



ASTRALIS A/S

# ANNUAL REPORT 2022



# CONTENT

## MANAGEMENT'S REVIEW

Our Business	3
Letter to Shareholders	6
Key Financial Highlights	11
Financial Review	12
Our Results	15
Outlook	17
League and franchise structure	19
Risk Management	21
Governance	22
Board of Directors	24
Investor Relations	26

## FINANCIAL STATEMENTS ASTRALIS A/S

Statement by Management	28
Independent Auditor's Report	29
Astralis A/S Consolidated Financial Statements	31
Parent Company Financial Statements	46

## OTHER INFORMATION

Company Information and Contact Data	52
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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 a strong business around 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 our business around 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 2022, esports attracted more than 500 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 640 million in 2024 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, where our women's team hold participation rights in ESL Impact League. Likewise, our League of Legends team holds one of the 10 coveted franchise spots in game developer Riot's LEC league.

As franchise member, Astralis partakes in revenues and profits generated from league TV rights, sponsorship, and related business. Across the board, league rights continued to grow and in 2022, the revenue from these rights grew by 26% compared to 2021.

For the leagues we hold franchise rights (LEC, BLAST Premier, Pro League, and ESL Impact 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.

## **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 Hansen, CFO
- Kasper Sindt, Commercial Director
- Kasper Hvidt, Director of Sports
- Steen Laursen, Director of Communication
- Benjamin Boraghi, Marketing Director
- Christian Sørensen, Director Business Development

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 Management ApS 19 April 2021.

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

Origen Esports ApS was founded 30 October 2018 as NewCo Esport ApS and 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.

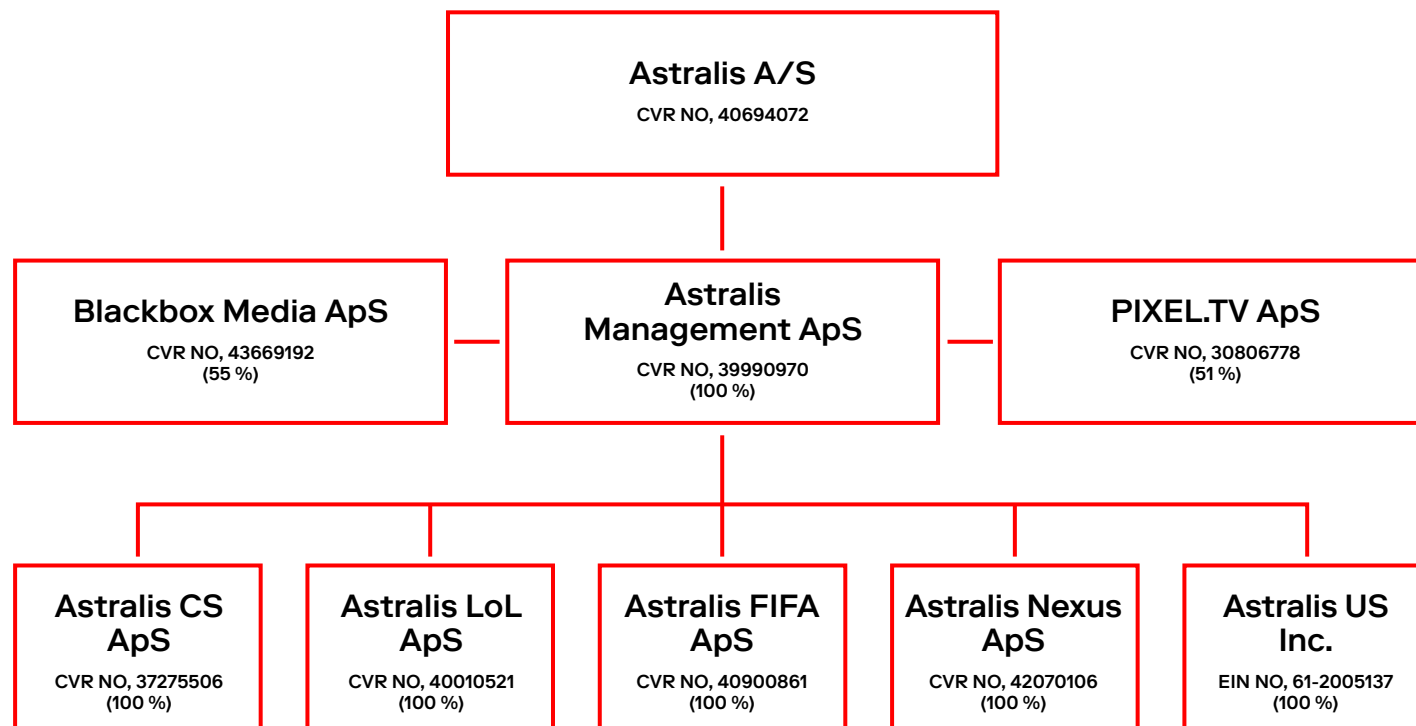
Astralis Nexus ApS was originally founded as ApS af 29/1-2021, 29 January 2021 and renamed Astralis Nexus ApS 22 April 2021.

PIXEL.TV ApS was acquired by Astralis A/S 1 January 2022 and ownership was transferred to Astralis Management ApS

16. August 2022. Astralis Management ApS holds 51% ownership in PIXEL.TV ApS.

Astralis US Inc. was founded 24 August 2021.

BlackBox Media ApS was founded 16 November 2022. Astralis Management ApS holds 55% ownership in BlackBox Media ApS. There was no activity in BlackBox Media ApS in 2022.





# LETTER TO SHAREHOLDERS

**In 2022, we consolidated our business around our strongest growth areas. Our financial results confirm this strategy and meet our expectations. In a year with challenging circumstances in a difficult and ever-changing market, high inflation, supply disruptions, a war in Europe and a period with limited success for our teams, the financial results and development of our business are very satisfactory.**

The main contributors to the positive development and high growth rates are further increases in the value of Commercial Partnerships and League Revenues as well as the full effect of Astralis Nexus, which alone saw a doubling of revenue compared to 2021.

In a year of varied success for our teams, not only did we continue the growth, meeting our financial guidance, we also saw a continued strengthening of our brand with a growing digital audience and media around our main teams. This confirms our strategy around creating a global gaming brand and media, independent of short-term team results.

Through the launch in December 2022 of Blackbox Media, an independent, modern media company, we aim to strengthen our position even further, providing our existing and future commercial partners a much larger palette of media channels and activations.

On the team side, we consolidated the efforts and invested in strong player profiles and a significant upgrade of the performance organization with the aim to improve the results significantly in 2023.

In a year of varied success for our teams, the Astralis brand continued to strengthen within existing and new

audiences. The fanbase continued positive development measured in the number of followers on our digital channels and compared to 2021 we registered a 10 pct increase across all platforms, providing a wider commercial platform for existing and potential commercial partners.

#### **Leagues and Franchise Rights**

Astralis holds Franchise Rights in some of the most attractive international tournaments and leagues, including LEC (League of Legends), and Pro League and BLAST Premier (both Counter-Strike). These rights contribute with increasing,

direct income generated from league TV rights, commercial partnerships, related business, as well as continued guaranteed exposure to attractive audiences in key markets.

The Minimum Guaranteed revenue shares from these league and franchise right agreements secure a solid base for our teams, enabling us to budget long term and invest in the brand, organization, players, and facilities.

The value of these rights has increased significantly since the leagues were introduced and we continue to see very

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**"I am very positive about the development of our business and our ability to meet our ambitious financial targets in a challenging year."**

**Anders Hørsholt, CEO**



high reported transaction values. These values far exceed the values reflected in the financial statements.

### **Brand, Media, and Partnerships**

The Astralis brand continued to grow, even compared to a strong 2021, with high engagement and viewership, and a 10 pct increase in the number of followers across all our media platforms.

Our diverse and expanding media portfolio and the continued growth in the global fan base, combined with high engagement rates provides a strong commercial platform for existing and potential commercial partners. Across teams and Astralis Nexus, on top of existing partners, we extended key partnership agreements and entered 8 new, significant partnership agreements in existing and new markets. including two new partners in China, where we also launched the Astralis brand on key regional social media platforms.

To further strengthen Astralis' digital business and position as a Media Organization in the gaming industry, we launched a new, modern media company in December 2022, Blackbox Media

ApS, together with some of the most experienced and creative minds in the media- and advertising industry. Similar to PIXEL.TV, in which we are majority owners, Blackbox Media will be an independent actor with its own organization. Besides being its own business, the ambition for Blackbox Media is to provide Astralis with a much larger palette of media and new opportunities vis-à-vis our existing and future commercial partners. Currently, Astralis is the majority owner holding 55% of the shares of Blackbox Media.

### **Organization**

To support our growing business and strengthening our position around media, retail and esports performance, in 2022, our organization grew in size, experience and skills. By the end of 2022 we employed more than 90 people on three continents, including new functions and profiles around our teams, Astralis Nexus, as well as in the commercial and content divisions.

The organization around Astralis Nexus was strengthened, headed by our new Head of Business Development, Christian Sørensen, together with a talented day to

day management group handling our B2B and B2C business.

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

We have activities and teams in some of the biggest esports titles including Counter-Strike, League of Legends, Rainbow Six and Fortnite. In 2022 we started a consolidation of our business around the most viable activities in the most viable game titles.

This has meant that from November 2022 we have discontinued player activities in Fortnite, while we have continued the content driven media channels around the game. We have discontinued the talent program in League of Legends, as the league did not create relevant experience for the players or value for the organization, and from 2023 we have moved the main team in League of Legends to Berlin, where the players are close to the studios where the LEC tournament is played.

In late 2022, we decided to re-vitalize the main teams in League of Legends and Counter-Strike through significant

signings of new players and an investment in the performance organization around the players, where strong profiles with proven track records within performance and mental coaching were added to the organization.

### **Counter-Strike**

Following a year of less-than-optimal changes in the roster and coaching team, we decided to rebuild the team and modernize the performance organization in late 2022. On the player side, we brought back Nicolai "dev1ce" Reedtz, arguably one of the best players in Counter-Strike and one of the key elements in our 4 Major wins, while also adding young talent and hunger in Christian "Buzz" Andersen, who is one of the biggest talents in Denmark.

In September 2022, we launched our women's Counter-Strike team, with the aim to become a contender for the biggest titles, participating in all relevant tournaments, including the global ESL Impact League.





In Counter-Strike, we hold Franchise and participation rights in the two most valuable international leagues; BLAST Premier and Pro League. Our women's team holds participation rights in the biggest international tournament ESL Impact League, and our talent team holds participation rights in the most prestigious international talent league: WePlay Academy League.

EBITDA for Astralis CS was DKK 6.6 million in 2022 (DKK -7.6 million full year 2021).

### League of Legends

Following a series of seasons ending just outside the play-off spots, we decided to change the way we work with our League of Legends team and from 2023 we have moved the players from the Copenhagen HQ to facilities in Berlin, close to the LEC studios, where the tournament is played every weekend throughout the season. This eliminates travel time and increases the coach's, manager's and players' time to practice and to focus on their primary responsibility and performance in-game.

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 1.8 million in 2022 (DKK -2.6 million full year 2021).

### Rainbow Six

Results were satisfactory during the team's first year, which included a Grand Final in their second ever Major, which is the biggest, international Rainbow Six tournament. The league development, however, has not met our expectations when it comes to guaranteed revenue and capitalization and the competitive team has been closed in February 2023.

EBITDA for Astralis US was in 2022 DKK -2.2 million (DKK -0.6 million Sep-Dec 2021).

### Fortnite

The Fortnite scene and digital community is very active, and the audience is attractive, however competitively it has proven close to impossible to run a sustainable business as a team owner. Hence, in November 2022 we decided to change the strategy and concentrate our activities in Fortnite around digital content and events, online and live events in Astralis Nexus.

Fortnite is operated as part of Astralis Management where the EBITDA was DKK 3.7 million in 2022 (DKK 7.7 million full year 2021).

### FIFA

FIFA is one of the most played games in the world, and our Brazilian unofficial women's world champion, Stephanie "Teca", continues to grow her popularity and audience in especially South America. She has become a very used and important role model and Astralis ambassador for inclusivity and the positives of esports.

EBITDA for Astralis FIFA was DKK -1.1 million in 2022 (DKK -0.8 million full year 2021).

### PIXEL.TV

Early 2022, Astralis acquired a majority stake in PIXEL.TV, a Danish production house and broadcaster. The acquisition has significantly strengthened our digital production, presence, and reach to further engage a fast-growing audience.

EBITDA for PIXEL.TV was DKK -0.6 million in 2022.

### Astralis Nexus

In the physical world, we have also seen a continued, positive development throughout the year with increased interest from both the public and commercial brands around Astralis Nexus, our first physical gaming and event facilities in Copenhagen.

With its 1,200 sqm facilities of gaming, event, and merchandise shop space, Astralis Nexus has cemented its position in the Danish gaming industry and has become the center for all gaming related activities including education and school activities, conferences, team building, commercial and social events, as well as general entertainment.

Renewed focus on our B2B and B2C business, events, gaming tournaments, partnership activation, and general utilization of the gaming space resulted in a doubling of revenue compared to 2021 with a very strong growth in especially Q3 and Q4.

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 focused on activation in Astralis Nexus, and we have since added an additional commercial partner generating additional revenue with the aim to contribute positively to our bottom line by 2025 the latest.

EBITDA for Astralis Nexus was DKK -6.0 million in 2022 (DKK -4.5 million Jun-Dec 2021).

#### **Research and development activities**

There are no research and development activities in Astralis.

#### **Resources of special knowledge**

In Astralis, players and coaching teams can be considered resources of special knowledge that can affect future revenue. They are all under long term contracts, and replacements are available in the transfer market or ultimately within our own organization in the talent division,

where we in 2022 promoted our coach to the main Counter-Strike team.

#### **Environmental effects of our business**

In general, we strive to minimize our effects on the environment through an active energy saving policy throughout the organization. With its more than 100 professional gaming stations, a retail store, and facade lighting, Astralis Nexus has an energy consumption above average. As a tenant in Tivoli, we are part of Tivoli's green energy policy and as such our energy consumption is expected to be covered by renewable energy sources.

#### **Treasury shares**

As a result of reverse vesting of shares under the Group's warrant program, Astralis A/S holds treasury shares of 456,002 of nominally DKK 0.01 each corresponding to 0.8% of the share capital. No treasury shares have been acquired or sold in 2022.

#### **Results**

In the context of the difficulties in the market and our teams' general performance in 2022, the result for 2022 with a first-ever positive EBITDA confirms

our business strategy and -model, and revenue grew by 17 %.

The full year net revenue for the Group was DKK 87.5 million in 2022 – compared to DKK 75.0 million in 2021 - which was in the middle of the financial guidance given in corporate announcement no. 2-2022 of DKK 85-90 million.

A positive EBITDA of DKK 2.6 million - compared to DKK -7.9 million in 2021 - was in line with the guidance given with a range between DKK 0 to 5 million.

The result before tax for the year was DKK -9.7 million which is in line with expectations.

#### **Uncertainty relating to valuation and recognition**

The Group has assessed that no assets or liabilities are subject to significant uncertainty in relation to valuation or recognition. As described elsewhere in this report, the Group holds leagues and franchise rights where the underlying fair values are deemed to exceed the values reflected in the consolidated financial statements with a considerable amount.

The parent financial statements show equity which is significantly higher than equity showed in the consolidated financial statements and which is higher than the market capitalization of Astralis A/S. The high equity value is relating to investments in subsidiaries and receivables from group enterprises. Management has assessed that the fair value of the leagues and franchise rights referred to above and owned by subsidiaries of Astralis A/S supports the assessment that the investment in subsidiaries and receivables from group enterprises are expected to be fully recoverable.

#### **Unusual matters in the financial statements**

Management has assessed that neither the consolidated financial statements nor the parent financial statements for 2022 are affected by unusual matters.

#### **Outlook**

The projections of the financial targets for the Group for the financial year ending 31 December 2023 is a net revenue in the range of between DKK 85-90 million and EBITDA in the range of DKK 0 to 5 million.



The launch of Blackbox Media - a unique and independent actor in the media industry - will give Astralis a much larger palette of media to work with and new opportunities vis-à-vis our existing and future commercial partners. With Astralis holding a majority ownership, we expect BlackBox Media to contribute positively to the 2023 results.

The management considers the capital resources available at 31 December 2022 sufficient to support and complete the planned activities and investments in 2023.

**Events after the balance sheet date**

Astralis US Inc. has withdrawn its competitive team from Rainbow 6 and further participation in the North American League in February 2023.

**Nikolaj Nyholm**  
Chairman

**Anders Hørsholt**  
CEO



**NIKOLAJ NYHOLM**  
CHAIRMAN



**ANDERS HØRSHOLT**  
CEO



# KEY FINANCIAL HIGHLIGHTS

(DKKm)	Note	2022	2021	2020	2019*
Revenue		87,548	75,004	51,504	48,633
Other operating income		615	6,692	3,513	0
External expenses		(24,002)	(25,155)	(19,244)	(21,784)
Staff costs		(61,579)	(64,416)	(50,291)	(49,534)
<b>Gross loss (EBITDA)</b>		<b>2,582</b>	<b>(7,875)</b>	<b>(14,518)</b>	<b>(22,685)</b>
Depreciation and amortization		(12,147)	(25,151)	(35,491)	(17,637)
<b>Operating loss (EBIT)</b>		<b>(9,565)</b>	<b>(33,026)</b>	<b>(50,009)</b>	<b>(40,322)</b>
Financial income		646	95	181	18,957
Financial expenses		(749)	(2,264)	(3,393)	(13,278)
<b>Loss before tax</b>		<b>(9,668)</b>	<b>(35,195)</b>	<b>(53,221)</b>	<b>(34,643)</b>
Tax on loss for the year		0	0	246	0
<b>Loss for the year</b>		<b>(9,668)</b>	<b>(35,195)</b>	<b>(52,975)</b>	<b>(34,643)</b>
<b>Allocation of loss:</b>					
Astralis A/S shareholders		(9,358)	(35,195)	(52,975)	
Non-controlling interests		(310)	0	0	
		<b>(9,668)</b>	<b>(35,195)</b>	<b>(52,975)</b>	
Investments in tangible assets		(1,633)	(6,681)	(1,104)	
Non-current assets		64,515	70,884	83,048	
Current assets		34,814	55,823	81,062	
<b>Assets</b>		<b>99,329</b>	<b>126,707</b>	<b>164,110</b>	
<b>Equity</b>		<b>73,832</b>	<b>83,230</b>	<b>113,931</b>	
<b>Ratios</b>					
Solvency ratio in %		74%	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 2022 for Astralis A/S and its subsidiaries which provides consolidated information about Astralis A/S' financial performance for the period 1 January 2022 – 31 December 2022.**

## Revenue

Total revenue for 2022 was DKK 87.5 million (DKK 75.0 million in 2021) which was in line with expectations. The increase in revenue was driven by Astralis CS with DKK 44.7 million, Astralis LoL with DKK 15.3 million, Astralis FIFA with DKK 0.4 million, Astralis Nexus with DKK 7.4 million, Astralis US with DKK 2.2 million, Astralis Management with DKK 16.1 million and PIXEL.TV with DKK 2.2 million. The increase in revenue was primarily driven by League Revenue, Commercial Partnerships and Astralis Nexus.

## External costs, staff costs and depreciation and amortization

External costs were DKK 24.0 million (DKK 25.2 million in 2021) which was in line with

expectations for the period. Staff costs were DKK 61.6 million (DKK 64.4 million in 2021). Depreciation and amortization were DKK 12.1 million (DKK 25.2 million in 2021). Amortization in 2022 was DKK 16.1 million lower than in 2021 attributable to high value player rights with contract expiry end 2021 was amortized down to DKK 0 (zero) by end 2021.

## EBITDA

EBITDA for 2022 were DKK 2.6 million (DKK -7.9 million in 2021) which was in line with expectations. EBITDA for Astralis CS were DKK 6.6 million (DKK -7.6 million in 2021), for Astralis LoL DKK 1.8 million (DKK -2.6 million in 2021), for Astralis FIFA DKK -1.1 million (DKK -0.8 million in 2021), for Astralis Nexus DKK -6.0 million (DKK

-4.5 million in Jul-Dec 2021) for Astralis US DKK -2.2 million (DKK -0.6 million in Sep-Dec 2021) and for PIXEL.TV DKK -0.6 million (Acquired 1. January 2022). In addition, non-allocated revenue and costs accounted for DKK 4.1 million (DKK 8.2 million in 2021).

## Net financials

In 2022, net financials amounted to a loss of DKK -0.1 million (DKK -2.2 million in 2021).

## Income tax

Income tax in 2022 was DKK 0 (DKK 0.0 million in 2020). The Group has an unrecognized deferred tax asset primarily from tax loss carry forward of DKK 24.2 million which is not recognized in the financial statements.

## Loss for the period

The result for 2022 was DKK -9.7 million (DKK -35.2 million in 2021).

## Balance Sheet

### Intangible assets

Intangible assets amount to DKK 55.0 million as of 31 December 2022 (DKK 61.3 million in 2021) which is related to the franchise slot in the European League of Legends franchise league DKK 35.8

million, Player rights DKK 4.3 million, Goodwill 9.5 million and Trademarks DKK 5.4 million.

## Current Assets

Current assets at the end of 2022 were DKK 34.8 million (DKK 55.8 million in 2021) of which DKK 9.9 million was in cash and DKK 20.6 million in trade receivables.

## Non-current liabilities

Non-current liabilities at the end of 2022 were 1.2 million (DKK 9.4 million in 2021) .

## Current liabilities

Current liabilities at the end of 2022 were DKK 24.2 million (DKK 34.1 million in 2021) of which DKK 9.0 million were related to the European League of Legends franchise league.

## Equity

The Group's equity amounts to DKK 73.9 million as of 31 December 2022 (DKK 83.2 million in 2021). No dividends will be distributed for 2022.

## Cash Flow

### Operations

In 2022, the cash flow from operating activities was DKK 3.0 million (DKK -19.4 million in 2021).

**Investments**

In 2022, the cash flow used for investments were DKK -6.6 million (DKK -1.8 million in 2021), of which DKK -1.6 million were related to leasehold improvements, DKK -4.5 million were related to contractual rights and DKK -0.5 million were related to the acquisition of PIXEL.TV ApS.

**Financing**

In 2022, the cash flow from financing activities was DKK -9.3 million related to deferred repayment of payables to league tournament rights.









# OUR RESULTS

**Astralis consists of teams and activities in the gaming titles of Counter-Strike, League of Legends, Fortnite, Rainbow Six, and FIFA, as well as our gaming and entertainment center Astralis Nexus, the Management company Astralis Management, and majority ownership of Pixel TV and Blackbox Media.**

### Counter-Strike

Astralis Counter-Strike holds franchise and participation rights in BLAST Premier and Pro League, where we are part owners together with 15 other team owners and ESL. Astralis Talent holds participation rights in WePlay Academy League and our Women's team hold participation rights in ESL Impact League. The teams compete in all relevant international and national tournaments, including the bi-annual Major (World Championships).

Net revenue in Counter-Strike was DKK 44.7 million in 2022, which was DKK 8.2 million lower than 2021. The main reason for the lower revenue was a decrease in digital item sales and prize money due to the team's performance in 2022.

Total operating expenses for 2022 were DKK 38.1 million which was DKK 22.4

million lower than 2021 due to lower digital item sales and less prize money paid out to players. EBITDA for 2022 was DKK 6.6 million (DKK -7.6 million in 2021).

### 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 15.3 million in 2022 DKK 1.1 million lower than 2021. Total operating expenses for 2022 were DKK 13.6 million which was DKK 5.4 million lower than 2021. EBITDA for 2022 was DKK 1.7 million (DKK -2.6 million in 2021).

### FIFA

Astralis FIFA is represented by the world's best female FIFA player, Brazilian

Stephanie "Teca", who competes in relevant regional and global tournaments.

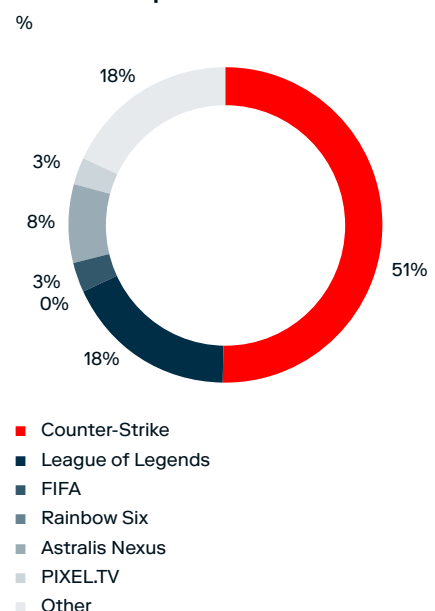
Net revenue in FIFA was DKK 0.4 million in 2022 which was DKK 3.2 million lower than 2021. Total operating expenses for 2022 were DKK 1.5 million which was DKK 2.8 million lower than 2021. EBITDA for 2022 was DKK -1.1 million (DKK -0.8 million in 2021).

### Other activities

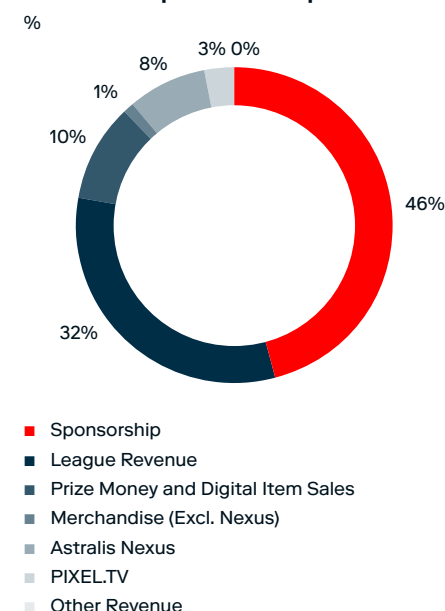
#### Astralis Nexus

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 fully equipped streaming studios for

**Astralis Group – Revenue business area**



**Astralis Group – Revenue split**







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

Total income in Astralis Nexus was DKK 7.4 million in 2022 (DKK 1.7 million in Jun-Dec 2021) of which DKK 6.8 million was related to revenue and DKK 0.6 million to COVID-19 compensation. Astralis Nexus was closed in January 2022 due to COVID-19 restrictions. Total operating expenses for 2022 were 13.4 million which was DKK 6.6 million higher than 2021 (only Jun-Dec 2021). EBITDA for 2022 was DKK -6.0 million (DKK -4.5 million in Jun-Dec 2021)

#### PIXEL.TV

With an ownership of 51% Astralis holds the majority ownership of the gaming and gadget streaming and cable TV channel PIXEL.TV. PIXEL.TV was acquired 1. January 2022 and is operated fully independently.

Net revenue in Pixel TV was DKK 2.2 million in 2022. Total operating expenses for 2022 were DKK 2.9 million. EBITDA for the period was DKK -0.7 million.

#### BlackBox Media

Founded in December 2022 and started operating in January 2023. Astralis holds an ownership of 55% in BlackBox Media which is operated fully independently.

#### Astralis Management

The performance, brands, and organization of Astralis' teams 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.

Total income in Astralis Management was DKK 48.3 million in 2022 (DKK 36.2 million in 2021) of which DKK 32.5 million was related to management fee and DKK 15.8 million to non-allocated revenue. Total operating expenses for 2022 were DKK 44.6 million (DKK 28.5 million in 2021) and EBITDA for 2022 was DKK 3.7 million (DKK 7.7 million in 2021).



# OUTLOOK

## The financial targets for Astralis Group for the financial year ending 31 December 2023 is a net revenue in the range between DKK 85-90 million and an EBITDA in the range between DKK 0 to 5 million.

The financial targets for 2023 is based on the following assumptions:

- Revenue from sponsorships is expected to be in line with 2022
- League revenue shares across teams is expected to be in line with 2022
- Non-sponsorship and -league revenue expected to increase by 22 pct.
- The Group projects that the Group's operating cost will decrease with approx. 5 pct. from 2022 to 2023

### Brand outlook

In our business model around our teams, 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.

- Strengthening 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

In the Fall of 2022, we invested in an upgrade and restructuring of our Counter-Strike organization and a revitalization of the team.

On the team side, we brought back our star player Nicolai "dev1ce" Reedtz together with new young skills and talent in Christian "Buzz" Andersen. As a part of the reorganization in the performance team, after some impressive work, we

promoted talent coach Peter "casle" Ardenskjold to permanent first team coach.

Alongside "casle", we hired Nicolai Petersen as head analyst, Jan Ø Jørgensen as a day-to-day performance coach, and BS Christiansen was added in a role as mental coach.

The organization has implemented a new structure and new processes around preparation, evaluation and practice, and the results have begun to show. In early 2023 the team won its first tournament and we expect to see further and significant improvement in the performance over the coming months.

Our women's team is working to implement similar performance structures, and we expect to see further improvement for the women's team and for our talents, who have established themselves in the top of the Danish League.

### League of Legends

Optimizing the structure around our team and a healthier practice environment overall was a focus area this off-season. As such, during the winter break, we made changes to the setup and relocated the team to housing- and practice facilities in Berlin, close to the LEC studios where all games are played during the season.

A couple of new players has been brought in, and during the first split in 2023, the team secured a top 6 placement in LEC, which is our best result to date. We expect as a minimum to be able to match this performance and continue the positive development in performance throughout 2023.

Having an academy team is no longer a requirement in LEC, and as we did not see real commercial or competitive value in our academy investment, we have sold off the rights to participate in the North European NLC.

### FIFA

We continue to focus on our Brazilian star player Stephanie "Teca" Louana, who is the unofficial female world champion. Through dedicated work, Stephanie has become an amazing brand ambassador in South America, and our goal for 2023 is for Stephanie to keep improving in results and influence as a significant name in women's esports.

### Astralis Nexus

The business model of Astralis Nexus consists of two legs: B2B and B2C.

B2B business covers of events and commercial partnerships, which have both been through a very positive development in the second half of 2022. We expect this development to continue in 2023, where



focus will be on increasing the event activities and bring in new commercial partners.

B2C, which is primarily game time and smaller, private events, has seen a similar positive trend in Q3 and Q4 of 2022, and through increased utilization outside peak hours, we expect the development to continue throughout 2023.

#### **BlackBox Media**

To strengthen our overall business and position in the wide, vast, and growing gaming audience, in December we launched BlackBox Media, a modern media company, bringing together some of the most experienced and creative minds within esports, gaming, media, data, and the advertising market.

Blackbox Media will be a unique and independent actor in the media industry, giving Astralis a much larger palette of media to work with and new opportunities vis-à-vis our existing and future commercial partners.

With Astralis holding a majority ownership, we expect BlackBox Media to contribute positively to the 2023 results.

#### **Social Following**

In 2023 we grew our digital channels from 2.55 million to 2.82 million followers through new channels, relevant content, constant engagement, news, and player interaction.

#### **Social following per 31st December 2022:**

Facebook:	218.000
Instagram:	449.000
TikTok:	292.000
Discord:	10.000
Twitter:	1.335.000
Youtube:	483.000
Linkedin:	11.500
Chinese Channels:	32.000

**Total following across teams, excl. players: 2.8 million**







# LEAGUE AND FRANCHISE STRUCTURES

**For our teams, a large part of the revenue streams stems from league and tournament activities, and we hold participation and holding rights in the premier Franchise Leagues in both League of Legends and Counter-Strike.**

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 global and regional league audiences, a strengthening of our brand, fan base, and commercial value..

## Different Models

### League of Legends

In League of Legends, Astralis is one of only 10 organizations holding Franchise Rights in Riot Games' 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, Origen Esports ApS (from 2019 part of the current Astralis group structure) 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 stickers 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 15 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 multiple 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 of 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.



# 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. Astralis established a whistleblowing function 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 2022. 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 2023.

### **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 one 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. 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 has 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.

### **Foreign exchange risks**

The Group is exposed to the development in the foreign exchange rate between DKK and USD. Management has chosen not to use fair value or cash flow hedging.



# 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.

## 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)

## Astralis Groups Board of Directors

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









# BOARD OF DIRECTORS

## NIKOLAJ NYHOLM (CHAIR)

Member since 2020

**Expiry of election period**  
2023

**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 General 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**  
2023

**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 CFCO 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**  
2023

**Date of birth**  
29 November 1989

**Profession**  
CEO at InQvation ApS

**Experience**  
As CEO of InQvation, Claus Zibrandtsen 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-ups such as Goodiebox ApS, Cortrium ApS, Passendo ApS and Tailor Shaped ApS (Son of a Tailor). On the side, Claus Zibrandtsen has his own start-up, namely Jocks ApS, which he has developed since 2018. Claus Zibrandtsen'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)
- 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 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 People Ventures Management ApS (Since 2021)
- Director at People Ventures Excellence Centres (Since 2021)
- Board member in MXNEY ApS (Since 2022)
- Director at People Ventures General Partner I ApS (Since 2022)
- Director at People Ventures CIV GP I ApS (since 2022)

## PERNILLE NØRKÆR

Member since 2020  
Independent

**Expiry of election period**  
2023

**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 579,908,93 divided into 57,990,893 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 30 December 2022, the shareprice was 1.615 DKK with a market value of 96.7 million DKK. There are approximately 8.600 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 25.95 % of the total share capital
- Jlk Holding ApS, Skipper Clements Allé 7, 1., 2300 København S, 8,013,989 shares the equivalent of 13.82 % of the total share capital

The Executive Management and Board of Directors of Astralis A/S holds in total 20,120,121 shares as of 15 March 2023.

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 3.675 and 1.615 DKK during 2022 and closed on the 30 December 2022 at a price of 1.615 DKK.

### Annual general meeting

Annual General Meeting is held Wednesday 12 April 2023 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 2022.

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 2022 and of the results of their operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2022.

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, 15 March 2023

## Executive Management

Anders Hørsholt

Jakob Hansen

## Board of Directors

Nikolaj Nyholm  
Chairman

Christian Swane Mourier  
Vice-Chairman

Claus Zibrandtzen

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 1 January – 31 December 2022, 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 2022, and of the results of their operations and the consolidated cash flows for the financial year 1 January – 31 December 2022 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 Company Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements 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 Company Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and the Parent Company 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 the Parent Company

Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Parent Company Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Consolidated Financial Statements and the Parent Company Financial Statements unless Management either intends to liquidate the Company 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 Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Parent Company 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 the Parent Company Financial Statements.

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Parent Company 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 Company'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 Company 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 Company'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 Company 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Parent Company Financial Statements, including the disclosures, and whether the Consolidated Financial Statements and the Parent Company Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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 Management Commentary**

Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Parent Company Financial Statements does not cover

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 Company Financial Statements, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Consolidated Financial Statements and the Parent Company Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Copenhagen, 15 March 2023

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Kim Takata Mücke  
State-Authorised Public Accountant  
mne10944

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

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Consolidated Financial Statements and the Parent Company 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 Management Commentary.

Troels Stenholm  
State-Authorised Public Accountant  
mne47806



# ASTRALIS A/S CONSOLIDATED FINANCIAL STATEMENTS



# CONSOLIDATED INCOME STATEMENT

## for the year 1 January – 31 December 2022

(DKK'000)	Note	2022	2021
Revenue	1	87,548	75,004
Other operating income		615	6,692
External expenses		(24,002)	(25,155)
Staff costs	2	(61,579)	(64,416)
<b>Gross loss (EBITDA)</b>		<b>2,582</b>	<b>(7,875)</b>
Depreciation and amortization	3	(12,147)	(25,151)
<b>Operating loss (EBIT)</b>		<b>(9,565)</b>	<b>(33,026)</b>
Financial income	4	646	95
Financial expenses	5	(749)	(2,264)
<b>Loss before tax</b>		<b>(9,668)</b>	<b>(35,195)</b>
Tax on loss for the year	6	0	0
<b>Loss for the year</b>	7	<b>(9,668)</b>	<b>(35,195)</b>



# CONSOLIDATED BALANCE SHEET

at 31 December 2022

## ASSETS

(DKK'000)	Note	2022	2021
Goodwill		9,502	14,209
Trademark		5,438	6,259
Player rights		4,277	0
League tournaments rights		35,816	40,856
<b>Intangible assets</b>	8	<b>55,033</b>	<b>61,324</b>
Leasehold improvements		5,586	5,350
Equipment		1,745	2,065
<b>Tangible assets</b>	9	<b>7,331</b>	<b>7,415</b>
Deposits		2,151	2,145
<b>Financial assets</b>		<b>2,151</b>	<b>2,145</b>
<b>Non-current assets</b>		<b>64,515</b>	<b>70,884</b>
Inventory		256	218
<b>Inventory</b>		<b>256</b>	<b>218</b>
Trade receivables	10	20,567	27,293
Other receivables		4,113	5,412
<b>Receivables</b>		<b>24,680</b>	<b>32,705</b>
Cash		9,878	22,900
<b>Current assets</b>		<b>34,814</b>	<b>55,823</b>
<b>Assets</b>		<b>99,329</b>	<b>126,707</b>





# CONSOLIDATED BALANCE SHEET

at 31 December 2022

## EQUITY AND LIABILITIES

(DKK'000)	Note	2022	2021
Contributed capital		580	577
Free reserves		73,252	82,653
<b>Equity</b>		<b>73,832</b>	<b>83,230</b>
Equity belonging to minority interests		95	0
<b>Equity</b>		<b>73,927</b>	<b>83,230</b>
Payables related to league tournaments rights		0	9,411
Other payables	11	1,240	0
<b>Non-current liabilities</b>		<b>1,240</b>	<b>9,411</b>
Payables related to league tournaments rights		8,963	9,410
Trade payables		1,781	2,491
Other payables	11	10,833	16,517
Deferred income		2,585	5,648
<b>Current liabilities</b>		<b>24,162</b>	<b>34,066</b>
<b>Liabilities</b>		<b>25,402</b>	<b>43,477</b>
<b>Equity and liabilities</b>		<b>99,329</b>	<b>126,707</b>
Contingent liabilities	12		
Events after balance sheet date	13		
Share capital	14		



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year 1 January – 31 December 2022

(DKK'000)	Contributed capital	Free reserves	Equity belonging to Parent's shareholders	Equity belonging to minority interests	Total Equity
Equity beginning of year	577	82,653	83,230	0	83,230
Equity belonging to minority upon acquisition of subsidiaries	0	0	0	404	404
Capital increases in cash	3	0	3	0	3
Exchange rate adjustments	0	(36)	(36)	0	(36)
Other equity movements	0	(7)	(7)	0	(7)
Loss for the year	0	(9,358)	(9,358)	(310)	(9,668)
<b>Equity end of year</b>	<b>580</b>	<b>73,252</b>	<b>73,832</b>	<b>95</b>	<b>73,927</b>



# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year 1 January – 31 December 2022

(DKK'000)	Note	2022	2021
Operating loss (EBIT)		(9,565)	(33,026)
Depreciation and amortization		12,147	25,151
Non-cash items and reversals		692	(6,692)
Working capital changes		(226)	(4,789)
<b>Cash flows from ordinary primary activities</b>		<b>3,048</b>	<b>(19,356)</b>
Financial income received		1	95
Financial expenses paid		(149)	(164)
<b>Cash flows from operating activities</b>		<b>2,900</b>	<b>(19,425)</b>
Deposits		(6)	(1,811)
Acquisition of contractual rights		(4,463)	0
Sale of contractual rights		0	6,692
Acquisition of leasehold improvements and equipment		(1,633)	(6,681)
Acquisition of subsidiaries		(522)	0
<b>Cash flows from investing activities</b>		<b>(6,624)</b>	<b>(1,800)</b>
Repayment of payables related to league tournament rights		(9,298)	(7,914)
<b>Cash flows from financing activities</b>		<b>(9,298)</b>	<b>(7,914)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>(13,022)</b>	<b>(29,139)</b>
Cash and cash equivalents at beginning of year		22,900	52,039
<b>Cash and cash equivalents at end of year</b>		<b>9,878</b>	<b>22,900</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## CONTENTS

1. Revenue	38
2. Staff costs	38
3. Depreciation and amortization	38
4. Financial income	38
5. Financial expenses	38
6. Tax	39
7. Proposed distribution of profit/loss	39
8. Intangible assets	39
9. Tangible assets	40
10. Trade receivables	41
11. Other payables	41
12. Contingent liabilities	41
13. Events after balance sheet date	41
14. Share capital	41
Accounting policies	42





## NOTE 1 Revenue

(DKK'000)	2022	2021
Sponsorships	42,209	38,526
Prize money and other revenue from tournament participation	37,017	31,813
Merchandise and digital item sales	1,412	1,609
PIXEL TV	1,953	0
Nexus	4,491	1,196
Other	466	1,860
	<b>87,548</b>	<b>75,004</b>

## NOTE 2 Staff costs

(DKK'000)	2022	2021
Wages and salaries including prize money to players	59,130	62,987
Pensions	1,667	964
Other social security costs	782	465
	<b>61,579</b>	<b>64,416</b>
Average number of employees	77	63
Number of employees, end of year	94	80
Management remuneration		
Executive Board	5,786	4,006
Board of Directors	903	1,968
	<b>6,689</b>	<b>5,974</b>

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

- The warrant program 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 2022, a total of 1,434,048 warrants have been granted of which 43,234 warrants with a strike price of DKK 4,07 have been granted in 2019 vesting over a 12-month or 48-month period, 422,307 warrants with a strike price of DKK 0,01 have been granted in the years of 2020, 2021 and 2022 vesting over a 12-month, 24-month or 48-month period, 30,000 warrants with a strike price of DKK 2,09 have been granted in 2022 vesting over a

## NOTE 2 Staff costs (continued)

- 24-month period and 938,507 warrants with a strike price of DKK 0,01 have been granted in 2019 vesting over a 48-month,
- Out of the granted warrants, 110,629 warrants have been granted to the Board of Directors and 1,063,745 warrants have been granted to the Executive Management,
  - All warrants can be exercised until 30 June 2024,
  - In 2022, 334,738 warrants have been exercised, all with a strike price of DKK 0,01 per warrant,
  - No warrants have expired or been annulled during 2022.

## NOTE 3 Depreciation and amortization

(DKK'000)	2022	2021
Goodwill	4,805	1,661
Trademark	878	808
Player rights	186	16,773
League Tournaments rights	5,040	5,040
Leasehold improvements	954	610
Equipment	763	259
Reversal of accrual for earn-out	-479	0
	<b>12,147</b>	<b>25,151</b>

## NOTE 4 Financial income

(DKK'000)	2022	2021
Interest income	1	95
Exchange rate gains	645	0
	<b>646</b>	<b>95</b>

## NOTE 5 Financial expenses

(DKK'000)	2022	2021
Interest on payables related to acquired rights	600	2,088
Interest on loans from credit institutions	103	106
Exchange rate losses	0	45
Other interest expenses	46	25
	<b>749</b>	<b>2,264</b>



## NOTE 6 Tax

The Group has a non-recognized deferred tax asset of DKK 24.2 million of which DKK 9.1 million only can be utilized 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%.

Capitalization awaits that the Group becomes profitable.

## NOTE 7 Proposed distribution of profit/loss

(DKK'000)	2022	2021
Retained earnings	(9,358)	(35,195)
Minority interests' share of profit/loss	(310)	0
	<b>(9,668)</b>	<b>(35,195)</b>

## NOTE 8 Intangible assets

(DKK'000)	Goodwill	Trademark	Player rights	League tournaments rights
Cost beginning of year	17,822	8,156	0	77,192
Additions from acquired companies	98	57	4,463	0
<b>Cost end of year</b>	<b>17,920</b>	<b>8,213</b>	<b>4,463</b>	<b>77,192</b>
Amortization beginning of year	3,613	1,897	0	36,336
Amortization for the year	4,805	878	186	5,040
<b>Amortization end of year</b>	<b>8,418</b>	<b>2,775</b>	<b>186</b>	<b>41,376</b>
<b>Carrying amount</b>	<b>9,502</b>	<b>5,438</b>	<b>4,277</b>	<b>35,816</b>

As disclosed in Note 12, Astralis US Inc. has withdrawn its competitive team from Rainbow 6 in 2023 and as a result of this decision, the amortization period for the related goodwill acquired in 2021 has been reassessed to be fully amortized end of 2022, resulting in extra amortization charge of DKK 2.2 million in 2022.



## NOTE 8 Intangible assets (continued)

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 was agreed to totally EUR 10.5 million. Astralis LOL ApS paid EUR 7.0 million in 2019, EUR 1.0 million in 2021, EUR 1.25 million in 2022 and a remaining amount of EUR 1.25 million are outstanding to be paid in one instalment in 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 2022. Management has concluded that the carrying value at the asset is considered fully recoverable due to the trading values seen in the market for the European League of Legends franchise spot, and consistently with 2021 the scrap value for the European League of Legends franchise spot is considered to be higher than the book value, and hence no amortization has been recognized for the franchise spot neither in 2021 nor in 2022.

## NOTE 9 Tangible assets

(DKK'000)	Leasehold Improvements	Equipment
Cost beginning of year	6,507	2,325
Additions from acquired companies	1,190	443
<b>Cost end of year</b>	<b>7,697</b>	<b>2,768</b>
Depreciation beginning of year	1,157	260
Depreciation for the year	954	763
<b>Depreciation end of year</b>	<b>2,111</b>	<b>1,023</b>
<b>Carrying amount</b>	<b>5,586</b>	<b>1,745</b>



## NOTE 10 Trade receivables

(DKK'000)	2022	2021
Prize money	413	1,600
Sponsorships	18,036	25,399
Other	2,118	294
	<b>20,567</b>	<b>27,293</b>

The Group has only recorded DKK 5 thousand in provision for expected credit losses. 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 11 Other payables

(DKK'000)	2022	2021
Wages and salaries, payroll taxes, social security costs, etc. payable	5,157	6,331
Holiday pay obligation	373	579
Prize money payables	972	3,459
Other costs payables	5,571	6,148
	<b>12,073</b>	<b>16,517</b>
Other payables are presented as follows in the balance sheet:		
Non-current liabilities	1,240	0
Current liabilities	10,833	16,517
	<b>12,073</b>	<b>16,517</b>

## NOTE 12 Contingent liabilities

The Group has fixed operating lease commitments amounting to DKK 5.3 million at 31 December 2022. In addition, lease contract utilized by Astralis Nexus also include a variable element if revenue exceeds an agreed threshold for the Astralis Nexus activity. The threshold was not exceeded in 2022.

## NOTE 13 Events after balance sheet date

Astralis US Inc. has withdrawn its competitive team from Rainbow 6 and further participation in the North American League in February 2023.

## NOTE 14 Share capital

(DKK'000)	2022	2021
57,990,893 shares of 0,01	580	577
	<b>580</b>	<b>577</b>

In 2022, the share capital increased by DKK 3, paid in cash resulting from exercise of warrants under the Group's warrant program (see note 2).





## 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 C (medium) enterprises. In 2021, the consolidated financial statements were prepared applying the rules for reporting class B enterprises with the addition of certain provisions for reporting class C. The upgrade in reporting class has had no impact on recognition and measurement, but additional notes and disclosures have been included in the consolidated financial statements from 2022.

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 recognized 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 derecognized from the balance sheet when it is no longer probable that future economic benefits will flow to the Group.

Liabilities are recognized 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 derecognized 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 affected 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 recognized in the income statement when earned, whereas costs are recognized 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 recognized in the income statement as financial income or financial expenses.

### Balance sheet

#### Business combinations

Acquired enterprises are recognized 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 recognized at the fair value on acquisition. Any subsequent adjustment of contingent consideration is recognized 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 recognized directly in the income statement when incurred.

#### Goodwill

On initial recognition, goodwill is recognized 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 amortized straight-line over its estimated useful life which is determined to be 10 years.

#### Other intangible assets

Other intangible assets have partly been acquired through business combinations and partly through individual transactions and consists of trademarks, player rights and league tournaments rights.

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



## Accounting policies (continued)

- Trademarks 10 years
- Player rights 4 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. Also in 2022, it has been estimated that residual value exceeds the carrying value.

### Tangible assets

Tangible assets consist of leasehold improvements and equipment, which are measured at cost less accumulated depreciation and impairment losses. Depreciation is made on a straight-line basis over the following useful lives:

- Leasehold improvements 5-8 years
- Equipment 3-5 years

Residual values have been determined to be nil.

### Financial assets

Financial assets consist of deposits paid as part of the Group's rental arrangements. Deposits are measured at amortized cost.

### Impairment of non-current assets

The carrying amounts of non-current assets are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortization and depreciation. If so, the asset is written down to its lower recoverable amount where recoverable amount is the higher of value in use and net selling price. Value in use is calculated as the net present value of the anticipated cash flows for the use of the asset or a relevant group of assets.

Impairment losses are recognized in the income statement and will be included in the line "Depreciation, amortization and impairment losses".

### Inventory

Inventories mainly consists of merchandise for resale and consumables, which are measured at the lower of cost using the FIFO method and net realizable value. Cost consists of purchase price plus delivery cost. Net realizable value is calculated as the estimated selling price less costs to execute the sales, and with due regard to marketability, inventory days and development in expected selling price.

### Receivables

Receivables are measured at amortized cost less allowance for expected credit losses.

### 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 amortized 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 recognized 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 amortized cost, which usually corresponds to nominal value.

### Deferred income

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

### Income statement

#### Revenue

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

Revenue from sponsorships is recognized 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 recognized concurrently with the Group meeting the individual identifiable performance obligations.

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

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



## Accounting policies (continued)

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

Revenue is recognized 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 and income from Danish covid-19 government compensation packages.

### Other external expenses

Other external expenses include corporate expenses, marketing costs, IT-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 year.

### Staff costs

Staff costs comprise salaries and wages including prize money and other remuneration as well as social security contributions, pension contributions, etc. for the Group's management, players and other staff.

### Depreciation and amortization

Depreciation and amortization relating to non-current assets comprise depreciation and amortization for the year.

### Financial income

Financial income comprises 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 profit/loss for the year

Tax for the year, which consists of current tax for the period and changes in deferred tax, is recognized in the income statement by the portion attributable to profit or loss for the year and recognized 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 noncash 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 year 1 January – 31 December 2022

(DKK'000)	Note	2022	2021
Revenue		9,155	9,210
Other external expenses		(2,436)	(2,744)
Staff costs	1	(6,283)	(6,028)
<b>Gross loss (EBITDA)</b>		<b>436</b>	<b>438</b>
Depreciation and amortization		(87)	(17)
<b>Operating loss (EBIT)</b>		<b>349</b>	<b>421</b>
Financial income	2	3,888	3,227
Financial expenses	3	(6)	(127)
<b>Profit before tax</b>		<b>4,231</b>	<b>3,521</b>
Tax on profit for the year		(952)	(846)
<b>Profit for the year</b>		<b>3,279</b>	<b>2,675</b>
<b>Proposed distribution of profit</b>			
Reserves		3,279	2,675
		<b>3,279</b>	<b>2,675</b>



# BALANCE SHEET

at 31 December 2022

## ASSETS

(DKK'000)	Note	2022	2021
Trademark		196	225
<b>Intangible assets</b>		<b>196</b>	<b>225</b>
Investments in subsidiaries		30,932	30,932
<b>Financial assets</b>		<b>30,932</b>	<b>30,932</b>
<b>Non-current assets</b>		<b>31,128</b>	<b>31,157</b>
Receivables from group enterprises		197,363	193,678
Other receivables		198	275
<b>Receivables</b>		<b>197,561</b>	<b>193,953</b>
<b>Cash</b>		<b>81</b>	<b>601</b>
<b>Current assets</b>		<b>197,642</b>	<b>194,554</b>
<b>Assets</b>		<b>228,770</b>	<b>225,711</b>



# BALANCE SHEET

at 31 December 2022

## EQUITY AND LIABILITIES

(DKK'000)	Note	2022	2021
Contributed capital		580	577
Reserves		225,084	221,805
<b>Equity</b>		<b>225,664</b>	<b>222,382</b>
Trade payables		61	241
Other payables		2,093	2,242
Joint taxation contribution payable		952	846
<b>Current liabilities</b>		<b>3,106</b>	<b>3,329</b>
<b>Liabilities</b>		<b>3,106</b>	<b>3,329</b>
<b>Equity and liabilities</b>		<b>228,770</b>	<b>225,711</b>

Contingent liabilities

4



# STATEMENT OF CHANGES IN EQUITY

for the year 1 January – 31 December 2022

(DKK'000)	Note	Contributed capital	Free reserves	Total
Equity beginning of year		577	221,805	222,382
Capital increase in cash contribution		3	0	3
Profit for the year		0	3,279	3,279
<b>Equity end of year</b>		<b>580</b>	<b>225,084</b>	<b>225,664</b>



# NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

## CONTENTS

1. Staff costs	51
2. Financial income	51
3. Financial expense	51
4. Contingent liabilities	51
Accounting policies	51





## NOTE 1 Staff costs

(DKK'000)	2022	2021
Wages and salaries	5,070	5,741
Fee Board of Directors	903	200
Pensions	279	58
Other social security costs	31	29
	<b>6,283</b>	<b>6,028</b>
Average number of employees	3	4

With respect to warrant program, reference is made to note 2 in the consolidated financial statements.

## NOTE 2 Financial income

(DKK'000)	2022	2021
Interest intercompany	3,888	3,227
Other interest	0	0
	<b>3,888</b>	<b>3,227</b>

## NOTE 3 Financial expense

(DKK'000)	2022	2021
Interest intercompany	0	0
Other interest	(6)	(127)
	<b>(6)</b>	<b>(127)</b>

## NOTE 4 Contingent liabilities

The Company has issued comfort letters in favor of Astralis Management 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 2023.

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 with addition of certain provisions for reporting class C.

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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