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Astralis Group A/S

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Astralis Group A/S: Astralis Group publishes prospectus for its IPO in Copenhagen

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Astralis Group publishes prospectus for its IPO in Copenhagen

Astralis Group is a leader in a fast-growing global industry. Astralis Group builds high performing teams, global brands, engaging media channels and solid, innovative commercial partnerships. Through this IPO, Astralis Group aims to consolidate and strengthen its international position and invest further in securing a continued growth, winning team brands and an extensive, international media portfolio.

Background for the IPO – growth and expansion

In the period from 18 November 2019 at 09:00 (CET) to 29 November 2019 at 23:59 (CET), the Company is offering a minimum of 13,966,480 and a maximum of 16,759,777 new shares at a price of DKK 8.95 per share in connection with a listing on Nasdaq First North Growth Market Denmark. A total of 41 pre-subscribers have entered into binding agreements to subscribe to 6,368,656 of the new shares, equivalent to approximately 46% of the minimum number of new shares.

The expected gross proceeds of minimum DKK 125 million and maximum DKK 150 million will be used to secure the buy-in of Astralis Group's teams in their respective leagues (50-60%), reaching a broader international audience (15-20%), the development of digital products as part of a direct-to-consumer strategy (10-15%), and for broadening the current brand portfolio (10-15%).

A sustainable and scalable business model

In short, the strategic focus of Astralis Group is centred around three elements that form the "Value Creation Engine" by:

- scaling the performance model with the introduction of potential new teams and improving its efficiency;
- broadening the brand portfolio by acquiring and building engaging brands that reach a broad audience; and
- a continuous strengthening of the commercial platform, building valuable relationships with Astralis Group's fans through existing and new digital and physical channels.

The performance model – recognising players as athletes

The consistent results and high rankings by Astralis Group's teams is secured through the unique performance model, which is applied to all teams and players to significantly enhance and stabilise their performance. The model balances three core dimensions into a winning recipe for player and team performance, physical (e.g., nutrition and sleep), mental (e.g., dynamics and profiling), and technical (e.g., skills and playbook).

In addition to the standard setup of an esports team, Astralis Group's performance model also applies team support such as assistant coaches, a sports director, a sports psychologist, a nutritionist, and data analysts. It further provides an experienced and connected organisation around commercial opportunities, press, and social media work, which enables the players to concentrate on their main objective: Constantly improving their performance.

Brand building – engaging brands that connect with fans

Astralis Group establishes team brands as a portfolio, enabling the brands collectively to reach the widest possible fanbase. To build the brands, resources and processes are pooled within the Company.

Astralis Group's branding model builds on each team to establish and evolve the teams' voices toward their specific audience. Teams within Astralis Group build relationships with different audiences, allowing them to position themselves best toward these, while collectively reaching a larger mainstream audience.

Commercial platform – building valuable relationships with fans

The successful implementation of the performance model and brand building results in loyal audiences, which is Astralis Group's main asset for value creation, either directly through merchandise or indirectly through commercial partnerships. Value is created for the audience and Astralis Group through three main revenue streams:

- Commercial partnerships: Currently makes up the largest revenue share for Astralis Group, having established partnerships with well-known brands such as Audi, Jack & Jones, Turtle Beach, Omen by HP, Unibet, and others.
- Merchandise: Sales of products branded with team name or logo across clothes, gaming, and other categories are sold online and through high street retailers.
- League and tournament memberships: The return on a membership slot or equity stake in an esports league or tournament, typically an annual share of league revenues or profits.

The global esports market has great potential

The esports industry, a subset of the video gaming market, shares several characteristics with professional traditional athletics sporting events. As with the latter, esports is centred around competitive (electronic) sports events on a professional level, played either by individual (single) players or in teams (multiplayer), with the playing field being either computer, console, or mobile. The large amount of different gaming genres and titles make esports as diverse as traditional sports, and likewise, the games are often played as a tournament in front of a live audience while simultaneously being broadcasted through TV networks, but mostly through online channels.

Revenues in the esports industry are generated from viewers through sponsorships, merchandise, and media rights, and are, according to figures from NewZoo, expected to grow by 20% p.a. reaching USD 1.8 billion in 2022, primarily driven by increases in viewership and revenues per viewer. Astralis Group is well-positioned to benefit from this, with its leadership status and proven record of the performance model, brand building capabilities, and commercial platform.

Information about the offering of new shares

Astralis Group is offering a minimum of 13,966,480 and a maximum of 16,759,777 new shares at an offer price of DKK 8.95 per share of nominally DKK 0.01 each.

The offering is not guaranteed. However, a total of 41 investors have made binding commitments to subscribe to a total of 6,368,656 shares, equivalent to approximately 46% of the minimum number of new shares. If buyers of minimum 13,966,480 offered shares are not found, the IPO will not be completed.

- The offer period opens on 18 November 2019 at 09:00 (CET) and closes on 29 November 2019 at 23:59 (CET). Applications to subscribe to the offered shares shall be submitted to the investor's own bank or via Nordnet.
- The result of the offering, including the final number of new shares and pre-allotment, is expected to be published on 2 December 2019 at 18:00 (CET).
- Settlement of the Offering will be effectuated provided payment in Danish krone (DKK), which is expected to happen on 5 December 2019. Any trading with the new shares prior to the settlement is solely the involved parties' own expense and risk.
- The first day of trading on Nasdaq First North Growth Market Denmark in the Company's shares is expected to be on 9 December 2019.
- The allocated shares will be switched in VP Securities' systems from the temporary ISIN code to the permanent ISIN code (DK0061155785) on 10 December 2019.

Application has been made for the Shares to be admitted to trading on Nasdaq First North Growth Market Denmark under the symbol "ASTGRP". This is based on the condition that Nasdaq First North Growth Market Denmark's requirements regarding a sufficient number of qualified investors, liquidity and free float are fulfilled and that the offering is completed.

The offering may be withdrawn by the Issuer at any time before the Company has published the results of the offering. The completion of the offering is conditional upon the offering not being

withdrawn. The offering may, inter alia, be withdrawn if there are insufficient buyers for a minimum of 13,966,480 new shares equivalent to gross proceeds of DKK 125 million. Likewise, the offering may be withdrawn if the liquidity of the new shares offered to investors does not meet Nasdaq First North Growth Market Denmark's requirements.

Tofte & Company is appointed as Certified Adviser and law firm BKH Law is legal adviser to the Company in connection with the IPO. Danske Bank is the issuing agent and settlement agent in connection with the offering. Deloitte is the company's auditor.

Ownership and management

As of the date of the prospectus, the following shareholders have an ownership stake or voting rights of minimum 5% immediately before the offering:

- **Beatnik ApS** (ultimately owned by the Company's co-CEO, Nikolaj Nyholm) owns 14,849,986 shares equivalent to 37.12% of the total share capital and votes.
- **JLK Holding ApS** (ultimately owned by the Company's CCO, Jakob Lund Kristensen) owns 7,996,144 shares equivalent to 19.99% of the total share capital and votes.
- **Bumble Ventures A/S** (of which the beneficial owners are Christian Kirk Rasmussen and Jesper Søgaaard, each owning 50.00%) owns 2,036,711 shares equivalent to 5.09% of the total share capital and votes.

The Company's board of directors is comprised of Jette Nygaard-Andersen, Christian Swane Mourier, and Claus Zibrandtsen. The Company's executive management is comprised of Nikolaj Nyholm, Anders Hørsholt, Jakob Lund Kristensen, and Jakob Hansen.

Prospectus and information meetings

The prospectus, application form, et cetera are available on Astralis Group's investor page at <https://www.astralisgroup.net/investor>.

Information regarding information meetings, as well as how to register to such, are also listed on the investor page above.

Additional information

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Important information

This announcement does not constitute an offering circular. No one should purchase or subscribe for any shares in Astralis Group A/S ("Astralis Group" or the "Company"), except on the basis of information in the offering circular published by the Company in connection with the offering and admission of shares to trading on Nasdaq First North Growth Market Denmark. Copies of the offering circular are available from the Company's registered office and, subject to certain exceptions, on the website of the Company.

This announcement is not an offer to sell or a solicitation of any offer to buy any shares issued by Astralis Group in any jurisdiction where such offer or sale would be unlawful and the announcement and the information contained herein are not for distribution or release, directly or indirectly, in or into such jurisdictions.

In any member state of the European Economic Area ("EEA Member State"), other than Denmark, that has implemented Directive 2003/71/EC as amended (together with any applicable implementing measures in any EEA Member State, the "Prospectus Directive"), this announcement is only addressed to and is only directed at investors in that EEA Member State who fulfil the criteria for exemption from the obligation to publish an offering circular, including qualified investors within the meaning of the Prospectus Directive.

Any securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States absent registration or an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States.

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