IFRS 16 has been retrospectively applied in the opening statement of financial position as at 1 July 2017 and in each of the periods presented in these first IFRS financial statements. IFRS 15 ‘Revenue from contracts with customers’ and IFRS 9 ‘Financial instruments’ has also been applied to all periods presented.

3.2 Consolidation

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

Subsidiaries are entities controlled by the Group. The Group ‘controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

The Group has 3 subsidiaries which are fully consolidated. All subsidiaries have been consolidated at the same reporting date of the parent company and incorporated subsidiaries (refer to note 33) have been consolidated as from their incorporation.

3.3 Operating segment

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

– its operating results are reviewed regularly by the entity's chief operating decision-maker to make decisions about resources to be allocated to the segment and to assess its performance;

– discrete financial information is available for the segment.

The Group has not identified any material, distinct business segments within the meaning of this standard. As a result the Group has one reportable segment. All activities and operations of the Group contribute to this segment. Reporting by geographical segment is not relevant to the Group in view of its business as a football club in Belgium.

We review our revenue through three principal sectors — Matchday, Media rights and Commercial revenues. We refer to note 3.20 and note 24 for more information.

3.4 Player registration rights

Player registration rights are recognized at cost in accordance with IAS 38 ("Intangible assets") at the moment that control has been transferred to Club Brugge, which is the moment when a binding agreement is signed and the critical conditions of the purchase agreement have been fulfilled.

The costs include all directly attributable expenses to the transfer and the costs are discounted to take into account payments spread over more than one year. Directly attributable costs may consist of transfer fees for players, termination agreements for incoming staff, key staff compensation fees and the related agents' fees. Variable transfer fees are only recognized as an intangible asset at the moment that the obligating event occurs. Fees paid to players in the context of a transfer are not capitalized, but are treated in accordance with IAS 19 Employee Benefits.

Player registration rights are fully amortized, taking into account no residual value, on a straight-line basis over the period covered by the player's contract. Where a contract is extended at a later date, any costs (mainly agent fees) associated with securing the extension are added to the carrying value of the player registration rights and then amortized over the new contract life. The appropriateness of the useful life is reviewed at the end of each reporting period and adjusted if needed. The initial contract lifetime of the player registration rights varies between 1 and 5 years.

Upon disposal, the player registration rights are derecognized from the statement of financial position. The date of disposal is the date that control transfers to the acquiring club, which is at the moment a binding agreement is signed and the critical conditions of the sale contract have been fulfilled. Gains and losses on disposals are presented on two separate lines in the income statement ('Gains on disposal of player registration rights' or 'Losses on disposal of player registration rights').

When the Group acts as a lessor (for players rented out to other clubs), it determines at lease inception whether the lease is a finance or an operating lease. The Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

For the accounting policy on disposal of player registration rights, we refer to 3.21.

3.5 Other intangible assets

Other intangible assets acquired are recognized as assets, as per IAS 38 ("Intangible assets") if they can be controlled by the enterprise, it is likely that they will generate future economic benefits and when their cost can be reliably determined.

Other intangible assets comprise mostly software and are initially measured at cost. They are subsequently carried at cost less accumulated amortization and any provision for impairment. Amortization is calculated using the straight-line method % to write-down assets to their residual value over the estimated useful lives (3 to 5 years). The appropriateness of the useful life is reviewed at the end of each reporting period and adjusted if appropriate.

3.6 Property, plant & equipment

Items of property, plant and equipment are recognized at cost including capitalized borrowing costs adjusted for accumulated depreciation and any accumulated impairment losses. The cost includes all expenses directly attributable to bringing the asset to the location and condition necessary for its intended use. Costs incurred for routine maintenance and repairs are recognized in the income statement of the year they are incurred. For construction in progress assets, no depreciation is recorded until the asset is placed in service.

Depreciations are recognized in the income statement via the straight-line method over the assets estimated useful lives. Land is not depreciated.

The depreciation rates based on the estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Buildings	3,33%-5%
Equipment and furniture	10%-20%
Vehicles	20%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

3.7 Right-of-use assets and lease liabilities (lease arrangements)

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. Leases within the Group mainly relate to land, vehicles and (IT)-equipment. Player incoming rental agreements (fees paid to clubs for rented players) are also treated as leases under IFRS 16, as the contract conveys the right to control the use of related players for a period of time in exchange for consideration.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

– fixed payments, including in-substance fixed payments;

– 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 under a residual value guarantee; and

– the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including vehicles and IT equipment.

Incoming player rental agreements

The Company elected to treat incoming rental agreements in accordance with IFRS 16 'Leases' and not in accordance with IAS 38 'Intangible assets'. Hence, incoming rented players are included in the right-of-use assets and not in the player registration rights.

3.8 Impairment of assets

An impairment loss is recognized in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use, and is calculated with reference to future discounted cash flows that the asset is expected to generate when considered as part of a cash-generating unit. Assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. If an impairment subsequently reverses, the carrying amount of the asset 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 charge been recognized for the asset in prior years.

The Group will perform an impairment review on (in)tangible assets, including player and key football management staff registration rights, if adverse events indicate that the amortized carrying value of the asset may not be recoverable. While no individual can be separated from the single cash generating unit ("CGU"), being the operations of the Group as a whole, there may be certain circumstances where an individual is taken out of the CGU, when it becomes clear that they will not be able to play in the club's first team again, for example, a player sustaining a career threatening injury. If such circumstances were to arise, the carrying value of the individual would be assessed against the Group's best estimate of the individual's fair value less any costs to sell.

3.9 Receivables on the sale of player registration rights

Receivables due from football clubs relate to the disposal of player registration rights. The receivables on sale of player registration rights are presented within current or non-current assets depending whether the amount will be settled within one year or beyond. Such receivables are stated at their amortized cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. They are recognized on the date of the related transactions.

Subsequent to initial recognition, receivables on sale of player registration rights are measured at amortized cost less impairment. Impairment is measured at an amount equal to 12-month expected credit losses. When determining whether the credit risk has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls, i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive. Expected credit losses are discounted at the effective interest rate of the financial asset. At each reporting date, the Company assesses whether receivables on the sale of player registration rights carried at amortized cost are credit-impaired.

Unless otherwise indicated, the carrying amount approximates the fair value.

3.10 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the first-in, first-out principle (FIFO), and includes all purchase and other costs incurred to bring inventories in the shops in a condition suitable for their sale. If the cost of inventories is higher than the net realizable value, inventories are written down to their net realizable value. The net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

3.11 Trade and other receivables

Trade and other receivables are initially recognized at their fair value. Subsequent to initial recognition, trade and other receivables are measured at amortized cost less impairment.

In accordance with the principles defined in IFRS 9, provisions on trade receivables are recognized to account for expected losses based on the simplified approach (which implies that credit losses are always measured at an amount equal to lifetime expected credit losses) and are determined according to the following model:

- Doubtful accounts, i.e. those with a high risk of nonpayment

  Provisions recognized on a case-by-case basis.

- Customers for which indications of loss in value have been identified (late payments, disputes, etc.)

  Individual provisions if there are payments more than 12 months past due.

- Customers without any indication of a loss in value as of the closing date

  Provisions for expected losses are recognized on a case-by-case basis, taking into account both quantitative and qualitative information about the customer, its rating, etc.

The receivables are derecognized when the contractual rights to the cash flows have expired, or when the rights to receive the contractual cash flows are transferred in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Unless otherwise indicated, the carrying amount approximates the fair value.

3.12 Cash and cash equivalents

Cash and cash equivalents mainly include cash on hand, bank current accounts and demand deposits held at banks.

Cash and cash equivalents are initially recognized at fair value. Subsequent to initial recognition, they are measured at amortized cost.

3.13 Assets held for sale

Player registration rights are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. The management assessment is that all contracting parties must be in agreement and committed to the transfer to justify a classification of a player registration right as an asset held for sale and that there are no more critical external conditions to be met (e.g. obtaining work permit).

Such assets are measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognized in the profit or loss.

Once classified as held-for-sale, the intangible assets are no longer amortized.

3.14 Employee benefits

3.14.1 *Short term obligations*

Liabilities for wages and salaries, including non-monetary benefits and annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as accruals and classified as current liabilities within 'trade and other payables' in the statement of financial position.

Signing-on fees, loyalty fees for players and training staff and performance bonuses are recognized at the moment that conditions are fulfilled and are spread over the service period if future service is a condition precedent in obtaining these fees.

3.14.2 *Post-employment pension obligations*

The company offers post-employment benefits to its employees in the form of defined contribution.

In Belgium, for defined contribution plans, the employer has to guarantee a minimum return on the contributions paid (article 24 of the law of 28 April 2003 on occupational pensions). For plans insured through a branch 21 product, this minimum legal return is set at 3,25% for employer contributions paid before 2016, 3,75% for employee contributions paid before 2016 and 1,75% for all premiums paid as from 1 January 2016. For other plans (insured through a branch 23 product or managed by a pension fund), the minimum return guarantee is 1,75% for all contributions (pre and post 2016).

Hence, for Belgian defined contribution schemes, the Company's obligation is not limited to the payment of fixed contributions into a separate entity, unlike classical defined contribution plans in other countries. Due to the minimum return guarantee borne by the employer, Belgian defined contribution plans are actually considered as defined benefit plans under IAS19.

The calculation of the defined benefit obligation is performed using the projected unit credit method, with no allowance for future premiums. With the application of this method, the current vested reserve is projected until retirement using the minimum legal rate. To obtain the defined benefit obligation, this projected capital is then actualized at calculation date using the discount rate.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other comprehensive income (OCI). The company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense related to defined benefit plans is recognized in the profit or loss.

3.15 Financial liabilities

Loans and borrowings and other financial payables, overdrafts on current accounts, payables on the purchase of player registration rights (see also note 3.16) and trade and other payables are measured at initial recognition at fair value, and afterwards at amortized cost, using the criterion of the effective interest rate as defined by IFRS 9. Financial liabilities are derecognized when the contractual obligations are discharged, cancelled or have expired.

Loans and borrowings are classified as non-current liabilities except when their due date is less than 12 months at the reporting date, in which case they are classified as current liabilities.

Unless otherwise indicated, the carrying amount approximates the fair value.

3.16 Payables on the purchase of player registration rights

Payables due to football clubs relate to the purchase of player registration rights. The payables on sale of player registration rights are presented within current or non-current liabilities depending whether the amount will be settled within one year or beyond. Such payables are stated at their amortised cost using the effective interest method. Interest expense is recognised by applying the effective interest rate, except for short-term payables when the recognition of interest would be immaterial. They are recognised on the date of the related transactions. Variable transfer fees are only recognized at the moment that the obligating event occurs (see also note 3.4).

Unless otherwise indicated, the carrying amount approximates the fair value.

3.17 Translation of foreign currency items

Transactions in foreign currency are recognized in Euro using the applicable exchange rates at the date of the transaction. Foreign exchange gains and losses arising from differences between the cash settlement of transactions and the translation at year-end exchange rates of monetary assets and liabilities expressed in foreign currency, are recognized in the financial result.

3.18 Earnings per share

Earnings per share are calculated by dividing the Company's net income by the weighted average number of shares outstanding during the financial year, excluding any treasury shares held.

3.19 Income taxes

Income taxes comprise current and deferred taxes. They are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or through OCI.

3.19.1 *Current taxes*

Current taxes comprise the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years.

The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current taxes also include any tax arising from dividends. Current tax assets and liabilities are offset only if criteria are met.

3.19.2 *Deferred taxes*

Deferred taxes are recognized with regard to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the carrying amounts used for taxation purposes. Deferred taxes are not recognized for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset only if criteria are met.

3.20 Revenues

Revenues are measured at the fair value of the consideration received or receivable from the Group's principal activities excluding gains from disposals on player registration rights (refer to Note 3.21) which is included within operating income. Value added tax has been excluded from revenues. The Group's principal revenues streams are listed below.

3.20.1 *Matchday revenues*

Matchday revenues are recognized over time based on the number of home matches played throughout the year with revenues from each match (including season ticket allocated amounts) only being recognized when the performance obligation is satisfied i.e. the match has been played.

Matchday revenues include revenues from domestic and European match day activities from Club Brugge home games, together with the Group's share of gate receipts from domestic cup matches played away. As the Group acts as the principal in the sale of match tickets, the share of gate receipts payable to the other participating club and competition organizer for domestic cup matches played at home is treated as an operating expense.

Revenues from ticketing are tied to the football season and are recognized when the games are played. Season tickets sold for the next season are recorded as contract liabilities (prepayments). Other benefits granted linked to the season ticket sales (e.g. priority arrangements next season, UCL games) are not considered as a material right.

Revenues from food, beverage, etc on Matchday are recognized at the point of sale to the customer.

3.20.2 *Media rights revenues*

(i) Domestic media rights revenues

This represents revenues from the Belgian broadcasting contracts, including contracts negotiated centrally by the Pro League.

This category of revenues is linked to the Club's performance in the national competition. The Pro League decides on the allocation key to be used for the distribution of the total media rights revenues available between the participating clubs. This allocation key is known upfront at contract signature. As the Pro League Championship ends before the end of the financial year, all of the criteria for recognition of media rights revenues are known and taken into account for revenue recognition within any given financial year. During the year domestic media rights revenues are recognized over time based on the number of matches played and the estimated ranking at the end of the season.

(ii) *European media rights revenues*

This represents revenues from other broadcasting contracts, including contracts negotiated centrally by UEFA. European media rights revenues are recognized in the Group financial statements based on the Club's participation in a European competition. UEFA sets out the criteria and the allocation key for receiving European media rights, according to the regulations of the UEFA Champions League/EUFA Europa League (www.uefa.com). As the competitions end before the financial year-end, all of the criteria for recognition of UEFA revenues are known and taken into account for revenue recognition within any given financial year. During the year European media rights revenues are recognized over time based on the number of matches played. Variable consideration based on number of points is recognized prospectively over the remaining number of matches as of the moment the variability constraint is fulfilled.

3.20.3 *Commercial revenues*

Commercial revenues comprise revenues from the exploitation of the Club Brugge brand through sponsorship and other commercial agreements and events, Club Brugge branded merchandise and the distribution and sales of such goods.

Revenues are being recognized over the term of the sponsorship agreement in line with the performance obligations included within the contract and based on the sponsorship rights benefited from by the individual sponsor. In instances where the sponsorship rights remain the same over the duration of the contract, revenues are recognized when performance obligations are satisfied evenly over time (i.e. on a straight-line basis). In respect of contracts with multiple performance obligations, the Group allocates the total consideration receivable to each separately identifiable performance obligation based on their relative stand-alone selling prices, and then recognizes the allocated revenues when performance obligations are satisfied (i.e. on a straight-line basis).

Merchandising revenues are recognized when control of the products has transferred, being at the point of sale to the customer.

Events revenues include non-football sport events, conventions, B2B seminars and corporate events, stadium tours, etc. Event revenues are recognized when the services are provided.

3.21 Disposal of player registration rights: gains or losses

The club selling the player registration rights derecognizes the rights initially recognized and amortized as an intangible asset from its statement of financial position.

The date of disposal is the date that control transfers which is at the moment a binding agreement is signed and the critical conditions of the agreement are fulfilled. The consideration received in exchange is measured in accordance with IFRS 15.

Earn-outs and other contingent fees are recognized when it is highly probable that a significant reversal of the amount of cumulative revenues recognized will not occur when the uncertainty associated with the variable consideration is resolved. As long as this criteria is not met, earn-outs and other contingent fees are recognized as off-balance sheet items.

Incremental costs directly linked to the disposal of player registration rights are deducted from the gains (or losses) on disposal of player registration rights (e.g. agent fees).

4 New standards and interpretations not yet adopted

Certain new standards and interpretations have been published that are not yet effective for 30 June 2020 reporting periods and have not been early adopted by the Group. There are no standards that are not yet effective and that would be expected to have a material impact on the Group in the future reporting periods or on foreseeable future transactions. The following elements have not yet been applied:

- IAS 1 Presentation of Financial Statements – Amendments regarding the definition of material;
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Amendments regarding the definition of material;
- Amendments to References to the Conceptual Framework in IFRS Standards (March 2018);
- Definition of a business – Amendments to IFRS 3;
- Interest Rate Benchmark Reform – Amendments to IFRS 9; IAS 39 and IFRS 7;
- Classification of Liabilities as Current or Non-current – Amendments to IAS 1;
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28;
- Rent concessions – Amendments to IFRS 16;
- Proceeds before intended use – Amendments to IAS 16 Property, Plant and Equipment;
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and
- Annual improvements – 2018 – 2020 cycle.

5 First-time adoption IFRS

These are the Company's first consolidated financial statements prepared under IFRS.

The accounting policies set out in note 3 have been consistently applied in preparing the consolidated financial statements for the year ended 30 June 2020, the comparative information presented in these consolidated financial statements for the years ended 30 June 2019 and 30 June 2018 and in the preparation of an opening IFRS statement of financial position as of 1 July 2017 (the Company's date of transition to IFRS).

In preparing its opening IFRS statement of financial position, the Company has not provided any reconciliation to IFRS as required by IFRS 1 as a consequence of adopting IFRS, as these are the Company's first consolidated financial statements presented and the Company has not previously presented any financial statements under Belgian GAAP, as discussed in note 2.1. A quantitative explanation of how conversion to IFRS was performed, was deemed not being a meaningful presentation and consequently no reconciliation to such information has been presented.

Set out below are the applicable mandatory exceptions and exemption elections in IFRS 1 applied in preparing the Company's first financial statements under IFRS:

– Mandatory exceptions

  Estimates made at the date of transition and in the comparative reporting period(s) are consistent with estimates made under previous GAAP, with the exception of the change in useful life for player registration rights upon contract renewal.

The other compulsory exceptions of IFRS 1 have not been applied as these are not relevant to the Company or have not been early adopted:

– Derecognition of financial assets and financial liabilities
– Hedge accounting
– Non-controlling interests
– Classification and measurement of financial assets
– Impairment of financial assets
– Embedded derivatives
– Government loans
– Insurance contracts

The additional optional exemptions from full retrospective application of IFRS were considered by the Company but were not taken, except for the following optional exemption:

– The entity applied the requirements of paragraph B5.1.2.A(b) of IFRS 9 prospectively to transactions entered into on or after the date of transition to IFRSs. This means that financial assets and financial liabilities were not measured at fair value at transition date 1 July 2017.

6 Segment reporting

In accordance with IFRS 8, we report that the Group has one reportable operating segment.

The main activity of Club Brugge NV is the operation of a professional football club. The chief operating decision maker, being the Board of Directors and the Chief Executive Officer, who is responsible for the allocation of resources and assessment of the performance, obtains financial information about the Company as a whole. Reporting by geographical segment is not relevant given the Company's business as a professional football club in Belgium.

We review our revenue through three principal sectors — Matchday, Media rights and Commercial revenues. We refer to note 24 for more information.

Our top five customers represented 59,5%, 61,3% and 35,8% of our total revenues in each of the years ended 30 June 2020, 2019 and 2018, respectively. Our top five customers in the year ended 30 June 2020 were the UEFA, Pro League, Unibet, Macron and Proximus.

Our top customer was the UEFA, who represented 40,7%, 46,0% and 5,3% of our total revenue in each of the years ended 30 June 2020, 2019 and 2018, respectively. Our second largest customer was Pro League, who represented 12,1%, 10,9% and 21,7% of our total revenues in each of the years ended 30 June 2020, 2019 and 2018. No other individual clients had a relative share of total revenues above 10%.

7 Intangible assets

7.1 Player registration rights

Details are as follows:

Player registration rights, net in € '000	Acquisition cost	Accumulated depreciations	Carrying amount
As at 1 July 2017	56.395	19.924	36.471
Additions	26.730	11.466	
Disposals	-16.840	-9.084	
As at 30 June 2018	66.285	22.306	43.979
Additions	19.510	15.424	
Disposals	-22.978	-15.414	
As at 30 June 2019	62.817	22.316	40.501
Additions	37.939	19.187	
Disposals	-19.511	-10.180	
As at 30 June 2020	**81.245**	**31.323**	**49.922**

The additions over the last 3 years are mainly related to the following players and trainers:

- Financial year 2017 – 2018:
  - Decarli Saulo - Braunschweig
  - Diatta Krépin – Sarpsborg 08
  - Groeneveld Arnaut – NEC
  - Letica Karlo – Hajduk Split
  - Mata Clinton – RSC Charleroi
  - Peres Luan – Ituano
  - Rits Mats – KV Mechelen
  - Scholz Alexander – Standard Luik
  - Schrijvers Siebe – KRC Genk
  - Tomecak Ivan – KV Mechelen
  - Wesley Moraes – AS Trencin (additional payment for remaining player registration rights of the former club)
- Financial year 2018 – 2019:
  - Amrabat Sofyan - Feyenoord
  - Kossounou Odilon - Hammarby
  - Mitrovic Matej - Besiktas
  - Rezaei Kaveh – RSC Charleroi
- Financial year 2019 – 2020:

- Badji Youssouph – ASC Casa Sport
- Balanta Eder – FC Basel
- Deli Simon – Slavia Praag
- Krmencik Michael – Viktoria Pilzen
- Mignolet Simon – FC Liverpool
- Okereke David – Spezia Calcio
- Ricca Federico – FC Malaga

The disposals are related to players and/or key technical staff who were sold or for which the contract was terminated.

The players and staff for which gains on disposal of player registration rights were realized amounted to 49,1 mio EUR for the year ended 30 June 2020 compared to 11,2 mio EUR for the year ended 30 June 2019 and to 21,1 mio EUR per 30 June 2018.

The players and staff for which losses on disposal of player registration rights were realized amounted to 1,1 mio EUR for the year ending per 30 June 2020 compared to 3,3 mio EUR per 30 June 2019 and to 2,3 mio EUR per 30 June 2018.

The players and staff who are included in the disposals are:

– Financial year 2017 – 2018:
    - Acolatse Elton – Sint Truiden
    - Butelle Ludovic
    - Castelletto Jean-Charles – Stade Brest 29
    - Claudemir – Al Ahli Saudi Sport Club
    - De Bock Laurens – Leeds United
    - Duarte Oscar – Espanyol Barcelona (milestone payment)
    - Engels Björn – Olympiakos
    - Gano Zinho – Waasland Beveren – KV Oostende (sell-on fee)
    - Izquierdo José - Brighton
    - Mera German – KV Mechelen
    - Palacios Hélibelton – Atl. Nacional
    - Perbet Jéremy – RSC Charleroi
    - Sabala Valerijs – Podbeskidzie
    - Storm Nikola – KV Mechelen
    - Strandberg Carlos – Malmö FF
    - Simons Timmy

- Financial year 2018 – 2019:
  - Brodic Fran – Catania Calcio
  - Coopman Sander – KV Oostende
  - De Kuyffer Rik
  - Decarli Saulo – Vfl Bochum
  - Diaby Abdoulay – Sporting CP
  - Leko Ivan
  - Limbombe Anthony – FC Nantes
  - Pereira Leandro – Matsumoto Yama.
  - Pina Tomas – Alavés
  - Poulain Benoit
  - Refaelov Lior – Royal Antwerp
  - Rotariu Dorin – FC Astana
  - Scholz Alexander – FC Midtylland
  - Storm Nikola – KV Mechelen
  - Tomecak Ivan
  - Van Rhijn Ricardo
- Financial year 2019 – 2020
  - Amrabat Sofyan – Hellas Verona
  - Bolingoli Boli – Rapid Wien (Sell-on fee)
  - Cools Dion – FC Midtjylland
  - Denswil Stefano – FC Bologna (Transfer + milestone payment)
  - Groeneveld Arnaut - AFC Bournemouth
  - Lemoine Gabriel – Girondins de Bordeaux
  - Mc Gree Riley – Adelaide United
  - Moraes Wesley - Aston Villa
  - Nakamba Marvelous – Aston Villa
  - Rotariu Dorin – FC Astana (milestone payment)
  - Strandberg Carlos – Malmö FF (Sell-on fee)
  - Vanlerberghe Jordi – KV Mechelen (Transfer to assets held for sale)
  - Vossen Jelle – SV Zulte Waregem

7.2 Other intangible assets

Other intangible assets in € '000	Acquisition cost	Accumulated depreciations	Carrying amount
As at July 1 2017	**1.015**	**517**	**498**
Additions	107	174	
Disposals	0	0	
As at June 30, 2018	**1.122**	**691**	**431**
Additions	102	79	
Disposals	142	139	
As at June 30, 2019	**1.082**	**631**	**451**
Additions	213	184	
Disposals	464	269	
As at June 30, 2020	**831**	**546**	**285**

Other intangible assets mainly relate to software.

7.3 Impairment testing intangible assets, PPE and ROU-assets

In the financial years 2018, 2019 no impairment losses have been recognized.

From March until June 2020, the Group's operations were affected by the COVID-19 pandemic and the measures taken by the Government to contain it. These measures, which included a lockdown period of three months and 5 home games and 6 away games being cancelled, as well as the uncertainty about the evolution of the COVID-19 pandemic and the measure that might be adopted by authorities in future, have been carefully considered by Management in its assessment of the tangible and intangible fixed assets. Despite the pandemic and related governmental measures Management is convinced that this does not adversely impact the value of the Player registration rights, which is supported by the most recent transfer campaign, where no losses were realized on the sale of player registration rights. Therefore, Management concluded that no impairment losses had to be recognized for the year ending June 2020.

8 Property, plant and equipment

The property, plant and equipment can be split over three main categories: 'Land and buildings', 'Machinery, equipment, office furniture and other tangible fixed assets' and 'Assets under construction'. Property, plant and equipment movements during the financial year were as follows:

Land and buildings In € '000	Acquisition cost	Accumulated depreciations	Carrying amount
As at 1 July 2017	**1.250**	**938**	**312**
Additions	32	4	
Disposals			
Transfers			
As at 30 June 2018	**1.282**	**942**	**340**
Additions	50	15	
Disposals	-67	-45	
Transfers	8.708		
As at 30 June 2019	**9.973**	**912**	**9.061**
Additions	564	267	
Disposals			
Transfers			
As at 30 June 2020	**10.537**	**1.179**	**9.358**

Machinery, equipment, office furniture and other tangible fixed assets In € '000	Acquisition cost	Accumulated depreciations	Carrying amount
As at 1 July 2017	**13.521**	**8.417**	**5.104**
Additions	1.006	1.544	
Disposals	-332	-180	
Transfers	425		
As at 30 June 2018	**14.620**	**9.781**	**4.839**
Additions	2.753	1.538	
Disposals	-2.579	-2.279	
Transfers	5.095		
As at 30 June 2019	**19.889**	**9.040**	**10.849**
Additions	3.304	2.440	
Disposals	-1.551	-1.489	
Transfers			
As at 30 June 2020	**21.642**	**9.991**	**11.651**

Asset under Construction In € '000	Acquisition cost
As at 1 July 2017	**425**
Additions	1.419
Disposals	
Transfers	-425
As at 30 June 2018	**1.419**
Additions	12.384
Disposals	
Transfers	-13.803
As at 30 June 2019	
Additions	826
Disposals	
Transfers	
As at 30 June 2020	**826**

TOTAL Acquisition cost	TOTAL Accumulated depreciations	TOTAL Carrying amount
15.196	**9.355**	**5.841**
2.457	1.548	
-332	-180	
17.321	**10.723**	**6.598**
15.187	1.553	
-2.646	-2.324	
29.862	**9.952**	**19.910**
4.694	2.707	
-1.551	-1.489	
33.005	**11.170**	**21.835**

The total net book value of the property, plant and equipment amounts to 21,8 mio EUR as per 30 June 2020. This is an increase of 1,9 mio EUR compared to 30 June 2019 (19,9 mio EUR) and is mainly the result of 4,7 mio EUR additions and 2,7 mio EUR depreciations. Majority of the additions relate to equipment and furniture for the Belfius Basecamp training center. The construction of the Basecamp started in the second half of 2017 and was then included in assets under construction until construction was completed at the end of June 2019. The total investment for the Belfius Basecamp training center amounted to 15,6 mio EUR. The Basecamp has been pledged as security for an amount of 9,0 mio EUR (mortgage mandate).

Assets under construction contain costs for the development of a new stadium.

9 Right-of-use assets

Right-of-use assets in € '000	Land			Cars			Incoming rental agreements players			Other			Total		
	Acq value	Accum. Depr	Net book value	Acq value	Accum. Depr	Net book value	Acq value	Accum. Depr	Net book value	Acq value	Accum. Depr	Net book value	Acq value	Accum. Depr	Net book value
As at 1 July 2017	**0**	**0**	**0**	**565**	**289**	**276**	**0**	**0**	**0**	**483**	**71**	**412**	**1.048**	**360**	**688**
Additions	900	0		800	772		600	600		115	188		2.415	1.560	
Disposals	0	0		-701	-701		-600	-600		-115	-115		-1.416	-1.416	
As at 30 June 2018	**900**	**0**	**900**	**664**	**360**	**304**	**0**	**0**	**0**	**483**	**144**	**339**	**2.047**	**504**	**1.543**
Additions	0	0		736	783		0	0		18	89		754	872	
Disposals	0	0		-848	-848		0	0		-17	-16		-865	-864	
As at 30 June 2019	**900**	**0**	**900**	**552**	**295**	**257**	**0**	**0**	**0**	**484**	**217**	**267**	**1.936**	**512**	**1.424**
Additions	0	18		663	668		4.450	3.450		19	92		5.132	4.228	
Disposals	0	0		-576	-576		-3.450	-3.450		-19	-19		-4.045	-4.045	
As at 30 June 2020	**900**	**18**	**882**	**639**	**387**	**252**	**1.000**	**0**	**1.000**	**484**	**290**	**194**	**3.023**	**695**	**2.328**

Right-of-use assets relate on the one hand to the land on which the Belfius Basecamp training center is situated. This lease contract is for a period of 50 years and ends per April 2068. At the end of the contract, the Club has the right to prolong the contract for another 49 years, this renewal right was not considered in the determination of the lease term.

On the other hand, there are the incoming rental agreements for players. In the year ending 30 June 2020 the additions relate mainly to the player incoming rental agreements for Diagne and Sobol. For Sobol, the new rental agreement of 1,0 mio EUR for the upcoming season 2020-2021 is outstanding per 30 June 2020.

Information concerning the lease liabilities, directly linked to the right-of-use assets, is included in note 17.

10 Inventories

Inventories in € '000 as at	30 June 2020	30 June 2019	30 June 2018	1 July 2017
Trade goods	752	446	289	261
Allowances for obsolete stock	-320	-106	-77	-100
Inventories	**432**	**340**	**212**	**161**

The inventories represent the merchandising articles in the shop of Club Brugge. These inventories solely comprise goods held for sale. Allowances for obsolete stock mainly relate to merchandising (e.g. football shirts) of prior seasons.

11 Trade and other receivables

Trade and other receivables in € '000 as at	30 June 2020	30 June 2019	30 June 2018	30 June 2017
Trade receivables	2.545	2.822	1.208	1.033
Allowances for doubtful debtors	-25	-173	-173	-188
Prepaid expenses	723	1.209	1.508	587
Other receivables	353	145	163	224
Trade and other receivables	**3.596**	**4.003**	**2.706**	**1.656**

Trade and other receivables do not contain material receivables with a remaining payment term beyond one year. The principle customers within trade receivables are sponsorship receivables.

The prepaid expenses relate to yearly contracts based on the calendar year (and therefore 6 months need to be carried forward to the next financial year) and to costs paid upfront for the next football season.

The ageing of trade receivables at the reporting date was:

Trade receivables - ageing in € '000 as at	30 June 2020	30 June 2019	30 June 2018	30 June 2017
Not past due	1.165	912	302	263
Past due 0 - 30 days	30	230	556	40
Past due 31 - 90 days	314	731	51	304
Past due > 90 days	1.036	949	299	426
Trade receivables	**2.545**	**2.822**	**1.208**	**1.033**

12 Receivables on sale of player registration rights

Receivables on sale of player registration rights in € '000 as at 30 June	30 June 2020	30 June 2019	30 June 2018	1 July 2017
To be received in the year 2023/2024	3.236	0	0	0
To be received in the year 2022/2023	3.226	0	0	0
To be received in the year 2021/2022	11.312	182	0	0
To be received in the year 2020/2021	24.285	1.683	0	0

Receivables on sale of player registration rights in € '000 as at 30 June	30 June 2020	30 June 2019	30 June 2018	1 July 2017
To be received in the year 2019/2020	0	9.958	4.405	30
To be received in the year 2018/2019	0	0	10.271	255
To be received in the year 2017/2018	0	0	0	1.274
Receivables on sale of player registration rights	**42.059**	**11.823**	**14.676**	**1.559**
Non-Current	17.774	1.865	4.405	285
Current	24.285	9.958	10.271	1.274
Receivables on sale of player registration rights	**42.059**	**11.823**	**14.676**	**1.559**

The receivables on sale of player registration rights are related to the outgoing transfers in the current and prior years. The outstanding receivables > 1 year (discounted) are classified as non-current assets. A netting agreement of 1 mio EUR was applicable for the year ending 30 June 2019 and related amount has been set off in the consolidated financial statements.

Per 30 June 2020 the main outstanding receivables on sale of player registration rights were related to:

- Denswil Stefano – FC Bologna
- Groeneveld Arnaut – AFC Bournemouth
- Limbombe Anthony – FC Nantes
- Moraes Wesley - Aston Villa
- Nakamba Marvelous – Aston Villa

Per 30 June 2019:

- Diaby Abdoulay – Sporting CP
- Izquierdo José - Brighton
- Limbombe Anthony – FC Nantes

Per 30 June 2018:

- De Bock Laurens – Leeds United
- Engels Björn – Olympiakos
- Izquierdo José - Brighton

Per 1 July 2017:

- Bolingoli Boli – Rapid Wien
- Bruzzese Sébastien – KV Kortrijk

13 Cash and cash equivalents

Cash and cash equivalents in € '000 as at	30 June 2020	30 June 2019	30 June 2018	1 July 2017
Bank balances	8.186	8.712	78	12.571
Cash in hand	9	5	13	15
Cash & cash Equivalents	**8.195**	**8.717**	**91**	**12.586**

Cash and cash equivalents include cash on hand and in bank balances.

As per 30 June 2020, Krinkels (a contractor of the Belfius Basecamp training center) has implemented a preventive seizure of 1,7 mio EUR of the bank accounts of Club Brugge Oefencentrum NV and Club Brugge Development NV, as result of a dispute concerning 2 final invoices. The Group has protested the amount of the final invoices and appealed against the preventive seizure. Such seizure was subsequently limited to 1,3 mio EUR by a decision of the Court of Appeal of Ghent on 20 October 2020. We refer to note 23.

We refer to the Consolidated Statement of Cash flow for the movement in the cash balances.

14 Assets held for sale

Per 30 June 2020, the player registration rights related to Jordi Vanlerberghe were transferred to assets held for sale as there was a contract agreed with KV Mechelen per 29 June 2020 to transfer the player as of 1 July 2020. A decrease in its carrying value of 75.000 EUR (to 400.000 EUR) was recognized to come to its fair value less cost to sell.

15 Equity

15.1 Share capital, share premium, retained earnings and remeasurement reserve for pensions

Share capital comprises ordinary shares.

The company has been incorporated in 1997 with a capital of 247.894 EUR and 200 shares. The equity has been increased with 15,0 mio EUR (3,059 shares) on 4 December 2012, being 3,8 mio EUR share capital and 11,2 mio EUR share premium. Per 21 October 2019 Club Brugge acquired the 200 remaining shares that Club Brugge Foundation VZW still held in Club Brugge NV for an amount of 1,3 mio EUR, partly paid in cash (308.883 EUR) and partly through an increase of the existing loan for 1,0 mio EUR. These shares were immediately cancelled. As per 25 May 2020, the share capital was increased by incorporating the share premium without the issuance of new shares. This has brought share capital to 15,2 mio EUR (represented by 3,059 shares).

The Company has an authorized capital – as defined under Belgian Company Code laws and mentioned in the bylaws of the Company – for a total amount of 100,0 mio EUR, which was increased to 200,0 mio EUR in October 2019. This authorized capital provides the authority to the Board of Directors to increase the share capital for a period of 5 years.

Retained earnings include a legal reserve of 1.524.789 EUR per 30 June 2020 which is an increase of 1.238.490 EUR compared to 30 June 2019. The legal reserve is not available for distribution and will be increased with 5% of the stand-alone net profit for the year until the moment it reaches the legal limit of 10% of the share capital (1.524.789 EUR). This legal limit was reached at the year ended 30 June 2020. Available reserves amount to 400.000 EUR and have remained unchanged during the last years.

No dividend distributions have taken place over any of the years presented.

15.2 Capital management

The Board of Directors seeks to maintain a balance between the components of the shareholders' equity and the net financial debt. Net financial debt is defined as current and non-current loans and borrowings less cash and cash equivalents. There were no changes in the Group's approach to capital management during the years included in this financial statements.

The Group is not subject to any externally imposed capital requirements, with the exception of the statutory minimum equity funding requirements that apply in Belgium, the Financial fair play rules imposed by the UEFA and the rules imposed by the RBFA ('Royal Belgian Football Association').

We refer to an extensive description of the applicable rules from the RBFA as per "https://www.rbfa.be/nl/competities/bondsreglement". The UEFA's rules can be found as per "https://www. https://www.uefa.com/insideuefa/protecting-the-game/financial-fair-play/".

As mentioned above, 200 treasury shares have been acquired over the reporting period. These were immediately cancelled.

15.3 Earnings per share

The calculation of basic earnings per share at 30 June 2020, 30 June 2019 and 30 June 2018 was based on the profit for the year attributable to the ordinary shareholders and a weighted average number of ordinary shares outstanding of 3.259 calculated for the prior years and 3.109 calculated shares for the year ending per 30 June 2020 (Due to the purchase and cancellation of 200 treasury shares in October 2019, 3.109 shares =3/12*3.259 shares +9/12*3.059 shares) as follows:

The net profit (loss) for the year is fully attributable to the ordinary shareholders.

Earnings per share In € '000	30 June 2020	30 June 2019	30 June 2018
Profit (loss) for the year	24.126	9.737	-81
Weighted average number of shares	3.109	3.259	3.259
Earnings per share	**7,76**	**2,99**	**-0,02**

The outstanding shares at the year-end amount to 3.059 shares.

Diluted earnings per shares are the same as the basic earnings per share (as there are no share options or other dilutive potential ordinary shares).

16 Loans and borrowings

Loans & Borrowings: non-current n € '000 as at	Nominal Interest Rate	Maturity Date	30 June 2020	30 June 2019	30 June 2018	1 July 2017
Loan Club Brugge Foundation vzw	1,00%	30/06/2052	15.000	14.026	14.088	14.148
External Bank Loan (Belfius)	2,06%*	31/03/2040	14.232	8.824		
Investment credit (Belfius)	0,73%,	30/06/2019				604
Other Loans				38	122	356
Loans & Borrowings Non-Current			**29.232**	**22.888**	**14.210**	**15.108**

Loans & Borrowings: current In € '000 as at	Nominal Interest Rate	Maturity Date	30 June 2020	30 June 2019	30 June 2018	1 July 2017
Loan Club Brugge Foundation vzw	1,00%	30/06/2052		200	200	200
External Bank Loan (Belfius)	2,06%*	31/03/2040	616	152		
Investment credit (Belfius)	0,73%	30/06/2019			604	600
Other Loans			38	85	381	284
Loans & Borrowings Current			**654**	**437**	**1.185**	**1.084**

* Weighted average nominal rate (Initial loan 12,5 Mio EUR at 2,19%, additional loan of 2,5 Mio EUR at 1,39%)

Cashflow table loans and borrowings In € '000	30 June 2020	30 June 2019	30 June 2018
Net Movement Current and Non-Current loans and borrowings	6.561	7.930	-797
Capitalizing Interest	-71	-139	-140
Purchase of treasury shares	-904		
Cash flow movement	**5.586**	**7.791**	**-937**
Link with Cash Flow table:			
Proceeds from loans and borrowings	6.023	8.829	147
Repayment of borrowings	-437	-1.038	-1.084
Net movement	**5.586**	**7.791**	**-937**

The Group has an interest-bearing subordinated loan from the Club Brugge Foundation VZW. This loan relates back to the original acquisition of football activities by Club Brugge NV from Club Brugge Foundation VZW (former Club Brugge VZW) in 2012. According to the terms of the agreement, the loan is repayable over 10 years, with possibility to extend by another 10 years (till 30 June 2032). The interest on the loan is capitalized in the years 2019, 2018 and 2017 as shown above. Per 21 October 2019 Club Brugge acquired the 200 remaining shares that Club Brugge Foundation VZW still held in Club Brugge NV for an amount of 1,3 mio EUR, partly paid in cash (308.883 EUR) and partly through an increase of the existing loan for 903.896 EUR. Furthermore, as from fiscal year 2019 – 2020, the loan with Club Brugge Foundation VZW is considered a bullet loan, where only interests will be paid which will no longer be capitalized. At last, the term of the loan was extended to 30 June 2052, with an extension option for an additional period of 30 years at the same conditions. Summarized, per 30 June 2020 there is a bullet loan with Club Brugge Foundation VZW of 15 mio EUR.

During the fiscal year 2017 – 2018 the Group entered into an arrangement to build a training center in Knokke-Heist, Belgium. On 4 April 2018 Club Brugge Development NV – as project coordinator of the Basecamp building project – entered into a short term financing facility with Belfius bank for 12 months for a total amount of 12,5 mio EUR. Also on 4 April 2018, Club Brugge Oefencentrum NV – as project manager of the Basecamp project – entered into a long term (20 years) credit facility with Belfius Bank NV for an amount of 12,5 mio EUR at a fixed interest rate of 2,19% per annum. On 13 June 2019, the short term loan and the long term loan were increased by 2,5 mio EUR to 15,0 mio EUR in total and the short term loan was extended with one year. The increased loan of 2,5 mio EUR is at a fixed interest rate of 1,39% per annum). On the completion date of Basecamp by the project coordinator, Club Brugge Development NV transferred the asset to Club Brugge Oefencentrum NV, and the short term financing as described above was repaid and replaced with the long term credit facility of 15 mio EUR. The long term credit facility will be repaid at each quarter end over a 20 year period.

The below table includes the contractual maturities (repayment of loans and interests) from loans and borrowings:

In €'000		30 June 2020	30 June 2019	30 June 2018	1 July 2017
Loan Club Brugge Foundation vzw	< 1 year	150	200	200	200
	1-5 years	600	14.451	14.656	14.860
	>5 years	19.050	0	0	0

External Bank Loan	< 1 year	917	349	0	0
	1-5 years	3.668	3.614	0	0
	>5 years	13.524	6.272	0	0
Investment credit Belfius	< 1 year	0	0	608	604
	1-5 years	0	0	0	608
	>5 years	0	0	0	0
Other Loans	< 1 year	38	87	389	290
	1-5 years	0	38	124	363
	>5 years	0	0	0	0

17 Lease liabilities

Lease liabilities in € '000	Land	Cars	Incoming rental players	Other	Total	Short term	Long term
As at 1 July 2017	**0**	**275**	**0**	**419**	**694**	**345**	**349**
Additions	900	800	600	115	2.415		
Repayments		-772	-600	-184	-1.556		
As at 30 June 2018	**900**	**303**		**350**	**1.553**	**375**	**1.178**
Additions		736		18	754		
Repayments		-782		-89	-871		
As at 30 June 2019	**900**	**257**	**0**	**279**	**1.436**	**341**	**1.095**
Additions		663	4.450	19	5.132		
Repayments	-11	-668	-3.450	-93	-4.222		
As at 30 June 2020	**889**	**252**	**1.000**	**205**	**2.346**	**1.337**	**1.009**

Lease liabilities are payable as follows:

Lease liabilities In € '000 as at	Future minimum payments	Interest	Present value of minimum payments	Future minimum payments	Interest	Present value of minimum payments	Future minimum payments	Interest	Present value of minimum payments	Future minimum payments	Interest	Present value of minimum payments
	30 June 2020	2020	30 June 2020	30 June 2019	30 June 2019	30 June 2019	30 June 2018	30 June 2018	30 June 2018	1 July 2017	1 July 2017	1 July 2017
Less than one year	1.360	23	1.337	365	24	341	412	26	386	355	10	345
Between one and five years	279	90	189	358	96	262	437	103	334	373	24	349
More than five years	1.230	410	820	1.260	428	832	1.260	427	833	0	0	0
Total Leasing	**2.869**	**523**	**2.346**	**1.983**	**548**	**1.435**	**2.109**	**556**	**1.553**	**728**	**34**	**694**

18 Trade and other payables

Trade and other payables In € '000 as at	30 June 2020	30 June 2019	30 June 2018	1 July 2017
Trade payables	5.931	8.712	2.017	1.457
VAT payables			636	567
Payroll related payables	3.568	1.646	3.077	1.502
Accrued expenses	22	26	23	9
Trade and other payables	**9.521**	**10.384**	**5.753**	**3.535**

Trade payables amount to 5,9 mio EUR at 30 June 2020. The decrease compared to the previous year mainly relates to outstanding invoices for the completion of the Belfius Basecamp training center as per 30 June 2019. Refer to note 8 on Property, Plant & Equipment.

The "Payroll related payables" include accruals for holiday pay and year-end bonuses for employees, and remained relatively stable. The swings in "payroll related payables" over the total period is mainly triggered by movements in "group insurance premium". The unpaid group insurance premium payables correlate with the number of players at year end, but also depend on the other variable parameters that only crystallize just before 30 June of each period, such as final placement in the Belgian Pro League, number of points earned, number of goals per player and total number of matches played.

19 Payables on purchase of player registration rights

Payables on purchase of player registration rights in € '000 as at	30 June 2020	30 June 2019	30 June 2018	1 July 2017
To be paid in the year 2023/2024	549			
To be paid in the year 2022/2023	549			
To be paid in the year 2021/2022	1.853	1.000		
To be paid in the year 2020/2021	20.986	3.983	200	200
To be paid in the year 2019/2020		14.155	6.628	200
To be paid in the year 2018/2019			18.794	5.101
To be paid in the year 2017/2018				12.030
Player registration payables	**23.937**	**19.138**	**25.622**	**17.531**
Non-Current	2.951	4.983	6.828	5.501
Current	20.986	14.155	18.794	12.030
Player registration payables	**23.937**	**19.138**	**25.622**	**17.531**

The payables on purchase of player registration rights are related to the incoming transfers in the current and prior years. The outstanding payables > 1 year are classified as non-current liabilities.

Per 30 June 2020 the main outstanding payables on purchase of player registration rights were related to:

- Balanta Eder – FC Basel
- Kossounou Odilon - Hammarby
- Krmencik Michael – Viktoria Pilzen

- Mignolet Simon – FC Liverpool
- Okereke David – Spezia Calcio
- Rezaei Kaveh – RSC Charleroi

Per 30 June 2019:

- Amrabat Sofyan- Feyenoord Rotterdam
- Kossounou Odilon - Hammarby
- Letica Karlo – Hajduk Split
- Mata Clinton – RSC Charleroi
- Peres Luan – Ituano
- Rezaei Kaveh – RSC Charleroi
- Rits Mats – KV Mechelen
- Schrijvers Siebe – KRC Genk

Per 30 June 2018:

- Decarli Saulo - Braunschweig
- Diatta Krépin – Sarpsborg 08
- Groeneveld Arnaut – NEC
- Letica Karlo – Hajduk Split
- Mata Clinton – RSC Charleroi
- Masovic Erhan – Cukaricki
- Moraes Wesley - AS Trencin
- Nakamba Marvelous – Vitesse
- Peres Luan – Ituano
- Rits Mats – KV Mechelen
- Scholz Alexander – Standard Luik
- Schrijvers Siebe – KRC Genk
- Tomecak Ivan – KV Mechelen

Per 1 July 2017:

- Dennis Emmanuel – Zorya Luhansk
- Horvath Ethan – Molde FK
- Leko Ivan - Sint Truiden
- Masovic Erhan – Cukaricki

- Mera German – Deportivo Cali
- Nakamba Marvelous – Vitesse
- Palacios Helibelton – Deportivo Cali
- Perbet Jeremy – AA Gent
- Pina Tomas – FC Villareal
- Vanaken Hans - KSC Lokeren
- Vanlerberghe Jordi – KV Mechelen

20 Income taxes

20.1 Amount recognized in profit and loss

Current tax expense In € '000 for the year ended 30 June	30 June 2020	30 June 2019	30 June 2018
Current Period	-10.996	-3.555	-454
Adjustments for prior periods	-11	-3	-60
Foreign tax expenses	0	0	-3
Current tax expense	**-11.007**	**-3.558**	**-517**

Deferred tax expense In € '000 for the year ended 30 June	30 June 2020	30 June 2019	30 June 2018
Originating and reversal of temporary differences	269	-983	83
Reduction in Tax rate	0	9	75
Deferred tax expense	**269**	**-974**	**158**
Income tax expense from continuing operations	**-10.738**	**-4.532**	**-359**

20.2 Current taxes

The increasing trend in current taxes can be explained by the increasing taxable profit over the last years.

The current tax liability amounts to 5,0 mio EUR per 30 June 2020, 50.000 EUR per 30 June 2019 and 452.000 EUR per 30 June 2018. This represents the current tax expense of the year adjusted for prepayments made.

20.3 Deferred taxes

We refer to note 20.6 Movement in deferred tax balances for the originating and reversal of the temporary differences.

Reduction in tax rate: On 22 December 2017 a new corporate tax law was enacted in Belgium. Consequently:

– New tax law: the tax rate in Belgium has been reduced from 33,99 % (30 June 2018) to 29,58 % (30 June 2019 and 30 June 2020).

  For the year ending 30 June 2021, the tax rate in Belgium will be further reduced from 29,58 % to 25,00 %.

– Impact for the year ending June 2018: This change resulted in a gain of 73.818 EUR related to the remeasurement of deferred tax assets and liabilities of the Group at the end of 30 June 2018.

– For the year ending 30 June 2019:

  - A tax rate of 29,58 % has still been used for the amortization on the useful life players which will reverse before 30 June 2020.

  - For the other temporary difference which will reverse after 30 June 2020 a tax rate of 25,00 % has been used. This change resulted in a gain of 27.223 EUR related to the remeasurement of deferred tax assets and liabilities of the Group at the end of 30 June 2019.

– For the year ending 30 June 2020

  - A tax rate of 25% has been used for the measurement of the temporary differences.

20.4 Amounts recognized in Other comprehensive income (OCI)

The income tax recognized in other comprehensive income is linked to the defined benefit plan actuarial gains or losses.

Defined Benefit Plan actuarial gains/losses In € '000 for the year ended 30 June	30 June 2020	30 June 2019	30 June 2018
Amount before tax	-110	444	64
Tax (expense) benefit	56	-149	-14
Net of Tax	-54	295	50

20.5 Reconciliation of effective tax rate

In € ' 000 for the year ended 30 June	30 June 2020 in %	30 June 2020 € '000	30 June 2019 in %	30 June 2019 € '000	30 June 2018 in %	30 June 2018 € '000
Profit (loss) for the year		24.126		9.737		-81
Total income tax expenses		-10.738		-4.532		-359
Profit excluding taxes		**34.865**		**14.269**		**278**
Tax Rate	29,58%	-10.313	29,58%	-4.221	33,99%	-94
Reduction in tax rate		156		9		87
Non-deductible expenses		-244		-256		-290
Notional interest deduction		5		2		9
Under (over) provided in prior periods		-11		-2		-60
Current year losses for which no deferred tax asset was recognised (Subs)		-62		-21		-8
Insufficient prepayments		-269		-43		
Foreign Tax						-3
	-30,80%	-10.738	31,76%	-4.532	129,31%	-359

20.6 Movement in deferred tax balances

The tables below show an overview of the temporary differences between the IFRS and tax-balances:

In €' 000	30 June 2020	30 June 2019	Movement	Deferred Taxes
				25,00%
Statement of financial position Temporary difference				
Player registration rights, net	5.998	10.009	-4.012	1.003
Receivables on sale of player registrations	0	-1.000	1.000	-250
Payables on purchase of player registration rights	-2.088	-5.480	3.393	-848
Other temporary differences	-24	583	-607	152
Impact change of tax rate				156
Impact on Statement of financial position	**3.886**	**4.112**	**-226**	**213**
Deferred taxes				
Deferred tax liabilities	-971	-1.189	218	
Subtotal deferred taxes	**-971**	**-1.189**	**218**	
Total impact on Statement of financial position	**2.915**	**2.923**	**-8**	**213**
Deferred taxes in total comprehensive income				
Deferred taxes in income statement	269			
Deferred taxes in OCI	-56			
Total impact on the Comprehensive income	**213**			

In € '000	30 June 2019	30 June 2018	Movement	Deferred Taxes
				29,58%
Statement of financial position Temporary difference				
Player registration rights, net	10.009	18.366	-8.357	2.472
Receivables on sale of player registrations	-1.000	908	-1.908	564
Payables on purchase of player registration rights	-5.480	-17.303	11.823	-3.497
Other temporary differences	583	-739	1.322	-391
Impact change of tax rate				27
Impact on statement of financial position	**4.112**	**1.232**	**2.880**	**-825**
Deferred taxes				
Deferred tax liabilities	-1.189	-364	-825	
Subtotal deferred taxes	**-1.189**	**-364**	**-825**	
Total impact on Statement of financial position	**2.923**	**868**	**2.055**	**-825**
Deferred taxes in total comprehensive income				
Deferred taxes in income statement	-974			
Deferred taxes in OCI	149			
Total impact on the Comprehensive income	**-825**			

In € '000	30 June 2018	30 June 2017	Movement	Deferred Taxes
				29,58%
Statement of financial position Temporary difference				
Player registration rights, net	18.366	14.030	4.336	-1.283
Receivables on sale of player registrations	908	0	908	-268
Payables on purchase of player registration rights	-17.303	-12.788	-4.516	1.336
Other temporary differences	-739	335	-1.073	317
Impact change of tax rate				70
Impact on statement of financial position	**1.232**	**1.577**	**-345**	**172**
Deferred taxes				
Deferred tax liabilities	-364	-536	172	
Subtotal deferred taxes	**-364**	**-536**	**172**	
Total impact on Statement of financial position	**868**	**1.041**	**-173**	**172**
Deferred taxes in total comprehensive income				
Deferred taxes in income statement	158			
Deferred taxes in OCI	14			
Total impact on the Comprehensive income	**172**			

21 Contract liabilities

Contract liabilities (prepayments) amounted to 9,9 mio EUR on 30 June 2020, 7,4 mio EUR on 30 June 2019, 6,7 mio EUR on 30 June 2018 and 6,4 mio EUR on 1 July 2017. Contract liabilities relate to advance payments of Matchday and commercial revenues, e.g prepaid season tickets, and are typically received for a major part of the revenues prior to the start of next year's competition, at the outset of the football season.

Given the nature of the contract liabilities, these are fully recognized as revenue in the next financial year when the related performance obligations are satisfied.

The increase as per 30 June 2020 compared to prior years is due to the Covid-19 pandemic which resulted in the postponement of performance obligations.

22 Other current liabilities

The other current liabilities mainly relate to the outstanding credit on cashless payments cards for fans. Normally, these credits are not transferrable over the season, but due to the Covid-19 pandemic 5 matches were not played and decision was taken to transfer these credits to the season 2020/2021.

23 Provisions, contingent liabilities

No provisions are recognized for the years ending per 30 June 2020, 2019 and 2018. There are 2 identified material litigations as per year-end 30 June 2020:

– Krinkels NV, a contractor with whom Club Brugge Development has entered into a construction agreement relating to the construction of the outdoor areas of Belfius Basecamp (including the option for Club Brugge Development to assign the project, including any and all rights and obligations, to Club Brugge Oefencentrum), has initiated a claim against Club Brugge Development and Club Brugge Oefencentrum in relation to the payment of Krinkels NV's invoices for a principal amount of 2,9 mio EUR (of which 2,1 mio EUR recognized in trade and other payables per 30 June 2019 and 30 June 2020), to be increased with compensation for damages, provisionally estimated at approximately 820.000 EUR. Club Brugge Development and Club Brugge Oefencentrum dispute such claim on the basis of an alleged faulty execution of the construction agreement. Krinkels NV has seized Club Brugge Development's and Club Brugge Oefencentrum's bank accounts at Belfius Bank NV for said principal amount of 2,9 mio EUR (only the amounts that were on these bank accounts on the date of the seizure (i.e. May 2020), i.e. for Club Brugge Oefencentrum: 60.056 EUR and for Club Brugge Development: 1,6 mio EUR are effectively blocked). Such seizure was subsequently limited to 1,3 mio EUR by a decision of the Court of Appeal of Ghent on 20 October 2020. With regard to the proceedings on the merits of the case, Club Brugge Oefencentrum has, by way of an interlocutory judgement by the Court of Appeal of Ghent, been sentenced to pay a provisional amount of 0,5 mio EUR, which was paid on 20 June 2020. A mediation between Krinkels NV and Club Brugge Oefencentrum and Club Brugge Development was not successful. Both parties have the opportunity to share its opinions on the merits of the case and the case will be treated by the Enterprise Court of Bruges on the hearing of 10 June 2021.

– Pro Athlete BV, an agent providing assistance services (legal assistance, tax assistance, administrative assistance, sporting and psychological assistance) relating to a former player of the Company, i.e., Arnout Groeneveld, has initiated a claim against Club Brugge in relation to the payment of a commission of 112.500 EUR and a success fee of 775.000 EUR as compensation for the intermediary services provided by Pro Athlete BV with respect to the transfer of Arnout Groeneveld by Club Brugge to AFC Bournemouth Limited. Club Brugge disputes such claim on the basis that (i) the payment of the commission was claimed after expiry of the assistance agreement with Pro Athlete BV and is therefore not due; and (ii) the success fee is not due as the agent was not involved at all in arranging the transfer. Both parties have the opportunity to share its opinions on the merits of the case and the case will be treated by the Enterprise Court of Bruges on the hearing of 7 September 2021. We consider the likelihood of outflow of resources to be less than 50%.

24 Revenues

Revenues In € '000 for the year ended	**30 June 2020**	**30 June 2019**	**30 June 2018**
Matchday revenues	17.997	17.731	13.584
Media rights revenues	36.410	39.498	8.953
Domestic	*8.064*	*7.307*	*7.273*
European	*28.346*	*32.191*	*1.680*
Commercial revenues	13.455	11.643	11.042
Other revenues	2.502	1.448	2.279
Total	**70.364**	**70.320**	**35.858**

Most of the Company's key revenue streams are directly and indirectly impacted by the on field performance of the Company's team and the ability to maintain and develop its fan base.

The table below sets forth the Company's sporting results for the seasons indicated:

Position achieved	**2019/2020**	**2018/2019**	**2017/2018**
Belgian Championship	1st place	2nd place	1st place
Belgian Cup	Final*	1/16 final	1/2 final

Champions League	Group stage	Group stage	3rd qualifying round
Europa League	Round of 32	Round of 32	Play-off round

* The Belgian Cup final only took place after year-end, on 1 August 2020.

The first place in the Belgian Championship in 2019/2020 results in the participation in the Group stage of the UEFA Champions League in season 2020/2021.

The number of home games played by the Group in each season has an impact on Matchday revenues and Commercial revenues, including revenues from merchandising, food and beverage and hospitality. A higher number of home games results in higher Matchday and Commercial revenue, including revenue from merchandising, food and beverage and hospitality. The table below sets forth a detailed breakdown of home and away games played by Club Brugge in both domestic and international competitions, for the periods indicated:

No. of games played	Year ended 30 June		
	2020	2019	2018
Jupiler Pro League			
Home games	15	20	20
Away games	14	20	20
Croky Cup (incl. Super Cup if applicable)			
Home games	1	0	2
Away games	4	1	3
European competitions*			
Home games	6	4	2
Away games	6	4	2
Total games played			
Total home games	*22*	*24*	*24*
Total away games	*24*	*25*	*25*

* *Champions League and Europa League*

24.1 Matchday revenues

Matchday revenues consist mainly of revenues from season and day tickets, memberships, revenues from food and beverage as well as VIP and corporate hospitality.

Matchday revenues increased by 266.067 EUR, to 18,0 mio EUR for the year ended 30 June 2020 from 17,7 mio EUR for the year ended 30 June 2019, which was an increase of 4,1 mio EUR from 13,6 mio EUR for the year ended 30 June 2018.

Matchday revenues are highly correlated with the number of home games played in any given period. For a detailed breakdown of the games played by Club Brugge in both domestic and European competitions in the periods under review, please refer to the table included above.

The increase in revenues from the year ended 30 June 2019 to the year ended 30 June 2020 and the increase from the year ended 30 June 2018 to the year ended 30 June 2019 were primarily driven by Club Brugge's performance and participation in UEFA Championships. While Club Brugge's performance in the domestic Championship from the year ended 30 June 2018 (2017/2018 season) to the year ended 30 June 2020 (2019/2020 season) was very consistent, its performance in the European UEFA Championships varied between the three seasons. In the domestic Championship, Club Brugge obtained the first place in the 2017/2018 season, the second place in the 2018/2019 season and again the first place in the 2019/2020 season. These results led to a near sold-out stadium in all three seasons, resulting in stable food and beverage sales and stable levels of revenues from VIP and corporate hospitality. Conversely, while Club Brugge qualified for the Champions League and subsequently the Europa League (Round of 32) in the 2018/2019 and 2019/2020 seasons, in the 2017/2018 season it only played in the UEFA Champions League qualification rounds but was not able to qualify to any UEFA Championships, which resulted in lower revenues in the year ended 30 June 2018.

The second half of the 2019/2020 season was highly impacted due to the Covid-19 pandemic which resulted in the termination of the Belgian Championship after 29 match days, compared to 40 match days in a regular season. However, impact on Matchday revenues was limited because no material refund to the season ticket holders was given for the missed home games (5 in total) (refer to note 21).

24.2 Media rights revenues

In € '000	30 June 2020	30 June 2019	30 June 2018
Media rights revenues - Domestic	8.064	7.307	7.273
Media rights revenues - European	28.346	32.191	1.680

The Company generates media revenues from both domestic and international broadcasting agreements negotiated between the Pro League and one or more selected media broadcasters, and between UEFA and its main sponsors and media broadcasting provider, respectively. Under these agreements, media broadcasters pay media rights to the Pro League and UEFA which, in turn, pay the relevant media rights portion to the Company directly, based on a separately defined division key. The Company refers to revenues generated from domestic agreements with the Pro League and from international agreements with UEFA as "media rights revenues - domestic" and " media rights revenues - European", respectively. Domestic and European media revenues are recorded cumulatively under "media rights revenues".

A significant portion of media revenues is derived from the Pro League’s broadcasting rights for the Belgian Championship matches. The Belgian Championship's rights for the 2017/2018, 2018/2019, and 2019/2020 seasons were sold to broadcaster MP & Silva for a minimum aggregate amount of approximately 80 mio EUR per annum, split among member-clubs in accordance with an agreed division key.

The Company generated domestic media revenues of 8,1 mio EUR, 7,3 mio EUR and 7,3 mio EUR for each of the financial years ended 30 June 2020, 2019 and 2018 respectively.

Domestic media rights are distributed to clubs participating in the Belgian Championship on the basis of a division key including various parameters approved by the board of directors of the Pro League. According to the applicable parameters, teams that qualify for the group phase of the Champions League must donate a portion of the media rights payments received in the relevant season to the other clubs that participated in the Belgian Championship (a so called "solidarity payment"), in light of the high fees generated by the qualification to the Champions League, which more than offsets the amount of the "solidarity payment". In the 2017/2018 and 2019/2020 seasons, the Company obtained the first place in the Belgian Championship and, as a result, incurred a "solidarity payment" of 1,4 mio EUR.

The increase in Media rights revenues – Domestic as per 30 June 2020 compared to the prior seasons is mainly the result of a better result in the parameters of the division key. Further there was also an increase in the aggregate amount divided between the Pro League clubs of 2,0% compared to 30 June 2019 and 2,7% compared to 30 June 2018.

At the end of each financial year all information is present to determine what amount of media rights revenues - domestic is to be recognized. For interim financial statements, when final ranking is uncertain, the Company recognizes their media rights revenues taking the assumption that 2nd place in the Belgian Championship will be obtained.

For media rights revenues – European no such estimation needs to be made per interim financial statements, given that all information is available and hence, there is no estimation uncertainty.

The media rights revenues – European decreased by 3,8 mio EUR compared to the season 2018/2019 mainly because less points were gained in the Group phase of the UEFA Champions League (3 points in season 2019/2020 versus 6 points in season 2018/2019).

24.3 Commercial revenues

Commercial revenues consist of revenues generated from the exploitation of the brand "Club Brugge" through sponsorship and other commercial agreements and events, Club Brugge branded merchandise and distribution and sales of such goods.

The Company generates commercial revenues from certain sponsorship and advertising contracts with leading international and domestic companies. These relationships are the primary method by which the Company monetizes the value of the Company's brand and its community of supporters, and therefore have a significant impact on the Company's total revenues.

The Company also generates revenue from advertising, e.g. led boarding at the stadium, as well as from merchandising of branded goods which, historically, have been sold primarily through the physical store at the Jan Breydel Stadium, and now are also being sold increasingly through the Company's web shop.

Commercial revenues increased by 1,8 mio EUR, to 13,5 mio EUR for the year ended 30 June 2020 from 11,6 mio EUR for the year ended 30 June 2019, which was an increase of 601.432 EUR from 11,0 mio EUR in the year ended 30 June 2018.

The increase from the year ended 30 June 2019 to 30 June 2020 was primarily due to increase in sponsorship revenues due to the change in the main shirt sponsor.

The increase from the year ended 30 June 2018 to the year ended 30 June 2019 was primarily due to the increase in sponsorship revenues reflecting the addition of a new shirt sponsor.

24.4 Other revenues

Other revenues are mainly comprised of the share in common costs paid by Cercle Brugge for its use of the Jan Breydel stadium, compensations received for players playing international matches for their national teams and amounts received for players rented out to other clubs. Rent income from players rented out to other clubs amounted to 1,3 mio EUR for the year ended 30 June 2020, 590.782 EUR for the year ended 30 June 2019 and 1,5 mio EUR for the year ended 30 June 2018.

Other revenues increased by 1,1 mio EUR, to 2,5 mio EUR for the year ended 30 June 2020 from 1,4 mio EUR for the year ended 30 June 2019, which was a decrease of 830.255 EUR from 2,3 mio EUR for the year ended 30 June 2018.

The increase in other revenues for the year ended 30 June 2020 was mainly due to an increase in the amounts received for players rented out to other clubs.

25 Other operating income

Other operating income In € '000 for the year ended	30 June 2020	30 June 2019	30 June 2018
Membership contribution	75	54	57
Gifts	72	30	104
Others	39	140	347
Other operating income	**186**	**224**	**508**

26 Other operating expenses

Other operating expenses In € '000 for the year ended	30 June 2020	30 June 2019	30 June 2018
General administration	5.040	4.339	1.879
Rent and other services	1.487	1.425	1.216
Organization, equipment and security	5.465	4.162	3.679
Travelling expenses	2.027	1.858	1.671
Utilities, Maintenance and Repair	2.422	1.530	1.310
Hotel, restaurant and reception	695	1.079	846
Consulting and other advisory expenses	3.832	5.267	3.115
Interim	87	50	42
Other taxes	788	763	589
Other operating expenses	**21.843**	**20.473**	**14.347**

Other operating expenses increased by 1,3 mio EUR to 21,8 mio EUR for the year ended 30 June 2020 from 20,5 mio EUR for the year ended 30 June 2019, which was an increase of 6,2 mio EUR from 14,3 mio EUR the year ended 30 June 2018.

The increase in other operating expenses from the year ended 30 June 2019 to the year ended 30 June 2020 was primarily triggered by increased organization, equipment and security costs and higher utilities, maintenance and repair costs.

The increase in other operating expenses from the year ended 30 June 2018 to the year ended 30 June 2019 primarily reflected higher expenses for agents and advisors, including a one-off payment of 1,9 mio EUR relating to historical expenses incurred by the Club in financial years prior to 2018/19. These expenses were originally born by the shareholders who were reimbursed by the Club during the course of 2018/19. These expenses relate to travel, representation and consultancy work undertaken for the Club. The consultancy relates principally to the evaluation of strategic investment opportunities and the new stadium project.

27 Player wages and technical staff costs

Player wages and technical staff costs In € '000 for the year ended	30 June 2020	30 June 2019	30 June 2018
Player and technical staff wages	34.543	24.849	24.041
Social security charges	925	625	674
Defined benefit Cost	4.732	3.622	3.900
Other expenses	374	97	62
Reduction on personnel taxes	-12.952	-9.557	-8.895
Player wages and technical staff costs	**27.622**	**19.636**	**19.782**

Player wages and technical staff costs increased by 8,0 mio EUR and amount to 27,6 mio EUR for the year ended 30 June 2020 and 19,6 mio EUR for the year ended 30 June 2019, which was a decrease of 145.861 EUR from 19,8 mio EUR for the year ended 30 June 2018.

The increase in total player wages and technical staff costs from the year ended 30 June 2019 to the year ended 30 June 2020 was primarily explained by higher bonuses due to the strong results of the Club in the season 2019/2020. In the first half of the year Club Brugge qualified for the UEFA Champions League group phase, while in the second half of the year Club Brugge won the Belgian Championship.

The player wages and technical staff costs from the year ended 30 June 2018 to the year ended 30 June 2019 remained relatively stable and the evolution resulted from the increase in fixed salaries due to various contract renewals and new players coming on-board, fully offset by the absence of player bonuses in the same period due to the fact that the team did not obtain the first place in the Belgian Championship in the 2018/2019 season.

Reduction on personnel taxes

Belgian clubs (employers) can benefit from an 80% withholding tax exemption on the wage tax withheld on player's salaries. This entails that under certain conditions, 80% of the wage tax withheld on player's salaries is not to be transferred to the authorities.

This exemption is granted to the clubs in relation to salaries paid to:

- players below the age of 26 on January 1st of the year following the year during which the exemption is claimed;
- other players (i.e. players over 26 years old), under the conditions that:
    - 50% of the exempt amount is invested by the club (employer) in the education of U23 players (players between 12 and 23) - Amounts spent on the training of young sportsmen (< 23 y) include (1) the remunerations paid to those young sportsmen themselves, but also (2) the remunerations paid to their trainers, supervisors and support staff, with the exclusion of referees
    - U23 player's salaries only qualify as investment within a cap of 8 times the minimum wage;
    - Investment is to be made by the end of the calendar year following the year during which exemption was enjoyed.

– Sanction in case the conditions are not fulfilled: withdrawal of the exemption + default interest

28 Other personnel

Other personnel costs **In € '000 for the year ended**	**30 June 2020**	**30 June 2019**	**30 June 2018**
Other personnel wages	3.851	3.122	2.906
Social security charges	1.045	815	857
Defined benefit Cost	155	133	123
Other expenses	506	362	460
Other personnel costs	**5.557**	**4.432**	**4.346**

Other personnel increased to 5,6 mio EUR for the year ended 30 June 2020 from 4,4 mio EUR for the year ended 30 June 2019, which was an increase of 86.073 EUR, from 4,3 mio EUR for the year ended 30 June 2018.

This increase can be explained by an increase in FTEs and a higher amount of bonuses paid out.

29 Post-employment benefits

Employee benefits **in € '000 for the year ended**	**30 June 2020**	**30 June 2019**	**30 June 2018**	**1 July 2017**
Net defined benefit (Liability)/Asset	**-407**	**-530**	**-123**	**-98**

The Company contributes to the following post-employment defined contribution plans in Belgium:

– The defined contribution plan for general employees. This plan provides a retirement lump sum, a death in service coverage and a waiver of premium coverage to all employees except the (youth) trainers and blue collars. The employer's premium is expressed as a percentage of a reference salary (6,5% of the minimum between the reference salary and a ceiling, plus 8,5% of the part of the reference salary exceeding the ceiling).

– The defined contribution plan for professional players. This plan provides a retirement lump sum and a death in service coverage to all professional football players. The employer's premium depends upon the player reference salary.

– The defined contribution plan for principal trainers. This plan provides a retirement lump sum and a death in service coverage to the principal football trainer. The yearly employer's premium is a fixed amount.

There are also several other plans which are closed to new entrants and for which no contribution is paid anymore.

For all plans, no employees' contribution is applicable. The retirement lump sum is determined as the capitalization of all premiums affected to the retirement coverage.

The above described pension plans held qualify as defined benefit plans. As Belgian law applies to all second pillar pension plans ('Vandenbroucke Law'), all Belgian plans with defined contributions under IFRS are qualified as defined benefit plans. The 'Vandenbroucke Law' states that, in the context of the defined contribution plans, the employer must guarantee a minimum return of a percentage that is adjusted based on market returns, with a minimum of 1.75% and a maximum of 3.75%, which reduces the risk for the employer.

These minimum return requirements for the defined contribution plans in Belgium expose the employer to a financial risk (because there is a legal obligation to pay future contributions if the fund has insufficient assets to pay all the employee benefits related to the work performed by the employees in the current and past periods).

As a consequence, these plans must be classified and recognised in the accounts as a defined benefit plan as under IAS 19.

29.1 Funding

All plans are externalized to an insurance company operating in Belgium. All contributions are paid by the employer. The funding requirements are based on the plan rules and need to fulfil to the Belgian Law on complementary pensions. The company expects to pay 4,4 mio EUR in contributions to its defined contribution plans between 1 July 2020 and 30 June 2021.

29.2 Movement in net defined benefit (liability) / asset

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (liability) / asset and its components:

	Defined benefit obligation				Fair value of plan assets				Net defined benefit (Liability) /Asset			
In € '000 for the year ended	**30 June 2020**	**30 June 2019**	**30 June 2018**	**1 July 2017**	**30 June 2020**	**30 June 2019**	**30 June 2018**	**1 July 2017**	**30 June 2020**	**30 June 2019**	**30 June 2018**	**1 July 2017**
Balance at 1 July	-29.588	-25.068	-20.832	-17.708	29.058	24.945	20.734	17.647	-530	-123	-98	-61
Included in profit or loss												
Current service cost	-4.385	-4.254	-4.138	-2.746					-4.385	-4.254	-4.138	-2.746
Past service cost												
Interest (cost) income	-72	-209	-195	-113	76	244	233	130	4	35	38	17
Included in OCI												
Remeasurement gain/(loss)												
- Actuarial gain/(loss) arising from:												
- demographic assumptions												
- financial assumptions		-436	-15	-6						-436	-15	-6
- experience adjustment	-513	-129	-381	-590					-513	-129	-381	-590
- Return on plan assets excluding interest income					632	120	333	542	632	120	333	542
Effect of movements in exchange rates												
Other												
Contributions paid by the employer					4.385	4.257	4.138	2.746	4.385	4.257	4.138	2.746
Benefits paid	1.334				-1.334							
Taxes on contributions	514	498	484	322	-514	-498	-484	-322				
Insurance premiums related to risk coverages	10	10	9	9	-10	-10	-9	-9				
Balance at 30 June	**-32.700**	**-29.588**	**-25.068**	**-20.832**	**32.293**	**29.058**	**24.945**	**20.734**	**-407**	**-530**	**-123**	**-98**

29.3 Plan assets

All plans are funded through Belgian insurance companies (Belfius and Federale). The fair value of plan assets is equal to the mathematical reserves of the pension plans, which represent the capitalization of all contributions paid by the employer, plus the return granted by the insurance company. The financing funds allocated to the pension plans are also taken into account.

29.4 Defined benefit obligation

29.4.1 *Actuarial assumptions*

The following were the principal actuarial assumptions at the reporting date

	30 June 2020	30 June 2019	30 June 2018	1 July 2017
Discount rate	0,25%	0,25%	0,85%	0,95%
Inflation rate	2,00%	2,00%	2,00%	2,00%

As at 30 June 2020, the weighted-average duration of the defined benefit obligation was approx. 7,0 years (2019: 6,9 years; 2018: 7,1 years; 2017: 7,4 years).

The discount rate is determined on the index iBoxx EUR Corporate AA.

The mortality tables used are MR/FR with an age correction of five years.

The retirement age is set at age 65 for employees and principal trainers and at age 35 for players.

A withdrawal rate of 25% at all ages is applied for players (no turnover rate is used for employees and principal trainers).

29.4.2 *Sensitivity analysis*

Reasonable possible changes to one of the relevant actuarial assumptions at the reporting date, holding other assumptions constant, would lead to defined benefit obligation as shown below.

in € '000	30 June 2020	30 June 2019	30 June 2018	1 July 2017
Withdrawal rate of 15% for the players	-32.932	-29.851	-25.132	-20.832
Withdrawal rate of 35% for the players	-32.581	-29.430	-25.050	-20.782
Decrease of 0,50% in the discount rate	-33.189	-30.068	-25.232	-20.881
Increase of 0,50% in the discount rate	-32.419	-29.203	-25.012	-20.771

Its defined benefit plans expose the Group to a number of risks, the most important of which are explained below:

- Changes to discount rate: a reduction in the discount rate leads to an increase in the liabilities;
- Withdrawal rate players: a lower than expected withdrawal rate leads to an increase in the liabilities.

30 Financial result

Financial income In € '000 for the year ended	30 June 2020	30 June 2019	30 June 2018
Bank interest	17	17	6
Other financial income	435	79	122
Financial Income	**452**	**96**	**128**

Financial expenses In € '000 for the year ended	30 June 2020	30 June 2019	30 June 2018
Bank interest	-482	-153	-157
Other bank expenses	-114	-31	-10
Leasing	-24	-8	-10
Financial Expenses	**-620**	**-191**	**-177**

The increase in other financial income is mainly caused by the interests related to the non-current receivables on sale of player registration rights.

The financial expenses increased mainly due to the new Belfius loan for the financing of the Belfius Basecamp training center. The increase in other financial expenses is due to exchange losses (mainly on GBP).

31 Financial risk management

31.1 Financial risk factors

The different financial risk factors are explained in the subtopics below. We have disclosed the financial risk factors caused by the Covid-19 pandemic separately and these are not further addressed in the other financial risk factors subtopics.

31.1.1 *Covid-19 pandemic*

The financial impact of Covid-19 was limited in the 2019/2020 financial year (refer to note 24.1).

Similar to other governments worldwide, the Belgian government implemented a number of measures to reduce the spread of the Covid-19 pandemic, including a nationwide lockdown and social distancing measures. All major sporting events were suspended on 12 March 2020, and the board of directors of the Pro League officially ended the Pro League season on 15 May 2020 after 29 games were played (as compared to the usual 30 games and 10 Play-Off matches). The final round of fixtures in the Jupiler Pro League 1A was played on 7 March 2020, at which date the First Team was 15 points clear of the second placed team in the Jupiler Pro League 1A and the Pro League therefore crowned the First Team as the champions of the Jupiler Pro League 1A for the 2019/2020 season. The Belgian Cup final for the 2019/2020 season was played between the First Team and Royal Antwerp FC on 1 August 2020 at the King Baudouin Stadium in Brussels without any spectators attending.

(i) *Matchday revenues*

Matchday revenues were impacted due to the cancellation of five home games in the 2019/2020 season, including the Play-Offs of the Jupiler Pro League 1A, which are major contributors to the Company's matchday revenues. This resulted in a reduction of the Company's matchday revenues associated with those matches, including matchday tickets, food and beverage, and corporate hospitality revenues, as well as commercial revenues from the sale of merchandise at matches. The Company has estimated that lost revenues amounted to 1,4 mio EUR, partially offset by a reduction in the end-of-season discretionary bonuses for players and staff for the financial year ended 30 June 2020 and savings of the operating costs associated with holding home matches, with an estimated negative impact to net profit of approximately 0,3 mio EUR.

(ii) *Domestic and European media rights revenues*

The domestic media rights contract between the Pro League and MP & Silva, which expired at the end of the 2019/2020 season, did not contain any contractual obligations for potential rebates in case of the cancellation of games. Accordingly, there was no impact on domestic media rights revenues for the financial year ended 30 June 2020.

Similarly, European media rights revenues were not impacted, as the First Team's participation in the Champions League and Europa League games ended before the Covid-19 pandemic impacted the European Competitions.

(iii) *Commercial revenues*

Despite the cancellation of the Play-Offs of the Jupiler Pro League 1A, which are key fixtures in the Belgian football calendar, no commercial partner or sponsor requested a refund in respect of the 2019/2020 season.

(iv) *Player registration rights*

There was no impact from the Covid-19 pandemic on gains on disposal of Player Registration Rights in the 2019/2020 season.

(v) *Discretionary measures to limit the impact of the Covid-19 pandemic*

The Company also initiated a number of discretionary measures to compensate the fans for the cancellation of games. These measures included: (i) offering every existing season ticket holder the opportunity to purchase season tickets at a discounted price by extending the usual 'early bird' purchase arrangements for the 2020/2021 season; (ii) as the only football club in the Jupiler Pro League 1A, providing each season ticket holder with an Eleven Sports TV subscription to watch the Jupiler Pro League 1A games; (iii) where existing season ticket holders chose to extend their season tickets, crediting every existing season ticket holder's ClubID with €25 extra spending money; (iv) extending existing credit on Blue Cards to 30 September 2020 instead of 15 June 2020 (if not spent by such date, it would usually have been cancelled on the Blue Card and instead been recognized as revenue as at 30 June 2020); and (v) waiving fees payable by hospitality and VIP clients in relation to Champions League group phase matches in the 2020/2021 season, had any such fees been payable.

In order to compensate for the loss in revenues and the compensation to fans, the Company took measures to reduce internal costs. These included a reduction of the end-of-season discretionary bonuses for players (otherwise linked to performance in the Play-Off games which had been cancelled); and reducing bonuses for other staff, which provided for an estimated net impact of 1,6 mio EUR. There were no reductions to base salaries and no redundancies with regards to players or staff.

31.1.2 ***Market risk***

This note explains the Group's exposure to financial risks and how those risks could affect the Group's future financial performance. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Market expectations are as such that Club Brugge needs to continue to be one of the leading Belgian teams and to meet this expectation, the Group invests in and bears additional costs, such as player and staff wages, training facilities … Qualifying for a European Football competition is an important element to keep up this ambition. If the Group does not qualify for a European competition in a particular season, it cannot immediately adjust the cost structure in the very short term and the impact on the financial statements will be visible in missed matchday revenues and European media revenues. Not qualifying for a European competition will have to be compensated by (additional) gains on sale of player registration rights. In the football season 2019/2020 the Group qualified as champion of the Belgian Championship for the group phase of the 2020/2021 UEFA Champions League.

The Group is subject to complex regulations issued by industry bodies such as the Royal Belgian Football Association, UEFA and FIFA which regulate the activity of football clubs in the various national and international competitions. Any failure to comply with such regulations could adversely affect the Group's business. The Group has fulfilled with all rules and is compliant to ensure the football license will be granted. The Group considers this as a low risk.

The policy for each financial risk is described in more detail below.

31.1.3 ***Foreign exchange risk***

Payments and receipts of transfer fees may give rise to foreign exchange exposures. Due to the nature of player transfers, the Group may not always be able to predict such cash flows until the transfer has taken place. Where possible and depending on the payment profile of transfer fees payable and receivable the Group will consider measures to limit the exposure to foreign exchange risks.

Based on the exchange rates existing as of 30 June 2020, a 10% appreciation of the GBP compared to the EUR would have resulted in an increase of 2,1 mio EUR in Receivables on sale of player registration rights and an increase of 0,6 mio EUR in Payables on purchase of player registration rights. Conversely, a 10% decrease of the GBP compared to the EUR would have resulted in a decrease of 1,7 mio EUR in Receivables on sale of player registration rights and a decrease of 0,4 mio EUR in Payables on purchase of player registration rights.

31.1.4 ***Interest rate risk***

The Group has no significant interest-bearing assets other than cash on deposit which attracts insignificant interests.

The Group's interest rate risk arises from its borrowings. Borrowings issued at variable interest rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's borrowings are denominated in EUR. Full details of the Group's borrowings and associated interest rates can be found in note 16.

Total loan and borrowings per 30 June 2020 amount to 29,9 mio EUR, which mainly includes the loan from Club Brugge Foundation VZW (15,0 mio EUR, fixed interest rate of 1%) and 14,8 mio EUR for the loan from Belfius which is a long term credit facility at a fixed interest rate of 2,06% (On initial loan of 12,5 mio EUR a fixed interest rate of 2,19% and on additional loan of 2,5 mio EUR a fixed interest rate of 1,39%) per annum upon completion (20 year loan). As all loans and borrowings are at a fixed interest rate, the Group is not imposed to fluctuations in the interest rate.

31.1.5 *Credit risk*

Credit risk is managed on a Group basis and arises from receivables on sale of player registrations, trade and other receivables and cash and cash equivalents.

The Group applies the IFRS 9 approach to measuring expected credit losses – refer also to note 3.9 and note 3.11. To measure the expected credit losses, financial assets have been grouped based on shared risk characteristics and the days past due.

Credit terms offered by the Group vary depending on the type of sale. For seasonal matchday facilities and sponsorship contracts, payment is usually required in advance of the season to which the sale relates. For other sales the credit terms typically range from 14 - 30 days, although specific agreements may be negotiated in individual contracts with terms beyond 30 days.

A substantial part of the Group's revenues is generated from the sale of media and broadcasting rights. Contracts for these media rights (both domestic and international) are negotiated by industry associations such as the Pro League and UEFA. The Group is not a direct party to the media contracts negotiated by such bodies with media companies and does not participate directly in the contract negotiations. The Group can only indirectly influence the decision making process by means of a weighted voting system in the relevant association, particularly in the Pro League. As a result, the Group may be subject to media rights contracts with media distributors with whom the Group may not otherwise contract or media rights contracts that are not as favorable to the Group as it might otherwise be able to negotiate individually with media distributors.

For player transfer activities, credit terms are determined on a contract by contract basis. As a result of transfer activities, significant concentration of individual receivables can occur towards other football clubs. FIFA's regulations on the status and transfer of players (FIFA RSTP) impose strict financial and sportive sanctions to clubs with default payment related to transfers. In practice this measure is very effective and results in nearly any overdue receivables. In the unlikely event that an overdue receivable should occur, quick resolution is expected once procedure with FIFA is launched or threatened with.

Management considers that, based on historical information about default rates, the current strength of relationships (a number of which are recurring long term relationships), and forward looking information, the credit quality of receivables on sale of player registration rights, trade and other receivables and cash and cash equivalents that are neither past due nor impaired, is good. Financial assets that are past due but not impaired relate to independent customers for whom there is no recent history of default. Accordingly, the identified provision for impairment for these financial assets was immaterial. The identified provision for impairment of trade receivables amounts to 25.287 EUR per 30 June 2020 (refer to note 11).

31.1.6 *Liquidity risk*

Liquidity risks include all risks in connection with cash flows and financial burdens. The Group manages liquidity risk by negotiating a proper amount of credit facilities with premier banking institutions at a level sufficient to prevent cash flow shortages from arising and ensure that operating and investment requirements are satisfied. For additional information on bank credit facilities, see Note 16.

The primary objective continues to be keeping bad debts to a minimum and to ensure that the company has the liquidity it needs at all times. The Club also implements other risk mitigation measures, such as upfront payments. As explained above strict FIFA rules apply for default payments related to transfers. Mismatches between incoming and outgoing transfer agreements could however create a liquidity risk, which is closely monitored in the ongoing operations.

The loss of significant financial sponsors due to insolvency could have an adverse effect on the Group's liquidity in the future. Management however focusses on having various financial sponsors originating from non-related economic sectors, therefore reducing the dependency risk on one individual sponsor agreement.

31.1.7 *Fair values*

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.

No separate schedule with fair value information has been disclosed for financial assets and liabilities not measured at fair value, as the carrying amount is considered a reasonable approximation of the fair value with the exception of the loan from Club Brugge Foundation VZW. The fair value of this loan was estimated at 8,9 mio EUR per 30 June 2020 (13,4 mio EUR per 30 June 2019 and 13,2 mio EUR per 30 June 2018) (level 2 measurement). The decrease can be explained by the fact that the loan changed to a bullet loan.

32 Commitments and contingencies

32.1 Pledges

The Club Brugge Basecamp facility financing structure includes an external loan with a pledge (mortgage mandate) for a total amount of 9,0 mio EUR. The carrying amount of the Club Brugge Basecamp amounts to 14,1 mio EUR per 30 June 2020 (15,0 mio EUR per 30 June 2019).

32.2 Sale and purchase contracts related to player registration rights

Commitments made to clubs as part of the purchase of player registration rights primarily corresponds to contingent transfer fees to be paid in the future. They are typically contingent on the player remaining with the Club and specific sporting performance objectives being achieved.

Commitments made to agents as part of the purchase of player registration rights are typically contingent on the player remaining with the Club.

32.2.1 *Special features of certain transfer agreements*

Certain transfer-, labor- and player agent -agreements may provide for retrocession of part of the proceeds of a future transfer. This retrocession fee may be paid to the transferred player, his agent or the player's original club. At the time of the transfer, if these retrocession fees are paid to the player they are recorded as personnel expenses; if they are paid to the agent or to the Club they are offset against the proceeds from the sale of player registration rights.

Existing transfer agreements that provide for a fixed retrocession fee are disclosed as off-balance-sheet commitments at the financial year-end. If this amount is calculated as a percentage of the transfer fee or the capital gain realized, then no calculation can be made.

Contingent assets related to the sale of player registration rights, totaling 6,1 mio EUR per 30 June 2020 (4,8 mio EUR per 30 June 2019 and 5,6 mio EUR per 30 June 2018), included commitments made as part of transfer contracts providing for contingent payments to the Club after the transfer in the event certain performances are achieved.

Commitments related to the purchase of player registration rights, totaling 5,4 mio EUR per 30 June 2020 (3,3 mio EUR per 30 June 2019 and 4,2 mio EUR per 30 June 2018), included commitments made as part of transfer contracts providing for contingent payables from the Club to the counterparty after the transfer in the event certain performances are achieved.

The amounts included above only include fixed fees, and no success fees based on a percentage of the subsequent sale of the player registration rights, as for these transactions no reliable estimation can be made.

33 Related party transactions

33.1 Parent and ultimate controlling party

The parent company of Club Brugge NV is Ourson Sports NV with LakeSprings NV as ultimate parent company (which is not presenting consolidated financial statements in accordance with IFRS).

33.2 Transactions with related parties

In € '000	30 June 2020					30 June 2019					30 June 2018				
	Total operating income	Outstanding receivable	Total expenses	Capex	Outstanding payable	Total operating income	Outstanding receivable	Total expenses	Capex	Outstanding payable	Total operating income	Outstanding receivable	Total expenses	Capex	Outstanding payable
Shareholders	25	2	-1 398	0	-10	22	2	-3 324	0	0	17	3	-557	0	-179
Executive management	47	0	-885	0	0	28	0	-1 178	0	-230	27	47	-625	0	0
Other	221	0	-431	222	-15 268	142	8	-448	0	-14 026	150	8	-403	0	-14 088

The outstanding payable amounts in the Other category relate to a loan towards the Club Brugge Foundation vzw (refer also to note 16). The Foundation works with Club Brugge to carry out its corporate social responsibility role to support local, national and international communities by undertaking projects in relation to sports, social integration, health and education. The Capex in the Other category relates to consultancy costs for the New Stadium project.

The transactions with the Executive management are mainly related to services provided as agreed in the service agreements with Executive management. All of these personnel compensations are short-term employee benefits. Executive management includes only the CEO, and the Company considers the Executive management as Key management as described in IAS 24.

Transactions with Shareholders include the costs for services provided as agreed in the service agreements with Shareholders. The 3,3 mio EUR of Total expenses as per 30 June 2019 include a one-off payment of 1,9 mio EUR relating to historical expenses incurred by the Club in financial years prior to 2018/19. These expenses were originally born by the shareholders who were reimbursed by the Club during the course of 2018/19. These expenses relate to travel, representation and consultancy work undertaken for the Club. The consultancy relates principally to the evaluation of strategic investment opportunities and the new stadium project.

34 Consolidated companies

The principal subsidiaries of the Company, all of which have been included in these consolidated financial statements, are as follows:

			Holding percentage			
Entity	**Country**	**Entity number**	**30 June 2020**	**30 June 2019**	**30 June 2018**	**1 July 2017**
Club Brugge Development NV	Belgium	BE 0672.698.661	100%	100%	100%	100%
Club Brugge Oefencentrum NV	Belgium	BE 0672.703.314	100%	100%	100%	100%
Club Brugge Stadion NV	Belgium	BE 0672.704.601	100%	100%	100%	100%

35 Subsequent events

35.1 Summer transfer window 2020

The summer transfer window ran from 7 July 2020 to 31 August 2020 and an additional registration period was permitted from 8 September 2020 to 5 October 2020.

Overview of the most significant incoming transactions:

- Fofana Ibrahima – Diamants de Guinee
- Sobol Eduard – Shakhtar Donetsk (exercise of the purchase option in August 2020, with the acquisition effective date in the summer mercato of 2021)
- Lang Noa – AFC Ajax (loan with mandatory purchase options)

Overview of the most significant outgoing transactions:

- Hubert Guillaume – KV Oostende
- Masovic Erhan – VfL Bochum

35.2 Winter transfer window 2021

The winter transfer window ran from 1 January 2021 to 1 February 2021.

Overview of the most significant incoming transactions:

- Dost Bas – Eintracht Frankfurt (transfer of control occurred before 31 December 2020 and therefore recognized in the financial statements per 31 December 2020)
- Pérez Daniel - Metropolitanos

Overview of the most significant outgoing transactions:

- Baeten Thibault – NEC
- Diatta Krépin – AS Monaco
- Petroni Luan Peres – Santos FC
- Schrijvers Siebe – OH Leuven

35.3 Other subsequent events

There were no other significant events subsequent to the end of the period that have not been reflected in the financial statements for the period.

36 Audit and non-audit fees

Audit fees of our auditor BDO amount 201.899 EUR for the year ending per 30 June 2020 (24.826 EUR per 30 June 2019, 16.420 EUR per 30 June 2018).

Non audit fees by the auditor amount to 0 EUR per 30 June 2020 (807 EUR per 30 June 2019, 3.315 EUR per 30 June 2018).

Interim Financial Information

Statutory Auditor's report on the Interim Financial Information

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STATUTORY AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF CLUB BRUGGE NV ON THE REVIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2020

Introduction

We have reviewed the accompanying consolidated statement of financial position of Club Brugge NV as of 31 December 2020 and the related consolidated statements of profit and loss and other comprehensive income, cashflows and changes in equity for the six-month period then ended, as well as the explanatory notes. The Board of Directors is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

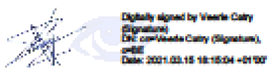
Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union.

Roeselare, 15 March 2021



BDO Bedrijfsrevisoren CVBA
Statutory auditor
Represented by Veerle Catry

Interim Financial Information

Consolidated statement of financial position as at

Assets in € '000 as at	Note	31 December 2020	30 June 2020
Non-current assets			
Player registration rights, net	7	50.757	49.922
Other intangible assets		430	285
Property, plant & equipment	8	22.500	21.835
Right-of-use assets	12	4.847	2.328
Deferred tax assets		0	0
Receivables on sale of player registration rights	9	6.698	17.774
Other non-current assets		7	4
Total non-current assets		**85.239**	**92.148**
Current assets			
Inventories		875	432
Trade and other receivables		2.858	3.596
Receivables on sale of player registration rights	9	14.224	24.285
Cash and cash equivalents		32.252	8.195
Assets held for sale		0	400
Total current assets		**50.209**	**36.908**
TOTAL ASSETS		**135.448**	**129.056**

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

Equity and liabilities in € '000 as at	Note	31 December 2020	30 June 2020
Shareholders' Equity			
Share capital		15.247	15.247
Retained earnings		39.534	31.746
Remeasurement reserve for pensions		-366	-366
Shareholders' equity total		**54.415**	**46.627**
Non-current liabilities			
Loans and borrowings	10	28.919	29.232
Lease liabilities	12	960	1.009
Payables on purchase of player registration rights	11	5.967	2.951
Deferred tax liabilities		1.276	971
Pension obligations		406	407
Total non-current liabilities		**37.528**	**34.570**
Current liabilities			
Loans and borrowings	10	623	654
Lease liabilities	12	3.407	1.337
Trade and other payables		8.297	9.521
Payables on purchase of player registration rights	11	9.825	20.986
Current tax liabilities		7.649	5.016
Contract liabilities	13	12.254	9.929
Other current liabilities		1.450	416

Equity and liabilities in € '000 as at	Note	31 December 2020	30 June 2020
Total current liabilities		**43.505**	**47.859**
TOTAL LIABILITIES		**135.448**	**129.056**

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

Consolidated statement of profit and loss and other comprehensive income for the 6-months period ended			
In € '000	**Note**	**31 December 2020**	**31 December 2019**
Matchday revenues	14	2.851	12.555
Media rights revenues	14	38.666	32.717
Domestic	*14.2*	*4.185*	*3.995*
European	*14.2*	*34.481*	*28.722*
Commercial revenues	14	6.715	7.256
Other revenues	14	961	1.162
Gains on disposal of player registration rights	7	1.288	45.666
Other operating income		111	56
Total operating income		**50.592**	**99.412**
Purchase of materials, supplies and other consumables		-722	-878
Other operating expenses		-9.442	-12.115
Player wages and technical staff costs		-15.143	-15.093
Other personnel		-2.405	-2.532
Losses on disposal of player registration rights	7	-416	-16
Amortization and write-downs of player registration rights	7	-9.591	-9.081
Amortization of other intangible assets and depreciation of property, plant and equipment		-1.507	-1.440
Depreciation of right-of-use assets		-916	-1.786
Other non-cash expenses		0	-80
Total operating costs		**-40.142**	**-43.021**
Operating profit		**10.450**	**56.391**
EBITDA		**22.465**	**68.698**
Financial income		637	1.700
Financial expenses		-360	-385
Financial result		**277**	**1.315**
Income (loss) before taxes		**10.727**	**57.706**
Current taxes		-2.634	-17.997
Deferred taxes		-305	130
Total Income taxes		**-2.939**	**-17.867**
Profit (loss) for the period		**7.788**	**39.839**
Attributable to the shareholders of Club Brugge NV		*7.788*	*39.839*
Attributable to non-controlling interests		*0*	*0*
Other comprehensive income not recycled through profit or loss			
Remeasurement of defined benefit obligation		0	0
Actuarial gains/losses arising during the period		*0*	*0*
Income tax effect		*0*	*0*
Total other comprehensive income (loss)		***0***	***0***
Total comprehensive income (loss) for the period		**7.788**	**39.839**
Attributable to the shareholders of Club Brugge NV		*7.788*	*39.839*

Consolidated statement of profit and loss and other comprehensive income for the 6-months period ended			
In € '000	**Note**	**31 December 2020**	**31 December 2019**
Attributable to non-controlling interests		*0*	*0*
Earnings per share			
Basic earnings per share		2,55	12,61
Diluted earnings per share		2,55	12,61

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

Consolidated statement of changes in Equity for the 6-months period ended		Attributable to owners of the parent				
In € '000	Note	Share Capital	Share Premium	Retained earnings	Remeasurement reserve for pensions	Total Equity
Balance at 30 June 2019		**4.039**	**11.208**	**8.902**	**-420**	**23.729**
Profit (loss) for the period				39.839		39.839
Other Comprehensive income (loss) for the period						
Total Comprehensive income (loss) for the period				39.839		39.839
Transactions with owners of the Company						
Dividends				-1.282		-1.282
Total Contributions and distributions				-1.282		-1.282
Balance at 31 December 2019		**4.039**	**11.208**	**47.459**	**-420**	**62.286**
Balance at 30 June 2020		**15.247**	**0**	**31.746**	**-366**	**46.627**
Profit (loss) for the period				7.788		7.788
Other Comprehensive income (loss) for the period						
Total Comprehensive income (loss) for the period				7.788		7.788
Transactions with owners of the Company						
Dividends						
Total Contributions and distributions		0	0	0	0	0
Balance at 31 December 2020		**15.247**	**0**	**39.534**	**-366**	**54.415**

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

Consolidated statement of cashflows for the 6-months period ended

In € '000	Note	31 December 2020	31 December 2019
Cash flows from operating activities			
Profit (Loss) for the year		7.788	39.839
Adjustments for:			
- Depreciations, amortizations and impairment losses		12.015	12.387
- Gains on disposal of player registration rights	7	-1.288	-45.666
- Losses on disposal of player registration rights	7	416	16
- Pension obligations		0	0
- Net finance costs		-277	-1.315
- Income taxes		2.939	17.867
		21.593	23.128
Changes in:			
- Inventories		-443	-509
- Trade and other receivables		738	-1.066
- Other assets		-1	3
- Trade and other payables		-1.456	1.156
- Contract liabilities		2.325	-921
- Other liabilities		1.033	609
Cash generated from operating activities		23.789	22.400
Interest paid		-239	-307
Income taxes paid		0	-4.000
Net cash from / (used in) operating activities		23.550	18.093
Cash flows from investing activities			
Proceeds from sale of player registration rights		20.021	27.006
Acquisition of player registration rights		-16.004	-30.172
Acquisition of other intangible assets		-223	-50
Acquisition of property, plant and equipment		-1.864	-5.356
Interest received		37	14
Net cash from / (used in) investing activities		1.967	-8.558
Cash flows from financing activities			
Proceeds from loans and borrowings		0	6.023
Repayment of borrowings		-344	-248
Payment of lease liabilities		-1.415	-1.850
Payment of treasury shares		0	-309
Other		216	-76
Net cash from / (used in) financing activities		-1.543	3.540
Net increase / (decrease) in cash and cash equivalents		23.974	13.075
Cash and cash equivalents at 1 July		8.195	8.717
Impact of exchange rate fluctuations		83	458
Cash and cash equivalents at 31 December		32.252	22.250

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

Notes

1 Reporting entity

Club Brugge NV (the 'Company') is domiciled in Belgium. The Company's registered office is at Herenweg 9, 8300 Knokke-Heist. These condensed consolidated interim financial statements comprise the Company and its subsidiaries (together referred to as the 'Group'). The Company's main activity is the operation of a professional football club. Information about the Group's structure is provided in note 33 of the consolidated financial statements for the year ending per 30 June 2020.

2 Basis of preparation

2.1 Statement of compliance

The condensed consolidated interim financial statements for the six months period ended 31 December 2020 have been prepared in accordance with the International Financial Reporting Standard (IFRS) IAS 34 "Interim Financial Reporting", as published by the International Accounting Standards Board (IASB) and approved by the European Union. They do not include all the information required for a complete set of financial statements in accordance with IFRS standards and should be read in conjunction with the Group's consolidated financial statements as at and for the financial year ended 30 June 2020.

The condensed consolidated interim financial statements are authorized for issue by the Company's Board of Directors at the same date as the Group's consolidated financial statements as at and for the financial year ended 30 June 2020. Therefore, all relevant and latest information concerning:

- Impairment testing is described in note 7.3 of the Group's consolidated financial statements as at and for the financial year ended 30 June 2020. The new information concerning Covid-19 (availability of a vaccine, competitions continued and no significant change in market value of players) which became available in the period 30 June 2020 to 31 December 2020 led to the conclusion that no impairment losses had to be recognized for the 6 months period ended per 31 December 2020;
- Litigations are described in note 23 of the Group's consolidated financial statements as at and for the financial year ended 30 June 2020;
- Risk factors related to the Covid-19 pandemic and the impact on the Group's performance is described in note 31.1 of the Group's consolidated financial statements as at and for the financial year ended 30 June 2020.

In note 14 we described the impact on revenues during the 6 months period ended 31 December 2020 as result of the Covid-19 pandemic.

The simultaneous authorization of the interim and the full financial statements is due to the fact that the information is provided in the context of an initial public offering.

The condensed consolidated interim financial statements were authorized for issue by the Company's Board of Directors on 15 March 2021.

2.2 Alternative performance measures

In its decision making, the Group uses some alternative performance measures (APMs) that are not defined in IFRS. They are used because they provide information useful to assess the Group's development and performance. These measures should not be viewed in isolation or as an alternative to the measures presented in accordance with IFRS. These APMs may not be comparable to similar measures presented by other companies.

The current APM used by the Group is explained and reconciled below:

- EBITDA = Earnings before interest, tax, depreciation and amortization. The EBITDA-measure is calculated as follows: 'Profit (loss) for the year'+ 'Income taxes' + 'Financial result' +

'Amortization and write-downs of player registration rights' + 'Amortization of other intangible assets and depreciation of property, plant and equipment' + 'Depreciation of right-of-use assets'.

EBITDA reconciliation for the 6 months period ended

In € '000	31 December 2020	31 December 2019
Profit (loss) for the year	**7.788**	**39.839**
Income taxes	2.939	17.867
Financial result	-277	-1.315
Amortization and write-downs of player registration rights	9.591	9.081
Amortization of other intangible assets and depreciation of property, plant and equipment	1.507	1.440
Depreciation of right-of-use assets	917	1.786
EBITDA	**22.465**	**68.698**

2.3 Use of estimates and judgments

In preparing these condensed consolidated interim financial statements, management has made judgments and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

3 Significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 30 June 2020.

4 Standards issued (but not yet effective)

A number of new standards and amendments to standards are effective for annual periods beginning after 1 July 2020; however, the impact for the Group is immaterial.

A number of new standards and amendments to standards are issued but not yet effective for annual periods beginning on or after 1 July 2020; the expected impact for the Group in future periods is immaterial.

5 Seasonality

The Group experiences seasonality in its revenues and cashflows, limiting the overall comparability of interim financial periods. In any given interim period, total revenues can vary based on the number of games played in that period, which affects the amount of Matchday and Media rights revenues (both Domestic as European) recognized. Similarly, certain of the costs are derived from hosting games at Jan Breydel, and these costs will also vary based on the number of games played in the period. The Group historically recognizes most revenue in the second and third fiscal quarters of the financial year due to the scheduling of matches.

The table below sets forth a detailed breakdown of home and away games played by Club Brugge in both domestic and international competitions, for the periods indicated:

No. of games played	6-months period ended 31 December	
	2020	2019
Jupiler Pro League	**19**	**20**
Home games	10	11
Away games	9	9
Croky Cup (incl. Super Cup if applicable)*	**1**	**3**
Home games	0	0
Away games	1	3
European competitions**	**6**	**10**
Home games	3	5
Away games	3	5
Total games played	**26**	**33**
Total home games	**13**	**16**
Total away games	**13**	**17**

** Crocky Cup final of season 2019-2020 was only held per 1 August 2020*

*** Champions League and Europa League (including qualifying rounds)*

Impact of Covid-19 on number of spectators allowed during home games

No. of home games played	6-months period ended 31 December					
	2020			2019		
	Full capacity	limited capacity (9.200)	without spectators	Full capacity	limited capacity (9.200)	without spectators
Jupiler Pro League	0	3	7	11	0	0
Croky Cup	0	0	0	0	0	0
European competitions	0	0	3	5	0	0
Total home games played	**0**	**3**	**10**	**16**	**0**	**0**

Matchday revenues are recognized over time based on the number of home games played throughout the year with revenues from each game (including season ticket allocated amounts) only being recognized when the performance obligation is satisfied i.e. the game has been played.

Matchday revenues include revenues from domestic and European match day activities from Club Brugge home games, together with the Group's share of gate receipts from domestic cup matches played away. As the Group acts as the principal in the sale of match tickets, the share of gate receipts payable to the other participating club and competition organizer for domestic cup matches played at home is treated as an operating expense.

Revenues from ticketing are tied to the football season and are recognized when the home games are played. Season tickets sold for the next season are recorded as contract liabilities (prepayments). Other benefits granted linked to the season ticket sales (e.g. priority arrangements next season, UCL games) are not considered as a material right.

Revenues from food, beverage, etc on matchday are recognized at the point of sale to the customer.

Domestic media rights revenues represent revenues from the Belgian broadcasting contracts, including contracts negotiated centrally by the Pro League. This category of revenues is linked to the Club's performance in the national competition. The Pro League decides on the allocation key to be used for the distribution of the total media rights revenues available between the participating clubs. This allocation key is known upfront at contract signature. During the year domestic media rights revenues are recognized over time based on the number of matches played and the estimated ranking at the end of the season. The Group takes into account the 2nd place in the ranking for their revenue recognition.

European media rights revenues represent revenues from other broadcasting contracts, including contracts negotiated centrally by UEFA. European media rights revenues are recognized in the Group financial statements based on the Club's participation in a European competition. UEFA sets out the criteria and the allocation key for receiving European media rights, according to the regulations of the UEFA Champions League/UEFA Europa League (www.uefa.com). During the year European media rights revenues are recognized over time based on the number of matches played. Per 31 December 2020, 6 matches were played in the Group phase of the UEFA Champions League, while per 31 December 2019, 6 matches were played in the Group phase of the UEFA Champions League and 4 matches were played in the qualifying rounds. In general, most European matches are played during the first two fiscal quarters of the financial year. Variable consideration based on number of points is recognized prospectively over the remaining number of matches as from the moment the variability constraint is no longer required.

Commercial revenues comprise revenues from the exploitation of the Club Brugge brand through sponsorship and other commercial agreements and events, Club Brugge branded merchandise and the distribution and sales of such goods. Commercial revenues are being recognized over the term of the sponsorship agreement in line with the performance obligations included within the contract and based on the sponsorship rights benefited from by the individual sponsor. In instances where the sponsorship rights remain the same over the duration of the contract, revenues are recognized when performance obligations are satisfied evenly over time (i.e. on a straight-line basis). In respect of contracts with multiple performance obligations, the Group allocates the total consideration receivable to each separately identifiable performance obligation based on their relative stand-alone selling prices, and then recognizes the allocated revenues when performance obligations are satisfied (i.e. on a straight-line basis).

Furthermore, working capital accounts such as inventories, trade and other receivables, trade and other payables and contract liabilities are also highly seasonal. For example, approx. 80% of inventory purchases happen in the first month of the financial year and are consumed gradually over the year.

The receivables/payables on sale/purchase of player registration rights are initially recognized during the transfer windows which generally take place during the first and third quarter of the financial year.

6 Segment reporting

In accordance with IFRS 8, we report that the Group has one reportable operating segment.

The main activity of Club Brugge NV is the operation of a professional football club. The chief operating decision maker, being the Board of Directors and the Chief Executive Officer, who is responsible for the allocation of resources and assessment of the performance, obtains financial information about the Company as a whole. Reporting by geographical segment is not relevant given the Company's business as a professional football club in Belgium.

We review our revenue through three principal sectors — Matchday, Media rights and Commercial revenues.

7 Player registration rights

Details are as follows:

Player registration rights, net in € '000	Acquisition cost	Accumulated depreciations	Carrying amount
As at 30 June 2019	62.817	22.316	40.501
Additions	29.084	9.081	
Disposals	-10.493	-4.245	
As at 31 December 2019	**81.408**	**27.152**	**54.256**
As at 30 June 2020	81.245	31.323	49.922
Additions	10.823	9.591	
Disposals	-2.000	-1.603	
As at 31 December 2020	**90.068**	**39.311**	**50.757**

The additions are mainly related to the following players and trainers:

- 6-months period ended 31 December 2019:
  - Balanta Eder – FC Basel
  - Deli Simon – Slavia Praag
  - Mignolet Simon – FC Liverpool
  - Okereke David – Spezia Calcio
  - Ricca Federico – FC Malaga
- 6-months period ended 31 December 2020:
  - Dost Bas – Eintracht Frankfurt
  - Fofana Ibrahima – Diamants de Guinée
  - Lang Noa – AFC Ajax (loan with mandatory purchase option)

The disposals are related to players and/or key technical staff who were sold or for which the contract was terminated.

The players and staff for which gains on disposal of player registration rights were realized amounted to 1,3 mio EUR for the 6-months period ended 31 December 2020 compared to 45,7 mio EUR for the 6-months period ended 31 December 2019.

The players and staff for which losses on disposal of player registration rights were realized amounted to 415.583 EUR for the 6-months period ending per 31 December 2020 compared to 16.162 EUR per 31 December 2019.

The players and staff who are included in the disposals are:

- 6-months period ended 31 December 2019:
  - Bolingoli Boli – Rapid Wien (Sell-on fee)

- Denswil Stefano – FC Bologna
- Groeneveld Arnaut - AFC Bournemouth
- Lemoine Gabriel – Girondins de Bordeaux
- McGree Riley – Adelaide United
- Moraes Wesley - Aston Villa
- Nakamba Marvelous – Aston Villa
- Rotariu Dorin – FC Astana (milestone payment)

– 6-months period ended 31 December 2020:

- Cools Dion – FC Midtjylland (milestone payment)
- Denswil Stefano – FC Bologna (milestone payment)
- De Bock Laurens – Leeds United (milestone payment)
- Hubert Guillaume – KV Oostende
- Masovic Erhan – Vfl Bochum
- McGree Riley – Adelaide United (Sell-on fee)
- Pina Tomas – Alavés (milestone payment)

8 Property, plant and equipment

The property, plant and equipment can be split over three main categories: ‘Land and buildings’, ‘Machinery, equipment, office furniture and other tangible fixed assets’ and ‘Assets under construction’. Property, plant and equipment movements during the financial year were as follows:

Land and buildings In € '000	Acquisition cost	Accumulated depreciations	Carrying amount
As at 30 June 2019	**9.973**	**912**	**9.061**
Additions	-	137	
Disposals	-	-	
Transfers			
As at 31 December 2019	**9.973**	**1.049**	**8.924**
As at 30 June 2020	**10.537**	**1.179**	**9.358**
Additions	-	139	
Disposals			
Transfers			
As at 31 December 2020	**10.537**	**1.318**	**9.219**

Machinery, equipment,office furniture and other tangible fixed assets In € '000	Acquisition cost	Accumulated depreciations	Carrying amount
As at 30 June 2019	**19.889**	**9.040**	**10.849**
Additions	3.433	1.214	
Disposals			
Transfers			
As at 31 December 2019	**23.322**	**10.254**	**13.068**
As at 30 June 2020	**21.642**	**9.991**	**11.651**
Additions	1.364	1.292	
Disposals			
Transfers			
As at 31 December 2020	**23.006**	**11.283**	**11.723**

Asset under Construction In € '000	Acquisition cost
As at 30 June 2019	**-**
Additions	
Disposals	
Transfers	
As at 31 December 2019	**-**
As at 30 June 2020	**826**
Additions	732
Disposals	
Transfers	
As at 31 December 2020	**1.558**

	TOTAL Acquisition cost	TOTAL Accumulated depreciations	TOTAL Carrying amount
As at 30 June 2019	**29.862**	**9.952**	**19.910**
Additions	3.433	1.351	
Disposals	-	-	
Transfers			
As at 31 December 2019	**33.295**	**11.303**	**21.992**
As at 30 June 2020	**33.005**	**11.170**	**21.835**
Additions	2.096	1.431	
Disposals	-	-	
Transfers			
As at 31 December 2020	**35.101**	**12.601**	**22.500**

The total net book value of the property, plant and equipment amounts to 22,5 mio EUR as per 31 December 2020. This is an increase of 665.891 EUR compared to 30 June 2020 (21,8 mio EUR) and is mainly the result of 2,1 mio EUR additions and 1,4 mio EUR depreciations.

The assets under construction contain the development costs (architect costs, engineering costs, permit costs, …) for the new stadium at the premises of the current Jan Breydel Stadium.

Per 31 December 2020 there were no impairment losses recognized.

9 Receivables on sale of player registration rights

Receivables on sale of player registration rights in € '000 as at	31 December 2020	30 June 2020
To be received in more than 3 years	88	3.236
To be received within 2- 3 years	3.383	3.226
To be received within 1- 2 years	3.227	11.312
To be received < 1 year	14.224	24.285
Receivables on sale of player registration rights	**20.922**	**42.059**
Non-Current	6.698	17.774
Current	14.224	24.285
Receivables on sale of player registration rights	**20.922**	**42.059**

The receivables on sale of player registration rights are related to the outgoing transfers in the current and prior years. The outstanding receivables > 1 year (discounted) are classified as non-current assets.

Per 31 December 2020, the main outstanding receivables on sale of player registration rights were related to:

- Groeneveld Arnaut – AFC Bournemouth
- Limbombe Anthony – FC Nantes
- Moraes Wesley - Aston Villa

Per 30 June 2020 the main outstanding receivables on sale of player registration rights were related to:

- Denswil Stefano – FC Bologna
- Groeneveld Arnaut – AFC Bournemouth
- Limbombe Anthony – FC Nantes
- Moraes Wesley - Aston Villa
- Nakamba Marvelous – Aston Villa

10 Loans and borrowings

Loans & Borrowings: non-current in € '000 as at	Nominal Interest Rate	Maturity Date	31 December 2020	30 June 2020
Loan Club Brugge Foundation vzw	1,00%	30/06/2052	15.000	15.000
External Bank Loan (Belfius)	2,06%*	31/03/2040	13.919	14.232
Loans & Borrowings Non-Current			**28.919**	**29.232**

Loans & Borrowings: current In € '000 as at	Nominal Interest Rate	Maturity Date	31 December 2020	30 June 2020
Loan Club Brugge Foundation vzw	1,00%	30/06/2052	-	-
External Bank Loan (Belfius)	2,06%*	31/03/2040	623	616

Loans & Borrowings: current In € '000 as at	Nominal Interest Rate	Maturity Date	31 December 2020	30 June 2020
Other Loans			-	38
Loans & Borrowings Current			**623**	**654**

*Weighted average nominal rate (Initial loan 12,5 Mio EUR at 2,19%, additional loan of 2,5 Mio EUR at 1,39%)

The table below includes the contractual maturities (repayment of loans and interests) from loans and borrowings:

In €'000		31 December 2020	30 June 2020
Loan Club Brugge Foundation vzw	< 1 year	150	150
	1-5 years	600	600
	>5 years	19.050	19.050
External Bank Loan	< 1 year	917	917
	1-5 years	3.668	3.668
	>5 years	13.066	13.524
Other Loans	< 1 year	0	38
	1-5 years	0	0
	>5 years	0	0

No separate schedule with fair value information has been disclosed for financial assets and liabilities not measured at fair value, as the carrying amount is considered a reasonable approximation of the fair value with the exception of the loan from Club Brugge Foundation VZW (carrying amount of 15,0 mio EUR per 31 December 2020 and 30 June 2020). The fair value of this loan was estimated at 8,9 mio EUR per 31 December 2020 and 30 June 2020 (level 2 measurement).

11 Payables on purchase of player registration rights

Payables on purchase of player registration rights in € '000 as at	31 December 2020	30 June 2020
To be paid in more than 3 years	100	549
To be paid within 2- 3 years	554	549
To be paid within 1- 2 years	5.313	1.853
To be paid < 1 year	9.825	20.986
Player registration payables	**15.792**	**23.937**
Non-Current	5.967	2.951
Current	9.825	20.986
Player registration payables	**15.792**	**23.937**

The payables on purchase of player registration rights are related to the incoming transfers in the current and prior years. The outstanding payables > 1 year are classified as non-current liabilities.

Per 31 December 2020 the main outstanding payables on purchase of player registration rights were related to:

- Dost Bas – Eintracht Frankfurt
- Lang Noa – AFC Ajax
- Rezaei Kaveh – RSC Charleroi

Per 30 June 2020 the main outstanding payables on purchase of player registration rights were related to:

- Balanta Eder – FC Basel
- Kossounou Odilon - Hammarby
- Krmencik Michael – Viktoria Pilzen
- Mignolet Simon – FC Liverpool
- Okereke David – Spezia Calcio
- Rezaei Kaveh – RSC Charleroi

12 Right-of-use assets and lease liabilities

Right-of-use assets increased by 2,5 mio EUR to 4,8 mio EUR as per 31 December 2020 compared to 30 June 2020. The increase is mainly explained by the exercise of the purchase option in August 2020 included in the lease agreement with Shakhtar Donetsk for Eduard Sobol, with the acquisition effective date in the summer mercato of 2021.

Correspondingly, the lease liabilities increased by 2,0 EUR to 4,4 mio EUR as per 31 December 2020, mainly as a result of the execution of the purchase option in the lease of Eduard Sobol.

13 Contract liabilities

Contract liabilities (prepayments) amounted to 12,3 mio EUR on 31 December 2020 and 9,9 mio EUR on 30 June 2020. Contract liabilities relate to advance payments of Matchday and Commercial revenues, e.g prepaid season tickets, and are typically received for a major part of the revenues prior to the start of next year’s competition or at the beginning of the football season.

Given the nature of the contract liabilities, these are fully recognized as revenue when the related performance obligations are satisfied. Contract liabilities are typically higher as per 31 December as commercial partners pay in the beginning of the season and the performance obligations (eg. matches, commercial events, …) of the second half year are not yet satisfied. Further there is also an increase as result of the Covid-19 pandemic. Most of the matches were played without spectators and therefore the payments of season tickets holders and B2B customers are still recorded as contract liability.

14 Revenues

Revenues **In € '000 for the 6-months period ended**	**31 December 2020**	**31 December 2019**
Matchday revenues	2.851	12.555
Media rights revenues	38.666	32.717
Domestic	*4.185*	*3.995*
European	*34.481*	*28.722*
Commercial revenues	6.715	7.256
Other revenues	961	1.162
Total	**49.193**	**53.690**

Most of the Company's key revenue streams are directly and indirectly impacted by the on-field performance of the Company's team and the ability to maintain and develop its fan base.

The number of home games played by the Group in each season has an impact on Matchday revenues and Commercial revenues, including revenues from merchandising, food and beverage and hospitality. A higher number of home games results in higher Matchday and Commercial revenue, including revenue from merchandising, food and beverage and hospitality. The table in note 5 sets forth a detailed breakdown of home and away games played by Club Brugge in both domestic and international competitions.

14.1 Matchday revenues

Matchday revenues consist mainly of revenues from season and day tickets, memberships, revenues from food and beverage as well as VIP and corporate hospitality.

Matchday revenues decreased by 9,7 mio EUR, to 2,9 mio EUR for the 6-months period 31 December 2020 from 12,6 mio EUR for the 6-months period ended 31 December 2019.

Matchday revenues are highly correlated with the number of home games played in any given period. For a detailed breakdown of the games played by Club Brugge in both domestic and European competitions in the periods under review, please refer to the table included in note 5.

The decrease in Matchday revenues is mainly the result of the Covid-19 pandemic. For the 2020/2021 season, the Company has sold all of the available 24.300 season tickets, including all of the available 2.400 corporate hospitality tickets. However, matchday revenues have been impacted by the Covid-19 pandemic given that no or only a reduced number of spectators have been allowed in the Jan Breydel Stadium in any given match of the current season to date. Also, no single matchday tickets have been sold and no fans of visiting teams (constituting 5% of the total stadium capacity) have been allowed in the Jan Breydel Stadium since the beginning of the 2020/2021 season. Overall, the Company estimates that lost revenues due to the Covid-19 pandemic amounted to 8,1 mio EUR for the six months period ended 31 December 2020.

For the 2020/2021 season, the Company has played all home games (both in domestic competitions and European Competitions) without spectators, except for three home games in the Jupiler Pro League 1A played between 12 September 2020 and 23 October 2020 that were played with a limited capacity of approximately 9.200 spectators in the Jan Breydel Stadium. After 23 October 2020, no spectators were permitted in the Jan Breydel Stadium.

Season ticket holders, whether private individuals or corporate sponsors, have been granted the option to request, on a game-by-game basis, a 5% season ticket price rebate on the price of their season ticket for each Jupiler Pro League 1A home game that they are unable to attend due to restrictions imposed in the context of the Covid-19 pandemic. Approximately 6.000 of the Company's 24.300 season ticket holders have voluntarily relinquished their option to receive a rebate for the entirety of the 2020/2021 season, regardless of the number of home games that they are unable to attend.

Where matches have taken place with no or a limited number of spectators, matchday revenues will further be adversely impacted due to reduced consumption of food and beverages at the Jan Breydel Stadium, including the lack of provision of corporate hospitality.

14.2 Media rights revenues

In € '000	31 December 2020	31 December 2019
Media rights revenues - Domestic	4.185	3.995

In € '000	31 December 2020	31 December 2019
Media rights revenues - European	34.481	28.722

The Company generates media revenues from both domestic and international broadcasting agreements negotiated between the Pro League and one or more selected media broadcasters, and between UEFA and its main sponsors and media broadcasting providers, respectively. Under these agreements, media broadcasters pay media rights to the Pro League and UEFA which, in turn, pay the relevant media rights portion to the Company directly, based on a separately defined division key. The Company refers to revenues generated from domestic agreements with the Pro League and from international agreements with UEFA as "Media rights revenues - Domestic" and " Media rights revenues - European", respectively. Domestic and European media revenues are recorded cumulatively under "media rights revenues".

The Company generated domestic media revenues of 4,2 mio EUR and 4,0 mio EUR for the 6-months period ended 31 December 2020 and 2019 respectively.

Domestic media rights are distributed to clubs participating in the Belgian Championship on the basis of a division key including various parameters approved by the board of directors of the Pro League.

As from season 2020/2021, there is a new improved media contract with Eleven Sports.

The Jupiler Pro League 1A's rights for the 2018/2019, and 2019/2020 seasons were sold for an aggregate amount of approximately 81 mio EUR per annum, split among member-clubs in accordance with an agreed division key. The Jupiler Pro League 1A's rights for the next five seasons have been sold by the Pro League to broadcaster Eleven Sports, for an overall amount of approximately 101 mio EUR per annum pursuant to the Eleven Sports Media Rights Agreement. The revenues are split between the teams playing in the domestic league on the basis of a division key including various parameters approved by the Pro League.

The increase in Media rights revenues – Domestic as per 31 December 2020 compared to the prior season is lower than expected as result of a one-off solidarity compensation of 1,7 mio EUR in season 2020/2021 by the Group to the other clubs in the Jupiler Pro League, as season 2019/2020 was officially stopped due to Covid-19. As agreed by the members of the Pro League, Club Brugge redistributed a part of the Champions League starting fee as an exceptional solidarity compensation. The impact of this solidarity compensation for the first half year amounts 802.750 EUR.

For interim financial statements, when final ranking is uncertain, the Company recognizes their media rights revenues taking the assumption that 2nd place in the Belgian Championship will be obtained.

For media rights revenues – European no such estimation needs to be made per interim financial statements, given that all information is available and hence, there is no estimation uncertainty.

The Media rights revenues – European increased by 5,8 mio EUR to 34,5 EUR compared to the 6-months period ended 31 December 2019. The main reason for this increase is the better sporting performance in the UEFA Champions League group phase: 8 points in season 2020/2021 compared to 3 points in season 2019/2020. This was adversely impacted by UEFA lowering the starting fee for teams entering the Champions League group stage. The deductions vary by size of any given national league, and Belgium has agreed to a 5,5 mio EUR deduction in European media rights revenues. This 5,5 mio EUR deduction will be spread over the coming five years, and as a result, the Company incurred a 1,1 mio EUR reduction of its European media rights revenues for the 2020/2021 season.

14.3 Commercial revenues

Commercial revenues consist of revenues generated from the exploitation of the brand "Club Brugge" through sponsorship and other commercial agreements and events, Club Brugge branded merchandise and distribution and sales of such goods.

The Company generates commercial revenues from certain sponsorship and advertising contracts with leading international and domestic companies. These relationships are the primary method by which the Company monetizes the value of the Company's brand and its community of supporters, and therefore have a significant impact on the Company's total revenues.

The Company also generates revenue from advertising, e.g. led boarding at the stadium, as well as from merchandising of branded goods which, historically, have been sold primarily through the physical store at the Jan Breydel Stadium, and now are also being sold increasingly through the Company's web shop.

Commercial revenues decreased by 540.416 EUR, to 6,7 mio EUR for the 6-months period ended 31 December 2020 from 7,3 mio EUR for the 6-months period ended 31 December 2019. The company estimates that the commercial revenues will be impacted by approximately 0,6 mio EUR refunds to the commercial partners as a result of compensations for corporate hospitality due to Covid-19 for the season 2020/21.

The decrease from the 6-months period ended 31 December 2019 to 31 December 2020 was primarily due to the Covid-19 pandemic which delayed most of the commercial events and Merchandising decreased as most of the games were played without spectators resulting in less traffic in the shop which is located at the stadium.

14.4 Other revenues

Other revenues are mainly comprised of amounts received for players rented out to other clubs, the share in common costs paid by Cercle Brugge for its use of the Jan Breydel stadium and compensations received for players playing international matches for their national teams. Rent income from players rented out to other clubs amounted to 638.115 EUR for the 6-months period ended 31 December 2020 and 677.670 EUR for the 6-months period ended 31 December 2019.

Other revenues decreased by 201.457 EUR, to 960.636 EUR for the 6-months period ended 31 December 2020 from 1,2 mio EUR for the 6-months period ended 31 December 2019. This decrease was mainly the result of a 217.197 EUR decrease in compensations received for players playing international matches for their national teams.

15 Contingent liabilities and assets

Contingent assets related to the sale of player registration rights, totaling 4,6 mio EUR per 31 December 2020 (6,1 mio EUR per 30 June 2020), included commitments made as part of transfer contracts providing for contingent payments to the Club after the transfer in the event certain performances are achieved.

Commitments related to the purchase of player registration rights, totaling 5,7 mio EUR per 31 December 2020 (5,4 mio EUR per 30 June 2020), included commitments made as part of transfer contracts providing for contingent payables from the Club to the counterparty after the transfer in the event certain performances are achieved.

The amounts included above only include fixed fees, and no success fees based on a percentage of the subsequent sale of the player registration rights, as for these transactions no reliable estimation can be made.

16 Related party transactions

There are no additional material transactions with related parties other than those disclosed in the 30 June 2020 consolidated financial statements.

17 Subsequent events

17.1 Winter transfer window 2021

The winter transfer window ran from 1 January 2021 to 1 February 2021.

Overview of the most significant incoming transactions:

- Pérez Daniel – Metropolitanos

Overview of the most significant outgoing transactions:

- Baeten Thibault – NEC
- Diatta Krépin – AS Monaco
- Petroni Luan Peres – Santos FC
- Schrijvers Siebe – OH Leuven

17.2 Other subsequent events

There were no other significant events subsequent to the end of the period that have not been reflected in the financial statements for the period.

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