

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 Göppingen 2 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		Balance sheet as of 31.12.2019		Change this year vs. previous year	
	KEUR	%	KEUR	%	KEUR	%
ASSETS						
Intangible fixed assets	38.0	4.3	43.5	7.5	-5.5	-12.6
Property, plant and equipment	360.7	40.4	438.4	76.1	-77.7	-17.7
Inventories	3.7	0.4	3.3	0.6	0.4	12.1
Receivables	2.5	0.3	0.4	0.1	2.1	525.0
Other assets	284.8	31.9	76.8	13.3	208.0	270.8
Cash and cash equivalents/securities	202.6	22.7	13.5	2.3	189.1	1,400.7
Prepaid expenses	0.0	0.0	0.3	0.1	-0.3	-100.0
Total assets	892.3	100.0	576.3	100.0	316.0	54.8
	Balance sheet as of 31.12.2020		Balance sheet as of 31.12.2019		Change this year vs. previous year	
	KEUR	%	KEUR	%	KEUR	%
PASSIVA						
Equity	193.1	21.6	119.6	20.8	73.5	61.5
Accruals	49.7	5.6	6.6	1.1	43.1	653.0
Loan liabilities	225.3	25.2	282.8	49.1	-57.5	-20.3
Trade payables	341.1	38.2	36.2	6.3	304.9	842.3
Shareholder liabilities	6.2	0.7	40.0	6.9	-33.8	-84.5
Other liabilities	31.7	3.6	55.8	9.7	-24.1	-43.2
Deferred tax liabilities	45.3	5.1	35.2	6.1	10.1	28.7
Total liabilities	892.3	100.0	576.3	100.0	316.0	54.8
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.

	EUR	Business year EUR	Previous year EUR
Result for the period		73,491.60	40,283.87
+ Depreciation and amortisation of non-current assets		90,297.54	95,406.83
+ Increase in accruals		26,314.00	1,096.00
+ Decrease in inventories		-374.30	3,306.90
- Increase in trade receivables		4,579.93	-2,491.15
- Increase in other assets not attributable to investing or financing activities		264,669.69	14,360.35
+ Increase in trade payables		309,650.82	21,203.04
+ Increase in other liabilities not attributable to investing or financing activities		20,825.29	-15,801.58
- Gains from the disposal of fixed assets		0.00	2,557.00
+ Interest expenses		4,185.72	4,966.91

+ Income tax expense		26,823.47		13,595.98
Income tax expense/income	-26,823.47			-13,595.98
Correction for non-cash transactions	67,561.97			-9,943.01
+/- Income tax payments		40,738.50		-23,538.99
Cash flow from operating activities		322,703.02		124,592.96
- Payments for investments in intangible fixed assets		0.00		0.00
- Payments for investments in the tangible fixed assets		7,052.54		116,025.83
Cash flow from investing activities		-7,052.54		-116,025.83
Proceeds from issuing bonds and taking out (financial) loans		35,202.31		50,000.00
Disbursement from the redemption of bonds and (financial) loans		156,598.67		93,910.91
- Interest paid		4,185.72		4,966.91
Cash flow from financing activities		-125,582.08		-48,877.82
Cash-effective changes in cash and cash equivalents (total cash flows)		190,068.40		-40,310.69
+ Cash and cash equivalents at the beginning of the period		13,525.52		53,836.21
Cash and cash equivalents at the end of the period		203,593.92		13,525.52
Notes:				
Cash and cash equivalents at the end of the period (determined)		-203,593.92		
Cash and cash equivalents at the end of the period (as per accounts)		202,593.92		
Difference		-1,000.00		0.00

3. Balance sheet as of 31 December 2020 in In Shape Göppingen 2 GmbH Fitness Studio, 73084 Salach

Assets				Liabilities			
	EUR	Business year EUR	Previous year EUR		EUR	Business year EUR	Previous year EUR
A. Fixed assets				A. Equity			
I. Intangible assets	38,041.00		43,541.00	I. Subscribed capital	25,000.00		25,000.00
II. Property, plant and equipment	360,681.00	398,722.00	438,426.00	Uncalled outstanding deposits	-12,500.00		-12,500.00
				Called capital		12,500.00	12,500.00

B. Current assets						
I. Inventories	3,681.20		3,306.90	II. Profit carried forward	107,103.62	66,819.75
II. Receivables and other assets	287,297.81		77,189.23	III. Net loss for the year	73,491.60	40,283.87
- against shareholders EUR 262,912.63 (EUR 0.00)				Total equity	193,095.22	119,603.62
III. Cash in hand, bank balances, balances with credit institutes and cheques	202,593.92	493,572.93	13,525.52	B. Provisions	49,715.95	6,618.00
C. Accruals and deferrals		0.0	282.00	C. Liabilities	604,223.76	414,829.03
				- of which to shareholders EUR 32,540.52 (EUR 6,171.42)		
				- of which with a remaining term of up to one year EUR 769,577.75 (EUR 482,412.67)		
				- of which with a remaining term of more than one year EUR 67,239.67 (EUR 121,811.09)		
				D. Deferred tax liabilities	45,260.00	35,220.00
		<u>892,294.93</u>	<u>576,270.65</u>		<u>892,294.93</u>	<u>576,270.65</u>

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

	Business year EUR	Previous year EUR
1. Gross result	992,383.63	1,076,722.29
2. Personnel expenses		
a) Wages and salaries	146,713.40	327,784.06
b) Social security contributions and expenses for pensions and other employee benefits	38,031.59	50,859.20
	184,744.99	378,643.26
3. Depreciation		
a) on intangible fixed assets and tangible fixed assets	90,297.54	95,406.83
4. Other operating expenses	613,438.51	543,756.75
5. Other interest and similar income	598.20	1.43
6. Interest and similar expenses	4,185.72	5,037.03
7. Taxes on income and earnings	26,823.47	13,595.98
- expenses from the addition and release of deferred taxes EUR 10,040.00 (EUR 11,354.00)		
8. Result after taxes	73,491.60	40,283.87
9. Net loss for the year	73,491.60	40,283.87

1. **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	38,041.00	43,541.00
	31.12.2020 EUR	31.12.2019 EUR
Goodwill	38,041.00	43,541.00
	31.12.2020 EUR	31.12.2019 EUR
II. Tangible assets	360,681.00	438,426.00
	31.12.2020 EUR	31.12.2019 EUR
Facilities	6,277.00	9,553.00
Factory equipment	1,437.00	0.00
Business equipment	333,296.00	409,496.00
Office equipment	609.00	1,488.00
Installations in third-party properties	14,621.00	17,889.00
Low-value assets	4,441.00	0.00
GWG collective item		
	360,681.00	438.426,00

B. Current assets

	31.12.2020 EUR	31.12.2019 EUR
I. Inventories		
	3,681.20	3,306.90
	31.12.2020 EUR	31.12.2019 EUR
Stock goods	3,681.20	3,306.90
	31.12.2020 EUR	31.12.2019 EUR
II. Receivables and other assets		
	287,297.81	77,189.23
- against shareholders EUR 166,857.12 (EUR 262,912.63)		
	31.12.2020 EUR	31.12.2019 EUR
General allowance for doubtful debts 1Y	-20.00	-17.00
Receivables from L+L	2,525.84	426.09
Claims against health insurance from AAG	0.00	116.67
Receivables Personnel Wage and salary	900.00	2,307.93
Receivable from trade tax overpayment	12,811.00	25,623.00
Claim against the Federal Agency	3,177.85	0.00
Advance tax deductible in subsequent period/year	28.40	695.17
Corporation tax refund claim	0.00	34,270.08
Loan In Shape Holding GmbH	115,598.20	0.00
Liabilities from deliveries+services	497.76	5,233.68
Liabilities L+L UH	0.00	4,195.53
Liabilities Social security	108.35	337.56
Advance contribution to social insurance	4,355.98	794.28
VAT current year	0.00	3,206.24
Invoicing In Shape Holding GmbH	147,314.43	0.00

287,297.81

77,189.23

	31.12.2020 EUR	31.12.2019 EUR
III. Cash in hand, bank balances, credit balances with credit institutions and cheques	202,593.92	13,525.52
	31.12.2020 EUR	31.12.2019 EUR
Voba # 818280 000 GP	60,902.23	8,066.89
Voba # 818280603 Termingeld	0.00	343.33
Voba # 818280 018 PL	104,855.05	1,406.95
Voba # 818280 026 WB	36,836.64	3,708.35
	202,593.92	13,525.52
C. Accruals and deferrals		
Active Invoice Payment GP	0.00	141.00
Active Invoice Payment PL	0.00	141.00
	0.00	282.00
	31.12.2020 EUR	31.12.2019 EUR
Total assets	892,294.93	576,270.65
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
Uncalled outstanding deposits	31.12.2020 EUR	31.12.2019 EUR
	-12,500.00	-12,500.00

	31.12.2020	31.12.2019
	EUR	EUR
Outstanding contribution	-12,500.00	-12,500.00
	31.12.2020	31.12.2019
	EUR	EUR
Capital called in	12,500.00	12,500.00
	31.12.2020	31.12.2019
	EUR	EUR
II. Profit carried forward	107,103.62	66,819.75
	31.12.2020	31.12.2019
	EUR	EUR
Profit carried forward before appropriation	107,103.62	66,819.75
	31.12.2020	31.12.2019
	EUR	EUR
III. Net loss for the year	73,491.60	40,283.87
	31.12.2020	31.12.2019
	EUR	EUR
Net loss for the year	73,491.60	40,283.87
	31.12.2020	31.12.2019
	EUR	EUR
Total equity	193,095.22	119,603.62
	31.12.2020	31.12.2019
	EUR	EUR
B. Provisions	49,715.95	6,618.00

	31.12.2020 EUR	31.12.2019 EUR
Trade tax provision § 4 (5b) EStG	6,465.00	0.00
Corporation tax provision	10,318.95	0.00
Provisions for retention obligation	1,188.00	1,188.00
Other provisions	27,244.00	1,430.00
Provisions for financial statements and audit	4,500.00	4,000.00
	49,715.95	6,618.00

	31.12.2020 EUR	31.12.2019 EUR
C. Liabilities	604,223.76	414,829.03
- to shareholders EUR 6,171.42 (EUR 40,000.00)		
- with a remaining term of up to one year EUR 482,412.67 (EUR 250,285.42)		
- with a remaining term of more than one year EUR 121,811.09 (EUR 164,543.61)		

	31.12.2020 EUR	31.12.2019 EUR
Darl. Voba Plochingen # 818280212	21,304.13	36,664.08
Darl. Voba Plochingen # 818280204	11,287.08	11,287.08
Darl. Voba Plochingen # 818280220	11,040.00	11,040.00
Darl. Voba Plochingen # 818280239	59,820.00	59,820.00
Darl Voba # 818280 212 - GP	0.00	2,769.78
Darl Voba # 818280 204 - GP	43,109.83	45,148.32
Darl Voba # 818280 220 - PL	44,160.00	44,160.00
Darl Voba # 818280 239 - PL	33,793.54	62,963.64
Darl. Voba Plochingen # 818280204	0.00	3,181.56
Darl Voba Plochingen # 818280220	747.72	5,795.62
Liability. Schetter&Scheller Gb	5,881.42	40,000.00

Forderungen aus L+L	0.00	2,483.18
Transit items	0.00	1,052.58
Liabilities from deliveries+services	37,412.64	36,205.81
Return Debit 19% GP	68,377.48	0.00
Return Debit 19% GP	65,916.03	0.00
Return Debit 19% PL	8,663.82	0.00
Return Debit 19% WB	82,630.37	0.00
Return Debit 16% GP	70,621.63	0.00
Return Debit 16% PL	7,498.74	0.00
Return Debit 16% WB	16,519.77	66.66
Thekenpaket GP	5,040.97	0.00
Thekenpaket PL	475.21	0.00
Thekenpaket WB	3,059.77	0.00
Other liabilities (1-5 Y)	0.00	292.79
Other liabilities (1-5 Y)	1,188.98	0.00
Other Verb (1-5 Y) PL	0.00	231.90
Other Verb (1-5 Y) PL	290.00	0.00
Loans In Shape Holding GmbH	0.00	30,000.00
Loans	0.00	6,344.06
Liability Taxes and duties (from 1 Y)	3,615.28	11,873.10
Liabilities from wages and salaries	25.92	0.00
Liability income tax and church tax	1,743.43	2,448.87
Liability social security (from 1 Y)	0.00	1,000.00
Verr Account Gesellsch.		

	604,223.76	414,829.03
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	31.12.2020	31.12.2019
	EUR	EUR

D. Deferred tax liabilities

-	45,260.00	35,220.00
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	31.12.2020	31.12.2019
	EUR	EUR

Deferred tax liabilities

-	45,260.00	35,220.00
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	31.12.2020	31.12.2019
	EUR	EUR

Total liabilities	892,294.93	576,270.65
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Income statement

	2020 EUR	2019 EUR
1. Gross result	992,383.63	1,076,722.29

2. Personnel expenses

	2020 EUR	2019 EUR
a) Wages and salaries	146,713.40	327,784.06

	2020 EUR	2019 EUR
Wages and salaries	76,119.53	203,484.94
Fees Duale Hochschule	9,105.00	18,631.44
Flat-rate tax for mini-jobbers	1,297.26	2,085.87
Wages for mini-jobs	60,191.61	103,581.81
	146,713.40	327,784.06

	2020 EUR	2019 EUR
b) Social security contributions and expenses	38,031.59	50,859.20

Statutory social expenses	19,069.11	17,535.48
Contributions to the employers' liability insurance association	1,743.45	2,552.03
Voluntary social expenditure.	294.91	1,154.08
Social security contributions for mini-jobbers	16,924.12	29,617.61
	38,031.59	50,859.20
3. Depreciation		
	2020	2019
	EUR	EUR
a) Intangible assets and tangible assets	90,297.54	95,406.83
	2020	2019
	EUR	EUR
Amortisation of goodwill	5,500.00	5,500.00
Depreciation of property, plant and equipment	80,410.00	74,896.11
Depreciation on buildings	3,276.00	0.00
Immediate write-off GWG	0.00	9,497.72
Depreciation on collective items	1,111.54	5,513.00
	90,297.54	95,406.83
	2020	2019
	EUR	EUR
4. Other operating expenses	613,438.51	543,756.75

5. Other interest and similar income	598.20	1.43
	2020	2019
	EUR	EUR
6. Interest and similar expenses	4,185.72	5,037.03
	2020	2019
	EUR	EUR
Interest expenses for current liability	0.00	70.12
Interest to shareholders	473.50	66.66
Interest for financing fixed assets	3,712.22	4,900.25
	4,185.72	5,037.03
	2020	2019
	EUR	EUR
7. Taxes on income and earnings	26,823.47	13,595.98
- expenses from deferred taxes EUR 10,040.00 (EUR 11,354.00)		
8. Result after taxes	73,491.60	40,283.87
	2020	2019
	EUR	EUR
10. Net loss for the year	73,491.60	40,283.87

5. Accounting principles

Information on accounting and valuation methods

Accounting and valuation principles

Acquired intangible assets were valued at acquisition cost and, if subject to wear and tear, reduced by scheduled amortisation.

Property, plant and equipment was valued at acquisition or production cost and, if subject to wear and tear, reduced by scheduled depreciation.

Scheduled depreciation was charged on a straight-line and declining-balance basis over the expected useful lives of the assets.

The transition from declining-balance to straight-line depreciation takes place in cases where this leads to a higher annual depreciation.

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

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

The other provisions were created for all other uncertain liabilities. All identifiable risks were taken into account. Liabilities were valued at the settlement amount.

Accounting and valuation methods differing from the previous year

For the annual financial statements, the accounting and valuation methods applied so far could essentially be 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 normal useful life was set at 10 years.

The reasons for operational use with an estimated useful life of 10 years are: High profile and the premises have previously been used as a gym.

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 0.00 (previous year: EUR 0.00).

Information on receivables from shareholders

The value of receivables from shareholders amounts to EUR 262,912.63 (previous year: EUR 0.00).

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

The total amount of liabilities valued with a remaining term of more than 5 years is EUR 747.72 (previous year: EUR 8,977.18).

The total amount of liabilities valued in the balance sheet that are secured by liens or similar rights is EUR 225.262,30.

Disclosure on residual maturity notes

The amount of liabilities with a remaining term of up to one year is EUR 482,412.67 (previous year: EUR 250,285.42).

The amount of liabilities with a remaining term of more than one year is EUR 121,811.09 (previous year: EUR 164,543.61).

Information on liabilities to shareholders

The amount of liabilities to shareholders is EUR 6,171.42 (previous year: EUR 40,000.00).

Information on the profit and loss account

Explanation of income and expenses of exceptional magnitude or outside ordinary significance

The income of exceptional magnitude or exceptional importance is, in terms of amount and type, specifically: Corona aid EUR 146.062,07.

Other information

Average number of employees during the financial year

The average number of employees in the company during the financial year was 27.

6. 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 Göppingen 2 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, 19 October 2021

Michael Schaile

Tax consultant