

search result

Surname	area	information	V. date
Qualitrain GmbH Munich	Accounting/ Financial Reports	Annual financial statements for the financial year from January 1st, 2020 to December 31st, 2020	01/06/2022

Qualitrain GmbH

Munich

Annual financial statements for the financial year from January 1st, 2020 to December 31st, 2020**Balance sheet as of December 31, 2020****assets**

	12/31/2020		12/31/2019	
	EUR	EUR	EUR	EUR
A. Fixed assets				
Intangible assets				
Self-created industrial property rights and similar rights and values		1,448,827.00		896,422.48
B. Current Assets				
I. Receivables and other assets				
1. Trade accounts receivable	410,881.84		782,437.93	
2. Receivables from affiliated companies	7,512,630.95		2,014,388.82	
- thereof against shareholder EUR 2,316,848.53 (previous year EUR 1,809,796.31) -				
3. Other Assets	46,765.31	7,970,278.10	55,223.30	2,852,050.05
II. Bank balances		1,309,191.49		2,270,846.70
		9,279,469.59		5,122,896.75
C. Prepaid expenses		133,511.87		115,355.42
D. Shortage not covered by equity		0.00		631,590.10
		10,861,808.46		6,766,264.75

liabilities

	12/31/2020		12/31/2019	
	EUR	EUR	EUR	EUR
A. Equity				
I. Drawn capital		31,250.00		31,250.00
II. Loss carryforward (prior year profit carryforward)		-662,840.10		980,620.60
III. Net income (previous year net loss)		1,769,295.19		-1,643,460.70
not covered by it		0.00		631,590.10
		1,137,705.09		0.00
B. Provisions				
1. Provisions for taxes		55,000.00		310,588.48
2. Other provisions		692,100.98		203,253.97
		747,100.98		513,842.45
C. Liabilities				
1. Trade accounts payable		1,444,911.30		2,336,363.23
2. Liabilities to affiliated companies		7,011,760.77		3,693,904.51
3. Other Liabilities		520,330.32		222,154.56
- thereof from taxes EUR 38,897.19 (previous year EUR 129,489.13) -				
- of which in the context of social security EUR 45,414.30 (previous year EUR 983.35) -				
		8,977,002.39		6,252,422.30
		10,861,808.46		6,766,264.75

Profit and Loss Account for the period from January 1st to December 31st 2020

	2020	2019
	EUR	EUR
1. Revenue	27,958,160.73	24,354,293.68
2. Other own work capitalized	270,539.69	242,466.53
3. Other operating income	279,394.75	202,626.23
4. Expenses for purchased services	-17,691,567.10	-16,908,985.34
5. Personnel expenses		
a) Wages and salaries	-2,947,620.97	-2,973,932.47
b) Social security contributions and expenses for pensions and for assistance	-507,370.70	-498,438.93
- of which for pensions EUR 7,333.92 (previous year EUR 7,258.47) -		
6. Depreciation of intangible fixed assets	-213,709.48	-63,867.71
7. Other Operating Expenses	-5,261,739.50	-5,976,269.62
8. Other Interest and Similar Income	18,734.74	2,390.00
- thereof from affiliated companies EUR 18,734.74 (previous year EUR 0.00) -		
9. Interest and Similar Expenses	-21,607.69	0.00
- thereof from affiliated companies EUR 17,485.69 (previous year EUR 0.00) -		
10. Income taxes	-114,527.59	-22,806.04
11. Earnings after taxes	1,768,686.88	-1,642,523.67
12. Other Taxes	608.31	-937.03
13. Net income (previous year net loss)	1,769,295.19	-1,643,460.70

Notes for the financial year from January 1, 2020 to December 31, 2020

Information on the accounting and valuation methods and the presentation in the annual financial statements

General Information

Qualitrain GmbH has its registered office in Munich and is entered in the Commercial Register at the Munich District Court, Section B, under no. HRB 243458.

The annual financial statements for the 2020 financial year were prepared in accordance with the accounting regulations of the German Commercial Code (HGB).

The nature of expense method was chosen for the income statement.

According to the size classes specified in Section 267 HGB, the company is a medium-sized corporation. The structure of the balance sheet and the income statement is in accordance with Section 266 HGB and Section 275 (2) HGB.

The items in the balance sheet and income statement that do not show an amount in the financial year or in the previous year were not disclosed in accordance with Section 265 (8) HGB. Insofar as options can be exercised for information in the balance sheet or in the notes, the information in the notes was chosen.

The accounting and valuation methods correspond to the provisions of commercial law. In particular, the following accounting and valuation methods are decisive:

Internally generated intangible assets are recognized at cost during the development phase and reduced by scheduled depreciation. The manufacturing costs include material costs and production costs. Borrowing costs are not capitalized.

Purchased intangible assets are recognized at cost and, if they are subject to wear and tear, reduced by scheduled depreciation.

Non-scheduled depreciation in accordance with Section 253 (3) HGB is carried out on fixed assets if the impairment is expected to be permanent.

Receivables and other assets are stated at their nominal value or at the lower value applicable on the balance sheet date. Appropriate value deductions are made for receivables whose collectability is associated with recognizable risks; bad debts are written off.

Receivables and liabilities in foreign currency with a remaining term of less than one year are converted into euros and valued at the average spot exchange rate on the balance sheet date. Receivables with a remaining term of more than one year are valued at the lower exchange rate at the time they were issued or at the closing rate.

Liabilities with a remaining term of more than one year are valued at the rate at which they were incurred or at the rate on the reporting date, whichever is higher.

Bank balances are stated at nominal value.

Expenses before the balance sheet date are shown as prepaid expenses if they relate to expenses for a certain period after this date.

The company achieved an annual surplus of EUR 1,769 thousand (previous year: EUR -1,643 thousand) and reported equity of EUR 1,138 thousand (previous year: EUR -632 thousand).

Provisions are made for all recognizable risks and uncertain liabilities based on prudent business judgement. The valuation is based on the settlement amount. There were no provisions with a term of more than one year. Discounts were not made.

The tax provisions include the taxes not yet assessed and are valued at the settlement amount.

Deferred taxes are formed if there are differences between the commercial law valuations of assets, liabilities and prepaid expenses and their tax valuations, which are expected to be reduced in subsequent financial years and result in a tax burden or tax relief in the future. The resulting tax burden and the resulting tax relief are offset and either deferred tax assets or deferred tax liabilities are recognized in this amount. The amount of the resulting tax burden or tax relief is valued at the company-specific tax rate at the time the differences are reduced and not discounted. The post is dissolved as soon as the tax burden or tax relief occurs or is no longer to be expected. Tax loss carryforwards are taken into account when calculating deferred tax assets in the amount of the loss offset expected within the next five years. No use was made of the option to capitalize a surplus of deferred tax assets in accordance with Section 274 (1) sentence 2 HGB.

Liabilities are valued at the settlement amount.

Information on the use of options in the accounting and valuation methods

Statutory options in accounting and valuation methods were used as follows:

The option pursuant to Section 248 (2) HGB to capitalize the production costs incurred in the development phase for internally generated intangible fixed assets was exercised.

The statutory mandatory components are included in the production costs of the fixed assets. These are the direct and overhead costs for material and manufacturing.

Scheduled depreciation of fixed assets is carried out on a straight-line basis according to the expected useful life of the assets. Assets with a low value are depreciated as follows: Assets with a value of up to EUR 800 are depreciated immediately. Assets with a value in excess of this are depreciated over the expected useful life of the assets. The useful life is between 3 and 5 years. To the extent permitted by commercial law, the useful life of the assets is chosen in accordance with the tax regulations.

The accounting and valuation methods are consistently applied compared to the previous year.

Details and explanations for individual items**Notes to the balance sheet**

The development of the individual fixed asset items is shown in the attached statement of fixed assets.

The table below shows the remaining terms of the receivables listed in the balance sheet:

type of claim	Remaining term as of 12/31/2020 (12/31/2019)	Remaining term up to	Remaining term 1 to 5	Remaining term more	
		total amount	1 year	years	than 5 years
		kEUR	kEUR	kEUR	kEUR
Supplies and services		411	411	0	0
		(782)	(782)	(0)	(0)
against affiliated companies		7,512	0	7,512	0
		(2,014)	(2,014)	(0)	(0)
Other assets		47	47	0	0
		(55)	(55)	(0)	(0)
total		7,970	458	7,512	0
		(2,852)	(2,852)	(0)	(0)

The total amount of the amounts within the meaning of Section 268 (8) HGB ("distribution block") is EUR 1,449 thousand (previous year: EUR 896 thousand). The total amount includes amounts from the capitalization of internally generated intangible fixed assets of EUR 1,449 thousand (previous year: EUR 896 thousand).

Other provisions include the following items:

	December 31, 2020	December 31, 2019
	kEUR	kEUR
Lockdown provisions (corporate fitness)	634	0
personnel expenses	27	146
year-end closing costs	26	15
services not yet invoiced	5	42
total	692	203

The table below shows the remaining terms of the liabilities listed in the balance sheet.

type of liabilities	Remaining term as of 12/31/2020 (12/31/2019)	Remaining term up to	Remaining term 1 to 5	Remaining term more	
		total amount	1 year	years	than 5 years
		kEUR	kEUR	kEUR	kEUR
from deliveries and services		1,445	1,445	0	0
		(2,336)	(2,336)	(0)	(0)
to affiliated companies		7,012	0	7,012	0
		(3,693)	(3,693)	(0)	(0)
other liabilities		520	520	0	0
		(222)	(222)	(0)	(0)
total		8,977	1,965	7,012	0
		(6,252)	(6,252)	(0)	(0)

Liabilities to affiliated companies include trade accounts payable of EUR 3,664 thousand (previous year: EUR 2,181 thousand).

Notes to the Profit and Loss Account**revenues**

Qualitrain GmbH operates a subscription-based company fitness solution with a partner network of gyms, swimming pools and yoga studios.

The resulting sales break down as follows:

	kEUR	kEUR
By areas of activity:	2020	2019
company fitness	27,938	24,354
commission income	20	0
	27,958	24,354

All sales were generated domestically.

Development costs of EUR 766 thousand (previous year: EUR 740 thousand) were incurred in the financial year. Of this amount, EUR 271 thousand (previous year: EUR 242 thousand) in internal development and EUR 495 thousand (previous year: EUR 498 thousand) in third-party development were capitalized as internally generated intangible assets.

The other operating expenses of EUR 5,262 thousand (previous year: EUR 5,932 thousand) include in particular commission expenses (EUR 2,809 thousand; previous year: EUR 2,665 thousand), personnel and room costs passed on by eGym GmbH (EUR 1,466 thousand; previous year: EUR 2,181 thousand) and advertising costs (EUR 199; previous year: EUR 473 thousand).

In the financial year, there were income from currency translation of EUR 17k (previous year: EUR 1k) and expenses from currency translation of EUR 44k (previous year: EUR 5k).

Other Information

As of the balance sheet date, there were no contingent liabilities that must be disclosed in accordance with Section 251 HGB and Section 268 (7) HGB.

Fee auditor:

For the 2020 financial year, the auditor charged a fee of EUR 20 thousand (previous year: EUR 15 thousand) for the audit of the annual financial statements.

Employee

In the 2020 financial year, the company employed an average of 54 people (39 full-time and 15 part-time). In the previous year, there were an average of 56 employees (44 full-time employees and 12 part-time employees).

Managing directors

During the past fiscal year, the company's business was managed by the managing directors

- Philipp Rösch-Schländler, Munich, Chief Executive Officer
- Florian Sauter, Munich, Chief Technical Officer
- Patrick Meininger, Munich, Chief Financial Officer
- Nicolas Stadtmeyer, Munich, General Manager Corporate Fitness (from March 3, 2021)

guided.

The remuneration of the managing directors is not stated due to the possibility of exemption under Section 286 (4) HGB.

Consolidated Financial Statements

The company is a subsidiary of eGym Move GmbH, Munich, which in turn is a subsidiary of eGym GmbH, Munich, and is included in its consolidated financial statements as of December 31, 2020.

The consolidated financial statements are published by the operator of the electronic Federal Gazette.

supplementary report

In March 2021, Nicolas Stadtmeyer was included in the management with the entry in the commercial register.

The company has applied for the Corona-related November and December aid as well as Bridging Aid III for February 2021.

Munich, May 7, 2021

Philipp Rösch-Schländler, Managing Director

Patrick Meininger, Managing Director

Florian Sauter, Managing Director

Nicolas Stadtmeyer Managing Director

Schedule of assets as of December 31, 2020

	01/01/2020	acquisition and production costs		12/31/2020
		additions	departures	
	EUR	EUR	EUR	EUR
I. Intangible assets				
Self-created industrial property rights and similar rights and values	960,290.19	766,114.00	0.00	1,726,404.19
	960,290.19	766,114.00	0.00	1,726,404.19
		Accrued Depreciation		
	01/01/2020	additions	departures	12/31/2020
	EUR	EUR	EUR	EUR
I. Intangible assets				
Self-created industrial property rights and similar rights and values	63,867.71	213,709.48	0.00	277,577.19
	63,867.71	213,709.48	0.00	277,577.19
		net book values		net book values
		12/31/2020		12/31/2019
		EUR		EUR
I. Intangible assets				
Self-created industrial property rights and similar rights and values		1,448,827.00		896,422.48
		1,448,827.00		896,422.48

2 Reproduction of the auditor's report

As a result of our audit, we have issued the following unqualified audit opinion:

"

Independent Auditor's Report

To Qualitrain GmbH, Munich

audit opinions

We have the annual financial statements of Qualitrain GmbH, Munich, - consisting of the balance sheet as of December 31, 2020 and the income statement for the financial year from January 1 to December 31, 2020 and the notes, including the presentation of the accounting and Valuation methods - checked. In addition, we have audited the management report of Qualitrain GmbH for the fiscal year from January 1 to December 31, 2020.

According to our assessment based on the knowledge gained during the audit

- The attached annual financial statements correspond in all material respects to the German commercial law regulations applicable to corporations and, in compliance with the German principles of proper accounting, convey a true and fair view of the assets and financial position of the company as of December 31, 2020 and its earnings position for the financial year from January 1 to December 31, 2020 and
- the attached management report as a whole provides an accurate picture of the company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

In accordance with Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any objections to the regularity of the annual financial statements and the management report.

Basis for the test results

We conducted our audit of the annual financial statements and the management report in accordance with Section 317 of the German Commercial Code, taking into account the German generally accepted auditing principles established by the Institute of Public Auditors in Germany (IDW). Our responsibilities under these regulations and principles are further described in the "Auditor's responsibility for the audit of the annual financial statements and management report" section of our auditor's report. We are independent of the company in accordance with the requirements of German commercial and professional law and have our other German professional responsibilities in compliance with these requirements. We believe that

Responsibility of the legal representatives for the annual financial statements and the management report

The legal representatives are responsible for the preparation of the annual financial statements, which comply with the German commercial law provisions applicable to corporations in all material respects, and for the fact that the annual financial statements, in compliance with the German principles of proper accounting, give a true and fair view of the assets, financial - and results of operations of the company. Furthermore, the legal representatives are responsible for the internal controls which they have determined to be necessary in accordance with the German principles of proper accounting in order to enable the preparation of annual financial statements,

In preparing the annual financial statements, the legal representatives are responsible for assessing the company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

In addition, the legal representatives are responsible for preparing the management report, which as a whole provides a suitable view of the company's position and is consistent with the annual financial statements in all material respects, complies with German legal requirements and suitably presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for the precautions and measures (systems) they have deemed necessary to enable the preparation of a management report in accordance with the applicable German statutory provisions and to be able to provide sufficient suitable evidence for the statements in the management report.

Auditor's responsibility for the audit of the annual financial statements and the management report

Our objective is to obtain reasonable assurance as to whether the annual financial statements as a whole are free from material - intentional or unintentional - misstatements and whether the management report as a whole provides a suitable view of the company's position and, in all material respects, with the annual financial statements and is consistent with the findings obtained in the audit, complies with German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report which contains our audit opinions on the annual financial statements and on the management report.

Adequate assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with Section 317 of the German Commercial Code, taking into account the German principles of proper auditing established by the Institut der Wirtschaftsprüfer (IDW) will always uncover a material misstatement. Misstatements may 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 made on the basis of these financial statements and management report.

During the audit, we exercise professional judgment and maintain a critical attitude. Furthermore

- We identify and assess the risks of material - intentional or unintentional - misstatements in the annual financial statements and in the management report, plan and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to serve as a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is greater than that arising from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- We gain an understanding of the internal control system relevant to the audit of the annual financial statements and the precautions and measures relevant to the audit of the management report in order to plan audit procedures that are appropriate in the given circumstances, but not with the aim of providing an audit opinion on the effectiveness of these systems of society.
- We evaluate the appropriateness of the accounting methods used by the legal representatives and the justifiability of the estimated values presented by the legal representatives and the related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that cast significant doubt on the Company's ability to continue as a going concern can raise. If we conclude that there is a material uncertainty, we are required to draw attention to the related disclosures in the financial statements and management report in the auditor's report or, if such disclosures are inappropriate, to modify our respective audit opinion. We base our conclusions 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 be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in such a way that the annual financial statements, in compliance with German legally required accounting principles, give a true and fair view of the assets, financial and earnings situation of the company.
- We assess the consistency of the management report with the annual financial statements, its compliance with the law and the view it conveys of the company's situation.
- we perform audit procedures on the future-oriented information presented by the legal representatives in the management report. On the basis of sufficient appropriate audit evidence, we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not provide a separate audit opinion on the future-oriented information and the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

Munich, June 1, 2021

KPMG AG
auditing company
Signed Möhring, auditor
signed Nottelmann, auditor"

Management Report for the financial year from January 1, 2020 to December 31, 2020

1. Foundations of society

Qualitrain GmbH ("Qualitrain") is a 100 percent subsidiary of eGym GmbH ("EGYM"), a global provider of intelligent training solutions for the fitness and health industry. The EGYM group of companies develops, produces and sells the latest high-tech products for the fitness market. This includes fully electronic strength and flexibility devices, associated device software, as well as the trainer app and member app for device users.

For companies, EGYM offers subscription-based company fitness solutions via Qualitrain GmbH. Qualitrain enables the employees of its corporate customers ("members") to use all of the approx. 4,000 sports and health facilities (including fitness studios, swimming pools, yoga studios, climbing halls, etc.) connected to the Qualitrain partner network for a flat monthly fee. The partners generate additional sales through Qualitrain and can thus better monetize their existing training equipment and space. The offer is supplemented by digital solutions that are made available to the customer via the Qualitrain GmbH app. This also gives employees access to on-demand workouts,

With Qualitrain, companies invest in the health of their employees with the aim of reducing sick days and increasing the productivity of their workforce. Through the financial participation of the companies, employees who would not have opted for a sports solution without the financial incentive and the flexible offer should also become active in sports. Consequently, by working with Qualitrain, fitness studios open up additional user groups and generate higher revenues.

In addition to the main branch in Munich, Qualitrain GmbH has branches in Cologne and Berlin as of the balance sheet date and is fully consolidated in the consolidated financial statements of the EGYM Group. The business premises in Munich and Berlin are used jointly with the indirect parent company eGym GmbH and charged from there together with other centrally used functions (e.g. IT, finance, human resources) to Qualitrain GmbH.

In the 2020 financial year, Qualitrain GmbH will be represented by a three-person management board (each with sole power of representation). The operational business is managed by a general manager in cooperation with the management and the advisory board of the EGYM Group, the Executive Committee ("ExCo"). In coordination with the management and the advisory board of eGym GmbH, the strategic orientation of the company and the guidelines for the operative business and the financial scope for action are determined. In March 2021, the General Manager was appointed as the fourth Managing Director of Qualitrain GmbH.

2. Economic report

2.1. Overall Economic Development

In 2020, global economic development was overshadowed by the Covid-19 pandemic, which not only pushed the health systems in many countries to the limits of their resilience, but also had a fundamental impact on social and economic coexistence. Due to official orders to contain the pandemic, fitness studios also had to close for several months, which also had a significant impact on the Qualitrain business model.

As a provider currently only active in the German market, Qualitrain GmbH generates 100% of its sales in Germany. The momentum of the German economy was overshadowed by the Covid-19 pandemic over the year as a whole, leading to negative economic growth of 5.0%¹. Despite the slump in the economy, the unemployment rate rose comparatively little from 5.0% to 5.9%², which can be attributed, among other things, to the heavy use of short-time work³.

2.2 Industry Development

The overall economic development of the corporate wellness market is also rated as positive worldwide in 2020. In 2019, the market had a total volume of USD 57.2 billion. The global market is expected to grow at a CAGR of 7.0% by 2028 to a total of US\$93.4 billion⁴. In an international comparison, the USA takes first place. It has the largest market share, followed by Japan and Germany. In the USA, 50% of companies already offer a corporate wellness offer⁵.

¹ Source: Federal Statistical Office www.destatis.de

² Source: Statistics from the Federal Employment Agency Reports: Blickpunkt job market - monthly report on the job and training market, February 2021, p.64³ Source: Gehrke/Weber (ed.): Kurzarbeit, Layoffs, new hires: How the Corona crisis differs from the financial crisis of 2009 (05/28/2020) crisis-distinguishes-from-the-financial-crisis-2009/]⁴ Source: <https://www.grandviewresearch.com/press-release/global-corporate-wellness-market>⁵

Source: <https://www.databridgemarketresearch.com/reports/global-corporate-wellness-market>

In 2016, the total turnover of the market was USD 17.8 billion in the USA, USD 3.5 billion in Japan and USD 3.3 billion in Germany⁶.

Due to the Corona Pandemic and the associated pauses or cancellations of existing gym memberships, revenue in the overall market worldwide fell by 58% in 2020⁷. 17% of the health and fitness clubs had to close permanently, which also had a material impact on the German market and thus on Qualitrain's business model⁸.

2.3 Course of Business

Qualitrain GmbH was able to largely cushion the effects of the Covid-19 pandemic through targeted measures, so that the 2020 financial year developed positively for the company despite the global pandemic, even if the forecasts were adjusted significantly from mid-February 2020 due to the widespread outbreak of the corona virus had to.

Despite the pandemic, the company was able to grow in all relevant performance indicators in 2020. The monthly cancellation rate ("client churn rate") was reduced from 0.31% in the previous year to 0.25% and is still at a low level of 3% pa. The development of new customer contracts could also be further expanded. While 607 new customers were acquired in 2019, an increase of 25% to 761 new customer contracts was realized in 2020.

The partner network was expanded to almost 4,000 partners in the course of 2020. At the end of 2019 there were still around 3,000 partner institutions in the network.

2.3.1 Net Assets and Financial Position

The balance sheet total as of December 31, 2020 is EUR 10,862 thousand (2019: EUR 6,135 thousand).

The main part of the assets relates to receivables from affiliated companies at EUR 7,513 thousand (2019: EUR 2,014 thousand), capitalized development costs at EUR 1,449 thousand (2019: EUR 896 thousand) and bank balances at EUR 1,309 thousand (2019: EUR 2,271 thousand). Receivables from affiliated companies in the 2020 financial year relate primarily to eGym GmbH and result from financing activities during the financial year.

⁶ Source: <https://www.grandviewresearch.com/press-release/global-corporate-wellness-brand>

⁷ Source: 2021 IHRSA Media Report, p.2⁸ Source: 2021 IHRSA Media Report, p.2

At EUR 7,012 thousand, the main part of the liabilities relates to liabilities to affiliated companies, above all to eGym GmbH (2019: EUR 3,694 thousand) and trade payables at EUR 1,445 thousand (2019: EUR 2,336 thousand), which result from the closure of the studios and the associated reduced distributions. The equity ratio as of the reporting date is 10.5%.

Fixed assets of EUR 1,449k (2019: EUR 896k) relate exclusively to capitalized development services for the Qualitrain app and to finalize the market readiness of the Qualitrain ERP system developed in-house. These are depreciated over a useful life of between 3 and 5 years.

The fundamental goal of financial management is to ensure the company's liquidity at all times. The company was able to meet its payment obligations at all times in the past financial year. Cash and cash equivalents amounted to EUR 1,309 thousand as of the reporting date (2019: EUR 2,271 thousand).

2.3.2 Results of operations

The revenues of Qualitrain GmbH amounted to EUR 27,958 thousand (2019: EUR 24,354 thousand). The increase is mainly due to new customers acquired. With regard to the breakdown of sales, reference is made to the presentation in the notes.

The capitalized own work includes the development costs of the own software at Qualitrain GmbH in the amount of EUR 271 thousand (2019: EUR 242 thousand). The decrease compared to the budgeted additions for the 2020 financial year results from the savings measures as part of the Covid-19 pandemic.

Despite the reduction in FTE, personnel expenses fell only slightly in spring 2020 and amounted to EUR 3,455 thousand (2019: EUR 3,472 thousand). The reason for the comparatively small decline was severance payments and sales staff, who worked for the first time in 2020 for a full year.

Depreciation consisted exclusively of depreciation on capitalized development costs of EUR 214k (2019: EUR 64k).

Other operating expenses in the 2020 financial year were EUR 5,262 thousand (2019: EUR 5,976 thousand). This essentially includes sales commissions of EUR 2,809 thousand (2019: EUR 2,665 thousand), rental costs of EUR 530 thousand (2019: EUR 408 thousand) (charged on by eGym GmbH), marketing costs of EUR 305 thousand (2019: EUR 698 thousand) and Travel expenses of EUR 194 thousand (2019: EUR 244 thousand) and consulting costs of EUR 193 thousand (2019: EUR 83 thousand). The other costs in the amount of EUR 1,610k essentially consist of passing on the personnel costs of eGym GmbH for central services such as finance, accounting, HR, IT, office management (EUR 1,466k, 2019: EUR 2,181k).

The net income for the 2020 financial year amounts to EUR 1,769 thousand (2019: net loss for the year EUR -1,643 thousand).

The development of the asset, financial and earnings position in the 2020 financial year corresponds to the planning and expectations of the management against the background of the negative influences of the Covid-19 pandemic.

2.4 Research and Development

In 2020, Qualitrain GmbH invested in the further development of the Qualitrain app and the Qualitrain ERP system. In 2020, development expenses amounted to EUR 766k (2019: EUR 741k). Of this, EUR 271 thousand in internal development and EUR 495 thousand in third - party development were capitalized.

2.5 Employees

As of December 31, 2020, the number of full-time employees at Qualitrain GmbH was 37 (2019: 50).

2.6 Financial and non-financial performance indicators

The following key financial and non-financial performance indicators are used for the internal management of the company:

- revenues
- Adjusted EBITDA
- number of members
- number of network partners

The revenues of Qualitrain GmbH result primarily from monthly membership fees.

The company uses adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) to measure operational performance and success. The adjusted EBITDA is calculated from the EBITDA according to the HGB annual financial statements less the capitalized development costs. The EBITDA (HGB) is calculated from the earnings before taxes plus interest and similar expenses plus depreciation on fixed assets. Other key non-financial performance indicators are the number of members (employees of corporate customers who use Qualitrain) and the number of network partners.

performance indicator	Forecast 2021	2020	2019
Revenue (in EUR)	34,290	27,958	24,354
Adjusted EBITDA (in EUR)	3,379	1,829	-1,801
number of members	66,354 **	62,771 *	60,325
number of network partners	5.205	3,938	2,967

* incl. 20,273 paused members

** assumption that from June 2021 there will no longer be a lockdown

Since the management report of Qualitrain GmbH is being prepared for the first time, no forecast was given for 2020.

Overall, it can be stated that the business development in 2020 met the expectations of the management defined in the 2020 budget, especially against the background of the adjusted forecast in the context of the Covid-19 pandemic.

3. Opportunity and Risk Report

3.1. opportunity report

The digitization trend in the fitness industry will continue. The EGYM Group is very well positioned for this with the digital strength machines, the Netpulse software and the company fitness offers from Qualitrain. From the point of view of the management, the integration of training data from the EGYM Group with offers from Netpulse and Qualitrain will open up new opportunities in the future.

The company plans to broaden the customer base by addressing new customers in a targeted manner and to deepen relationships with existing customers, in particular to link existing customer relationships from the EGYM business areas. The biggest growth drivers are the continuous geographic expansion in all federal states of Germany and the dedicated expansion of the large customer business.

In order to remain successful in the long term, Qualitrain GmbH needs a powerful, high-performing workforce with employees who think entrepreneurially, act independently and can respond flexibly to changes. We assume that EGYM's positioning as a technology company in the fitness and health industry will have a high attraction for potential new employees. Against the background of the focus on technology, the management continues to assume that it will be able to hire qualified employees who meet the requirements.

3.2. risk report

The risk policy of Qualitrain GmbH is aimed at recognizing and avoiding risks or taking measures to reduce them with the aim of systematically and continuously increasing the company's value and attaining the medium-term financial targets. Risks are categorized according to their probability of occurrence and their impact on business development and the threat to the company's continued existence.

Appropriate, manageable and controllable risks are all the more likely to be taken and borne the more closely they are related to the development and use of the core competence of the group.

The opportunities associated with them must allow us to expect an appropriate increase in value or deepening of customer relationships. Risks in connection with support processes are transferred to other risk bearers where this makes economic sense. Risks that are not related to core and/or support processes are not assumed if possible.

The group maintains a detailed controlling system. The risks are identified and the measures taken are documented by prompt, monthly reporting of the financial performance indicators (KPIs such as sales and adjusted EBITDA).

Risks that are significant for Qualitrain GmbH result from the following risks in descending order:

a) Market risks:

There is a general risk that companies will be less willing to invest in company health measures in the various business areas, triggered by internal or external factors. Qualitrain GmbH counters this risk with constant further development and improvement of the product. In addition, the sales figures are constantly monitored so that suitable measures can be taken immediately in the event of lower sales. A negative economic development at individual contractual partners can have an impact on the sales and earnings of Qualitrain GmbH.

In 2021 there is an additional market risk due to the after-effects of the Covid-19 pandemic. A generally possible reluctance to invest must be taken into account here, and there is also an increased risk of insolvency, especially for smaller fitness studios. It must be observed here whether the announced state aid such as November / December aid and bridging aid III is actually paid out in a timely manner.

b) Financial risks:

Qualitrain GmbH could suffer losses if the creditworthiness of individual customers deteriorates and payment delays or defaults occur as a result, or planned sales cannot be realized. To protect against the risk, the company operates an intensive accounts receivable management system. The company's sales and finance functions regularly monitor the economic situation of customers, their payment behavior and the possibilities for hedging against risks.

A detailed and forward-looking capital requirement planning takes place monthly.

Overall statement on the risk situation:

From the point of view of the management, based on the current assessments, none of the previously reported risks actually endanger the existence of the company. In addition, we could not identify any interdependencies that would lead to a permanent, significant impairment of the asset, financial and earnings situation. From today's perspective, the management does not see any threat to the continued existence of the company due to the current changes in the overall economic risk situation in the context of the Corona Pandemic. In organizational terms, the company has created all the prerequisites for being informed about possible new risk situations at an early stage and being able to react quickly.

4. Forecast Report

The company is controlled using detailed financial and non-financial control parameters. Due to the large-scale outbreak of the corona virus from mid-March 2020, the management had to significantly adjust the ambitious growth forecasts.

In the area of sales of corporate wellness solutions, the existing customer base is the most important indicator for sales and the new business is the most important indicator for sales growth. For 2021, the company is currently expecting positive growth in sales of 23% to EUR 34,290k compared to the previous year.

The adjusted EBITDA will again improve significantly compared to 2020 by approx. 60% to EUR 3,379 thousand.

For 2021, the society expects the number of members to increase by around 6% to 66,354. The partner network was already expanded to almost 4,000 partners in the course of 2020. The company is currently planning around 1,300 new network partners for 2021.

Due to the renewed official closure of fitness facilities from November 2020, Qualitrain must assume, depending on the further closures, that memberships will continue to be paused or suspended. In its forecast, the management expects that the partner studios will be allowed to open again from June 2021.

Munich, May 7, 2021

Philipp Rösch-Schlenderer, Managing Director

Patrick Meininger, Managing Director

Florian Sauter, Managing Director

Nicolas Stadtmeyer, Managing Director

The annual financial statements as of December 31, 2020 were approved on November 30, 2021.
