

N.B. This version of the annual report is a translation of parts of the German original version, and, in case of discrepancies, the German original shall prevail.

In Shape Esslingen GmbH – Summary of the Annual Report FY20

1 Financial position

The presentation of the Company's financial position derived from the balance sheet as of 31 December 2020 and compared to the previous balance sheet date is as follows:

	Balance sheet as of 31.12.2020 KEUR	%	Balance sheet as of 31.12.2019 KEUR	%	Change previous year KEUR	Vs. this year %
Assets						
Intangible fixed assets	12.2	1.0	14.5	1.5	-2.3	-15.9
Tangible fixed assets	467.8	37.4	563.2	59.5	-95.4	-16.9
Inventories	3.3	0.3	4.2	0.4	-0.9	-21.4
Receivables	2.3	0.2	3.1	0.3	-0.8	-25.8
Other assets	726.6	58.1	343.1	36.2	383.5	111.8
Cash and cash equivalents / securities	37.8	3.0	17.5	1.8	20.3	116.0
Prepaid expenses	0.9	0.1	1.0	0.1	-0.1	-10.0
Sum of assets	1,250.9	100.0	946.5	100.0	304.4	32.2
Difference due to rounding	0.0		-0.1			
	Balance sheet as of 31.12.2020 TEUR	%	Balance sheet as of 31.12.2019 TEUR	%	Change previous year TEUR	Vs this year %
Liabilities						
Equity	474.7	37.9	396.3	41.9	78.4	19.8
Accruals	99.3	7.9	24.2	2.6	75.1	310.3
Credit liabilities	299.1	23.9	428.7	45.3	-129.6	-30.2
Trade payables	320.8	25.6	27.5	2.9	293.3	1,066.5
Other liabilities	56.9	4.5	69.3	7.3	-12.4	-17.9
prepaid expenses	0.0	0.0	0.4	0.0	-0.4	-100.0
Sum of liabilities	1,250.9	100.0	946.5	100.0	304.4	32.2
Difference due to rounding	0.1		0.1			

2 Cash flow statement

In the following, the source of funds and use of funds in respect of the reporting year 2020 are presented by means of a cash flow statement, whereby the three segments of the cash flow statement are to be considered as a unit.

The development of liquidity and financial strength shows how cash and cash equivalents (cash on hand, cheques and bank balances) have changed in the reporting period as a result of cash inflows and outflows. A distinction is made between cash flows from operating, investing and financing activities.

The cash flow statement is broken down into cash flows from operating activities, investing activities and financing activities, whereby the sum of the cash flow from these three areas of activity corresponds to the change in cash and cash equivalents in the reporting period, insofar as these are not based on exchange rate or other value related changes.

		Business year EUR	Previous year EUR
Results of the period		78,403.12	59,393.25
+ Depreciation and amortisation of fixed assets		99,355.47	102,393.95
+ Increase in accruals		42,404.00	724.00
- Increase in inventories		-848.05	730.07
- Increase in trade receivables		-1,409.37	-910.31
+ Decrease in other assets not attributable to investing or financing activities		-306,149.05	106,094.44
+ Increase in trade payables		293,342.70	-8,082.18
+ Increase in other liabilities not attributable to investing or financing activities		13,194.81	3,005.77
+ Losses from the disposal of fixed assets		0.00	2,761.00
+ Interest expenses		5,152.30	7,280.66

- Income tax income		602.00	300.00
+ Income tax expenses		33,242.24	25,211.07
Income tax expense/income	-32,640.24		-24,911.07
Corrections for non-cash operations	-71,226.60		-52,780.52
+/- Income tax payments		-103,866.84	-77,691.59
Cash flow from operating activities		156,734.17	8,421.25
- Payments for investments in intangible fixed assets		0.00	0.00
- Payments for investments in tangible fixed assets		1,733.47	18,733.95
Cash flow from investing activities		-1,733.47	-18,733.95
Payment from the redemption of bonds and (financial) loans		129,591.00	168,612.00
- Interest paid		5,152.30	7,280.66
Cash flow from financing activities		-134,743.30	-175,892.66
Changes in cash and cash equivalents (total cash flow)		20,257.40	-186,205.36
+ Cash and cash equivalents at the beginning of the period		17,504.25	203,709.61
Cash and cash equivalents at the end of the period		37,761.65	17,504.25

3 Balance sheet as of 31 December 2020 in In Shape Esslingen GmbH Fitness Studio, 73084 Salach

ASSETS				LIABILITY			
	EUR	Business year EUR	Previous year EUR		EUR	Business year EUR	Previous year EUR
A. Fixed assets				A. Equity			
I. Intangible assets				I. Subscribed capital		25,000.00	25,000.00
1. paid concessions, commercial Intellectual property rights and similar rights and values as well as licenses to such rights and values	1.00		1.00	II. Profit carried forward		371,326.53	311,933.28
2. Goodwill	12,199.00	12,200.00	14,451.00	III. Net loss for the year		78,403.12	59,393.25
II. property, plant and equipment		467,807.00	563,177.00				
Total fixed assets		480,007.00	577,629.00				
B. Current assets							
I. Inventories				Total equity		474,729.65	396,326.53
1. finished products and goods		3,332.69	4,180.74	B. Provisions			
II. Receivables and other assets				1. Tax provisions	33,242.49		0.00
1. Receivables from deliveries and services	2,309.97		3,097.11	2. Provisions for deferred taxes	15,598.00		16,200.00
2. Other assets	726,553.33		343,080.59	3. Other provisions	50,444.00,	99,284.49	8,040.00
- in relation to shareholders EUR 370,459.34				C. Liabilities			
(EUR 0.00)				1. Liabilities to credit institutions	299,124.00		428,715.00
- with a remaining term of more than one year				- with a remaining term of up to one year			
EUR 100,028.06 (EUR 113,366.40)		728,863.30		EUR 79,237.00 (EUR 168,612.00)			
III. Cash on hand, bank balances, credit institution balances and cheques		37,761.65	17,504.25	- with a remaining term of more than one year			
Total current assets		769,957.64	367,862.69	EUR 219,887.00 (EUR 260,103.00)	320,822.77		27,473.78
				2. liabilities from goods and services			
				- with a remaining term of up to one year			
				EUR 320,822.77 (EUR 27,473.78)			
				3. other liabilities	56,899.73		69,342.71
				- from taxes EUR 243.29 (EUR 30,097.95)			
				- in the context of social security EUR 2,853.86			
				(EUR 5,243.05)			
				- with a remaining term of up to one year		676,846.50	
				EUR 56,899.73 (EUR 69,342.71)			
C. Prepaid expenses		896.00	1,026.50	D. Prepaid expenses		0.00	420.17
		1,250,860.64	946,518.19			1,250,860.64	946,518.19

2 Income statement from 1 January 2020 to 31 December 2020 in In Shape Esslingen GmbH Fitness Studio

	Business year EUR	Previous year EUR
1. Gross profits	938,535.82	1,554,077.66
2. Total revenue	938,535.82	1,554,077.66
3. Other operating income		
a) Miscellaneous other operating income	199,211.58	5,703.16
4. Cost of materials		
a) Cost of raw materials, consumables and supplies and of purchased goods	16,813.55	27,971.61
b) Expenses for purchased services	32,012.63	102,706.12
	48,826.18	130,677.73
5. Employee expenses		
a) Salaries	205,573.51	490,693.00
b) Social security expenses and expenses for pensions and other benefits	63,110.87	95,154.00
	268,684.38	585,847.00
6. Depreciations		
a) On intangible fixed assets and tangible fixed assets	99,355.47	102,393.95
7. Other operating expenses		
a) Room costs	246,158.57	342,103.47
b) Insurances, contributions and levies	6,239.07	7,638.81

c) Repairs and maintenance	7,033.66	23,003.59
d) Vehicle costs	0.00	915.54
e) Advertising and travel expenses	43,674.08	87,749.58
f) Costs of the delivery of goods	105.00	2,403.80
g) Miscellaneous operating expenses	283,919.82	172,061.78
h) Losses from the disposal of fixed assets	0.00	2,761.00
i) Losses from impairment of current assets and allocation to the valuation allowance to receivables	20.00	0.00
j) Miscellaneous other operating Expenses	<u>21,763.24</u>	<u>13,711.39</u>
	608,913.44	652,348.96
8. Other interest related incomes and similar incomes	4,236.23	3,074.35
9. Interest related expenses and similar expenses	5,160.80	7,283.21
10. Taxes on income and earnings	32,640.24	24,911.07
- relating to deferred taxes EUR 602.00(EUR 300.00)		
11. Result after taxes	78,403.12	59,393.25
12. Net profit for the year	78,403.12	59,393.25

3 Notes to the items of the balance sheet and the income statement as well as statement of accounting principles

ASSETS

A. Fixed assets

	31.12.2020 EUR	31.12.2019 EUR
I. Intangible assets	12,200.00	14,452.00

	31.12.2020 EUR	31.12.2019 EUR
IT software, acquired against payment	1.00	1.00
Goodwill	12,199.00	14,451,00
	12,200.00	14,452.00
	31.12.2020 EUR	31.12.2019 EUR
II. Property, plant and equipment	467,807.00	563,177,00
	31.12.2020 EUR	31.12.2019 EUR
Business equipment	203,369.00	261,770.00
Office equipment	4,758.00	5,707.00
Installations on third-party properties	256,871.00	285,346.00
Assets (collective item)	0.00	7,070.00
Other operating and business equipment	2,809.00	3,284.00
	467,807.00	563,177.00
Total fixed assets	480,007.00	577,629.00
B. Current assets	31.12.2020 EUR	31.12.2019 EUR
I. Inventories	3,332.69	4,180.74

	31.12.2020 EUR	31.12.2019 EUR
Stock goods	3,332.69	4,180.74

	31.12.2020 EUR	31.12.2019 EUR
II. Receivables and other assets	728,863.30	343,080.59
1. Receivables from deliveries and services	2,309.97	3,097.11
General allowance for doubtful debts 1Y	-20.00	0.00
Receivables from L+L	2,329.97	3,097.11
	2,309.97	3,097.11
	31.12.2020 EUR	31.12.2019 EUR
2. Other assets	726,553.33	343,080.59
- against shareholders EUR 370,459.34 (EUR 0.00)		
- with a residual term of more than one year EUR 100,028.06 (EUR 113,336.40)		

	31.12.2020	31.12.2019
	EUR	EUR
Other assets (b.1 J)	2,715.08	646.37
Claims against health insurance from AAG	0.00	396.27
Receivable from trade tax overpayment	60,514.00	24,230.00
Claim against the Federal Agency	6,566.21	0.00
Advance tax deductible in subsequent period/year	141.10	936.37
Corporation tax refund claim	75,818.80	31,150.12
Loan In Shape GmbH	80,006.24	78,437.50
Loan In Shape Holding GmbH	197,901.40	57,411.19
Loan In Shape Bad Boll GmbH	10,024.06	17,089.17
Loan In Shape Sports Club Ltd	20,274.15	20,073.42
Loan In Shape Göppingen GmbH	100,028.06	113,366.40
Transitory items	0.00	512.89
Liabilities from supplies+services	6.29	0.00
Invoicing In Shape Holding GmbH	172,557.94	0.00
Other offsetting	0.00	1,830.89
	726,553.33	343,080.59
	31.12.2020	31.12.2019
	EUR	EUR
III. Cash in hand, bank balances, balances with credit institutions and cheques	37,761.65	17,504.25

Checkout	2,237.07	1,503.12
KSK # 49036303	35,524.58	16,001.13
	37,761.65	17,504.25
Total current assets	769,957.64	367,862.69
	31.12.2020	31.12.2019
	EUR	EUR
C. Prepaid expenses	896.00	1,026.50
	31.12.2020	31.12.2019
	EUR	EUR
Prepaid expenses	896.00	1,026.50
	31.12.2020	31.12.2019
	EUR	EUR
Total assets	1,250,860.64	946,518.19

Liabilities

13

A. Equity

	31.12.2020 EUR	31.12.2019 EUR
I. Subscribed capital	25,000.00	25,000.00
	31.12.2020 EUR	31.12.2019 EUR
Subscribed capital	25,000.00	25,000.00
	31.12.2020 EUR	31.12.2019 EUR
II. Profit carried forward	371,326.53	311,933.28
	31.12.2020 EUR	31.12.2019 EUR
Profit carried forward before appropriation	371,326.53	311,933.28
	31.12.2020 EUR	31.12.2019 EUR

III. Net profit for the year	78,403.12	59,393.25
	31.12.2020	31.12.2019
	EUR	EUR
Net loss for the year	78,403.12	59,393.25
	31.12.2020	31.12.2019
	EUR	EUR
Total equity	474,729.65	396,326.53
	31.12.2020	31.12.2019
	EUR	EUR
B. Accruals	99,284.49	24,240.00
	31.12.2020	31.12.2019
	EUR	EUR
1. tax provisions	33,242.49	0.00
Trade tax accruals § 4 (5b) EStG	15,394.00	0.00
Corporation tax accruals	17,848.49	0.00
	33,242.49	0.00
2. provisions for deferred taxes	15,598.00	16,200.00
Accruals for deferred taxes	15,598.00	16,200.00
3. Other provisions	50,444.00	8,040.00
Provisions for retention obligation	2,640.00	2,640.00

Other provisions	42,704.00	600.00
Accruals for financial statements and audit	5,100.00	4,800.00
	99,284.49	
Total accruals		24,240.00
	31.12.2020	31.12.2019
	EUR	EUR
C. Liabilities		
1. Liabilities to credit institutions	299,124.00	428,715.00
- with a remaining term of up to one year		
EUR 79,237.00 (EUR 168,612.00)		
- with a residual term of more than one year		
- EUR 219,887.00 (EUR 260,103.00)		
2. Liabilities from deliveries and services	320,822.77	27,473.78
- with a remaining term of up to one year		
- EUR 320,822.77 (EUR 27,473.78)		
3. Other liabilities	56,899.73	69,342.71
- from taxes EUR 243.29 (EUR 30,097.95)		
- within the framework of social security		
- EUR 2,853.86 (EUR 5,243.05)		
- with a remaining term of up to one year		
- EUR 56,899.73 (EUR 69,342.71)		
-		
	31.12.2020	31.12.2019
	EUR	EUR
D. Prepaid expenses	0.00	420.17
Total liabilities	1,250,860.64	946,518.19

Income statement

	2020 EUR	2019 EUR
1. Gross result	938,535.82	1,554,077.66
	2020 EUR	2019 EUR
2. Total output	938,535.82	1,554,077.666
	2020 EUR	2019 EUR
3. Other operating income		
	2020 EUR	2019 EUR
a) Miscellaneous other operating income	<u>199,211.58</u>	<u>5,703.16</u>
4. Cost of materials		
	2020 EUR	2019 EUR
a) Cost of raw materials, supplies and purchased goods	16,813.55	27,971.61
b) Expenses for purchased services	32,012.63	102,706.12
	2020 EUR	2019 EUR

5. Personnel expenses.

	2020 EUR	2019 EUR
a) Wages and salaries	205,575.51	490,693.00
b) Social security contributions and expenses for pensions and support	63,110.87	95,154.00

6. Depreciation

	2020 EUR	2019 EUR
a) on intangible fixed assets and property, plant and equipment	99,355.47	102,393.95

7. other operating expenses

	2020 EUR	2019 EUR
a) Room costs	246,158.57	342,103.47
b) Insurances, contributions and levies	6,239.07	7,638.81
c) Repairs and maintenance	7,033.66	23,003.59
d) Vehicle costs	0.00	915.54
e) Advertising and travel expenses	43,674.08	87,749.58
f) Costs of the delivery of goods	105.00	2,403.80
g) Miscellaneous operating expenses	283,919.82	172,061.78
h) Losses from the disposal of fixed assets	0.00	2,761.00
i) Losses from impairment of current assets and allocation to in the value adjustment to receivables	20.00	0.00
j) Miscellaneous other operating expenses	21,763.24	13,711.39

8. Other interest and similar income

	4,236.23	3,074.35
	2020 EUR	2019 EUR

9. Interest and similar expenses	5,160.80	7,283.21
	EUR 2020	EUR 2019
10. Taxes on income and earnings	32,640.24	24,911.07
11. Result after taxes	78,403.12	59,393.25
	2020 EUR	2019 EUR
12. Net profit for the year	78,403.12	59,393.25

4 Accounting principles

Information on accounting and valuation methods

Accounting and valuation principles

Acquired intangible fixed assets were valued at acquisition cost and, insofar as they were subject to wear and tear, were depreciated as if they were subject to wear and tear.

Tangible fixed assets were valued at acquisition or production cost and, if subject to wear and tear, reduced by scheduled depreciation.

Scheduled depreciations were made on a straight-line basis according to the expected service life of the assets.

Inventories were valued at acquisition or production cost. If the current values on the balance sheet date were lower, these were recognised.

Receivables and securities were valued taking into account all identifiable risks.

The other accruals were created for all other uncertain liabilities. All identifiable risks were taken into account.

Liabilities were recognised at the settlement amount.

Accounting and valuation methods differing from the previous year

For the annual financial statements, the previously applied accounting and valuation methods were generally adopted.

There was no fundamental change in accounting and valuation methods compared to the previous year.

Balance sheet disclosures

Amortisation of goodwill

The acquired goodwill was capitalised. The useful life of the goodwill is set at 10 years.

Information on receivables with a residual term of more than one year

The amount of receivables with a remaining term of more than one year is EUR 100,028.06 (previous year: EUR 113,366.40).

Information on receivables from shareholders

The value of receivables from shareholders amounts to EUR 370,459.34 (previous year: EUR 0.00).

Amount of liabilities with a remaining term > 5 years and of security interests

The total amount of liabilities recognised in the balance sheet with a remaining term of more than 5 years amounts to EUR 0.00 (previous year: EUR 0.00).

The total amount of liabilities recognised in the balance sheet that are secured by pledges or similar rights is EUR 299,124.00.

The types and forms of security are linked to guarantees with the liabilities.

Information on residual maturity notes

The amount of liabilities with a remaining term of up to one year is EUR 456,959.50 (previous year: EUR 265,428.49).

The amount of liabilities with a remaining term of more than one year is EUR 219,887.00 (previous year: EUR 260,103.00).

Information on liabilities to shareholders

The amount of liabilities to shareholders is EUR 0.00 (previous year: EUR 0.00).

Contingent liabilities from off-balance sheet liabilities according to § 251 HGB

In addition to the liabilities listed in the balance sheet, the following contingent liabilities should be noted:

From the provision of unsecured loans in the amount of EUR 100,028.06 consists a liability relationship in the form of a subordination.

Income statement disclosures**Explanation of income and expenses of exceptional magnitude or exceptional significance**

Income of exceptional magnitude or exceptional importance is, in terms of amount and type, specifically corona aid in the amount of EUR 174,526.89.

Other disclosures**Average number of employees during the financial year**

The average number of employees in the company during the financial year was 24.

5 Audit report

Certificate of the tax adviser on the preparation of the financial statements

I have been commissioned to prepare the above annual financial statements - consisting of the balance sheet, income statement and notes - of In Shape Esslingen GmbH for the financial year 1 January 2020 to 31 December 2020 in accordance with German commercial law.

The basis for the preparation was the accounting work carried out by me and the documents, books and inventory records submitted to me but which I have audited in accordance with the engagement as well as the information provided to me.

The maintenance of the books and records and the preparation of the annual financial statements in accordance with German commercial law are the responsibility of the Company's management.

I conducted my engagement in accordance with the decree of the German Federal Chamber of Tax Advisors on the principles for the preparation of financial statements. This comprises the development of the balance sheet and the profit and loss account as well as the notes on the basis of the bookkeeping and the inventory as well as the specifications on the accounting and valuation methods to be applied.

Eislingen, 15 October 2021

Michael Schaile

Tax consultant