

Investor Presentation

Results for the quarter ended 30 September 2021

17 November 2021

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.

Use of non-IFRS financial information

Certain parts of this report contain non-IFRS measures and ratios. We believe that these measures are useful indicators of our ability to incur and service our indebtedness and can assist certain investors, security analysts and other interested parties in evaluating us. Because all companies do not calculate these measures on a consistent basis, our presentation of these measures may not be comparable to measures under the same or similar names used by other companies. Accordingly, undue reliance should not be placed on these measures in this presentation. In particular, Adjusted EBITDA and Run-Rate Adjusted EBITDA are not measures of our financial performance or liquidity under IFRS and should not be considered as an alternative to (a) net income/(loss) for the period as a measure of our operating performance, (b) cash flows from operating, investing and financing activities as a measure of our ability to meet our cash needs or (c) any other measures of performance under IFRS.

Introduction & overview

COVID-19 / market status update

- All 511 gyms are open & business performing well operationally
- Progress on vaccination in the UK & Denmark is still amongst the best in Europe

Financial results

- Revenue for Q3 2021 was 102% of Q3 2019
- Total group membership has already recovered to 95% of December 2019's level
- Adjusted EBITDA for Q3 2021 of £25m (c.£100m annualised run rate)
- Available liquidity of £206m as at 30 September 2021[1] (including £61m of cash)

Progress on recovery

- Many mature & maturing sites are already trading well above 2019 revenue levels
- New sites continue to perform strongly & recovery well distributed across the estate
- Members are returning to gyms & member feedback remains very positive

Outlook

- Remain very positive about the prospects for the business – patience will be rewarded
- 5 new UK sites in Q4, 3 new USA sites in Q4/Q1, plus 4 franchise sites in KSA in Q4
- Excellent pipeline of new site opportunities & very clear plan for acceleration
- Exploration of capital raising options continues & is progressing very well



Notes:
1. Comprising cash & undrawn RCF facilities. Subject to a quarterly £30m minimum liquidity covenant test. £30m of deferred payments were outstanding at 30 September 2021

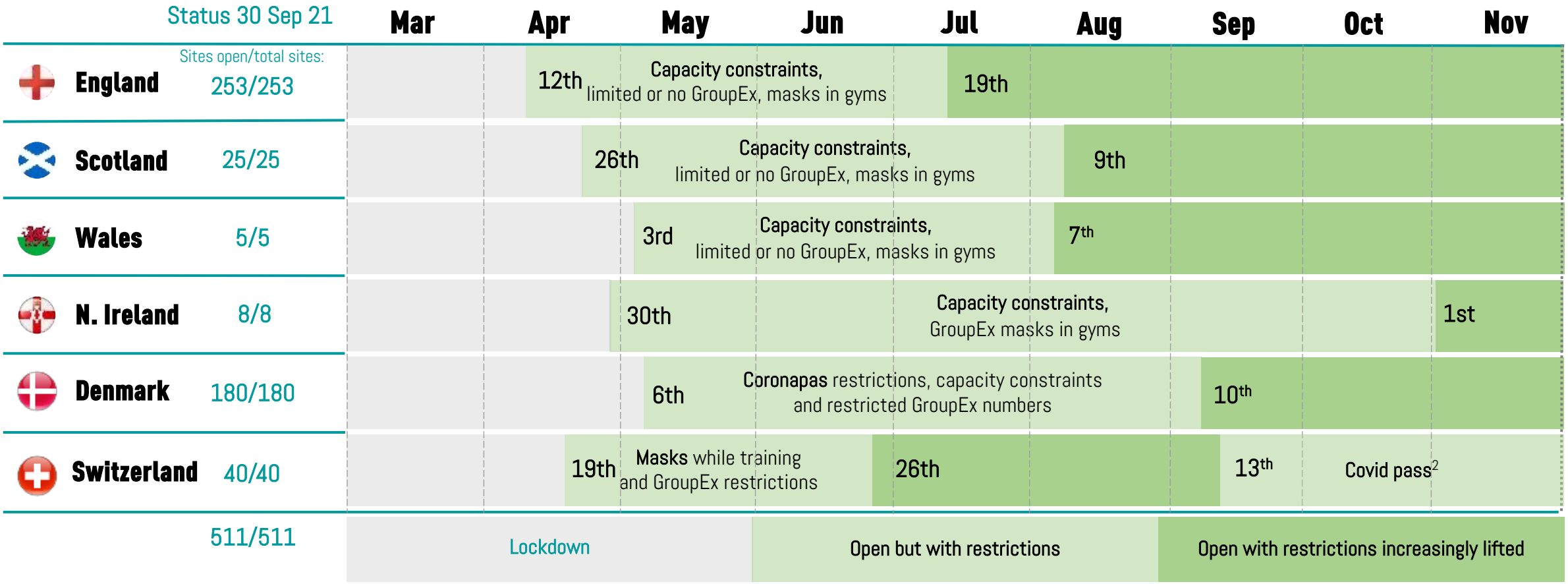


Status update

All our gyms are open with restrictions increasingly lifted throughout the quarter

All 511 gyms are now open across the group[1]

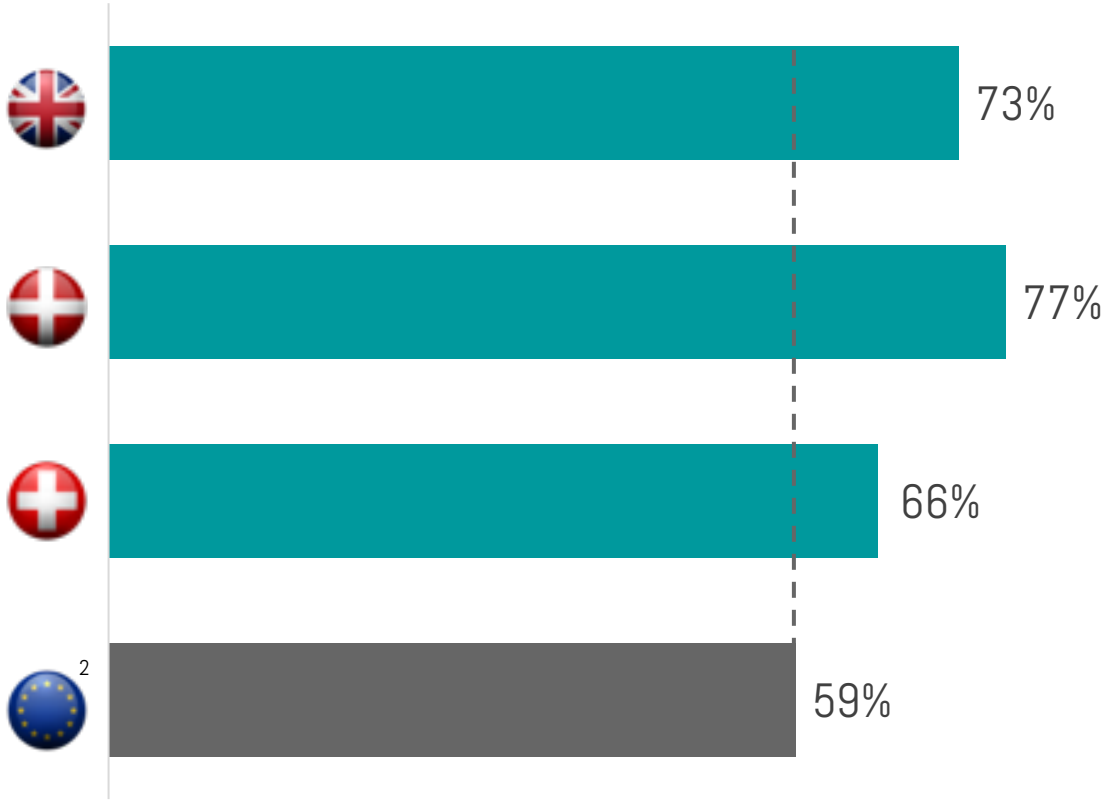
Estate open with restrictions increasingly lifted throughout the quarter



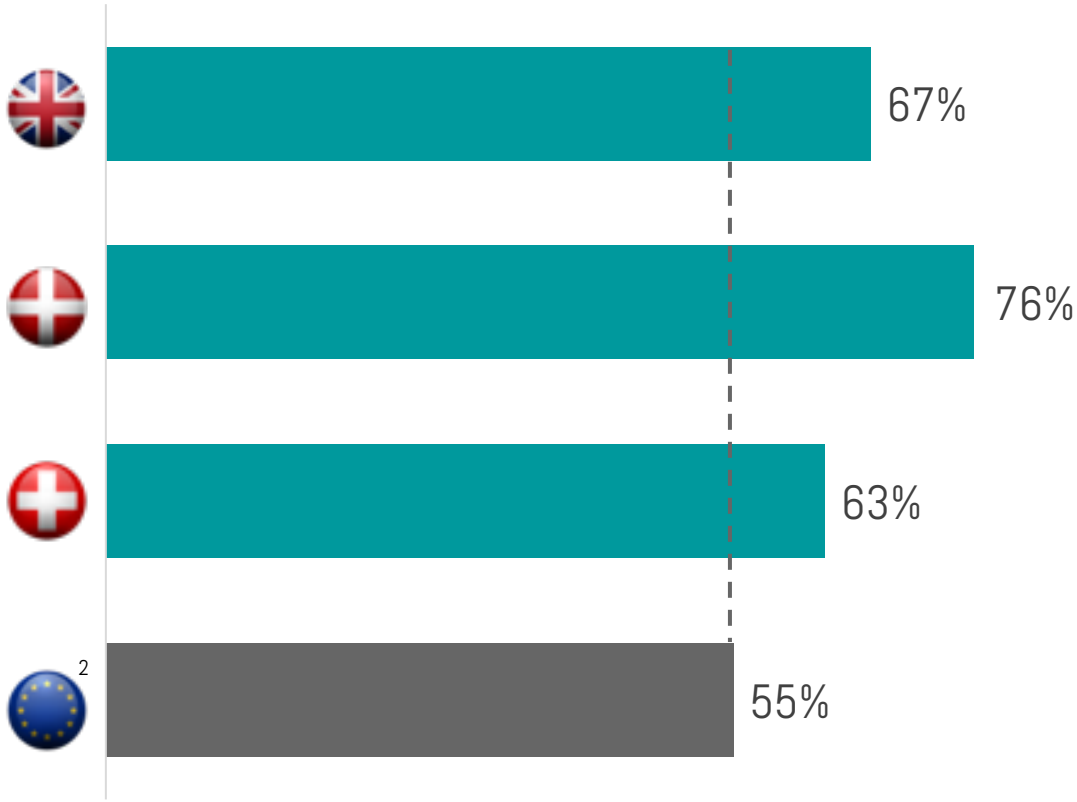
Notes:
1. Excluding non-COVID-19 related closures for reasons such as refurbishment
2. Covid certificate mandatory for those attending gyms in Switzerland from 13 September 2021

Progress on vaccination in the UK & Denmark is amongst the best in Europe

First vaccination (% of the population)[1]



Fully vaccinated (% of the population)[1]



Notes:
1. Data as at 31 October 2021 for whole population, sourced from www.ourworldindata.org
2. Europe as defined by www.ourworldindata.org, including the European Union and other European countries



Financial results

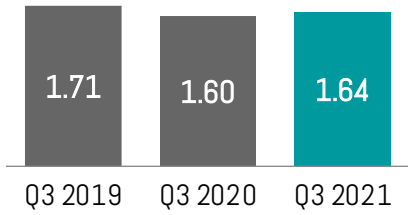
Revenue in Q3 was ahead of pre-Covid, underpinned by strong growth in ARPM

Group results Q3 2021

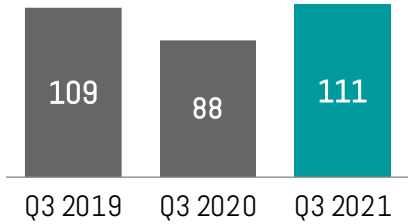
All figures stated to the nearest £ million, except for closing members (million), gyms in estate (number) and new organic gyms (number)

Revenue & membership

Closing members

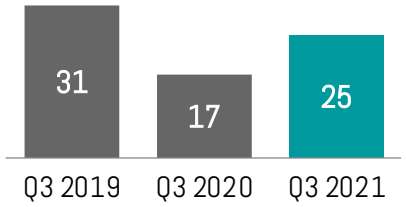


Revenue

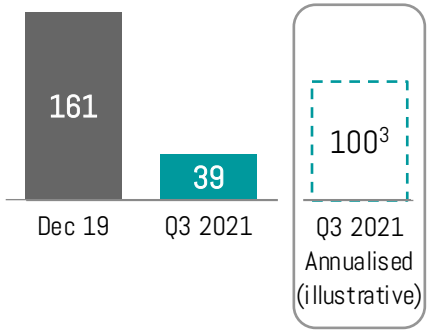


Adjusted EBITDA

Adj EBITDA[1]

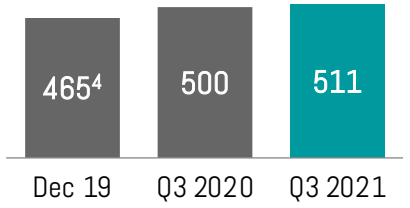


Run Rate Adj EBITDA

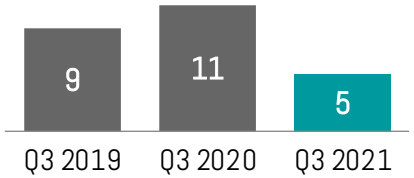


Group estate

Gyms in estate

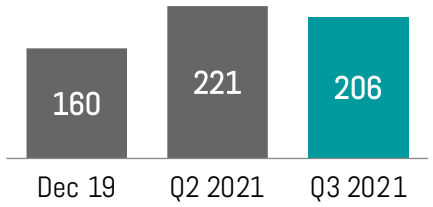


New organic gyms

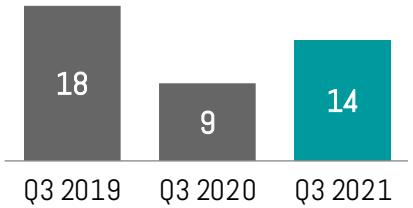


Liquidity & Cash Flow

Available liquidity

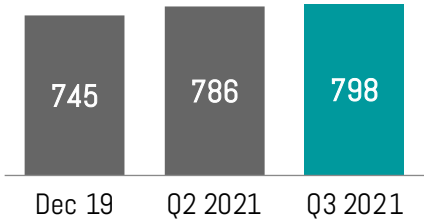


Cash Flow[2]

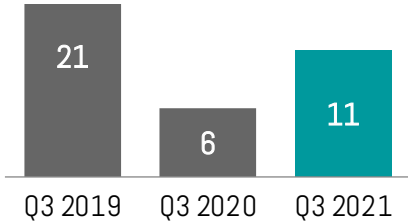


SS Net Debt & Capex

SS Net Debt



Capex

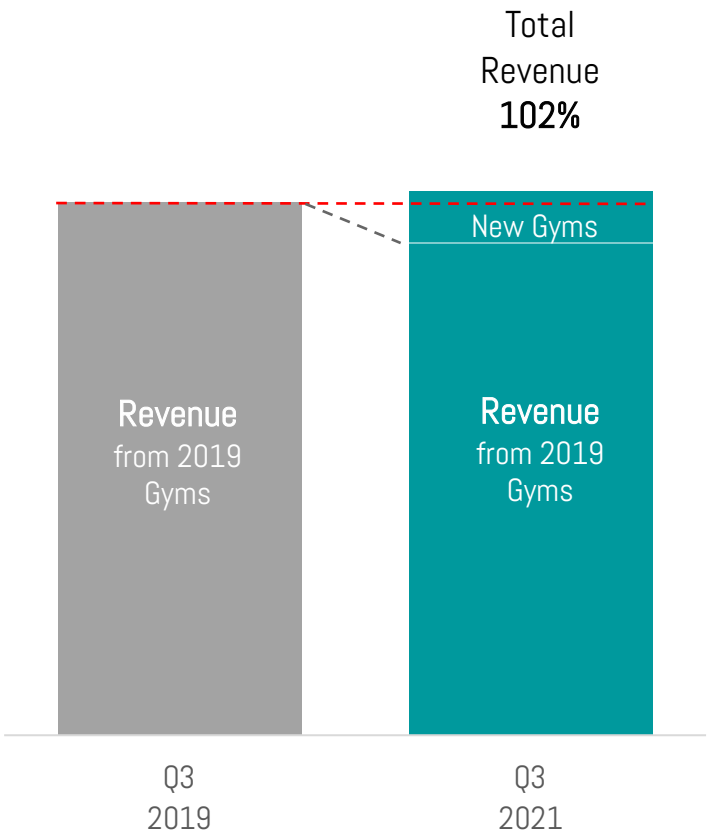


Notes:
2020 represents the results of the Combined Group, including Fitness World from 14 January 2020. 2019 includes the results of Fitness World on a pro forma basis, except for available liquidity and Q3 cash flow which are based on PureGym UK only. All figures exclude Poland

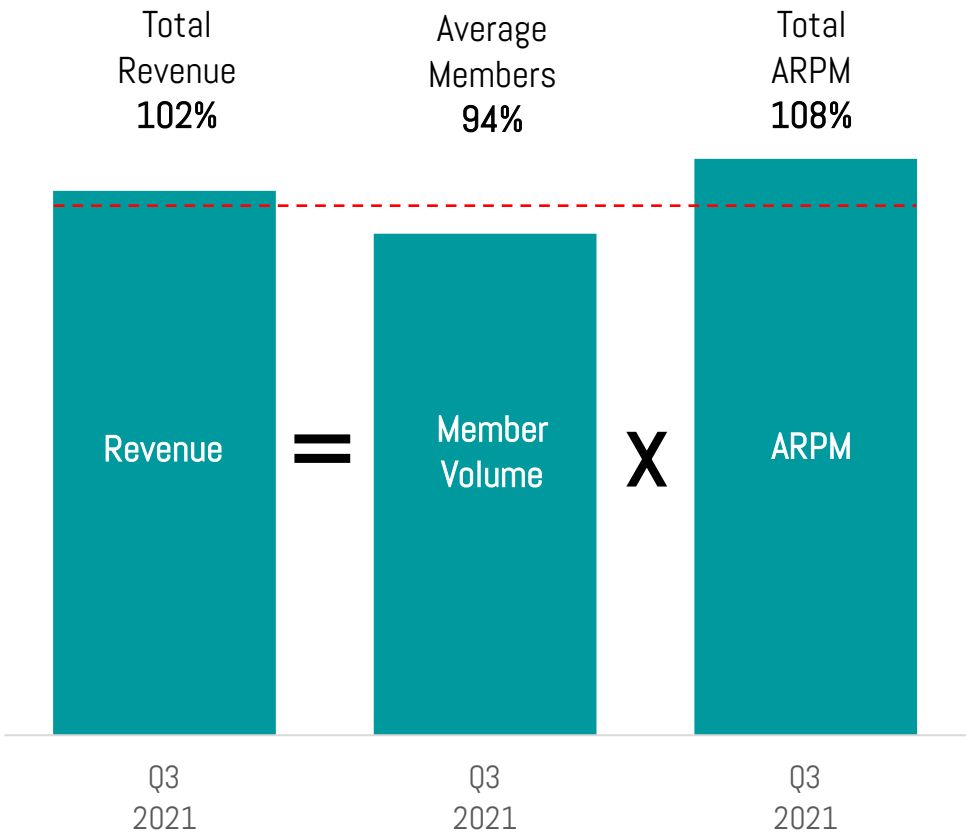
1. In 2021, excludes the benefit of any COVID-19 rent deferments
2. Operating cash flow, stated after maintenance & refurbishment capex but before interest on borrowings or growth capex
3. Q3 2021 Adj EBITDA of £25m multiplied by 4
4. At Dec 19, 244 UK gyms and 221 Fitness World gyms in estate, totalling 465 on a pro forma basis

Total revenue in Q3 2021 was 102% of Q3 2019, due to strong growth in ARPM & maturation of new sites

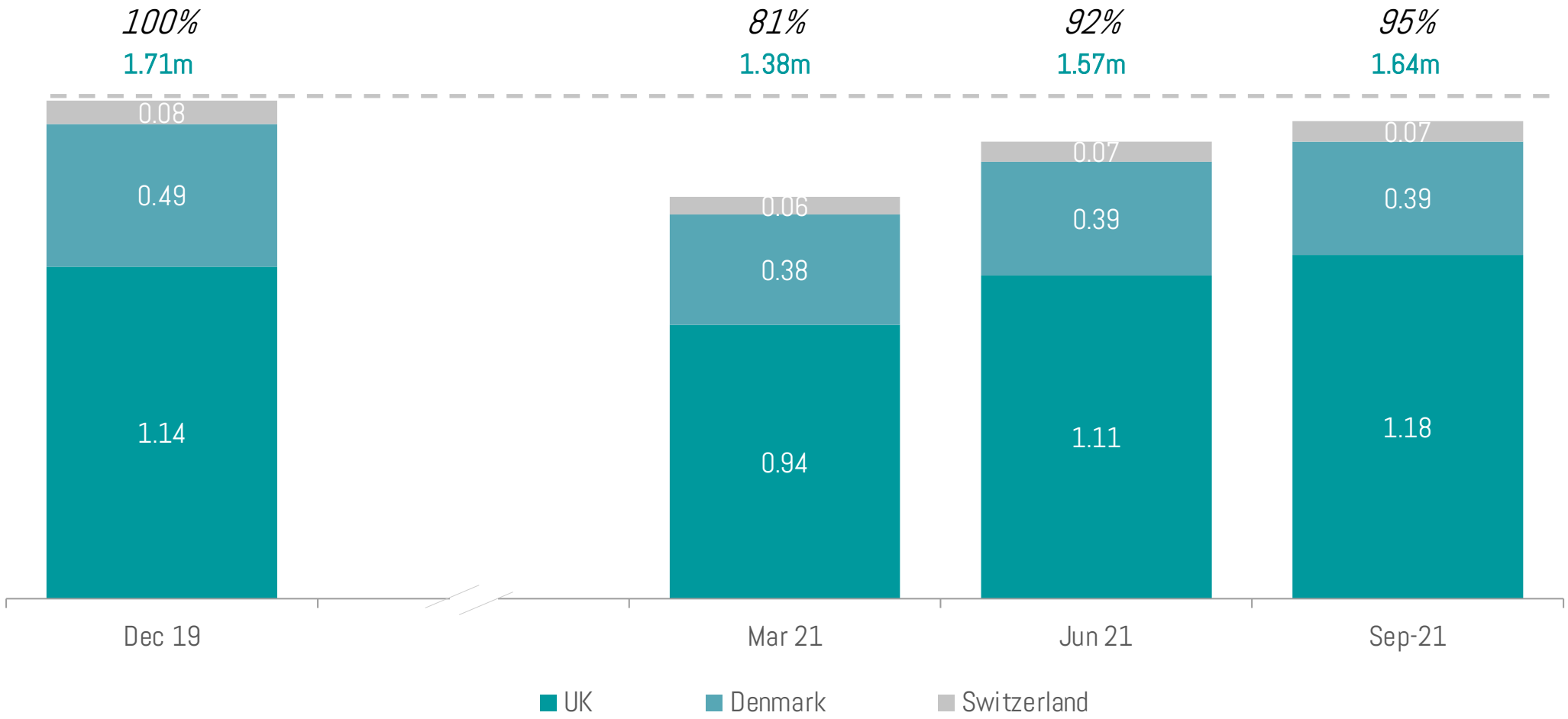
Q3 Total Group Revenue vs 2019



Q3 Average Members & ARPM vs 2019

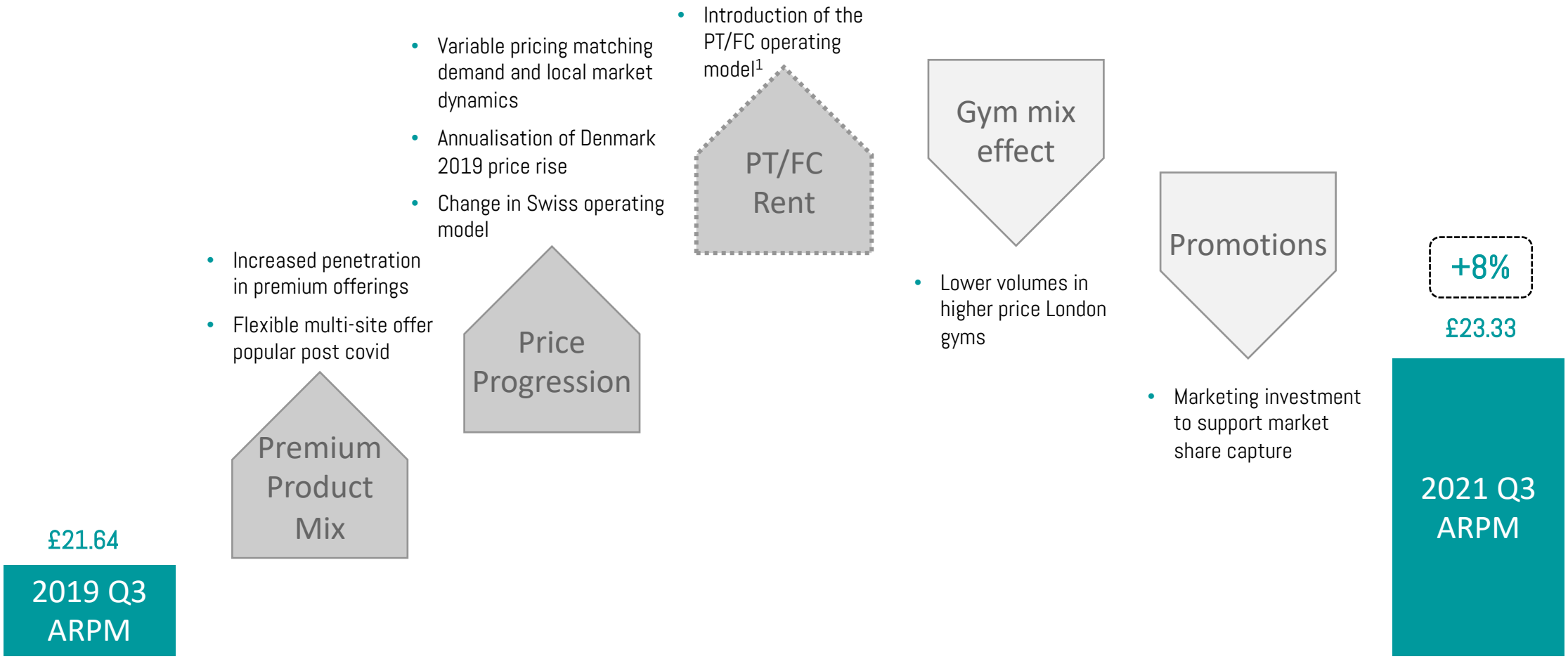


Total group membership has already recovered to 95% of Dec-19 level



The +8% ARPM growth from 2019 is primarily driven by premium product mix & price progression

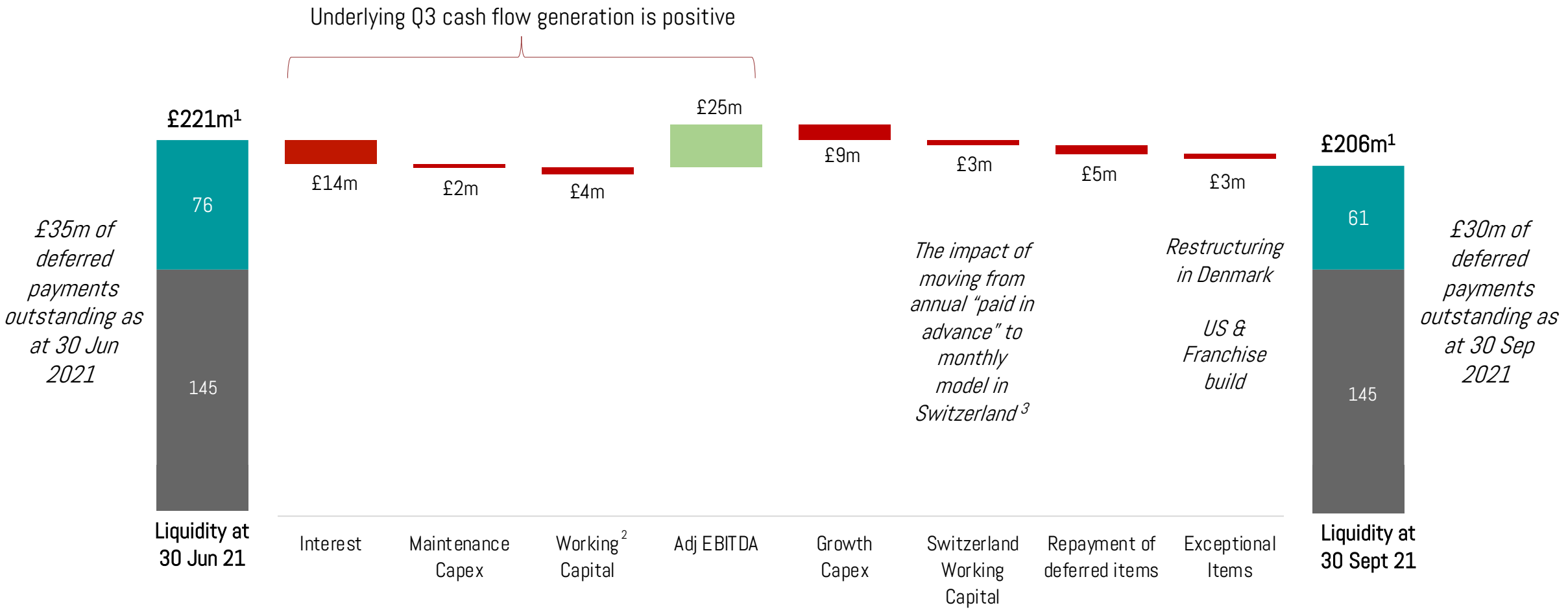
Illustrative ARPM drivers



Notes:
1. Revenue benefit offset by a broadly equal and opposite increase in gym costs

Q3 2021 cash flow & liquidity remain in a very healthy position

Liquidity evolution (13 weeks)



Notes:
1. Liquidity includes Cash, undrawn Revolving Credit Facility commitments (incl £10m overdraft) & is subject to a £30m minimum liquidity test at prescribed intervals
2. Includes working capital and other adjustments, but excludes the estimated impact of the change in the Swiss operating model
3. Estimated working capital impact of Swiss customers moving from paid in advance to monthly paid contracts as the UK operating model is adopted

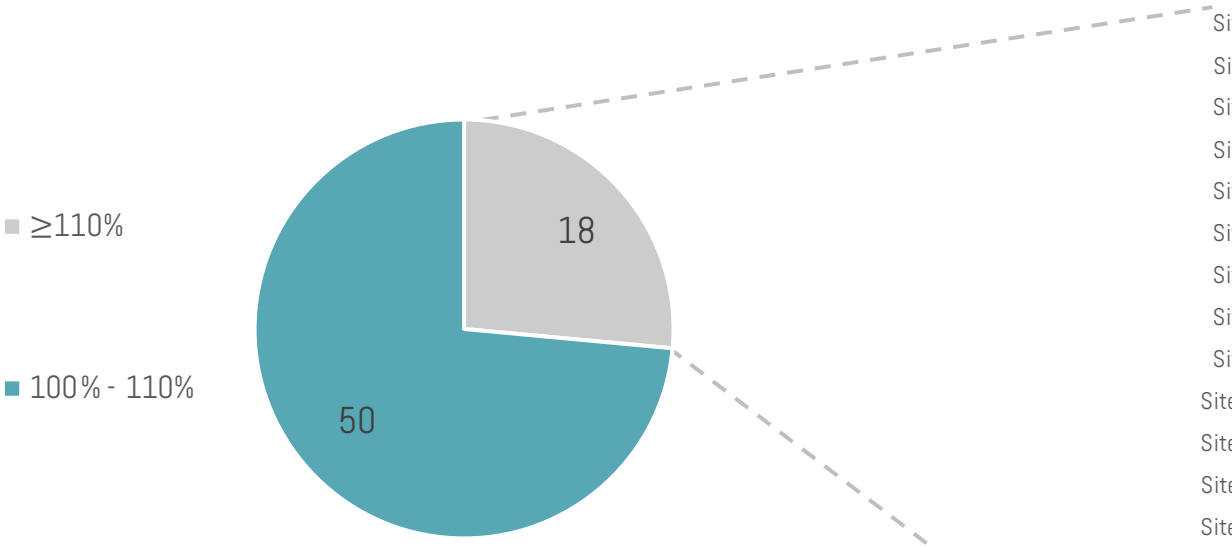


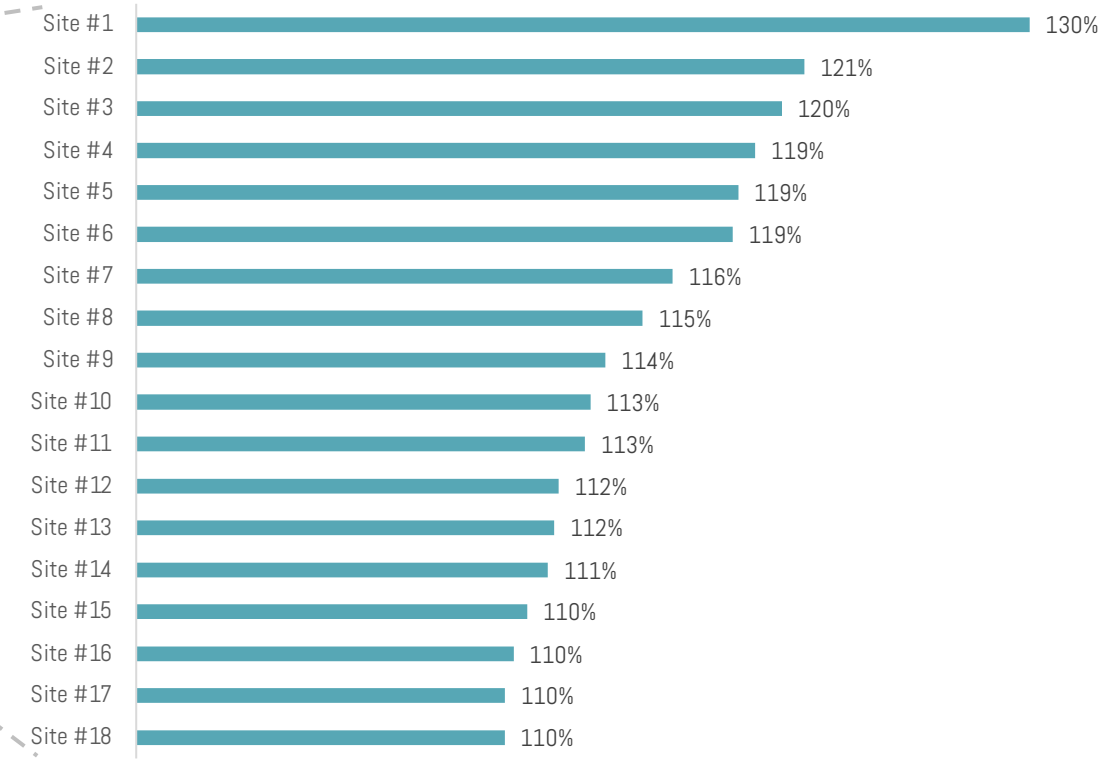
Progress on recovery

A strong bounce back, with broad-based recovery trends across the estate

Many mature sites are already trading at or above 2019 revenue levels

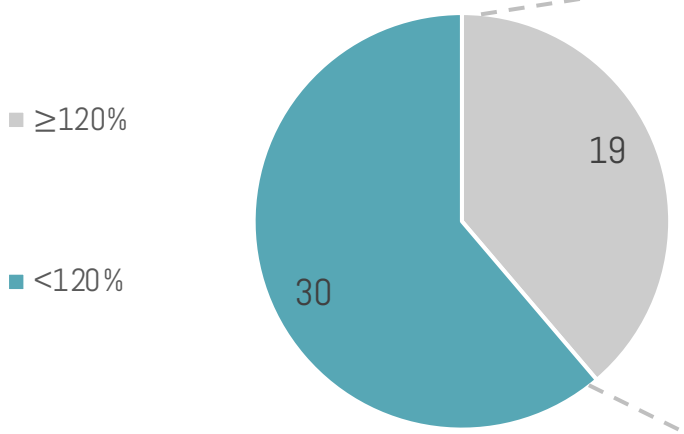
68 mature UK sites are trading at or above 2019 revenue levels (Sept 2021 vs Sept 2019)



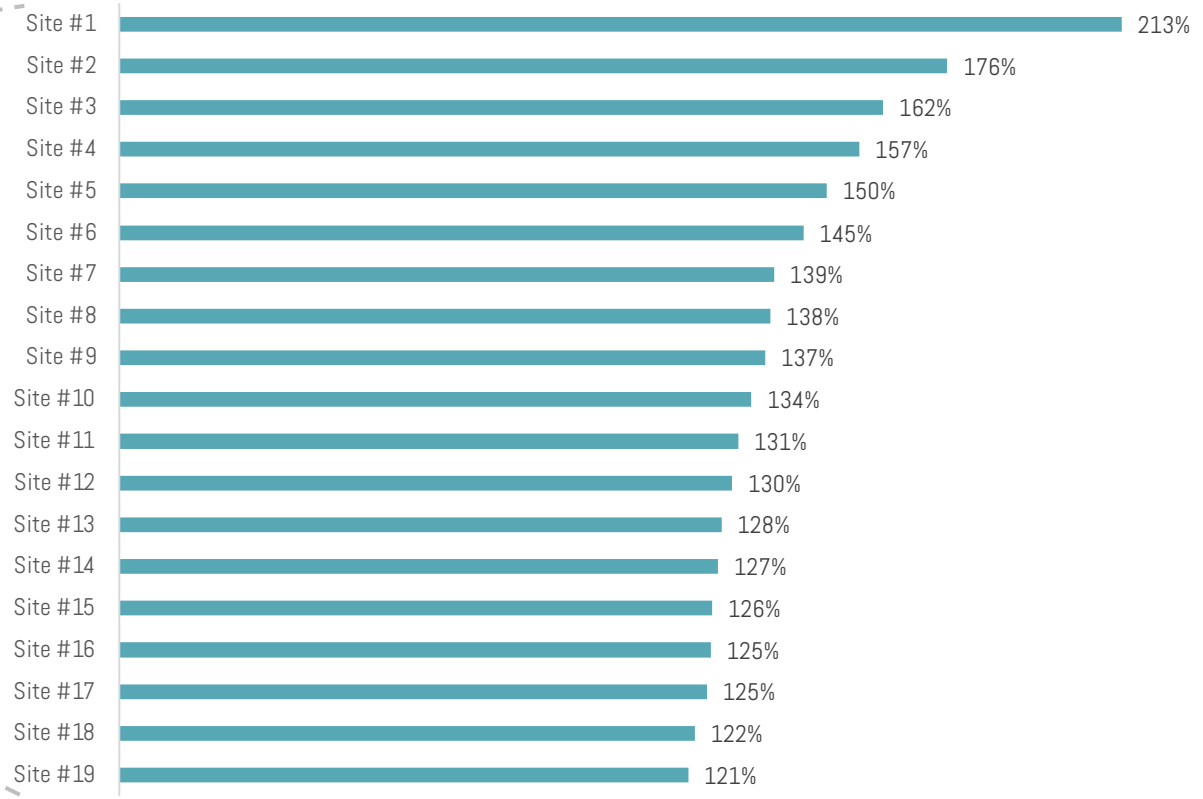


Many gyms that were open but not mature at the end of 2019 have progressed well as we have reopened from Covid

Of the 49 UK sites opened in 2018 & 2019 but still immature at Sept 2019, 36 (74%) trading above 100% of their Sept 2019 revenue levels in Sept 2021

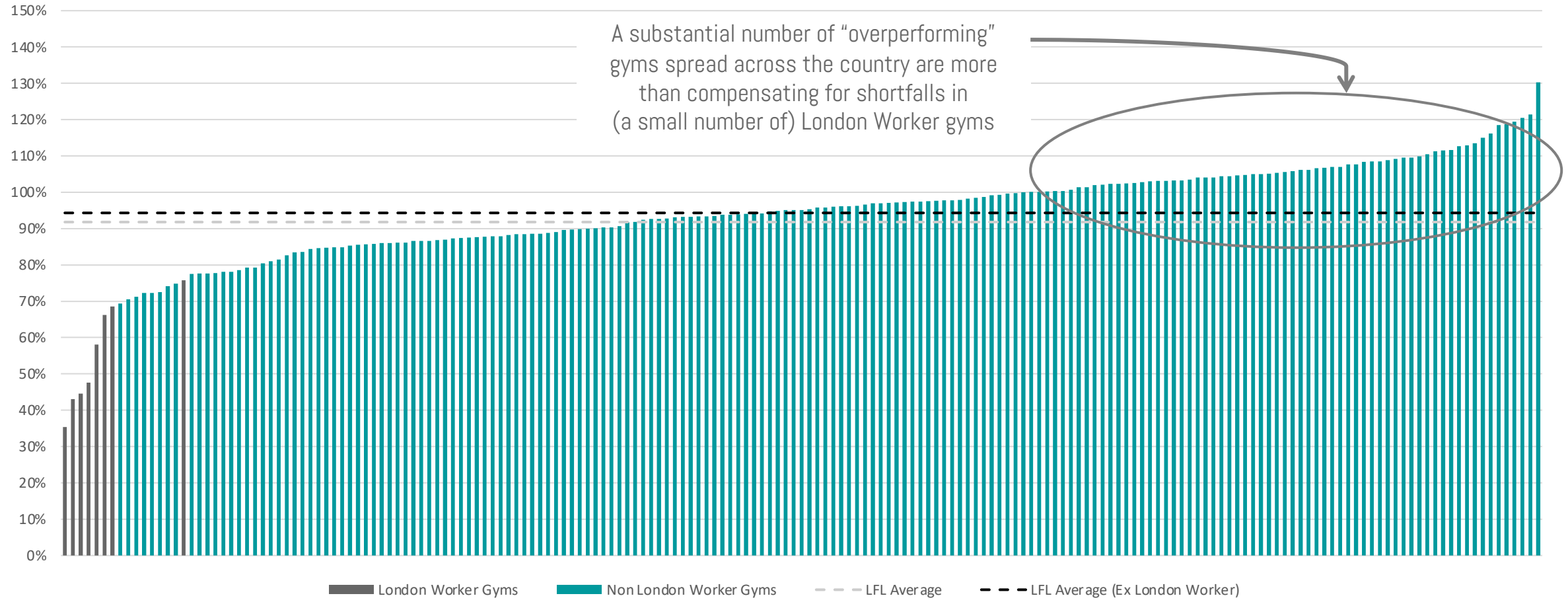


Top performers: 19 UK sites are trading at ≥120%



In the UK, the recovery is well distributed across the LFL estate

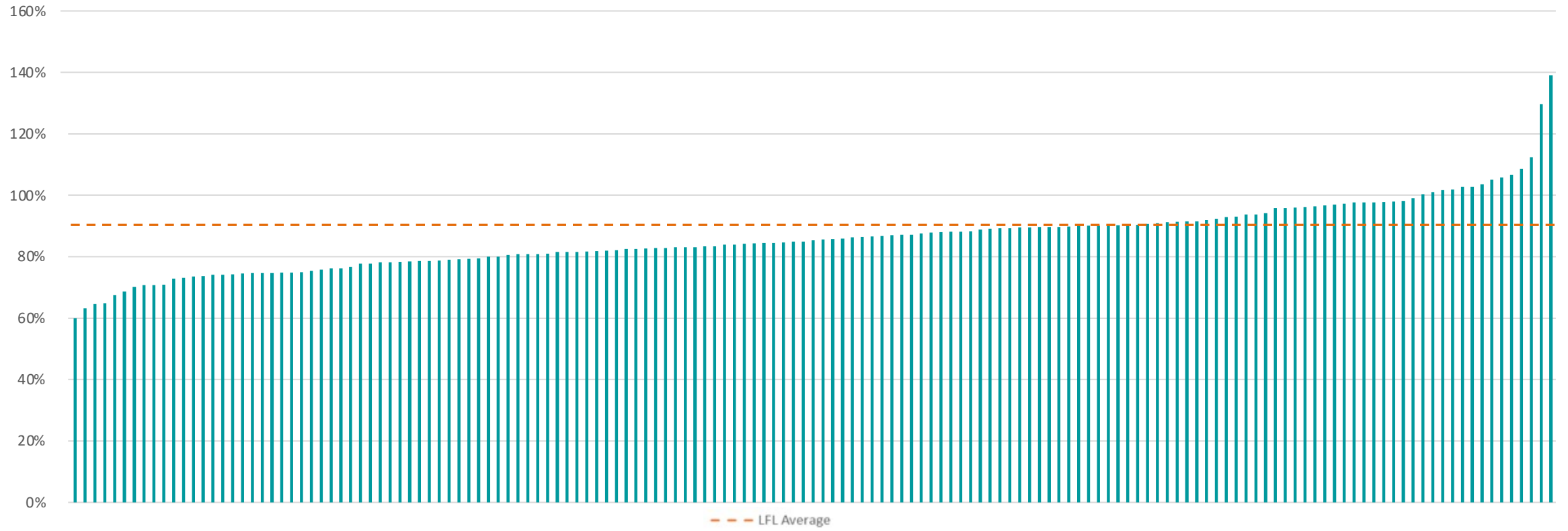
September 2021 Revenue as % of September 2019 for 187 mature sites [1]



Notes:
1. 187 gyms reflects sites open 2017 and prior, apart from closures and disrupted closures

In Denmark, the recovery is also well distributed across the LFL estate

August 2021 Revenue as % of August 2019 for Mature 152 sites [1]



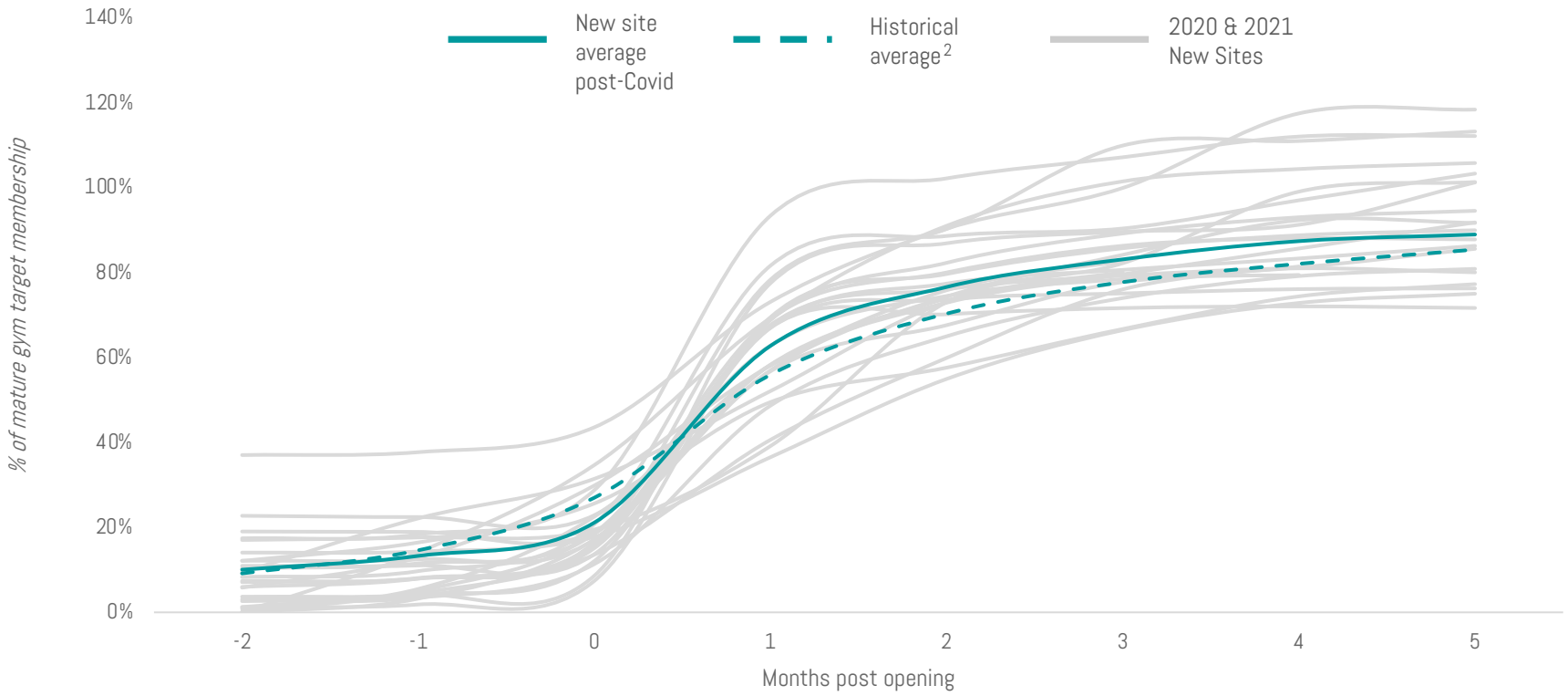
- Average revenue was 85% of 2019 levels in August
- Analysis based on August, as price rises put through in September 2019 impact the prior year comparison for September

Notes:
1. All gyms opened 2017 and earlier, and still open at 31-Dec-2020

Strong new site performance provides further evidence of healthy member demand for gyms & fitness facilities post COVID-19

New site opening ramping ahead of pre-COVID-19 target levels

All UK gyms [1] opened since 25 July 2020 (member levels vs. targeted average)



Notes:
1. Excludes Bath Spring Wharf as it is a significant overperformer and Bank as it is a London city centre gym
2. Historical average of post-opening member levels of all mature UK gyms



Outlook

A rising tide will raise the seaworthy boats

A large proportion of the market (20%-40%) has been seriously challenged by the pandemic and will be less 'seaworthy' than they were before

PUREGYM

Second tier budget operators

- Some have gone into administration, been restructured or even disappeared
- Many have closed or sold sites
- Few, if any, have access to capital and are opening sites

Mid-market operators

- Some have gone into administration, been restructured or even disappeared
- Many are heavily exposed to central London (e.g. Fitness First and Virgin Active)
- Most lack access to capital to maintain asset quality over the long term

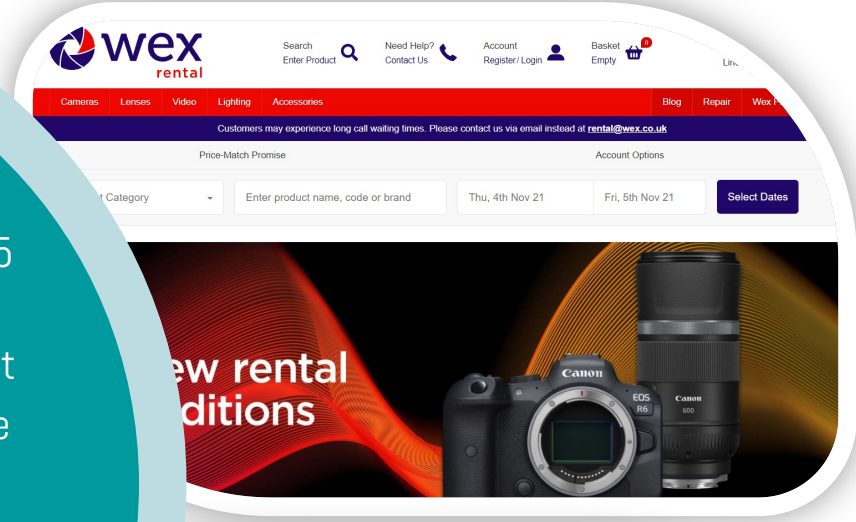
Leisure / public sector operators

- Whole sector faces profound challenges
- Have structurally very high cost bases due to swimming pools etc.
- Clear evidence of distress – e.g. Cornwall 'handback' by GLL
- Limited access to capital in the normal course of business

Value gyms are early players in the 'sharing economy' so membership is economically very attractive for consumers



- Choose to "rent" equipment for 10-15 hours per month
- Use £10k-£25k of equipment per visit
- Pay £1-£2 per hour of activity and the more you do, the less it costs
- So gyms are a part of the "sharing economy"
- Members enjoy all the benefits of a social environment







Summary of Outlook

Market context

- We believe that there will be billions & billions of extra hours of activity & fitness in the years to come – this will be our "pandemic dividend"
- Great products at a great price in the right place will continue to gain market share – & that is what we plan to do in all our markets

UK new site roll out

- 5 new UK sites anticipated in Q4 & growing pipeline for the year ahead

DK & CH investment

- DK programme of estate development in advanced stage of preparation
- CH rebrand well underway and excellent pipeline of new sites is in hand

New Geographies

- 3 new sites in the USA expected to open in Q4/Q1
- 4 new franchise sites opening in KSA expected in Q4
- Partnership with Al Hokair Group as franchisee – "extension discussions" live

Capital raising

- Exploration of capital raising options proceeding very well with strong interest from key parties





Conclusion

The PureGym Group: Inspiring a Healthier World

1. Q3 group revenue was 102% of Q3 2019, underpinned by +8% growth in ARPM vs pre-Covid
2. Total group membership has recovered to 95% of December 2019's level
3. Adjusted EBITDA for Q3 2021 of £25m (c.£100m annualised run rate)
4. Excellent liquidity position, £206m available as at 30 September 2021
5. New sites continue to perform strongly vs pre-Covid & evidence of a broad based recovery is increasingly clear
6. Exciting new site openings due in Q4/Q1 in KSA (franchise) & USA (owner operated)
7. Exploration of capital raising options to take advantage of a great runway for growth progressing very well

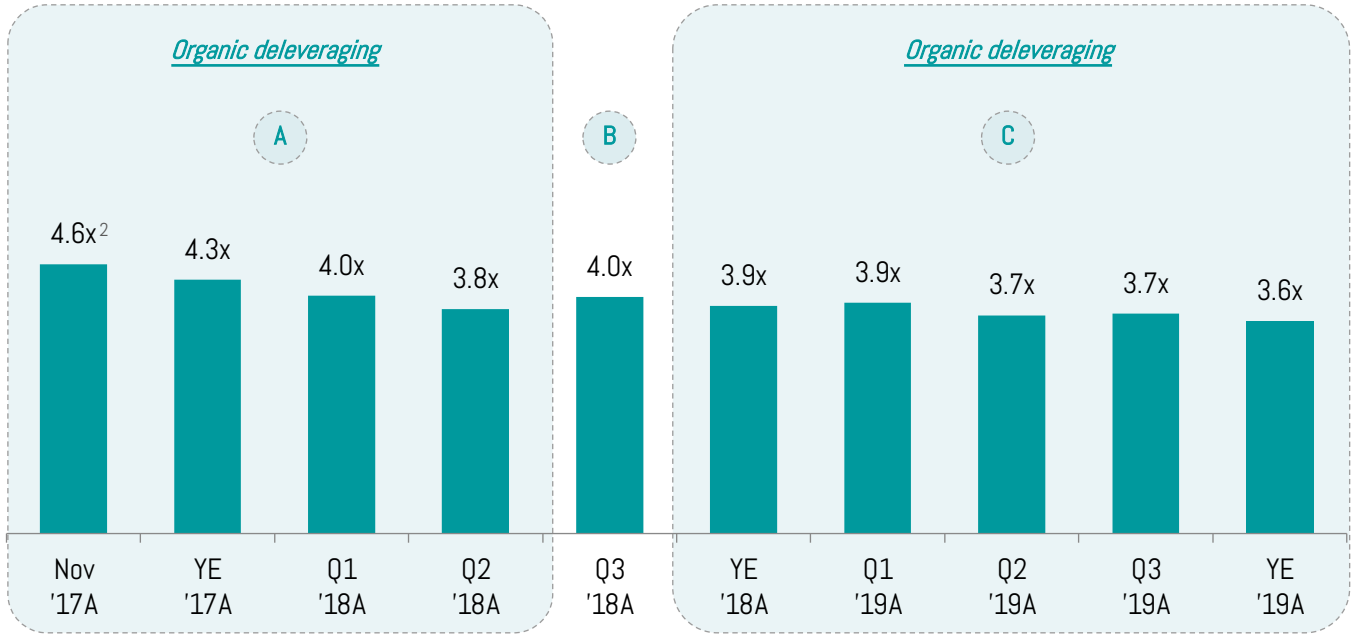


Appendices

Senior Secured Net Debt of £798m as at the end of Q3 2021

Leverage: Senior Secured Net Debt[1] / RR adj. EBITDA

Standalone PureGym: a track record of deleveraging



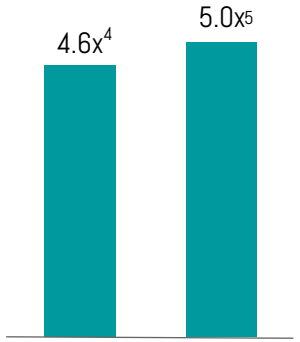
A *Q1 2018: £360m SSN placing by Leonard Green & Partners for the acquisition of PureGym*

B *Q3 2018: £30m SSN placing to finance the acquisition of Soho Gyms*

C *Q2 2019: £40m bond tap [3]*

Pro Forma (Combined Group)

Illustrative Q3'21A Senior Secured leverage is based on £161m RR Adj. EBITDA as at Dec-19 Pro-Forma



SS Net Debt	£745m	£798m
Liquidity[6]	£160m	£206m

Q3'21 Net Debt (Combined Group)

As at 30 September 2021	£m
Cash	61
Senior Secured Sterling Notes 6.375%	(430)
Senior Secured EUR Notes 5.5%	(429)
Senior Secured Net Debt	**(798)**
Non-property leases	(15)
Government loans	(7)
Total Net Debt	(819)
FY19 Pro Forma RR Adj EBITDA	161
Illustrative leverage[5]	*5.0x*

Notes: All years stated under IFRS; December year end.
1. Senior Secured Net Debt ("SSND") defined as total senior indebtedness (excl. finance leases) less cash & cash equivalents. For the purposes of the leverage calculation, SSND uses average rates of exchange for the last 12 month period
2. Net leverage based on LTM Sep-17A Run-rate Adj. EBITDA of £78.6m, pro-forma for the acquisition by LGP
3. Proceeds not used & remained as cash on the balance sheet
4. Based on Dec-19PF Senior Secured Net Debt of £745m (consisting of the Sterling Notes (£430m), the Euro Bridge Facility (£380m, converted using LTM average FX rate of EUR 1.1711 to £1) less cash (£65m as converted at average rates of exchange for the LTM period) & including certain adjustments) & Dec-19A Pro-forma Run-Rate Adj. EBITDA of £161m
5. Based on Sep-21A Senior Secured Net Debt of £798m (consisting of the Sterling Notes (£430m), the Euro Notes (£429m, converted using LTM average FX rate of EUR 1.1432 to £1) less cash (£61m as converted at average rates of exchange for the LTM period)) & Dec-19A Pro-forma Run-Rate Adj. EBITDA of £161m
6. Liquidity defined as cash plus available RCF facilities

Group cash flow Q3 2021

Cash flow for the quarter recovering post COVID-19

- Group Adjusted EBITDA improved due to the estate being fully open throughout the period
- £9.1m working capital outflow includes £3.6m related to the unwind of Swiss revenue deferred during the closure period due to the longer term contract model in use at the time in Switzerland
- Maintenance & refurb capital expenditure primarily relates to maintenance of the existing estate
- £8.7m expansionary capital expenditure on the completion of 5 new sites and commencement of works on new sites due to open after the period end
- Exceptional items relates to the settlement of amounts due on restructuring projects and costs related to the COVID-19 pandemic
- Tax, interest and debt issue costs includes £13.7m of payments of interest on Senior Secured Notes

	Quarter ended 30 Sept		9 months ended 30 Sept	
(£m)	**2021**	2020	**2021**	2020
Group Adjusted EBITDA[1]	**24.8**	**16.5**	**15.9**	**16.3**
Movement in working capital	(9.1)	(3.3)	(1.8)	13.3
Maintenance & refurb capital expenditure	(2.1)	(4.4)	(8.2)	(13.5)
Group operating cash flow	**13.6**	**8.9**	**5.9**	**16.2**
Operating cash flow conversion	*54.9%*	*53.7%*	*37.1%*	*99.1%*
Expansionary capital expenditure	(8.7)	(4.1)	(26.5)[2]	(22.1)
Exceptional items	(3.0)	(5.3)	3.1	(12.8)
Tax, interest, & debt issue costs	(13.9)	(19.8)	(40.7)	(49.2)
Other	(1.7)	2.4	(11.1)[2]	13.0
Net cash flow before acquisition & financing	**(13.6)**	**(18.0)**	**(69.2)**	**(55.0)**
Net investment in Fitness World	-	-	-	(226.4)
Acquisition finance	-	-	-	262.9
RCF draw down	-	-	-	37.0
Issue of senior secured notes	-	-	38.9	-
Finance lease capital repayments	(1.9)	(1.6)	(5.7)	(4.3)
Equity injection	-	100.0	-	100.0
Other financing cash flows	-	-	6.7	2.1
Net cash flow	**(15.5)**	**80.5**	**(29.2)**	**116.4**

Notes:
1. In 2021, the cash rent adjustment excludes the impact of COVID-19 rent deferments. Therefore, Adjusted EBITDA more closely reflects the underlying trading results of the Group for the period
2. Within the results for the nine months ended 30 September 2021, certain reclassification adjustments have been made to the results reported for the six months ended 30 June 2021, see details on footnote 8, slide 30. The impact of these changes is a decrease in Expansionary capex of £3.4m and an increase in Other cash outflows of £3.4m. Group Adjusted EBITDA and Net cash flow for H1 2021 remains unchanged and there is no impact on the results for the current quarter.

Segmental performance

	Pro forma basis (£m)						Reported basis (£m)					
	Quarter ending 30 Sept			12 months ending 31 December			Quarter ending 30 Sept			12 months ending 31 December		
	2021	2020	Change %	2020	2019	Change %	2021	2020	Change %	2020	2019	Change %
PureGym UK	68	41	68%	142	255	(44)%	68	41	68%	142	255	(44)%
Fitness World	43	47	(9)%	135	187	(28)%	43	47	(9)%	129	-	n/a
Denmark	33	39	(14)%	109	160	(32)%	33	39	(14)%	104	-	n/a
Switzerland	9	8	19%	25	27	(7)%	9	8	19%	24	-	n/a
Total Revenue	**111**	**87**	**27%**	**277**	**442**	**(37)%**	**111**	**87**	**27%**	**271**	**255**	**6%**
PureGym UK	17	8	117%	7	89	(92)%	17	8	117%	7	89	(92)%
Fitness World	7	9	(13)%	5	42	(87)%	7	9	(13)%	4	-	n/a
Denmark	5	8	(39)%	6	38	(85)%	5	8	(39)%	4	-	n/a
Switzerland	3	1	330%	(0)	3	(105)%	3	1	330%	(0)	-	n/a
Total Adjusted EBITDA[2]	**25**	**17**	**50%**	**13**	**131**	**(90)%**	**25**	**17**	**50%**	**11**	**89**	**(87)%**
PureGym UK	26%	20%		5%	35%		26%	20%		5%	35%	
Fitness World	17%	18%		4%	22%		17%	18%		3%	n/a	
Denmark	14%	20%		5%	24%		14%	20%		4%	n/a	
Switzerland	28%	8%		(1)%	12%		28%	8%		0%	n/a	
Adjusted EBITDA margin	**22%**	**19%**		**5%**	**30%**		**22%**	**19%**		**4%**	**35%**	

Notes:
1. The 2020 results of Poland have been excluded as the business was sold in the year and is treated as a discontinued operation in the group financial statements
2. In 2021, the cash rent adjustment excludes the impact of COVID-19 rent deferments. Therefore, Adjusted EBITDA more closely reflects the underlying trading results of the Group for the period

Pro forma figures include the results of Fitness World as if it were acquired on 1 January 2019

Key performance indicators

£m	For the three months ended 30 Sept 2021	For the three months ended 30 Sept 2020	For the nine months ended 30 Sept 2021	For the nine months ended 30 Sept 2020	For the twelve months ended 31 Dec 2019PF[2]
Total number of PureGyms	291	274	291	274	263
Total number of Fitness World Gyms	220	226	220	226	221
Total number of gyms	511	500	511	500	484
Total number of members ('000s)	1,635	1,602	1,635	1,602	1,699
Average number of members ('000s)	1,584	1,630	1,505	1,631	1,682
Average number of members per gym	3,113	3,304	3,004	3,492	3,683
Average revenue per member per month (£)	23.33	17.77	14.33	13.42	21.90
Reported EBITDA (£ million)	47.4	38.3	70.9[3]	74.5	207.9
Adjusted EBITDA (£ million)[1]	24.8	16.5	15.9	16.3	131.0
Adjusted EBITDA margin	22.4%	18.9%	8.2%	8.3%	29.6%
Gym Site Adjusted EBITDA (£ million)	33.9	26.8	47.6	43.9	171.5
Gym Site Adjusted EBITDA margin	30.6%	30.7%	24.5%	22.3%	38.8%
Run-Rate Adjusted EBITDA (LTM) (£ million)	n/a	n/a	39.2	87.0	160.5
Operating Cash Flow (£ million)	13.6	8.9	5.9	16.2	100.8
Operating Cash Flow Conversion	54.9%	53.7%	37.1%	99.1%	76.9%
Senior Secured Net Debt (£ million)	797.5	703.1	797.5	703.1	744.6
Ratio of Senior Secured Net Debt to LTM Run-Rate Adjusted EBITDA	n/a	n/a	20.3x	8.1x	4.6x
Ratio of LTM Run-Rate Adjusted EBITDA to Pro Forma Net Interest Expense	n/a	n/a	0.7x	1.8x	3.1x

Notes: All figures have been adjusted to exclude Poland as it is a discontinued operation. Fitness World results have been included in the 2020 Group results since the acquisition on 14 January 2020

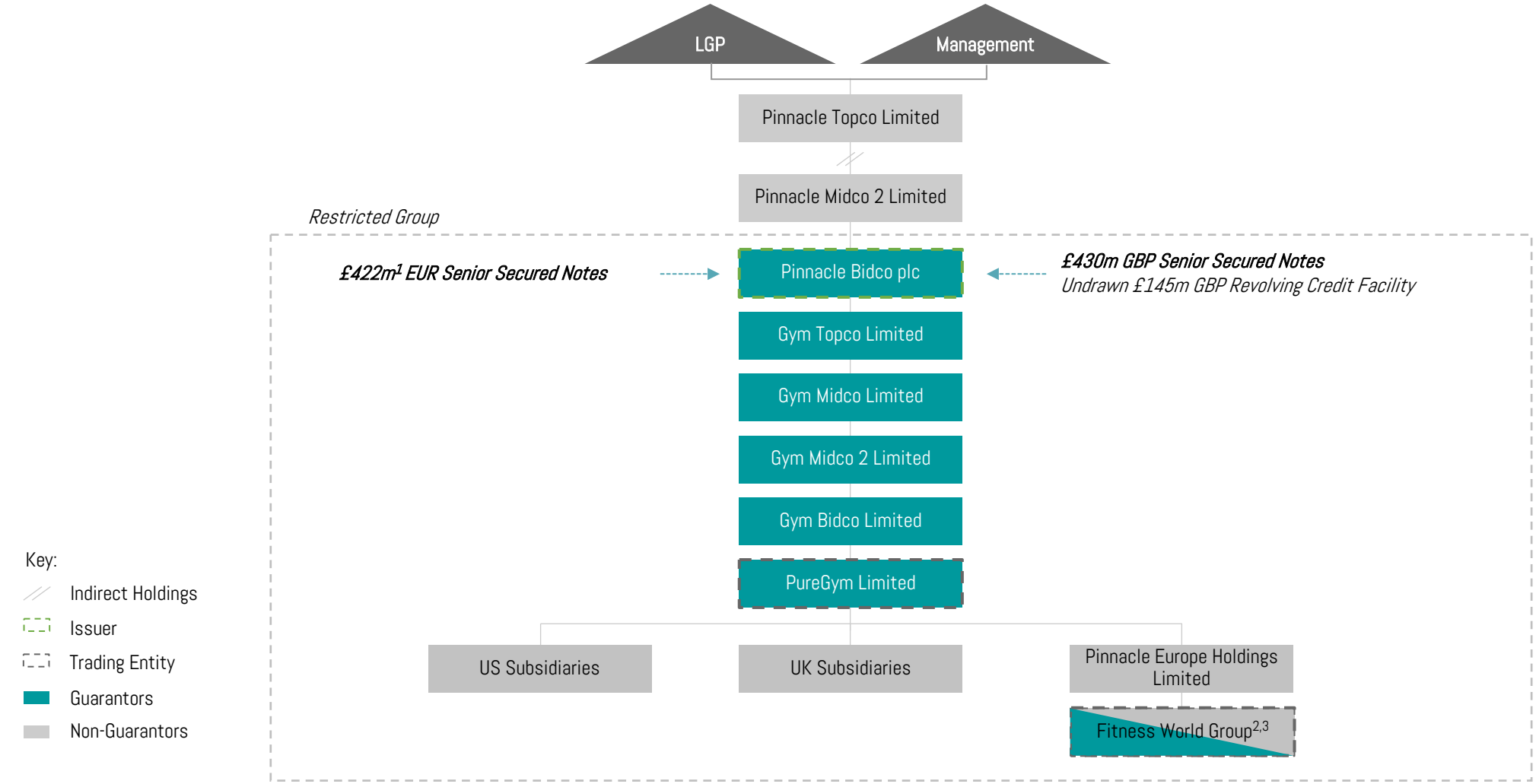
1. In 2021, the cash rent adjustment excludes the impact of COVID-19 rent deferments. Therefore, Adjusted EBITDA more closely reflects the underlying trading results of the Group for the period
2. 2019 Pro Forma figures are based on an aggregation of PureGym and Fitness World continuing operations with the exception of Senior Secured Net Debt, Ratio of Senior Secured Net Debt to LTM Run-Rate Adjusted EBITDA and Ratio of LTM Run-Rate Adjusted EBITDA to Pro Forma Net Interest Expense which include pro forma adjustments to reflect current financing arrangements
3. Within the results for the nine months ended 30 September 2021, certain reclassification adjustments have been made to the results reported for the six months ended 30 June 2021, see details on footnote 8, slide 30. The impact of these changes is a decrease in Reported EBITDA of £3.4m. Adjusted EBITDA, Run-Rate Adjusted EBITDA and operating cash flow for H1 2021 remains unchanged and there is no impact on the results for the current quarter

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

£m	For the three months ended 30 Sept 2021	For the three months ended 30 Sept 2020	For the nine months ended 30 Sept 2021	For the nine months ended 30 Sept 2020	For the twelve months ended 31 December 2019PF
Loss for the period from continuing operations	**(32.5)**	**(35.4)**	**(124.6)**	**(140.3)**	**(32.3)**
Income tax	(1.3)	(2.9)	(17.4)	(11.5)	(3.0)
Net finance cost	35.5	34.5	95.1	115.3	100.7
Depreciation and impairment of property, plant & equipment	31.6	31.3	88.7	86.1	106.5
Amortisation and impairment of intangible assets	6.2	5.7	23.8[8]	16.5	18.7
(Profit) / loss on disposal of property, plant & equipment	(0.1)	(0.1)	0.8	-	0.1
Profit on lease modifications	-	-	(0.4)	-	(0.4)
Exceptional administrative expenses	8.0	5.3	5.0	8.3	11.6
Group Reported EBITDA[1]	**47.4**	**38.3**	**70.9[8]**	**74.5**	**207.9**
Other adjustments[2]	0.7	-	6.5[8]	-	0.8
Share based payment charge[3]	0.1	0.1	0.3	0.3	0.3
Pre-Opening Costs[4]	0.6	0.8	2.5	1.6	3.6
Cash Rent Adjustment[5]	(24.0)	(22.7)	(64.3)	(60.0)	(81.5)
Adjusted EBITDA	**24.8**	**16.5**	**15.9**	**16.3**	**131.0**
Head office costs	9.1	10.3	31.7	27.6	40.5
Gym Site Adjusted EBITDA	**33.9**	**26.8**	**47.6**	**43.9**	**171.5**
LTM Adjusted EBITDA	n/a	n/a	8.8	53.2	131.0
Run-Rate Adjustment	n/a	n/a	30.4	29.0	24.9
Adjustment for synergies[6]	n/a	n/a	-	4.9	4.6
Run-Rate Adjusted EBITDA (LTM)[7]	**n/a**	**n/a**	**39.2**	**87.0**	**160.5**

Note: All figures have been adjusted to exclude Poland as it is a discontinued operation. Fitness World results have been included in the Group 2020 results since the acquisition on 14 January 2020.
(1) Group Reported EBITDA is defined as earnings before net finance cost, taxation, depreciation, amortisation, profit/loss on sale of property, plant & equipment, impairment, profit/loss on lease modifications and exceptional items. **(2)** Other adjustments includes the net impact of various one-off items not included in "Exceptional items" but which are not reflective of the underlying trade of the Group. **(3)** The share based payment charge relates to shares in the ultimate parent company, Pinnacle Topco Limited, issued to directors and certain employees. **(4)** Pre-opening costs represent the total of all gym site operating costs incurred prior to the opening of a new gym and primarily consist of staff costs and marketing. **(5)** Under IFRS 16, most lease costs are excluded from Group Reported EBITDA. To produce a comparable and more relevant EBITDA figure, the contractual property rent payments due during the accounting period are deducted and any property rent-related expenses included in Group Reported EBITDA are added back. Management believes that adjusting EBITDA to reflect cash rent is a better reflection of actual earnings. In 2021, the cash rent adjustment excludes the impact of COVID-19 rent deferments. **(6)** Q3 2020 LTM Adjusted EBITDA represents the Combined Group on a pro forma basis. Q3 2020 Run-Rate Adjusted EBITDA (LTM) includes £4.9 million (2019PF: £4.6 million) of synergy benefits for the acquisition of Fitness World. Management still believe that these synergies will be delivered but in the context of reporting on the COVID impacted period can no longer be separated out from the underlying operations of the combined group. **(7)** The Run-Rate adjustment reflects the impact of 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 therefore seeks to reflect the anticipated mature Adjusted EBITDA potential of those gyms which were trading at the end of the relevant period. Management forecasts EBITDA on a gym specific basis and updates forecasts quarterly based on current and anticipated performance, taking into account seasonality and location-specific factors. **(8)** In the six months ended 30 June 2021, IT development costs of £3.4m were reported within expansionary capex and a corresponding impairment charge recognised within Impairment of intangible assets. In the nine months ended 30 September 2021 this expenditure has been reclassified to exclude it from capex and impairment charges and include as an administrative expense in arriving at Reported EBITDA and within Other adjustments in arriving at Adjusted EBITDA. The result of these presentational changes on the results for the six months ended 30 June 2021 is a decrease in Impairment of intangible assets by £3.4m, a decrease in Group Reported EBITDA of £3.4m and an increase in Other adjustments of £3.4m. Adjusted EBITDA and Run-Rate Adjusted EBITDA for H1 2021 remains unchanged and there is no impact on the results for the current quarter.

Corporate structure



1. EUR denominated €490 million Senior Secured Notes (converted to pounds sterling at the 30 September 2021 closing rate of €1.1612 to £1.0000)
2. The parent entity of Fitness World Group is Forward TopCo A/S
3. Material Danish and Swiss entities within the Fitness World Group have joined the material UK entities as Guarantors of the Senior Secured Notes and RCF. The Guarantors accounted for 98% of Group Run-Rate Adjusted EBITDA for the year ended 31 December 2020, and substantially all of the group's total assets as of 31 December 2020

Glossary

Term	Definition
Adjusted EBITDA	The profit or loss for a certain period before income tax expense, net finance cost, depreciation and impairment of property, plant & equipment & right of use assets, amortisation and impairment of intangible fixed assets, profit/loss on disposal of property, plant & equipment, profit/loss on lease modifications, exceptional administrative expenses, & other adjustments, after adding back Pre-Opening Costs & share based payment charges, & 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 & the end of every month in that period.
Average Revenue Per Member Per Month	Revenue for that period divided by the number of months in that period & 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 & the end of every month in that period.
Basefit	Refers to Basefit.ch AG, the brand that Fitness World operates under in Switzerland.
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). From 2021 onwards, the Cash Rent Adjustment excludes the cash impact of COVID-19 rent deferments. Therefore, Adjusted EBITDA more closely reflects the underlying trading results of the group for the period.
Combined Group	Refers to Pure Gym & Fitness World.
EBITDA	The profit or loss for a certain period before income tax expense, net finance cost, depreciation and impairment of property, plant & equipment & right of use assets, amortisation and impairment of intangible fixed assets, profit/loss on disposal of property, plant & equipment, profit/loss on lease modifications & exceptional administrative expenses.
Expansionary Capital Expenditure	The Initial Capital Investment & the capital costs of expanding gym sites incurred in that period, and the capital costs of investments in technology in that period.
Fitness World or Fitness World Group	Refers to Forward TopCo A/S & its subsidiaries.
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 & amortisation, related to the operation of head office functions in a given period.
Large Box Format (LBF)	Large Box Format (LBF) gyms are gyms that are typically over 12,000 square feet in size.

Glossary

Term	Definition
Maintenance & Refurbishment Capital Expenditures	The total capital expenditure incurred in a period less Expansionary Capital Expenditure incurred in that period.
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.
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 & 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 & trading as of the specified date or the end date of the relevant period.
Operating Cash Flow	Adjusted EBITDA plus Working Capital Cash Flow & less Maintenance & Corporate Capital Expenditure cash flows 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 & 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 & 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.
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 & cash equivalents.
Small Box Format (SBF)	Small Box Format (SBF) gyms are gyms that are typically 6,000-9,000 square feet in size.
Working Capital Cash Flow	Cash movements in working capital.

Investor Contact Details

PureGym
Town Centre House
Merrion Centre
Leeds LS2 8LY

Website: corporate.puregym.com
Email: ir@puregym.com