



ASTRALIS A/S

# ANNUAL REPORT 2021



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# OUR BUSINESS

**Astralis is a Copenhagen-based company with an international focus and outlook, holding a robust track record of developing esports teams and brands with consistent performance and value.**

Astralis A/S is a market leader and a pioneer in the growing, global gaming industry. With a proven business model, teams in some of the biggest esports titles, digital platforms with millions of followers, state-of-the-art gaming and entertainment facilities, as well as franchise and participation rights in the most premium international esports leagues, we are committed to growing our business and become the strongest international gaming and esports brand.

Our promise is to develop top competitive esports teams and a global brand with a large, engaged, international fan base to secure and expand our position as a preferred esports and entertainment brand for gamers, commercial partners, audiences, premium leagues, and media.

## **The Market, Leagues and Media Rights**

Over the past decade, the global esports audience has been on a steady climb and the global pandemic only accelerated this development. In 2021, esports attracted

a total of 474 million viewers, out of which just under half watched esports online more than once a month. Over the coming years, the audience is expected to continue growing, surpassing the 500 million mark in 2022 according to [www.newzoo.com](http://www.newzoo.com).

Structured league formats with permanent participation of the biggest team brands contribute significantly to the continued growth in interest and thereby the value of teams, tournaments and rights.

The Astralis brand has reached a position, where participation of our teams is regarded as an asset to the premier leagues in esports. Together with other top teams and ESL, Astralis is an equal owner of ESL Pro League and a franchise member of BLAST Premier, both Counter-Strike. Likewise, our League of Legends team holds one of the 10 coveted franchise spots in game developer Riot's LEC league and our Rainbow Six team holds a permanent spot in Ubisoft's North American League (NAL).

As franchise member, Astralis partakes in revenues and profits generated from league TV rights, sponsorship, and related business. Across the board, league rights are growing rapidly and in 2021, the revenue from these rights grew by 250% compared to 2020.

For the leagues we hold franchise rights (LEC, BLAST Premier, NA League, and Pro League), we are not only seeing a consistent increase in the commercial value, but also a notable growth in the transaction values of league and franchise rights: In the summer of 2021, FC Schalke 04 sold their LEC franchise rights at a reported price of 26.5 MEUR, and in early 2022, ESL and FACEIT was traded at a reported 1.5 BLN USD (in 2015, the price for the majority of ESL was 78 MUSD).

## **Commercial platform**

Our commercial platform is built on the strength of our brand and owned media, enabling us to reach and engage a growing, young, commercially attractive, global fan base.

Unlike traditional sports, which can be characterized as asset-led sales, esports' digitally native starting point has allowed Astralis to take an audience-led sales approach from day one. As our audience continues to grow and our

digital and physical footprint expands, the value of our commercial offering scales exponentially. We are not limited by geographical boundaries or affiliations and increasingly we are seeing our commercial partners activate their partnership with us on a local as well as international basis.

## **Talent Development**

In December of 2020, Astralis launched a new talent program, Astralis Talent, designed and built to secure a strong internal recruitment platform for the most talented upcoming players. The Astralis Talent program also serves as sparring and supplement for the company's A-teams.

Astralis Talent is built to support long term performance and continuity of the A-teams, however, ultimately internal recruiting and development of esports talent is also a potential commercial asset through reduced transfer costs and potential new transfer income.

With four dedicated Astralis Talent coaches, who also have the responsibility of scouting, the Astralis Talent organization reports to the Director of Sports and works closely with the A-team coaches ensuring continuity of values and culture.

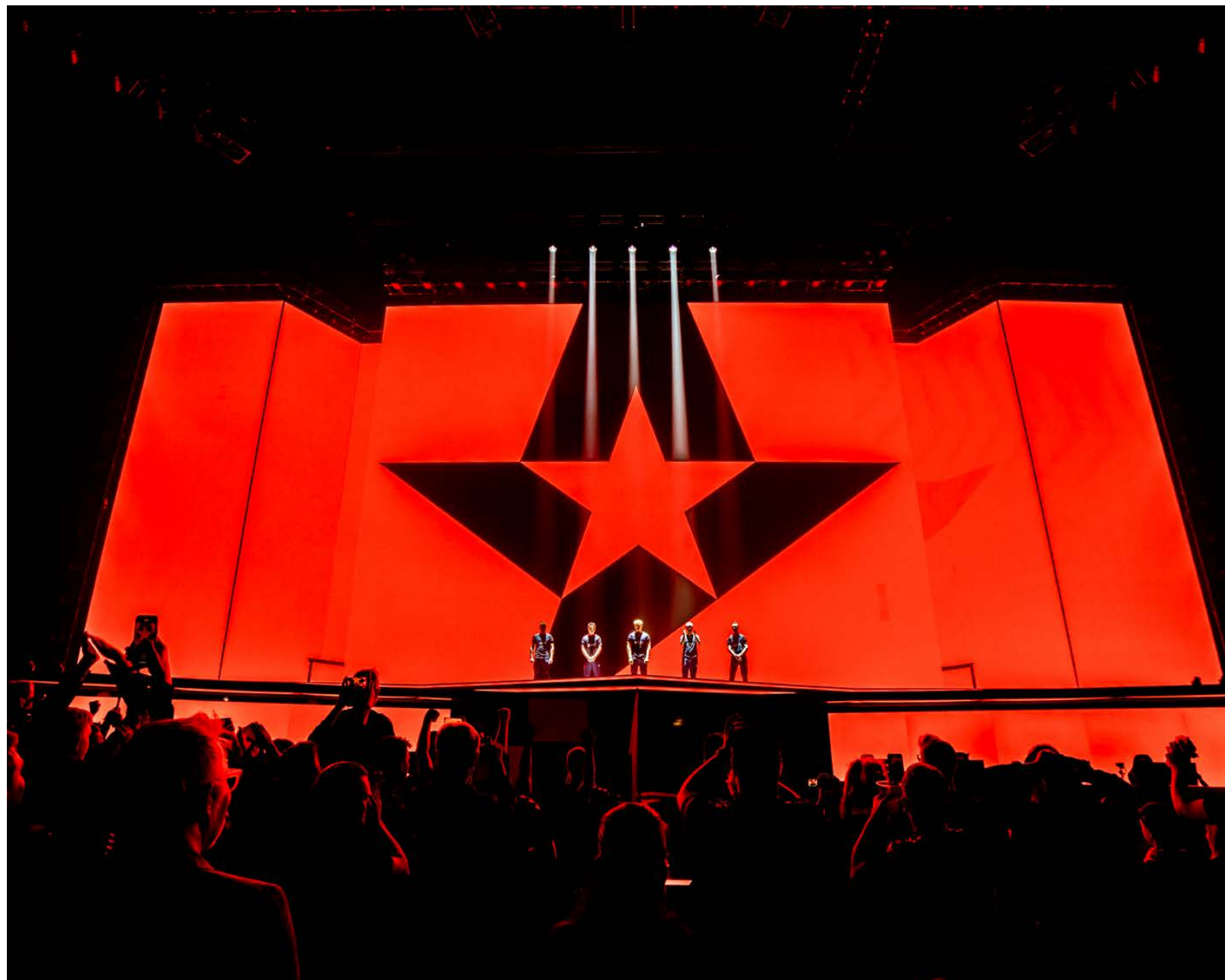
**Highly experienced Management**

Management of Astralis A/S consists of the Board of Directors, an Executive Management Group and Senior Management. All are highly skilled, professional managers covering different, specific parts of the overall development and day-to-day business operation. The Management in Astralis A/S brings experience from top management roles in relevant areas such as Professional Sports, Media, Finance, Communication, Branding and Business Development.

The Executive Management Group and Senior Management of Astralis A/S:

- Anders Hørsholt, CEO
- Jakob Lund Kristensen, co-Founder and CRO
- Jakob Hansen, CFO
- Kasper Sindt, Commercial Director
- Kasper Hvidt, Director of Sports
- Steen Laursen, Director of Communication
- Benjamin Boraghi, Marketing Director

Full curriculum vitae of Executive Management can be found at [www.astralis.gg/investor](http://www.astralis.gg/investor)





## COMPANY STRUCTURE

Astralis A/S was founded on 31 July 2019 and the legal group was established 14 August 2019 where Astralis A/S acquired Astralis Management ApS and subsidiaries. Astralis Group A/S was renamed Astralis A/S 19 April 2021.

Astralis Group Management ApS was founded 30 October 2018 as RFRSH Teams ApS and renamed Astralis Group Management ApS 8 November 2019. Astralis Group Management ApS was renamed Astralis Management ApS 19 April 2021.

Astralis Esport ApS was founded 4 December 2015 as Spirit of Amiga ApS and renamed Astralis Esport ApS 21 January 2016. Astralis Esport ApS was renamed Astralis CS ApS 19 April 2021.

Origen Esports ApS was founded 30 October 2018 as NewCo Esport ApS and renamed Origen Esports ApS 24 May 2019. Origen Esports ApS was renamed Astralis LoL ApS 19 April 2021.

Future Football Club ApS was founded 28 October 2019. Future Football Club ApS was renamed Astralis FIFA ApS 19 April 2021.

Astralis Nexus is a completely unique esports and entertainment center where you can discover, nurture, and share your passion for gaming located next to the main entrance at Tivoli Gardens, Copenhagen. Originally founded as ApS af

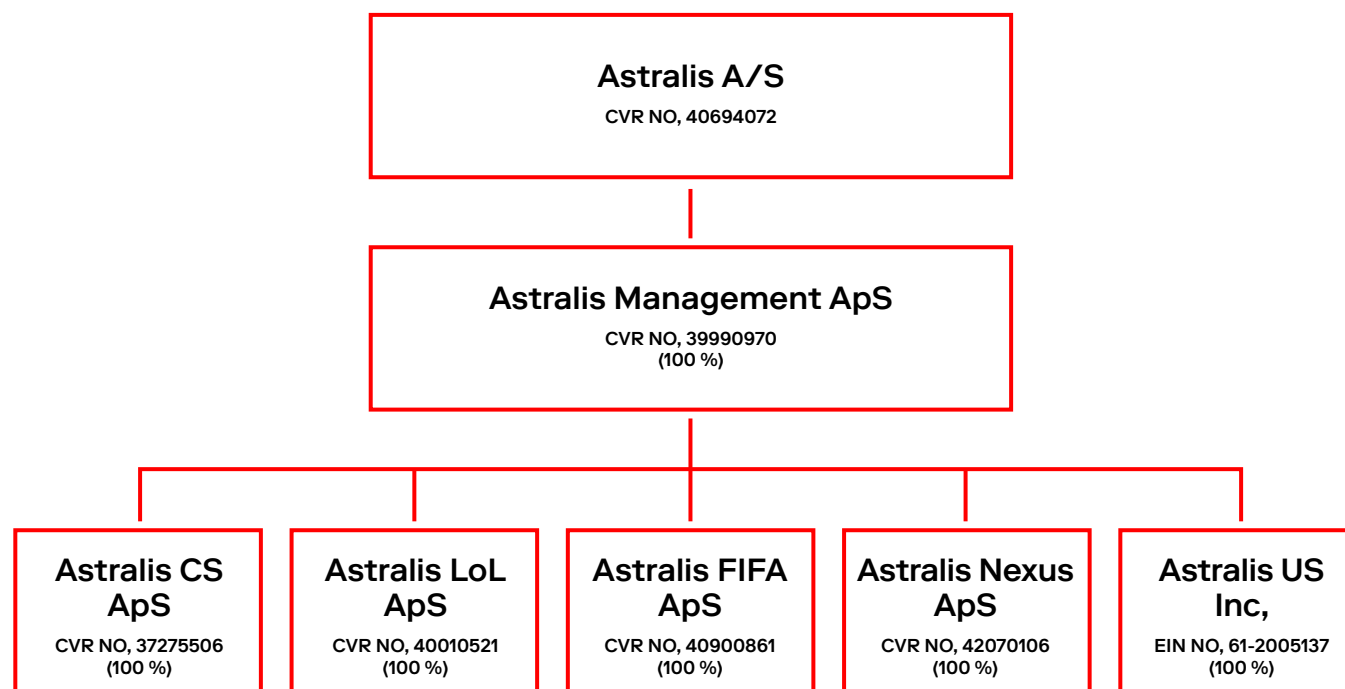
29/1-2021 29 January 2021 and renamed Astralis Nexus ApS 22 April 2021.

Astralis US Inc. is the home of the Astralis Rainbow Six: Siege team officially announced by the Astralis on

3 September 2021. The company was founded 24 August 2021.

### Subsequent events

Astralis A/S has acquired 51% of PIXEL.TV ApS 1 January 2022.





# LETTER TO SHAREHOLDERS

**Our 2021 results confirmed our business plan and ambitious strategy. Despite ongoing restrictions throughout the year and the negative effects on live tournaments, our physical facilities, as well as fan- and partner events, we managed to stay on track and deliver a result within our expectations for the year.**

In a year of acquisitions and expansion into new game titles and new commercial facilities, the value of Commercial Partnerships and League Revenues contributed significantly to a continued, high growth rate.

In 2021 we entered two new game titles in key markets, we took the first steps into the physical world of gaming entertainment through the opening of Astralis Nexus, and we strengthened our digital presence significantly adding new channels and audiences. In a year of rebuilding our team rosters and the consequential fluctuation in performance, we grew the total Astralis fanbase by 30% across our SoMe platforms, confirming our strategy around creating a strong global gaming brand, independent of short-term team results.

Live events were limited, however, the few arena events that did open the doors to fans proved that our position in the fan base has only been strengthened, especially on home turf where the only live event of 2021 was held in Royal Arena with more than 25,000 fans, mainly in Astralis jerseys, filled the arena over 3 days. We capitalized on this trend and continued to invest into our core product and asset: the size and breadth of our audience and the long-term performance of our teams.

## **League & Franchise Rights on the rise**

Historically, in the global sports industry league and franchise rights are among the best performing asset classes with large financial appreciation. The same development is now happening in major esports titles, where leagues

and franchise rights are fast becoming significant value drivers.

For the leagues we hold franchise rights (LEC, BLAST Premier, NA League, and Pro League), we are not only seeing a consistent increase in the commercial value, but also a notable growth in the transaction values of league and franchise rights: In the summer of 2021, FC Schalke 04 sold their LEC franchise rights at a reported price of 26.5 MEUR, and in early 2022, ESL and FACEIT was traded at a reported 1.5 BLN USD (in 2015, the price for the majority of ESL was 78 MUSD).

Our franchise rights contribute with increasing, direct income generated from league TV rights, commercial partnerships, and related business, as well as continued guaranteed exposure to record-breaking league audiences in key markets.

## **Growing commercial partnerships, connecting fans and brands**

Through a strong and diverse digital media portfolio, a growing global fan base and high engagement rates, we have a proven track record in delivering high commercial value to our partners.

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**"Through a strong and diverse digital media portfolio, a growing global fan base and high engagement rates, we have a proven track record in delivering high commercial value."**

**Anders Hørsholt, CEO**





2021 was marked by not only 11 new valuable commercial partnership agreements and the extension of our longest running commercial agreement, we also entered a significant commercial partnership by welcoming the fast growing, international crypto currency exchange ByBit to the range of regional and international partner brands in Astralis.

The opening of Astralis Nexus, our two-story 1200 sqm center for gaming entertainment, established a new physical presence, allowing not only fans and gamers to connect and build new communities around the positive Astralis values; it has also created new ways for our commercial partners to activate the partnerships and engage with gamers, fans and the vast number of visitors in the heart of Copenhagen.

### **Our Organization**

It is a pleasure to see our organization grow, adding a lot of young, skilled talent with an amazing drive and ambition. To support our growing business and as we extend the number of commercial partners and touchpoints with the global fan base, we have expanded

our Commercial, Content- and Digital Departments.

In 2021, inhouse we produced more than 750 video pieces for our Commercial Partners and digital channels, adding to the value for media and commercial partners as well as the fanbase.

We are also proud of developing our in-house talent and being able to find our new Marketing Director, Benjamin Boraghi, in-house.

### **Astralis Nexus**

In June, we opened Astralis Nexus, our first gaming and entertainment facility, and with more than 2,000 fans and gamers standing in line for the Grand Opening, from day one Astralis Nexus has attracted gamers and Astralis fans of all kinds.

The 1,200 square-meter, two-story facility includes a large Merchandise Store, 130 pro gaming stations, four VIP gaming rooms, three fully equipped streaming studios for content creators, an auditorium, a show room, and the possibility for our Commercial Partners to display and sell their products.

Astralis Nexus is a part of our overall business model with revenue streams mainly from local and regional commercial partnerships, hosting of B2B events and sold game time, including food and beverages. The facilities are used for activation of our global partnerships in connection with content production for all our teams.

In early 2022 we entered the first strategic partnership, exclusively focussed on activation in Astralis Nexus, and we expect Astralis Nexus to continue to generate new revenue and to contribute positively to our bottom line by 2025 the latest.

EBITDA for Astralis Nexus was DKK -4.5 million in 2021 (Jun-Dec 2021)

### **Teams, performance and development**

We own and operate teams in the biggest esports titles including Counter-Strike, League of Legends and FIFA. In 2021 we have strengthened our presence in the biggest and most relevant esports titles through the establishment of Astralis Fortnite and the acquisition of a North American Rainbow Six organization.

Astralis Talent is our player development programme. In 2021 we sold our franchise rights in the Spanish first division of League of Legends to establish a stronger talent roster in our HQ. Around the same time, we increased our talent investment in Counter-Strike, where all players are now full time professionals.

We have strengthened the performance team, which now consists of two permanent Performance Coaches, a Physio Therapist, a Team Doctor, a Zone Reflex Therapist, Body SDS Therapist and an a Performance Consultant for our individual players.

### **Counter-Strike**

In late 2021 we executed a long-planned change in the roster and coach set-up with new, younger profiles joining the team and a new coach. We added an analyst to the Counter-Strike performance team, which is becoming a more integrated part of our overall performance strategy.

Through the upgrade in the organization around the team and a revitalization of the team itself, we expect to become a



contender for the biggest titles in 2022, including the two upcoming Majors.

In Counter-Strike, we hold Franchise and participation rights in the two most valuable international leagues; BLAST Premier and Pro League. Our talent team hold participation rights in the most prestigious international talent league: WePlay Academy League.

EBITDA for Astralis CS was DKK -7.6 million in 2021 (DKK -5.9 million in 2020).

### League of Legends

In League of Legends, we're working with a different approach towards performance than our colleagues. Result wise, we have yet to see a breakthrough as our team has not qualified for the LEC Play Offs, which is our goal, however, we continue to refine our set-up and strategy and expect to see improved results during 2022.

In League of Legends, we hold Franchise and participation rights in LEC, which is the European leg of the global League of Legends tournament.

EBITDA for Astralis LoL was DKK -2.6 million in 2021 (DKK -0.5 million in 2020).

### Rainbow Six

Rainbow Six is one of the most popular esports titles in North and South America. In September of 2021, we acquired the US based Disrupt Gaming including the Rainbow Six team, franchise/participation rights, and digital channels.

We have started building a set-up and competitive roster, and expect the team to be a contender for the Major tournaments.

In Rainbow Six, we hold Franchise and participation rights in the North American League.

EBITDA for Astralis US was DKK -0.6 million in 2021 (Sep-Dec 2021).

### Fortnite

With more than 80 million active users every month, Fortnite is the most popular game in the world. In November 2021, Astralis entered Fortnite and signed one of the top players on all international

rankings, Th0masHD. Thomas is working with a dedicated performance team around him, and we expect that he will be a contender for the World Championship and all major tournaments in which he participate. The addition of Fortnite happened late in 2021 and thus had very limited impact on revenue and costs.

Fortnite is operated as part of Astralis Management where the EBITDA was DKK 7.7 million in 2021 (DKK 12.0 million full year 2020).

### FIFA

Due to the pandemic and consequential lack of international tournaments, we have adjusted our strategy and focus on the work and potential around the World's best female player Stephanie "Teca", who is continuing to engage with a large South American and international audience.

EBITDA for Astralis FIFA was DKK -0.8 million in 2021 (DKK -0.8 million full year 2020).

## Results

Despite the continued challenges related to the pandemic the result for 2021 was positive for Astralis A/S as the Group continued growing Sponsorship and League revenue by 47 % to DKK 70.3 million.

The full year net revenue for the Group was DKK 75.0 million in 2021 - compared to DKK 51.5 million in 2020 - which was in the middle of the financial guidance given in corporate announcement no. 4-2021 of DKK 70-80 million.

A negative EBITDA of DKK -7.9 million - compared to DKK -14.5 million in 2020 - was in line with the guidance given with a range between DKK -5 to -10 million.

The result before tax for the year was DKK -35.2 million.

## Outlook

The projections of the financial targets for the Group for the financial year ending 31 December 2022 is a net revenue in the range between DKK 85 and 90 million and an EBITDA of DKK 0 to 5 million.





With the acquisition of the majority stake in PIXEL.TV, a Danish production house and broadcaster, in early 2022 we have significantly strengthened our digital production, presence, and reach to further engage a fast growing audience.

Astralis expects to be cash flow positive from 2022 and onwards and the management considers the capital resources sufficient to support activities and investments in 2022.

**Nikolaj Nyholm**  
Chairman

**Anders Hørsholt**  
CEO



**NIKOLAJ NYHOLM**  
CHAIRMAN



**ANDERS HØRSHOLT**  
CEO



# KEY FINANCIAL HIGHLIGHTS

## Statutory Consolidated Financial Statements – 1 January 2021 - 31 December 2021

(DKKm)	Note	2021	2020	2019*
Revenue		75,004	51,504	48,633
Other operating Income		6,692	3,513	0
External expenses		(25,155)	(19,244)	(21,784)
Staff costs		(64,416)	(50,291)	(49,534)
<b>Gross loss (EBITDA)</b>		<b>(7,875)</b>	<b>(14,518)</b>	<b>(22,685)</b>
Depreciation and amortisation		(25,151)	(35,491)	(17,637)
<b>Operating loss (EBIT)</b>		<b>(33,026)</b>	<b>(50,009)</b>	<b>(40,322)</b>
Financial income		95	181	18,957
Financial expenses		(2,264)	(3,393)	(13,278)
<b>Loss before tax</b>		<b>(35,195)</b>	<b>(53,221)</b>	<b>(34,643)</b>
Tax on loss for the period		0	246	0
<b>Loss for the period</b>		<b>(35,195)</b>	<b>(52,975)</b>	<b>(34,643)</b>
<b>Proposed distribution of loss</b>				
Retained earnings		(35,195)	(52,975)	
		<b>(35,195)</b>	<b>(52,975)</b>	
Non-current assets		70,884	83,048	
Current assets		55,823	81,062	
<b>Assets</b>		<b>126,707</b>	<b>164,110</b>	
<b>Equity</b>		<b>83,230</b>	<b>113,931</b>	
<b>Ratios</b>				
Solvency ratio in %		66%	69%	

\* Astralis A/S was founded on 31 July 2019 and only constituted a legal group from 14 August 2019 where Astralis A/S acquired Astralis Management ApS and subsidiaries. To provide meaningful comparison figures for 2019 these are based on consolidated financial statements for the underlying operating sub-group; Astralis Management ApS and subsidiaries for the financial period 1 January 2019 – 31 December 2019.



# FINANCIAL REVIEW

The Management of Astralis A/S has prepared and presents herein the statutory consolidated financial statements as of 31 December 2021 for Astralis A/S and its subsidiaries which provides consolidated information about Astralis A/S' financial performance for the period 1 January 2021 – 31 December 2021.

## Revenue

Total revenue for 2021 was DKK 75.0 million (DKK 51.5 million in 2020) which was in line with expectations. The increase in revenue was driven by Astralis CS with DKK 52.9 million, Astralis LoL with DKK 16.4 million, Astralis FIFA with DKK 3.6 million, Astralis Nexus with DKK 1.7 million and Astralis US with DKK 0.5 million. The increase in revenue was driven by League Revenue and Commercial partnerships.

## External costs, staff costs and depreciation and amortisation

External costs were DKK 25.2 million (DKK 19.2 million in 2020) which was in line with expectations for the period. Staff costs were DKK 64.4 million (DKK 50.3 million in 2020). Depreciation and amortisation were DKK 25.2 million (DKK 35.5 million in

2020). Due to the trading values seen in the market for the European League of Legends franchise spot, the scrap value for the European League of Legends franchise spot is considered to be higher than the book value and no amortisation is included for 2021 which has reduced amortisation by DKK 17.6 million compared to 2020.

## EBITDA

EBITDA for 2021 were DKK -7.9 million (DKK -14.5 million in 2020) which was in line with expectations. EBITDA for Astralis CS were DKK -7.6 million (DKK -5.7 million in 2020), for Astralis LoL DKK -2.6 million (DKK -12.7 million in 2020), for Astralis FIFA DKK -0.8 million (DKK -1.6 million in 2020), for Astralis Nexus DKK -4.5 million and for Astralis US DKK -0.6 million. In

addition, non-allocated revenue and costs accounted for DKK 8.2 million (DKK 5.5 million in 2020).

## Net financials

In 2021, net financials amounted to a loss of DKK -2.2 million (DKK -3.2 million in 2020).

## Income tax

Income tax in 2021 was DKK 0 (DKK 0.2 million in 2020). The group has an unrecognized deferred tax asset primarily from tax loss carry forward of DKK 25.9 million which is not recognized in the financial statements.

## Loss for the period

The result for 2021 was DKK -35.2 million (DKK -53.0 million in 2020).

## Balance Sheet

### Intangible assets

Intangible assets amount to DKK 61.3 million as of 31 December 2021 (DKK 82.2 million in 2020) which is related to of the franchise slot in the European League of Legends franchise league DKK 40.8 million and goodwill and trademarks related to the acquisition of Astralis Group Management and the 2021 acquisition of Disrupt Gaming DKK 14.2 million and DKK 6.3 million, respectively.

## Current Assets

Current assets at the end of 2021 were DKK 55.8 million (DKK 81.1 million in 2020) of which DKK 22.9 million was in cash and DKK 27.3 million in trade receivables.

## Non-current liabilities

Non-current liabilities at the end of 2021 were 9.4 million (DKK 12.0 million in 2020) related to the European League of Legends franchise league.

## Current liabilities

Current liabilities at the end of 2021 were DKK 34.1 million (DKK 38.1 million in 2020) of which DKK 9.4 million were related to the European League of Legends franchise league.

## Equity

The Group's equity amounts to DKK 83.2 million as of 31 December 2021 (DKK 113.9 million in 2020). No dividends will be distributed for 2021.

## Cash Flow

### Operations

In 2021 the cash flow from operating activities was DKK -19.4 million (DKK -32.3 million in 2020).



### Investments

In 2021 the cash flow used for investments were DKK -1.8 million (DKK 1.8 million in 2020), of which DKK -6.7 million is related to leasehold improvements, DKK 6.7 million were related to contractual rights and DKK -1.8 millions was related to deposit paid by Astralis Nexus. The purchase of Disrupt Gaming was completed by issuing shares in Astralis A/S and had no cash flow impact.

### Financing

In 2021 the cash flow from financing activities was DKK -7.9 million of which the repayment of payables to league tournament rights amount to DKK -5.8 million.









# OUR RESULTS

**Astralis consists of five esports teams in Counter-Strike, League of Legends, Fortnite, Rainbow Six, and FIFA, as well as our gaming and entertainment center Astralis Nexus and the Management company Astralis Management.**

## Counter-Strike

Astralis Counter-Strike holds franchise and participation rights in BLAST Premier and Pro League, where we are part owners together with other top teams and ESL. Astralis Talent holds participation rights in WePlay Academy League. The teams compete in all relevant tournaments, including the bi-annual Major (World Championships).

Net revenue in Counter-Strike was DKK 52.9 million in 2021, which was DKK 15.8 million higher than 2020. The main reason for the higher revenue was a increase in digital item sales of DKK 11.6 million and higher league revenue from the participation in ESL Pro League and Blast Premier.

Total operating expenses for 2021 were DKK 60.5 million which were DKK 17.6 million higher than 2020 mainly due to higher digital item sales paid out to players. EBITDA for 2021 was DKK -7.7 million (DKK -5.8 million in 2020).

## League of Legends

Astralis League of Legends hold franchise rights in Riot's LEC, the European leg of the premier global league tournament in League of Legends.

Net revenue in League of Legends was DKK 16.4 million in 2021 DKK 8.4 million higher than 2020. Total operating expenses for 2021 were DKK 19.0 million which was DKK 2.0 million lower than 2020. EBITDA for 2021 was DKK -2.6 million (DKK -12.7 million in 2020).

## FIFA

Astralis FIFA is represented by the world's best female FIFA player, Brazilian Stephanie "Teca". Stephanie won the eFootball Female World Cup 2021 and competes in relevant regional and global tournaments.

Net revenue in FIFA was DKK 3.6 million in 2021 which was DKK 2.1 million higher than 2020. Total operating expenses for 2021 were DKK 4.3 million which was DKK

1.3 million higher than 2020. EBITDA for the period was DKK -0.8 million (DKK -1.6 million in 2020).

## Rainbow Six

Astralis Rainbow Six is located in USA with facilities in Las Vegas, Nevada. Astralis Rainbow Six hold participation rights in Ubisoft's North American League (NAL).

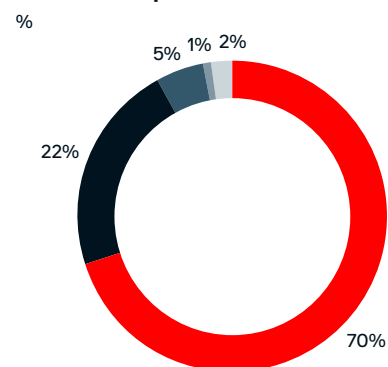
Net revenue in Rainbow Six was DKK 0.5 million in 2021 (only Sep-Dec 2021). Total

operating expenses for 2021 were DKK 1.0 million (only Sep-Dec 2021). EBITDA for the period was DKK -0.6 million (only Sep-Dec 2021)

## Nexus

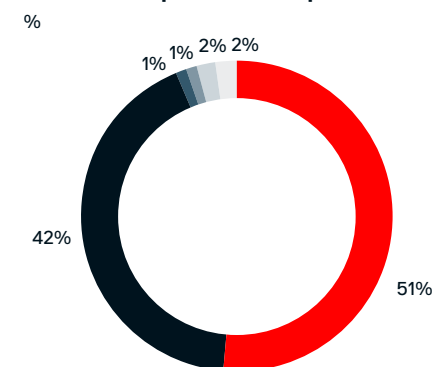
Astralis Nexus is our first gaming and entertainment facility. The 1,200 square-meter, two-story facility in central Copenhagen includes a large Merchandise Store, 130 pro-gaming stations, four VIP gaming rooms, three

**Astralis Group – Revenue business area**



- Counter-Strike
- League of Legends
- FIFA
- Rainbow Six
- Astralis Nexus

**Astralis Group – Revenue split**



- Sponsorship
- Prize money, League Revenue and digital item sales
- Merchandise
- Royalties
- Astralis Nexus
- Other Revenue





fully equipped streaming studios for content creators, an auditorium, a show room and the possibility for our Commercial Partners to display and sell their products.

Net revenue in Astralis Nexus was DKK 1.7 million in 2021 (only Jun-Dec 2021) and was affected but lockdowns both during the Summer by the local council and in December due to COVID-19 restrictions. Total operating expenses for 2021 were DKK 6.2 million (only Jun-Dec 2021). EBITDA for the period was DKK -4.5 million (only Jun-Dec 2021)

#### **Astralis Management**

The performance, brands, and organization of Astralis A/S team and physical assets are managed by Astralis Management. Astralis Management is responsible for the performance team supporting the teams, commercial agreements and the backoffice functions.

Astralis Fortnite is represented by one of the world's best players, Danish Th0masHD who will compete for the World Championship title in 2022. Fortnite is currently operated out of Astralis Management.

Total income in Astralis Management was DKK 36.2 million in 2021 (DKK 28.0 million in 2020) of which DKK 29.5 million was related to management fee and DKK 6.7 million to sale of contractual rights. Total operating expenses for 2021 were DKK 28.5 million (DKK 23.1 million in 2020) and EBITDA for 2021 was DKK 7.7 million (DKK 4.9 million in 2020).



# OUTLOOK

**The financial targets for Astralis for the financial year ending 31 December 2022 is a net revenue in the range between DKK 85 and 90 million and an EBITDA of DKK 0 to 5 million.**

The financial targets for 2022 is based on the following assumptions:

- Revenue from sponsorships is expected to increase by 15 pct., due to the signing of significant new and extended sponsorship agreements during 2021 and start of 2022
- League revenue shares across teams are expected to grow by 26 pct., driven by growing revenue streams within the esports ecosystem both from tournament participation and ownership as well as Astralis branded digital assets
- Non-sponsorship revenue in Astralis Nexus expected to increase by 84 pct.
- The Group projects that the team-specific operating cost will decrease with 12 pct. from 2021 to 2022

## Brand outlook

In our business model, keys to continued growth are our brand building capabilities and digital platforms, an effective

performance model around popular teams, and a strong commercial engine that connects global and local brands with a growing, international fan base.

- Scaling of the performance model around existing and new teams and players to maintain and grow a strong, attractive team portfolio.
- Stenghtening the global reach and relevance of the Astralis brand through creation and distribution of innovative, engaging content on existing and new digital as well as physical channels.
- Continuously developing our commercial machine, by broadening the portfolio of commercial products, to allow global, regional and local brands to engage with an attractive, growing audience.

## Counter-Strike

Following a dominant period, establishing our Counter-Strike team as the most winning team throughout history, 2021 was a year of rebuilding and re-energizing

the roster and performance organization around the team. Our Counter-Strike talent team and organization has also been upgraded and in late 2021, we decided to change two players in the roster and the coach, and go full time.

We expect both the main team and the talent team to improve their performance throughout 2022.

## League of Legends

Throughout 2021 we created and implemented new structures and reorganized the performance organization around the players and coaches. We have seen progress and was only one win from qualifying to play offs in the Summer split. The goal for the 2022 season is to qualify for playoffs in the Summer split and ultimately participate in the World Championship.

In the Summer of 2021, we sold the franchise rights to the Spanish League of Legends tournament used by our Academy team, and bought the rights to participate in the North European NLC with our Danish based talent team.

## Rainbow Six

In September of 2021, Astralis A/S acquired US based Disrupt Gaming's assets, key staff, and facilities around their Rainbow Six team, which has since competed under the Astralis brand in

Ubisoft's North American Rainbow Six League.

Astralis activities in North America are run by Astralis US Inc. in Las Vegas. We did not reach the goal in our first season with an unchanged team and organization, but have since changed the roster and coach, with the goal to become a leading team in the NA League and qualify for the Major tournaments and the annual SixInvitational.

## Fortnite

In November of 2021, Astralis A/S entered into the world's biggest game title, Fortnite, marking the launch of Astralis Fortnite with the signing of one of the game's greatest talents and the best Danish Fortnite player: Thomas 'Th0masHD' Høxbro Davidsen.

In 2022, we expect Thomas to compete for the biggest titles, including the World Championship.

## FIFA

Due to the ongoing pandemic and consequential lack of structured, international tournaments, in FIFA we changed our focus to concentrate on our Brazilian player, Stephanie "Teca" Louana, who is the unofficial female world champion. Our goal for 2022 is to facilitate Stephanies continuous improvement in performance, and, as the





first female player, to qualify for the Major international tournaments when these are relaunched.

### Social Following

We grow our digital channels such as through relevant content, constant engagement, news and player interaction.

### Social following per 31st December 2021:

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Main Astralis Channels: 1.47 million

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Astralis Counter-Strike: 603k

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Astralis League of Legends: 26k

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Astralis Rainbow Six: 415k

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Astralis Fortnite: 428k

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Astralis FIFA: 95k

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Total following across teams, excl. players: 3.0 million

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# LEAGUE AND FRANCHISE STRUCTURES

**For our teams, a large part of the revenue streams stems from league and tournament activities, and all our teams and players are active in the most prestigious international leagues and tournaments of their respective games. For three of our teams, this includes participation and holding rights in the premier Franchise Leagues of League of Legends, Counter-Strike, and Rainbow Six.**

As evidenced from the traditional US sports industry (NFL, NBA, MLB), scarce league franchise rights are historically among the best performing asset classes with large and consistent financial appreciation. For the leagues where we hold franchise rights, we see immediate commercial value as well as boundless long-term equity growth potential. The former is already proving economic growth above the industry standards, while the latter has been documented by a series of franchise slot trades, driven by significant demand in a market with a limited number of franchise slots.

Holding franchise rights secures a direct income generated from league media rights, league sponsorships, and related business, as well as continued guaranteed exposure to record-breaking league

audiences, strengthening our brand, fan base, and commercial value towards commercial partners.

We will in 2022 and beyond continue to allocate our intellectual property and capital to existing and additional league franchise rights, where viewership and global interest is expected to continue the significant growth.

## Different Models

### League of Legends

In League of Legends, Astralis is one of only 10 organizations holding Franchise Rights in LEC, which is the European regional leg of the global league structure owned and operated by the game developer Riot Games. There are 4 regional leagues with 10 teams each, all

competing to win their respective leagues and to qualify for the annual World Championship, "Worlds".

The league shares revenue from sponsorships and media rights through the League Revenue Pool and guarantees Franchise holders vast exposure on their global media platforms broadcasting all matches between the best and most popular teams in the region and in the world.

Each organization pays a buy-in fee to secure the Franchise Rights and in 2018, Astralis paid a buy-in fee of 10.5 MEUR for these rights. In the summer of 2021, FC Schalke 04, who joined LEC the year before Astralis, sold their Franchise Rights for 26.5 MEUR – a value increase of more than 250pct.

As holders of the LEC Franchise Rights, Astralis is guaranteed a permanent spot in LEC, massive media exposure and a share of revenues from growing sponsorships and media rights.

### Counter-Strike

Counter-Strike is owned by Valve, who allows independent Tournament Operators to build their own leagues and tournaments. Still, Valve is a major part of the eco system in tournaments, as they arrange 1-2 Majors (World Championships) a year, which - besides on the media right

holders channels online and on TV - is broadcasted via a function inside the game itself. Valve also creates and sells digital team and player items inside the game, of which the revenue is shared with the respective team organizations and players.

## Pro League

Pro League is the longest running and most prestigious league in Counter-Strike with top teams including Astralis as permanent Franchise teams and open qualification for all other teams through a range of different qualification tournaments. The bi-annual Pro League seasons culminate in the Pro League Finals, which are traditionally among the most watched events of Counter-Strike.

In Pro League, the Franchise teams are secured a Minimum Guarantee payment and a share of the Prize Money, which depends on the team's performance.

Astralis is a Founding Member of Pro League. In 2021 a total of 3 Franchise slots was sold to new member teams, who each paid a buy-in fee of just below 20 MUSD across the three teams.

Pro League is distributed and can be watched online via 15 different language channels on Twitch, plus a range of TV Networks across the world.





### **BLAST Premier**

Astralis is one of 12 founding member teams of BLAST Premier also in Counter-Strike. Blast Premier is a premier global tournament series with Spring and Fall Seasons, culminating in the World Finals, held in December each year.

As a rights holder, Astralis is guaranteed a spot in the bi-annual Group Stage of the tournament, and depending on results, in the Spring/Fall Finals or the BLAST Showdown, which is an open qualification tournament for the Spring/Fall Finals.

Rights holders are secured a Minimum Guarantee payment and a share of the Prize Money, depending upon the team's performance.

BLAST Premier is distributed and can be watched online via Twitch and Youtube on more than 20 different language channels. BLAST Premier also sold the media rights to a number of TV Networks around the globe.

### **Rainbow Six**

In 2021, Astralis acquired Disrupt Gaming and took over the management and team as well as the organization's rights in Ubisoft's North American League (NAL).

NAL is a part of the global league system with 4 regional Leagues (North America, Latin America, Europe, and Asia-Pacific).

Each region feeds into a global structure. Each annual season is separated into four quarters, with the first three referred to as "Stages." These Stages each conclude with a Major in which the top four teams from each region will compete against one another in an international tournament. During the fourth quarter, each region will operate its regional finals and relegations for its divisions, qualifying top teams for the Six Invitational and promoting new teams into the pro structure.

The biggest tournament is the annual "Six Invitational" which involves a year-long points system designed to reward consistent performance throughout the season.

As a rights holder, Astralis is guaranteed a spot in the North American League and the chance to qualify for the Majors and the Six Invitational. The rights holders have a revenue share agreement with Ubisoft for digital team stickers, sold in game.

NAL is distributed and can be viewed via the official Twitch and Youtube channels.



# RISK MANAGEMENT

**Key risks are centered around commercial agreements and performance. Astralis operates in a growing and complex esports industry. Effective risk management is key to maintaining and building on our position as one of the world's leading esports brands.**

## **Risk management governance**

The Board of Directors assesses the risks associated with Astralis' business and operations and the company's risk framework and a whistleblowing function was established in 2021.

The Executive Management Team is responsible for risk management execution, and all employees are responsible for identifying and managing risks related to their areas.

## **Risk management activities and status**

The process of quantifying, assessing, executing and monitoring has been further strengthened in 2021. Key elements of the risk and control agenda include timely involvement of management and adequate processes and resources to mitigate and reduce risks.

## **Key risks**

Astralis has identified the following key risks for 2022.

### **Commercial agreements**

Astralis is dependent upon entering sponsorship and commercial agreements, including the ability to negotiate and renegotiate the agreements with favorable terms for the teams. Typically, commercial partnership contract terms are two to five years and commercial partnership agreements have been signed with both gaming-related partner brands and non-endemic brands representing a broad range of industries e.g. consulting and technology services (CapGemini), apparels (Hummel), trading platforms (Bybit), and technology (Omen by HP and Logitech). Esports branding has the ability to be even more powerful than traditional sports, because of the interactivity of the media.

Fast shifts in audience preferences could occur causing declining sponsorship revenues having a material adverse effect on overall revenue and operating results.

An economic downturn and adverse economic conditions may also affect the advertising and sponsorship market negatively, reducing the duration of promotional/advertising investments. Merchandise sales may also be affected negatively.

### **Performance**

If a situation arises where the teams are unable to maintain their top positions for a longer period of time, it will have a potential negative effect on all revenue streams and results of operations.

Astralis is dependent of continued popularity in the games in which they operate. If spectators choose to watch and follow other games and competitions where Astralis does not (indirectly) operate, it will have a negative effect on revenue streams and results of operations. Astralis Group chosen to operate in games with legacy and historical track record to minimize the risk of decreasing popularity.

### **Continued audience affinity**

The commercial success of the individual teams of Astralis is dependent on a large audience base for the games in which it

operates. If the audiences of the games in which Astralis operates decreases – for example as a result of the general popularity of the game decreasing or league organizers' inability to sustain interest amongst audiences – the commercial sustainability of individual teams may be adversely impacted. Such an adverse impact may have a negative effect on revenue streams and, as a consequence hereof, operating results.

### **New legislation**

The introduction of new legislation has the capacity to impact the operations of the Company and its subsidiaries. This includes, but is not limited to, legislation that seeks to censor certain video games (e.g. FPS games such as Counter-Strike). Likewise, a lack of new legislation may pose the risk of limiting industry potential such as a slowdown in the liberalization of sportsbook betting which has the capacity to increase the overall value of the esports industry.

### **Global pandemic**

2021 was heavily impacted by COVID-19 affecting LAN events and the continuation need for online events, however one of the two planned Majors in 2021 was held in November 2021 and we are positive about a continued improvement, but the global pandemic is still expected to impact revenue in 2022 and potentially 2023.





# GOVERNANCE

The Board of Directors is responsible for Astralis' overall and strategic management and supervises its activities, management, and organization. The current Board of Directors comprises of three members, of which one is Chairman.

The names, positions, date of election and number of shares held by Astralis' Board of Directors are available in the table below.

Pernille Nørkær is independent in relation to Astralis, the management and the majority shareholders.

## Astralis Groups Board of Directors

Name	Position	Date of election	Dependence
Nikolai Nyholm	Chairman	31 March 2020	
Christian Swane Mourier	Vice-Chairman	8 November 2019	
Pernille Nørkær	Member	31 March 2020	Independent
Claus Zibrandtsen	Member	8 November 2019	

## Audit Committee

The Board has established an Audit Committee and the Board appoints members and chairs in this committee from within the Board. The member of the Audit Committee is Christian Swane Mourier. The Audit Committee reviews and assess Astralis' financial reporting process, internal controls and risk management systems and the independent audit.

Executive Management is responsible for maintaining controls and an effective risk management system and ensuring necessary steps are taken to address the risks identified in relation to financial reporting.

## Risk assessment

The Board and the Executive Management team assess risks on an ongoing basis, including risks related to financial reporting, and assess measures to manage, reduce or eliminate identified risks. The Audit Committee reviews selected high-risk areas on a frequent basis, including significant accounting estimates and material changes to accounting policies.

At least once a year, the Audit Committee will oversee a review of current internal controls to determine whether they are effective in relation to the risks identified in the financial reporting process.

Astralis' independent auditors are appointed for a term of one year at the Annual General Meeting following the recommendation of the Board. Prior to recommendation, the Board assesses, in consultation with the Audit Committee and the Executive Management team, the independence, competencies and other matters pertaining to the auditors.

## Players

All players in Astralis are in principle available to play for official national teams subject to an agreement on commercial rights between the national association and Astralis.

## Additional information

The Corporate Governance Statement for 2021, cf. section 107b of the Danish Financial Statements Act, is available at our website: [www.astralis.gg/investor](http://www.astralis.gg/investor)





# BOARD OF DIRECTORS

## NIKOLAJ NYHOLM (CHAIR)

Member since 2020

**Expiry of election period**  
2022

**Date of birth**  
13 September 1975

**Profession**  
Professional Board member

### Experience

Nikolaj Nyholm has an impressive repertoire of experience founding and managing growth companies. In 2016, Nikolaj co-founded RFRSH ApS and today, the former RFRSH teams' activities constitutes the foundation of Astralis Group after the management buyout in August 2019. Back in 1999, Nikolaj was the founder of Speednames, and Nikolaj has among others also been the co-founder of Polar Rose and Imity. From 2010 to 2016, Nikolaj was Partner at Sunstone, a Nordic venture capital firm.

### Other positions

- Owner and CEO of Neofish ApS (Since 1998)
- Owner and CEO of Beatnik ApS (Since 2011)
- CEO & Chairman at Scattershot Ltd (Since 2021)

## CHRISTIAN SWANE MOURIER (VICE-CHAIR)

Member since 2019

**Expiry of election period**  
2022

**Date of birth**  
30 January 1977

**Profession**  
CEO at Mourier-Gruppen ApS (since 2017)

### Experience

Christian Swane Mourier has a demonstrated history of working in corporate finance, having worked in auditing at KPMG and thereafter in M&A at Clearwater as well as LLM Partners. Christian is also experienced in entrepreneurship and venture capital.

### Other positions

- Board member in Semler Holding A/S (Since 2014)
- Board member in Semler Gruppen A/S (Since 2014)
- Board member in Aula Holding IV ApS (Since 2016)
- Director at CSM COT 10 ApS (Since 2017)
- Director at Mourier-Gruppen Aps (Since 2017)
- Board member in Semler Invest A/S (Since 2018)

- Board member in Connected Cars A/S (Since 2018)
- Board member in CFKO A/S (Since 2018)
- Board member in Holo A/S (Since 2018)
- Director in CSM 2810 ApS (Since 2019)
- Director at JJCM Rungsted ApS (Since March 2019)
- Director at JM Rungsted Holding ApS (Since 2020)
- Board member in Morehouse A/S (Since 2020)
- Board member in Scanpol International ApS (Since 2020)
- Board member in All Nordic Property ApS (Since 2020)
- Board member in Laksen Holding A/S (Since 2020)
- Chairman of YellowBeard A/S (Since 2020)
- Chairman of YellowBeard Holding ApS (Since 2020)



## CLAUS ZIBRANDTSEN

Member since 2019

**Expiry of election period**  
2022

**Date of birth**  
29 November 1989

**Profession**  
CEO at InQvation ApS

**Experience**  
As CEO of InQvation, Claus Zibrandsen has established a successful community for tech start-ups. Moreover, he has led a number of seed and venture investments in Danish and foreign start-up's such as Goodiebox ApS, Cortrium ApS, Passendo ApS and Tailor Shaped ApS (Son of a Tailor). On the side, Claus Zibrandsen has his own start-up, namely Jocks ApS, which he has developed since 2018. Claus Zibrandsen's key competencies include tech innovation, business development and leadership.

### Other positions

- Director at InQvation ApS (Since 2017)
- Board member in inQvation ApS (Since 2017)

- Director at CZ Invest 1 ApS (Since 2017)
- Director at CZ Invest 2 ApS (Since 2017)
- Director at Jocks ApS (Since 2018)
- Board member in Cortrium ApS (Since 2018)
- Board member in Zafe ApS (Since 2018)
- Board member in Konduto ApS (Since 2019)
- Director Peclan Holding ApS (Since 2019)
- Board member in Onomondo ApS (Since 2019)
- Board member in Cognize inc (Since 2020)
- Board member in Byon8 AB (Since 2020)
- Board member in Goodiebox ApS (Since 2021)
- Board member in Goodiebox Holding ApS (Since 2021)
- Board member in Mindfuture ApS (Since 2021)
- Director at Selskabet af 22. marts 2021 ApS (Since 2021)
- Director at Selskabet af 23. marts 2021 ApS (Since 2021)

## PERNILLE NØRKÆR

Member since 2020  
Independent

**Expiry of election period**  
2022

**Date of birth**  
20 December 1978

**Profession**  
Lawyer at Moalem Weitemeyer Advokatpartnerselskab

**Experience**  
Pernille Nørkær is a Danish qualified lawyer and has more than 15 years of experience advising Danish and multinational companies. As a lawyer Pernille has been working with a wide number of Danish and international companies within the industry of retail, entertainment, sport and online gambling. In the period from 2005 – 2008 Pernille was in-house counsel in the Danish listed sport and entertainment group Parken Sport & Entertainment A/S.

### Other positions

- Board member in Svendborg Importfirma A/S (Since 2009)
- Board member in AT af 1. juni 2010 A/S (Since 2010)
- Director in Pontus ApS (Since 2018)
- Board member in Moalem Weitemeyer Advokatpartnerselskab (Since 2018)
- Board member in Moalem Weitemeyer General Partner Advokatpartnerselskab (Since 2019)
- Board member in Svendborg Importfirma Holding A/S (Since 2020)
- Board member in Ekkoweb.dk A/S (Since 2021)
- Board member in Trophy Games Development A/S (Since 2021)





# INVESTOR RELATIONS

The Company's share capital is DKK 576,561,55 divided into 57,656,155 shares of DKK 0.01 each. The Shares belong to the same share class and are paid in full. All Shares in Astralis A/S have the same rights.

The stock is listed at Nasdaq First North Growth Market Denmark. As of 31 December 2021, the share price was 3.75 DKK with a market value of 216.2 million DKK. There are approximately 8.900 name listed investors in Astralis A/S.

The following investors have 5 % or more of the share capital:

- Beatnik ApS, Valby Langgade 11, 2., 2500 Valby, 15,051,323 shares the equivalent of 26.11 % of the total share capital
- Jlk Holding ApS, Skipper Clements Allé 7, 1., 2300 København S, 8,013,989 shares the equivalent of 13.90 % of the total share capital

The Executive Management and Board of Directors of Astralis A/S holds in total 27,799,404 shares as of 1 March 2022.

Changes to the Articles of Association require that at least two-thirds of the share capital are represented at the annual general meeting and that any proposals to changes of the Articles of Association are approved by two thirds of the voting share capital represented at the annual general meeting.

## Share price development

The share was traded in the interval of 6.90 and 3.56 DKK during 2021 and closed on the 30 December 2021 at a price of 3.75 DKK.

## Annual general meeting

Annual General Meeting is held Wednesday 6 April 2022 at 8:00 a.m at Astralis Nexus, Tivoli Corner, Vesterbrogade 3, 1620 København V.





# FINANCIAL STATEMENTS





# STATEMENT BY MANAGEMENT

The Board of Directors and the Executive Board have today considered and approved the annual report of Astralis A/S for the financial year 1 January - 31 December 2021.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2021 and of the results of their operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2021.

In our opinion, the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 8 March 2022

## Executive Management

Anders Hørsholt

Jakob Lund Kristensen

Jakob Hansen

## Board of Directors

Nikolaj Nyholm  
Chairman

Christian Swane Mourier  
Vice-Chairman

Claus Zibrandtsen

Pernille Nørkær



# INDEPENDENT AUDITOR'S REPORT

## TO THE SHAREHOLDERS OF ASTRALIS A/S

### Opinion

We have audited the consolidated financial statements and the parent financial statements of Astralis A/S for the financial year 01 January – 31 December 2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2021, and of the results of their operations and the consolidated cash flows for the financial year 01 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional

requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Parent or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark 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 and these parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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 and the Parent's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, 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 and the Parent'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 and the parent 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 and the Parent to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes,

and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- 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 direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Copenhagen, 8 March 2022

#### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
Business Registration No 33 96 35 56

Kim Takata Mücke  
State-Authorised Public Accountant  
MNE no 10944

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Jens Serup  
State Authorised Public Accountant  
MNE no 45825



# ASTRALIS A/S CONSOLIDATED FINANCIAL STATEMENTS



# CONSOLIDATED INCOME STATEMENT

## for the year 1 January – 31 December 2021

(DKK'000)	Note	2021	2020
Revenue	1	75,004	51,504
Other operating income		6,692	3,513
External expenses		(25,155)	(19,244)
Staff costs	2	(64,416)	(50,291)
<b>Gross loss (EBITDA)</b>		<b>(7,875)</b>	<b>(14,518)</b>
Depreciation and amortisation		(25,151)	(35,491)
<b>Operating loss (EBIT)</b>		<b>(33,026)</b>	<b>(50,009)</b>
Financial income		95	181
Financial expenses	3	(2,264)	(3,393)
<b>Loss before tax</b>		<b>(35,195)</b>	<b>(53,221)</b>
Tax on loss for the period	4	0	246
<b>Loss for the period</b>		<b>(35,195)</b>	<b>(52,975)</b>
<b>Proposed distribution of loss</b>			
Retained earnings		(35,195)	(52,975)
		<b>(35,195)</b>	<b>(52,975)</b>



# CONSOLIDATED BALANCE SHEET

at 31 December 2021

## ASSETS

(DKK'000)	Note	2021	2020
Goodwill		14,209	12,242
Trademark		6,259	6,826
Player rights		0	16,635
League tournaments rights	5	40,856	46,455
<b>Intangible assets</b>		<b>61,324</b>	<b>82,158</b>
Property, plant and equipment		7,415	557
<b>Tangible assets</b>		<b>7,415</b>	<b>557</b>
Deposits		2,145	333
<b>Financial assets</b>		<b>2,145</b>	<b>333</b>
<b>Non-current assets</b>		<b>70,884</b>	<b>83,048</b>
Inventory		218	0
<b>Inventory</b>		<b>218</b>	<b>0</b>
Trade receivables	6	27,293	25,031
Other receivables		5,412	3,992
<b>Receivables</b>		<b>32,705</b>	<b>29,023</b>
Cash		22,900	52,039
<b>Current assets</b>		<b>55,823</b>	<b>81,062</b>
<b>Assets</b>		<b>126,707</b>	<b>164,110</b>





# CONSOLIDATED BALANCE SHEET

at 31 December 2021

## EQUITY AND LIABILITIES

(DKK'000)	Note	2021	2020
Contributed capital		577	568
Free reserves		82,653	113,363
<b>Equity</b>		<b>83,230</b>	<b>113,931</b>
Payables related to league tournaments rights		9,411	6,134
Other payables	7	0	3,428
<b>Non-current liabilities</b>		<b>9,411</b>	<b>9,562</b>
Payables related to league tournaments rights		9,410	18,502
Trade payables		2,491	785
Other payables	7	16,517	18,060
Deferred income		5,648	3,270
<b>Current liabilities</b>		<b>34,066</b>	<b>40,617</b>
<b>Liabilities</b>		<b>43,477</b>	<b>50,179</b>
<b>Equity and liabilities</b>		<b>126,707</b>	<b>164,110</b>

Contingent liabilities

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# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period 1 January – 31 December 2021

(DKK'000)	Contributed capital	Free reserves	Total Equity
Equity beginning of year 1 January 2021	568	113,363	113,931
Adjustment to acquisition of minority interest	0	1,286	1,286
Capital increase, non-cash contribution	9	3,199	3,208
Loss for the period	0	(35,195)	(35,195)
<b>Equity 31 December 2021</b>	<b>577</b>	<b>82,653</b>	<b>83,230</b>



# CONSOLIDATED STATEMENT OF CASH FLOWS

for the period 1 January – 31 December 2021

(DKK'000)	Note	2021	2020
Operating loss (EBIT)		(33,026)	(50,009)
Depreciation and amortisation		25,151	35,491
Non-cash items and reversals		(6,692)	(3,513)
Working capital changes		(4,789)	(14,270)
<b>Cash flows from ordinary primary activities</b>		<b>(19,356)</b>	<b>(32,301)</b>
Financial income received		95	181
Financial expenses paid		(164)	(1,154)
<b>Cash flows from operating activities</b>		<b>(19,425)</b>	<b>(33,274)</b>
Deposits		(1,811)	0
Acquisition of contractual rights		0	(642)
Sale of contractual rights		6,692	3,513
Acquisition of property, plant and equipment		(6,681)	(1,104)
<b>Cash flows from investing activities</b>		<b>(1,800)</b>	<b>1,767</b>
Repayment of financial loans		0	(4,694)
Repayment of payables related to league tournament rights		(7,914)	0
Repayment of debt to related parties		0	(200)
<b>Cash flows from financing activities</b>		<b>(7,914)</b>	<b>(4,894)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>(29,139)</b>	<b>(36,401)</b>
Cash and cash equivalents at beginning of period		52,039	88,440
<b>Cash and cash equivalents at end of period</b>		<b>22,900</b>	<b>52,039</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## NOTE 1 Revenue

(DKK'000)	2021	2020
Sponsorships	38,526	34,074
Prize money and other revenue from tournament participation	31,813	13,695
Merchandise and digital item sales	1,122	1,663
Royalties	480	1,003
Astralis Nexus	1,683	0
Other revenue	1,380	1,069
	<b>75,004</b>	<b>51,504</b>

## NOTE 2 Staff costs

(DKK'000)	2021	2020
Wages and salaries including prize money to players	62,987	48,161
Pensions	964	405
Other social security costs	465	1,725
	<b>64,416</b>	<b>50,291</b>
Average number of employees	63	36
Number of employees, end of period	80	43

The Board of Directors in Astralis A/S has been authorised by the general assembly to issue and execute a warrant programme for the Board of Directors, Executive Management, Senior Management and to employees employed by Astralis A/S and subsidiaries. The key elements of the programme are:

- The warrant programme gives the Board of Directors the right to grant warrants, which entitles the warrant holders to subscribe share capital in Astralis A/S for up to nominal DKK 21,052,63 equal to 2,105,263 shares of DKK 0.01 each.
- At 31 December 2021, a total of 1,408,786 warrants have been granted of which 981,741 warrants with a strike price of DKK 4.07 have been granted in 2019 vesting over a 24-month or 48-month period and 427,045 warrants with a strike price of DKK 0.01 have been granted in 2020 and 2021 vesting over a 12-month or 48-month period.
- Out of the granted warrants, 110,624 warrants have been granted to the Board of Directors and 1,050,403 warrants have been granted to the Executive Management.

As a result of reverse vesting of shares, Astralis A/S holds treasury shares of 456,002 corresponding to 0.8% of the share capital. No treasury shares have been purchased or sold during 2021.

## NOTE 2 Staff costs (continued)

In Accordance with the Danish Financial statement Act for class B enterprises, remuneration to Executive Management and fees to Board of Directors are not disclosed.

## NOTE 3 Financial expenses

(DKK'000)	2021	2020
Interest on payables related to acquired rights	2,088	2,337
Interest on loans from credit institutions	106	38
Exchange rate losses	45	370
Other financial expenses	25	648
	<b>2,264</b>	<b>3,393</b>

## NOTE 4 Tax

The Group has a non-recognised deferred tax asset of DKK 25.9 million of which DKK 14.4 million only can be utilised by Astralis CS ApS and Astralis LOL ApS, individually or in concert. The deferred tax asset is relating primarily to tax loss carryforwards and temporary differences regarding league tournament rights. The tax value is based on the current corporate tax rate in Denmark of 22%.

Capitalisation awaits that the Group becomes profitable.



## NOTE 5 League tournaments rights

(DKK'000)	2021	2020
Cost beginning of period	77,751	77,751
Adjustment to cost price	(559)	0
<b>Cost end of period</b>	<b>77,192</b>	<b>77,751</b>
Amortisation beginning of period	31,296	8,646
Amortisation for the period	5,040	22,650
<b>Amortisation end of period</b>	<b>36,336</b>	<b>31,296</b>
<b>Carrying amount</b>	<b>40,856</b>	<b>46,455</b>

On 19 November 2018, Astralis LOL ApS entered into an agreement with League of Legends European Championship Limited regarding the participation in the League of Legends European Championship. The payment for the participation amounts to totally EUR 10.5 million. Astralis LOL ApS paid EUR 7.0 million in 2019, EUR 1.0 million in 2021 and a remaining amount of EUR 2.5 million are outstanding to be paid in two instalments in 2022-2023.

In determining the cost for the participation in the League of Legends European Championship, Management has discounted the deferred payments.

Management has performed an impairment assessment of the acquired right for impairment at 31 December 2021. Management has concluded that the carrying value at the beginning of 2021 is considered fully recoverable due to the trading values seen in the market for the European League of Legends franchise spot and the scrap value for the European League of Legends franchise spot is considered to be higher than the book value and no amortisation is included for 2021. Every thing else being equal, this change in 2021 has reduced amortisation by DKK 17.6 million compared to 2020.

## NOTE 6 Trade receivables

(DKK'000)	2021	2020
Prize money	1,600	4,420
Sponsorships	25,399	18,440
Other	294	2,171
	<b>27,293</b>	<b>25,031</b>

The Group has not recorded any provision for bad debts. Losses (if any) on prize money will – in all material respects – be deducted from payable prize money to the Group's players and will as such only have a marginal impact on profit/loss.

## NOTE 7 Other payables

(DKK'000)	2021	2020
Wages and salaries, payroll taxes, social security costs, etc, payable	6,331	10,420
Holiday pay obligation	579	3,725
Prize money payables	3,459	2,986
Other costs payables	6,148	4,356
	<b>16,517</b>	<b>21,488</b>
Other payables are presented as follows in the balance sheet:		
Non-current liabilities	0	5,903
Current liabilities	16,517	15,585
	<b>16,517</b>	<b>21,488</b>

## NOTE 8 Contingent liabilities

The Group has operating lease commitments amounting to minimum DKK 8.8 million at 31 December 2021. In addition, lease contract for Astralis Nexus also include a variable element based on revenue for the Astralis Nexus activity.



## Accounting policies

The consolidated financial statements of Astralis A/S for the period are prepared in accordance with the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The consolidated financial statements are presented in Danish kroner (DKK), which is the functional currency of the Group.

### Consolidation principles

The consolidated financial statements are prepared based on the interim financial statements of the Parent and its subsidiaries by aggregating uniform items. Intra-group income, expenses, shareholdings and balances are eliminated.

### Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Group, and the value of the asset can be measured reliably. Assets are derecognised from the balance sheet when it is no longer probable that future economic benefits will flow to the Group.

Liabilities are recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Group, and the value of the liability can be measured reliably. Liabilities are derecognised from the balance sheet when it is no longer probable that future economic benefits will flow out of the Group.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item. Consideration is made for events occurring during the period from the balance sheet date until the presentation of the consolidated financial statements and that confirm or invalidate affairs and conditions existing at the balance sheet date.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### Foreign currency translation

On initial recognition, transactions made in a different currency than the Group's functional currency are translated applying the exchange rate at the transaction date.

Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

## Balance sheet

### Business combinations

Acquired enterprises are recognised in the balance sheet from the time of acquisition. The time of acquisition is the date when control of the enterprise is transferred to the Group. On acquisitions of enterprises of which the Group obtains control, the purchase method is applied according to which their identified assets, liabilities and contingent liabilities are measured at their fair values on the acquisition date.

The purchase price consists of the fair value of the consideration paid for the enterprise. If the final consideration is conditional upon one or more future events, the consideration will be recognised at the fair value on acquisition. Any subsequent adjustment of contingent consideration is recognised directly in the income statement, unless the adjustment is the result of new information about conditions prevailing on the acquisition date, and this information becomes available up to 12 months after the acquisition date. Transaction costs are recognised directly in the income statement when incurred.

### Goodwill

On initial recognition, goodwill is recognised and measured as the difference between the purchase price – including the value of non-controlling interests in the acquired enterprise and the fair value of any existing investment in the acquired enterprise – and the fair values of the acquired assets, liabilities and contingent liabilities. On recognition, goodwill is allocated to corporate activities that generate independent payments (cash generating units). The definition of a cash-generating unit is in line with the Group's managerial structure as well as the internal financial management reporting. Goodwill is amortised straight-line over its estimated useful life which is determined to be 10 years.

### Other intangible assets

Other intangible assets are acquired through business combinations and consists of brand value, customer relations, player rights and league tournaments rights.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Other intangible assets are amortised on a straight-line basis over the following estimated useful lives.

Trademarks	10 years
Player rights	3 years
League tournaments rights	4 years

With effect from 2021 amortization of the European League of Legends tournament has stopped since residual value is estimated to exceed carrying value.



## Accounting policies (continued)

### Receivables

Receivables are measured at amortised cost.

### Cash

Cash comprises bank deposits.

### Financial liabilities

At the time of borrowing, non-current financial liabilities are measured at the proceeds received, net of loan costs. Subsequently, non-current financial liabilities are measured at amortised cost where the difference between the net proceeds received at the time of borrowing and the nominal amount to be settled in the future is recognised as a financial expense in the income statement over the term of the loan applying the effective interest method.

### Current liabilities

Current liabilities are measured at amortised cost, which usually corresponds to nominal value.

### Deferred income

Deferred income is related to sponsorships received relating to subsequent financial periods and is recognised as revenue over the contract period.

### Income statement

#### Revenue

Revenue from prize money is recognised in the income statement when the tournament is completed.

Revenue from sponsorships is recognised in the income statement over the duration of the contracts. When a sponsorship includes multiple performance obligations, the selling price of the sponsorship is allocated proportionately to the individual performance obligation of the sponsorship. Revenue is recognised concurrently with the Group meeting the individual identifiable performance obligation.

Revenue from merchandise is recognised when the merchandise is delivered to the customer.

Revenue from digital item sales is recognised when the items are acquired from the customers online.

Revenue from royalties is recognised in the income statement over the duration of the contracts.

Fixed revenue from participation in leagues is recognised in the income statement over the duration of the league period and variable revenue is recognised when earned and amount has been finally determined.

Revenue is recognised net of VAT and is measured at fair value of the consideration.

### Other operating income

Other operating income is related to sale of player rights.

### Other external expenses

Other external expenses include corporate expenses, marketing costs and direct external costs relating to training of players, costs of travel and accommodation related to tournaments, value-in-kind sponsorship expenses, equipment to players, etc. to achieve the revenue for the period.

### Staff costs

Staff costs comprise salaries and wages including prize money passed on to staff as well as social security contributions, pension contributions, etc. for the Group's staff.

### Depreciation and amortisation

Depreciation and amortisation relating to non-current assets comprise depreciation and amortisation for the period.

### Financial income

Financial income comprise interest income and exchange gains.

### Financial expenses

Financial expenses comprise interest expenses, including interest expenses and discounting impact on debt for acquired rights, convertible loans and other loans and payables, and exchange losses.

### Tax on loss for the period

Tax for the period, which consists of current tax for the period and changes in deferred tax, is recognised in the income statement by the portion attributable to profit or loss for the period and recognised directly in equity by the portion attributable to entries directly in equity.

### Statement of cash flows

The statement of cash flows is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial period.

Cash and cash equivalents include non-restricted and readily available bank deposits.

Cash flows from operating activities are presented as the operating loss adjusted for non-cash operating items and working capital changes attributable to the operating activities.

Cash flows from investing activities comprise payments in connection with investments in intangible, tangible and financial assets, including follow-up investments.

Cash flow from financing activities includes payments to and from shareholders and the raising and repayment of non-current and current financial debt.





# PARENT COMPANY FINANCIAL STATEMENTS



# INCOME STATEMENT

for the period 1 January – 31 December 2021

(DKK'000)	Note	2021	2020
Revenue		9,210	7,987
Other external expenses		(2,744)	(3,127)
Staff costs	1	(6,028)	(4,314)
<b>Gross profit/loss</b>		<b>438</b>	<b>546</b>
Depreciation and amortisation		(17)	0
<b>Operating loss (EBIT)</b>		<b>421</b>	<b>546</b>
Financial income		3,227	2,479
Financial expenses		(127)	(321)
<b>Profit/loss before tax</b>		<b>3,521</b>	<b>2,704</b>
Tax on loss for the period		846	612
<b>Profit/loss for the period</b>		<b>2,675</b>	<b>2,092</b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		2,675	2,092
		<b>2,675</b>	<b>2,092</b>



# BALANCE SHEET

at 31 December 2021

## ASSETS

(DKK'000)	Note	2021	2020
Trademark		225	0
<b>Intangible assets</b>		<b>225</b>	<b>0</b>
Investments in subsidiaries	2	30,932	30,932
<b>Financial assets</b>		<b>30,932</b>	<b>30,932</b>
<b>Non-current assets</b>		<b>31,157</b>	<b>30,932</b>
Receivables from group enterprises		193,678	151,056
Other receivables		275	262
<b>Receivables</b>		<b>193,953</b>	<b>151,318</b>
<b>Cash</b>		<b>601</b>	<b>36,285</b>
<b>Current assets</b>		<b>194,554</b>	<b>187,603</b>
<b>Assets</b>		<b>225,711</b>	<b>218,535</b>



# BALANCE SHEET

at 31 December 2021

## EQUITY AND LIABILITIES

(DKK'000)	Note	2021	2020
Contributed capital		577	568
Reserves		221,805	215,931
<b>Equity</b>		<b>222,382</b>	<b>216,499</b>
Trade payables		241	51
Other payables		2,242	1,373
Joint taxation contribution payable		846	612
<b>Current liabilities</b>		<b>3,329</b>	<b>2,036</b>
<b>Liabilities</b>		<b>3,329</b>	<b>2,036</b>
<b>Equity and liabilities</b>		<b>225,711</b>	<b>218,535</b>





# STATEMENT OF CHANGES IN EQUITY

for the period 1 January – 31 December 2021

(DKK'000)	Note	Contributed capital	Free reserves	Total
Equity beginning of year 1 January 2021		568	215,931	216,499
Capital increase non-cash contribution		9	3,199	3,208
Profit for the year		0	2,675	2,675
<b>Equity 31 December 2021</b>		<b>577</b>	<b>221,805</b>	<b>222,382</b>



# NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

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## NOTE 1 Staff costs

(DKK'000)	2021	2020
Wages and salaries	5,741	4,197
Pensions	58	91
Fee Board of Directors	200	0
Other social security costs	29	0
	<b>6,028</b>	<b>4,288</b>
Average number of employees	4	3

With respect to warrant programme, reference is made to note 4 in the consolidated financial statements.

## NOTE 2 Contingent liabilities

The Company has issued comfort letters in favour of Astralis Management ApS, Astralis CS ApS, Astralis LOL ApS, Astralis FIFA ApS and Astralis Nexus ApS subsidiaries of Astralis Management ApS. The obligations under the comfort letters will be valid in the period up to 31 December 2022.

The Company is the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore secondarily liable for income taxes etc for the jointly taxed subsidiaries as well as secondarily liable for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed subsidiaries.

## Accounting policies

The financial statements of the Parent, are presented in accordance with the provisions of the Danish Financial Statements Act for class B entities.

The Parent financial statements are presented in Danish kroner (DKK), which is also the functional currency for the Parent.

In respect of recognition and measurement, the Parent's accounting policies are generally consistent with the Group's accounting policies. The instances in which the Parent's accounting policies deviate from those of the Group are described below.

### Income statement

#### Revenue

Revenue represents fee from management services, which is recognised in the income statement as the services are provided.

Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

### Balance sheet

#### Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.



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