

GamerzClass ApS

Nørrebrogade 45E, kl., 2200 København N

Company reg. no. 39 51 32 42

Annual report

1 January - 31 December 2020

The annual report was submitted and approved by the general meeting on the 23 June 2021.

Victor Emil Brun Folmann
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

Today, the board of directors and the managing director have presented the annual report of GamerzClass ApS for the financial year 1 January - 31 December 2020.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January – 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

København N, 23 June 2021

Managing Director

Victor Emil Brun Folmann

Board of directors

Daniel Nyvang Mariussen

Eric Lagier

Kathrine Stampe Andersen

Victor Emil Brun Folmann

Jesper Vesten Drescher

Independent auditor's report

To the shareholders of GamerzClass ApS

Opinion

We have audited the financial statements of GamerzClass ApS for the financial year 1 January - 31 December 2020, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and contents of the financial statements, including disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the 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 express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Glostrup, 23 June 2021

PKF Munkebo Vindelev

State Authorised Public Accountants
Company reg. no. 14 11 92 99

H. Munkebo Christiansen
State Authorised Public Accountant
mne3644

Company information

The company

GamerzClass ApS
Nørrebrogade 45E, kl.
2200 København N

Company reg. no. 39 51 32 42
Domicile: Copenhagen
Financial year: 1 January - 31 December
3rd financial year

Board of directors

Daniel Nyvang Mariussen
Eric Lagier
Kathrine Stampe Andersen
Victor Emil Brun Folmann
Jesper Vesten Drescher

Managing Director

Victor Emil Brun Folmann

Auditors

PKF Munkebo Vindelev, Statsautoriseret Revisionsaktieselskab
Hovedvejen 56
2600 Glostrup

Bankers

Arbejdernes Landsbank, Herlev Hovedgade 136, 2730 Herlev

Financial highlights

DKK in thousands.	<u>2020</u>	<u>2019</u>	<u>2018</u>
Income statement:			
Gross profit	-2.806	-1.216	-213
Profit from operating activities	-5.503	-1.833	-214
Net financials	-229	-77	0
Net profit or loss for the year	-5.778	-1.660	-214
Statement of financial position:			
Balance sheet total	4.758	2.227	71
Equity	-3.275	78	17
Employees:			
Average number of full-time employees	9	2	0

The financial highlights for 2018 comprise the period 24 April - 31 December 2018.

Management commentary

The principal activities of the company

The main activity has been to develop a digital platform where e-sports enthusiasts can learn from professional e-sports athletes.

Development in activities and financial matters

Loss from ordinary activities after tax totals DKK -5.778.000 against DKK -1.660.000 last year. Management consider the net loss for the year as expected.

The company has lost more than half of the share capital and is therefore subject to the Company Act § 119. The company expects to restore the capital through future capital increase.

Events occurring after the end of the financial year

After the balance sheet date, the company has restored the capital through capital increase.

The company has converted convertible and profit-sharing debt instruments of DKK 927.000 and made a cash capital increase for DKK 15.292.000.

No further events have occurred, subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Accounting policies

The annual report for GamerzClass ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross loss

Gross loss comprises the revenue, cost of sales and other external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external costs comprise costs incurred for sales, advertising, administration, premises and cars.

Accounting policies

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses and realised and unrealised capital gains and losses relating to securities.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Intangible assets

Development projects, patents, and licences

Software costs recognised in the statement of financial position are measured at cost less accrued amortisations and writedowns for impairment.

After completion of the software work, capitalised software costs are amortised on a straight-line basis over the estimated useful economic life. The amortisation period is usually 3 years.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Accounting policies

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank.

Equity

Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium.

The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Gross loss	-2.805.878	-1.215.983
2 Staff costs	-2.626.476	-593.675
Depreciation, amortisation, and impairment	-70.996	-23.358
Profit before net financials	-5.503.350	-1.833.016
Other financial income	60.166	0
Other financial costs	-289.118	-77.461
Pre-tax net profit or loss	-5.732.302	-1.910.477
3 Tax on net profit or loss for the year	-45.514	250.000
Net profit or loss for the year	-5.777.816	-1.660.477
Proposed appropriation of net profit:		
Allocated from retained earnings	-5.777.816	-1.660.477
Total allocations and transfers	-5.777.816	-1.660.477

Statement of financial position at 31 December

All amounts in DKK.

Assets		
Note	2020	2019
Non-current assets		
4 Software	98.072	156.789
Total intangible assets	98.072	156.789
5 Other fixtures and fittings, tools and equipment	20.561	32.840
Total property, plant, and equipment	20.561	32.840
6 Deposits	119.338	0
Total investments	119.338	0
Total non-current assets	237.971	189.629
Current assets		
Trade receivables	0	2.242
7 Deferred tax assets	0	250.000
8 Income tax receivables	204.486	0
Other receivables	266.723	122.810
Total receivables	471.209	375.052
Cash on hand and demand deposits	4.049.260	1.662.407
Total current assets	4.520.469	2.037.459
Total assets	4.758.440	2.227.088

Statement of financial position at 31 December

All amounts in DKK.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Equity and liabilities		
Equity		
Contributed capital	70.184	63.727
Share premium	0	0
Retained earnings	-3.344.858	14.328
Total equity	-3.274.674	78.055
Liabilities other than provisions		
Convertible and profit sharing debt instruments	908.640	0
Other payables	6.461.333	1.683.697
9 Total long term liabilities other than provisions	7.369.973	1.683.697
Trade payables	255.203	391.466
Other payables	407.938	73.870
Total short term liabilities other than provisions	663.141	465.336
Total liabilities other than provisions	8.033.114	2.149.033
Total equity and liabilities	4.758.440	2.227.088

1 Special items

10 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Share premium	Retained earnings	Total
Equity 1 January 2019	50.000	1.104.687	-32.882	1.121.805
Cash capital increase	13.727	1.104.687	0	1.118.414
Profit or loss for the year brought forward	0	0	-1.660.477	-1.660.477
Transferred to retained earnings	0	-2.209.374	1.104.687	-1.104.687
Profit on sale of shares	0	0	603.000	603.000
Equity 1 January 2020	63.727	0	14.328	78.055
Cash capital increase	6.457	2.418.630	0	2.425.087
Profit or loss for the year brought forward	0	0	-5.777.816	-5.777.816
Transferred to retained earnings	0	-2.418.630	2.418.630	0
	70.184	0	-3.344.858	-3.274.674

Notes

All amounts in DKK.

1. Special items

Special items include compensation received in connection with the COVID-19 shutdown.

Special items for the year are specified below, indicating where they are recognised in the income statement.

	<u>2020</u>	<u>2019</u>
Income:		
Salary compensation, COVID-19	508.053	0
	<u>508.053</u>	<u>0</u>
Special items are recognised in the following items in the financial statements:		
Gross loss	508.053	0
Profit of special items, net	<u>508.053</u>	<u>0</u>

2. Staff costs

Salaries and wages	2.564.343	586.196
Other costs for social security	62.133	7.479
	<u>2.626.476</u>	<u>593.675</u>
Average number of employees	<u>9</u>	<u>2</u>

3. Tax on net profit or loss for the year

Tax of the results for the year, parent company	-204.486	0
Adjustment for the year of deferred tax	250.000	-250.000
	<u>45.514</u>	<u>-250.000</u>

Notes

All amounts in DKK.

	<u>31/12 2020</u>	<u>31/12 2019</u>
4. Software		
Cost 1 January 2020	176.150	0
Additions during the year	<u>0</u>	<u>176.150</u>
Cost 31 December 2020	<u>176.150</u>	<u>176.150</u>
Amortisation 1 January 2020	-19.361	0
Amortisation for the year	<u>-58.717</u>	<u>-19.361</u>
Amortisation 31 December 2020	<u>-78.078</u>	<u>-19.361</u>
Carrying amount, 31 December 2020	<u>98.072</u>	<u>156.789</u>
5. Other fixtures and fittings, tools and equipment		
Cost 1 January 2020	36.837	0
Additions during the year	<u>0</u>	<u>36.837</u>
Cost 31 December 2020	<u>36.837</u>	<u>36.837</u>
Depreciation 1 January 2020	-3.997	0
Depreciation for the year	<u>-12.279</u>	<u>-3.997</u>
Depreciation 31 December 2020	<u>-16.276</u>	<u>-3.997</u>
Carrying amount, 31 December 2020	<u>20.561</u>	<u>32.840</u>
6. Deposits		
Additions during the year	<u>119.338</u>	<u>0</u>
Cost 31 December 2020	<u>119.338</u>	<u>0</u>
Carrying amount, 31 December 2020	<u>119.338</u>	<u>0</u>

Notes

All amounts in DKK.

	<u>31/12 2020</u>	<u>31/12 2019</u>
7. Deferred tax assets		
Deferred tax assets 1 January 2020	250.000	0
Deferred tax of the results for the year	<u>-250.000</u>	<u>250.000</u>
	<u>0</u>	<u>250.000</u>

The following items are subject to deferred tax:

Losses carried forward from previous years	<u>0</u>	<u>250.000</u>
	<u>0</u>	<u>250.000</u>

8. Income tax receivables

Calculated corporate tax for the present year	<u>204.486</u>	<u>0</u>
	<u>204.486</u>	<u>0</u>

9. Liabilities other than provision

	<u>Total payables 31 Dec 2020</u>	<u>Current portion of long term payables</u>	<u>Long term payables 31 Dec 2020</u>	<u>Outstanding payables after 5 years</u>
Convertible and profit sharing debt instruments	908.640	0	908.640	0
Other payables	<u>6.461.333</u>	<u>0</u>	<u>6.461.333</u>	<u>1.358.967</u>
	<u>7.369.973</u>	<u>0</u>	<u>7.369.973</u>	<u>1.358.967</u>

10. Contingencies

Contingent assets

A deferred tax asset of t.DKK 1.545 has not been recognized due to uncertainty regarding future usage.