



lifefit | group





LifeFit Group

Q2/FY2020 - QUARTERLY INTERIM UNAUDITED REPORT

lifefit | group

June
2020



EXECUTIVE SUMMARY & UPDATE MULTIBRAND STRATEGY

STATUS UPDATE ON COVID-19 BUSINESS IMPLICATIONS

PRO FORMA FINANCIALS/KPIs LIFEFIT GROUP AND BY SEGMENT

APPENDIX

1 First impacts from covid-19 affect LTM Performance

- Operational KPIs went down with members from more than 250k in Q1 to 241.1k in Q2 (lack of joiner driven) due to club closures and will continue to decrease in Q3
- Financial KPIs partly temporarily increased due to fast cost saving initiatives and deferred revenue impacts out of the covid-19 crisis (only 1.5 months of club closure period in Q2)

2 LTM Revenue EUR 126.9m - 0.7% vs FY19

- Total revenues in core business¹ decreased by 0.7% vs. FY19 to EUR 126.9m and will decrease further in future due to continued club closure and missing members
- The decrease is due on the one hand to direct revenue reductions during the lockdown and on the other hand to a deferred revenue effect according to IFRS15 regarding the compensation offered (EUR 0.9m)

3 LTM EBITDA adj. EUR 17.5m + 0.6% vs FY19 Margin 13.8% + 0.2 ppt vs FY19

- Apr-20 LTM Adjusted EBITDA in core business increased by 0.6% vs. FY19 to EUR 17.5m
- This is mainly driven by fast cost saving initiatives across all segments which overcompensate shortfall in revenue temporarily (will turn in Q3)

4 Q2/FY20 Net Cash Flow EUR +10.7m

- Q2/FY20 Net cash flow is primary characterised by draw-down of RCF (EUR 10m) and by positive deferral effects in working capital which increases operating cash flow
- Strong cash position at quarter end with EUR 27.0m free cash at hand

5 Covid-19







- LifeFit Group has implemented a broad set of initiatives to mitigate the covid-19 crisis implications
- In this context capex program and new brand openings are partly postponed, seeking for attractive M&A opportunities continues
- Existing members retention stayed stable within the lockdown period

KEY FIGURES ¹	Q2 2020	CHANGE VS. Q1 2020
TOTAL REVENUE	29.9m	-7.8%
ADJ. EBITDA BEFORE IFRS 16	4.3m	+7.7%
ADJ. EBITDA BEFORE IFRS 16 MARGIN	14.5%	+2.1 ppt

LEVERAGE RATIOS	pre IFRS 16	under IFRS 16
GROSS DEBT/ PF EBITDA	3.1x	3.9x
NET DEBT/ PF EBITDA	1.4x	3.3x

Operating brands

To be rolled out

 <p>24 Clubs (of which 4 Franchise)</p>	 <p>56 Clubs</p>	 <p>4 Clubs (of which 1 Franchise)</p>	 <p>2021 TBC</p>	 <p>Cologne/July</p>	 <p>Frankfurt/Oct, Berlin/Dec</p>
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Price

Mid-range

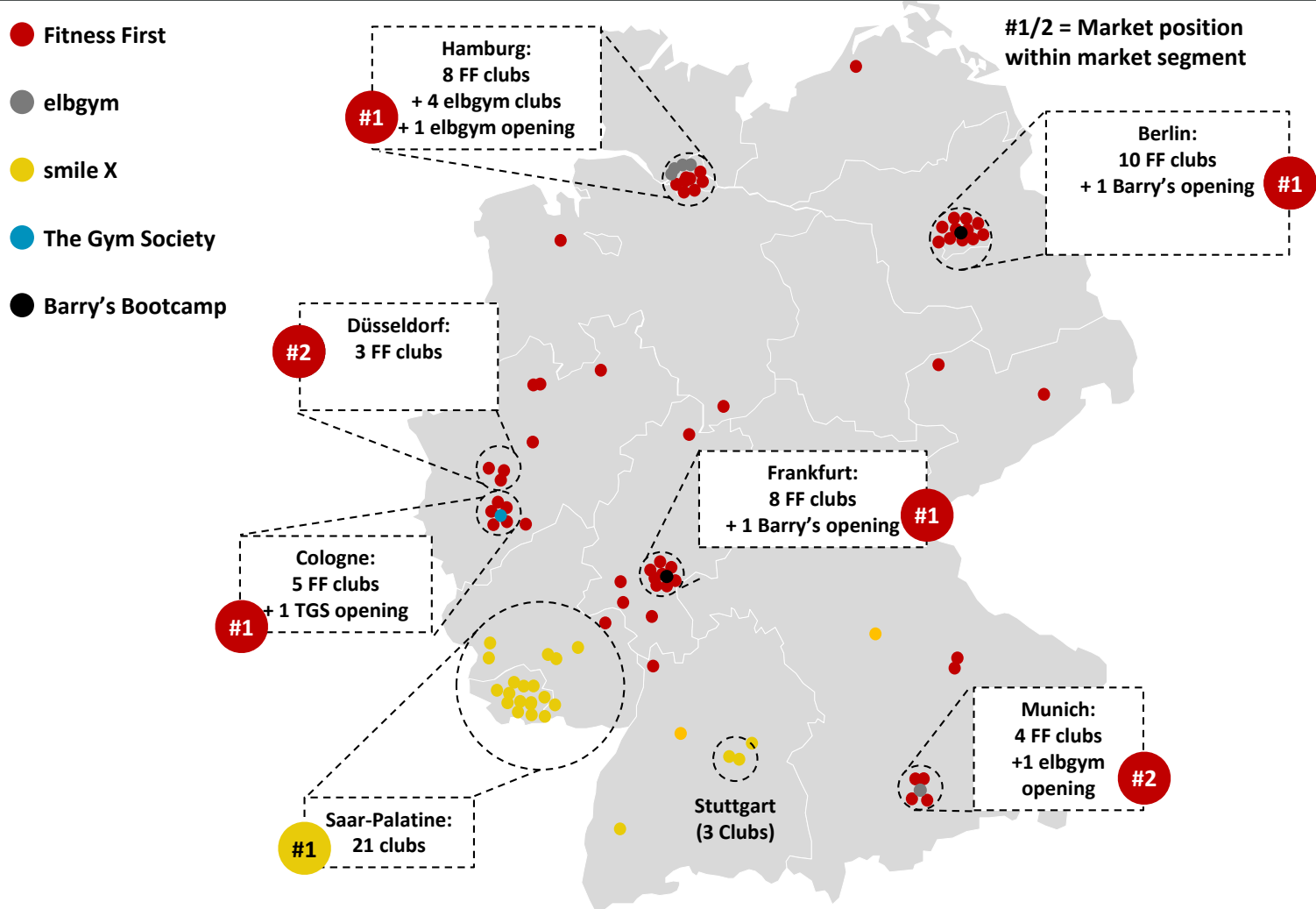
Upper range

Premium

Studio / Boutique

Offering/focus	<ul style="list-style-type: none"> Modular, smaller towns 	<ul style="list-style-type: none"> Wellness & full service 	<ul style="list-style-type: none"> Performance, strength 	<ul style="list-style-type: none"> Boutique fitness 	<ul style="list-style-type: none"> Boutique fitness / PT 	<ul style="list-style-type: none"> Boutique fitness
Description	<ul style="list-style-type: none"> Leading value fitness chain in the Saar-Palatinate region with focus on offering young customers high value for money 	<ul style="list-style-type: none"> #1 premium health and fitness club operator in Germany with strong nationwide brand awareness 	<ul style="list-style-type: none"> Premium chain in Hamburg offering high-intensity fitness courses with state-of-the-art machines as well as cross-fit 	<ul style="list-style-type: none"> US-based leading boutique brands in pilates and barre with 1.000+ studios in USA 	<ul style="list-style-type: none"> Personalized, high-quality, digitally supported workout with permanent access to lifestyle coaches 	<ul style="list-style-type: none"> US-based pioneer of indoor high-intensity interval training combining cardio and strength training
Avg. retention	<ul style="list-style-type: none"> 70%+ 			<ul style="list-style-type: none"> ~ 55% 	<ul style="list-style-type: none"> ~ 70% 	<ul style="list-style-type: none"> PAYG
# of members	<ul style="list-style-type: none"> ~250,000 			<ul style="list-style-type: none"> N/A 		
Expansion in 2020	<ul style="list-style-type: none"> 1 Franchise 	<ul style="list-style-type: none"> 1 Re-location (Regensburg) 	<ul style="list-style-type: none"> 2 Franchise (Hamburg, Munich) 	<ul style="list-style-type: none"> 2021 TBC 	<ul style="list-style-type: none"> 1 (Cologne) 	<ul style="list-style-type: none"> 2 (FFM & Berlin)

LifeFit Group combines successful fitness brands from the boutique, „high-value-low-price” and premium segments under 1 roof:



- Fitness First, elbgym & boutique studios focus on the high-end of the market and the metropolitan areas
- SmileX is more versatile and will expand with corporate and franchise gyms
- Obtaining leading positions in several key cities has helped to be at the fore front of federally sequenced re-openings
- Germany’s set up with independent federal states meant we had to close all gyms within 10 days beginning mid-March, gradually re-opened them until mid June
- Regulations vary by state resulting in mixed bag of operational procedures
- Given the geographic dispersion in different federal states, LFG is less likely to experience another national lockdown. If any, future lockdowns will most likely happen on a regional basis
- The diversity of LFG’s portfolio helps to capture positive dynamics of all market segments

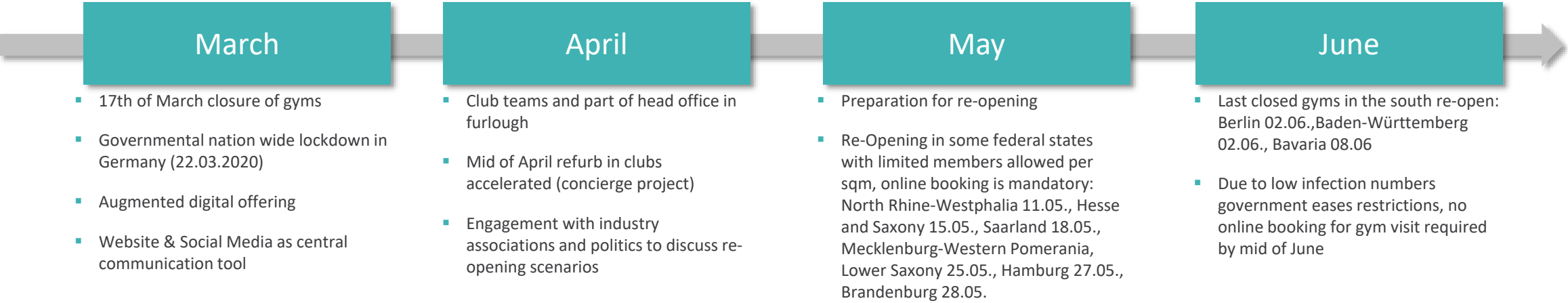


EXECUTIVE SUMMARY & UPDATE MULTIBRAND STRATEGY

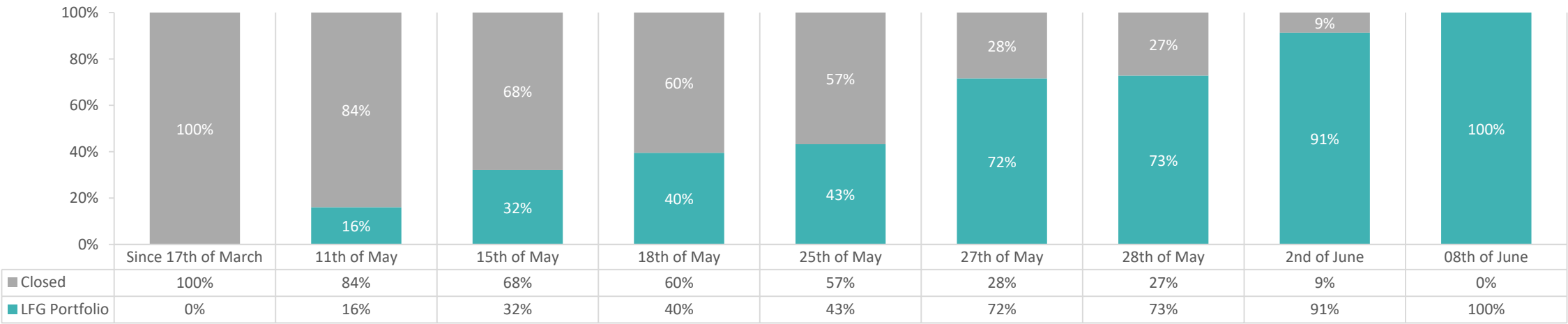
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Re-opening has strongly been driven by governmental easing of lockdown per federal state in Germany (% of LFG portfolio by date)



<div>Key actions during lockdown</div> <ul style="list-style-type: none"> • Maintain liquidity • Stakeholder management • Good & transparent member communication • Keep staff moral up • Prepare for re-opening • Plan future waves 	<div>Processes & Finances</div> <ul style="list-style-type: none"> ▪ Prepare quantification and scenarios analysis for financial lockdown impacts ▪ Take actions based on financial forecast with landlords, members handling, overall cost base ▪ Define short, medium and long term financial milestones to be achieved 	<div>Portfolio</div> <ul style="list-style-type: none"> ▪ Engage with LLs to defer / reduce rent cost by 50% or more, but keep long term impacts in mind <ul style="list-style-type: none"> — short term: ensure liquidity; long term: achieve lower rent levels & define future lockdown rules ▪ Use idle time to upgrade clubs
<div>People</div> <ul style="list-style-type: none"> ▪ Clubteams: 50% furloughed, service team 20%, freelance 25% voluntary (no funding) ▪ Best practice sharing between brands ▪ Use time to educate & train staff ▪ Empathic leadership ▪ Employee & member surveys 	<div>Product & Members</div> <ul style="list-style-type: none"> ▪ We were able to continue dues collection, ensured over-compensation options ▪ Increased digital offering ▪ Prepare all club areas for re-opening ▪ Prepare for many member requests in Customer Service and clubs 	<div>Price & Marketing</div> <ul style="list-style-type: none"> ▪ Website as central tool for communication with social media channels feeding traffic ▪ Review pricing/membership model (flexibility) ▪ Increase digital cut through for future searches ▪ New marketing campaigns geared towards new situation (fun signage / immune-booster)

Online training offering – Good cooperations and variety is key



DEIN FITNESSSTUDIO FÜR ZUHAUSE

STARTE JETZT DEIN HOME WORKOUT

- ✓ Umfangreicher Workout-Plan
- ✓ Live-Training mit unseren Trainern
- ✓ Effektive Übungen
- ✓ Vielfältige Kurse

HOME-WORKOUTS

ONLINE PERSONAL TRAINING - BALD VERFÜGBAR

Online Personal-Trainer Sessions im 1:1, Trainingstipps und Video-Workouts mit den Trainern aus deiner Stadt

ZUM ONLINE PERSONAL TRAINING

DEINE FITNESS FIRST COMMUNITY

Entdecke die Social Media Channels deiner Community & trainiert gemeinsam!

ZUR ONLINE COMMUNITY

ONLINE KURSE AUS DEM STUDIO

Exklusive Live-Workouts mit deinen Fitness First Trainern

ZU DEN ONLINE FITNESS-KURSEN

FIT IN 10 MINUTEN

Intensives Training in kurzer Zeit - teste es selbst!

ZU DEN 10 MINUTEN WORKOUTS

WEITERE MÖGLICHKEITEN FÜR DEIN TRAINING ZUHAUSE:

LES MILLS

LES MILLS Workouts

- > 100+ Workouts in 11 Kategorien
- > Exklusiv von LES MILLS On Demand
- > Kostenloser Zugang für dich

ZU LESMILLS

My Fitness Video

- > 8 Wochen Online-Fitness gratis
- > 450 Kurse und Workouts für zuhause
- > Passend zu deinem Trainingsziel

Dein Code: fitathomeff

CODE EINLÖSEN *

NEWMOOVE App

- > Trainings-App für dein Home Workout
- > Kurs-Videos, Workouts und vieles mehr
- > Stelle deinen Trainingsplan zusammen

APP HERUNTERLADEN

Fitness First

ELBGYM

smile

BARRY'S

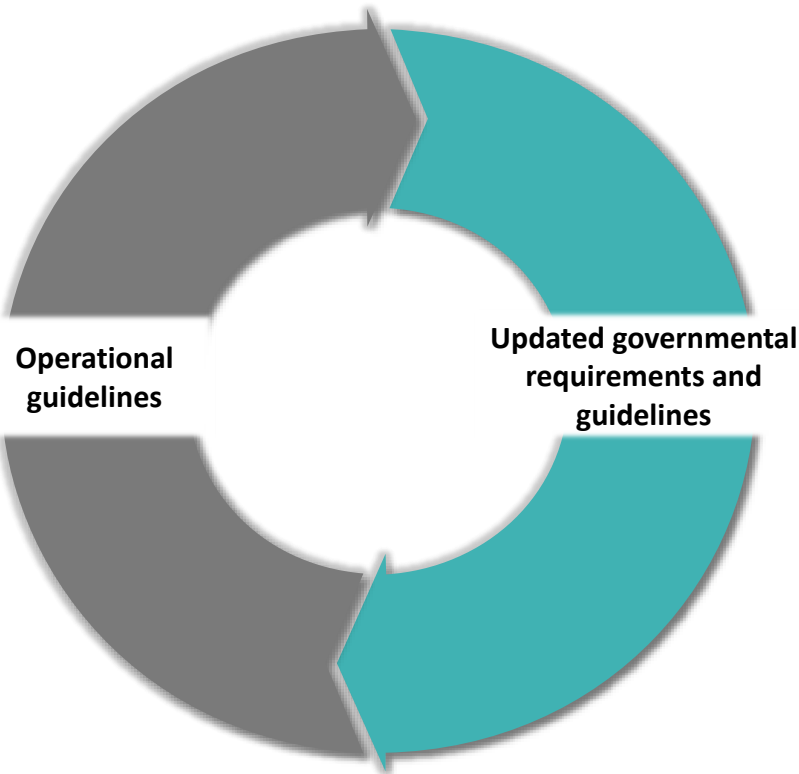
theGymSociety

pure barre

CLUB PILATES

PAGE 10

Continuous adjustment of our operations required due to rapidly changing government restrictions



Examples of adjustments in our operations in order to be able to open gyms in a clean and safe environment

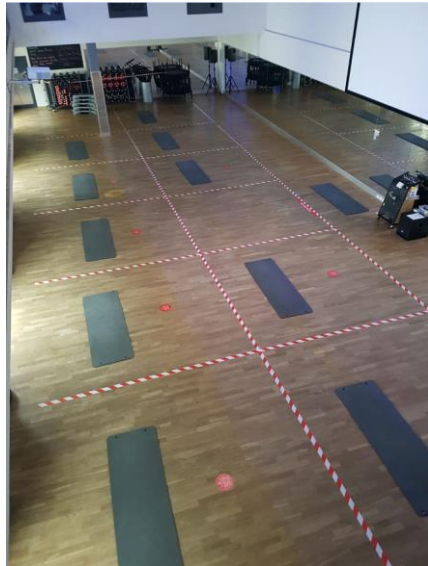
CLUB OPERATIONS	<ul style="list-style-type: none">▪ Number of simultaneous training members limited per m²▪ Mandatory disinfection of hands for members before entering and after leaving the gym▪ Increased cleaning by staff during the day; deep clean at night
GROUP EXERCISE	<ul style="list-style-type: none">▪ Mandatory online registration for attendance▪ Mandatory adherence to min. 1,5m physical distance▪ Reduced offering of classes with avoidance of sweat inducing workouts e.g. H.I.I.T. or Zumba
STAFF	<ul style="list-style-type: none">▪ Hygiene online training mandatory before returning to work▪ Staff also cleans equipment and parts of the gym▪ Reduced staff due to less traffic in the gyms▪ Protection of staff is priority e.g. instalment of plexiglas
OTHERS	<ul style="list-style-type: none">▪ Strong advancement and focus of digitalization to enable safe Re-Opening for members and staff (e.g. online booking system)▪ Free upgrades between tiers for members in order to avoid dense traffic in gyms and to support retention

Re-opening set up, club pictures of Fitness First

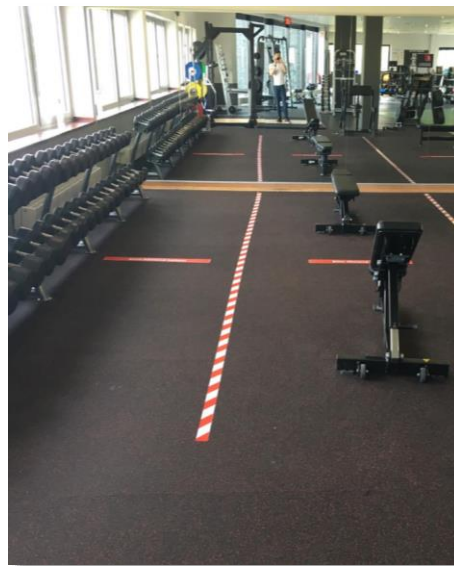
Entrance



Classes



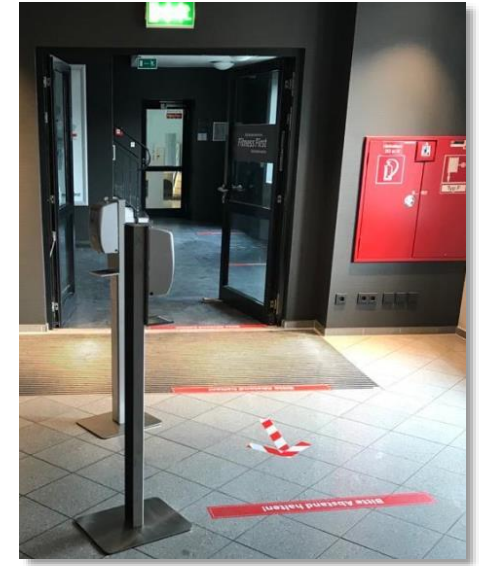
Strenght area



Cardio area



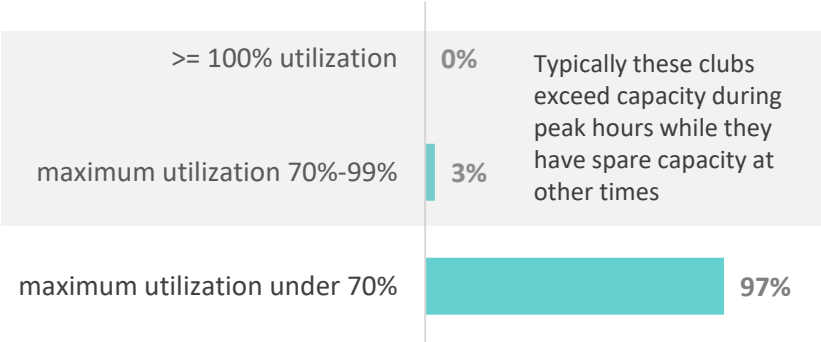
Exit



COVID-19 | EXCEPT FOR PEAK TIMES IN THE HIGHLY FREQUENTED CLUBS, DISTANCING MEASURES ARE UNLIKELY TO CREATE CAPACITY CONSTRAINTS

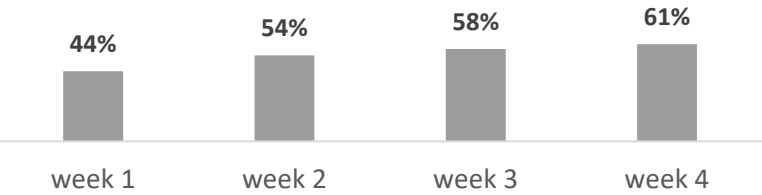
Only a small number of clubs will need to redirect visits

Share of clubs by estimated percentage of max. utilization according to the regulations

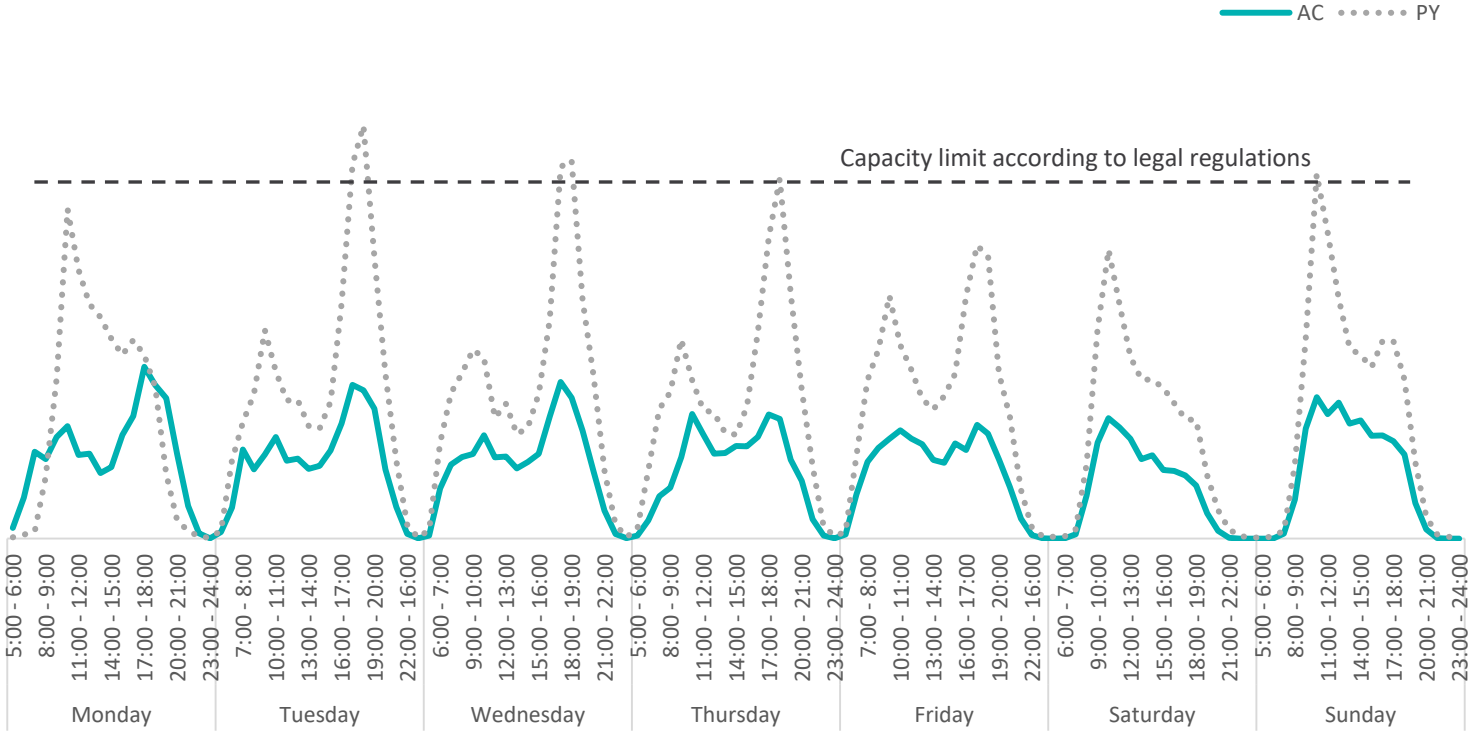


Visitation volumes gradually increase from week to week

Percentage of prior year volumes for already reopened Clubs (LFL), which follow international pattern; anticipate ~90% from week 8 onwards



Visitation and capacity under distancing measures after reopening compared to previous year



COVID-19 | COMPENSATION OFFERS MADE TO MEMBERS

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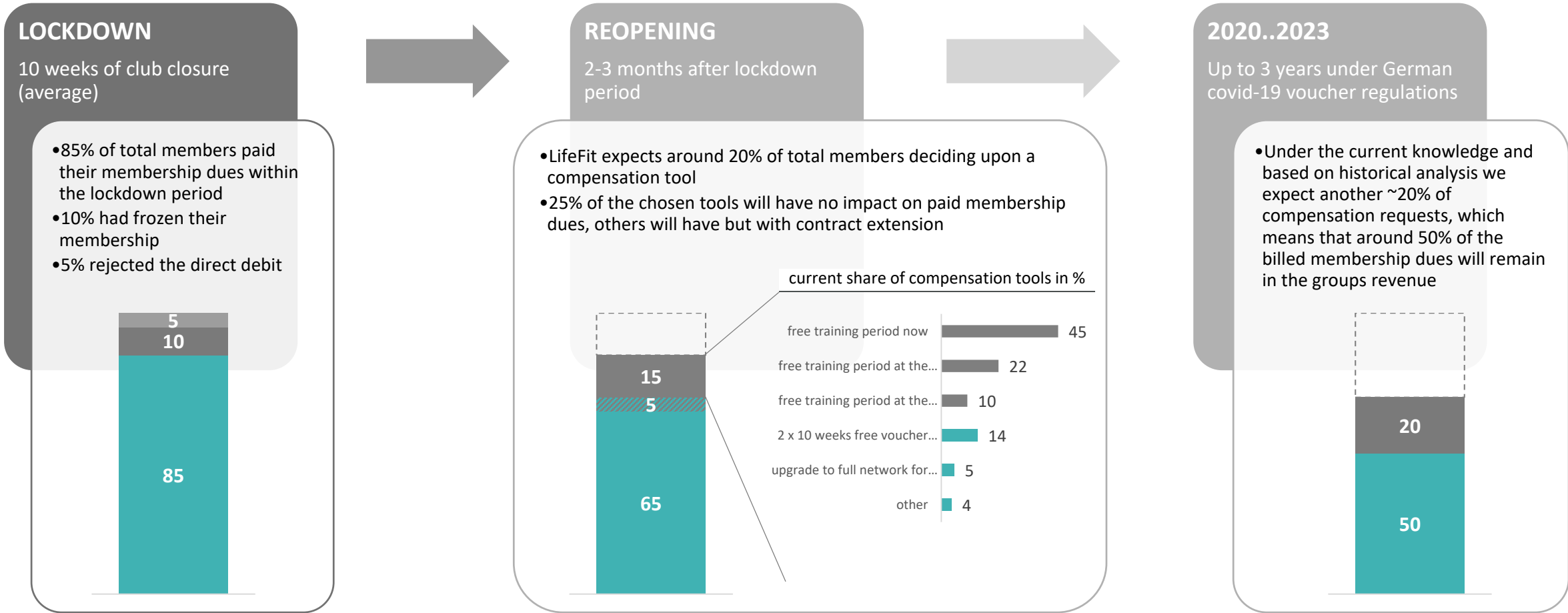
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Focus on initiatives which create certainty, support transformation and reduce cost...

- P

AS WE ARE ALL LONG-LIVED
- H

WE CYCLICALLY REGENERATE
- O

IN A SHOW OF FLAMES & COMBUSTION
- E

ARISE FROM OUR ASHES
- N

TO COME BACK
- I

MORE EXPERIENCED
- X

BETTER
- !

AND STRONGER THAN BEFORE



Business Transformation Summer 2020

PEOPLE	PORTFOLIO	PRODUCT	PRICE & MARKETING	PROCESSES & FINANCES
Club team structure	Showcases & Facility bullet proof next 2 yrs	Equipment bullet proof next 2 yrs	1-click membership	50% less processes
Incentive structures	Concierge		Pricing & future t&c	Legal structures
Staff development	Daytime cleaning in-house	Future digital offering	Social media 2.0	Insurance options
Intrinsic motivation	Leases 2.0	Gym floor exciter	Compensation options	
E-learning	M&A opportunities	Retail simplified		

We have successfully executed the strategic and operational project called “Concierge” at Fitness First

Before



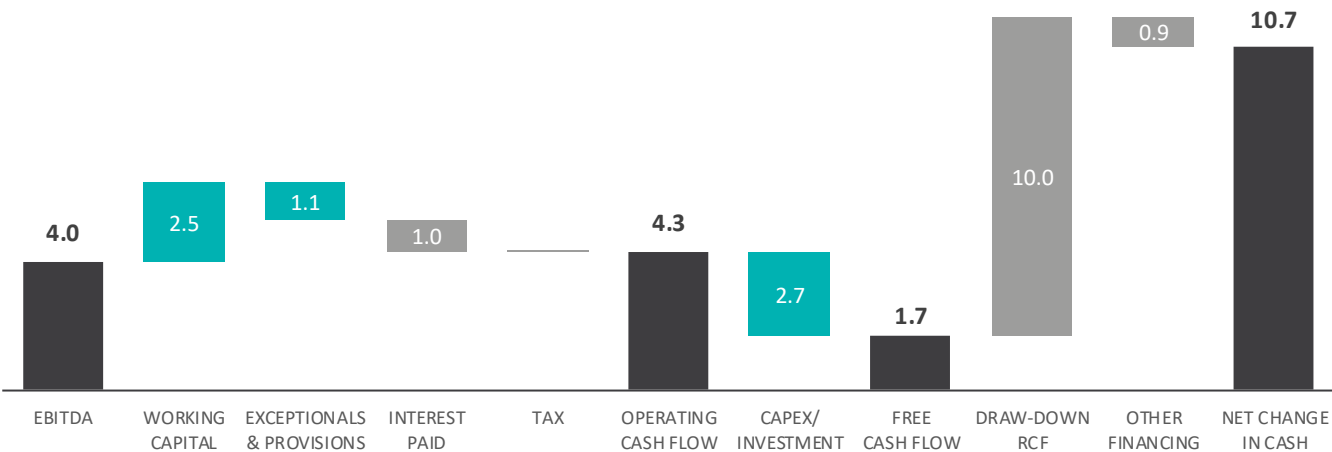
After



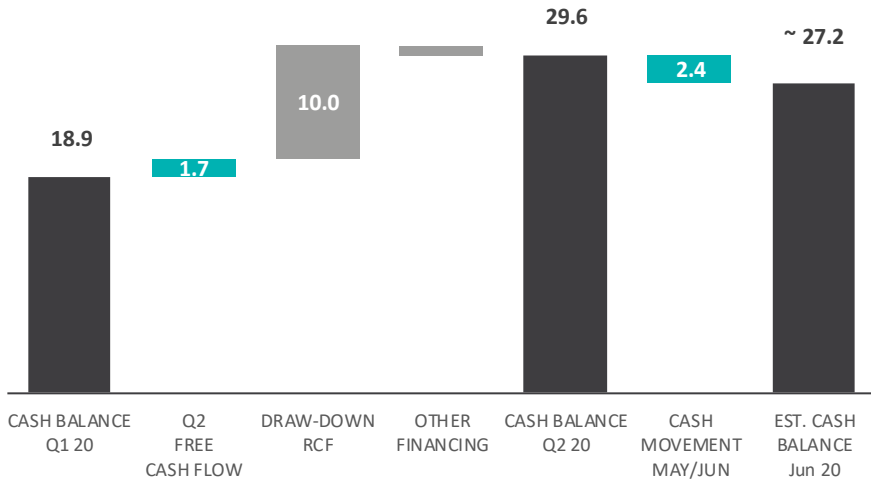
Concierge Project

- The new concept enables us to **improve in-club processes and reduce running costs** of the gyms
- The new reception and lounge areas are highlighting the premium positioning of Fitness First
- The **execution** of the nationwide roll-out **has been accelerated** during the lockdown using the down-time in the gyms
- Status:
 - 91% completed
 - EUR 2.4 million investment
 - EUR 2 million cost reduction p.a.

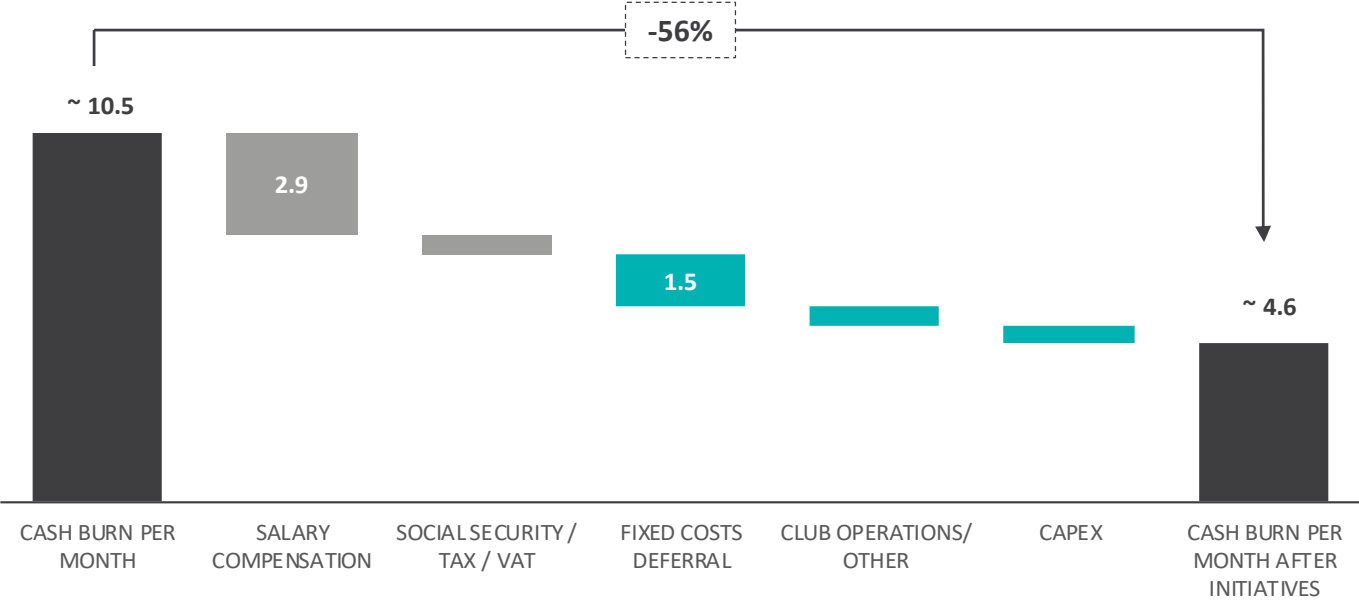
Net Change in Cash in Q2 / FY2020 (EURm)



Liquidity position (EURm)



- Positive deferral effects on working capital increases operating cash flow and will extend into Q3 but will impact cash negatively in future
 - Deferred payments primary for rent/service charges, social security, VAT, electricity, insurances
 - Opposite direction for short-time work compensation (“Kurzarbeit”), which will be refunded 3 approx. 3 month later from government
 - IFRS 15 impact on deferred revenue (EUR +0.9m) vs. EBITDA
 - Exceptionals and provisions primary refer to club closure costs, onerous lease and redundancy costs
- EUR 10m draw-down of RCF to secure available liquidity improves cash position to EUR 29.6m at the end of Q2
 - Continuous liquidity management results in more than EUR 27m estimated cash balance per end of June



Governmental support packages

- German government support for non-working employees (~64% of salaries; “Kurzarbeit”)
- Top-ups are social security free
- Deferral of Social security and VAT payments
- Deferral of insurance payments

Operational initiatives

- 50% deferral of rent and services charge payments
- Reduced or deferred payments re. club operation costs as far as possible (e.g. utilities, R&M etc.)
- Reduced Capex to a minimum (besides work in progress)



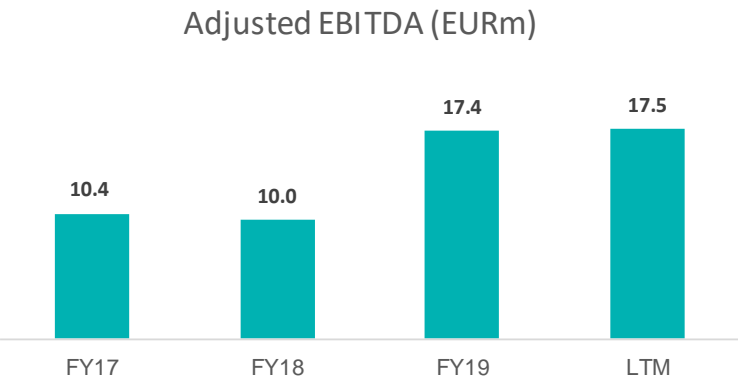
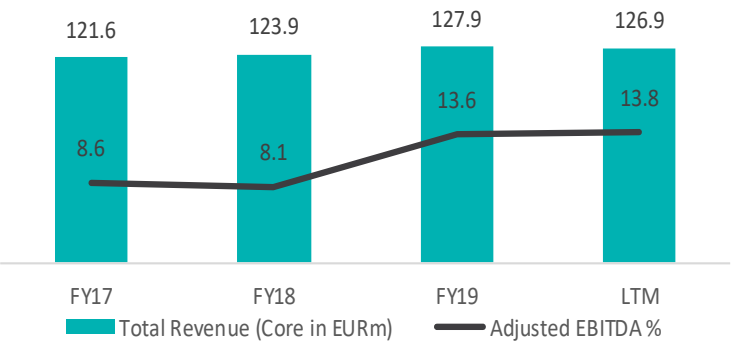
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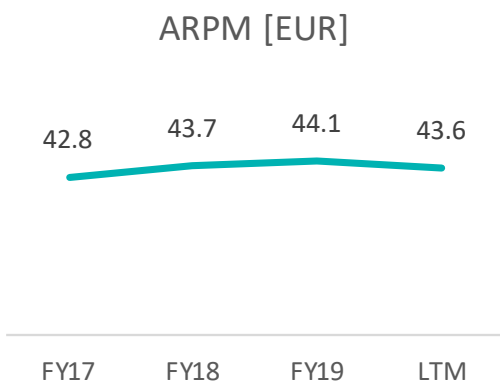
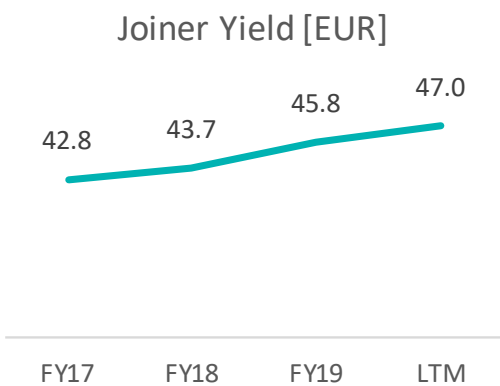
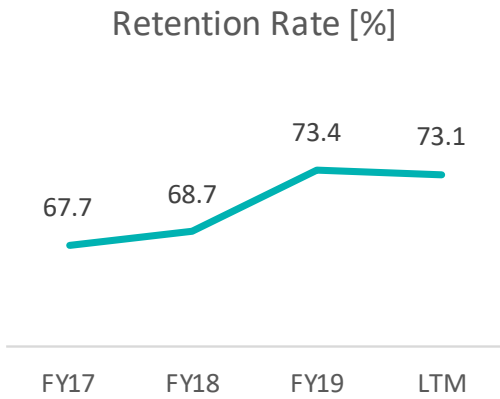
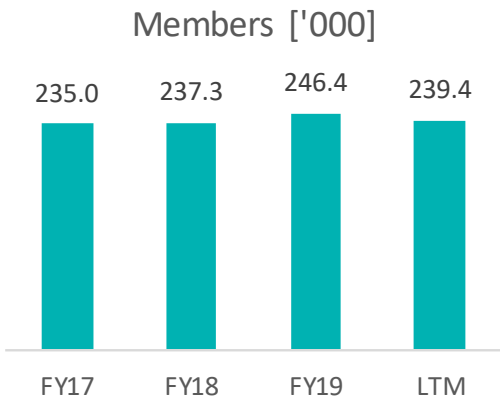
PRO FORMA FINANCIALS/KPIs LIFEFIT GROUP AND BY SEGMENT

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Pro forma key financials

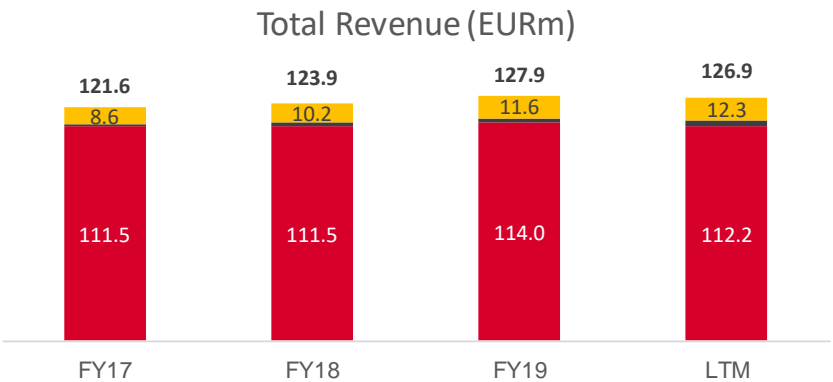


Key performance indicators



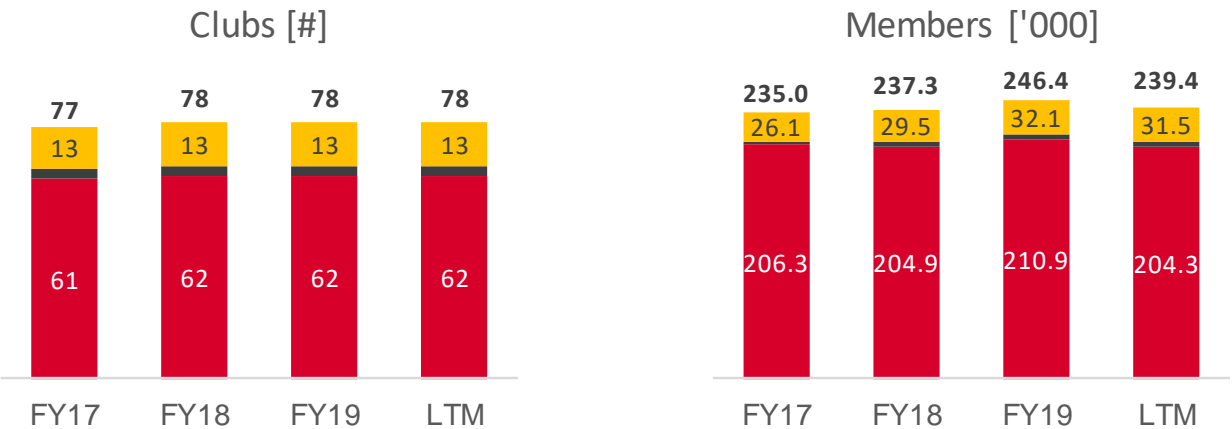
1) Core business excludes all clubs/services, which already have been divested/closed or will not be continued.

Pro forma key financials

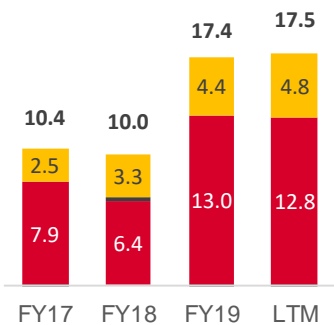


Key performance indicators

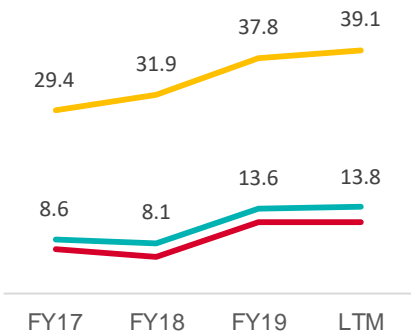
LifeFit Group Fitness First elbgym smile X



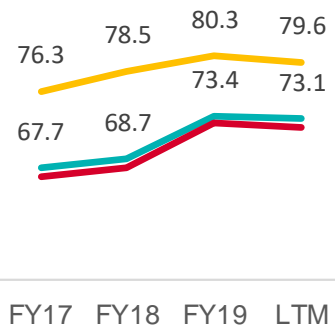
Adjusted EBITDA (EURm)



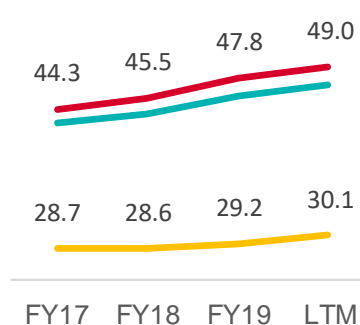
Adjusted EBITDA %



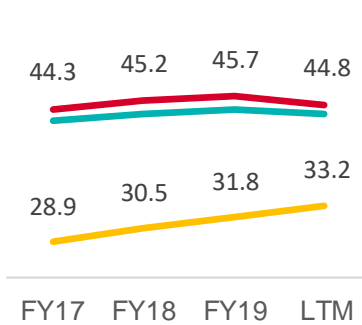
Retention Rate [%]



Joiner Yield [EUR]



ARPM [EUR]



1) Core business excludes all clubs/services, which already have been divested/closed or will not be continued.

LIFEFIT GROUP PRO FORMA HISTORICAL PERFORMANCE (CORE BUSINESS)

Key Financials

EURm	FY17 AC	FY18 AC	FY19 AC	LTM AC	Δ% LTM-19
Total Revenue	121.6	123.9	127.9	126.9	-0.7%
thereof: Fitness First	111.5	111.5	114.0	112.2	
elbgym	1.5	2.2	2.3	2.5	
smile X	8.6	10.2	11.6	12.3	
EBITDA	10.3	10.2	15.6	16.0	+2.4%
thereof: Fitness First	7.7	6.7	11.3	11.4	
elbgym	0.0	0.3	-0.1	-0.2	
smile X	2.5	3.3	4.4	4.8	
EBITDA margin [%]	8.4	8.3	12.2	12.6	+3.1%
thereof: Fitness First	7.0	6.0	9.9	10.1	
elbgym	-1.2	13.3	-3.7	-6.5	
smile X	29.4	31.9	37.8	39.1	
Adjustments	0.1	-0.2	1.7	1.5	
thereof: Fitness First	0.1	-0.2	1.7	1.5	
elbgym	0.0	0.0	0.1	0.0	
smile X	0.0	0.0	0.0	0.0	
Adjusted EBITDA	10.4	10.0	17.4	17.5	+0.6%
thereof: Fitness First	7.9	6.4	13.0	12.8	
elbgym	0.0	0.3	0.0	-0.1	
smile X	2.5	3.3	4.4	4.8	
Adj. EBITDA margin [%]	8.6	8.1	13.6	13.8	+1.3%
thereof: Fitness First	7.1	5.8	11.4	11.4	
elbgym	-1.2	13.3	-0.2	-5.5	
smile X	29.4	31.9	37.8	39.1	

Key Performance Indicators

	FY17 AC	FY18 AC	FY19 AC	LTM AC	Δ% LTM-19
# of Clubs¹	77	78	78	78	
thereof: Fitness First	61	62	62	62	
elbgym	3	3	3	3	
smile X	13	13	13	13	
Members ['000]	235.0	237.3	246.4	239.4	-2.9%
thereof: Fitness First	206.3	204.9	210.9	204.3	
elbgym	2.6	2.9	3.3	3.6	
smile X	26.1	29.5	32.1	31.5	
Joiner Yield [EUR]	42.8	43.7	45.8	47.0	+2.7%
thereof: Fitness First	44.3	45.5	47.8	49.0	
elbgym	65.9	66.8	70.0	70.7	
smile X	28.7	28.6	29.2	30.1	
ARPM [EUR]	42.8	43.7	44.1	43.6	-1.3%
thereof: Fitness First	44.3	45.2	45.7	44.8	
elbgym	55.2	65.9	60.2	61.7	
smile X	28.9	30.5	31.8	33.2	
Retention %	67.7	68.7	73.4	73.1	
thereof: Fitness First	66.8	67.6	72.6	72.3	
elbgym	76.8	68.7	64.1	68.6	
smile X	76.3	78.5	80.3	79.6	

- Club closures due to the covid-19 lockdown result in missing joiners and consequently lower membership base (-11.3k members vs. Q1/20), which will be impacted further in future months as clubs reopened in May/Jun and recovery to previous sales volumes will take time
- Corona crisis has not yet impacted retention that much, we have only seen around 1% of total members cancelling their contracts, thus retention stays stable
- Revenue is impacted by freezes, rejects/refunds as well as missing side revenues in Mar/Apr
- IFRS15 impact out of deferred revenue from covid-19 compensation tools amounts to EUR 0.8m in Apr
- LifeFit has implemented a new pricing for its brand Fitness First in Dec 19, which is primary characterized by
 - Weekly pricing instead of monthly
 - Reduced price points by only offering multiclub usage
 - Implementation of a 6 month revolving training fee
 - Immediate contract start
- Q2/FY20 joiner yield increased by EUR +3.7 vs. last year to EUR 49.2 and will grow further
- The 6 month revolving training fee will have additional positive impact on revenue in month 6 of the membership (revolving every 6 month)



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1 Consolidation group

- The newly formed Lifefit Group Midco was established 13 March 2019. The first financial year started with the entry in the commercial register on 9 April 2019 and ended on 31 October 2019.
- The result of the second quarter FY2020 refers to the period 1 February 2020 to 30 April 2020.
- Group legal structure see appendix

2 IFRS

- Application of IFRS 16 Leases leads
 - to the capitalization of right-of-use assets of EUR 109.7m and of lease liabilities of EUR 130.7m as of 30 April 2020
 - to a negative P/L-effect of EUR 7.3m in the quarter caused by depreciation expenses of right-of-use assets and of interest expenses on lease liabilities (compared to the discontinuation of lease expenses in a comparable amount)
- The Group had total cash outflows for leases of EUR 7.0m for the period from 1 February 2020 until 30 April 2020.

3 Reported Results

- The reported results as well as the presented pro forma figures are preliminary and unaudited.
- In the reporting period, the Group posted a loss of EUR 4.7m and sales of EUR 30.2m.
- With EUR +10.7m the Cash Flow is positive in the quarter, Cash balance as of 30 April 2020 is EUR 29.6m.

4 Financial KPIs

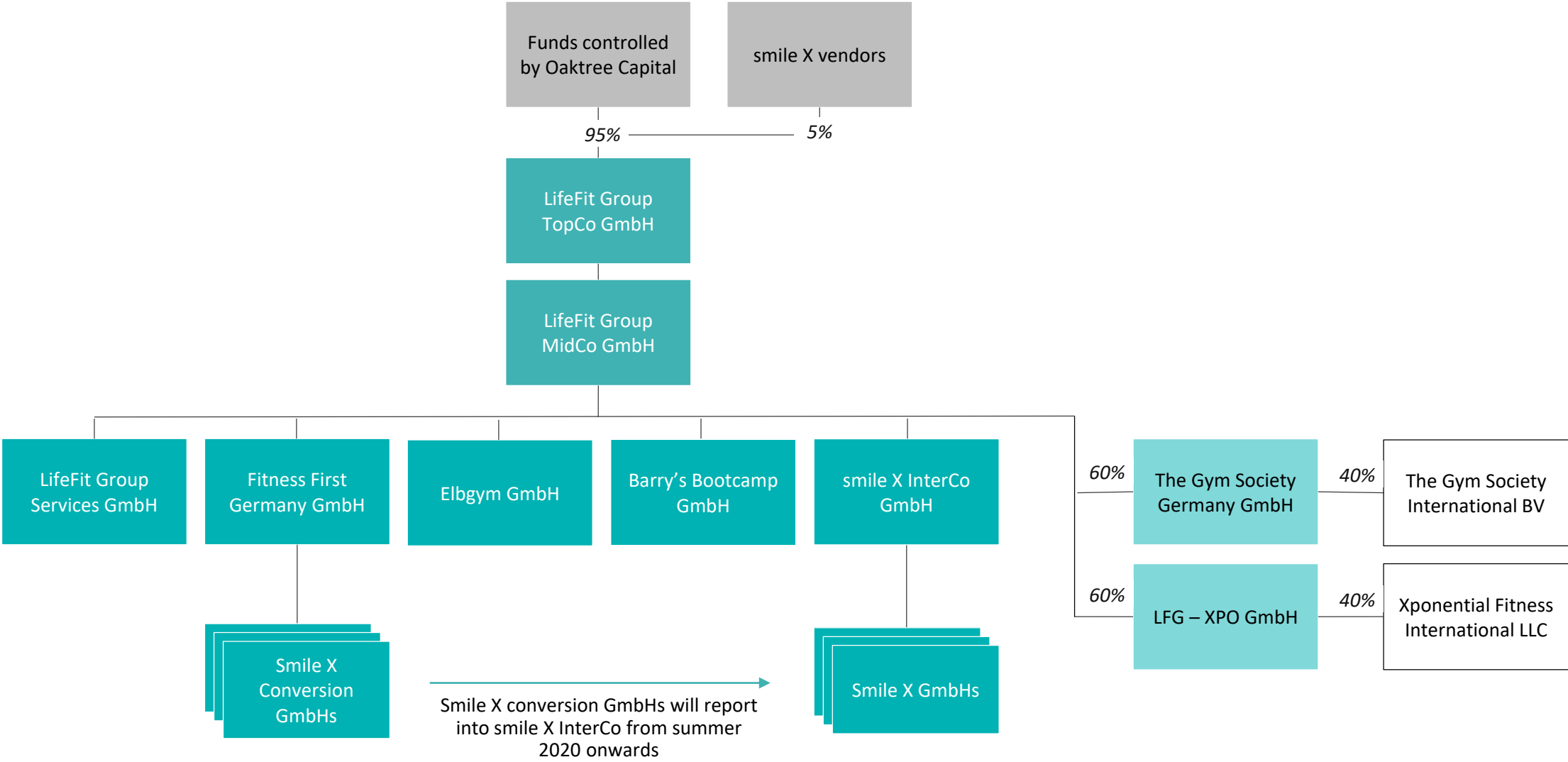
- LifeFit Group has updated its Financial KPIs in FY2019/20 in the course of IFRS 16 changes
- This mainly impacts Reported Adjusted EBITDA, which includes cash rents and excludes IAS 17 rent adjustments (see next page for previously reported results)

5 Pro Forma

- Due to the short financial year of Lifefit Group Midco for FY19 and for a better understanding of the financial results of the whole group LifeFit Group presents pro forma f/s considering the 12 months period 1 May 2019 to 30 April 2020 and adjusted for IFRS 16 impacts
- Pro forma Total Revenue of the group was EUR 130.1m (EUR 126.9m in core business¹)
- Pro forma adjusted EBITDA of the group amounts to EUR 17.5m

6 Outlook

- LFG will publish the quarterly interim unaudited report for Q3 FY2019/2020 on 29 Sep 2020



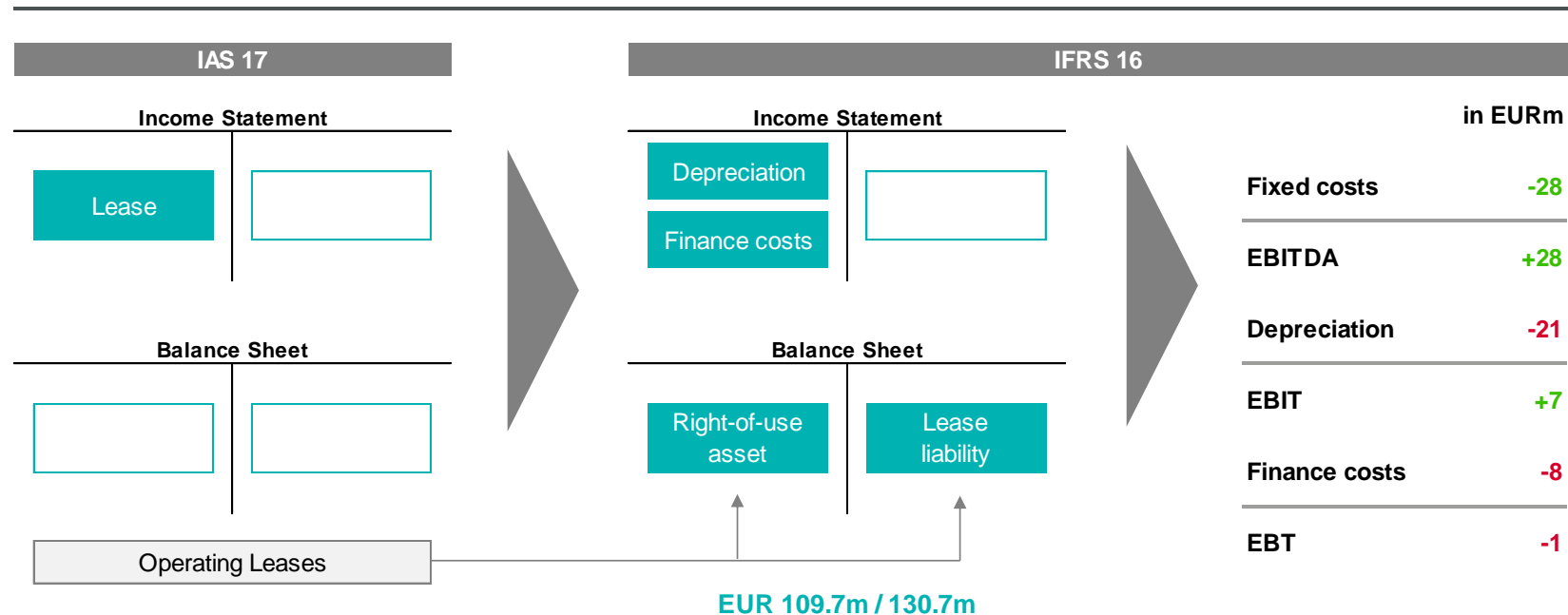
FY17..FY19 Bridge to Reported Adjusted EBITDA

	FY17	FY18	FY19
Core Business in EURm	AC	AC	AC
Total Revenue	121.6	123.9	127.9
- Cost of sales / controllable costs ...			
- Total Rent	-21.3	-22.6	-23.0
thereof: cash rent	-23.2	-24.7	-25.1
IAS 17 rent adjustments	1.9	2.1	2.0
IAS 17 Adjusted EBITDA	12.3	12.1	19.4
Less: IAS 17 rent adjustments	-1.9	-2.1	-2.0
Reported Adjusted EBITDA	10.4	10.0	17.4

Changes in Financial KPIs

- Due to changes in accounting standards following the adoption of IFRS16, we are changing our Adjusted EBITDA definition by
 - removing the former IAS17 Rent Adjustments (Rent Control Account, which primary comprise landlord contributions and rent free periods) from EBITDA and
 - release these monthly within the depreciation (cf. depreciation of right-of-use-assets in report), but
 - keep cash rents within Reported Adjusted EBITDA for comparable reason
- Furthermore Reported Adjusted EBITDA is adjusted for exceptional items, site opening cost and negative EBITDA ramp up (new clubs/formats)
- According to this Reported Adjusted EBITDA for FY19 of EUR 19.4m is reduced by IAS17 Rent Adjustments of EUR 2.0m and amounts to EUR 17.4 under new definition

Impact on pro forma Financial Statements



- The application of IFRS 16 leases leads to a negative effect on the profit and loss of the period
- The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets
- LifeFit has lease contracts for various items of buildings (studios, offices, and warehouses), vehicles and fitness equipment. Leases of buildings generally have a non-cancelable lease term of 15 to 20 years, while vehicle and machinery leases have a lease term of 3 to 5 years.
- As of 30 April 2020 the group recognized the following right-of-use assets and lease liabilities
 - Buildings EUR 104.8m/125.3m
 - Machinery EUR 4.6m/5.0m
 - Vehicles EUR 0.3m/0.5m
- The variance between the carrying amount of right-of-use assets and the lease liability results from deferred rent free periods, land lord contributions and impairments which are included in the business acquired.

Impact on Credit Stats

	x PF adjusted EBITDA Apr-20 LTM (EUR 17.5m)	pre IFRS 16	under IFRS 16
Gross debt / PF EBITDA		3.1x	3.9x
Net debt / PF EBITDA		1.4x	3.3x

Gross debt based on EUR 40m senior secured bond, EUR 10m RCF and EUR 5.0m equipment finance leases (respectively EUR 130.7m lease liabilities under IFRS16), net debt reduced by EUR 29.6m cash at hand.

Key Financials

EURm	FY17 AC	FY18 AC	FY19 AC	LTM AC
Total Revenue	141.4	135.6	133.9	130.1
thereof: core	121.6	123.9	127.9	126.9
non-core	19.8	11.7	6.1	3.1
EBITDA	11.8	11.7	14.8	15.6
thereof: core	10.3	10.2	15.6	16.0
non-core	-0.5	-0.7	-0.8	-0.5
EBITDA margin [%]	8.3	8.6	11.1	12.0
thereof: core	8.4	8.3	12.2	12.6
non-core	-2.6	-6.2	-13.4	-14.7
Adjustments	1.0	1.0	2.4	2.0
thereof: core	0.1	-0.2	1.7	1.5
non-core	0.8	1.2	0.7	0.5
Adjusted EBITDA	12.8	12.7	17.3	17.5
thereof: core	10.4	10.0	17.4	17.5
non-core	0.3	0.5	-0.1	0.1
Adj. EBITDA margin [%]	9.0	9.4	12.9	13.5
thereof: core	8.6	8.1	13.6	13.8
non-core	1.6	4.4	-2.2	1.7

Key Performance Indicators

	FY17 AC	FY18 AC	FY19 AC	LTM AC
# of Clubs¹	93	87	82	79
thereof: core	77	78	78	78
non-core	16	9	4	1
Members ['000]	268.1	255.8	249.8	240.8
thereof: core	235.0	237.3	246.4	239.4
non-core	33.0	18.5	3.4	1.5
Joiner Yield [EUR]	42.2	43.4	45.7	47.0
thereof: core	42.8	43.7	45.8	47.0
non-core	38.7	40.3	43.3	46.7
ARPM [EUR]	42.3	43.1	44.2	43.7
thereof: core	42.8	43.7	44.1	43.6
non-core	39.6	37.7	46.1	n/a
Retention %	67.7	68.7	73.4	73.1
thereof: core	67.7	68.7	73.4	73.1
non-core	n/a	n/a	n/a	n/a

- Fitness First has gone through an portfolio optimisation process in the last years in the course of which over 18 (mostly) unprofitable clubs have been divested or closed since Nov 16
- This causes a significant decline in memberships with total revenues going down EUR -16.7m (from FY17 to Apr-20 LTM) while EBITDA is not impacted that much
- Table on the left shows the bridge from core business numbers (cf. section on pro forma financials) to total pro forma
- As of Jun 20 only 1 club is left in the non-core portfolio (closure estimated in the context of lease end in winter 2021/22)

Segment	Item	Comment	LTM Apr-20
Pro forma Apr-20 LTM Group EBITDA			15,557
FFG/LFG	Divestment club losses	refers to six clubs in reporting period	508
FFG/LFG	HO employment cost savings	Mar20 run rate vs. LTM, >25 FTE less than in Oct18	483
FFG/LFG	Saving on operational expenses	Initiatives already started and in ramp-up	303
FFG/LFG	smile X conversion one off	one off costs related to club paintings and other conversion costs	196
FFG/LFG	Barrys set up	transaction/formation expenses	179
FFG/LFG	New Business Development	HO employment costs related to new business development (Franchise, XPO)	164
FFG/LFG	Year end audit fees	first time full scope IFRS consolidated accounts	100
FFG/LFG	Ramp-up losses	One club to become EBITDA positive	27
EG	Transaction costs	Add-back of transaction costs, primarily legal and other consulting fees	23
Total Adjustments			1,984
Adjusted PF Apr-20 LTM Group EBITDA			17,541

Consolidated Statement of Comprehensive Income

(Unaudited)	01.11.19 - 30.04.20	01.02.20 - 30.04.20
Revenue	62,931	30,219
Other operating income	377	44
Cost of materials	-3,133	-1,203
Personnel expenses	-20,470	-9,608
Other operating expenses	-20,147	-10,028
Amortization and depreciation of intangible assets, property, plant and equipment and right-of-use-assets	-19,109	-10,398
Operating profit or loss	448	-974
Finance income	0	0
Finance costs	-7,314	-3,758
Financial result	-7,314	-3,758
Profit or loss for the period before taxes	-6,866	-4,732
Income taxes	-75	-6
Profit or loss for the period	-6,941	-4,738
Thereof attributable to:		
- equity holders of the parent	-6,941	-4,738
Profit or loss for the period	-6,941	-4,738
Reconciliation to the consolidated statement of comprehensive income		
Profit or loss for the period	-6,941	-4,738
Total comprehensive income	-6,941	-4,738

Consolidated Cash Flow Statement

(Unaudited)	Note	01.11.19 - 30.04.20	01.02.20 - 30.04.20
Cash flows from operating activities		15,390	10,433
Cash flows from investing activities		-7,784	-2,651
Cash flows from financing activities		-4,187	2,963
Cash flow for the period		3,419	10,745
Beginning cash and cash equivalents		26,191	18,865
Closing cash and cash equivalents	3.5.4.5	29,610	29,610

Consolidated Balance Sheet

(Unaudited)	Note	30 April 2020	31 October 2019
Non-current assets			
Intangible assets	3.5.4.2	37,784	38,792
Property, plant and equipment	3.5.4.3	41,814	44,041
Right-of-use-assets	3.5.4.4	109,735	120,571
Investments / Joint venture		46	17
		189,379	203,421
Current assets			
Inventories		700	703
Trade receivables		2,009	2,909
Receivables from affiliated companies		1,307	633
Current income tax assets		73	74
Other non-financial assets		2,893	1,931
Cash and cash equivalents	3.5.4.5	29,610	26,191
		36,592	32,441
TOTAL ASSETS		225,971	235,862
Equity	3.5.4.6	-15,928	-8,986
Liabilities			
Non-current liabilities			
Financial liabilities	3.5.4.7	38,001	38,001
Shareholder debt	3.5.4.8	33,220	31,670
Other non-financial liabilities		28	28
Other financial liabilities		1,480	1,484
Other provisions		3,978	4,244
Lease liabilities	3.5.4.9	110,760	121,019
Deferred tax liabilities		1,744	2,048
		189,211	198,494
Current liabilities			
Financial liabilities	3.5.4.7	10,000	0
Trade payables		11,404	16,792
Other non-financial liabilities		6,642	5,150
Other financial liabilities		1,435	1,280
Other provisions		2,797	2,981
Lease liabilities	3.5.4.9	19,958	19,841
Income tax liabilities		452	310
		52,688	46,354
TOTAL LIABILITIES		241,899	244,848
TOTAL EQUITY AND LIABILITIES		225,971	235,862

- In total, the consolidated equity of the group is negative. The equity position of the group has no legal impact. With EUR 91.4m the equity of LifeFit Group MidCo GmbH is positive. If the shareholder debt of EUR 33.2m were classified as equity, the consolidated equity of the group would be positive of EUR 17,3k.
- The negative consolidated equity of the group results from the difference of the purchase price of the acquisition of shares in Fitness First Germany GmbH, Elbgym GmbH and Barry's Bootcamp GmbH by LifeFit Group MidCo GmbH and Fitness First Germany GmbH's book value of net assets. The transaction had to be accounted for as a "transaction under common control" and no hidden reserves of Fitness First Germany GmbH, such as brand name, customer contracts or goodwill were considered. Had the transaction happened under third parties, the consolidated equity of the group would be substantially positive.

Equity as reported	-15.9
pro forma classification Shareholder Loan as Equity	+33.2
pro forma Equity	+17.3

Pro forma Financials + IFRS 16 impacts + Reported Financials

EURm	Apr-20 LTM PRO FORMA			Q2/FY2020			Q2/FY2020 REPORTED
	AC pre IFRS16	Impact of IFRS16	AC under IFRS16	AC pre IFRS16	Impact IFRS16	AC under IFRS16	AC IFRS16
KPIs							
# of Clubs ¹	79			79			
Members ['000]	240.8			240.8			
Joiner Yield [EUR]	47.0			49.2			
ARPM [EUR]	43.7			41.0			
Retention % (annualised)	73.1			73.1			
Profit/Loss							
Revenue	130.1			30.2			30.2
EBITDA ²	15.6	28.2	43.8	4.0	7.0	11.0	9.4
- Adjustments	2.0			0.3			
Adjusted EBITDA	17.5			4.2			
Depreciation & amortisation	-14.2	-20.7	-34.9	-5.1	-5.3	-10.4	-10.4
Exceptionals/One-off charges	-7.4			-1.6			
Operating Profit/Loss	-6.0		1.5	-2.7		-1.0	-1.0
Total Finance costs	-5.2	-8.3	-13.5	-1.7	-2.0	-3.8	-3.8
Total Tax	-0.1			0.0			0.0
Net Profit/Loss	-11.4		-12.1	-4.4		-4.7	-4.7
Cash Flow							
EBITDA ²	15.6			4.0			
Working capital	0.9			2.5			
Exceptionals & provisions	-8.0			-1.1			
Interest paid	-2.4			-1.0			
Tax	-0.3			0.0			
OPERATING CASH FLOW	5.8			4.3	6.1	10.4	10.4
Cash flow from investing activities	-38.7			-2.7		-2.7	-2.7
FREE CASH FLOW	-32.9			1.7		7.8	7.8
Cash flow from financing activities	51.9			9.1	-6.1	3.0	3.0
NET CASH FLOW	19.0			10.7		10.7	10.7

Notes

¹ excluding franchise clubs

² excluding exceptionals/one-off charges

Pro forma Financials by Segment

EURm	Apr-20 LTM PRO FORMA				Q2/FY2020			
	LifeFit Group	Fitness First	elbgym	smileX	LifeFit Group	Fitness First	elbgym	smileX
KPIs								
# of Clubs ¹	79	63	3	13	79	63	3	13
Members ['000]	240.8	205.8	3.6	31.5	240.8	205.8	3.6	31.5
Joiner Yield [EUR]	47.0	48.9	70.7	30.1	49.2	51.4	72.2	31.0
ARPM [EUR]	43.7	44.9	61.7	33.2	41.0	42.1	60.1	31.2
Retention % (annualised)	73.1	72.3	68.6	79.6	73.1	72.3	68.6	79.6
Profit/Loss								
Revenue	130.1	115.3	2.5	12.3	0.0	0.0	0.0	0.0
EBITDA ²	15.6	10.9	-0.2	4.8	30.2	26.6	0.7	2.9
- Adjustments	2.0	2.0	0.0	0.0	4.0	3.1	0.0	0.9
Adjusted EBITDA	17.5	12.9	-0.1	4.8	0.3	0.3	0.0	0.0
Depreciation & amortisation	-14.2	-11.2	-0.3	-2.8	4.2	3.4	0.0	0.9
Exceptionals/One-off charges	-7.4	-7.2	-0.2	0.0	-5.1	-4.4	0.0	-0.7
Operating Profit/Loss	-6.0	-7.5	-0.6	2.0	-1.6	-1.5	0.0	0.0
Total Finance costs	-5.2	-5.2	0.0	0.0	-2.7	-2.8	-0.1	0.2
Total Tax	-0.1	0.0	0.0	-0.2	-1.7	-1.7	0.0	0.0
Net Profit/Loss	-11.4	-12.6	-0.6	1.9	0.0	0.0	0.0	0.0
Cash Flow								
EBITDA ²	15.6	10.9	-0.2	4.8	-4.4	-4.6	-0.1	0.2
Working capital	0.9	0.9	0.0	-0.1	4.0	3.1	0.0	0.9
Exceptionals & provisions	-8.0	-7.8	-0.2	0.0	2.5	1.7	0.0	0.7
Interest paid	-2.4	-2.4	0.0	0.0	-1.1	-1.1	0.0	0.0
Tax	-0.3	0.0	0.0	-0.3	-1.0	-1.0	0.0	0.0
OPERATING CASH FLOW	5.8	1.7	-0.3	4.4	0.0	0.0	0.0	0.0
Cash flow from investing activities	-38.7	-38.3	-0.1	-0.3	4.3	2.8	-0.1	1.6
FREE CASH FLOW	-32.9	-36.6	-0.4	4.1	-2.7	-2.6	0.0	0.0
Cash flow from financing activities	51.9	52.4	-0.2	-0.4	1.7	0.2	-0.1	1.6
NET CASH FLOW	19.0	15.8	-0.6	3.7	9.1	9.2	0.0	-0.1

Notes

¹ excluding franchise clubs

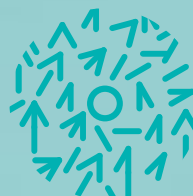
² excluding exceptionals/one-off charges



Inspiring each other
and always winning
as a team



Blowing away customer
expectations with our love for
health and fitness



Taking responsibility,
being entrepreneurial
and always keep going



Always striving
for excellence



Doing the right
thing – every time