Pinnacle Bidco plc, the holding company of PureGym, to issue privately-placed €125,000,000 of additional 8.250% senior secured notes due 2028 and £45,000,000 of additional 10.000% senior secured notes due 2028.

Issuance follows PureGym subsidiary's signed purchase agreement to acquire the majority of the assets of Blink Holdings and certain of its affiliates (collectively, "Blink Fitness") and demonstrates strong investor appetite for the Group's bonds and strategy. Following today's issuance, PureGym will have over £450m in available funds.

Pure Gym Limited (the "Company" or "PureGym"), a leading global gym operator, today announces that its holding company Pinnacle Bidco plc has secured commitments from an investor in connection with issuance of an additional €125,000,000 in aggregate principal amount of 8.250% senior secured notes due 2028 (the "Additional Euro Notes") and £45,000,000 in aggregate principal amount of 10.000% senior secured notes due 2028 (the "Additional Sterling Notes" and together with the Additional Euro Notes, the "Placement"). The Additional Euro Notes will be fungible with the Company's existing euro-denominated 8.250% senior secured notes due 2028. The Additional Sterling Notes will be fungible with the Company's existing sterling-denominated 10.000% senior secured notes due 2028. The closing of the Placement is expected on 27 September 2024, subject to customary closing conditions.

PureGym has used the private placement route to access the debt markets in an accelerated way, enabling it to price the placement in the current favourable market conditions.

On August 12 2024, Blink Fitness filed for protection under Chapter 11 of the U.S. Bankruptcy Code. On September 10, Pinnacle US Holdings LLC ("Pinnacle US"), a subsidiary of PureGym, announced that it had entered into a binding asset purchase agreement ("APA") with Blink Fitness to, subject to final court approval, acquire the majority of Blink's assets, including those in the New York and New Jersey markets. The APA includes a base purchase price of $105m plus the assumption of certain specified liabilities. Following execution of the APA on September 10, Blink Fitness designated Pinnacle US as the "stalking horse bidder," which was approved by the Bankruptcy Court on September 20, 2024. If other qualified bids are submitted, an auction may be held on or about 28 October. Today's issuance is timed to ensure PureGym has ample available funds to compete for and win the Blink Fitness acquisition.

Humphrey Cobbold, CEO of PureGym commented: "I am very pleased with the investor support for this fund raising. Securing a substantial commitment rapidly and from a single investor underscores PureGym's reputation in the bond markets as well as confidence in our management team and our business' future prospects. International expansion is a central part of our strategy as well as a priority for our equity investors — Leonard Green & Partners and KKR – who also strongly support PureGym's bid for Blink Fitness. We are excited by the prospect of acquiring Blink Fitness, which we view as a strategic platform from which to further build in the US."

Barclays Bank PLC acted as Placement Agent on the transaction.

For media enquiries, please contact:
Tel: +44 (0) 208 194 3189
Email: press@puregym.com

About PureGym

PureGym is a leading global gym operator, with around two million members across more than 600 gyms in six countries. PureGym operates corporate owned gyms in the UK, Denmark, Switzerland and the USA (the latter under the PureFitness brand) in addition to 20 sites operated by a franchise partner in Saudi Arabia and the UAE (under the PureGym Arabia brand). PureGym was launched in the UK in 2009 where it pioneered the model for affordable, flexible, high quality fitness clubs and is now the clear leader in the UK market. Typically, its members pay monthly and have no contractual commitment. Most of its gyms are open 24/7 and offer a full range of fitness equipment, including cardiovascular equipment, fixed-resistance and free weights as well as classes. PureGym is jointly owned by Leonard Green & Partners, KKR and over 100 members of the Group's management team. As of 30 June 2024, PureGym had 387 gyms in the UK, 161 gyms in Denmark, 45 gyms in Switzerland, 3 gyms in the USA and 20 franchise gyms in the Middle East (18 in Kingdom of Saudi Arabia and 2 in United Arab Emirates).

PureGym is actively franchising in the Middle East and looking for partners in other markets. In the USA, PureGym is seeking franchise partners operating under its PureFitness brand. More information can be found at https://www.purefitness.com/franchise/

Further information relating to the APA and the offer to buy the Blink business can be found here. https://s28.q4cdn.com/583314398/files/doc_news/2024/PG-PR-10Sept24-vF.pdf

Forward Looking Statements

This press release may include "forward looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended. These forward looking statements can be identified by the use of forward looking terminology, including the terms "believes," "estimates," "anticipates," "expects," "intends," "may," "will" or "should" or, in each case, their negative, or other variations or comparable terminology. These forward looking statements include all matters that are not historical facts and include statements regarding PureGym or its affiliates' intentions, beliefs or current expectations concerning, among other things, the Placement, PureGym or its affiliates' results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which it operates. By their nature, forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Readers are cautioned that forward looking statements are not guarantees of future performance and that PureGym or its affiliates' actual results of operations, financial condition and liquidity, and the development of the industry in which they operate may differ materially from those made in or suggested by the forward looking statements contained in this press release. In addition, even if PureGym or its affiliates' results of operations, financial condition and liquidity, and the development of the industry in which PureGym operate are consistent with the forward looking statements contained in this press release, those results or developments may not be indicative of results or developments in subsequent periods. Given these risks and uncertainties, you should not rely on forward looking statements as a prediction of actual results.

Cautionary Statement

The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended (the "Securities Act"). The securities referred to herein have not been and will not be registered under the Securities Act and will be offered and sold in the United States only to qualified institutional buyers in reliance on Rule 144A under the Securities Act and outside the United in reliance on Regulation S under the Securities Act.

Under no circumstances shall this press release or the related information posted on Pure Gym's website (collectively, the "Information") constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for the Notes in any jurisdiction. The Placement shall not be considered an "offer of securities to the public," or give rise to or require a prospectus in a European Economic Area member state or in the United Kingdom pursuant to Regulation (EU) 2017/1129 (as amended or superseded).

The communication of the Information and any other documents or materials is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000 (the "FSMA"). Accordingly, the Information is for distribution only to persons who: (a) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Order")); (b) are persons falling within Article 43 of the Order; (c) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Order; (d) are outside the United Kingdom; or (e) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise may lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). The Information is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which the Information relates is available only to relevant persons and will be engaged in only with relevant persons.

The provision of the Information may be restricted by laws and regulations in some jurisdictions. Persons into whose possession the Information comes must inform themselves about and observe these restrictions.

This release and the information contained herein are for information purposes only. Under no circumstances shall the Information constitute a prospectus or an offer to sell, or a solicitation of an offer to buy or subscribe for, any securities in the United States of America or in any other jurisdiction.

This release contains information that prior to its disclosure may have constituted inside information under Article 7 of Regulation (EU) No 596/2014.