

Functional Supply A/S
Torveporten 2, 4.
DK-2500 Valby
CVR no. 38 78 05 14

Annual report for 2024

Adopted at the annual general meeting on 29
April 2025

Alexander Basil John Wood
chairman

Table of contents

	Page
Statements	
Statement by management on the annual report	1
Independent auditor's report	2
 Management's review	
Company details	5
Management's review	6
 Financial statements	
Accounting policies	7
Income statement 1 January - 31 December	12
Balance sheet 31 December	13
Statement of changes in equity	15
Notes	16

Statement by management on the annual report

The Board of Directors and Executive Board have today discussed and approved the annual report of Functional Supply A/S for the financial year 1 January - 31 December 2024.

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 assets, liabilities and financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 January – 31 December 2024.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Valby, 29 April 2025

Executive board

Morten Nørdum Bentzen

Board of Directors

Alexander Basil John Wood
chairman

Morten Nørdum Bentzen

Hannah Haugbølle Thomsen

Independent auditor's report

To the shareholder of Functional Supply A/S

Opinion

We have audited the financial Statements of Functional Supply A/S for the financial year 1 January - 31 December 2024, comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the Management's Review provides the information required under the Danish Financial Statements Act.

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

Independent auditor's report

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, that 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 as to 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 in Denmark will always detect a material misstatement when it exists. 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 financial statement users made on the basis of these financial statements.

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

- identify and assess the risks of material misstatement of the company 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.

Independent auditor's report

- 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.

København Ø, 29 April 2025

KPMG P/S
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Stine Inger Pedersen
State Authorized Public Accountant
MNE no. mne47771

Company details

The company

Functional Supply A/S
Torveporten 2, 4.
DK-2500 Valby

CVR no.: 38 78 05 14

Reporting period: 1 January - 31 December 2024

Domicile: Copenhagen

Board of Directors

Alexander Basil John Wood, chairman
Morten Nørdum Bentzen
Hannah Haugbølle Thomsen

Executive board

Morten Nørdum Bentzen

Auditors

KPMG P/S
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø

Management's review

Business review

The company's purpose is to sell nutritional products, fitness related products and other related business.

Changes in comparative figures

Due to material misstatements in prior years, changes have been made in the comparative figures. Refer to accounting policies.

Financial review

The company's income statement for 2024 shows a loss of TDKK 173 as against a loss of TDKK 462 in 2023. Equity in the company's balance sheet shows TDKK 38,943 as against TDKK 39,116 as at 31 December 2023.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of Functional Supply A/S for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B and the Accounting Standard on small enterprises, 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 2024 is presented in TDKK.

Correction of material misstatements to prior years

In 2024, management identified a computational error in stock cost accounting, impacting 2023. The misstatement reduces the equity closing balance at 31 December 2023 by TDKK 12,579, which all relates to 2023 (and has therefore been reflected in the prior year comparatives presented throughout these statutory accounts). The misstatement impacts stocks (TDKK -12,579) and cost of goods sold (TDKK 12,579).

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.

Accounting policies

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.

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 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.

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment comprise the year's depreciation, amortisation and impairment of intangible assets and property, plant and equipment.

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, financial expenses relating to finance leases, realised and unrealised gains and losses on foreign currency transactions and allowances under the Danish Tax Prepayment Scheme.

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.

Accounting policies

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

Intangible assets

Development projects, patents and licences

Development costs comprise costs, wages/salaries and amortisation losses that are directly and indirectly attributable to the company's development activities.

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually five years.

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:

Other fixtures and fittings, tools and equipment	3-10 years
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The useful life and residual value are re-assessed annually. A change is accounted for as an accounting estimate, and the impact on amortisation/depreciation is recognised going forward.

Gains and losses on the sale of items of property, plant and equipment are calculated as the difference between the selling price, less costs to sell, and the carrying amount at the time of sale.

Gains or losses on the sale of items of property, plant and equipment are recognised in the income statement under other operating income or other operating expenses, respectively.

Accounting policies

Leases

Leases for items of property, plant and equipment that transfer substantially all the risks and rewards incident to ownership to the company (finance leases) are recognised in the balance sheet as assets. On initial recognition, assets are measured at estimated cost, corresponding to the lower of fair value of the leased asset and the present value of the future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the company's other non-current assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The company's total liabilities relating to operating leases and other rent agreements are disclosed under 'Contingencies, etc.'.

Impairment of fixed assets

The carrying amount of intangible assets and items of property, plant and equipment is tested annually for impairment, in addition to what is reflected through normal amortisation and depreciation.

Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

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.

Accounting policies

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.

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

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Financial liabilities also include the capitalised residual finance lease commitment.

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

	Note	2024 TDKK	2023 TDKK
Gross profit		(123)	(395)
Staff costs	1	0	0
Profit/loss before amortisation/depreciation and impairment losses		(123)	(395)
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		(347)	(349)
Profit/loss before net financials		(470)	(744)
Financial income		497	313
Financial costs		(67)	(114)
Profit/loss before tax		(40)	(545)
Tax on profit/loss for the year	2	(133)	83
Profit/loss for the year		(173)	(462)
Recommended appropriation of profit/loss			
Retained earnings		(173)	(462)
		(173)	(462)

Balance sheet 31 December

	Note	2024 TDKK	2023 TDKK
Assets			
Completed development projects		0	0
Intangible assets	3	0	0
Other fixtures and fittings, tools and equipment	4	191	539
Tangible assets		191	539
Total non-current assets		191	539
Finished goods and goods for resale		13,272	13,328
Stocks		13,272	13,328
Trade receivables		7,489	9,317
Receivables from Group companies		1,998	656
Other receivables		0	383
Deferred tax asset		107	98
Prepayments	5	26	43
Receivables		9,620	10,497
Cash at bank and in hand		19,056	34,119
Total current assets		41,948	57,944
Total assets		42,139	58,483

Balance sheet 31 December

	Note	2024 TDKK	2023 TDKK
Equity and liabilities			
Share capital		1,000	1,000
Retained earnings		37,943	38,116
Equity		38,943	39,116
Lease obligations		0	281
Total non-current liabilities	6	0	281
Short-term part of long-term debt	6	281	478
Trade payables		1,643	5,033
Payables to Group companies		464	10,848
Joint taxation contributions payable		0	2,727
Other payables		808	0
Total current liabilities		3,196	19,086
Total liabilities		3,196	19,367
Total equity and liabilities		42,139	58,483
Contingent liabilities	7		
Related parties and ownership structure	8		

Statement of changes in equity

	Share capital	Retained earnings	Total
Equity at 1 January 2024	1,000	38,116	39,116
Net profit/loss for the year	0	(173)	(173)
Equity at 31 December 2024	1,000	37,943	38,943

	Share capital	Retained earnings	Total
Equity at 1 January 2023	1,000	38,578	39,578
Net profit/loss for the year	0	(462)	(462)
Equity at 31 December 2023	1,000	38,116	39,116

Notes

	<u>2024</u>	<u>2023</u>
	TDKK	TDKK
1 Staff costs		
Number of fulltime employees on average	<u>0</u>	<u>0</u>
There are no employees in the company and members of the board do not receive remuneration.		
2 Tax on profit/loss for the year		
Deferred tax for the year	(9)	(79)
Adjustment of tax concerning previous years	142	(2,731)
Joint taxation contribution	<u>0</u>	<u>2,727</u>
	<u>133</u>	<u>(83)</u>

Notes

3 Intangible assets

	Completed development projects
Cost at 1 January 2024	1,489
Cost at 31 December 2024	1,489
Impairment losses and amortisation at 1 January 2024	1,489
Impairment losses and amortisation at 31 December 2024	1,489
Carrying amount at 31 December 2024	0

4 Tangible assets

	Other fixtures and fittings, tools and equipment
Cost at 1 January 2024	18,887
Disposals for the year	(1,313)
Cost at 31 December 2024	17,574
Impairment losses and depreciation at 1 January 2024	18,348
Depreciation for the year	347
Reversal of impairment and depreciation of sold assets	(1,312)
Impairment losses and depreciation at 31 December 2024	17,383
Carrying amount at 31 December 2024	191
Value of leased assets	153

5 Prepayments

Prepayments comprise prepaid expenses regarding other external costs.

Notes

6 Long term debt

	Debt at 1 January 2024	Debt at 31 December 2024	Instalment next year	Debt outstanding after 5 years
Lease obligations	759	281	281	0
	759	281	281	0

7 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 has no other contingent liabilities.

8 Related parties and ownership structure

Controlling interest

The Company is fully owned by Pure Gym Denmark Holding A/S, Torveporten 2, DK-2500 Valby, Denmark.

Consolidated financial statements

The company is reflected in the consolidated financial statements of the parent company. The smallest consolidated financial statement Functional Supply A/S is included in is Pinnacle Bidco PLC, company no. 11038859, and the largest is Pinnacle Topco Limited, company no. 11038720. Both companies are located at C/O Pure Gym Limited Town Centre House, Merrion Centre, Leeds, United Kingdom, LS2 8LY.

The consolidated financial statements can be requested at the following address:

<https://corporate.puregym.com/investors/results-reports-and-presentations/default.aspx>