



ASTRALIS A/S

FINANCIAL REPORT

– FOR THE PERIOD JANUARY 1 TO JUNE 30, 2021

LETTER TO SHAREHOLDERS

The first half of 2021 was marked by both positive and less positive market developments. We were reaffirmed of our strategy around building lasting enterprise value by securing permanent franchise positions in the dominant leagues for the game titles in which we operate, and we took the first real steps towards establishing ourselves in the broader gaming market, however, at the same time the COVID19 pandemic dragged out and so did the effects on the global markets including the advertising market.

Our franchise positions proved their worth both by securing our teams permanent positions in the most prestigious and most competitive international tournaments and through a demonstrated and significant value increase.

In 2018 we secured the franchise rights for our League of Legends team in Riot Games' premier tournament LEC. This spot, secured in 2018 for a price of 10.5 MEUR, is one of only LEC 10 spots, all owned by different sports- and esports organizations. One organization who also bought a franchise spot at the same time was FC Schalke04, who in June 2021 sold that spot at a confirmed price of 26.5 MEUR.

This confirms the development and the current value of the franchise spot we own in LEC, while franchise spots in Counter-Strike's Pro League and BLAST Premier, where we

hold similar spots, have yet to be traded. Through our part-ownership in Pro League and partner status in BLAST, together with the other league members, we continuously work to increase the existing and develop new revenue streams.

Despite the continued pandemic and its consequences, we managed to maintain and extend key commercial partnerships and enter a number of new commercial partnership deals.

Through the opening of Astralis Nexus, our 1,200 sqm center for gaming and entertainment, we took the first valuable steps towards establishing the Astralis brand in the broader gaming market.

Outlook

With the expected come-back of live events and tournaments, the industry will gradually return to normal, which means drawing thousands of fans to the big arenas, enabling us meeting the fans, and activating commercial partnerships and merchandise sales.

We have maintained a strong base of commercial partners, and we do expect additional interest and demand from the advertising market and larger brands throughout the second half of the year.

The sale of the LEC franchise spot by FC Schalke04 proved that there is a significant

and diverse interest in securing these rights and the 250% value increase over 3 years has reaffirmed our strategy around owning scarcely available and sought after franchise rights in premium leagues. The development point towards a further centralization of the biggest titles in and around the franchise model and we expect to see a further development of leagues and media products.

On our team side, we are in the process of building a strong Counter-Strike roster, which we expect to have finalized during the second half of 2021. In League of Legends, we aim to continue the positive development of the current team, possibly strengthening the roster during the second half of 2021. The same goes for FIFA, where we now have 3 World Champions in the roster and one of the biggest Danish talents joining us in the second half of 2022.

Results for the period

Revenue for H1 2021 was DKK 39.2 million compared to DKK 20.5 million in H1 2020. Sale of contractual rights was DKK 4,5 million in H1 2021. EBITDA for H1 2020 was negative by DKK -3.7 million compared to negative EBITDA of DKK -11.6 million in H1 2020. The increase in revenue is primarily related to higher league revenue, sponsorship revenue and sale of in-game items. The result before tax for H1 2021 was a loss of DKK -12.6 million which was DKK 17.8 million better than H1 2020 as scrap value for the LEC franchise spot is now

considered to be higher than the book value and no amortisation is included for H1 2021.

Outlook for 2021

Astralis maintains the financial guidance for 2021 with expected revenue between DKK 70 and DKK 80 million and an EBITDA between DKK -5 million and DKK -10 million.

Subsequent events

On 23rd August 2021 Astralis announced a three-year agreement with a new main partner: Cryptocurrency exchange Bybit, who will have the central placement on the official jerseys of our Counter-Strike team. In August 2021 we have agreed amendments with our esports league partners decreasing the short term liability by EUR 2.5 million and increasing long term liabilities by EUR 2.5 million.

Nikolaj Nyholm

Chairman

KEY FINANCIAL HIGHLIGHTS

(DKKm)	H1 2021	H1 2020
Revenue	39,233	20,478
Other operating income	4,461	0
External expenses	-15,250	-6,895
Staff costs	-32,101	-25,217
Gross loss (EBITDA)	-3,657	-11,634
Depreciation and amortisation	-9,205	-17,552
Operating loss (EBIT)	-12,862	-29,186
Financial income	290	79
Financial expenses	-77	-1,308
Loss before tax	-12,649	-30,416
Tax on loss for the period	0	246
Loss for the period	-12,649	-30,170
Non-current assets	81,438	100,106
Current assets	63,717	78,494
Assets	145,155	178,601
Equity	101,342	136,736
Ratios		
Solvency ratio in %	70%	77%

OUR RESULTS – TEAMS

Counter-Strike

Net revenue in Astralis CS was DKK 29.4 million in H1 2021, which was DKK 15.4 million higher than H1 2020. Total operating expenses for H1 2021 was DKK 34.9 million which is DKK 17.9 million higher than H1 2020. EBITDA for H1 2021 was DKK -5.5 million which was a decrease of DKK -2.4 million compared to H1 2020.

League of Legends

Net revenue in Astralis LoL was DKK 7.8 million in H1 2021 which was DKK 2,6 million higher than H1 2020. Total operating expenses for H1 2021 was DKK 8.9 million which was DKK 0.4 million lower than H1 2020. EBITDA for H1 2021 was DKK -1.1 million which was an improvement of DKK 3.0 million compared to H1 2020.

FIFA

Net revenue in Astralis FIFA was DKK 2.0 million in H1 2021 which was DKK 1.4 million higher than H1 2020. Total operating expenses for H1 2021 was DKK 2.0 million

which was DKK 0.9 million higher than H1 2020. EBITDA for H1 2021 was DKK -0.1 million which was an improvement of DKK 0,4 million compared to H1 2020.

Nexus

Astralis Nexus was opened on June 19th 2021. Net revenue in Astralis Nexus for the limited period was DKK 0.1 million in H1 2021. Total operating expenses for H1 2021 was DKK 1.1 million and EBITDA for the period was DKK -1.1 million.

Astralis Management

Net revenue in Astralis Management was DKK 12.9 million in H1 2021 which was 12.1 million higher than H1 2020. Sale of contractual rights for H1 2021 was DKK 4.5 million. Total operating expenses for H1 2021 was DKK 13.4 million which was DKK 8.9 million higher than H1 2020. EBITDA for H1 2021 was DKK 4.0 million which was an increase of DKK 7.8 million compared to H1 2020.

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 2021.

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 2021 and of the results of the operation as well as the consolidated cash flow for the financial period 1 January - 30 June 2021.

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

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

Copenhagen, 31 August 2021

Executive Management

Anders Hørsholt

Jakob Hansen

Jakob Lund Kristensen

Board of Directors

Nikolaj Nyholm
Chairman

Christian Swane Mourier

Claus Zibrandtsen

Pernille Nørkær

CONSOLIDATED INCOME STATEMENT

for the period 1 January – 30 June 2021

(DKK'000)	H1 2021	H1 2020
Revenue	39,233	20,478
Other operating income	4,461	0
External expenses	-15,250	-6,895
Staff costs	-32,101	-25,217
Gross loss (EBITDA)	-3,657	-11,634
Depreciation and amortisation	-9,205	-17,552
Operating loss (EBIT)	-12,862	-29,186
Financial income	290	79
Financial expenses	-77	-1,308
Loss before tax	-12,649	-30,416
Tax on loss for the period	0	246
Loss for the period	-12,649	-30,170

Revenue

Total revenue for H1 2021 was DKK 39.2 million which was DKK 18.8 million higher than in H1 2020. The higher revenue was driven by increased sponsorship revenue (DKK 7.1 million), sale of in-game-items (DKK 6.4 million), Prizemoney (DKK 1.0 million) and league revenue (DKK 4.2 million).

Other operating income

Other operation income for H1 2021 related to sale of contractual rights for H1 2021 was DKK 4.5 million.

External costs and staff costs

External costs were DKK 15.3 million in H1 2021, which was DKK 8.4 million higher than in H1 2020 due to deliverables related to commercial partnership agreements. Staff costs were DKK 31.1 million in H1 2021, which was DKK 6.8 million higher than in H1 2020 relating to players share of revenue from in-game-items and prize money.

Gross loss (EBITDA)

EBITDA in H1 2021 was DKK -3.7 million. EBITDA for Astralis CS was DKK 2.3 million, for Astralis LoL it was DKK 2.8 million, for Astralis FIFA it was DKK 1.2 million and for Astralis Nexus it was DKK -1.1 million. In addition, corporate costs and non-allocated costs accounted for DKK -8.8 million.

Depreciation and amortisation

Depreciation and amortisation were DKK 9.2 million which was DKK 8.3 million lower than 2020. Due to the trading values seen in the market for the LEC franchise spot, the scrap value for the LEC franchise spot is now considered to be higher than the book value and no amortisation is included for H1 2021 (H1 2020: DKK 8.8 million).

Net financials

Net financials in H1 2021 amounted to an expense of DKK 0.2 million which is an improvement of DKK 1.0 million compared to H1 2020.

Loss for the period

The result for H1 2021 was a loss of DKK -12.6 million.

CONSOLIDATED BALANCE SHEET

at 30 June 2021

ASSETS

(DKK'000)	H1 2021	H1 2020
Goodwill	11,533	12,952
Trademark	6,431	7,222
Player rights	11,528	21,108
League tournaments rights	43,934	57,769
Intangible assets	73,426	99,051
Leasehold improvements	5,939	727
Tangible assets	5,939	727
Deposits	2,073	328
Financial assets	2,073	328
Non-current assets	81,438	100,106
Trade receivables	23,736	10,511
Other receivables	3,635	8,755
Receivables	27,371	19,267
Cash	36,346	59,228
Current assets	63,717	78,494
Assets	145,155	178,601

Intangible assets

Intangible assets amount to DKK 73.4 million as of 30 June 2021 which is related to the franchise slot in the European League of Legends franchise league DKK 43.9 million and goodwill, trademark and player rights related to the acquisition of Astralis Management of DKK 11.5 million, 6.4 million and 11.5 million, respectively.

Current Assets

Current assets as of 30 June 2021 were DKK 63.7 million of which DKK 36.3 million was in cash and DKK 23.7 million in trade receivables.

CONSOLIDATED BALANCE SHEET

at 30 June 2021

EQUITY AND LIABILITIES

(DKK'000)	H1 2021	H1 2020
Contributed capital	570	347
Free reserves	100,772	136,389
Equity	101,342	136,736
Payables related to league tournaments rights	0	23,541
Other payables	8	3,572
Non-current liabilities	8	27,113
Payables related to league tournaments rights	24,518	0
Trade payables	2,132	798
Other payables	17,155	10,839
Deferred income	0	3,115
Current liabilities	43,805	14,752
Liabilities	43,813	41,865
Equity and liabilities	145,155	178,601

Non-current liabilities

Non-current liabilities as of 30 June 2021 were 0.0 million. In August 2021 we have agreed amendments with our esports league partners decreasing the short term liability by EUR 2.5 million and increasing long term liabilities by EUR 2.5 million.

Current liabilities

Current liabilities as of 30 June 2021 were DKK 43.8 million of which DKK 24.5 million were related to the European League of Legends franchise league and DKK 19.3 million were related to trade and other payables.

Equity

The Group's equity amounts to DKK 101.3 million as of 30 June 2021.

CONSOLIDATED STATEMENT OF CASH FLOW

for the period 1 January – 30 June 2021

(DKK'000)	H1 2021	H1 2020
Operating loss (EBIT)	-12,862	-29,186
Depreciation and amortisation	9,205	17,552
Non-cash items	-4,461	1,545
Working capital changes	-4,598	-12,328
Cash flows from ordinary primary activities	-12,716	-22,417
Financial income received	290	79
Financial expenses paid	-77	-1,308
Cash flows from operating activities	-12,503	-23,647
Deposits	-1,740	0
Sale of contractual rights	4,461	0
Acquisition of property, plant and equipment	-5,854	-871
Cash flows from investing activities	-3,132	-871
Changes to share capital	60	0
Repayment of financial loans	0	-4,694
Repayment of payables related to league tournaments rights	-119	0
Cash flows from financing activities	-59	-4,694
Decrease in cash and cash equivalents	-15,694	-29,212
Cash and cash equivalents at beginning of period	52,039	88,440
Cash and cash equivalents at end of period	36,346	59,228

Operations

For the period, the cash flow from operating activities was DKK -12.5 million.

Investments

For the period, the cash flow used for investments was DKK -3.1 million of which DKK -1.7 million was related to deposit paid by Astralis Nexus.

Financing

For the period, the cash flow from financing activities was DKK -0.1 million.

Total cash flow for the period was DKK -15.7 million.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period 1 January – 30 June 2021

(DKK'000)	Contributed capital	Free reserves	Total Equity
Equity 1 January 2021	568	113,363	113,931
Capital increases	2	58	60
Loss for the period	0	-12,649	-12,649
Equity 30 June 2021	570	100,772	101,342

FINANCIAL CALENDAR AND COMPANY INFORMATION

Financial calendar:

2022-03-08 Announcement regarding Annual Report 2021

2022-04-05 Annual General Meeting 2022

Astralis A/S

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