PRESENTATION TO BONDHOLDERS

December 2022

lifefit group

Important information 1/2

This presentation material (the "**Material**") has been produced by LifeFit Group MidCo GmbH (the "**Company**" or the "**Issuer**", together with its direct and indirect subsidiaries, the "**Group**") solely for use in connection with the proposal for amendment of the terms and conditions in respect of the Issuer's senior secured callable bonds 2019/2023 (the "**Amendment Process**") and the contemplated offering of subsequent senior secured callable bonds (the "**Bonds**") (the "**Transaction**"). The sole bookrunner and issuing agent for the Transaction is Pareto Securities AB ("**Sole Bookrunner**") and the paying agent for the Transaction is Pareto Securities AS. This Material may not be reproduced or redistributed in whole or in part to any other person and is for information purposes only and does not in itself constitute an offer to sell or a solicitation of an offer to buy any of the Bonds. By attending a meeting where this Material is presented, or by reading this Material, you agree to be bound by the following terms, conditions and limitations.

All information provided in this Material has been obtained from the Group or publicly available material. Although the Sole Bookrunner has endeavoured to contribute towards giving a correct and complete picture of the Group, neither the Sole Bookrunner nor any of its parents or subsidiaries or any such company's directors, officers, employees, advisors or representatives (collectively the "**Representatives**") shall have any liability whatsoever arising directly or indirectly from the use of this Material. Moreover, the information contained in this Material has not been independently verified and the Sole Bookrunner assumes no responsibility for, and no warranty (expressly or implied) or representation is made as to, the accuracy, completeness or verification of the information contained in this Material. The Group or the Sole Bookrunner do not intend to, and do not assume any obligation to, update the Material. An investment in the Bonds involves a high level of risk. Several factors could cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements that may be expressed or implied by statements contained in this Material. By attending a meeting where this Material is presented, or by reading this Material, you acknowledge that you will be solely responsible for and rely on your own assessment of the market and the market position of the Group and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Group, its business and the Bonds and other securities. The content of this Material is not to be construed as legal, credit, business, investment or tax advice. Each recipient should consult with its own legal, credit, business, investment and tax advisers to receive such advice. Any decision to subscribe for or purchase any of the Bonds mentioned in this Material should be made only on the basis of the terms and conditions (including any amendments to the terms and conditions of the Bonds following the Amendment Process) of the Bonds, and not this Material.

No due diligence has been carried out, in connection with the preparation of this Material. Thus, there may be risks related to the Group which are not included in this Material and which could have a negative effect on the Group's operations, financial position, earnings and result. Investments in the Bonds involve inherent risks and any investor acknowledge that it could lose all or part of its investment.

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:
(a) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this document or any applicable supplement;
(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact other bonds will have on its overall investment portfolio;
(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;
(d) understand thoroughly the terms and conditions for the Bonds (including any amendments to the terms and conditions of the Bonds following the Amendment Process); and
(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the relevant risks.

Neither this Material nor the information contained herein is being issued, and neither this Material nor the information contained herein may be distributed directly or indirectly, to or into Luxembourg, Canada, Australia, Hong Kong, Italy, New Zeeland, the Republic of South Africa, Japan, the Republic of Cyprus, the United Kingdom or the United States (or to any U.S. person (as defined in Rule 902 of Regulation S under the Securities Act)), or to any other jurisdiction in which such distribution would be unlawful, except as set forth herein and pursuant to appropriate exemptions under the laws of any such jurisdiction. Neither the Group nor the Sole Bookrunner, or any of their Representatives, have taken any actions to allow the distribution of this Material in any jurisdiction where any further action would be required for such distribution purposes. The distribution of this Material and any purchase of or application/subscription for the Bonds or other securities of the Group may be restricted by law in certain jurisdictions, and persons in the possession of this Material should observe and inform themselves of any such restriction. Any failure to comply with such restrictions may constitute a violation of the applicable securities laws of any such jurisdiction. None of the Group or the Sole Bookrunner or any of their Representatives shall have any liability (in negligence or otherwise) for any loss howsoever arising from any use of this Material or its contents or otherwise arising in connection with the Material. Neither the Group nor the Sole Bookrunner has authorised any offer to the public of securities, or has undertaken to make an offer of securities to the public requiring the publication of an offering prospectus, in any member state of the European Economic Area under the EU Prospectus Directive 2003/71/EC, as amended (the "**Prospectus Directive**") (as implemented in such member state) or Regulation (EU) 2017/1129 (repealing Directive 2003/71/EC) (the "**Prospectus Regulation**"), as applicable, and this Material is not a prospectus for purposes of the Prospectus Directive or the Prospectus Regulation.

In the event that this Material is distributed in the United Kingdom, it shall be directed only at persons who are either (a) "investment professionals" for the purposes of Article 19(5) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), (b) high net worth entities, unincorporated associations and other persons to whom it may lawfully be communicated in accordance with Article 49(2)(a) to (d) of the Order, or (c) persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any Bonds may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "Relevant Persons"). Any person who is not a Relevant Person must not act or rely on this Material or any of its contents. Any investment or investment activity to which this Material relates will be available only to Relevant Persons and will be engaged in only with Relevant Persons. This Material is not a prospectus for the purposes of Section 85(1) of the UK Financial Services and Markets Act 2000, as amended ("**FSMA**"). Accordingly, this Material has not been approved as a prospectus by the Financial Conduct Authority ("**FCA**") under Section 87A of FSMA and has not been filed with the FCA pursuant to the UK Prospectus Rules nor has it been approved by a person authorised under FSMA.

Important information 2/2

This Material does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. In the event that this Material is distributed in the United States, it shall be directed only at persons who are "qualified institutional buyers" as defined in Rule 144A promulgated under the Securities Act ("Rule 144A") ("**QIBs**") in reliance upon Rule 144A under the Securities Act. The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction in the United States. Accordingly, the Bonds may not be offered, sold (directly or indirectly), delivered or otherwise transferred within or into the United States or to, or for the account or benefit of, U.S. Persons, absent registration or under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Bonds are being offered and sold only (i) outside the United States to persons other than U.S. persons ("non-U.S. purchasers", which term shall include dealers or other professional fiduciaries in the United States acting on a discretionary basis for non-U.S. beneficial owners (other than an estate or trust)) in reliance upon Regulation S under the Securities Act ("**Regulation S**") and (ii) in the United States to QIBs in reliance upon Rule 144A under the Securities Act. As used herein, the terms "United States" and "U.S. person" have the meanings as given to them in Rule 902 of Regulation S under the Securities Act. By accepting receipt of this Material, you warrant and represent that, if you are located within the United States and/or a U.S. person or in the United States, you are a QIB.

This Material has been prepared exclusively for the benefit and internal use of the recipient and no part of this Material or the information it contains may be disclosed, reproduced or redistributed to any other party without the prior written consent of the Sole Bookrunner. This Material is dated December 2022. Neither the delivery of this Material nor any further discussions of the Group or the Sole Bookrunner with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Group since such date. The Group does not undertake any obligation to review or confirm, or to release publicly or otherwise to investors or any other person, any revisions to the information contained in this Material to reflect events that occur or circumstances that arise after the date of this Material.

Conflict of interest

The Sole Bookrunner and/or its Representatives may hold shares, options or other securities of the Group and may, as principal or agent, buy or sell such securities. The Sole Bookrunner may have other financial interests in transactions involving these securities or the Group. The Issuer and any other member of the Group may, subject to applicable laws, purchase or subscribe for Bonds. It should be noted that the Group may have interests that conflict with other bondholders particularly if the Group encounters difficulties or is unable to pay its debts as they fall due.

Target market

Solely for the purposes of the manufacturer's (as used herein, "**Manufacturer**" refers to the Sole Bookrunner) product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Bonds to eligible counterparties, professional clients and retail clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**Distributor**") should take into consideration the Manufacturer's target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the Manufacturer's target market assessment) and determining appropriate distribution channels.

PRIIPs regulation

As the Bonds are not deemed to fall within the scope of Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**"), no PRIIPs key information document (KID) has been prepared. For the avoidance of doubt, the target market assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Bonds.

Placement fee

The Sole Bookrunner will be paid a fee by the Issuer in respect of the placement of the Transaction.

Forward looking statements

Certain information contained in this Material, including any information on the Group's plans or future financial or operating performance and other statements that express the Group's management's expectations or estimates of future performance, constitute forward-looking statements (when used in this document, the words "anticipate", "believe", "estimate" and "expect" and similar expressions, as they relate to the Group or its management, are intended to identify forward-looking statements). Such statements are based on a number of estimates and assumptions that, while considered reasonable by management at the time, are subject to significant business, economic and competitive uncertainties. The Group cautions that such statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of the Group to be materially different from the Group's estimated future results, performance or achievements expressed or implied by those forward-looking statements.

Claims and litigations

Claims or legal action may in the future be made or initiated against the Group which may have significant unfavourable effects on the Group's financial position, performance and market position or on the pricing of the Bonds.

Audit Review of financial information

Certain financial information contained in this Material has not been reviewed by the Group's auditor or any other auditor or financial expert. Hence, such financial information might not have been produced in accordance with applicable or recommended accounting principles and may furthermore contain errors and/or miscalculations. The Group is the source of the financial information, and none of the Group or the Sole Bookrunner or any of its Representatives shall have any liability (in negligence or otherwise) for any inaccuracy of the financial information set forth in this Material.

Amended terms and conditions

Any investor holding Bonds and any potential investor investing in the Bonds acknowledges that it will be bound by the terms and conditions and any amended terms and conditions following the Amendment Process should a requisite majority approve the amended terms and conditions at a written procedure, and as applicable, following any subscription of the Bonds.

Governing law and jurisdiction

This Material is subject to Swedish law, and any dispute arising in respect of this Material is subject to the exclusive jurisdiction of Swedish courts.

Issuer characteristics and confirmation process

Issuer characteristics

Business overview

- LifeFit Group MidCo GmbH (the "**Issuer**" and together with its subsidiaries, "**LifeFit**" or the "**Group**") is a leading fitness group in Germany operating a total of 8 brands across the country

Ownership

- The Issuer is a privately held limited liability company incorporated in Germany
- The controlling shareholder, owning 95% of the share capital, is funds controlled by Oaktree Capital Management, L.P.
- The remainder is held by management and vendors of companies acquired by the Group in recent years

Listing status

- The Issuer's bonds with ISIN NO 0010856966 are listed on Nasdaq Stockholm as well as on the Open Market of the Frankfurt Stock Exchange

Previous capital markets experience

- Management and sponsor have solid capital markets experience, including from the issue of the outstanding bonds in 2019

Other issuer characteristics

- Country of registry: Germany
- Country of operations: Germany

Confirmatory / verification work concluded

- In preparation for the Transaction, the Issuer has signed a *Declaration of Completeness* and concluded a *Bring down due diligence call*, confirming to the Manager that the marketing material in all material respects is correct and complete, and that all matters relevant for evaluating the Issuer and the Transaction are properly disclosed in the marketing material
- The Manager has conducted customary interviews with the management of the Issuer to fully understand the basis for, *inter alia*, forecasts and projections provided, but has not verified these independently or engaged any external advisor to carry out any formal due diligence investigations (whether legal, financial or commercial)

Advisors to the Issuer and the Manager

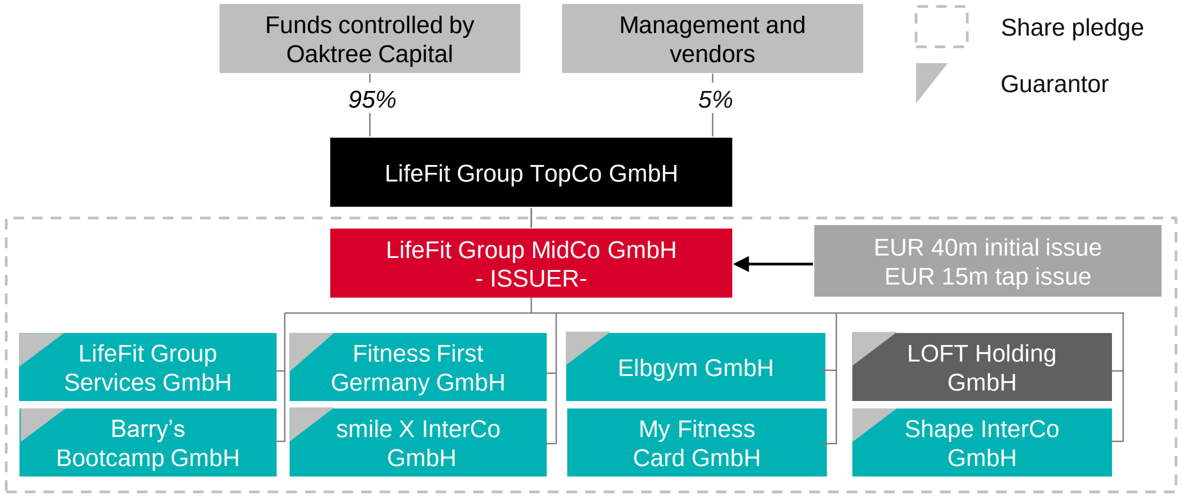
- Gernandt & Danielsson Advokatbyrå KB is acting as legal counsel to the Manager and the Company
- Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft are acting as auditors to the Group

Transaction summary

Transaction summary

- LifeFit Group MidCo GmbH (the "**Issuer**", "**LifeFit**" or the "**Group**") is a wholly-owned subsidiary of LifeFit Group TopCo GmbH, in turn majority-owned by funds controlled by Oaktree Capital Management, L.P. ("**Oaktree**" or the "**Sponsor**")
- LifeFit has recently acquired one German gym operator, InShape (closed), and is currently in the process of acquiring a second operator, FitnessLOFT (SPA signed) (the "**Acquisition**")
- The base purchase price for FitnessLOFT amounts to EUR 22.4m, equivalent to 6.2x Oct-22 run rate EBITDA of EUR ~3.6m
  - In addition, pre-agreed earn-outs of up to EUR 12.6m will be due subject to achieving certain EBITDA levels in FY2023 and FY2024 (plus an additional EUR 5.0m in the event of further overperformance); this included, the purchase price would imply an EV/EBITDA of 5.0x
- To part-finance the Acquisition, the Issuer is considering a tap issue of EUR 15m under its outstanding bond loan 2019/2023 with ISIN NO0010856966 (the "**Bonds**") (the "**Tap Issue**")
- The remaining funding will come from the cash balance in FitnessLOFT (EUR 13.8m), cash on hand in the Group, and a EUR 12m equity contribution from the Sponsor, which together will fully finance the Acquisition, including transaction costs
  - In connection with the Transaction, OLB has agreed in principle to extend its EUR 10m SSRCF until at least July 2024
- In order to accommodate the Acquisition and provide the Group with sufficient runway to recover from the impact of the Covid-19 pandemic, the Issuer proposes certain amendments to the bond terms including an extension of the maturity of the Bonds (see following page) (the "**Proposal**")
- Opening leverage of 2.1x gross / 1.7x net over LTM Oct-22 PF adj. EBITDA of EUR 32.6m[1]
  - Incurrence test stipulates net leverage < 2.75x; however, given phase out of government support in Q4´22, the Company does not expect to comply with the incurrence test at closing
- Proceeds from the Tap Issue will be placed on escrow and disbursed subject to, *inter alia*, bondholders' approval of the Proposal, the Sponsor equity contribution, certain other conditions as set out in the Term Sheet and closing of the Acquisition

Simplified transaction structure[2]



Indicative sources and uses

Sources	EURm	Uses	EURm
Contemplated tap issue	15.0	Base cash consideration FitnessLOFT[5]	20.1
10% OID	-1.5	Transaction and other costs	2.2
Sponsor equity contribution[6]	12.0	Closing cash balance	13.4
Opening cash balance[3]	10.1		
Total	**35.6**	**Total**	**35.6**

Pro forma credit metrics[4]	GAAP	IFRS 16
Gross debt / PF adj. EBITDA	*2.1x*	*3.5x*
Net debt / PF adj. EBITDA	*1.7x*	*3.3x*

Fitness First ELBGYM smile BARRY'S the GymSociety CLUB PILATES InShape

Notes: 1) Includes government support of EUR 52.5m received during the LTM period; 2) For more information please refer to page 37; 3) As per Aug-22; 4) Gross / net debt (pre-IFRS) of EUR 68.4m / EUR 54.5m, respectively; 5) Accounts for all cash payments during the tenor of the Bonds, i.e. not considering a EUR 2.4m vendor loan matures after the Bonds; 6) Of which EUR 2m has already been contributed to LFG during Oct-22.

Overview of proposed amendments to bond terms

Background to the Proposal

- The Group has faced highly challenging operating conditions since the onset of the Covid-19 pandemic in March 2020
- Germany was among the countries in Europe enacting the most stringent restrictions in response to the pandemic, with multiple rounds of country-wide lockdowns which also resulted in the closure of gyms
- Since March 2020, the Group's gym facilities have been closed for an average of ~10 months, and during open periods have had to operate under strict restrictions
- Whilst the Group has implemented a broad set of measures to mitigate the impact of the pandemic, it has nevertheless faced a substantial loss of members, which in turn has driven a reduction in revenue and earnings
- Whilst a large portion of the revenue shortfall has been compensated by government support packages, revenue and earnings are not expected to return to pre-pandemic levels until late 2023, after the current maturity of the Bonds
- To provide sufficient time for earnings to recover in order to facilitate an orderly sale or refinancing, the Issuer seeks to extend the tenor of the Bonds by 18 months, until January 2025
- Moreover, the challenges presented by the Covid-19 pandemic have hit many operators harder than LifeFit, which has created an opportunity for the Group to strengthen its presence in the Full Service Best Price (FSBP) segment at attractive valuations
- In order to accommodate the Acquisition and reflect the needs of a larger group, the Issuer therefore requests to amend the size of certain Permitted Debt baskets
- The Issuer is of the opinion that the Acquisition will create a stronger and more resilient Group, which is in the interest of all lenders
- Moreover, the requested tenor extension will enable the Group's financial performance to return to and surpass historical levels prior to maturity of the Bonds, thus creating the best possible backdrop for a successful exit or refinancing

Summary of the Proposal

Requested amendments

- Extension of maturity of the Bonds by 18 months to 26 January 2025
- First call date moved to 26 July 2023, when the Bonds will be callable at 102.00, stepping down to 101.25 from July 2024 until and including the final redemption date
- The incurrence test will be waived for the purpose of the Tap Issue and certain vendor loans incurred in connection with the Acquisition
- Permitted Debt (c): Finance Leases to be increased from EUR 15.0m to EUR 20.0m
- Permitted Debt (l): Earn-outs to be increased from EUR 4.0m to EUR 25.6m to accommodate additional earn-outs related to the Acquisition
- Permitted Debt (m): General basket to be increased from EUR 2.0m to EUR 4.0m to accommodate a smile X vendor loan which will be reclassified from subordinated debt to interest bearing debt as it matures prior to the new final redemption date
- Introduction of a maintenance covenant regulating net leverage, starting from Jan-24
- Bond framework reduced from EUR 120m to EUR 70m
- Inclusion of InShape and FitnessLoft as Material Group Companies and Guarantors
- Subordination of Acquisition Debts in relation to the InShape and FitnessLOFT acquisitions

Compensation to bondholders subject to approval of the Proposal

- The Sponsor will make an equity contribution of EUR 12m[1]
- The coupon of the Bonds will step up by 2.00% (PIK only)
- The Issuer will pay a cash consent fee of 1.0% of the outstanding nominal amount
- The redemption price will be floored at 101.25

Note: 1) Of which EUR 2m has already been contributed to LFG during Oct-22.

Summary of terms (proposed amendments are underlined)

Issuer	LifeFit Group MidCo GmbH, HRB 248092
Outstanding Volume	EUR 40m within a frame of EUR 70m
Tap Issue Amount	Up to EUR 15m
Original Final Redemption Date	26 July 2023 (4 years after the First Issue Date)
Extended Final Redemption Date	26 January 2025 (5.5 years after the First Issue Date)
Coupon	3mE + 750 bps (cash) p.a., plus 200 bps (PIK) p.a., payable quarterly in arrears, EURIBOR floor at 0%
Issue Price	90% of par
Use of Proceeds	Contribute to financing the Acquisition, finance transaction costs and general corporate purposes
Security	▪ Share pledges in respect of all shares in the Issuer and each Guarantor; ▪ Pledges over any current and future Material Intra-Group Loans; and ▪ Pledge over shares in respect of any Material Group Company acquired on or after the First Issue Date and financed in part or in whole with proceeds from a Bond issue (incl. FitnessLOFT and InShape)
Negative Pledge	Carve-outs for, *inter alia*, finance leases in a maximum amount of EUR 20m, a super senior RCF in a maximum amount of EUR 10m, earn-out obligations relating to any acquisition in a maximum aggregate amount of EUR 25.6m and a general basket of EUR 4m
Call Option (American)	▪ Callable @ 102.00 from 26 July 2023 until 26 July 2024, 101.25 from 26 July 2024 until and including the Extended Final Redemption Date ▪ Upon redemption prior to 26 July 2023 the redemption premium will comprise 103.75 + the sum of all remaining interest payments up until 26 July 2023
Distributions	▪ Zero distributions until after an Equity Listing Event and full Equity Claw Back has occurred, when a Restricted Payment may be made ▪ Restricted payment in any financial year can not exceed 50% of the Group's consolidated net income for the previous financial year and is subject to the Incurrence Test
Incurrence Test	The Incurrence Test is met provided the ratio of Net Interest Bearing Debt to EBITDA is below 2.75x
Maintenance Test	The Maintenance Test is met provided the ratio of Net Interest Bearing Debt to EBITDA is below 6.00x (first test date being the period ending 31 January 2024)
Voluntary Partial Redemption	Up to 5% of the total Nominal Amount p.a. at the applicable call premium amount
Equity Claw Back	The Issuer may, in connection with an Equity Listing Event, repay up to 30% of the Outstanding Nominal Amount at the applicable call premium amount
Change of Control	Investor put at 101%
Listing	Nasdaq Stockholm and Frankfurt Open Market
Governing law	Swedish
Sole Bookrunner	Pareto Securities AB

Note: 1) For further details please refer to the Term Sheet and Notice of Written Procedure.

Introduction to management and the sponsor

Overview of LifeFit management

Martin Seibold, CEO

- Joined Fitness First in 1998 and has held numerous country and global senior roles
- Successfully reshaped Fitness First UK during 2011-2016 before selling to DW Sports
- Holds a Master's degree in Sports Economics

Jonathan Kreuter, Director Controlling

- Joined Fitness First Germany in 2010
- Co-leader of the Finance department, responsible for financial planning, analysis and business intelligence
- Holds a Master's degree in Logistics and various controlling certificates

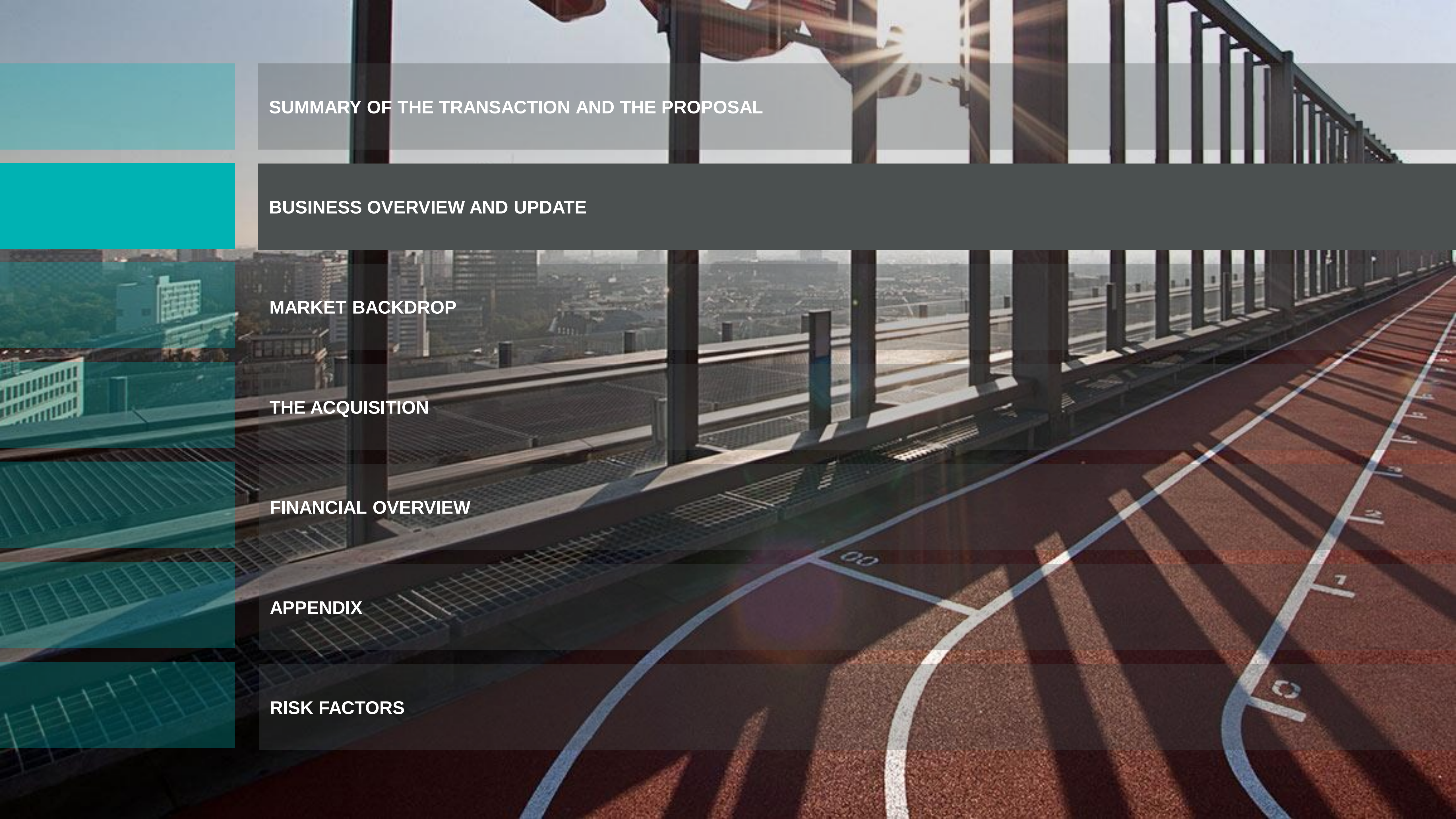
Wolfgang Cyriax, Director Finance

- Joined Fitness First in 2012 as Head of Accounting
- Has been implementing a company-wide efficiency enhancement project since September 2018
- Holds a diploma in Business Administration and has previous working experience as an external auditor at EY and PwC

An introduction to Oaktree Capital

- LifeFit Group is majority-owned by funds managed by Oaktree Capital Management, L.P., a global alternative investment management firm with AUM in excess of EUR 100bn
- Oaktree has more than 950 employees and offices in Los Angeles (HQ), New York, London, Paris, Frankfurt, Hong Kong, Beijing, Sydney etc.
- Oaktree's European Principal group combines special situations investing with more traditional middle-market private equity
- EUR 260m invested in the global Fitness First platform in 2012, plus a total of EUR 49m invested in the LifeFit Group alone since 2017

- Oaktree has owned the global Fitness First operations since 2012
- Since then, Oaktree has successfully created multi-brand fitness groups around Fitness First and Barry's:
  - Fitness & Lifestyle Group, the leading multi-brand operator in Australia
  - Evolution Wellness, Asia-Pacific's leading multi-brand fitness group
  - LífeFit Group, a leading multi-brand health and fitness platform in Germany
- In addition to this, Fitness First UK was successfully repositioned and sold



Snapshot of LifeFit Group

Overview of LifeFit Group

- LifeFit Group is among the leading gym chain operators in Germany, with a portfolio of brands that are market leaders in their respective segments and regions
  - #1 in all key regions including Berlin, Cologne, Frankfurt, Hamburg, Stuttgart and Saar-Palatine
- Multi-brand offering covers key growth segments of the market, from Value to Premium & Boutique with Full Service Best Price ("**FSBP**") being the profitable growth engine and M&A as the fast-track opportunity
  - Access to fast-developing high-end of the market covered by master franchise licenses
- Premium market protected by natural barriers, including scarce availability of inner-city prime locations and investment requirements in the premium segment
- Subscription-based business model (+80% of revenue) which results in high customer stickiness (the average member stays +4 years) and revenue visibility
- Highly experienced management team lead by CEO Martin Seibold (~20 years' experience at Fitness First), who successfully repositioned Fitness First UK under Oaktree ownership and Fitness First Germany's turnaround and LifeFit Group set up from 2017-2019
- Brands are managed by individual Managing Directors, supported by a central group office and with operational field teams ensuring best practice sharing, efficiencies and strong leadership

Key highlights

- **8 brands catering to different customer preferences across the price spectrum**
- **~100 gyms, most of which are wholly-owned**
- **~240,000 members, representing c. 91% of pre-Covid base and recovering month by month**
- **Subscription-based business model covering +80% of revenue; average contract length of 20 months as at Q3'22[1]**

Current **brand portfolio**

Segment		
Full Service Best Price	Fitness First RED	24 clubs
Full Service Best Price	smile X	19 clubs & 4 franchise
Full Service Best Price	InShape Fitnessclubs	11 clubs
Premium	Fitness First BLACK	28 clubs
Premium	ELBGYM	7 clubs & 1 franchise
Premium	InShape Fitnessclubs	2 clubs
Micro/ Boutique	BARRY'S	2 clubs (Berlin & Frankfurt)

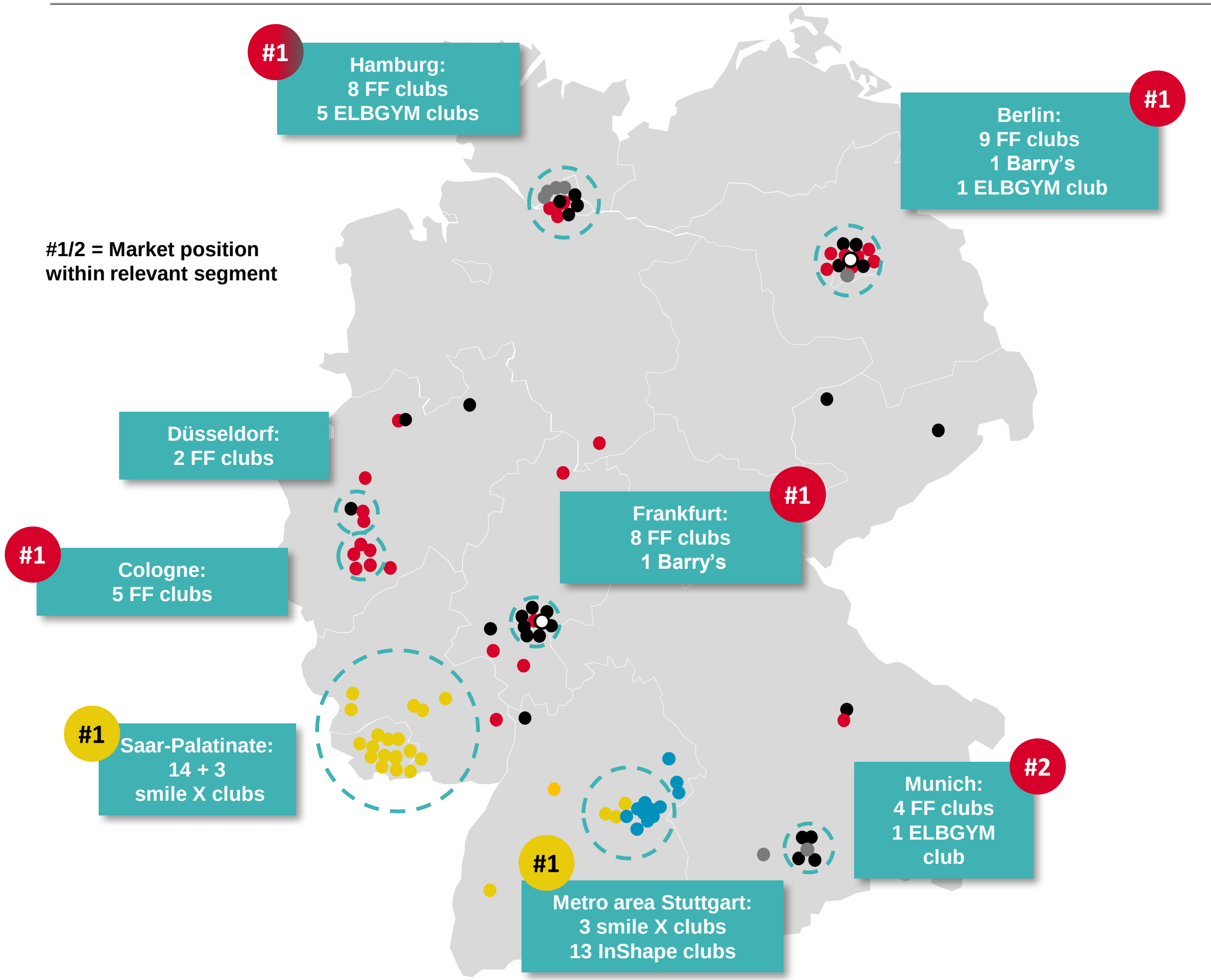
In addition: Master-Franchise rights for best in class US boutique brands to be utilised 2022+

Segment: Discount – **Full Service Best Price** – Mid-market – **Premium** – **Micro/ Boutique**

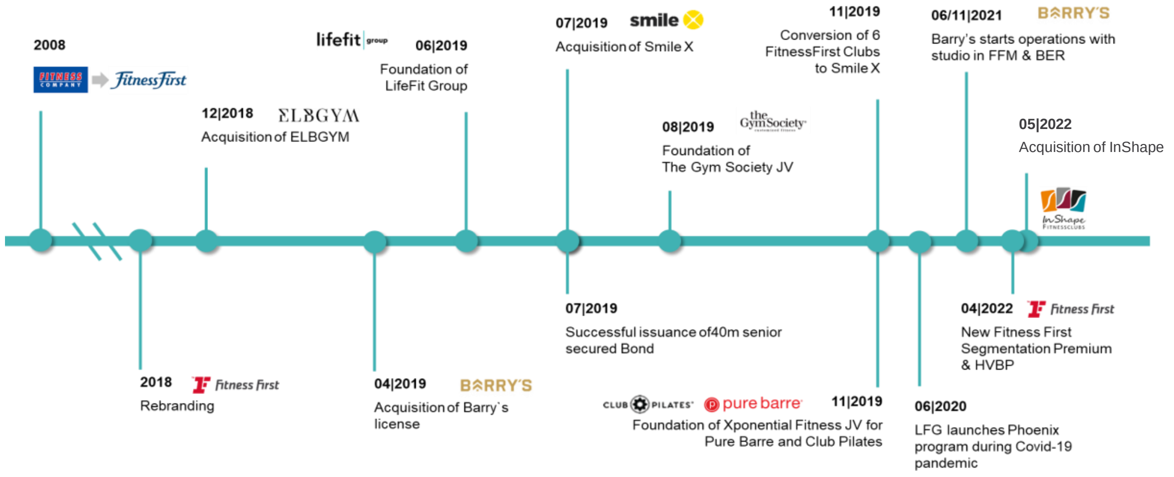
Note: 1) For Fitness First, smile X operates a pay-as-you-go model.

Germany's best plug & play platform with ample growth opportunities

Combining successful fitness brands from the boutique, FSBP and premium segments under one roof



- LifeFit Group is set up as a platform to enable attractive ROI in growth segments of the German fitness market utilising best in class brands
- The +90 corporate owned & managed clubs are at the core of the proposition in the full service best price and premium segments whereas franchise will play the main role in the high end boutique studio market
- In the segregated fitness landscape regional M&A represents the dominant opportunity to further strengthen the network
- A 12-24 month integration programme has maximised the results in the newly added clubs and enabled a smooth transition across all business areas
- Brand streamlining has been postponed due to Covid and gives further opportunities to increase returns

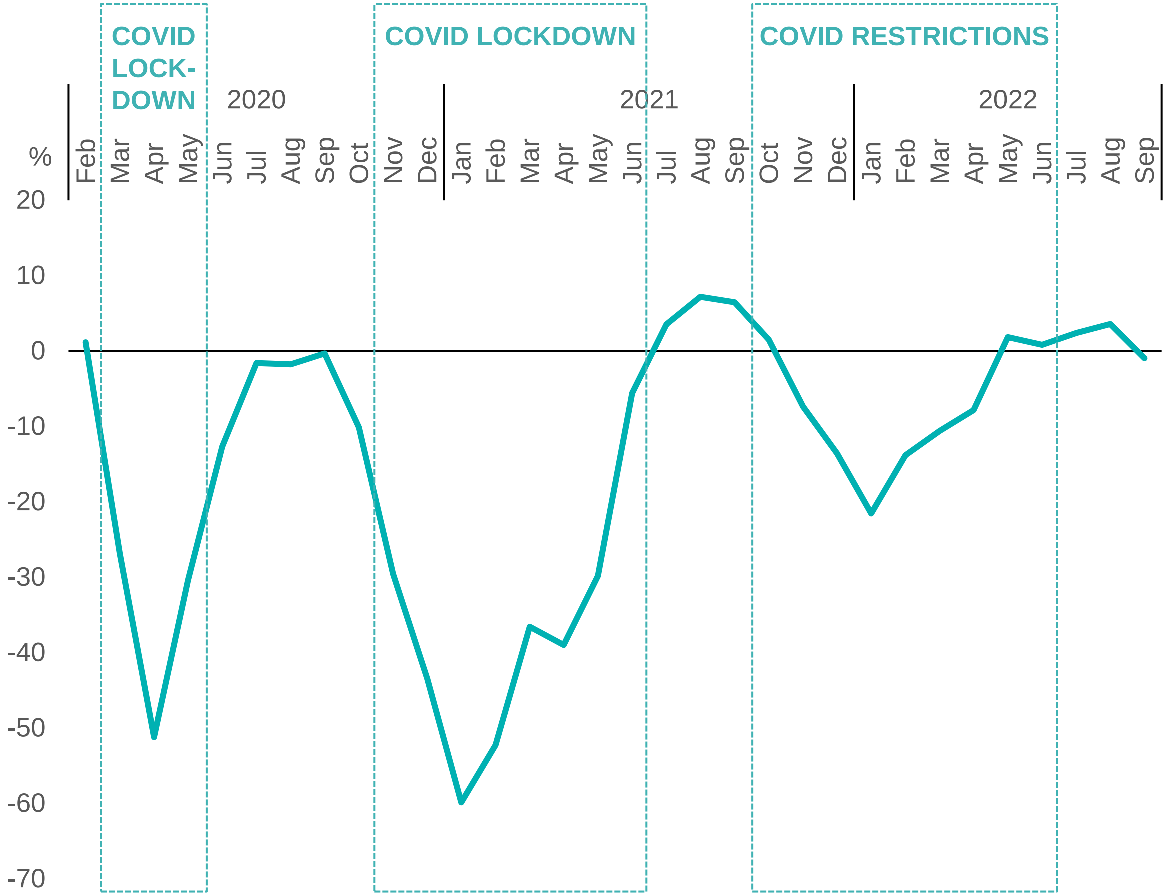


Fitness First ELBGYM smile X BARRY'S the GymSociety CLUB PILATES InShape

COVID-19 and German response has temporarily impacted LifeFit‘s business…

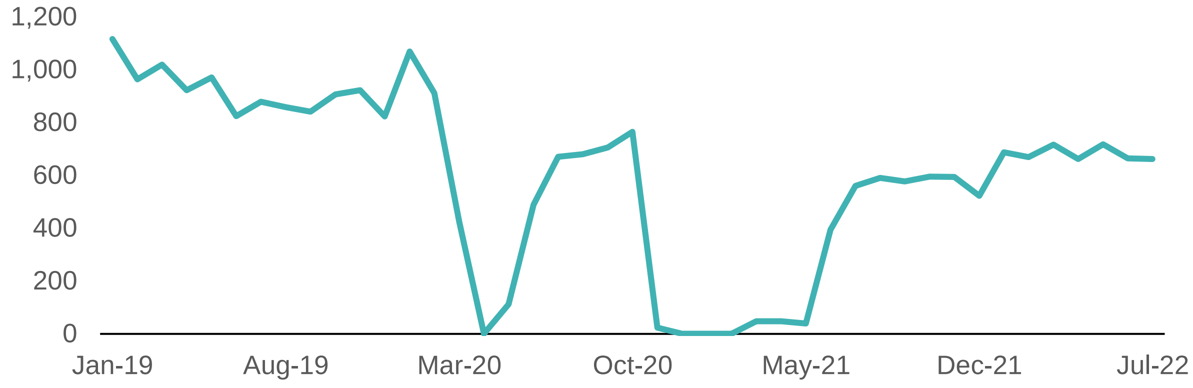
Several rounds of lockdowns have hit consumer mobility hard…

Google consumer mobility report Germany (Feb-20 to Sep-22[1])

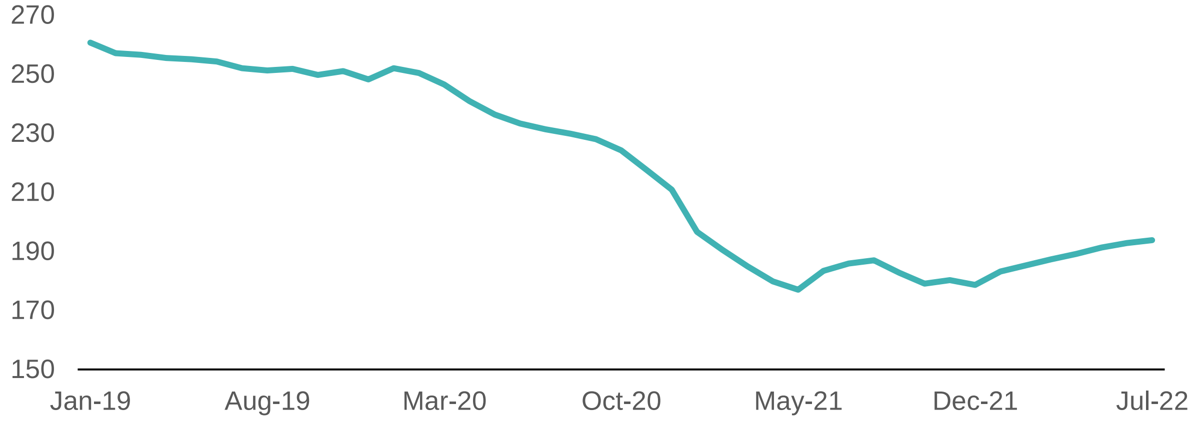


…in turn temporarily affecting gym visits and membership numbers

Monthly gym visits (2019-Q3'22, '000)



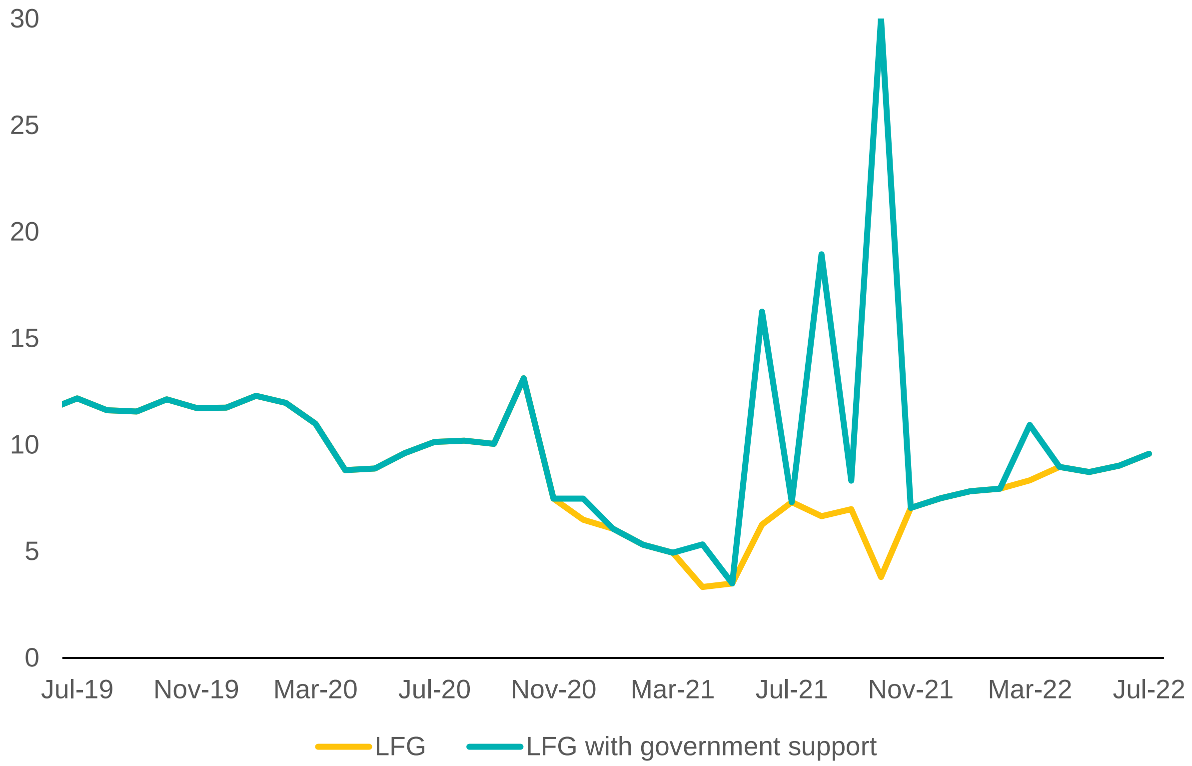
Membership base development (2019-Q3'22, '000)



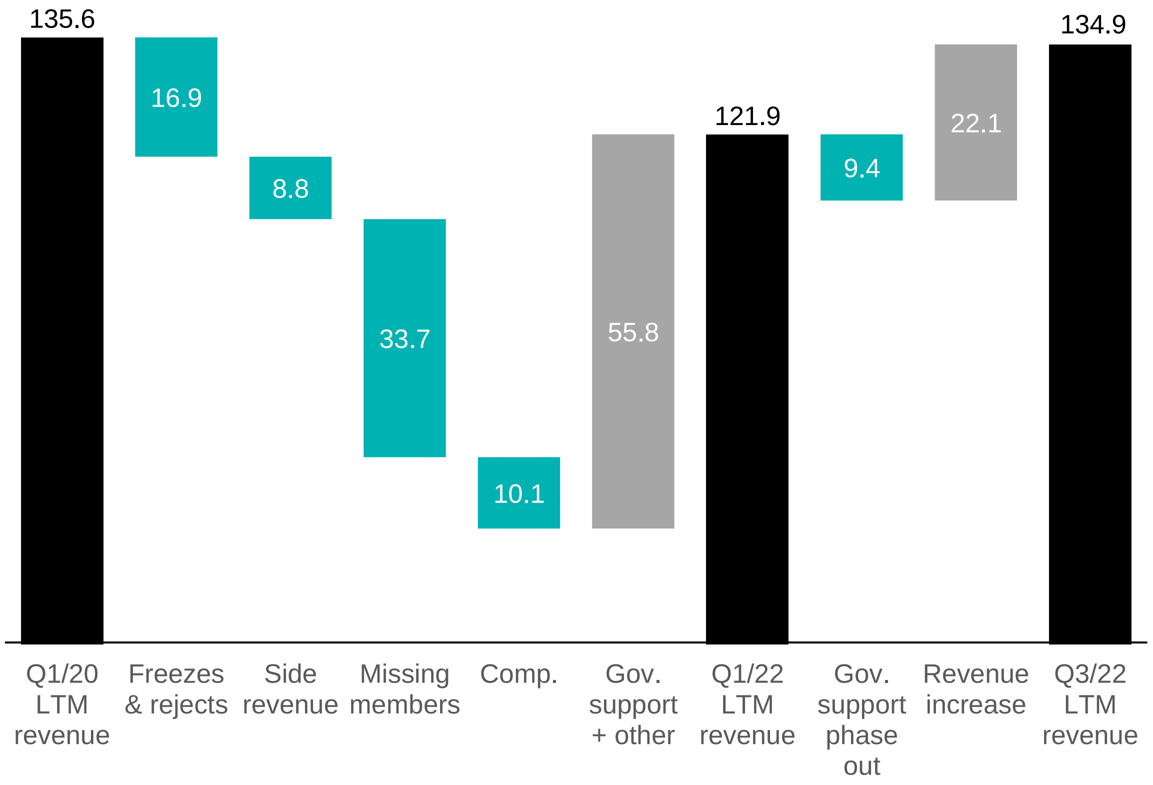
Source: Google mobility report, https://www.google.com/covid19/mobility/; Note: 1) The mobility reports are intended to provide information on what has changed as a result of the schemes to address the Covid-19 pandemic. The reports present movement trends in chart form, broken down by geographical regions and categories of place, for example, retail and leisure, convenience stores, parks, stations and stops, places of work and places of residence.

…resulting in a hit to revenue

LFG monthly revenue development (2019 to Q3'22, EURm)



LFG revenue analysis (LTM Q1'20 to LTM Q3'22, EURm)



- Lockdowns have resulted in a smaller membership base (primarily driven by lack of joiners rather than leavers) and therefore lower membership revenue and missing side revenue in lockdown periods
- Revenue peaks demonstrate receipt of government support in the form of non-refundable grants (EUR 55.5m total support received until Jul-22)

- The Group was able to continue to take direct debit during the lockdown periods, but EUR ~16.9m of annual revenue has been lost by direct debit rejects and membership freezes
- A further EUR 8.8m of annual revenue has been lost due to lack of side revenue
- ~70k fewer members (joiner driven) results in EUR ~33.7m of annual lost revenue, offset by lower staff compensation and government support

Note: 1) Reflecting revenue from initiation fees and the sale of food and beverage, merchandise, etc. in clubs.

LifeFit has taken decisive action to address the impacts from COVID-19…

Overarching objectives

- **Maintain liquidity**
- **Stakeholder management**
- **Clear and transparent member communication**
- **Maintain staff morale**
- **Prepare for future waves**
- **Plan for re-opening**

Detailed measures taken by LFG

Processes & finances

- Prepared quantification and scenario analysis for financial lockdown impacts
- Took actions based on financial forecast with landlords, members handling, overall cost base
- Defined short, medium and long term financial milestones to be achieved

Portfolio

- Engaged with landlords to defer / reduce rental costs by 50% or more, but kept long term impacts in mind
- Short term: ensured liquidity
- Long term: achieved lower rent levels & prepared future lockdown rules
- Used idle time to upgrade clubs

People

- Club teams: 90% furloughed, service team 20%, freelance 25% voluntary (no funding)
- Best practice sharing between brands
- Used time to educate & train staff
- Empathic leadership
- Drove in-club staff efficiency

Product & members

- Maintained dues collection through offering over-compensation options
- Increased digital offering
- Prepared all club areas for re-opening
- Prepared for many member requests in Customer Service and clubs

Price & marketing

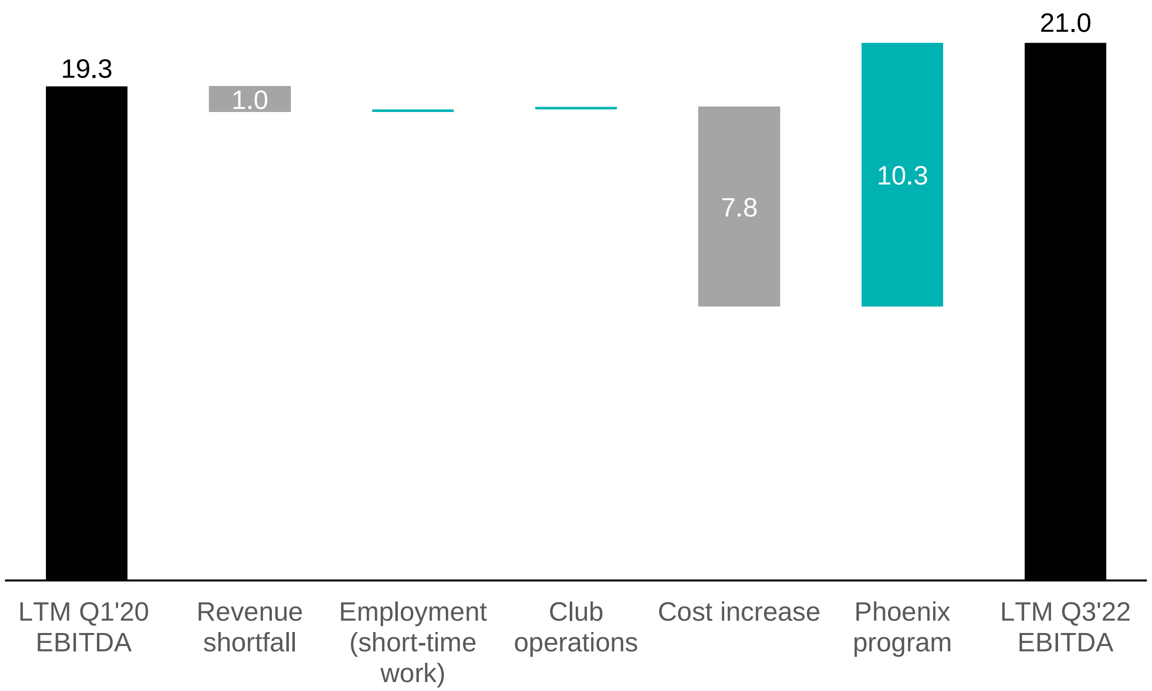
- Website as key communications tool, traffic fed by with social media
- Reviewed pricing/membership models
- Increased digital cut through for future searches
- New marketing campaigns was geared towards new situation

Performance

- Encouraging revenue rebound since the summer of 2021 now accelerating with easing of final remaining restrictions
- Earnings recovery supported by sustainable cost-outs during pandemic
- Government funding has enabled ongoing investments to maximise comeback

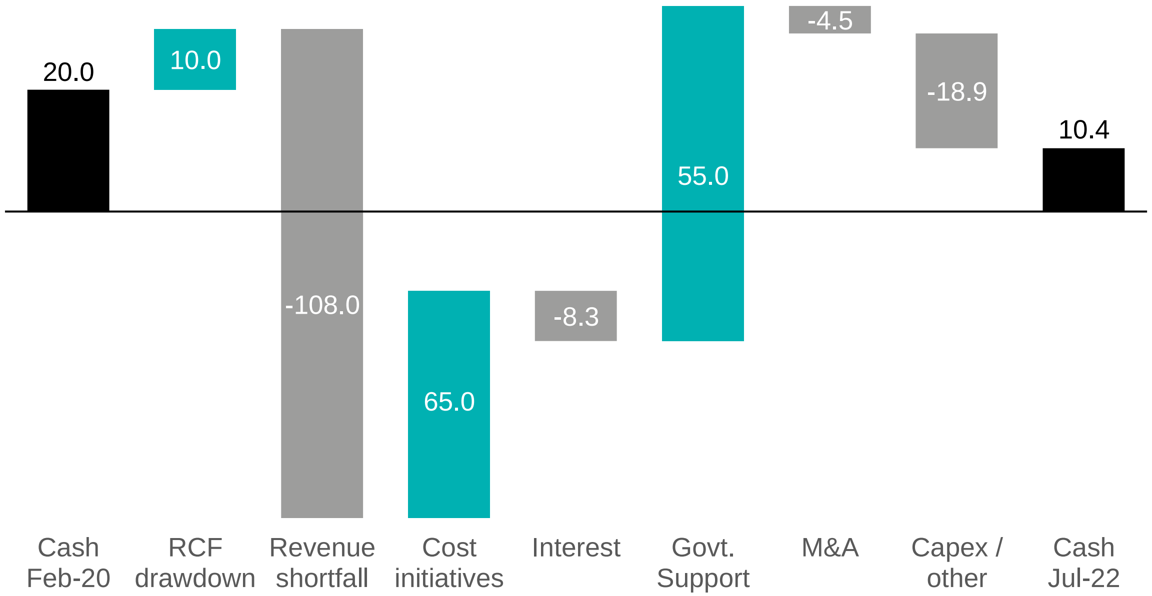
…which alongside government support has bolstered earnings and cash

EBITDA analysis (LTM Q1'20 to LTM Q3'22, EURm)



- The earnings impact of the revenue shortfall includes received government support
- Short-time work[1] and reduced operating costs during periods of club closures
- LFG´s implemented Phoenix program has resulted in EUR 10.3m of sustainable cost base reduction (already realized on a run-rate basis), primarily from headcount reductions

Cash bridge (Feb-20 to Jul-22, EURm)



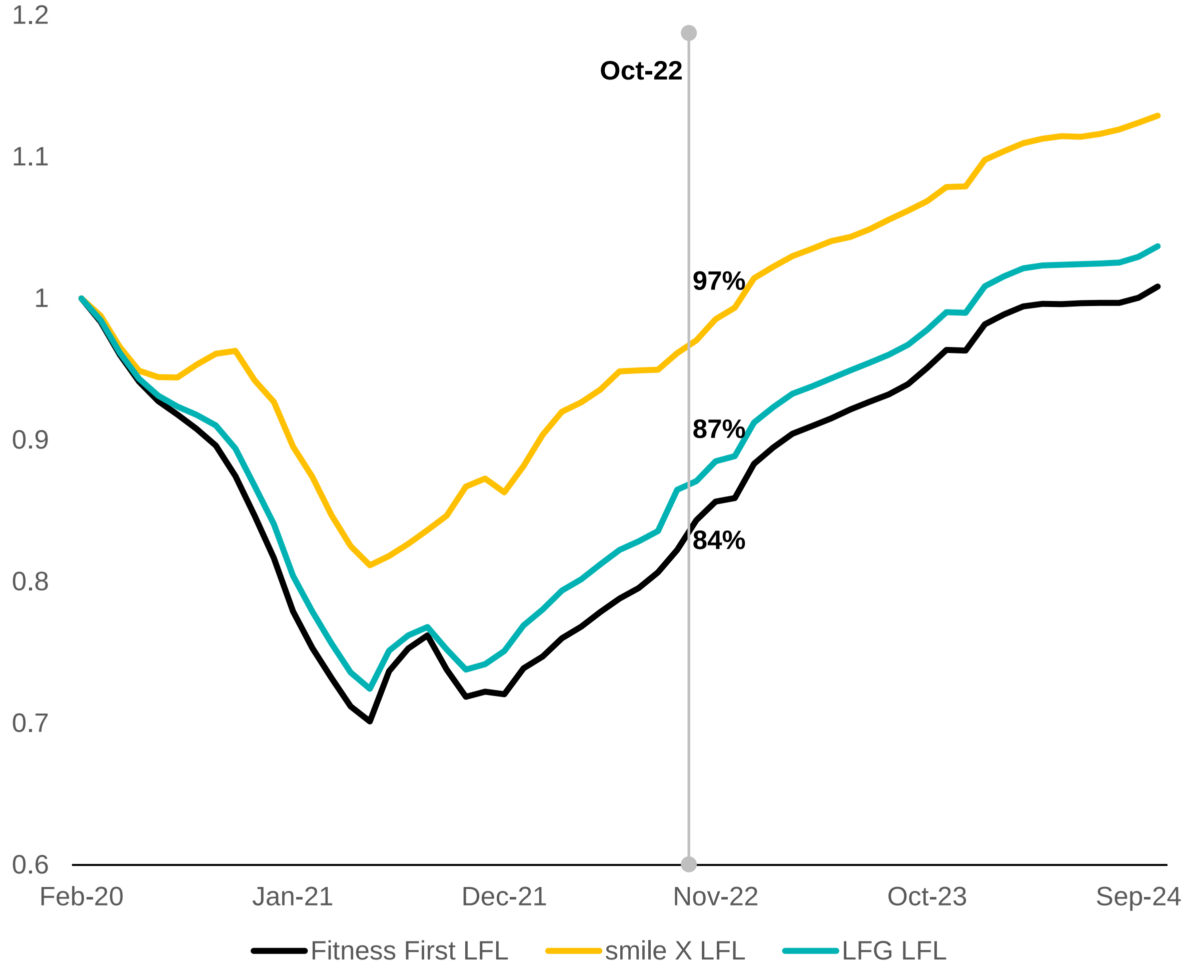
- Continuous liquidity management and successful applications for government support has enabled the Group to maintain a robust cash balance, standing at EUR 10.4m at the end of July 2022
- Importantly, ongoing investments have not been postponed, ensuring that clubs and facilities remain well-maintained and maximizing potential for membership rebound

Note: 1) German corporates are eligible for support by the government in relation to temporary reductions in employee working hours.

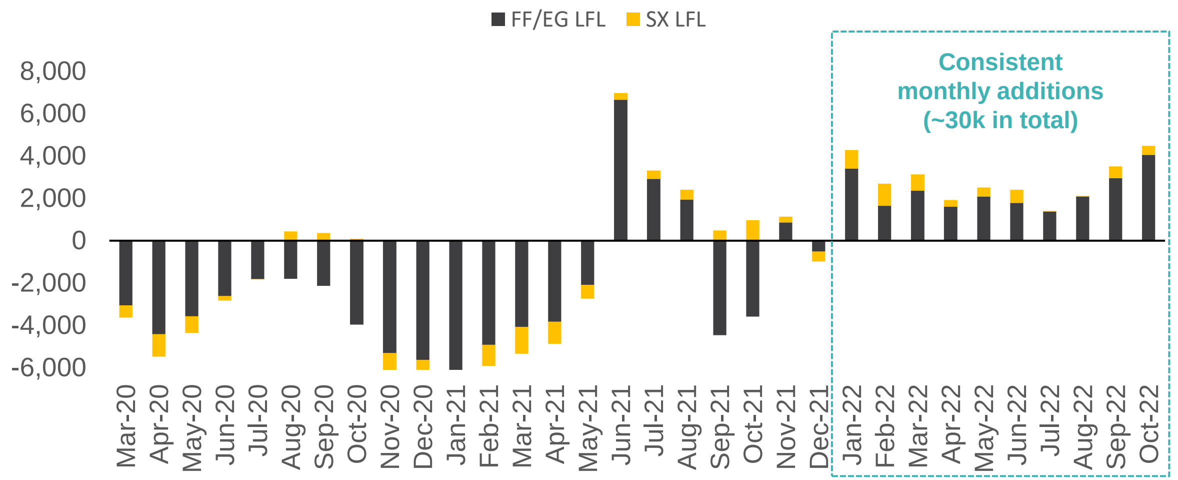
lifefit group

Membership rebound is underway following easing of restrictions…

Member base development (Feb-20 to Oct-23F, indexed)[1]



Monthly net member movement (Mar-20 to Oct-22)



Commentary

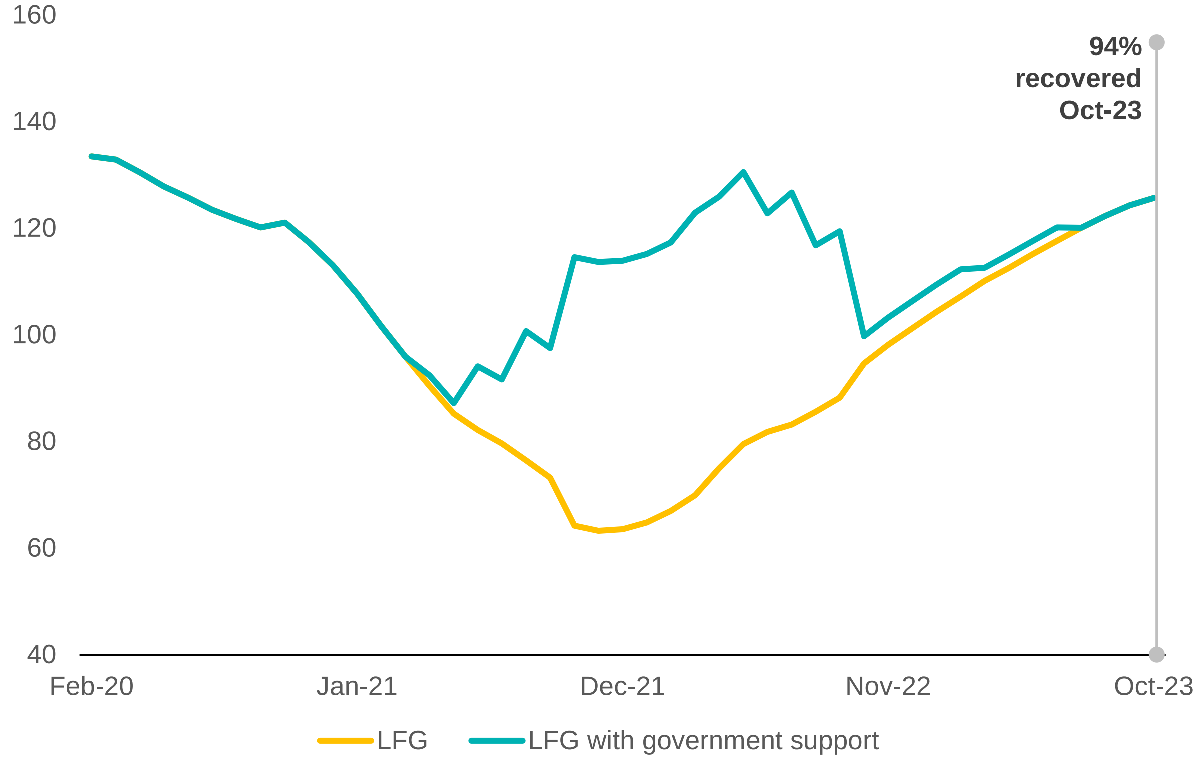
- Compared to its peak in Feb-20, the Group's membership base had shrunk by 28%
- Membership numbers recovered during the summer of 2021 before temporarily falling again driven by a further round of restrictions in the autumn
- Since Dec-21, membership numbers have been rebounding across the Group, with Oct-22 standing at 87% of pre-Covid levels
- The FSBP segment was less hit by member losses, bottoming out at 18% of pre-Covid levels, and has recovered significantly faster than the rest of the Group, with full recovery in members expected already during winter 2022/23
- Because of higher pricing at Fitness First, a full revenue recovery will be achieved prior to a full recovery of member numbers

Fitness First ELBGYM smile X BARRY'S the GymSociety CLUB PILATES InShape

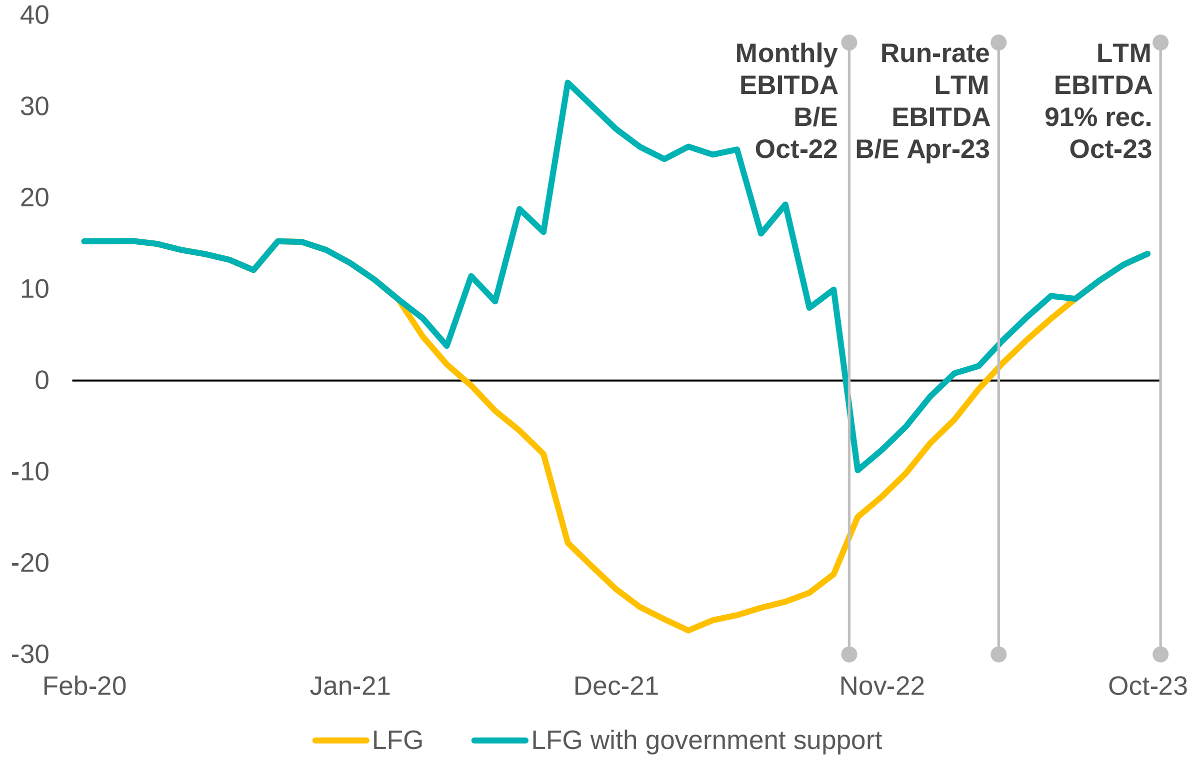
Note: 1) Excluding InShape.

…with revenue and earnings set to rebound at a quicker pace

LFG LTM revenue development (Feb-20 to Oct-23, EURm)



LFG LTM EBITDA development (Feb-20 to Oct-23, EURm)



- LTM revenue remain impacted by the lower membership base and by lingering pandemic effects (four months of lockdown included in LTM figures)
- A solid rebound in members and continuously increasing aggregator income provides confidence in the revenue rebound, projected to be at 94% of pre-Covid levels at the end of FY 2023
- Government support packages will fade out in four stages, ending in Mar-23

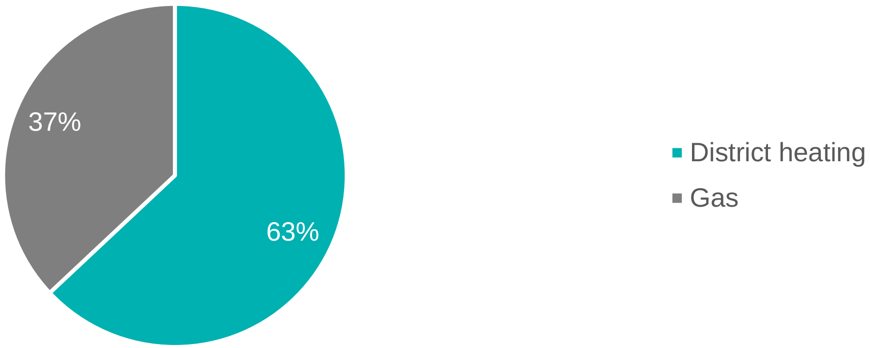
- The Phoenix business transformation programme has mitigated the EBITDA impact of the revenue shortfall and will facilitate a quicker earnings recovery and stronger long-term margins
- With EUR 10.3m of sustainable cost reductions already realised, EBITDA excluding government support will rebound significantly quicker than members numbers
- Return to EBITDA break-even expected by Oct-22 and pre-Covid run-rate LTM EBITDA by Jul-23

Update on energy and rental cost assumptions and initiatives

Underlying cost assumptions

	LFL cost base [EURm]	Increase included in forecast [EURm]	[%]	Estimated costs b/f actions [EURm]
Electricity	5.5	3.9	71%	9.4
Heating	2.5	1.6	64%	4.1
Other service charges	6.2	0.8	13%	7
Rent	26.4	1.5	6%	27.9
TOTAL	**40.6**	**7.8**	**19%**	**48.4**

Heating consumption breakdown (kWh)



Commentary

Electricity

- Increase in electricity prices based on monthly billing and current price development
- Assumption: electricity purchase price at EUR 0.45 in winter months (EUR 0.1 up / down equals EUR 170k per month)
- LFG has already achieved reductions from initiatives at around EUR 0.10 - 0.15m per month
- Additional measures (reduced operations of saunas and steam baths) implemented by Nov-22
- Regular energy management program is in place (est. long-term reduction by min. 20%)

Heating

- Monthly payment by LFG conducted via service charges to landlords (>72%) with remainder paid directly to utility company)
- More than 63% of heating (pool, etc.) is provided by district heating
- Costs related to district heating have only increased moderately

Rent

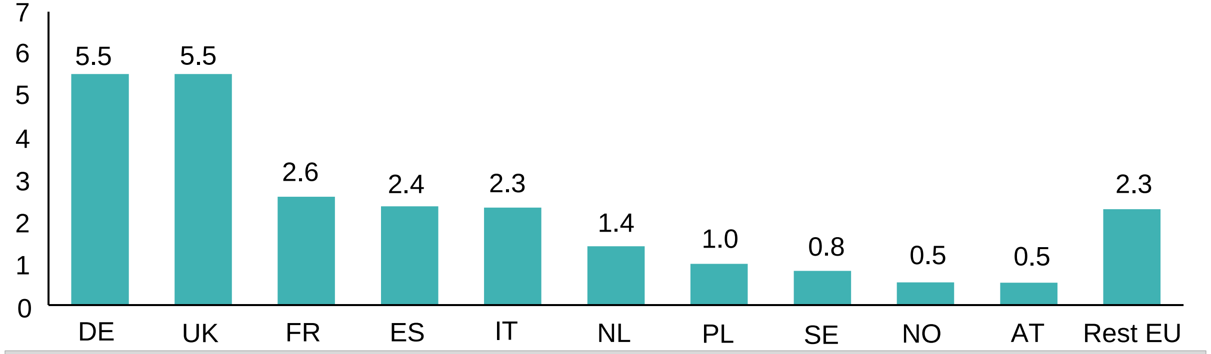
- 97% of LFG rent contracts include an individual indexation clause based on the consumer price index
- On average after an index change of 8%, 80% of the increase is passed on to the tenant
- ~50% of rental price adjustments have already occurred in FY22

Increased energy and rental costs are reflected in the current business plan

Overview of the German fitness market

Germany remains the largest fitness market in Europe…

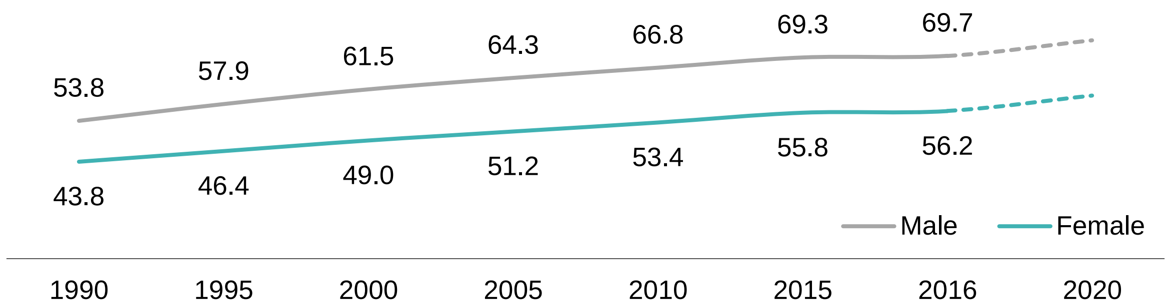
Top 10 fitness markets in Europe by revenue – 2019 (EURbn)



- The German fitness market is the largest market in Europe, accounting for 20% revenue
- At the same time, penetration rates remain low, suggesting significant further room for growth

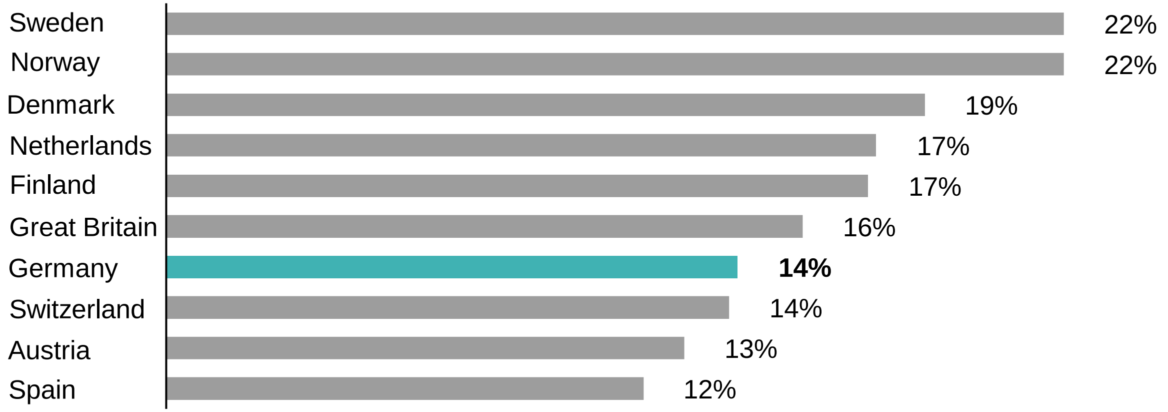
Increasing obesity is creating greater health and exercise awareness…

% of 18+ population with BMI ≥ 25



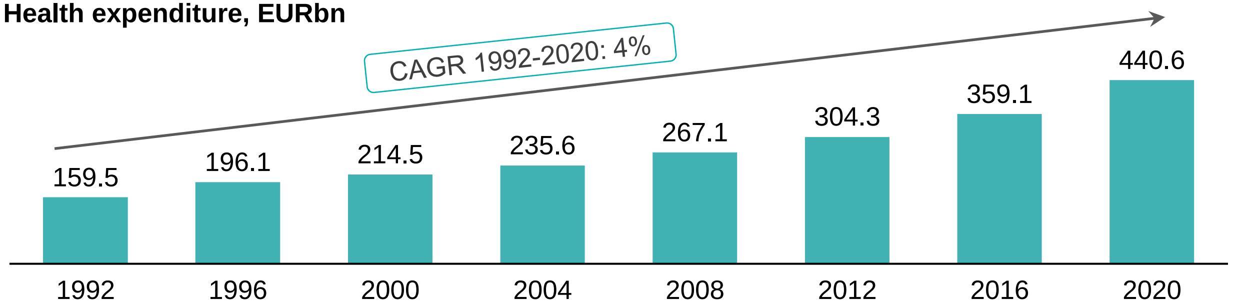
- Increasing obesity is a key driver of awareness, government engagement and industry growth
- The average German gained 1 kg of weight during the Covid-19 pandemic

…with low penetration rates suggesting ample room for further growth[1]



…in turn driving robust growth in health related expenditure

Health expenditure, EURbn

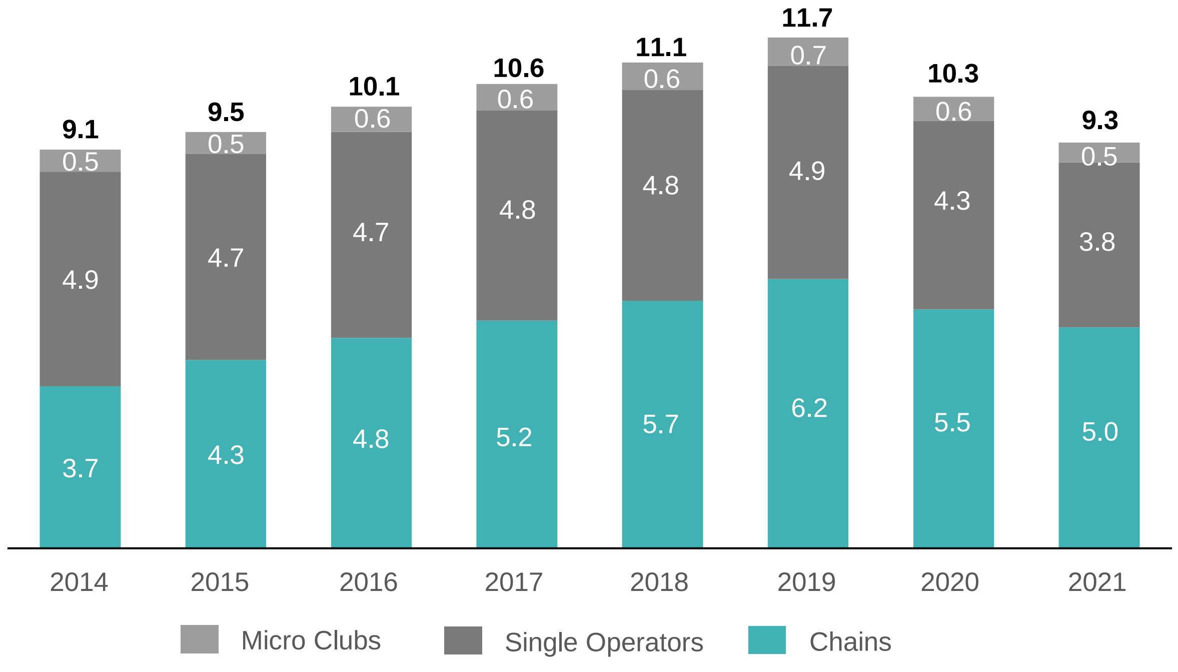


- German health spending has grown at a robust rate of c. 4% annually
- Health spending per capita in Germany is c. 50% above EU average

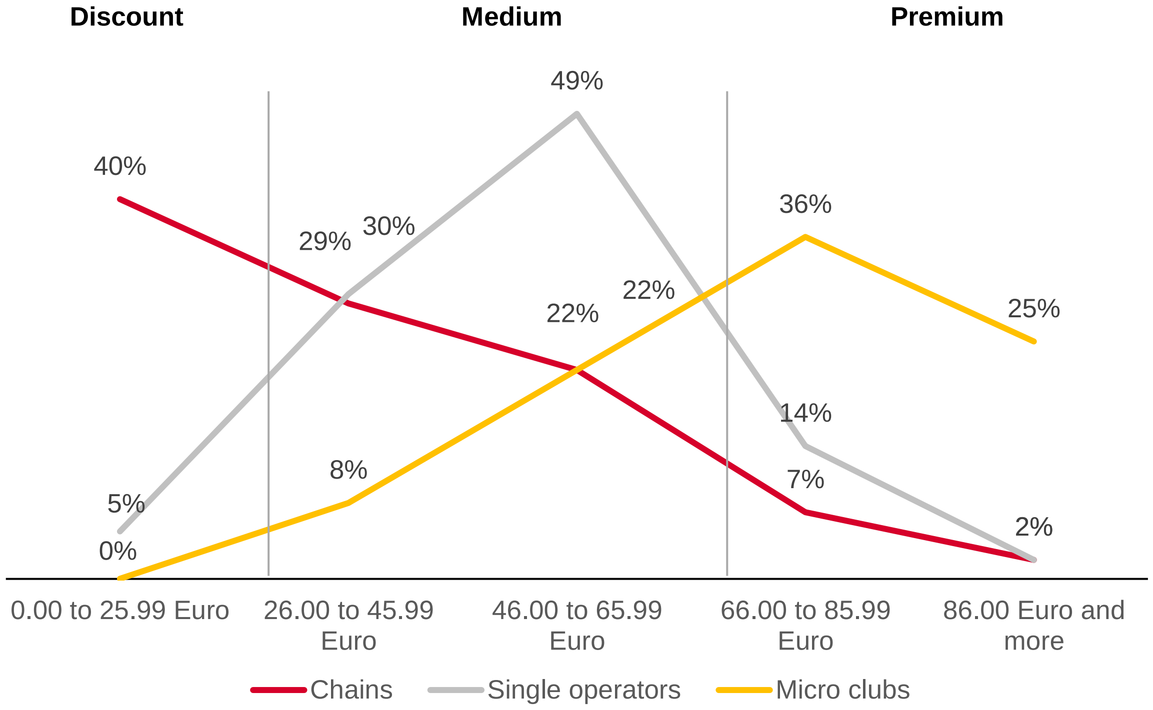
Source: Deloitte, WHO, LFG estimates. Notes: 1) Pre-Covid levels.

Chains continue to outperform single operators[1]; Covid-19 driving consolidation

Market share by operating structure (million members)



Price structure by operator & segment



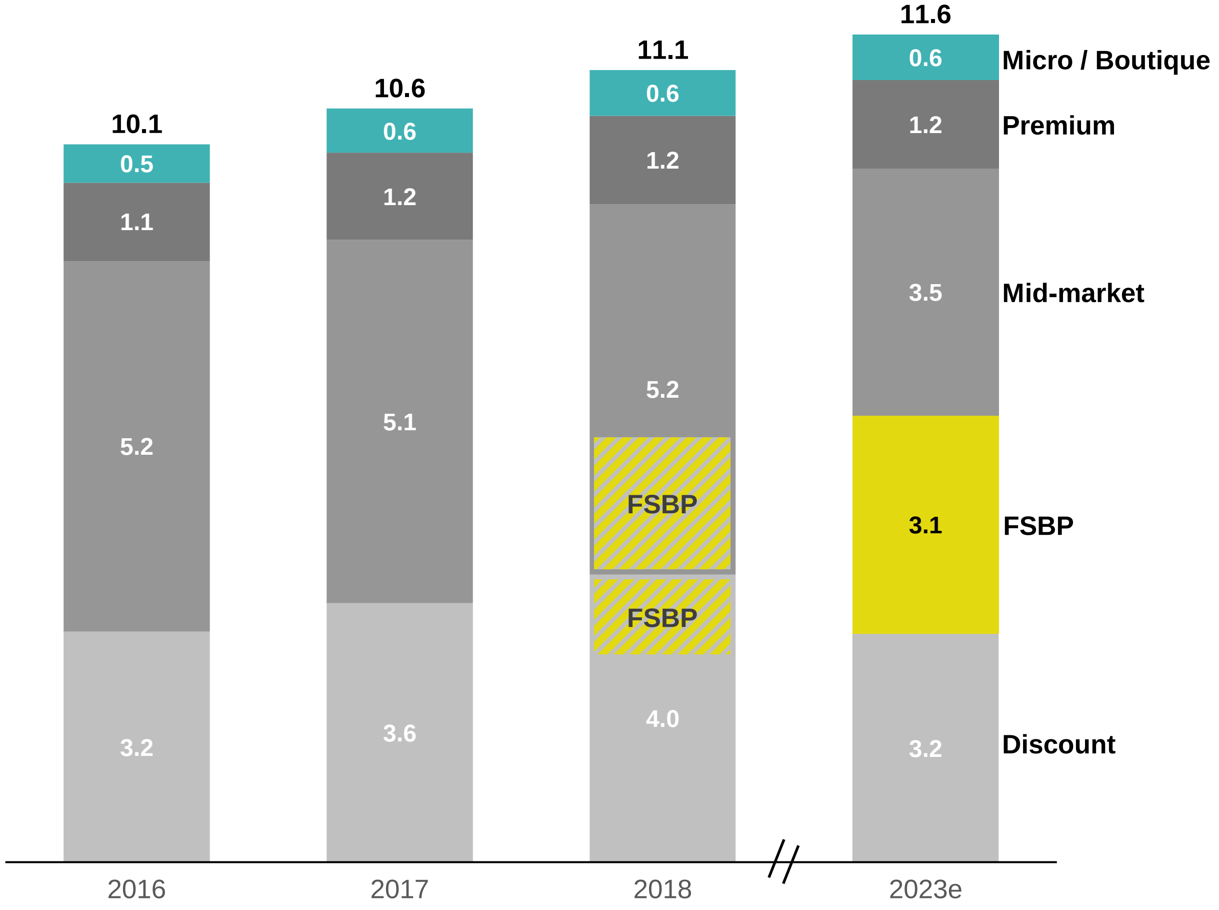
- International rebound statistics from other countries with fewer Covid-restrictions show a fast recovery to pre-Covid levels
- Chain operators are gaining increasing market share; this trend has been underway for years and has been amplified by the Covid-19 pandemic
- New demand is now mainly served by supply from Budget and Micro / Boutique Segments which have grown the strongest over the last 5 years
- Consistent service, multi-club offering, digital services and the need for up-to-date club appearance make it difficult for small operators to compete
- The competitive market creates challenges for both undifferentiated middle market operators and independent, un-networked clubs

Source: 1) LFG and Deloitte.

As a result, the market segmentation into FSBP and Premium continues

Consumers increasingly want a clear proposition, FSBP segment is growing and taking share from upper discount and undifferentiated mid-market players

German fitness club market – Members by club segment (m)



Segments		Comments
Premium		Premium market has benefited from mid-market players differentiating into higher end segments, focusing on qualitative facilities and equipment This category has been growing on the back of new offers provided by large groups which started addressing needs that were relatively underserved until 2019
Mid-Priced: Mid market		Traditional mid market and independents have been struggling and losing market share because of an undifferentiated value proposition, with a decorrelation between price positioning and the value perceived by the client
Mid-Priced: Full Service Best Price		FSBP centres have been gaining shares within the mid-market segment, successfully differentiating their offering and focusing on service as well as discount operators upgrading their offering
Discount		The discount category has achieved substantial growth in centres and members before Covid, broadening the addressable base by lowering entry pricing and simplifying contract models as well as gaining shares to undifferentiated mid market players

There is solid customer appetite for the FSBP concept, ***with +60% of gym considerers in Germany*** *interested in trying*

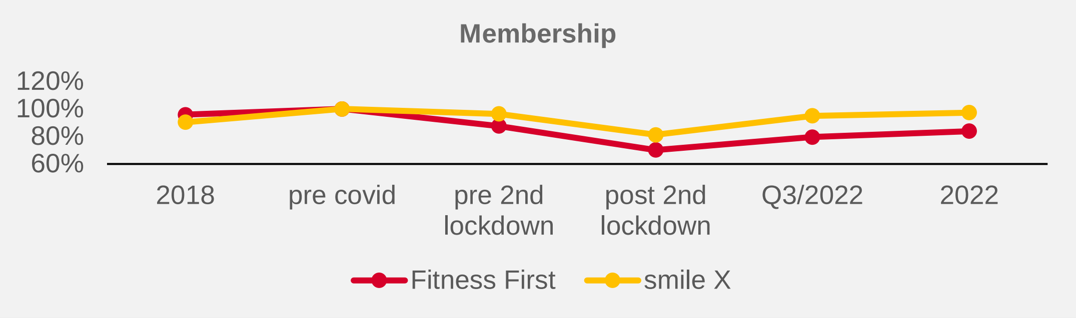
Fitness First ELBGYM smile BARRY'S the GymSociety CLUB PILATES InShape Fitnessclubs

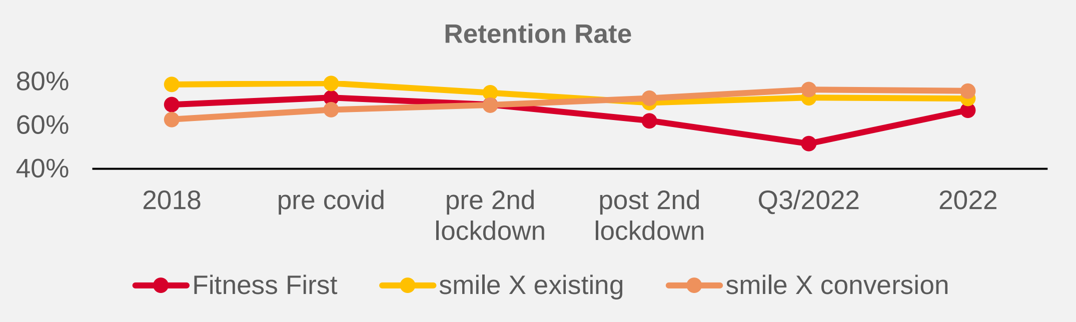
Source: (Left) Deloitte and LFG Management estimate for 2023. (Right) L.E.K Management Consulting Market research April 2022.

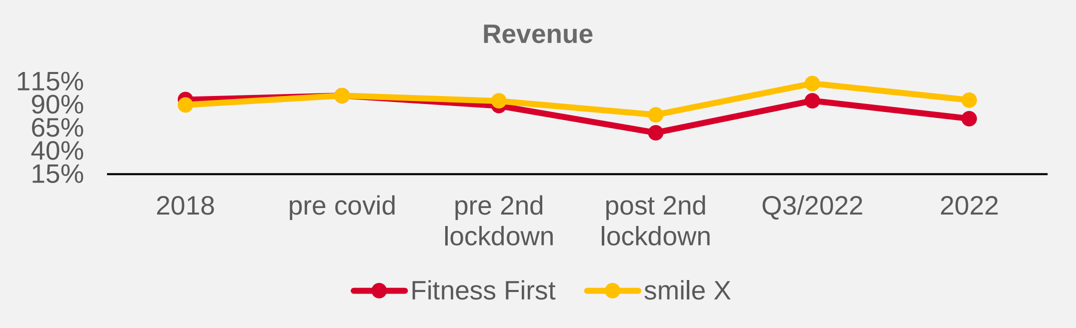
lifefit group

For LifeFit, M&A within the FSBP segment emerges as a logical next step

FSBP has outperformed the market for years…







…but organic growth prospects are limited

Regional focus

- smile X locations and management capacity are focused in the southwest of Germany

Site selection

- Overall LFG´s organic expansion is slower due to limited availability of attractive sites

Building speed

- Limited external resources available for construction and outfitting of new gyms
- Long lead times for equipment

Lease and leasing negotiations

- Greenfield clubs more challenging due to stricter landlords and leasing company requirements post Covid-19

Two high-priority targets identified

Fitness First ELBGYM smile X BARRY'S the GymSociety CLUB PILATES InShape

Overview of FitnessLOFT

Overview

- A leading operator in the FSBP segment focused on northern Germany
- 27 club portfolio with high quality interior design, priced at EUR 5.99 – 11.99 per week
- Well maintained and invested clubs, with opportunities to improve on the product side
- Approximately 60,000 members
- Solid profitability, with all mature clubs delivering annual EBITDA of between EUR 0.1 – 0.6m
- Outstanding performance during the Covid-19 pandemic, delivering positive earnings throughout and more than doubling EBITDA from 2019A to 2021A
- LFL membership decline due to Covid only at -20%; new clubs increased membership base despite covid lockdowns
- Operating on the easysolution software, entailing simple and swift implementation with LifeFit
- Strong management team with highly relevant experience from acquiring local operators and converting them to FitnessLOFT (including former Fitness First sites)

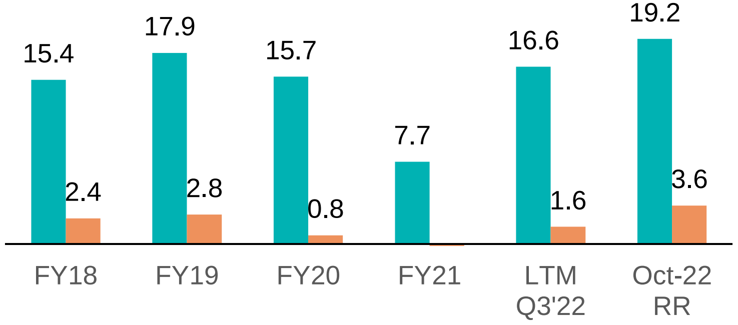
Transaction metrics and status

EURm	Base PP	Total PP
Revenue	19.4	23.7
Adj. EBITDA[1]	3.6	7.0
x EBITDA	*6.2x*	*5.0x*
Enterprise value	**22.4**	**35.0**
Shareholder loan	-13.9	-13.9
Debt/debt-like items[4]	-12.7	-12.7
Cash	13.8	13.8
Net debt	**12.8**	**12.8**
Equity value	**9.7**	**22.2**
of which		
Cash out at closing	7.3	7.3
Earn-out	0.0	12.6
Vendor loan	2.4	2.4

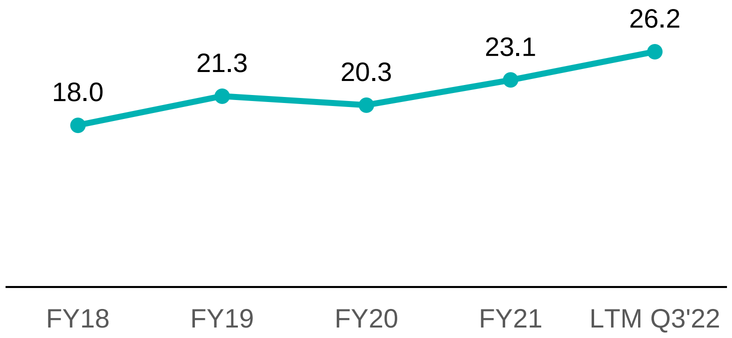
- Agreed Base Purchase Price (BPP[2]) of EUR 22.4m implies an equity value of EUR 9.7m
- After redemption of existing net debt, vendors will receive EUR 7.3m in cash upfront
- The remainder of the consideration of EUR 2.4m will take the form of a subordinated vendor loan paying PIK interest only; currently agreed maturity in July 2024 will be amended to after the new maturity of the Bonds
- Subject to achieving pre-defined EBITDA levels in FY 2023 (EUR 5m) and FY 2024 (EUR 7m), LFG would be required to pay an earn-out of EUR 3.6m and EUR 9m respectively, taking the Total Purchase Price (TPP[2]) up to EUR 35m (implying an EV / EBITDA of 5.0x)
- Expected closing in December 2022

Key financials and KPIs

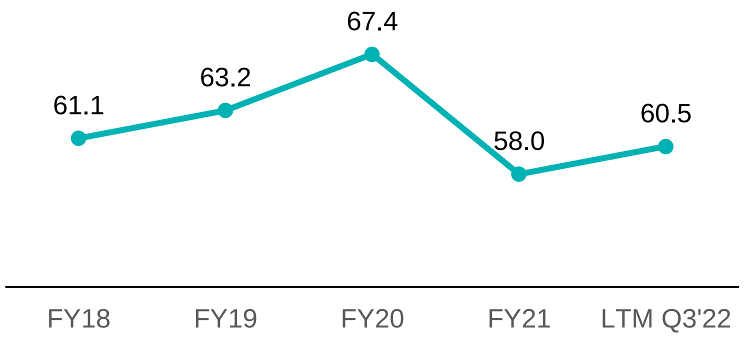
Revenue and Adj. EBITDA (EURm)[3]



Joiner yield (EUR)

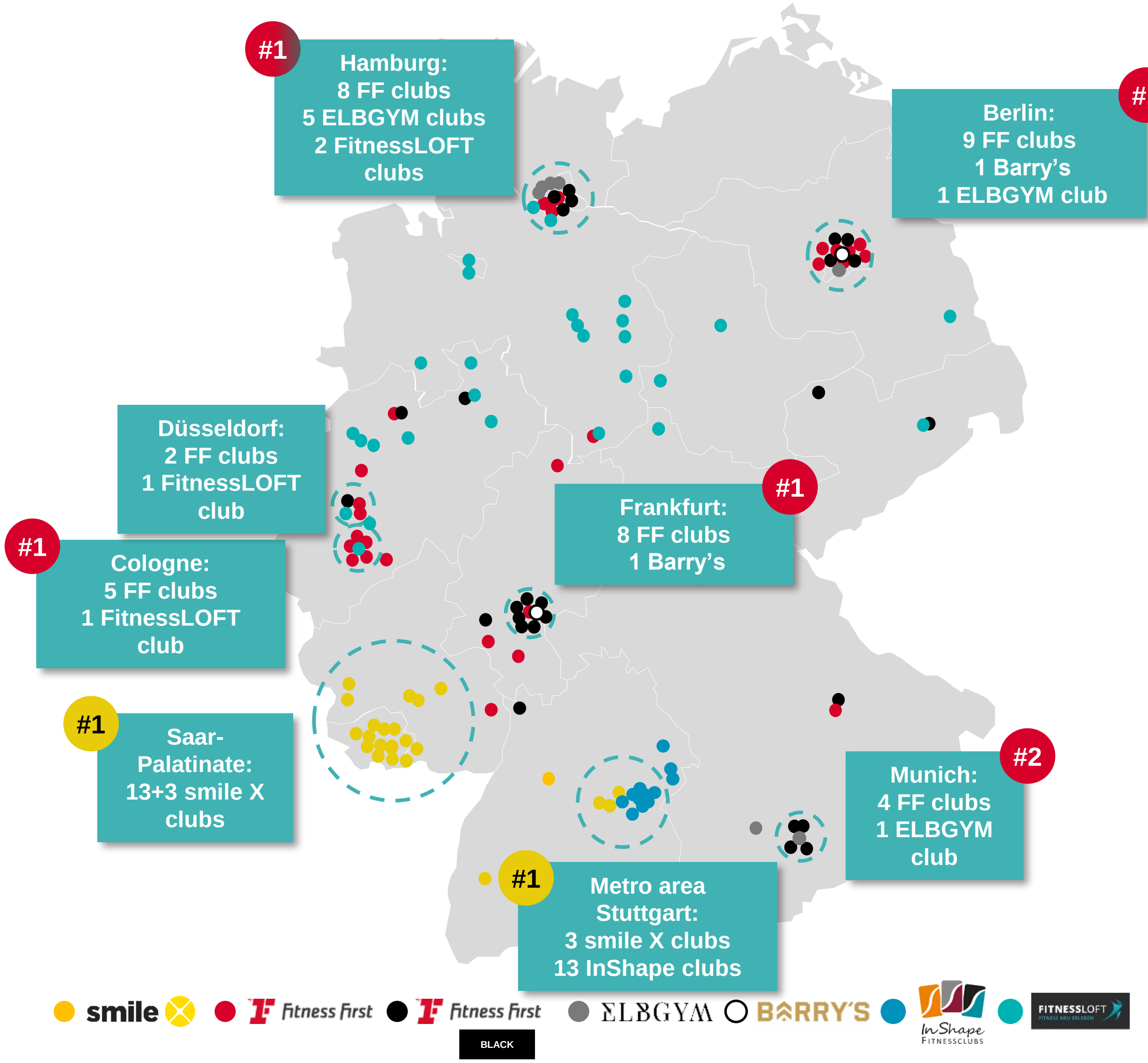


Membership ('000)



Notes: 1) Representing Oct-22 run rate EBITDA and assumed 2024 EBITDA, respectively; 2) BPP = Base purchase price to be paid at closing (excluding potential earn-outs, TPP = Total purchase price including expected earn-outs but excluding up to EUR 5.0m of additional earn-outs payable upon further overperformance; 3) Excluding government support; 4) Includes bank debt of EUR 5.1m, tax/VAT payables of EUR 1.3m and other debt-like items.

Creating the #1 fitness operator with best-in-class brands in key local clusters



Summary overview

- LFG benefits from prime locations in major German metro areas
- With the acquisition of FitnessLOFT and InShape, the Group will have ~120 clubs nation-wide with a significant number of "local hero" positions
- InShape is the local fitness champion in the region between Stuttgart and Ulm
- FitnessLOFT is covering many white spots in the northern part of Germany
- Fitness First, ELBGYM & boutique studios focus on high-end and metro areas
- smile X is more versatile with expansion opportunities through corporate and franchise gyms
- Streamlining of brands across the LFG segments has been postponed due to Covid and provides opportunities to further increase returns in the future

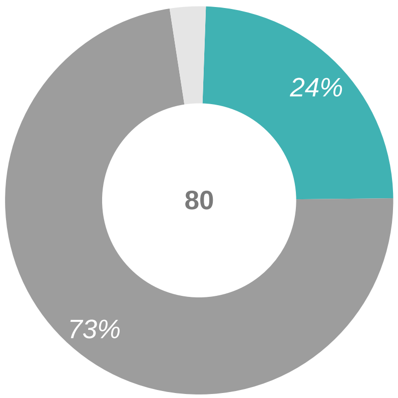
~120 clubs	~340,000 members[1]
#1 fitness operator	9 brands

Fitness First | ELBGYM | smile X | BARRY'S | the Gym Society | CLUB PILATES | InShape

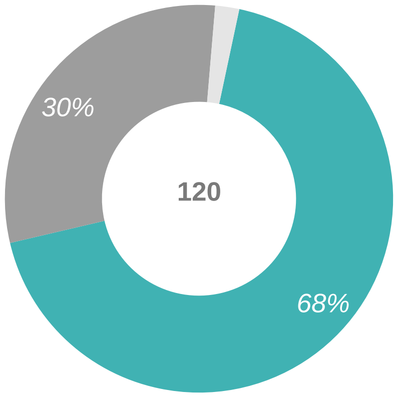
Note: 1) est. for 2024 with full member recovery.

Illustrative portfolio composition following the acquisitions

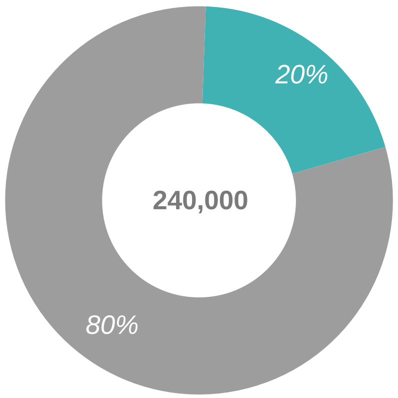
Fitness club distribution



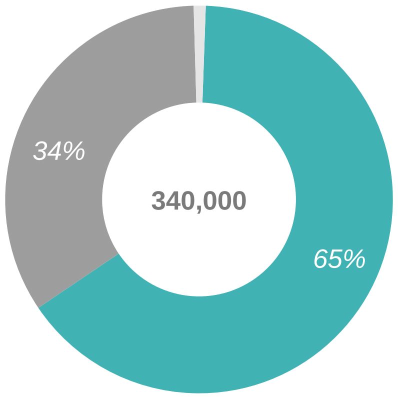
***Post Acquisitions*[3]**



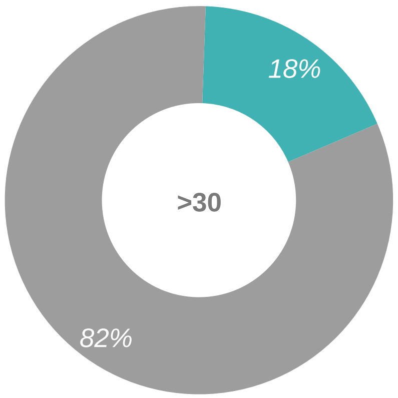
Member distribution[1]



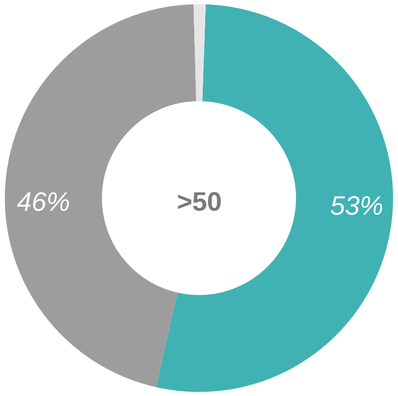
***Post Acquisitions (2024)*[3]**



Club EBITDA distribution (EURm)[2]



***Post Acquisitions (2024)*[3]**



FSBP PREMIUM BOUTIQUE (BB, TGS, XPO)

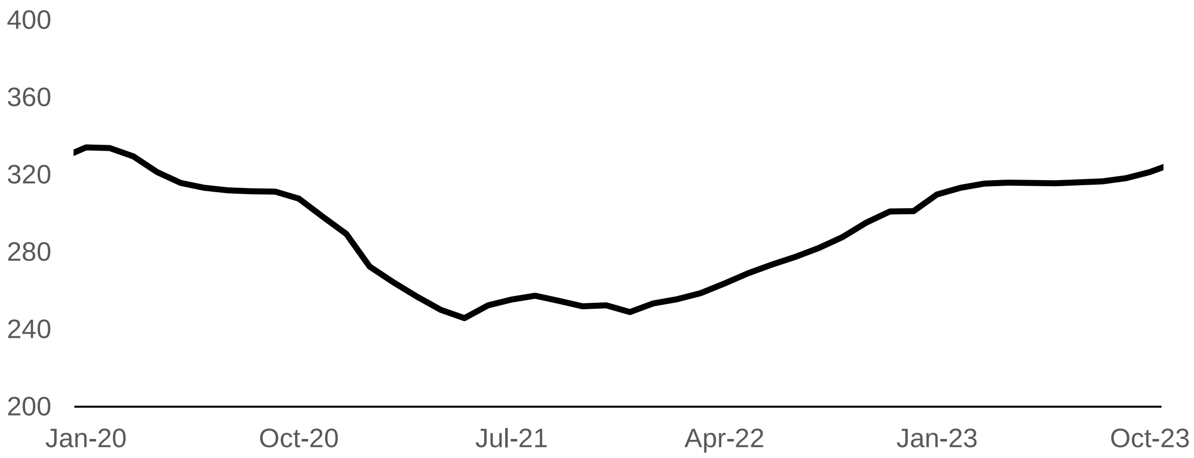
Comments

- The acquisitions of FitnessLOFT and InShape will increase the Group's total number of clubs by 50% to 120
- In combination with a re-segmentation of existing clubs (shift of 24 clubs), the Group's portfolio will contain more than 68% FSBP clubs
- The acquisitions and abovementioned re-segmentation will boost the membership base (post-recovery) by 100,000 members of which 2/3 will be in the FSBP segment
- Following the acquisitions, 2024 Club EBITDA is projected at more than EUR 50m with FSBP clubs contributing more than half
- Brand streamlining and higher target density in clubs will increase the EBITDA share of FSBP even more in the longer term

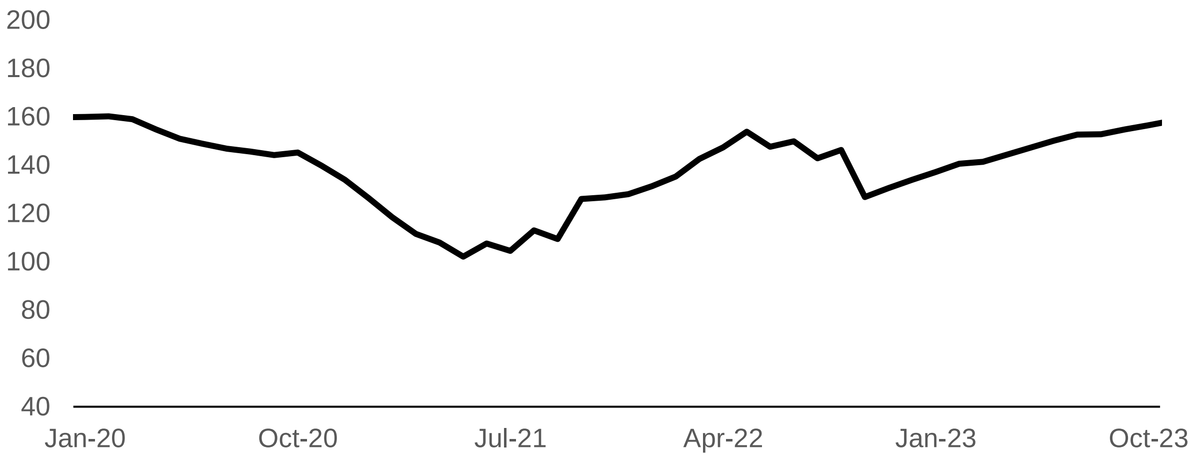
Notes: 1) Figures represent pre-Covid / full Covid recovery levels, respectively. LTM Q3'22 LFG has ~200,000 members and InShape and FitnessLOFT ~76,000 in aggregate; 2) Figures represent pre-Covid / full Covid recovery levels; 3) Including InShape and FitnessLOFT.

Summary of pro forma members, revenue and EBITDA

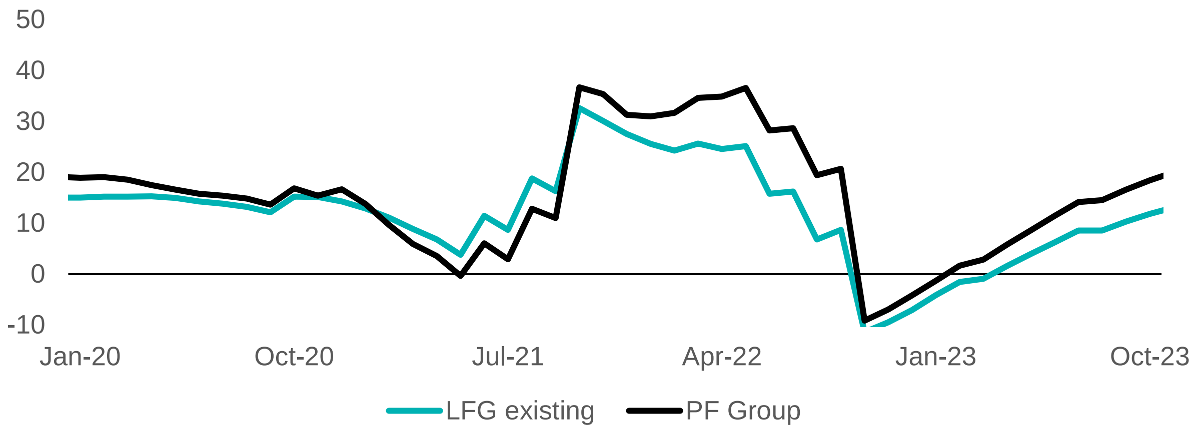
Member base development ('000)



LTM revenue development (EURm)[1]



LTM EBITDA development (EURm)[1]



Commentary

- Membership recovery expected to continue in 2022 and especially going into 2023 during winter peak months
- Monthly revenue (normalised for government support packages) will increase in line with the membership recovery, with the trend already supported by continuously increasing aggregator income
- By Oct-23, LTM revenue is projected to be back to pre-Covid levels at EUR ~157m
- Adjusted EBITDA is projected at EUR ~19m for FY23 being ~96% of pre-Covid levels (including an assumption of higher energy costs)
  - Of this, FitnessLOFT will contribute EUR ~5m

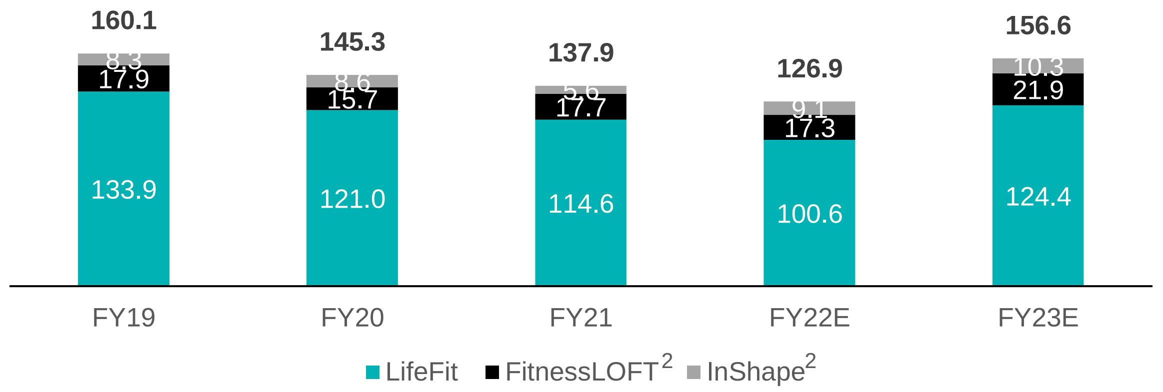
Note: 1) Including government support.

Detailed pro forma financial performance

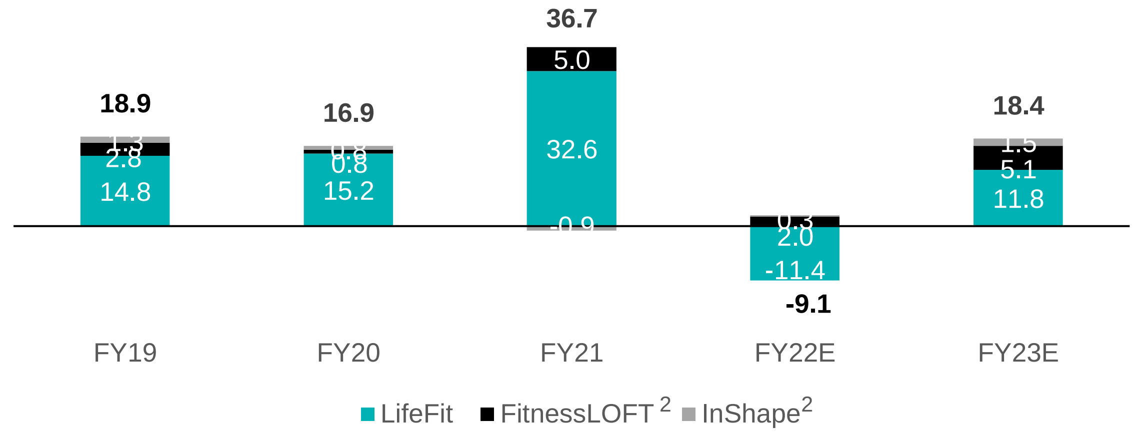
Summary P&L (FY18-FY23E)[2]

EURm	FY18	FY19	FY20	FY21	FY22E	FY23E
Total revenue	**156.9**	**159.7**	**145.3**	**138.7**	**126.8**	**156.6**
Growth %		*1.8%*	*-9.0%*	*-4.5%*	*-8.6%*	*23.5%*
Cost of sales	-7.1	-6.4	-4.0	-1.9	-3.2	-2.6
% of revenue	*-4.5%*	*-4.0%*	*-2.8%*	*-1.4%*	*-2.5%*	*-1.6%*
Variable costs	-93.6	-91.6	-82.6	-59.7	-90.0	-89.5
% of revenue	*-59.6%*	*-57.3%*	*-56.9%*	*-43.1%*	*-71.0%*	*-57.2%*
Fixed costs	-43.1	-42.8	-41.8	-39.5	-42.7	-46.1
% of revenue	*-27.5%*	*-26.8%*	*-28.8%*	*-28.4%*	*-33.7%*	*-29.4%*
EBITDA	**13.1**	**18.9**	**16.9**	**37.6**	**-9.1**	**18.4**
Margin-%	*8.4%*	*11.8%*	*11.6%*	*27.1%*	*-7.2%*	*11.8%*
Adjustments	1.0	2.4	1.3	2.3	2.3	0.8
Adjusted EBITDA	**14.1**	**21.3**	**18.2**	**39.9**	**-6.8**	**19.2**
Margin-%	*9.0%*	*13.4%*	*12.5%*	*28.8%*	*-5.4%*	*12.3%*
KPIs						
Number of clubs	116	116	116	117	120	121
Closing membership (k)	328.2	330.6	307.8	252.0	282.9	316.1
Joiner yield	35.5	39.5	39.7	51.0	44.0	46.9
ARPM	40.9	40.4	38.0	41.3	39.4	43.6
Annualized retention	69.5%	73.0%	71.2%	58.5%	63.7%	73.3%

Pro forma revenue (EURm)[3]



Pro forma EBITDA (EURm)



Source: Management accounts (continuing operations only); reported in accordance with German GAAP; Notes: 1) Including ramp-up losses, costs related to divested and discontinued clubs; 2) For FY18-19 data for InShape and FitnessLOFT reflect financials for calendar years; 3) InShape acquisition was closed in May-22.

LifeFit Group financial performance (stand-alone) [1]

Summary P&L (FY18-LTM Q3'22)[2]

EURm	FY18	FY19	FY20	FY21	LTM Q3 FY22
Total revenue	**141.5**	**141.8**	**129.6**	**121.0**	**134.9**
Growth %		*0.2%*	*-8.6%*	*-6.7%*	*11.5%*
Cost of sales	-6.7	-5.8	-3.4	-1.5	-2.8
% of revenue	*-4.8%*	*-4.1%*	*-2.6%*	*-1.2%*	*-2.1%*
Variable costs	-84.2	-81.3	-73.0	-52.0	-77.3
% of revenue	*-59.5%*	*-57.4%*	*-56.3%*	*-43.0%*	*-57.3%*
Fixed costs	-39.9	-38.4	-37.2	-34.9	-36.9
% of revenue	*-28.2%*	*-27.1%*	*-28.7%*	*-28.8%*	*-27.3%*
EBITDA	**10.7**	**16.2**	**16.1**	**32.6**	**18.0**
Margin-%	*7.6%*	*11.4%*	*12.4%*	*27.0%*	*13.3%*
Adjustments	1.0	2.4	1.3	2.3[3]	3.0[3]
Adjusted EBITDA	**11.7**	**18.6**	**17.4**	**34.9**	**21.0**
Margin-%	*8.3%*	*13.1%*	*13.4%*	*28.9%*	*15.5%*
KPIs					
Number of clubs	93	91	90	90	93
Closing membership (k)	267.1	266.9	240.4	193.6	209.5
Joiner yield	41.5	44.9	48.6	56.4	51.7
ARPM	44.1	44.3	42.6	46.5	55.0
Annualized retention	69.9%	73.2%	69.9%	53.0%	56.8%

Cash flow overview (FY19-LTM Q3'22)

EURm	FY19	FY20	FY21	LTM Q3'22
EBITDA	14.8	15.2	32.6	16.4
Change in NWC	0.0	1.1	-13.8	0.2
Exceptionals & provisions	-4.4	-5.2	-2.7	-2.5
Interest paid	-0.6	-3.5	-3.3	-3.3
Tax	-0.6	-0.2	0.0	0.0
Operating cash flow	**9.2**	**7.4**	**12.7**	**10.7**
% conversion	*62%*	*49%*	*39%*	*65%*
Capex	-7.8	-16.6	-7.0	-10.9
of which new club capex	-0.1	-3.5	-2.4	-0.8
of which existing club capex	-7.7	-13.1	-4.5	-10.2
M&A	-30.9	-1.4	-1.2	-6.0
Free cash flow	**-29.5**	**-10.5**	**4.5**	**-6.2**
Cash flow from financing activities	48.4	6.9	-4.0	-3.8
Net cash flow	**18.9**	**-3.6**	**0.5**	**-10.1**

- Unfavorable change in NWC for FY21 and LTM as government receivables have been recognized in Oct-21, whereas cash inflow of >EUR 25m occurred in Feb-22
- Exceptionals and provisions primarily refer to onerous leases and club closure costs
- Cash flow reflects lease payments; rent is included in EBITDA and equipment and other related costs are included in financing cash flow

Notes: 1) Figures are derived from the audited and unaudited financial reports, reported in accordance with German GAAP; 2) Financials are pro-forma for InShape acquisition; 3) Adjustments include costs related to Barry's set up/ramp up, divestment clubs & discounted, ramp-up losses and new business development.

Historical balance sheet LifeFit Group (stand-alone)[1]

EURm	FY19	FY20	FY21	Q3 FY22
Intangible assets	38.4	35.7	33.8	39.6
Property, plant and equipment	41.8	45.4	37.7	41.3
Right-of-use-assets	118.9	131.6	115.3	107.1
Other non-current assets[2]	0.0	0.0	1.7	2.0
Non-current assets	**199.1**	**212.7**	**188.4**	**190.0**
Inventories	0.8	0.7	0.9	0.6
Trade receivables	2.0	2.2	0.4	1.1
Receivables from affiliated companies	1.4	1.3	0.6	1.0
Current income tax assets	0.1	0.1	0.4	0.2
Other non-financial assets	1.3	6.6	30.2	2.9
Cash and cash equivalents	22.4	22.6	23.0	10.4
Current assets	**27.9**	**33.5**	**55.5**	**16.3**
Total assets	**227.1**	**246.2**	**243.9**	**206.3**
Financial liabilities	38.0	38.6	38.9	38.9
Shareholder debt	32.2	34.7	38.1	40.8
Other non-financial liabilities	0.0	0.7	7.8	0.6
Other Financial liabilities	2.6	2.2	1.8	0.9
Other provisions	3.2	2.7	2.5	3.4
Lease liabilities	117.2	133.1	119.9	112.5
Deferred tax liabilities	1.6	0.5	3.0	3.4
Non-current liabilities	**194.8**	**212.5**	**212.1**	**200.6**
Financial liabilities	0.0	10.0	10.1	10.2
Trade payables	12.0	15.9	15.1	12.1
Other non-financial liabilities	5.7	3.9	8.2	13.0
Other financial liabilities	3.3	3.1	0.0	2.3
Payables to related parties	0.0	0.3	0.0	0.0
Other provisions	1.9	1.5	0.6	1.5
Lease liabilities	19.9	21.1	20.1	20.5
Income tax liabilities	0.5	0.4	0.2	0.1
Current liabilities	**43.2**	**56.3**	**54.3**	**59.7**
Equity	**-11.0**	**-22.6**	**-22.5**	**-53.9**
Total equity and liabilities	**227.1**	**246.2**	**243.9**	**206.3**

Notes: 1) Figures are derived from the audited and unaudited (Q3'22) financial reports, reported in accordance with German GAAP; 2) Includes non-current trade receivables and securities classified as non-current assets.

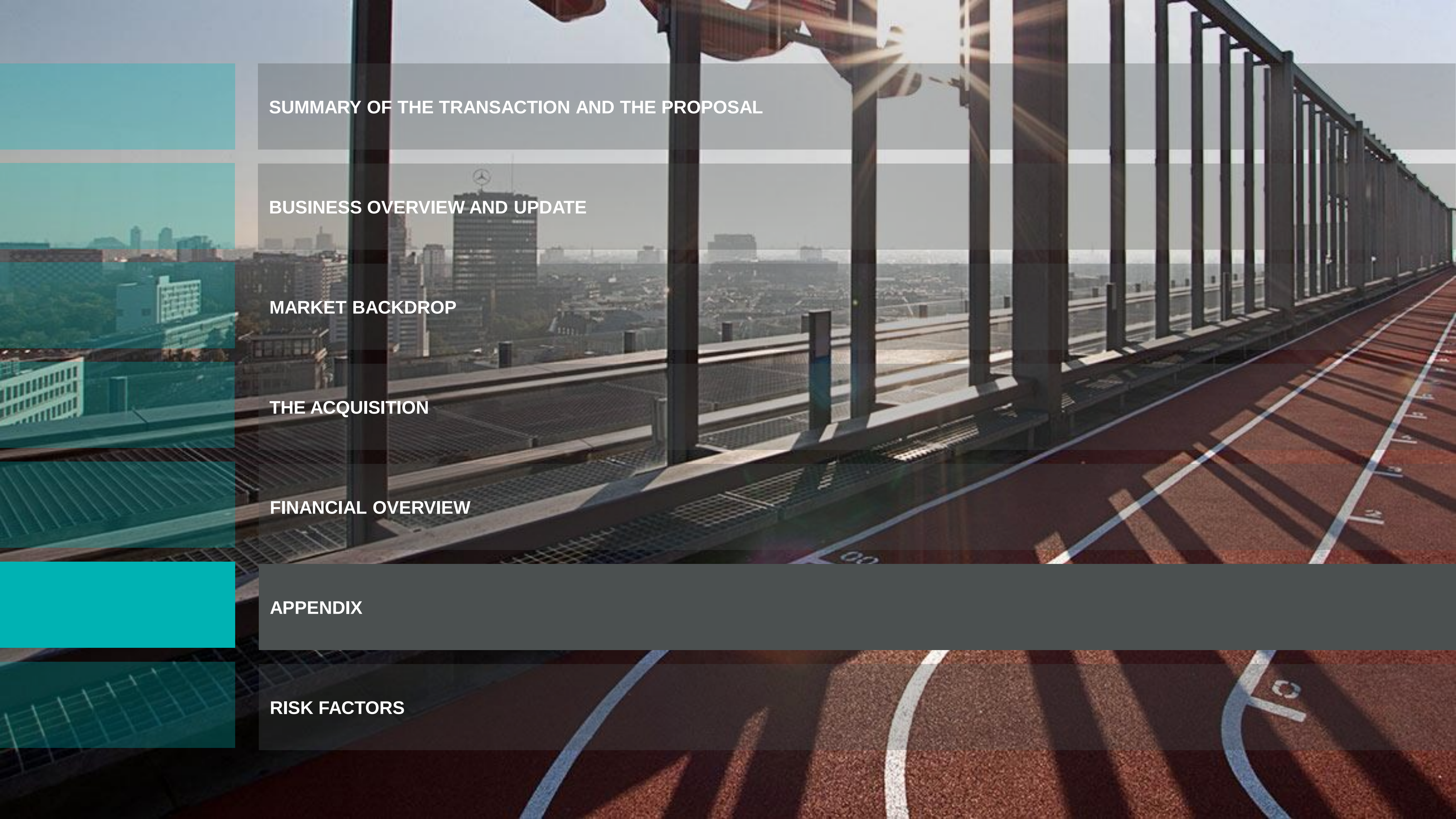
Overview and current status of government support

Overview of governmental support programmes

Monat	Umsatz-ausfall (kEUR)	(Quasi) Fixkosten	De-Minimis Hilfe	Novemberhilfe	Dezemberhilfe	Schadensausgleich 2020	Überbrückungshilfe III	Überbrückungshilfe III PLUS Schadensausgleich / Fixkostenhilfe	Summe
Nov-20	7,200	6,000	200	800	-	6,200	-	-	7,200
Dec-20	7,100	6,000	-	-	1,000	6,100	-	-	7,100
Jan-21	7,000	6,000	-	-	-	-	3,000	3,583	6,583
Feb-21	7,000	6,000	-	-	-	-	3,000	3,583	6,583
Mar-21	7,000	6,000	-	-	-	-	3,000	3,583	6,583
Apr-21	7,000	6,000	-	-	-	-	1,000	3,583	4,583
May-21	3,500	6,000	-	-	-	-	n/a	3,583	3,583
Jun-21	n/a	6,000	-	-	-	-	n/a	3,583	3,583
Jul-21	n/a	6,000	-	-	-	-	n/a	1,200	1,200
Aug-21	n/a	6,000	-	-	-	-	n/a	1,200	1,200
Sep-21	n/a	6,000	-	-	-	-	n/a	1,200	1,200
Oct-21	n/a	6,000	-	-	-	-	n/a	1,200	1,200
Nov-21	n/a	6,000	-	-	-	-	n/a	1,200	1,200
Dec-21	n/a	6,000	-	-	-	-	n/a	1,200	1,200
Jan-22	n/a	6,000	-	-	-	-	n/a	667	667
Feb-22	n/a	6,000	-	-	-	-	n/a	667	667
Mar-22	n/a	6,000	-	-	-	-	n/a	667	667
Apr-22	n/a	6,000	-	-	-	-	n/a	n/a	-
May-22	n/a	6,000	-	-	-	-	n/a	n/a	-
Jun-22	n/a	6,000	-	-	-	-	n/a	n/a	-
Total			**200**	**800**	**1,000**	**12,300**	**10,000**	**30,700**	**55,000**

Current status

Month	Support	Max. amount (EURm)	Req.	Est.	Approved / Received	Included in Forecast (Cash/EBITDA)	Included in month
Nov-20	max. 75% of PY revenues less other support (e.g. short-time work)	1	1	1	1	1	Mar-21 (Cash) Apr-21 (EBITDA)
Dec-20	max. 75% of PY revenues less other support (e.g. short-time work)	1	1	1	1	1	Apr-21
2020	compensation economic loss	12.3	12.3	12.3	12.3	12.3	Aug-21
Jan-21	support of fixed costs	3	3	3	3	3	Jun-21
Feb-21	support of fixed costs	3	3	3	3	3	Jun-21
Mar-21	support of fixed costs	3	3	3	3	3	Jun-21
Apr-21	support of fixed costs	1	1	1	1	1	Jun-21
Jan.. Jun-21	compensation economic loss closure months	21.5	21.5	21.5	21.5	21.5	Oct-21 (EBITDA) Feb 22 (Cash)
Jul.. Dec-21	support of fixed costs	7.2	7.2	7.2	7.2	7.2	Mar-22 (EBITDA) Feb-22 (Cash)
Jan..Jun 22	support of fixed costs	2.0	2.0	2.0	-	2.0	Jul-22
Max. support		**55.0**	**55.0**	**55.0**	**53.0**	**55.0**	



SUMMARY OF THE TRANSACTION AND THE PROPOSAL

BUSINESS OVERVIEW AND UPDATE

MARKET BACKDROP

THE ACQUISITION

FINANCIAL OVERVIEW

APPENDIX

RISK FACTORS

lifefit group

Management overview

Martin Seibold

Chief Executive Officer

- Joined Fitness First 1998, numerous country and global senior roles
- CEO for Fitness First Germany since 2017
- As COO and Managing Director he successfully reshaped, sold and integrated Fitness First UK to DW Sports 2011-2016
- Holds a Master’s degree in sports economics
- Management experience: 20+ years

Christophe Collinet

Chief Commercial Officer

- Leading the strategy team at FFG since 2014 with particular focus on M&A and new business development, also led marketing until 2018
- Co-MD of the Barry’s GmbH and MD of XPO-LFG GmbH
- Previous experience from strategy consultancy at Monitor-Deloitte
- Threefold Master’s degree in International Management
- Management experience: 10+ years

Johannes Maßen

Managing Director FFG & Director Sales & Marketing Group

- Joined Fitness First in 2010, various senior operational roles at Fitness First, incl. regional business manager and head of sales & operations
- Holds a diploma in Sports Management and various certifications in sales & digital marketing
- Management experience: 10+ years

Vincent McHardy

Managing Director smile X & Barry‘s & Director Product Group

- Joined in 2012, various senior operational roles at Fitness First, incl. regional business manager and head of operations
- Built and rolled out Barry‘s Bootcamp Germany from scratch
- Holds a diploma in sports economics and management
- Management experience 10+ years

Wolfgang Cyriax

Director Finance

- Joined Fitness First in 2012 as Head of Accounting
- Has been implementing a company-wide efficiency enhancement project since September 2018
- Holds a diploma in Business Administration and has previous working experience as an external auditor at EY and PwC
- Management experience: 10+ years

Jonathan Kreuter

Director Controlling

- Co-leader of the Finance department since joining in 2010, responsible for financial planning and business intelligence as well as restructuring finance processes, standards and routines
- Holds a Master’s degree in Logistics & various certificates in controlling
- Previously worked for Siemens, Continental, Bosch and Puma
- Management experience: 10+ years

Steffen Fries

Director Real Estate Management

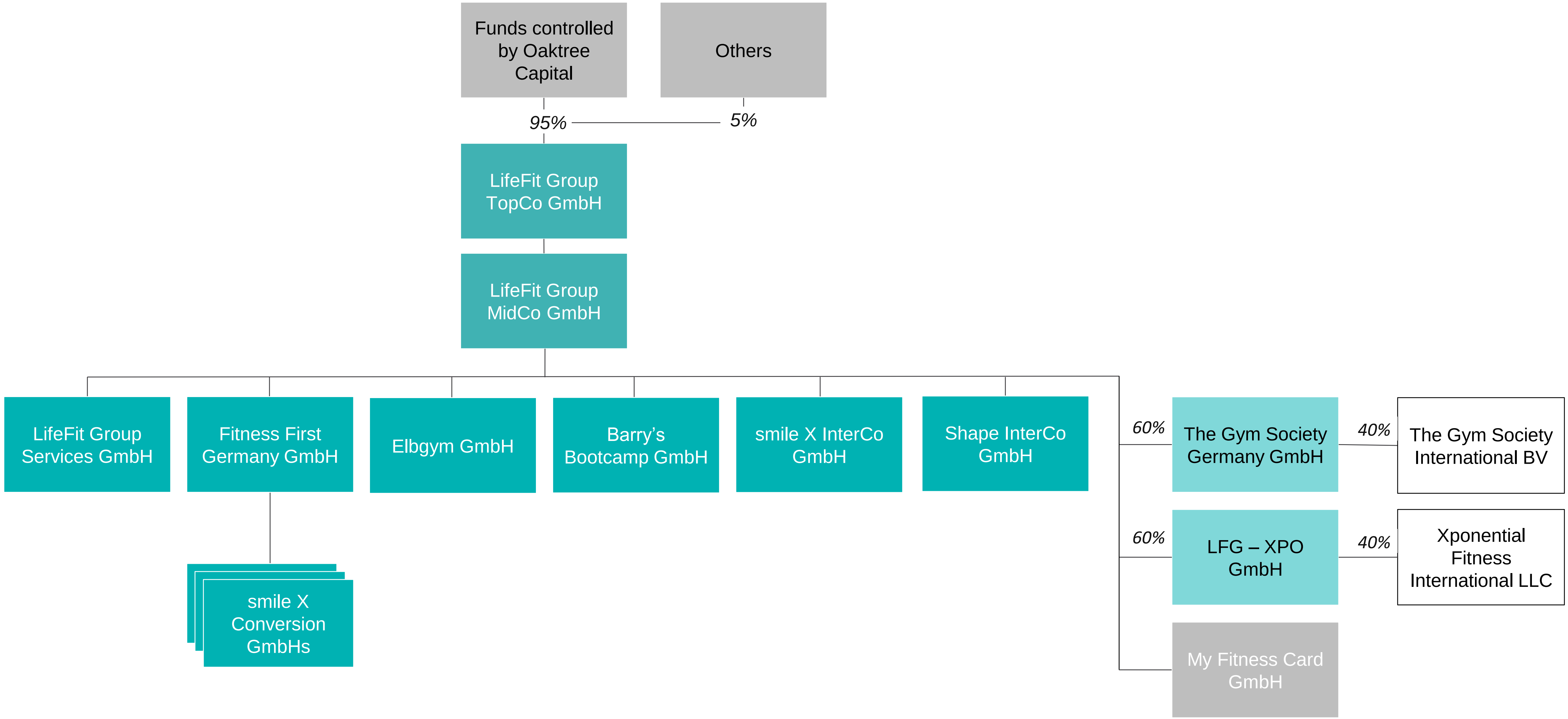
- Joined in 2013 and leads the Corporate Real Estate Department and manages the national Health & Safety Organization
- Holds a Bachelor’s degree in Engineering and worked as National Facility Manager for Bilfinger group, at the time Germany’s biggest real restate and construction service provider
- Management experience: 10+ years

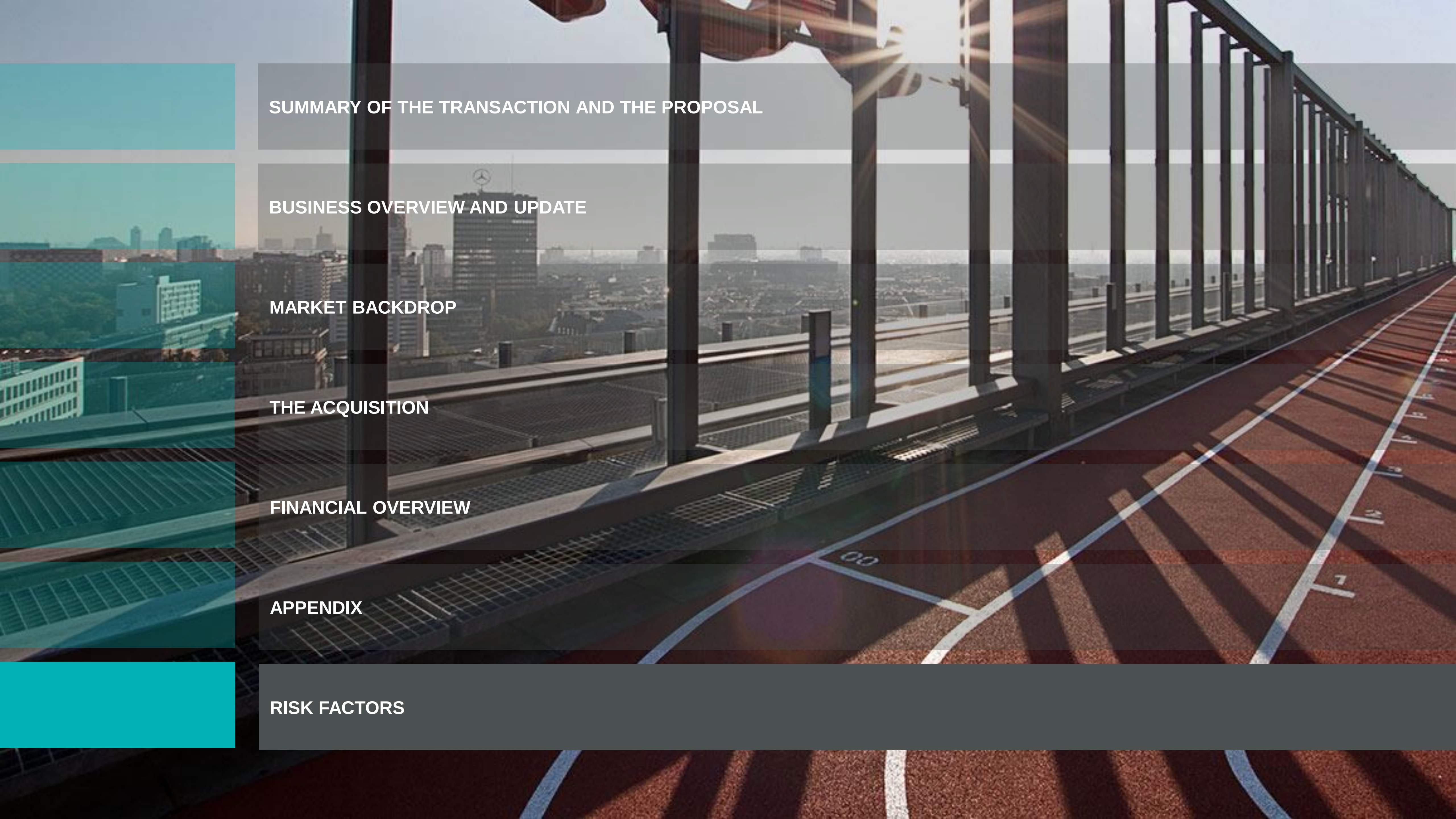
Isabelle Kopa

Director Central Operations

- Since joining Fitness First in 2000, she has been responsible for several departments including Learning & Development, Customer Service, Member Experience, HR Payroll & Administration and management’s relationship with Works Councils
- Previous experience as Area Sales & Marketing Supervisor and Regional Business Manager
- Management experience: 20+ years

LFG current group legal structure





RISK FACTORS

Risk factors 1/7

The purpose of this section is to enable a potential investor to assess the relevant risks related to an investment in the Bonds in order to make an informed investment decision. The risk factors set forth below are therefore limited to risks that, in the meaning of Regulation (EU) 2017/1129, are material and specific to the Issuer, the Group or the Bonds.

The manner in which the Issuer, the Group or the Bonds are affected by each risk factor is illustrated by way of an evaluation of the materiality of the relevant risk factor based on the relative probability of it occurring and the expected magnitude of its negative impact, for the purpose of which the probability is estimated as "low", "medium" or "high" and the magnitude of negative impact if it would occur as "low", "medium" or "high". Irrespective of the probability or magnitude of negative impact stated in relation to each risk factor, all risk factors included below have been assessed by the Issuer to be material and specific to the Issuer, the Group and the Bonds in the meaning of Regulation (EU) 2017/1129.

The risk factors are organised in several categories and the most material risk factor in a category is presented first under that category, whereas subsequent risk factors in the same category are not purported to be ranked in order of materiality.

Risk factors specific and material to the Issuer and the Group

I. Risks related to the Group's financial situation

Losses due to the outbreak of the coronavirus

The outbreak of the coronavirus disease, COVID-19, affected societies in all over world, and governments in affected areas, including Germany, imposed a number of measures designed to contain the outbreak, including business closures, travel restrictions, quarantines and cancellations or restrictions of gatherings and events. The spread of COVID-19 has had, and to some extent still has, severe disruptive effects on the German and global economy and has caused increased volatility and declines in financial markets. Apart from that the Group's access to financing being deteriorated due to this, the restrictive measures taken by the German Government, including restrictions in relation to public gatherings, resulted in closure of the Group's fitness clubs and have led to approximately 65,000 fewer members than predicted during 2020–2022. The Group has also suffered from direct debit rejects and membership freezes and there is also a risk that membership payments will continued to be reclaimed after the restrictions have been lifted as customers could not use their memberships during lockdown.

If there is a new outbreak of the pandemic and restrictive measures are reintroduced, or further diseases emerge that give rise to similar effects, the adverse impact on the global economy could deepen and result in further declines in financial markets as well as membership rates could drop as additional existing members terminate their membership agreements including fewer sign-ups for memberships. This could in turn have a material adverse effect on the Group's earnings and financial position as well as overall future prospects driven by reduced membership revenue and missing side revenue.

The Issuer considers that the probability of the above risks occurring is *medium*. If the risks would materialise the Issuer considers the potential negative impact to be *high*.

Risks related to availability of cash and dependency on government support

Following the outbreak of COVID-19, the Group has in total received government support amounting to approximately EUR 55 million in order to cover for fixed costs and compensate for the revenue shortfall caused by membership drops and missing side revenues. The government support payments are attributable for a period ending in March 2022 and the payments will fade out over time, which is expected to have a negative effect on the Group's financial position and cash flow over the next coming years unless previous membership levels are restored. The payments of government support are also subject to final settlement in the middle of 2023, meaning that there is a risk that the Issuer will be liable for repayment of the government support, which in turn would have an adverse effect on the Group's business and financial position. Further, there is no assurance that the Group will receive government support if restrictive measures are reintroduced.

The Group may from time to time require significant levels of capital in order to finance new clubs, develop and convert into new concepts, acquire new equipment, maintain brand value, secure sufficient maintenance levels and to pursue expansion in general. Consequently, the Group is dependent on cash being generated by current operations or being successfully financed by borrowings or equity, whereas the availability of financing has deteriorated due to the effect of the war in Ukraine and the currently high inflation rates. If the Group fails to maintain sufficient liquidity, it may not be able to pursue existing or future business strategies, take advantage of future opportunities or respond to competitive pressures. Any inability to raise additional capital when required could therefore have an adverse effect on the Group's business.

The Issuer considers that the probability of the Group failing to maintain sufficient levels of cash is *medium*. If the risks would materialise the Issuer considers the potential negative impact to be *medium.*

Risks related to customers, suppliers and contractual counterparties

In order to maintain profitability, the Group is dependent on a large and varied customer base. Even at historically low customer churn rates, should a large number of customers or certain categories of customers terminate their respective agreements with the Group, the Group may be required to change its business plan, strategies, products and services offered, leading to increased costs, loss of income and the Group being forced to cease its business operations in one or more segments.

Furthermore, if the war in Ukraine would be long lasting or spread or if the restrictions posed on Russia would tighten and the current high inflation rates would remain over time or increase further (with increased interest rates put in place by central banks to combat such inflation), it could entail increased prices on e.g. raw material as well as increased energy costs. There is a risk that such macroeconomic factors reduce the customer's purchasing power as well as increase the Issuer's fixed costs regarding e.g. energy, leasing and financing. There is also a risk of customers generally failing to fulfil their payment obligations vis-à-vis the Group. This in turn could lead to loss of income and reduced profitability and in turn insufficient liquidity for business operations. As an example, the Group experienced an increase of direct debit rejections following the outbreak of COVID-19. Should any of the above risks materialise, it could have a material negative impact on the Group's business and financial position.

Risk factors 2/7

The Issuer considers that the probability of the above risks occurring is *medium*. If the risks would materialise the Issuer considers the potential negative impact to be *medium*.

II. Risks relating to the Group's industry and business activities

Risks related to customer retention and price of services

The Group's business comprises the provision of fitness services to a customer base that mainly subscribe for membership at any of the Group's fitness clubs ("**members**" or "**customers**"). Membership contracts are usually of 12 or 24 months' duration, with a notice period of one month and an automated monthly prolongation and customers usually continue to remain members for more than four years.

The Group's revenue is to a significant extent dependent on the membership volume and retention and the Group is consequently dependent on the ability to both retain existing members as well as to continuously attract new members in all segments of the Group. Membership volumes and customer retention may, besides COVID-19 related restrictions, decline due to individual or multiple factors, including, *inter alia*, increased competition or changes in the competitive landscape, impaired brand reputation or attractiveness, failure to deliver attractive services at an attractive cost or at all, market saturation, unexpected increases in fees due to increased operational costs in the Group, changes in consumer preference away from the Group's segments or in relation to requested amenities and/or add-on services, equipment dilapidation or deterioration, increased popularity of home fitness equipment or online services as well as a general decline in the health and fitness trend. There is also a risk of members cancelling their membership due to non-attendance or the Group failing in its endeavours to retain members, for example through the use of campaigns or specially directed marketing. A loss of customers could also be due to changes in trends, general purchasing power or general customer preferences as well as governmental decisions. There is also a risk of customer behaviour changing at a pace where any losses, investments or operational costs cannot be compensated for in due time if membership churn-rates increase.

The Group may not be able to increase its profitability through price increases, due to, for instance, price expectations, and therefore will need to seek alternative ways to grow revenue. The Group may also be unable to cover increased fixed costs associated with its operations where price increases cannot be used to drive additional income. Should any of the above risks materialise, it could have a material negative impact on the Group's business and earnings.

The Issuer considers that the probability of the Group failing to retain customers is *medium*. If the risks would materialise the Issuer considers the potential negative impact to be *high*.

Risks related to customer preferences and rapidly changing customer demands

In order to be successful in its business operations, the Group is dependent upon the Group's products and services being favoured by customers. The Group operates over several segments including within premium and micro/boutique segments (under the brands Fitness First BLACK, Barry's Bootcamp, elbgym, the Gym Society, Pure Barre and Club Pilates) and Full Service Best Price (FSBP) segment (under the brands Fitness First RED, Smile X and In Shape). Further, the challenges presented by COVID-19 have created an opportunity for the Group to strengthen its presence in the Full Service Best Price (FSBP) segment by the acquisition of LOFT Holding GmbH ("**FitnessLOFT**"). The acquisition, in combination with a re-segmentation of existing clubs, entails that the Group's portfolio will contain more than 68 per cent. FSBP clubs, which is a shift since a majority of the Group's customers previously were within the premium segment. The Group has in other words started to shift towards segments focusing on high-value and more comprehensive offerings (Full-Service), but at a lower price point (Best Price). The Group may therefore face new or increased competition and/or increased costs that cannot be set-off against revenues in relation to its expansion into such segments.

However, the Group's customers are still characterised by a sensitivity to trends and desire for state-of-the-art equipment and a broad variety of classes, or particularly high-quality niche concept classes (such as H.I.I.T training or spinning classes), presence in prime locations and city centres, high maintenance standards and premium service. There is a risk of changes to customer preferences in relation to the Group's main offerings, which could result in the Group's products and services being less favoured by customers. There is also a risk of the Group failing to meet specific customer demands in the segments where it operates and especially where services are niched. The Group's success in maintaining and increasing membership levels depends on the ability to identify and originate trends as well as to anticipate and react to changing consumer demands in a timely manner. Failure to anticipate and respond in a timely manner to changing consumer preferences could lead to, among other things, lower membership levels, which in turn would lead to decreased income and consequently decreased profitability, which would have a material adverse effect on the Group's earnings.

The Issuer considers that the probability of that a major part of the Group's customers' preferences change occurring is *low*. If the risks would materialise the Issuer considers the potential negative impact to be *high*.

Risks related to fitness sites

The profitability of the Group, especially within the premium segments, is dependent on the Group's ability to source relevant and attractive club locations (including relevant staff) as well as to drive sufficiently high membership levels to absorb fixed costs related to the relevant site. There is a risk that attractive sites are not available at a time when the Group would benefit strategically from expansion, at favourable terms, or at all. In addition, the Group may, from time to time, be required to open a certain number of fitness clubs under current franchising arrangements and may lose agreed exclusivity under the relevant franchising contract for not doing so. Hence, if the Group fails to source relevant club locations at favourable terms, or at all, the Group may incur loss, both in monetary terms and in relation to brand recognition, which in turn would decrease revenues.

In order to maintain its profitability, the Group may from time to time have to expand its operations and invest in new sites. There is a risk that the costs incurred during the ramp-up period for the relevant site, which generally lasts between 15–20 months, cannot be covered by sufficient financing or site income, rendering the relevant site unprofitable and consequently decrease the Group's profitability. Should such risks materialise, it would have an adverse effect on the Group's earnings and financial position.

Risk factors 3/7

The Issuer considers that the probability of the risk for failures in sourcing attractive locations on favourable terms, or at all, occurring is *low*. If the risks would materialise the Issuer considers the potential negative impact to be *medium*.

Risks related to leases of premises and market presence

The Group currently operates eight fitness club brands (whereof two in a joint venture) and 94 clubs (which are wholly-owned), as well as a fitness coach digital application, and is present in all major German cities including Berlin, Cologne, Düsseldorf, Frankfurt, Hamburg, Munich and Stuttgart.

Services within health and fitness are often localised as such services depend on the attractiveness for customers in a specific geographical area. The Group is therefore dependent on assessing the local market and other local health and fitness operators, gyms, as well as sports and leisure centres within the market segments in which the Group operates. Furthermore, the Group's market presence is focused towards prime inner-city locations in the major German cities, which locations are usually held through long-term lease agreements. The Group is therefore dependent on the entering into, upholding and renewal of long-term lease agreements in prime inner-city locations.

The Group leases all of its premises, the cost of which represents one of the major cost items of the Group, alongside personnel costs. The lease agreements are generally entered into for a 15 or 20 years term with one or two 5-year extension options. There is a risk that long-term lease agreements cannot be maintained at attractive terms or that leases cannot be price-adjusted during certain periods of their duration. Where the leases are initially high, or where indexation clauses lead to the rent being too high to be offset by the revenues generated in the location, the Group may incur losses or additional costs. There is also a risk that the brands, and in particular the greenfield clubs, experience stricter landlords and equipment leasing restrictions post COVID-19. If the Group is unable to obtain or negotiate leases on favourable terms or fails to negotiate renewals, either on commercially acceptable terms or at all, the Group may incur significant loss and business disruption which also could lead to closing of clubs in desirable locations.

The Issuer considers that the probability of the above risks occurring is *medium*. If the risks would materialise the Issuer considers the potential negative impact to be *medium*.

Risks related to acquisitions

The Group is expanding rapidly and there is a risk that the acquisitions of In Shape and FitnessLOFT will not achieve expected financial targets or that they were acquired at too high a price. If acquired companies underachieve financially, the returns on the Group's investment, in terms of dividends and capital gain, might be lower than expected which would have a negative effect on the Group's cash flow and future profits. Furthermore, the purchase agreement of In Shape and FitnessLOFT include an earn-out liability for the Issuer contingent upon certain achievements and financial milestones. If the Group as a whole were to underperform financially, and in particular in regards to Fitness First, there is a risk that the Issuer may find it difficult to meet such contractual payment liabilities in the purchase agreements.

Acquisitions are also inherently associated with risk as, for example, deficiencies were not detected during the due diligence review of the acquired company due to misrepresentations made by or on behalf of the seller or the Group failing to integrate a newly acquired company. It may also be difficult for the Group to fully understand and predict customer preferences of the newly acquired companies. Further, there is a risk that the results of the focus on certain key markets, such as the FSBP segments, do not turn out as expected. Should any of these risks materialise it may lead to adverse effects on the Group's profits and financial position.

Acquisitions may also be connected with risks associated with the sellers. For example, if a seller is or ends up in financial distress, there is a risk that the warranties and indemnities in the purchase agreement are not enforceable. Should any acquired liabilities not be covered by applicable and enforceable indemnities, warranties or similar, such liabilities, could materially and adversely affect the Group's earnings and future prospects.

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise the Issuer considers the potential negative impact to be *medium*.

III. Legal, regulatory, reputational and internal control risk

Risks related to brand reputation

The success of the Group largely depends upon the ability to maintain and enhance the value and reputation of the Group's brands and as well as the general perception and recognition of the Group's brands among customers and in society at large. The customers' and the general public's perception of the Group's brands could be impaired by, *inter alia*, health and safety incidents, lack of personal guidance on the use of equipment leading to dangerous misuse, safety deficiencies related to the fitness clubs in general, lack of cleanliness and overcrowding. This has become particularly important due to the outbreak and the aftermath of COVID-19. Furthermore, any unsatisfactory customer services such as unreliable club access, payment issues, member system failures or downtime, data breaches as well as theft and other incidents at the fitness clubs, all pose potential threats to the reputation of the Group's brands. Furthermore, any threats or harm to the Group's brands may be magnified by rapid spread in social media or other digital communication. This could, in turn, escalate reputational damage where consumers react to such information without further investigation and without regard to its accuracy, and the impairment may be immediate and afford no opportunity for correction by the Group. Should any of the above risks materialise, the Group's ability to attract and retain members could be materially and adversely affected, which in turn would negatively impact the Group's earnings, financial position and future prospects.

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise the Issuer considers the potential negative impact to be *high*.

Risks related to health and security incidents as well as personal injury

The use of the Group's fitness clubs and facilities, including exercise equipment, brings about health and safety risks in relation to members, guests, employees, consultants or other natural persons visiting or utilising the Group's fitness clubs and facilities. Such risks include, *inter alia*, hygiene issues in washing facilities, saunas and/or solariums, food or beverages contamination, accidents and injuries, including fatalities, and criminal offences such as theft, battery, harassment and disturbance of peace, committed by members, employees, consultants or other natural persons visiting or utilising the Group's fitness clubs. There is a risk of the Group failing to implement adequate and sufficient security measures and self-assessments in order to mitigate such risks and there is an intrinsic risk that such injury and/or harm occur regardless of the Group's mitigation efforts. This may result in the Group being subject to material claims or fines for any injury, harm or even death suffered by natural persons using the Group's facilities or services. There is also a risk of that any fines, damages and costs incurred are in excess of, or outside the scope of, the Group's insurance coverage. Additionally, the Group's reputation may be severely impaired by such incidents occurring. Should any of the above risks materialise, it would have a material adverse effect on the Group's business and financial position.

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise the Issuer considers the potential negative impact to be *medium*.

Risks related to changes in laws and regulation

As the Group's business operations are regulated by legislation across various sectors, including consumer legislation, and amendments or restatements of laws, regulations and standards, leading to stricter requirements and changed conditions, including bans, or a stricter implementation and application by the authorities of existing laws and regulations, may force the Group to make further investments, to reorganise its business or to take other measures, with increased costs as a consequence. The occurrence and scale of such measures have increased as result of the outbreak of COVID-19, with closure of fitness clubs, stricter hygiene regulations and increased testing requirements. Should the regulatory environment change or restrictions be implemented in relation to the Group's provision of services, it could have a material adverse effect on the Group's business and earnings, as well as, ultimately, the Group's financial position and future prospects.

The Issuer considers that the probability of the above risks occurring is *medium*. If the risks would materialise the Issuer considers the potential negative impact to be *medium*.

Risks related to processing of personal data

A major part of the Group's operations are linked to natural persons whereby the Group, in its operations, handles significant amounts of personal data, and the Group has employed an in-house lawyer to assess and handle the Group's processing of personal data. There is a risk that the Group fails to implement efficient and effective standards, procedures and training efforts to ensure compliance with applicable data protection regulations (including the general data protection regulation 2016/679/EU (the "**GDPR**")). There is a risk of the Group failing to comply with the requirements under the GDPR. There is also a risk, especially considering the large amounts of personal data processed within the Group, of personal data breaches occurring and that the Group fails to notify regulatory authorities and, as applicable, relevant data subjects in due time, rendering regulatory breaches. Non-compliance or other significant breaches could lead to significant administrative fines up to four per cent. of the annual global turnover of the Group as well as private claims, which would lead to additional costs and losses as well as reputational damage, which would materially negatively affect the Group's business and financial position.

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise the Issuer considers the potential negative impact to be *medium*.

IV. Social and governance risk

Risks relating to hiring and retaining personnel

Personnel costs constitute one of the Group's most significant cost items and the Group is dependent on an engaged, skilled and motivated workforce. As of 31 October 2022, 1,788 persons were employed within the Group. In order to maintain cost-efficiency in relation to its workforce, the Group focuses on hiring cross-functional staff with an entrepreneurial mind-set. Furthermore, and in order to be able to provide attractive services, the Group needs to hire personnel with a strong customer focus and with the expertise and willingness to represent and further the values of the Group's brands. The Group may also, from time to time, need to employ highly specialised persons, such as personal trainers, group fitness instructors, social media experts and other employees or consultants specialised in health services (such as sports scientists, physiotherapists, nutritionists etc.). Consequently, the Group's long-term development is dependent on the ability to attract and develop the right personnel and to sustain its workforce. There is a risk that the Group fails in in its recruitment of personnel, both in relation to the numbers and the qualifications needed, which could adversely affect the Group's ability to provide its services resulting in business interruption and impaired brand recognition. Should any of the aforementioned risks materialise, it could have a material adverse effect on the Group's business and future prospects.

The Issuer considers that the probability of the above risks occurring is *medium*. If the risks would materialise the Issuer considers the potential negative impact to be *medium*.

Risk factors 5/7

Employment related issues

One of the more material assets as well as cost items for the Group is its employees, and the business operations would not be possible to run without the Group's employees. As the Group therefore is dependent on its workforce as such, as well as the ability to maintain cost-efficiency in relation to its workforce, it is dependent on adequate assessments in relation to various labour regulations and requirements regarding employee rights, such as pensions, salaries, work hours, and tax assessments (including in relation to the employees employed through so called "mini jobs"). Due to the large amount of employees employed by the Group, failures in the assessment of such regulations and requirements could result in the Group incurring material loss or additional costs, which in turn would negatively affect the Group's business and earnings.

Due to the Group's dependence on its workforce, the Group is dependent on a well-functioning relationship and cooperation with its works councils (De. *Betriebsräte*) established from time to time. The works councils impact the Group's operations both financially and legally as, for example, the Group is obliged to pay for works council education costs as well as provide IT equipment and office space for the works councils' regular meetings. Any unexpected changes to the operations of the works councils or inability of the Group to comply with requirements of the works councils may result in increased costs or employee dissatisfaction, which in turn would negatively affect the Group's operations and earnings, and, in the long-term, the Group's future prospects.

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise the Issuer considers the potential negative impact to be *medium*.

Risk factors specific and material to the Bonds

I. Risks relating to the nature of the Bonds

Dependency on subsidiaries

The Issuer is a holding company and a significant part of the Issuer's assets and revenues relate to or are derived from the Issuer's subsidiaries. The Issuer is therefore dependent upon receipt of sufficient income related to the operation of and the ownership in such entities in order to make payments under the Bonds. As the Issuer's subsidiaries are legally separate from the Issuer and have no obligation to pay amounts due with respect to the Issuer's obligations under the Bonds, or to make funds available for such payments. If the Issuer's operating income, including income from its subsidiaries, is not sufficient to service its current or future indebtedness, the Issuer may be forced to take actions such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital. This would, in turn, affect the Issuer's ability to service its debt obligations vis-á-vis holders of Bonds.

The Issuer considers that the probability of the above risks occurring and the probability of the risk that the Group will not be able to affect any of these remedies on satisfactory terms, or at all, is *low*. If the risks would occur, the Issuer considers the potential negative impact to be *medium*.

Refinancing risk

The Issuer may be required to refinance its outstanding debt, including the Bonds. The Issuer's ability to successfully refinance its debt obligations is dependent upon the conditions of the capital markets, which may be significantly volatile, and the Issuer's financial position at such time. There is a risk that the Issuer's access to financing sources may not be available on acceptable terms, or at all, which, *inter alia*, could hamper the Group's growth agenda. The Issuer's inability to refinance its debt obligations on acceptable terms, or at all, either where needed, or as such obligations fall due, could have a material adverse effect on the Issuer's business and financial position and on the Bondholders' recovery under the Bonds.

The Issuer considers that the probability of the above risks occurring and the probability of the risk that the Group will not be able to obtain financing, is *medium*. If the risks would occur, the Issuer considers the potential negative impact to be *medium*.

Structural subordination and insolvency of subsidiaries

In the event of insolvency, liquidation or a similar event relating to one of the Issuer's subsidiaries, all creditors of such subsidiary would be entitled to payment in full out of the assets of such subsidiary before the Issuer, as a shareholder, would be entitled to any payments. Thus, the Bonds are structurally subordinated to the liabilities of such subsidiaries. There is a risk that the Issuer and its assets would not be protected from actions by the creditors of a subsidiary, whether under bankruptcy law, by contract or otherwise. In addition, defaults by, or the insolvency of, certain subsidiaries of the Group may result in the obligation of the Group to make payments under financial or performance guarantees in respect of such subsidiaries' obligations or the occurrence of cross defaults on certain borrowings of the Group, which could have a material adverse effect on the Group's financial position and on the Bondholders' recovery under the Bonds.

The Issuer considers that the probability of the above risks occurring and the probability of the risk that the Group will not be able to obtain financing, is *low*. If the risks would occur, the Issuer considers the potential negative impact to be *medium*.

II. Risks related to the Transaction Security and the Guarantee

Risks related to the security package

The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer, meaning that in the event of bankruptcy, re-organisation or winding-up of the Issuer, the Bondholders normally receive payment after any priority creditors have been fully paid to the extent that the Bondholders' claim is not secured by and settled from the enforcement proceeds from the transaction security for the Bonds (the "**Transaction Security**").

The Issuer was granted a super senior revolving credit facility with Oldenburgerische Landesbank Aktiengesellschaft as lender, in an aggregate nominal amount not exceeding EUR 10,000,000 in 2020 with due date in July 2023 (the "**Super Senior RCF**"). The Issuer is in the process of extending the maturity date for the Super Senior RCF until at least 26 July 2024. In order to establish the relative rights of the creditors of the Issuer and the Group, an intercreditor agreement (the "**Intercreditor Agreement**") was entered into between, amongst others, the Issuer, Oldenburgerische Landesbank Aktiengesellschaft and Nordic Trustee & Agency AB (publ) in connection to the Super Senior RCF being granted to the Issuer in 2020.

To the extent the Transaction Security relates to assets of subsidiaries of the Issuer, each security interest granted will be limited in scope to comply with limitations on financial assistance, capital maintenance rules or similar restrictions under applicable law. As a result, the security interests can only be enforced if and to the extent that such enforcement will not lead to a violation of these restrictions under corporate laws applicable to the relevant subsidiary. In Germany, a GmbH is prohibited from distributing assets to its shareholders to the extent the amount of the GmbH's net assets is already less or would fall below the amount of its stated share capital. Providing security for debt of a direct or indirect shareholder is considered a distribution to such shareholder. The Transaction Security may thus not be enforceable in the event of a default of the Issuer, or only be enforceable in part, which may limit the recovery of the Bondholders. Moreover, the Transaction Security will be subject to laws protecting debtors and creditors generally, including restrictions on fraudulent conveyance or voidable preference and hardening periods applicable under relevant bankruptcy laws. These restrictions may give an insolvency receiver or other creditors a right to challenge or void the Transaction Security.

Further, there is a risk that the proceeds from any enforcement of the Transaction Security would not be sufficient to satisfy all amounts then due on or in respect of the Bonds. Certain of the assets subject to the Transaction Security may be illiquid and have no readily ascertainable market value. For example, the shares that are secured for the benefit of Bondholders may provide for only limited repayment of the Bonds, in part because these shares may not be liquid and their value to other parties may be less than their value to the Group. It is not certain that the pledged shares will be saleable, or, even if saleable, that there will not be delays in the realisation of the value thereof. As a result, the Bondholders may not recover full or any value in the case of an enforcement sale of such pledged shares. Moreover, if the Issuer issues additional Bonds, the security position of the current Bondholders may be impaired. If the proceeds from an enforcement are not sufficient to repay all amounts due under or in respect of the Bonds, then the Bondholders will only have an unsecured claim against the remaining assets (if any).

The Issuer considers that the probability of the above risks occurring and the probability of the risk that the Group will not be able to obtain financing, is *medium*. If the risks would occur, the Issuer considers the potential negative impact to be *medium*.

Shared security package

The security package is shared under the Intercreditor Agreement. The Bondholders (and the other secured creditors) are represented by a security agent in all matters relating to the transaction security (the "**Security Agent**"). The Security Agent will take enforcement instructions primarily from the Trustee (representing the Bondholders). However, if the Trustee wishes to enforce the security, the Trustee must first consult with the other secured creditors for a certain time period after which the Trustee must instruct the Security Agent to take such action. Furthermore, the Security Agent may act in a manner that the Bondholders believe is to their detriment.

There is a risk that the Security Agent, or anyone appointed by it, does not properly fulfil its obligations in terms of perfecting, maintaining, enforcing or taking other necessary actions in relation to the transaction security.

Furthermore, although the Intercreditor Agreement contains provisions for the sharing of the Transaction Security between the secured parties, if a secured party receives enforcement proceeds or other payments in excess of what is stipulated by the Intercreditor Agreement, such secured party is obligated to share such proceeds or payments. However, it is not certain that a bankruptcy administrator of such secured party would respect the Intercreditor Agreement which potentially could adversely affect the other Secured Parties.

The Issuer considers that the probability of the above risks occurring and the probability of the risk that the Group will not be able to obtain financing, is *medium*. If the risks would occur, the Issuer considers the potential negative impact to be *medium*.

III. Risks related to the admission of the Bonds to trading on a regulated market

Risks related to admission to trading and liquidity

The Issuer has undertaken to ensure that the Bonds are admitted to trading on the corporate bond list of Nasdaq Stockholm within 60 days after the issuance of the bonds and with an intention to complete such listing within 30 days after such issuance (or if such admission to trading is not possible to obtain or maintain, admitted to trading on another regulated market). The initial bonds are listed on the corporate bond list of Nasdaq Stockholm as of 2020. However, there is no assurance that the Bonds will be admitted to trading.

Further, even if securities, including the Bonds, are admitted to trading on the relevant market, there is not always active trading in the securities. Hence, there is an intermediate risk that the market for trading in the Bonds will be illiquid even if the Bonds are admitted to trading. In addition, as the Bonds are traded over-the-counter (OTC) there is a risk for smaller volume of trades in the Bonds. The above risks may result in that the Bondholders cannot sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market. Lack of liquidity in the market or regulatory requirements may have a negative impact on the market value of the Bonds. Furthermore, the nominal value of the Bonds may not be indicative compared to the market price of the Bonds if they are admitted for trading.

It should also be noted that during a given time period it may be difficult or impossible to sell the Bonds (at all or at reasonable terms) due to, for example, severe price fluctuations, close down of the relevant market or trade restrictions imposed on the market.

Risk factors 7/7

IV. Risks related to the Written Procedure

Risks related to waiver from bondholders

The subsequent Bonds may only be issued if the Issuer has received the required waiver from the bondholders of the provisions in the Terms and Conditions requiring the incurrence test to be met in connection with the issuance of the subsequent Bonds. The Issuer has requested that the bondholders approve such waiver in the upcoming written procedure for the Bonds. However, even if the waiver is obtained, the continued validity of the waiver is subject to compliance by the Issuer with certain conditions set out in the notice of the written procedure. There is a risk that the waiver may be deemed withdrawn if the Issuer, after the issuance of the subsequent Bonds, fails to satisfy the conditions. For this reason, the Issuer has an obligation to purchase, and each holder of subsequent Bonds has on obligation to sell, the subsequent Bonds if the conditions are not satisfied, after which the repurchased subsequent Bonds shall be cancelled by the Issuer.

The Issuer considers that the probability of the above risk occurring and the probability of the risk that the Group will not be able to obtain financing, is *low*. If the risks would occur, the Issuer considers the potential negative impact to be *low*.

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