

ASTRALIS GROUP

ANNUAL REPORT 2020



**ASTRALIS
GROUP**



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OUR BUSINESS

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

Astralis Group

Astralis Group is a market leader and a pioneer in the growing, global esports industry. With teams in the two biggest esports titles, League of Legends and Counter-Strike, alongside the global sports game leader FIFA, we hold franchise rights in the most premium international esports leagues; LEC (League of Legends) and ESL Pro League and BLAST Premier (Counter-Strike).

We are committed to developing top competitive, international esports teams and a brand with a large, engaged global fan base to secure and expand our position as a preferred esports and entertainment brand for commercial partners, audiences, premium leagues and media.

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. During 2020, several

tournaments reached record viewership numbers online and on TV broadcasts and the total esports audience grew another 12% to reach an estimated 495 million viewers around the world.

A major contributor to the continued growth in viewership numbers, fan interest and the overall value of the leagues is the introduction of new, structured formats with permanent franchise teams. Transparent tournament formats and a guarantee to always present the biggest team brands in the world is a value driver in all premium leagues of traditional sports and we see the same development in esports.

The teams of Astralis Group and the brand itself has long since reached a status, where Astralis is expected to partake in these premier leagues. Together with 11 other top teams and ESL, Astralis Group is an equal owner of ESL Pro League and a franchise member of BLAST Premier, both Counter-Strike. Likewise, our

League of Legends team holds one of the 10 coveted franchise spots in game developer Riot's LEC league.

As franchise member, Astralis Group partakes in revenues and profits generated from league TV rights, sponsorship, and related business. Across the board, league rights are growing rapidly and in 2020, the revenue from these rights grew by 250% compared to 2019.

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

Talent Development

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

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

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

Highly experienced Management

Management of Astralis Group 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 Group 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 Group has been strengthened with new additions and today consists of:

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

COMPANY STRUCTURE

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

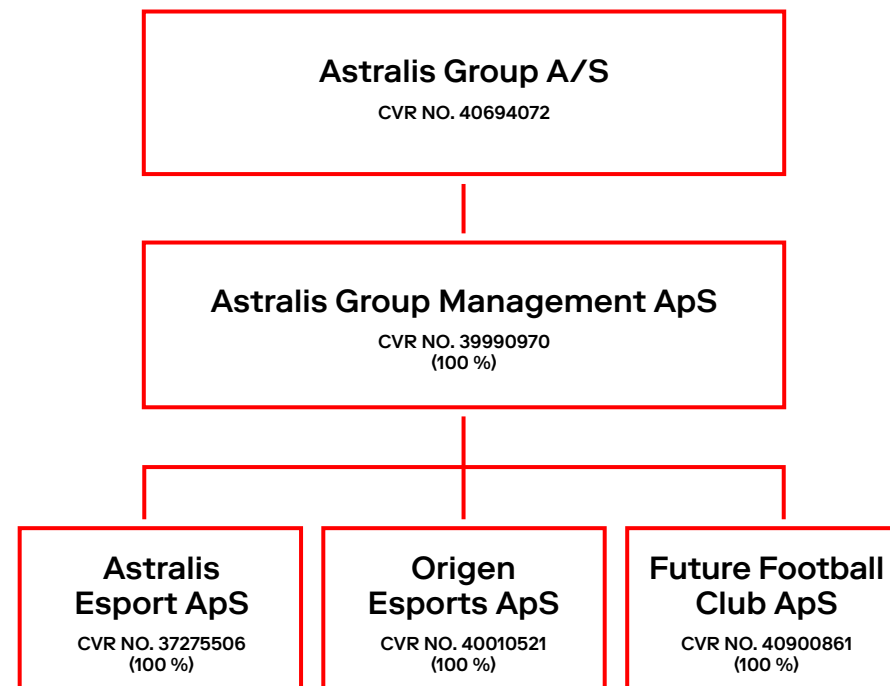
Astralis Group Management ApS was founded 30 October 2018 as RFRSH Teams ApS and renamed Astralis Group Management ApS on 8 November 2019.

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

Origen Esports ApS was founded 30 October 2018 as NewCo Esport ApS and renamed Origen Esports ApS 24 May 2019.

Future Football Club is a FIFA team officially announced by the Astralis Group on 1 October 2019. The company was founded 28 October 2019.

All subsidiaries are fully owned by Astralis Group A/S.





LETTER TO SHAREHOLDERS

Despite the challenges related to the pandemic and the move from live to online tournaments, the result for 2020 was positive for Astralis Group A/S as the consequential decrease in Prize Money was fully offset by an increase in Sponsorships and League Revenue.

Our first full year as a publicly traded company was marked by the effects of the COVID19 pandemic, but also by a strengthening of our core assets: consolidation of the Astralis brand across all teams, high growth and engagement in our fanbase, and increased viewership numbers for online channels and TV broadcasts.

We closed 2019 welcoming a handful of new commercial partners, but already early in 2020 the first signs of the pandemic caused a downturn in the global advertising market. As with other sports and entertainment categories, esports were affected near-term and for Astralis this meant that many new anticipated partnerships were delayed until the end of 2020.

However, as other sports shut down entirely, esports quickly demonstrated its resilience by moving tournaments online,

and with it, growing viewership among existing as new audiences, alike. We capitalized on this trend and continued to invest into our core product and asset: the size and breadth of our audience and the long-term performance of our teams.

Leagues & franchises – our long term value driver

As evidenced from traditional sports (NFL, NBA, MLB), scarce league franchise rights are historically among the best performing asset classes, with large and consistent financial appreciation. For the three leagues we hold franchise rights – LEC, BLAST Premier and Pro League – we see short-term commercial value as well as boundless long-term equity growth potential. The former is already proving an industry outperforming growth while the latter has been witnessed in a series of franchise slot secondary trades driven by significant demand.

During 2020 Astralis built out our participation in and commitment to each of these three winning leagues. Our franchise rights secure us direct income generated from league TV rights, sponsorship, and related business, as well as continued guaranteed exposure to record-breaking league audiences.

We will in 2021 and beyond continue to allocate our intellectual property and capital to existing and additional league franchise rights, where viewership and global interest is expected to continue the significant growth.

Commercial Platform – connecting our partners with audiences

2020, pandemic or not, demonstrated the continued growth and engagement of esports audiences. During the year, we strengthened our digital offerings and abilities for our commercial partners to engage with our fans.

Our track record in delivering commercial value allowed us to end on a strong note by extending and increasing our partnership with Logitech G, our most significant partnership deal to date. This came on top of new partnership

"We will in 2021 and beyond continue to allocate our intellectual property and capital to existing and additional league franchise rights, where viewership and global interest is expected to continue the significant growth."

Nikolaj Nyholm, Founder and Chairman



agreements with brands like B&O, Hummel and Garmin, category-defining brands who for the first time ventured into esports.

Astralis Performance Model – securing the talent pipeline

Astralis has since its genesis been innovating the approach to and culture of pro esports athletes. In 2016, we were the first company to genuinely apply sports psychology and have continuously developed our performance model in the fields of physical and mental health, team communication, and performance tracking. In 2020 we were the first top Counter-Strike team to introduce a larger team roster, and announced the creation of Astralis Talent, our academy operations.

Astralis Talent is built to support long term performance and continuity of the A-teams, serving as a recruitment pipeline of the most talented upcoming players. The initiative has received acclaim from the community at-large and will be an investment to, over time, stay at the top of the individual game titles.

Our Teams Counter-Strike

Our Counter-Strike team opened the year as the #1 team in the world and ended the year in the same position, confirming our ongoing sports investments. We brought

home four major trophies in a year marked by two players being sent on sick leave, expansion of the active roster, and in-game role changes.

- Four titles (ESL One Road to Rio, ESL Pro League Season 12, Dreamhack Masters Winter, IEM Global Challenge), bringing the historic total to 24 titles.
- We introduced Astralis Talent as a recruitment platform, sparring for the A-team, and for closer relationships with Nordic esports grassroots.

The result before tax for Astralis Esport was DKK -6.8 million in 2020 (DKK 2.9 million full year 2019).

League of Legends

Similar to prior year our League of Legends team showed an impressive performance early in the season of 2020. The performance, however, again dropped over summer and we did not qualify for the World Championships (Worlds). As a consequence, in the fall of 2020, we decided to completely reorganize the team and organization with uncompromising focus on the Astralis performance formula.

- New coaching group, team manager and four new players recruited.

- We introduced Astralis Talent in League of Legends as a recruitment platform, sparring for the A-team, and for closer relationships with Nordic esports grassroots.
- The team was renamed to Astralis as a part of the merger of all the company's brands and activities.

The result before tax for Origen Esports was DKK -34.0 million in 2020 (DKK -29.3 million full year 2019).

FIFA

The season was diminished due to the pandemic, but our players continued to show extremely strong results in the weekend leagues and by Stephanie "Teca" Luana da Silva Santos winning the unofficial Women's World Cup and a strong second place in the first Major in FIFA 21 by Fatih "Ustun" Üstün.

- We brought in the legendary Danish FIFA-pro, August "Agge" Rosenmeier, as a brand ambassador and mentor for the team.
- The team was renamed to Astralis as a part of the merger of all the company's brands and activities.

The result before tax for Future Football Club was DKK -1.6 million in 2020 (DKK 1.0 million Oct-Dec 2019).

Our Organization

Very early in the pandemic, we found it prudent to reduce and adjust our costs through a voluntary and temporary gradual reduction in salaries. This enabled us to retain our workforce and, despite the logistical challenges of the pandemic, fully deliver a premium product to our commercial partners.

It was a pleasure to see all administrative staff, management and some of the players joining this initiative in solidarity, and as a business and as an organization we have come out with a stronger foundation, organization and market position.

We have recently added to the senior management with Samantha Yu joining us as CMO from Refinery29 and Kasper Sindt as Commercial Director from DBU.

Results

Despite the challenges related to the pandemic and the move from live to online tournaments, the result for 2020 was positive for Astralis Group A/S as the consequential decrease in Prize Money was fully offset by an increase in Sponsorships and League Revenue.

The full year net revenue for the Group was DKK 51.5 million in 2020 - compared to DKK 48.6 million in 2019 (full year) - which was in the upper part of the



financial guidance given in corporate announcement no. 8 of DKK 48-52 million.

A negative EBITDA of DKK -14.5 million - compared to DKK -22.7 million in 2019 (full year) - was in line with the guidance given with a range between DKK -12 to -15 million.

The result before tax for the year was DKK -53.2 million which is in line with expectations.

Outlook

The projections of the financial targets for the Group for the financial year ending 31 December 2021 is a net revenue in the range of between DKK 70-80 million and EBITDA in the range of DKK -5 to -10 million.

The income derived from league franchise rights in LEC (League of Legends) and ESL Pro League and BLAST Premier (Counter-Strike) is expected to continue to contribute positively to the Astralis business.

Based on a balanced, professional approach to performance and a constant progress, in December 2020 Astralis Talent was launched as a recruitment platform and training partner for the Astralis A teams as well as a possible revenue generator in the growing transfer market and with separate commercial partners. The setup includes talent teams in League of Legends and Counter-Strike and we expect to see improved results over 2021 and over time to see own talent as an active part in the A team rosters.

In June, 2021, Astralis Group is set to open the first-ever Astralis Flagship Store in the heart of Copenhagen. Astralis Flagship Store combines a state-of-the-art esports and gaming experience in modern facilities with all the latest Astralis Merchandise, gaming set-up for 130+ guests, VIP rooms, a chance to try out the latest products from Astralis' commercial partners, mini tournaments, viewing parties and fan events.

Nikolaj Nyholm
Chairman

Anders Hørsholt
CEO



NIKOLAJ NYHOLM
CHAIRMAN



ANDERS HØRSHOLT
CEO



KEY FINANCIAL HIGHLIGHTS

Statutory Consolidated Financial Statements – 1 January 2020 - 31 December 2020

(DKKm)	Note	2020	2019
Revenue		51,504	26,786
Other operating Income		3,513	0
External expenses		(19,244)	(7,312)
Staff costs		(50,291)	(24,692)
Gross loss (EBITDA)		(14,518)	(698)
Depreciation and amortisation		(35,491)	(13,200)
Operating loss (EBIT)		(50,009)	(18,418)
Financial income		181	47
Financial expenses		(3,393)	(6,979)
Loss before tax		(53,221)	(25,350)
Tax on loss for the period		246	1,418
Loss for the period		(52,975)	(23,932)
Proposed distribution of loss			
Retained earnings		(52,975)	(23,932)
		(52,975)	(23,932)
Non-current assets		83,048	116,770
Current assets		81,062	112,590
Assets		164,110	229,360
Equity		113,931	166,906
Ratios			
Solvency ratio in %		69%	73%

Consolidated Financial Statements* – Full year

(DKKm)	Note	2019
Revenue		48,633
External expenses		(21,784)
Staff costs		(49,534)
Gross loss (EBITDA)		(22,685)
Depreciation and amortisation		(17,637)
Operating loss (EBIT)		(40,322)
Financial income		18,957
Financial expenses		(13,278)
Loss before tax		(34,643)
Tax on loss for the period		0
Loss for the period		(34,643)
Loss for the period attributable to:		
Astralis Group Management ApS' shareholders		(31,193)
Non-controlling interests		(3,450)
		(34,643)

* Consolidated financial statements for the underlying operating sub-group; Astralis Group Management ApS and subsidiaries for the financial period 1 January 2019 – 31 December 2019.



FINANCIAL REVIEW

Management of Astralis Group A/S has prepared and presents herein the statutory consolidated financial statements as of 31 December 2020 for Astralis Group A/S and its subsidiaries which provides consolidated information about Astralis Group A/S' financial performance for the period 1 January 2020 – 31 December 2020.

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

Revenue

Total revenue for 2020 was DKK 51.5 million (DKK 48.8 million in 2019) which was in line with expectations. The increase in revenue was driven by Astralis Esport with DKK 37.1 million, Origen Esports with DKK 8.0 million, Astralis Group Management with DKK 4.9 million and

Future Football Club with DKK 1.5 million in revenue. Increases in League Revenue and Commercial partnerships more than compensated for the decrease in Prize Money.

Other operating income

Total other operating income for 2020 was DKK 3.5 million related to sale of contractual rights

External costs, staff costs and depreciation and amortisation

External costs was DKK 19.2 million (DKK 21.8 million in 2019) which was in line with expectations for the period. Staff costs were DKK 50.3 million (DKK 49.5 million in 2019), which was in line with expectations. Depreciation and amortisation were DKK 35.5 million (DKK 17.6 million in 2019) of which DKK 22.7 million is related to amortisation of the franchise slot in the

European League of Legends franchise league and DKK 12.8 million related to depreciation of assets related to the acquisition of Astralis Group Management ApS.

EBITDA

EBITDA for 2020 was DKK -14.5 million (DKK -22.7 million in 2019) which was in line with expectations. EBITDA for Astralis Esports was DKK -5.7 million (DKK -5.0 million in 2019), for Origen Esports DKK -12.7 million (DKK -13.6 million in 2019) and DKK -1.6 million (DKK 1.0 million in 2019) for Future FC. In addition, non-allocated revenue and costs accounted for DKK 5.5 million (DKK -5.1 million in 2019).

Net financials

In 2020, net financials amounted to an expense of DKK -3.2 million (income of DKK 5.7 million in 2019).

Income tax

Income tax in 2020 was an income of DKK 0.2 million (DKK 1.4 million in 2019) representing tax effect as part of the purchase price allocation from the acquisition of Astralis Group Management ApS.

Loss for the period

The result for 2020 was DKK -53.0 million (DKK -34.6 million in 2019).

Balance Sheet

Intangible assets

Intangible assets amount to DKK 82.2 million as of 31 December 2020 (DKK 116.5 million in 2019) which is related to the franchise slot in the European League of Legends franchise league of DKK 46.5 million and player rights, goodwill and trademarks related to the acquisition of Astralis Group Management of DKK 16.6 million, 12.3 million and 6.8 million, respectively.

Current Assets

Current assets at the end of 2020 were DKK 81.1 million (DKK 112.6 million in 2019) of which DKK 52.0 million was in cash and DKK 25.0 million in trade receivables.

Non-current liabilities

Non-current liabilities at the end of 2020 were 9.6 million (DKK 21.4 million in 2019) of which DKK 6.1 million were related to the European League of Legends franchise league and DKK 3.5 million related to other payables.

Current liabilities

Current liabilities at the end of 2020 were DKK 40.6 million (DKK 41.0 million in 2019) of which DKK 18.5 million were related to an amount payable to the European League of Legends franchise league.



Equity

The Group's equity amounts to DKK 113.9 million as of 31 December 2020 (DKK 166.9 million in 2019).

Cash Flow

Operations

In 2020, the cash flow from operating activities was DKK -33.3 million (DKK -15.1 million in 2019).

Investments

In 2020, the cash flow used for investments was DKK 1.8 million (DKK -31.4 million in 2019), of which DKK -1.1 million is related to leasehold improvements and DKK 2.9 million were related to player rights.

Financing

In 2020, the cash flow from financing activities was DKK -4.9 million (DKK -130.8

million in 2019) of which the repayment of financial loans amount to DKK -4.7 million.

Capital Resources

The management considers the capital resources sufficient to complete the planned activities and investments in 2021.

Subsequent events

In January 2021, Astralis Group announced the plans to open the first-ever Astralis Flagship Store in the heart of Copenhagen. Astralis Flagship Store combines a state-of-the-art esports and gaming experience in modern facilities with all the latest Astralis Merchandise, gaming set-up for 130+ guests, VIP rooms, a chance to try out the latest products from Astralis' commercial partners, mini tournaments, viewing parties and fan events.





OUR RESULTS – TEAMS

The Astralis Group consists of three teams all playing under the Astralis brand in Counter-Strike, League of Legends and FIFA and the Management company Astralis Group Management.

To present meaningful comparison figures for 2019 these are based on the consolidated financial statements for the underlying operating sub-group; Astralis Group Management ApS and subsidiaries for the financial period 1 January 2019 – 31 December 2019 unless otherwise stated.

Counter-Strike

The Counter-Strike team consist of five players, led by a coach. Astralis' Counter-Strike team has become the most successful team in Counter-Strike history, breaking records through their total number of Major wins, the total number of grand tournaments wins, and through holding their position as #1 longer than any other team in history including starting and finishing as #1 in 2020.

Since the launch in 2016, Astralis has won a total of 24 grand tournaments, out of which 4 were Majors or World Championships. No other team has ever won 4 Majors in Counter-Strike, neither has any other team matched the three-in-

a-row record. The fourth and most recent Major win came in September 2019 in the Starladder Berlin Counter-Strike Major. The 2020 Major in Rio de Janeiro was cancelled due to COVID19 and the next one will instead be played in November 2021 in Stockholm. Astralis finished 2020 by qualifying for 3 Grand Finals and winning both the Intel Extreme Masters 2020 Global Challenge and DreamHack Masters, Fall 2020 with a combined prize pool of USD 345.000.

Net revenue in Counter-Strike was DKK 37.1 million in 2020, which was DKK 2.1 million lower than 2019. The main reason for the lower revenue was a decrease in prize money of DKK 11.3 million offset by higher league revenue from the participation in ESL Pro League and Blast Premier.

Total operating expenses for 2020 were DKK 42.9 million which was DKK 1.4 million lower than 2019 due to lower prize money paid out to players. EBITDA for 2020 was DKK -5.8 million (DKK -5.0 million in 2019).

League of Legends

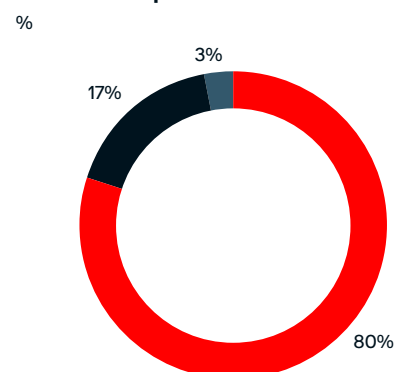
The League of Legends team was established early 2019 as Origen and rebranded to Astralis in 2020.

The team's five players and coach, all with different international backgrounds participate in the League of Legends European Championship, LEC. Astralis Group presented the new 2021 Roster (roster is defined as troupe of players) in November 2020.

Net revenue in League of Legends was DKK 8.0 million in 2020 which was at the same level as in 2019.

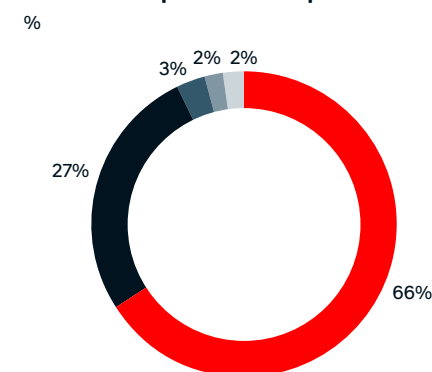
Total operating expenses for 2020 were DKK 21.0 million which was DKK 0.6 million lower than 2019. EBITDA for 2020 was DKK -12.7 million (DKK -13.6 million in 2019).

Astralis Group – Revenue business area



■ Counter-Strike
■ League of Legends
■ FIFA

Astralis Group – Revenue split



■ Sponsorship
■ Prize money and League Revenue
■ Merchandise
■ Royalties
■ Other Revenue



FIFA

The team consists of Danish-Turkish Fatih Üstün; the Dane August Rosenmeier; the Israeli national champion Roei Feldman and Stephanie “Teca” Luana da Silva Santos from Brazil who won the unofficial Women’s World Cup in 2020.

Net revenue in FIFA was DKK 1.5 million in 2020 which was slightly higher than 2019 (only Oct-Dec 2019).

Total operating expenses for 2020 were DKK 3.1 million which was DKK 2.7 million higher than 2019 (only Oct-Dec 2019). EBITDA for the period was DKK -1.6 million (DKK 1.0 million in Oct-Dec 2019).

Astralis Group Management

The performance, brands, and organization of Astralis Group’s three teams are managed by Astralis Group Management that is responsible for the performance team supporting the teams, commercial agreements and the back-office functions.

Total income in Astralis Group Management was DKK 28.0 million in 2020 (DKK 2.0 million in 2019) of which DKK 20.0 million was related to management fee, DKK 4.9 million to sponsorship and DKK 3.1 million to sale of contractual rights.

Total operating expenses for 2020 were DKK 23.1 million (DKK 7.0 million in 2019) and EBITDA for 2020 was DKK 4.9 million (DKK -5.1 million in 2019).





OUTLOOK

The financial targets for Astralis Group for the financial year ending 31 December 2021 is a net revenue in the range between DKK 70-80 million and an EBITDA in the range between DKK -5 to -10 million.

The financial targets for 2021 is based on the following assumptions:

- Revenue from sponsorships is expected to increase by 44 pct.
- Prize Money earnings for 2021 are expected to increase by 20 pct. assuming that live events will be operating as normal by the end of 2021
- League revenue shares across teams are expected to grow by 86 pct., driven by the growing esports market and increasing revenue and profit-sharing pools provided from the various leagues and tournaments that the Astralis teams participate in
- The new Astralis Flagship store is not expected to impact EBITDA positively in 2021 but will account for approx. 10 pct. of the revenue in 2021

- The Group projects that the team-specific operating cost will increase with 3 pct. from 2020 to 2021

Team brand outlook

The Astralis Group's Value Creation Engine consists of three core elements: The performance model, the brand-building capabilities, and the commercial platform that builds valuable relationships with business partners and the fan base.

- Scaling of the performance model with the introduction of new teams and players and thereby improving its efficiency
- Broadening the brand portfolio by acquiring and building engaging brands that reach a broad audience
- A continuous strengthening of the commercial platform, building valuable relationships with the fans of each team through existing and new digital and physical channels

Counter Strike

Performance: Astralis' Counter-Strike team is the most winning Counter-Strike team throughout history. The goal for the season is to continue to improve the performance of the team and the individual players to secure the best possible basis for winning the Major title in November and matching the winnings of 2019 and 2020.

The structured international tournament schedule has enabled us to plan further ahead and work in greater detail with the players' and team's performance. The new Talent team will not contribute to the financial improvement in 2021 but will build the foundation for growth in the future.

League of Legends

Performance: With a new line-up for 2021, the work around our League of Legends team has been focused on creating new structures and implementing the Astralis performance model.

The ultimate goal for the 2021 season is to build a team that will be able to compete at the top of the league and ultimately participate in the World Championship.

FIFA

FIFA is a more individual game and with players located in different countries, our performance training is individual and has a specific focus around the players' mental balance and tactical insights.

For the FIFA team an overall goal is to reach a broader recognition of esports through an easily relatable game and by engaging with the traditional football scene online and offline. The team and players are therefore also focused upon creating an aspiration for young people around the globe to be best at what they do. The benefit of adding the Danish legend August "Agge" Rosenmeier is expected to improve the performance of the FIFA team further in 2021.



STRATEGY

In 2021 Astralis Group enters the final year of the three-year growth strategy, 2019-21, anchored in the company's strong market position.

The strategy ahead

Our 3-year strategy plan is based on below objectives:

Brand: To increase brand awareness among gamers at-large. Our objective is to continuously grow the global fan base and to become a more significant part of the general media consumption. We will accelerate the process of building a global gaming and esports brand through existing and new media initiatives as well as physical locations, enabling us to increase and extend engagement with fans and main-stream stakeholders.

Business: We will enhance existing revenue streams and build new ones through a flexible and scalable business model.

We aim to invest in new assets, potentially including new game titles, media assets, physical facilities, league participation - and media rights and other relevant assets.

Our goal is to create direct commercial relationships with an ever larger share of the growing, global esports fan base.

Partnerships: We aim to grow our sponsor- and license business by developing a fully integrated geo-restricted license offering at scale: Brand license, product co-development, integrated media marketing, retail activation, and paid customer acquisition.

Merchandise: We aim to grow merchandise sales significantly and have taken control of merchandise sales through the introduction of the Astralis web shop with own white label product lines. We will utilize this as well as our Flagship Store and retail partnerships to expand our merchandise offerings to existing and new markets.

Participation and Media Rights: We will continue the work to further solidify structures securing permanent positions and co-ownership or equivalent in premium leagues for each game title.

We aim to continuously increase the revenue from current Media and League participation rights and to invest into existing and new League participation with increased revenue and profit shares to the participating team owners.

Direct-to-fan offerings: We will increase the revenue stream through existing and new physical and digital touch points with the fans and general audience. The opening of our first Astralis Flagship Store in the Summer of 2021 marks our first physical footprint, designed to build brand presence while capturing other gaming-related revenues:

- Educational
- Hospitality, including playing, experiencing, and viewing games
- Retail, primarily own and third-party partner merchandise
- Fan interaction with teams and player

Performance and talent: Astralis is a global frontrunner in performance optimization within esports. We aim to maintain this position and building on the Astralis Performance Model, we focus on constant progress and long-term success for all our teams and players. Astralis Talent is a cementation of our philosophy and foundation, aimed to secure top performance and entertainment in

relevant game titles over the years to come. Astralis Talent is a strong internal recruitment platform, sparring and supplement for the main teams and, over time, to potentially develop an additional revenue stream.

We aim to create a truly scalable, agile sporting organization based upon our values, winning culture, and management with the focus on constant incremental progress and long-term performance.

More details about our strategy, objectives and specific KPIs can be found in our listing prospectus at our website: www.astralis.gg/investor.





THE MARKET

Market trends

The esports industry, a subset of the video gaming market, shares several characteristics with professional traditional athletics sporting events. As with the latter, esports is centered around competitive (electronic) sports events on a professional level, played either by individual (single) players or in teams (multiplayer), with the playing field being either computer, console, or mobile.

The large amount of different gaming genres and titles make esports as diverse as traditional sports, and likewise, the games are often played as a tournament in front of a live audience while simultaneously being broadcasted through TV networks and through online channels like Twitch and YouTube.

Esports audiences are generally young millennials or generation Z (56% under 35). Viewership habits differ within titles, where some games are better enjoyed with prior gaming knowledge (e.g., League of Legends), and others having a simple storyline and gameplay, which caters to mainstream audiences (e.g., Counter-Strike and FIFA).

Revenues in the esports industry are generated from viewers through sponsorships, merchandise, and media rights, and are expected to grow by 14.9% p.a. reaching USD 1.56 billion in 2023,

primarily driven by increases in viewership and revenues per viewer.

Astralis Group is well-positioned to benefit from this, with its leadership status and proven record of the performance model, brand building capabilities, and commercial platform.

Defining the playing field

Esports is a part of the gaming industry value pool. Gaming encapsulates the full gaming value chain from hardware manufacturing to service providers. In comparison, esports captures everything related to organizing, participating in, and broadcasting competitive gaming events (e.g., tournaments and leagues, online and offline)

Stemming from differences in their value chains, esports and gaming also differ in terms of main revenue pools. Major revenue streams for gaming include software (i.e., games), hardware (devices, peripherals), distribution through physical and online channels, and service provision (e.g., online platforms). Esports obtain revenues through media rights, sponsorship, advertising, merchandise, and ticket sales.

Video gaming

Video gaming consumer spend reached USD 103 billion already in 2017 and is expected to grow with a CAGR of 8% from

2018 to 2021, reaching the forecasted size of USD 141 billion in 2021.

Gaming revenues are unequally spread across geographies, with Asia-Pacific (APAC) at the forefront with USD 64 billion and with a five-year CAGR of 16% between 2013-18. The second largest regions are North America and EMEA, with 2018 market size of USD 22 and 21.8 billion, respectively. South America has been the smallest market in 2018 with USD 5.6 billion, but with a 14% CAGR between 2013-2018.

The significant growth in the gaming market is predominantly driven by mainstream interest, changing consumer preferences towards new technologies and titles, and the professionalization of esports.

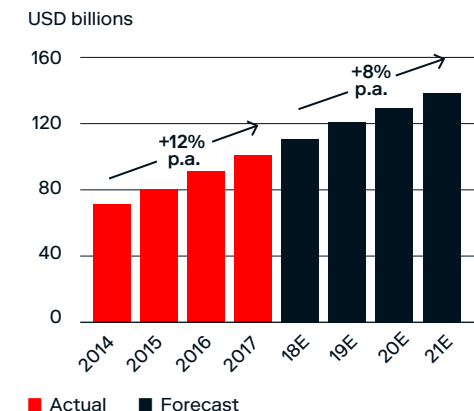
- Gaming is attracting mainstream audiences through new means of viewing esports (Twitch, YouTube), a shift towards games being streamed (Microsoft xCloud, Google Stadia, Apple Arcade), and gaming moving towards Free to Play (F2P) with in-game purchases.
- Consumer preferences are changing in interacting with games, with increased interest for Virtual Reality (VR) and Augmented Reality (AR), in addition to games gaining rapid

popularity overnight (PlayerUnknown's Battlegrounds, Fortnite).

- Esports is becoming professionalized, driving growth in the gaming industry. In esports, a subset of the gaming industry, a growing aspiring professional segment is focusing on competitive games and optimizing performance, and this process is followed by big online and linear TV sports channels broadcasting tournaments.

The gaming market size

Source: McKinsey & Company, 2017





The esports ecosystem consists of 7 key actors

The esports ecosystem consists of seven key actors, where players and the audience are at the roots – they purchase games, consume content, and demand add-on services, watch esports events, and purchase products connected to the teams.

Team owners, like Astralis Group, are closely interlinked with the players, leagues, brands, and publishers, as they are in the epicenter of the esports ecosystem.

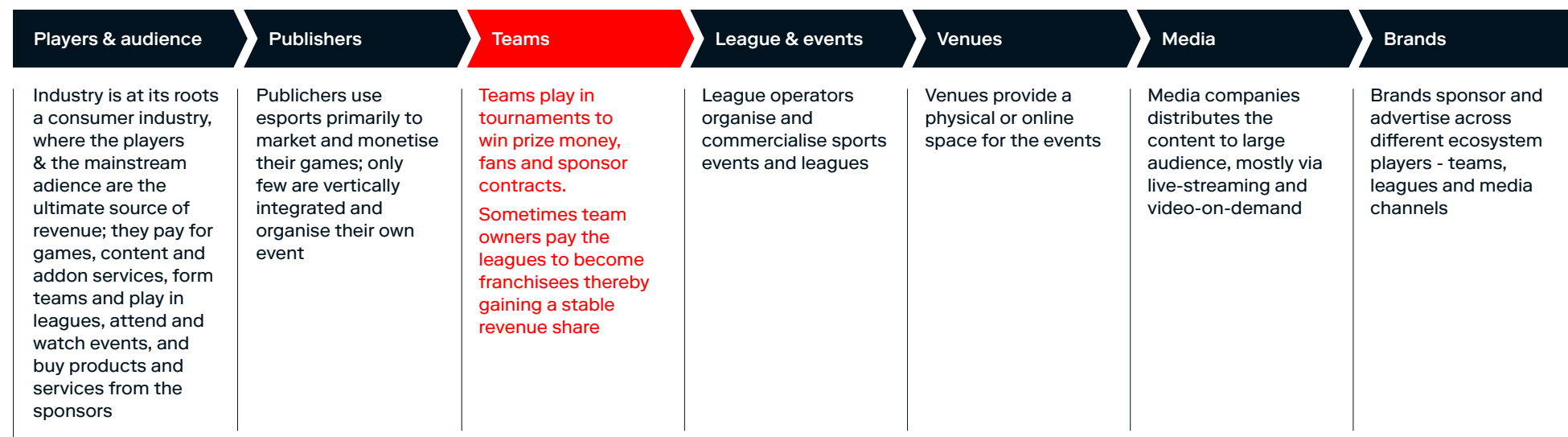
The esports ecosystem

In terms of prize money ("Teams" in figure above) the structure differs for each game. In Counter-Strike the league and tournament structure is still fragmented but with leagues like ESL Pro League and Blast Premier established in 2020 the structure is getting more organized. The organizers of the leagues and tournaments are attracting the best teams by offering high prize money pools. In Counter-Strike industry commercial terms generally dictate that the roster receives all or the grand part of prize money awarded.

Previously the tournament structure in League of Legends was similar to the structure in Counter-Strike. With the tournament structures becoming more aligned along four regional franchised leagues (China, Europe, Korea, and North America), there is less focus on prize money and prize pools in League of Legends are generally lower. With the security of income from league revenue sharing, revenue streams to the team owners and the roster are more stable, allowing for commercial terms that generally dictate a more equal split of winnings.

Within FIFA, the tournaments are more fragmented than League of Legends tournaments, however Electronic Arts still sets a framework for the tournaments, so as not to be as fragmented as in Counter-Strike. Often in FIFA the team owners and players split the prize winnings.

As industry forces are working for the league/tournament structure in Counter-Strike and FIFA to become more structured, this allows more secure income streams for Astralis Group over time.





The large and growing esports market

Based on the latest industry reports the 2020 esports market reached USD 1,1 billion, expected to grow by 14.9% yearly from 2018 to 2023, reaching USD 1.56 billion by 2023. Esports revenues are composed of three main revenue streams: Brand investments, game publisher fees, and merchandise and tickets.

Brand-related revenues (e.g., media rights and commercial partnerships/ sponsorships) are currently the

largest share of the revenue pool at approximately 75% and are expected to gain further share to reach up to 76% of total esports revenues by 2023.

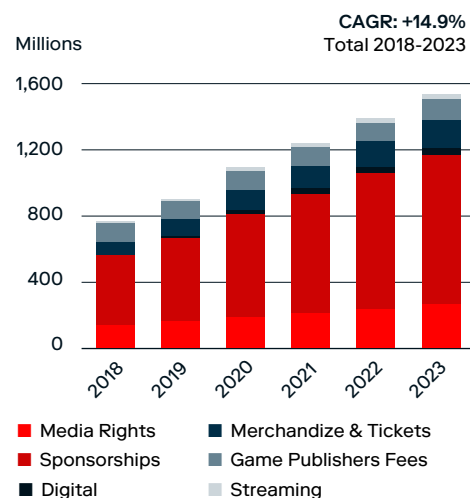
Merchandise and tickets are expected to become second largest revenue stream, expected to hold a steady share of 11% of total revenues between 2019 and 2023. Game publisher fees were 15% of total revenues in 2018 but are expected to decrease in relative share to 8% in 2023.

Esports approaching 495 million viewers in 2020

Esports tournaments have been attracting a broader audience in recent years, shown by increasing viewership year-on-year. Esports reached 495 million viewers in 2020, and is expected to continue growing by an +11.3% CAGR to 2023, reaching 646 million viewers. Esports viewers are comprised of “occasional” and “enthusiast” viewers, where in 2020, enthusiast viewers were 45% of total viewers, and by 2023, their share is expected to slightly increase to 45.7%.

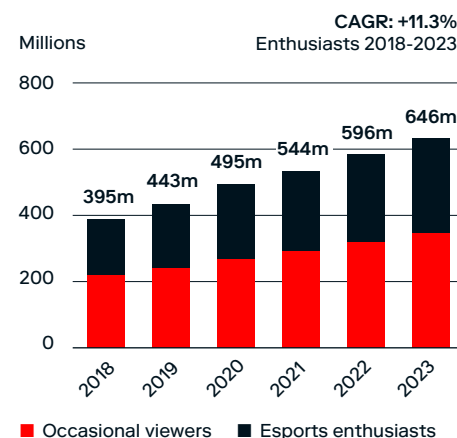
Global esports revenues

Source: NewZoo, 2019



Esports audience growth

Source: NewZoo, 2019







RISK MANAGEMENT

Key risks are centered around commercial agreements and performance. Astralis Group 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 Group business and operations and the company's risk framework and control systems will include a whistleblowing function to be established during 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 risks will be further strengthened in 2021. Key elements of the risk and control agenda include timely involvement of management and adequate processes and resources to mitigate and reduce risks.

Key risks

Astralis Group has identified the following key risks for 2021.

Commercial agreements

Astralis Group is dependent upon entering sponsorship and commercial agreements, including the ability to negotiate and renegotiate the agreements with favorable terms for the teams. Typically, commercial partnership contract terms are two to five years and commercial partnership agreements have been signed with both gaming-related partner brands and non-endemic brands representing a broad range of industries e.g. automotive (Audi), apparels (Hummel), betting, and technology (Omen by HP). 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 Group 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 Group does not (indirectly) operate, it will have a negative effect on revenue streams and results of operations. Astralis Group 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 Group is dependent on a large audience base for the games in which it operates. If the audiences of the games in which Astralis Group operates

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

New legislation

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

Global pandemic

In 2020 we have seen the impact from the COVID-19 outbreak which has also impacted esports, where most events were moved from LAN events to online events and the cancelling of the two Majors planned in 2020. The global pandemic is expected to continue impacting the sponsorship revenue in 2021 and potentially even further into 2022 and 2023.



GOVERNANCE

Board of Directors

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

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

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

Astralis Groups Board of Directors

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

Audit Committee

The Board has established an Audit Committee and the Board appoints members and chairs in this committee from within the Board. The member of the Audit Committee is Christian Swane Mourier. The Audit Committee reviews and assess Astralis Group's 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 Groups's 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 Group are in principle available to play for official national teams subject to an agreement on commercial

rights between the national association and Astralis Group.

Out of our current three teams, only the FIFA team works in a game with official national teams and consequently Astralis Group has three players that are electable for their respective national teams: Fatih Üstün (Denmark), Roe Feldman (Israel) and Stephanie Luana da Silva Santos (Brazil).

At this stage Fatih Üstün and Roe Feldman are considered national team players by their respective associations.

Additional information

The Corporate Governance Statement for 2020, cf. section 107b of the Danish Financial Statements Act, is available at our website: www.astralis.gg/investor.



BOARD OF DIRECTORS

NIKOLAJ NYHOLM (CHAIR)

Member since 2020

Expiry of election period
2021

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)

CHRISTIAN SWANE MOURIER (VICE-CHAIR)

Member since 2019

Expiry of election period
2021

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

- Director at JJCM Rungsted ApS (since March 2019)
- Director at CSM COT 10 ApS (since 2017)
- Vice-chairman of Dentalteamet Holding A/S (since March 2019)
- Vice-chairman of Tandlægen.dk Holding A/S (since March 2019)
- Board member in Semler Invest A/S (since April 2018)
- Board member in Autonomous Mobility A/S (since April 2018)

- Board member in Connected Cars A/S (since April 2018)
- Board member in CFCO A/S (since April 2018)
- Board member in Aula Holding IV ApS (since 2016)
- Board member in Semler Holding A/S (since 2014)
- Board member in Semler Gruppen A/S (since 2014)
- Director at JM Rungsted Holding Aps (Since 2020)
- Director at Mourier-Gruppen Aps (Since 2017)
- Board member in Morehouse A/S (Since 2020)
- Board member in K/S Erhvervsbyg Herning (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)
- Director in CSM 2810 ApS (Since 2019)
- Chairman of YellowBeard A/S (2020)
- Chairman of YellowBeard Holding ApS (2020)



CLAUS ZIBRANDTSEN

Member since 2019

Expiry of election period
2021

Date of birth
29 November 1989

Profession
CEO at InQvation ApS

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

Other positions

- Director Peclan Holding ApS (since October 2019)
- Director at Jocks ApS (since May 2018)

- Director at InSPRING ApS (since January 2018)
- Director at CZ Invest 1 ApS (since December 2017)
- Director at CZ Invest 2 ApS (since December 2017)
- Director at InQvation ApS (since February 2017)
- Board member in Konduto ApS (since May 2019)
- Board member in Passendo ApS (since April 2019)
- Board member in Onomondo ApS (since March 2019)
- Board member in Cortrium ApS (since August 2018)
- Board member in Zafe ApS (since April 2018)
- Board member in InQvation ApS (since 2017)
- Board member in Next11 Technologies ApS (since 2020)
- Board member in Cognize inc (since 2020)
- Board member in Byon8 AB (since 2020)

PERNILLE NØRKÆR

Member since 2020
Independent

Expiry of election period
2021

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 Svendborg Importfirma A/S
- Board member Moalem Weitemeyer Bendtsen
- Board member of Trophy Games Development A/S



INVESTOR RELATIONS

The Company's share capital is DKK 567,597.77 divided into 56,759,777 shares of DKK 0.01 each. The shares belong to the same share class and are paid in full. All shares in Astralis Group A/S have the same rights.

The shares are listed at Nasdaq First North Growth Market Denmark. As of 31 December 2020, the share price was 4.01 DKK with a market value of 227.6 million DKK. There are approximately 8,900 name listed investors in Astralis Group A/S.

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

- Beatnik ApS, Valby Langgade 11, 2., 2500 Valby, 14,849,986 shares equivalent to 26.16% of the total share capital.
- Jlk Holding ApS, Skipper Clements Allé 7, 1., 2300 København S, 7,996,144 shares equivalent to 14.09 % of the total share capital.

The Executive Management and Board of Directors of Astralis Group A/S hold in total 27,580,222 shares as of 1 March 2021.

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.

Own shares

Astralis Group A/S holds in total 456,002 own shares.

Share price development

The share was traded in the interval of 8.90 and 3.60 DKK during 2020 and closed on the 30 December 2020 at a price of 4.01 DKK.

Annual general meeting

Annual General Meeting is held Monday 19 April 2021 at 8:00 a.m at Astralis Group A/S, Otto Busses Vej 7, 2. floor, 2450 Copenhagen SV.





FINANCIAL STATEMENTS



STATEMENT BY MANAGEMENT

The Board of Directors and the Executive Board have today considered and approved the annual report of Astralis Group A/S for the financial year 1 January - 31 December 2020.

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 2020 and of the results of their operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2020.

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 2021

Executive Management

Anders Hørsholt

Jakob Lund Kristensen

Jakob Hansen

Board of Directors

Nikolaj Nyholm
Chairman

Christian Swane Mourier
Vice-Chairman

Claus Zibrandtsen

Pernille Nørkær



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ASTRALIS GROUP A/S OPINION

We have audited the consolidated financial statements and the parent financial statements of Astralis Group A/S for the financial year 1 January – 31 December 2020, 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 2020, and of the results of their operations and the consolidated cash flows for the financial year 1 January – 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the

economic decisions of users taken on the basis of these consolidated financial statements and these parent financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of



the Group's and the Parent's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the management commentary

Management is responsible for the management commentary.

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

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or

Copenhagen, 15 March 2021

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Kim Takata Mücke
State-Authorised Public Accountant
MNE no 10944

our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

Muhammad Ismaeel Rasul
State-Authorised Public Accountant
MNE no 46641



ASTRALIS GROUP A/S CONSOLIDATED FINANCIAL STATEMENTS



CONSOLIDATED INCOME STATEMENT

for the year 1 January – 31 December 2020

(DKK'000)	Note	2020	2019*
Revenue	2	51,504	26,786
Other operating income		3,513	0
External expenses		(19,244)	(7,312)
Staff costs	3	(50,291)	(24,692)
Gross loss (EBITDA)		(14,518)	(5,218)
Depreciation and amortisation		(35,491)	(13,200)
Operating loss (EBIT)		(50,009)	(18,418)
Financial income		181	47
Financial expenses	4	(3,393)	(6,979)
Loss before tax		(53,221)	(25,350)
Tax on loss for the period	5	246	1,418
Loss for the period		(52,975)	(23,932)
Proposed distribution of loss			
Retained earnings		(52,975)	(23,932)
		(52,975)	(23,932)

* Astralis Group A/S was founded on 31 July 2019, and Astralis Group A/S acquired Astralis Group Management ApS together with Astralis Esport ApS and Origen Esports ApS on 14 August 2019. Hence comparative figures cover an operating period of approx. 4.5 months. In addition Future Football Club ApS was founded on 28 October 2019 and started its operations immediately from then on.



CONSOLIDATED BALANCE SHEET

at 31 December 2020

ASSETS

(DKK'000)	Note	2020	2019
Goodwill		12,242	13,661
Trademark		6,826	7,618
Player rights		16,635	26,075
League tournaments rights	6	46,455	69,105
Intangible assets		82,158	116,459
Property, plant and equipment		557	0
Tangible assets		557	0
Deposits		333	311
Financial assets		333	311
Non-current assets		83,048	116,770
Trade receivables	7	25,031	20,102
Other receivables		3,992	4,048
Receivables		29,023	24,150
Cash		52,039	88,440
Current assets		81,062	112,590
Assets		164,110	229,360



CONSOLIDATED BALANCE SHEET

at 31 December 2020

EQUITY AND LIABILITIES

(DKK'000)	Note	2020	2019
Contributed capital		568	568
Free reserves		113,363	166,338
Equity		113,931	166,906
Payables related to league tournaments rights	6	6,134	13,518
Deferred tax		0	246
Loans from credit institutions		0	4,694
Other payables	8	3,428	2,951
Non-current liabilities		9,562	21,409
Payables related to league tournaments rights	6	18,502	8,879
Trade payables		785	3,297
Debt to related parties		0	200
Other payables	8	18,060	27,296
Deferred income		3,270	1,373
Current liabilities		40,617	41,045
Liabilities		50,179	62,454
Equity and liabilities		164,110	229,360
Introduction and general information	1		
Contingent liabilities	9		



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period 1 January – 31 December 2020

(DKK'000)	Note	Contributed capital	Free reserves	Total Equity
Equity beginning of year 1 January 2020		568	166,338	166,906
Loss for the year		0	(52,975)	(52,975)
Equity 31 December 2020		568	113,363	113,931



CONSOLIDATED STATEMENT OF CASH FLOWS

for the period 1 January – 31 December 2020

(DKK'000)	Note	2020	2019*
Operating loss (EBIT)		(50,009)	(18,418)
Depreciation and amortisation		35,491	13,200
Non-cash items and reversals		(3,513)	861
Working capital changes		(14,270)	(6,668)
Cash flows from ordinary primary activities		(32,301)	(11,025)
Financial income received		181	47
Financial expenses paid		(1,154)	(4,072)
Cash flows from operating activities		(33,274)	(15,050)
Acquisition of Astralis Group Management ApS		0	(31,387)
Acquisition of player rights		(642)	0
Sale of player rights		3,513	0
Acquisition of property, plant and equipment		(1,104)	0
Cash flows from investing activities		1,767	(31,387)
Contribution upon formation		0	40
Capital increases in cash before IPO		0	62,502
Capital increase in cash – IPO, net of costs		0	139,688
Purchase of non-controlling interest		0	(10,042)
Repayment of financial loans		(4,694)	(50,167)
Repayment of payables related to league tournament rights		0	(11,175)
Repayment of debt to related parties		(200)	0
Cash flows from financing activities		(4,894)	130,846
Increase/(decrease) in cash and cash equivalents		(36,401)	84,409
Cash and cash equivalents at beginning of period		88,440	0
Cash acquired from acquisition of Astralis Group Management ApS		0	4,031
Cash and cash equivalents at end of period		52,039	88,440

* Astralis Group A/S was founded on 31 July 2019, and Astralis Group A/S acquired Astralis Group Management ApS together with Astralis Esport ApS and Origen Esports ApS on 14 August 2019. Hence comparative figures cover an operating period of approx. 4.5 months. In addition Future Football Club ApS was founded on 28 October 2019 and started its operations immediately from then on.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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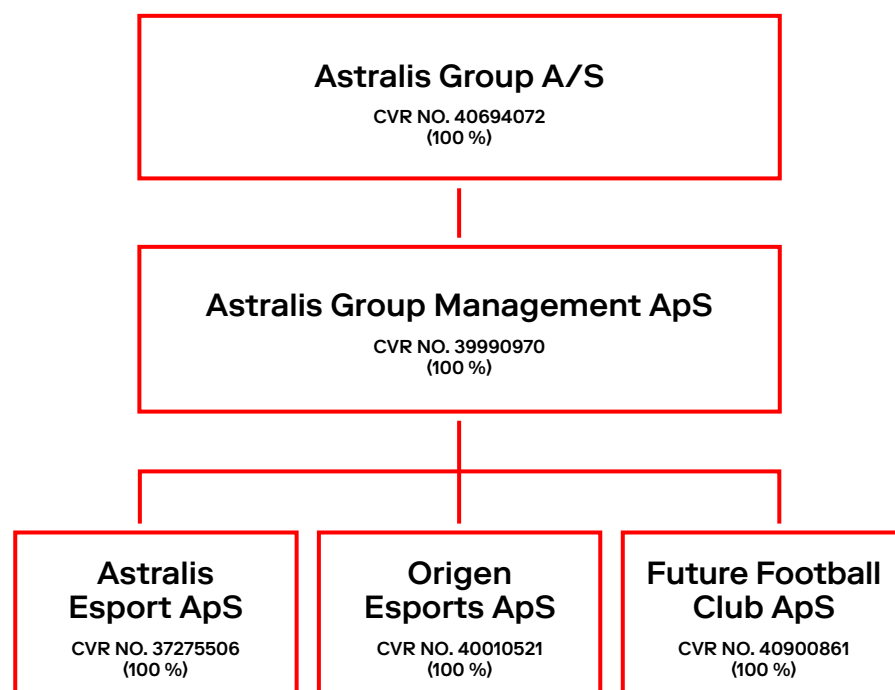


NOTE 1 Introduction and general information

Astralis Group A/S was founded on 31 July 2019.

On 14 August 2019 Astralis Group A/S acquired Astralis Group Management ApS with its subsidiaries, Astralis Esport ApS and Origen Esports ApS. Astralis Group Management ApS founded Future Football Club ApS on 28 October 2019.

At 31 December 2020, the Group structure is as follows:



NOTE 2 Revenue

(DKK'000)	2020	2019
Sponsorships	34,074	13,517
Prize money and other revenue from tournament participation	13,695	10,065
Merchandise and stickers	1,663	2,946
Royalties	1,003	0
Other revenue	1,069	258
	51,504	26,786

NOTE 3 Staff costs

(DKK'000)	2020	2019
Wages and salaries including prize money to players	48,161	21,483
Pensions	405	2,153
Other social security costs	1,725	1,056
	50,291	24,692
Average number of employees	36	19
Number of employees, end of period	43	32

On 31 October 2019, the Board of Directors of Astralis Group A/S has been authorized by the general assembly to issue and execute a warrant program for the Board of Directors, Executive Board, Senior Management and to employees employed by Astralis Group A/S and subsidiaries. On 8 November 2019, the general assembly amended the warrant program. 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 Group A/S for up to nominal DKK 21,052.63 equal to 2,105,263 shares of DKK 0.01 each.
- At 31 December 2020, a total of 1,426,808 warrants have been granted of which 1,081,202 warrants with a strike price of DKK 4.07 have been granted in 2019 and 345,606 warrants with a strike price of DKK 0.01 have been granted in 2020. The issued warrants vest over a period between 12 to 48 months and with vesting condition of continued employment.
- Out of the granted warrants, 137,399 warrants have been granted to the Board of Directors and 898,512 warrants have been granted to the Executive Board.

As a result of reverse vesting of shares, Astralis Group A/S holds treasury shares of 456,002 corresponding to 0.6% of the share capital. No treasury shares have been bought or sold during 2020.

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



NOTE 4 Financial expenses

(DKK'000)	2020	2019
Interest on payables related to acquired rights	2,337	1,249
Interest on convertible loans	0	322
Interest on loans from credit institutions	38	234
Interest on other loans	0	3,327
Exchange rate losses	370	30
Other financial expenses	648	1,817
	3,393	6,979

NOTE 5 Tax

The Group has a non-recognised deferred tax asset of DKK 24.4 million of which DKK 8.9 million only can be utilised by Astralis Group Management, Astralis Esport ApS and Origen Esports ApS, individually or in concert. The deferred tax asset is relating primarily to tax loss carryforwards and temporary differences regarding league tournament rights. The tax value is based on the current corporate tax rate in Denmark of 22%.

Capitalisation awaits that the Group becomes profitable.

NOTE 6 League tournaments rights

(DKK'000)	2020	2019
Cost beginning of period	77,751	0
Addition from acquired companies	0	77,751
Cost end of period	77,751	77,751
Amortisation beginning of period	8,646	0
Amortisation for the period	22,650	8,646
Amortisation end of period	31,296	8,646
Carrying amount	46,455	69,105

On 19 November 2018, Origen Esports ApS entered into an agreement with League of Legends European Championship Limited regarding the participation in the League of Legends European Championship. The payment for the participation amounts to EUR 10.5 million. Origen Esports ApS paid EUR 7.0 million in 2019 and a remaining amount of EUR 3.5 million of which DKK 18.5 million including accrued interest falls due in 2021 and DKK 6.1 million including accrued interest falls due in 2022.

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

NOTE 6 League tournaments rights (continued)

Management has performed an impairment assessment of the acquired right at 31 December 2020. Management assesses that new entrants to the League would be asked to pay a price equivalent to the price paid by Origen Esports ApS. In addition, Management has noted that participation rights to the similar North American League has been traded at amounts exceeding book value. Management has concluded that the carrying value is considered fully recoverable.

NOTE 7 Trade receivables

(DKK'000)	2020	2019
Prize money	3,026	10,578
Sponsorships	19,834	7,477
Other	2,172	2,047
	25,032	20,102

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

NOTE 8 Other payables

(DKK'000)	2020	2019
Wages and salaries, payroll taxes, social security costs, etc. payable	10,420	12,156
Holiday pay obligation	3,725	3,872
Prize money payables	2,986	9,421
Other costs payables	4,356	4,798
	21,488	30,247
Other payables are presented as follows in the balance sheet:		
Non-current liabilities	3,428	2,951
Current liabilities	18,060	27,296
	21,488	30,247

NOTE 9 Contingent liabilities

The Group has operating lease commitments amounting to DKK 0.3 million at 31 December 2020.

In January 2021, the Group founded a new subsidiary ApS af 29/1-2021. ApS af 29/1-2021 has in 2021 entered into a rent agreement with a minimum rent commitment of DKK 40.0 million.



NOTE 10 Accounting policies

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

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

Consolidation principles

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

Recognition and measurement

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

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

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

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

Foreign currency translation

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

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

Balance sheet

Business combinations

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

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

Goodwill

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

Other intangible assets

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

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

Trademarks	10 years
Player rights	2-3 years
League tournaments rights	4 years

Receivables

Receivables are measured at amortised cost.

Cash

Cash comprises bank deposits.



NOTE 10 Accounting policies (continued)

Financial liabilities

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

Current liabilities

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

Deferred income

Deferred income cover prepaid sponsorships relating to subsequent financial periods which is recognised as revenue over the contract period.

Income statement

Revenue

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

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

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

Revenue from stickers is recognised when the stickers are acquired from the customers online.

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

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

Revenue is recognised net of VAT and is measured at fair value of the consideration. Some sponsorships are arranged as value-in-kind sponsorships where the sponsors provide goods or services (value in kind) instead of cash as part of the sponsorship agreement. Value-in-kind arrangements are accounted for at the agreed fair value and is recognized as revenue over the sponsorship period and as expenses when goods or services are consumed.

Other operating income

Other operating income is related to sale of player rights.

Other external expenses

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

Staff costs

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

Depreciation and amortisation

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

Financial income

Financial income comprise interest income and exchange gains.

Financial expenses

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

Tax on loss for the period

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

Statement of cash flows

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

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

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

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

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



PARENT COMPANY FINANCIAL STATEMENTS



INCOME STATEMENT

for the period 1 January – 31 December 2020

(DKK'000)	Note	2020	2019*
Revenue		7,987	761
Other external expenses		(3,127)	(361)
Staff costs	1	(4,314)	(724)
Gross profit/loss		546	(324)
Financial income		2,479	266
Financial expenses	2	(321)	(1,547)
Profit/loss before tax		2,704	(1,605)
Tax on loss for the period	3	(612)	0
Profit/loss for the period		2,092	(1,605)
Proposed distribution of profit/loss			
Retained earnings		2,092	(1,605)
		2,092	(1,605)

* Astralis Group A/S was founded on 31 July 2019, and Astralis Group A/S acquired Astralis Group Management ApS together with Astralis Esport ApS and Origen Esports ApS on 14 August 2019. Hence comparative figures cover an operating period of approx. 4.5 months. In addition Future Football Club ApS was founded on 28 October 2019 and started its operations immediately from then on.



BALANCE SHEET

at 31 December 2020

ASSETS

(DKK'000)	Note	2020	2019
Investments in subsidiaries	4	30,932	30,932
Financial assets		30,932	30,932
Non-current assets		30,932	30,932
Receivables from group enterprises		151,056	110,378
Other receivables		262	1,349
Receivables		151,318	111,727
Cash		36,285	75,699
Current assets		218,535	187,426
Assets		218,535	218,358



BALANCE SHEET

at 31 December 2020

EQUITY AND LIABILITIES

(DKK'000)	Note	2020	2019
Contributed capital		568	568
Reserves		215,931	213,839
Equity		216,499	214,407
Trade payables		51	718
Other payables		1,373	3,233
Joint taxation contribution payable		612	0
Current liabilities		2,036	3,951
Liabilities		2,036	3,951
Equity and liabilities		218,535	218,358



STATEMENT OF CHANGES IN EQUITY

for the period 1 January – 31 December 2020

(DKK'000)	Note	Contributed capital	Free reserves	Total
Equity beginning of year 1 January 2020		568	213,839	214,407
Profit for the year		0	2,092	2,092
Equity 31 December 2020		568	215,931	216,499



NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

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NOTE 1 Staff costs

(DKK'000)	2020	2019
Wages and salaries	4,197	717
Pensions	91	6
Other staff costs	0	1
	4,288	724
Average number of employees	3	4

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

NOTE 2 Financial expenses

(DKK'000)	2020	2019
IPO expenses	0	1,547
Other interest expenses	321	0
	321	1,547

NOTE 3 Contingent liabilities

The Company has issued comfort letters in favour of Astralis Group Management ApS, Astralis Esports ApS and Origens Esports ApS subsidiaries of Astralis Group Management ApS. The obligations under the comfort letter will be valid for the period up to 31 December 2021.

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.

NOTE 4 Accounting policies

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

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

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

Income statement

Revenue

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

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

Balance sheet

Investments in group enterprises and receivables from group enterprises

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

At each balance sheet date, Management assess whether there are any indication of impairment for the investments and receivables. For the year ended 31 December 2020, Management has determined that the investments and receivables are not impaired based on the market value of the Company exceeds the book equity of the Company and thereby implying that recoverable amount of investments and receivables from group enterprises exceed the respective book values of the investments and the receivables.



COMPANY INFORMATION AND CONTACT DATA

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