



Origen Esports ApS

Otto Busses Vej 7, 2.
2450 København SV
CVR No. 40010521

Annual report 2020

The Annual General Meeting adopted the annual report on 07.05.2021

Nikolaj Nyholm

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2020	8
Balance sheet at 31.12.2020	9
Statement of changes in equity for 2020	11
Notes	12
Accounting policies	15

Entity details

Entity

Origen Esports ApS

Otto Busses Vej 7, 2.

2450 København SV

CVR No.: 40010521

Registered office: Copenhagen

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Nikolaj Nyholm, Chairman

Anders Hørsholt

Jakob Hansen

Jakob Lund Kristensen

Executive Board

Anders Hørsholt, CEO

Jakob Hansen, CFO

Jakob Lund Kristensen, CRO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Origen Esports ApS for the financial year 01.01.2020 - 31.12.2020.

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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

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, 07.05.2021

Executive Board

Anders Hørsholt
CEO

Jakob Hansen
CFO

Jakob Lund Kristensen
CRO

Board of Directors

Nikolaj Nyholm
Chairman

Anders Hørsholt

Jakob Hansen

Jakob Lund Kristensen

Independent auditor's report

To the shareholder of Origen Esports ApS

Opinion

We have audited the financial statements of Origen Esports ApS for the financial year 01.01.2020 - 31.12.2020, 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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 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, 07.05.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Kim Takata Mücke

State Authorised Public Accountant
Identification No (MNE) mne10944

Muhammad Ismaeel Rasul

State Authorised Public Accountant
Identification No (MNE) mne46641

Management commentary

Primary activities

The Entity's primary activity is to run an E-sport League of Legends team and its participation in tournaments.

Development in activities and finances

In 2020, the team showed an impressive performance early in the season. 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, the Entity decided to completely reorganize the team and organization with uncompromising focus on the Astralis performance formula. Further the team was renamed from Origen to Astralis as part of the Astralis Group's merger of all brands and activities.

The financial result of the Entity's fiscal year is a loss of DKK 34,029 thousand against a loss of DKK 34,313 thousand in 2018/19. The negative result is also this year primarily driven by amortisation of the franchise slot and financing cost relating to the deferred payments for the franchise slot.

As of 31 December 2020, the Entity has negative equity. As stated in Note 1, the ultimate parent entity Astralis Group A/S has issued a support letter valid until 31 December 2021 which secures the operations and financing throughout 2021.

The COVID-19 pandemic had an impact on the E-sport industry as a whole. However, being digital means that the Entity still can operate and participate in tournaments in adjusted formats.

Events after the balance sheet date

No events have occurred after the balance sheet date that might effect the assessment of the financial statements for 2020.

Income statement for 2020

	Notes	2020 DKK	2018/19 DKK
Revenue		7,929,968	8,019,704
Other operating income		372,075	0
Other external expenses		(8,800,843)	(10,045,112)
Gross profit/loss		(498,800)	(2,025,408)
Staff costs	2	(12,205,802)	(13,658,742)
Depreciation, amortisation and impairment losses		(17,609,958)	(19,694,068)
Operating profit/loss		(30,314,560)	(35,378,218)
Other financial income		101,054	9,300,543
Other financial expenses	3	(3,815,993)	(8,235,965)
Profit/loss for the year		(34,029,499)	(34,313,640)
Proposed distribution of profit and loss:			
Retained earnings		(34,029,499)	(34,313,640)
Proposed distribution of profit and loss		(34,029,499)	(34,313,640)

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2018/19 DKK
Acquired rights		33,223,621	50,833,579
Intangible assets	4	33,223,621	50,833,579
Receivables from group enterprises		16,809	11,975
Deposits		110,562	110,562
Financial assets		127,371	122,537
Fixed assets		33,350,992	50,956,116
Trade receivables		2,595,658	2,978,299
Other receivables		1,011,526	0
Prepayments		65,698	0
Receivables		3,672,882	2,978,299
Cash		1,464,028	1,025,718
Current assets		5,136,910	4,004,017
Assets		38,487,902	54,960,133

Equity and liabilities

	Notes	2020 DKK	2018/19 DKK
Contributed capital		58,754	58,754
Retained earnings		(68,343,139)	(34,313,640)
Equity		(68,284,385)	(34,254,886)
Other payables	5	7,081,360	13,844,297
Non-current liabilities other than provisions		7,081,360	13,844,297
Trade payables		54,607	1,040,509
Payables to group enterprises		78,608,227	63,401,634
Other payables	6	20,468,415	10,928,579
Deferred income		559,678	0
Current liabilities other than provisions		99,690,927	75,370,722
Liabilities other than provisions		106,772,287	89,215,019
Equity and liabilities		38,487,902	54,960,133
Going concern		1	
Contingent assets		7	
Contingent liabilities		8	

Statement of changes in equity for 2020

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	58,754	(34,313,640)	(34,254,886)
Profit/loss for the year	0	(34,029,499)	(34,029,499)
Equity end of year	58,754	(68,343,139)	(68,284,385)

Notes

1 Going concern

At 31 December 2020, the Entity has negative equity, which is funded by loans from the ultimate parent Astralis Group A/S

In addition the ultimate parent Astralis Group A/S has issued a support letter valid until 31 December 2021 which secures the operations and financing throughout 2021. As a result, Management has assessed and concluded that the Entity is a going-concern.

2 Staff costs

	2020 DKK	2018/19 DKK
Wages and salaries	12,071,722	13,453,812
Pension costs	28,390	6,000
Other social security costs	51,483	60,388
Other staff costs	54,207	138,542
	12,205,802	13,658,742
Average number of full-time employees	8	9

3 Other financial expenses

	2020 DKK	2018/19 DKK
Financial expenses from group enterprises	1,445,810	1,987,889
Other interest expenses	2,350,493	5,636,952
Exchange rate adjustments	19,690	95,901
Other financial expenses	0	515,223
	3,815,993	8,235,965

Other interest expenses primarily consist of interest on payables to League of Legends European Championship Limited.

4 Intangible assets

	Acquired rights DKK
Cost beginning of year	70,527,647
Cost end of year	70,527,647
Amortisation and impairment losses beginning of year	(19,694,068)
Amortisation for the year	(17,609,958)
Amortisation and impairment losses end of year	(37,304,026)
Carrying amount end of year	33,223,621

The Entity has 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 totally EUR 10.5 million. Origen Esports ApS paid EUR 7.0 million in 2019 and the remaining amount of EUR 3.5 million of which EUR 2.5 million including accrued interest falls due in 2021 and EUR 1 million including accrued interest falls due in 2022.

Management has performed an impairment assessment of the acquired right for impairment 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 the Entity. 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.

5 Other payables

Non-current other payables consist of payable to League of Legends European Championship Limited and holiday obligation.

6 Other payables

	2020 DKK	2018/19 DKK
VAT and duties	0	33,725
Wages and salaries, personal income taxes, social security costs, etc payable	1,796,915	2,015,201
Other costs payable	18,671,500	8,879,653
	20,468,415	10,928,579

Other costs payable consist of payable to League of Legends Europeans Championship Limited.

7 Contingent assets

The Entity has a non-recognized deferred tax asset of DKK 16.1 million relating primarily to tax loss carryforwards. Capitalisation awaits that the Entity becomes profitable.

8 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Astralis Group A/S serves as the administration entity. 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 Entity 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.

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 is the Entity's second financial year. The first financial year covered the period 30 October 2018 - 31 December 2019.

Income statement

Revenue

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

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

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

Other operating income

Other operating income comprises income of sales from player rights.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including corporate expenses, it-costs, 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, income from remission of debt and exchange gains and other financial income.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, discounting impact on debt for acquired rights and exchange losses.

Balance sheet

Intellectual property rights etc

Acquired rights comprise rights to participate in the League of Legends European Championship.

Acquired rights are measured at cost less accumulated amortisation, and are amortised over four years which reflect the minimum contractual commitment period.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Receivables

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

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at 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.

PENNEO

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift.
Underskrivernes identiteter er blevet registereret, og informationerne er listet herunder.

"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Jakob Lund Kristensen

Direktionsmedlem

Serienummer: PID:9208-2002-2-898475689074

IP: 77.233.xxx.xxx

2021-05-07 09:46:49Z

NEM ID 

Jakob Lund Kristensen

Bestyrelsesmedlem

Serienummer: PID:9208-2002-2-898475689074

IP: 77.233.xxx.xxx

2021-05-07 09:46:49Z

NEM ID 

Kim Takata Mücke

Revisor

Serienummer: PID:9208-2002-2-055926721250

IP: 87.63.xxx.xxx

2021-05-07 10:42:22Z

NEM ID 

Jakob Hansen

Direktionsmedlem

Serienummer: PID:9208-2002-2-641201032946

IP: 77.233.xxx.xxx

2021-05-07 11:42:01Z

NEM ID 

Jakob Hansen

Bestyrelsesmedlem

Serienummer: PID:9208-2002-2-641201032946

IP: 77.233.xxx.xxx

2021-05-07 11:42:01Z

NEM ID 

Anders Hørsholt

Adm. direktør

Serienummer: PID:9208-2002-2-996329780980

IP: 93.167.xxx.xxx

2021-05-09 11:47:56Z

NEM ID 

Anders Hørsholt

Bestyrelsesmedlem

Serienummer: PID:9208-2002-2-996329780980

IP: 93.167.xxx.xxx

2021-05-09 11:47:56Z

NEM ID 

Muhammad Ismaeel Rasul

Revisor

Serienummer: PID:9208-2002-2-057363471340

IP: 80.62.xxx.xxx

2021-05-09 12:31:52Z

NEM ID 

Dette dokument er underskrevet digitalt via **Penneo.com**. Signeringsbeviserne i dokumentet er sikret og valideret ved anvendelse af den matematiske hashværdi af det originale dokument. Dokumentet er låst for ændringer og tidsstemplet med et certifikat fra en betroet tredjepart. Alle kryptografiske signeringsbeviser er indlejet i denne PDF, tilfældet af at de skal anvendes til validering i fremtiden.

Sådan kan du sikre, at dokumentet er originalt

Dette dokument er beskyttet med et Adobe CDS certifikat. Når du åbner dokumentet

i Adobe Reader, kan du se, at dokumentet er certificeret af **Penneo e-signature service <penneo@penneo.com>**. Dette er din garanti for, at indholdet af dokumentet er uændret.

Du har mulighed for at efterprøve de kryptografiske signeringsbeviser indlejet i dokumentet ved at anvende Penneos validator på følgende websted: <https://penneo.com/validate>

PENNEO

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift.
Underskrivernes identiteter er blevet registereret, og informationerne er listet herunder.

"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Nikolaj Nyholm

Bestyrelsesformand

Serienummer: PID:9208-2002-2-547220574210

IP: 87.101.xxx.xxx

2021-05-10 09:56:59Z

NEM ID 

Nikolaj Nyholm

Dirigent

Serienummer: PID:9208-2002-2-547220574210

IP: 87.101.xxx.xxx

2021-05-10 09:56:59Z

NEM ID 

Dette dokument er underskrevet digitalt via **Penneo.com**. Signeringsbeviserne i dokumentet er sikret og valideret ved anvendelse af den matematiske hashværdi af det originale dokument. Dokumentet er låst for ændringer og tidsstemplet med et certifikat fra en betroet tredjepart. Alle kryptografiske signeringsbeviser er indlejet i denne PDF, tilfælde af de skal anvendes til validering i fremtiden.

Sådan kan du sikre, at dokumentet er originalt

Dette dokument er beskyttet med et Adobe CDS certifikat. Når du åbner dokumentet

i Adobe Reader, kan du se, at dokumentet er certificeret af **Penneo e-signature service <penneo@penneo.com>**. Dette er din garanti for, at indholdet af dokumentet er uændret.

Du har mulighed for at efterprøve de kryptografiske signeringsbeviser indlejet i dokumentet ved at anvende Penneos validator på følgende websted: <https://penneo.com/validate>