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ASTRALIS A/S
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 9 April 2024**

Philip Nyholm

CVR NO. 40 69 40 72

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COMPANY DETAILS**Company**

Astralis A/S
Otto Busses Vej 7 2.
2450 Copenhagen S

CVR No.: 40 69 40 72
Established: 31 July 2019
Municipality: Copenhagen
Financial Year: 1 January - 31 December

Board of Directors

Claus Zibrandtsen, chairman
Christian Swane Mourier
Nikolaj Nyholm
Pernille Nørkær

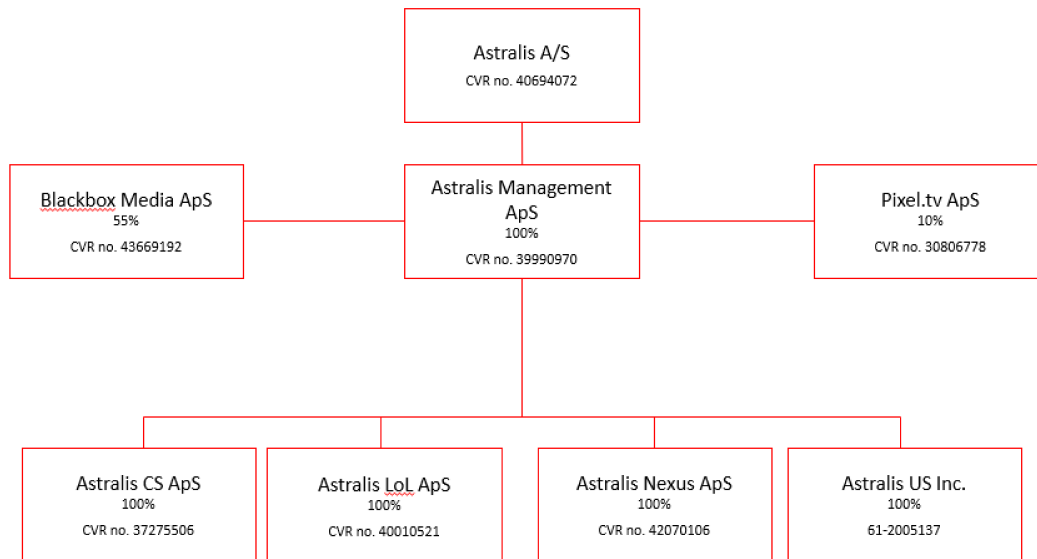
Executive Board

Nikolaj Nyholm
Jakob Hansen

Auditor

BDO Statsautoriseret revisionsaktieselskab
Havneholmen 29
1561 Copenhagen V

GROUP STRUCTURE



COMPANY STRUCTURE

Astralis A/S was founded on 31 July 2019 and the legal group was established 14 August 2019 where Astralis A/S acquired Astralis Management ApS and subsidiaries. Astralis Group A/S was renamed Astralis A/S 19 April 2021.

Astralis Group Management ApS was founded 30 October 2018 as RFRSH Teams ApS and renamed Astralis Management ApS 19 April 2021.

Astralis Esport ApS was founded 4 December 2015 as Spirit of Amiga ApS and renamed Astralis CS ApS 19 April 2021.

Origen Esports ApS was founded 30 October 2018 as NewCo Esport ApS and renamed Astralis LoL ApS 19 April 2021.

Astralis Nexus ApS was originally founded as ApS of 29/1-2021, 29 January 2021 and renamed Astralis Nexus ApS 22 April 2021.

Astralis US Inc. was founded 24 August 2021.

BlackBox Media was founded 16 November 2022. Astralis Management ApS holds 55% ownership in BlackBox Media ApS.

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Astralis A/S 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 Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2023 and of the results of Group's and the Company's operations and cash flows 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, 12 March 2024

Executive Board

Nikolaj Nyholm

Jakob Hansen

Board of Directors

Claus Zibrandtsen
Chairman

Christian Swane Mourier

Nikolaj Nyholm

Pernille Nørkær

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Astralis A/S

Opinion

We have audited the Consolidated Financial Statements and the Annual Financial Statements of the Company of Astralis A/S 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 for both the Group and the Parent Company, as well as consolidated statement of cash flows for the Group. The Consolidated Financial Statements and the Annual Financial Statements of the Company are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 31 December 2023 and of the results of the Group and the Parent Company's operations as well as the consolidated cash flows of the Group 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 Consolidated Financial Statements and the Annual Financial Statements of the Company" section of our report. We are independent of the Group 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 Consolidated Financial Statements and the Annual Financial Statements of the Company

Management is responsible for the preparation of Consolidated Financial Statements and the Annual Financial Statements of the Company 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 the Annual Financial Statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Annual Financial Statements of the Company, Management is responsible for assessing the Group's and the Parent 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 Consolidated Financial Statements and the Annual Financial Statements of the Company unless Management either intends to liquidate the Group or the Company 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 Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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 the Annual Financial Statements of the Company.

INDEPENDENT AUDITOR'S REPORT

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 Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Company'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 Annual Financial Statements of the Company 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 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Annual Financial Statements of the Company, including the disclosures, and whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Annual Financial Statements of the Company does not cover 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 Annual Financial Statements of the Company, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Consolidated Financial Statements and the Annual Financial Statements of the Company 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.

INDEPENDENT AUDITOR'S REPORT

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Consolidated Financial Statements and the Annual Financial Statements of the Company 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, 12 March 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

FINANCIAL HIGHLIGHTS OF THE GROUP

	2023 DKK '000	2022 DKK '000	2021 DKK '000	2020 DKK '000	2019* DKK '000
Income statement					
Net revenue.....	72.310	87.548	75.004	51.504	48.633
Operating profit/loss before depreciation and amortisation (EBITDA)..	146.752	2.582	-7.875	-14.518	-22.685
Financial income and expenses, net.....	-324	-103	-2.169	-3.212	5.679
Profit/loss for the year before tax.....	137.033	-9.668	-35.195	-53.221	-34.643
Balance sheet					
Total assets.....	231.346	99.329	126.707	164.110	229.360
Equity.....	199.496	73.927	83.230	113.931	166.906
Cash flows					
Cash flows from operating activities.....	-16.536	2.900	-19.425	-33.274	-15.050
Cash flows from investing activities.....	14.494	-6.624	-1.800	1.767	-31.387
Cash flows from financing activities.....	-387	-9.298	-7.914	-4.894	130.846
Total cash flows.....	-2.429	-13.022	-29.139	-36.401	84.409
Investment in property, plant and equipment.....	-283	-1.633	-6.681	-1.104	0
Average number of full-time employees.....					
	60	77	63	36	19
Key ratios					
Operating margin.....	190,0	-10,9	-46,9	-103,3	-71,2
Equity ratio.....	86,7	74,3	65,7	69,4	72,8

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

The ratios stated in the list of key figures and ratios have been calculated as follows:

Operating margin:
$$\frac{\text{Operating profit/loss} \times 100}{\text{Net revenue}}$$

Equity ratio:
$$\frac{\text{Equity (ex. minorities), at year-end} \times 100}{\text{Total assets, at year-end}}$$

MANAGEMENT COMMENTARY

LETTER TO SHAREHOLDERS

In 2023, we consolidated our business further by selling off the majority of our LEC franchise rights in League of Legends, resulting in an EBITDA of DKK 146.8 million for the year. The value increase of the rights re-affirms our ongoing investment and consolidation strategy around key assets, and even though it comes in DKK 3.2 million below latest guidance, given the circumstances and investment in the Counter-Strike team, the result is overall satisfactory.

The main contributors to the result, beside the sale of LEC Franchise rights, are a stabilization of the value of our Commercial Partnerships and League Revenues as well as further growth in the B2B and B2C business in and around our gaming centre, Astralis Nexus.

During the year, we invested significantly in our Counter-Strike teams and division. On the team side we added two high-profile players, both amongst the best in the world. We also welcomed a new Sports Director with the goal of securing long-term competitive success across our teams. The goal continues to be a permanent presence in the top of the world rankings.

Despite the lack of top results, we continued to see a strengthening of our brand with a growing digital audience and media presence. We launched our own broadcast channel, Astralis Watch, which despite a limited budget has already shown promising viewership numbers and an extremely engaged audience. This confirms our strategy of creating a global gaming brand and media, independent of short-term team results.

In a year of varied competitive success, the Astralis brand continued to strengthen within existing and new audiences. The fanbase continued the positive development measured in the number of followers on our digital channels, and compared to 2022, we registered a positive development in the total number of followers across all channels, providing a wider commercial platform for existing and potential commercial partners.

Following a strategic review announced in March 2023, it was decided to delist from NASDAQ First North Growth Markets in August 2023. Despite the strong financial performance, the share price had dropped significantly since the listing in 2019 and the liquidity of the Company's share was very limited, providing little value for both the Company and its shareholders. Furthermore, the delisting will save the Company approximately DKK +2m in annual direct costs and an estimated addition of DKK +1m in annual indirect cost savings. The Company delisted on 25 October 2023.

Leagues and Franchise Rights

In October 2023, we announced a transfer of our Franchise rights in the League of Legends European Championship (LEC) at a total agreed valuation of DKK 194 million to a newly created French subsidiary AK-Game SAS. Subsequently, Karmine Corp SAS acquired 66,67 % of the shares in AK-Game SAS for DKK 129 million.

The sale is completed in tranches from 2023-2025, and Astralis will retain a capital interest in AK-Game SAS of 33,33 % when all tranches are received. The Agreement contains provisions for Astralis to trigger additional share transfers, up to ceding 100% of the shares to Karmine Corp SAS by 2031 at the latest.

The net gain before tax from the sale in 2023 was DKK 153.6 million with aggregated cash flow effect from 2023-to 2025 of DKK 112 million.

Brand, Media, and Partnerships

The Astralis brand continues to grow, not just in gaming and esports, but also within the general youth culture, especially in Denmark. Even compared to a strong 2022, with high engagement and viewership, we managed to retain and even increase the number of followers across our digital channels.

Our diverse and expanding media portfolio provides a strong commercial platform for existing and potential commercial partners. Across teams and Astralis Nexus, we extended key partnership agreements and entered eight new, significant partnership agreements in 2023.

MANAGEMENT COMMENTARY

LETTER TO SHAREHOLDERS (continued)

To further strengthen Astralis' digital business and position as a Media Organization in the gaming entertainment industry, we launched a new broadcast platform, Astralis Watch, which has already become a key meeting place for the Danish gaming and Astralis community on Twitch. Having already reached +100.000 unique viewers with peak viewership close to 10.000, we see a significant commercial and brand potential in Astralis Watch.

Organization

To support our growing business and strengthen our position around media, retail, and esports performance, in 2023, we added key profiles in our commercial and sporting divisions. We also added a new business unit, Astralis Educational, which is responsible for our educational and socioeconomic activities online and physically. We are working together with a range of NGOs as well as regional and national authorities to promote and support education and health through facilitated gaming.

Teams, Performance, and Development

Following the sale of our LEC Franchise Rights, we ceased all League of Legends team activities. Today we focus our team activities around three Counter-Strike teams; the main team, the talent team, and the women's team.

In the summer of 2023, we changed the management of our sporting department, bringing in a new Sports Director, Kasper Straube, alongside Jan Ø. Jørgensen as Head of Performance.

Counter-Strike

We continued the investment in the teams. In November we announced the transfer of two new players for the main team, both young with high potential, but also with proven track records from the biggest tournaments in the world.

EBITDA for Astralis CS was DKK -13.6 million in 2023 (DKK 6.6 million full year 2022).

League of Legends

Following the sale of our LEC Franchise Rights, we no longer have activities in League of Legends. We still hold part ownership of the rights through ownership of AK-Game SAS, but are not involved in the daily operations.

EBITDA for Astralis LoL was DKK 157.3 million in 2023 (DKK 1.8 million full year 2022).

Rainbow Six

In February 2023, the competitive team was closed down and there has been very limited activity in 2023.

EBITDA for Astralis US was DKK -0.1 million in 2023 (DKK -2.2 million full year 2022).

FIFA

We no longer have competitive activity in FIFA (EA Sports FC), and there has been very limited activity in 2023.

Astralis FIFA ApS was merged into Astralis Management ApS on 19 February 2024 with retroactive effect from 1 January 2023.

PIXEL.TV

In May 2023, 41% of the shares in PIXEL.TV was sold. The remaining 10% ownership was sold in February 2024.

EBITDA for PIXEL.TV was DKK -0.3 million in 2023 (DKK -0.6 million full year 2022).

Astralis Nexus

Astralis Nexus has been on a positive trajectory since opening in 2020. In 2023, we saw a further improvement in utilization of the gaming facilities and a continued positive development of interest from both the public and commercial brands.

EBITDA for Astralis Nexus was DKK -5.1 million in 2023 (DKK -6.0 million full year 2022).

Research and Development Activities

There are no research and development activities in Astralis.

MANAGEMENT COMMENTARY

LETTER TO SHAREHOLDERS (continued)

Resources of Special Knowledge

In Astralis, players and coaching teams can be considered resources of special knowledge that can affect future revenue. They are all under long term contracts, and replacements are available in the transfer market or ultimately within our own organization in the talent division.

Environmental Effects of Our Business

In general, we strive to minimize our effects on the environment through an active energy saving policy throughout the organization. With its more than 100 professional gaming stations, a retail store, and facade lighting, Astralis Nexus has an energy consumption above average. As a tenant in Tivoli, we are part of Tivoli's green energy policy and as such our energy consumption is expected to be covered by renewable energy sources.

Treasury Shares

As a result of reverse vesting of shares under the Group's warrant program and acquisition of shares following the delisting of the company, Astralis A/S holds treasury shares of 714,517 of nominally DKK 0,01 each corresponding to 1.2% of the share capital. In 2023, Astralis acquired 258,515 treasury shares.

Results

The result for 2023 is overall satisfactory following the sale of our franchise rights in the League of Legends European Championship (LEC) and despite the underlying difficulties in the market and our teams' general performance in 2023.

The full year net revenue for the Group was DKK 72.3 million in 2023 - compared to DKK 87.5 million in 2022 - which was in the middle of the financial guidance given in corporate announcement no. 19-2023 of DKK 70-75 million.

A positive EBITDA of DKK 146.7 million - compared to DKK 2.6 million in 2022 - was DKK 3.3 million below guidance given with a range between DKK 150 to 155 million.

The result before tax for the year was DKK 137.0 million which is in line with expectations.

Uncertainty Relating to Valuation and Recognition

The Group has assessed that no assets or liabilities are subject to significant uncertainty in relation to valuation or recognition.

Unusual Matters in the Financial Statements

Management has assessed that neither the consolidated financial statements nor the parent financial statements for 2023 are affected by unusual matters other than the gain from the sale of the franchise rights in the League of Legends European Championship (LEC).

Outlook

The projections of the financial targets for the Group for the financial year ending 31 December 2024 is a net revenue in line with 2023 and EBITDA of net DKK zero.

Events After the Balance Sheet Date

Astralis FIFA ApS was merged with Astralis Management ApS on 19 February 2024 with retroactive effect from 1 January 2023.

51% of PIXEL.TV ApS was acquired by Astralis A/S on 1 January 2022 and ownership was transferred to Astralis Management on 16 August 2022. On 16. May 2023 Astralis sold 41% of the ownership in PIXEL.TV ApS and the remaining 10% ownership was sold on 13 February 2024.

MANAGEMENT COMMENTARY

LETTER TO SHAREHOLDERS (continued)

On 9 January 2024 the now former CEO of Astralis, Anders Hørsholt, joined the Board and the founder and now former Chairman of the Board, Nikolaj Nyholm, joined as CEO. In the same connection, Claus Zibrandtsen replaced Nikola Nyholm as Chairman of the Board.

Nikolaj Nyholm
CEO

MANAGEMENT COMMENTARY

FINANCIAL REVIEW

The Management of Astralis A/S has prepared and presents herein the statutory consolidated financial statements as of 31 December 2023 for Astralis A/S and its subsidiaries which provides consolidated information about Astralis A/S' financial performance for the period 1 January 2023 - 31 December 2023.

Revenue

Total revenue for 2023 was DKK 72.3 million (DKK 87.5 million in 2022) which was in line with expectations. The revenue was driven by Astralis CS with DKK 35.4 million, Astralis LoL with DKK 16.0 million, Astralis Nexus with DKK 8.1 million, Astralis US with DKK 1.4 million, Astralis Management with DKK 9.0 million, BlackBox Media with DKK 1.9 million and PIXEL.TV with DKK 0.5 million. The decrease in revenue was primarily driven by poor competitive performance in Astralis CS.

External costs, staff costs and depreciation and amortization

External costs were DKK 22.3 million (DKK 24.0 million in 2022) which was in line with expectations for the period. Staff costs were DKK 57.1 million (DKK 61.6 million in 2022). Depreciation and amortization were DKK 9.4 million (DKK 12.1 million in 2022).

EBITDA

EBITDA for 2023 were DKK 146.8 million (DKK 2.6 million in 2022) which was DKK 3.2 million below expectations. EBITDA for Astralis CS were DKK -13.6 million (DKK 6.6 million in 2022), for Astralis LoL DKK 157.3 million of which DKK 153.6 million was related gain from sale of our Franchise rights in the League of Legends European Championship (DKK 1.8 million in 2022), for Astralis FIFA DKK -0.1 million (DKK -1.1 million in 2022), for Astralis Nexus DKK -5.1 million (DKK -6.0 million in 2022) for Astralis US DKK -0.1 million (DKK -2.2 million in 2022), Blackbox Media DKK 0.3 million (started operations in February 2023) and for PIXEL.TV DKK -0.3 million (DKK -0.6 million in 2022) (PIXEL.TV was included in the consolidation January - May 2023). In addition, non-allocated revenue and costs accounted for DKK 8.5 million (DKK 4.1 million in 2022).

Net financials

In 2023, net financials amounted to a loss of DKK -0.3 million (DKK -0.1 million in 2022).

Income tax

Income tax in 2023 was DKK 12.158 million (DKK 0.0 million in 2022) since the Group is not able in full to benefit from tax losses carried forward against the gain from the sale of the LEC Franchise Right. The Group has an unrecognized deferred tax asset primarily from tax loss carry forward of DKK 17,5 million (DKK 25.9 million in 2022) which is not recognized in the financial statements.

Loss for the period

The result for 2023 was DKK 124.9 million (DKK -9.7 million in 2022)

Balance Sheet

Intangible assets

Intangible assets amount to DKK 28.5 million as of 31 December 2023 (DKK 55.0 million in 2022) which is related to Player rights DKK 16.0 million and goodwill and trademarks related to the acquisition of Astralis Management DKK 12.5 million. Management has assessed that the recoverable amount of these intangibles is higher than the book values.

Current Assets

Current assets at the end of 2023 were DKK 130.9 million (DKK 34.8 million in 2022) of which DKK 7.4 million was in cash, DKK 24.2 million in trade receivables and DKK 98.9 million in other receivables of which DKK 94.6 million relate to sale of the LEC Franchise Right which will be paid in tranches end 2024 and 2025.

Non-current liabilities

Non-current liabilities at the end of 2023 were 0.0 million (DKK 1.2 million in 2022).

MANAGEMENT COMMENTARY

FINANCIAL REVIEW (continued)

Current liabilities

Current liabilities at the end of 2023 were DKK 29.7 million (DKK 24.2 million in 2022) of which DKK 9.6 million were related to the European League of Legends franchise league.

Equity

The Group's equity amounts to DKK 199.5 million as of 31 December 2023 (DKK 73.9 million in 2022). No dividends will be distributed for 2023.

Cash Flow

Operations

In 2023 the cash flow from operating activities was DKK -16.5 million (DKK 2.9 million in 2022).

Investments

In 2023 the cash flow from investments were positive DKK 14.5 million (DKK -6.6 million in 2022), of which DKK -0.3 million were related to leasehold improvements, DKK -13.6 million were related to contractual rights, DKK 28.4 million relates to sale of LEC franchise right.

Financing

In 2023 the cash flow from financing activities was DKK -0.3 million (DKK -9.3 million in 2022).

Risk management

Key risks are centered around commercial agreements and performance. Astralis 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' business and operations and the company's risk framework. Astralis established a whistleblowing function in 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 has been further strengthened in 2023. 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 has identified the following key risks for 2024.

Commercial agreements

Astralis 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 one 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. 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.

MANAGEMENT COMMENTARY

FINANCIAL REVIEW (continued)

Astralis 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 does not (indirectly) operate, it will have a negative effect on revenue streams and results of operations. Astralis 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 is dependent on a large audience base for the games in which it operates. If the audiences of the games in which Astralis 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.

Board of Directors

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

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

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

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

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' 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 Board 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.

MANAGEMENT COMMENTARY

FINANCIAL REVIEW (continued)

Astralis' 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 are in principle available to play for official national teams subject to an agreement on commercial rights between the national association and Astralis.

Board of Directors

Board	Joined the board	Expiry of election period	Dependence	Sex
Claus Zibrandtsen	2019	2023		M
Nikolaj Nyholm	2020	2023		M
Christian Swane Mourier	2019	2023		M
Pernille Nørkær	2020	2023	Independent	F

Claus Zibrandtsen (Chair)

Member since 2019

Date of birth

29 November 1989

Profession

CEO at InQvation ApS

Experience

As CEO of InQvation, Claus Zibrandtsen 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 Zibrandtsen has his own start-up, namely Jocks ApS, which he has developed since 2018. Claus Zibrandtsen's key competencies include tech innovation, business development and leadership.

Other positions

- Director at InQvation ApS (Since 2017)
- Board member in inQvation ApS (Since 2017)
- Director at CZ Invest 1 ApS (Since 2017)
- Director at CZ Invest 2 ApS (Since 2017)
- Board member in Cortrium ApS (Since 2018)
- Board member in Zafe ApS (Since 2018)
- Director Peclan Holding ApS (Since 2019)
- Board member in Onomondo ApS (Since 2019)
- Board member in Byon8 AB (Since 2020)
- Board member in Mindfuture ApS (Since 2021)
- Director at People Ventures Management ApS (Since 2021)
- Board member in People Ventures Management ApS (Since 2022)
- Director at People Ventures Excellence Centres (Since 2021)
- Board member in MXNEY ApS (Since 2022)
- Board member in SentiSpec ApS (Since 2023)
- Director at People Ventures General Partner I ApS (Since 2022)
- Board member in People Ventures General Partner I ApS (Since 2022)
- Director at People Ventures CIV GP I ApS (since 2022)

Christian Swane Mourier (Vice-chair)

Member since 2019

Date of birth

30 January 1977

Profession

CEO at Mourier-Gruppen ApS (since 2017)

MANAGEMENT COMMENTARY

FINANCIAL REVIEW (continued)

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

- Board member in Semler Holding A/S (Since 2014)
- Board member in Semler Gruppen A/S (Since 2014)
- Director at CSM COT 10 ApS (since 2017)
- Director at Mourier-Gruppen Aps (Since 2017)
- Board member in Semler Invest A/S (Since 2018)
- Board member in Connected Cars A/S (since 2018)
- Board member in Dribe Danmark A/S (Since 2018)
- Board member in Dribe A/S (Since 2023)
- Director in CSM 2810 ApS (Since 2019)
- Director at JJCM Rungsted ApS (Since March 2019)
- Director at JM Rungsted holding Aps (Since 2020)
- Board member in Morehouse A/S (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)
- Chairman of YellowBeard A/S (Since 2020)
- Chairman of YellowBeard Holding ApS (Since 2020)
- Chairman of YellowRock A/S (Since 2023)

Nikolaj Nyholm

Member since 2020

Date of birth

13 September 1975

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)
- CEO & Chairman at Scattershot Ltd (Since 2021)

Pernille Nørkær

Member since 2020

Date of birth

20 December 1978

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, sports 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.

MANAGEMENT COMMENTARY

FINANCIAL REVIEW (continued)

Other positions

- Board member in Svendborg Importfirma A/S (Since 2009)
- Director in Pontus ApS (Since 2018)
- Board member in Moalem Weitemeyer Advokatpartnerselskab (Since 2018)
- Board member in Moalem Weitemeyer General Partner Advokatpartnerselskab (Since 2019)
- Board member in Svendborg Importfirma Holding A/S (Since 2020)
- Board member in Trophy Games Development A/S (Since 2021)

INVESTOR RELATIONS

The Company's share capital is DKK 580,258.93 divided into 58,025,893 shares of DKK 0.01 each. The Shares belong to the same share class and are paid in full. All Shares in Astralis A/S have the same rights.

There are approximately 7.000 name listed investors in Astralis A/S.

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

- Beatnik ApS, Valby Langgade 11, 2., 2500 Valby, 15,288,958 shares the equivalent of 26,35 % of the total share capital
- Jlk Holding ApS, Skipper Clements Allé 7, 1., 2300 København S, 7,987,222 shares the equivalent of 13,76 % of the total share capital

The Executive Management and Board of Directors of Astralis A/S holds in total 28,459,704 shares as of 12 March 2024.

The Company holds 714,517 treasury shares of nominally DKK 0,01 each corresponding to 1.2% of the share capital.

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.

ANNUAL GENERAL MEETING

Annual General Meeting is held Wednesday 9 April 2024 at 8:00 a.m at Astralis Nexus, Tivoli Corner, Vesterbrogade 3, 1620 København V

Subsequent events

Astralis FIFA ApS was merged with Astralis Management ApS on the 19 February 2024 with retroactively effect from 1 January 2023.

51% of PIXEL.TV ApS was acquired by Astralis A/S 1 January 2022. The ownership share was transferred to Astralis Management 16 August 2022. On 16. May 2023 Astralis sold 41% of the ownership share in PIXEL.TV ApS and the remaining 10% ownership was sold 13 February 2024.

On 9 January 2024 the now former CEO of Astralis, Anders Hørsholt, joined the Board and the founder and now former Chairman of the Board, Nikolaj Nyholm, joined as CEO. In the same connection, Claus Zibrandtsen replaced Nikola Nyholm as Chairman of the Board.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	Group		Parent Company	
		2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000
NET REVENUE	1	72.310	87.548	7.969	9.155
Other operating income.....	2	153.985	615	0	0
Other external expenses.....		-22.473	-24.002	-2.468	-2.436
GROSS PROFIT/LOSS		203.822	64.161	5.501	6.719
Staff costs.....	3	-57.070	-61.579	-5.281	-6.283
Depreciation, amortisation and impairment losses for tangible and intangible assets.....	4	-9.395	-12.147	-100	-87
OPERATING PROFIT		137.357	-9.565	120	349
Other financial income.....	5	491	646	3.895	3.888
Impairment of asset investments.....		0	0	-30.932	0
Other financial expenses.....	6	-815	-749	0	-6
PROFIT BEFORE TAX		137.033	-9.668	-26.917	4.231
Tax on profit/loss for the year.....	7	-12.158	0	-899	-952
PROFIT FOR THE YEAR	8	124.875	-9.668	-27.816	3.279

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group		Parent Company	
		2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000
Trademark, Player rights and Leauge tournaments rights.....		20.495	45.531	95	197
Goodwill.....		7.984	9.502	0	0
Intangible assets.....	9	28.479	55.033	95	197
Other plant, fixtures and equipment.....		1.132	1.745	0	0
Leasehold improvements.....		4.610	5.586	0	0
Property, plant and equipment...	10	5.742	7.331	0	0
Investments in subsidiaries.....		0	0	0	30.932
Other investments.....		64.033	0	0	0
Rent deposit and other receivables.....		2.179	2.151	0	0
Financial non-current assets.....	11	66.212	2.151	0	30.932
NON-CURRENT ASSETS.....		100.433	64.515	95	31.129
Finished goods and goods for resale.....		256	256	0	0
Inventories.....		256	256	0	0
Trade receivables.....		24.240	20.567	0	0
Receivables from group enterprises.....		0	0	188.328	197.363
Other receivables.....	12	98.692	4.113	137	0
Corporation tax receivable.....		0	0	9.045	0
Prepayments.....	13	276	0	19	198
Receivables.....		123.208	24.680	197.529	197.561
Cash and cash equivalents.....		7.449	9.878	778	81
CURRENT ASSETS.....		130.913	34.814	198.307	197.642
ASSETS.....		231.346	99.329	198.402	228.771

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group		Parent Company	
		2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000
Share Capital.....	14	580	580	580	580
Retained earnings.....		200.057	73.252	196.971	225.084
Minority shareholders.....		-1.141	95	0	0
EQUITY.....		199.496	73.927	197.551	225.664
Other non-current liabilities.....		0	1.240	0	0
Non-current liabilities.....		0	1.240	0	0
Trade payables.....		8.873	1.781	80	61
Corporation tax payable.....		2.157	0	0	952
Other liabilities.....	15	18.191	19.796	251	2.094
Deferred income.....	16	2.629	2.585	520	0
Current liabilities.....		31.850	24.162	851	3.107
LIABILITIES.....		31.850	25.402	851	3.107
EQUITY AND LIABILITIES.....		231.346	99.329	198.402	228.771
 Contingencies etc.	17				
 Related parties	18				
 Significant events after the end of the financial year	19				

EQUITY

	Group			Total
	Share capital	Retained earnings	Minority shareholders	
Equity at 1 January 2023.....	580	73.252	95	73.927
Proposed profit allocation, see note 8.....		126.111	-1.236	124.875
Transactions with owners				
Purchase of own equity investments.....		-297		-297
Other adjustments to equity value.....		991		991
Equity at 31 December 2023.....	580	200.057	-1.141	199.496

	Parent Company		
	Share capital	Retained earnings	Total
Equity at 1 January 2023.....	580	225.084	225.664
Proposed profit allocation, jf. note 8.....		-27.816	-27.816
Transactions with owners			
Purchase of own equity investments.....		-297	-297
Equity at 31 December 2023.....	580	196.971	197.551

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group	
	2023 DKK '000	2022 DKK '000
Profit/loss for the year.....	124.875	-9.668
Depreciation and amortisation, reversed.....	9.395	12.250
Adjustment of other financial income.....	-153.985	1
Adjustment of other financial expenses.....	0	-149
Tax on profit/loss, reversed.....	12.158	0
Change in receivables (ex tax).....	-14.508	-226
Change in other provisions.....	0	692
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility).....	5.529	0
CASH FLOWS FROM OPERATING ACTIVITY.....	-16.536	2.900
Purchase of intangible assets.....	-13.636	-4.469
Sale of intangible fixed assets.....	28.413	0
Purchase of property, plant and equipment.....	-283	-1.633
Purchase of financial assets.....	0	-522
CASH FLOWS FROM INVESTING ACTIVITY.....	14.494	-6.624
Other changes in non-current debt.....	-387	-9.298
CASH FLOWS FROM FINANCING ACTIVITY.....	-387	-9.298
CHANGE IN CASH AND CASH EQUIVALENTS.....	-2.429	-13.022
Cash and cash equivalents at 1. januar.....	9.878	22.900
CASH AND CASH EQUIVALENTS AT 31. DECEMBER.....	7.449	9.878
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents.....	7.449	9.878
CASH AND CASH EQUIVALENTS.....	7.449	9.878

NOTES

	Group		Parent Company		Note
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000	
Net revenue					1
Sponsorships.....	34.701	42.209	0	0	
Prize money and other revenue from tournament participation.....	28.026	37.017	0	0	
Merchandise and digital item sales...	1.022	1.412	0	0	
Pixel.TV.....	498	1.953	0	0	
NEXUS.....	4.856	4.491	0	0	
Other.....	3.207	466	7.969	9.155	
	72.310	87.548	7.969	9.155	

Other operating income

2

In October 2023, we announced a transfer of our Franchise rights in the League of Legends European Championship (LEC) at a total agreed valuation of DKK 194 million to a newly created French subsidiary AK-Game SAS. Subsequently, Karmine Corp SAS acquired 66,67 % of the shares in AK-Game SAS for DKK 129 million.

The sale is completed in tranches from 2023-2025, and Astralis will retain a capital interest in AK-Game SAS of 33,33 % when all tranches are received. The Agreement contains provisions for Astralis to trigger additional share transfers, up to ceding 100% of the shares to Karmine Corp SAS by 2031 at the latest.

The net gain before tax from the sale in 2023 was DKK 153.6 million with aggregated cash flow effect from 2023-to 2025 of DKK 112 million.

NOTES

	Group		Parent Company		Note
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000	
Staff costs					3
Average number of full time employees	60	77	3	3	
Wages and salaries.....	52.503	59.130	4.872	5.973	
Pensions.....	2.801	1.667	386	279	
Social security costs.....	838	782	12	31	
Other staff costs.....	928	0	11	0	
	57.070	61.579	5.281	6.283	
Remuneration of Executive Board....	5.129	5.786	5.129	5.786	
Remuneration of Board of Directors..	903	903	903	903	
	6.032	6.689	6.032	6.689	

The Board of Directors in Astralis A/S has been authorized by the general assembly to issue and execute a warrant program for the Board of Directors, Executive Management, Senior Management and to employees employed by Astralis A/S and subsidiaries. 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 A/S for up to nominal DKK 21,052.63 equal to 2,105,263 shares of DKK 0.01 each.
- At 31 December 2023, a total of 1,315,131 warrants have been granted of which 5,990 warrants with a strike price of DKK 4.07 and 891,897 warrants with a strike price of DKK 0.75 have been granted in 2019 vesting over a 12-month or 48-month period, 390,994 warrants with a strike price of DKK 0.01 have been granted in in the years of 2020, 2021 and 2022 vesting over a 12-month, 24-month or 48-month period, 26,250 warrants with a strike price of DKK 2.09 have been granted in 2022 vesting over a 24-month period.
- Out of the granted warrants, 97,244 warrants have been granted to the Board of Directors and 1,028,745 warrants have been granted to the Executive Management.
- All warrants can be exercised until 30 June 2026.
- In 2023, 35,000 warrants have been exercised all with a strike price of DKK 0.01 per warrant.
- A total of 61,610 warrants have expired or been annulled during 2023.

Depreciation, amortisation and impairment losses for tangible and intangible assets

	2023	2022	2023	2022	Note
Intangible fixed assets.....	6.006	6.104	100	0	4
Goodwill.....	1.518	4.805	0	87	
Leasehold improvements.....	975	954	0	0	
Other plants, tools and equipment...	896	284	0	0	
	9.395	12.147	100	87	

NOTES

	<u>Group</u>		<u>Parent Company</u>		Note
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000	
Other financial income					5
Interest income from group enterprises.....	0	0	3.895	3.888	
Other interest income.....	491	646	0	0	
	491	646	3.895	3.888	
Other financial expenses					6
Other interest expenses.....	815	749	0	6	
	815	749	0	6	
Tax on profit/loss for the year					7
Calculated tax on taxable income of the year.....	12.158	0	899	952	
	12.158	0	899	952	

The Group has a non-recognized deferred tax asset of DKK 3.8 million. The deferred tax asset is relating primarily to tax loss carryforwards. The tax value is based on the current corporate tax rate in Denmark of 22%.

Capitalization awaits that the Group becomes profitable.

	<u>Group</u>		<u>Parent Company</u>		8
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000	
Proposed distribution of profit					
Retained earnings.....	126.111	-9.668	-27.816	3.279	
Non-controlling Interests share of profit/loss.....	-1.236	0	0	0	
	124.875	-9.668	-27.816	3.279	

NOTES

Note

Intangible assets

9

	<u>Group</u>	
	Trademark, Player rights and League tournaments rights	Goodwill
Cost at 1 January 2023.....	89.868	17.920
Additions.....	13.636	0
Disposals.....	-77.192	0
Cost at 31 December 2023.....	26.312	17.920
Amortisation at 1 January 2023.....	44.337	8.418
Reversal of amortisation of assets disposed of	-44.526	0
Amortisation for the year.....	6.006	1.518
Amortisation at 31 December 2023.....	5.817	9.936
Carrying amount at 31 December 2023.....	20.495	7.984
		<u>Parent Company</u>
		Trademark, Player rights and League tournaments rights
Cost at 1 January 2023.....		299
Cost at 31 December 2023.....		299
Amortisation at 1 January 2023.....		104
Amortisation for the year.....		100
Amortisation at 31 December 2023.....		204
Carrying amount at 31 December 2023.....		95

Management has carried out an assessment of recoverable amount, and concluded that recoverable amount exceeds the carrying value. Among other things, Management notes that the market capitalisation just prior to the Company's delisting support that it is appropriate to assume that the recoverable amount for intangible assets including goodwill exceeds their carrying values.

In October 2023 the franchise rights in the League of Legends European Championship were transferred to a newly created subsidiary AK-Game SAS at a total agreed valuation of DKK 194 million and subsequently, Karmine Corp SAS acquired 66,67 % of the shares in AK-Game SAS for DKK 129 million.

NOTES

	Note
Property, plant and equipment	10

	Group	
	Other plant, fixtures and equipment	Leasehold improvements
Cost at 1 January 2023.....	2.768	7.697
Additions.....	283	0
Disposals.....	0	-1
Cost at 31 December 2023.....	3.051	7.696
Depreciation and impairment losses at 1 January 2023.....	1.023	2.111
Depreciation for the year.....	896	975
Depreciation and impairment losses at 31 December 2023...	1.919	3.086
Carrying amount at 31 December 2023.....	1.132	4.610

Financial non-current assets	11
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	Group	
	Other investments	Rent deposit and other receivables
Cost at 1 January 2023.....	0	1.854
Additions.....	64.033	325
Cost at 31 December 2023.....	64.033	2.179
Carrying amount at 31 December 2023.....	64.033	2.179

The Group holds a 33.33% shareholding in AK-Game SAS, France. The shareholding is measured at the fair value as agreed in the sales agreement concerning the sale of the LEC Franchise Rights.

The Group has entered into a put-option agreement about the 33.335% shareholding in AK-Game SAS, where the Group can sell the shares in 2030, at a price equal to value determined in the LEC Franchise Rights sales agreement increased by an inflation factor.

The Group is not involved in the operations of AK-Game SAS. On this basis and considering the terms of the put-option agreement, the Group consider the shareholding to be a financial investment measured at fair value where fair value is based on the terms of the put-option agreement.

NOTES

Note

Fixed asset investments (continued)

11

	<u>Parent Company</u>
	Investments in subsidiaries
Cost at 1 January 2023.....	30.932
Cost at 31 December 2023.....	30.932
Revaluation and impairment losses for the year.....	-30.932
Revaluation at 31 December 2023.....	-30.932
Carrying amount at 31 December 2023.....	0

Investments in subsidiaries (DKK '000)

Name and domicil	Equity	Profit/loss for the year	Ownership
Astralis Management ApS, Danmark.....	10.804	7.096	100 %

Other receivables

12

Other receivables due in more than one year from the balance sheet date amounts to DKK 48.2 million.

	<u>Group</u>		<u>Parent Company</u>	
	2023	2022	2023	2022
	DKK '000	DKK '000	DKK '000	DKK '000
Prepayments				
Prepaid costs.....	276	0	19	198
	276	0	19	198

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Share Capital

14

	2023	2022
	DKK '000	DKK '000
Allocation of share capital:		
Shares, 57.990.893 unit in the denomination of 0,01 DKK.....	580	580
	580	580

NOTES

	Group		Parent Company		Note
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000	
Other liabilities					15
Prize money payables.....	1.207	972	0	0	
Holiday allowance commitment.....	1.078	374	60	1	
Other payables.....	2.296	4.330	0	854	
Payroll liabilities.....	5.035	5.157	183	1.239	
Payables related to league tournaments rights.....	8.575	8.963	8	0	
	18.191	19.796	251	2.094	

Deferred income **16**
 Deferred income include prepayments relating to income in subsequent years.

Contingencies etc. **17**

Contingent liabilities

The Group has fixed operating lease commitments amounting to DKK 4.1 million at 31 December 2023. In addition, lease contract utilized by Astralis Nexus also include a variable element if revenue exceeds an agreed threshold for the Astralis Nexus activity. The threshold was not exceeded in 2023.

The Company has issued comfort letters in favor of Astralis Management ApS, Astralis CS ApS and Astralis Nexus ApS subsidiaries of Astralis Management ApS. The obligations under the comfort letters will be valid in the period up to 31 December 2024.

Joint liabilities

The Danish companies of the group is jointly and severally liable for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.

Tax payable of the group's jointly taxed income amounts to DKK ('000) 2.157 at the Balance Sheet date.

NOTES**Note****Related parties****18**

The Company's related parties include:

Astralis Management ApS

Astralis CS ApS

Astralis LOL ApS

Astrali Nexus ApS

Blackbox Media ApS

Controlling interest

Nikolaj Nyholm CEO and owner of Beatnik ApS and Jakob Lund Hansen owner of JLK Holding ApS, are the principal shareholders without any of them having control.

Transactions with related parties

The Company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

Significant events after the end of the financial year**19**

Astralis FIFA ApS was merged with Astralis Management ApS on the 19 February 2024 with retroactively effect from 1 January 2023.

51% of PIXEL.TV ApS was acquired by Astralis A/S 1 January 2022. The ownership share was transferred to Astralis Management 16 August 2022. On 16. May 2023 Astralis sold 41% of the ownership share in PIXEL.TV ApS and the remaining 10% ownership was sold 13 February 2024. The financial impact from the sale of the remaining shares in Pixel.TV is insignificant.

On 9 January 2024 the now former CEO of Astralis, Anders Hørsholt, joined the Board and the founder and now former Chairman of the Board, Nikolaj Nyholm, joined as CEO. In the same connection, Claus Zibrandsen replaced Nikola Nyholm as Chairman of the Board.

ACCOUNTING POLICIES

The Annual Report of Astralis A/S for 2023 has been presented in accordance with the provisions of the Financial Statements Act for Danish medium-size enterprises in reporting class C (medium).

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

Consolidated Financial Statements

The Consolidated Financial Statements include the Parent Company Astralis A/S and the subsidiaries in which Astralis A/S directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the Group structure.

The Consolidated Financial Statements consolidate the Financial Statements of the Parent Company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, intercompany accounts and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

Newly acquired or established enterprises are recognised in the Consolidated Financial Statements from the date of acquisition. Sold or wound-up enterprises are recognised in the Consolidated Income Statement up to the date of disposal. Comparative figures are not adjusted for newly acquired, sold or wound-up enterprises.

The date of takeover is the date at which the Group gains actual control over the acquired enterprise.

Acquired enterprises are recognised in the Consolidated Financial Statements under the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation methods.

At calculation of the fair value of investment properties, a discounted cash flow model is applied based on discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, using an overall assessment of the production equipment. Deferred tax of the acquired reassessments with the exception of goodwill is recognised.

Positive differences (goodwill) between the acquisition value and fair value of acquired and identified assets and liabilities are recognised in intangible fixed assets as goodwill and amortised systematically in the Income Statement under an individual assessment of the useful life.

Negative differences are recognised in the Income Statement at the date of acquisition. The difference from acquired enterprises is DKK ('000) 0.

At acquisition of new companies, in which there are minority interests, the minority interests are recognised and measured at fair value, inclusive of goodwill on the share of the minority interests.

Equity interests in subsidiaries are set off by the proportional share of the subsidiaries' fair value of net assets and liabilities at the date of takeover.

Minority interests

The accounting items of the subsidiaries are recognised in full in the Consolidated Financial Statements. The minority interests' proportional share of the results and equity of the subsidiaries is stated as separate items in the allocation of profit/loss and equity, respectively.

INCOME STATEMENT

Net revenue

ACCOUNTING POLICIES

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

Revenue from sponsorships is recognized in the income statement over the duration of the contracts. When a sponsorship includes multiple performance obligations, the selling price of the sponsorship is allocated proportionately to the individual performance obligation of the sponsorship. Revenue is recognized concurrently with the Group meeting the individual identifiable performance obligations.

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

Revenue from digital item sales is recognized when the items are acquired by the customers online.

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

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

Other operating income

Other operating income is related to sale of player rights and sale of intangible assets.

Other external expenses

Other external expenses include selling and administrative costs, including costs of it, energy, marketing, premises, loss on bad debts, etc

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Group and the Parent Company's employees.

Income from investments in subsidiaries

Dividend from subsidiaries is recognised in the financial year in which the dividend is declared. In connection with transfers, potential profits are recognised when the economic rights related to the sold equity interests are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

Financial income and expenses

Financial income and expenses include interest income and expenses, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Intangible fixed assets

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 10 years. The period of amortisation is determined based on an assessment of the acquired Company's position in the market and earnings profile, and the industry-specific conditions.

Other intangible assets are measured at the lower of cost less accumulated amortisation and the recoverable amount. Patents are amortised over the remaining patent period and licences are amortised over the period of the agreement, however, no more than 8 years.

ACCOUNTING POLICIES

Gain or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Gain and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets

Equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	3-5 years	33,3-20 %
Leasehold improvements.....	5-8 years	20-12,5 %

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Gain or loss is recognised in the Income Statement as other operating income or other operating expenses.

Financial non-current assets

Investments in subsidiaries are measured at cost. If the cost exceeds the net realisable value, this is written down to the lower value.

Acquired enterprises are subject to the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date, which is the time for obtaining control. The purchase consideration consists of the fair value of the agreed consideration in the form of transferred assets and liabilities. If a part of the purchase consideration is contingent on future events or compliance with agreed terms, this part of the purchase consideration is recognised at fair value at the date of acquisition. Subsequent regulations of the contingent purchase consideration are recognised in the Income Statement.

Other investments are measured at fair value.

Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

ACCOUNTING POLICIES

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise and consumables is calculated at acquisition price with addition of transportation and similar costs.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

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.

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

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

Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.

CASH FLOW STATEMENT

With reference to Section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement on a stand-alone basis. A cash flow statement has been prepared for the Group.

The cash flow statement shows the Company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

ACCOUNTING POLICIES

Cash flows from operating activities:

Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:

Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:

Cash and cash equivalents include cash at bank and in hand and short-term securities, for which there is only negligible risk of changes in value, and which are readily negotiable for cash at bank and in hand.