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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

17 April 2020

The Gym Group PLC

Results of the Placing

The Gym Group plc (the "**Company**" or "**TGG**"), the nationwide operator of 179 low cost 24/7, no contract gyms, announces the successful completion of the placing announced yesterday (the "**Placing**").

A total of 27,396,606 new ordinary shares of 0.01p each in the capital of the Company ("**Ordinary Shares**") (the "**Placing Shares**") have been placed by Numis Securities Limited ("**Numis**") and Peel Hunt LLP ("**Peel Hunt**", together with Numis, the "**Joint Bookrunners**"), at a price of 150 pence per Placing Share (the "**Placing Price**").

Together, the Placing and Subscription (defined below) of 27,512,181 new Ordinary Shares raised gross proceeds of approximately £41.3 million. The Placing Price represents a discount of 6.8 per cent to the closing share price of 161 pence on 16 April 2020. The Placing Shares and Subscription Shares (defined below) being issued represent together approximately 19.9 per cent of the existing issued ordinary share capital of the Company prior to the Placing and Subscription.

Richard Darwin, CEO of The Gym Group, commented:

"We are grateful for the support in these unprecedented times and are confident that the business now has sufficient liquidity to weather the Board's most pessimistic trading scenario.

We continue to believe in the long term attractive fundamentals of the low cost gym sector and our strengthened balance sheet will enable us to take advantage of growth opportunities that arise in the immediate aftermath of the crisis."

Applications have been made to the Financial Conduct Authority (the "**FCA**") and the London Stock Exchange plc (the "**LSE**") respectively for the admission of the Placing Shares and the Subscription Shares to the premium listing segment of the Official List of the FCA and to trading on the main market for listed securities of the LSE (together, "**Admission**"). It is expected that Admission will become effective on or before 8.00 a.m. on 21 April 2020. The Placing is conditional upon, amongst other things, Admission becoming effective and upon the placing agreement between the Joint Bookrunners and the Company not being terminated in accordance with its terms.

The Placing Shares and Subscription Shares, when issued, will be fully paid and will rank *pari passu* in all respects with each other and with the existing Ordinary Shares, including, without limitation, the right to receive all dividends and other distributions declared, made or paid after the date of issue.

Following Admission, the total number of shares in issue in TGG will be 165,767,855. Therefore, following Admission, the total number of voting shares in TGG in issue will be 165,767,855. This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure Guidance and Transparency Rules.

Director participation

Concurrently with the Placing, the directors of the Company have agreed to subscribe for the number of new Ordinary Shares (the "**Subscription Shares**") at the Placing Price (the "**Subscription**") set out below. In addition, certain members of the Executive Management Team have agreed to subscribe for 29,998 Subscription Shares at the Placing Price.

Director	Number of Subscription Shares to be Subscribed	Shareholding following the Subscription	Shareholding following the Subscription as a % of Enlarged Issued Share Capital
Penny Hughes	10,000	60,000	0.04%
Richard Darwin	18,603	1,013,834	0.61%
Mark George	13,642	13,642	0.01%
John Treharne	16,666	3,566,908	2.15%
Paul Gilbert	16,666	204,442	0.12%
David Kelly	5,000	10,000	0.01%
Emma Woods	5,000	13,930	0.01%

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This announcement is released by The Gym Group plc and contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 (MAR), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is being made on behalf of the Company by Katy Tucker, Company Secretary.

IMPORTANT NOTICES

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) AND THE TERMS AND CONDITIONS SET OUT HEREIN ARE DIRECTED ONLY AT PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM IN ACQUIRING, HOLDING, MANAGING AND DISPOSING OF INVESTMENTS (AS PRINCIPAL OR AGENT) FOR THE PURPOSES OF THEIR BUSINESS AND WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND ARE: (1) IF IN THE UNITED KINGDOM OR A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA ("EEA"), QUALIFIED INVESTORS AS DEFINED IN ARTICLE 2(e) OF REGULATION (EU) 2017/1129 (THE "**PROSPECTUS REGULATION**"); (2) IF IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO (A) FALL WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "**ORDER**") (INVESTMENT PROFESSIONALS) OR (B) FALL WITHIN ARTICLE 49(2)(a) TO (d) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE ORDER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**").

The distribution of this Announcement and/or the Placing and/or issue of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company, the Joint Bookrunners or any of their respective affiliates, agents, directors, officers or employees that would permit an offer of the Placing Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement comes are required by the Company and the Joint Bookrunners to inform themselves about and to observe any such restrictions.

Neither this Announcement, nor any copy of it, may be taken or transmitted, published or distributed, directly or indirectly, in or into the United States, Australia, Canada, Japan, or the Republic of South Africa or to any persons in any of those jurisdictions or any other jurisdiction where to do so would constitute a violation of the relevant securities laws of such jurisdiction. This Announcement is for information purposes only and does not constitute an offer to sell or issue, or the solicitation of an offer to buy, acquire or subscribe for any shares in the capital of the Company in the United States, Australia, Canada, Japan or the Republic of South Africa or any other state or jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Any failure to comply with these restrictions may constitute a violation of securities laws of such jurisdictions.

The Placing Shares have not been, and will not be, registered under the US Securities Act, as amended (the "US Securities Act"), or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into the United States except pursuant to an applicable exemption from the registration requirements of the US Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. There is no intention to register any portion of the Placing in the United States or to conduct any public offering of securities in the United States or elsewhere.

All offers of the Placing Shares in the United Kingdom and the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to produce a prospectus. In the United Kingdom, this Announcement is being directed solely at persons in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 (as amended) does not apply.

Persons (including, without limitation, nominees and trustees) who have a contractual right or other legal obligations to forward a copy of this Announcement should seek appropriate advice before taking any action.

By participating in the Bookbuilding and the Placing, each person who is invited to and who chooses to participate in the Placing (a "**Placee**") by making an oral and legally binding offer to acquire Placing Shares will be deemed to have read and understood this Announcement in its entirety, to be participating, making an offer and acquiring Placing Shares on the terms and conditions contained herein and to be providing the representations, warranties, indemnities, acknowledgements and undertakings contained in the Appendix.

This Announcement may contain and the Company may make verbal statements containing "forward-looking statements" with respect to certain of the Company's plans and its current goals and expectations relating to its future financial condition, performance, strategic initiatives, objectives and results. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "seek", "may", "could", "outlook" or other words of similar meaning. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond the control of the Company, including amongst other things, the macroeconomic and other impacts of COVID-19, United Kingdom domestic and global economic business conditions, market-related risks such as fluctuations in interest rates and exchange rates, the policies and actions of governmental and regulatory authorities, the effect of competition, inflation, deflation, the timing effect and other uncertainties of future acquisitions or combinations within relevant industries, the effect of tax and other legislation and other regulations in the jurisdictions in which the Company and its affiliates operate, the effect of volatility in the equity, capital and credit markets on the Company's profitability and ability to access capital and credit, a decline in the Company's credit ratings; the effect of operational risks; and the loss of key personnel. As a result, the actual future financial condition, performance and results of the Company may differ materially from the plans, goals and expectations set forth in any forward-looking statements. Any forward-looking statements made in this Announcement by or on behalf of the Company speak only as of the date they are made. Except as required by applicable law or regulation, the Company expressly disclaims any obligation or undertaking to publish any updates or revisions to any forward-looking statements contained in this Announcement to reflect any changes in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

Peel Hunt is authorised and regulated by the Financial Conduct Authority (the "**FCA**") in the United Kingdom and is acting exclusively for the Company and no one else in connection with the Placing, and Peel Hunt will not be responsible to anyone (including any Placees) other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Placing or any other matters referred to in this Announcement.

Numis is authorised and regulated by the FCA in the United Kingdom and is acting exclusively for the Company and no one else in connection with the Placing, and Numis will not be responsible to anyone (including any Placees) other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Placing or any other matters referred to in this Announcement.

No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by the Joint Bookrunners or by any of their respective affiliates or agents as to, or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefor is expressly disclaimed.

No statement in this Announcement is intended to be a profit forecast or estimate, and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

The price of shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.