

Forward TopCo A/S  
Torveporten 2, 4.  
2500 Valby  
CVR no. 36 69 98 84

## **Annual report for 2021**

Adopted at the annual general meeting on 9  
May 2022

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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 Forward TopCo A/S 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.

Valby, 9 May 2022

### **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 Forward TopCo 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 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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 2021, 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' 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 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.

## Independent auditor's report

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:

- 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.

## Independent auditor's report

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**

Forward TopCo A/S  
Torveporten 2, 4.  
2500 Valby

CVR no.: 36 69 98 84

Reporting period: 1 January - 31 December 2021

Domicile: Copenhagen

### **Board of Directors**

Alexander Basil John Wood, chairman  
Morten Nørdum Bentzen  
Michael Schrøder

### **Executive board**

Morten Nørdum Bentzen, director

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
2900 Hellerup

## Accounting policies

The annual report of Forward TopCo A/S 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

Pursuant to sections §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

### **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**

#### **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 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.



## Accounting policies

### **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.

### **Balance sheet**

#### **Investments in subsidiaries**

Investment in subsidiaries are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

#### **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.

#### **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.

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.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries 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.

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.

## Accounting policies

### **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.

## Income statement 1 January - 31 December

	<u>Note</u>	<u>2021</u> TDKK	<u>2020</u> TDKK
<b>Revenue</b>		<b>0</b>	<b>0</b>
Other external expenses		<u>(524)</u>	<u>(2,290)</u>
<b>Gross profit</b>		<b>(524)</b>	<b>(2,290)</b>
Staff costs	3	<u>0</u>	<u>0</u>
<b>Profit/loss before net financials</b>		<b>(524)</b>	<b>(2,290)</b>
Financial costs	4	<u>(1)</u>	<u>(9)</u>
<b>Profit/loss before tax</b>		<b>(525)</b>	<b>(2,299)</b>
Tax on profit/loss for the year	5	<u>(96)</u>	<u>(76)</u>
<b>Profit/loss for the year</b>		<b><u>(621)</u></b>	<b><u>(2,375)</u></b>
 <b>Recommended appropriation of profit/loss</b>			
Retained earnings		<u>(621)</u>	<u>(2,375)</u>
		<b><u>(621)</u></b>	<b><u>(2,375)</u></b>

## Balance sheet 31 December

	<u>Note</u>	<u>2021</u> TDKK	<u>2020</u> TDKK
<b>Assets</b>			
Investments in subsidiaries	6	<u>778,500</u>	<u>778,500</u>
<b>Fixed asset investments</b>		<u><b>778,500</b></u>	<u><b>778,500</b></u>
<b>Total non-current assets</b>		<u><b>778,500</b></u>	<u><b>778,500</b></u>
Receivables from Group companies		52,927	21,330
Deferred tax asset		102	0
Corporation tax		<u>2,565</u>	<u>4,424</u>
<b>Receivables</b>		<u><b>55,594</b></u>	<u><b>25,754</b></u>
<b>Cash at bank and in hand</b>		<u><b>67</b></u>	<u><b>105</b></u>
<b>Total current assets</b>		<u><b>55,661</b></u>	<u><b>25,859</b></u>
<b>Total assets</b>		<u><u><b>834,161</b></u></u>	<u><u><b>804,359</b></u></u>

## Balance sheet 31 December

	<u>Note</u>	<u>2021</u> TDKK	<u>2020</u> TDKK
<b>Equity and liabilities</b>			
Share capital		16,168	16,168
Retained earnings		<u>765,368</u>	<u>765,989</u>
<b>Equity</b>	7	<b><u>781,536</u></b>	<b><u>782,157</u></b>
Payables to Group companies		52,555	21,613
Other payables		<u>70</u>	<u>589</u>
<b>Total current liabilities</b>		<b><u>52,625</u></b>	<b><u>22,202</u></b>
<b>Total liabilities</b>		<b><u>52,625</u></b>	<b><u>22,202</u></b>
<b>Total equity and liabilities</b>		<b><u><u>834,161</u></u></b>	<b><u><u>804,359</u></u></b>
Uncertainty about the continued operation (going concern)	1		
Main activity	2		
Contingent liabilities	8		
Subsequent events	9		
Related parties and ownership structure	10		

## Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2021	16,168	765,989	782,157
Net profit/loss for the year	<u>0</u>	<u>(621)</u>	<u>(621)</u>
<b>Equity at 31 December 2021</b>	<b><u>16,168</u></b>	<b><u>765,368</u></b>	<b><u>781,536</u></b>

## Notes

### 1 Uncertainty about the continued operation (going concern)

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.

Subsidiary of the Company, Fitness World A/S, is expecting a profit after tax for the year 2022, limiting the need for further credit.

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

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

### 3 Staff costs

	<u>2021</u>	<u>2020</u>
Average number of employees	<u>0</u>	<u>0</u>

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

## Notes

	<u>2021</u> TDKK	<u>2020</u> TDKK
<b>4 Financial costs</b>		
Other financial costs	<u>1</u>	<u>9</u>
	<b><u>1</u></b>	<b><u>9</u></b>
<b>5 Tax on profit/loss for the year</b>		
Current tax for the year	(1)	(28)
Deferred tax for the year	(102)	0
Adjustment of tax concerning previous years	<u>199</u>	<u>104</u>
	<b><u>96</u></b>	<b><u>76</u></b>



## Notes

	2021 TDKK	2020 TDKK
<b>6 Investments in subsidiaries</b>		
Cost at 1 January 2021	778,500	778,500
Cost at 31 December 2021	778,500	778,500
Revaluations at 1 January 2021	0	0
Revaluations at 31 December 2021	0	0
<b>Carrying amount at 31 December 2021</b>	<b>778,500</b>	<b>778,500</b>

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest
Fitness World Group A/S	Denmark	100 %
Fitness World A/S (subsidiary of Fitness World Group A/S)	Denmark	100 %
Functional Supply A/S (subsidiary of Fitness World Group A/S)	Denmark	100 %
Fitness Institute ApS (subsidiary of Fitness World A/S)	Denmark	100 %
PureGym AG (subsidiary of Fitness World Group A/S)	Switzerland	100 %

## 7 Equity

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 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.

The company is a guarantor of the financing facilities held by its parent company, Pinnacle Bidco PLC, which holds financing facilities on behalf of the PureGym group ("the Group").

## Notes

### 8 Contingent liabilities (continued)

At the start of the year, the Group, of which the Company is a part, had £430 million of Senior Secured Notes ("the Sterling Notes") and €445 million of Senior Secured Notes ("the Euro Notes") in issue (together, "the Notes"). On 4 March 2021, a further €45 million of Euro Notes were issued on the same terms, taking the total Euro Notes in issue to €490 million at the year end.

The Notes are listed on The International Stock Exchange, for which Pinnacle Bidco PLC is the Issuer and certain subsidiaries of the Group are guarantors. Interest on the Sterling Notes accrues at a rate of 6.375% and interest on the Euro Notes accrues at a rate of 5.500% both payable at half-yearly intervals. The Notes are due to be repaid in full on 15 February 2025.

In addition, the Group has a revolving credit facility (the "RCF") with eight international institutions (Barclays Bank PLC, Jefferies Finance LLC, Royal Bank of Canada, Credit Suisse AG, Credit Suisse International, ING Bank N.V. Lloyds Bank plc and Danske Bank A/S, collectively "the Lenders"), repayable 15 August 2024. Included within the total RCF is a £10 million overdraft facility.

As at 31 December 2021 and 31 December 2020, the facility was undrawn.

Following amendments to the terms of the RCF on 18 September 2020, and further amendments on 7 January 2021, the Lenders granted a waiver of the pre-existing financial covenants on the RCF for the remainder of the term. The financial covenant is replaced with a £30 million minimum liquidity test on the last day of March, June, September and December each year.

The Group has been in compliance with all such covenants and tests during the current and previous financial years.

### 9 Subsequent events

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

### 10 Related parties and ownership structure

#### Consolidated financial statements

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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## Michael Schrøder

Direktionsmedlem

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IP: 62.198.xxx.xxx

2022-05-09 14:51:42 UTC

NEM ID 

## Michael Schrøder

Bestyrelsesmedlem

Serienummer: PID:9208-2002-2-238225047423

IP: 62.198.xxx.xxx

2022-05-09 14:51:42 UTC

NEM ID 

## Morten Nørdum Bentzen (CPR valideret)

Adm. direktør

Serienummer: PID:9208-2002-2-629563007957

IP: 109.70.xxx.xxx

2022-05-10 07:24:55 UTC

NEM ID 

## Morten Nørdum Bentzen (CPR valideret)

Bestyrelsesmedlem

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2022-05-10 07:24:55 UTC

NEM ID 

## Alexander Basil John Wood

Bestyrelsesformand

Serienummer: alex.wood@puregym.com

IP: 109.152.xxx.xxx

2022-05-10 16:08:12 UTC



## Bo Schou-Jacobsen

Statsautoriseret revisor

På vegne af: PwC

Serienummer: CVR:33771231-RID:24377003

IP: 83.136.xxx.xxx

2022-05-10 17:01:18 UTC

NEM ID 

## Sune Christensen Bjerre

Statsautoriseret revisor

På vegne af: PRICEWATERHOUSECOOPERS STATSAUTORISERET ...

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IP: 83.136.xxx.xxx

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## Michael Schrøder

Dirigent

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IP: 62.198.xxx.xxx

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