

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 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 31.12.2021 KEUR	%	Balance sheet as of 31.12.2020 KEUR	%	Change previous year KEUR	Vs. this year %
Assets						
Intangible fixed assets	9.9	0.7	12.2	1.0	-2.3	-18.9
Tangible fixed assets	394.2	27.9	467.8	37.4	-73.6	-15.7
Inventories	7.3	0.5	3.3	0.3	4.0	121.2
Receivables	48.8	3.5	2.3	0.2	46.5	2,021.7
Other assets	420.2	29.7	726.6	58.1	-306.4	-42.2
Cash and cash equivalents / securities	533.0	37.7	37.8	3.0	495.2	1,310.1
Prepaid expenses	0.9	0.1	0.9	0.1	0.0	0.0
Sum of assets	1,414.3	100.0	1,250.9	100.0	163.4	13.1
	Balance sheet as of 31.12.2021 TEUR	%	Balance sheet as of 31.12.2020 TEUR	%	Change previous year TEUR	Vs this year %
Liabilities						
Equity	389.4	27.5	474.7	37.9	-85.3	-18.0
Accruals	99.2	7.0	99.3	7.9	-0.1	-0.1
Credit liabilities	250.7	17.7	299.1	23.9	-48.4	-16.2
Trade payables	587.1	41.5	320.8	25.6	266.3	83.0
Other liabilities	87.8	6.2	56.9	4.5	30.9	54.3
Sum of liabilities	1,414.3	100.0	1,250.9	100.0	163.4	13.1
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 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.

		Business year EUR	Previous year EUR
Results of the period		-85,294.62	78,403.12
+ Depreciation and amortisation of fixed assets		97,516.41	99,355.47
+ Increase in accruals		3,470.00	42,404.00
- Increase in inventories		3,989.19	-848.05
- Increase in trade receivables		47,136.51	-1,409.37
+ Decrease in other assets not attributable to investing or financing activities		187,258.04	-306,149.05
+ Increase in trade payables		112,954.11	293,342.70
+ Increase in other liabilities not attributable to investing or financing activities		181,340.62	13,194.81
+ Interest expenses		3,877.02	5,152.30

- Income tax income		17,973.00	602.00
+ Income tax expenses		-0.27	33,242.24
Income tax expense/income	17,973.27		-32,640.24
Corrections for non-cash operations	119,142.08		-71,226.60
+/- Income tax payments		137,115.35	-103,866.84
Cash flow from operating activities		569,137.96	156,734.17
- Payments for investments in intangible fixed assets		0.00	0.00
- Payments for investments in tangible fixed assets		21,686.41	1,733.47
Cash flow from investing activities		-21,686.41	-1,733.47
Payment from the redemption of bonds and (financial) loans		48,375.00	129,591.00
- Interest paid		3,877.02	5,152.30
Cash flow from financing activities		-52,252.02	-134,743.30
Changes in cash and cash equivalents (total cash flow)		495,199.53	20,257.40
+ Cash and cash equivalents at the beginning of the period		37,761.65	17,504.25
Cash and cash equivalents at the end of the period		532,961.18	37,761.65

3 Balance sheet as of 31 December 2021 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				C. Equity			
I. Intangible assets	9,948.00		12,200.00	I. Subscribed capital		25,000.00	25,000.00
II. property, plant and equipment	394,229.00	404,177.00	467,807.00	II. Profit carried forward		449,729.65	371,326.53
B. Current assets				III. Net loss for the year		85,294.62	-78,403.12
I. Inventories	7,321.88		3,332.69	Total equity		389,435.03	474,729.65
II. Receivables and other assets	468,940.43		728,863.30	B. Provisions		99,227.49	99,284.49
- in relation to shareholders EUR 320,480.55 (EUR 370,459.34)				C. Liabilities		925,640.97	676,846.50
- with a remaining term of more than one year EUR 0.00 (EUR 100,028.06)				- with a remaining term of up to one year EUR 746,003.97 (EUR 456,959.50)			
III. Cash on hand, bank balances, credit institution balances and cheques	532,961.18	1,009,223.49	37,761.65	- with a remaining term of more than one year EUR 179,637.00 (EUR 219,887.00)			
C. Prepaid expenses		903.00	896.00				
		1,414,303.49	1,250,860.64			1,414,303.49	1,250,860.64

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

	Business year EUR	Previous year EUR
1. Gross profits	873,092.89	1,088,921.22
2. Employee expenses		
a) Salaries	123,682.89	205,573.51
b) Social security expenses and expenses for pensions and other benefits	55,843.17	63,110.87
	179,526.06	268,684.38
3. Depreciations		
a) On intangible fixed assets and tangible fixed assets	97,516.41	99,355.47
4. Other operating expenses	699,070.35	608,913.44
5. Other interest related incomes and similar incomes	4,411.34	4,236.23
6. Interest related expenses and similar expenses	3,877.02	5,160.80
7. Taxes on income and earnings	-17,973.27	32,640.24

- relating to deferred taxes EUR 3.527.00 (EUR 602.00)			
8. Result after taxes	-84,512.34		78,403.12
9. Other taxes	782.28		0.00
10. Net loss for the year	85,294.62		-78,403.12

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

ASSETS

A. Fixed assets

	31.12.2021 EUR	31.12.2020 EUR
I. Intangible assets	9,948.00	12,200.00

	31.12.2021 EUR	31.12.2020 EUR
IT software, acquired against payment	1.00	1.00
Goodwill	9,947.00	12,199.00
	9,948.00	12,200.00
	31.12.2021 EUR	31.12.2020 EUR
II. Property, plant and equipment	394,229.00	467,807.00
	31.12.2021 EUR	31.12.2020 EUR
Business equipment	159,512.00	203,369.00
Office equipment	3,986.00	4,758.00
Installations on third-party properties	228,397.00	256,871.00
Low-value assets	0.00	0.00
Assets (collective item)	0.00	0.00
Other operating and business equipment	2,334.00	2,809.00
	394,229.00	467,807.00
B. Current assets		

	31.12.2021 EUR	31.12.2020 EUR
I. Inventories	7,321.88	3,332.69
	31.12.2021 EUR	31.12.2020 EUR
Stock goods	7,321.88	3,332.69
	31.12.2021 EUR	31.12.2020 EUR
II. Receivables and other assets	468,940.43	728,863.30
- against shareholders EUR 320,480.55 (EUR 370,459.34)		
- with a residual term of more than one year EUR 0.00 (EUR 100,028.06)		

	EUR	EUR
General allowance for doubtful debts 1Y	-410.00	-20.00
Receivables from L+L	49,171.48	2,329.97
Other assets (b.1 J)	0.00	2,715.08
Claims against health insurance from AAG	2,556.39	0.00
Receivable from trade tax overpayment	0.00	60,514.00
Claim against the Federal Agency	0.00	6,566.21
Advance tax deductible in subsequent period/year	705.88	141.10
Corporation tax refund claim	14,446.00	75,818.80
Loan In Shape GmbH	81,606.38	80,006.24
Loan In Shape Holding GmbH	5,061.71	197,901.40
Loan In Shape Esslingen GmbH	0.00	10,024.06
Loan In Shape Sports Club Ltd	0.00	20,274.15
Loan In Shape Göppingen GmbH	0.00	100,028.06
Liabilities from supplies+services	0.00	6.29
Liabilities Social security	383.75	0.00
Invoicing In Shape Holding GmbH	315,418.84	172,557.94
	468,940.43	728,863.30
	31.12.2021	31.12.2020
	EUR	EUR
III. Cash in hand, bank balances, balances with credit institutions and cheques	532,961.18	37,761.65

Checkout	2,269.21	2,237.07
KSK # 49036303	530,691.97	35,524.58
	532,961.18	37,761.65
	31.12.2021	31.12.2020
	EUR	EUR
C. Prepaid expenses	903.00	896.00
	31.12.2021	31.12.2020
	EUR	EUR
Prepaid expenses	903.00	896.00
	31.12.2021	31.12.2020
	EUR	EUR
Total assets	1,414,303.49	1,250,860.64

Liabilities

11

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. Profit carried forward	449,729.65	371,326.53
	31.12.2021 EUR	31.12.2020 EUR
Profit carried forward before appropriation	449,729.65	371,326.53
	31.12.2021 EUR	31.12.2020 EUR

III. Net loss for the year	85,294.62	-78,403.12
	31.12.2021	31.12.2020
	EUR	EUR
Net loss for the year	85,294.62	-78,403.12
	31.12.2021	31.12.2020
	EUR	EUR
Total equity	389,435.03	474,729.65
	31.12.2021	31.12.2020
	EUR	EUR
B. Accruals	99,227.49	99,284.49
	31.12.2021	31.12.2020
	EUR	EUR
Trade tax accruals § 4 (5b) EStG	15,394.00	15,394.00
Corporation tax accruals	17,848.49	17,848.49
Provisions for retention obligation	2,640.00	2,640.00

Accruals for deferred taxes	12,071.00	15,598.00
Other provisions	46,174.00	42,704.00
Accruals for financial statements and audit	5,100.00	5,100.00
	99,227.49	99,284.49
	31.12.2021	31.12.2020
	EUR	EUR
C. Liabilities	925,640.97	676,846.50
- with a remaining term of up to one year		
EUR 746,003.97 (EUR 456,959.50)		
- with a residual term of more than one year		
EUR 179,637.00 (EUR 219,887.00)		
	31.12.2021	31.12.2020
	EUR	EUR
Loan. KSK # 6255868390	250,749.00	290,999.00
Loan. KSK # 6255868383	0.00	8,125.00
Receivables from L+L	0.00	685.00
Transitory items	2,400.00	0.00
Liabilities from supplies+services	38,336.37	22,516.00
Liabilities L+L without current account	175,441.16	186,582.45
Liabilities L+L without current account	219,993.06	111,724.32
Other liabilities	25,478.24	0.00
Top up credit	48,351.55	47,091.62

Advance payments received 19% VAT	153,292.70	0.00
Deposits received (up to 1 year)	0.00	1,300.00
Liab. Taxes and duties (up to. 1 y)	782.28	0.00
Liabilities from wages and salaries	7,748.79	4,725.96
Liabilities Wage and church tax	3,067.82	243.29
	0.00	2,853.86
Binding social security(up to.1Y)		
	925,640.97	676,846.50
	31.12.2021	31.12.2020
	EUR	EUR
Total liabilities	1,414,303.49	1,250,860.64
Income statement		
	2021	2020
	EUR	EUR
1. Gross result	873,092.89	1,088,921.22
	2021	2020
	EUR	EUR
Other income unrelated to the accounting period	1,301.00	17.85
Rescue package	600.38	20,755.01
Other regular operating income	1,698.81	2,047.50

Other income irregular	290,661.95	174,526.89
Insurance compensation, damages	766.34	0.00
Reimbursements Expenditure Compensation Act	5,906.39	1,864.33
Purchasing of raw materials, consumables and supplies	-180.00	-360.00
Third-party services	-38,199.28	-29,012.63
Further ber. Sales and club management	0.00	-3,000.00
Incoming goods	-339.32	0.00
Goods receipt 7% input tax	-9,655.15	-10,968.94
Goods receipt 19% input tax	-4,504.60	-4,108.63
EU acquisition 7% input tax / VAT	-668.53	-692.98
Discounts received	137.47	165.05
Change in inventory of RHB materials / goods	3,989.19	-848.05
Revenues 7%/5% VAT	4,849.12	5,339.21
Revenues 19%/16% VAT	616,729.12	933,196.61
	873,092.89	1,088,921.22
2. Personnel expenses		
	2021	2020
	EUR	EUR
a) Wages and salaries	123,682.89	205,573.51
	2021	2020
	EUR	EUR
Wages and salaries	180,702.11	230,003.62
Employment Agency / Short-time allowance	-57,723.53	-25,496.06
Flat-rate tax for mini-jobbers	306.51	666.35

Flat rate tax for employees	<u>397.80</u>	<u>399.60</u>
	123,682.89	205,573.51
	2021	2020
	EUR	EUR
b) Social security contributions	55.843.17	63,110.87
	2021	2020
	EUR	EUR
Statutory social expenses	53,653.17	60,436.85
Contributions to the employers' liability insurance association	1,850.00	2,264.52
Voluntary social expenditure.	340.00	409.50
	55,843.17	63,110.87
3. Depreciations		
	2021	2020
	EUR	EUR
a) on intangible and tangible fixed assets	97,516.41	99,355.47

	2021 EUR	2020 EUR
Amortisation of goodwill	2,252.00	2,252.00
Depreciation of tangible fixed assets	93,621.11	89,209.40
Immediate write-off	1,643.30	824.07
Depreciation on collective items	0.00	7,070.00
	97,516.41	99,355.47
	2021 EUR	2020 EUR
4. other operating expenses	699,070.35	608,913.44
	2021 EUR	2020 EUR
Expenses relating to other periods	254.45	16,418.92
Donations, charitable donations	2,709.90	5,344.32
Allocation on receivables	390.00	20.00
Premise costs	5,041.97	25,516.44
Rent, immovable assets	139,860.00	120,450.00
Gas, electricity, water	69,089.03	69,659.78
Cleaning	26,678.90	27,704.05
Maintenance of operational premises	3,289.59	2,447.50
Other room costs	737.53	380.80
Insurances	3,216.63	3,758.24
Contributions	1,951.88	2,480.83

Third-party vehicle costs	248.32	0.00
Advertising costs	26,551.11	26,363.87
Decoration	109.94	126.99
Gifts deductible without § 37b EStG	420.90	743.80
Representation costs	455.49	487.97
Increase counter package	2,628.69	12,404.56
Entertainment costs	51.02	335.92
Non-deductible entertainment expenses	21.86	143.96
Employee travel expenses	31.67	16.43
Employee travel expenses, travel costs	281.71	602.58
Travel expenses AN Additional subsistence expenses	0.00	48.00
Mileage reimbursement employee	2,400.00	2,400.00
External work (distribution)	90.00	105.00
Repair/maintenance of other equipment and office equipment	4,617.18	3,988.19
Maintenance costs for hardware and software	6,513.73	3,045.47
Rental leasing of movable WG technical equipment	30,304.00	26,365.80
Other operating expenses	0.00	925.97
Porto	1,437.40	2,604.92
Phone	718.80	546.62
Office supplies	2,160.95	1,122.48
Journals, books (specialist literature)	466.36	481.54
Voluntary social benefits	19,800.00	14,510.00
Legal and consulting fees	6,005.50	1,674.80
Accounting costs	6,620.00	6,950.00
Acquisition and audit costs	5,259.80	5,249.10
Rents for facilities movable WG	141.73	141.02
Expenses for licences, concessions	1,091.70	2,547.60
Effort overburden/waste disposal	2,307.80	1,861.60
Ancillary costs of monetary transactions	1,211.66	2,132.06
Return debit note fees	-1.173.56	-915.47

RL Fees Opposition	1,197.55	886.50
Other operating supplies	1,632.86	3,376.78
Tools and small equipment	695.55	2,424.16
Administrative costs	321,550.75	211,034.34
	699,070.35	608,913.44
	2021	2020
	EUR	EUR
5. Other interest and similar income	4,411.34	4,236.23
	2021	2020
	EUR	EUR
Other interest and similar income	4,411.34	4,236.23
	2021	2020
	EUR	EUR
6. Interest and similar expenses	3,877.02	5,160.80
	2021	2020
	EUR	EUR
Interest and similar expenses	0.00	8.50
Interest expenses for current liabilities.	3,877.02	5,152.30
	3,877.02	5,160.80

	2021 EUR	2020 EUR
7. Taxes on income and earnings	-17,973.27	32,640.24
- of which income from additions and dissolu- Deferred taxes of EUR 3,527.00 (EUR 602.00)		
	2021 EUR	2020 EUR
Corporate income tax	0.00	16,918.00
Corporation tax for previous years	0.19	0.00
Corporation tax refund previous years	-13,693.00	0.00
Solidarity surcharge	0.00	930.49
Solidarity tax refund for previous years	-753.00	0.00
Income Additions to/reversal of deferred taxes	-3,527.00	-602.00
GewSt-NZ/Refund VJ § 4 (5b) EStG	-0.46	-0.25
Trade tax	0.00	15,394.00
	-17,973.27	32,640.24
	2021 EUR	2020 EUR
8. Result after taxes	-84,512.34	78,403.12

9. Other taxes	787.28	0.00
Other operating taxes	782.28	0.00
10. Net losses for the year	85,294.62	-78,403.12

-

6 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 0.00 (previous year: EUR 0.00).

Information on receivables from shareholders

The value of receivables from shareholders amounts to EUR 320,480.55 (previous year: EUR 370,459.34).

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 250,749.00.

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 746,003.97 (previous year: EUR 456,959.50).

The amount of liabilities with a remaining term of more than one year is EUR 179,637.00 (previous year: EUR 219,887.00).

Information on liabilities to shareholders

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

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 290,661.95.

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

The average number of employees in the company during the financial year was 18.

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 Esslingen 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 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, 17 May 2022

Michael Schaile

Tax consultant