



ASTRALIS A/S

FINANCIAL REPORT

– FOR THE PERIOD JANUARY 1 TO JUNE 30, 2022



LETTER TO SHAREHOLDERS

The first 6 months of 2022 confirmed our ambitious expectations to growing the business and revenue streams around our team-, media-, and commercial partnership activities.

Our league partnerships and permanent franchise positions in the dominant leagues continued the positive development through increased revenue and a higher market demand for franchise rights in the major esports leagues.

Including our investment in Astralis US Inc, we own and operate teams with valuable presence in 5 of the biggest esports titles: Counter-Strike, League of Legends, Fortnite, FIFA and Rainbow 6.

In Rainbow 6, our acquisition of Disrupt gaming and the establishment of Astralis R6k have secured participation in the North American Rainbow Six League, and the team has come off to a strong start. With a vigorous performance in our first ever R6 Major, where we reached the Grand Finals, we see even stronger numbers across digital channels.

In both Counter-Strike and League of Legends, we rebuilt the rosters in late 2021 and we have seen significant improvement in performance over the first 6 months of 2022 with the LoL team ending the Summer Split with the best result so far, and a series of strong results

for the Counter-Strike team, resulting in a 4th place in the world rankings; the highest rank for more than 16 months.

Our Fortnite and FIFA players have maintained their high-performance level, and in total Astralis now has close to 7 million followers across digital platforms, including teams and players.

In a strategic move to become an even larger part of the gaming entertainment industry, Astralis A/S acquired the majority stake in PIXEL.TV, a Danish production house and broadcaster, in February.

In Denmark, PIXEL.TV has built a strong position in the entertainment segment of gaming, gadgets, gear, and movies, and the acquisition is a strategic move to support the Astralis brand and activities, significantly strengthening our digital production, presence, and reach to further engage a fast-growing audience.

Astralis Nexus, our multi-level Gaming and Event Center in Copenhagen, has gone through a facility upgrade, and our Nexus team has secured a strong growth in both B2B and B2C events as well as new commercial partnership deals, exclusively around exposure and activities in Astralis Nexus. Combined with new and extended commercial partnership deals around

the teams, we see a continued growth of commercial partnership activities.

Outlook

Through the acquisition of Pixel TV, increased activity on our digital platforms, the establishment in North America through Astralis US Inc and our Rainbow Six team we continue to improve our digital presence and strengthen our position and potential as a media business.

The value of media and league rights continues to grow as the value of holding these rights increase. In 2021, Schalke 04 sold their rights in LEC at a reported value of 26.5 MEUR. This represents an increase of 150% compared to our acquisition in 2018 of identical rights and in the summer of 2022 Misfits Gaming reportedly sold their rights in LEC to Heretics at an even higher price.

We see increased interest from commercial partners and brands, both around our teams and around Astralis Nexus, and expect to enter new, valuable commercial partnerships in 2nd half of 2022.

The positive development in team performance and increased digital activities is already contributing to higher digital followership and engagement. We expect this development to continue,

securing an even more interesting platform for sale of merchandise and digital items across our teams and platforms.

Results for the period

Revenue for H1 2022 was DKK 44.9 million compared to DKK 39.2 million in H1 2021. Sale of contractual rights was DKK 0 million in H1 2022. EBITDA for H1 2022 was negative by DKK -0.9 million compared to negative EBITDA of DKK -3.7 million in H1 2021. The increase in revenue is primarily related to higher league revenue, revenue from Astralis Nexus and Pixel.tv offset by lower Sponsorship and merchandise revenue. The result before tax for H1 2022 was a loss of DKK -6.3 million which was DKK 6.4 million better than H1 2021.

Outlook for 2022

Astralis maintains the financial guidance for 2022 with expected revenue in the range between DKK 85 and 90 million and an EBITDA of DKK 0 to 5 million.

Subsequent events

The Executive Management confirms there are no subsequent events.

Nikolaj Nyholm
Chairman

KEY FINANCIAL HIGHLIGHTS

| (DKKm) | H1 2022 | H1 2021 |
|-------------------------------|----------------|----------------|
| Revenue | 44,854 | 39,233 |
| Other operating income | 0 | 4,461 |
| External expenses | -12,525 | -15,250 |
| Staff costs | -33,186 | -32,101 |
| Gross loss (EBITDA) | -857 | -3,657 |
| Depreciation and amortisation | -4,862 | -9,205 |
| Operating loss (EBIT) | -5,719 | -12,862 |
| Financial income | 415 | 290 |
| Financial expenses | -990 | -77 |
| Loss before tax | -6,294 | -12,649 |
| Tax on loss for the period | 0 | 0 |
| Loss for the period | -6,294 | -12,649 |
| Non-current assets | 66,486 | 81,438 |
| Current assets | 41,979 | 63,717 |
| Assets | 108,465 | 145,155 |
| Equity | 77,364 | 101,342 |
| Ratios | | |
| Solvency ratio in % | 71% | 70% |

OUR RESULTS – OPERATIONS

Counter-Strike

Net revenue in Astralis CS was DKK 28.3 million in H1 2022, which was DKK -1.1 million lower than H1 2021. Total operating expenses for H1 2022 was DKK 23.3 million which was DKK 11.6 million lower than H1 2021. EBITDA for H1 2022 was DKK 5.0 million which was an improvement of DKK 10.5 million compared to H1 2021.

League of Legends

Net revenue in Astralis LoL was DKK 7.6 million in H1 2022 which was DKK 0.2 million lower than H1 2021. Total operating expenses for H1 2022 was DKK 9.9 million which was DKK 0.9 million higher than H1 2021. EBITDA for H1 2022 was DKK -2.2 million which was a decrease of DKK -1.1 million compared to H1 2021.

FIFA

Net revenue in Astralis FIFA was DKK 0.8 million in H1 2022 which was DKK 1.2 million lower than H1 2021. Total operating expenses for H1 2022 was DKK 2.0 million which was in line with H1 2021. EBITDA for H1 2022 was DKK -1.2 million which was a decrease of DKK -1.2 million compared to H1 2021.

Nexus

Net revenue in Astralis Nexus was DKK 2.7 million in H1 2022 which was DKK 2.6 million higher than H1 2021 (Astralis Nexus started operation in June 2021).

Total operating expenses for H1 2022 was DKK 4.9 million which was DKK 3.8 million higher than H1 2021. EBITDA for H1 2022 was DKK -2.2 million which was a decrease of DKK -1.1 million compared to H1 2021.

Astralis US

Net revenue in Astralis US was DKK 1.4 million in H1 2022. Total operating expenses for H1 2022 was DKK 2.4 million and EBITDA for the period was DKK -0.9 million.

Pixel.tv

Net revenue in Pixel.tv was DKK 1.2 million in H1 2022. Total operating expenses for H1 2022 was DKK 1.4 million and EBITDA for the period was DKK -0.2 million.

Astralis Management

Net revenue in Astralis Management was DKK 2.8 million in H1 2022 which was 10.1 million lower than H1 2021. Total operating expenses for H1 2022 was DKK 1.8 million which was DKK 11.6 million better than H1 2021. EBITDA for H1 2022 was DKK 1.0 million which was a decrease of DKK 3.0 million compared to H1 2021.

STATEMENT BY MANAGEMENT

The Board of Directors and the Executive Board have today considered and approved the interim financial report of Astralis A/S for the period 1 January - 30 June 2022.

The interim financial report has not been audited or reviewed by the company's independent auditors.

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

In our opinion, the interim consolidated financial statements give a true and fair view of the Group's financial position on 30 June 2022 and of the results of the operation as well as the consolidated cash flow for the financial period 1 January - 30 June 2022.

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

Other than as disclosed in the interim financial report, no changes in the Group's most significant risks and uncertainties have occurred relative to what was disclosed in the annual report for 2020.

Copenhagen, 30 August 2022

Executive Management

Anders Hørsholt

Jakob Hansen

Jakob Lund Kristensen

Board of Directors

Nikolaj Nyholm
Chairman

Christian Swane Mourier

Claus Zibrandsen

Pernille Nørkær

CONSOLIDATED INCOME STATEMENT

for the period 1 January – 30 June 2022

| (DKK'000) | H1 2022 | H1 2021 |
|--|---------------|----------------|
| Revenue | 44,854 | 39,233 |
| Other operating income | 0 | 4,461 |
| External expenses | -12,525 | -15,250 |
| Staff costs | -33,186 | -32,101 |
| Gross loss (EBITDA) | -857 | -3,657 |
| Depreciation and amortisation | -4,862 | -9,205 |
| Operating loss (EBIT) | -5,719 | -12,862 |
| Financial income | 415 | 290 |
| Financial expenses | -990 | -77 |
| Loss before tax | -6,294 | -12,649 |
| Tax on loss for the period | 0 | 0 |
| Loss for the period | -6,294 | -12,649 |
| Proposed distribution of profit/loss: | | |
| Retained earnings | -6,185 | -12,649 |
| Minority interests' share of profit/loss | -109 | 0 |
| | -6,294 | -12,649 |

Revenue

Total revenue for H1 2022 was DKK 44.9 million which was DKK 5.6 million higher than in H1 2021. The higher revenue was driven by increased league related revenue (DKK 5.0 million), Astralis Nexus and Pixel.tv (DKK 2.6 million) offset by lower Sponsorship and Merchandise sales (DKK -2.0 million).

Other operating income

Other operation income for H1 2022 DKK 0 million. In H1 2021 other operating income DKK 4.5 million was related to sale of contractual rights.

External costs and staff costs

External costs were DKK 12.5 million in H1 2022, which was DKK 2.7 million lower than in H1 2021 due to less obligations related to sponsorship agreements. Staff costs were DKK 33.2 million in H1 2022, which was DKK 1.1 million higher than in H1 2021 due to the addition of the Rainbow6 team in the US (September 2021) and Pixel.tv (1. January 2022).

Gross loss (EBITDA)

EBITDA in H1 2022 were DKK -0.9 million. EBITDA for Astralis CS were DKK 5.0 million, for Astralis LoL DKK it was DKK -2.2 million, for Astralis FIFA it was DKK -1.2 million, for Astralis Nexus it was DKK

-2.2 million, for Astralis US Inc. it was DKK -0.9 million and for Pixel.tv it was DKK -0.2 million. In addition, non-allocated corporate revenue and non-allocated costs accounted for DKK 1.0 million.

Depreciation and amortisation

Depreciation and amortisation were DKK 4.9 million which was DKK 4.3 million lower than 2021 as amortization from player rights related to the acquisition of Astralis Management ended 31. December 2021.

Net financials

Net financials in H1 2022 amounted to an expense of DKK 0.6 million which is an increase of DKK 0.8 million compared to H1 2021.

Loss for the period

The result for H1 2022 was a loss of DKK -6.3 million an improvement of DKK 6.4 million compared to H1 2021.

CONSOLIDATED BALANCE SHEET

at 30 June 2022

ASSETS

| (DKK'000) | H1 2022 | H1 2021 |
|-------------------------------|----------------|----------------|
| Goodwill | 13,235 | 11,533 |
| Trademark | 5,845 | 6,431 |
| Player rights | 0 | 11,528 |
| League tournaments rights | 38,336 | 43,934 |
| Intangible assets | 57,416 | 73,426 |
| Property, plant and equipment | 6,879 | 5,939 |
| Tangible assets | 6,879 | 5,939 |
| Deposits | 2,191 | 2,073 |
| Financial assets | 2,191 | 2,073 |
| Non-current assets | 66,486 | 81,438 |
| Inventory | 258 | 0 |
| Inventory | 258 | 0 |
| Deferred tax | 68 | 0 |
| Trade receivables | 22,605 | 23,736 |
| Other receivables | 4,664 | 3,635 |
| Receivables | 27,337 | 27,371 |
| Cash | 14,384 | 36,346 |
| Current assets | 41,979 | 63,717 |
| Assets | 108,465 | 145,155 |

Intangible assets

Intangible assets amount to DKK 57.4 million as of 30 June 2022 which is related to the franchise slot in the European League of Legends franchise league DKK 32.7 million and goodwill, trademark and league tournament rights related to the acquisition of Astralis Management DKK 10.1 million, 5.6 million and 5.7 million, respectively as well as the acquisition of the Rainbow6 team in the US DKK 3.2 million.

Current Assets

Current assets as of 30 June 2022 were DKK 42.0 million of which DKK 14.4 million was in cash and DKK 22.6 million in trade receivables.

CONSOLIDATED BALANCE SHEET

at 30 June 2022

EQUITY AND LIABILITIES

| (DKK'000) | H1 2022 | H1 2021 |
|---|----------------|----------------|
| Contributed capital | 580 | 570 |
| Free reserves | 76,784 | 100,772 |
| Equity belonging to Parent's shareholders | 77,086 | 101,342 |
| Equity belonging to minority interests | 278 | 0 |
| Equity | 77,364 | 101,342 |
| Payables related to league tournaments rights | 9,245 | 0 |
| Other payables | 0 | 8 |
| Non-current liabilities | 9,245 | 8 |
| Payables related to league tournaments rights | 9,245 | 24,518 |
| Trade payables | 1,339 | 2,132 |
| Other payables | 11,272 | 17,155 |
| Deferred income | 0 | 0 |
| Current liabilities | 21,856 | 43,805 |
| Liabilities | 31,101 | 43,813 |
| Equity and liabilities | 108,465 | 145,155 |

Non-current liabilities

Non-current liabilities as of 30 June 2022 were 9.2 million.

Current liabilities

Current liabilities as of 30 June 2021 were DKK 21.9 million of which DKK 9.2 million were related to the European League of Legends franchise league and DKK 12.6 million were related to trade and other payables.

Equity

The Group's equity amounts to DKK 77.4 million as of 30 June 2022.

CONSOLIDATED STATEMENT OF CASH FLOW

for the period 1 January – 30 June 2022

| (DKK'000) | H1 2022 | H1 2021 |
|--|---------------|----------------|
| Operating loss (EBIT) | -5,719 | -12,862 |
| Depreciation and amortisation | 4,862 | 9,205 |
| Non-cash items | -735 | -4,461 |
| Working capital changes | -6,717 | -4,598 |
| Cash flows from ordinary primary activities | -8,309 | -12,716 |
| Financial income received | 415 | 290 |
| Financial expenses paid | -162 | -77 |
| Cash flows from operating activities | -8,056 | -12,503 |
| Deposits | -46 | -1,740 |
| Sale of player rights | 0 | 4,461 |
| Acquisition of property, plant and equipment | -418 | -5,854 |
| Cash flows from investing activities | -464 | -3,132 |
| Changes to share capital | 3 | 60 |
| Repayment of financial loans | 3 | 0 |
| Repayment of payables related to league tournaments rights | 0 | -119 |
| Cash flows from financing activities | 0 | -59 |
| Decrease in cash and cash equivalents | -8,517 | -15,694 |
| Cash and cash equivalents at beginning of period | 22,900 | 52,039 |
| Cash and cash equivalents at end of period | 14,384 | 36,346 |

Operations

For the period, the cash flow from operating activities was DKK -8.1 million.

Investments

For the period, the cash flow used for investments was DKK -0.5 million.

Financing

For the period, the cash flow from financing activities was DKK -0.0 million.

Total cash flow for the period was DKK -8.5 million.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period 1 January – 30 june 2022

| (DKK'000) | Contributed capital | Free reserves | Equity belonging to Parent's shareholders | Equity belonging to minority interests |
|---|------------------------|------------------|--|---|
| Equity beginning of period | 577 | 82,653 | 83,230 | 0 |
| Equity belonging to minority at beginning of period | 0 | 0 | 0 | 386 |
| Capital increases | 3 | 0 | 3 | 0 |
| Exchange rate adjustments | 0 | -52 | -52 | 0 |
| Other entries on equity | 0 | 90 | 90 | 0 |
| Loss for the period | 0 | -6,185 | -6,185 | -109 |
| Equity end of period | 580 | 76,506 | 77,086 | 278 |

| (DKK'000) | Total Equity |
|---|-----------------|
| Equity beginning of year | 83,230 |
| Equity belonging to minority at beginning of period | 386 |
| Capital increase | 3 |
| Exchange rate adjustments | -52 |
| Other entries on equity | 90 |
| Loss for the period | -6,294 |
| Equity end of period | 77,364 |

FINANCIAL CALENDAR AND COMPANY INFORMATION

Financial calendar:

2023-03-06 Announcement regarding Annual Report 2022

2023-04-12 Annual General Meeting 2023

Astralis A/S

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#ToTheStars