



Total Fitness acquisition

November 4, 2021



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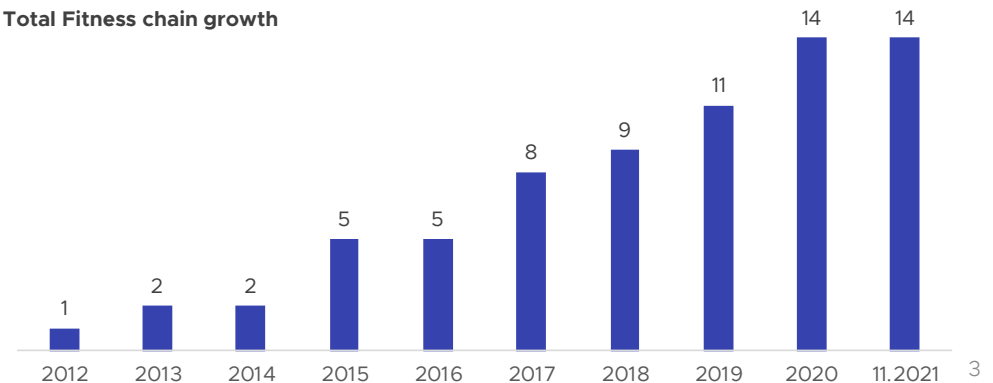
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Total Fitness: One of the largest fitness chain in Poland

- One of the biggest fitness players in Poland
- 14 clubs: Warsaw (10), Gdańsk (3), Radom (1)
- TOP 2 on strategic Warsaw agglomeration market. TOP 3 in Tricity (Gdańsk agglomeration)*.
- Clubs located in mixed-use spaces, outside of malls and office buildings, with high exposure to residential areas.
- Highly effective sales (23 ths. B2C subscriptions per 20 ths. sqm).
- Popular chain among MultiSport users.
- Revenue: 27.0mn in 2019, 21.9mn in 2020.
- EBITDA **: 4.5mn in 2019, 3.7mn in 2020.



Total Fitness chain growth



* Excluding Benefit Systems clubs

** Normalized EBITDA, under Polish Accounting Standards, excluding IFRS16.

Transaction structure

Transaction value:

- Acquisition of 88% stake on November 4, 2021 and 12% stake in 2023 or 2024.
- Acquisition price at 75mn – 85mn, depending on profits of Total Fitness
- Excess of 75mn payable, if EBITDA (under PAS, excl. IFRS16) exceeds 9.4mn in 2022 or 2023.
- Acquired net debt of Total Fitness at 3mln.
- The seller: 95.5% Blokada Holding AB (owned by Mr. A. Wilewski); 4.5% K. i M. Krajewski. Acquisition of 88% proportionally to the ownership structure.
- Current CEO and management team will stay in Total Fitness structures.

Payment schedule:

- 50mn: November 4, 2021.
- 20mn: January 3, 2022. In the event of *lockdown* postponed to April 1, 2022.
- 5mn: April 3, 2023 (April 1, 2024 in case of *lockdown*).
- Payment in excess of 75mn– in 2023 or 2024.



Transaction rationale

- Strengthening of our position on fitness market in Warsaw and Gdańsk agglomeration.

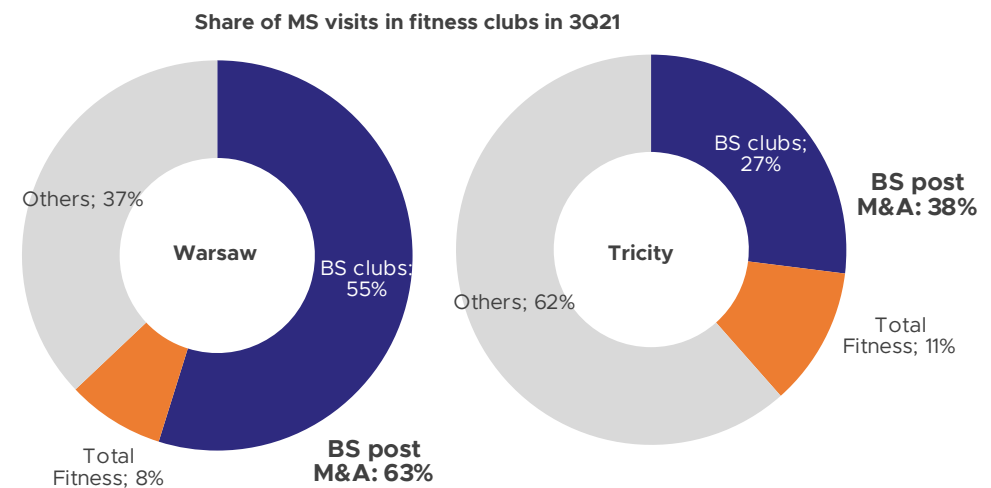
| CHAIN | Warsaw and suburbs | Tricity |
|------------------------------|--------------------|-----------|
| Zdrofit | 51 | 10 |
| S4 | 7 | 1 |
| Total Fitness | 10 | 3 |
| TOTAL BENEFIT SYSTEMS | 68 | 14 |

- Acquisition of highly profitable fitness chain basing on effective sales methods and attractive rental rates.

| PLN mn | 2019 | 2020 | 2021E | 2022E |
|--------------------|------|------|-------|-------|
| Revenue | 27,0 | 21,9 | 31,4 | 39,1 |
| EBITDA* | 4,5 | 3,7 | 5,7 | 10,1 |
| Clubs number (EOP) | 11 | 14 | 14 | 14 |

* Normalized EBITDA, under Polish Accounting Standards, excluding IFRS16.

- Securing our product offering and service quality for MultiSport card users. In 3Q21 11% of total fitness clubs visits in Warsaw were in Total Fitness chain (8% in Tricity).





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