



Tel.: +45 39 15 52 00
koebenhavn@bdo.dk
www.bdo.dk

BDO Statsautoriseret revisionsaktieselskab
Havneholmen 29
DK-1561 København V
CVR no. 20 22 26 70

ASTRALIS MANAGEMENT APS
OTTO BUSSES VEJ 7 2., 2450 KØBENHAVN SV
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2023

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 24 April 2024**

Jakob Hansen

CVR NO. 39 99 09 70

CONTENTS

	Page
Company Details	
Company Details.....	3
Statement and Report	
Management's Statement.....	4
Independent Auditor's Report.....	5-6
Management Commentary	
Management Commentary.....	7
Financial Statements 1 January - 31 December	
Income Statement.....	8
Balance Sheet.....	9-10
Equity.....	11
Notes.....	12-14
Accounting Policies.....	15-17

COMPANY DETAILS

Company	Astralis Management ApS Otto Busses Vej 7 2. 2450 Copenhagen S
	CVR No.: 39 99 09 70 Established: 30 October 2018 Municipality: Copenhagen Financial Year: 1 January - 31 December
Board of Directors	Jakob Hansen, chairman Anders Hørsholt Nikolaj Nyholm
Executive Board	Nikolaj Nyholm Jakob Hansen
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Astralis Management ApS for the financial year 1 January - 31 December 2023.

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 Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen, 24 April 2024

Executive Board

Nikolaj Nyholm

Jakob Hansen

Board of Directors

Jakob Hansen
Chairman

Anders Hørsholt

Nikolaj Nyholm

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Astralis Management ApS

Opinion

We have audited the Financial Statements of Astralis Management ApS for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity, notes and 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 assets, liabilities and financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 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 Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the 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 judgment and maintain professional skepticism 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 Company's internal control.

INDEPENDENT AUDITOR'S REPORT

- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, 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 Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

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

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

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

Copenhagen, 24 April 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Kim Mücke
State Authorised Public Accountant
MNE no. mne10944

Troels Stenholm
State Authorised Public Accountant
MNE no. mne47806

MANAGEMENT COMMENTARY

Principal activities

The Company's primary activity is to represent, manage and run the commercial operations for the E-sport teams within the Astralis brand.

Development in activities and financial and economic position

Gross profit for the year is DKK 23,270k compared to a profit of 19,921k in 2022. Loss for the year is DKK 65,230k compared to a loss of DKK 686k in 2022. The loss for the year is primarily due to impairment write downs of investments in subsidiaries of totally DKK 68,408k to estimated recoverable values.

The Company has completed a merger per 1 January 2023 with its wholly owned subsidiary; Astralis FIFA ApS. Since the activity in Astralis FIFA ApS has been very limited, the merger does not have a significant impact on the financial development in the year.

At 31 December 2023, the Company reports negative equity of DKK 61,523k due to impairment write down of investments in subsidiaries. The negative equity is financed by considerable debt to the parent. The Company expects to receive dividends from its subsidiaries in the coming years, especially from Astralis LoL following the subsidiary's sale of the LEC franchise rights with a considerable gain, which will, when dividends have been received in 2024 and 2025, enable the Company to reduce its debts to the parent with a significant amount. In the meantime, the parent has declared that it will only require the debt repaid, if sufficient funds are available to make repayments to the parent.

In the beginning of 2024 the Company has received group contributions to fully reestablish the negative equity of the Company. In addition, as stated in Note 10, the parent Astralis A/S has issued a support letter valid until 31 December 2024 which secures the operations and financing throughout 2024.

As a result, Management has assessed and concluded that the Company is a going concern.

Significant events after the end of the financial year

No events have occurred after the balance sheet date that might effect the assessment of the financial statements for 2023.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 DKK '000	2022 DKK '000
NET REVENUE		42,705	48,287
Other external expenses.....		-19,435	-28,366
GROSS PROFIT		23,270	19,921
Staff costs.....	1	-16,285	-16,191
Depreciation, amortisation and impairment losses.....	2	-570	-3,351
OPERATING PROFIT		6,415	379
Other financial income.....	3	467	2,301
Impairment of asset investments.....		-68,408	0
Other financial expenses.....	4	-3,573	-2,705
LOSS BEFORE TAX		-65,099	-25
Tax on loss for the year.....	5	-131	-661
LOSS FOR THE YEAR		-65,230	-686
PROPOSED DISTRIBUTION OF LOSS			
Retained earnings.....		-65,230	-686
TOTAL		-65,230	-686

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK '000	2022 DKK '000
Goodwill.....		0	98
Intangible assets.....	6	0	98
Other plant, machinery tools and equipment.....		518	550
Leasehold improvements.....		0	157
Property, plant and equipment.....	7	518	707
Investments in subsidiaries.....		101,611	143,472
Other investments.....		73	0
Rent deposit and other receivables.....		324	302
Financial non-current assets.....	8	102,008	143,774
NON-CURRENT ASSETS.....		102,526	144,579
Trade receivables.....		8,931	5,879
Receivables from group enterprises.....		0	17,072
Other receivables.....		813	121
Prepayments.....		666	18
Receivables.....		10,410	23,090
Cash and cash equivalents.....		853	2,411
CURRENT ASSETS.....		11,263	25,501
ASSETS.....		113,789	170,080

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2023 DKK '000	2022 DKK '000
Share Capital.....		51	51
Retained earnings.....		-61,574	6,323
EQUITY.....		-61,523	6,374
Trade payables.....		335	1,308
Debt to group companies.....		171,512	155,742
Joint tax contribution payable.....		131	661
Other liabilities.....		3,190	5,995
Deferred income.....		144	0
Current liabilities.....		175,312	163,706
LIABILITIES.....		175,312	163,706
EQUITY AND LIABILITIES.....		113,789	170,080
 Contingencies etc.	 9		
Going concern assumptions	10		

EQUITY

	Share Capital	Retained earnings	Total
Equity at 1 January 2023.....	51	6,323	6,374
Additions/disposals relating to merger.....		-2,667	-2,667
Adjusted equity at 1 January 2023.....	51	3,656	3,707
Proposed loss allocation.....		-65,230	-65,230
Equity at 31 December 2023.....	51	-61,574	-61,523

NOTES

	2023 DKK '000	2022 DKK '000	Note
Staff costs			1
Average number of full time employees	24	25	
Wages and salaries.....	15,617	15,900	
Social security costs.....	205	0	
Other staff costs.....	463	291	
	16,285	16,191	
Depreciation, amortisation and impairment losses			2
Goodwill.....	98	3,386	
Leasehold improvements.....	157	226	
Other plants, tools and equipment.....	315	219	
Realisation losses.....	0	-480	
	570	3,351	
Other financial income			3
Group enterprises.....	467	2,079	
Other interest income.....	0	222	
	467	2,301	
Other financial expenses			4
Group enterprises.....	3,174	2,674	
Other interest expenses.....	399	31	
	3,573	2,705	
Tax on loss for the year			5
Calculated tax on taxable income of the year.....	131	661	
	131	661	
Intangible assets			6
		Goodwill	
Cost at 1 January 2023.....		3,726	
Cost at 31 December 2023.....		3,726	
Amortisation at 1 January 2023.....		3,628	
Amortisation for the year.....		98	
Amortisation at 31 December 2023.....		3,726	
Carrying amount at 31 December 2023.....		0	

NOTES

			Note
Property, plant and equipment			7
		Other plant, machinery tools and equipment	Leasehold improvements
Cost at 1 January 2023.....		898	1,151
Additions.....		283	0
Cost at 31 December 2023.....		1,181	1,151
Depreciation and impairment losses at 1 January 2023.....		348	994
Depreciation for the year.....		315	157
Depreciation and impairment losses at 31 December 2023...		663	1,151
Carrying amount at 31 December 2023.....		518	0
Financial non-current assets			8
	Investments in subsidiaries	Other investments	Rent deposit and other receivables
Cost at 1 January 2023.....	143,472	0	302
Additions.....	27,322	73	22
Disposals from mergers and acquisition of Company.....	-775	0	0
Cost at 31 December 2023.....	170,019	73	324
Revaluation and impairment losses for the year.....	-68,408	0	0
Revaluation at 31 December 2023.....	-68,408	0	0
Carrying amount at 31 December 2023.....	101,611	73	324

In 2023, the subsidiary Astralis LoL ApS disposed of its LEC franchise right and following that transaction, the Company has reassessed its valuation of its subsidiaries, which has led to the conclusion that the recoverable amount of the subsidiaries was lower than the recoverable amount with DKK 68,408k, which has been recognised as an impairment loss in 2023.

NOTES**Note****Contingencies etc.****9****Contingent assets**

The Company has a non-recognized tax asset of DKK 166k relating primarily to tax loss carryforwards, which can be used by the Company or other group related entities. Capitalisation awaits that the Company and/or other group related entities become profitable on a sustainable basis.

Contingent liabilities

The Company has entered into operating lease commitments amounting to DKK 295k at 31 December 2023.

Joint liabilities

The Company is jointly and severally liable together with the Parent Company and the other group companies in the joint taxable group for tax on the Group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of Astralis A/S, which serves as management Company for the joint taxation.

Going concern assumptions**10**

At 31 December 2023, the Company has negative equity and a significant amount of liabilities, primarily in the form of funding from its parent Astralis A/S.

The Company expects to receive dividends from its subsidiaries in the coming years, especially from Astralis LoL following the subsidiary's sale of the LEC franchise rights with a considerable gain, which will, when dividends have been received in 2024 and 2025, enable the Company to reduce its debts to the parent with a significant amount. In the meantime, the parent has declared that it will only require the debt repaid, if sufficient funds are available to make repayments to the parent.

In the beginning of 2024 the Company has received group contributions to fully reestablish the negative equity of the Company. In addition the parent Astralis A/S has issued a support letter valid until 31 December 2024 which secures the operations and financing throughout 2024.

As a result, Management has assessed and concluded that the Company is a going concern.

ACCOUNTING POLICIES

The Annual Report of Astralis Management ApS for 2023 has been presented in accordance with the provisions of the Financial Statements Act for Danish enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

Merger 1 January 2023

The Company has completed a merger per 1 January 2023 with its wholly owned subsidiary; Astralis FIFA ApS. The merger is accounted for according to the book value method, where the effect is recognized in equity at the time of the merger, and without adjustment of comparative figures. Therefore, the comparative figures for 2022 cannot be compared with the current year, though the activity level of Astralis FIFA ApS in 2022 was quite low.

INCOME STATEMENT

Net revenue

Revenue from service fees is recognised in the income statement as the services are provided.

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

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 external expenses

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

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc. for the Company's staff.

Financial income and expenses

Financial income and expenses include interest income and expenses, currency gains and losses, interest expenses on payables to group enterprises, etc.

Tax

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

The Company is part of the joint taxation arrangement with Astralis A/S as administration company. The current income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

ACCOUNTING POLICIES

BALANCE SHEET

Intangible fixed assets

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.

Tangible fixed assets

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other plant, fixtures and equipment.....	3 years
Leasehold improvements.....	2 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Financial non-current assets

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

Deposits include rental deposits which are recognised and measured at cost. Deposits are not depreciated.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Prepayments

Prepayments include costs incurred relating to the subsequent financial year.

Cash

Cash comprises bank deposits.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

ACCOUNTING POLICIES

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

Deferred income

Deferred income include payments received regarding income in subsequent years.