

PRESS RELEASE

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QUARTERLY STATEMENT Q2 2021 LifeFit Group clubs mainly closed throughout second quarter

Frankfurt/Main, 30 June 2021. LifeFit Group, a leading fitness and health platform in Germany and operator of the Fitness First, Elbgym, smile X, Barry's, The Gym Society Germany, Pure Barre and Club Pilates brands, has published its unaudited quarterly results¹ for LifeFit Group as of 30 April 2021.

Highlights pro forma Financials and KPIs Apr-21 LTM:

- Operational KPIs went down with members from more than 250k in Q1/20 to 180k in Q2/21 (lack of joiner driven) due to club closures in spring 2020 and from Nov 20 onwards
- Total revenues in core business² decreased by 23.1% vs. FY20 to EUR 92.0m and will decrease further in future due to missing members resulting from the lockdown and forthcoming compensations
- Apr-21 LTM Adjusted EBITDA in core business decreased by 48.9% vs. FY20 to EUR 8.4m, initiated cost actions during the lockdown (esp. short-time work) were able to largely compensate revenue shortfall in the short term
- Adjusted EBITDA margin at 9.2% (vs. 13.8% in FY20)
- Q2 Net Cash Flow of EUR -3.3m is primary by the completion of some capex measures as well as onerous lease and club closure costs
- Strong cash position at quarter end with EUR 13.9m cash at bank

There is no question that we, like the entire industry, are in a challenging time where our clubs have had to remain closed for more than nine of the last 18 months. I am all the more pleased that we were able to reopen our studios mid of June – including the first Barry's in Germany/Frankfurt – and that we were able to use the time as effectively as possible to re-start with leaner processes, more digitization and much lower cost base." says Martin Seibold, CEO of the LifeFit Group. "We have been taking transparent and decisive actions in support of our staff and members and have introduced cash preserving activities to mitigate the economic impact. In addition we are utilising state related economic relief programs and with our strong cash position we are in a good position to weather this storm and be ready for developing opportunities. Health & fitness in general and strengthening of the immune system is probably more important than ever which we anticipate will drive more people into gyms over time."

¹ Due to the short financial year of LifeFit Group Midco in FY19 and FY20 and for a better understanding of the financial results, the group presents pro forma financial statements considering the 12 month period 1 May 2020 to 30 April 2021 and adjusted for IFRS 16 impacts.

² Core business excludes all clubs/services, which have been divested/closed or will not be continued.

Revenue impacted by covid-19 related club closures

Operational and financial KPIs were significantly impacted by the covid-19 crisis and related club closures from mid of March to mid of June 2020 and from Nov 20 onwards. Therefore Total LTM revenues in core business decreased by 23.1% compared to FY20 to EUR 92.0m. Total revenues have been impacted negatively by frozen memberships (~40% in the quarter), rejects and refunds as well as missing side revenues (e.g. PT income, F&B, aggregator income) during the lockdown. Nevertheless the group kept to focus on membership dues showing significant improvement in joiner yield (LTM EUR 51.7 vs. 45.8 in FY19). After around nine months of club closures retention is still at above 65.0%.

EBITDA decrease driven by covid-19 related revenue shortfall

Apr-21 LTM pro forma adjusted EBITDA in core business decreased by 48.9% compared to FY20 from EUR 16.5m to EUR 8.4m, which is mainly driven by the above mentioned revenue impacts. Initiated cost actions during the lockdown (esp. short-time work) were able to largely compensate revenue shortfall in the short term. The EBITDA margin declined from 13.8% in FY20 to 9.2% in Apr 21 LTM.

EUR -3.3m net change in cash as a result of capex and onerous lease/club closure cost

Net Cash Flow for Q2/FY21 was EUR -3.3m, which is characterised by offsetting IFRS15 effects in EBITDA and working capital re. the compensation of membership dues, EUR 1.2m capex measures (of which ~60% into expansion and 40% into existing portfolio) as well as EUR 0.8m exceptional & provisions (primary related to onerous lease and club closure costs following portfolio optimisation). The group shows a strong cash position at quarter end with more than EUR 13.9m cash at bank.

Outlook

The whole fitness industry was negatively affected by the Covid-19 outbreak. With having had all the LifeFit studios closed again in the course of the second lockdown, the LFG expects further implications on future financial performance from a short/mid-term perspective. By ensuring best-in-class hygiene standards we will comfort the member to work-out and come back to routine since clubs are reopen again since mid of June 2021 onwards. First week's key drivers make confident for a rapid operational rebound of the business. In the long-term LFG is confident that health and fitness will be even more focused in the society.

The negative financial impact of covid-19 will probably lead to a consolidation phase in the fitness industry with opportunities for growth via acquisitions. The vast experience in managing different brands in various segments combined with efficient and scalable central services qualifies LFG as a central future player in the German fitness industry.

Considering the latest increasing share of the "Delta" variant there is a risk of a future lockdown in the course of a potential fourth wave. Thus LFG continues to focus on resolute cash-flow management to ensure a high level of liquidity.

ABOUT THE LIFEFIT GROUP

The LifeFit Group is a leading fitness and health platform in Germany, uniting several fitness brands from the boutique, high-value-low-price and premium segments under one roof. The Group is committed to inspire and support its customers to live their best lives through personal, fun and focused health and fitness experiences. Fitness First is the largest fitness service provider of the LifeFit Group and offers a motivating fitness experience including innovative training concepts, relaxation in the form of wellness facilities and 20+ pools. The exclusive Hamburg performance fitness provider Elbgym stands for hard training and a strong community, while smile X positions itself in the high-value-low-price segment with a dedicated training area concept for a broad range of customer groups. The boutique fitness concepts of Barry's Bootcamp, the pioneer of high-intensity interval training indoors and The Gym Society, the innovative compact studio concept from the Netherlands, which aims to reach 80% of health-conscious people who have not yet found the right concept and now Xponential Fitness' brands Club Pilates and Pure Barre complete the diverse portfolio of the LifeFit Group. Learn more about LifeFit Group online www.lifefit-group.com

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