

Investor Presentation

Results for the quarter ended 31 March 2023

17 May 2023

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 & acquisition strategy, plans & objectives of management for future operations are forward-looking statements. Such forward-looking statements involve known & unknown risks, uncertainties & 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 & future business strategies & 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 & 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 & 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 & ratios. We believe that these measures are useful indicators of our ability to incur & service our indebtedness & can assist certain investors, security analysts & 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 & Run-Rate Adjusted EBITDA are not measures of our financial performance or liquidity under IFRS & 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 & financing activities as a measure of our ability to meet our cash needs or (c) any other measures of performance under IFRS.

Overview

- Revenue growth +17% vs Q1 2022 – consistent momentum despite the headwinds
- RR Adj EBITDA showing continued healthy progression to £120m
- Cash on the balance sheet of £208m & available liquidity of £353m
- 15 new corporate owned sites opened in Q1 2023 & 4 new franchise sites across the Middle East
- Q1 results are ahead of expectations with the UK LFL revenue increasing to 100%[1] of 2019 levels
- Good momentum & EBITDA "tailwind" from excellent new site openings in 2022 & early 2023
- Visible progression in EBITDA performance & outlook – an important consideration for refinancing
- Excellent support from & alignment with Leonard Green & KKR as we start to explore refinancing options



Note:
(1) UK LFL revenue recovery of 100% based on gyms open 2018 and prior. 96% based on 2017 and prior cohorts.



Financial results

Continued healthy progression in revenue & EBITDA

PUREGYM

Q1 2023 highlights

572
Total open sites[1]

+12%
Member growth vs Q1 2022
(+15% in the UK)

+6%
ARPM growth vs Q1 2022

+17%
Revenue growth vs Q1 2022

+19
New sites (Incl 4 franchise)

34%
ROCE[2]

+16%
Adj EBITDA growth vs Q1 2022

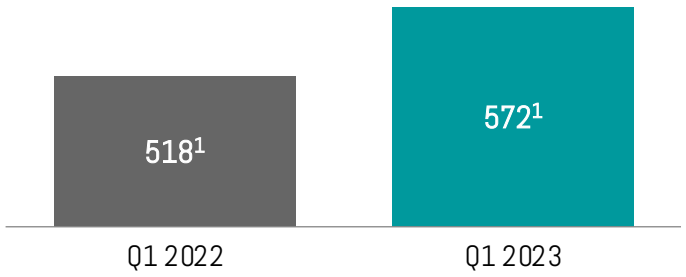
£120m
RR Adj EBITDA

Notes:
(1) Gyms in estate includes 559 corporate-owned & 13 franchise gyms in the Middle East. (2) Represents UK mature gyms, being those opened in 2017 & prior. Calculated using Adjusted EBITDA.

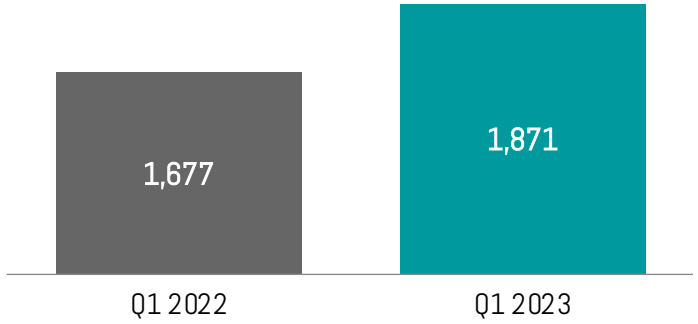
Financial & operational summary

A more than satisfactory start to the year with continued healthy progression

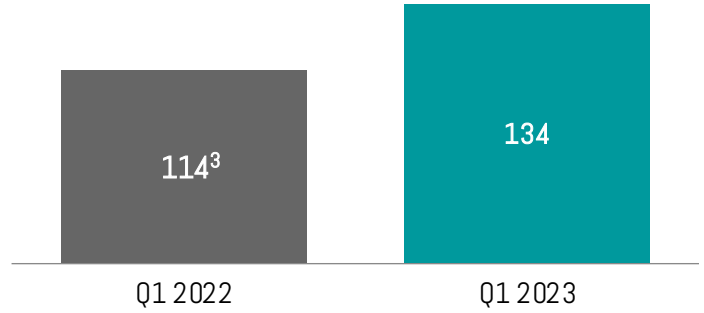
Gyms in estate



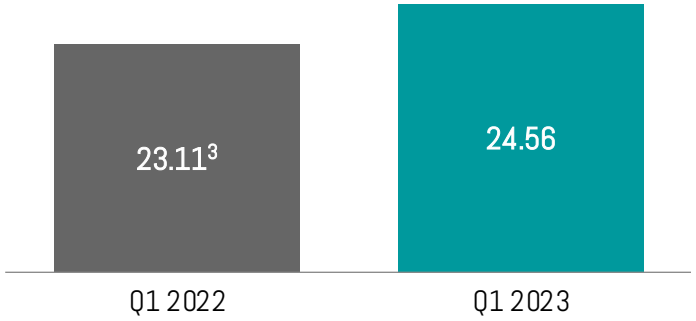
Closing members (k)



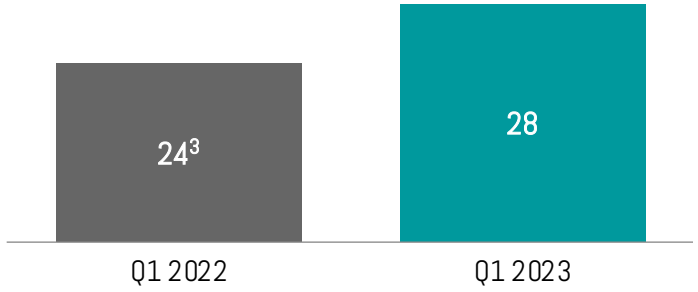
Revenue (£m)



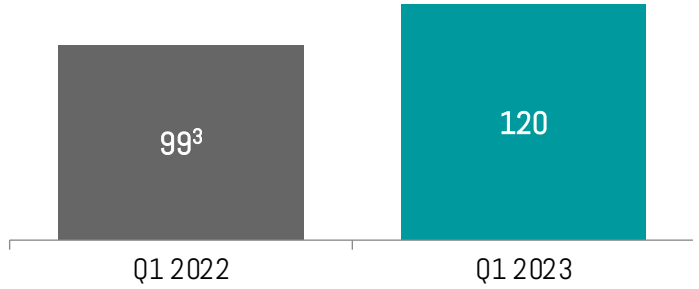
ARPM (£)



Adj EBITDA[2] (£m)



Run-Rate Adj EBITDA (£m)

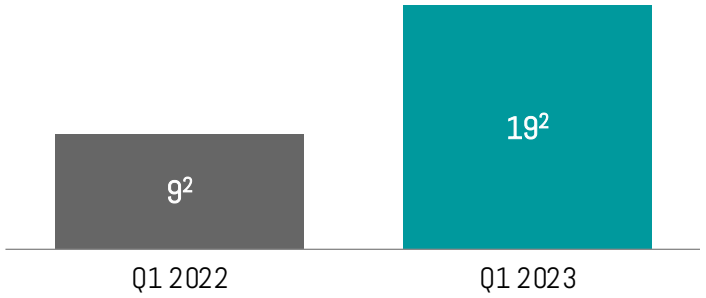


Notes:
(1) Q1 2022 Gyms in estate includes 514 corporate-owned & 4 franchise gyms in the Middle East. Q1 2023 Gyms in estate includes 559 corporate-owned & 13 franchise gyms in the Middle East. (2) Excludes the benefit & cost of any COVID-19 rent deferments. (3) As restated, see note on page 27..

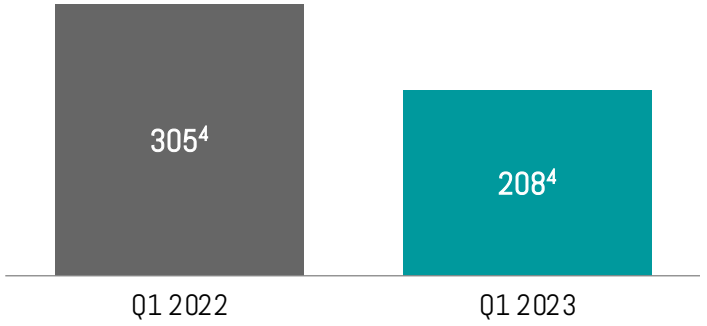
Financial & operational summary (continued)

A more than satisfactory start to the year with continued healthy progression

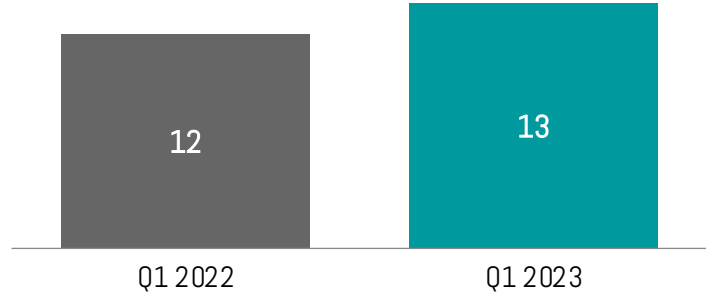
New sites opened



Cash (£m)



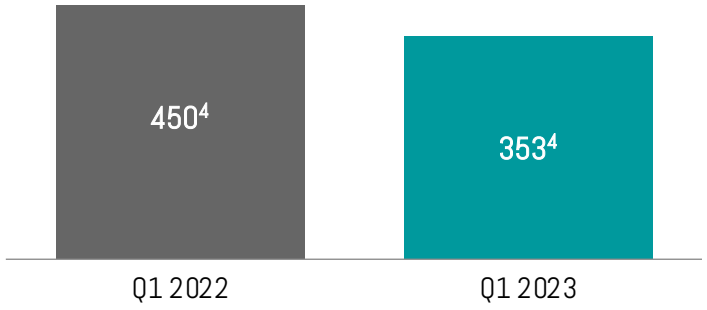
Operating Cash Flow[3] (£m)



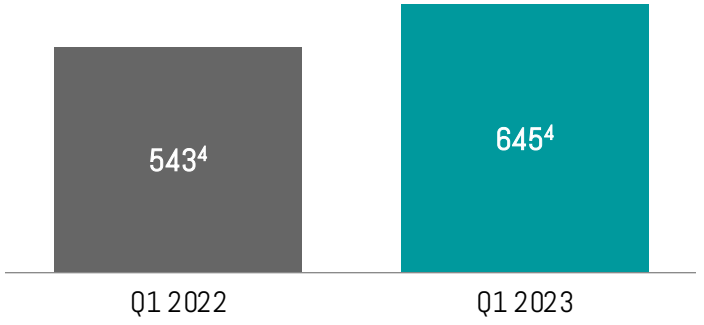
Capex (£m)



Available liquidity[1] (£m)



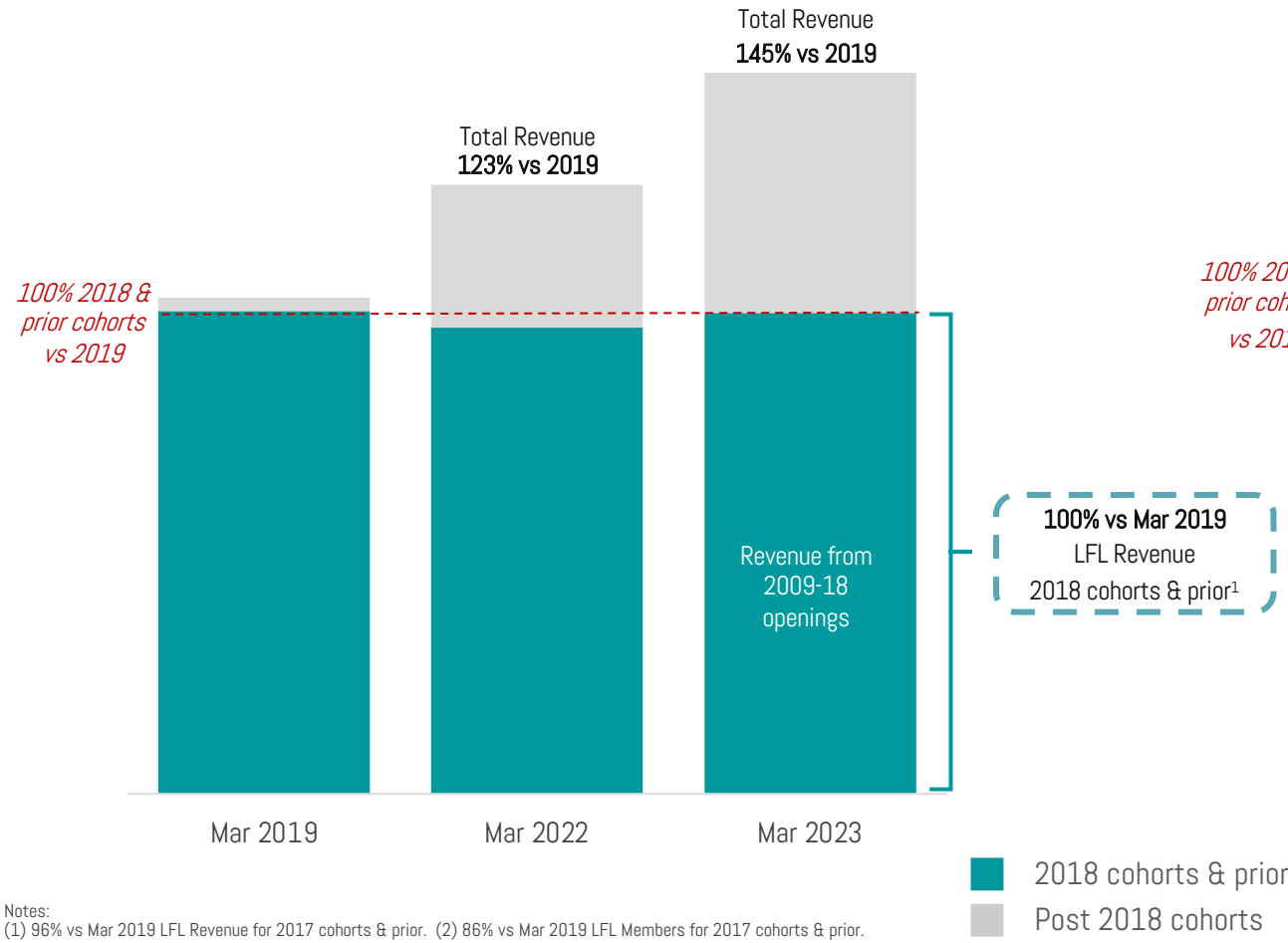
SS Net Debt (£m)



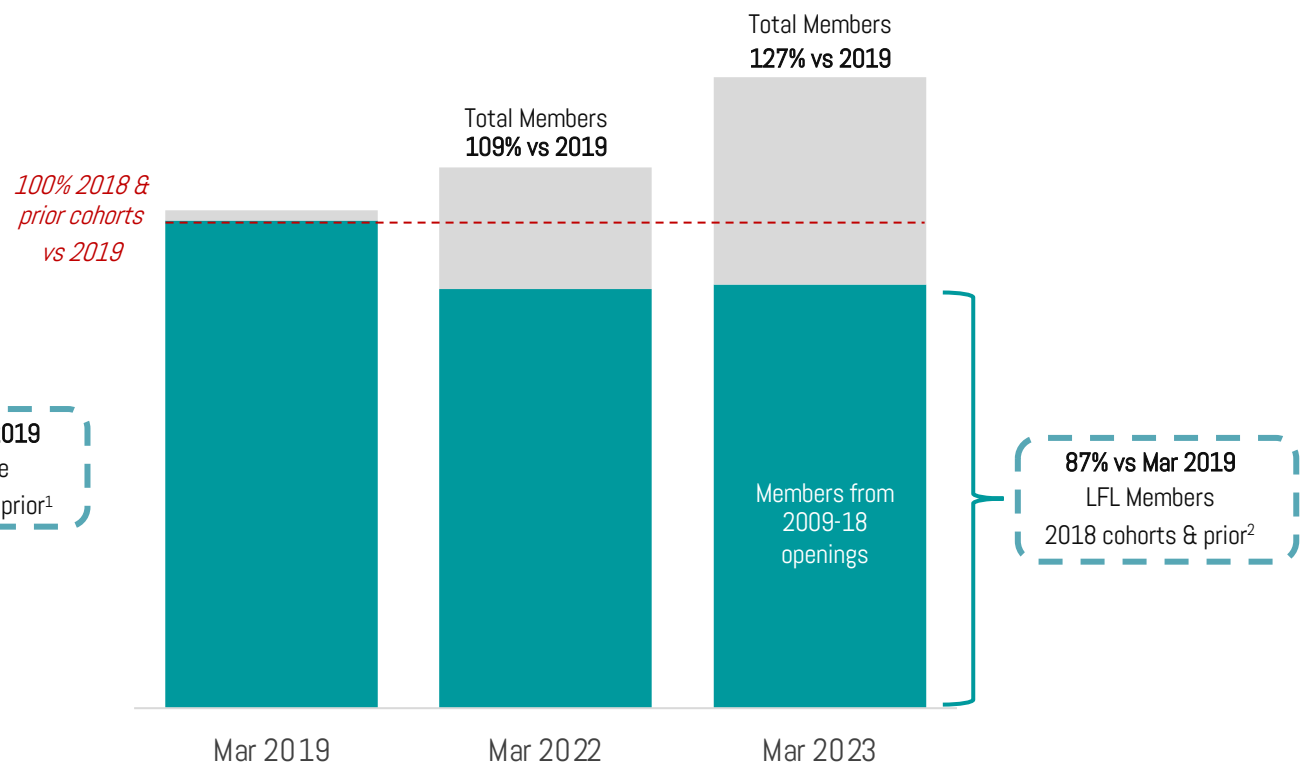
Notes:
(1) Liquidity defined as cash plus available RCF facilities. (2) Q1 2022 new sites includes 8 corporate-owned & 1 franchise gyms in the Middle East. Q1 2023 new sites includes 15 corporate-owned & 4 franchise gyms in the Middle East. (3) Operating Cash Flow, stated after maintenance & refurbishment capex but before interest on borrowings or growth capex. (4) Q1 2022 includes £30 million and Q1 2023 includes £31 million cash held by parent, Pinnacle Topco Limited.

The UK estate has recovered back to 100% of 2019 revenue levels

UK Revenue



UK Member Base



Notes:
(1) 96% vs Mar 2019 LFL Revenue for 2017 cohorts & prior. (2) 86% vs Mar 2019 LFL Members for 2017 cohorts & prior.

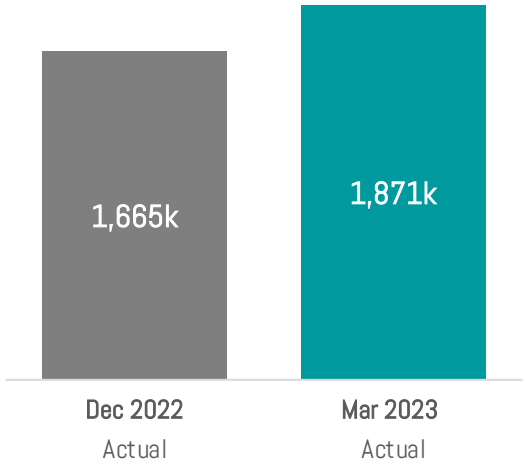
This healthy start to the year is reflected in the overall progress we have made on trading across the Group since the end of 2022

March 2023 vs December 2022

Closing Members

Up +12%

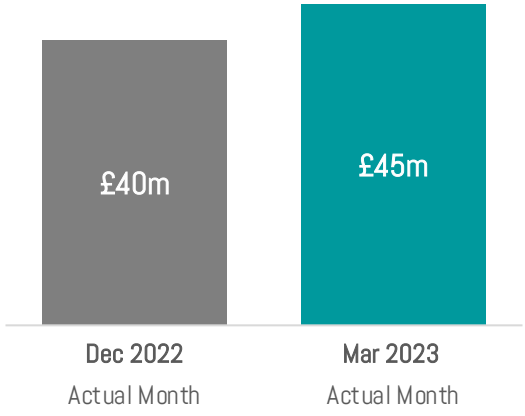
(UK up +16%)



Revenue

Up +12%

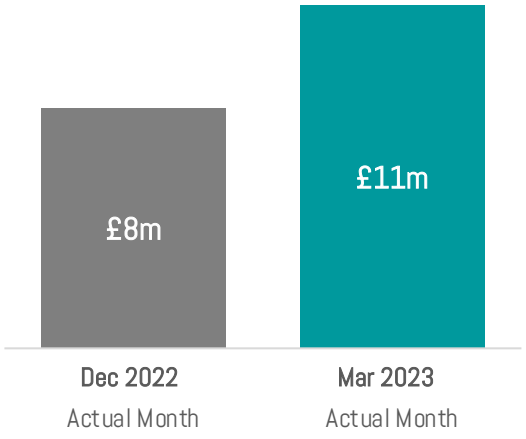
(UK up +16%)



Adj EBITDA

Up +35%

(UK up +34%)



Capital expenditure

Continued deployment of capital in a measured & controlled way

- **New site investments are delivering an average 34%+ ROCE[1]**
- £12m of new site capex in Q1 2023[2]
- 15 new corporate owned site openings in Q1 2023[3]
- £7m spend on maintenance & refurbishment works across estate
- Coming out of the pandemic we have carefully scaled our organisational ability to deploy capital wisely in new sites & refurbishments. We intend to use this ability in the coming periods

£m	Q1 2023	Q1 2022
New site capital expenditure[2]	12	10
IT development capital expenditure	2	1
Expansionary capital expenditure	**14**	**11**
Maintenance & refurb capital expenditure	7	3
Total capital expenditure	**21**	**14**
Expansionary capex working capital movement	7	(2)
Maintenance & refurb capex working capital movement	1	-
Total capital expenditure cash flow	29	12

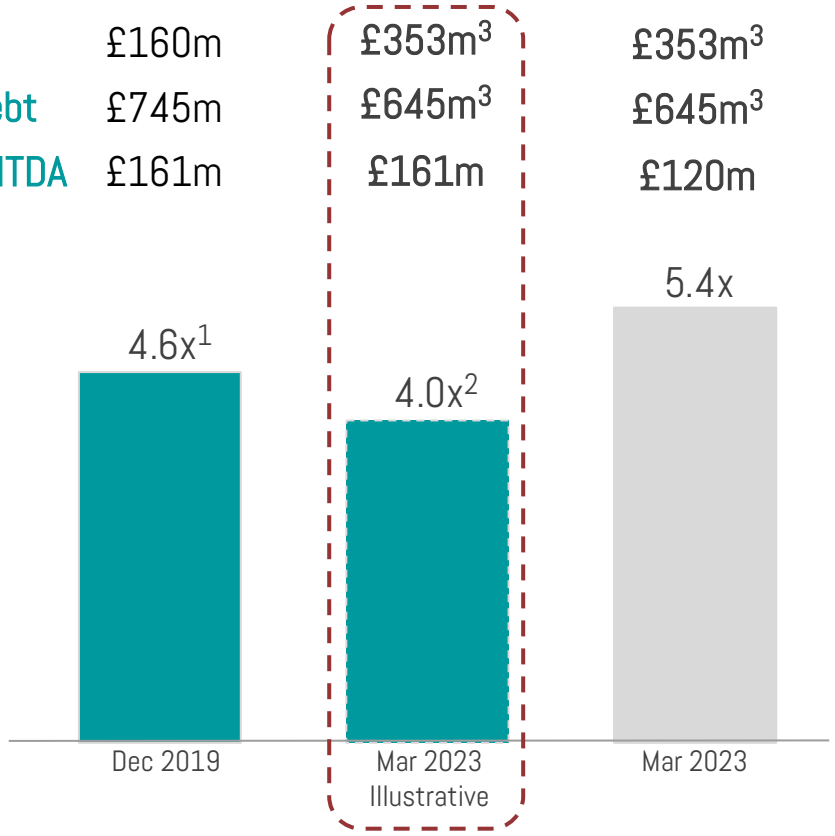


Notes:
(1) ROCE is defined as initial new site capex/LTM Adjusted Gym EBITDA. (2) Reported new site capex in the period may not directly correspond to the number of new sites opened in the period due to construction works spanning multiple periods. Average capex per new corporate gym opening is £1.2m. (3) Some initial capex on 2023 sites incurred in late 2022.

Senior Secured Net Debt remains significantly lower than Dec 2019 Proforma at £645m, with available liquidity of £353m

Proforma leverage

	Dec 2019	Mar 2023 Illustrative	Mar 2023
Liquidity[4]	£160m	£353m[3]	£353m[3]
SS Net Debt	£745m	£645m[3]	£645m[3]
RR Adj EBITDA	£161m	£161m	£120m
	4.6x[1]	4.0x[2]	5.4x



Proforma Net Debt

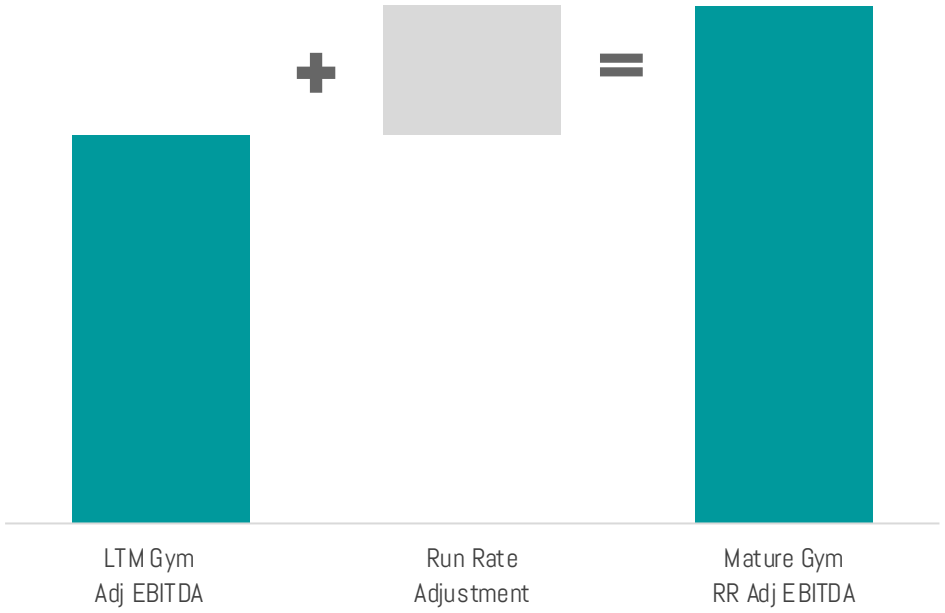
As at 31 March 2023	£m
Cash	208[5]
Senior Secured Sterling Notes 6.375%	(430)
Senior Secured EUR Notes 5.5%	(423)
Senior Secured Net Debt	**(645)**
Non-property leases/other	(6)
Total Net Debt	(651)
FY19 Proforma RR Adj EBITDA	161
Illustrative SS Net leverage [2]	*4.0x*
Q1 2023 RR Adj EBITDA	120
Actual SS Net Leverage	*5.4x*

Notes:
(1) Proforma for the acquisition of Fitness World. Based on FY19 Proforma RR Adj EBITDA of £161m & 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). (2) Based on FY19 Proforma RR Adj EBITDA of £161m proforma for Fitness World & Mar-23A Senior Secured Net Debt of £645m (consisting of the Sterling Notes (£430m), the Euro Notes (£423m, converted using LTM average FX rate of EUR 1.1588 to £1) less cash (£208m as converted at average rates of exchange for the LTM period & including £31m cash held by parent company, Pinnacle Topco Limited)). (3) Includes £31m held by parent company, Pinnacle Topco Limited. (4) Liquidity defined as cash plus available RCF facilities. (5) £208m cash includes non-Sterling balances translated at average exchange rates for the LTM period, in line with banking document definitions. This is equivalent to £208m cash reported on slide 7 where non-Sterling balances are translated at closing exchange rates. Both figures include £31m held by parent company, Pinnacle Topco Limited.

The Group's Run-Rate Adjustment increases immature LTM Adj EBITDA to reflect the maturation of immature gyms which have already opened

Reminder of the Run Rate mechanics

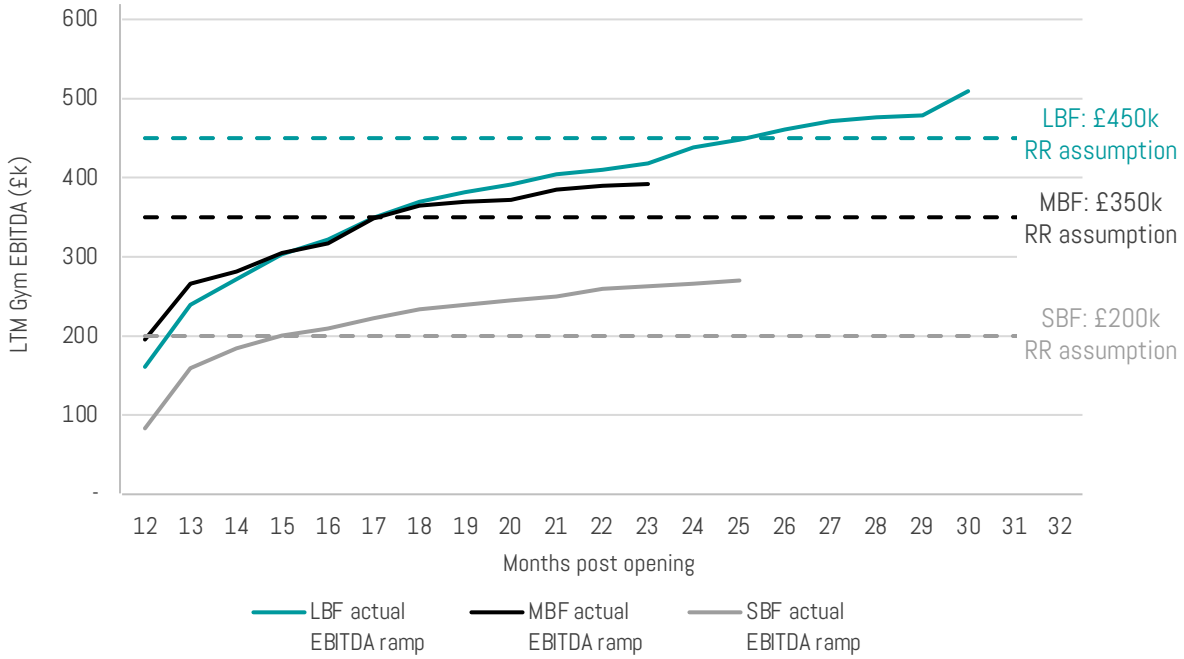
- Given the predictability of mature site performance, a RR Adjustment is calculated to reflect the maturation of new gyms
- The RR Adjustment reflects the difference between the current LTM Adj EBITDA & future mature Adj EBITDA



Run Rate Assumption

- The run rate assumption is set based on historic average performance at maturity for each gym format (small, medium & large box)
- Having now established a reliable track record of SBF & MBF new site performance, run rate assumptions have been updated accordingly[1]

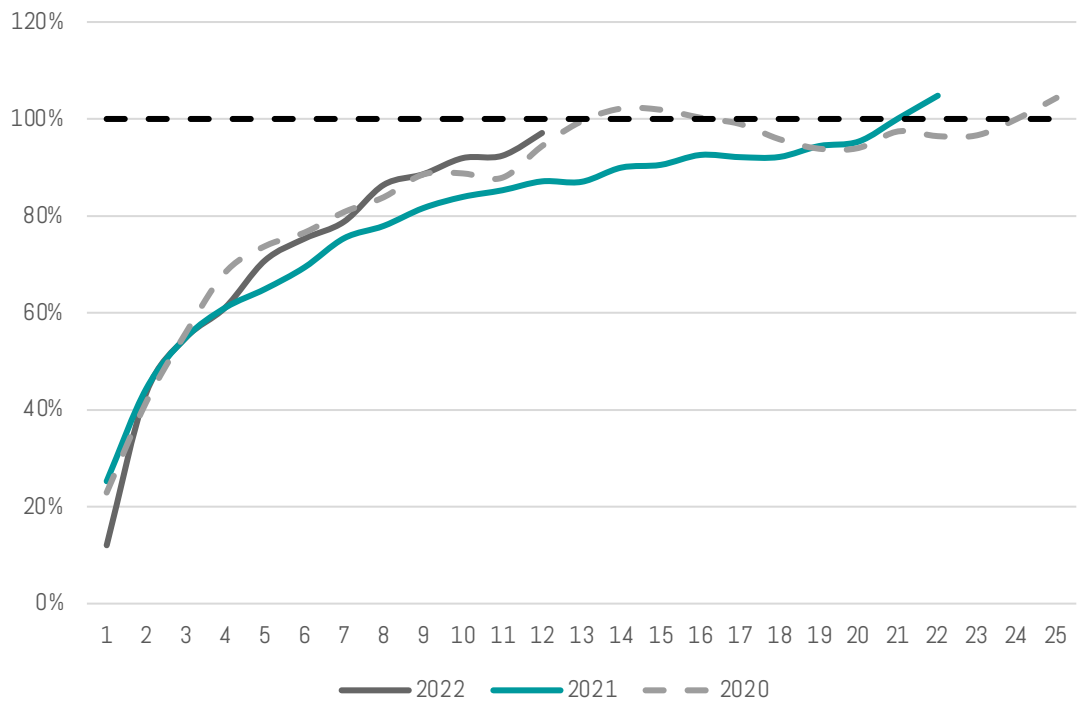
Reflects new gyms opened during 2019 & later[2]



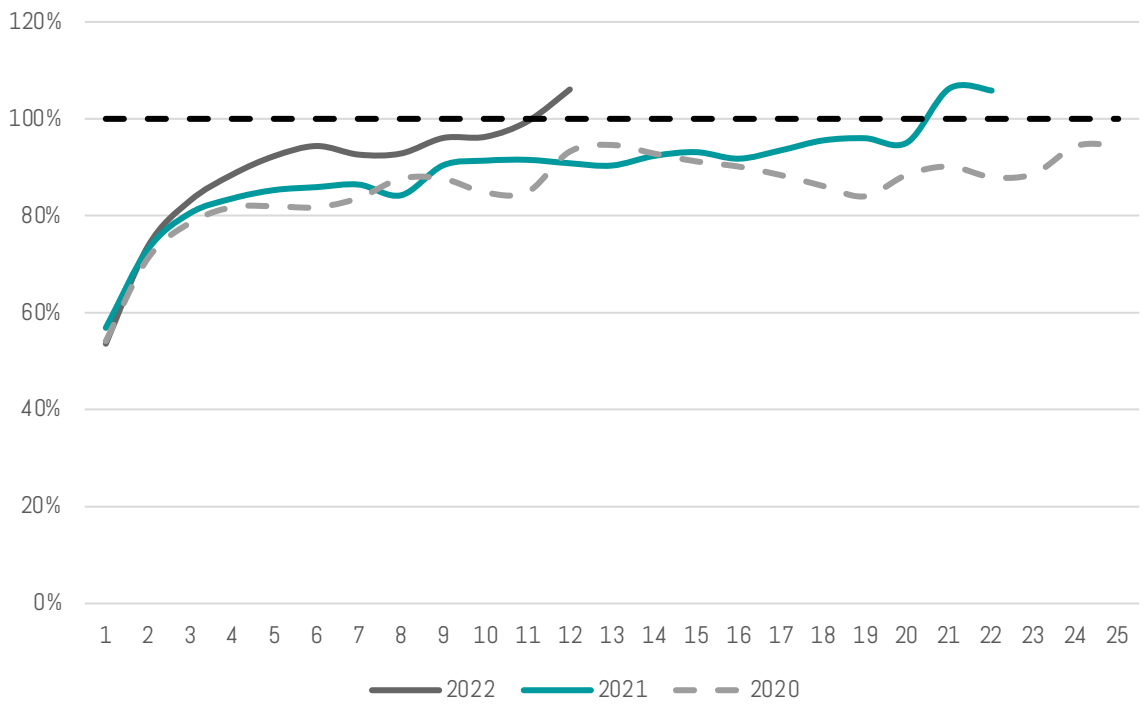
Notes: Run Rate Adjustment is defined as the adjustment made to those gyms which are less than three years old at the end of the reporting period. These adjustments replace the Adjusted EBIDTA earned by these sites in the last twelve month period with the projected Adjusted EBITDA for their third year of operation.
(1) A prudent RR assumption of £150k and £300k was previously included for SBF & MBF sites, which have been updated in Q1 2023 to £200k and £350k respectively given the consistent & reliable track record that has been established since the introduction of these formats. The RR Assumption for LBF format gyms remains unchanged at £450k. (2) Lines start & end when cohorts have sufficient critical mass of new sites for the analysis to be meaningful.

Recent UK site openings continue to progress well highlighting the product offer is "hitting the mark"

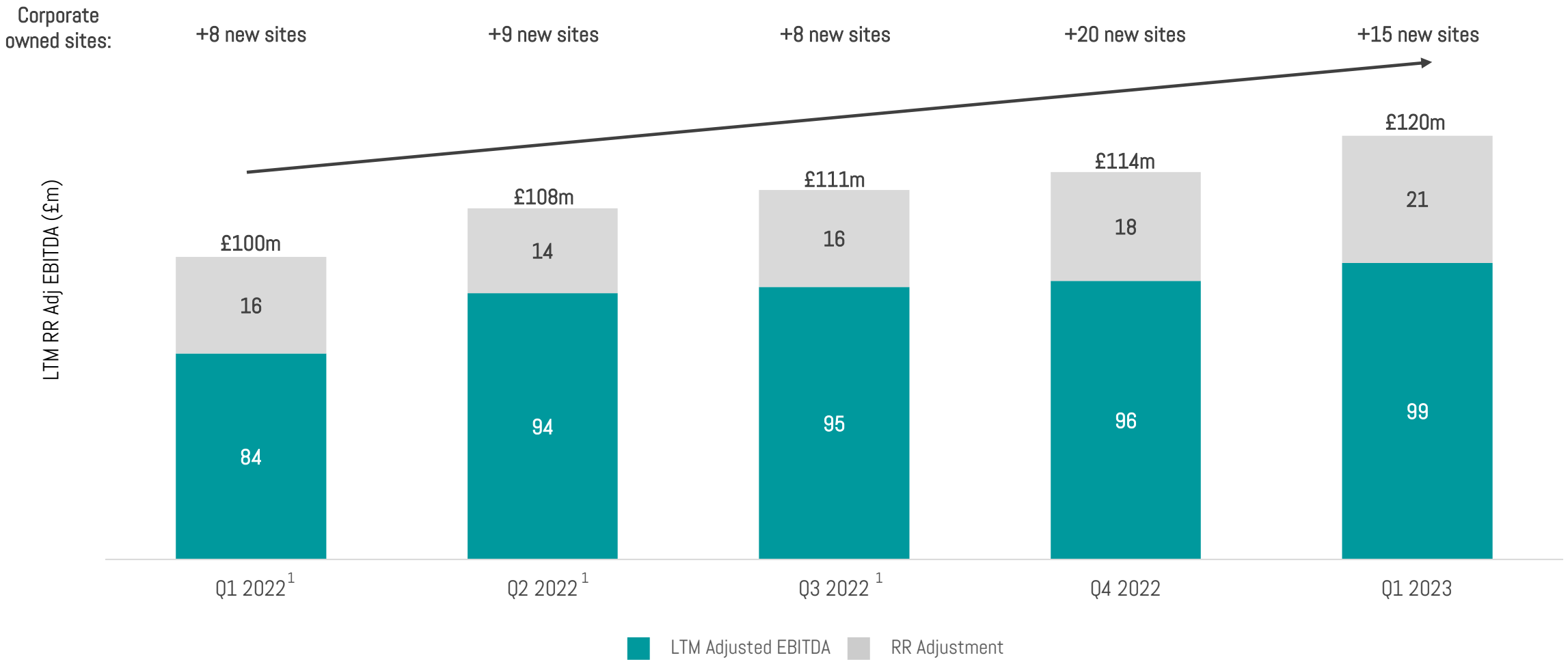
Actual revenue vs mature site target by month after opening



Actual membership vs mature site target by month after opening

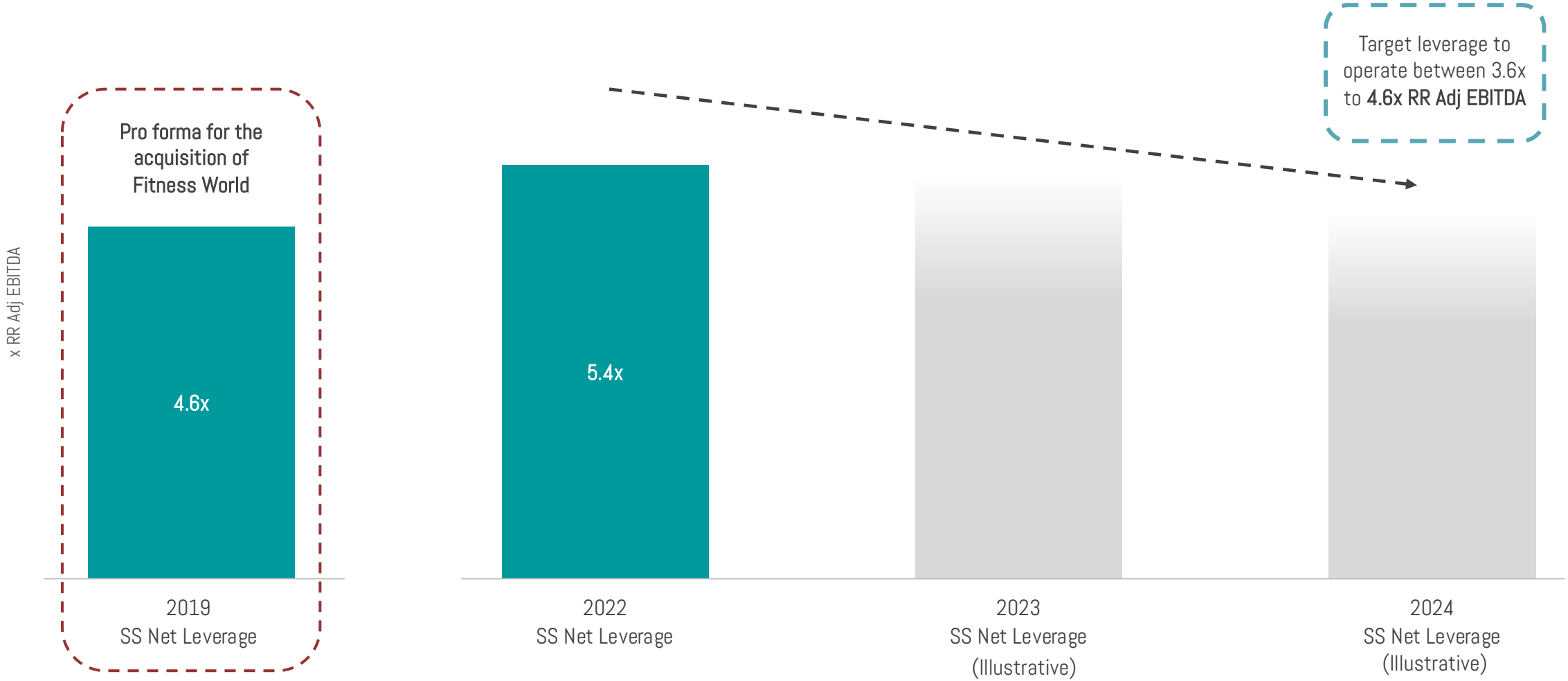


As can be illustrated by the recent past, the Run Rate Adjustment converts into Adj EBITDA reliably over a 12-24 month period



Note:
(1) As restated, see note on page 27.

The uplift in EBITDA means the business rapidly "grows back into its shoes" from a leverage perspective...





Outlook & conclusions

Conclusions & a reminder of the outlook

Financial Guidance

- Continued steady progression in underlying member base
- Approximately 40 new corporate sites with average capex cost of £1.2m per site
- Resilient unit economics with mature UK site ROCE of 34%
- LFL costs very well controlled with only +5% inflation expected vs 2022
- Fixed utility contracts for the majority of 2023 & an increase of £5-8m expected in 2024 vs 2022
- Operating Cash Flow conversion expected to return to pre-pandemic level of 70-75% in medium term

The Group is well placed to explore refinancing options in advance of bond maturity

- Excellent support from shareholders Leonard Green & KKR
- Cash on the balance sheet of £208m & available liquidity of £353m at Q1 2023
- Continued recovery in EBITDA & cash conversion supports deleveraging profile & increased debt service capacity

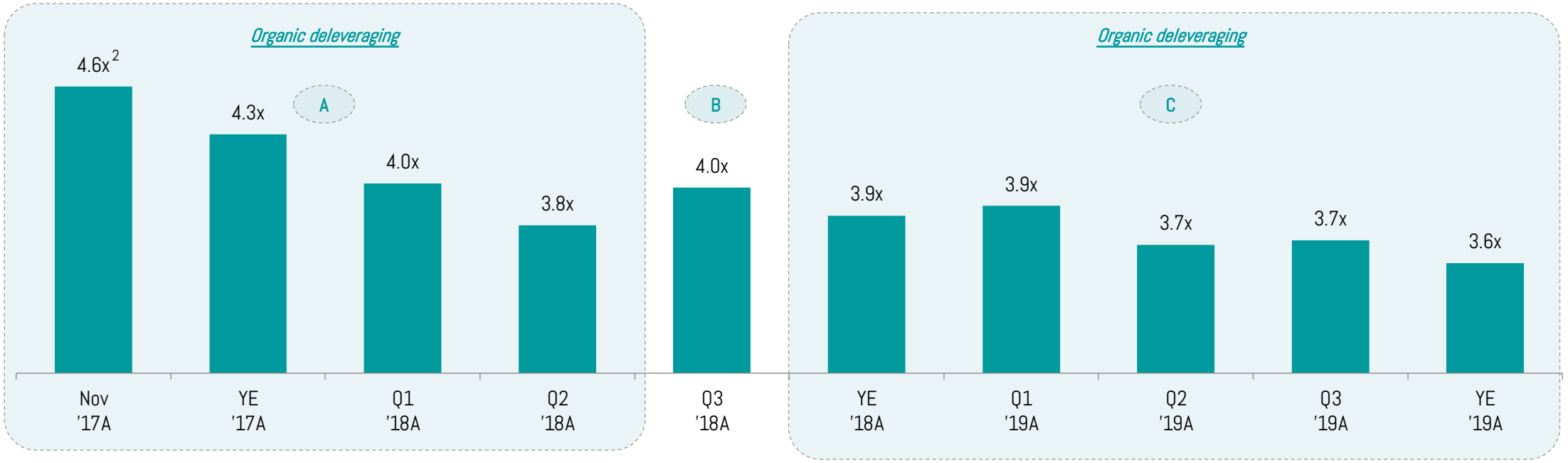




Appendices

A reminder of PureGym's track record of organic deleveraging whilst pursuing organic growth

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



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*

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, proforma for the acquisition by LGP.

Return on capital employed (ROCE) for the 186 UK sites that were mature before the pandemic remains very healthy at 34%...

Strong ROCE delivered in 2022

- Rigorous process of site selection requires a ROCE[2] that exceeds "feasibility" target of >30%
- The UK mature estate delivered a ROCE of 34% in 2022
- As the mature business continues to recover this ROCE will increase further

UK mature site analysis

LTM as at 31 December 2022	£m
Number of mature gyms[1]	186
Revenue	198
Gross profit	195
Fixed property costs	(54)
Other opex	(66)
Gym Adjusted EBITDA	**77**
Gym Adjusted EBITDA margin	*39%*
Average initial capital cost	1.2
Mature ROCE for 2017 & prior gyms	**34%**

Notes:
(1) Mature includes all corporate owned gyms opening in 2017 or prior. (2) ROCE is defined as new initial site capex/LTM Adjusted EBITDA.

ROCE on the more recently opened UK sites (2018-2020), which have now matured, is around the same level as the older mature sites at 35%

LTM Cohort ROCE[1] as at December 2022

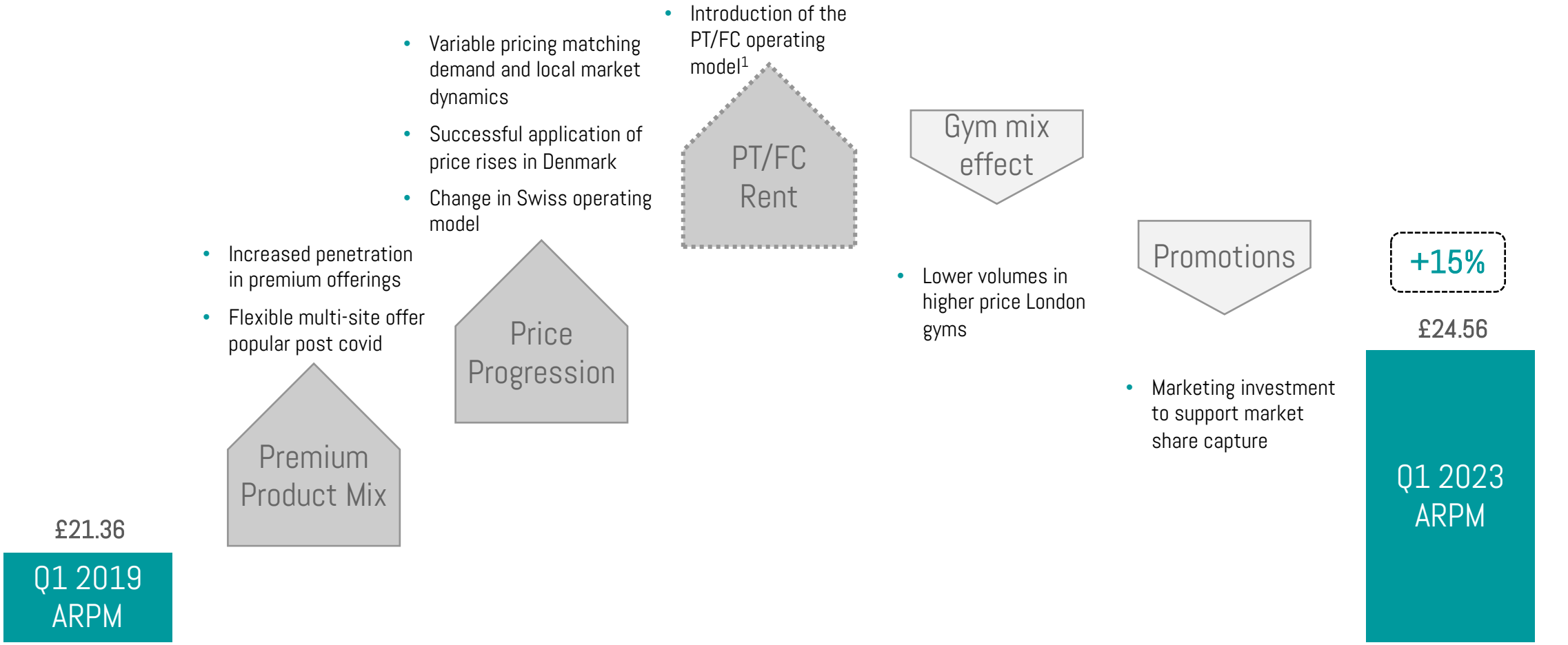
Simple ROCE of 30-40% equates to site level lifetime IRR of 1.5-2.0x WACC



Notes:
(1) ROCE defined as new site capex / LTM Adjusted EBITDA. (2) Organic sites excluding Tonbridge (closed, legal dispute) and London Bank (London city centre site committed to pre pandemic).

+15% group ARPM growth from 2019 has been delivered primarily by premium product mix & price progression across the group

Illustrative ARPM drivers



Note:
(1) Revenue benefit offset by a broadly equal and opposite increase in gym costs

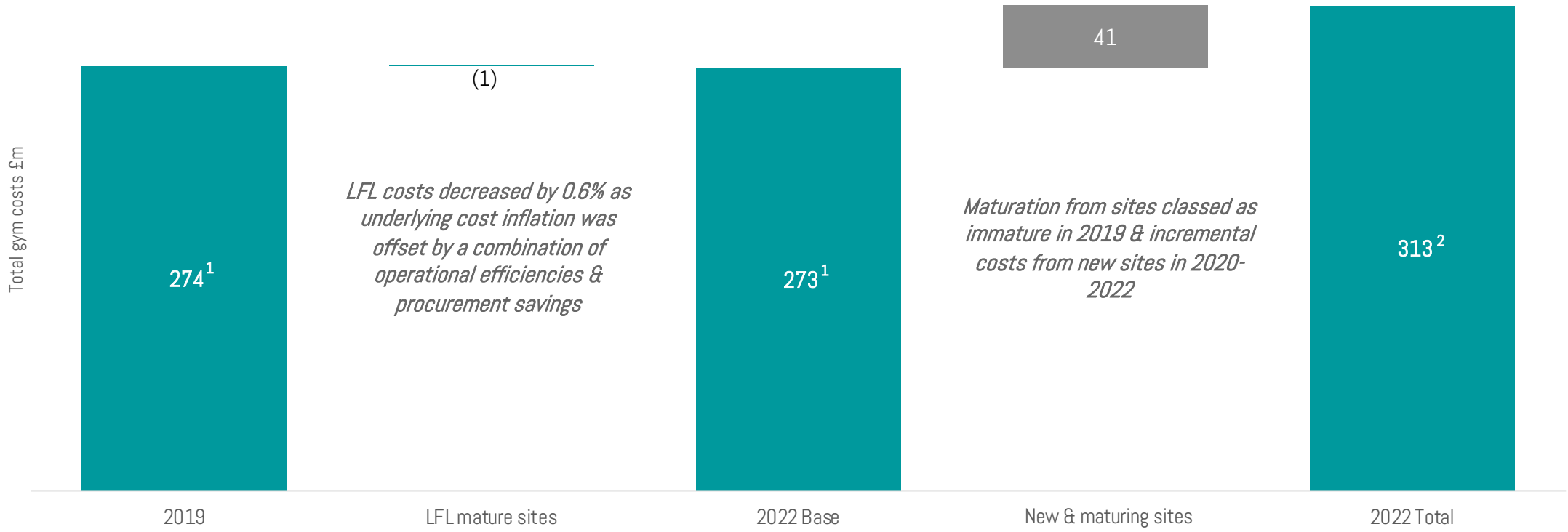
Strong Gym Cost Control: 2019 to 2022 Bridge

LFL gym costs kept flat across the group in 2022, with absolute costs scaling due to increasing gym numbers

2019
Closing gyms: 484
Average gyms: 457
Gym cost/av site: £600k

3 Years

2022
Closing gyms: 543
Average gyms: 520
Gym cost/av site: £603k *(+0.5%)*



Notes:
(1) 2019 restated for comparability to include £7.7m re PTFC model change which is largely equally offset in revenue uplift in the UK BU. (2) Excludes US gym costs of £3.3m in 2022.

By initiating a programme managing both supply & demand side cost drivers we believe that energy cost increase can be limited to £5-8m when comparing 2024 vs 2021/22

Supply side actions

- ✓ The group has benefited from **fixing energy prices at the bottom of the market**
- ✓ This continues to provide protection for most of 2023
- ✓ Prices have fallen since their peak & the group is currently fixing through to the end of 2024 – **removing majority of future price volatility risk**

Conclusion: cost increase in 2024 limited to £5-8m vs 2022 across the whole group

Demand side actions

- ✓ The group is deploying significant resources to reduce energy consumption
- ✓ **Targeting 20% consumption reduction** in the near term (12-24 months) & further reduction for the longer term
- ✓ Investing c.£10m of capex to deliver these savings

Operating cost inflation expected to be contained below 5% in 2023

While we expect to see operating cost inflation in 2023 vs 2022, PureGym has a low labour costs model & has worked hard to successfully minimise the increases

LFL average site opex per gym

2022: **£0.6m** pa

- Fixed Property Costs
  - Rent
  - Rates
  - Service charge
- Staff - Management
- Staff – PT/FC
- Cleaning
- Marketing
- Utilities
- Other – R&M, Tech, Insurance, Admin…

Inflationary outlook for 2023

Property costs (+4%)
- UK: leases largely index-linked (mostly cap & collar at 1-3%)
- DK: generally out of contract so good negotiating power, working on estate optimisation to reduce costs overall
- CH: 2% inflationary increases

Staff (flat)
- Broadly flat – inflationary increases offset by operational efficiencies:
- UK: Managers: 6-8% increases in Jan 2023
- UK: PT/FC: c.9.7% in Apr 2023 (NMW) with partly offsetting increase in rental revenue

Cleaning (-4%)
- Reducing YoY due to procurement & operational focus

Marketing (+5%)
- UK: Moderating as a % of revenue through economies of scale
- Increase driven by Denmark, due to one-off rebranding project

Utilities (+30%)
- UK: c.70% fixed at the bottom of the market for 2023
- DK: spot price now lower than prior year costs

Other (+2%)

LFL opex costs expected to increase <5%. LFL yield progression offsets this in 2023

Average site Capex costs per gym[1]

2022: **£1.2m** pa

- Main construction
- Mechanical & engineering fit-out
- Gym equipment
- Acquisition costs

Inflationary outlook for 2023

Main construction
- Construction costs include structural work & fit out
- Larger increases in certain material but overall project costs are well controlled

Mechanical & engineering fit-out
- In line with main construction cost increase of c.5%

Gym equipment
- Freight costs returning to normal after inflation in 2021/22

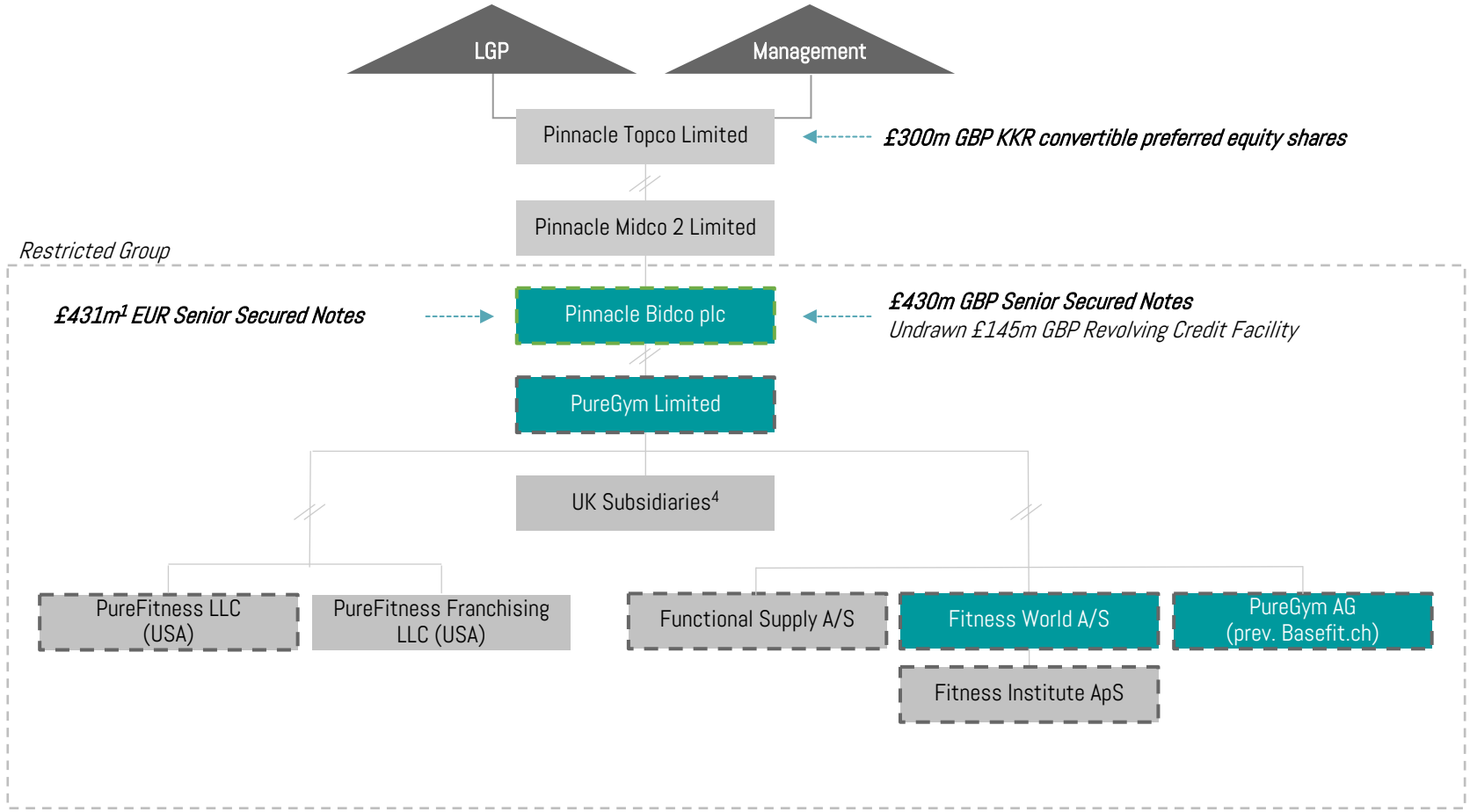
Acquisition costs
- c.2-3% increase

Underlying cost inflation – however fit out costs being managed down through effective value engineering

Note:
(1) Represents the average across the whole group and reflects mix impact of small & medium box formats as well as large box formats.

Corporate structure

£208m of cash on balance sheet across the Group as at 31 Mar 2023[3]



Notes:
(1) EUR denominated €490 million Senior Secured Notes (converted to pounds sterling at the 31 March 2023 closing rate of €1.137 to £1.0000). (2) The Guarantors accounted for 98% of Group Run-Rate Adjusted EBITDA for the year ended 31 December 2022, & substantially all of the Group's total assets as of 31 December 2022. (3) £31m of which is held on the balance sheet of Pinnacle Topco Limited. (4) Includes LA Leisure Limited & Ovalhouse Limited.

PUREGYM

Key performance indicators

£m	For the three months ended 31 Mar 2023	For the three months ended 31 Mar 2022[1]	For the twelve months ended 31 Dec 2019PF
Total number of corporate-owned gyms	559	514	484
Total number of franchise gyms	13	4	-
Total number of gyms	572	518	484
Total number of members ('000s)	1,871	1,677	1,699
Average number of members ('000s)	1,812	1,649	1,682
Average number of members per gym	3,285	3,234	3,683
Average revenue per member per month (£)	24.56	23.11	21.90
Reported revenue (£ million)	133.5	114.4	442.0
Reported EBITDA (£ million)	50.2	45.3	206.9
Adjusted EBITDA (£ million)	27.6	23.7	131.1
Adjusted EBITDA margin	20.7%	20.7%	29.7%
Gym Site Adjusted EBITDA (£ million)	44.2	39.8	170.7
Gym Site Adjusted EBITDA margin	33.1%	34.8%	38.6%
Run-Rate Adjusted EBITDA (£ million)	120.2	99.2	160.6
Operating Cash Flow (£ million)	12.5	11.9	101.2
Operating Cash Flow Conversion	45.3%	50.2%	77.2%
Senior Secured Net Debt (£ million)	645.2[2]	542.8[2]	744.6
Ratio of Senior Secured Net Debt to LTM Run-Rate Adjusted EBITDA	5.4x	5.5x	4.6x
Ratio of LTM Run-Rate Adjusted EBITDA to Pro Forma Net Interest Expense	2.3x	1.9x	3.1x

Notes: All 2019 figures have been adjusted to exclude Poland as it was a discontinued operation exited in 2021.
(1) As adjusted for the restatement of the results of Switzerland. See note 30 of the 2022 Pinnacle Bidco PLC Annual Report & Accounts. (2) Q1 2022 includes £30 million and Q1 2023 includes £31 million cash held by parent, Pinnacle Topco Limited.

Segmental performance

£m	3 months ended 31 March 2023	2022[1]	Change %	12 months ended 31 December 2022	2021[1]	Change %
United Kingdom	87	74	17%	308	194	59%
Denmark	37	33	10%	138	90	53%
Switzerland	9	7	37%	29	18	60%
Other	1	-	n/a	1	-	n/a
Total Revenue	**134**	**114**	**17%**	**476**	**302**	**58%**
United Kingdom	23	20	16%	79	44	80%
Denmark	5	5	n/a	20	(5)	n/a
Switzerland	-	-	n/a	(1)	(4)	n/a
Other	-	(1)	n/a	(3)	-	n/a
Total Adjusted EBITDA	**28**	**24**	**16%**	**95**	**34**	**177%**
United Kingdom	26%	27%		**26%**	**22%**	
Denmark	13%	14%		15%	(5)%	
Switzerland	3%	(4)%		(4)%	(23)%	
Other	n/a	n/a		n/a	n/a	
Adjusted EBITDA margin	**21%**	**21%**		**20%**	**11%**	

Note:
(1) As restated, see note on page 27..

Group cash flow Q1 2023

- Group Adjusted EBITDA of £28m in Q1 2023 up 16% on Q1 2022, converting to £13m of Operating Cash Flow for the quarter
- Group Operating Cash Flow has increased year on year due to improving profits. This is partially offset by increased investment into the estate with maintenance and refurb capital expenditure up £5m to £8m for the quarter
- Expansionary capital expenditure for the quarter of £21m reflecting investment in the 15 corporate-owned sites opened in Q1 2023 and settlement of invoices for investments made in the last quarter
- Tax, interest & debt issue costs for the quarter of £13m mainly relates to interest on senior secured notes
- "Other" cash outflow for the quarter of £5m includes £2m of working capital timing differences on rent payments and £3m of pre-opening costs and other adjustments excluded from Group Adjusted EBITDA
- Q1 2022 equity injection reflects the down flow into the Pinnacle Bidco Group of £270m of the £300m investment received from KKR in January 2022

£m	3 months ended 31 Mar 2023	2022[1]
Group Adjusted EBITDA	**27.6**	**23.7**
Movement in working capital	(7.2)	(9.3)
Maintenance & refurb capital expenditure	(7.9)	(2.5)
Group Operating Cash Flow	**12.5**	**11.9**
Operating Cash Flow conversion	*45%*	*50%*
Expansionary capital expenditure	(21.3)	(9.5)
Exceptional items	(0.6)	(0.2)
Tax, interest, & debt issue costs	(12.7)	(14.2)
Other	(4.6)	(11.5)
Net cash flow before acquisition & financing	**(26.7)**	**(23.5)**
Equity injection	-	270.0
Finance lease capital repayments	(1.2)	(1.7)
Other financing cash flows	-	(2.3)
Net cash flow	**(27.9)**	**242.5**

Note:
(1) As restated, see note on page 27.

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

£m	For the three months ended 31 Mar 2023	For the three months ended 31 Mar 2022[7]	For the twelve months ended 31 December 2019PF
Loss for the period	**(19.8)**	**(22.3)**	**(28.5)**
Income tax	(1.0)	(1.4)	(3.7)
Net finance cost	34.3	36.8	101.5
Depreciation & impairment of PPE	30.9	27.1	99.1
Amortisation & impairment of intangible assets	5.3	5.1	19.7
(Profit) / loss on disposal of property, plant & equipment	(0.1)	-	0.1
Profit on lease modifications	-	-	(0.4)
Exceptional administrative expenses	0.6	-	11.6
Group Reported EBITDA[1]	**50.2**	**45.3**	**206.9**
Other adjustments[2]	1.5	1.5	0.8
Share based payment charge[3]	0.1	0.1	0.3
Pre-Opening Costs[4]	1.2	1.1	3.6
Cash Rent Adjustment[5]	(25.4)	(24.3)	(80.4)
Adjusted EBITDA	**27.6**	**23.7**	**131.1**
Head office costs	16.6	16.1	39.5
Gym Site Adjusted EBITDA	44.2	**39.8**	**170.7**
LTM Adjusted EBITDA	99.0	83.1	131.1
Run-Rate Adjustment[6]	21.2	16.1	29.5
Run-Rate Adjusted EBITDA (LTM)	**120.2**	**99.2**	**160.6**

Notes:
(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 & 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 & certain employees. (4) Pre-opening costs represent the total of all gym site operating costs incurred prior to the opening of a new gym & primarily consist of staff costs & marketing. (5) Under IFRS 16, most lease costs are excluded from Group Reported EBITDA. To produce a comparable & more relevant EBITDA figure, the contractual property rent payments due during the accounting period are deducted & 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. (6) 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 & updates forecasts quarterly based on current & anticipated performance, taking into account seasonality & location-specific factors. (7) As restated, see note on page 27.

Glossary

Term	Definition
Adjusted EBITDA	The profit or loss for a certain period before income tax expense, net finance cost, depreciation & impairment of property, plant & equipment & right of use assets, amortisation & impairment of intangible fixed assets, profit/loss on disposal of property, plant & equipment, profit/loss on lease modifications, exceptional administrative expenses, & 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.
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 & impairment of property, plant & equipment & right of use assets, amortisation & 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, & 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.
Medium Box Format (MBF)	Medium Box Format (MBF) are gams that are typically 9,000-12,000 square feet in size
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.
Proforma Run Rate Adjusted EBITDA	Run Rate Adjusted EBITDA for the twelve months ended on the reporting date, after giving pro forma effect to the 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.
ROCE	Return on capital employed. Gym Site Adjusted EBITDA divided by initial invested capital.
Run-Rate Adjustment	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.