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***Forward TopCo A/S***  
Annual report for 2020

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CVR no. 36 69 98 84

Adopted at the annual general  
meeting on 20 April 2021

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Michael Schrøder  
chairman

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## Statement by management on the annual report

The Board of Directors and Executives Board have today discussed and approved the annual report of Forward TopCo A/S for the financial year 1 January - 31 December 2020.

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 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020.

We recommend that the annual report should be adopted at the Annual General Meeting.

Rødovre, 20 April 2021

### Executive board

Morten Nørdum Bentzen  
director

### Board of Directors

Alexander Basil John Wood  
chairman

Morten Nørdum Bentzen

Michael Schrøder

# Independent auditor's report

## To the shareholder of Fitness World A/S

### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2020, and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the financial statements of Forward TopCo A/S for the financial year 1 January - 31 December 2020 which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 the 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.

### 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 judgment and maintain professional skepticism throughout the audit. We also:

## Independent auditor's report

- 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 company'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 company'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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, 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.

Hellerup, den 20 April 2021

### **PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR-nr. 33 77 12 31

Bo Schou-Jacobsen  
State authorized public accountant  
Mne28703

Conrad Mattrup Lundsgaard  
State authorized public accountant  
Mne34529

## Company details

<b>The company</b>	Forward TopCo A/S Egegårdsvej 61 DK-2610 Rødovre  CVR no: 36 69 98 84 Reporting period: 1 January - 31 December Domicile: Rødovre
<b>Board of Directors</b>	Alexander Basil John Wood, chairman Morten Nørdum Bentzen Michael Schrøder
<b>Executive board</b>	Morten Nørdum Bentzen
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

## Accounting policies

The annual report of Forward TopCo A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with supplement from class C.

The annual report for 2020 is presented in TDKK.

With reference to section 112 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

### Change of accounting policies

The Group has chosen to present the annual report for 2020 in accordance with the Danish Financial Statements Act. Previous years the annual report has been presented in accordance with IFRS.

The transition to the Danish Financial Statements Act has not led to any changes in the accounting policies for Forward TopCo A/S and it has therefore not been necessary to change comparative figures.

### Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses 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 instalments 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

### Other external expenses

Other external expenses include expenses related to administration.

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating 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 advance-payment-of-tax scheme, etc.

## Accounting policies

### Tax on profit for the year

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish enterprises. Danish Group enterprises 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 of Forward TopCo A/S.

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.

### Investments in subsidiaries

Investments in subsidiaries are measured in the company's financial statements using the cost method. If an indication of impairment is identified, an impairment test is carried out. If the carrying amount of investments exceeds the recoverable amount, a corresponding impairment loss is recognised. Impairment losses are recognised in the company's income statement as financial items.

### Receivables

Receivables are measured at amortised cost.

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.

### 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. Current tax is presented as corporation tax in the balance sheet.

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 assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

### Liabilities

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



## Income statement 1 January - 31 December 2020

	2020	2019
	TDKK	TDKK
Other external costs	(2,290)	(929)
<b>Operating loss</b>	<b>(2,290)</b>	<b>(929)</b>
4 Financial costs	(9)	(24)
<b>Loss before tax</b>	<b>(2,299)</b>	<b>(953)</b>
5 Income tax	(76)	207
<b>Loss for the year</b>	<b>(2,375)</b>	<b>(746)</b>
<b>Proposed distribution of loss:</b>		
Retained earnings	(2,375)	(746)
	<b>(2,375)</b>	<b>(746)</b>

## Balance sheet at 31 December 2020

<b>Assets</b>	2020	2019
	TDKK	TDKK
6 Investments in subsidiaries	778,500	778,500
<b>Total non-current assets</b>	<b>778,500</b>	<b>778,500</b>
Income tax receivable	4,424	23,214
Receivables from group companies	21,330	-
<b>Receivables</b>	<b>25,754</b>	<b>23,214</b>
<b>Cash</b>	<b>105</b>	<b>-</b>
<b>Total current assets</b>	<b>25,859</b>	<b>23,214</b>
<b>Total assets</b>	<b>804,359</b>	<b>801,714</b>
<b>Equity and liabilities</b>		
7 Share capital	16,168	16,168
Retained earnings	765,989	768,364
<b>Equity</b>	<b>782,157</b>	<b>784,532</b>
Credit institutions	-	17
Payables to group companies	21,613	-
Other liabilities	589	444
Income tax payable	-	16,721
<b>Total current liabilities</b>	<b>22,202</b>	<b>17,182</b>
<b>Total equity and liabilities</b>	<b>804,359</b>	<b>801,714</b>
1 Capital resources		
2 Business activities		
8 Contractual commitments and contingencies, etc.		
9 Subsequent events		
10 Related parties		

## Statement of changes in equity

	Share capital	Retained earnings	Total equity
Equity at 1 January 2020	16,168	768,364	784,532
Result for the year	-	(2,375)	(2,375)
<b>Equity at 31 December 2020</b>	<b>16,168</b>	<b>765,989</b>	<b>782,157</b>

# Notes to the annual report

## 1 Capital resources

The COVID-19 pandemic continued into 2021 and has resulted in continued lockdown for the fitness industry. All Fitness World gyms have been closed since 16 December 2020 and the reopening date is still subject to uncertainty. Based on the latest Government announcement, it is the expectation that the reopening will take place in May 2021. The continued lockdown has an obvious negatively effect on the cash flows and the liquidity.

Due to the Company's capital and liquidity conditions, 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 2021, ie. 31 December 2021.

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. The Group's forecasts and projections (to 30 April 2022) taking account of reasonably possible changes in business performance and potential future lockdowns, shows that the Group should be able to operate within its existing facilities. This assessment includes the impact of the 2021 national lockdowns, no extension of Government support and the expectation of continued COVID-19 disruption on core business across 2021.

With available liquidity of £236 million within the Group (as at 31 December 2020) and the further raise of €45 million (c. £40 million) in March 2021, Group Management consider that the Group has sufficient facilities to withstand over 14 months of full Group closure from the start of 2021.

Based on the above and with no Leverage or Cash Flow covenants until 2021 in the Group, 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 2021. Management therefore submits the Annual Report on the assumption of going concern.

## 2 Business activities

The company's only activity is ownership of shares in a subsidiary undertaking.

## 3 Employee expenses

There are no employees in the company and members of the board do not receive remuneration.

## 4 Financial costs

Other interest expenses

	2020	2019
	TDKK	TDKK
	9	24
	<b>9</b>	<b>24</b>

## 5 Income tax

Current tax for the year

Adjustment of tax concerning previous years

	(28)	(207)
	104	-
	<b>76</b>	<b>(207)</b>

## Notes to the annual report

	2020	2019	
	TDKK	TDKK	
<b>6 Investments in subsidiaries</b>			
Cost at 1 January	778,500	778,500	
Cost at 31 December	778,500	778,500	
Impairment at 1 January	-	-	
Impairment during the year	-	-	
Impairment at 31 December	-	-	
<b>Carrying amount at 31 December</b>	<b>778,500</b>	<b>778,500</b>	
<b>Name</b>	<b>Principal activities</b>	<b>Country</b>	<b>% equity interest</b>
Fitnes World Group A/S	Holding	Denmark	100%

### 7 Share capital

The share capital consists of A shares for TDKK 3,274 and B shares for TDKK 12,894.

Ordinary shares are fully paid in. Class A and B shares both carry one vote.

The nominal value of each share is DKK 0.02.

### 8 Contractual commitments and contingencies, etc.

#### *Contingent liabilities*

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

### 9 Subsequent events

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

### 10 Related parties

#### **Consolidated financial statement**

Forward TopCo A/S 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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“Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument.”

## Alexander Basil John Wood

Bestyrelsesformand

Serienummer: alex.wood@puregym.com

IP: 94.11.xxx.xxx

2021-04-20 11:33:14Z

## Michael Schrøder

Bestyrelsesmedlem

Serienummer: PID:9208-2002-2-238225047423

IP: 109.70.xxx.xxx

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NEM ID

## Navnet er skjult (CPR valideret)

Adm. direktør

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Bestyrelsesmedlem

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IP: 62.198.xxx.xxx

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NEM ID

## Conrad Mattrup Lundsgaard

Statsautoriseret revisor

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## Bo Schou-Jacobsen

Statsautoriseret revisor

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## Michael Schrøder

Dirigent

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