

Fitness Institute ApS
C. F Richs Vej 107, 3.
2000 Frederiksberg
CVR no. 33 88 66 24

Annual report for 2021

Adopted at the annual general meeting on 9
May 2022

Michael Schrøder
chairman

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Statement by management on the annual report

The Board of Directors and executive board have today discussed and approved the annual report of Fitness Institute ApS for the financial year 1 January - 31 December 2021.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021.

Management recommends that the annual report should be approved by the company in general meeting.

Frederiksberg, 9 May 2022

Executive board

Michael Schrøder
Director

Board of Directors

Morten Nørdum Bentzen
chairman

Alexander Basil John Wood

Gitte Grace Elvira Glentborg

The Independent Practitioner's Report

To the shareholder of Fitness Institute ApS

Conclusion

We have performed an extended review of the Financial Statements of Fitness Institute ApS for the financial year 1 January - 31 December 2021, which comprise 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.

Based on the work performed, in our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the Practitioner's responsibilities for the extended review of the financial statements section of our report. We are independent of the Company 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's responsibility 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Practitioner's responsibilities for the extended review of the Financial Statements

Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures to obtain limited assurance in respect of our conclusion on the Financial Statements and, moreover, that we perform supplementary procedures specifically required to obtain additional assurance in respect of our conclusion.

The Independent Practitioner's Report

An extended review consists of making inquiries, primarily of Management and others within the enterprise, as appropriate, and applying analytical procedures and the supplementary procedures specifically required as well as assessing the evidence obtained.

An extended review is less in scope than an audit and, consequently, we do not express an audit opinion on the Financial Statements.

Hellerup, 9 May 2022

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Bo Schou-Jacobsen
State Authorized Public Accountant
MNE no. 28703

Sune Christensen Bjerre
State Authorized Public Accountant
MNE no. 47832

Company details

The company

Fitness Institute ApS
C. F Richs Vej 107, 3.
2000 Frederiksberg

CVR no.: 33 88 66 24

Reporting period: 1 January - 31 December 2021

Domicile: Frederiksberg

Board of Directors

Morten Nørdum Bentzen, chairman
Alexander Basil John Wood
Gitte Grace Elvira Glentborg

Executive board

Michael Schrøder, director

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Accounting policies

The annual report of Fitness Institute ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2021 is presented in TDKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Accounting policies

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, realised and unrealised gains and losses on foreign currency transactions and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Accounting policies

Balance sheet

Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Property, plant and equipment	3-5 years
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Other investments

Other financial assets, which consist of deposits, are measured at fair value at the balance sheet date.

Impairment of fixed assets

The carrying amount of property, plant and equipment is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

Accounting policies

Joint taxation contributions payable and receivable are recognised in the balance sheet as 'Joint taxation contributions receivable' or 'Joint taxation contributions payable'.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2021</u> TDKK	<u>2020</u> TDKK
Gross profit		1,197	2,133
Staff costs	3	<u>(2,311)</u>	<u>(2,539)</u>
Profit/loss before amortisation/depreciation and impairment losses		(1,114)	(406)
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>(27)</u>	<u>(9)</u>
Profit/loss before net financials		(1,141)	(415)
Financial costs		<u>(12)</u>	<u>(5)</u>
Profit/loss before tax		(1,153)	(420)
Tax on profit/loss for the year	4	<u>672</u>	<u>4</u>
Profit/loss for the year		<u>(481)</u>	<u>(416)</u>
Recommended appropriation of profit/loss			
Retained earnings		<u>(481)</u>	<u>(416)</u>
		<u>(481)</u>	<u>(416)</u>

Balance sheet 31 December

	<u>Note</u>	<u>2021</u> TDKK	<u>2020</u> TDKK
Assets			
Other fixtures and fittings, tools and equipment		46	73
Tangible assets	5	<u>46</u>	<u>73</u>
Deposits		0	94
Fixed asset investments		<u>0</u>	<u>94</u>
Total non-current assets		<u>46</u>	<u>167</u>
Trade receivables		14	65
Receivables from Group companies		333	1,141
Other receivables		4	66
Deferred tax asset		334	0
Joint taxation contributions receivable		4	5
Prepayments		3	0
Receivables		<u>692</u>	<u>1,277</u>
Cash at bank and in hand		<u>0</u>	<u>35</u>
Total current assets		<u>692</u>	<u>1,312</u>
Total assets		<u><u>738</u></u>	<u><u>1,479</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2021</u> TDKK	<u>2020</u> TDKK
Equity and liabilities			
Share capital		90	90
Retained earnings		<u>(1,584)</u>	<u>(1,103)</u>
Equity		<u>(1,494)</u>	<u>(1,013)</u>
Provision for deferred tax		<u>0</u>	<u>6</u>
Total provisions		<u>0</u>	<u>6</u>
Other payables		<u>169</u>	<u>165</u>
Total non-current liabilities		<u>169</u>	<u>165</u>
Banks		8	0
Trade payables		100	166
Payables to Group companies		926	0
Other payables		257	430
Deferred income	6	<u>772</u>	<u>1,725</u>
Total current liabilities		<u>2,063</u>	<u>2,321</u>
Total liabilities		<u>2,232</u>	<u>2,486</u>
Total equity and liabilities		<u>738</u>	<u>1,479</u>
Uncertainty about the continued operation (going concern)	1		
Main activity	2		
Contingent liabilities	7		
Subsequent events	8		
Related parties and ownership structure	9		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2021	90	(1,103)	(1,013)
Net profit/loss for the year	<u>0</u>	<u>(481)</u>	<u>(481)</u>
Equity at 31 December 2021	<u>90</u>	<u>(1,584)</u>	<u>(1,494)</u>

Notes

1 Uncertainty about the continued operation (going concern)

The Company has lost its share capital as of 31 December 2021. The Company is dependent on continued liquidity from group companies, including Pinnacle Bidco PLC (“the Group”).

The Company has received a letter of support from Pinnacle Bidco PLC, stating that Pinnacle Bidco PLC will support the Company to the extent necessary for the financial year 2022, ie. 31 December 2022.

The Group meets its day to day working capital requirements, capex and funding of new gyms through its cash reserves and credit facilities, being an RCF facility of £145 million, which includes an overdraft facility of £10 million.

With available liquidity of £177 million within the Group (as at 31 December 2021) and the further raise of £300 million in January 2022, Group Management considers that the Group has sufficient facilities to fund operations until year-end 2022.

Based on the above it is the assessment of the Executive Board and Board of Directors that the Company has sufficient capital resources to continue operations until year-end 2022.

Management therefore submits the Annual Report on the assumption of going concern.

2 Main activity

Fitness Institute ApS offers educations and courses targeted the fitness industry.

	2021 TDKK	2020 TDKK
3 Staff costs		
Wages and salaries	2,137	2,341
Pensions	115	89
Other social security costs	24	17
Other staff costs	35	92
	<u>2,311</u>	<u>2,539</u>
Average number of employees	<u>4</u>	<u>4</u>

Notes

	<u>2021</u> TDKK	<u>2020</u> TDKK
4 Tax on profit/loss for the year		
Current tax for the year	(4)	(5)
Deferred tax for the year	(340)	1
Adjustment of tax concerning previous years	<u>(328)</u>	<u>0</u>
	<u>(672)</u>	<u>(4)</u>

5 Tangible assets

	<u>Other fixtures and fittings, tools and equipment</u>
Cost at 1 January 2021	<u>82</u>
Cost at 31 December 2021	<u>82</u>
Impairment losses and depreciation at 1 January 2021	9
Depreciation for the year	<u>27</u>
Impairment losses and depreciation at 31 December 2021	<u>36</u>
Carrying amount at 31 December 2021	<u>46</u>

6 Deferred income

Deferred income comprise mainly of prepaid courses held in the new financial year.

7 Contingent liabilities

The company is taxed jointly with the Danish companies in the Group. The company is, together with the other companies in the Group, liable for corporate taxes and withholding taxes on dividends, interests and royalties within the joint taxation.

Operating leases have been concluded with a total nominal residual lease payment of TDKK 6,713 (2020: TDKK 7,575).

Guarantees on rent obligations constitute TDKK 409 at 31 December 2021. (2020: TDKK 409).

Notes

8 Subsequent events

No events have occurred after the balance sheet date that would influence the evaluation of these financial statements.

9 Related parties and ownership structure

Controlling interest

The Company is fully owned by Fitness World A/S, Torveporten 2, 2500 Valby, Denmark.

Consolidated financial statements

Fitness Institute ApS is included in the consolidated financial statements of Pinnacle Bidco PLC and Pinnacle Topco Limited. The consolidated statements can be requested at the following address: Town Centre House, Merrion Centre, Leeds LS2 8LY, Pure Gym Ltd, UK.

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Michael Schrøder

Adm. direktør

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Gitte Grace Elvira Glentborg

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NEM ID 

Morten Nørdum Bentzen (CPR valideret)

Bestyrelsesformand

Serienummer: PID:9208-2002-2-629563007957

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Alexander Basil John Wood

Bestyrelsesmedlem

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2022-05-11 09:54:13 UTC



Bo Schou-Jacobsen

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Michael Schrøder

Dirigent

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