



Pinnacle Bidco PLC

Financial Report for the six months ended
30 June 2026



Contents

Business Overview	2
Q2 2026 Financial Review	4
Key Performance Indicators	9
Reconciliation from Loss to Adjusted EBITDA and Run Rate Adjusted EBITDA	10
Disclaimers and Further Information for Noteholders	11
Glossary	12
Pinnacle Bidco plc Condensed Consolidated Unaudited Interim Financial Statements	14



Business Overview

The PureGym Group (“the Group”, being Pinnacle Bidco plc and its subsidiaries) is the largest gym and fitness operator in the UK and the second largest in Europe by number of gyms with over 700 sites and over 2.4 million members across our estate. The Group provides high quality, low cost, flexible physical fitness facilities and is the largest value operator in each of the UK, Denmark and Switzerland. The Group also has a significant presence in the USA, focused in New York and New Jersey.

The business has delivered excellent results for the first half of 2026 with Adjusted EBITDA growth in all key geographies. The Group continues to invest in both new sites and the existing estate, with 17 new gyms opened in the year to date and many more in the pipeline for the rest of the year. A programme of estate refurbishment continues to ensure that the facilities remain high quality and provide the best value for our members.

The Group has a robust capital and liquidity position with £73m of cash on the balance sheet at the end of the period, which contributes towards £249m of available liquidity (including the Revolving Credit Facility of £175.5m). This, coupled with the strong support of its key shareholders, Leonard Green & Partners LP (“LGP”) and Kohlberg Kravis Roberts & Co LP (“KKR”), puts the Group in a good position to continue funding expansion and investment, and to take advantage of any other market opportunities as they arise.

Strategy

The core vision is to provide members with affordable access to the benefits that activity and exercise can offer. The business does this by focusing investment on what most people want and use in gyms and by using innovative technology that makes the process of being a member and the experience of activity as easy and straightforward as possible. This focus on affordable, flexible, and “value-for-money” membership has fundamentally changed the gym industry over the past few years and opened up increased access to activity, fitness and exercise for hundreds of thousands more people worldwide. We are proud of the environment we have created with our inclusive philosophy and the diversity of our membership across all our gyms.

The Group has a powerful and highly disruptive customer proposition, which is differentiated from traditional gym operators and appeals to a broad range of consumers. The Group’s strategy is to occupy market leading positions in the value segment, whilst delivering profitable growth for our stakeholders. Key elements of the proposition include low-cost membership fees, no obligation to sign a ‘locked in’ contract, excellent standards of hygiene and cleanliness, and “24x7” access to high-quality, well-maintained gyms.

The proposition is underpinned by the Group’s differentiated capital efficient and technology-enabled gym operating model, which enables our gyms to support high levels of membership, operate on low costs, and generate strong unit economics, cash flow conversion, and average return on investment (“ROCE”).



United Kingdom

PureGym is the UK’s largest private gym operator, both by number of gyms and members. The Group operates 467 gyms

in the UK as at 30 June 2026 (30 June 2025: 433 gyms) and continues to target new site opportunities in this core geography. Further gyms will be rolled out in the UK in a measured and controlled way, where we can achieve our targeted return on capital.

We also continuously invest in the UK’s mature estate through a targeted programme of refurbishment and maintenance to ensure our offering remains high quality and competitive in the local market.



Denmark

PureGym is also the leading operator in Denmark with a well-established presence throughout the country. Relative to the Group’s other geographies, the Danish fitness market is mature so the focus has been on estate optimisation. Carefully selected gym closures, alongside a programme of investment in the remaining sites that successfully concluded in 2025, has enabled significant improvements in profitability across the estate. As at 30 June 2026, PureGym operated 128 gyms in Denmark (30 June 2025: 135 gyms).



Switzerland

PureGym is one of the largest operators in Switzerland and the leading high value, low-cost operator with 49 gyms in operation as at 30 June 2026 (30 June 2025: 43 gyms). Switzerland offers a favourable competitive landscape and opportunities for further site openings with attractive returns.

Business Overview continued



United States of America

Following the acquisition of 56 gyms in New York and New Jersey in 2024, the Group now has a strong foothold in a key part of the US gym market.

As at 30 June 2026, the Group operates 61 gyms in the USA, spanning New York, New Jersey, and the Washington DC area (30 June 2025: 59 gyms). These sites are largely operating under the PureGym brand and are undergoing a programme of refurbishments to create a high-quality offering throughout. The Group is also targeting further expansion in the US through organic openings.



The Middle East

As at 30 June 2026, there are 23 franchised gyms operating under the PureGym brand across the Kingdom of Saudi Arabia and the United Arab Emirates (30 June 2025: 23 gyms).

Business model

The Group's ability to deliver on its strategy is underpinned by a strong business model:

- The world's population is more aware than ever of the importance of looking after physical and mental health, avoiding conditions such as obesity and ensuring a good immune system. We therefore believe that there will continue to be attractive and resilient fitness markets with significant growth opportunities in the value segment.
- The merit to consumers of having access to a fully-equipped, conveniently-located, always-open, well-maintained, safe and secure, shared use facility is very considerable and this merit is very hard for most consumers to replicate at home or in any other way.
- Clear benefits from being a diversified, scale operator with sites spread across countries and continents.
- Strong, differentiated customer proposition supported by technology which both improves the effectiveness from a consumer point of view and reduces operating costs.
- Low cost, capital efficient, technology-enabled operating model.
- A strong and experienced leadership team.
- Significant financial capacity to support ongoing expansion and estate rollout.

The fitness market

The Group operates in the value segment of the fitness market, which has grown quickly over the past several years. The expanding footprint of value gyms has increased the availability of fitness facilities to a larger proportion of the population.

The value gym market, and PureGym in particular, has a strong track record of performing well irrespective of macroeconomic conditions. During periods of economic decline, cost-conscious consumers may trade down from mid-market and premium competitors, whilst periods of growth will see new consumers taking up memberships. This makes the value segment a very attractive part of the market in which to operate.



Q2 2026 Financial Review

Presentation of financial information

The Group has prepared consolidated financial statements as of and for the 6 months ended 30 June 2026 in accordance with IAS 34 'Interim Financial Reporting', as issued by the International Accounting Standards Board.

Funding

The Group has £520 million of Senior Secured Notes ("the Sterling Notes") and €505 million of Senior Secured Notes ("the Euro Notes") in issue (together, "the Notes").

The Notes are listed on The International Stock Exchange, for which Pinnacle Bidco plc is the Issuer and certain subsidiaries of the Group are guarantors. Interest on the Sterling Notes accrues at a rate of 10.00% and interest on the Euro Notes accrues at a rate of 8.25%, both payable at half-yearly intervals. The Notes are due to be repaid in full on 11 October 2028.

In addition, the Group has a £175.5 million revolving credit facility (the "RCF") with five international institutions, repayable 11 July 2028.

The RCF bears interest at a floating rate derived from SONIA when drawn. Included within the total RCF is a £10 million overdraft facility. As at 30 June 2026, the facility was undrawn.

The RCF is subject to a quarterly financial covenant test whereby if the RCF is greater than 40% drawn, Senior Secured Net Debt cannot be greater than 8.8x Run-Rate Adjusted EBITDA.

The RCF provides substantial flexibility and headroom for unforeseen events and puts the Group in a differentiated position relative to many other operators.



Q2 2026 Financial Review (continued)

Summary of Business Performance & Results

- Very smooth transition of Alex Wood to CEO
- Robust Adj EBITDA uplift in all markets, with Q2 Adj EBITDA of £68m (+£12m vs Q2 2025)
- Strong underlying momentum, with RR Adj EBITDA increasing to £253m (+£50m vs Q2 2025)
- Continued progress made on Blink integration with annualised EBITDA now at c. £23m (vs £9m on acquisition)
- 9 new corporate sites opened in the quarter
- SS Net Leverage decreased to 3.5x RR Adj EBITDA as at Q2 2026 (Q2 2025: 4.0x)
- Interest Cover increased to 2.9x (Q2 2025: 2.4x)



Q2 2026 Financial Review (continued)

Operating results

£m	For the three months ended 30 June		For the six months ended 30 June	
	2026	2025	2026	2025
Revenue	199.4	187.9	393.0	370.8
Operating expenses (exc. separately disclosed items)	(96.4)	(98.5)	(200.1)	(207.0)
Group Reported EBITDA	103.0	89.4	192.9	163.8
Depreciation & amortisation	(48.6)	(47.1)	(97.6)	(91.6)
Profit/(loss) on disposal of PPE & lease modifications	(0.2)	0.1	(0.9)	0.3
Exceptional items	(7.4)	(1.7)	(9.2)	(4.7)
Operating profit	46.8	40.7	85.2	67.8
Net finance cost	(51.0)	(60.1)	(101.6)	(113.8)
Loss before tax	(4.2)	(19.4)	(16.4)	(46.0)
Income tax (charge)/credit	(2.0)	(2.3)	(4.3)	(1.9)
Loss for the period	(6.2)	(21.7)	(20.7)	(47.9)

Revenue

Revenue in the three months ended 30 June 2026 increased by 6% (£11 million) to £199 million, as compared to £188 million for the three months ended 30 June 2025.

For the 6 months ended 30 June 2026 revenue increased by 6% (£22 million) to £393 million, as compared to £371 million for the six months ended 30 June 2025.

These increases are driven by a combination of growth in members and growth in average revenue per member per month ("ARPM").

ARPM for the three months ended 30 June 2026, grew by 3% year on year to £26.95 while average members grew by 3% to 2.5 million.

For the six months ended 30 June 2026 ARPM grew by 2% year on year to £26.78 while average members grew by 4% to 2.4 million.

The growth in members was largely driven by the opening of new gyms in the year to 30 June 2026 (54 openings offset by 19 closures). In 2025, the Group concluded a programme of estate optimisation in Denmark to remove less well-performing gyms and consolidate members into stronger sites.

Operating Expenses (exc. separately disclosed items)

Operating expenses decreased by 2% to £96 million, as compared to £99 million for the three months ended 30 June 2025.

For the six months ended 30 June 2026 operating expenses decreased by 3% to £200 million as compared to £207 million for the six months ended 30 June 2025.

The fall in expenses was driven by two major factors. Firstly, the result of the Danish estate optimisation programme facilitating cost savings across both gyms and head office.

Secondly, the success of the US transformation programme of the acquired Blink Fitness estate. The US head office has now

been right-sized following the Blink acquisition, cost savings have been achieved through leveraging Group procurement practices and applying the PureGym operating model to the acquired estate.

Across the rest of the Group, costs have remained very well-controlled, both at a gym and head office level, despite a growth in sites.

Depreciation and amortisation

Depreciation and amortisation increased by 3% to £49 million for the three months ended 30 June 2026 and by 6% to £98 million for the six months ended 30 June 2026.

These increases were driven by the growth in the number of corporate owned gyms in the period 1 July 2025 to 30 June 2026, as well as increased investment in the US and Danish estates.

Exceptional items

Exceptional items of £7 million in the three months ended 30 June 2026 primarily relate to costs incurred in the integration of Blink Fitness, and the costs of site closures, head office restructuring and certain one-off strategic projects.

Also included within exceptional items of £9 million for the six months ended 30 June 2026 is £1.5 million of income in relation to a COVID-19 related government grant received in Denmark.

Net finance costs

Net finance costs decreased by £9 million (15%) to £51 million for the three months ended 30 June 2026, as compared to the three months ended 30 June 2025.

For the six months ended 30 June 2026, net finance costs decreased by £12 million (11%) to £102m.

The decrease in both periods was driven by favourable year on year movements in net foreign exchange gains and losses, £11 million favourable for the three months ended 30 June 2026 and £18 million favourable for the six months ended 30 June 2026.

Q2 2026 Financial Review (continued)

Net finance costs *continued*

These reflect non-cash changes in FX on the Euro Senior Secured Notes and non-GBP denominated intercompany loans. These are partially hedged against the value of the overseas businesses.

Interest on Senior Secured Notes was £22m for the quarter and £44m for the half year, unchanged from the comparable periods.

IFRS 16 Interest on leased property was £17 million for the quarter and £33m for the half year, an increase of £1m and £2m respectively year on year and driven by the increase in the number of new corporate gyms in the last twelve months.

Finally, interest accrued on borrowings from the Group's ultimate parent, Pinnacle Topco Limited, was £13 million for the quarter and £25 million for the six months ended 30 June 2026. These borrowings act as a pass through of equity investments raised by Pinnacle Topco Limited. This is a non-cash movement in the period and typical of similar private-equity owned structures.

Tax charge

The income tax charge for the three months and six months ended 30 June 2026 relates to the utilisation of brought forward tax losses against current period taxable profits.

Cashflow and liquidity

£m	For the three months ended 30 June		For the six months ended 30 June	
	2026	2025	2026	2025
Net cash generated from operating activities	52.1	44.2	109.9	77.7
Net cash used in investing activities	(33.3)	(34.6)	(67.2)	(74.3)
Net cash used in financing activities	(19.3)	(21.8)	(41.9)	(38.5)
Net decrease in cash and cash equivalents	(0.5)	(12.2)	0.8	(35.1)
Cash and cash equivalents on the first day of the period	74.6	105.6	73.1	128.6
Effect of exchange rates on cash held	(0.8)	0.3	(0.6)	0.2
Cash and cash equivalents at end of period	73.3	93.7	73.3	93.7
<i>Cash held by Pinnacle Topco Limited</i>	-	34.1	-	34.1
Available cash at 30 June	73.3	127.8	73.3	127.8
<i>Undrawn RCF Facility (including overdraft)</i>	175.5	175.5	175.5	175.5
Available liquidity at 30 June	248.8	303.3	248.8	303.3

Net cash flows from operating activities

Net cash flows from operating activities comprise operating profit before interest, tax, profit/(loss) on disposals, depreciation, amortisation and impairment charges, net of the movement in net working capital and less tax, exceptional costs paid, net interest and debt issuance costs paid.

Net cash flow from operating activities for the three months ended 30 June 2026 was an inflow £52m, an increase of £8 million as compared to the three months ended 30 June 2025, primarily driven by a £14 million increase in Reported EBITDA offset by an additional £5 million in cash exceptional expenses paid.

For the six months ended 30 June 2026 net cash flow from operating activities was an inflow of £110 million, an increase of £32 million as compared to the six months ended 30 June 2025. This was primarily driven by improvement of trading results arising from a £29 million increase in Reported EBITDA, and by an £11 million favourable working capital movement year on year, offset by £5 million of exceptional expenses paid.

Net cash flows used in investing activities

Net cash flows used in investing activities consist of expenditure on property, plant and equipment and intangible assets, less proceeds from disposals.

Net cash flows used in investing activities for the three months ended 30 June 2026, were £33 million compared to £35m for the three months ended 30 June 2025. For the six months ended 30 June 2026 cashflows on investing activities were £67 million compared to £74 million for the six months ended 30 June 2025.

In all periods, these outflows primarily related to investment in new site development, refurbishment of existing estate and investment in technology across the Group. The H1 2026 outflow also includes £6 million in relation to the bolt-on M&A trade & asset acquisition of a new gym in the USA to complement the existing estate in the New York area.

Q2 2026 Financial Review (continued)

Net cashflows used in financing activities

For the three months and six months ending 30 June 2026 and 30 June 2025, cash flows used in financing activities related almost entirely to capital payments on leases for property rentals under IFRS 16.

Cash and liquidity

As at 30 June 2026, the Group had cash and cash equivalents of £73 million, and access to undrawn facilities of £175.5 million, giving total liquidity headroom of £249 million (30 June 2025: £303 million).

Capital expenditure cashflow

The following table shows cash flows from capital expenditure for the periods indicated. Expansionary Capital Expenditure for the three months and six months ended 30 June 2026 mainly comprised investment in new corporate owned sites and investment into the US estate following the Blink Fitness acquisition. The Group opened 17 new corporate owned sites in the six months to 30 June 2026, of which 9 were opened in the three months to 30 June 2026.

£m	For the three months ended 30 June		For the six months ended 30 June	
	2026	2025	2026	2025
New site capex	13.3	13.9	25.5	31.4
Danish estate upgrade	-	3.5	-	5.8
US rebrand, investment & bolt-on M&A	2.9	-	12.8	-
IT & project capex	3.2	6.7	6.6	11.7
Expansionary capex	19.4	24.1	44.9	48.9
Maintenance & refurb capex	14.3	9.1	20.0	16.0
Total capex	33.7	33.2	64.9	64.9
Expansionary capex working capital movement	-	0.2	(3.1)	8.5
Maintenance & refurb capex working capital movement	0.1	1.4	5.8	1.6
Total capex cash flow	33.8	34.8	67.6	75.0

Key Performance Indicators

	For the three months ended 30 June		For the six months ended 30 June	
	2026	2025	2026	2025
Total number of owned gyms	705	670	705	670
Franchised gyms	23	23	23	23
Total number of gyms	728	693	728	693
Total number of members ¹ ('000s)	2,442	2,376	2,442	2,376
Average number of members ¹ ('000s)	2,467	2,391	2,445	2,357
Average number of members per gym ¹	3,520	3,581	3,506	3,554
Average revenue per member per month ¹ (£)	26.95	26.19	26.78	26.22
Reported revenue (£m)	199.4	187.9	393.0	370.8
Reported EBITDA (£m)	103.0	89.4	192.9	163.8
Group Adjusted EBITDA (£m)	68.0	55.5	123.6	100.4
Group Adjusted EBITDA margin	34.1%	29.5%	31.5%	27.1%
Gym Site Adjusted EBITDA ² (£m)	85.9	75.0	159.0	140.3
Gym Site Adjusted EBITDA margin	43.1%	39.9%	40.5%	37.8%
Group Run-Rate Adjusted EBITDA (£m)	252.8	203.1	252.8	203.1
Group Operating Cash Flow (£m)	49.7	42.5	102.5	76.5
Group Operating Cash Flow Conversion	73.1%	76.6%	82.9%	76.2%
Senior Secured Net Debt ³ (£m)	885.2	815.7	885.2	815.7
Senior Secured Net Leverage	3.5x	4.0x	3.5x	4.0x
Interest Cover	2.9x	2.4x	2.9x	2.4x

Notes:

(1) 30 June 2025 closing members & ARPM restated to reflect the removal of 43,000 US members that were identified as non-paying as part of the post-acquisition review of Blink Fitness. No impact on revenue or Adj EBITDA.

(2) Represents a blended average including all new & immature sites across the group.

(3) Senior Secured Net Debt at 30 June 2025 includes £34 million cash held by parent company, Pinnacle Topco Limited.

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

	For the three months ended 30 June		For the six months ended 30 June	
	2026	2025	2026	2025
Statutory loss for the period	(6.2)	(21.7)	(20.7)	(47.9)
Income tax	2.0	2.3	4.3	1.9
Net cash interest payable on bonds, commitment fees & deposits	22.1	21.5	44.2	42.6
Interest accrued on IFRS 16 leases	16.5	15.9	32.9	31.2
Non-cash finance costs	12.4	22.7	24.5	40.0
Operating profit	46.8	40.7	85.2	67.8
Depreciation & impairment of PPE	44.5	42.0	89.6	81.7
Amortisation & impairment of intangible assets	4.1	5.1	8.0	9.9
Profit / (loss) on disposal of PPE & lease modifications	0.2	(0.1)	0.9	(0.3)
Exceptional administrative items	7.4	1.7	9.2	4.7
Reported EBITDA¹	103.0	89.4	192.9	163.8
Other adjustments ²	0.4	0.6	0.6	1.2
Share based payment charge ³	0.8	0.3	1.6	0.6
Pre-opening costs ⁴	0.9	0.9	1.7	2.0
Cash rent adjustment ⁵	(37.1)	(35.7)	(73.2)	(67.2)
Adj EBITDA	68.0	55.5	123.6	100.4
Head office costs (excl. US & franchise)	15.8	16.3	31.4	31.7
Head office costs (US & franchise)	2.1	3.2	4.0	8.2
Gym Site Adj EBITDA	85.9	75.0	159.0	140.3
LTM Adjusted EBITDA	231.8	177.6	231.8	177.6
Run-Rate Adjustment ⁶	21.0	25.5	21.0	25.5
Run-Rate Adj EBITDA (LTM)	252.8	203.1	252.8	203.1

Notes:

(1) 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.

Disclaimers and Further Information for Noteholders

Further information for noteholders

This report was prepared in accordance with the indenture dated 11 October 2023, among Pinnacle Bidco plc, as issuer, the guarantors named therein, Deutsche Trustee Company Limited, as trustee, Deutsche Bank AG, London Branch, as paying agent and security agent and Deutsche Bank Luxembourg SA as transfer agent and registrar.

This report may include forward-looking statements. All statements other than statements of historical facts included in this report, 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 report. 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 report. 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. We define our non-IFRS measures as set forth in the glossary on page 12.

Risks

The Directors are responsible for the Group's risk management and monitor risks on an on-going basis to ensure these are being appropriately mitigated in line with its risk appetite. The Directors consider that the principal risks and uncertainties which could have a material impact on the Group's performance over the 2026 financial year remain substantially the same as those stated on pages 17 to 21 of our Annual Report and Accounts for the period ended 31 December 2025, which is available on our website corporate.puregym.com.

Glossary

"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, & 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 at during that period. The average number of members during that period is calculated as the average of the number of members at corporate gyms 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 a post-IFRS 16 basis).

"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 corporate-owned gyms incurred in that period, & the capital costs of investments in technology in that 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 & amortisation, related to the operation of head office functions in a given period.

"Interest Cover"

The ratio of Run-Rated Adjusted EBITDA to Pro Forma Net Interest Expense.

"Large Box Format (LBF)"

Large Box Format (LBF) gyms are gyms that are typically over 12,000 square feet in size.

"Maintenance & Refurbishment Capital Expenditures"

The total capital expenditure incurred in a period less Expansionary Capital Expenditure incurred in that period.

"Mature Gyms"

Corporate-owned gyms that have been open for two full financial years or more as at the reporting date.

"Medium Box Format (MBF)"

Medium Box Format (MBF) gyms are gyms 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 and cash equivalents. For the purposes of the leverage calculation, SSND uses average rates of exchange for the last 12 month period

"New Gyms"

Corporate-owned gyms that have been open for less than two full financial years as at the reporting date.

"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 & Refurbishment 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 Net Interest Expense"

The net interest expense for the Group for the LTM period.

Glossary

"ROCE"

Return on capital employed, calculated as Adjusted EBITDA for the relevant portfolio of gyms for that period divided by the Initial Capital Investment attributable to that portfolio of gyms.

"Run-Rate Adjustment"

The adjustment made to both corporate-owned & franchise 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. At 30 June 2025, the Run-Rate Adjustment also reflects the results of 56 acquired Blink gyms for the pre-acquisition period July-November 2024. This does not include any proforma adjustments for synergies.

"Run-Rate Adjusted EBITDA"

The Adjusted EBITDA including any Run-Rate Adjustment.

"Senior Secured Net Debt" or "SSND"

The total senior secured indebtedness of the Group (excluding finance lease liabilities), less cash & cash equivalents. For the purposes of the leverage calculation, SSND uses average rates of exchange for the last 12 month period

"Senior Secured Net Leverage"

The ratio of Senior Secured Net Debt to Run-Rate Adjusted EBITDA.

"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.

Pinnacle Bidco PLC

Condensed Consolidated Unaudited Interim Financial Statements for the 6 months ended 30 June 2026

Contents

Condensed Consolidated Statement of Comprehensive Income	16
Condensed Consolidated Statement of Financial Position.....	17
Condensed Consolidated Cash Flow Statement	18
Condensed Consolidated Statement of Changes in Equity.....	19
Notes to the Condensed Consolidated Unaudited Interim Financial Statements	20

Condensed Consolidated Statement of Comprehensive Income for the 6 months ended 30 June 2026

	Note	6 months ended 30 June 2026 £m	6 months ended 30 June 2025 £m
Revenue	2,3	393.0	370.8
Cost of sales		(9.5)	(9.5)
Other income		0.9	0.4
Other administrative expenses		(290.0)	(289.2)
Exceptional administrative expense	5	(9.2)	(4.7)
Administrative expenses		(299.2)	(293.9)
Operating profit		85.2	67.8
Finance income	6	5.3	1.9
Finance costs	6	(106.9)	(115.7)
Loss before income tax		(16.4)	(46.0)
Income tax charge	7	(4.3)	(1.9)
Loss for the period	4	(20.7)	(47.9)

Other comprehensive expense

Items that are or may be reclassified subsequently to profit or loss:

Foreign operations – foreign currency translation differences, net of tax	(0.5)	(1.4)
Total other comprehensive expense for the period, net of tax	(0.5)	(1.4)
Total comprehensive expense for the period	(21.2)	(49.3)

Condensed Consolidated Statement of Financial Position as at 30 June 2026

	Note	30 June 2026 £m	31 December 2025 £m
Non-current assets			
Intangible assets	8	854.3	852.3
Property, plant and equipment	9	1,094.8	1,081.5
Deferred tax assets		61.0	67.8
Other receivables		16.7	14.0
		2,026.8	2,015.6
Current assets			
Inventories		3.2	4.3
Trade and other receivables		39.2	42.2
Cash and cash equivalents		73.3	73.1
		115.7	119.6
TOTAL ASSETS		2,142.5	2,135.2
Current liabilities			
Trade and other payables		(164.7)	(165.3)
Lease liabilities		(106.0)	(103.3)
Borrowings	10	(20.6)	(20.8)
Provisions		(3.5)	(5.5)
Income taxes payable		(0.2)	(0.3)
		(295.0)	(295.2)
Non-current liabilities			
Deferred tax liabilities		(9.5)	(11.1)
Other liabilities		(3.7)	(3.9)
Lease liabilities		(686.3)	(680.7)
Borrowings	10	(1,671.7)	(1,648.4)
Provisions		(16.3)	(14.8)
		(2,387.5)	(2,358.9)
TOTAL LIABILITIES		(2,682.5)	(2,654.1)
NET LIABILITIES		(540.0)	(518.9)
Equity			
Share capital		3.1	3.1
Share premium		304.9	304.9
Translation reserve		7.3	7.8
Accumulated losses		(855.3)	(834.7)
TOTAL EQUITY		(540.0)	(518.9)

Condensed Consolidated Cash Flow Statement

for the 6 months ended 30 June 2026

	Note	6 months ended 30 June 2026 £m	6 months ended 30 June 2025 £m
Cash flows from operating activities			
Cash generated from operations	13	199.2	158.1
Exceptional expenses paid		(10.9)	(5.6)
Bank interest and similar charges paid		(1.2)	(0.9)
Bank interest received		0.9	1.8
Senior secured notes interest paid		(44.2)	(43.6)
Interest element of lease liability payments		(33.8)	(32.4)
Corporation tax cash (outflow) / inflow		(0.1)	0.3
Net cash generated from operating activities		109.9	77.7
Cash flows from investing activities			
Purchase of trade & assets		(6.0)	-
Purchase of property, plant & equipment		(56.3)	(67.1)
Purchase of intangible assets		(5.3)	(7.9)
Proceeds from disposals of property, plant and equipment		0.4	0.7
Net cash used in investing activities		(67.2)	(74.3)
Cash flows from financing activities			
Capital element of lease liability payments		(41.6)	(37.2)
Outflows from intercompany loan payables		(0.3)	(1.3)
Net cash used in financing activities		(41.9)	(38.5)
Net increase / (decrease) in cash and cash equivalents		0.8	(35.1)
Cash and cash equivalents at beginning of the period		73.1	128.6
Effect of exchange changes on cash held		(0.6)	0.2
Cash and cash equivalents at end of period		73.3	93.7

Condensed Consolidated Statement of Changes in Equity for the 6 months ended 30 June 2026

	Share capital £m	Share premium £m	Translation reserve £m	Accumulated losses £m	Total Equity £m
Balance as at 1 January 2025	2.8	271.2	5.6	(748.2)	(468.6)
Loss for the period	-	-	-	(47.9)	(47.9)
Other comprehensive expense for the period	-	-	(1.4)	-	(1.4)
Total comprehensive expense for the period	-	-	(1.4)	(47.9)	(49.3)
Credit to equity for equity settled share-based payments	-	-	-	0.1	0.1
Balance as at 30 June 2025	2.8	271.2	4.2	(796.0)	(517.8)
Balance as at 1 January 2026	3.1	304.9	7.8	(834.7)	(518.9)
Loss for the period	-	-	-	(20.7)	(20.7)
Other comprehensive expense for the period	-	-	(0.5)	-	(0.5)
Total comprehensive expense for the period	-	-	(0.5)	(20.7)	(21.2)
Credit to equity for equity settled share-based payments	-	-	-	0.1	0.1
Balance as at 30 June 2026	3.1	304.9	7.3	(855.3)	(540.0)

Notes to the Condensed Consolidated Unaudited Interim Financial Statements

1 General information

The principal activity of the Group during the period was the provision of facilities for physical fitness and is expected to remain so for the foreseeable future. Pinnacle Bidco plc ("the Company") is limited by shares and is registered, incorporated and domiciled in England, United Kingdom. The address of the Company's registered office is C/O Pure Gym Limited, Town Centre House, Merrion Centre, Leeds, West Yorkshire, LS2 8LY, United Kingdom. The Company's registered number is 11038859. The condensed financial statements are unaudited and were approved by the Board of Directors on 26 August 2026.

This financial information for the 6 months ended 30 June 2026, including comparative financial information for the 6 months ended 30 June 2025, has been prepared on the basis of the accounting policies set out in the last annual report and accounts and in accordance with UK adopted IAS 34 'Interim Financial Reporting', as issued by the International Accounting Standards Board. This report does not include all the notes of the type normally included in an annual financial report and accordingly should be read in conjunction with the annual report for the year ended 31 December 2025.

In preparing the condensed interim financial statements, the significant judgements made by management in applying the group's accounting policies and key sources of estimation uncertainty were the same, in all material respects, as those applied to the consolidated financial statements for the year ended 31 December 2025.

Going concern assumption

In preparing these financial statements, the Directors have carefully evaluated the Going Concern basis of preparation. The Group meets its day to day working capital requirements, capital expenditure and funding of new sites through its cash reserves and credit facilities, being a revolving credit facility ("RCF") of £175.5 million which includes an overdraft of £10 million. The Group's cash reserves at 30 June 2026 totalled £73.3 million. Combining this with the available RCF gives total available liquidity for the Group at 30 June 2026 of £248.8 million.

The Group's RCF is subject to a covenant of a maximum leverage ratio of 8.8x, which is tested when the RCF is greater than 40% drawn. The Group is not expected to breach its covenants.

The Group's forecasts and projections taking account of reasonably possible changes in trading performance showed that the Group should be able to operate within its existing facilities. Based on this review, the Directors have concluded that the Group has adequate resources to continue to remain a going concern for the foreseeable future and have therefore adopted the going concern basis in preparing its financial statements.

Information extracted from 2025 Annual Report

The financial figures for the year ended 31 December 2025, as set out in this report, do not constitute statutory accounts but are derived from the statutory accounts for that financial year.

The statutory accounts for the year ended 31 December 2025 were prepared under International Accounting Standards ("UK-adopted IFRS") and have been delivered to the Registrar of Companies. They are available to download from corporate.puregym.com. The audit report was unqualified, did not draw attention to any matters by way of emphasis and did not include a statement under Section 498(2) or 498(3) of the Companies Act 2006.

Notes to the Condensed Consolidated Unaudited Interim Financial Statements (continued)

2 Operating segments

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker, identified as the Group Management Board. The Group Management Board primarily consider the business from a geographical perspective, by country of operation. The Group's operations consist solely of the provision of high-quality health and fitness facilities and associated services and consequently, it is not necessary to segregate operating segments by service or product. The Group Management Board use the measures of Revenue and Adjusted EBITDA as key performance indicators in assessing the performance of the operating segments. A definition of Adjusted EBITDA is included below. The Group's material reportable segments as at 30 June 2026, are the United Kingdom, Denmark, USA and Switzerland. The results from other segments in which the Group operates (Franchising) are included in "All other segments", as they are deemed to be individually immaterial.

Segmental information presented to the Group Management Board for the 6 months ended 30 June 2026 is presented in the below tables, alongside comparative information:

6 months ended 30 June 2026						
	United Kingdom £m	Denmark £m	Switzerland £m	USA £m	All other segments £m	Total £m
Revenue	252.4	66.8	29.5	43.4	0.9	393.0
Adjusted EBITDA	83.3	21.3	9.7	8.8	0.5	123.6

6 months ended 30 June 2025						
	United Kingdom £m	Denmark £m	Switzerland £m	USA £m	All other segments £m	Total £m
Revenue	227.5	67.7	23.8	50.9	0.9	370.8
Adjusted EBITDA	70.6	16.3	7.0	6.5	-	100.4

All operating segments derive revenue from all of the services and products included within note 3. All revenue included in the table above derives from external customers.

Adjusted EBITDA is a non-IFRS measure derived by adjusting operating profit for depreciation, amortisation, profit/loss on disposal of property, plant and equipment, profit/loss on lease modifications, impairment of property, plant and equipment, exceptional costs, share based payment charges, pre-opening costs, other adjustments and the cash rent adjustment. The cash rent adjustment includes an add back of any property rent related expenses charged in the statement of comprehensive income and a deduction of contractual property rent payments due in the period (whether or not paid in cash in the period).

The Adjusted EBITDA KPI is typically used within the industry and is used to provide additional information about the underlying performance of the business and, as such, is a key focus of our stakeholders, including our investors, our bondholders and our banking partners. A reconciliation from loss for the period to Adjusted EBITDA is included in note 4.

Notes to the Condensed Consolidated Unaudited Interim Financial Statements (continued)

3 Revenue

Revenue is analysed below segregated by service or product.

	6 months ended 30 June 2026 £m	6 months ended 30 June 2025 £m
Member income	358.1	335.5
Vending and consumables income	13.2	13.5
Other revenue	21.7	21.8
	393.0	370.8

The Group experiences a small degree of seasonality. The most significant months for new joiners are January, February and March, and joiner rates also increase in September and October. Seasonality is generally positively driven by consumers' desire to improve their fitness at the start of the year and the start of new university and school terms and is negatively driven by Christmas and summer holidays. Marketing expenditure is generally focused around peak joining periods, particularly the January/February period.

4 Reconciliation from loss for the period to Adjusted EBITDA

A reconciliation from loss for the period to Reported EBITDA and Adjusted EBITDA is as follows:

	6 months ended 30 June 2026 £m	6 months ended 30 June 2025 £m
Loss for the period	(20.7)	(47.9)
Income tax charge	4.3	1.9
Finance income	(5.3)	(1.9)
Finance costs	106.9	115.7
Operating profit	85.2	67.8
Depreciation (note 9)	89.6	81.7
Amortisation (note 8)	8.0	9.9
Loss on disposal of property, plant and equipment	1.0	0.6
Profit on lease modifications	(0.1)	(0.9)
Exceptional expense (note 5)	9.2	4.7
Reported EBITDA	192.9	163.8
Other adjustments	0.6	1.2
Share based payment charge	1.6	0.6
Pre-opening costs	1.7	2.0
Cash rent adjustment	(73.2)	(67.2)
Adjusted EBITDA	123.6	100.4

Notes to the Condensed Consolidated Unaudited Interim Financial Statements (continued)

5 Exceptional administrative expense

Items that are material either because of their size or their nature, and that are non-recurring are considered as exceptional items and are presented within the line items to which they best relate. These items are analysed further below:

	6 months ended 30 June 2026 £m	6 months ended 30 June 2025 £m
Integration of Blink Fitness and acquisition-related costs	5.3	4.0
Costs of site closures, restructuring & one-off strategic projects	5.4	0.7
COVID-19 Danish government compensation	(1.5)	-
Exceptional administrative expense	9.2	4.7

6 Finance income and costs

	6 months ended 30 June 2026 £m	6 months ended 30 June 2025 £m
Bank interest received	0.9	1.9
Foreign exchange gain	4.4	-
Total finance income	5.3	1.9
Interest payable on lease liabilities	32.9	31.2
Commitment fees	0.9	0.9
Unwind of discount on provisions	0.1	0.2
Amortisation of capitalised finance costs	3.9	3.3
Interest on the Senior Secured Notes	44.1	43.5
Interest payable to group undertakings	25.0	23.1
Foreign exchange loss	-	13.5
Total finance costs	106.9	115.7

Notes to the Condensed Consolidated Unaudited Interim Financial Statements (continued)

7 Income tax

	6 months ended 30 June 2026 £m	6 months ended 30 June 2025 £m
Current tax:		
- Payment received for surrender of losses through group relief	0.6	0.5
Total current tax credit	0.6	0.5
Deferred tax:		
- Origination and reversal of temporary differences	(4.9)	(2.4)
Total deferred tax charge	(4.9)	(2.4)
Total tax charge for the period	(4.3)	(1.9)

8 Intangible assets

	Goodwill £m	Brands £m	Customer Relationships £m	Development Projects in Progress £m	Software £m	Total £m
Cost						
31 December 2025	801.8	94.8	83.5	5.8	46.6	1,032.5
Acquisitions	5.9	-	0.1	-	-	6.0
Additions	-	-	-	4.0	1.2	5.2
Foreign exchange differences	(1.3)	(0.4)	(0.8)	(0.1)	-	(2.6)
30 June 2026	806.4	94.4	82.8	9.7	47.8	1,041.1
Accumulated amortisation						
31 December 2025	13.6	59.0	78.7	-	28.9	180.2
Charge for the period	-	2.3	0.5	-	5.2	8.0
Foreign exchange differences	(0.1)	(0.4)	(0.8)	-	(0.1)	(1.4)
30 June 2026	13.5	60.9	78.4	-	34.0	186.8
Net book value						
31 December 2025	788.2	35.8	4.8	5.8	17.7	852.3
30 June 2026	792.9	33.5	4.4	9.7	13.8	854.3

The goodwill acquisition in the 6 months ended 30 June 2026 relates to a trade and assets acquisition of single site in USA for \$7.8m (£5.9m). The goodwill of £5.9m arising from the acquisition is attributable to the acquired workforce, the high-quality site location and anticipated future earnings from new customers.

Brands represents the PureGym brand acquired as part of a business combination and valued at fair value at the date of acquisition. Development Projects in Progress and Software consist of capitalised development costs, being an internally generated intangible asset.

Notes to the Condensed Consolidated Unaudited Interim Financial Statements (continued)

9 Property, plant and equipment

	Right of use assets £m	Leasehold costs £m	Leasehold improvements £m	Assets under construction £m	Fixtures & fittings £m	IT equipment £m	Total £m
Cost							
31 December 2025	1,043.1	22.7	462.9	8.9	240.6	12.0	1,790.2
Additions	50.0	0.8	18.3	11.4	20.5	2.7	103.7
Disposals	(8.8)	(0.2)	(4.3)	0.1	(1.6)	(0.1)	(14.9)
Transfers	(6.4)	1.2	8.6	(10.8)	7.1	0.3	-
Foreign exchange differences	(0.6)	-	(0.1)	-	(0.8)	0.1	(1.4)
30 June 2026	1,077.3	24.5	485.4	9.6	265.8	15.0	1,877.6
Accumulated depreciation							
31 December 2025	419.3	7.5	178.1	-	96.9	6.9	708.7
Charge for the period	46.7	0.9	22.3	-	18.1	1.6	89.6
Transfers	(5.7)	-	-	-	5.7	-	-
Disposals	(8.6)	(0.1)	(3.2)	-	(1.0)	(0.1)	(13.0)
Foreign exchange differences	(1.7)	-	(0.3)	-	(0.5)	-	(2.5)
30 June 2026	450.0	8.3	196.9	-	119.2	8.4	782.8
Net book value							
31 December 2025	623.8	15.2	284.8	8.9	143.7	5.1	1,081.5
30 June 2026	627.3	16.2	288.5	9.6	146.6	6.6	1,094.8

Notes to the Condensed Consolidated Unaudited Interim Financial Statements (continued)

10 Borrowings

Non-current

	30 June 2026 £m	31 December 2025 £m
£520m 10.000% Senior Secured Notes	520.0	520.0
€505m 8.250% Senior Secured Notes	435.1	440.6
Unamortised transaction costs	15.4	11.6
Senior secured notes held at amortised cost	970.5	972.2
Amounts owed to Group undertakings	701.2	676.2
	1,671.7	1,648.4

Current

	30 June 2026 £m	31 December 2025 £m
Interest accruals	20.6	20.8

Amounts owed to Group undertakings relate to the parent company, Pinnacle Midco 2 Limited. Of the amounts owed to Group undertakings, £571.8m (31 December 2025: £549.6m) accrue interest at 8% and £129.4m (31 December 2025: £126.6m) accrue interest at 4.375%. These amounts are repayable on 11 April 2029.

Financing

The Group currently has £520 million of Senior Secured Notes ("the Sterling Notes") and €505 million of Senior Secured Notes ("the Euro Notes"), in issue (together, "the Notes").

The Notes are listed on The International Stock Exchange, for which the Pinnacle Bidco plc is the Issuer and certain subsidiaries of the Group are guarantors. Interest on the Sterling Notes accrues at a rate of 10.00% and interest on the Euro Notes accrues at a rate of 8.25%, both payable at half-yearly intervals. The Notes are due to be repaid in full on 11 October 2028.

The Notes include an early repayment option. The directors have concluded that, in accordance with IFRS 9, the option is closely related to the underlying debt and does not have a significant value. It is therefore not recognised separately from the debt.

In addition, the Group has a £175.5 million revolving credit facility (the "RCF") with five international institutions, repayable 11 July 2028. The RCF bears interest at a floating rate derived from SONIA when drawn. Included within the total RCF is a £10 million overdraft facility. As at 30 June 2026 and 31 December 2025, the facility was undrawn.

The RCF is subject to a financial covenant, tested quarterly, of a minimum senior secured net leverage of 8.8x, when drawdown of the RCF is greater than 40%. The Group has been in compliance with all relevant covenants and tests during the current and previous financial periods.

Notes to the Condensed Consolidated Unaudited Interim Financial Statements (continued)

11 Financial instruments

	30 June 2026 £m	31 December 2025 £m
Financial assets measured at amortised cost		
Cash and cash equivalents	73.3	73.1
Trade receivables	7.3	7.4
Other debtors (current and non-current)	17.2	19.7
Amounts owed by Group undertakings	9.7	7.5
	107.5	107.7

	30 June 2026 £m	31 December 2025 £m
Financial liabilities measured at amortised cost		
Trade creditors	27.4	19.0
Other liabilities (current and non-current)	5.8	7.2
Accrued expenses	73.6	87.8
Interest and commitment fee accruals	21.1	21.4
Amounts owed to Group undertakings	701.2	676.2
Senior secured notes	955.1	960.6
	1,784.2	1,772.2

Fair value hierarchy

IFRS 7 requires fair value measurements to be recognised using a fair value hierarchy that reflects the significance of the inputs used in the value measurements:

- Level 1: inputs are quoted prices in active markets
- Level 2: a valuation that uses observable inputs for the asset or liability other than quoted prices in active markets; and
- Level 3: a valuation using unobservable inputs i.e. a valuation technique.

There were no transfers between levels throughout the period under review.

Set out below is a comparison of carrying amounts and fair values of all the financial instruments as carried in the financial statements, other than lease liabilities and those for which the fair value approximates closely with their carrying value. The fair value of senior secured notes is taken from the quoted market price. This is a Level 1 valuation. The fair value of all other borrowings are calculated by discounting the future cash flows at prevailing market interest rates, categorised as a Level 2 valuation.

Notes to the Condensed Consolidated Unaudited Interim Financial Statements (continued)

11 Financial instruments (continued)

	Carrying Value		Fair Value	
	30 June 2026 £m	31 December 2025 £m	30 June 2026 £m	31 December 2025 £m
Financial liabilities				
£520m 10.000% Senior Secured Notes	520.0	520.0	537.4	545.5
€505m 8.250% Senior Secured Notes	435.1	440.6	450.0	461.0

12 Financial risk management objectives and policies

The Group has exposure to the following risks from its use of financial instruments: liquidity risk, credit risk, and market risk arising from interest rate risk.

This note presents information about the Group's exposure to each of the above risks and the Group's objectives, policies and procedures for measuring and managing risk. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The key market risks affecting the Group are interest rate risk and foreign exchange rate risk. Financial instruments affected by market risk include certain borrowings and deposits. Financial instruments affected by exchange rate risk include the Euro Notes. At 30 June 2026, the €505.0m Euro Notes had a carrying amount of £435.1m based on an exchange rate of 0.861.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

As at 30 June 2026 and 31 December 2025, the Group had 100% of its borrowings in fixed rate instruments by way of senior secured loan notes, amounts owed to group undertakings and lease liabilities. The Group has access to a £175.5m revolving credit facility with floating interest rates but was not drawn down on this facility at the end of the period.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows, matching the maturity profiles of financial assets and operational liabilities and by maintaining adequate cash reserves and borrowing facilities including the revolving credit facility.

The table below summaries the maturity profile of the Group's financial liabilities and includes contractual future interest payments:

Notes to the Condensed Consolidated Unaudited Interim Financial Statements (continued)

12 Financial risk management objectives and policies (continued)

30 June 2026					
	Within 1 year £m	Between 1-5 years £m	More than 5 years £m	Total contractual cash flows £m	Carrying amount £m
Trade and other payables	103.6	3.7	-	107.3	107.3
Lease liabilities	147.1	542.3	426.1	1,115.5	792.3
Borrowings	87.9	1,091.0	875.9	2,054.8	1,676.9
Total financial liabilities	338.6	1,637.0	1,302.0	3,277.6	2,576.5

31 December 2025					
	Within 1 year £m	Between 1-5 years £m	More than 5 years £m	Total contractual cash flows £m	Carrying amount £m
Trade and other payables	110.7	3.9	-	114.6	114.6
Lease liabilities	147.6	509.2	462.2	1,119.0	784.0
Borrowings	88.4	1,141.5	863.1	2,093.0	1,657.6
Total financial liabilities	346.7	1,654.6	1,325.3	3,326.6	2,556.2

Credit risk

The Group's principal financial assets are bank balances and cash, and trade receivables. The Group's credit risk is minimised due to exposure being spread over a large number of customers who generally pay by direct debit in advance. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. The group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Notes to the Condensed Consolidated Unaudited Interim Financial Statements (continued)

13 Reconciliation of loss before tax to cash generated from operations

	6 months ended 30 June 2026 £m	6 months ended 30 June 2025 £m
Loss before income tax	(16.4)	(46.0)
<i>Adjustments for:</i>		
Net finance cost	101.6	113.8
Depreciation	89.6	81.7
Amortisation	8.0	9.9
Share based payments charge	1.6	0.6
Loss on disposal of property, plant and equipment	1.0	0.6
Profit on lease modifications	(0.1)	(0.9)
Exceptional administrative expense	9.2	4.7
Changes in working capital		
Decrease in inventories	1.1	0.6
Decrease / (increase) in trade and other receivables	0.5	(3.4)
Increase / (decrease) in trade and other payables	3.4	(3.0)
Decrease in provisions	(0.3)	(0.5)
Cash generated from operations	199.2	158.1

Notes to the Condensed Consolidated Unaudited Interim Financial Statements (continued)

14 Changes in liabilities arising from financing activities

	Lease liabilities £m	Borrowings £m	Total £m
Liabilities arising from financing activities at 1 January 2026	784.0	1,657.6	2,441.6
Financing cash flows	(41.6)	-	(41.6)
New leases and lease modifications	49.7	-	49.7
Foreign exchange adjustments	1.1	(5.6)	(4.5)
Interest expense	32.9	69.1	102.0
Interest payments (presented as operating cash flows)	(33.8)	(44.2)	(78.0)
Liabilities arising from financing activities at 30 June 2026	792.3	1,676.9	2,469.2

	Lease liabilities £m	Borrowings £m	Total £m
Liabilities arising from financing activities at 1 January 2025	723.5	1,587.4	2,310.9
Financing cash flows	(37.2)	-	(37.2)
New leases and lease modifications	65.9	-	65.9
Foreign exchange adjustments	(10.9)	14.4	3.5
Interest expense	31.2	66.6	97.8
Interest payments (presented as operating cash flows)	(32.4)	(43.6)	(76.0)
Liabilities arising from financing activities at 30 June 2025	740.1	1,624.8	2,364.9



PureGym
Town Centre House
Merrion Centre
Leeds
LS2 8LY
United Kingdom