

*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 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 1.12.2020 KEUR	%	Balance sheet as of 31.12.2019 KEUR	%	Change previous year KEUR	Vs this year %
<b>Assets</b>						
Tangible Fixed Assets	126.4	30.9	160.2	61.4	-33.8	-21.1
Inventories	0.9	0.2	1.9	0.7	-1.0	-52.6
Receivables	1.6	0.4	35.8	13.7	-34.2	-95.5
Other assets	156.3	38.2	11.5	4.4	144.8	1,259.1
Cash and cash equivalents / securities	122.9	30.0	1.1	0.4	121.8	11,072.7
Prepaid expenses	1.3	0.3	2.2	0.8	-0.9	-40.9
Uncovered equity deficits	0.0	0.0	48.0	18.4	-48.0	-100.0
<b>Sum of assets</b>	<b>409.4</b>	<b>100.0</b>	<b>260.8</b>	<b>100.0</b>	<b>148.6</b>	<b>57.0</b>
	Balance sheet as of 31.12.2020 KEUR	%	Balance sheet as of 31.12.2019 KEUR	%	Change previous year KEUR	Vs this year %
<b>Liabilities</b>						
Equity	25.7	6.3	0.0	0.0	25.7	-
Accruals	33.5	8.2	6.7	2.6	26.8	400.0
Credit liabilities	47.7	11.7	96.1	36.8	-48.4	-50.4
Trade payables	210.8	51.5	33.3	12.8	177.5	533.0
Shareholder liabilities	0.0	0.0	55.0	21.1	-55.0	-100.0
Other liabilities	90.6	22.1	68.1	26.1	22.5	33.0
Deferred tax liabilities	1.1	0.3	1.6	0.6	-0.5	-31.3
<b>Sum of liabilities</b>	<b>409.4</b>	<b>100.0</b>	<b>260.8</b>	<b>100.0</b>	<b>148.6</b>	<b>57.0</b>

## 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
Results of the period		73,750.89	-55,680.26
+ Depreciation and amortisation of fixed assets		38,771.00	38,179.93
+ Increase in accruals		26,754.00	-130.00
- Increase in inventories		991.06	1,787.25
- Increase in trade receivables		34,190.09	-31,997.81
+ Decrease in other assets not attributable to investing or financing activities		149,095.45	6,917.19
+ Increase in trade payables		176,676.71	25,173.28
+ Increase in other liabilities not attributable to investing or financing activities		32,793.74	3,964.49
+ Losses from the disposal of fixed assets		604.00	0.00

+ Interest expenses		1,130.40		1,667.86
- Income tax revenue		515.00		542.00
Income tax expense/income	515.00			542.00
Corrections for non-cash operations	-4,880.98			3,824.99
+/- Income tax payments		-4,365.98		4,366.99
<b>Cash flow from operating activities</b>		<b>231,685.46</b>		<b>-20,127.46</b>
- Payments for investments in tangible fixed assets		5,600.00		1,450.93
<b>Cash flow from investing activities</b>		<b>-5,600.00</b>		<b>18,549.07</b>
Payment from the redemption of bonds and (financial) loans		68,914.14		22,862.14
- Interest paid		1,130.40		1,667.86
<b>Cash flow from financing activities</b>		<b>-70,044.54</b>		<b>-24,530.00</b>
Changes in cash and cash equivalents (total cash flow)		156,040.92		-26,108.39
+ Cash and cash equivalents at the beginning of the period				-8,137.97
		-34,246.36		
<b>Cash and cash equivalents at the end of the period</b>		<b>121,794.56</b>		<b>-34,246.36</b>

### 3 Balance sheet as of 31 December 2020 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
<b>A. Fixed Assets</b>				<b>A. Equity</b>			
I. Tangible fixed assets		126,444.00	160,219.00	I. Subscribed capital		25,000.00	25,000.00
<b>B. Current Assets</b>				II. Profit carried forward		73,007.15	17,326.89
I. Inventories		948.00	1,939.06	III. Net loss for the year		73,750.89	-55,680.26
II. Accounts receivable and other assets	1,575.38		35,803.47	Uncovered net loss		0.00	48,007.15
- thereof vis-à-vis shareholders EUR 150,783.30 (EUR 2,481.64)	156,297.47		11,512.85	Sum of equity		25,734.74	0.00
- with a remaining term of more than one year EUR 0.00 (EUR 2,481.64)		157,872.85		<b>B. Accruals</b>		35,454.00	6,700.00
III. Cash in hand, bank balances, balances at credit institutions and cheques		122,881.04	1,089.46	<b>C. Liabilities</b>			
Total current assets		281,701.89	50,344.84	1. Liabilities to credit institutions	47,746.97		96,111.18
<b>C. Prepaid expenses</b>		1,300.00	2,198.00	- with a remaining term of up to one year: EUR 28,980.00 (EUR 63,229.34)			
<b>D. Uncovered equity deficits</b>		0.00	48,007.15	- with a remaining term of more than one year: EUR 18,766.97 (EUR 32,881.84)			
		<b>409,445.89</b>	<b>260,768.99</b>	2. Liabilities from goods and services	210,759.80		33,297.37
				- with a remaining term of up to one year: EUR 210,759.80 (EUR 33,297.37)			
				3. Other liabilities	90,649.38		123,053.44
				- thereof to shareholders EUR 0.00 (EUR 55,000.00)			
				- thereof from taxes EUR 138,80 (EUR 4,793.80)			
				- of which in the context of social security EUR 0.00 (EUR 639.71)			
				- thereof with a remaining term of up to one year EUR 90,649.38 (EUR 68,053.44)			
				- of which with a remaining term of more than one Year EUR 0.00 (EUR 55,000.00)			
						349,156.15	
				<b>D. Deferred tax liabilities</b>		1,092.00	1,607.00
						<b>409,445.89</b>	<b>260,768.99</b>

**4 Income statement from 1 January 2020 to 31 December 2020 in In Shape Sports Club GmbH Fitness Studio**

	Business year EUR	Previous year EUR
1. Gross profits	606,074.47	935,721.36
2. Overall Performance	606,074.47	935,721.36
3. Other company income		
a) Income from the reduction of flat-rate allowance receivables	287.00	0.00
	<u>148,368.44</u>	<u>13,386.45</u>
b) miscellaneous other operating income	148,655.44	13,386.45
4. Cost of Materials		
a) Expenditures for raw materials and supplies for purchased goods	15,388.80	19,941.90
	<u>117,942.24</u>	<u>130,072.21</u>
b) Expenses for purchased services	133,331.04	150,014.11
5. Personnel expenses		
a) Wages and salaries	192,095.37	398,159.37
b) social security contributions and expenses for pension and support	<u>49,554.19</u>	<u>77,720.82</u>
	241,649.56	475,880.19
6. Depreciation		
a) on intangible assets of fixed assets and property, plant and equipment	38,771.00	38,179.93
7. Other operating expenses		
a) Room costs	162,388.67	195,142.14
b) Insurance, contributions and taxes	8,553.93	11,224.60
c) Repairs and maintenance	8,360.54	22,505.90
d) Vehicle costs		
e) Advertising and travel expenses	33.23	597.05
f) Miscellaneous operational costs	33,794.43	47,237.87
g) Losses from the disposal of fixed assets	49,031.11	59,918.22
h) Losses from depreciation of objects of the current assets and adjustment to the value adjustment to claims	604.00	0.00
	160.00	269.00
i) Miscellaneous other operating expenses	<u>3,757.76</u>	<u>2,252.10</u>
	<u>266,683.67</u>	339,146.88
8. Other interest and similar income	120.97	25.02
9. Interest and Similar Expenses	1,179.72	2,133.98
10. Taxes on income and earnings	-515.00	-542.00
- of which income from the allocation and release of deferred taxes EUR 515.00 (EUR 542.00)		
11. Earnings after taxes	<b>73,750.89</b>	<b>-55,680.26</b>
12. Net income	<b>73,750.89</b>	<b>-55,680.26</b>

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

### A. Fixed assets

	31.12.2020 EUR	31.12.2019 EUR
<b>I. Tangible fixed assets</b>	126,444.00	160,129.00
	<b>31.12.2020 EUR</b>	<b>31.12.2019 EUR</b>
Machinery and equipment	10,976.00	18,303.00
Business equipment	113,455.00	138,495.00
Office equipment	1.00	2.00
Assets (collective item)	11.00	337.00
Other operating and business equipment	2,001.00	3,082.00
	<b>126,444.00</b>	<b>160,219.00</b>

### B. Current assets

	31.12.2020 EUR	31.12.2019 EUR
<b>I. Inventories</b>	<b>948.00</b>	<b>1,939.06</b>
	<b>31.12.2020 EUR</b>	<b>31.12.2019 EUR</b>
Inventory goods	948.00	1,939.06

	31.12.2020 EUR	31.12.2019 EUR
<b>II. Receivables and other assets</b>	<b>156,297.47</b>	<b>11,512.85</b>
- in relation to shareholders EUR 150,783.30 (EUR 2,481.64)		
- of which with a remaining term of more than one year EUR 0.00 (EUR 2,481.64)		

	31.12.2020 EUR	31.12.2019 EUR
<b>III. Cash in hand, bank balances, balances in credit institutions and cheques</b>	<b>122,881.04</b>	<b>1,089.46</b>

	31.12.2020 EUR	31.12.2019 EUR
Cash	1,411.68	2.98
VOBA Plochingen 78 28 25 001	120,382.88	0.00
VOBA Plochingen 78 28 25 605	1,086.48	1,086.48

	122,881.04	1,089.46
	<b>31.12.2020</b>	<b>31.12.2019</b>
	<b>EUR</b>	<b>EUR</b>
<b>Total current assets</b>	281,701.89	50,344.84
	<b>31.12.2020</b>	<b>31.12.2019</b>
	<b>EUR</b>	<b>EUR</b>
<b>C. Prepaid expenses</b>	<b>1,300.00</b>	<b>2,198.00</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>
	<b>EUR</b>	<b>EUR</b>
<b>D. Uncovered equity deficits</b>	<b>0.00</b>	<b>48,007.15</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>
	<b>EUR</b>	<b>EUR</b>
<b>Sum Assets</b>	<b>409,445.89</b>	<b>260,768.99</b>



**LIABILITIES****A. Equity**

	<b>31.12.2020 EUR</b>	<b>31.12.2019 EUR</b>
<b>I. Subscribed capital</b>	<b>25,000.00</b>	<b>25,000.00</b>
	<b>31.12.2020 EUR</b>	<b>31.12.2019 EUR</b>
Subscribed capital	25,000.00	25,000.00
	<b>31.12.2020 EUR</b>	<b>31.12.2019 EUR</b>
<b>II. Profits carried forward</b>	<b>73,007.15</b>	<b>17,326.89</b>
	<b>31.12.2020 EUR</b>	<b>31.12.2019 EUR</b>
Profit carried forward before appropriation	0.00	-21,714.01
Losses carried forward before appropriation	-73,007.15	39,040.90
	-73,007.15	17,326.89

	<b>31.12.2020 EUR</b>	<b>31.12.2019 EUR</b>
<b>III. Net loss for the year</b>	<b>73,750.89</b>	<b>-55,680.26</b>
	<b>31.12.2020 EUR</b>	<b>31.12.2019 EUR</b>
Net loss for the year	73,750.89	-55,680.26
	<b>31.12.2020 EUR</b>	<b>31.12.2019 EUR</b>
<b>Uncovered losses</b>	<b>0.00</b>	48,007.15
	<b>31.12.2020 EUR</b>	<b>31.12.2019 EUR</b>
Uncovered losses	0.00	48,007.15
	<b>31.12.2020 EUR</b>	<b>31.12.2019 EUR</b>
<b>Sum equity</b>	<b>25,743.74</b>	<b>0.00</b>

	<b>31.12.2020</b>	<b>31.12.2019</b>
	<b>EUR</b>	<b>EUR</b>
<b>B. Accruals</b>	<b>33.454,00</b>	<b>6,700.00</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>
	<b>EUR</b>	<b>EUR</b>
Provisions for retention obligations	3,300.00	3,300.00
Other accruals	26,154.00	0.00
Accruals for financial statements and audit	4,000.00	3,400.00
	<b>33,454.00</b>	<b>6,700.00</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>
	<b>EUR</b>	<b>EUR</b>
<b>C. Liabilities</b>	<b>47,746.97</b>	<b>96,111.18</b>
<b>1. Liabilities to credit institutions</b>		
- with a remaining time of up to one year		
<b>EUR 28,980.00 (EUR 63,229.34)</b>		
- with a remaining time of more than one year		
<b>EUR 18,766.97</b>		
<b>(EUR 32,881.84)</b>		

<b>2. Liabilities from goods and services</b>		
- with a remaining time of up to one year EUR 210,759.80 (EUR 33,297.37)	210,759.80	33,297.37
<b>3. Other liabilities</b>		
- thereof to shareholders EUR 0.00 (EUR 55,000.00)	90,649.38	123,053.44
- thereof from taxes EUR 138.80 (EUR 4,793.80)		
- of which within the framework of social security EUR 0.00 (EUR 639.71)		
- of which with a remaining term of up to one year EUR 90,649.38 (EUR 68,053.44)		
- of which with a remaining term of more than one year EUR 0.00 (EUR 55,000.00)		
	<b>31.12.2020</b>	<b>31.12.2019</b>
	<b>EUR</b>	<b>EUR</b>
<b>D. Deferred tax liabilities</b>	<b>1,092.00</b>	<b>1,607.00</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>
	<b>EUR</b>	<b>EUR</b>
Deferred tax liabilities	1,092.00	1,607.00
<b>Sum liabilities</b>	<b>409,445.89</b>	<b>260,768.99</b>

**Income statement**

	<b>2020 EUR</b>	<b>2019 EUR</b>
<b>1. Gross profits</b>	<b>606,074.47</b>	<b>935,721.36</b>
<b>2. Overall performance</b>	<b>2020 EUR</b>	<b>2019 EUR</b>
	<b>606,074.47</b>	<b>935,721.36</b>
<b>3. Other company income</b>	<b>2020 EUR</b>	<b>2019 EUR</b>
<b>a) Income from the reduction of the general allowance     on claims</b>	287.00	0.00
<b>b) Miscellaneous other operating income</b>	148,368.44	13,386.45
<b>4. Cost of materials</b>		
<b>a) Cost of raw materials and supplies and for purchased goods</b>	<b>15,388.80</b>	<b>19,941.90</b>

<b>b) Expenses for purchased services</b>	<b>117,942.24</b>	<b>130,072.21</b>
<b>5. Personnel expenses</b>	<b>192,095.37</b>	<b>398,159.37</b>
<b>a) Wages and salaries</b>		
<b>b) Social security contributions and expenses for pensions and support</b>	<b>49,554.19</b>	<b>77,720.82</b>
<b>6. Depreciation</b>		
<b>a) Intangible assets and property, plant and equipment</b>	<b>38,771.00</b>	<b>38,179.93</b>
<b>7. Other operating expenses</b>		
a) Rental costs	162,388.67	195,142.14
b) Insurance, contributions and taxes	8,553.93	11,224.60
c) Repairs and maintenance	8,360.54	22,505.90
d) Vehicle costs	33.23	597.05
e) Advertising and travel expenses	33,794.43	47,237.87
f) Various operational costs	49,031.11	59,918.22
g) Losses from the disposal of objects of fixed assets	604.00	0.00

h) Losses from impairment of current assets and transfer to the allowance for receivables	160.00	269.00
i) miscellaneous other operating expenses	3,757.76	2,252.10
<b>8. Other interest and similar income</b>	<b>120.97</b>	<b>25.02</b>
<b>9. Interest and Similar Expenses</b>	<b>1,179.72</b>	<b>2,133.98</b>
<b>10. Taxes on income and earnings</b>	<b>-515.00</b>	<b>-542.00</b>
a) of which income from the addition and reversal of deferred taxes EUR 515.00 (EUR 542.00)		
<b>11. Result after taxes</b>	<b>73,750.89</b>	<b>-55,680.26</b>
<b>12. Net income</b>	<b>73,750.89</b>	<b>-55,680.26</b>

## **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 0.00 (previous year: EUR 2,481.64).



**Information on receivables from shareholders**

The value of receivables from shareholders amounts to EUR 150,783.30 (previous year: EUR 2,481.64).

**Information on liabilities**

The total amount of liabilities recognised in the balance sheet that are secured by pledges or similar rights is EUR 47,746.97.

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 330,389.18 (previous year: EUR 164,580.15).

The amount of liabilities with a remaining term of more than one year is EUR 18,766.97 (previous year: EUR 87,881,84).

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 111,764.25.

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

The average number of employees in the company during the financial year was 25.

## **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 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 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, 13 October 2021

Michael Schaile

Steuerberater