

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 Sports Club GmbH – Summary of the Annual Report FY21

1 Financial position

The presentation of the Company's financial position derived from the balance sheet as of 31 December 2021 and compared to the previous balance sheet date is as follows:

	Balance sheet as of 1.12.2021 KEUR	%	Balance sheet as of 31.12.2020 KEUR	%	Change previous year KEUR	Vs this year %
Assets						
Tangible Fixed Assets	125.2	23.6	126.4	30.9	-1.2	-0.9
Inventories	4.0	0.8	0.9	0.2	3.1	344.4
Receivables	2.9	0.5	1.6	0.4	1.3	81.3
Other assets	130.7	24.6	156.3	38.2	-25.6	-16.4
Cash and cash equivalents / securities	199.9	37.6	122.9	30.0	77.0	62.7
Prepaid expenses	1.3	0.2	1.3	0.3	0.0	0.0
Uncovered equity deficits	67.2	12.7	0.0	0.0	67.2	-
Sum of assets	531.2	100.0	409.4	100.0	121.8	29.8
	Balance sheet as of 31.12.2021 KEUR	%	Balance sheet as of 31.12.2020 KEUR	%	Change previous year KEUR	Vs this year %
Liabilities						
Equity	0.0	0.0	25.7	6.3	-25.7	-100.0
Accruals	36.0	6.8	33.5	8.2	2.5	7.5
Credit liabilities	19.2	3.6	47.7	11.7	-28.5	-59.7
Trade payables	397.2	74.8	210.8	51.5	186.4	88.4
Other liabilities	78.1	14.7	90.6	22.1	-12.5	-13.8
Deferred tax liabilities	0.7	0.1	1.1	0.3	-0.4	-36.4
Sum of liabilities	531.2	100.0	409.4	100.0	121.8	29.8

2 Cash flow statement

In the following, the source of funds and use of funds in respect of the reporting year 2021 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
Results of the period		-92,895.87	73,750.89
+ Depreciation and amortisation of fixed assets		34,595.76	38,771.00
+ Increase in accruals		2,500.00	26,754.00
- Increase in inventories		3,042.26	-991.06
- Increase in trade receivables		1,355.12	-34,190.09
+ Decrease in other assets not attributable to investing or financing activities		32,911.05	-149,095.45
+ Increase in trade payables		108,000.14	176,676.71
+ Increase in other liabilities not attributable to investing or financing activities		78,275.40	32,793.74
+ Losses from the disposal of fixed assets		0.00	604.00

+ Interest expenses		452.63		1,130.40
- Income tax revenue		429.00		515.00
Income tax expense/income	429.00			515.00
Corrections for non-cash operations	220.10			-4,880.98
+/- Income tax payments		649.10		-4,365.98
Cash flow from operating activities		159,661.83		231,685.46
- Payments for investments in tangible fixed assets		33,368.76		5,600.00
Cash flow from investing activities		-33,368.76		-5,600.00
Payment from the redemption of bonds and (financial) loans		48,801.52		68,914.14
- Interest paid		452.63		1,130.40
Cash flow from financing activities		-49,254.15		-70,044.54
Changes in cash and cash equivalents (total cash flow)		77,038.92		156,040.92
+ Cash and cash equivalents at the beginning of the period		121,794.56		-34,246.36
Cash and cash equivalents at the end of the period		198,833.48		121,794.56

3 Balance sheet as of 31 December 2021 in In Shape Sports Club 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. Tangible fixed assets		125,217.00	126,444.00	I. Subscribed capital	25,000.00		25,000.00
B. Current Assets				II. Profit carried forward	743.74		-73,007.15
I. Inventories	3,990.26		948.00	III. Net loss for the year	92,895.87		-73,750.89
II. Accounts receivable and other assets	133,571.71		157,872.85	Uncovered net loss	67,152.13		0.00
- thereof vis-à-vis shareholders EUR 121,863.14 (EUR 150,783.30)				Sum of equity	0.00		25,743.74
III. Cash in hand, bank balances, balances at credit institutions and cheques	199,919.96	337,481.93	122,881.04	B. Accruals	35,954.00		33,454.00
C. Prepaid expenses		1,300.00	1,300.00	C. Liabilities	494,534.06		349,156.15
D. Uncovered equity deficits		67,152.13	0.00	- with a remaining term of up to one year: EUR 494,534.06 (EUR 330,389.18)			
				- with a remaining term of more than one year: EUR 0,00 (EUR 18,766.97)			
				D. Deferred tax liabilities	663.00		1,092.00
		<u>531,151.06</u>	<u>409,445.89</u>		<u>531,151.06</u>		<u>409,445.89</u>

4 Income statement from 1 January 2021 to 31 December 2021 in In Shape Sports Club GmbH Fitness Studio

	Business year EUR	Previous year EUR
1. Gross profits	403,709.55	621,398.87
2. Employee expenses		
a) Salaries	157,073.62	192,095.37
b) Social security expenses and expenses for pensions and other benefits	42,601.60	49,554.19
	199,675.22	241,649.56
3. Depreciations		
a) On intangible fixed assets and tangible fixed assets	34,595.76	38,771.00
4. Other operating expenses	262,611.04	266,683.67
5. Other interest related incomes and similar incomes	949.33	120.97
6. Interest related expenses and similar expenses	452.63	1,179.72
7. Taxes on income and earnings	-429.00	-515.00
- Income from deferred taxes EUR 429.00 (EUR 515.00)		
8. Result after taxes	-92,246.77	73,750.89
9. Other taxes	649.10	0.00
10. Net loss for the year	92,895.87	-73,750.89

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

A. Fixed assets

	31.12.2021 EUR	31.12.2020 EUR
I. Tangible fixed assets	125,217.00	126,444.00
	31.12.2021 EUR	31.12.2020 EUR
Machinery and equipment	5,985.00	10,976.00
Business equipment	118,300.00	113,455.00
Office equipment	1.00	1.00
Low-value assets	0.00	0.00
Assets (collective item)	11.00	11.00
Other operating and business equipment	920.00	2,001.00
	125,217.00	126,444.00

B. Current assets

	31.12.2021 EUR	31.12.2020 EUR
I. Inventories	3,990.26	948.00
	31.12.2021 EUR	31.12.2020 EUR
Inventory goods	3,990.26	948.00

	31.12.2021 EUR	31.12.2020 EUR
II. Receivables and other assets	133,571.71	157,872.85
- in relation to shareholders EUR 121,863.14 (EUR 150,783.30)		
	31.12.2021 EUR	31.12.2020 EUR
General bad debt allowance./t.1y	-25.00	-15.00
Receivables on L+L	2,913.85	1,590.38
Other assets (t.1 y)	0.00	1,415.59
Liabilities Schetter & Scheller	6,078.18	6,018.00
Receivables in relation to employee salaries	0.00	600.00
Receivables in relation to the Federal Agency	0.00	2,357.04
Advance deductible in subsequent period/year	737.56	355.82
Credit In Shape Holding GmbH	0.00	38,601.48
Liabilities from supplies+services	6,469.66	785.72
Liabilities social security	1,612.50	0.00

Settlement In Shape Holding GmbH	115,784.96	106,163.82
	133,571.71	157,872.85
	31.12.2021	31.12.2020
	EUR	EUR
III. Cash in hand, bank balances, balances in credit institutions and cheques	199,919.96	122,881.04
	31.12.2021	31.12.2020
	EUR	EUR
Cash	622.18	1,411.68
VOBA Plochingen 78 28 25 001	198,211.30	120,382.88
VOBA Plochingen 78 28 25 605		
	1,086.48	1,086.48
	199,919.96	122,881.04
	31.12.2021	31.12.2020
	EUR	EUR
C. Prepaid expenses	1,300.00	1,300.00
	31.12.2021	31.12.2020
	EUR	EUR

D. Uncovered equity deficits	67,152.13	0.00
	31.12.2021	31.12.2020
	EUR	EUR
Sum Assets	531,151.06	409,445.89

LIABILITIES**A. Equity**

	31.12.2021 EUR	31.12.2020 EUR
I. Subscribed capital	25,000.00	25,000.00
	31.12.2021 EUR	31.12.2020 EUR
Subscribed capital	25,000.00	25,000.00
	31.12.2021 EUR	31.12.2020 EUR
II. Profits carried forward	743.74	-73,007.15
	31.12.2021 EUR	31.12.2020 EUR
Profit carried forward before appropriation	743.74	0.00
Losses carried forward before appropriation	0.00	-73,007.15
	743.74	-73,007.15

	31.12.2021 EUR	31.12.2020 EUR
III. Net loss for the year	92,895.87	-73,750.89
	31.12.2021 EUR	31.12.2020 EUR
Net loss for the year	92,895.87	-73,750.89
	31.12.2021 EUR	31.12.2020 EUR
Uncovered losses	67,152.13	0.00
	31.12.2021 EUR	31.12.2020 EUR
Uncovered losses	67,152.13	0.00
	31.12.2021 EUR	31.12.2020 EUR
Sum equity	0.00	25,743.74

	31.12.2021	31.12.2020
	EUR	EUR
B. Accruals	35,954.00	33.454,00
	31.12.2021	31.12.2020
	EUR	EUR
Provisions for retention obligations	3,300.00	3,300.00
Other accruals	27,654.00	26,154.00
Accruals for financial statements and audit	5,000.00	4,000.00
	35,954.00	33,454.00
	31.12.2021	31.12.2020
	EUR	EUR
C. Liabilities	494,534.06	349,156.15
- with a remaining time of up to one year		
EUR 494,534.06 (EUR 330,389.18)		
- with a remaining time of more than one year		
EUR 0.00 (EUR 18,766.97)		
	31.12.2021	31.12.2020
	EUR	EUR
Liabilities VoBa Plochingen #25206	19,219.60	47,746.97
Liabilities from L+L	0.00	41.65
Liabilities from supplies and services	8,704.42	14,992.68

Liabilities L+L without current account	87,487.55	88,488.40
Liabilities Closure as of 11/20	228,251.91	107,278.72
Other liabilities	4,817.43	4,762.14
Other liabilities credit cards	62,423.33	61,636.24
Liabilities In Shape Esslingen	0.00	20,274.15
Advance payments received 19% VAT	72,736.92	0.00
Liab. Taxes and duties (t. 1 y)	649.10	0.00
Liabilities from salaries	8,411.51	3,796.40
Liabilities salaries and church tax	1,832.29	138.80
	494,534.06	349,156.15
	31.12.2021	31.12.2020
	EUR	EUR
D. Deferred tax liabilities		
	663.00	1,092.00
	31.12.2021	31.12.2020
	EUR	EUR
Deferred tax liabilities	663.00	1,092.00
Sum liabilities	531,151.06	409,445.89

Income statement

	2021 EUR	2020 EUR
1. Gross profits	403,709.55	621,398.87
	2021 EUR	2020 EUR
Income Saviour Package	0.00	10,331.88
Other regular operating income	6,693.01	13,012.20
Other irregular operating income	142,498.26	111,764.25
Income from reduction of PWB to Ford	0.00	287.00
Reimbursements Expenditure Balance Act	601.29	2,520.65
Third-party services	-11,791.50	-9,175.10
Sales and club management	-145,775.34	-108,767.14
Incoming goods	-442.73	0.00
Incoming goods 7% input tax	-10,072.50	-11,497.42
Incoming goods 19% input tax	-2,132.65	-3,116.77
Discounts received	306.63	216.45
Change in inventory of RHB-materials / goods	3,042.26	-991.06
Proceeds 7%/5% VAT	7,093.78	8,993.07
Proceeds 19%/16% VAT	374,912.31	592,665.75
Commission sales	182.45	0.00
Commission sales 19% VAT	2,344.33	4,415.65
Other operating and regular income	29,211.95	10,739.46

Non-taxable turnover (internal turnover)	7,038.00	0.00
	403,709.55	621,398.87

2. Employee expenses

	2021 EUR	2020 EUR
a) Salaries and wages	157,073.62	192,095.37
	2021 EUR	2020 EUR
Salaries and wages	143,016.98	180,959.93
Fee double Universities	13,080.00	9,820.00
Flat rate tax for temporary workers	976.64	1,315.44
	157,073.62	192,095.37
	2021 EUR	2020 EUR
b) Social security contributions and expenses for pensions and other benefits	42,601.60	49,554.19

	2021 EUR	2020 EUR
Statutory social expenses	41,859.13	46,617.02
Contributions to the Employers' Liability Insurance Association	0.00	2,295.39
Voluntary social expenditure	742.47	641.78
	42,601.60	49,554.19
 3. Depreciations		
	2021 EUR	2020 EUR
a) On intangible fixed assets and tangible fixed assets	34,595.76	38,771.00
	2021 EUR	2020 EUR
Depreciations on fixed tangible assets	33,820.00	32,847.00
Immediate write-off GWG	775.76	5,600.00
Depreciations on WG collective items	0.00	324.00
	34,595.76	38,771.00

	2021 EUR	2020 EUR
4. Other operating expenses	262,611.04	266,683.67
	2021 EUR	2020 EUR
Disposals of tangible fixed assets Residual book value at BV	0.00	604.00
Donations for scientific/cultural purposes	2,027.35	3,757.76
Receivables losses 19% VAT	0.00	160.00
Allocation to the PWB on receivables	10.00	0.00
Rent and immovable assets	53,424.02	105,681.60
Gas, electricity and water	98,268.98	41,722.06
Cleaning	14,772.91	10,535.97
Maintenance of operational premises	2,206.64	4,449.04
Insurances	1,842.72	2,620.54
Contributions	1,845.36	2,873.07
Royalties	1,352.08	3,060.32
Vehicle repairs	24.84	0.00
Garage rent	2,412.00	0.00
Third-party vehicle costs	38.21	33.23
Advertising costs	23,871.50	18,940.82
Representations costs	1,066.00	0.00
Increase counter package	0.00	14,216.39
Employee travel expenses, travel costs	451.66	563.22
Travel expenses AN Additional subsistence expenses	98.00	74.00
Third-party work	225.00	0.00
Repair/maintenance of other equipment and office equipment	4,430.13	5,972.54

Maintenance costs for hardware and software	2,981.80	2,388.00
Rental leasing of movable technical equipment	1,323.00	2,268.00
Milon Financialservice	13,376.00	12,222.90
Other operating expenses	0.00	1,767.50
Postage	1,205.99	2,013.68
Telephone	1,899.11	1,410.67
Office supplies	2,332.16	2,286.37
Magazines and books	453.75	466.03
Further training costs	0.00	247.90
Legal and consulting fees	11,444.60	7,618.56
Book keeping costs	5,750.00	6,000.00
Audit costs	4,992.20	4,584.70
Expenses for licenses and concessions	49.00	130.30
Waste disposal	2,025.24	2,174.17
Ancillary costs of monetary transactions	1,489.65	782.18
Chargeback fees	-2,307.97	-6,368.96
RLS Fees Opposition	91.60	-935.86
Other operating supplies	2,509.83	12,189.59
Tools and small equipment	4,627.68	173.38
	262,611.04	266,683.67
	2021	2020
	EUR	EUR
5. Other interest incomes and similar income	949.33	120.97
	2021	2020
	EUR	EUR

Other interest incomes and similar incomes	949.33	120.97
	2021	2020
	EUR	EUR
6. Interest expenses and other similar expenses	452.63	1,179.72
	2021	2020
	EUR	EUR
Interest expenses for current liabilities	0.00	49.32
Interest to company, particip. >25% (KapG)	0.00	170.82
Interest expenses for current liabilities	452.63	959.58
	452.63	1,179.72
	2021	2020
	EUR	EUR
7. Taxes on income and earnings	-429.00	-515.00
-Income from deferred taxes		
EUR 429.00 (EUR 515.00)		
	2021	2020
	EUR	EUR

8. Result after taxes	-92,246.77	73,750.89
	2021 EUR	2020 EUR
9. Other taxes	649.10	0.00
	2021 EUR	2020 EUR
Other operating taxes	649.10	0.00
	2021 EUR	2020 EUR
10. Net loss for the year	92,895.87	-73,750.89

6 Accounting principles

Information on accounting and valuation methods

Accounting and valuation principles

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

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 - (previous year: EUR -).

Information on receivables from shareholders

The value of receivables from shareholders amounts to EUR 121,863.14 (previous year: EUR 150,783.30).

Information on liabilities

The total amount of liabilities recognised in the balance sheet that are secured by pledges or similar rights is EUR 19,219.60.

The following types and forms of security are associated with the liabilities: Guarantees and land charges

Information on residual maturity notes

The amount of liabilities with a remaining term of up to one year is EUR 494,534.06 (previous year: EUR 330,389.18).

The amount of liabilities with a remaining term of more than one year is EUR 0.00 (previous year: EUR 0.00).

The amount of liabilities to shareholders is EUR 0.00 (previous year: EUR 55,000.00).

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

Income of exceptional magnitude or exceptional importance is, in terms of amount and type, specifically corona aid in the amount of EUR 142,498.26.

The following additional disclosures are to be considered when assessing the economic situation: The management is of the opinion that the requirements for valuation under the going concern assumption are met, as there are sufficient hidden reserves.

Other disclosures

Average number of employees during the financial year

The average number of employees in the company during the financial year was 23.

7 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 Sports Club GmbH for the financial year 1 January 2021 to 31 December 2021 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 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.

The management assumes a positive continuation forecast. However, this was not the subject of the engagement.

Eislingen, 17 May 2022

Michael Schaile

Steuerberater