



**lifefit** | group







# LifeFit Group

Q1/FY2021 - QUARTERLY INTERIM UNAUDITED REPORT

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Mar  
2021





**EXECUTIVE SUMMARY & UPDATE MULTIBRAND STRATEGY**

**STATUS UPDATE ON COVID-19 BUSINESS IMPLICATIONS**

**PRO FORMA FINANCIALS/KPIs LIFEFIT GROUP AND BY SEGMENT**

**APPENDIX**

# 1 LTM Performance affected by covid-19 impacts

- Operational KPIs went down with members just over 250k in Q1/20 to 197k in Q1/21 (driven by lack of joiners) due to club closures
- Financial KPIs in the quarter decrease following the impacts of the second lockdown as clubs have been closed throughout Q1/FY21 since Nov 20

# 2 LTM Revenue EUR 106.8m - 10.7% vs FY20

- LifeFit was able to collect for membership dues within the club closure periods and will continue
- Total revenues have been impacted negatively by frozen memberships (~35% in the quarter), rejects and refunds as well as missing side revenues (e.g. PT income, F&B, aggregator income) during the lockdown and will decrease further in future due to missing members out of the lockdown and forthcoming compensations

# 3 LTM EBITDA adj. EUR 14.0m - 14.8% vs FY20 Margin 13.1% - 0.7ppt vs FY20

- LTM Adjusted EBITDA is affected by above mentioned revenue impacts out of the covid-19 club closures
- Initiated cost actions during the lockdown (esp. short-time work) were able to largely compensate revenue shortfall in the short term
- LifeFit utilizes any governmental support package which could help to mitigate the revenue shortfall out of the closure periods

# 4 Q1/FY21 Net Cash Flow EUR -5.3m

- Q1/FY21 Net cash flow is primary characterised by the completion of some capex measures (EUR 2.8m relating to existing and new studios/formats) as well as EUR 1.2m investment into already acquired businesses (earn-out components) and new businesses
- Strong cash position at quarter end with more than EUR 17.3m cash at bank

# 5 Covid-19 will create opportunities

- LifeFit Group has implemented a business transformation program to mitigate the covid-19 crisis implications and which gives the chance for sustainable increase in profitability long-term
- Undifferentiated growth of multiple operators over the last 5 years is now starting to crack, with more gym-sellers than buyers in the market resulting in consolidation
- Strong pipeline of M&A opportunities in core markets due to financial struggles of competition

KEY FIGURES <sup>1</sup>	Q1 2021	CHANGE VS. Q1 2020
TOTAL REVENUE	19.6m	-39.6%
ADJ. EBITDA BEFORE IFRS 16	1.3m	-66.8%
ADJ. EBITDA BEFORE IFRS 16 MARGIN	6.6%	-5.4ppt
CASH AT BANK	17.3m	-1.6m

LEVERAGE RATIOS	pre IFRS 16	under IFRS 16
GROSS DEBT/ PF EBITDA	3.8x	5.2x
NET DEBT/ PF EBITDA	2.6x	4.7x

## Operating brands

## To be rolled out

					
25 Clubs (of which 5 Franchise)	56 Clubs	7 Clubs (of which 3 Franchise)	1 Club	2021 tbc	2 to open

## Price

## Mid-range

## Upper range

## Premium

## Studio / Boutique

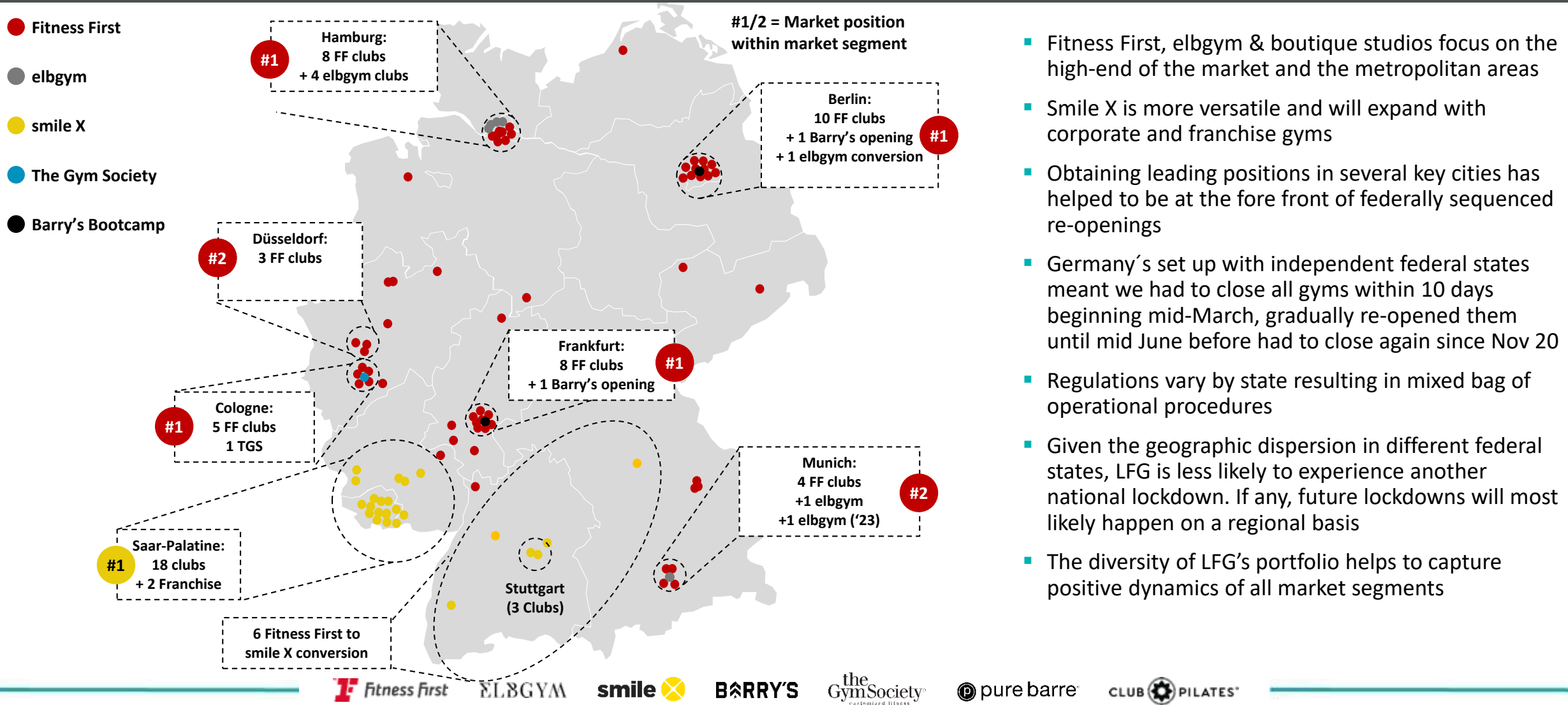
Offering/focus	<ul style="list-style-type: none"> <li>Modular, smaller towns</li> </ul>	<ul style="list-style-type: none"> <li>Wellness &amp; full service</li> </ul>	<ul style="list-style-type: none"> <li>Performance, strength</li> </ul>	<ul style="list-style-type: none"> <li>Boutique fitness / PT</li> </ul>	<ul style="list-style-type: none"> <li>Boutique fitness</li> </ul>	<ul style="list-style-type: none"> <li>Boutique fitness</li> </ul>
Description	<ul style="list-style-type: none"> <li>Leading value fitness chain in the Saar-Palatinate region with focus on offering young customers high value for money</li> </ul>	<ul style="list-style-type: none"> <li>#1 premium health and fitness club operator in Germany with strong nationwide brand awareness</li> </ul>	<ul style="list-style-type: none"> <li>Premium chain in Hamburg, Berlin, Augsburg and Munich offering high-intensity fitness courses with state-of-the-art machines as well as cross-fit</li> <li>1 conversion from FF</li> </ul>	<ul style="list-style-type: none"> <li>Personalized, high-quality, digitally supported workout with permanent access to lifestyle coaches</li> </ul>	<ul style="list-style-type: none"> <li>US-based leading boutique brands in pilates and barre with 1.000+ studios in USA</li> </ul>	<ul style="list-style-type: none"> <li>US-based pioneer of indoor high-intensity interval training combining cardio and strength training</li> </ul>
Avg. retention	<ul style="list-style-type: none"> <li>70%+</li> </ul>			<ul style="list-style-type: none"> <li>~ 70%</li> </ul>	<ul style="list-style-type: none"> <li>~ 55%</li> </ul>	<ul style="list-style-type: none"> <li>PAYG</li> </ul>
# of members	<ul style="list-style-type: none"> <li>~225,000</li> </ul>			<ul style="list-style-type: none"> <li>N/A</li> </ul>		
Expansion in 2020/21	<ul style="list-style-type: none"> <li>2+ Franchise</li> </ul>	<ul style="list-style-type: none"> <li>1 Re-location (Regensburg)</li> </ul>	<ul style="list-style-type: none"> <li>1 Franchise (Munich '23)</li> </ul>	<ul style="list-style-type: none"> <li>Utilisation of business partners to speed up roll-out</li> </ul>	<ul style="list-style-type: none"> <li>2021 TBC</li> </ul>	<ul style="list-style-type: none"> <li>Frankfurt/Berlin ready to open when lockdown lifted</li> </ul>



6 Fitness First studios have already been successfully converted into smile X high value for money clubs



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





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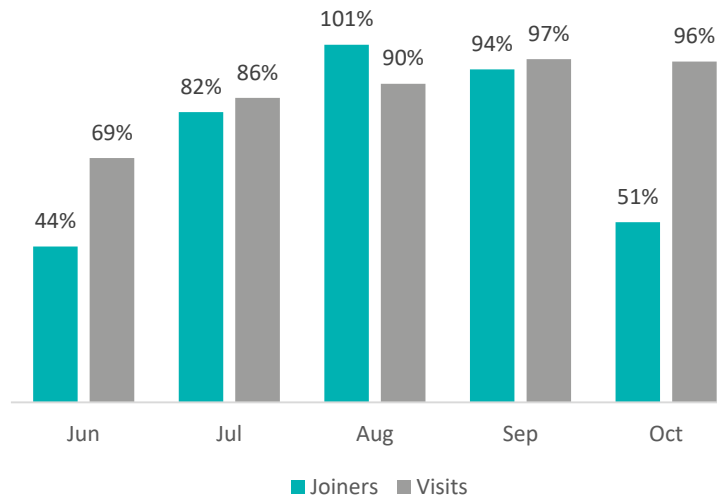
**APPENDIX**

## Timeline

- 11 clubs in Hessen were able to reopen on 8 Mar 21 with restrictions (40 sqm/visitor), online booking mandatory; potential pilots: Saarland might open after Easter (access with negative test only)
- Industry-wide cooperation accelerated
- Quick response with prepared measures (e.g. short-time work in all clubs, simplified compensation tools etc.)
- 2<sup>nd</sup> lockdown with nation wide club closures from 2 Nov 20 onwards, currently set until mid of April 2021 (besides Hessen)
- Due to low infection numbers government eases restrictions, no online booking for gym visit required by mid of June
- Re-Opening from May 20 onwards in some federal states with limited members allowed per sqm, online class booking is mandatory
- Engagement with industry associations and politics to discuss re-opening scenarios
- Mid of April refurb in clubs accelerated (concierge project)
- Club teams and part of head office in short-time work
- Augmented digital offering, Website & Social Media as central communication tool
- Governmental nation wide lockdown with gym closures in Germany from mid of March 2020

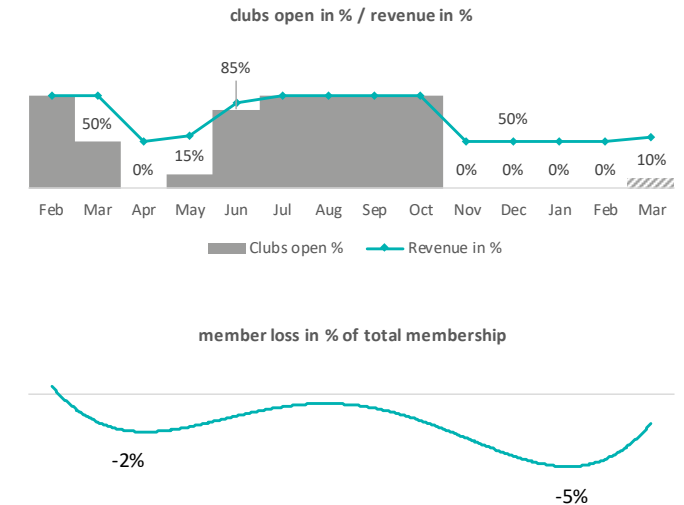
Driving KPIs came back to prior year level before 2<sup>nd</sup> lockdown impacts membership base again

LFL joiners/members compared to prior year



- Visitation came back earlier, with male members training more often than female members
- Joiner numbers recovered slower, but came back stronger before 2<sup>nd</sup> wave took shape
- Joiners mix records a shift towards younger male members

**Based on our experiences from the previous re-opening and numbers from other countries we expect a rapid operational rebound of the business**



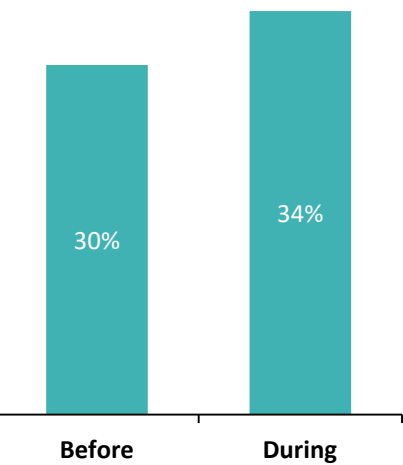
- Studios have been closed for 10 weeks on average in spring, remained to stay open since mid of June and are closed again since 2<sup>nd</sup> November
- Still collecting 50%+ revenue despite long lockdown period
- Member loss is primary related to missing joiners out of lockdown periods
- Furthermore additional covid-19 related cancellations become effective now and over the next months



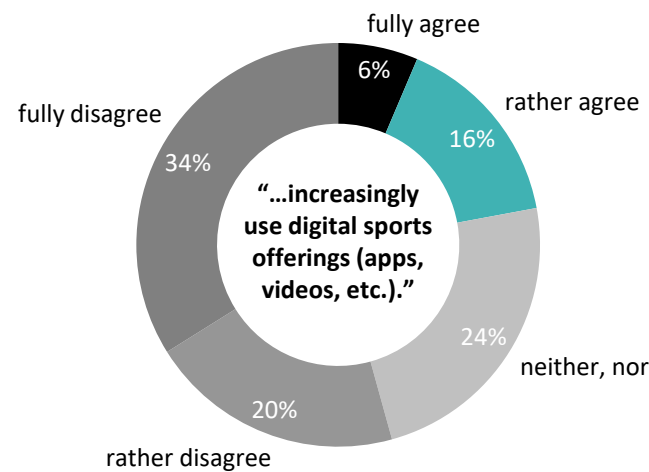
<div>Key actions during lockdown</div> <ul style="list-style-type: none"> <li>• <b>Maintain liquidity</b></li> <li>• <b>Stakeholder management</b></li> <li>• <b>Good &amp; transparent member communication</b></li> <li>• <b>Keep staff moral up</b></li> <li>• <b>Increase PR activities to reopen</b></li> <li>• <b>Seek for M&amp;A opportunities</b></li> </ul>	<div>Processes &amp; Finances</div> <ul style="list-style-type: none"> <li>▪ <b>Prepare quantification and scenarios analysis for financial lockdown impacts</b></li> <li>▪ <b>Take actions based on financial forecast with landlords, governmental support, members handling, overall cost base</b></li> <li>▪ <b>Define short, medium and long term financial milestones to be achieved</b></li> </ul>	<div>Portfolio</div> <ul style="list-style-type: none"> <li>▪ <b>Engage with LLs</b> to reduce rent payments and find long term win-win solutions</li> <li>▪ <b>Review club portfolio to optimise offering, pricing and cost base</b></li> <li>▪ Use closure period to repair &amp; maintain or to rebuild studios</li> <li>▪ Seeking for attractive M&amp;A opportunities</li> </ul>
<div>People</div> <ul style="list-style-type: none"> <li>▪ Club teams &gt;75% furloughed, others support customer service</li> <li>▪ <b>Best practice sharing between brands</b></li> <li>▪ <b>Create driver based employment model based on customer journey</b></li> <li>▪ Empathic leadership</li> <li>▪ Employee &amp; member surveys</li> </ul>	<div>Product &amp; Members</div> <ul style="list-style-type: none"> <li>▪ <b>We were able to continue dues collection, ensured and simplified over-compensation options</b></li> <li>▪ Increased digital offering</li> <li>▪ <b>Prepare all club areas for re-opening</b></li> <li>▪ Prepare for many member requests in Customer Service and clubs</li> </ul>	<div>Price &amp; Marketing</div> <ul style="list-style-type: none"> <li>▪ <b>Website as central tool for communication with social media channels feeding traffic</b></li> <li>▪ Review pricing/membership model (flexibility)</li> <li>▪ Increase digital cut through for future searches</li> <li>▪ New marketing campaigns geared towards new situation</li> </ul>

As the use of digital fitness offerings increased during the COVID-19 lockdown, fitness operators have engaged in several digital initiatives such as livestreams and training videos via homepage or company app – but it’s NOT a replacement!

Use of digital fitness offerings<sup>1</sup>  
Before and during COVID-19 lockdown

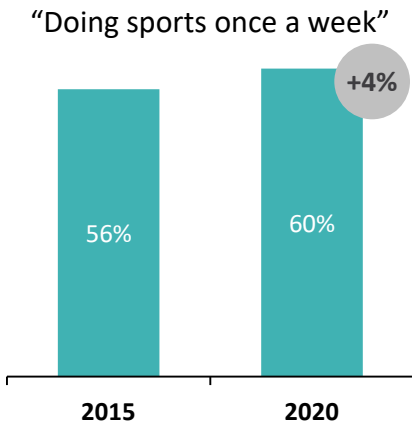


Change of sports behaviour due to COVID-19<sup>1</sup>  
“In the future and compared to the time before COVID-19, I expect to...”

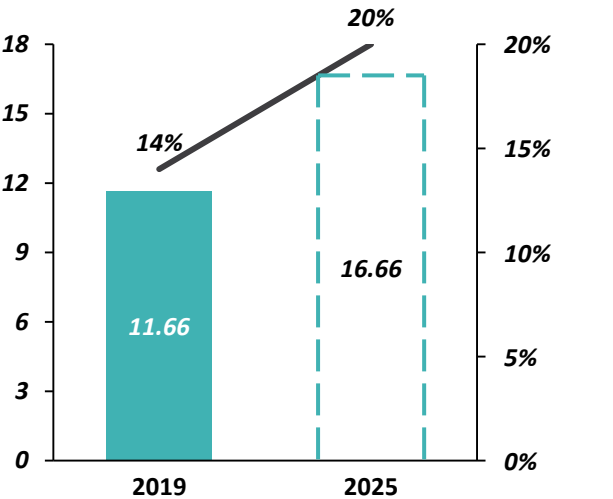


Health awareness in Europe<sup>2</sup>

33% Of Germans were more active during the pandemic



These developments will help growing the market penetration from 14% to 20% within 5 years



- › High growth phase expected in the years 2022-2025 due to bigger addressable market, catch-up potential compared to other European markets and increased health awareness
- › Growing from 15% to 20% within 5 years means generating 5 million new fitness members in Germany – 50% increase

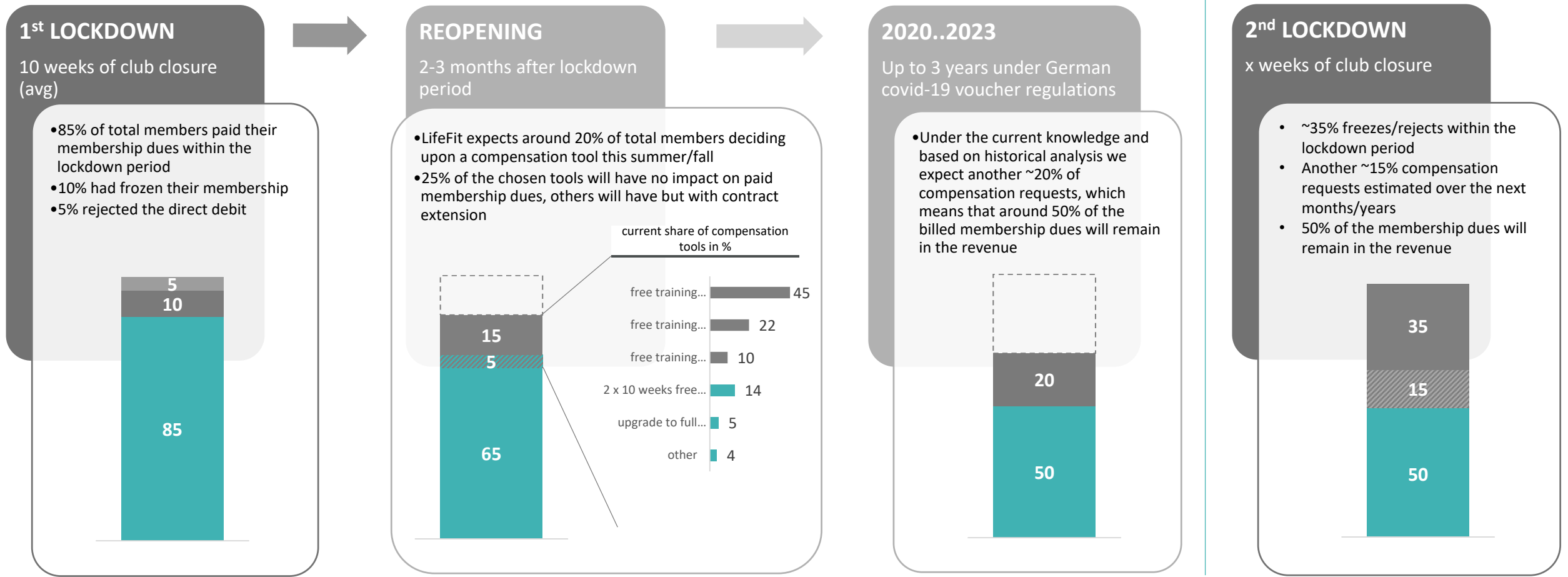
Source: DIFG, Deloitte Analysis

Notes: 1) Based on primary research of n=4.000 consumers in Germany conducted in 08/2020    2) GfK Consumer Life Study 2020



Strength	Opportunities	Weaknesses	Threats
<ul style="list-style-type: none"> <li>Underlying solid &amp; with tailwinds business proposition in strong locations/markets</li> <li>Significant invest (4m+) in facilities, fitness product during lockdown</li> <li>Digital transformation for at home offers, self service &amp; join online</li> <li>Increased focus on health in general</li> <li>Consumer focus on quality across all sectors (market share of branded products is up) - 7 strong brands</li> <li>Execution of distance &amp; hygiene measures at highest levels; low member per sqm ratio supports</li> <li>180k+ engaged members (high usage immediately after 1<sup>st</sup> lockdown) across a broad base</li> <li>3k+ dedicated teams members</li> <li>Significant government support measures implemented</li> </ul>	<ul style="list-style-type: none"> <li>People want to return to normal across all aspects including gym visits (equals 60k LFG &amp; 2m general prospects who used to or planned to be a gym member)</li> <li>Increased consumer spending power for essential activities (health, fitness &amp; community) due to less spend on holidays, shopping</li> <li>Increased fitness at home activities widen the potential target market</li> <li>Marketing power, digital set up</li> <li>Lack interaction at work and private create urge for community activities</li> <li>Lower competition in consequence of insolvencies</li> <li>M&amp;A &amp; greenfield options increase</li> </ul>	<ul style="list-style-type: none"> <li>Restrictions for visits, wellness, classes at re-opening</li> <li>Training in closed environments</li> <li>Constant gym staff to ensure quality</li> <li>Quality instructors for f2f classes</li> <li>Capital intense infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Increased insecurity might result in focus on short term contracts or reduce prospect base short term</li> <li>Digital at home workouts &amp; investment in at home equipment might change short term consumer behaviour</li> <li>Kurzarbeit, job losses in target market (restaurants, travel, events)</li> <li>Work from home for CBD clubs</li> <li>Under pressure competition might engage in uncommon pricing</li> <li>Future further lockdowns</li> </ul>

# FINANCIAL IMPACTS OF CLUB CLOSURES ON MEMBERSHIP DUES

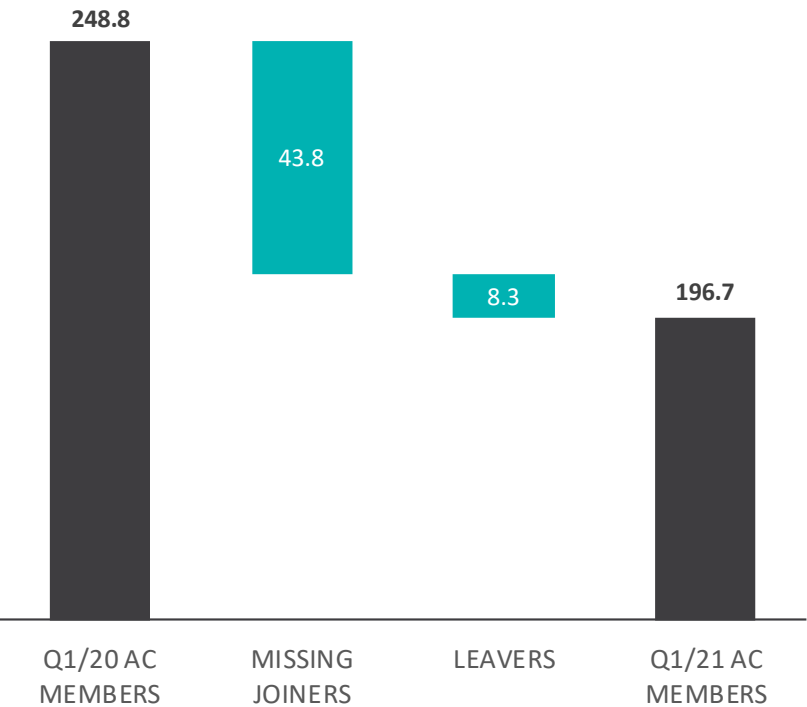


According to IFRS 15 (revenue from contracts with customers) the group intends to use deferred revenue (liability account) for accumulation and release of revenues attributable to contribution-free periods. As a result, revenue actually recognized in all months of membership period (both in periods when a customer makes payments and in non-contributory periods) will be the same. Deferred revenue for Jan 21 LTM amounts to EUR 3.1m.

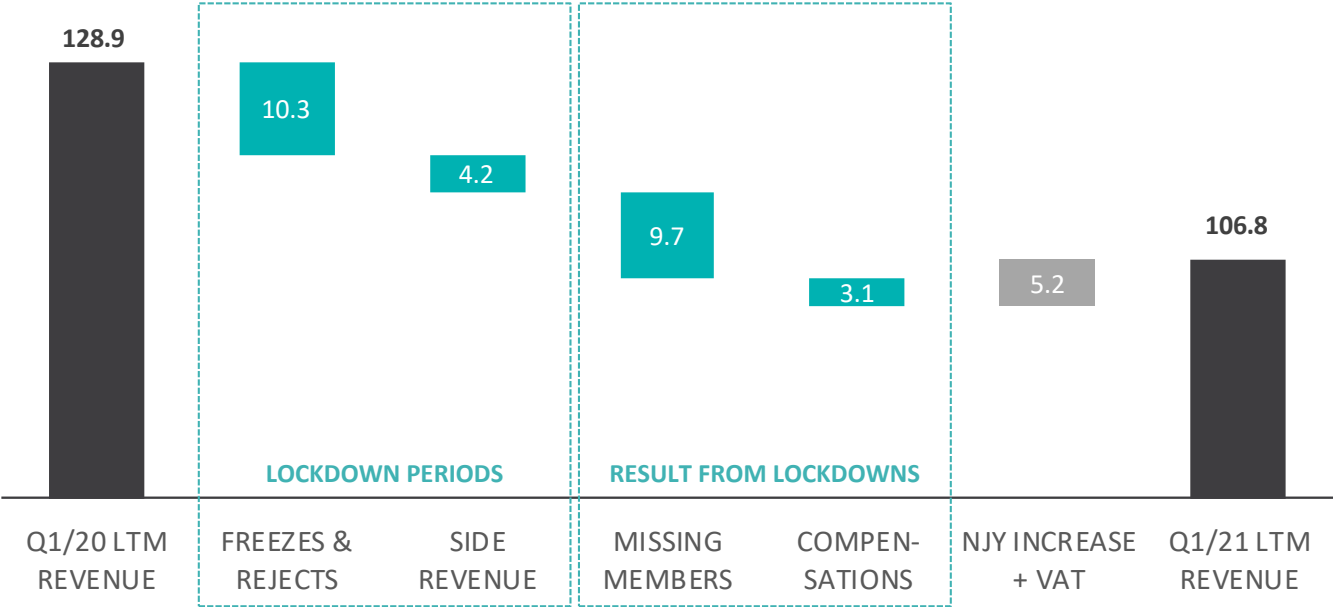


# MEMBER/REVENUE SHORTFALL AS A RESULT OF COVID-19 LOCKDOWNS...

Members shortfall driven by joiners



Revenue impacted by covid-19 lockdown and related compensations



The VAT reimbursement refers to the membership dues collected during the first and second lockdown, for which there was no exchange of services. The basis for this is around 60% of total membership dues (= expected sum of membership dues without compensation).  
**LifeFit follows this approach in the second lockdown.**

Member shortfall driven by joiners...



...and need for business transformation

Phoenix program mitigates short-term EBITDA impact and gives the chance for sustainable increase in profitability long-term

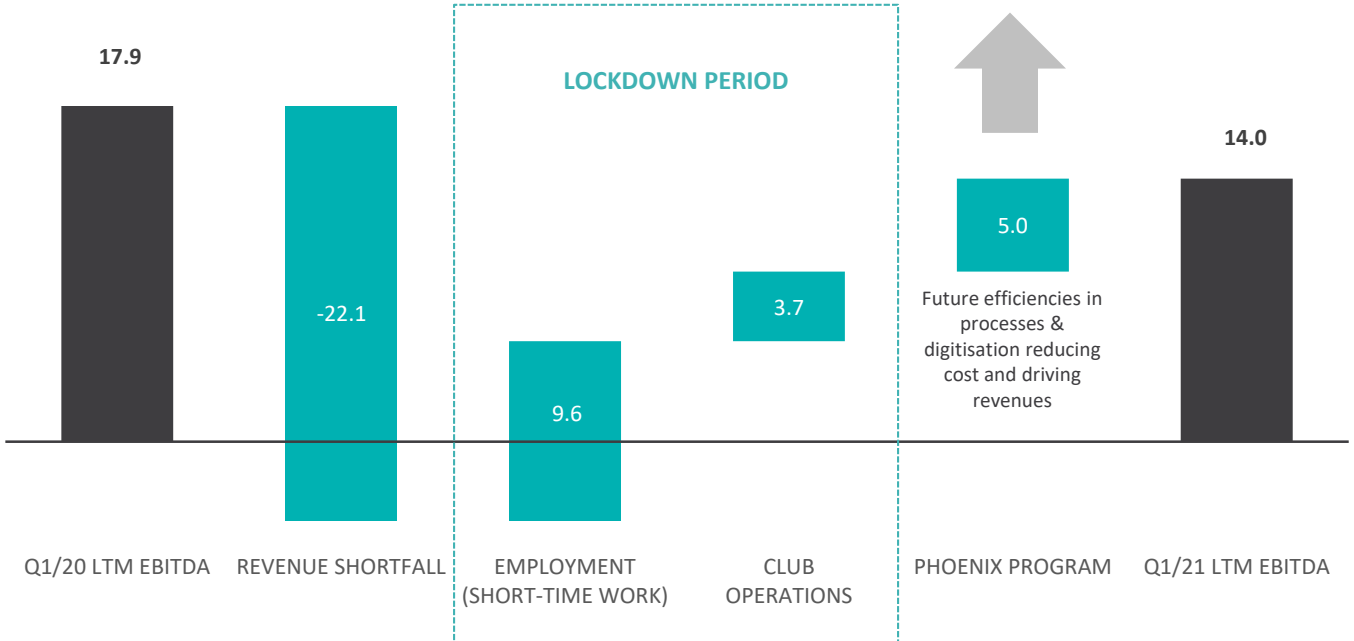
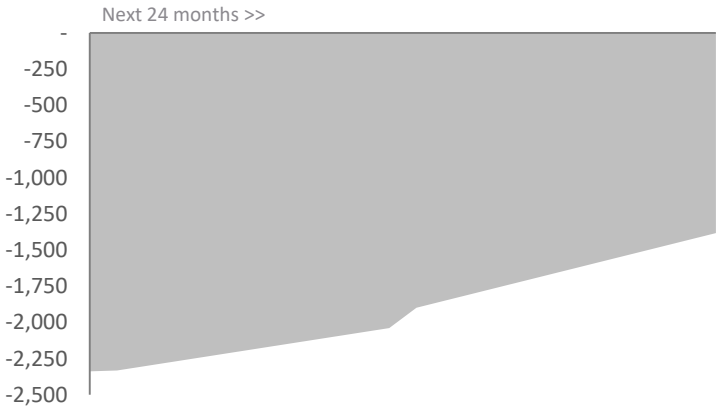


Business Transformation Summer 2020

PEOPLE	PORTFOLIO	PRODUCT & MEMBER EXPERIENCE	PRICE & MARKETING	PROCESSES & FINANCES
Club team reduction @ FF	Leases 2.0	Enhance studio & club lighting @ 1.5m	Sales Teles	Brand benchmarking driving efficiency & revenues
Inhouse daytime cleaning @ FF	Postpone boutique brands	Future digital & other offerings/ post pandemic gym model	App incl. class booking, tailored CRM, visit rating	Monetary governance support & insurances
Senior, brands & central support team reduction	Accelerate SX franchise	Technology supported functional training	Intensify aggregator partnerships	OCM short term cash funding
M&A opportunities (members)				
E-learning & cross functional	Essential maintenance only @ 1.5m & 1m CBC	Essential equipment exchange @ 0.75m	Web group platform	IT accelerated roadmap
	M&A opportunities	Infrequent user focus	Chatbot	Additional Risks/Opportunities
		Retail simplified	Compensation options	

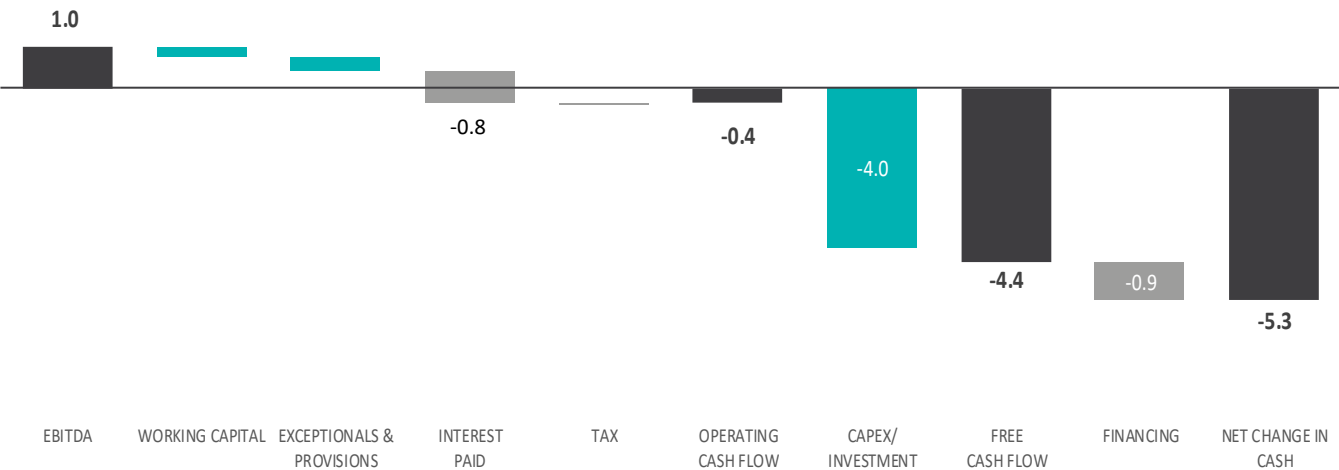
...will impact future revenues...

Estimated impact from missing members on next 24 months revenue in kEUR b/f revenue initiatives (52k members on 28% attrition)

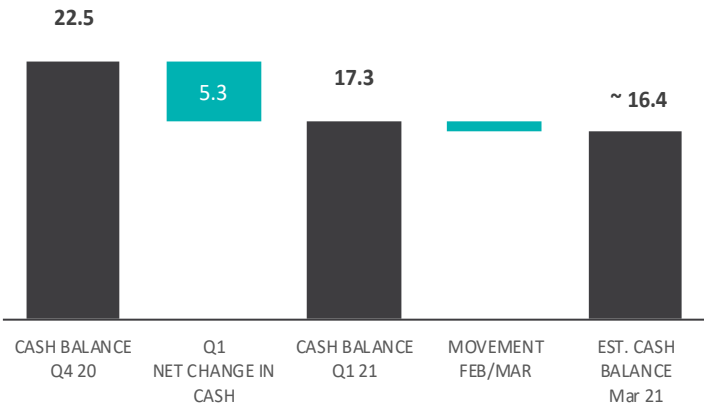




Net Change in Cash in Q1 / FY2021 (EURm)



Liquidity position (EURm)



- Working capital contains contrary effects with favourable VAT reimbursement for spring 2020 lockdown membership dues and IFRS 15 impact on deferred revenue vs. EBITDA, but as well negative impacts out of trapped cash relocation and deferred payments re. short-time work receivables from government
  - Capex is characterised by ~35% each into new build (Barry’s Frankfurt, Berlin and Fitness First Regensburg) and into existing portfolio (primary deferred payments out of the summer invest in reception concept) as well as investments (earn-out component existing business + acquisition of My Fitness Card)
  - Exceptionals and provisions primary refer to onerous lease, club closure, redundancy and consultancy costs re cost optimisation
- While Q1 contains the completion of some capex measures and investments, group management continues to secure available liquidity and to reduce cash burn rate as a result of permanently declining number of members
  - Continuous liquidity management results in more than EUR 16.4m estimated cash balance per end of March



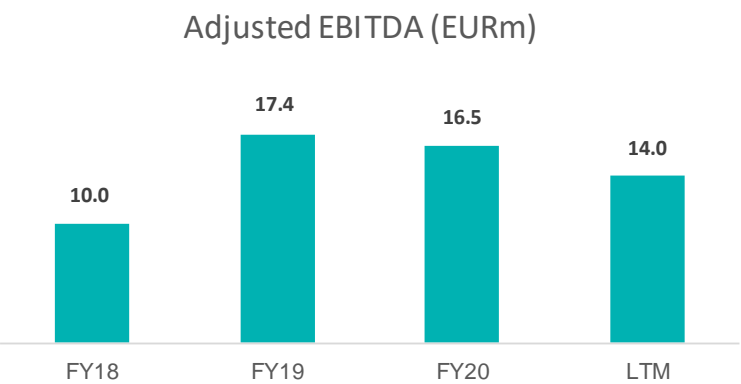
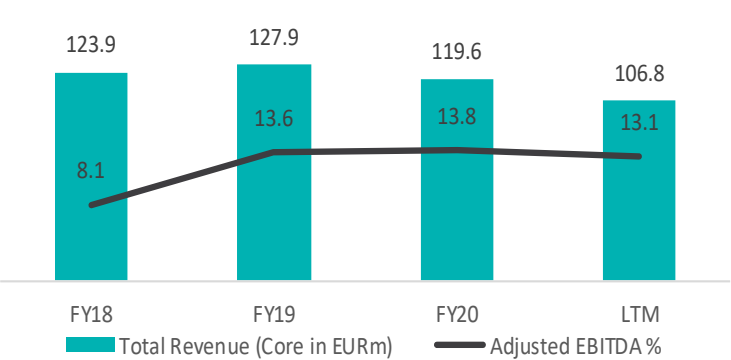
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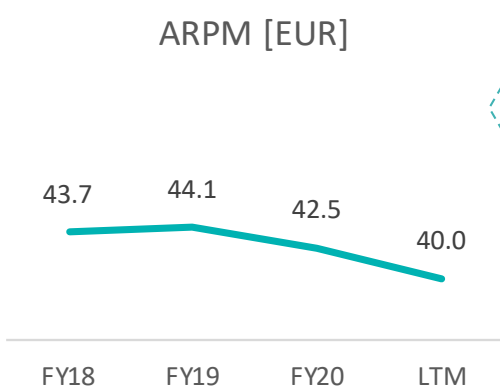
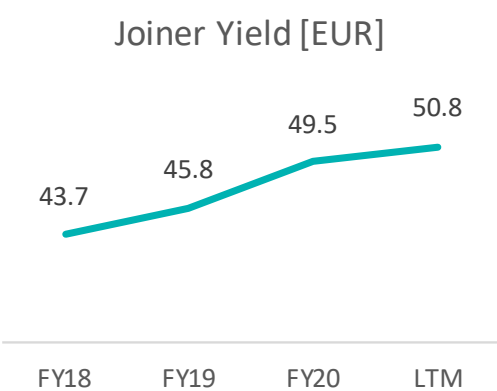
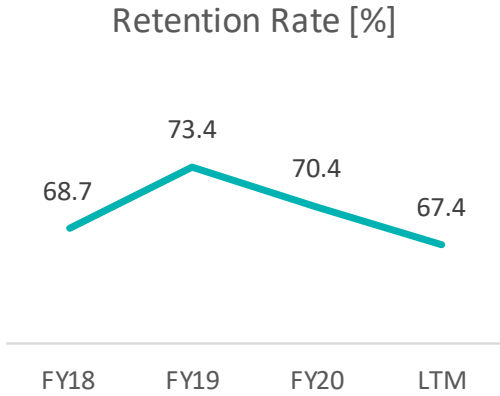
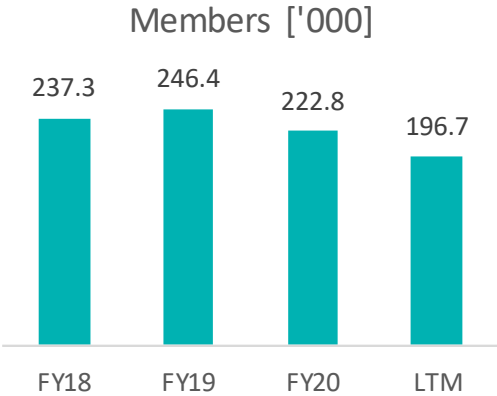
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Pro forma key financials



Key performance indicators

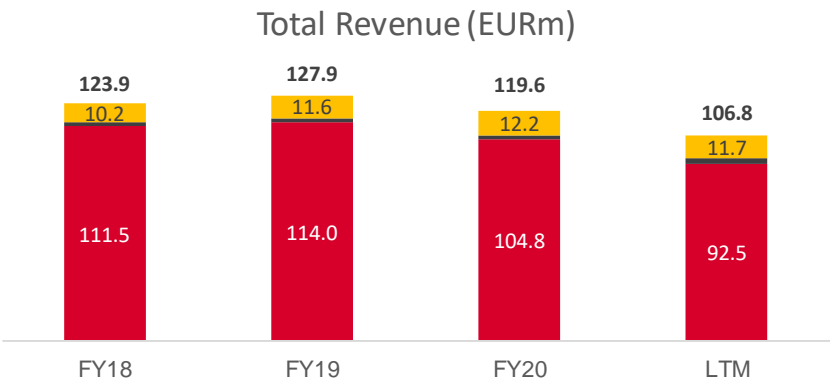


As expected FY20 and LTM ARPM is affected by compensations (freezes, rejects, refunds) and missing side revenues in the course of covid-19 club closures, adjusted at around EUR 44.8

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

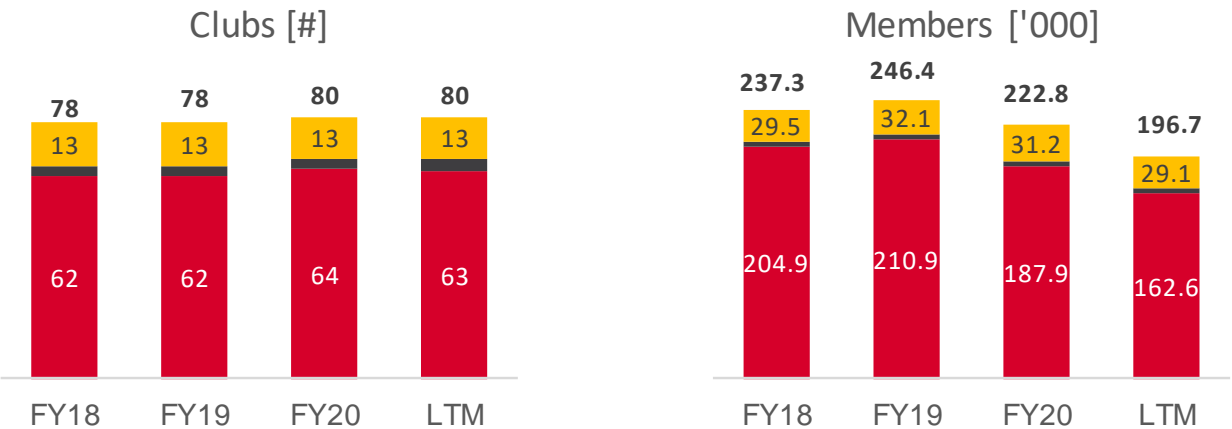


### Pro forma key financials

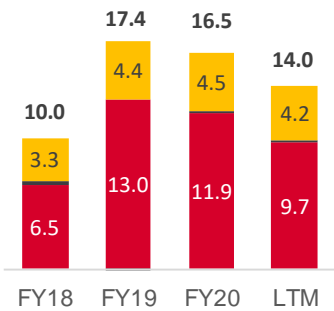


### Key performance indicators

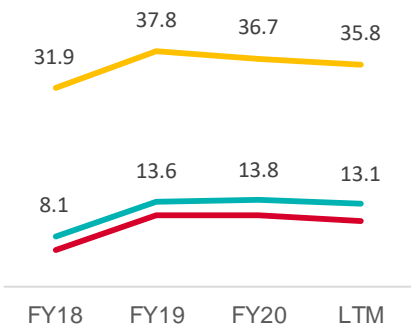
■ LifeFit Group
 ■ Fitness First
 ■ elbgym
 ■ smile X



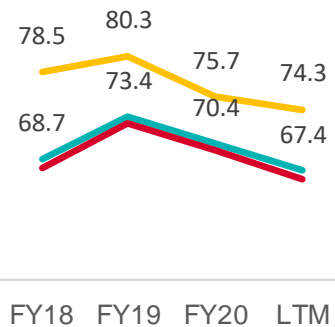
### Adjusted EBITDA (EURm)



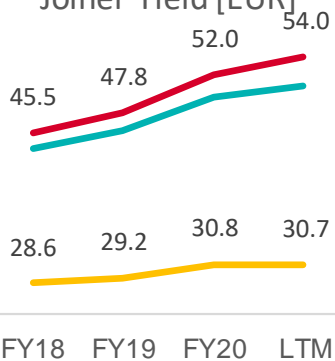
### Adjusted EBITDA %



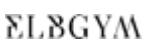
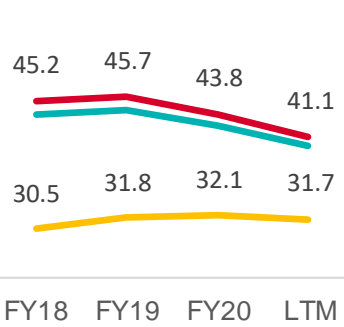
### Retention Rate [%]



### Joiner Yield [EUR]



### ARPM [EUR]<sup>2</sup>



<sup>1</sup>) Core business excludes all clubs/services, which already have been divested/closed or will not be continued.  
<sup>2</sup>) As expected FY20 and LTM ARPM is affected by compensations (freezes, rejects, refunds) and missing side revenues in the course of covid-19 club closures, adjusted at around EUR 44.8

# LIFEFIT GROUP PRO FORMA HISTORICAL PERFORMANCE (CORE BUSINESS)

## Key Financials

EURm	FY18 AC	FY19 AC	FY20 AC	LTM AC	Δ% LTM-20
<b>Total Revenue</b>	<b>123.9</b>	<b>127.9</b>	<b>119.6</b>	<b>106.8</b>	<b>-10.7%</b>
thereof: Fitness First	111.5	114.0	104.8	92.5	
elbgym	2.2	2.3	2.7	2.6	
smile X	10.2	11.6	12.2	11.7	
<b>EBITDA</b>	<b>10.2</b>	<b>15.6</b>	<b>15.4</b>	<b>13.0</b>	<b>-15.3%</b>
thereof: Fitness First	6.7	11.3	10.8	8.7	
elbgym	0.3	-0.1	0.1	0.1	
smile X	3.3	4.4	4.5	4.2	
<b>EBITDA margin [%]</b>	<b>8.3</b>	<b>12.2</b>	<b>12.8</b>	<b>12.2</b>	<b>-5.1%</b>
thereof: Fitness First	6.0	9.9	10.3	9.4	
elbgym	13.3	-3.7	2.9	5.7	
smile X	31.9	37.8	36.7	35.8	
<b>Adjustments</b>	<b>-0.2</b>	<b>1.7</b>	<b>1.1</b>	<b>1.0</b>	
thereof: Fitness First	-0.2	1.7	1.1	1.0	
elbgym	0.0	0.1	0.0	0.0	
smile X	0.0	0.0	0.0	0.0	
<b>Adjusted EBITDA</b>	<b>10.0</b>	<b>17.4</b>	<b>16.5</b>	<b>14.0</b>	<b>-14.8%</b>
thereof: Fitness First	6.5	13.0	11.9	9.7	
elbgym	0.3	0.0	0.1	0.1	
smile X	3.3	4.4	4.5	4.2	
<b>Adj. EBITDA margin [%]</b>	<b>8.1</b>	<b>13.6</b>	<b>13.8</b>	<b>13.1</b>	<b>-4.6%</b>
thereof: Fitness First	5.8	11.4	11.4	10.5	
elbgym	13.3	-0.2	2.9	5.7	
smile X	31.9	37.8	36.7	35.8	

## Key Performance Indicators

	FY18 AC	FY19 AC	FY20 AC	LTM AC	Δ% LTM-20
<b># of Clubs<sup>1</sup></b>	<b>78</b>	<b>78</b>	<b>80</b>	<b>80</b>	
thereof: Fitness First	62	62	64	63	
elbgym	3	3	3	4	
smile X	13	13	13	13	
<b>Members ['000]</b>	<b>237.3</b>	<b>246.4</b>	<b>222.8</b>	<b>196.7</b>	<b>-11.7%</b>
thereof: Fitness First	204.9	210.9	187.9	162.6	
elbgym	2.9	3.3	3.6	4.9	
smile X	29.5	32.1	31.2	29.1	
<b>Joiner Yield [EUR]</b>	<b>43.7</b>	<b>45.8</b>	<b>49.5</b>	<b>50.8</b>	<b>+2.7%</b>
thereof: Fitness First	45.5	47.8	52.0	54.0	
elbgym	66.8	71.4	72.1	71.9	
smile X	28.6	29.2	30.8	30.7	
<b>ARPM [EUR]</b>	<b>43.7</b>	<b>44.1</b>	<b>42.5</b>	<b>40.0</b>	<b>-6.0%</b>
thereof: Fitness First	45.2	45.7	43.8	41.1	
elbgym	65.9	60.2	64.4	49.9	
smile X	30.5	31.8	32.1	31.7	
<b>Retention %</b>	<b>68.7</b>	<b>73.4</b>	<b>70.4</b>	<b>67.4</b>	
thereof: Fitness First	67.6	72.6	69.6	66.4	
elbgym	68.7	64.1	69.9	65.5	
smile X	78.5	80.3	75.7	74.3	

- Club closures due to the covid-19 lockdown result in missing joiners and consequently lower membership base (-52.1k members vs. Q1/20), which will be impacted further in future months as clubs are (mainly) still closed following the 2<sup>nd</sup> lockdown
- Corona crisis has not yet impacted retention that much, but will go down as received cancellations will become effective next months with a smaller but core member base, who want to train
- Revenue/ARPM is impacted by missing members, freezes, rejects/refunds as well as missing and decreased side revenues
- IFRS15 impact out of deferred revenue from covid-19 compensation tools amounts to EUR 3.1m at the end of Jan 21 (LTM)
- 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
- LTM joiner yield increased by 11% vs. FY19 to EUR 50.8



EXECUTIVE SUMMARY & UPDATE MULTIBRAND STRATEGY

STATUS UPDATE ON COVID-19 BUSINESS IMPLICATIONS

PRO FORMA FINANCIALS/KPIs LIFEFIT GROUP AND BY SEGMENT

APPENDIX



## 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 December 2019. The following financial years will end in October.
- The result of the first quarter FY2021 refers to the period 1 November 2020 to 31 January 2021.
- Group legal structure see appendix

## 2 IFRS

- Application of IFRS 16 Leases leads
  - to the capitalization of right-of-use assets of EUR 126.9m and of lease liabilities of EUR 150.1m as of 31 January 2021
  - to a negative P/L-effect of EUR 7.6m 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 6.4m for the period from 1 November 2020 until 31 January 2021.

## 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 7.1m and sales of EUR 19.7m.
- With EUR -5.3m the Cash Flow is negative in the quarter, Cash balance as of 31 January 2021 is EUR 17.3m.

## 4 Financial KPIs

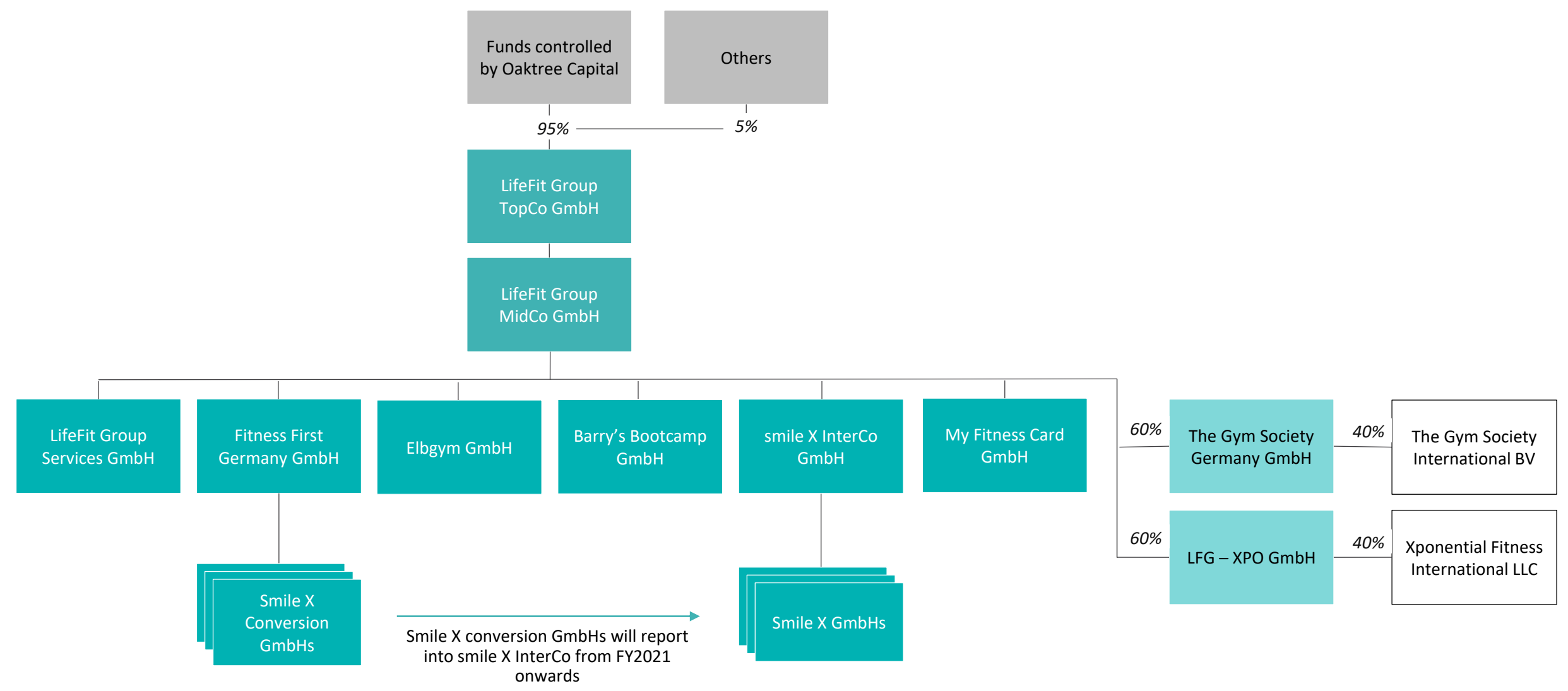
- LifeFit Group has updated its Financial KPIs in FY2019/20 in the course of IFRS 16 changes
- This mainly impacts Reported Adjusted EBITDA, which includes cash rents and excludes IAS 17 rent adjustments (see appendix for previously reported results)

## 5 Pro Forma

- Due to the short financial year of Lifefit Group MidCo for FY19 and FY20 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 February 2020 to 31 January 2021 and adjusted for IFRS 16 impacts
- Pro forma Total Revenue of the group was EUR 107.6m (EUR 106.8m in core business<sup>1</sup>)
- Pro forma adjusted EBITDA of the group amounts to EUR 14.0m

## 6 Outlook

- The quarterly interim unaudited report for Q2 FY2020/21 is planned to be published on 30 Jun 2021



## FY17..FY19 Bridge to Reported Adjusted EBITDA

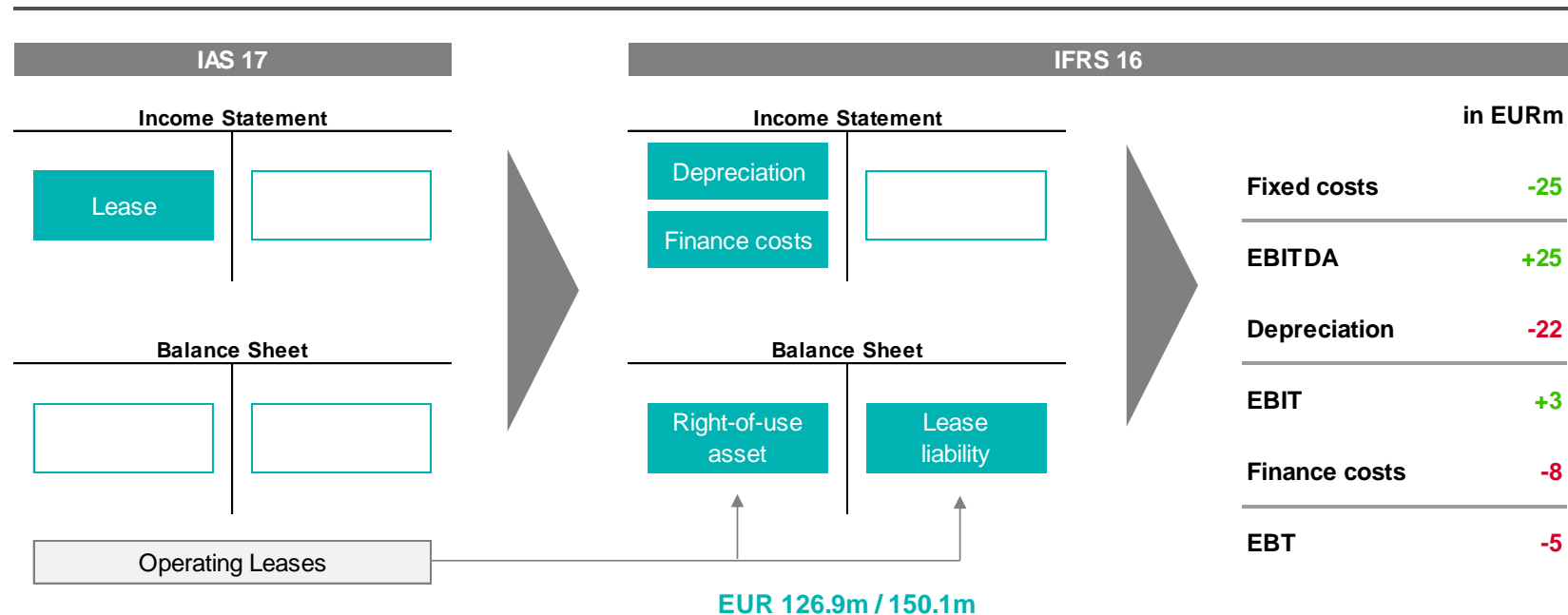
	FY17	FY18	FY19
Core Business in EURm	AC	AC	AC
Total Revenue	121.6	123.9	127.9
- Cost of sales / controllable costs ...			
- Total Rent	-21.3	-22.6	-23.0
thereof: cash rent	-23.2	-24.7	-25.1
IAS 17 rent adjustments	1.9	2.1	2.0
<b>IAS 17 Adjusted EBITDA</b>	<b>12.3</b>	<b>12.1</b>	<b>19.4</b>
Less: IAS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

## 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 31 January 2021 the group recognized the following right-of-use assets and lease liabilities
  - Buildings EUR 123.2m/146.2m
  - Other EUR 3.7m/3.9m
- 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 Jan-21 LTM (EUR 14.0m)	pre IFRS 16	under IFRS 16
Gross debt / PF EBITDA		3.8x	5.2x
Net debt / PF EBITDA		2.6x	4.7x

Gross debt based on EUR 40m senior secured bond, EUR 10m RCF and EUR 3.9m equipment finance leases (respectively EUR 150.1m lease liabilities under IFRS16), net debt reduced by EUR 17.3m cash at bank.

## Key Financials

EURm	FY18 AC	FY19 AC	FY20 AC	LTM AC
<b>Total Revenue</b>	<b>135.6</b>	<b>133.9</b>	<b>121.0</b>	<b>107.6</b>
thereof: core	123.9	127.9	119.6	106.8
non-core	11.7	5.7	1.3	0.8
<b>EBITDA</b>	<b>9.5</b>	<b>14.8</b>	<b>15.2</b>	<b>12.8</b>
thereof: core	10.2	15.6	15.4	13.0
non-core	-0.7	-0.8	-0.2	-0.2
<b>EBITDA margin [%]</b>	<b>7.0</b>	<b>11.1</b>	<b>12.5</b>	<b>11.9</b>
thereof: core	8.3	12.2	12.8	12.2
non-core	-6.2	-14.2	-14.8	-24.8
<b>Adjustments</b>	<b>1.0</b>	<b>2.4</b>	<b>1.3</b>	<b>1.2</b>
thereof: core	-0.2	1.7	1.1	1.0
non-core	1.2	0.7	0.2	0.2
<b>Adjusted EBITDA</b>	<b>10.5</b>	<b>17.2</b>	<b>16.5</b>	<b>14.0</b>
thereof: core	10.0	17.4	16.5	14.0
non-core	0.5	-0.1	0.0	0.0
<b>Adj. EBITDA margin [%]</b>	<b>7.7</b>	<b>12.9</b>	<b>13.6</b>	<b>13.0</b>
thereof: core	8.1	13.6	13.8	13.1
non-core	4.1	-2.4	-1.5	-1.5

## Key Performance Indicators

	FY18 AC	FY19 AC	FY20 AC	LTM AC
<b># of Clubs<sup>1</sup></b>	<b>87</b>	<b>82</b>	<b>80</b>	<b>80</b>
thereof: core	78	78	80	80
non-core	9	4	1	1
<b>Members ['000]</b>	<b>255.8</b>	<b>249.8</b>	<b>224.2</b>	<b>196.7</b>
thereof: core	237.3	246.4	222.8	196.7
non-core	18.5	3.4	1.5	0.0
<b>Joiner Yield [EUR]</b>	<b>43.4</b>	<b>45.8</b>	<b>49.4</b>	<b>50.7</b>
thereof: core	43.7	45.8	49.5	50.8
non-core	40.3	43.3	40.8	38.3
<b>ARPM [EUR]</b>	<b>43.1</b>	<b>44.2</b>	<b>42.5</b>	<b>40.0</b>
thereof: core	43.7	44.1	42.5	40.0
non-core	37.7	n/a	n/a	n/a
<b>Retention %</b>	<b>68.7</b>	<b>73.4</b>	<b>70.4</b>	<b>67.4</b>
thereof: core	68.7	73.4	70.4	67.4
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 -10.9m (from FY18 to Jan-21 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 Jan 21 only 1 club is left in the non-core portfolio (closure estimated in the context of lease end in winter 2021/22)
- Portfolio is currently under review in consideration of the second lockdown from Nov 20 onwards and the related impacts

# ADJUSTMENTS TO PF LTM GROUP EBITDA

Segment	Item	Comment	LTM Jan-21
<b>Pro forma LTM Group EBITDA</b>			<b>12,795</b>
FFG/LFG	Ramp-up losses	One club to become EBITDA positive	407
FFG/LFG	Barrys set up	transaction/formation expenses	364
FFG/LFG	Divestment club losses	refers to six clubs in reporting period	205
FFG/LFG	New Business Development	HO employment costs related to new business development (Franchise, XPO)	151
FFG/LFG	Year end audit fees	first time full scope IFRS consolidated accounts	100
<b>Total Adjustments</b>			<b>1,228</b>
<b>Adjusted PF LTM Group EBITDA</b>			<b>14,022</b>



## Consolidated Statement of Comprehensive Income

LifeFit	Q1/21	Q1/20		YTD	YTD
(Unaudited)	01.11.20 -	01.11.19 -		01.11.20 -	01.11.19 -
	31.01.21	31.01.20	change	31.01.21	31.01.20
	EUR k	EUR k	EUR k	EUR k	EUR k
Revenue	19,447	32,712	-13,265	19,447	32,712
Other operating income	261	332	-71	261	332
Cost of materials	-99	-1,930	1,831	-99	-1,930
Personnel expenses	-4,810	-10,864	6,054	-4,810	-10,864
Other operating expenses	-9,301	-10,119	818	-9,301	-10,119
Amortization and depreciation	-8,738	-8,711	-27	-8,738	-8,711
<b>Operating profit or loss</b>	<b>-3,241</b>	<b>1,419</b>	<b>-4,660</b>	<b>-3,241</b>	<b>1,419</b>
Income from at equity investments	-76	0	-76	-76	0
Finance income	0	0	0	0	0
Finance costs	-3,914	-3,556	-358	-3,914	-3,556
<b>Financial result</b>	<b>-3,914</b>	<b>-3,556</b>	<b>-358</b>	<b>-3,914</b>	<b>-3,556</b>
<b>Profit or loss for the period before taxes</b>	<b>-7,231</b>	<b>-2,137</b>	<b>-5,094</b>	<b>-7,231</b>	<b>-2,137</b>
Income taxes	-112	-69	-43	-112	-69
<b>Profit or loss for the period</b>	<b>-7,118</b>	<b>-2,206</b>	<b>-4,912</b>	<b>-7,118</b>	<b>-2,206</b>

## Consolidated Cash Flow Statement

LifeFit	Q1/21	Q1/20		YTD	YTD
(Unaudited)	01.11.20 -	01.11.19 -		01.11.19 -	01.07.19 -
	31.01.21	31.01.20	change	31.10.20	31.10.19
	EUR k	EUR k	EUR k	EUR k	EUR k
Operating cash flow	4,720	4,781	-61	4,720	4,781
Investment cash flow	-3,986	-5,133	1,147	-3,986	-5,133
Financing cash flow	-6,013	-6,974	961	-6,013	-6,974
<b>Cash flow for the period</b>	<b>-5,279</b>	<b>-7,326</b>	<b>2,047</b>	<b>-5,279</b>	<b>-7,326</b>
Beginning cash	22,551	26,191		22,551	26,191
<b>Closing cash</b>	<b>17,272</b>	<b>18,865</b>		<b>17,272</b>	<b>18,865</b>

## Consolidated Balance Sheet

LifeFit	31 January	31 October
(Unaudited)	2021	2020
<b>Non-current assets</b>		
Intangible assets	35,176	35,728
Property, plant and equipment	43,377	45,366
Right-of-use-assets	126,895	131,619
Investments / Joint venture	511	1
	205,959	212,714
<b>Current assets</b>		
Inventories	922	742
Trade receivables	1,238	2,224
Receivables from affiliated companies	2,061	1,322
Current income tax assets	70	67
Other non-financial assets	7,002	6,584
Cash and cash equivalents	17,272	22,551
	28,564	33,490
<b>TOTAL ASSETS</b>	<b>234,523</b>	<b>246,204</b>
<b>Equity</b>	<b>-29,724</b>	<b>-22,606</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities	38,584	38,584
Shareholder debt	35,552	34,735
Other non-financial liabilities	710	728
Other financial liabilities	3,174	2,180
Other provisions	4,137	2,674
Lease liabilities	129,539	133,111
Deferred tax liabilities	362	515
	212,058	212,527
<b>Current liabilities</b>		
Financial liabilities	10,000	10,000
Trade payables	11,894	15,871
Other non-financial liabilities	4,863	3,925
Other financial liabilities	2,487	3,121
Other provisions	2,087	1,544
Lease liabilities	20,563	21,112
Income tax liabilities	294	414
	52,188	56,282
<b>TOTAL LIABILITIES</b>	<b>264,247</b>	<b>268,809</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>234,523</b>	<b>246,204</b>

- In total, the consolidated equity of the group is negative. The equity position of the group has no legal impact. With EUR 73.9m the equity of LifeFit Group MidCo GmbH is positive. If the shareholder debt of EUR 35.6m were classified as equity, the consolidated equity of the group would be positive of EUR 5.8m.
- 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	-29.7
pro forma classification Shareholder Loan as Equity	+35.6
<b>pro forma Equity</b>	<b>+5.8</b>

## Pro forma Financials + IFRS 16 impacts + Reported Financials

	Jan-21 LTM			Q1/FY2021			Q1/FY2021 REPORTED
	AC pre IFRS16	Impact of IFRS16	AC under IFRS16	AC pre IFRS16	Impact IFRS16	AC under IFRS16	AC IFRS16
EURm							
<b>KPIs</b>							
# of Clubs <sup>1</sup>	80			80			
Members ['000]	196.7			196.7			
Joiner Yield [EUR]	50.7			54.7			
ARPM [EUR]	40.0			31.3			
Retention % (annualised)	67.4			67.4			
<b>Profit/Loss</b>							
Revenue	107.6			19.7			19.7
EBITDA <sup>2</sup>	12.8	24.7	37.5	1.0	6.1	7.2	5.4
- Adjustments	1.2			0.4			
<b>Adjusted EBITDA</b>	<b>14.0</b>			<b>1.5</b>			
Depreciation & amortisation	-14.9	-21.8	-36.7	-3.4	-5.3	-8.7	-8.7
Exceptionals/One-off charges	-3.4			-1.7			
<b>Operating Profit/Loss</b>	<b>-5.5</b>		<b>-2.6</b>	<b>-4.1</b>		<b>-3.3</b>	<b>-3.3</b>
Total Finance costs	-7.3	-8.4	-15.7	-1.7	-2.2	-3.9	-3.9
Total Tax	0.9			0.1			0.1
<b>Net Profit/Loss</b>	<b>-11.9</b>		<b>-17.3</b>	<b>-5.7</b>		<b>-7.1</b>	<b>-7.1</b>
<b>Cash Flow</b>							
EBITDA <sup>2</sup>	12.8			1.0			
Working capital	0.6			-0.2			
Exceptionals & provisions	-2.7			-0.4			
Interest paid	-3.5			-0.8			
Tax	0.1			0.0			
<b>OPERATING CASH FLOW</b>	<b>7.3</b>			<b>-0.4</b>	<b>5.1</b>	<b>4.7</b>	<b>4.7</b>
Cash flow from investing activities	-16.2			-4.0	0.0	-4.0	-4.0
<b>FREE CASH FLOW</b>	<b>-8.9</b>			<b>-4.4</b>		<b>0.7</b>	<b>0.7</b>
Cash flow from financing activities	7.3			-0.9	-5.1	-6.0	-6.0
<b>NET CASH FLOW</b>	<b>-1.6</b>			<b>-5.3</b>		<b>-5.3</b>	<b>-5.3</b>

## Notes

<sup>1</sup> excluding franchise clubs

<sup>2</sup> excluding exceptionals/one-off charges

## Pro forma Financials by Segment

EURm	Jan-21 LTM				Q1/FY2021			
	LifeFit Group	Fitness First	elbgym	smileX	LifeFit Group	Fitness First	elbgym	smileX
<b>KPIs</b>								
# of Clubs1	80	63	4	13	80	63	4	13
Members ['000]	196.7	162.6	4.9	29.1	196.7	162.6	4.9	29.1
Joiner Yield [EUR]	50.7	53.9	71.9	30.7	54.7	53.0	65.9	35.1
ARPM [EUR]	40.0	41.1	49.9	31.7	31.3	31.5	39.1	28.3
Retention % (annualised)	67.4	66.4	65.5	74.3	67.4	66.4	65.5	74.3
<b>Profit/Loss</b>								
Revenue	107.6	93.4	2.6	11.7	19.7	16.6	0.5	2.6
EBITDA <sup>2</sup>	12.8	8.5	0.1	4.2	1.0	0.0	0.0	1.1
- Adjustments	1.2	1.2	0.0	0.0	0.4	0.4	0.0	0.0
<b>Adjusted EBITDA</b>	<b>14.0</b>	<b>9.7</b>	<b>0.1</b>	<b>4.2</b>	<b>1.5</b>	<b>0.4</b>	<b>0.0</b>	<b>1.1</b>
Depreciation & amortisation	-14.9	-12.2	-0.2	-2.5	-3.4	-2.7	-0.1	-0.6
Exceptionals/One-off charges	-3.4	-3.4	-0.1	0.0	-1.7	-1.7	0.0	0.0
<b>Operating Profit/Loss</b>	<b>-5.5</b>	<b>-7.1</b>	<b>-0.1</b>	<b>1.6</b>	<b>-4.1</b>	<b>-4.5</b>	<b>-0.1</b>	<b>0.4</b>
Total Finance costs	-7.3	-7.3	0.0	0.0	-1.7	-1.7	0.0	0.0
Total Tax	0.9	0.3	0.0	0.7	0.1	0.0	0.0	0.1
<b>Net Profit/Loss</b>	<b>-11.9</b>	<b>-14.1</b>	<b>-0.1</b>	<b>2.3</b>	<b>-5.7</b>	<b>-6.2</b>	<b>-0.1</b>	<b>0.5</b>
<b>Cash Flow</b>								
EBITDA <sup>2</sup>	12.8	8.5	0.1	4.2	1.0	0.0	0.0	1.1
Working capital	1.3	0.1	0.2	1.1	-0.2	-0.4	0.0	0.1
Exceptionals & provisions	-2.7	-2.6	-0.1	0.0	-0.4	-0.4	0.0	0.0
Interest paid	-3.5	-3.5	0.0	0.0	-0.8	-0.8	0.0	0.0
Tax	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
<b>OPERATING CASH FLOW</b>	<b>8.0</b>	<b>2.4</b>	<b>0.2</b>	<b>5.4</b>	<b>-0.4</b>	<b>-1.6</b>	<b>0.1</b>	<b>1.2</b>
Cash flow from investing activities	-16.9	-16.0	-0.4	-0.4	-4.0	-3.6	-0.3	0.0
<b>FREE CASH FLOW</b>	<b>-8.9</b>	<b>-13.6</b>	<b>-0.2</b>	<b>4.9</b>	<b>-4.4</b>	<b>-5.3</b>	<b>-0.3</b>	<b>1.2</b>
Cash flow from financing activities	7.3	7.8	-0.2	-0.4	-0.9	-0.8	0.0	-0.1
<b>NET CASH FLOW</b>	<b>-1.6</b>	<b>-5.8</b>	<b>-0.4</b>	<b>4.6</b>	<b>-5.3</b>	<b>-6.0</b>	<b>-0.3</b>	<b>1.1</b>

## Notes

<sup>1</sup> excluding franchise clubs

<sup>2</sup> 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