



ASTRALIS A/S

FINANCIAL REPORT

– FOR THE PERIOD JANUARY 1 TO JUNE 30, 2023

LETTER TO SHAREHOLDERS

During the first half of 2023, we have further consolidated our business activities around areas that have proven most profitable and with most growth potential. We have streamlined the organization with the focus on revenue streams around our team-, media-, and commercial partnership activities.

The consolidation includes the discontinuation of our activities in Rainbow Six and selling the major share of our ownership in Pixel.tv, both of which for different reasons did not provide the return of investment and potential we had hoped for. Resources are channeled into the development of new, profitable media-, commercial-, and fan products.

In League of Legends, we started the year strong with a top 5 finish in LEC, which is our best result to date, however in the subsequent splits we were not able to follow up and missed the playoffs.

Despite the addition of analyst-, coaching and performance profiles to the set-up around our Counter-Strike team, for the second time straight, the main team failed to qualify for Major, which financially and in prestige is the most impactful tournament of the year.

As a consequence of the lacking results, especially for our main Counter-

Strike team, we initiated a complete restructuring of our sporting department, including a change in the roster and a change in top management of the sporting department.

Our Counter-Strike talents performed extremely well. The team won 4 tier two tournaments and peaked close to top 30 in the world, which is the best performance to date.

On the women's side, our international roster of players did not meet our own expectations result wise. We did not extend the contract with 4 of the players and made a strategic change, announcing the coming relaunch of the team with mainly Danish players.

Astralis Nexus, our multi-level Gaming and Event Center in Copenhagen, maintained a strong level of both B2B and B2C activities continuing revenue growth.

On 30 March, we announced the intention to undertake a strategic review to consider the future position of the company. The strategic review included the assessment of a possible (i) delisting of the Company's shares, (ii) a combination with another company, (iii) an issuance of new shares, and (iv) a sale of all or some of the Company's shares and/or assets.

On the 11 July 2023 the company announced the proposal to delist Astralis A/S from Nasdaq First North Growth Market Denmark which was subsequently approved by the shareholders on 8. August 2023. The process and the scenarios specified in the Strategic Review continue around point (ii) a combination with another company, and (iv) a sale of all or some of the Company's shares and/or assets.

Outlook

The key focus points for the Company is to grow the business around the two game titles League of Legends and Counter-Strike, the franchise league ownerships, commercial partnerships, development of direct media offerings, digital items, as well as merchandise, and other fan products.

Astralis believes that the continuous growth and development in the global esports industry creates a lot of business opportunities, and through the investments in different game titles, media, and franchise leagues,

Astralis has gained valuable experience in identifying profitable areas with most potential for future growth. According to the research institute Market Insights, the esports industry is expected to continue its development with an estimated 12 %

annual growth rate towards 2030. This includes continuous increase in league revenues, active users across game titles, number of fans, viewership, and commercial partnerships, all within the scope of Astralis' business.

Subsequent events

On 11 July 2023 the company announced the proposal to delist Astralis A/S from Nasdaq First North Growth Market Denmark which was subsequently approved by the shareholders at an Extraordinary General Meeting on 8 August 2023.

On 10 August 2023 the company applied for Astralis A/S to delist from Nasdaq First North Growth Market Denmark and received approval from Nasdaq Copenhagen A/S for removal of Astralis shares from trading on 16 August 2023.

The last day of trading of the shares in Astralis A/S on Nasdaq First North Growth Market Denmark will be Wednesday 25 October 2023.

Nikolaj Nyholm
Chairman

KEY FINANCIAL HIGHLIGHTS

(DKKm)	H1 2023	H1 2022
Revenue	32,305	44,854
External expenses	-10,929	-12,525
Staff costs	-28,845	-33,186
Gross loss (EBITDA)	-7,469	-857
Depreciation and amortisation	-5,278	-4,862
Operating loss (EBIT)	-12,747	-5,719
Financial income	576	415
Financial expenses	-238	-990
Loss before tax	-12,409	-6,294
Tax on loss for the period	0	0
Loss for the period	-12,409	-6,294
Allocation of loss:		
Astralis Group A/S shareholders	-12,597	-6,185
Non-controlling interests	188	-109
	-12,409	-6,294
Non-current assets	60,153	66,486
Current assets	26,871	41,979
Assets	87,024	108,465
Equity	61,212	77,364
Ratios		
Solvency ratio in %	70%	71%

OUR RESULTS – OPERATIONS

Counter-Strike

Net revenue in Astralis CS was DKK 15.1 million in H1 2023, which was DKK -13.2 million lower than H1 2022. Total operating expenses for H1 2023 was DKK 24.7 million which was DKK -1.4 million higher than H1 2022. EBITDA for H1 2023 was DKK -9.6 million which was a decrease of DKK -14.6 million compared to H1 2022.

League of Legends

Net revenue in Astralis LoL was DKK 8.3 million in H1 2023 which was DKK 0.7 million higher than H1 2022. Total operating expenses for H1 2023 was DKK 6.4 million which was DKK 3.5 million lower than H1 2022. EBITDA for H1 2023 was DKK 1.9 million which was an improvement of DKK 4.1 million compared to H1 2022.

FIFA

Net revenue in Astralis FIFA was DKK 0.1 million in H1 2023 which was DKK -0.7 million lower than H1 2022. Total operating expenses for H1 2023 was DKK 0.2 million which was DKK 1.8 million lower than H1 2022. EBITDA for H1 2023 was DKK -0.1 million which was an improvement of DKK 1.1 million compared to H1 2022.

Nexus

Net revenue in Astralis Nexus was DKK 4.2 million in H1 2023 which was DKK 1.5 million higher than H1 2022. Total operating expenses for H1 2023 was

DKK 6.3 million which was DKK 1.4 million higher than H1 2022. EBITDA for H1 2023 was DKK -2.1 million which was an improvement of DKK 0.1 million compared to H1 2022.

Astralis US

Net revenue in Astralis US was DKK 1.4 million in H1 2023 which was in line with H1 2022. Total operating expenses for H1 2023 was DKK 1.3 million which was DKK 1.1 million lower than H1 2022. EBITDA for H1 2023 was DKK 0.1 million which was an improvement of DKK 1.1 million compared to H1 2022. The Rainbow6 team was closed down in February 2023.

Pixel.tv

Net revenue in Pixel.tv was DKK 0.5 million in H1 2023 which was DKK 0.7 million lower than H1 2022. Total operating expenses for H1 2023 was DKK 0.8 million which was DKK 0.6 million lower than H1 2022. EBITDA for H1 2023 was DKK -0.3 million which was a decrease of DKK 0.1 compared to H1 2022. The majority of Pixel.tv was sold in May 2023.

BlackBox Media

Net revenue in BlackBox Media was DKK 0.7 million in H1 2023. Total operating expenses for H1 2023 was DKK 0.0 million and EBITDA for H1 2023 was DKK 0.7 million. The business area had a start up in January 2023.

Astralis Management

Net revenue in Astralis Management was DKK 2.0 million in H1 2023 which was DKK -0.8 million lower than H1 2022. Total operating expenses for H1 2023 was DKK 0.1 million which was an improvement of DKK 1.7 million compared to H1 2022. EBITDA for H1 2023 was DKK 1.9 million which was an improvement compared to H1 2022.

STATEMENT BY MANAGEMENT

The Board of Directors and the Executive Board have today considered and approved the interim financial report of Astralis A/S for the period 1 January - 30 June 2023.

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

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

In our opinion, the interim consolidated financial statements give a true and fair view of the Group's financial position on 30 June 2023 and of the results of the operation as well as the consolidated cash flow for the financial period 1 January - 30 June 2023.

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

Other than as disclosed in the interim financial report, no changes in the Group's most significant risks and uncertainties have occurred relative to what was disclosed in the annual report for 2022.

Copenhagen, 29 August 2023

Executive Management

Anders Hørsholt

Jakob Hansen

Board of Directors

Nikolaj Nyholm
Chairman

Christian Swane Mourier

Claus Zibrandtsen

Pernille Nørkær

CONSOLIDATED INCOME STATEMENT

for the period 1 January – 30 June 2023

(DKK'000)	H1 2023	H1 2022
Revenue	32,305	44,854
Other operating income	0	0
External expenses	-10,929	-12,525
Staff costs	-28,845	-33,186
Gross loss (EBITDA)	-7,469	-857
Depreciation and amortisation	-5,278	-4,862
Operating loss (EBIT)	-12,747	-5,719
Financial income	576	415
Financial expenses	-238	-990
Loss before tax	-12,409	-6,294
Tax on loss for the period	0	0
Loss for the period	-12,409	-6,294
Allocation of loss:		
Astralis Group A/S shareholders	-12,597	-6,185
Non-controlling interests	188	-109
	-12,409	-6,294

Revenue

Total revenue for H1 2023 was DKK 32.3 million which was DKK 12.6 million lower than in H1 2022. The lower revenue was caused by lower prize money due to missed participation in the Major Tournament in H1 2023, and lower Sponsorship and Merchandise sales.

External costs and staff costs

External costs were DKK 11.0 million in H1 2023, which was DKK 1.6 million lower than in H1 2022 due to less obligations related to sponsorship agreements. Staff costs were DKK 28.8 million in H1 2023, which was DKK 4.3 million lower than in H1 2022 due to closing of the Rainbow6 team in the US (February 2023) sale of Pixel TV (May 2023) and less payout of prize money.

Gross loss (EBITDA)

EBITDA in H1 2023 was DKK -7.5 million. EBITDA for Astralis CS were DKK -9.6 million, for Astralis LoL it was DKK 1.9 million, for Astralis FIFA it was DKK -0.1 million, for Astralis Nexus it was DKK -2.1 million, for Astralis US Inc. it was DKK 0.1 million, for Pixel.tv it was DKK -0.3 million and for BlackBox Media it was DKK 0.7 million. In addition, non-allocated corporate revenue and non-allocated costs accounted for DKK 2.1 million.

Depreciation and amortisation

Depreciation and amortisation were DKK 5.3 million in H1 2023 which was DKK 0.4 million higher than H1 2022 because of acquisition of contractual rights in 2022 and thereby related higher depreciations.

Net financials

Net financials in H1 2023 amounted to an expense of DKK 0.3 million which is an improvement of DKK 0.9 million compared to H1 2022.

Loss for the period

The result for H1 2023 was a loss of DKK -12.4 million which was a decrease of DKK -6.1 million compared to H1 2022.

CONSOLIDATED BALANCE SHEET

at 30 June 2023

ASSETS

(DKK'000)	H1 2023	H1 2022
Goodwill	8,694	13,235
Trademark	4,993	5,845
Player rights	4,315	0
League tournaments rights	33,296	38,336
Intangible assets	51,298	57,416
Leasehold improvements	5,060	4,939
Equipment	1,679	1,940
Tangible assets	6,739	6,879
Investments	73	0
Deposits	2,043	2,191
Financial assets	2,116	2,191
Non-current assets	60,153	66,486
Inventory	310	258
Inventory	310	258
Trade receivables	16,435	22,605
Other receivables	3,566	4,664
Receivables	20,001	27,337
Cash	6,560	14,384
Current assets	26,871	41,979
Assets	87,024	108,465

Intangible assets

Intangible assets amount to DKK 51.3 million as of 30 June 2023 which is related to the franchise slot in the European League of Legends franchise league DKK 32.7 million and goodwill, trademark and league tournament rights related to the acquisition of Astralis Management, DKK 8.7 million, DKK 5.0 million DKK 0.6 million, respectively as well as the acquisition of player rights for DKK 4.3 million.

Current Assets

Current assets as of 30 June 2023 were DKK 26.9 million of which DKK 6.6 million was in cash and DKK 16.4 million in trade receivables.

CONSOLIDATED BALANCE SHEET

at 30 June 2023

EQUITY AND LIABILITIES

(DKK'000)	H1 2023	H1 2022
Contributed capital	580	580
Free reserves	60,632	76,784
Equity	61,212	77,364
Equity belonging to Parent's shareholders	61,212	83,271
Equity belonging to minority interests	356	387
Equity	61,568	83,658
Payables related to league tournaments rights	0	9,245
Other payables	1,040	0
Non-current liabilities	1,040	9,245
Payables related to league tournaments rights	8,963	9,245
Trade payables	1,306	1,339
Other payables	14,147	11,272
Current liabilities	24,416	21,856
Liabilities	25,456	31,101
Equity and liabilities	87,024	108,465

Non-current liabilities

Non-current liabilities as of 30 June 2023 were 1.0 million.

Current liabilities

Current liabilities as of 30 June 2023 were DKK 24.4 million of which DKK 9.0 million were related to the European League of Legends franchise league and DKK 15.4 million were related to trade and other payables.

Equity

The Group's equity amounts to DKK 61.2 million as of 30 June 2023.

CONSOLIDATED STATEMENT OF CASH FLOW

for the period 1 January – 30 June 2023

(DKK'000)	H1 2023	H1 2022
Operating loss (EBIT)	-12,747	-5,719
Depreciation and amortisation	5,278	4,862
Non-cash items and reversals	49	-735
Working capital changes	4,680	-6,717
Cash flows from ordinary primary activities	-2,741	-8,309
Financial income received	576	415
Financial expenses paid	-238	-162
Cash flows from operating activities	-2,403	-8,056
Deposits	35	-46
Acquisition of contractual rights	-596	0
Acquisition of leasehold improvements and equipment	-355	-418
Cash flows from investing activities	-916	-464
Changes to share capital	0	3
Repayment of financial loans	0	3
Cash flows from financing activities	0	3
Decrease in cash and cash equivalents	-3,318	-8,517
Cash and cash equivalents at beginning of period	9,878	22,900
Cash and cash equivalents at end of period	6,560	14,384

Operations

For the period, the cash flow from operating activities was DKK -2.4 million.

Investments

For the period, the cash flow used for investments was DKK -0.9 million of which DKK -0.6 million was related to the acquisition of contractual rights.

Financing

For the period, there has been no cash flow from financing activities.

Total cash flow for the period was DKK -3.3 million.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period 1 January – 30 June 2023

(DKK'000)	Contributed capital	Free reserves	Equity belonging to Parent's shareholders	Equity belonging to minority interests
Equity beginning of period	580	73,252	73,832	95
Equity belonging to minority at beginning of period	0	0	0	0
Exchange rate adjustments	0	49	49	0
Reversal sale of majority shareholding	0	-73	-73	73
Loss for the period	0	-12,597	-12,597	188
Equity end of period	580	60,631	61,211	356

(DKK'000)	Total Equity
Equity beginning of period	73,927
Equity belonging to minority at beginning of period	0
Exchange rate adjustments	49
Reversal sale of majority shareholding	0
Loss for the period	-12,409
Equity end of period	61,568

FINANCIAL CALENDAR AND COMPANY INFORMATION

Financial calendar:

2024-03-06 Announcement regarding Annual Report 2023

2024-04-12 Annual General Meeting 2024

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