



**lifefit** | group





# LifeFit Group

Q4/FY2021 - QUARTERLY INTERIM UNAUDITED REPORT

lifefit | group

Dec  
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, now recovering

- Operational KPIs went down with members at 245k in Q1/20 to around 180k post second lockdown (driven by lack of joiners)
- Reopening of all clubs in June 2021 came along with encouraging membership recovery, now slowing down due to stronger restrictions in Germany (2 studios currently closed)
- Financial KPIs in the fourth quarter benefit by significant part of governmental support package (+EUR 36.8m)

**2** LTM Revenue EUR 112.4m - 4.6% vs FY20

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

**3** LTM EBITDA adj. EUR 33.5m + 103.4% vs FY20  
Margin 29.8% + 15.8ppt 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) and governmental support packages were able to overcompensate revenue shortfall in the short term
- With 131% joiner value and 91% visitation after reopening compared to 2019 driving KPIs make confident for a rapid operational rebound of the business after full removal of the restrictions

**4** Q4/FY21 Net Cash Flow EUR +2.6m  
Cash at Bank EUR 23.0m

- Q4/FY21 Net cash flow benefits from governmental support (EUR 12.3m received in Q4), working capital is characterised by receivables of subsidies and positive IFRS15 deferred revenue effect
- Strong cash position at quarter end with more than EUR 23.0m cash at bank

**5** Covid-19 creates 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 focusing on growth brands

KEY FIGURES <sup>1</sup>	Q4 2021	CHANGE VS. Q4 2020
TOTAL REVENUE	52.1m	+71.2%
ADJ. EBITDA BEFORE IFRS 16	28.5m	> +100.0%
ADJ. EBITDA BEFORE IFRS 16 MARGIN	54.7%	+38.4ppt
CASH AT BANK	23.0m	+0.5m

LEVERAGE RATIOS	pre IFRS 16	under IFRS 16
GROSS DEBT/ PF EBITDA	1.6x	3.2x
NET DEBT/ PF EBITDA	0.9x	2.8x

## Operating brands

## To be rolled out

 28 Clubs (of which 9 Franchise)	 52 Clubs	 7 Clubs (of which 1 Franchise)	 1 Club	 2 Clubs	  2022 tbc
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Price

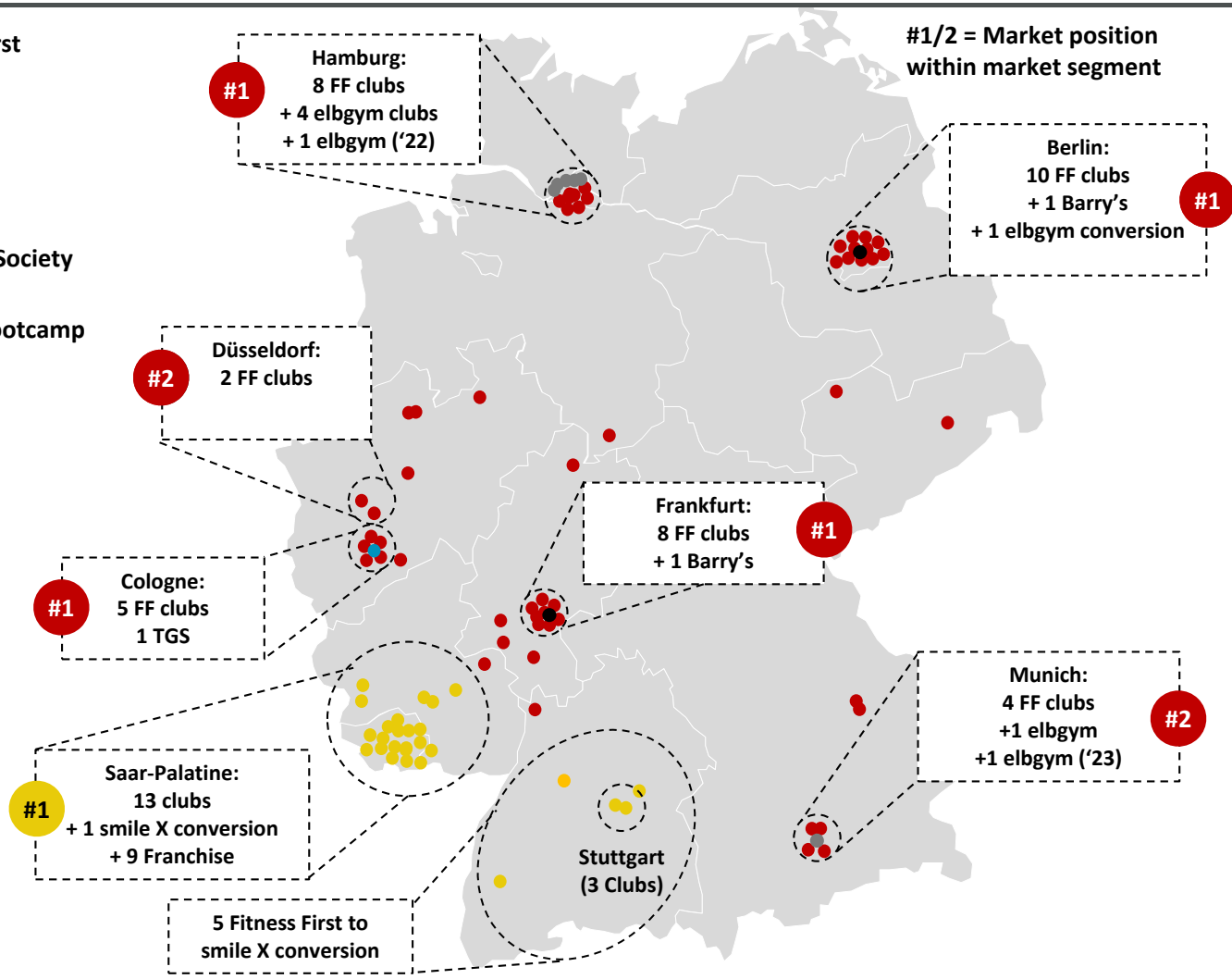
	HVLP	Mid/Upper range	Premium	Studio / Boutique	
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Offering/focus	<ul style="list-style-type: none"> <li>Modular, smaller towns</li> </ul>	<ul style="list-style-type: none"> <li>Wellness &amp; full service</li> </ul>	<ul style="list-style-type: none"> <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 pioneer of indoor high-intensity interval training combining cardio and strength training</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>
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>PAYG</li> </ul>	<ul style="list-style-type: none"> <li>~ 55%</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 2022+	<ul style="list-style-type: none"> <li>2+ Franchise tbc</li> <li>1 Greenfield tbc</li> </ul>	<ul style="list-style-type: none"> <li>tbc</li> </ul>	<ul style="list-style-type: none"> <li>2+ Greenfield (Hamburg '22 and Munich '23 confirmed)</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>2022 tbc</li> </ul>	<ul style="list-style-type: none"> <li>2022 tbc</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:

- Fitness First
- elbgym
- smile X
- The Gym Society
- Barry's Bootcamp



- Fitness First, elbgym & boutique studios focus on the high-end of the market and the metropolitan areas
- Smile X 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
- Gyms have operated since mid-Jun 21 (after closure Mar - Jun 20 & Nov 20 - Jun 21)
- 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





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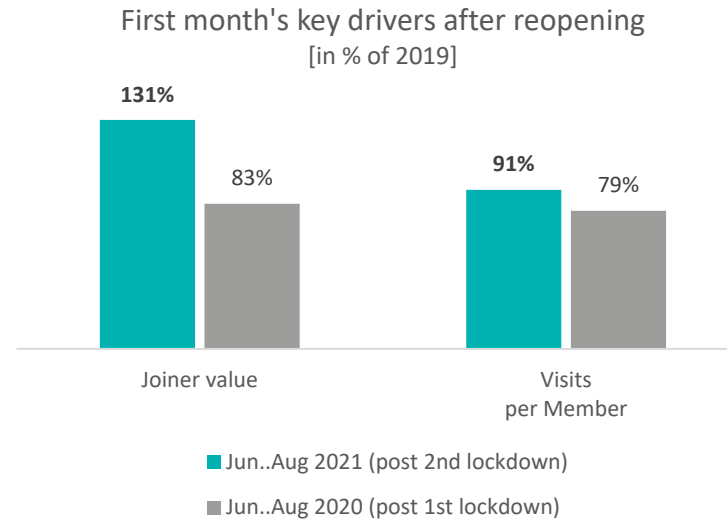
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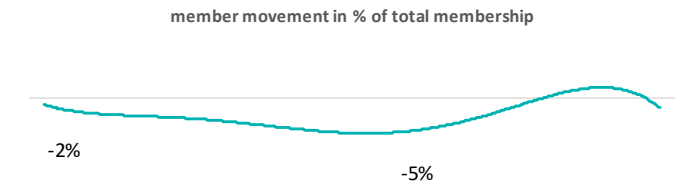
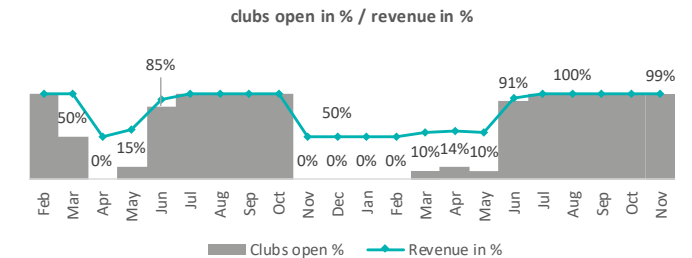
## Timeline

- Restrictions have become stronger since mid of Oct 21, two studios have been closed since 22 Nov 21 (Saxony)
- Opening of the second Barry's in Berlin (Sep 21)
- Since mid of June all of our clubs have been operating, including the first Barry's in Frankfurt
- A dozen of clubs were able to reopen for some weeks in Mar/Apr before they had to close again
- 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 closures from Nov 20 onwards
- Re-Opening from May 20 onwards in some federal states with limitations and online booking 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 make confident for a rapid operational rebound as soon as restrictions fully removed

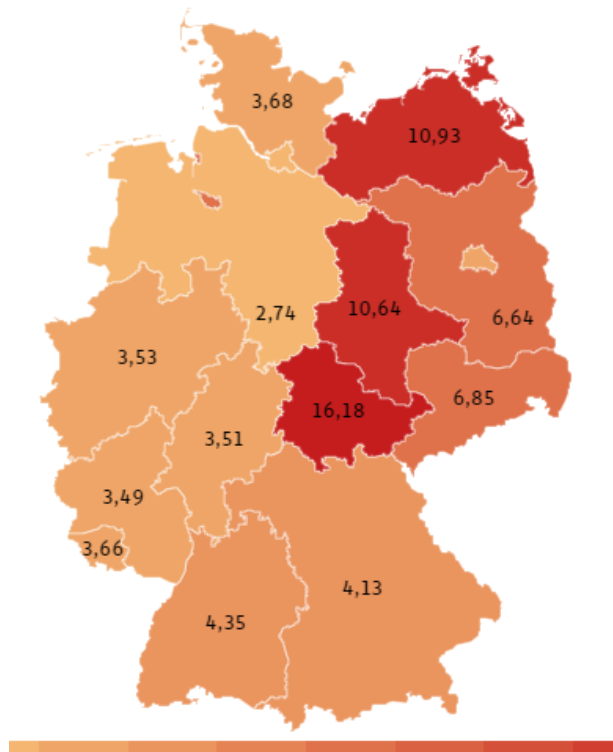


- Joiner value per club considerably exceeds 2019 as well as 2020 reopening numbers, with stronger metropolitan than regional performance
- Joiners and visitation mix first recorded a shift towards younger male heavy-users, which normalises over time
- Visitation per member increases week by week (although still restricted) and are clearly above 2020 reopening
- Incoming cancellations (relative) are below the usual level, while they reached their interim peak after the first lockdown



- Studios have been closed for 2.5 months on average in spring 2020 and for around 7.0 months since Nov 20
- All clubs have been operating again since mid of June 21, due to restrictions 2 studios are closed again (22 Nov 21)
- Still collected 50%+ revenue despite long lockdown period
- Membership base is primary impacted by missing joiners out of lockdown periods and is now starting to recover
- Increased flexibility as value added in new customer contracts could result in higher cancellation rates in autumn





### Hospitalisation rate (as of 21 Dec 21)

- >3: Federal states must introduce **2Gs across the board** for recreational facilities, cultural and sporting events, gastronomy and certain services
- >6: Vaccinated and recovered persons must also present a **test**
- >9: Further tightening measures such as contact restrictions possible
  
- Federal state individual lockdowns possible to break the 4th wave
- Initial lockdown period in general < 4 weeks, extension possible
- Stronger restrictions for non-vaccinated people (>20% of 18-59)
- Compared to other countries
  - No freedom day announced yet
  - Most German operators still collect membership dues within lockdown periods
- Omicron variant could change this framework again

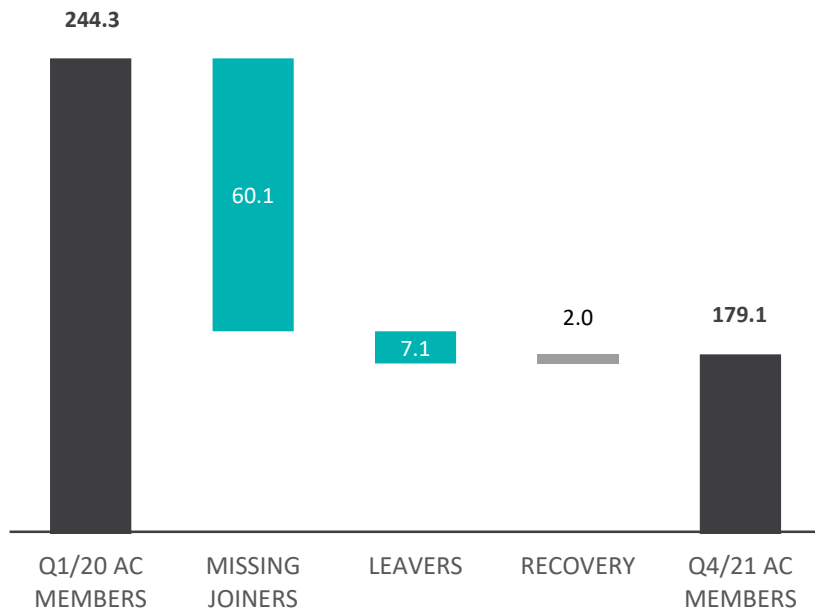
### Current Status LifeFit

- All clubs had to introduce 2G (vaccinated, recovered access only), partly + test
  - 2 clubs in Saxony are closed again since 22 Nov 21
  - LifeFit does not operate studios in the “red” areas (>9)

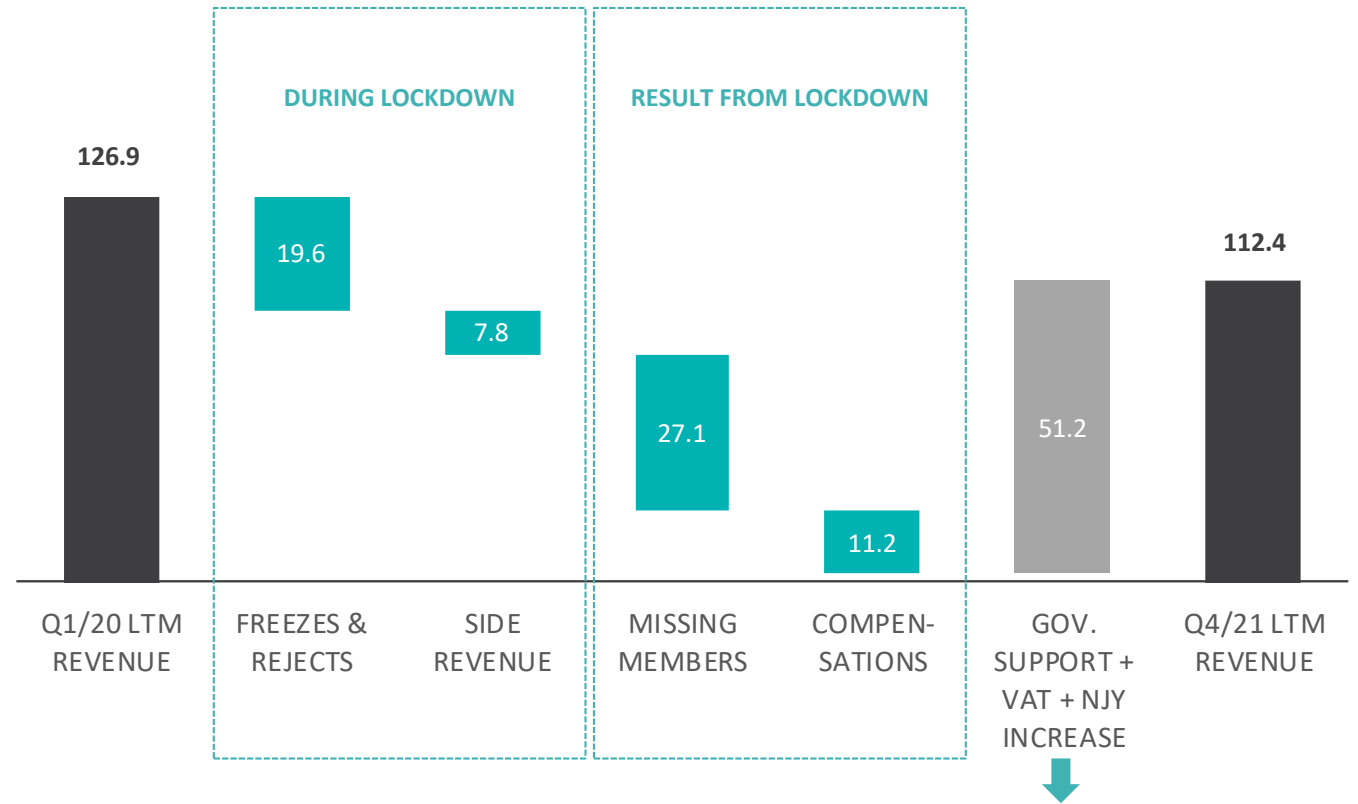
PEOPLE	PORTFOLIO	PRODUCT & MEMBER EXPERIENCE	PRICE & MARKETING	PROCESSES & COMMERCIAL MANAGEMENT
<ul style="list-style-type: none"> <li>Club teams reduced to a highly motivated core team (partly still furloughed or support customer service)</li> <li>Regional training camps before reopening to secure best-in class operating processes</li> <li>Driver based employment model based on customer journey</li> <li>Kept moral up at support center (NPS of 32+) despite short-time work and other covid impacts</li> </ul>	<ul style="list-style-type: none"> <li>Engage with LLs to reduce rent payments and find long term win-win solutions continues</li> <li>In club digital supported group classes roll out started</li> <li>Members acknowledge investment of EUR 4m+ in our facility and equipment</li> <li>Expansion opportunities to support growth strategy increase (corporate and franchise studios)</li> <li>Attractive M&amp;A transactions in preparation and strong pipeline available</li> </ul>	<ul style="list-style-type: none"> <li>Ensure simple and fast compensation of lockdown membership dues</li> <li>Training slot approach ensuring 100% availability has proven to be a success</li> <li>Launch of Member and Trainer App at FF with check-in, training and support functionality with 50%+ uptake from members and 4.5+ stars rating from users</li> <li>Member feedback about in club experience result in a NPS of 62+</li> </ul>	<ul style="list-style-type: none"> <li>Website as central tool for communication with social media channels feeding traffic</li> <li>Flexibility and safety standards are more important to customers than price</li> <li>Quadrupling to 80%+ online joiners including in-club digital joining (via tablet)</li> <li>Increased member satisfaction after reopening with google ratings improved by 10%+</li> </ul>	<ul style="list-style-type: none"> <li>Liquidity management continues to be the key focus</li> <li>Prepare quantification and analysis for different rebound and further lockdown scenarios</li> <li>Take actions based on financial forecast with landlords, governmental support, members handling, overall cost base</li> <li>Prepare applications for the governmental support programmes launched to mitigate covid impacts</li> </ul>

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

## Members shortfall driven by joiners

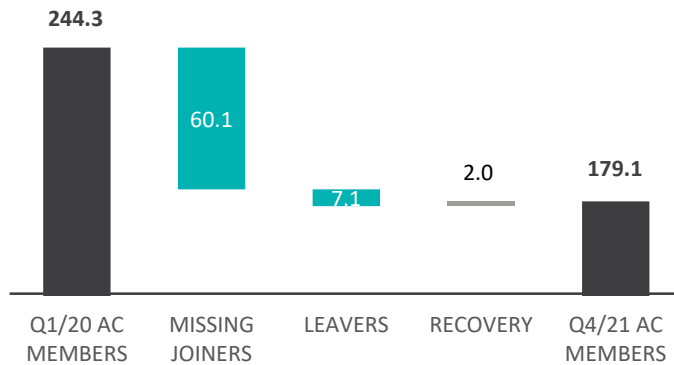


## Revenue impacted by covid-19 lockdown and related compensations



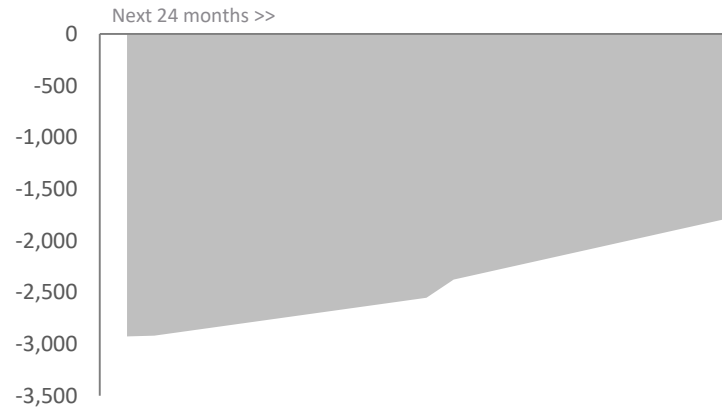
The VAT reimbursement refers to the membership dues collected during the first and second lockdown, for which there was no exchange of services. Governmental support so far includes EUR 48.8m out of various programs.

## Member shortfall driven by joiners...



## ...will impact future revenues...

Estimated impact from missing members on next 24 months revenue in kEUR b/f revenue initiatives/rebound (65k members on 28% attrition)

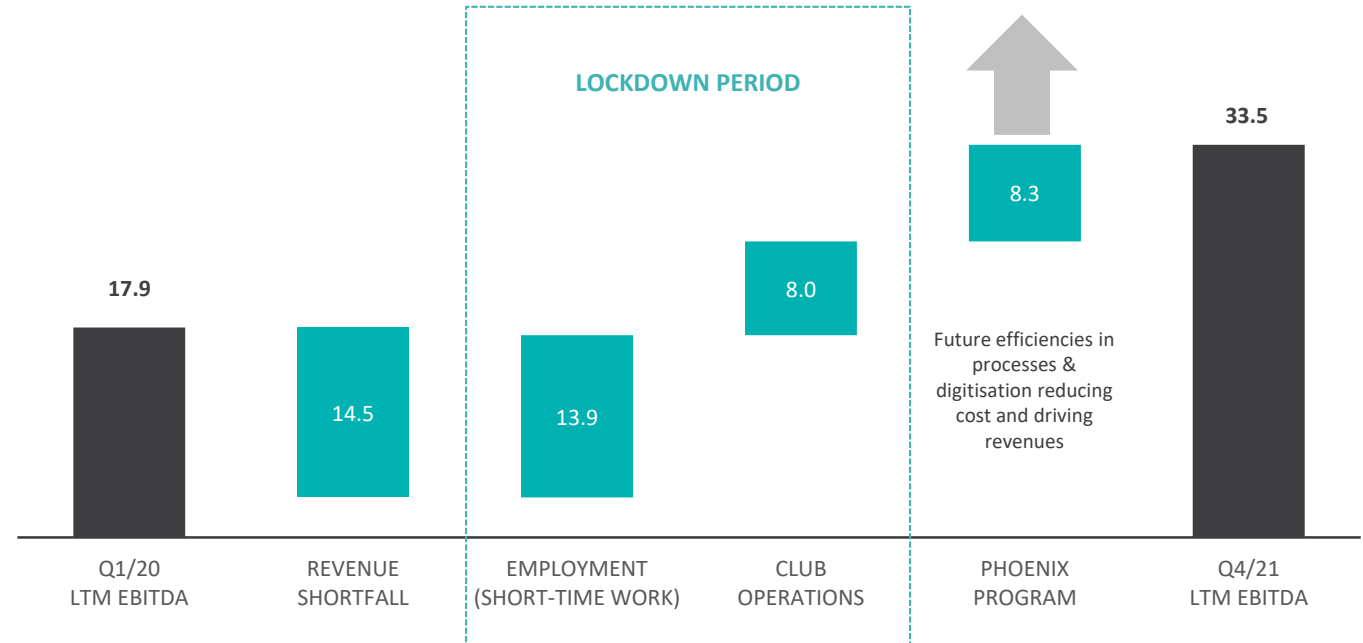


## ...and need for business transformation

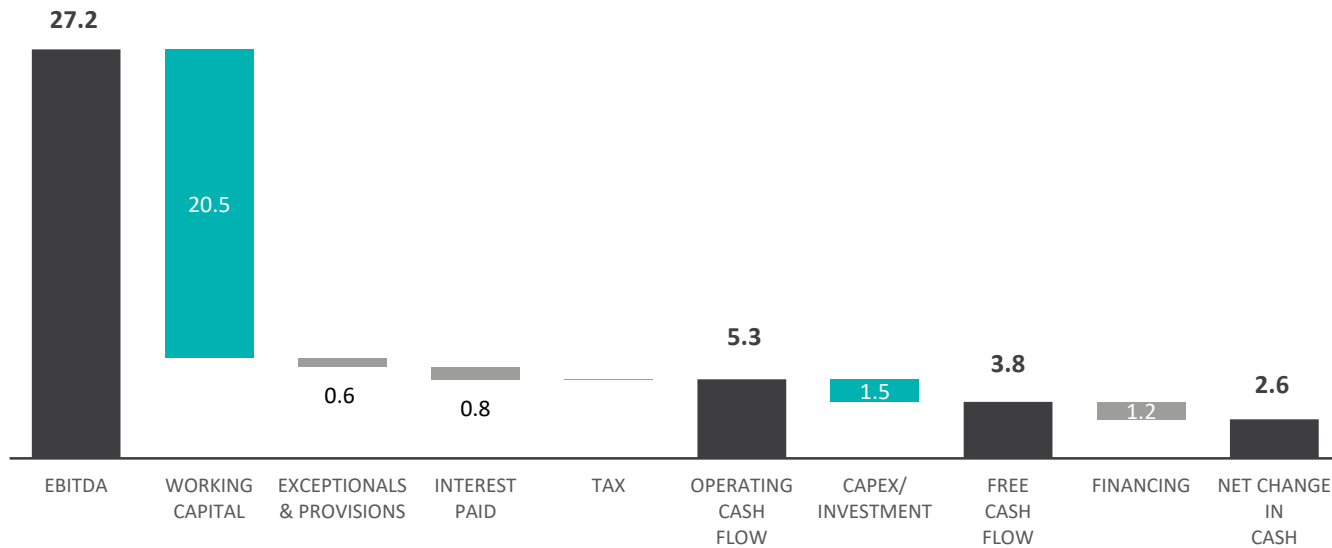
Phoenix program mitigates short-term EBITDA impact and gives the chance for sustainable increase in profitability long-term



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 government support & insurances
Senior, brands & central support team reduction	Accelerate SX franchise M&A opportunities (members)	Technology supported functional training	Intensify aggregator partnerships	OCM short term cash funding
E-learning & cross functional	Essential maintenance only @ 1.5m & 2m CBC	Essential equipment exchange @ 0.75m	Web group platform	IT accelerated roadmap
M&A opportunities	N/A opportunities	Infrequent user focus	Chatbot	Additional Risks/Opportunities
		Retail simplified	Compensation options	

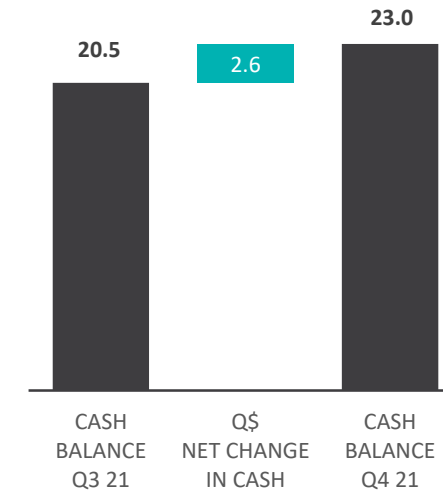


## Net Change in Cash in Q4 / FY2021 (EURm)



- Q4/21 EBITDA contains of EUR 36.8m governmental support packages (of which EUR 12.3m received in Q4)
- Working capital primary contains receivables re governmental support and positive effects out of IFRS 15 impact on deferred revenue vs. EBITDA
- Capex is mainly characterised by sound & light concept investment as well as refurbishments into existing portfolio to support the membership recovery
- Exceptionals and provisions primary refer to onerous lease and club closure costs

## Liquidity position (EURm)



- While permanently declining number of members and increasing freezes during lockdown drive underlying revenues and EBITDA down, governmental support programs helps to strengthen the cash position
- Continuous liquidity management and successful application in the governmental support program results in more than EUR 23.0m cash balance per end of October 2021



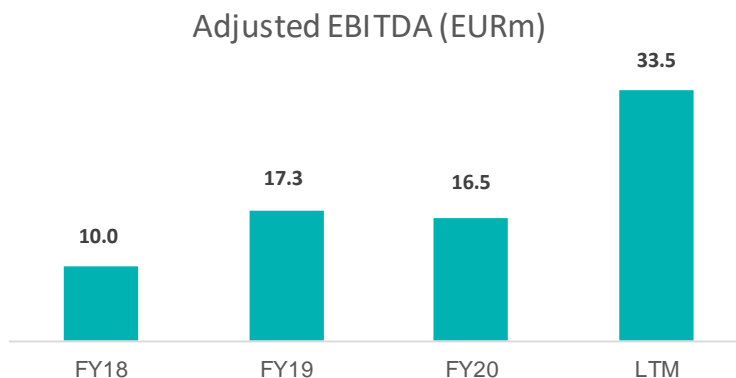
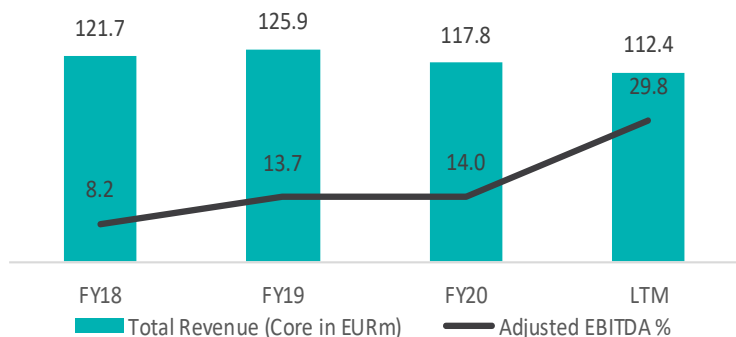
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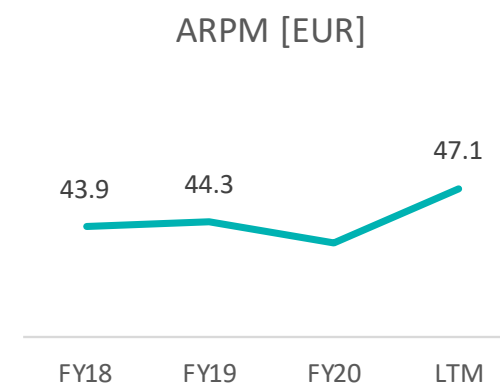
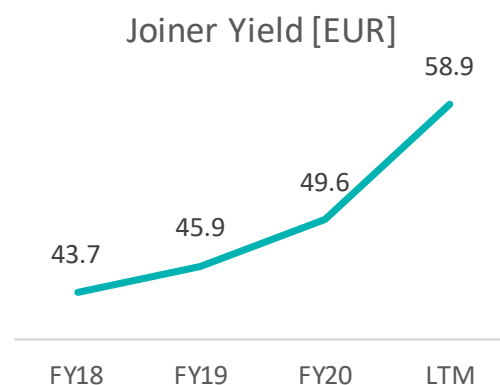
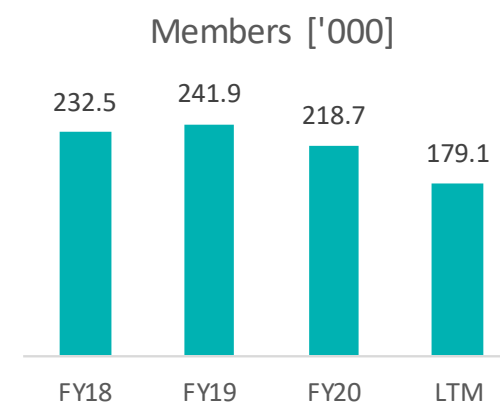
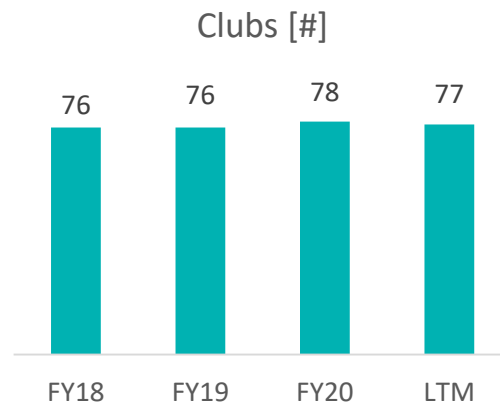
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**APPENDIX**

## Pro forma key financials



## Key performance indicators



Joiner Yield for the group benefits from shifted mix towards Fitness First and more short-term contracts (both as a result of a 40 day trial period offer)

As expected FY20 is affected by compensations and missing side revenues (due to covid-19 club closures), LTM significantly benefit from governmental support

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	FY18	FY19	FY20	LTM	Δ%
	AC	AC	AC	AC	LTM-20
<b>Total Revenue</b>	<b>121.7</b>	<b>125.9</b>	<b>117.8</b>	<b>112.4</b>	<b>-5%</b>
thereof: Fitness First	109.4	112.0	102.9	95.2	
elbgym	2.2	2.3	2.7	3.4	
smile X	10.2	11.6	12.2	13.7	
<b>EBITDA</b>	<b>10.2</b>	<b>15.5</b>	<b>15.3</b>	<b>31.6</b>	<b>+106%</b>
thereof: Fitness First	6.6	11.2	10.8	23.9	
elbgym	0.3	-0.1	0.1	0.5	
smile X	3.3	4.4	4.5	7.3	
<b>EBITDA margin [%]</b>	<b>8.4</b>	<b>12.4</b>	<b>13.0</b>	<b>28.1</b>	<b>+116%</b>
thereof: Fitness First	6.1	10.0	10.5	25.1	
elbgym	13.3	-3.7	2.9	14.1	
smile X	31.9	37.8	36.7	52.9	
<b>Adjustments</b>	<b>-0.2</b>	<b>1.7</b>	<b>1.1</b>	<b>1.9</b>	
thereof: Fitness First	-0.2	1.7	1.1	1.9	
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>17.3</b>	<b>16.5</b>	<b>33.5</b>	<b>+103%</b>
thereof: Fitness First	6.4	12.9	11.9	25.7	
elbgym	0.3	0.0	0.1	0.5	
smile X	3.3	4.4	4.5	7.3	
<b>Adj. EBITDA margin [%]</b>	<b>8.2</b>	<b>13.7</b>	<b>14.0</b>	<b>29.8</b>	<b>+113%</b>
thereof: Fitness First	5.9	11.5	11.6	27.0	
elbgym	13.3	-0.2	2.9	14.1	
smile X	31.9	37.8	36.7	52.9	

## Key Performance Indicators

	FY18	FY19	FY20	LTM	Δ%
	AC	AC	AC	AC	LTM-20
<b># of Clubs<sup>1</sup></b>	<b>76</b>	<b>76</b>	<b>78</b>	<b>77</b>	
thereof: Fitness First	60	60	62	60	
elbgym	3	3	3	4	
smile X	13	13	13	13	
<b>Members ['000]</b>	<b>232.5</b>	<b>241.9</b>	<b>218.7</b>	<b>179.1</b>	<b>-18.1%</b>
thereof: Fitness First	200.1	206.4	183.9	147.8	
elbgym	2.9	3.3	3.6	4.0	
smile X	29.5	32.1	31.2	27.3	
<b>Joiner Yield [EUR]</b>	<b>43.7</b>	<b>45.9</b>	<b>49.6</b>	<b>58.9</b>	<b>+18.9%</b>
thereof: Fitness First	45.6	47.9	52.2	61.1	
elbgym	66.8	71.4	72.1	63.5	
smile X	28.6	29.2	30.8	30.8	
<b>ARPM [EUR]</b>	<b>43.9</b>	<b>44.3</b>	<b>42.6</b>	<b>47.1</b>	<b>+10.4%</b>
thereof: Fitness First	45.5	45.9	44.0	47.8	
elbgym	65.9	60.2	64.4	74.9	
smile X	30.5	31.8	32.1	39.2	
<b>Retention %</b>	<b>68.7</b>	<b>73.4</b>	<b>70.4</b>	<b>52.2</b>	
thereof: Fitness First	67.6	72.6	69.6	49.2	
elbgym	68.7	64.1	69.9	52.7	
smile X	78.5	80.3	75.7	69.9	

- Club closures due to the covid-19 lockdown result in missing joiners and consequently lower membership base (more than 65k members less vs. Q1/20 post second lockdown), which will continuously recover over the future months
- Corona crisis has impacted retention and will go down further as received cancellations will become effective next months, the new joiners with 90%+ long-term contracts will reverse this trend
- Underlying revenue/ARPM is impacted by missing members, freezes, rejects/refunds as well as missing and decreased side revenues, but significantly benefits from governmental support
- IFRS15 impact out of deferred revenue from covid-19 compensation tools amounts to EUR 11.2m at the end of Oct 21 (LTM)
- LTM joiner yield increase is primary driven by shifted mix towards Fitness First with more short-term contracts (out of a 40 day trial period offer)
- This trial period offer and relating step-backs has significant impact on attrition/retention short-term, but has created a strong lead pool which will give the chance for new long-term members once restriction will be removed





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

## 2 IFRS

- Application of IFRS 16 Leases leads
  - to the capitalization of right-of-use assets of EUR 115.3m and of lease liabilities of EUR 140.0m as of 31 October 2021
  - to a negative P/L-effect of EUR 8.4m 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 10.0m for the period from 1 Aug 2021 to 31 Oct 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 profit of EUR 22.1m and sales of EUR 52.4m.
- With EUR +2.6m the Cash Flow is positive in the quarter, Cash balance as of 31 October 2021 is EUR 23.0m.

## 4 Financial KPIs

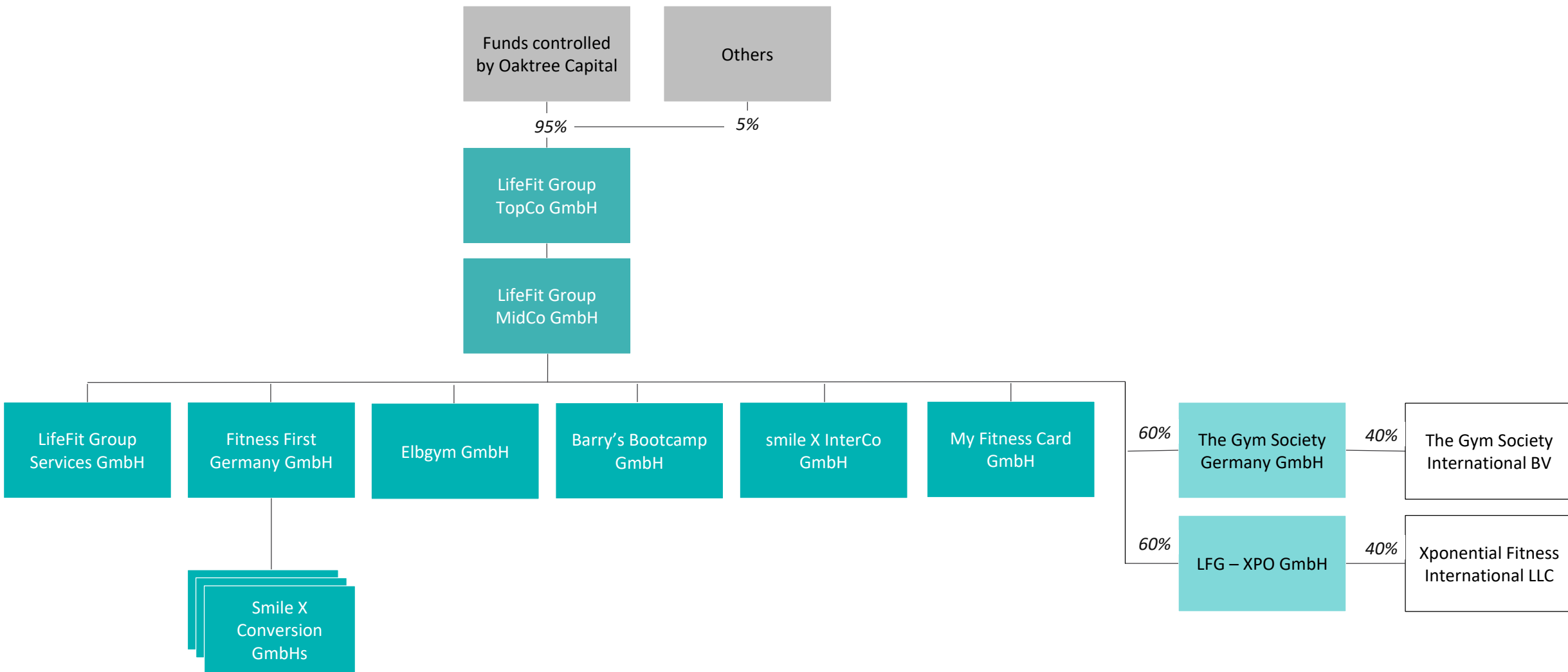
- LifeFit Group has updated its Financial KPIs in FY2019/20 in the course of IFRS 16 changes
- This mainly impacts Reported Adjusted EBITDA, which includes cash rents and excludes IAS 17 rent adjustments

## 5 Pro Forma

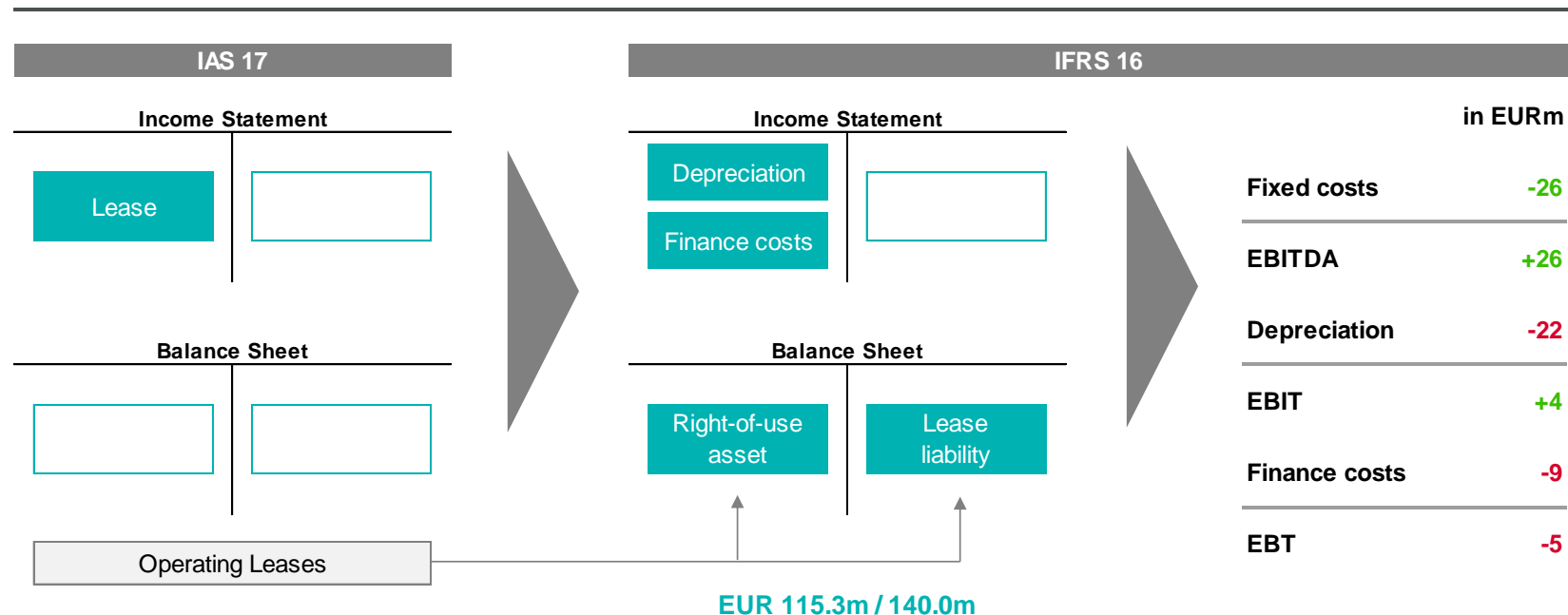
- Due to the short financial year of Lifefit Group MidCo for FY19 and FY20 and for a better understanding of the financial results of the whole group LifeFit Group presents pro forma f/s considering the 12 months period 1 November 2020 to 31 October 2021 and adjusted for IFRS 16 impacts
- Pro forma Total Revenue of the group was EUR 113.2m (EUR 112.4m in core business<sup>1</sup>)
- Pro forma adjusted EBITDA of the group amounts to EUR 33.5m (core business)

## 6 Outlook

- The audited annual report for FY21 is planned to be published on 28 Feb 2022 and the quarterly interim unaudited report for Q1 FY2021/22 on 31 Mar 2022



## 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 October 2021 the group recognized the following right-of-use assets and lease liabilities
  - Buildings EUR 110.6m/135.3m
  - Other EUR 4.7m/4.7m
- 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 Oct-21 LTM (EUR 33.5m)	pre IFRS 16	under IFRS 16
Gross debt / PF EBITDA		1.6x	3.2x
Net debt / PF EBITDA		0.9x	2.8x

Gross debt based on EUR 40m senior secured bond, EUR 10m RCF and EUR 4.7m equipment finance leases (respectively EUR 140.0m lease liabilities under IFRS16), net debt reduced by EUR 23.0m cash at bank.

Key Financials

EURm	FY18	FY19	FY20	LTM
	AC	AC	AC	AC
<b>Total Revenue</b>	<b>135.6</b>	<b>133.9</b>	<b>121.0</b>	<b>113.2</b>
thereof: core	121.7	125.9	117.8	112.4
non-core	13.8	7.7	3.1	0.8
<b>EBITDA</b>	<b>9.5</b>	<b>14.8</b>	<b>15.2</b>	<b>31.2</b>
thereof: core	10.2	15.5	15.3	31.6
non-core	-0.7	-0.7	-0.2	-0.5
<b>EBITDA margin [%]</b>	<b>7.0</b>	<b>11.1</b>	<b>12.5</b>	<b>27.5</b>
thereof: core	8.4	12.4	13.0	28.1
non-core	-5.1	-9.5	-5.5	-61.7
<b>Adjustments</b>	<b>1.0</b>	<b>2.4</b>	<b>1.3</b>	<b>2.3</b>
thereof: core	-0.2	1.7	1.1	1.9
non-core	1.2	0.7	0.2	0.5
<b>Adjusted EBITDA</b>	<b>10.5</b>	<b>17.2</b>	<b>16.5</b>	<b>33.5</b>
thereof: core	10.0	17.3	16.5	33.5
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>29.6</b>
thereof: core	8.2	13.7	14.0	29.8
non-core	3.7	-0.8	0.0	0.0

Key Performance Indicators

	FY18	FY19	FY20	LTM
	AC	AC	AC	AC
<b># of Clubs<sup>1</sup></b>	<b>87</b>	<b>82</b>	<b>80</b>	<b>77</b>
thereof: core	76	76	78	77
non-core	11	6	3	0
<b>Members ['000]</b>	<b>255.8</b>	<b>249.8</b>	<b>224.2</b>	<b>179.1</b>
thereof: core	232.5	241.9	218.7	179.1
non-core	23.3	7.9	5.5	0.0
<b>Joiner Yield [EUR]</b>	<b>43.4</b>	<b>45.8</b>	<b>49.4</b>	<b>58.9</b>
thereof: core	43.7	45.9	49.6	58.9
non-core	40.0	42.7	43.0	39.4
<b>ARPM [EUR]</b>	<b>43.1</b>	<b>44.2</b>	<b>42.5</b>	<b>46.8</b>
thereof: core	43.9	44.3	42.6	47.1
non-core	37.3	n/a	n/a	n/a
<b>Retention %</b>	<b>68.7</b>	<b>73.4</b>	<b>70.4</b>	<b>52.2</b>
thereof: core	68.7	73.4	70.4	52.2
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 more than 20 (mostly) unprofitable clubs have been divested or closed since Nov 16
- This causes a significant decline in memberships with total revenues going down EUR -13.0m (from FY18 to Jul-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
- Portfolio is currently under review in consideration of the lockdowns and the related impacts

Segment	Item	Comment	LTM Oct-21
<b>Pro forma LTM Group EBITDA</b>			<b>31.161</b>
FFG/LFG	Barrys set up/ramp-up	transaction/formation expenses and ramp-up losses	1.382
FFG/LFG	Divestment clubs & discontinued	refers to four clubs in reporting period	492
FFG/LFG	Ramp-up losses	One club to become EBITDA positive	350
FFG/LFG	New Business Development	HO employment costs related to new business development (Franchise, XPO)	122
<b>Total Adjustments</b>			<b>2.346</b>
<b>Adjusted PF LTM Group EBITDA</b>			<b>33.507</b>

Consolidated Statement of Comprehensive Income

LifeFit (Unaudited)	Q4/21	Q4/20	change	YTD	YTD
	01.08.21 -	01.08.20 -		01.11.20 -	01.01.20 -
	31.10.21	31.10.20		31.10.21	31.10.20
	EUR k	EUR k	EUR k	EUR k	EUR k
Revenue	10,378	31,084	-20,706	63,471	101,055
Other operating income	42,019	-39	42,058	49,710	922
Cost of materials	-4,442	-1,819	-2,623	-5,546	-4,661
Personnel expenses	-7,383	-7,683	300	-23,965	-28,388
Other operating expenses	-4,859	-11,801	6,942	-27,983	-36,227
Amortization and depreciation	-9,674	-9,789	115	-35,697	-32,088
<b>Operating profit or loss</b>	<b>26,040</b>	<b>-47</b>	<b>26,087</b>	<b>19,991</b>	<b>613</b>
Income from at equity investments	143	-34	177	0	-34
Finance income	440	147	293	440	0
Finance costs	-4,803	-4,716	-87	-16,258	-13,034
<b>Financial result</b>	<b>4,363</b>	<b>4,569</b>	<b>-206</b>	<b>15,818</b>	<b>13,034</b>
<b>Profit or loss for the period before taxes</b>	<b>21,820</b>	<b>-4,650</b>	<b>26,470</b>	<b>4,173</b>	<b>-12,455</b>
Income taxes	234	751	-517	580	799
<b>Profit or loss for the period</b>	<b>22,054</b>	<b>-3,899</b>	<b>25,953</b>	<b>4,754</b>	<b>-11,656</b>

Consolidated Cash Flow Statement

LifeFit (Unaudited)	Q4/21	Q4/20	change	YTD	YTD
	01.08.21 -	01.08.20 -		01.11.20 -	01.01.20 -
	31.10.21	31.10.20		31.10.21	31.10.20
	EUR k	EUR k	EUR k	EUR k	
Operating cash flow	13,336	2,193	11,143	38,413	22,513
Investment cash flow	-1,500	-4,023	2,523	-8,168	-14,028
Financing cash flow	-9,251	-2,033	-7,218	-29,756	-8,329
<b>Cash flow for the period</b>	<b>2,584</b>	<b>-3,863</b>	<b>6,447</b>	<b>489</b>	<b>156</b>
Beginning cash	20,456	26,414		22,551	22,395
<b>Closing cash</b>	<b>23,040</b>	<b>22,551</b>		<b>23,040</b>	<b>22,551</b>

Consolidated Balance Sheet

LifeFit (Unaudited)	31 October	31 October
	2021	2020
<b>Non-current assets</b>		
Intangible assets	33,733	35,728
Property, plant and equipment	37,692	45,366
Right-of-use-assets	115,267	131,619
Investments / Joint venture	1	1
	188,349	212,714
<b>Current assets</b>		
Inventories	866	742
Trade receivables	3,452	2,224
Receivables from affiliated companies	2,218	1,322
Current income tax assets	59	67
Other non-financial assets	29,327	6,584
Cash and cash equivalents	23,041	22,551
	58,963	33,490
<b>TOTAL ASSETS</b>	<b>247,312</b>	<b>246,204</b>
<b>Equity</b>	<b>-20,058</b>	<b>-22,606</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities	38,935	38,584
Shareholder debt	38,097	34,735
Other non-financial liabilities	0	728
Other financial liabilities	2,509	2,180
Other provisions	2,478	2,674
Lease liabilities	119,473	133,111
Deferred tax liabilities	0	515
	201,492	212,527
<b>Current liabilities</b>		
Financial liabilities	10,000	10,000
Trade payables	17,777	15,871
Other non-financial liabilities	15,836	3,925
Other financial liabilities	924	3,121
Other provisions	601	1,544
Lease liabilities	20,560	21,112
Income tax liabilities	181	414
	65,877	56,282
<b>TOTAL LIABILITIES</b>	<b>267,369</b>	<b>268,809</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>247,312</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 75.0m the equity of LifeFit Group MidCo GmbH is positive. If the shareholder debt of EUR 38.1m were classified as equity, the consolidated equity of the group would amount to EUR 18.0m.
- Besides the accumulated losses until 31 October 2021 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	-20,1
pro forma classification Shareholder Loan as Equity	+38,1
<b>pro forma Equity</b>	<b>+18,0</b>

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

EURm	Oct-21 LTM			Q4/FY2021			Q4/FY2021 REPORTED
	AC pre IFRS16	Impact of IFRS16	AC under IFRS16	AC pre IFRS16	Impact IFRS16	AC under IFRS16	AC IFRS16
<b>KPIs</b>							
# of Clubs <sup>1</sup>	77			77			
Members ['000]	179.1			179.1			
Joiner Yield [EUR]	58.9			58.6			
ARPM [EUR]	46.8			96.0			
Retention % (annualised)	52.2			52.2			
<b>Profit/Loss</b>							
Revenue	113.2			52.4			52.4
EBITDA <sup>2</sup>	31.2	26.0	57.1	27.2	7.0	34.2	35.9
- Adjustments	2.3			0.9			
<b>Adjusted EBITDA</b>	<b>33.5</b>			<b>28.1</b>			
Depreciation & amortisation	-13.6	-22.1	-35.7	-3.4	-6.2	-9.7	-9.7
Exceptionals/One-off charges	-1.4			1.6			
<b>Operating Profit/Loss</b>	<b>16.2</b>		<b>20.0</b>	<b>25.4</b>		<b>26.2</b>	<b>26.2</b>
Total Finance costs	-7.1	-8.7	-15.8	-2.2	-2.2	-4.4	-4.4
Total Tax	0.6			0.2			0.2
<b>Net Profit/Loss</b>	<b>9.6</b>		<b>4.8</b>	<b>23.4</b>		<b>22.1</b>	<b>22.1</b>
<b>Cash Flow</b>							
EBITDA <sup>2</sup>	31.2			27.2			
Working capital	-12.4			-20.5			
Exceptionals & provisions	-2.7			-0.6			
Interest paid	-3.3			-0.8			
Tax	0.0			0.0			
<b>OPERATING CASH FLOW</b>	<b>12.7</b>			<b>5.3</b>	<b>8.1</b>	<b>13.3</b>	<b>13.3</b>
Cash flow from investing activities	-8.2			-1.5	0.0	-1.5	-1.5
<b>FREE CASH FLOW</b>	<b>4.5</b>			<b>3.8</b>		<b>11.8</b>	<b>11.8</b>
Cash flow from financing activities	-4.0			-1.2	-8.1	-9.3	-9.3
<b>NET CASH FLOW</b>	<b>0.5</b>			<b>2.6</b>		<b>2.6</b>	<b>2.6</b>

**Notes**

- <sup>1</sup> excluding franchise clubs
- <sup>2</sup> excluding exceptionals/one-off charges

## Pro forma Financials by Segment

EURm	Oct-21 LTM				Q4/FY2021			
	LifeFit Group	Fitness First	elbgym	smileX	LifeFit Group	Fitness First	elbgym	smileX
<b>KPIs</b>								
# of Clubs <sup>1</sup>	77	60	4	13	77	60	4	13
Members ['000]	179.1	147.8	4.0	27.3	179.1	147.8	4.0	27.3
Joiner Yield [EUR]	58.9	61.1	63.5	30.8	58.6	60.7	63.8	30.9
ARPM [EUR]	46.8	47.4	74.9	39.2	96.0	98.7	151.5	70.6
Retention % (annualised)	52.2	49.2	52.7	69.9	52.2	49.2	52.7	69.9
<b>Profit/Loss</b>								
Revenue	113.2	96.0	3.4	13.7	52.4	44.9	1.8	5.7
EBITDA <sup>2</sup>	31.2	23.4	0.5	7.3	27.2	22.7	0.7	3.8
- Adjustments	2.3	2.3	0.0	0.0	0.9	0.9	0.0	0.0
<b>Adjusted EBITDA</b>	<b>33.5</b>	<b>25.7</b>	<b>0.5</b>	<b>7.3</b>	<b>28.1</b>	<b>23.6</b>	<b>0.7</b>	<b>3.8</b>
Depreciation & amortisation	-13.6	-10.9	-0.3	-2.4	-3.4	-2.8	-0.1	-0.6
Exceptionals/One-off charges	-1.4	-1.3	-0.2	0.0	1.6	1.7	0.0	0.0
<b>Operating Profit/Loss</b>	<b>16.2</b>	<b>11.2</b>	<b>0.1</b>	<b>4.8</b>	<b>25.4</b>	<b>21.5</b>	<b>0.6</b>	<b>3.3</b>
Total Finance costs	-7.1	-7.0	0.0	0.0	-2.2	-2.2	0.0	0.0
Total Tax	0.6	0.0	0.0	0.6	0.2	0.0	0.0	0.2
<b>Net Profit/Loss</b>	<b>9.6</b>	<b>4.2</b>	<b>0.0</b>	<b>5.4</b>	<b>23.4</b>	<b>19.3</b>	<b>0.6</b>	<b>3.5</b>
<b>Cash Flow</b>								
EBITDA <sup>2</sup>	31.2	23.4	0.5	7.3	27.2	22.7	0.7	3.8
Working capital	-12.4	-9.7	-0.3	-2.4	-20.5	-17.1	-0.6	-2.9
Exceptionals & provisions	-2.7	-2.7	0.0	0.0	-0.6	-0.6	0.0	0.0
Interest paid	-3.3	-3.3	0.0	0.0	-0.8	-0.8	0.0	0.0
Tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>OPERATING CASH FLOW</b>	<b>12.7</b>	<b>7.6</b>	<b>0.2</b>	<b>4.9</b>	<b>5.3</b>	<b>4.2</b>	<b>0.1</b>	<b>1.0</b>
Cash flow from investing activities	-8.2	-7.3	-0.6	-0.3	-1.5	-1.2	-0.2	-0.1
<b>FREE CASH FLOW</b>	<b>4.5</b>	<b>0.3</b>	<b>-0.4</b>	<b>4.6</b>	<b>3.8</b>	<b>2.9</b>	<b>-0.1</b>	<b>0.9</b>
Cash flow from financing activities	-4.0	-3.5	-0.2	-0.4	-1.2	-1.0	0.0	-0.1
<b>NET CASH FLOW</b>	<b>0.5</b>	<b>-3.2</b>	<b>-0.6</b>	<b>4.2</b>	<b>2.6</b>	<b>1.9</b>	<b>-0.1</b>	<b>0.8</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