

PRESS RELEASE

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QUARTERLY STATEMENT Q4 2021 LifeFit Group still with strong cash balance

Frankfurt/Main, 31 December 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 31 October 2021.

Highlights pro forma Financials and KPIs Oct-21 LTM:

- Operational KPIs went down with members from more than 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)
- Total revenues in core business² decreased by 4.6% vs. FY20 to EUR 112.4m and will be affected further in future due to missing members resulting from the lockdown and forthcoming compensations
- Oct-21 LTM Adjusted EBITDA in core business increased by 103.4% vs. FY20 to EUR 33.5m, clearly driven by governmental support
- Adjusted EBITDA margin at 29.8% (vs. 14.0% in FY20)
- Q4 Net Cash Flow of EUR +2.6m benefits from governmental support
- Strong cash position at quarter end with EUR 23.0m cash at bank

The summer saw some real greenshoots with the reopening of clubs and encouraging rebound joiner numbers and visitation. Our transformation plan with leaner processes, more digitization and much lower cost base has also proven successful." 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 good cash position we are in a strong position to weather this storm and be ready for developing opportunities on the M&A front. 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 November 2020 to 31 October 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 20 and from November 20 to mid of June 21 which is partly offset by governmental support. Therefore Total LTM revenues in core business decreased by -4.6% compared to FY20 to EUR 112.4m. 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. 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).

EBITDA increase clearly driven by governmental support

Oct-21 LTM pro forma adjusted EBITDA in core business increased by 103.4% compared to FY20 from EUR 16.5m to EUR 33.5m. Underlying numbers are mainly driven by membership dues compensation and missing side revenues during and as result of the lockdowns as well as missing members afterwards. Initiated cost actions during the lockdown (esp. short-time work) and governmental support packages (EUR 48.8m in LTM period) were able to overcompensate revenue shortfall in the short term. The EBITDA margin therefore increased from 14.0% in FY20 to 29.8% in Oct 21 LTM.

EUR +2.6m net change in cash as a result of governmental support

Net Cash Flow for Q4/FY21 was EUR +2.6m, which benefits from governmental support (EUR 12.3m received in Q4). Working capital is primarily characterised by further subsidies receivables and positive IFRS15 deferred revenue effect. The group shows a strong cash position at quarter end with more than EUR 23.0m cash at bank.

Outlook

The whole fitness industry was negatively affected by the Covid-19 outbreak. With having had 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 members to work-out and come back to routine since clubs are reopen again from mid of June 2021 onwards. First month's key drivers make confident for a rapid operational rebound of the business once restrictions are fully removed. 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 increasing share of the "Omicron" variant there is a risk of a future lockdown in the course of the fifth wave. In addition to that further restrictions and adjusted framework conditions are very likely (e.g. "2G"/"2G+") and could have impact on the business. 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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