

GamerzClass ApS
Nørrebrogade 45E, kl., 2200 København N
Company reg. no. 39 51 32 42
Annual report
2022

The annual report was submitted and approved by the general meeting on the 11 May 2023.

Victor Emil Brun Folmann
Chairman of the meeting

Contents

	<u>Page</u>
Reports	
Management's statement	1
Independent auditor's report	2
Management's review	
Company information	5
Financial highlights	6
Management's review	7
Financial statements 1 January - 31 December 2022	
Accounting policies	8
Income statement	12
Balance sheet	13
Statement of changes in equity	15
Notes	16

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 statement

Today, the Executive Board has approved the annual report of GamerzClass ApS for the financial year 2022.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

København N, 11 May 2023

Executive board

Victor Emil Brun Folmann

Josh Fabian

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 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

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

Glostrup, 11 May 2023

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 Established: 24 April 2018 Domicile: Copenhagen Financial year: 1 January - 31 December 5th financial year
Executive board	Victor Emil Brun Folmann Josh Fabian
Auditors	PKF Munkebo Vindelev, Statsautoriseret Revisionsaktieselskab Hovedvejen 56 2600 Glostrup
Bankers	Arbejdernes Landsbank, Herlev Hovedgade 136, 2730 Herlev
Parent company	Metafy Inc., USA

Financial highlights

DKK in thousands.	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Income statement:					
Gross profit	6.649	-4.875	-2.806	-1.216	-213
Profit from operating activities	-4.091	-10.588	-5.503	-1.833	-214
Net financials	-2.481	-444	-229	-77	0
Net profit or loss for the year	-6.330	-10.342	-5.778	-1.660	-214
Statement of financial position:					
Balance sheet total	2.809	10.738	4.758	2.227	71
Equity	-3.741	2.589	-3.275	78	17
Employees:					
Average number of full-time employees	15	16	9	2	0

Management's review

Description of key activities of the company

Like previous years, the activities are to develop a digital platform where e-sports enthusiasts can learn from professional e-sports athletes.

Development in activities and financial matters

The income or loss from ordinary activities after tax totals DKK -6.330.000 against DKK -10.342.000 last year. Management considers the loss for the year satisfactory and as expected.

The company's equity amounts to less than half of the subscribed capital. In accordance with section 119 of the Danish Companies Act, it was unanimously decided to restore the equity by future earnings.

Events occurring after the end of the financial year

Subsequent to the balance sheet date, No further events have occurred, 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, write-downs 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 profit

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

The enterprise will be applying 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. Revenue is measured at the fair value of the consideration promised 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 operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Accounting policies

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

Staff costs

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

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation, amortisation, and write-down for the year and profit and loss on the disposal of intangible and tangible assets.

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.

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement under amortisation and write-down for impairment.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset.

Accounting policies

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

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 a cost under 31.000 DKK pr. unit are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement under depreciation.

Investments

Deposits

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

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank.

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.

Accounting policies

Liabilities other than provisions

Liabilities 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>2022</u>	<u>2021</u>
Gross profit	6.649.042	-4.874.661
2 Staff costs	-10.996.444	-5.642.483
Depreciation, amortisation, and impairment	256.570	-70.996
Profit before net financials	-4.090.832	-10.588.140
Other financial income	119.096	826
Other financial expenses	-2.600.486	-444.554
Pre-tax net profit or loss	-6.572.222	-11.031.868
3 Tax on net profit or loss for the year	242.372	690.175
Net profit or loss for the year	-6.329.850	-10.341.693
Proposed distribution of net profit:		
Allocated from retained earnings	-6.329.850	-10.341.693
Total allocations and transfers	-6.329.850	-10.341.693

Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Assets		
Non-current assets		
4 Software	0	39.355
Total intangible assets	0	39.355
5 Other fixtures, fittings, tools and equipment	94.404	8.282
Total property, plant, and equipment	94.404	8.282
6 Deposits	126.508	122.870
Total investments	126.508	122.870
Total non-current assets	220.912	170.507
Current assets		
7 Income tax receivables	242.372	690.175
Other receivables	120.116	258.387
Prepayments	213.724	420.365
Total receivables	576.212	1.368.927
Cash and cash equivalents	2.012.174	9.198.268
Total current assets	2.588.386	10.567.195
Total assets	2.809.298	10.737.702

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2022</u>	<u>2021</u>
Equity		
Contributed capital	97.135	97.135
Retained earnings	-3.837.801	2.492.049
Total equity	-3.740.666	2.589.184
Liabilities other than provisions		
8 Other payables	121.175	6.749.280
Total long term liabilities other than provisions	121.175	6.749.280
Trade payables	347.602	595.003
Payables to group enterprises	5.385.025	0
Other payables	696.162	804.235
Total short term liabilities other than provisions	6.428.789	1.399.238
Total liabilities other than provisions	6.549.964	8.148.518
Total equity and liabilities	2.809.298	10.737.702
1 Special items		
9 Contingencies		

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Share premium	Retained earnings	Total
Equity 1 January 2021	70.184	0	-3.344.858	-3.274.674
Cash capital increase	26.951	16.178.600	0	16.205.551
Profit or loss for the year brought forward	0	0	-10.341.693	-10.341.693
Transferred to retained earnings	0	-16.178.600	16.178.600	0
Equity 1 January 2022	97.135	0	2.492.049	2.589.184
Profit or loss for the year brought forward	0	0	-6.329.850	-6.329.850
	97.135	0	-3.837.801	-3.740.666

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>2022</u>	<u>2021</u>
Income:		
Salary compensation	<u>0</u>	<u>219.787</u>
	<u>0</u>	<u>219.787</u>
Special items are recognised in the following items in the financial statements:		
Gross loss	<u>0</u>	<u>219.787</u>
Profit of special items, net	<u>0</u>	<u>219.787</u>

2. Staff costs

Salaries and wages	10.798.120	5.449.914
Pension costs	84.437	66.324
Other costs for social security	<u>113.887</u>	<u>126.245</u>
	<u>10.996.444</u>	<u>5.642.483</u>
Average number of employees	<u>15</u>	<u>16</u>

3. Tax on net profit or loss for the year

Other taxes	<u>-242.372</u>	<u>-690.175</u>
	<u>-242.372</u>	<u>-690.175</u>

Notes

All amounts in DKK.

	<u>31/12 2022</u>	<u>31/12 2021</u>
4. Software		
Cost 1 January 2022	176.150	176.150
Disposals during the year	<u>-176.150</u>	<u>0</u>
Cost 31 December 2022	<u>0</u>	<u>176.150</u>
Amortisation and write-down 1 January 2022	-136.795	-78.078
Amortisation for the year	-16.906	-58.717
Reversal of depreciation, amortisation and writedown, assets disposed of	<u>153.701</u>	<u>0</u>
Amortisation and write-down 31 December 2022	<u>0</u>	<u>-136.795</u>
Carrying amount, 31 December 2022	<u>0</u>	<u>39.355</u>
5. Other fixtures, fittings, tools and equipment		
Cost 1 January 2022	36.837	36.837
Additions during the year	<u>121.377</u>	<u>0</u>
Cost 31 December 2022	<u>158.214</u>	<u>36.837</u>
Depreciation and write-down 1 January 2022	-28.555	-16.276
Depreciation for the year	-35.255	-12.279
Depreciation and write-down 31 December 2022	<u>-63.810</u>	<u>-28.555</u>
Carrying amount, 31 December 2022	<u>94.404</u>	<u>8.282</u>
6. Deposits		
Cost 1 January 2022	122.870	119.338
Additions during the year	<u>3.638</u>	<u>3.532</u>
Cost 31 December 2022	<u>126.508</u>	<u>122.870</u>
Carrying amount, 31 December 2022	<u>126.508</u>	<u>122.870</u>

Notes

All amounts in DKK.

	<u>31/12 2022</u>	<u>31/12 2021</u>
7. Income tax receivables		
Income tax receivables 1 January 2022	690.175	204.486
Received corporate tax concerning last year	-690.175	-204.486
Calculated corporate tax for the present year	<u>242.372</u>	<u>690.175</u>
	<u>242.372</u>	<u>690.175</u>

8. Long term liabilities other than provisions

	Total payables 31 Dec 2022	Current portion of long term payables	Long term payables 31 Dec 2022	Outstanding payables after 5 years
Other payables	<u>121.175</u>	<u>0</u>	<u>121.175</u>	<u>0</u>
	<u>121.175</u>	<u>0</u>	<u>121.175</u>	<u>0</u>

9. Contingencies

Contingent assets

A deferred tax asset of t.DKK 4.734 has not been recognized due to uncertainty regarding future usage.