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**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.**

2 July 2021

## **The Gym Group PLC**

### **Results of Placing and Total Voting Rights**

The Gym Group plc (the "**Company**" or "**The Gym Group**"), the nationwide operator of 187 low cost 24/7, no contract gyms, announces the successful completion of the placing announced yesterday (the "**Placing**").

A total of 11,350,000 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 275 pence per Placing Share (the "**Placing Price**").

The Placing of 11,350,000 new Ordinary Shares raised gross proceeds of approximately £31.2 million. The Placing Price represents a discount of 3.5 per cent to the closing share price of 285 pence on 1 July 2021. The Placing Shares being issued represent approximately 6.8 per cent of the existing issued ordinary share capital of the Company prior to the Placing.

#### **Richard Darwin, CEO of The Gym Group, commented:**

*" Our new gym pipeline is the strongest it has ever been and we thank shareholders for their support in today's successful placing which allows the Company to accelerate its rollout to 40 new sites over the next 18 months. Gyms have an essential role to play in the nation's physical and mental health and growing our portfolio will widen access to affordable fitness for more communities across the UK."*

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 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 6 July 2021. 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, 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 The Gym Group will be 177,560,022. Therefore, following Admission, the total number of voting shares in The Gym Group in issue will be 177,560,022. 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

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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 (as transposed into the laws of the United Kingdom) (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 (as transposed into the laws of the United Kingdom), 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 THIS APPENDIX) AND THE TERMS AND CONDITIONS SET OUT HEREIN (TOGETHER, THIS "**ANNOUNCEMENT**") (WHICH IS FOR INFORMATION PURPOSES ONLY) ARE DIRECTED ONLY AT: (A) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA (THE "**EEA**") WHO ARE QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(E) OF REGULATION (EU) 2017/1129, AS AMENDED FROM TIME TO TIME (THE "**PROSPECTUS REGULATION**") ("**QUALIFIED INVESTORS**"); AND (B) PERSONS IN THE UNITED KINGDOM WHO ARE QUALIFIED INVESTORS WITHIN THE MEANING OF THE UK VERSION OF THE PROSPECTUS REGULATION (THE "**UK PROSPECTUS REGULATION**") WHO (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS WHO FALL WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 AS AMENDED (THE "**ORDER**") (INVESTMENT PROFESSIONALS); (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC) OF THE ORDER; OR (III) ARE PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (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 UK Prospectus Regulation and the Prospectus Regulation (as applicable) 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 of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK Product Governance Requirements") and/or any equivalent requirements elsewhere to the extent determined to be applicable, and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Requirements and/or any equivalent requirements elsewhere to the extent determined to be applicable) 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 Chapter 3 of the FCA Handbook Conduct of Business Sourcebook; and (ii) eligible for distribution through all permitted distribution channels (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 Chapters 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; 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.