

PUREGYM

Investor Presentation

COVID-19 update
Results for the quarter ended 30 June 2020

27 August 2020

Disclaimer

Forward-looking statements

This presentation may include forward-looking statements. All statements other than statements of historical facts included in this presentation, including those regarding the Group's financial position, business and acquisition strategy, plans and objectives of management for future operations are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. Many factors could cause the Group's actual results, performance or achievements to differ materially from those in the forward-looking statements. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as of the date of this presentation. The Group expressly disclaims any obligations or undertaking, except as required by applicable law and applicable regulations to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Group's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

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Introduction & overview

Cash flow and liquidity

- Excellent liquidity and cashflow management during lockdown, exceeding expectations
- £147m of liquidity after 14 weeks of lockdown - only £18m reduction since 23 March

Financial Results

- Q2 2020 performance and results significantly impacted by the COVID-19 closures
- However, Denmark and Switzerland returned to profit during the quarter and total Group EBITDA trajectory has turned and is heading "back into the black"

Reopening update and near-term outlook

- Business will be completely open across UK and Europe from August 31st*
- Encouraging reopening member levels with a positive trajectory
- Excellent member feedback, validating post-COVID-19 operating protocols
- No confirmed reports of transmissions in our gyms after c.7 million visits

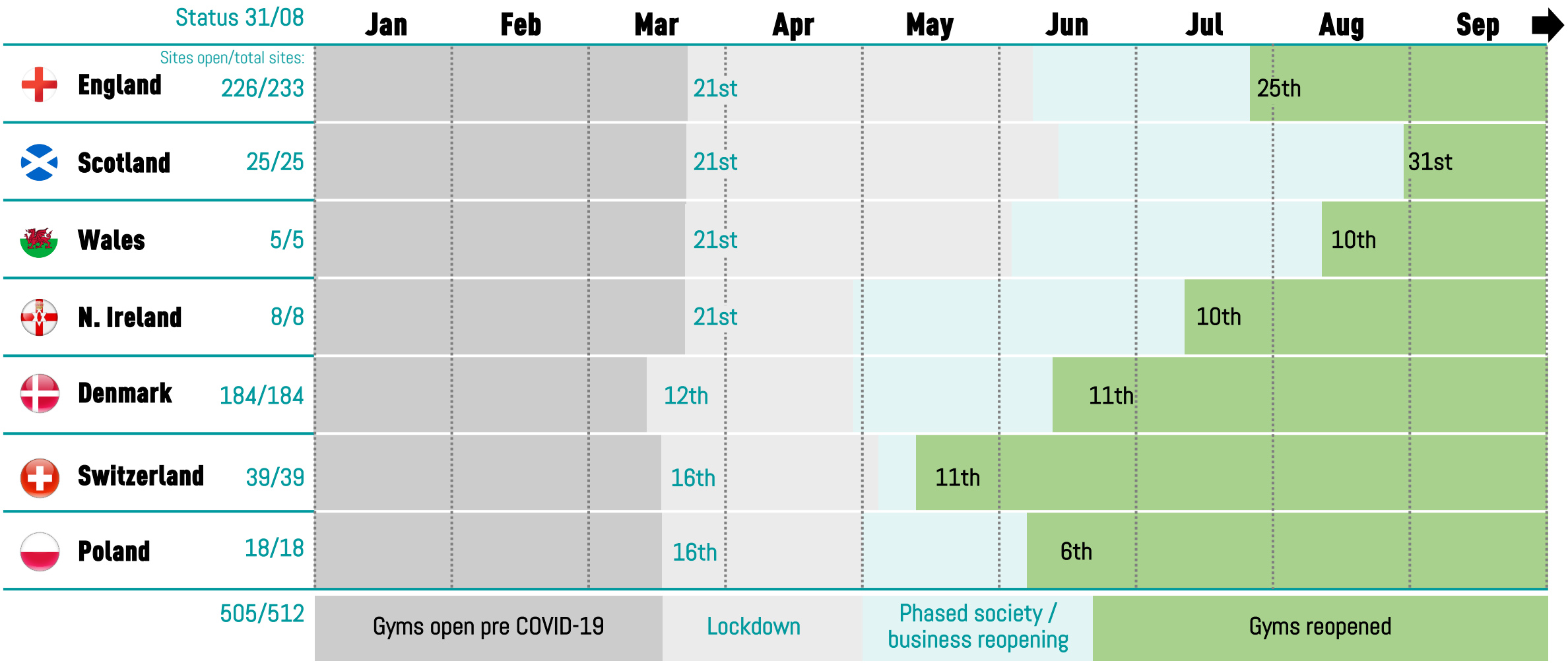
Strategic and longer-term outlook

- Medium to long-term strategic potential remains robust
- We continue to invest in our technology enabled, multi-brand budget fitness model



* With the exception of clubs in "local lockdowns" (based on latest Government guidance as at 27 August 2020) or undergoing major renovation works.

Fully open estate across all territories from August 31st*



* With the exception of clubs in "local lockdowns" (based on latest Government guidance as at 27 August 2020) or undergoing major renovation works.

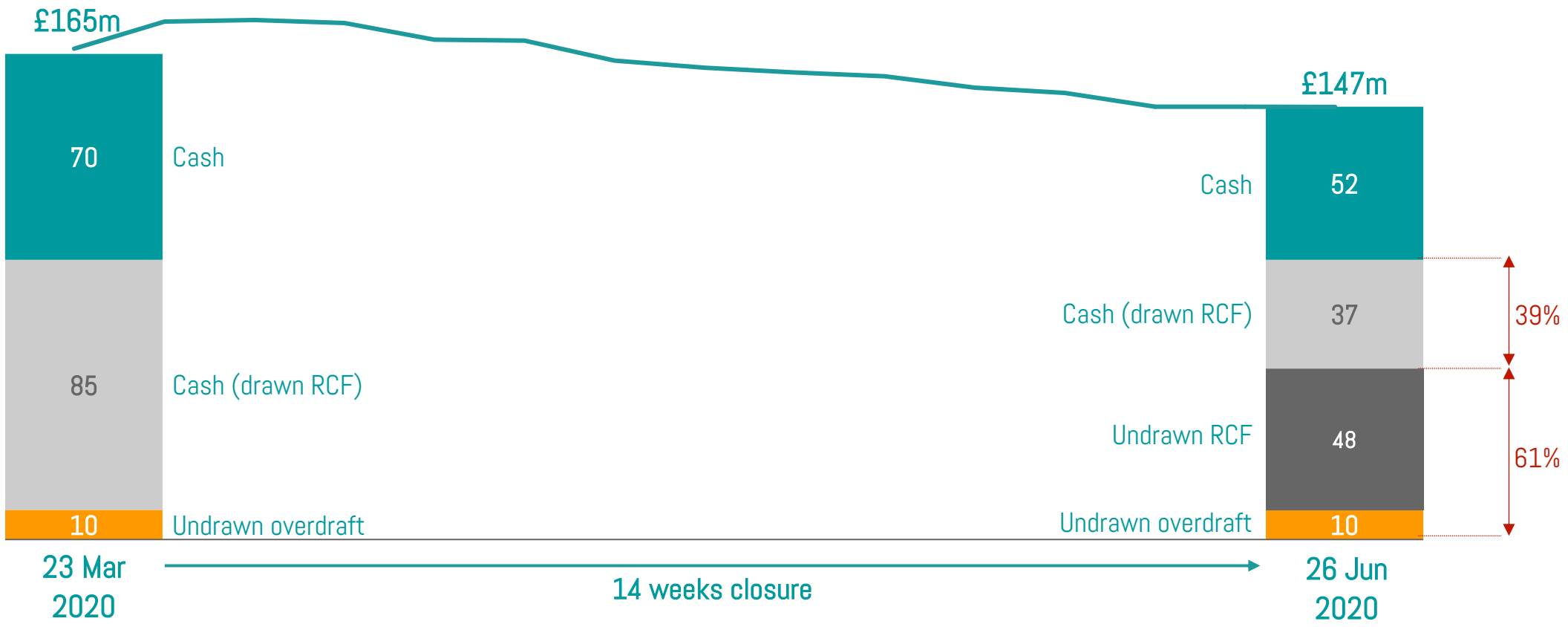


Cash Flow & Liquidity

Excellent liquidity and cash flow management during lockdown

Actual liquidity and cash burn during lockdown

Total actual net cash burn of only £18m during lockdown



Actual cash outflow during lockdown

Swift management action has delivered impressive cash preservation, which has exceeded expectations

- Actual liquidity reduced **only £18m** since lockdown commenced:
  - £11m payments relating to capital projects completed prior to lockdown
  - £7m (£0.5m/average week) of interest paid as it fell due
- Net operational burn has effectively been reduced to zero as a result of:
  - Swift management action to reduce underlying operational cash burn
  - Government mitigation (furlough, rates, fixed costs, etc)
  - Deferment of other payables, e.g. rent and taxes to post reopening
  - Revenue and other contributions generated cash inflow
- H2 2020 and 2021 will inevitably see increased cash outflows as deferred payments are settled and interest payments are made as they fall due, but these have been taken account of in management's plan

	Actual		Average Unmitigated
Cash outflow	Total £m	£m/week	£m/week
Net operational burn	-	-	(8.0)
Interest burn	(7)	(0.5)[2]	(1.0)[1]
	(7)	**(0.5)**	**(9.0)**
Payment of committed capex	(11)		
Total change in liquidity	**(18)**		

1. Based on £50m annualised interest over 52 weeks equates to c.£1.0m average unmitigated interest burn.
2. Actual interest incurred during 14 week period of £7m, equates to £0.5m per week.



Financial Results Q2 2020

Quarter ended 30 June 2020

Group results Q2 2020

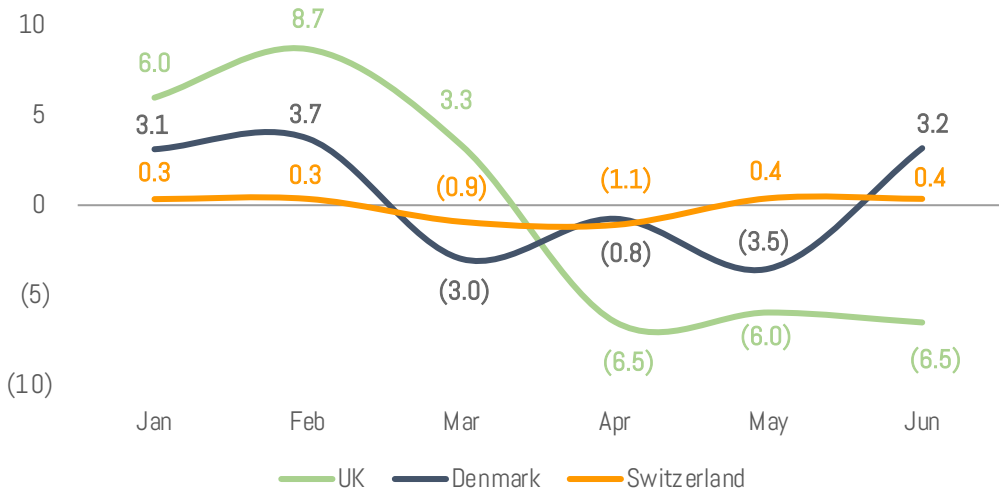
Q2 2020 results significantly impacted by lockdowns as expected

- Revenue £14m vs £112m PY1, down 87%
- Adjusted EBITDA £(21)m vs £35m PY[1]

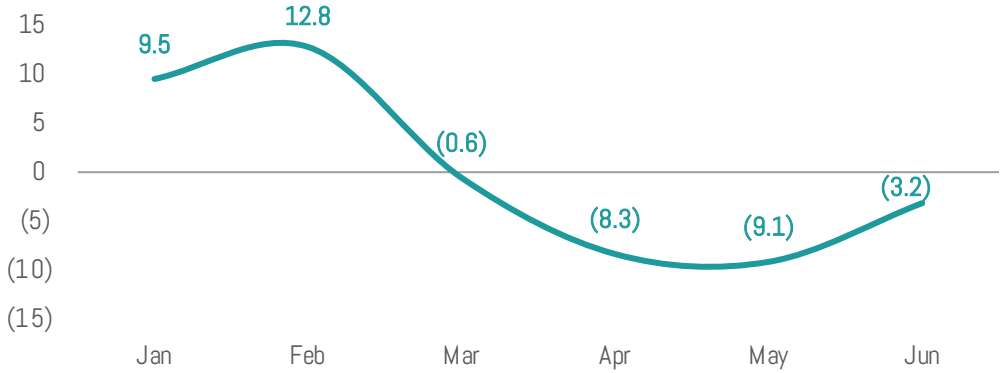
However, business returning to profitability swiftly as geographies reopen

- A consistent and rapid return to profitability upon reopening:
  - Switzerland reopened 11 May and returned to pre-COVID-19 profitability that month
  - Denmark reopened 11 June and returned to pre-COVID-19 profitability that month
  - The UK remained fully locked down for the entire quarter
- Group Adjusted EBITDA is already showing a clear path to recovery
- COVID-19 impact reducing through the quarter as each geography reopens
- The merits of a subscription revenue model that can be "switched on" are clear
- And the benefits of our geographic diversification are increasingly evident

Adjusted EBITDA[2] by geography (£m)



Group Adjusted EBITDA[2] (£m)



1. PY is stated on a pro forma basis including Fitness World.
2. Adjusted EBITDA includes head office costs. Group Adjusted EBITDA also includes US costs and Poland, which is immaterial in a Group context and has therefore been excluded from the geographical analysis.

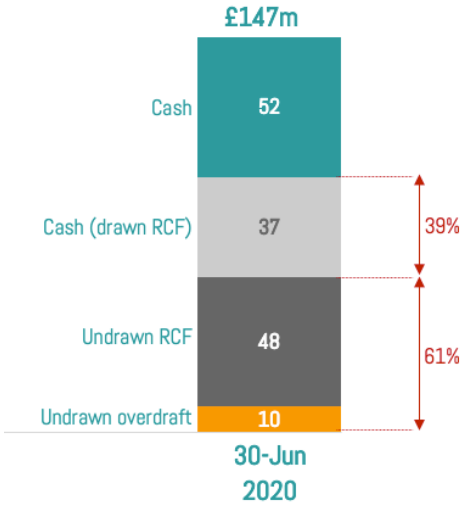
Group leverage Q2 2020

No financial covenant breaches anticipated

- We expect to fully comply with all financial covenants:
  - Financial covenant tested quarterly only if RCF is >40% drawn
  - RCF will not be >40% drawn so covenant will not be tested
- Longstanding relationship with highly supportive RCF lender group

Group leverage position impacted by COVID-19

- 7.7x Senior Secured Net Leverage as at 30 June 2020
  - Group leverage position has increased because of lockdown
  - LTM EBITDA has reduced due to COVID-19 losses
  - Weekly cash burn during lockdown has increased net debt
- Pro-forma LTM Run-Rate Adjusted EBITDA £101.4m



Pro-forma at 30 June 2020 (£m)	£m	Leverage
Cash	88.6	
Drawn RCF	(37.0)	
Senior Secured Notes 6.375%	(430.0)	
EUR Senior Secured Bridge Loan[2]	(406.2)	
Total Senior Secured Net Debt	**(784.6)**	**7.7x**
Non-property leases	(20.2)	
Supply chain financing	(2.2)	
Total Net Debt	**(807.0)**	**8.0x**
Q2'20 LTM Run-Rate Adjusted EBITDA[1]	101.4	

1. Includes £4.9m of synergies (DKK 39.7m converted using DKK/GBP of 0.1225 as at 30 June 2020).
2. In the event that the bridge is not refinanced by January 2021, the documentation provides for it to convert into a term loan with maturity matching that of the current fixed rate notes (due 2025). In general, the key terms of this debt and maximum interest rate are consistent with our existing sterling notes.

Unit economic model will remain robust in the future

UK rates holiday insulates the group from operating cost increases until April 2021

- 2019 Mature Gym Site Adj. EBITDA Margin was 46% in the UK and 38% at a Group level
- Until April 2021, UK rates holiday expected to largely compensate for member shortfall during recovery phase and increased cleaning and payroll costs across the Group
- Beyond April 2021 we expect to drive efficiencies as a result of:
  - Moderation and systemisation of extra cleaning costs
  - Energy and other cost saving initiatives
  - Rebasing of property market terms
- Yield improvements likely as demand recovers and some supply exits the market

Solid trajectory targeting a return to 2019 levels of growth and new site roll out in 2021

- Business focused on re-building in all territories during H2 2020
- 10 further gyms to open in H2 2020 (8 in UK and 2 Fitness World - bringing the total new sites to 16 in the year)
- 15 – 30 further organic openings planned for 2021
- Option to pull back new site capex to preserve liquidity if a second wave occurs ...or to accelerate if outlook is positive



Reopening update & near-term outlook

Clear line of sight to recovery with development of the business and organisation ongoing

COVID-safe protocols are well established across Group

The Group has worked to deliver consistently against eight key objectives to make our gyms as COVID-19 safe as possible

1. Strive to prevent infected people visiting the gym



2. Prevent people 'carrying' the infection into or around the gym (e.g. on hands)



3. Limit the number of people within a facility to reduce 'density risk' of transmission



4. Reduce the risk of viral transmission through the air



5. Reduce the risk of viral transmission from surfaces



6. Reduce the risk of transmission to vulnerable or high-risk staff and members



7. Be ready and able to react to any "incidents" even before they occur



8. Eliminate the information gap: explain, train and engrain understanding of CV-19 and new protocols



The new protocols are working well and have been endorsed and supported by the relevant authorities

- Extensive cleaning and sanitation regimes working well
- Social distancing (2m+) well managed and applied
- Gym capacity restrictions in place and controls working
- Over 90 visits by the authorities (100% pass rate)
- Technology and data platform ensures we can control numbers and fully support track and trace when required by the authorities
- No confirmed reports of transmission taking place in our gyms despite around 7m visits so far

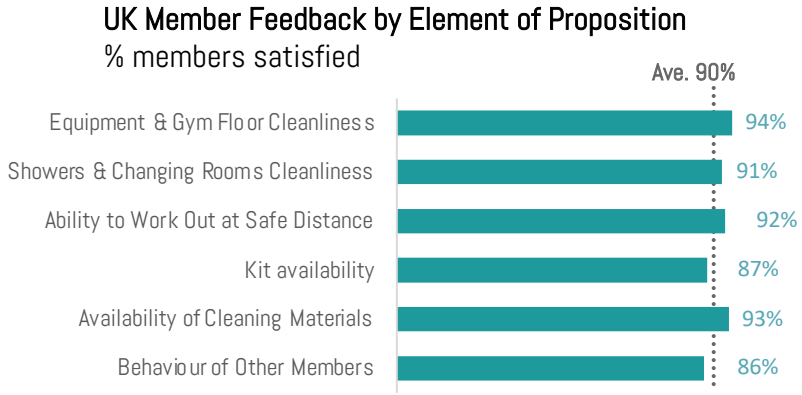
Clear member endorsement of COVID-safe operating protocols

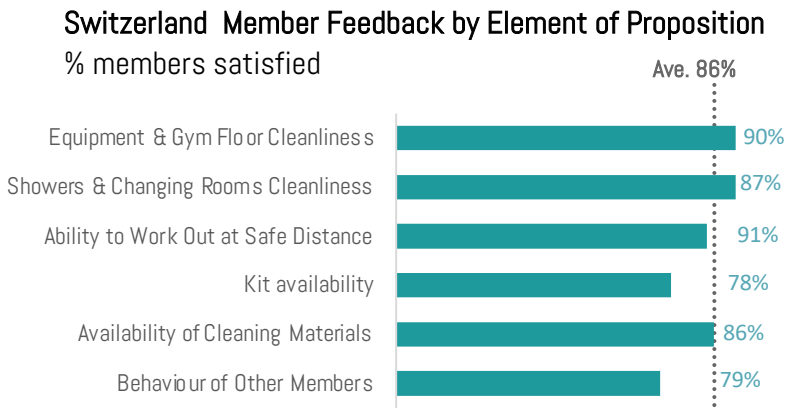
We have created technology-enabled tools to harness member feedback in the UK

- New SMS-based real-time feedback tool created during lockdown to capture feedback on cleanliness and hygiene (#1 concern reported by members) immediately after their workout
- Weekly feedback is gathered across every UK club, capturing scores covering different elements of the proposition and Net Promoter Score (NPS)
- Over 140k reviews submitted in the UK since reopening

Members have validated our COVID-safe operating protocols

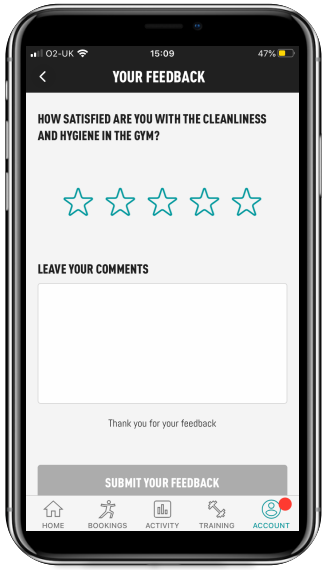
- PureGym averages 90% satisfaction across key elements of the UK proposition
- Scores are also high internationally – in Switzerland average 85% satisfaction
- UK NPS improved from 39 in Q1 2020 to between 40 and 50 in August





"Was a pleasure to use the gym today. Very clean and easy to stay socially distanced from others"

"So impressed with how the gym has adapted. Loads of cleaning stations, wipes and everyone seems to be on board with cleaning their own equipment "



"Perfection - clean, tidy, cleaning and sanitation facilities highly available throughout"

Encouraging member numbers with positive visit trajectory

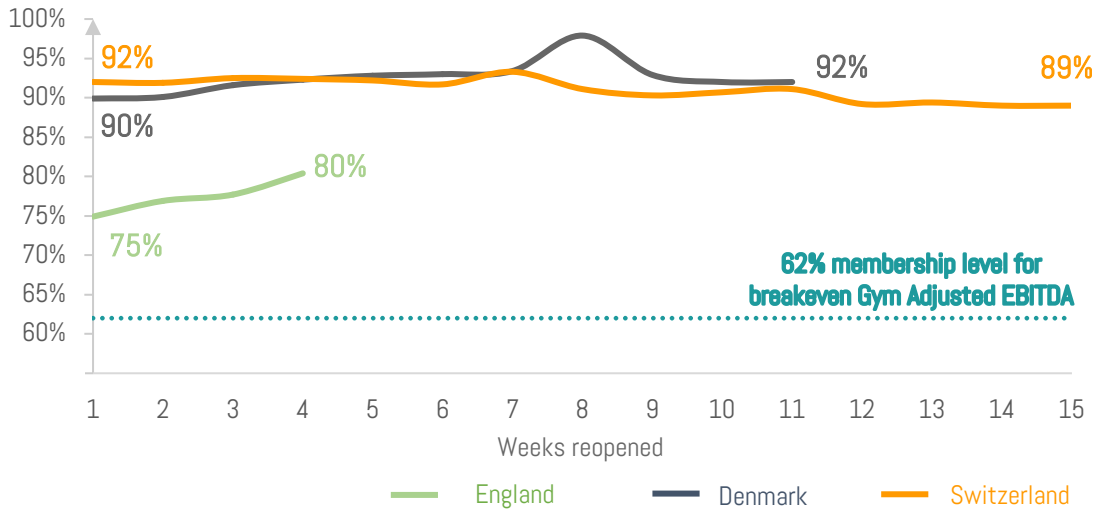
Strong reopening member levels

- Total Group members in line with PY, currently 1.7m
- LFL paying member base[1] well ahead of gym margin breakeven point
  - Switzerland at 89%
  - Denmark at 92%
  - England at 80% (86% including frozen members vs PY)

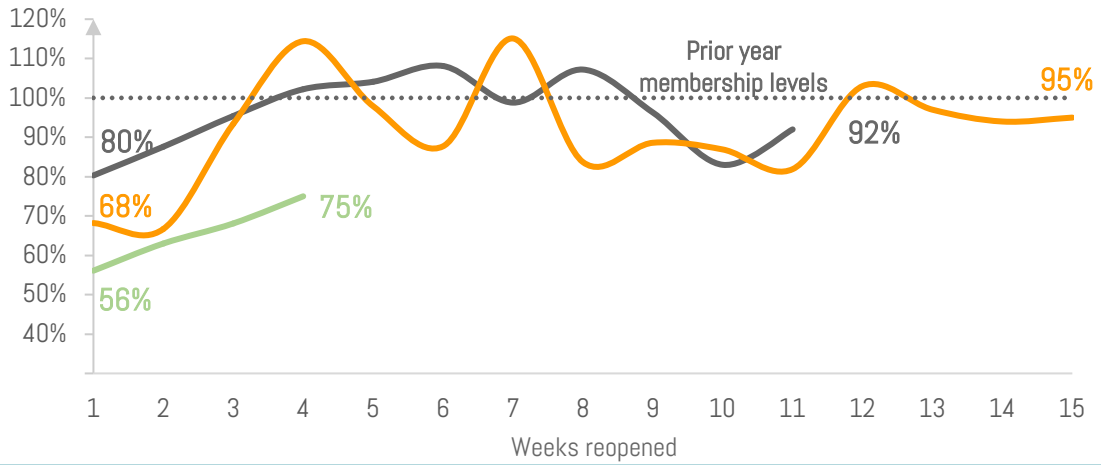
LFL members visits rapidly returning to pre-COVID-19 levels

- Switzerland 95% of PY (some variation caused by holidays/working arrangements)
- DK 92% of PY (some variation caused by holidays and weather)
- England increasing 3-5% per week, currently 75% (85% on an "adjusted opening hours" basis)
- Younger members have a higher propensity to return to the gym
- UK business has the youngest demographic mix in the group (median member age 28 UK vs 30 Denmark and 31 Switzerland)

Like-for-like paying members vs PY[1]



Like-for-like member visits vs PY



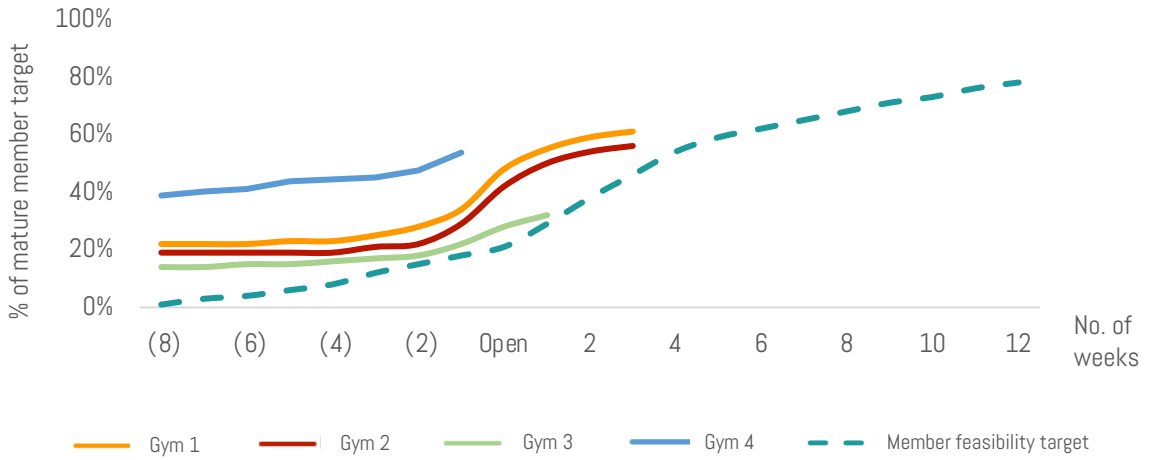
1. Paying member base excludes all members who have opted to accept a free freeze in the UK on their membership for a period immediately following reopening.
2. Poland not shown here as it is not material in a group content, closing LFL member base is currently 88% of PY.

Encouraging new site opening performance

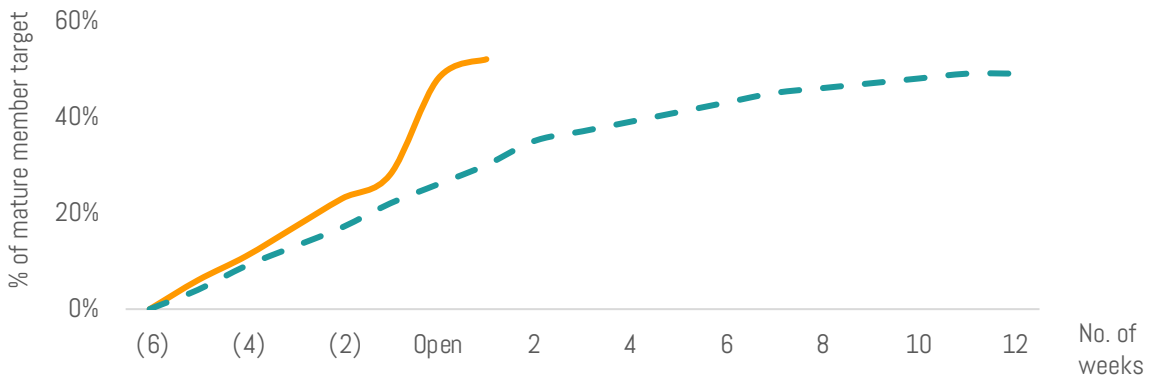
Several new sites have opened across the Group and all are ramping up in line with pre-COVID-19 levels

- New site members levels are ahead of feasibility targets, which were set pre-COVID-19
- This provides confidence that underlying member appetite continues to be strong
- Early stage evidence that historical new site maturity profile continues to be valid
- These results have been achieved despite limited pre-marketing activity
- These initial statistics give us confidence that latent demand continues to exist in markets in the UK, Denmark and Switzerland
- A strong pipeline for new site openings – which will drive increases in EBITDA and so help reduce leverage – remains in place

Four new UK gyms member levels vs target:



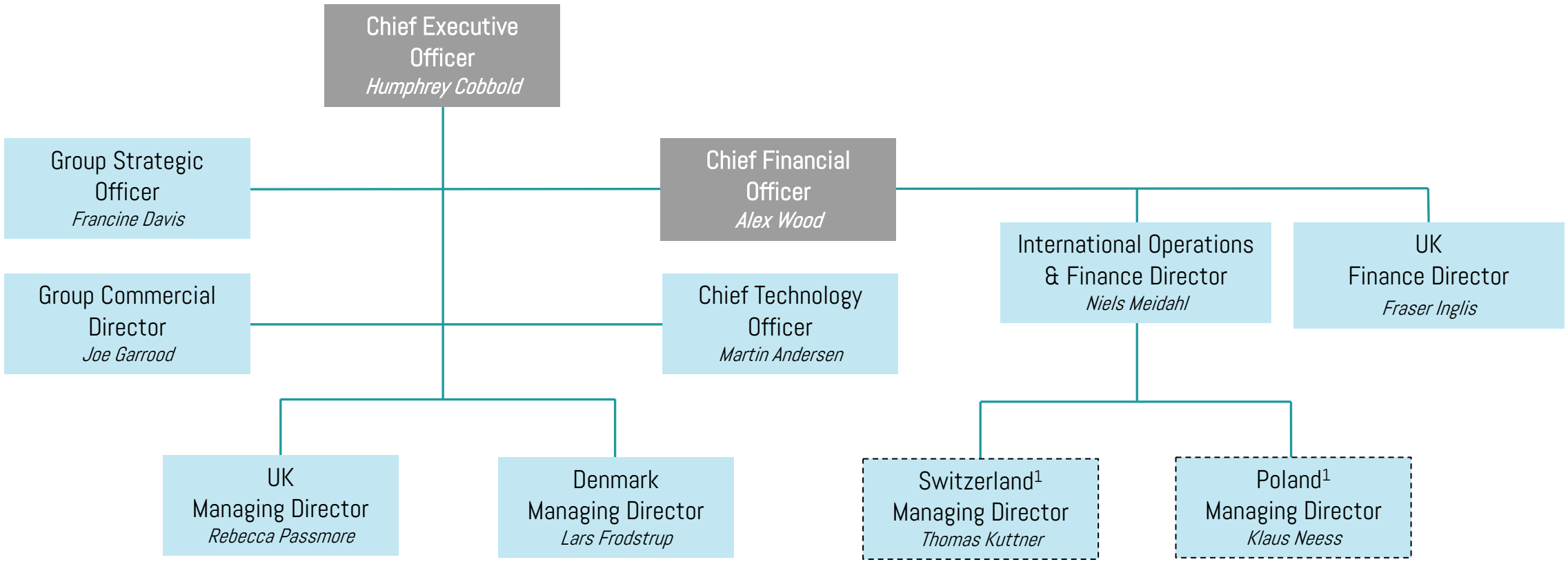
One new Denmark gym member levels vs target:



Group Management Board primed and ready to "push on"

PUREGYM

Despite the obvious challenges during lockdown we have created a single Group Executive team and installed new working processes and disciplines to manage the group and its ongoing development



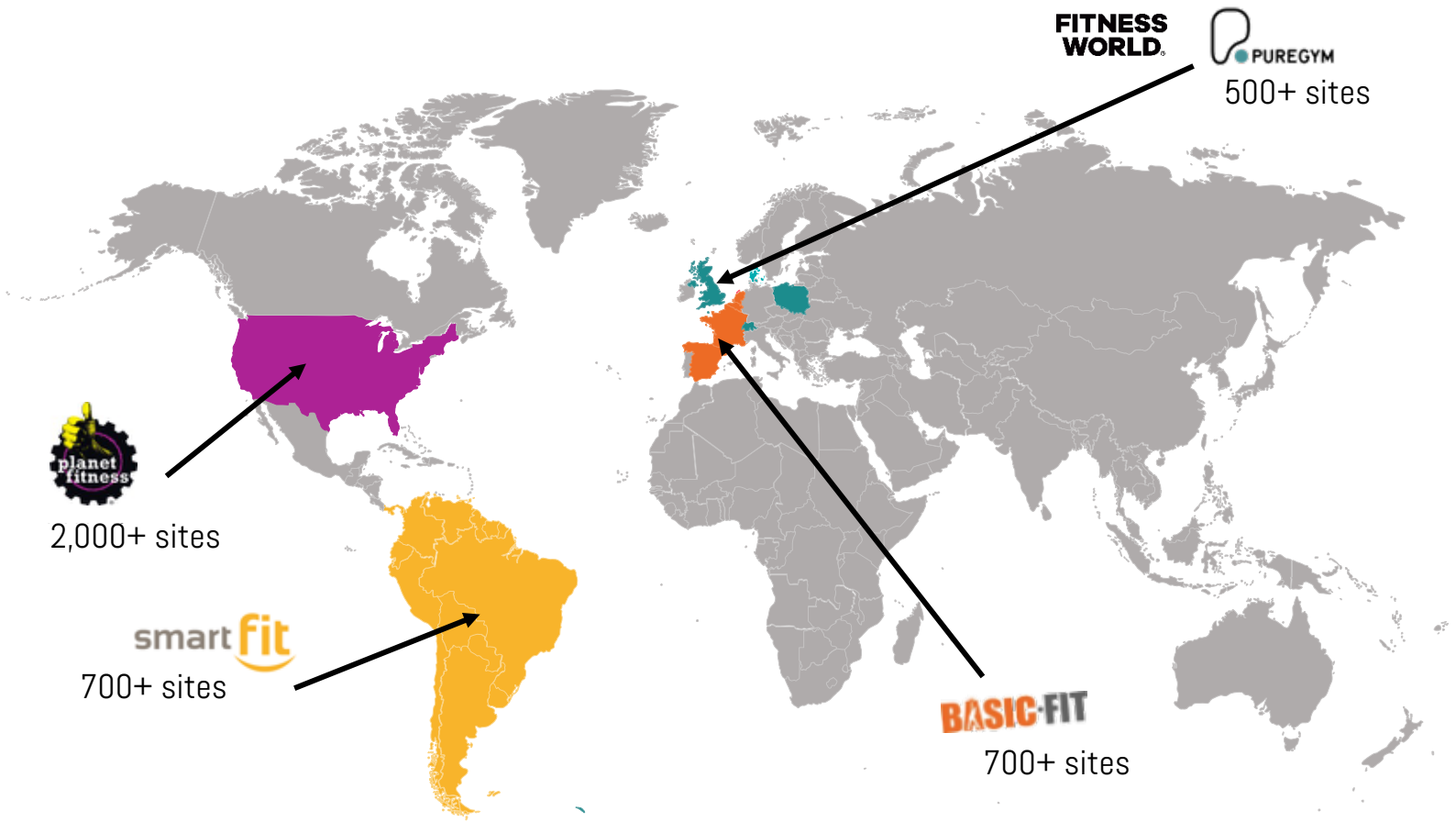
1. Represented on the Group management board by the international operational and finance director



Strategic and long-term outlook

Our medium to long-term strategic position remains robust

Global "Premier League" of budget gym operators emerging



Citi Group report (3 August 2020)

"Global elite to consolidate gains"

"We expect low cost gyms to take share [as a result of the COVID-19 pandemic]"

"Consolidation and bifurcation [between premium and budget] continued in 2019..."

"Low cost operators 'downsizing' [launching Express or Local smaller formats] to extend their growth"

"Going international – market leaders extending their growth"

"Prefer exposure to low cost operators with scale"

Many reasons to be positive against that global outlook

1) Demand is likely to be strong in the future

- Increased focus on health, mental and physical wellbeing
- Members will trade down to low cost in a downturn
- Well invested players in the budget sector will gain share due to great value for money (affordable, no contract, high standards)
- Governments will invest heavily in promoting physical activity (e.g, "Better Health" in the UK)
- Digital/online fitness as much of an opportunity as a threat and Peloton is a 'different market'

2) Supply will struggle to meet demand

- COVID-19 has been an extreme test of resilience and weaker competitors will struggle to survive
- Evidence is already clear: X4L, Energie & DW Fitness in UK; 24 Hour, TCI Sports, Golds Gym, Flywheel in USA

3) Our large estate portfolio mix is inherently defensive

- Extensive base of multi-site users and our scale and technology stack enables this for members
- Short-term decline in metropolitan city centre workers is largely being compensated for by residential gym attendance ("demand displacement")

4) Opportunities for growth and development will be greater in the future

- There will be less competition for sites than previously
- Rental prices will fall significantly over time
- Options for growth internationally either through direct investment or franchising are clear and attractive

Technology "Smart Suite" continues to differentiate

Technology Developments

1. Scale investment in core systems convergence across the whole Group – already well underway



2. Best in class reporting and performance management enabled by advanced business insight and data analytics



3. Full suite of digital fitness content and delivery for use across entire estate



Commercial Value Creation

- *Reduce costs by moving from 3rd party to own solution (OneCore)*
- *Capture economies of scale and economies of scope*
- *Create future new business opportunities (e.g. business model transformation)*
- *Drive business insights for commercial implications (e.g. pricing, product, marketing)*
- *Support smarter business decision-making*
- *Define and manage customer lifetime value*
- *Complement the gym workout with offline and at home content*
- *Enhance customer omni-channel experience*
- *Create potential new revenue opportunities*

Strengthen and further extend core competitive advantage to support growth

Our aspiration is nothing less than to be the "best in the world" in development and application of technology in budget fitness

Built capability to actively reduce closure risk across UK & DK

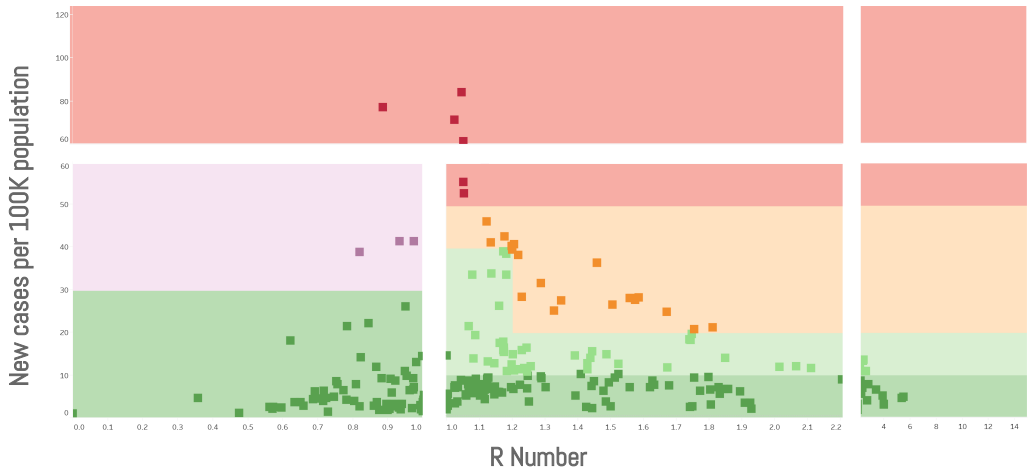
We have invested in the capability to identify and manage virus risk proactively

- We have built analytical data models that allow us to calculate 'R Number' and infection intensity for every location in our major markets
- Our experience to date is that we typically "see" issues 3-5 days before (local) Government announcements of possible intervention
- We are able to adjust our response – we can 'dial up' or 'dial back' restrictions in certain areas armed with this data
- We believe PureGym is ahead of other businesses in this respect

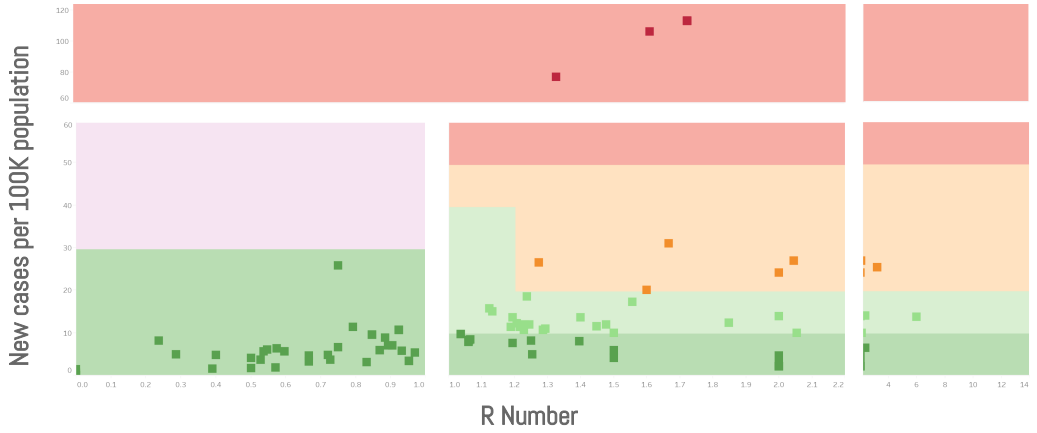
We are working (very) hard to make sure that gyms/fitness centres remain open

- PureGym is leading an effort to collate nationwide and European gym data on visits and COVID-19 incidences, to show that gyms are safe relative to other venues
- Gyms are part of the solution: If or when Governments need to make "tough decisions", we believe that a transparent, professional and data driven approach will support the case for gyms remaining open

Realtime COVID-19 case tracker: UK



Realtime COVID-19 case tracker: Denmark





Conclusion

Conclusions

1. Headed into pandemic from a position of real strength (business model, liquidity and member feedback)
2. Strong groupwide success in mitigating cash burn rate through the pandemic
3. Flawless reopening with encouraging member trends and clear path to profitability
4. Extremely pleased with consistent delivery of 'a safe place to work and a safe place to workout'
5. Strong current liquidity position and outlook, and full compliance with all covenant obligations
6. Very robust Shareholder support for the management team and business
7. Focus on returning to pre-COVID-19 performance levels and continuation of ambitious growth strategy



Appendix

Segmental performance

PUREGYM

	Pro forma basis (£m)						Reported basis (£m)					
	Quarter ending 30 June			6 months ending 30 June			Quarter ending 30 June			6 months ending 30 June		
	2020	2019	Change %	2020	2019	Change %	2020	2019	Change %	2020	2019	Change %
PureGym UK	0.8	64.3	(99)%	64.2	125.9	(49)%	0.8	64.3	(99)%	64.2	125.9	(49)%
Fitness World	13.4	47.5	(72)%	54.7	95.2	(43)%	13.4	-	n/a	46.9	-	n/a
Denmark	8.6	39.3	(78)%	41.9	79.5	(47)%	8.6	-	n/a	35.5	-	n/a
Switzerland	4.4	6.9	(36)%	11.0	12.9	(15)%	4.4	-	n/a	9.9	-	n/a
Poland	0.5	1.4	(66)%	1.8	2.8	(37)%	0.5	-	n/a	1.6	-	n/a
Total Revenue	14.2	111.8	(87)%	119.0	221.1	(46)%	14.2	64.3	(78)%	111.1	125.9	(12)%
PureGym UK	(18.9)	24.1	(178)%	(1.0)	44.9	(102)%	(18.9)	24.1	(179)%	(1.0)	44.9	(102)%
Fitness World	(1.6)	10.6	(116)%	2.2	20.6	(90)%	(1.6)	-	n/a	0.7	-	n/a
Denmark	(1.0)	9.6	(111)%	2.9	19.1	(85)%	(1.0)	-	n/a	1.4	-	n/a
Switzerland	(0.4)	0.8	(146)%	(0.6)	1.1	(154)%	(0.4)	-	n/a	(0.6)	-	n/a
Poland	(0.2)	0.2	(254)%	(0.1)	0.4	(128)%	(0.2)	-	n/a	(0.1)	-	n/a
Total Adjusted EBITDA	(20.6)	34.7	(159)%	1.1	65.5	(98)%	(20.6)	24.1	(185)%	(0.4)	44.9	(101)%
PureGym UK	n/a	37.5%	n/a	n/a	35.7%	n/a	n/a	37.5%	n/a	n/a	35.7%	n/a
Fitness World	n/a	22.2%	n/a	3.9%	21.6%	(17.7)%	n/a	-	n/a	1.4%	-	n/a
Denmark	n/a	24.4%	n/a	6.8%	24.0%	(17.2)%	n/a	-	n/a	3.9%	-	n/a
Switzerland	n/a	12.1%	n/a	n/a	8.8%	n/a	n/a	-	n/a	n/a	-	n/a
Poland	n/a	11.9%	n/a	n/a	12.9%	n/a	n/a	-	n/a	n/a	-	n/a
Adjusted EBITDA margin	n/a	31.0%	n/a	0.9%	29.6%	(28.7)%	n/a	37.5%	n/a	n/a	35.7%	n/a

Group cash flow Q2 2020

Cash flow impacted by COVID-19

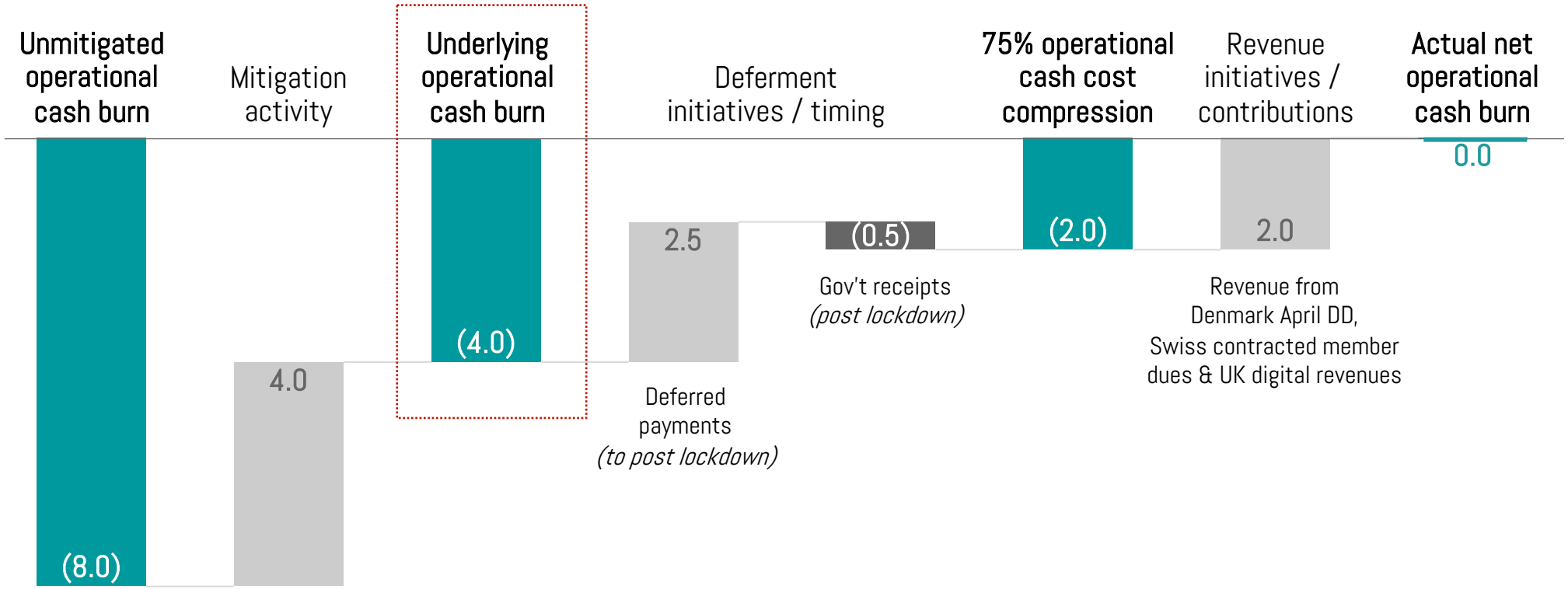
- Group Adjusted EBITDA impacted by closure
- Maintenance and refurbishment capital expenditure relates to projects completed prior to lockdown
- Operating cash flow conversion optimised through swift management action
- £19m YTD expansionary capex reflects 6 new organic gyms opened in early 2020 and 10 further sites developed ready for opening post lockdown
- YTD exceptional items comprise mainly transition and integration costs relating to the Fitness World acquisition
- YTD acquisition financing includes €445m SS bridge loan (c.£381m) received in Q1'20 to finance the acquisition of Fitness World, net of £118m repayment of Fitness World debt
- YTD net investment in Fitness World represents the cost of investment of £233m, net of £7m cash acquired

	Quarter ended 30 June		6 months ending 30 June	
(£m)	2020	2019	2020	2019
Group Adjusted EBITDA	**(20.6)**	**24.1**	**(0.3)**	**44.9**
Movement in working capital	6.3	(2.9)	16.1	(6.0)
Maintenance and refurb capital expenditure	(5.5)	(2.1)	(9.2)	(3.0)
Group operating cash flow	**(19.7)**	**19.1**	**6.6**	**35.9**
Operating cash flow conversion	*n/a*	*79.2%*	*n/a*	*79.9%*
Expansionary capital expenditure	(7.4)	(8.6)	(18.5)	(18.7)
Exceptional items	(1.6)	(0.7)	(7.5)	(1.0)
Tax, interest, and debt issue costs	(3.6)	1.1	(29.4)	(12.0)
Other	9.5	(0.6)	11.8	(1.5)
Net cash flow before acquisition and financing	**(22.7)**	**10.4**	**(37.0)**	**2.7**
Net investment in Fitness World	-	-	(226.4)	-
Acquisition finance	-	-	263.0	-
RCF (repayment)/borrowing	(48.0)	-	37.0	-
Issue of senior secured notes	-	40.0	-	40.0
Finance lease capital repayments	(1.5)	(0.3)	(2.7)	(0.5)
Other financing cash flows	2.1	0.1	2.1	0.1
Net cash flow	**(70.2)**	**50.1**	**36.0**	**42.3**

Operational weekly cash burn during lockdown

"Underlying" operational cost burn further reduced by payment deferments and revenue initiatives

Average weekly cash burn (during lockdown)
£m



Illustrative membership breakeven points

Site Adj. EBITDA breakeven at 62% of PY members

- If membership exceeds certain levels of prior year then breakeven achieved:
  - Gym Adjusted EBITDA – 62%
  - Group Operating Cash Flow – 78%
  - Operating Cash Flow after Interest – 89%
- Illustrative breakeven points based on 2019 pro forma combined group financials
- £50m illustrative annual interest payments reflect current Group financing arrangements

Total Combined Group (£m)	2019 Pro forma	Breakeven points: Gym Adj. EBITDA	Group Operating Cash Flow	Group Operating Cash Flow After Interest
Membership % of 2019 base	**100%**	**62%**	**78%**	**89%**
Revenue	447	277	346	396
Gym Adjusted EBITDA	170	-	69	119
Group Adjusted EBITDA	131		30	80
Maintenance & refurbishment capex[1]	(30)		(30)	(30)
Operating Cash Flow	101		-	50
Operating Cash Flow Conversion	*77%*		*n/a*	*62%*
Interest	(50)			(50)
Operating Cash Flow after Interest	51			-

1. Maintenance & refurbishment capex net of working capital movement. Excludes growth capex.

Combined Group P&L and KPIs

£m	Quarter ended 30 June 2020	Quarter ended 30 June 2019	6 months ending 30 June 2020	6 months ending 30 June 2019
Total number of PureGyms	266	238	266	238
Total number of Fitness World Group Gyms	239	-	239	-
Total number of gyms	505	238	505	238
Total number of members ('000s)	1,697	1,128	1,697	1,128
Average number of members ('000s)	1,720	1,130	1,654	1,112
Average number of members per gym	3,392	4,802	3,528	4,816
Average revenue per member per month (£)	2.75	18.92	11.20	18.79
Reported EBITDA (£ million)	(2.5)	33.4	36.5	62.7
Adjusted EBITDA (£ million)	(20.6)	24.1	(0.3)	44.9
Adjusted EBITDA margin	n/a	37.5%	n/a	35.7%
Gym Site Adjusted EBITDA (£ million)	(14.5)	30.0	17.3	56.4
Gym Site Adjusted EBITDA margin	n/a	46.6%	15.5%	44.8%
Run-Rate Adjusted EBITDA (LTM) (£ million)[1]	n/a	n/a	101.4	97.8
Operating Cash Flow (£ million)	(19.7)	19.1	6.6	35.9
Operating Cash Flow Conversion	n/a	79.2%	n/a	79.9%
Senior Secured Net Debt (£ million)	n/a	n/a	784.6	364.4
Ratio of Senior Secured Net Debt to LTM Run-Rate Adjusted EBITDA[1]	n/a	n/a	7.7x	3.7x
Ratio of LTM Run-Rate Adjusted EBITDA[1] to Pro Forma Net Interest Expense	n/a	n/a	2.1x	3.5x

Note: Q2 2020 represents the results of the Combined Group, including Fitness World from 14 January 2020. Q2 2019 includes the results of PureGym only.
1. Q2 2020 LTM Run Rate Adjusted EBITDA represents the Combined Group on a pro forma basis and includes £4.9m of expected synergies.

Reconciliation from Loss to Adjusted EBITDA and Run-Rate Adjusted EBITDA

£m	Quarter ended 30 June 2020	Quarter ended 30 June 2019	6 months ending 30 June 2020	6 months ending 30 June 2019
Loss for the year/period	(70.1)	(3.3)	(105.8)	(8.9)
Income tax	(7.3)	0.1	(8.6)	0.3
Net finance cost	39.7	22.0	81.0	43.1
Depreciation of property, plant and equipment	28.0	13.1	55.8	25.7
Amortisation of intangible fixed assets	5.7	0.7	10.9	1.5
Impairment of property, plant and equipment	-	-	-	-
(Profit) / loss on disposal of property, plant & equipment	-	-	0.1	-
(Profit) / loss on lease modifications	-	-	-	-
Exceptional administrative expenses	1.6	0.7	3.0	1.0
Reported EBITDA	(2.5)	33.4	36.5	62.7
Other extraordinary items	(0.5)	-	-	-
Share based payment charge	0.1	0.1	0.2	0.1
Pre-Opening Costs	0.3	0.6	0.8	1.5
Cash Rent Adjustment	(18.0)	(9.9)	(37.8)	(19.4)
Adjusted EBITDA	(20.6)	24.1	(0.3)	44.9
Head office costs	6.0	5.9	17.6	11.4
Gym Site Adjusted EBITDA	(14.5)	30.0	17.3	56.4
LTM Adjusted EBITDA[1]	n/a	n/a	67.7	83.9
Run-Rate Adjustment	n/a	n/a	28.8	13.9
Synergies	n/a	n/a	4.9[2]	-
Pro forma Run-Rate Adjusted EBITDA (LTM)	n/a	n/a	101.4	97.8

Note: Q2 2020 represents the results of the Combined Group, including Fitness World from 14 January 2020. Q2 2019 includes the results of PureGym only.

1. Q2 2020 LTM Adjusted EBITDA represents the Combined Group on a pro forma basis as if the acquisition of Fitness World occurred on the first day of the period.
2. Synergies of DKK 39.7m converted using DKK/GBP of 0.1225 as 30 June 2020.

Glossary

Term	Definition
Adjusted EBITDA	The profit or loss for a certain period before income tax expense, net finance cost, depreciation of property, plant and equipment and right of use assets, amortisation of intangible fixed assets, impairment of property, plant and equipment, profit/loss on disposal of property, plant and equipment, profit/loss on lease modifications, exceptional administrative expenses, and other extraordinary items, after adding back Pre-Opening Costs and share based payment charges, and subtracting the Cash Rent Adjustment.
Adjusted EBITDA Margin	Adjusted EBITDA for that period divided by revenue for that period.
Average Number of Members	The average of the number of members as at the beginning of the first month and the end of every month in that period.
Average Continuous Membership Tenure	The average monthly tenure of all active and paying members, including members who have frozen their membership, as of a given point in time. This includes previous memberships where the gap in membership was 30 days or less but excludes the period(s) of non-membership.
Average Initial Capital Investment for Mature Gyms	The Initial Capital Investment for all Mature Gyms for a certain period divided by the number of Mature Gyms in that period.
Average Gym ROCE	Gym Site Adjusted EBITDA for the relevant portfolio of gyms for that period divided by the Initial Capital Investment attributable to that portfolio of gyms.
Average Mature Gym Adjusted EBITDA	Mature Gym Adjusted EBITDA for a certain period divided by the revenue attributable to Mature Gyms for that period.
Average Mature Gym Adjusted EBITDA Margin	Mature Gym Adjusted EBITDA for a certain period divided by the revenue attributable to Mature Gyms for that period.
Average Mature Gym ROCE	Mature Gym Adjusted EBITDA for a certain portfolio of gyms for a certain period divided by the Initial Capital Investment attributable to that portfolio of gyms.
Average Revenue Per Member Per Month	Revenue for that period divided by the number of months in that period and further divided by the average number of members during that period. The average number of members during that period is calculated as the average of the number of members as of the beginning of the first month and the end of every month in that period.
Basefit	Refers to Basefit.ch AG, the brand that Fitness World operates under in Switzerland.

Glossary

Term	Definition
Cash Rent Adjustment	The deduction of the cash rent payable during the period which otherwise was not reflected in EBITDA (as reported on an IFRS16 basis).
Combined Group	Refers to Pure Gym and Fitness World.
Combined Group EBITDA	EBITDA of Pure Gym plus EBITDA of Fitness World
Combined Group Adjusted EBITDA	Adjusted EBITDA of Pure Gym plus Adjusted EBITDA of Fitness World.
Combined Group Adjusted EBITDA Margin	Combined Group Adjusted EBITDA for a certain period divided by the Combined Group Revenue.
Combined Group Gym Site Adjusted EBITDA Margin	Gym Site Adjusted EBITDA of Pure Gym plus Gym Site Adjusted EBITDA of Fitness World.
Combined Group Revenue	Revenue of Pure Gym plus revenue of Fitness World.
Combined Group Run Rate Adjusted EBITDA Margin	Run-Rate Adjusted EBITDA of Pure Gym plus Run-Rate Adjusted EBITDA of Fitness World.
Combined Group Operating Cash Flow	Operating Cash Flow of Pure Gym plus Operating Cash Flow of Fitness World.
EBITDA	The profit or loss for a certain period before income tax expense, net finance cost, depreciation of property, plant and equipment and right of use assets, amortisation of intangible fixed assets, impairment of property, plant and equipment, profit/loss on disposal of property, plant and equipment, profit/loss on lease modifications and exceptional administrative expenses.

Glossary

Term	Definition
Expansionary Capital Expenditure	The Initial Capital Investment and the capital costs of expanding gym sites incurred in that period.
Fitness World or Fitness World Group	Refers to Forward TopCo A/S and its subsidiaries.
Gym Cohorts	Groups of Pure Gym or Fitness World clubs, as applicable, that opened during a specified period.
Gym Site Adjusted EBITDA	Adjusted EBITDA for that period, excluding Head Office Costs.
Gym Site Adjusted EBITDA Margin	Gym Site Adjusted EBITDA divided by revenue for that period.
Head Office Costs	All non-gym specific costs, other than depreciation and amortisation, related to the operation of head office functions in a given period.
Initial Capital Investment	The capital cost of bringing a new gym into operation or extending a gym, including expenditures on site fit out, fixtures, fittings and equipment and excluding the cost of any right of use property assets, ongoing maintenance and refurbishment capex.
Large Box Format (LBF)	Large Box Format (LBF) gyms are gyms that are typically over 12,000 square feet in size.
Maintenance and Corporate Capital Expenditures	The total capital expenditure incurred in a period less Expansionary Capital Expenditure incurred in that period.
Mature Gym Adjusted EBITDA	Profit for a certain period before income tax expense, net finance cost, depreciation of property, plant and equipment and right of use assets, amortisation of intangible fixed assets, impairment of property, plant and equipment, profit/loss on disposal of property, plant and equipment, profit/loss on lease modifications and exceptional administrative expenses for Mature Gyms, after adding back other extraordinary items, Pre-Opening Costs for Mature Gyms and Head Office Costs and subtracting the Cash Rent Adjustment for Mature Gyms.
Mature Gym EBITDA	profit for a certain period before income tax expense, net finance cost, depreciation of property, plant and equipment and right of use assets, amortisation of intangible fixed assets, impairment of property, plant and equipment, profit/loss on disposal of property, plant and equipment, profit/loss on lease modifications, exceptional administrative expenses and Head Office Costs for Mature Gyms. Mature Gym EBITDA does not include the Cash Rent Adjustment or adjustments for Pre-Opening Costs or other extraordinary items that were added back to Adjusted EBITDA and Gym Site Adjusted EBITDA.
Mature Gyms	The gyms that have been open as Pure Gyms for 24 months or more or as Fitness World clubs open as for 24 months or more as of the end of the relevant reporting period.

Glossary

Term	Definition
Net Debt	Total indebtedness of the group including finance lease liabilities as reported under IAS17 (excluding property lease liabilities recognised under IFRS 16) less cash and cash equivalents.
New Gyms	The gyms that have been open as Pure Gyms for less than 24 months or Fitness World clubs for less than 24 months as of the end of the relevant reporting period.
Number of Gyms	The total number of gyms that are open and trading as of the specified date or the end date of the relevant period.
Operating Cash Flow	Adjusted EBITDA plus Working Capital Cash Flow and less Maintenance and Corporate Capital Expenditures for that period.
Operating Cash Flow Conversion	The Operating Cash Flow for that period divided by Adjusted EBITDA for that period.
Pre-Opening Costs	The total of all gym site operating costs incurred during the pre-opening periods of gyms in that period. Pre-Opening Costs primarily consist of staff and marketing expenses.
Pro Forma Run Rate Adjusted EBITDA	Run Rate Adjusted EBITDA for the twelve months ended on the reporting date, after giving pro forma effect to the recent acquisition of Fitness World as if the acquisition occurred on the first day of the period and including synergies expected to be realised from the combined group.
Pro Forma Net Interest Expense	The net of interest payable/receivable for the twelve months ended on the reporting date after giving pro forma effect to borrowings as at the balance sheet date, as if those borrowings occurred on the first day of the period.
ROCE	Adjusted EBITDA divided by Initial Capital Investment and refers to return on capital employed.
Run-Rate Adjusted	The adjustment made to those gyms which are less than three years old at the end of the reporting period. These adjustments replace the Adjusted EBITDA earned by these sites in the last twelve month period with the projected Adjusted EBITDA for their third year of operation.
Run-Rate Adjusted EBITDA	The Adjusted EBITDA including any Run Rate Adjustment.
Senior Secured Net Debt	The total senior secured indebtedness of the group (excluding finance lease liabilities as reported under IAS17), less cash and cash equivalents.
Small Box Format (SBF)	Small Box Format (SBF) gyms are gyms that are typically 6,000-9,000 square feet in size.
Soho Gyms	The trading name of Ovalhouse Limited.
Working Capital Cash Flow	Cash movements in working capital.

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