

# PRESS RELEASE

**LifeFit Group MidCo GmbH**  
Hanauer Landstr. 148a  
60314 Frankfurt

**T** +49 69/40 8016000  
presse@lifefit-group.com  
lifefit-group.com

## **LifeFit Group announces acquisition of FitnessLOFT, initiation of a written procedure and issuance of subsequent bonds under its outstanding bond loan**

**Frankfurt/Main, 6 December 2022.** LifeFit Group MidCo GmbH (“**LifeFit Group**” or the “**Company**”) announces that the Company (i) acquires LOFT Holding GmbH (“**FitnessLOFT**”) (the “**Acquisition**”), (ii) initiates a written procedure (the “**Written Procedure**”) under its outstanding bond loan 2019/2023 with ISIN NO0010856966 (the “**Bonds**”) and (iii) mandates Pareto Securities as Sole Bookrunner in the issuance of subsequent bonds under the terms and conditions of the Bonds (the “**Bond Issue**”).

### **Acquisition and trading update**

LifeFit Group is rebounding strongly from the pandemic and is strengthening its club portfolio with the acquisition of FitnessLOFT, a leading player in the Full Service Best Price (FSBP) segment. With this move, the group is investing in the fastest growing market segment in the German fitness landscape. FitnessLOFT operates 27 facilities spread across the German states of Bremen, Hamburg, North Rhine-Westphalia, Lower Saxony and Saxony-Anhalt. The fitness chain, with more than 65,000 members, has high-quality equipped studios, an appealing, “loft-inspired” interior design and a strong management team with experience in acquiring local providers, and has outperformed the broader market during the COVID-19 pandemic.

With LifeFit Group’s acquisition of FitnessLOFT, the group defies macroeconomic challenges and takes the next step in its growth strategy.

*“FitnessLOFT expands our offering in the FSBP segment which will now account for over 50% of our portfolio. This enhances LifeFit Group’s ability to scale our platform further through both buy-and-build as well as organically in the fastest growing market segments – FSBP, boutique and boutique franchise”* says Martin Seibold, CEO of LifeFit Group.

FitnessLOFT, including two new openings since 2019 and consistent monthly member additions (more than 1,500 members added in November), is already almost at a pre-COVID level in terms of membership base and as of Q3 2022 shows revenues of EUR 16.6 million and pre-IFRS 16 adjusted EBITDA of EUR 1.6 million (both adjusted for governmental support). The normalised October 2022 run-rate is already at EUR 19.2 million revenue and EUR 3.6 million EBITDA.

LifeFit Group is rebounding strongly from the pandemic and shows consistent monthly additions in membership over the last few months. With over 11,000 positive net member movement in October and November 2022, the Company’s like for like is now at around 90% of pre-COVID

levels, with the FSBP segment coming back the strongest (at around 99% of pre-COVID levels). Combined with successfully implemented price adjustments, turnover has increased steadily. As of Q3 2022, LifeFit Group reported LTM revenues of EUR 134.9 million and pre-IFRS 16 adjusted LTM EBITDA of EUR 21.0 million.<sup>1</sup>

Underlying revenue and EBITDA (excl. governmental support) are showing a steady positive development and the LifeFit Group expects monthly EBITDA to breakeven in October 2022. Pro forma for the Acquisition, the Company expects revenues of EUR 127 million and pre-IFRS 16 adjusted EBITDA of approximately EUR -7 million for FY 2022. As a result of further member growth, especially in Q1 2023, and sustainable cost base reductions, FY 2023 is projected to be back around pre-COVID levels with revenues of EUR 157 million and pre-IFRS 16 adjusted EBITDA of approximately EUR 19 million (of which FitnessLOFT is projected to contribute EUR 5 million).

### **Written Procedure**

The Company has today instructed Nordic Trustee & Agency AB (publ) (the “**Agent**”), in its capacity as agent under the Bonds, to send a notice of Written Procedure including voting instructions to the persons registered in the securities account with VPS (Norway) as holders of Bonds. The notice of Written Procedure is available on the Company’s and the Agent’s respective websites.

In the Written Procedure, bondholders are requested to (A) waive the incurrence test in connection with the Bond Issue and the incurrence of certain subordinated vendor loans which shall be granted by the sellers under the Acquisition, (B) approve the terms of the Bond Issue, and (C) amend the terms and conditions of the Bonds to, inter alia, (i) extend the term of the Bonds, (ii) amend the redemption price payable at final maturity of the Bonds (to be floored at 101.25 per cent. of the outstanding nominal amount), (iii) amend the voluntary call option structure, (iv) decrease the maximum aggregate amount of the Bonds, (v) increase the interest rate on the Bonds through PIK interest, (vi) add a maintenance covenant, (vii) amend certain financial baskets for permitted debt, and (viii) add obligations with respect to vendor loans and earn-outs under the Acquisition.

Holders and beneficial owners of Bonds together representing approximately 77 per cent. of the total adjusted nominal amount of the bond loan have undertaken to vote in favour of the request in the Written Procedure.

The outcome of the Written Procedure will be announced by way of press release upon conclusion of the Written Procedure. The voting record date is 12 December 2022 and the last day for voting in the Written Procedure is 23 December 2022. The Written Procedure may however be terminated before the expiry of the time period for replies if a requisite majority has been obtained prior thereto.

Each eligible holder of Bonds will be entitled to a consent fee amounting to 1.00 per cent of the outstanding nominal amount of all Bonds held by such holder at the relevant record date, subject to the terms set out in the notice of the Written Procedure.

For questions regarding the administration of the Written Procedure, documentation and voting procedure, please contact the Agent at [voting.sweden@nordictrustee.com](mailto:voting.sweden@nordictrustee.com) or on +46 8 783 79 00.

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<sup>1</sup> Pro forma for previously announced In Shape acquisition and including governmental support of EUR 41.8 million for LTM Q3 2022.

## **Bond Issue**

Subject to *inter alia* market conditions and approval of the request in the Written Procedure, the Company intends to issue subsequent Bonds under the terms and conditions of the Bonds in an amount of EUR 15 million to, alongside an equity contribution from the Company's majority shareholder, OCM Luxembourg EPF III SARL, finance the Acquisition. The equity contribution will amount to EUR 12 million, of which EUR 2 million were contributed to the Issuer in October 2022 and the remainder will be contributed as soon as practically possible and no later than four weeks after the approval of the request in the Written Procedure.

The Bond Issue will be fully subscribed based on subscription commitments from certain institutional investors.

Pareto Securities is acting as Sole Bookrunner and financial advisor to the Company and Gernandt & Danielsson Advokatbyrå as legal advisor to the Company in relation to the Written Procedure and the Bond issue.

*The information in this press release constitutes inside information that LifeFit Group MidCo GmbH is obliged to make public pursuant to the EU Market Abuse Regulation 596/2014. The information was sent for publication, through the agency of the contact person set out below, on 6 December 2022 at 3.15 pm (CET).*

The investor presentation with further information about the above transactions is available [here](#).

## **ABOUT LIFEFIT GROUP**

LifeFit Group is a leading fitness and health platform in Germany that unites several fitness brands from the boutique, premium and high-value-best-price segments under one roof. The group strives to inspire and support its customers to improve their lives through personalised, fun and purposeful health and fitness experiences. Fitness First is the most well-known brand of LifeFit Group. With Fitness First BLACK the gym chain offers upscale benefits and services in the premium market segment, while Fitness First RED (national), Smile X (southwest) & In Shape (South) serve the full-service-best-price market segment offering a special workout space concept for a wide range of customers with an appealing modular price concept. Elbgym complements the multi market segment offering as an exclusive performance fitness provider with its unique and strong community. The boutique fitness concepts of Barry's, the pioneer of indoor high-intensity interval training, The Gym Society, the innovative compact studio concept from the Netherlands, as well as the Club Pilates and Pure Barre brands of Xponential Fitness, complete LifeFit Group's diverse portfolio. For more information, visit [www.lifefit-group.com](http://www.lifefit-group.com).

### **Press contact**

LifeFit Group  
Mareike Scheer  
Group Communications Manager  
Phone: +49 (0)69 408016-150  
E-Mail: [presse@lifefit-group.com](mailto:presse@lifefit-group.com)

Adel & Link Public Relations  
PR-Team LifeFit Group  
Alina Rietmann / Louisa Schmitt  
Phone.: +49 (0)17641319348  
E-Mail: [lifefit-group@adellink.de](mailto:lifefit-group@adellink.de)