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IMPORTANT: You must read the following disclaimer before continuing. This electronic transmission applies to the attached document and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached pricing information relating to The Gym Group plc (the “**Company**”) dated 6 November 2015 accessed from this page or otherwise received as a result of such access. In accessing the attached document, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access. You acknowledge that this electronic transmission and the delivery of the attached document is confidential and intended for you only and you agree you will not forward, reproduce or publish this electronic transmission or the attached document to any other person. The attached document has been prepared solely in connection with the proposed offer to certain investors (the “**Offer**”) of ordinary shares (the “**Ordinary Shares**”) of the Company. Application will be made for the admission of the Ordinary Shares to the Official List of the UK Financial Conduct Authority (the “**Financial Conduct Authority**”) and to trading on the London Stock Exchange plc’s main market for listed securities (together, “**Admission**”). Capitalised terms used and not defined in this electronic transmission have the same meaning as ascribed to them in the pathfinder prospectus published on 2 November 2015 (the “**Pathfinder Prospectus**”).

THIS ELECTRONIC TRANSMISSION AND THE ATTACHED DOCUMENT MAY ONLY BE DISTRIBUTED IN “OFFSHORE TRANSACTIONS” AS DEFINED IN, AND IN RELIANCE ON, REGULATION S UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE “**US SECURITIES ACT**”) OR WITHIN THE UNITED STATES TO QUALIFIED INSTITUTIONAL BUYERS (“**QIBs**”) AS DEFINED IN RULE 144A UNDER THE US SECURITIES ACT (“**RULE 144A**”) OR ANOTHER EXEMPTION FROM, OR TRANSACTION NOT SUBJECT TO, REGISTRATION UNDER THE US SECURITIES ACT. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS NOTICE MAY RESULT IN A VIOLATION OF THE US SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. NOTHING IN THIS ELECTRONIC TRANSMISSION AND THE ATTACHED DOCUMENT CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

THE ORDINARY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QIB AS DEFINED IN, AND IN RELIANCE ON, RULE 144A, OR PURSUANT TO ANOTHER EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE US SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

ANY FORWARDING, REDISTRIBUTION OR REPRODUCTION OF THE DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE US SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

This electronic transmission and the attached document and the Offer when made are only addressed to and directed at persons in member states of the European Economic Area (the “**EEA**”), other than the United Kingdom, who are “qualified investors” within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC and amendments thereto, including Directive 2010/73/EU to the extent implemented in a relevant member state of the EEA) (“**Qualified Investors**”). In addition, in the United Kingdom, this electronic transmission and the attached document are addressed to, and directed only at, Qualified Investors who (i) are persons who 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**”), (ii) are persons who are high net worth entities falling within article 49(2)(a) to (d) of the Order, or (iii) are other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as “**Relevant Persons**”). This electronic transmission and the attached document must not be acted on or relied on (i) in the United Kingdom, by persons who are not Relevant Persons, and (ii) in any member state of the EEA, other than the United Kingdom, by persons who are not Qualified Investors. Any investment or investment activity to which this document relates is available only to Relevant Persons in the United Kingdom and Qualified Investors in any member state of the EEA other than the United Kingdom, and will be engaged in only with such persons.

Confirmation of Your Representation: This electronic transmission and the attached document is delivered to you on the basis that you are deemed to have represented to the Company, the Selling Shareholders, Barclays Bank PLC (“**Barclays**”), Numis Securities Limited (“**Numis**” and together with Barclays, the “**Joint Global Co-ordinators**”), Peel Hunt LLP (“**Peel Hunt**” and together with the Joint Global Co-ordinators, the “**Underwriters**”) and Barclays Capital

Securities Limited (together with the Underwriters, the “**Banks**”) that (i) you are (a) a QIB acquiring the Ordinary Shares for its own account or for the account of another QIB or (b) acting on behalf of, or you are an institutional investor outside the United States acquiring the Ordinary Shares in an “offshore transaction”, as defined in, and in reliance on, Regulation S under the US Securities Act; (ii) if you are in any member state of the EEA other than the United Kingdom, you are a Qualified Investor and/or a Qualified Investor acting on behalf of Qualified Investors, to the extent you are acting on behalf of persons or entities in the EEA; (iii) if you are a person in the United Kingdom, you are a Relevant Person and/or a Relevant Person acting on behalf of Relevant Persons or Qualified Investors, to the extent that you are acting on behalf of persons or entities in the United Kingdom or EEA; (iv) the Ordinary Shares acquired by you in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, any person in circumstances which may give rise to an offer of any securities to the public other than their offer or resale in any member state of the EEA which has implemented the Prospectus Directive to Qualified Investors (as defined in the Prospectus Directive) or the UK; or (v) if you are not in the United States, the UK or the EEA, you are an institutional investor that is eligible to receive this document and you consent to delivery by electronic transmission.

Restriction: Nothing in this electronic transmission constitutes, and may not be used in connection with, an offer of securities for sale to persons other than the specified categories of prospective investors described above and to whom it is directed and access has been limited so that it shall not constitute a general solicitation. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

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The Banks and STJ Advisors LLP are acting exclusively for the Company and no one else in connection with the Offer. They will not regard any other person (whether or not a recipient of this document) as their client in relation to the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients nor for giving advice in relation to the Offer or any transaction or arrangement referred to in the attached document.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM THE UNITED STATES OF AMERICA, CANADA, JAPAN OR AUSTRALIA OR ANY OTHER JURISDICTION WHERE TO DO SO MIGHT CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.

This document comprises a pricing notification relating to The Gym Group plc (the “**Company**”) relating to the offer of ordinary shares of the Company (the “**Ordinary Shares**”) to certain institutional investors (the “**Offer**”) described in a pathfinder prospectus dated 2 November 2015 (the “**Pathfinder Prospectus**”) for the Offer. Before making an investment, prospective investors should read the Pathfinder Prospectus for more complete information about the Company and the Offer. A final prospectus expected to be dated 9 November 2015 (the “**Prospectus**”) will be published by the Company and prepared in accordance with the Prospectus Rules in connection with the Offer and Admission (as defined below).

Application will be made to the Financial Conduct Authority (the “**FCA**”) for all of the Ordinary Shares issued and to be issued in connection with the Offer to be admitted to the premium listing segment of the Official List of the FCA and to London Stock Exchange plc (the “**London Stock Exchange**”) for all of the Ordinary Shares to be admitted to trading on the Main Market of the London Stock Exchange for listed securities (together, “**Admission**”). Conditional dealings in the Ordinary Shares are expected to commence on the London Stock Exchange at 8:00 a.m. on 9 November 2015. It is expected that Admission will become effective, and that unconditional dealings in the Ordinary Shares will commence at 8:00 a.m. on 12 November 2015. **All dealings before the commencement of unconditional dealings will be on a “when issued” basis and of no effect if Admission does not take place. Such dealings will be at the sole risk of the parties concerned. No application is currently intended to be made for the Ordinary Shares to be admitted to listing or dealt with on any other exchange. The new Ordinary Shares issued by the Company will rank *pari passu* in all respects with each other and with the existing Ordinary Shares, including the right to receive dividends or other distributions declared, made or paid after Admission.**

This document should be read in conjunction with the Pathfinder Prospectus. Capitalised terms used and not defined in this document have the same meaning as ascribed to them in the Pathfinder Prospectus. Prospective investors should read both this document and the entire Pathfinder Prospectus and, in particular, your attention is drawn to the “**Risk Factors**” in Part 1 of the Pathfinder Prospectus for a discussion of certain risks and other factors that should be considered prior to any investment in the Ordinary Shares.



The Gym Group plc

(Incorporated under the Companies Act 2006 and registered in England and Wales with registered number 8528493)

**Offer of 64,068,246 Ordinary Shares of 0.01 pence each
at an Offer Price of 195 pence per Ordinary Share
and admission to the premium listing segment of the Official List
and to trading on the Main Market of the London Stock Exchange**

Joint Global Co-ordinators and Joint Sponsors

Barclays

Numis

Lead Manager

Peel Hunt

ISSUED ORDINARY SHARE CAPITAL IMMEDIATELY FOLLOWING ADMISSION

Issued and fully paid		
Ordinary Shares of	Number	Nominal Value
0.01p	128,105,275	£12,810.5275

The Company is offering 46,113,007 new Ordinary Shares (the “**New Ordinary Shares**”) and the Selling Shareholders are selling in aggregate 17,955,239 existing Ordinary Shares (the “**Existing Ordinary Shares**”, and together with the New Ordinary Shares, the “**Offer Shares**”) under the Offer. The Company will not receive any of the proceeds of any sale of Existing Ordinary Shares, all of which will be received by the Selling Shareholders. The Offer is conditional, *inter alia*, on Admission taking place on or before 8:00 a.m. on 12 November 2015 (or such later time and/or date as the Company and the Joint Global Co-ordinators may agree). The New Ordinary Shares will, upon Admission, rank equally in all respects with the Ordinary Shares in issue prior to Admission, including the right to receive all dividends or other distributions declared, made or paid on the Ordinary Shares after Admission. The Offer Shares are not being made generally available to the public in conjunction with the Offer.

Barclays Bank PLC (“**Barclays**”) and Numis Securities Limited (“**Numis**”) have been appointed as joint sponsors, as joint global co-ordinators and as joint bookrunners (together the “**Joint Sponsors**”, the “**Joint Global Co-ordinators**” and the “**Joint Bookrunners**”). Peel Hunt LLP (“**Peel Hunt**”) has been appointed as lead manager (the “**Lead Manager**”) and together with Joint Global Co-ordinators, the “**Underwriters**”). Barclays Capital Securities Limited (“**BCSL**”) has been appointed as settlement manager (the “**Settlement Manager**”) and together with the Underwriters, the “**Banks**”). Each of Barclays and BCSL, authorised by the Prudential Regulation Authority and regulated by the FCA and the Prudential Regulation Authority in the United Kingdom, Numis and Peel Hunt, both of whom are authorised and regulated by the FCA in the United Kingdom, is acting exclusively for the Company and no one else in connection with the Offer, and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients nor for giving advice in relation to the or any transaction or arrangement referred to in this document. Apart from the responsibilities and liabilities, if any, which may be imposed on any of the Banks by the FSMA or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of the Banks accepts any responsibility whatsoever for, or makes any representation or warranty, express or implied, as to the contents of this document or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares or the Offer and nothing in this document will be relied upon as a promise or representation in this respect, whether or not to the past or future. Each of the Banks accordingly disclaims, to the fullest extent permitted by applicable law, all and any responsibility or liability, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this document or any such statement.

In connection with the Offer, the Banks and any of their respective affiliates acting as an investor for its or their own account(s) may purchase Ordinary Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities, any other securities of the Company or other related investments in connection with the Offer or otherwise. Accordingly, references in this document to the Ordinary Shares being offered, sold or otherwise dealt with should be read as including any offer to purchase or dealing by the Banks or any of them and any of their affiliates acting as an investor for its or their own account(s). In addition, certain of the Banks and any of their respective affiliates may in the ordinary course of their business activities enter into financing arrangements (including swaps) with investors in connection with which such Banks (or their affiliates) may from time to time acquire, hold or dispose of Ordinary Shares. The Banks do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Each of the Banks and any of their respective affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services for, the Company and the Selling Shareholders for which they would have received customary fees. Each of the Banks and their respective affiliates may provide such services to the Company and/or the Selling Shareholders and any of their respective affiliates in the future.

Without prejudice to any legal or regulatory obligation of the Company to publish a supplementary prospectus pursuant to section 87G of FSMA and paragraph 3.4 of the Prospectus Rules, neither the delivery of this document nor any purchase of Shares made pursuant to it will, under any circumstances, create any implication that there has been no change in the affairs of the Company and the Group since, or that the information contained herein is correct at any time subsequent to, the date of this document.

Recipients of this document are authorised solely to use it for the purpose of considering the subscription for or acquisition of the Ordinary Shares and may not reproduce or distribute this document, in whole or in part, and may not disclose any of the contents of this document or use any information herein for any purpose other than considering an investment in the Ordinary Shares. Such recipients of this document agree to the foregoing by accepting delivery of this document.

This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation is unlawful.

Prior to making any decision as to whether to invest in the Ordinary Shares, prospective investors should read this document in its entirety. In making an investment decision, prospective investors must each rely upon his or her own examination, analysis and enquiries of the Company and the terms of this document, including the merits and risks involved. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Selling Shareholders or any of the Banks.

None of the Company, the Directors, the Banks, the Selling Shareholders or any of their respective affiliates or representatives is making any representation to any prospective investor in the Ordinary Shares regarding the legality of an investment in the Ordinary Shares by any such prospective investor under the applicable laws applicable to any such prospective investor. The contents of this document should not be construed as legal, financial or tax advice. Each prospective investor should consult his, her or its own legal, financial or tax adviser for legal, financial or tax advice in relation to an investment in Ordinary Shares.

Notice to overseas Shareholders

The Ordinary Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the “**US Securities Act**”). The Ordinary Shares may not be offered or sold in the United States, except to qualified institutional buyers (“**QIBs**”), as defined in, and in reliance on Rule 144A under the US Securities Act (“**Rule 144A**”) or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Prospective investors are hereby notified that the sellers of the Ordinary Shares may be relying on the exemption from the provisions of Section 5 of the US Securities Act provided by Rule 144A. The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission or other any US federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offence in the United States. No actions have been taken to allow a public offering of the Ordinary Shares in the United States.

The Ordinary Shares have not been and will not be registered under the applicable securities laws of Australia, Canada or Japan. Subject to certain exceptions, the Ordinary Shares may not be offered or sold in any jurisdiction, or to or for the account or benefit of any national, resident or citizen in Australia, Canada or Japan. No actions have been taken to allow a public offering of the Ordinary Shares under the applicable securities laws of any jurisdiction, including Australia, Canada or Japan, other than the United Kingdom. This document does not constitute an offer of, or the solicitation of an offer to subscribe for or purchase any of the Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

The distribution of this document and the offer and sale of the Ordinary Shares in certain jurisdictions may be restricted by law. No action has been or will be taken by the Company, the Selling Shareholders or the Banks to permit a public offering of the Ordinary Shares under the applicable securities laws of any jurisdiction. Other than in the United Kingdom, no action has been taken or will be taken to permit the possession or distribution of this document (or any other offering or publicity materials relating to the Ordinary Shares) in any jurisdiction where action for that purpose may be required or where doing so is restricted by law. Accordingly, neither this document, nor any advertisement, nor any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes are required to inform themselves about and observe any such restrictions, including those in the preceding paragraphs. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction. For further information on the manner of distribution of the Ordinary Shares, and the transfer restrictions to which they are subject, see Part 13 of the Pathfinder Prospectus: “*Details of the Offer—Selling Restrictions*”.

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421 B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA421 B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE OR CAUSE TO BE MADE TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Available information

Neither the Company nor any of its subsidiaries is required to file periodic reports under Section 13 or Section 15(d) of the US Securities Exchange Act of 1934, as amended (the “**US Exchange Act**”). For so long as any Ordinary Shares are “restricted securities” within the meaning of Rule 144(a)(3) of the US Securities Act, the Company will, during any period in which it is neither subject to Section 13 or 15(d) of the US Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) of the Exchange Act, provide, upon written request, to holders of Ordinary Shares, any owner of any beneficial interest in the Ordinary Shares or to any prospective purchaser designated by such holder or owner, the information required to be delivered pursuant to Rule 144A(d)(4) under the US Securities Act. This document is being furnished by the Company in connection with an offering exempt from the registration requirements of the US Securities Act, solely for the purpose of enabling a prospective investor to consider the subscription for or acquisition of Ordinary Shares described herein. The information contained in this document has been provided by the Company and other sources identified herein or therein. In the United States, this document is being furnished on a confidential basis only to persons reasonably believed to be QIBs. Any reproduction or distribution of this document, in whole or in part, in the United States and any disclosure of their contents or use of any information herein or therein in the United States for any purpose, other than in considering an investment by the recipient in the Ordinary Shares offered hereby or thereby, is prohibited. Each potential investor in the Ordinary Shares, by accepting delivery of this document agrees to the foregoing.

Updated Information

Below are certain amendments to the Pathfinder Prospectus which reflect updated information relating to the Offer:

PART 2 RISK FACTORS

Risks relating to The Gym's business

Due to the capital-intensive nature of its business, The Gym may have to incur additional indebtedness or issue new equity securities in the medium-term and, if The Gym is not able to access additional financing or capital, its ability to operate successfully or expand its business may be impaired and its results of operations could be adversely affected.

The opening of new gyms and maintenance of existing gyms are capital intensive, and The Gym requires significant capital to finance such activities, as well as to fund ongoing investments in its business and to meet its debt obligations. The Group is pursuing its roll-out strategy and although the Directors believe that The Gym has sufficient working capital for the next 12 months, the Group may need to incur additional indebtedness to meet its capital requirements in the medium-term, which could increase its finance costs or be available only on terms that restrict its business. Pro forma for the Offer, as adjusted for the Refinancing, The Gym had total liabilities of £36.9 million as at 30 June 2015, consisting principally of trade payables and obligations under its term debt, had £25.0 million of committed but undrawn debt facilities to fund capital expenditure and £5.0 million of undrawn working capital facilities.

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PART 4
EXPECTED TIMETABLE OF PRINCIPAL EVENTS AND OFFER STATISTICS

Expected timetable of principal events

Event	Time and date ⁽¹⁾⁽²⁾
Latest time and date for receipt of indications of interest from institutional investors under the Offer	6 November 2015
Notification of allocations	6 November 2015
Announcement of the results of the Offer through a Regulatory Information Service announcement	9 November 2015
Commencement of conditional dealings on the London Stock Exchange	8.00 a.m. on 9 November 2015
Admission and commencement of unconditional dealings on the London Stock Exchange	8.00 a.m. on 12 November 2015
CREST accounts credited	12 November 2015
Expected despatch of definitive share certificates (where applicable)	Week commencing 16 November 2015

Notes:

- (1) It should be noted that if Admission does not occur, all conditional dealings will be of no effect and any such dealings will be at the sole risk of the parties concerned.
- (2) The times and dates in the table above are indicative only and are subject to change. All times are London times.

Offer Statistics

Offer Price (per Ordinary Share)	195 pence
Number of Ordinary Shares in issue on Admission	128,105,275
—Number of Ordinary Shares in the Offer to be issued by the Company	46,113,007
—Number of Ordinary Shares in the Offer to be sold by the Institutional Selling Shareholders	14,399,525
—Number of Ordinary Shares in the Offer to be sold by the Individual Selling Shareholders	3,555,714
Total number of Offer Shares	64,068,246
Percentage of the enlarged Company's issued Ordinary Share capital being offered in the Offer	50.0 per cent.
Estimated net proceeds of the Offer receivable by the Institutional Selling Shareholders ⁽¹⁾	£27.0 million
Estimated net proceeds of the Offer receivable by the Individual Selling Shareholders ⁽²⁾	£6.7 million
Estimated net proceeds of the Offer receivable by the Company ⁽³⁾	£81.0 million
Expected market capitalisation of the Company at the Offer Price ⁽⁴⁾	£249.8 million
Ticker symbol	GYM
SEDOL code	BZBX0P7

Notes:

- (1) Net proceeds receivable by the Institutional Selling Shareholders are stated after deduction of underwriting commissions (including the maximum amount of any discretionary commissions that the Institutional Selling Shareholders may decide to pay) and other expenses of approximately £1.1 million.
- (2) Net proceeds receivable by the Individual Selling Shareholders are stated after deduction of underwriting commissions (including the maximum amount of any discretionary commissions that the Company may decide to pay) and other expenses of approximately £0.3 million.
- (3) Net proceeds receivable by the Company are stated after bearing underwriting commissions (including the maximum amount of any discretionary commissions that the Company may decide to pay), other estimated Offer-related fees and expenses and VAT of approximately £8.9 million. The Company will not receive any of the proceeds from any sale of Existing Ordinary Shares by the Selling Shareholders in the Offer.
- (4) The market capitalisation of the Company at any given time will depend on the market price of the Ordinary Shares at that time. There can be no assurance that the market price of an Ordinary Share will equal or exceed the Offer Price.

PART 7
DIRECTORS, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE

Relationship Agreement

Immediately following Admission, it is expected that the Phoenix Advised Funds will hold approximately 28.1 per cent. of the rights to vote at general meetings of the Company. Notwithstanding that there is no requirement under the Listing Rules for the parties to enter into a relationship agreement, in contemplation of and conditional on Admission the Company and the Phoenix Advised Funds are expected to enter into the Relationship Agreement on or about 9 November 2015. The principal purpose of the Relationship Agreement is to ensure that the Company will be capable of carrying on its business independently of the Phoenix Advised Funds. The Relationship Agreement contains, among others, undertakings from the Phoenix Advised Funds that:

...

Conflicts of interest

...

David Burns is a managing partner of Phoenix, advisor to the Phoenix Manager. The Phoenix Manager is the manager of the Phoenix Advised Funds, which will, immediately following Admission, control 28.1 per cent. of the voting rights in the Company.

Philip Newborough is a managing partner of Bridges Ventures. Bridges Ventures is the manager of Bridges Community Development Venture Fund II LP, which will, immediately following Admission, control 13.9 per cent. of the voting rights in the Company.

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PART 9
OPERATING AND FINANCIAL REVIEW

Qualitative and quantitative disclosures concerning market risk

Market risk

...

Pro forma for the Offer and the Refinancing (see Part 12 of the Pathfinder Prospectus: “*Unaudited Pro Forma Financial Information*”), the Group would have had £8.9 million in bank borrowings outstanding. All of such borrowings will be under the New Facilities and will bear interest at floating rates. Currently, the Group has no interest rate hedges relating to any of its indebtedness. The Group’s interest rate risk policy in the future will aim to manage the interest cost of the Group within the constraints of its financial covenants and business plan. In the future, The Gym may enter into debt obligations that bear interest at a fixed rate. In addition, the Group intends to monitor the interest rate swap market to decide on the appropriateness of hedges and may enter into hedging transactions to offset interest rate risks.

PART 10
CAPITALISATION AND INDEBTEDNESS

Capitalisation and indebtedness

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On 30 October 2015, the Group issued 48,000 of Deferred Shares with a nominal value of £1 each.

...

PART 12
UNAUDITED PRO FORMA FINANCIAL INFORMATION

SECTION A—UNAUDITED PRO FORMA STATEMENT OF NET ASSETS AS AT 30 JUNE 2015

The unaudited pro forma statement of net assets is compiled on the basis set out in the notes below, from the statement of financial position of the Group as at 30 June 2015, as set out in the Historical Financial Information.

The unaudited pro forma statement of net assets set out below has been prepared to illustrate the effect on the net assets of the Group of the receipt by the Company of the net proceeds of the Offer and the Refinancing as if these events had taken place on 30 June 2015.

This unaudited pro forma statement of net assets has been prepared for illustrative purposes only and, because of its nature, the pro forma statement of net assets addresses a hypothetical situation and does not represent the actual financial position or results of the Group. The unaudited pro forma statement of net assets has been prepared on the basis set out in the notes below and in accordance with Annex II of the PD Regulation.

	Adjustments		Unaudited pro forma total ⁽⁴⁾	
	As at 30 June 2015 ⁽¹⁾	Offer net proceeds ⁽²⁾		Refinancing ⁽³⁾
	(£'000s)			
ASSETS				
<i>Non-current assets</i>				
Property, plant and equipment	75,975	—	466	76,441
Intangible assets	49,946	—	—	49,946
Total non-current assets	125,921	—	466	126,387
<i>Current assets</i>				
Inventories	140	—	—	140
Trade and other receivables	5,971	—	—	5,971
Cash and cash equivalents	2,941	81,059	(72,488)	11,512
Total current assets.....	9,052	81,059	(72,488)	17,623
Total assets	134,973	81,059	(72,022)	144,010
LIABILITIES				
<i>Current liabilities</i>				
Borrowings—finance leases	4,039	—	(4,039)	—
Trade and other payables	26,780	(727)	—	26,053
Current taxes payable	10	—	—	10
Total current liabilities	30,829	(727)	(4,039)	26,063
<i>Non-Current liabilities</i>				
Borrowings—finance leases	6,068	—	(6,068)	—
Borrowing—shareholder loans & accrued interest	21,926	—	(21,926)	—
Borrowings—bank facilities	46,046	—	(37,101)	8,945
Deferred tax liabilities ...	1,482	—	164	1,646
Provisions	226	—	—	226
Financial instruments.....	811	—	(811)	—
Total non-current liabilities	76,559	—	(65,742)	10,817
Total liabilities.....	107,388	(727)	(69,781)	36,880
Net assets	27,585	81,786	(2,241)	107,130

- (1) The financial information of the Company has been extracted, without material adjustment, from the statement of financial position as at 30 June 2015 as set out in Part 11 of the Pathfinder Prospectus: “*Historical Financial Information*”.
- (2) The gross proceeds of the Offer receivable by the Company are expected to be £89.9 million. The estimated costs of the Offer are approximately £8.9 million, of which £0.7 million has been accrued as at 30 June 2015. As a result, the Company will receive net proceeds of £81.0 million. The Offer proceeds of £89.9 million are based on 46,113,007 Ordinary Shares being issued by the Company at an Offer Price of 195p. Offer costs and expenses are the estimated costs and fees incurred in respect of the Offer relating principally to investment banking, underwriting, legal and accounting fees.
- (3) As set out in Part 13 of the Pathfinder Prospectus: “*Details of the Offer*”, the Company will refinance its interest-bearing loans and borrowings, settle its obligations under finance leases and settle its finance instruments liability. The Company will use £63.6 million of net offer proceeds and £8.9 million of net borrowings under the New Term Loan Facility (£10.0 million less £1.1 million of finance costs), together £72.5 million, to redeem the existing loans (outstanding bank facilities offset by £8.9 million of net borrowings under the New

Loan Term Facility for a net outflow of £37.1 million; shareholder loans of £21.9 million) and settle the finance lease obligations (current portion of £4.0 million and non-current portion of £6.1 million) and financial instruments (£0.8 million) in full. The £72.5 million includes £1.5 million of unamortised financing costs, £0.6 million of finance lease break fees and £0.5 million of finance lease transfer of title fees. In addition, there is a consequential deferred tax liability of £0.2 million. The unamortised financing costs, finance lease break fees and deferred tax charge (together £2.2 million) reduces the net assets. The finance lease transfer of title fees are capitalised to property, plant and equipment. No adjustment has been made for interest accrued or movement in the finance leases or financial instruments since 30 June 2015.

- (4) Other than the adjustments detailed above, no other adjustments have been made for events occurring after 30 June 2015.

PART 13 DETAILS OF THE OFFER

1. Ordinary Shares subject to the Offer

The Offer comprises an offer of: (i) 46,113,007 New Ordinary Shares to be issued by the Company raising primary proceeds of approximately £81.0 million (net of underwriting commissions, other estimated Offer-related fees and expenses and VAT of approximately £8.9 million); (ii) 14,399,525 Existing Ordinary Shares to be sold by the Institutional Selling Shareholders, raising aggregate proceeds of approximately £27.0 million (net of underwriting commissions, other estimated Offer-related fees and expenses, VAT, stamp duty and/or SDRT of approximately £1.1 million); and (iii) 3,555,714 Existing Ordinary Shares to be sold by the Individual Selling Shareholders, raising aggregate proceeds of approximately £6.7 million (net of underwriting commissions, other estimated Offer-related fees and expenses, VAT, stamp duty and/or SDRT of approximately £0.3 million). The Company will not receive any proceeds from the sale of Existing Ordinary Shares (all of which will be paid to the Selling Shareholders).

The existing Ordinary Share capital will be diluted by the issue of 46,113,007 New Ordinary Shares pursuant to the Offer. The New Ordinary Shares to be issued pursuant to the Offer will represent approximately 56.2 per cent. of the existing Ordinary Share capital of the Company, and approximately 36.0 per cent. of the enlarged Ordinary Share capital of the Company immediately following Admission.

2. The Offer

...

Immediately following Admission, it is expected that at least 33.3 per cent. of the Company's issued Ordinary Share capital will be held in public hands (within the meaning of paragraph 6.1.19R of the Listing Rules).

...

3. Reasons for the Offer and Admission

The principal uses of the net proceeds of the Offer received by the Company are as follows:

- £74.6 million to facilitate the Refinancing; and
- for general corporate purposes.

...

4. Selling Shareholders

The following table sets out the interests of each of the Selling Shareholders (all of which, unless otherwise stated, are beneficial or are interests of a person connected with the Selling Shareholders), immediately prior to and immediately following Admission and the number of Ordinary Shares the Selling Shareholders are selling in the Offer:

Selling Shareholders	Number of Ordinary Shares owned immediately prior to Admission ⁽¹⁾	Ordinary Shares to be sold in the Offer	Ordinary Share capital owned immediately following Admission	
			No	%
Phoenix Advised Funds ⁽²⁾	45,623,079	9,632,213	35,990,866	28.1%
Adams Street 2009 Direct Fund, L.P.	1,008,599	212,941	795,658	0.6%
Adams Street 2010 Direct Fund, L.P.	572,937	120,962	451,975	0.4%
Adams Street 2011 Direct Fund LP	460,275	97,176	363,099	0.3%
Adams Street 2012 Developed Markets Fund LP	1,020,853	215,528	805,325	0.6%
Adams Street 2013 Developed Markets Fund LP	544,468	114,951	429,517	0.3%
Adams Street Co-Investment Fund II, L.P.	7,798,614	1,646,487	6,152,127	4.8%
Phoenix Equity Partners 2010 L.P.	33,531,206	7,079,309	26,451,897	20.6%
Phoenix Equity Partners 2010 GP, L.P.	686,127	144,859	541,268	0.4%
Bridges Community Development Venture Fund II LP ⁽³⁾	22,580,402	4,767,312	17,813,090	13.9%
John Treharne	6,211,080	1,700,143	4,510,937	3.5%
Paul Gilbert	1,711,950	491,461	1,220,489	1.0%
Andrew Mathews	1,210,126	241,909	968,217	0.8%
Jonathan Spaven	1,294,319	372,366	921,953	0.7%
Jim Graham ⁽⁴⁾	1,522,729	380,682	1,142,047	0.9%
Jasper McIntosh	132,224	23,800	108,424	0.1%
David Melhuish	109,129	19,643	89,486	0.1%
Kerry Kuster	81,212	14,618	66,594	0.1%
Andrew Robinson ⁽⁵⁾	81,212	14,617	66,595	0.1%
Richard Darwin ⁽⁶⁾	1,065,911	106,590	959,321	0.7%
Wendy Kershaw	50,758	27,030	23,728	0.0%
Jon Baker	50,758	27,151	23,607	0.0%
Marcus Tester	50,758	27,198	23,560	0.0%
Jim Frith	50,758	27,214	23,544	0.0%
Mark Tuddenham	50,758	27,187	23,571	0.0%
Matt Fowler	50,758	27,193	23,565	0.0%
John Foy	50,758	26,912	23,846	0.0%
Total	81,978,679	17,955,239	64,023,440	50.0%

(1) The interests of Ordinary Shares as at the date of this document have been stated on the basis that the steps described in paragraph 2.3 of Part 14 of the Pathfinder Prospectus: “*Additional Information*” have been completed in full.

(2) The legal title to the Ordinary Shares to which the Phoenix Advised Funds are beneficially entitled is held by Phoenix Equity Nominees Limited on behalf of the Phoenix Advised Funds.

(3) The legal title to the Ordinary Shares to which Bridges Community Development Venture Fund II LP is beneficially entitled is held by Bridges Community Ventures Nominees Limited on behalf of Bridges Community Development Venture Fund II LP.

(4) Jim Graham also has an indirect investment in the Company as an investor in Phoenix Equity Partners 2010 GP, L.P.

(5) The total number of ordinary shares in which Andrew Robinson or persons connected with him is or are interested includes 15,227 Ordinary Shares and 7,919 Ordinary Shares immediately prior to Admission and immediately following Admission, respectively, which are owned by Lara Robinson.

(6) The total number of ordinary shares in which Richard Darwin or persons connected with him is or are interested includes 50,758 Ordinary Shares and 35,758 Ordinary Shares immediately prior to Admission and immediately following Admission, respectively, which are owned by Charlotte Darwin.

...

8. Underwriting arrangements

...

The Underwriting Agreement contains provisions which entitle the Underwriters to terminate the Offer (and the arrangements associated with it) at any time prior to Admission in certain circumstances. If this right is exercised, the Offer and these arrangements will lapse. The Offer is conditional upon, *inter alia*, Admission occurring not later than 8:00 a.m. on 12 November 2015 (or such later date and time as the Company and the Joint Global Co-ordinators may agree) and the Underwriting Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms. Certain conditions contained in the Underwriting Agreement are related to events which are outside the control of the Company, the Directors, the Institutional Selling Shareholders and the Underwriters.

...

PART 14 ADDITIONAL INFORMATION

1. Incorporation

1.1 The Company was incorporated and registered in England and Wales on 14 May 2013 as a private company limited by shares under the Act with the name Project Galaxy Topco Limited and with the registered number 8528493. The Company subsequently changed its name to The Gym Group Holdings Limited on 5 July 2013, and to The Gym Group Limited on 15 October 2015. On 2 November 2015, the Company was re-registered as a public limited company and changed its name to The Gym Group plc.

...

2. Share capital

...

2.2 The following changes have occurred in the share capital of the Company since 1 January 2012 (being the date of commencement of the period for which historical financial information has been provided in the Pathfinder Prospectus):

...

- (f) On 30 October 2015, in connection with the re-registration of the Company as a public limited company, the Company issued and allotted 48,000 Deferred Shares to John Treharne, Paul Gilbert and Andrew Mathews.
- (g) As at the date of this document, the issued share capital of the Company is £56,688.263939 comprising:
 - (i) 385,575 A ordinary shares of £0.01 each (all of which are fully paid up or credited as fully paid up);
 - (ii) 20,486 B ordinary shares of £0.01 each (all of which are fully paid up or credited as fully paid up);
 - (iii) 87,642 C1 ordinary shares of £0.04 each (all of which are fully paid up or credited as fully paid up);
 - (iv) 95,463 C2 ordinary shares of £0.01 each (all of which are fully paid up or credited as fully paid up);
 - (v) 6,895 C3 ordinary shares of £0.01 each (all of which are fully paid up or credited as fully paid up);
 - (vi) 50 C4 ordinary shares of £1.00 each (all of which are fully paid up or credited as fully paid up);

- (vii) 48,393,939 preference shares of £0.000001 each (all of which are fully paid up or credited as fully paid up); and
- (viii) 48,000 Deferred Shares of £1.00 each (all of which are fully paid up or credited as fully paid up).
- (h) The Reorganisation (as defined below) will take effect on Admission. Following Admission, the nominal value of the Company's issued Ordinary Shares will be £12,810,5275 divided into 128,105,275 Ordinary Shares (all of which will be fully paid). In addition, the nominal value of the issued Deferred Shares will be £48,050 divided into 48,050 Deferred Shares (all of which are fully paid).

2.3 Immediately prior to Admission, a reorganisation of the share capital of the Company will take place as follows (the "**Reorganisation**"):

...

- (b) each C1 ordinary share of £0.04 in the Company will be sub-divided and re-designated into one C1 ordinary share of £0.01 each and one deferred share of £0.03 each;
- (c) the sum of £3,073.711461, being part of the share premium account of the Company, will be capitalised and appropriated as capital to the holders of preference shares of £0.000001 each in the capital of the Company and the Directors will be authorised to apply such sum in paying up in full 3,073,711,461 preference shares of £0.000001 each and to allot and issue such new shares, credited as fully paid up, to the holders of preference shares of £0.000001 each in such proportions to their existing holdings of preference shares as the Directors consider practicable for the purpose of giving effect to the bonus issue of preference shares;
- (d) every 100 preference shares of £0.000001 existing immediately prior to Admission will be consolidated and re-designated into one Ordinary Share of £0.0001 each;
- (e) each A ordinary share of £0.01 each will be sub-divided and re-designated into 100 Ordinary Shares of £0.0001 each;
- (f) each B ordinary share of £0.01 each will be sub-divided and re-designated into 100 Ordinary Shares of £0.0001 each;
- (g) the 87,642 C1 ordinary shares of £0.01 each will be sub-divided and re-designated into 4,448,500 Ordinary Shares of £0.0001 each and 4,315,700 deferred shares of £0.0001 each in such proportions to the shareholders' existing holdings of C1 ordinary shares as the Directors consider practicable for the purpose of giving effect to the sub-division of C1 ordinary shares;
- (h) the 105,463 C2 ordinary shares of £0.01 each will be sub-divided and re-designated into 5,353,051 Ordinary Shares of £0.0001 each and 5,193,249 deferred shares of £0.0001 each in such proportions to the shareholders' existing holdings of C2 ordinary shares as the Directors consider practicable for the purpose of giving effect to the sub-division of C2 ordinary shares;
- (i) the 6,895 C3 ordinary shares of £0.01 each will be sub-divided and re-designated into 349,974 Ordinary Shares of £0.0001 each and 339,526 deferred shares of £0.0001 each in such proportions to the shareholders' existing holdings of C3 ordinary shares as the Directors consider practicable for the purpose of giving effect to the sub-division of C3 ordinary shares;
- (j) each of the C4 ordinary shares of £1.00 in the Company will convert into Deferred Shares;
- (k) each deferred share of £0.0001 in the Company arising under paragraph (d) above will be repurchased by the Company in accordance with the articles of association of the Company for £1 in aggregate and cancelled;
- (l) each of the deferred shares of £0.03 each arising under paragraph (c) above will be repurchased by the Company in accordance with the articles of association of the Company for £1 in aggregate and cancelled; and

- (m) each Deferred Share will be repurchased by the Company for £1 in accordance with the articles of association of the Company and will be held in treasury. This is to ensure that, at Admission, the aggregate nominal value of the Company's share capital (which, at Admission, will comprise Deferred Shares and Ordinary Shares) will be not less than £50,000, the minimum level of nominal share capital required by the Act for a company to be established as a public limited company. As a result, and following Admission, 48,050 Deferred Shares will be held in treasury by the Company. The Company intends that these Deferred Shares will continue to be held in treasury for the foreseeable future and will not be transferred to any third party. In addition, and as set out in the articles of association adopted on Admission becoming effective (and pursuant to the provisions of the Act relating in respect of shares held in treasury), the Deferred Shares will have no voting or dividend rights and, on a return of capital on a winding up, will have no valuable economic rights. No application has been made or is currently intended to be made for the Deferred Shares to be admitted to the Official List or to trading on the London Stock Exchange or any other investment exchange.

2.4 By resolutions of the Company in general meetings, passed on 6 November 2015, in each case subject to, and conditional upon, Admission becoming effective:

- (a) the Directors were authorised to allot 10,000 C2 ordinary shares of £0.01 each in the Company to Jonathan Spaven, a member of Senior Management, and certain employees of the Company;
- (b) conditional on the resolution described in paragraph 2.4(a) above being approved:
- (i) each C1 ordinary share of £0.04 in the Company be sub-divided and re-designated into one C1 ordinary share of £0.01 each and one deferred share of £0.03 each;
- (ii) the sum of £3,073,711,461, being part of the share premium account of the Company, be capitalised and appropriated as capital to the holders of preference shares of £0.000001 each in the capital of the Company and that the Directors be authorised to apply such sum in paying up in full 3,073,711,461 preference shares of £0.000001 each and to allot and issue such new shares, credited as fully paid up, to the holders of preference shares of £0.000001 each in such proportions to their existing holdings of preference shares as the Directors consider practicable for the purpose of giving effect to the bonus issue of preference shares;
- (iii) every 100 preference shares of £0.000001 be consolidated and re-designated into one Ordinary Share of £0.0001 each;
- (iv) each A ordinary share of £0.01 each be sub-divided and re-designated into 100 Ordinary Shares of £0.0001 each;
- (v) each B ordinary share of £0.01 each be sub-divided and re-designated into 100 Ordinary Shares of £0.0001 each;
- (vi) the 87,642 C1 ordinary shares of £0.01 each be sub-divided and re-designated into 4,448,500 Ordinary Shares of £0.0001 each and 4,315,700 deferred shares of £0.0001 each in such proportions to the shareholders' existing holdings of C1 ordinary shares as the Directors consider practicable for the purpose of giving effect to the sub-division of C1 ordinary shares;
- (vii) the 105,463 C2 ordinary shares of £0.01 each be sub-divided and re-designated into 5,353,051 Ordinary Shares of £0.0001 each and 5,193,249 deferred shares of £0.0001 each in such proportions to the shareholders' existing holdings of C2 ordinary shares as the Directors consider practicable for the purpose of giving effect to the sub-division of C2 ordinary shares; and
- (viii) the 6,895 C3 ordinary shares of £0.01 each be sub-divided and re-designated into 349,974 Ordinary Shares of £0.0001 each and 339,526 deferred shares of £0.0001 each in such proportions to the shareholders' existing holdings of C3 ordinary shares as the Directors consider practicable for the purpose of giving effect to the sub-division of C3 ordinary shares, and
- (c) conditional on the resolutions described in paragraphs 2.4(a) and (b) above being approved, (and in addition to the authorities granted pursuant to the resolutions described in paragraphs 2.4(a) and (b)(ii) above) the Directors were generally and unconditionally authorised, in accordance with section 551 of the Act, in substitution for any prior authority conferred upon the Directors, without prejudice to the

continuing authority of the Directors to allot shares, or grant rights to subscribe for or convert any security into shares pursuant to an offer or agreement made by the Company before the expiry of the authority pursuant to which such offer or agreement was made, to exercise all powers of the Company to:

- (i) allot shares in the Company or grant rights to subscribe for, or convert any security into, shares in the Company up to an aggregate nominal value of £4,611.3007 in connection with the Offer, such authority expiring on the earlier of (i) Admission and (ii) 31 December 2015;
 - (ii) allot shares in the Company and grant rights to subscribe for, or to convert any security into, shares in the Company up to an aggregate nominal value of £1.3589, in connection with the proposed subscription by Penny Hughes for 13,589 Ordinary Shares of £0.0001 in the Company, such authority expiring on the earlier of (i) Admission; and (ii) 31 December 2015;
 - (iii) following Admission, in addition to the authorities granted under subparagraph (i) above, allot shares in the Company, and to grant rights to subscribe for, or to convert any security into, shares in the Company, for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the next annual general meeting of the Company after the date on which the general meeting at which the resolution was passed (or, if earlier, at the close of business on 30 June 2016):
 - (A) up to an aggregate nominal amount of £4,270.1758 (or, if lower, such amount in pounds Sterling as is equal to one-third of the nominal value of the Company's issued Ordinary Share capital immediately following Admission) (such amount to be reduced by the nominal amount of any equity securities (as defined in the Act) allotted under paragraph (B) below in excess of £4,270.1758 (or, if lower, such amount in pounds Sterling as is equal to one-third of the nominal value of the Company's issued Ordinary Share capital immediately following Admission)); and
 - (B) comprising equity securities (as defined in the Act) up to an aggregate nominal amount of £8,540.3516 (or, if lower, such amount in pounds Sterling as is equal to two-thirds of the nominal value of the Company's issued Ordinary Share capital immediately following Admission) (such amount to be reduced by any shares allotted or rights granted under paragraph (A) above) in connection with an offer by way of a rights issue to holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings and to holders of other equity securities if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities, and so that the Directors may make such exclusions or other arrangements as they consider expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems under the laws in any territory or the requirements of any relevant regulatory body or stock exchange or any other matter; and
 - (iv) make an offer or agreement, before this authority expires, which would or might require shares to be allotted, or rights to subscribe for or convert any security into shares to be granted, after expiry of this authority and the directors may allot shares and grant rights in pursuance of that offer or agreement as if this authority had not expired,
- (d) the Directors were authorised, conditional on the resolution in paragraphs 2.4(a), (b) and (c) being approved, for a period expiring (unless previously renewed, varied or revoked by the Company in a general meeting) at the end of the next annual general meeting of the Company after the date on which this resolution was passed (or, if earlier, at the close of business on 30 June 2016), but without prejudice to any allotments made pursuant to the terms of an offer or agreement which would or might require equity securities to be allotted after such equity, to allot equity securities (as defined in the Act) for cash pursuant to the resolution referred to in paragraph 2.4(b) above, as if section 561 of the Act did not apply to the allotment, such power being limited to:
- (i) the proposed allotment of C2 ordinary shares up to an aggregate nominal value of £100.00 pursuant to the subscription referred to in paragraph 2.3(a) above;
 - (ii) the proposed allotment of Ordinary Shares up to an aggregate nominal value of £1.3589 pursuant to the subscription referred to in paragraph 2.4(c)(ii) above;

- (iii) the proposed allotment of equity securities up to an aggregate nominal amount of £4,611.3007 in connection with the Offer;
- (iv) following Admission, in addition to the authorities granted under subparagraphs (i), (ii) and (iii) above, the allotment of equity securities in connection with an offer or fresh issue to or in favour of (but in the case of the authority granted under subparagraph 2.4(c)(iii)(B), by way of a rights issue only):
 - (A) to holders of Ordinary Shares in proportion (as nearly as practicable) to their existing holdings;
 - (B) to holders of equity securities if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities,

and so that the Directors may impose any limits, exclusions or restrictions or make other arrangements as they consider appropriate in relation to treasury shares, fractional entitlements, record dates, legal or practical problems under the laws in any territory or the requirements of any regulatory body or stock exchange or any other matter; and

in the case of an authority granted under subparagraph 2.4(c)(iii)(A) above, the allotment of equity securities for cash (otherwise than pursuant to subparagraphs (i) and (ii) above) up to a maximum nominal amount of £640.526375.

- (e) the Company was authorised, conditional on the resolutions in paragraphs 2.4(a), (b), (c) and (d) being approved, for a period expiring at the end of the next annual general meeting of the Company (or, if earlier, at the close of business on 30 June 2016):
 - (i) to enter into a contract with the holders of the deferred shares of £0.03 each and £0.0001 each; and
 - (ii) to enter into a contract with the holders of the Deferred Shares,

the forms of which were provided to the meeting, for the purchase by the Company of (i) all deferred shares of £0.03 each and all deferred shares of £0.0001 each for a total consideration of £1.00 in aggregate and (ii) all Deferred Shares for a total consideration of up to £48,050;

- (f) in accordance with section 366 of the Act, the Company and all companies that are subsidiaries of the Company at any time during the period to which this resolution has effect were authorised to:
 - (i) make political donations to political parties and/or independent election candidates;
 - (ii) make political donations to political organisations other than political parties; and
 - (iii) incur political expenditure,

provided that the aggregate amount of such donations and expenditure shall not exceed £500,000 during the period beginning with the date of the passing of this resolution and ending on 31 December 2016 or, if sooner, the conclusion of the annual general meeting of the Company to be held in 2016.

For the purposes of this authority the terms “political donation”, “political parties”, “independent election candidates”, “political organisation” and “political expenditure” have the meanings given by sections 363 to 365 of the Act;

- (g) the Company was generally and unconditionally authorised to make market purchases (within the meaning of section 693 of the Act) of its Ordinary Shares on such terms and in such manner as the directors of the Company may determine subject to the following conditions:
 - (i) the maximum number of Ordinary Shares authorised to be purchased is 12,810,527 representing 10 per cent. of the Company’s existing share capital immediately following Admission;

- (ii) the minimum price (exclusive of expenses) which may be paid for an Ordinary Share is £0.0001 (being the nominal value of the Ordinary Shares);
- (iii) the maximum price (exclusive of expenses) which may be paid for each ordinary share purchased under this authority is the higher of:
 - (A) an amount equal to 105 per cent. of the average of the middle market price shown in the quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased; and
 - (B) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the London Stock Exchange Trading System,
- (iv) the authority shall expire at the close of the next annual general meeting of the Company after the passing of this resolution or, if earlier, on 30 June 2016; and
- (v) the Company may make a contract or contracts to purchase Ordinary Shares under this authority before its expiry which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of ordinary shares in pursuance of any such contract; and
- (h) the Company was authorised to call a general meeting of the Company, other than an annual general meeting, on 14 clear days' notice; and
- (i) the Articles (a summary of which is included at paragraph 3 below (*Summary of the Company's Articles of Association*)) were adopted with effect from Admission in substitution for, and to the exclusion of the articles of association that are in place immediately prior to Admission.

...

3. Summary of the Company's Articles of Association

The articles of association of the Company adopted on 6 November 2015, conditional upon Admission being effective, include provisions to the following effect.

3.10 Directors

...

- (d) The directors shall be paid such fees not exceeding in aggregate £1,000,000 per annum (or such larger sum as the Company may, by ordinary resolution, determine) as the directors may decide to be divided among them in such proportion and manner as they may agree, or failing agreement, equally.

...

4. Directors' and Senior Management's interests in the Company

4.1 The interests in the share capital of the Company of the Directors and Senior Management (all of whom, unless otherwise stated, are beneficial or are interests of a person connected with a Director or a member of Senior Management) were as follows:

Director / Member of Senior Management	Immediately prior to Admission ⁽¹⁾		Immediately following Admission	
	Number of Ordinary Shares	Percentage of issued Ordinary Share capital	Number of Ordinary Shares	Percentage of issued Ordinary Share capital
Penny Hughes ⁽²⁾	0	0.0%	13,589	<0.1%
John Treharne ⁽³⁾	6,211,080	7.6%	4,510,937	3.5%
Jim Graham ⁽⁴⁾	1,522,729	1.9%	1,142,047	0.9%
Richard Darwin ⁽⁵⁾	1,065,911	1.3%	959,321	0.7%
Paul Gilbert ⁽³⁾	1,711,950	2.1%	1,220,489	1.0%
David Burns ⁽⁶⁾	0	0.0%	0	0.0%
Philip Newborough	0	0.0%	0	0.0%
Jasper McIntosh	132,224	0.2%	108,424	0.1%
Jonathan Spaven	1,294,319	1.6%	921,953	0.7%

(1) The interests of Ordinary Shares as at the date of this document have been stated on the basis that the steps described in paragraph 2.3 of Part 14 of the Pathfinder Prospectus: "Additional Information" have been completed in full.

(2) Penny Hughes will on Admission be entitled to receive a fee of £50,000 for services provided to the Company prior to the date of the Pathfinder Prospectus and has agreed, conditional on Admission, to subscribe for an amount equal to the net amount of such fee, being 13,589 new Ordinary Shares of the Company at the Offer Price. Such new Ordinary Shares will be allotted by the Company to Penny Hughes outside of the Offer and will not comprise Offer Shares.

(3) In connection with the re-registration of the Company as a public limited company, on 30 October 2015 John Treharne subscribed for 34,597 Deferred Shares and Paul Gilbert subscribed for 6,786 Deferred Shares. In each case, it is anticipated that the Deferred Shares subscribed for by John Treharne and Paul Gilbert will be repurchased by the Company at Admission and held in treasury pursuant to the steps described in paragraph 2.3 of Part 14 of the Pathfinder Prospectus: "Additional Information".

(4) Jim Graham also has an indirect investment in the Company as an investor in Phoenix Equity Partners 2010 GP, L.P.

(5) The total number of ordinary shares in which Richard Darwin or persons connected with him is or are interested includes 50,758 Ordinary Shares and 35,758 Ordinary Shares immediately prior to Admission and immediately following Admission, respectively, which are owned by Charlotte Darwin.

(6) David Burns has an indirect investment in the Company as an investor in Phoenix Equity Partners 2010 GP, L.P.

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4.4 The interests of the Directors and Senior Management together are expected to represent approximately 14.6 per cent. of the issued Ordinary Share capital of the Company immediately following the Re-organisation but immediately prior to Admission and are expected to represent approximately 6.9 per cent. of the issued share capital of the Company immediately following Admission.

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5. Significant Shareholders' Interests in the Company

Insofar as is known to the Directors, the following are the interests (within the meaning of Part VI of the Act) (other than interests held by the Directors) which represent, or will represent, directly or indirectly, 3 per cent. or more of the issued share capital of the Company:

Shareholder	Immediately prior to Admission ⁽¹⁾		Immediately following Admission	
	Number of Ordinary Shares	Percentage of issued Ordinary Share capital	Number of Ordinary Shares	Percentage of issued Ordinary Share capital
Phoenix Advised Funds ⁽²⁾	45,623,079	55.7%	35,990,866	28.1%
Adams Street Co-Investment Fund II, L.P.....	33,531,206	40.9%	26,451,897	20.6%
Phoenix Equity Partners 2010 L.P.....	7,798,614	9.5%	6,152,127	4.8%
Other Phoenix Advised Funds ⁽³⁾	4,293,259	5.2%	3,386,842	2.6%
Bridges Community Development Venture Fund II LP ⁽⁴⁾	22,580,402	27.5%	17,813,090	13.9%
Soros Fund Management LLC.....	—	—	7,400,000	5.8%
FIL Investments International.....	—	—	7,000,000	5.5%
Hargreave Hale Ltd.....	—	—	6,850,000	5.3%
Standard Life Investments Limited.....	—	—	6,000,000	4.7%
Threadneedle Asset Management Limited	—	—	4,500,000	3.5%

- (1) The interests of Ordinary Shares as at the date of this document have been stated on the basis that the steps described in paragraph 2.3 of Part 14 of the Pathfinder Prospectus: “*Additional Information*” have been completed in full.
- (2) The legal title to the Ordinary Shares to which the Phoenix Advised Funds are beneficially entitled is held by Phoenix Equity Nominees Limited on behalf of the Phoenix Advised Funds.
- (3) The other Phoenix Advised Funds are Phoenix Equity Partners 2010 GP, L.P., Adams Street 2009 Direct Fund, L.P., Adams Street 2010 Direct Fund, L.P., Adams Street 2011 Direct Fund LP, Adams Street 2012 Developed Markets Fund LP and Adams Street 2013 Developed Markets Fund LP, each of which will not, immediately prior to or immediately following Admission, alone hold 3 per cent. or more of the issued share capital of the Company.
- (4) The legal title to the Ordinary Shares to which Bridges Community Development Venture Fund II LP is beneficially entitled is held by Bridges Community Ventures Nominees Limited on behalf of Bridges Community Development Venture Fund II LP.

In so far as is known to the Directors, the following intend to subscribe for Ordinary Shares representing more than five per cent. of the Offer:

Shareholder	Number of Ordinary Shares	Percentage of the Offer
Soros Fund Management LLC.....	7,400,000	11.6%
FIL Investments International.....	7,000,000	10.9%
Hargreave Hale Ltd.....	6,850,000	10.7%
Standard Life Investments Limited.....	6,000,000	9.4%
Threadneedle Asset Management Limited	4,500,000	7.0%
Legal & General Investment Management Limited.....	3,250,000	5.1%

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21. Takeover Regulation

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- 21.4 Immediately following Admission, it is expected that the Phoenix Concert Parties will control 28.1 per cent. of the voting rights in the Company.