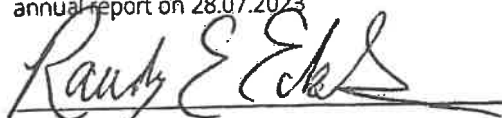


EXERP ApS

Rued Langgaards Vej 8
2300 København S
CVR No. 10501148

Annual report 2022

The Annual General Meeting adopted the
annual report on 28.07.2023

A handwritten signature in black ink, appearing to read 'Randy E Eckels', written over a horizontal line.

Randy Edward Eckels
Chairman of the General Meeting

Entity details

Entity

EXERP ApS

Rued Langgaards Vej 8

2300 København S

Business Registration No.: 10501148

Date of foundation: 01.09.1986

Registered office: København

Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Randy Edward Eckels

Richard Smith

Brian Thomas Carley

Executive Board

Stephan Herbert Rasp

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of EXERP ApS for the financial year 01.01.2022 - 31.12.2022.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

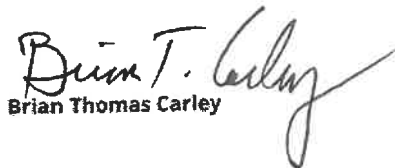
Copenhagen, 28.07.2023

Executive Board


Stephan Herbert Rasp

Board of Directors

Randy Edward Eckels


Brian Thomas Carley

Richard Smith



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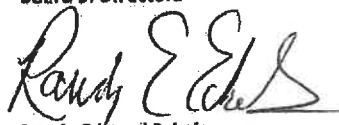
Copenhagen, 28.07.2023

Executive Board



Stephan Herbert Rasp

Board of Directors



Randy Edward Eckels

Richard Smith



Brian Thomas Carley

Independent auditor's report

To the shareholders of EXERP ApS

Opinion

We have audited the financial statements of EXERP ApS for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

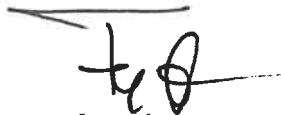
Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 28.07.2023

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

A handwritten signature in black ink, appearing to be 'FL', is written over a horizontal line.

Flemming Larsen

State Authorised Public Accountant

Identification No (MNE) mne27790

Management commentary

Financial highlights

	2022	2021	2020	2019	2018
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	79,123	61,018	72,112	61,420	53,522
Operating profit/loss	1,487	(19,818)	25,292	12,191	8,163
Net financials	(800)	805	(943)	424	(229)
Profit/loss for the year	(6,913)	69,595	18,961	9,808	6,182
Total assets	159,378	163,221	53,220	28,284	28,314
Equity	144,252	151,165	30,795	11,834	17,026
Ratios					
Return on equity (%)	(4.68)	76.49	88.96	67.97	44.40
Equity ratio (%)	90.51	92.61	57.86	41.84	60.13

Effective 1 January 2022 the company merged with its parent company Amleto ApS, with Excerpt ApS being the continuing company. The merger is accounted for as a reverse merger and the comparative figures for 2021 has been adjusted accordingly.

The years before 2021 are not comparable with later years, because of merger.

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Average equity

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Total assets

Primary activities

The core activities consist of development, sale and support of IT software for operation of fitness centers.

Development in activities and finances

Following the previous year's acquisition by Clubessential Holdings LLC the company embarked on a thorough transformation process at the start of 2022. The goal with this program was to improve profitability of all revenue streams, as well as laying the foundation for ambitious growth in top-line recurring revenue. Efficiencies within the Exerp group, and synergies in the wider group of Clubessential companies, have all been explored and implemented or are planned for 2023. During 2022 we have made changes in top management and the organisational structures.

The company continues to invest in its software platform and the modernisation of its IT infrastructure and technical stack. This provides exciting new opportunities to capitalise on expertise and resources in other group companies across the globe.

Effective 1 January 2022 the company merged with its parent company Amleto ApS, with Excerpt ApS being the continuing company. The merger is accounted for as a reverse merger and the comparative figures for 2021 has been adjusted accordingly.

Exerp ApS achieved year-on-year growth across both recurring and one-time revenue streams of approx 112%. Higher recurring revenue was driven by a combination of new client roll-outs and increased club numbers of existing clients, and is seen in both realised and annualised terms. One-time fees increased due to a targeted focus in the consultancy and development departments as well as higher activity in professional services in general.

Operating profits excluding special items was 1,5 million DKK compared to -19,8 million DKK in 2021. The net profit of Exerp ApS was higher in 2021 due to the one-off proceeds from the sale of Exerp America Inc to Clubessential. The income statement for 2022 shows a net loss 6,9 million DKK against a profit of 69,6 million DKK last year.

The balance sheet of Exerp ApS per 31 December 2022 shows equity of 146,8 million DKK, current assets of 42,3 million DKK and short-term liabilities of 15,1 million DKK. The healthy balance sheet will help support the ongoing group plans into future years.

Profit/loss for the year in relation to expected developments

The profit for the year is in line with expectations.

Outlook

For 2023 an EBITDA of 50-55 million DKK is expected, and expected revenue growth from FY22-FY23 is 10-15%.

Income statement for 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss		79,122,952	61,018,471
Staff costs	1	(49,856,239)	(64,488,250)
Depreciation, amortisation and impairment losses	2	(27,779,715)	(16,348,635)
Operating profit/loss		1,486,998	(19,818,414)
Income from investments in group enterprises		0	91,927,739
Other financial income		(590,845)	1,378,891
Other financial expenses		(209,466)	(574,257)
Profit/loss before tax		686,687	72,913,959
Tax on profit/loss for the year	3	(7,599,605)	(3,318,766)
Profit/loss for the year	4	(6,912,918)	69,595,193

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Completed development projects		0	0
Acquired intangible assets		14,445,489	24,642,305
Acquired licences		77,404,825	91,694,947
Acquired trademarks		9,623,118	10,766,459
Goodwill		15,101,011	16,895,191
Intangible assets	5	116,574,443	143,998,902
Other fixtures and fittings, tools and equipment		551,563	597,558
Property, plant and equipment	6	551,563	597,558
Investments in group enterprises		494	494
Financial assets	7	494	494
Fixed assets		117,126,500	144,596,954
Manufactured goods and goods for resale		37,792	38,771
Inventories		37,792	38,771
Trade receivables		8,667,251	9,561,856
Receivables from group enterprises		5,996,052	596,271
Other receivables		1,867,424	2,026,166
Tax receivable		0	6,372
Prepayments	8	765,454	1,971,970
Receivables		17,296,181	14,162,635
Cash		24,917,995	4,422,277
Current assets		42,251,968	18,623,683
Assets		159,378,468	163,220,637

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		186,966	186,966
Retained earnings		144,065,227	150,978,145
Equity		144,252,193	151,165,111
Deferred tax	9	58,715	311,402
Provisions		58,715	311,402
Other payables	10	4,933,206	4,815,136
Non-current liabilities other than provisions	11	4,933,206	4,815,136
Prepayments received from customers		38,375	93,103
Trade payables		1,436,911	751,712
Payables to group enterprises		1,420,966	322,159
Tax payable		4,836,278	2,447,754
Other payables	12	2,401,824	3,314,260
Current liabilities other than provisions		10,134,354	6,928,988
Liabilities other than provisions		15,067,560	11,744,124
Equity and liabilities		159,378,468	163,220,637
Contingent liabilities	13		
Related parties with controlling interest	14		
Group relations	15		

Statement of changes in equity for 2022

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	186,966	150,978,145	151,165,111
Profit/loss for the year	0	(6,912,918)	(6,912,918)
Equity end of year	186,966	144,065,227	144,252,193

Notes

1 Staff costs

	2022	2021
	DKK	DKK
Wages and salaries	46,769,418	61,954,751
Pension costs	2,500,456	1,952,786
Other social security costs	586,365	580,713
	49,856,239	64,488,250
Average number of full-time employees	66	69

According to the Financial Statements Acts §98b, stk.3 remuneration for the director is not disclosed as no Board Members receive remuneration.

2 Depreciation, amortisation and impairment losses

	2022	2021
	DKK	DKK
Amortisation of intangible assets	27,424,459	15,997,601
Depreciation of property, plant and equipment	355,256	351,034
	27,779,715	16,348,635

3 Tax on profit/loss for the year

	2022	2021
	DKK	DKK
Current tax	7,852,291	3,360,679
Change in deferred tax	(252,686)	(41,913)
	7,599,605	3,318,766

4 Proposed distribution of profit and loss

	2022	2021
	DKK	DKK
Retained earnings	(6,912,918)	69,595,193
	(6,912,918)	69,595,193

5 Intangible assets

	Completed development projects DKK	Acquired intangible assets DKK	Acquired licences DKK	Acquired trademarks DKK	Goodwill DKK
Cost beginning of year	20,926,000	30,590,448	100,030,851	11,433,408	16,895,191
Cost end of year	20,926,000	30,590,448	100,030,851	11,433,408	16,895,191
Amortisation and impairment losses beginning of year	(20,926,000)	(5,948,143)	(8,335,904)	(666,949)	0
Amortisation for the year	0	(10,196,816)	(14,290,122)	(1,143,341)	(1,794,180)
Amortisation and impairment losses end of year	(20,926,000)	(16,144,959)	(22,626,026)	(1,810,290)	(1,794,180)
Carrying amount end of year	0	14,445,489	77,404,825	9,623,118	15,101,011

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	597,558
Additions	309,261
Cost end of year	906,819
Depreciation for the year	(355,256)
Depreciation and impairment losses end of year	(355,256)
Carrying amount end of year	551,563

7 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	494
Cost end of year	494
Carrying amount end of year	494

	Equity interest %
Investments in subsidiaries	
Exerp Asia-Pacific Pty Ltd	100.00

8 Prepayments

Prepayments comprise prepaid expenses regarding rent, insurance premiums, subscriptions and interest relating to the financial year 2023.

9 Deferred tax

	2022	2021
	DKK	DKK
Property, plant and equipment	(109,685)	(117,619)
Other taxable temporary differences	168,400	429,021
Deferred tax	58,715	311,402

	2022	2021
	DKK	DKK
Changes during the year		
Beginning of year	311,402	353,315
Recognised in the income statement	(252,687)	(41,913)
End of year	58,715	311,402

10 Other payables

	2022	2021
	DKK	DKK
Holiday pay obligation	4,933,206	4,815,136
	4,933,206	4,815,136

11 Non-current liabilities other than provisions

	Due after more than 12 months 2022 DKK
Other payables	4,933,206
	4,933,206

12 Other payables

	2022	2021
	DKK	DKK
Wages and salaries, personal income taxes, social security costs, etc payable	(190,146)	1,180,022
Other costs payable	2,591,970	2,134,238
	2,401,824	3,314,260

13 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Exerp Holdings ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total

known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

14 Related parties with controlling interest

Exerp Holdings ApS
Rued Langgaardsvej 8
2300 Copenhagen S

owns all shares in the Entity, thus exercising control.

The company is included in the consolidated financial statements of Exerp Holdings ApS.

15 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Clubessential Holdings, LLC
4600 McAuley Place, Suite 350
Cincinnati, OH 45242

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Exerp Holdings ApS
Rued Langgaardsvej 8
2300 Copenhagen S

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these financial statements are consistent with those applied last year.

Effective 1 January 2022 the company merged with its parent company Amleto ApS, with Excerpt ApS being the continuing company. The merger is accounted for as a reverse merger and the comparative figures for 2021 has been adjusted accordingly.

Consolidated financial statements

Referring to section 112 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory

writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises dividends etc received from the individual group enterprises in the financial year.

Other financial income

Other financial income comprises interest income, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling

the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	3-8 years

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Cash flow statement

Referring to section 86(4) of the Danish Financial Statements Act, the Entity has prepared no cash flow statement as such statement is included in the consolidated cash flow statement of Exerp Holdings ApS, Business Reg. No. 42 37 07 38