



## Astralis Esport ApS

Otto Busses Vej 5 A, 2., 2450  
CVR No. 37275506

## Annual report 2019

The Annual General Meeting adopted the  
annual report on 31.03.2020

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**Jette Nygaard-Andersen**

Chairman of the General Meeting

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# Entity details

## Entity

Astralis Esport ApS  
Otto Busses Vej 5 A, 2.  
2450

CVR No.: 37275506  
Registered office: Copenhagen  
Financial year: 01.01.2019 - 31.12.2019

## Board of Directors

Jette Nygaard-Andersen, Chairman  
Christian Swane Mourier  
Claus Zibrandsen

## Executive Board

Nikolaj Nyholm  
Anders Hørsholt  
Jakob Lund kristensen  
Jakob Hansen

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
P. O. Box 1600  
0900 Copenhagen C

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Astralis Esport ApS for the financial year 01.01.2019 - 31.12.2019.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

We believe that 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, 31.03.2020

## Executive Board

**Nikolaj Nyholm**

**Anders Hørsholt**

**Jakob Lund kristensen**

**Jakob Hansen**

## Board of Directors

**Jette Nygaard-Andersen**  
Chairman

**Christian Swane Mourier**

**Claus Zibrandsen**

# Independent auditor's report

## To the shareholder of Astralis Esport ApS

### Opinion

We have audited the financial statements of Astralis Esport ApS for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 financial statements" section of this auditor's report. We are independent of the Entity 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 financial statements

Management is responsible for the preparation of 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity'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 financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Entity'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 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 Entity'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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

#### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or 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 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.

Copenhagen, 31.03.2020

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Kim Takata Mücke**

State Authorised Public Accountant  
Identification No (MNE) mne10944

# Management commentary

## Primary activities

The Company's primary activity is to run the Esport Counter-Strike team Astralis and its participation in tournaments.

## Development in activities and finances

In 2019 the team won their 3rd consecutive Major and 4th Major title in total, which is unparalleled in Counter-Strike history. The team won a total of 6 tournaments in 2019, cementing their position as the best team in the world.

The financial result of the Company's fiscal year is a profit of DKK 2,938 thousands.

At 31 December 2019, the Company has negative equity. As stated in Note 1, the ultimate parent Astralis Group A/S has issued a support letter valid until 31 March 2021 which secures the operations and financing throughout 2020. As a result, Management has assessed and concluded that the Company is a going-concern.

## Events after the balance sheet date

The coronavirus outbreak has occurred after the balance sheet date and is challenging for various industries, including the esports industry. However, being digital means that the Company still can operate and participate in tournaments in adjusted formats.



# Income statement for 2019

	Notes	2019 DKK	2018 DKK
Revenue		39,221,408	35,922,152
Other external expenses		(11,533,274)	(11,844,091)
<b>Gross profit/loss</b>		<b>27,688,134</b>	<b>24,078,061</b>
Staff costs	2	(32,731,055)	(28,723,004)
Depreciation, amortisation and impairment losses		0	(1,310,646)
<b>Operating profit/loss</b>		<b>(5,042,921)</b>	<b>(5,955,589)</b>
Other financial income	3	8,724,896	0
Other financial expenses	4	(743,485)	(973,151)
<b>Profit/loss for the year</b>		<b>2,938,490</b>	<b>(6,928,740)</b>
<b>Proposed distribution of profit and loss:</b>			
Retained earnings		2,938,490	(6,928,740)
<b>Proposed distribution of profit and loss</b>		<b>2,938,490</b>	<b>(6,928,740)</b>

# Balance sheet at 31.12.2019

## Assets

	Notes	2019 DKK	2018 DKK
Trade receivables		16,839,130	11,571,935
Receivables from group enterprises		94,327	0
Other receivables		2,157,163	2,319,802
<b>Receivables</b>		<b>19,090,620</b>	<b>13,891,737</b>
<b>Cash</b>		<b>10,274,017</b>	<b>1,700,300</b>
<b>Current assets</b>		<b>29,364,637</b>	<b>15,592,037</b>
<b>Assets</b>		<b>29,364,637</b>	<b>15,592,037</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2019 DKK</b>	<b>2018 DKK</b>
Contributed capital		71,428	71,428
Retained earnings		(13,014,346)	(15,952,836)
<b>Equity</b>		<b>(12,942,918)</b>	<b>(15,881,408)</b>
Other payables	5	5,958,560	4,191,152
<b>Non-current liabilities other than provisions</b>		<b>5,958,560</b>	<b>4,191,152</b>
Trade payables		1,822,545	0
Payables to group enterprises		13,919,458	13,077,091
Other payables	6	19,233,497	14,205,202
Deferred income		1,373,495	0
<b>Current liabilities other than provisions</b>		<b>36,348,995</b>	<b>27,282,293</b>
<b>Liabilities other than provisions</b>		<b>42,307,555</b>	<b>31,473,445</b>
<b>Equity and liabilities</b>		<b>29,364,637</b>	<b>15,592,037</b>
Going concern	1		
Contingent assets	7		
Contingent liabilities	8		

# Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	71,428	(15,952,836)	(15,881,408)
Profit/loss for the year	0	2,938,490	2,938,490
<b>Equity end of year</b>	<b>71,428</b>	<b>(13,014,346)</b>	<b>(12,942,918)</b>

# Notes

## 1 Going concern

At 31 December 2019, the Company has negative equity, which in all material respects is funded by loans from the ultimate parent Astralis Group A/S.

The ultimate parent Astralis Group A/S has issued a support letter valid until 31 March 2021 which secures the operations and financing throughout 2020. As a result, Management has assessed and concluded that the Company is a going concern.

## 2 Staff costs

	<b>2019</b>	<b>2018</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	32,680,994	28,482,723
Other social security costs	50,061	51,333
Other staff costs	0	188,948
	<b>32,731,055</b>	<b>28,723,004</b>
Average number of full-time employees	<b>6</b>	<b>8</b>

## 3 Other financial income

	<b>2019</b>	<b>2018</b>
	<b>DKK</b>	<b>DKK</b>
Financial income from group enterprises	1,593	0
Exchange rate adjustments	64,795	0
Remission of debt etc	8,658,508	0
	<b>8,724,896</b>	<b>0</b>

The Company had accumulated debt to its former majority shareholder, BLAST ApS, of DKK 8.7 million. Prior to the Company being acquired by Astralis Group A/S, BLAST ApS accepted to waive debt of DKK 8.7 million, which amount has been recognised and presented as income from remission of debt.

## 4 Other financial expenses

	<b>2019</b>	<b>2018</b>
	<b>DKK</b>	<b>DKK</b>
Financial expenses from group enterprises	50,139	420,900
Other interest expenses	686,147	502,338
Exchange rate adjustments	7,199	49,913
	<b>743,485</b>	<b>973,151</b>

## 5 Other payables

The Company has received a syndication loan with a principal of DKK 3 million. The loan bears an interest of 11.5% p.a. which is added to the principal, whereby the debt at 31 December 2019 in total equals DKK 4.694.091. The loan was repaid in January 2020.

## 6 Other payables

	<b>2019</b>	<b>2018</b>
	<b>DKK</b>	<b>DKK</b>
VAT and duties	1,152,331	0
Wages and salaries, personal income taxes, social security costs, etc payable	17,117,241	11,452,774
Holiday pay obligation	887,025	2,673,621
Other costs payable	76,900	78,807
	<b>19,233,497</b>	<b>14,205,202</b>

Part of the holiday pay obligation is classified and presented as long-term due to the new Danish Holiday Act.

## 7 Contingent assets

The Company has a non-recognised deferred tax asset of DKK 2.5 million relating to tax loss carryforwards.

## 8 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Astralis Group A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore secondarily liable for income taxes etc for the jointly taxed entities, which is limited to the equity interest by which the entity participates in the Group, as well as secondarily liable for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities.

Before being acquired by Astralis Group A/S, the Company participated in a joint taxation with its former parent company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company are, therefore, liable for income taxes etc. for period where they participated in the joint taxation with the former parent company.

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

## 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 sponsorships.

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 is recognised net of VAT and is measured at fair value of the consideration.

### Other external expenses

Other external expenses include expenses relating to the Company's ordinary activities, including corporate expenses, marketing costs etc.

### Staff costs

Staff costs comprise salaries and wages including prize money passed on to players as well as social security contributions, pension contributions, etc for entity staff.

### Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to intangible assets comprise amortisation losses for the financial year.

### Other financial income

Other financial income comprises interest income, including interest income from receivables from group enterprises, remission of debt and exchange gains.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises and exchange losses.

## Balance sheet

### Receivables

Receivables are measured at amortised cost.

### Cash

Cash comprises bank deposits.

**Other financial liabilities**

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

**Deferred income**

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.



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## Jette Nygaard-Andersen

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Revisor

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Direktionsmedlem

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Bestyrelsesmedlem

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Direktionsmedlem

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IP: 80.199.xxx.xxx

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## Nikolaj Nyholm

Direktionsmedlem

Serienummer: PID:9208-2002-2-547220574210

IP: 213.140.xxx.xxx

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## Christian Swane Mourier

Bestyrelsesmedlem

Serienummer: PID:9208-2002-2-639398128452

IP: 212.27.xxx.xxx

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## Jakob Lund Kristensen

Direktionsmedlem

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