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GamerzClass ApS

Hammerensgade 1, 1267 København K

Company reg. no. 39 51 32 42

Annual report

2023

The annual report was submitted and approved by the general meeting on the 13 June 2024.

Josh Fabian
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 statement

Today, the Managing Director has approved the annual report of GamerzClass ApS for the financial year 2023.

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

I consider the chosen accounting policy to be appropriate, and in my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

Further, in my 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 K, 13 June 2024

Managing Director

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 2023, 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 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (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, 13 June 2024

PKF Munkebo Eriksen Funch

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
Hammerensgade 1
1267 København K

Company reg. no. 39 51 32 42
Established: 24 April 2018
Domicile: Copenhagen
Financial year: 1 January - 31 December
6th financial year

Managing Director

Josh Fabian

Auditors

PKF Munkebo Eriksen Funch, 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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Income statement:					
Gross profit	10.308	6.649	-4.875	-2.806	-1.216
Profit from operating activities	802	-4.091	-10.588	-5.503	-1.833
Net financials	201	-2.481	-444	-229	-77
Net profit or loss for the year	1.003	-6.330	-10.342	-5.778	-1.660
Statement of financial position:					
Balance sheet total	7.164	2.809	10.738	4.758	2.227
Equity	6.092	-3.741	2.589	-3.275	78
Employees:					
Average number of full-time employees	10	15	16	9	2

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 1.003.000 against DKK -6.330.000 last year. Management considers the net profit for the year satisfactory.

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, other operating income, and other external costs.

The enterprise will be applying 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, 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

Plant, and equipment

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.

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 32.000 DKK pr. unit are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of plant, 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.

Accounting policies

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. Any deferred net tax assets are measured at net realisable value.

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>2023</u>	<u>2022</u>
Gross profit	10.308.249	6.649.042
2 Staff costs	-9.465.782	-10.996.444
Depreciation, amortisation and impairment	-40.464	256.570
Profit before net financials	802.003	-4.090.832
Other financial income	299.230	119.096
Other financial expenses	-98.386	-2.600.486
Pre-tax net profit or loss	1.002.847	-6.572.222
3 Tax on net profit or loss for the year	0	242.372
Net profit or loss for the year	1.002.847	-6.329.850
Proposed distribution of net profit:		
Transferred to retained earnings	1.002.847	0
Allocated from retained earnings	0	-6.329.850
Total allocations and transfers	1.002.847	-6.329.850

Balance sheet at 31 December

All amounts in DKK.

Assets		<u>2023</u>	<u>2022</u>
<u>Note</u>			
Non-current assets			
4	Other fixtures, fittings, tools and equipment	53.940	94.404
	Total property, plant, and equipment	<u>53.940</u>	<u>94.404</u>
5	Deposits	143.185	126.508
	Total investments	<u>143.185</u>	<u>126.508</u>
	Total non-current assets	<u>197.125</u>	<u>220.912</u>
Current assets			
	Receivables from group enterprises	6.241.655	0
6	Income tax receivables	0	242.372
	Other receivables	105.769	120.116
	Prepayments	49.048	213.724
	Total receivables	<u>6.396.472</u>	<u>576.212</u>
	Cash and cash equivalents	<u>570.078</u>	<u>2.012.174</u>
	Total current assets	<u>6.966.550</u>	<u>2.588.386</u>
	Total assets	<u>7.163.675</u>	<u>2.809.298</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		<u>2023</u>	<u>2022</u>
<u>Note</u>			
Equity			
Contributed capital		97.135	97.135
Retained earnings		5.994.705	-3.837.801
Total equity		<u>6.091.840</u>	<u>-3.740.666</u>
Liabilities other than provisions			
7 Other payables		126.853	121.175
7 Total long term liabilities		<u>126.853</u>	<u>121.175</u>
Trade payables		271.279	347.602
Payables to group enterprises		0	5.385.025
Other payables		673.703	696.162
Total short term liabilities		<u>944.982</u>	<u>6.428.789</u>
Total liabilities		<u>1.071.835</u>	<u>6.549.964</u>
Total equity and liabilities		<u>7.163.675</u>	<u>2.809.298</u>
1 Special items			
8 Contingencies			

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
	<hr/>	<hr/>	<hr/>
Equity 1 January 2022	97.135	2.492.049	2.589.184
Profit or loss for the year brought forward	0	-6.329.850	-6.329.850
Equity 1 January 2022	<hr/> 97.135	<hr/> -3.837.801	<hr/> -3.740.666
Profit or loss for the year brought forward	0	1.002.847	1.002.847
Grants from mother company	0	8.829.659	8.829.659
	<hr/> 97.135	<hr/> 5.994.705	<hr/> 6.091.840

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>2023</u>	<u>2022</u>
Expenses:		
Salary compensation	161.369	0
	<u>161.369</u>	<u>0</u>
Special items are recognised in the following items in the financial statements:		
Gross profit	-161.369	0
Profit of special items, net	<u>-161.369</u>	<u>0</u>

2. Staff costs

Salaries and wages	9.153.421	10.798.120
Pension costs	209.651	84.437
Other costs for social security	102.710	113.887
	<u>9.465.782</u>	<u>10.996.444</u>
Average number of employees	<u>10</u>	<u>15</u>

3. Tax on net profit or loss for the year

Other taxes	0	-242.372
	<u>0</u>	<u>-242.372</u>

Notes

All amounts in DKK.

	<u>31/12 2023</u>	<u>31/12 2022</u>		
4. Other fixtures, fittings, tools and equipment				
Cost 1 January 2023	158.214	36.837		
Additions during the year	<u>0</u>	<u>121.377</u>		
Cost 31 December 2023	<u>158.214</u>	<u>158.214</u>		
Depreciation and write-down 1 January 2023	-63.810	-28.555		
Depreciation for the year	<u>-40.464</u>	<u>-35.255</u>		
Depreciation and write-down 31 December 2023	<u>-104.274</u>	<u>-63.810</u>		
Carrying amount, 31 December 2023	<u>53.940</u>	<u>94.404</u>		
5. Deposits				
Cost 1 January 2023	126.508	122.870		
Additions during the year	<u>16.677</u>	<u>3.638</u>		
Cost 31 December 2023	<u>143.185</u>	<u>126.508</u>		
Carrying amount, 31 December 2023	<u>143.185</u>	<u>126.508</u>		
6. Income tax receivables				
Income tax receivables 1 January 2023	242.372	690.175		
Paid corporate tax concerning last year	-242.372	-690.175		
Calculated corporate tax for the present year	<u>0</u>	<u>242.372</u>		
	<u>0</u>	<u>242.372</u>		
7. Long term liabilities				
	Total payables	Current portion of long term payables	Long term payables	Outstanding payables
	31 Dec 2023	payables	31 Dec 2023	after
Other payables	<u>126.853</u>	<u>0</u>	<u>126.853</u>	<u>5 years</u>
	<u>126.853</u>	<u>0</u>	<u>126.853</u>	<u>0</u>

Notes

All amounts in DKK.

8. Contingencies

Contingent assets

A deferred tax asset of t.DKK 4.495 has not been recognized due to uncertainty regarding future usage.

Contingent liabilities

Rent liabilities

The company has entered into a rent contract with an average annual rent of t.DKK 7. The rent contract has a 2 month notice and the total rent obligation is t.DKK 1.