

# ANNUAL REPORT AND ACCOUNTS 2025



Overview

## WHO WE ARE

# HIGH VALUE, LOW COST GYM FACILITIES

The Gym Group is the original provider of high value, low cost gym facilities in the UK. We offer 24/7, no contract gym memberships delivering great value-for-money for all our members.



For more information go to:  
[www.tggplc.com](http://www.tggplc.com)

Overview

# 2025 HIGHLIGHTS

## FINANCIAL<sup>1</sup>

### Revenue

**£244.9m** ↑

2024: £226.3m

### Statutory Profit for the Year

**£7.4m** ↑

2024: £4.4m

### Group Adjusted EBITDA Less Normalised Rent

**£56.7m** ↑

2024: £47.7m

### Non-Property Net Debt

**£59.3m** ↓

2024: £61.3m

### Free Cash Flow<sup>2</sup>

**£38.3m** ↑

2024: £34.9m

### Return on Invested Capital

**27%** ↑

2024: 25%

## BUSINESS AND OPERATIONAL

- Next Chapter growth plan delivering; sustained pricing opportunity supporting yield growth, plus advantaged, labour-light business model, delivering strong growth in site performance
- Continued momentum in Return on Invested Capital ('ROIC') of Mature Gym Sites at 27% (2024: 25%); ROIC increases to 30% after excluding 13 workforce-dependent gyms<sup>3</sup>
- Continued high levels of member engagement and satisfaction; 94% of members rate The Gym Group 4 or 5/5 for overall satisfaction; member visits 4+ times a month up 150bps
- 16 new sites in 2025, contributing to Run Rate EBITDA Less Normalised Rent<sup>1</sup> of c.£65m. 37 gyms now trading in new, enhanced format and performing well with positive member feedback
- Employee engagement score maintained at 9/10, with an 88% completion rate; continue to rank in top 5%<sup>4</sup> of consumer services businesses

- 1 See **page 143** for definition and cross-reference to reconciliation to statutory measure as appropriate.
- 2 Free Cash Flow for FY24 has been restated to reallocate £2.6m of Technology and Data spend from Expansionary Capital Expenditure to Maintenance Capital Expenditure to bring it into line with the presentation of Technology and Data spend in FY25.
- 3 Sites with a workforce index of more than 120 (workforce population/residential adult population \*100), without car parking or a significant student population.
- 4 Based on companies included in the Peakon benchmark. Peakon is software developed by Workday that is designed to gather, analyse and improve employee sentiment.



See Progress Against the Next Chapter Growth Plan on **pages 14 to 19**.

## CONTENTS

### OVERVIEW

- 01 2025 Highlights
- 02 Introduction to our Business

### STRATEGIC REPORT

- 06 Chair of the Board's Statement
- 07 Chief Executive's Review
- 10 Market Review
- 12 Next Chapter Growth Plan
- 14 Progress Against the Next Chapter Growth Plan
- 20 Key Performance Indicators
- 22 Financial Review
- 30 Sustainability Report
- 38 Task Force on Climate-Related Financial Disclosures
- 42 Managing Risk
- 53 Non-Financial and Sustainability Information

### GOVERNANCE

- 54 Introduction from the Chair of the Board
- 55 At a Glance
- 56 Board of Directors
- 58 Executive Committee
- 59 Corporate Governance Statement
- 64 Section 172 Statement
- 67 Nomination Committee Report
- 71 Audit and Risk Committee Report
- 75 Sustainability Committee Report
- 77 Remuneration Committee Report
- 88 Directors' Report
- 91 Directors' Responsibility Statement

### FINANCIAL STATEMENTS

- 92 Independent Auditor's Report
- 102 Consolidated Statement of Comprehensive Income
- 103 Consolidated Statement of Financial Position
- 104 Consolidated Statement of Changes in Equity
- 105 Consolidated Cash Flow Statement
- 106 Notes to the Consolidated Financial Statements
- 135 Company Statement of Financial Position
- 136 Company Statement of Changes in Equity
- 137 Notes to the Company Financial Statements

### OTHER INFORMATION

- 142 Five Year Record
- 143 Definition of Non-Statutory Measures
- 144 Corporate Information

Overview

## INTRODUCTION TO OUR BUSINESS

### OUR PURPOSE

# BREAKING DOWN BARRIERS TO FITNESS FOR ALL

### WHAT WE DO

We focus on operating high value, low cost gyms that have widespread appeal. We operate 260 gyms nationwide and have a simple, scalable proposition. We have over 900,000 members and our gyms have c.70 million visits per annum and score highly on member satisfaction.

260 ↑

Gyms

923,000 ↑

Members

£25.64 ↑

Average price



● Existing gyms  
▲ 2025 openings

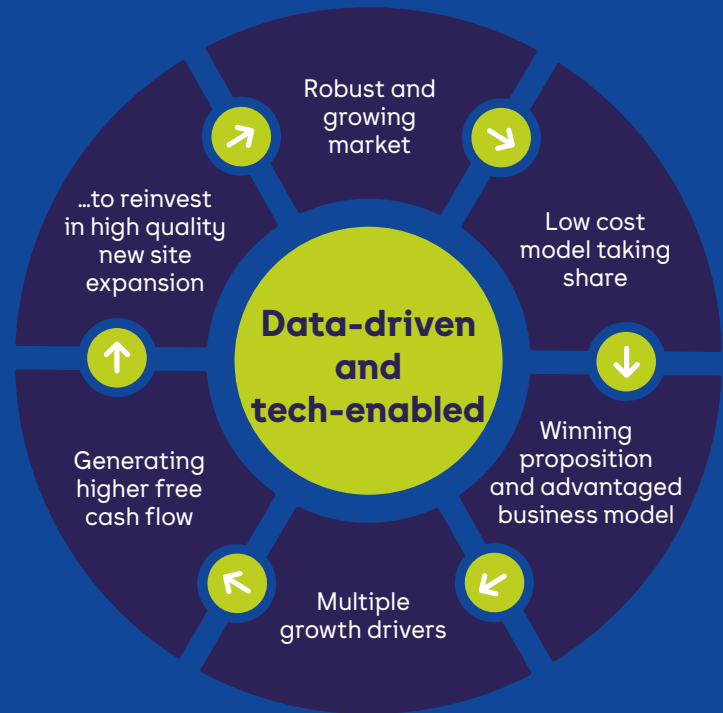
**Note:** All figures correct as at 31 December 2025. Average price relates to Standard monthly membership headline rate in December 2025. Standard membership is a monthly membership for one specific home gym.

We opened 16 new gyms in 2025, funded from free cash flow. The gyms are predominantly in urban residential areas and Greater London.

### WHAT WE DELIVER

- We provide a market-leading, high value, low cost gym experience to drive growth in our membership base.
- We have significant advantages from our scale-efficient model: optimising operations, technology, brand and marketing.
- We are accelerating new gym openings funded from free cash flow, and with scale, driving strong financial returns to enable reinvestment and drive further growth.

### HOW WE DELIVER



### HOW WE DRIVE GROWTH

By taking a data-driven and tech-enabled approach to growth, and leveraging the benefits of scale, our strategy is to grow sustainably from free cash flow and deliver strong returns for shareholders.

The framework of our Next Chapter growth plan is three components – firstly to 'Strengthen the Core' of our business to increase returns from the existing estate. This funds the second part of the plan to 'Accelerate Rollout of Quality Sites', in turn creating optionality to thirdly 'Broaden our Growth' as we develop our proposition into new channels, new adjacencies and/or new markets.



Sustained growth from free cash flow

Overview

## INTRODUCTION TO OUR BUSINESS CONTINUED

# HOW WE CREATE VALUE FOR OUR STAKEHOLDERS

We create long term sustainable value for all our stakeholders. A successful working relationship with our stakeholders is key to our operating model.

### EMPLOYEES

Our employees are the driving force behind our purpose and growth. We are a people-first business and consider our unique team and culture to be a vital part of our strategy.

# 9/10

Employee engagement score maintained

(2024: 9/10)

Top

# 5%

ranking in consumer services businesses for overall engagement<sup>1</sup>

### MEMBERS

Satisfied members are what makes our gyms successful, and they inspire us every day with their achievements. They are the best indicator that we are delivering on our purpose of breaking down barriers to fitness for all.

High levels of member engagement and satisfaction sustained

# 94%

of members rating The Gym Group 4 or 5 out of 5 for overall satisfaction

### MEMBER PROPOSITION



**Market-leading**  
low price membership



**High quality**  
gym equipment and exercise facilities



**Friendly, helpful staff**  
and access to personal trainers



**24/7**  
access and unlimited training



**Free**  
Group exercise classes



**No**  
contract



**Convenient locations**  
55% of UK population live within 15 minutes' drive of at least one of our gyms



**Flexible membership options**  
with Ultimate, Standard, Off-peak, Student and Saver



**Highly rated app**  
Average rating 4.6/5

<sup>1</sup> Based on companies included in the Peakon benchmark. Peakon is software developed by Workday that is designed to gather, analyse and improve employee sentiment.

<sup>2</sup> Return on Invested Capital of Mature Gym Sites. See **page 143** for definition.

## INVESTORS

Our investors provide capital for growth, whilst providing challenge and feedback on our business model and plans for the future.

**27%** ↑

Improving Return on Invested Capital<sup>2</sup>

(2024: 25%)

**5.3p** ↑

Strong growth in Adjusted Fully Diluted EPS

(2024: 2.9p)

## COMMUNITIES

Being a valuable part of the communities in which we operate is hugely important to us. Providing safe and affordable facilities to exercise creates Social Value for the communities around our gyms.

**260** ↑

High quality gyms affording access to 55% of the UK population

**£1bn** ↑

Social Value<sup>1</sup> delivered in 2025

<sup>1</sup> Social Value is a measure of the value we are creating through regular exercise in the communities in which we operate. It is derived using a model created by Sheffield Hallam University and used extensively by Sport England, local authorities and the UK Government.

## ENVIRONMENT

We are committed to finding new opportunities to improve our environmental performance, including on our pathway to net zero carbon emissions. Sustainability has always been at the core of our business.



First fitness operator globally to have net zero targets validated by SBTi



See the Sustainability Report on pages 30 to 37 for more information.

# LEADING TO SUSTAINABLE LONG TERM GROWTH

Other stakeholders include lending banks, suppliers and Government and regulators. More information on our work during the year with these stakeholder groups can be found in the Section 172 Statement on pages 64 to 66.



Strategic Report

## CHAIR OF THE BOARD'S STATEMENT



# STRATEGY DELIVERING

“Our Next Chapter growth plan provides a robust platform to maximise the growth potential of the expanding gym market.”

**John Treharne** | Chair of the Board

**The Next Chapter growth plan is delivering results that support reinvestment as well as capital returns.**

### Market Environment Remains Supportive For Growth

UK gym penetration reached new peaks in 2025, and there is plenty of further headroom given penetration levels in other developed markets. Gen Z, for whom fitness is a way of life, is driving demand. As more people pursue managed weight loss, the role of gyms in improving strength, muscle mass and overall health will be a key driver of future growth. The Group is well placed to benefit. See the Market Review on **pages 10 to 11** for more details.

### Strategy Delivering Positive Member Satisfaction

Our Next Chapter Growth Plan is underpinned by measures to drive like-for-like growth and enhance the perceived value of our proposition. At the core of our strategy is delivering an excellent in-gym member experience at low cost.

An important development over the past year has been the evolution of our gym format with a fresh, compelling design for new sites, which is also being retro-fitted in existing sites as part of our refurbishment cycle. In my regular visits to our gyms, I can see how well our members and our fitness teams are responding to this new look. Our Facilities teams continue to do a brilliant job which supports continuing strength in customer satisfaction and visit frequency. See Progress Against the Next Chapter Growth Plan on **pages 14 to 19** for more details.

### Accelerating Self-Funded Growth

The strong performance of new sites, as well as sustained like-for-like revenue growth, drove an excellent uplift in 2025 profits, ahead of market expectations. We opened 16 sites in 2025, a step-up from the 12 opened in 2024, and plan a further acceleration to at least 20 sites in the coming year.

We will increase investment in the next phase of the plan: completing our current IT programme, stepping up refits and accelerating openings over the next three years. We now expect to open around 75 high quality sites in that period, funded through free cash flow, and targeting the significant white space opportunity.

### Strong Cash Flow Supports Capital Return

This disciplined, self-funded approach to growth has enabled the Board to agree to return capital to shareholders, while maintaining financial flexibility. Consistent with the Group's capital allocation policy, surplus financing capacity has supported a share buyback programme of up to £10m, which is expected to be completed by the end of 2026.

### Sustainability Embedded in our Strategy

Sustainability is integral to our purpose of breaking down barriers to fitness. Regular exercise delivers clear physical and mental benefits, and our Social Value measure reached record levels in 2025 as visit frequency increased.

We continue to lead in ESG: we secured a second Gold RoSPA award for health and safety, retained IIP Gold accreditation for Wellbeing and achieved Disability Confident Leader certification. Our partnership with NHS Charities Together remains important for our teams; we raised £144,500 for the charity in 2025. See the Sustainability Report on **pages 30 to 37** for more details.

### Experienced Team Delivering Results

In May 2025, we welcomed Tamsin Todd as a Non-Executive Director. Tamsin brings extensive consumer and technology experience and serves on the Audit and Risk, Remuneration, Nomination and Sustainability Committees.

I thank our leadership team and all colleagues for their commitment and performance in 2025. With a compelling proposition, a self-funded growth plan and strong leadership, the Board is confident the Group is well positioned to deliver sustainable growth.

**John Treharne**  
Chair of the Board

11 March 2026

## CHIEF EXECUTIVE'S REVIEW



# MOMENTUM CONTINUING

“This has been another year of strong progress for the Group, exceeding both our own and the market’s expectations. Our Next Chapter growth plan is delivering, and we see significant opportunities ahead in a market with structural growth tailwinds. The resulting momentum has produced a strong profit outturn in 2025 and we have made a good start to 2026. These results are a testament to the hard work of our expert teams, who are committed to delivering for our members and our investors.”

**Will Orr** | Chief Executive Officer

**The Gym Group leadership team is focused on delivering sustained growth. A winning high value, low cost proposition, delivered by an advantaged business model, in a health and fitness market with structural growth tailwinds, means we are well positioned to build on our progress to date.**

The second year of our Next Chapter growth plan has resulted in further strong growth in all of our key financial metrics. Group Adjusted EBITDA Less Normalised Rent increased 19% to £56.7m and Free Cash Flow was up 10% to £38.3m, £33.9m of which we reinvested in expansionary capital expenditure to generate further growth.

### Next Chapter Recap

Our Next Chapter growth plan is focused on delivering sustained growth from free cash flow in the highly robust market for health and fitness, within which the high value, low cost gym sector is showing particularly strong growth.

The first strategic priority of this growth plan is always to ‘Strengthen the Core’ of our existing business, driving like-for-like growth to increase returns from the mature estate and deliver our medium term target of 30% ROIC in our mature sites. ‘Strengthen the Core’ includes pricing and revenue management, cost-effective member acquisition and improving member retention.

The second part of the plan is to ‘Accelerate Rollout of Quality Sites’. From our original target of opening 50 high quality, high returning sites over three years, we have upgraded our expansion plan to c.75 sites over the next three years.

We will continue to target a hurdle rate of 30% ROIC and fund this programme from free cash flow.

The third part of the plan is to ‘Broaden our Growth’, which involves using our surplus cash flow to invest for growth in new channels, new agencies and/or new markets. We have now rolled out a partnership with leading corporate wellness platform, Wellhub, after a successful trial, giving us access to an incremental source of demand via major corporate employers. We continue to explore new opportunities to drive future growth.

Further details on the Next Chapter growth plan can be found on **pages 12 to 13**.

### Improving our Already Winning Format

Health and fitness is increasingly prioritised by Gen Z, who rank this category as first or second priority for their discretionary spend according to our Gen Z Fitness Pulse Report. This cohort formed 44% of our average members in 2025 and, according to our report, 73% of them exercise at least twice a week. Our 24/7, high value, conveniently located gyms meet their needs at an average headline rate in December 2025 for a Standard membership of just £25.64.

As at the end of February 2026, we have 999,000 members, up 8% since last year end. The proportion of members visiting 4+ times per month has increased by 150bps. This remains a core KPI as more members visiting more frequently builds habits and improves retention, leading to revenue growth as well as an increase in the Social Value<sup>1</sup> we create. In 2025, we created £1bn of Social Value, up from £962m in 2024. See the Sustainability Report on **pages 30 to 37** for more details.

<sup>1</sup> The Social Value Model created by Sheffield Hallam University focuses on member participation and the health benefits of regular exercise. It calculates the financial value resulting from reduced GP visits, enhanced life satisfaction, personal development and the growth of social and community connections.

Strategic Report

**CHIEF EXECUTIVE'S REVIEW** CONTINUED

Customer satisfaction measures show that our proposition continues to deliver for our members. Our value for money score has been maintained at 7.9 and the Simon-Kucher Price/Value map, which plots the perceived value we provide relative to the price members pay, continues to show that our members value our proposition more highly than the price they pay.

We have made significant progress in driving value perception and will make further strides in 2026 as we open more new sites in our elevated, more premium design format, which is receiving very positive customer feedback. By the end of 2025, 37 gyms were trading in this format which includes the 16 new sites opened in the year, as well as a number of existing sites which were retrofitted with key elements of the design funded from our maintenance capital expenditure budget.

**Investing in Data and Technology**

As well as investing in our gyms, we have stepped up investment in our major technology and data platforms to support our proposition. In 2025, we commenced a programme to replace and upgrade our member management and payment systems. This introduces a new set of market-leading business and member capabilities, accelerating the pace of innovation and creating a step change in operational performance, scalability and efficiency when it comes to delivering tech-enabled strategic initiatives. For example, the new systems will enable us to implement innovations such as a member referral programme and new member retention strategies, and improve payment failure rates.

This is a phased programme over 2025 and 2026, using tested technology, and we expect these developments to support the already strong progress we are seeing from the Next Chapter growth plan.

**Strengthening the Core Drives Mature Site ROIC**

We delivered a key measure of success for the 'Strengthen the Core' programme in FY24, by achieving our original target of a four-point ROIC improvement in mature sites well ahead of time. Accordingly, we increased our medium term target to 30% ROIC and are on track to deliver this. In FY25, Mature Site ROIC was 27%; (30% excluding the 13 workforce-dependent gyms<sup>1</sup>); this compares with 25% in FY24 and 21% in FY23.

Our aim was to deliver like-for-like growth ahead of cost inflation, driving yield whilst maintaining like-for-like volume.

Yield improvements are driven by higher headline rates for new members, repricing of the existing member base and more cost-effective promotional activity. Our average headline price for a Standard membership in December 2025 was £25.64, up 4% year on year, and we also grew average revenue per member per month ('ARPM') 4% to £21.60.

The headline price gap with key competitors has remained broadly constant while that gap versus the mid-market has continued to widen, as our advantaged business model has enabled us to mitigate site cost pressures.

Across our revenue management and customer acquisition activity, we deploy comprehensive data analysis and rigorous AB testing. This enables us to optimise the pricing opportunity, whilst minimising the natural volume attrition that arises from competition. The maturing of our off-peak pricing proposition has helped to support member retention and, together with other initiatives around member engagement and rejoiner activity, we have seen further progress in average member tenure in 2025. Like-for-like membership volumes have remained stable year on year.

Further details on our progress in 2025 can be found in Progress Against the Next Chapter Growth Plan on **pages 14 to 19**.

**Accelerating 3 Year Rollout from 50 to c.75 Sites**

Our Next Chapter growth plan targets an accelerating rollout of high quality sites, delivering 30% ROIC and funded from free cash flow. Our analysis confirms that significant white space opportunity exists within the UK as the gym market continues to grow and our stronger site returns open up more potential locations for The Gym Group.

We opened 16 new gyms in 2025, at the top end of our guidance of 14-16 openings, with a busy opening programme in December, ahead of the January trading peak. The Run Rate EBITDA Less Normalised Rent of all sites open at 31 December 2025 is expected to be c.£65m when all sites reach maturity.

In 2025, we developed and refined the new elevated site format, building on our existing format strengths and establishing a fresh, compelling, contemporary design. This has been applied to all new gyms and a scalable, cost-effective model has been developed for refurbishing the existing estate within our existing maintenance capital expenditure budgets.



Our site design activity operates in tandem with ongoing cost efficiency projects to refine the operating model, optimise energy usage and innovate on build cost management. We are also incorporating smart value engineering, such as utilising the exposed shell of the gym and darker paintwork which requires less frequent maintenance. These enhancements further underpin our confidence that new sites will continue to deliver average ROIC of c.30%, in line with our plan.

As well as enhanced site design, we have continued to refine the approach to launching our new gyms. This is resulting in a more rapid ramping up of member volumes, so that these sites could potentially mature more rapidly than previous openings.

In 2026, we expect to open at least 20 new sites and have confirmed our intention to accelerate our expansion plan to c.75 sites over the coming three years, maintaining our hurdle rate of 30% ROIC. We have a strong site pipeline, and although we expect openings to continue to be back-end weighted, we will aim to smooth the opening schedule as much as possible. We expect a good proportion of new sites will open in the Greater London area, where returns remain very attractive, but also see opportunities nationwide to expand into new trade areas. We are also testing new formats that can work in different types of location, such as a smaller format gym in Hendon; a large 20,000 sq ft 'destination' gym in Norwich; and a smaller catchment location in Midsomer Norton.

Alongside our new sites, we will roll out further the refurbishment of our existing sites, prioritising those sites where data analysis has identified the most headroom opportunity on membership. We will use these refurbishments as an opportunity to 're-market' these locations, maximising the local opportunity.

We expect to have at least 70 sites operating in the new format by the end of 2026 and the programme of expansion and investment will continue to be funded from free cash flow.

Further details of our rollout activity in 2025 can be found in Progress Against the Next Chapter Growth Plan on **pages 14 to 19**.

### **Broadening our Growth via New Channel**

With headroom on both mature site performance and accelerating site rollout, most of our focus has been in those two parts of the Next Chapter growth plan. We have, however, continued to assess a number of options to broaden our medium term sources of growth.

One area we have begun to develop is new channels, with the aim of reaching incremental sources of customer demand.

The Gym Group already has a number of corporate partners, providing high value, low cost gym access to their employees, and is growing this revenue stream.

To accelerate this, we piloted a partnership with Wellhub, a B2B2C health and fitness channel accessing more than 1.5 million employees across 400+ UK employers. The pilot initially involved 190 of our gyms and demonstrated clear evidence of incremental demand, so has now been rolled out across the estate.

We will continue to assess opportunities for further growth in new channels, new adjacencies and/or new markets.

### **Summary and Outlook**

The Gym Group has a winning high value, low cost proposition with an advantaged business model, that is well placed to thrive in the growing health and fitness market. We have a clear strategy and our Next Chapter growth plan is delivering excellent progress in profitability. We have achieved our targeted returns on mature sites well ahead of our expectations and our new sites are performing strongly. The strong trading performance continues to provide confidence that the Group's business model and strategy is delivering, which has encouraged us to accelerate our three year site opening programme.

There remain multiple further opportunities to drive growth within our mature estate through yield and revenue management, customer acquisition and retention. Together with initiatives to support volume through new channels and targeting headroom opportunity in refurbished sites, this activity should allow us to deliver like-for-like revenue growth that will offset inflationary cost pressures. Our accelerated expansion programme and reinvestment in mature sites, as well as our technology platforms, will continue to be funded from free cash flow.

In light of these strong results and outlook for the Group, the Board determined, in January 2026, that there was surplus financing capacity and therefore authorised a share buyback of up to £10m, to be completed by the year end. This is consistent with our capital allocation policy.

The momentum has continued into 2026, with trading in the first two months of the new financial year continuing to be strong. FY26 Group Adjusted EBITDA Less Normalised Rent is expected to be at the top end of the analysts' forecast range<sup>1</sup>. Further details on the FY26 financial guidance can be found in the Financial Review.

Finally, we would not have delivered these excellent results without the efforts of our fantastic team. I am delighted to work with a group of committed, expert people who have worked hard to deliver a great performance in 2025, and a strong start to 2026.

**Will Orr**  
Chief Executive Officer

11 March 2026

<sup>1</sup> Current Company-compiled analysts' forecast range is £59.6m to £60.7m. Consensus forecasts are published on The Gym Group corporate website and may be found at [www.tggplc.com](http://www.tggplc.com).

Strategic Report

MARKET REVIEW

ROBUST AND GROWING

UK GYM MARKET

UK demand for gyms continued to grow strongly, with overall gym penetration reaching a new high. Our position as a leading operator in the low cost gym segment provides a strong platform to capture growth from structural tailwinds.

Consumer Demand

The UK macro consumer environment has somewhat stabilised compared to previous years, with easing inflationary pressure supporting some minor improvements in real household incomes and consumer sentiment. However, overall demand and confidence remain suppressed, reflecting the impact of higher interest rates and uncertainty over economic growth and labour market resilience. Discretionary spending has remained subdued, with households continuing to prioritise essentials.

Despite these challenges, health and fitness demand remains robust. Consumers continue to view exercise as an essential, and this has supported resilient demand for gym membership. Overall UK gym market penetration (% of population with a gym membership) has increased from 15.9% in 2024 to 16.6% in 2025. Value for money remains a critical factor in consumer decision-making – an area where The Gym Group is in a leading position.

As a leading UK low cost, nationwide, 24/7 gym operator, with an average headline rate of a Standard membership of £25.64 in December 2025, The Gym Group is well positioned to attract and retain members. This includes those trading down from premium and mid-market gyms, as well as first-time gym-goers drawn by affordability, accessibility and growing health awareness.

16.6% ↑

UK Gym Market Penetration<sup>1</sup>

(2024: 15.9%)

Growing UK Gym Market

The health and fitness market in the UK has shown structural growth for over a decade and continued to grow in 2025, reaching a market size of £6.5bn and an estimated 11.3 million gym members (c. 16.6% of the population). This is a continuation of a consistent long run growth trend, with market size growing by 4.1% CAGR 2012-25, and members growing by 3.1% CAGR across the same period.

A significant proportion of that growth has been driven by low cost gyms, which account for 15.2% of the market value (up from 1.7% in 2012) and 28.4% of the membership (up from 4.1% in 2012), according to data from State of the UK Fitness Industry Report 2025 published by Leisure DB.

In this trading environment, the benefit of economies of scale, competitive pricing and a highly cost-efficient operating model enabled us to strengthen our position further as a market leader with 16 new sites opened in 2025.

£6.5bn ↑

Total UK Gym Market Size<sup>1</sup>

4.1% CAGR 2012-25

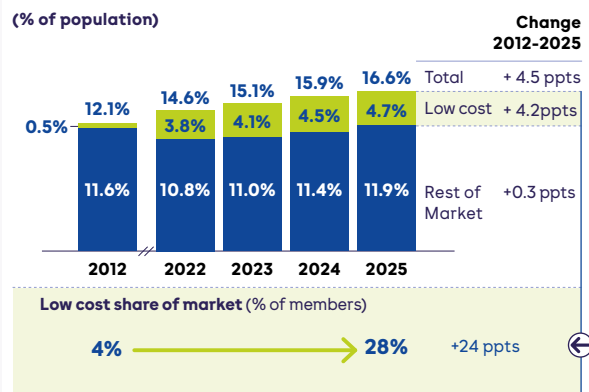
11.3m ↑

Total UK Gym Members<sup>1</sup>

3.1% CAGR 2012-25

Gym Penetration<sup>1,2</sup>

(% of population)



1 Source: Leisure DB State of the UK Fitness Industry reports – as of 31 March each year.

2 Adjusted low cost sector: 2025 numbers as reported by Leisure DB. 2024 removes Coach Gym, easyGym, Foundry Gym, Lifestyle Fitness, Revolution Fitness, Vitality Health & Fitness; 2023 removes these operators plus GymFit4Less and I-Motion Gym; 2022 removes these operators plus énergie Fitness, TruGym and ActiveFitness; 2012 removes easyGym, Fitness4Less, Lifestyle Fitness and TruGym.

CONTINUED TREND

## Importance of Gen Z

Gen Z continues to be a key driver of growth for our business. In 2025, they accounted for 44% of The Gym Group's average members, compared to only 19% of the UK population. This generation has high and growing fitness engagement, and they prioritise fitness and mental health within their discretionary spending. Strength training is key for them, and the gym has become a place to socialise and build connections.

This high level of engagement and spend is driving positive tailwinds for the gym industry, particularly for high value, low cost gyms, and supports our view that there is significant growth potential in the UK market. Our new site designs have been created with Gen Z in mind, giving a more 'on-trend' look and feel, and providing shared spaces for socialising and hero zones for social media content.

Sources: The Gym Group's Gen Z Fitness Pulse Report 2025 and The Gym Group internal data.

NEW TREND

## Increasing Usage of GLP-1 Medications

Over 2 million people in the UK were estimated to be using GLP-1 weight loss medications during 2025. A survey conducted in January 2026 showed that 39% of personal trainers working in our gyms are currently working with at least one client using GLP-1s, up from 24% in June 2025. This trend is likely to continue, as current barriers to adoption (NHS capacity, supply shortages and high prices) are expected to ease in coming years.

Clinical studies show that GLP-1 users achieve a 15% weight loss over 12 months<sup>2</sup>, though a significant proportion of weight lost is lean body mass, which can have negative implications for long term health. Clinical guidance therefore recommends resistance training and higher protein intake to preserve muscle and bone mass both during and after medication cycles. As GLP-1 adoption increases, demand for strength training is expected to rise, supporting gym participation. In the US, where uptake is more advanced, gym membership and usage have continued to grow, with 30% of GLP-1 users increasing their spend on exercise, according to a PwC study<sup>3</sup>.

# 2 million

People in the UK were estimated to be using GLP-1<sup>1</sup> medications during 2025

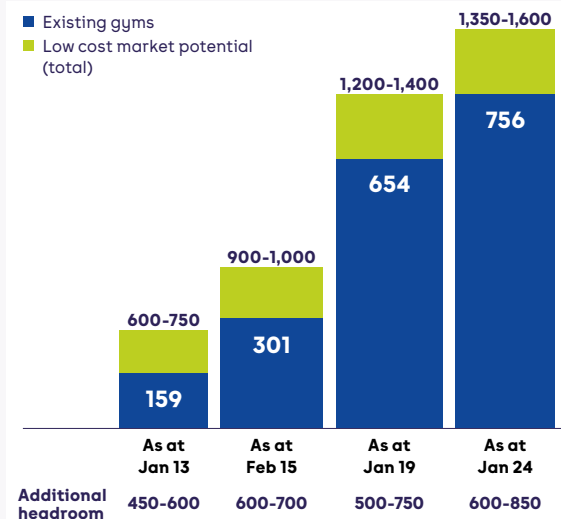
- 1 IQVIA (Healthcare analytics).
- 2 GLP-1 medications and muscle mass preservation – Implications and recommendations for the health and fitness sector – UK Active Research Institute and Les Mills.
- 3 From molecules to milestones: reinventing for the future of weight loss drugs – PwC.

## Site Headroom Potential

A PwC market study published in February 2024, assessed the current total market capacity for low cost gyms to be between 1,350 and 1,600 gyms, suggesting additional growth potential in the market of 600-850 gyms.

This headroom assessment highlights the continued expansion potential of the low cost market driven by a combination of increased consumer demand, expansion in the wider health and fitness market and low cost gyms entering smaller catchment areas. At recent rates of site expansion by all low cost gym operators, the analysis suggests there is scope for a decade or more of further growth.

### Total Low Cost Market Potential



Source: PwC market study, February 2024.

## In Summary

High value, low cost fitness is a winning proposition in the growing part of a growing market. With this strong foundation in place, we are executing a clear Next Chapter growth plan to grow revenues, membership and quality new sites, with significant white space opportunity in the UK. We will take a disciplined, data-driven and returns focused approach to this growth, to grow sustainably for the benefit of shareholders.

Strategic Report

# NEXT CHAPTER GROWTH PLAN

## Strategic Priorities



### Data-driven and tech-enabled

**Our investment case is to deliver sustained growth from free cash flow in the robust and growing health and fitness market; and the Next Chapter growth plan is how we are delivering this.**

This growth plan has three strategic priorities, the first of which is to 'Strengthen the Core' of our business: driving like-for-like growth to increase returns from the existing estate and generating cash flow to fund the second priority 'Accelerate Rollout of Quality Sites'. The combination of mature and new site cash generation creates optionality for the third strategic priority which is to 'Broaden our Growth' into new channels, new adjacencies and/or new markets. All of this is underpinned by data-driven decision-making utilising our technology platforms.

#### The Next Chapter Growth Plan aims to Create Significant Value for Shareholders

Our initiatives under 'Strengthen the Core' have delivered strong like-for-like revenue growth to date – underpinned by both membership and yield increases. This growth is expected to offset like-for-like cost increases which, combined with tight control of Central Support Office costs, will drive sustained profit and cash generation, including sustaining maintenance capital expenditure at c.6% of revenue. Profit growth and free cash flow generation will support and fund the disciplined opening of c.75 new sites over the next three years.

#### Strengthen the Core

Under our plan to 'Strengthen the Core', we identified a number of growth drivers that are delivering increased returns in our existing estate and underpin the attractive returns we continue to drive from our new sites.

The key initiatives under this plan fall into three categories:

- Pricing and Revenue Management;
- Member Acquisition; and
- Member Retention.

Each of these categories are driving like-for-like growth in our mature estate, delivering a strong improvement in returns in both 2024 and 2025. Further information about the initiatives under each of these categories and the progress we have made in 2025 is set out on **pages 14 to 16**.

#### Accelerate Rollout of Quality Sites

Our market is continuing to enjoy structural growth and is benefiting from tailwinds such as the higher importance placed by Gen Z on health and fitness and the increasing prevalence of weight loss treatments (GLP-1s). The Market Review section on **pages 10 to 11** highlights some of these factors.

As part of the Next Chapter growth plan, we originally set out a three year plan to open 50 sites funded from free cash flow delivering ROIC of 30%. In January 2026, we confirmed our intention to accelerate this programme to add c.75 sites over the coming three years. We intend to continue testing sites both slightly smaller and slightly larger than our typical footprint of 10-15k sq ft, maintaining our disciplined site selection to deliver our target 30% returns. Further information about the progress we have made in 2025 is set out on **pages 17 to 18**.

### Broaden our Growth

The successful execution of the first two components of the Next Chapter growth plan will create further options to 'Broaden our Growth'. We have initiated a new channel, via our partnership with Wellhub, a leading corporate wellness platform, which gives us access to a significant cohort of incremental new members.

We continue to make a strategic assessment of medium term growth options which may include:

- further developments to our existing proposition;
- format innovation;
- alternative channels to market; and
- introducing new adjacent revenue streams to complement our existing business.

Further information about the progress we have made in 2025 is set out on **page 19**.



### The principal risks relating to the Next Chapter growth plan are as follows:

Principal Risk	Description	Controls and Mitigations	Strategic Link
<b>Operational Gearing</b>   Risk Direction vs Prior Year	Ongoing estate expansion increases fixed commitments through new site leases. This limits the actions available to offset any shortfall in membership performance.	<ul style="list-style-type: none"> <li>• Financial Planning and Modelling</li> <li>• Trading Management and Oversight</li> <li>• Group and Site-level Performance Monitoring</li> <li>• Cost and Cash Management</li> </ul>	<b>Strengthen the Core</b>  <b>Accelerate Rollout of Quality Sites</b>
<b>Trading Environment</b>   Risk Direction vs Prior Year	Ongoing economic and geopolitical uncertainty, alongside pressure on consumer finances, may affect members' ability or willingness to maintain a gym membership and influence overall demand.	<ul style="list-style-type: none"> <li>• Financial Planning and Modelling</li> <li>• Trading Management and Oversight</li> <li>• Cost and Cash Management</li> <li>• Competitive Pricing Position and Competition Monitoring</li> </ul>	<b>Strengthen the Core</b>  <b>Accelerate Rollout of Quality Sites</b>
<b>IT Dependency</b>   Risk Direction vs Prior Year <sup>1</sup>	Our ability to enrol and support members, process payments, deliver online marketing and manage gym access is reliant on the availability and performance of our IT systems.	<ul style="list-style-type: none"> <li>• Specialist Hosting and Infrastructure</li> <li>• Data Back-ups and Resilience</li> <li>• Disaster Recovery and Business Continuity Plans</li> <li>• Platform Capacity and Performance Testing</li> </ul>	<b>Strengthen the Core</b>  <b>Accelerate Rollout of Quality Sites</b>  <b>Broaden our Growth</b>

 See Managing Risk on **pages 42 to 52** for more information.

<sup>1</sup> The Board believes that this risk has increased as a result of the work we are currently undertaking to replace and upgrade our member management and payment systems. This project is expected to complete in 2026, at which time we expect the IT Dependency risk to start to trend back downwards.

Strategic Report

## PROGRESS AGAINST THE NEXT CHAPTER GROWTH PLAN

# STRENGTHEN THE CORE

We aim to drive like-for-like growth in our mature estate through the levers of our Strengthen the Core programme, which include Pricing and Revenue Management; improved Member Acquisition; and driving Member Retention. To date this has delivered a strong improvement in the returns from our mature sites. We achieved our mid term target ROIC of 25% in year one of the plan, from a base of 21%, and have delivered further progress in 2025 to 27% on like-for-like revenue growth of 3%.



## PRICING AND REVENUE MANAGEMENT

- Data-driven pricing strategy and promotional activity drove increased yield but maintained value positioning vs low cost peers.
- Value gap to mid-market widening (now c.60%) as labour-light model supports cost advantage.
- ARPMM up 4%, with Value for Money perception maintained at 7.9 and continued strength in customer satisfaction.
- Off-peak now maturing at c.14% of mix, in line with expectations – makes pricing accessible and protects volume whilst optimising pricing on our Standard and Ultimate memberships.

Like-for-like revenue growth<sup>1</sup>

**+3%** ↑

<sup>1</sup> Based on all sites open as at 31 December 2022.

### DE-RISK DECISION-MAKING THROUGH ANALYTICS AND AB TESTING

#### New Member Pricing

Continued to increase new member prices while remaining cheaper than competition in competing sites

#### Promotional Optimisation

Test and innovate to optimise ROI of promotions and target site level activity

#### Three-Tier Pricing Management

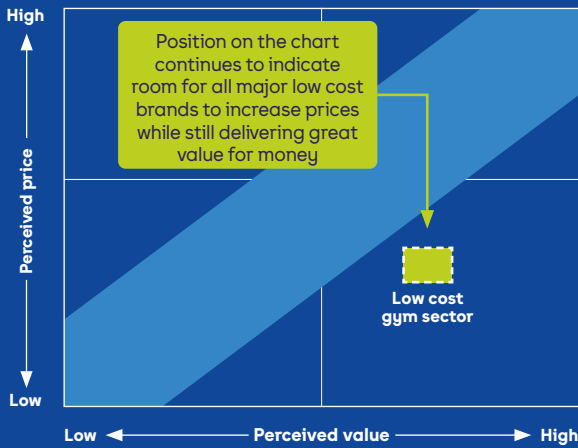
Revenue optimisation focus across price architecture, growth in Saver/Pay upfront options

#### Pricing Innovation

+27% ARPMM from members buying new Guest Pass and Multi-Site add-ons

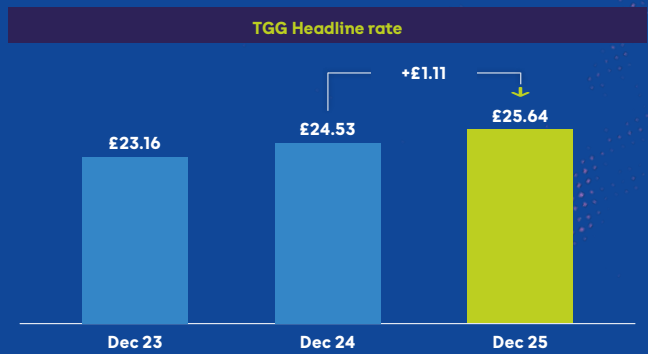
## CONTINUED OPPORTUNITY TO PRICE AHEAD OF INFLATION

Simon-Kucher Price/Value Map (Latest View Aug 2025)



Source: Simon-Kucher Pricing Surveys, July-August 2023, 2024 & 2025.

## VALUE FOR MONEY SCORES MAINTAINED IN 2025, DESPITE INCREASING PRICES



**7.9**  
Value for money score maintained<sup>1</sup>

<sup>1</sup> Simon-Kucher, 2025 customer survey (updated August 2025).

## MEMBER ACQUISITION

Across our customer acquisition activity we deploy comprehensive data analysis and rigorous AB testing to improve the returns on our marketing investment. We are focusing on improving conversion rates and driving lifetime value to maximise the revenue opportunity. Activity to date has delivered improved brand awareness within a three mile radius of each of our gyms and further improvement in our web conversion rates.

**+5% ↑**

web traffic conversion rate vs 2024



### STRENGTHENING OUR BRAND

Several changes to improve appeal and memorability ...



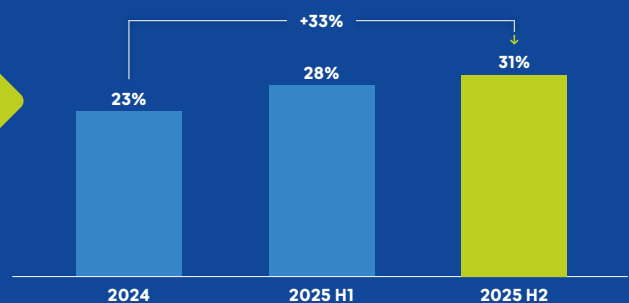
- More distinctive tone of voice
- Modernised visual identity
- Updated digital assets
- New gym design
- Increasing memorability

### GROWTH IN BRAND AWARENESS

... helping to grow brand awareness

Unprompted awareness near our gyms<sup>2</sup>

18-44 target audience within 3 miles of a The Gym Group gym



<sup>2</sup> YouGov Data. % All survey respondents age 18-44 within 3m of a TGG gym (calculated by TGG). Data not collected monthly.

Strategic Report

**PROGRESS AGAINST THE NEXT CHAPTER GROWTH PLAN** CONTINUED

# STRENGTHEN THE CORE

CONTINUED

## MEMBER RETENTION

The nature of our no contract membership means that relatively high rates of churn are built into our model; a significant proportion of new members are rejoiners. Much of our focus has been on early life engagement with new members to build a fitness habit. We have also begun to identify further opportunities through Customer Relationship Management ('CRM') and development of our well-used app to re-engage existing and former members. Our average member tenure has increased to c.18 months.

Average member tenure

**c.18** months 

### Retention Progress through the Member Life Cycle

- Driving early life habits
- In-gym focus on new joiner experience
- Winning back rejoiners
- Longer term membership options (Savers and pay upfront)

### DRIVING REVENUE AND ENGAGEMENT THROUGH THE APP

- Improved lapsed member rejoin journey
- Enhanced add-ons and upgrades channel
- Upgraded digital workout area
- Better personal dashboard driving visits
- More personalised onboarding journey

**+10%**   
increase in active users



### Sustainability in Action: Kickstarting the Journey to Health and Fitness

Our Kickstart sessions were rebranded to increase uptake of introductory sessions and support long term member retention. These free, 30 minute, one-to-one consultations connect new members with a fitness expert during their first visits, helping them feel confident from day one.

Each session offers personalised guidance on equipment use, workout optimisation and individual goals, removing barriers that can make the gym feel intimidating. Since the rebrand, Kickstart bookings have increased by 9%, allowing teams to provide more hands-on support and improving long term retention.

As one member shared:

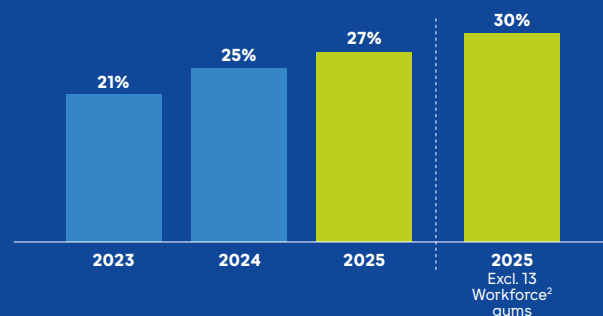
**"When I joined The Gym Group, a trainer offered me a Kickstart session. I had no previous gym experience, and the Kickstart really helped me. With her support, I went from confused to confident in the gym."**

Emily | The Gym Group Carlisle

The activity under our **Strengthen the Core** programme has delivered like-for-like revenue growth and a step change in the returns we achieve on our mature gyms.

### ROIC IN MATURE SITES 2023-25<sup>1</sup>

EBITDA LNR as percentage of initial invested capital



<sup>1</sup> Refer to Definition of Non-Statutory Measures on **page 143**.

<sup>2</sup> Sites with a workforce index of more than 120 (workforce population/residential adult population \*100), without car parking or a significant student population. Estate consists of 202 organic mature gyms, 30 acquired gyms, 28 maturing gyms.

# ACCELERATE ROLLOUT OF QUALITY SITES

Increased rollout target from

# 50 → c.75

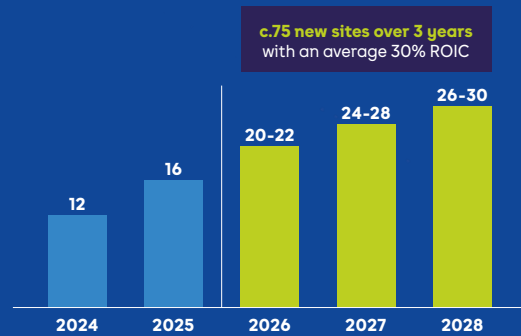
sites over next three years.

We have stepped up openings over the period of the Next Chapter growth plan.

We opened 12 new gyms in 2024 and a further 16 in 2025. We plan to open at least 20 new gyms in 2026 and have increased our target over the coming three years to c.75 new gyms.

We intend to maintain our hurdle rate at 30% ROIC and continue to fund this expansion from free cash flow.

## NEW SITE TARGETS BY YEAR



## ELEVATING OUR SITE EXPERIENCE

Developed with five core principles:

- Build on current strengths and drivers of high customer satisfaction.
- Evolved look & feel for GenZ; more 'on trend' and premium.
- Evolved kit mix for latest trends (e.g. strength training, booty builder).
- Shared spaces for socialising and hero zones for social media content.
- Smart cost engineering to reduce costs and improve returns.

All new sites in 2025 reflect this enhanced design and have delivered membership growth well ahead of historic growth curves.

Additionally, within our established refurbishment programme we have retrofitted a number of sites with the new design: in total 37 refurbished and new sites were trading in this format by December 2025. We are targeting at least 70 sites to be operating in the new format by the end of December 2026.



Swiss Cottage Gym



Sheffield Heeley Gym



Loughborough Junction Gym



Norwich Street Briar Gym

Strategic Report

PROGRESS AGAINST THE NEXT CHAPTER GROWTH PLAN CONTINUED

# ACCELERATE ROLLOUT OF QUALITY SITES

CONTINUED

## MANAGING THE COST OF NEW AND REFURBISHED SITE DESIGN

We have continued cost efficiency projects to refine the operating model, optimise energy usage and innovate on build cost management. We are also incorporating smart value engineering, such as utilising the exposed shell of the gym and darker paintwork which requires less frequent maintenance.

Sites for refurbishment will be prioritised on the basis of new headroom analysis per gym which identifies locations where member volumes appear to be below the potential opportunity. Our site refurbishments are expected to be contained within our ongoing maintenance programme, with capital expenditure continuing at c.6% of revenue.



Nottingham City Gym

## COST EFFICIENCY PROJECTS

We continue to drive cost efficiency projects, enhancing new site returns as well as improving the performance of mature sites. These include refining the operating model, optimising energy usage and innovating in-build cost management.



Newcastle East Gym before



Newcastle East Gym after

## Maintenance Capital Expenditure

# c.6%

of revenue

## Sustainability In Action: Circular Economy – Recycling and Refurbishing

We have been exploring a range of initiatives designed to further extend the life span of our equipment and maintain condition in a sustainable and efficient way. Central to this is the new 'smart' process for on-site repairs and part replacements, where donor components are refurbished off site and then installed with minimal disruption on site. This circular approach reduces waste, limits environmental impact and avoids unnecessary gym closures by keeping equipment in service longer. It also creates a continuous cycle of refurbished parts across the existing estate. We have plans to expand this approach in 2026.

Fraser Kennedy | Equipment Development Manager

# BROADEN OUR GROWTH

With headroom on both mature site performance and accelerating site rollout, most of our focus has been in the first two parts of the Next Chapter growth plan. In the meantime, we have continued to assess a number of options to broaden out our medium term sources of growth.

## NEW CHANNEL: WELLHUB

Leading corporate wellness platform, Wellhub, connects employees across its UK client base providing access to The Gym Group's locations as part of their workplace wellness benefits. Wellhub has over 400 corporate clients in the UK, including major retail and financial services brands, with a reach of more than 1.5 million employees. After testing the Wellhub proposition in 190 sites, and confirming incremental demand in line with our expectation, it has now been rolled out across the estate.



**We are actively examining further partnerships to drive additional demand, for example in the areas of nutrition and/or weight loss management.**

**We will continue to investigate adjacent opportunities for further growth in new channels and formats; new products and services; and potential new markets.**



## DATA-DRIVEN AND TECH-ENABLED

### IT INVESTMENT PROGRAMME

In 2025, we commenced a programme of investment in our major technology and data platforms. This is focused on introducing a new set of market-leading business and member capabilities, accelerating the pace of innovation and creating a step change in operational performance, scalability and efficiency. We will be introducing new member management and payment capabilities, and the implementation has been staged over 2025 and 2026 to minimise any risks as we transition to new systems. We expect these developments to accelerate the already strong progress we are seeing from the Next Chapter Growth Plan.

Strategic Report

## KEY PERFORMANCE INDICATORS

# ANOTHER YEAR OF STRONG PROGRESS

We use a number of non-financial and financial KPIs to measure our performance over time. We select KPIs that demonstrate the operational and financial performance underpinning our strategic goals.

### NON-FINANCIAL

#### Total Number of Gyms

**+15 sites**

2025	260
2024	245
2023	233
2022	229
2021	202

#### Definition

Number of gyms open at the end of the year.

#### Link to strategic goals

Accelerate Rollout of Quality Sites

#### 2025 performance

We opened 16 new gyms during 2025 and closed one, taking the total number of gyms at 31 December 2025 to 260. We continue to focus our opening programme on Greater London and urban residential areas where we have historically seen the best returns.

#### Total Number of Members ('000)

**+4%**

2025	923
2024	891
2023	850
2022	821
2021	718

#### Definition

Total gym memberships at the end of the year.

#### Link to strategic goals

Strengthen the Core – Member Acquisition  
Strengthen the Core – Member Retention  
Accelerate Rollout of Quality Sites

#### 2025 performance

We closed the year with 923,000 members, an increase of 4% year on year. The increase reflects the full year impact of sites opened in 2024 as well as the incremental volume from new sites opened in 2025. See the Financial Review on pages 22 to 29 for further details.

#### Average Revenue per Member per Month ('ARPM') £<sup>1</sup>

**+4%**

2025	21.60
2024	20.81
2023	19.50
2022	17.82
2021	17.60

#### Definition

Revenue divided by the average number of members divided by the number of months in the period.

#### Link to strategic goals

Strengthen the Core – Pricing and Revenue Management

#### 2025 performance

ARPM increased by 4% in 2025, driven by an increase in the average headline price of a Standard membership of £1.11 as well as some selective repricing of the membership base. See the Financial Review on pages 22 to 29 for further details.

#### Members that Visit 4+ Times in a Month (%)<sup>2</sup>

**+150bps**

2025	54.6%
2024	53.1%
2023	52.2%
2022	48.8%
2021	35.3%

#### Definition

The percentage of total members that have visited the gym four or more times in a month calculated as a rolling 12 month average. See footnote 2 below for more details.

#### Link to strategic goals

Strengthen the Core – Member Retention

#### 2025 performance

The percentage of members visiting the gym 4+ times per month has increased again in 2025, demonstrating that members continue to get significant value from their gym membership. Research shows that people who visit the gyms 4+ times per month are also more likely to continue their membership and gain significant health benefits from it which, in turn, drives increased Social Value. See the Sustainability Report on pages 30 to 37 for further details.

#### Employee Engagement Score<sup>3</sup>

**Maintained**

2025	9.0
2024	9.0
2023	8.5
2022	8.4
2021	7.6

#### Definition

A measure of how committed and enthusiastic employees are about their work and the organisation.

We use four engagement categories (Engagement, Belief, Loyalty, Satisfaction) to calculate a score on a 0-10 scale, and all responses are averaged out to give a score out of 10.

#### Link to strategic goals

Strengthen the Core  
Accelerate Rollout of Quality Sites  
Broaden our Growth

#### 2025 performance

In 2025, we maintained our employee engagement score at 9 out of 10, with an 88% completion rate. As a result, we continue to rank in the top 5% of the Peakon benchmark within the consumer services businesses for overall engagement.

## FINANCIAL

### Revenue £m

**+8%**

2025	244.9
2024	226.3
2023	204.0
2022	172.9
2021	106.0

#### Definition

Revenue is generated from membership fees, non-refundable joining fees, rental income from personal trainers and other ancillary services, including the sale of goods through vending machines, advertising through the use of media screens and the sale of day memberships.

#### Link to strategic goals

Strengthen the Core – Pricing and Revenue Management  
Strengthen the Core – Member Acquisition  
Strengthen the Core – Member Retention  
Accelerate Rollout of Quality Sites

#### 2025 performance

Revenue for the year increased by 8%, with average members up 4% to 945,000 (2024: 906,000) and ARPMM up 4% (see Non-financial KPIs). Like-for-like revenue grew 3% year on year.

### Group Adjusted EBITDA Less Normalised Rent £m

**+19%**

2025	56.7
2024	47.7
2023	38.5
2022	38.0
2021	5.7

#### Definition

Operating Profit before depreciation, amortisation, long term employee incentive costs and non-underlying items, and after deducting Normalised Rent. Normalised Rent is the contractual rent payable, recognised in the monthly period to which it relates.

See [page 25](#) for a reconciliation to Operating Profit.

#### Link to strategic goals

Strengthen the Core – Pricing and Revenue Management  
Strengthen the Core – Member Acquisition  
Strengthen the Core – Member Retention  
Accelerate Rollout of Quality Sites

#### 2025 performance

Group Adjusted EBITDA Less Normalised Rent increased by 19% in the year as a result of continued strong trading performance and tight control of operating costs.

### Free Cash Flow £m<sup>4</sup>

**+10%**

2025	38.3
2024	34.9
2023	25.7
2022	15.1
2021	1.1

#### Definition

Group Adjusted EBITDA Less Normalised Rent and movement in working capital, less maintenance capital expenditure, cash non-underlying items, bank and non-property lease interest and tax.

See Note 24 to the consolidated financial statements for a reconciliation to Net Cash Inflow From Operating Activities.

#### Link to strategic goals

Strengthen the Core – Pricing and Revenue Management  
Strengthen the Core – Member Acquisition  
Strengthen the Core – Member Retention  
Accelerate Rollout of Quality Sites

#### 2025 performance

Free Cash Flow increased by 10% to £38.3m, reflecting the strong trading performance.

### Adjusted Leverage x

**Improved by 0.25x**

2025	1.04x
2024	1.29x
2023	1.72x
2022	2.0x
2021	7.74x

#### Definition

Non-Property Net Debt as a proportion of Group Adjusted EBITDA Less Normalised Rent.

Non-Property Net Debt is defined as bank and non-property lease debt less cash and cash equivalents and is the leverage measure used in the Group's banking covenants.

#### Link to strategic goals

Strengthen the Core – Pricing and Revenue Management  
Strengthen the Core – Member Acquisition  
Strengthen the Core – Member Retention  
Accelerate Rollout of Quality Sites

#### 2025 performance

Adjusted Leverage fell again in 2025, reflecting the improved trading performance and disciplined site rollout.

### Return on Invested Capital ('ROIC') (%)<sup>1</sup>

**+200bps**

2025	27%
2024	25%
2023	21%
2022	22%
2021	20%

#### Definition

Group Adjusted EBITDA Less Normalised Rent contributed by mature sites, divided by total capital initially invested in the mature sites (after capital contributions and rent free amounts). Mature sites are defined as those sites that have been open for 24 months or more at the period end and exclude acquisition sites.

See [page 142](#) for the number of mature sites and Group Adjusted EBITDA Less Normalised Rent contributed by mature sites.

#### Link to strategic goals

Strengthen the Core – Pricing and Revenue Management  
Strengthen the Core – Member Acquisition  
Strengthen the Core – Member Retention  
Accelerate Rollout of Quality Sites

#### 2025 performance

ROIC contributed by mature sites increased by 200bps in the year as a result of continued strong delivery against the 'Strengthen the Core' element of our Next Chapter growth plan.

- In order to provide better year on year comparability for ARPMM and ROIC, the figure presented for 2021 has been adjusted to exclude the impact of UK Government-enforced closure periods as a result of the Covid-19 pandemic.
- The figures for 4+ visits for 2024 and earlier have been restated to include like-for-like sites only and to exclude Saver members, members on freeze and members who have joined in a gym's pre-opening period to ensure comparability across periods. Further adjustments and restatements may occur in 2026 as we continue to refine this KPI.
- In 2023, we changed the way we measure employee engagement. We partnered with Peakon, an engagement specialist, and adopted a more accurate and comprehensive approach using a 0-10 scale rating system, moving away from a percentage score. Due to the change in methodology, a precise comparison to 2022 and 2021 cannot be made. These are therefore included for indicative purposes only.
- Free Cash Flow for 2024 and earlier has been restated to reallocate a proportion of Technology and Data spend from Expansionary capital expenditure to Maintenance capital expenditure to bring it into line with the presentation of Technology and Data spend in 2025.



See the Financial Review on [pages 22 to 29](#) for further details.

Strategic Report  
**FINANCIAL REVIEW**



# A YEAR OF STRONG PERFORMANCE

“We have built on last year’s momentum, delivering another year of strong performance with further progress across all of our key financial measures.”

**Luke Tait** | Chief Financial Officer

## Presentation of Results

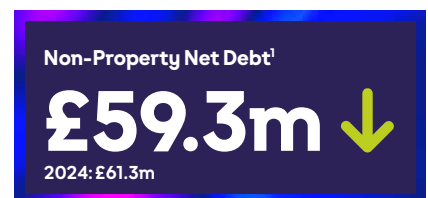
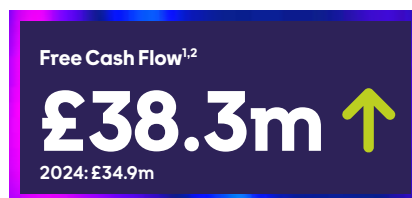
This Financial Review uses a combination of statutory and non-statutory measures to discuss performance in the year. The definitions of the non-statutory key performance indicators can be found in the ‘Definition of Non-Statutory Measures’ section on **page 143**.

To assist stakeholders in understanding the financial performance of the Group, aid comparability between years and provide a clearer link between the Financial Review and the Consolidated Financial Statements, we have adopted a three-column format for presenting the Consolidated Statement of Comprehensive Income in which we separately disclose underlying trading and non-underlying items.

Non-underlying items are income or expenses that are material by their size and/or nature and are not considered to be incurred in the normal course of business. They are classified as non-underlying items on the face of the Consolidated Statement of Comprehensive Income within their relevant category. Further information about what has been included in non-underlying items can be found in Note 8 to the Consolidated Financial Statements.

## Summary Financial Information<sup>1</sup>

	Year ended 31 December 2025	Year ended 31 December 2024	Movement
Total Number of Gyms at Year End	<b>260</b>	245	+6%
Total Number of Members at Year End ('000)	<b>923</b>	891	+4%
Revenue (£m)	<b>244.9</b>	226.3	+8%
Group Adjusted EBITDA (£m)	<b>98.9</b>	87.3	+13%
Group Adjusted EBITDA Less Normalised Rent (£m)	<b>56.7</b>	47.7	+19%
Adjusted Profit before Tax (£m)	<b>10.6</b>	3.6	+194%
Statutory Profit before Tax (£m)	<b>7.4</b>	2.5	+196%
Statutory Profit after Tax (£m)	<b>7.4</b>	4.4	+68%
Net Cash Inflow from Operating Activities (£m)	<b>102.3</b>	95.1	+8%
Free Cash Flow <sup>2</sup> (£m)	<b>38.3</b>	34.9	+10%
Non-Property Net Debt (£m) (as at year end)	<b>(59.3)</b>	(61.3)	Reduced by £2.0m
Adjusted Leverage	<b>1.0</b>	1.3	Down by 0.3x
Return on Invested Capital ('ROIC') on Mature Sites	<b>27%</b>	25%	+2 ppts



<sup>1</sup> Non-statutory measures are defined in the ‘Definition of Non-Statutory Measures’ section on **page 143**.

<sup>2</sup> Free Cash Flow for FY24 has been restated to reallocate £2.6m of Technology and Data spend from Expansionary capital expenditure to Maintenance capital expenditure to bring it into line with the presentation of Technology and Data spend in FY25.

## Results for the Year

	Year ended 31 December 2025			Year ended 31 December 2024		
	Underlying result £m	Non-underlying items (Note 8) £m	Total £m	Underlying result £m	Non-underlying items (Note 8) £m	Total £m
Revenue	244.9	-	244.9	226.3	-	226.3
Cost of sales	(2.9)	-	(2.9)	(2.9)	-	(2.9)
<b>Gross profit</b>	<b>242.0</b>	<b>-</b>	<b>242.0</b>	223.4	-	223.4
Other income	-	-	-	0.1	-	0.1
Operating expenses (before depreciation, amortisation and impairment)	(148.6)	(2.1)	(150.7)	(139.6)	(0.4)	(140.0)
Depreciation, amortisation and impairment	(62.4)	(0.9)	(63.3)	(60.1)	(0.5)	(60.6)
<b>Operating profit</b>	<b>31.0</b>	<b>(3.0)</b>	<b>28.0</b>	23.8	(0.9)	22.9
Finance costs	(20.9)	(0.2)	(21.1)	(20.7)	(0.2)	(20.9)
Finance income	0.5	-	0.5	0.5	-	0.5
<b>Profit before tax</b>	<b>10.6</b>	<b>(3.2)</b>	<b>7.4</b>	3.6	(1.1)	2.5
Tax (charge)/credit	(0.7)	0.7	-	1.8	0.1	1.9
<b>Profit for the year attributable to equity shareholders</b>	<b>9.9</b>	<b>(2.5)</b>	<b>7.4</b>	5.4	(1.0)	4.4
<b>Earnings per share (p)</b>						
Basic	5.6		4.2	3.0		2.5
Diluted	5.3		4.0	2.9		2.4

### Revenue

Trading in 2025 remained strong, demonstrating the continued resilience of the low cost gym model. Revenue increased by 8% to £244.9m (2024: £226.3m), reflecting 4% higher average membership numbers throughout the year and a 4% increase in yield.

The average membership number in the year was 945,000 compared with 906,000 in the prior year; and we closed the year with 923,000 members which was up 4% on 31 December 2024.

The average headline price of a Standard membership increased to £25.64 in December 2025 compared with £24.53 in December 2024, as a result of higher joining fees and price increases for new members and selective repricing of the base membership.

As a result, average revenue per member per month ('ARPM') in 2025 was up 4% to £21.60 compared with £20.81 in 2024. The proportion of members taking our premium membership was 29% in December 2025 compared with 30% in December 2024.

Like-for-like revenue (based on all sites open as at 31 December 2022) increased by 3% year on year.

### Cost of Sales

Cost of sales, which includes the costs associated with the generation of ancillary income as well as call centre costs and payment processing costs, were in line with the prior year at £2.9m (2024: £2.9m).

Strategic Report

**FINANCIAL REVIEW** CONTINUED

**Underlying Operating Expenses (before Depreciation, Amortisation and Impairment)**

Underlying operating expenses (before depreciation, amortisation and impairment) are made up as follows:

	Year ended 31 December 2025 £m	Year ended 31 December 2024 £m
Site costs before Normalised Rent	115.4	109.7
Site Normalised Rent	42.0	39.2
<b>Site costs including Normalised Rent</b>	<b>157.4</b>	148.9
Central Support Office costs	27.7	26.5
Central Support Office Normalised Rent	0.2	0.4
<b>Central Support Office costs including Normalised Rent</b>	<b>27.9</b>	26.9
Share based payments	5.5	3.4
	<b>190.8</b>	179.2
Less: Normalised Rent	<b>(42.2)</b>	(39.6)
<b>Underlying operating expenses (before depreciation, amortisation and impairment)</b>	<b>148.6</b>	139.6

**Site Costs Including Normalised Rent**

In 2025, site costs including Normalised Rent increased by 6% to £157.4m (2024: £148.9m). Excluding the impact of new sites opened in FY24 and FY25, site costs increased by 1%.

The fixed costs associated with running the sites (predominantly business rates and service charges) increased by £3.1m year on year reflecting the larger estate and increased Uniform Business Rates ('UBRs'), as well as lower refunds from historic business rates challenges.

Controllable site costs increased by £2.6m year on year, reflecting the larger estate, higher National Living Wage and National Insurance costs (impacting both staff costs and cleaning) and a 44% increase in electricity non-commodity rates in the last quarter. These increases were partially offset by the normalisation of electricity commodity prices and cost optimisation across a number of cost lines, most notably marketing, energy efficiency, and repairs and maintenance.

Site Normalised Rent, which is defined as the contractual rent payable, recognised in the monthly period to which it relates, increased by £2.8m in the year, reflecting the larger estate size and rent reviews in the mature estate.

### Central Support Office Costs Including Normalised Rent

Central Support Office costs excluding Normalised Rent increased in the year by £1.2m to £27.7m (2024: £26.5m), reflecting inflationary pay increases and higher fixed costs (building rates and service charges) associated with the new head office. However, Central Normalised Rent decreased to £0.2m (2024: £0.4m) as a result of a rent free period on the new head office.

### Share Based Payments

The charge for share based payments (including related employer's national insurance) in the year amounted to £5.5m (2024: £3.4m), reflecting continued strong trading performance and share price growth. In addition, the prior year charge was lower due to delays in granting awards under the 2024 schemes.

In January 2024, the Group established an Employee Benefit Trust ('EBT') to purchase shares in order to minimise dilution associated with the share based payments. During the year, the EBT purchased 1,433,184 shares at a cost of £2.0m (2024: 2,834,928 shares at a cost of £3.5m).

### Underlying Depreciation and Amortisation

Underlying depreciation and amortisation charges in the year amounted to £62.4m (2024: £60.1m), made up of £24.4m (2024: £24.6m) on property, plant and equipment, £31.3m (2024: £29.4m) on right-of-use assets, and £6.7m (2024: £6.1m) on intangible assets. The increases year on year reflect the larger estate and the continued investment in technology, partly offset by the impact of the revision of the useful economic life of certain gym and other equipment from 1 January 2025 (see Notes to the Financial Statements on **page 110** for further details).

### Group Adjusted EBITDA Less Normalised Rent

The Group's key profit metric is Group Adjusted EBITDA Less Normalised Rent as the Directors believe that this measure best reflects the underlying profitability of the business. Group Adjusted EBITDA Less Normalised Rent is reconciled to Operating Profit as follows:

	Year ended 31 December 2025 £m	Year ended 31 December 2024 £m
<b>Operating Profit</b>	<b>28.0</b>	22.9
Non-underlying operating items (see <b>page 26</b> )	<b>3.0</b>	0.9
Share based payments	<b>5.5</b>	3.4
Underlying depreciation and amortisation	<b>62.4</b>	60.1
<b>Group Adjusted EBITDA</b>	<b>98.9</b>	87.3
Normalised Rent <sup>1</sup>	<b>(42.2)</b>	(39.6)
<b>Group Adjusted EBITDA Less Normalised Rent</b>	<b>56.7</b>	47.7

Group Adjusted EBITDA Less Normalised Rent was 19% ahead of the prior year at £56.7m (2024: £47.7m), as the strong trading and increased revenue continued to be supported by tight control of operating costs. This in turn drove a two percentage point increase in the Return on Invested Capital ('ROIC') of mature sites, increasing from 25% in FY24 to 27% in FY25 (30% after excluding 13 workforce-dependent gyms<sup>2</sup>).

### Underlying Finance Costs

Underlying finance costs increased in the year by £0.2m to £20.9m (2024: £20.7m). The finance costs associated with our bank borrowings (comprising interest payable and fee amortisation less capitalised interest) decreased by £0.7m to £4.5m (2024: £5.2m), reflecting the lower average net debt throughout the year and lower interest rates. The weighted average interest rate applicable to the Group's bank borrowings during 2025 was 7.1% (2024: 8.2%).

The implied interest relating to the lease liabilities was £16.4m (2024: £15.5m) as the impact of additional property leases due to the increased estate was partially offset by a reduction in non-property leases.

<sup>1</sup> Normalised Rent is the contractual rent payable, recognised in the monthly period to which it relates.

<sup>2</sup> Sites with a workforce index of more than 120 (workforce population/residential adult population \*100), without car parking or a significant student population.

Strategic Report  
**FINANCIAL REVIEW** CONTINUED

**Non-Underlying Items**

Non-underlying items are costs or income which the Directors believe, due to their size or nature, are not the result of normal operating performance. They are therefore separately disclosed on the face of the Consolidated Statement of Comprehensive Income to allow a more comparable view of underlying trading performance.

	Year ended 31 December 2025 £m	Year ended 31 December 2024 £m
<b>Affecting operating expenses (before depreciation, amortisation and impairment)</b>		
Costs of major strategic projects and investments	2.1	0.2
Restructuring and reorganisation costs (including site closures)	–	0.2
	<b>2.1</b>	0.4
<b>Affecting depreciation, amortisation and impairment</b>		
Impairment of property, plant and equipment, right-of-use assets and intangible assets	0.8	0.4
Amortisation of business combination intangible assets	0.1	0.1
	<b>0.9</b>	0.5
<b>Affecting finance costs</b>		
Refinancing costs and remeasurement of borrowings	0.2	0.2
	<b>0.2</b>	0.2
<b>Total all non-underlying items before tax</b>	<b>3.2</b>	1.1
Tax on non-underlying items	<b>(0.7)</b>	(0.1)
<b>Total non-underlying charge in the Consolidated Statement of Comprehensive Income</b>	<b>2.5</b>	1.0

Non-underlying items affecting operating expenses (before depreciation, amortisation and impairment) increased in the year to £2.1m (2024: £0.4m). The £2.1m reflects the non-capitalisable costs (including £1.1m of employee costs) incurred to date on the implementation of the new member management and payment systems to replace legacy technology and introduce market-leading business and member capabilities to further accelerate delivery of our strategic initiatives.

Non-underlying costs affecting depreciation, amortisation and impairment in the year amounted to £0.9m (2024: £0.5m), of which £0.8m (2024: £0.4m) relates to the partial impairment of four sites (2024: one site). The remaining £0.1m (2024: £0.1m) relates to the amortisation of business combination intangibles acquired as part of the Lifestyle, easyGym and Fitness First acquisitions.

Non-underlying items affecting finance costs amounted to £0.2m (2024: £0.2m) and relates to the remeasurement of the Revolving Credit Facility ("RCF") and Term Loan as a result of the amendment and extension of the Group's banking facilities.

## Taxation

The tax charge for the year was £nil (2024: credit of £1.9m).

Net deferred tax assets recognised at 31 December 2025 amounted to £18.2m (31 December 2024: £18.2m). Deferred tax assets are recognised in respect of those tax losses and other temporary differences only to the extent it is considered probable that the assets will be recoverable. This involves an assessment of when those assets are likely to be recovered, and a judgement as to whether or not there will be sufficient taxable profits available to offset the assets.

A deferred tax asset of £13.6m (2024: £12.1m) has been recognised in respect of trading losses. The trading losses were incurred as a result of the Covid-19 pandemic and the subsequent cost-of-living crisis, together with the introduction in March 2021 of the temporary enhanced capital allowances regime (the 'super-deduction tax break').

Losses for which no deferred tax asset has been recognised amount to £5.2m (2024: £16.1m), resulting in an unrecognised deferred tax asset of £1.3m (2024: £4.0m) using a 25% tax rate. There is no time limit for utilising trade losses in the UK. We expect the deferred tax assets to start to unwind in 2026.

## Earnings

As a result of the factors discussed above, the statutory profit before tax was £7.4m (2024: £2.5m) and the statutory profit after tax was £7.4m (2024: £4.4m).

Adjusted profit before tax is calculated by taking the statutory profit before tax and adding back the non-underlying items. Adjusted profit before tax in 2025 was £10.6m (2024: £3.6m). Adjusted profit after tax was £9.9m (2024: £5.4m).

The basic and diluted earnings per share was 4.2p and 4.0p respectively (2024: 2.5p and 2.4p), and the adjusted basic and diluted earnings per share was 5.6p and 5.3p respectively (2024: 3.0p and 2.9p).

## Cash Flow

	Year ended 31 December 2025 £m	Year ended 31 December 2024 <sup>1</sup> £m
<b>Group Adjusted EBITDA Less Normalised Rent</b>	<b>56.7</b>	47.7
Movement in working capital	<b>5.3</b>	8.7
Maintenance capital expenditure	<b>(17.3)</b>	(14.8)
<b>Free cash flow before non-underlying items, interest and tax</b>	<b>44.7</b>	41.6
Non-underlying items	<b>(1.8)</b>	(0.9)
Net interest paid	<b>(4.6)</b>	(5.8)
Taxation	<b>-</b>	-
<b>Free cash flow<sup>2</sup></b>	<b>38.3</b>	34.9
Expansionary capital expenditure	<b>(33.9)</b>	(25.2)
Refinancing fees	<b>(0.3)</b>	(0.8)
Purchase of own shares by EBT	<b>(2.0)</b>	(3.5)
Net cost of share schemes settlement	<b>(0.1)</b>	(0.3)
<b>Cash flow before movement in debt</b>	<b>2.0</b>	5.1
Net decrease in non-property lease indebtedness	<b>(3.0)</b>	(5.6)
Net drawdown of borrowings	<b>1.0</b>	2.0
<b>Net cash flow</b>	<b>-</b>	1.5

Free cash flow generated in the year was £38.3m (2024: £34.9m). The increase year on year is due to the strong trading performance which resulted in £9.0m additional EBITDA Less Normalised Rent. This was partly offset by a return to more normal levels of working capital inflow. Maintenance capital expenditure also increased in the year by £2.5m to £17.3m, reflecting the larger estate as well as expenditure on kit enhancements and refurbishments in a number of gyms.

Expansionary capital expenditure in the year amounted to £33.9m (2024: £25.2m) and relates to the fit-out of the 16 new gyms we opened as well as continued investment in technology and data, including the new member management and payment capabilities which are expected to go live in 2026.

1 Free Cash Flow for FY24 has been restated to reallocate £2.6m of Technology and Data spend from Expansionary capital expenditure to Maintenance capital expenditure to bring it into line with the presentation of Technology and Data spend in FY25.

2 A reconciliation of Net Cash Inflow from Operating Activities to Free Cash Flow has been included in Note 24 to the Consolidated Financial Statements.

Strategic Report  
**FINANCIAL REVIEW** CONTINUED

**Balance Sheet and Net Debt**

	Year ended 31 December 2025 £m	Year ended 31 December 2024 £m
Non-current assets	<b>602.4</b>	573.1
Current assets	<b>13.5</b>	12.5
Current liabilities	<b>(88.9)</b>	(77.6)
Net current liabilities	<b>(75.4)</b>	(65.1)
Non-current liabilities	<b>(385.3)</b>	(376.4)
<b>Net assets</b>	<b>141.7</b>	131.6
<b>Net debt</b>	<b>(59.3)</b>	(61.3)

At 31 December 2025, non-current assets increased by £29.3m as a result of higher property, plant and equipment and right-of-use assets predominantly due to the new gyms. Intangible assets also increased as a result of the investments made to date in the new member management and payment capabilities.

Net current liabilities at 31 December 2025 increased by £10.3m, reflecting higher capital expenditure payables at year end due to opening seven gyms in December.

Non-current liabilities increased by £8.9m, as the recognition of lease liabilities in relation to new sites more than offset payments made in relation to existing leases.

As at 31 December 2025, the Group had Non-Property Net Debt of £59.3m (31 December 2024: £61.3m) comprising drawn facilities of £62.0m and non-property leases of £0.3m, less cash of £3.0m. The Directors believe that this measure of net debt best reflects the financial health of the business. In addition, it is a key constituent of the Adjusted Leverage covenant included in the Group's banking agreement. At 31 December 2025, Adjusted Leverage was 1.0 times (December 2024: 1.3 times), significantly below the banking covenant threshold of 3.0 times; and Fixed Charge Cover was 2.1 times (December 2024: 1.9 times).

**Banking Facilities**

On 12 June 2025, the Group agreed a one year extension to the existing bank facilities as well as an increase in the available RCF facility of £12m. As a result, the Group now has in place a combined £102m facility, consisting of £45m of Term Loan and £57m of RCF, which is due to mature in June 2028.

Funds borrowed under the facility continue to bear interest at a minimum annual rate of 2.75% above the Sterling Overnight Index Average ("SONIA"); and undrawn funds under the RCF continue to bear interest at a minimum annual rate of 1.1%.

The facilities agreement also continues to be subject to quarterly financial covenant tests on Adjusted Leverage and Fixed Charge Cover (both terms defined in the 'Definition of Non-Statutory Measures' section on **page 143**). Adjusted Leverage must not exceed 3.0 times and the Fixed Charge Cover must be greater than 1.5 times.

Terms permit the distribution of surplus cash flow to shareholders.

**Capital Allocation Policy**

We continue to deliver against our capital allocation policy which prioritises investment in capital expenditure to enhance and maintain the condition of the estate, with enhancements prioritised by commercial returns. This is followed by investing free cash flow in organic new site growth, whilst maintaining Adjusted Leverage below 2.0 times. We then retain the option to return excess capital to shareholders.

The Directors are not proposing a dividend for the current year. However, in January 2026, having established that sufficient distributable reserves existed, the Board determined that there was surplus financing capacity and, in line with our capital allocation policy, commenced a share buyback programme of up to £10m. The programme is expected to be completed by the end of 2026 and will allow for sustained purchasing over a number of months, with execution guided by a disciplined, strategic framework in order to maximise returns.

## Going Concern

The Board has reviewed the financial plan and downside scenarios of the Group and has a reasonable expectation that the Group has adequate resources to continue in operational existence for the period to 30 June 2027. As a result, the Directors continue to adopt the going concern basis in preparing the Consolidated Financial Statements. In making this assessment, consideration has been given to the current and future expected trading performance; the Group's current and forecast liquidity position; and the mitigating actions that can be deployed in the event of reasonable downside scenarios. Further detail is provided in Note 2 to the Consolidated Financial Statements.

## Current Trading and Outlook

Trading in the first two months of the new financial year has remained strong. Revenue after two months has grown by 9% year on year, reflecting a 4% increase in average members and a 5% increase in ARPMM. Like-for-like revenue for the two months was up 3%, driven largely by price increases implemented in 2025 and early 2026. Membership at the end of February 2026 was 999,000, up 8% versus the end of 2025.

In 2026, we expect to incur £60-65m in capital expenditure to fund the opening of at least 20 new sites as well as the continued refurbishment of our mature estate, with all costs continuing to be financed from free cash flow. The investment in the member management and payment capabilities will also continue in 2026. We have also confirmed our intention to accelerate our expansion plan to c.75 sites over the coming three years, maintaining our hurdle rate of 30% ROIC.

We expect like-for-like revenue in 2026 to increase by c.3% and like-for-like site costs to increase by 3-4%, whilst Central Support Office costs as a % of revenue are expected to fall below 11%. The like-for-like site cost increases reflect the annualisation of higher employment costs and the increased Uniform Business Rates ('UBRs') and electricity non-commodity rates in the second half of 2025. As a result, we expect cost inflation in the first half of 2026 to be higher than in the second half. FY26 Group Adjusted EBITDA Less Normalised Rent is expected to be at the top end of the analysts' forecast range<sup>1</sup>.

### Luke Tait

Chief Financial Officer

11 March 2026

<sup>1</sup> Current Company-compiled analysts' forecast range is £59.6m to £60.7m. Consensus forecasts are published on The Gym Group corporate website and may be found at [www.tggplc.com](http://www.tggplc.com).

Strategic Report

# SUSTAINABILITY REPORT

**Our mission is rooted in a clear purpose: to break down barriers to fitness by making it more accessible, inclusive and sustainable. In 2025, this purpose continued to guide how we support our members, invest in our people and manage our environmental impact, while building a resilient business for the future.**



Our sustainability strategy is built around supporting healthy people, healthy communities and a healthy planet. Its five pillars, shaped by our materiality assessment and embedded within our strategic framework, focus our efforts on the most significant environmental, social and governance impacts and align with stakeholder priorities.

This report, developed with reference to GRI Standards, outlines our progress and challenges during the year and highlights our priorities for 2026.

Good health and wellbeing remain at the heart of our strategy. Regular movement delivers powerful physical, mental and social benefits, and this year we continued to enhance how we support members in building consistent exercise habits. Sustained participation continues to generate meaningful Social Value, with member activity contributing to a year on year increase in Social Value of 4%.

At the same time, we continued to raise standards across our estate. We are proud to have secured our second consecutive RoSPA Gold Award and to have maintained ISO 45001 accreditation, reflecting the strong emphasis we place on safety, innovation and effective collaboration with regulators.

Creating good jobs and clear pathways into fitness careers is equally central to our impact.

During the year, we expanded training and development programmes to support entry, progression and careers in the sector. We narrowly missed our 60% internal promotion target for operational staff and will continue working towards it next year. We are proud to have maintained high levels of employee engagement and to be placed in the top 5% of the Peakon consumer services benchmark dataset.

We also progressed our ambition to build a more equitable and inclusive organisation. In 2025, we refined how we measure and report representation, increased investment in inclusive leadership development and broadened our reverse mentoring programme. While progress across our targets is not yet where we want it to be, we anticipate to see a change in data, building on our increased investment and momentum.

Alongside our social priorities, we continued to strengthen our environmental responsibility. Despite 2025 being the warmest and sunniest year on record in the United Kingdom, we reduced our Scope 1 and 2 carbon emissions. This reduction was driven by continued investment in energy-efficient technologies, which helped limit increases in electricity consumption as well as lower UK carbon emission factors.

Data security remains critical to the resilience of our business and is supported by a robust approach to data protection, privacy and governance, alongside a 99.6% employee GDPR and cybersecurity training completion rate.

Sustainability pillars, targets and commitments	2024	2025	Progress	Key actions
<b>Good health and wellbeing</b> Increasing the percentage of members visiting our gyms 4+ times per month <sup>1</sup> Delivering at least £900m in Social Value	53.1%	54.6%	✓	<ul style="list-style-type: none"> <li>Redesigned onboarding communications to drive Kickstart bookings, with personalised journeys for new members and re-joiners</li> <li>Improved monthly member emails to increase engagement and support higher visit frequency</li> <li>Launched targeted CRM nudges to prompt relevant actions based on member goals and preferences</li> </ul>
<b>Good jobs and career opportunities</b> Supporting 500 people to gain Level 3 Personal Trainer qualification by 2027 <sup>2</sup> Achieving a minimum 60% internal promotion rate by end of 2025 amongst operational staff	£962m	£1bn	✓	
<b>Equity, diversity and inclusion</b> 45% female representation across Gym Support by 2030 35% female representation within Gym Management by 2030 40% female senior leaders by 2030 20% leaders of ethnically diverse origin by 2030	105	419	↗	<ul style="list-style-type: none"> <li>Enhanced the Accelerate PT programme to build work-ready skills and provide paid roles during training, with 15 achieving their Level 3 qualification in 2025</li> <li>Expanded The Gym Group Academy, supporting 299 Level 3 PTs this year, with 95 moving into permanent roles</li> <li>Upskilled 71 employees through Emerging Talent programmes to strengthen the management pipeline</li> </ul>
	58.1%	59.3%	✗	
	42.3%	40.1%	↘	
	27.6%	27.1%	↘	
<b>Responsibility to the environment</b> Near term targets 50% reduction in Scope 1 and 2 emissions by 2030 Reduce Scope 3 emissions per gym by 55% by 2030 Ensure 25% of suppliers by spend set science-based targets by 2028	34.2%	38.5%	↗	<ul style="list-style-type: none"> <li>Refined gender reporting and metrics, enabling greater transparency on progress</li> <li>Grew leadership skills through the delivery of Inclusive Leadership development sessions</li> <li>Broadened our reverse mentoring programme, expanding the diversity of the roles and lived experiences represented</li> </ul>
	17.9%	17.9%	—	
	-2.2%	-12.4%	↗	
	-29.3%	-32.1%	↗	<ul style="list-style-type: none"> <li>Deployed a further 106 voltage optimisation units to cut energy use</li> <li>Engaged with key suppliers on science-based targets and environmental performance</li> <li>Increased focus on retaining and repurposing key elements, in particular, shell finish and mechanical systems, and new gym fit-outs</li> </ul>
	22.2%	27.0%	↗	
<b>Data security and privacy</b> 100% GDPR and cybersecurity training completion rate	98.8%	99.6%	↗	<ul style="list-style-type: none"> <li>Created data protection hub to improve access to policies and guidance for staff</li> <li>Appointed an InfoSec Engineer leading on implementing security controls</li> </ul>

OVERVIEW

STRATEGIC REPORT

GOVERNANCE REPORT

FINANCIAL STATEMENTS

OTHER INFORMATION

Key

- ✓ Achieved
- ↗ On track
- ↘ Not on track
- ✗ Not achieved
- No change

1 The figure for 4+ visits for 2024 has been restated to include off-peak and student memberships.

2 Revised target year from 2030 to 2027 driven by strong programme uptake.

Strategic Report  
**SUSTAINABILITY REPORT** CONTINUED

# GOOD HEALTH AND WELLBEING

Link to the SDGs 

Accreditations & Affiliations 

**We believe that by helping people move more, we not only enhance resilience but also generate positive social and economic value.**

Central to this mission is our commitment to creating and maintaining safe, supportive environments where every member feels confident and empowered to pursue their wellbeing goals.

### Measuring Social Impact

We are delighted to have been able to increase the Social Value generated by our members to £1bn through higher membership and participation rates. 54.6% of members visited our gyms more than 4 times per month. Following an enhancement to the Social Value model<sup>1</sup>, we will in future be able to distinguish between the Social Value generated by our members' regular exercise within and outside our gyms, and calculate the Social Value attributable solely to in-gym activity. We will therefore rebase our reporting to reflect in-gym activity only. Using this methodology, Social Value increased by 6.5% year on year, reaching £567m in 2025.

Our partnership with NHS Charities Together drove increased fundraising, boosted member engagement through the TGG Games, and inspired an increase of over 75% in employee volunteering hours.

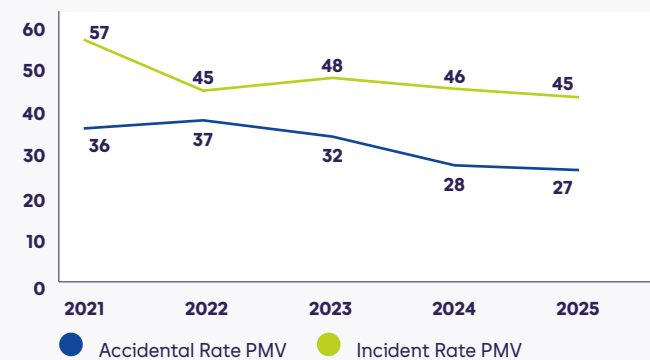
### Driving Safety and Operational Excellence at our Gyms

Protecting the health and safety of our members and teams remains a top priority and we continue to adhere to all regulatory and industry standards, holding ISO 45001 accreditation for occupational health and safety management since 2023. In 2025, we secured the prestigious RoSPA Gold Award for the second consecutive year, providing clear recognition of our commitment to delivering a safe, high quality member experience. Our industry-leading standards continue to drive improvement, with greater awareness and compliance reducing our health and safety audit failure rate from 5% in 2024 to just 2% in 2025.

We maintain a zero-tolerance approach to all forms of harassment and are committed to providing a safe, respectful and inclusive workplace for all which is underpinned by our Dignity at The Gym Group policy. Building on this foundation, we are enhancing our sexual harassment risk assessment to further strengthen our preventative measures in line with the updated Employment Rights Act 2025.

In addition, we are streamlining reporting channels to improve transparency and provide clearer insight into incidents and their severity.

### Accident and incident rates per million visits, 2021 to 2025



The 2024 incident rate was re-based due to reporting lag, with some incidents recorded after prior cut-offs.

## Sustainability in Action: First Response

When David, a long standing member of The Gym Group Huddersfield, suddenly collapsed in the free weights area, members quickly alerted employees. Jodie, General Manager, called 999 while Alex, Assistant General Manager, brought the defibrillator and began CPR immediately. The on-site defibrillator delivered two shocks before paramedics arrived.

Reflecting on the experience, Alex said,

“When David collapsed, I went into autopilot; you never know how you’re going to respond in situations like this, but I was able to lean into my first aid qualification and health and safety training which I regularly undertake with The Gym Group”. Jodie continued, “We came together as a team to take control of the situation, calling 999 and evacuating the gym to make the space as comfortable as possible for David.”

David shared, “I am incredibly grateful for Jodie and Alex’s response, which saved my life. With the team’s support, I am hoping to return to the gym in 2026.”

**Joey Franco** | Head of Health & Safety



<sup>1</sup> For further information on the social value model see [www.tggplc.com](http://www.tggplc.com).

# GOOD JOBS AND CAREER OPPORTUNITIES

Link to  
the SDGs



Accreditations  
& Affiliations



**Supporting our people into meaningful fitness careers through accessible development opportunities, clear progression pathways and high quality education remains essential to our success, enabling everyone to be their personal best.**

## Careers Into Fitness

### The Gym Group Academy

In 2024, we launched a six month pilot with two CIMSPA Enhanced Status training providers, creating a more accessible path for members to gain their Level 3 Personal Trainer qualification. Demand was strong, and the pilot quickly strengthened our Fitness Trainer pipeline.

Building on this success and supported by stronger communications with our gym members, marketing and partnerships with training providers, The Gym Group Academy continued to expand in 2025. The pilot also highlighted the value of our in-house PT Mentors, who support participants to progress more quickly through their training.

Cumulatively since launch, the Academy alone has delivered 444 registrations and supported 319 new Level 3 PTs, with 112 moving into permanent roles.

Retention has remained strong, with 94% of trainees staying in role during their first 90 days, highlighting its effectiveness in helping trainees build their personal training business. We are also seeing encouraging growth in female representation, with women accounting for 45% of registrations and 48% progressing into permanent employment in 2025, reinforcing our commitment to broadening access to meaningful careers in fitness.

### Accelerate PT

Our Accelerate PT framework continues to provide a structured pathway for job seekers entering the fitness industry. Through a Sector-Based Work Academy Programme focused on employability skills and an earn-while-you-learn model, participants receive a supported route to achieving a Level 3 qualification. In 2025, three cohorts completed the programme, with 88% achieving their qualification and 93% securing permanent roles within our gyms.

Together, these programmes continue to accelerate progress toward our commitment to support 500 people to gain a Level 3 Personal Trainer qualification by 2027.

### Building Capability

We strengthened our operational management pipelines through Emerging Talent development programmes for Assistant General Managers, Fitness Managers and Fitness Trainers, building skills including sales, stakeholder management and member service. In 2025, four cohorts with a total of 71 participants were delivered, with strong progression outcomes, including a 39% promotion rate for management graduates and 17% for Fitness Trainer delegates.

Alongside these programmes, we continued to invest in targeted development to support performance at all levels. For senior leaders, this included the introduction of Spotlight, a programme grounded in sports psychology and focused on high performance and the ability to perform under pressure. This was followed by targeted coaching to deepen inclusive leadership capability.

## Sustainability in Action: From Gym Member to Team Member

Carolanne, a member of our gym since 2018, recently successfully graduated from our TGG Academy and is now working as a Fitness Trainer at Glasgow City:

"I decided to become a personal trainer after experiencing first-hand the positive impact training had on my physical, emotional- and mental wellbeing as a member of The Gym Group.

What began as a personal journey soon grew into a passion for expanding my knowledge and helping others achieve their fitness goals and improve their quality of life.

The course was incredibly informative and further motivated me to pursue personal training as a career. I'm loving the role and feel empowered supporting others on their fitness journeys, while also building confidence in my own abilities."

**Carolanne Galea** | Glasgow City

The Gym Group Academy,  
2025 graduate



Strategic Report  
**SUSTAINABILITY REPORT** CONTINUED

# EQUITY, DIVERSITY AND INCLUSION

Link to  
the SDGs



Accreditations  
& Affiliations



**Our equity, diversity and inclusion ('EDI') priorities in 2025 focused on strengthening inclusive leadership capability and embedding equity and inclusion more deeply across our organisational culture, supporting everyone to be their personal best.**

### Advancing our Commitments

Our diversity pledges continue to strengthen visibility and accountability in our approach to gender and ethnic representation. Following a review of our gender balance pledges, we refined our reporting approach and metrics to improve transparency, better understand barriers and drive meaningful action.

We remain committed to achieving gender balance across The Gym Group, supported by our 2025 pledges to achieve the following by 2030:

- **40%** female Senior Leaders<sup>1</sup>
- **45%** female representation across Gym Support
- **35%** female representation within Gym Management

Further progress has been made with female representation in our senior leadership team increasing to 38.5% (+4.3 ppts). Representation across Fitness Trainer<sup>2</sup> roles also improved, supporting progress toward our longer term ambitions.

Our commitment to increase Black, Asian and mixed-ethnicity representation in our senior leadership to 20% by 2030 remains unchanged (17.9% in 2025).

We will continue using equal opportunities monitoring to support informed attraction, development and retention initiatives.

### Inclusion and Belonging

We strengthened our approach to inclusion by working with leaders to build inclusive leadership skills and increase awareness of our EDI commitments. In May, we launched our 2025 EDI Manifesto ([www.tggplc.com](http://www.tggplc.com)), setting out progress to date and our ambitions ahead, with inclusive leadership firmly embedded at the heart of our culture and member experience.

This year, we upskilled our Senior Leadership Team through targeted workshops covering bias, privilege and core leadership behaviours such as courage, emotional intelligence and curiosity to improve personal awareness and accountability for driving inclusion. Building on this, we launched a second cohort of reverse mentoring, exploring a wider range of diverse perspectives. Over five months, nine mentoring pairs held thought-provoking conversations that deepened understanding of lived experiences and generated meaningful insights that will help shape our 2026 EDI initiatives and ensure our actions remain relevant and people-led.

We also strengthened life-stage support policies, including enhanced Domestic Abuse and Serious Illness support, helping bridge policy gaps, identified through our annual EDI benchmarking assessment.

Whilst our targets are focused on gender and ethnicity balance, we are proud to also remove potential barriers relating to disability having received the Disability Confident Leader status in 2025.

### Pay Gap Reporting

As of April 2025, our mean gender pay gap remained at 9.4% and our mean ethnicity pay gap increased by 2ppts to 18.5%. Our median gender and ethnicity pay gaps remain at 0%.

The Gym Group's 2025 Gender and Ethnicity Pay Gap report provides full details of our pay gaps and the actions we are taking to drive progress. ([www.tggplc.com](http://www.tggplc.com)).

1 Definition of Female Senior Leaders has been amended to include Head of and above and the target has been extended to 2030.  
2 Fitness Trainers includes Fitness Instructors and Supervisors.

## Sustainability in Action: Inclusive Traineeship

"As Kevin's mum, I've seen firsthand the difference The Gym Group's Inclusive Traineeship can make. Kevin is 20 and has autism and ADHD, and opportunities like this are rare. Through his placement, he gained real experience, built confidence and developed new skills in a supportive environment.

Programmes like this help young people with challenges improve their sense of self, support their mental health, feel part of the wider community and grow their confidence. I'm grateful to The Gym Group for creating opportunities that truly include and empower people like Kevin."

Tola | Kevin's mum



# RESPONSIBILITY TO THE ENVIRONMENT

Link to the SDGs



Accreditations & Affiliations



The Gym Group is committed to responsible environmental management, ensuring that our operations, supply chain and member community contribute to a healthier planet. Improving energy efficiency and resource use across our gyms enhances the member experience and strengthens resilience to temperature-related impacts, energy price volatility and regulatory change.

See Progress Against the Next Chapter Growth Plan on pages 14 to 19.

## Our Climate Transition Plan

Our climate transition plan remains central to our environmental strategy and continues to develop in line with the Transition Plan Taskforce framework. As the first fitness operator globally with a Science Based Targets initiative ('SBTi') validated net zero target, we remain aligned with the Paris Agreement's 1.5°C pathway.

## Ambition

Our science-based net zero targets underpin our long term climate commitments and position us as leaders in driving sustainable transformation within the fitness industry.

### By 2030, we aim to:

- Cut absolute Scope 1 and 2 emissions by 50% from our 2019 baseline.
- Reduce Scope 3 emissions by 55% per gym across goods and services, capital goods, energy, transport, waste, business travel and commuting.
- Ensure 25% of suppliers by spend set science-based targets by 2028.

### By 2045, we aim to:

- Reduce absolute Scope 1 and 2 emissions by 90%.
- Reduce Scope 3 emissions by 97% per gym.

To support these goals, we focus on four commitments:

### Suppliers:

Deepen collaboration to align decarbonisation across our value chain.

### Members:

Expand opportunities for members to engage with our environmental initiatives and support our net zero goals.

### Renewable energy:

Work with our landlords to secure **100%** renewable electricity at sites where we don't manage energy procurement.

### Carbon abatement:

Develop a long term approach to remove and store the residual **10%** of carbon emissions after 2045.

## Action

During 2025, we continued to expand low carbon technologies and efficiency initiatives to support our interim milestones. While new gyms now use fully electrified hot water systems where possible, decarbonising our existing estate did not progress in 2025 due to legacy gas infrastructure and replacement cycles. Currently, 66% of our estate still relies on gas boilers (down from 73% in 2024). As technology improves and becomes more cost-effective, we expect electrification to be increasingly viable across older sites, helping us accelerate the transition.

Voltage optimisation technology was installed across a further 106 sites, with remaining suitable locations due for completion by the end of 2026. On average, Voltage Optimisation units delivered efficiencies of 7.6%, helping to manage consumption across our estate. We also began trials of additional energy-saving technologies, with decisions on wider rollout planned for 2026 and beyond.

 **106**

Further sites installed with Voltage optimisation technology



Strategic Report  
**SUSTAINABILITY REPORT** CONTINUED

**Accountability**

Transparent reporting under the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard ('GHG') remains central to our approach. We continue to disclose GHG emissions, energy and water use as well as waste generation across Scopes 1, 2 and 3. While residual emissions are offset through carbon credits purchased from Climate Impact Partners, our primary focus remains on direct emissions reduction.

The metrics and actions outlined demonstrate our unwavering commitment to transparency and accountability.

**Sustainability in Action:  
Supply Chain**

"As a long-standing cleaning and sustainability partner, ecosense supports our ambition to reach net zero by 2045 and is one of only five UK cleaning companies to hold a Silver EcoVadis rating, independently recognising strong ESG performance. The company reduces environmental impact by streamlining supply chains, standardising responsible cleaning products and progressing towards a minimal circular-waste model.

Our partnership strengthens consistency and cleaning standards in our gyms while contributing to lower carbon operations and improved environmental performance."

**Rob Taylor** | Senior Procurement Manager



**2025 Carbon Emissions**

In 2025, Scope 1 emissions fell to 1,554 tCO<sub>2</sub>e, an 8.6% reduction year on year, driven largely by a 5.4% fall in gas consumption as we retrofitted 7 sites in 2024 with Air Source Heat Pumps and continued to use Air Source Heat Pumps ('ASHP') in our new sites where possible.

Scope 2 emissions reduced by 10.8% since 2024 to 8,040 tCO<sub>2</sub>e, despite additional cooling requirements during a particularly warm Summer and continued estate growth. This reduction was primarily driven by lower UK carbon emission factors and the active management of electricity consumption through energy-efficient technologies. Under the market-based method, reflecting our 100% renewable electricity contract, emissions reduce to 1,300 tCO<sub>2</sub>e.

Scope 3 emissions increased to 25,461 tCO<sub>2</sub>e, reflecting higher capital expenditure associated with 16 new gym openings and increased investment into mature sites.

Operational carbon intensity for Scope 3 emissions stands at 98 per gym, 32% below our 2019 base year. Scopes 1, 2 and 3 are at 135 tCO<sub>2</sub>e per gym and 507 tCO<sub>2</sub>e per million visits – 35% lower than our 2019 baseline.

**Water Stewardship**

With most of our water use concentrated in showers and washrooms, we have introduced measures to optimise consumption and address high-usage sites. Remote meter reading, now in place in 63 gyms, provides real-time data for targeted intervention. Additional initiatives include recovering air-conditioning condensate for toilet flushing and the installation of low-flow shower heads.

**Waste Management**

In 2025 we generated 769 tonnes of general and mixed recycling waste, a 1.8% year on year drop despite our estate and membership growth as we reduce packaging across our operations. As a result, tonnes of waste per gym continued to fall, reflecting more efficient waste management in our sites. Our targeted support for gyms with lower recycling performance, helped accelerate our shift towards higher recycling rates and greater circularity, resulting in 51% of our waste now being recycled.

Waste	2019	2024	2025
Total Weight (in tonnes)	750	783	<b>769</b>
Average tonnes/gym	4.3	4.0	<b>3.6</b>
Recycled	Not tracked	49%	<b>51%</b>
Diverted from landfill	90%	100%	<b>100%</b>



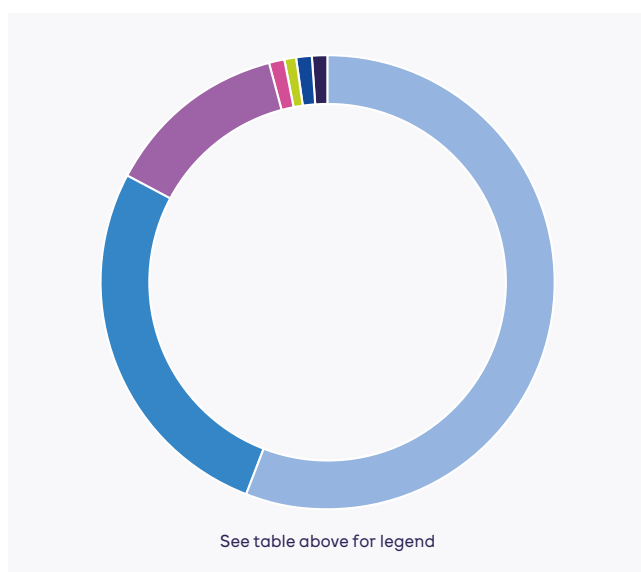
**Renewable energy**

For all sites where we control the purchase of energy

## Emissions year ended 31 December 2025

Total emissions (tCO <sub>2</sub> e)	2019	2024	2025
Direct emissions from operations (Scope 1)	2,157	1,700	<b>1,554</b>
Purchased electricity and heat (Scope 2)	8,797	9,017	<b>8,040</b>
Indirect emissions in value chain (Scope 3)	25,660	24,978	<b>25,461</b>
<b>Total emissions (tCO<sub>2</sub>e)</b>	<b>36,614</b>	<b>35,695</b>	<b>35,055</b>
% change from base year Scope 1 and 2		-2%	<b>-12%</b>
% change from base year Scope 1, 2 and 3		-3%	<b>-4%</b>
Intensity metric (tCO <sub>2</sub> e per gym) Total	206	146	<b>135</b>
% change from base year		-29%	<b>-35%</b>
Intensity metric (tCO <sub>2</sub> e per million member visits) Total	785	548	<b>507</b>
% change from base year		-30%	<b>-35%</b>
<b>Total consumption (kWh)</b>	<b>2019</b>	<b>2024</b>	<b>2025</b>
Scope 1 (Gas)	11,071,196	8,828,082	<b>8,349,181</b>
Scope 2 (Electricity)	34,409,373	42,472,816	<b>44,542,501</b>
Scope 2 (Heat)	10,907	1,240,050	<b>892,446</b>
Scope 2 (Self-generation)	0	12,550	<b>14,800</b>
<b>Total (kWh)</b>	<b>45,491,476</b>	<b>52,553,498</b>	<b>53,798,928</b>

Scope 3 Category	Emissions (tCO <sub>2</sub> e)			vs base	% of Scope 3
	2019	2024	2025		
Capital goods	17,544	13,908	<b>14,328</b>	-18%	56%
Purchased goods and services	4,488	6,811	<b>6,874</b>	53%	27%
Fuel- and energy-related	2,343	3,217	<b>3,339</b>	43%	13%
Business travel	272	415	<b>213</b>	-24%	1%
Employee commuting and homeworking	402	316	<b>322</b>	-20%	1%
Waste (Waste & Water)	236	186	<b>204</b>	-14%	1%
Upstream transport	375	125	<b>181</b>	-52%	1%
<b>Total</b>	<b>25,660</b>	<b>24,978</b>	<b>25,461</b>	<b>-2%</b>	
Intensity metric (tCO <sub>2</sub> e per gym) Scope 3	144	102	<b>98</b>	<b>-32%</b>	



Strategic Report

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

## Introduction

The Task Force on Climate-related Financial Disclosures framework continues to guide The Gym Group’s approach to identifying, assessing and managing climate-related risks and opportunities. The framework provides a consistent structure for evaluating the potential physical and transition impacts of climate change on the business.

This is our fifth year reporting in line with the TCFD recommendations. Our disclosures comply with the Listing Rules (Disclosure of Climate-related Financial Information) (No 2) Instrument 2021 and align with the four TCFD pillars of governance, strategy, risk management, and metrics and targets. Climate-related considerations are embedded within our wider governance, planning and risk management processes.

Our 2025 assessment confirms that climate-related risks and opportunities are not expected to have a material impact on the Group’s financial performance or position over the current strategic planning horizon. Climate change nevertheless remains an emerging risk, reflecting its long term nature and evolving external drivers. Given the nature of our operations, energy use represents the most significant source of climate-related risk and opportunity for the business, and during the year we continued to progress energy efficiency initiatives across our estate to support reduced consumption, improved operational efficiency and resilience to transition and cost-related risk.

## Governance

The Board oversees climate-related risks and opportunities through the Sustainability Committee, which is responsible for climate-related matters and for tracking progress against the Group’s sustainability objectives. These updates inform the Committee’s oversight, including discussions on performance, operational priorities and areas where further action or investment may be required.

Alongside the Sustainability Committee, the Audit and Risk Committee supports the Board’s oversight of climate-related matters by monitoring climate change as an emerging risk within the Group’s enterprise risk management framework. Further detail on governance for both Committees can be found in the Governance section on **pages 71 to 76** and on our website.

Day-to-day responsibility for managing climate-related risks and opportunities sits with the Chief Property Officer, supported by the Sustainability Working Group. The Working Group brings together senior representatives from Finance, Procurement, Facilities Management and other relevant functions to support Senior Management oversight and the effective implementation of the Group’s sustainability strategy, with climate-related matters escalated through the Sustainability Committee where required.

## Strategy

Our climate scenario analysis, conducted in 2023, remains a key reference point for understanding how physical and transition pathways may affect the business over the short, medium and long term. It assesses risks and opportunities across these timeframes and supports consideration of the resilience of our operations and estate under contrasting global futures, from continued warming driven by high fossil fuel use to a net zero pathway reflecting accelerated decarbonisation.

To assess potential physical risks, we used three climate scenarios from the Shared Socioeconomic Pathways, drawing on the Intergovernmental Panel on Climate Change’s Sixth Assessment Report (2023) and supplemented with regional projections from the Met Office’s UK Climate Projections 2018.

<b>SSP1-2.6 Low emissions</b>	A low GHG emissions scenario with global net zero emissions achieved by 2070, <b>with projected warming of 1.3–2.4°C by 2100.</b>
<b>SSP2-4.5 Medium emissions</b>	An intermediate pathway where global emissions remain broadly steady until 2050, resulting in <b>projected warming of 2.1–3.5°C by 2100.</b>
<b>SSP5-8.5 High emissions</b>	A very high GHG emissions scenario where emissions double by 2050, with <b>projected warming of 3.3–5.7°C by 2100.</b>

For transition-related considerations, we drew on three scenarios from the International Energy Agency’s World Energy Outlook (2022):

<b>Net zero emissions by 2050 scenario (NZE)</b>	A pathway compatible with limiting global warming to 1.5°C and achieving universal energy access by 2030.
<b>Announced pledges scenario (APS)</b>	A pathway in which government climate commitments, including net zero targets, are delivered in full and on time.
<b>Stated policies scenario (STEPS)</b>	A pathway reflecting existing policy settings and their likely outcomes.

We assessed the implications of these scenarios across three time horizons, each with a milestone that marks a key point for reviewing progress:

<b>Short term (to 2039, with a 2030 milestone)</b>	Reflecting our current business strategy and near term emissions reduction aims.
<b>Medium term (2040 to 2059, with a 2050 milestone)</b>	Aligning with the UK Government's long term net zero target.
<b>Long term (2060 to 2079, with a 2070 milestone)</b>	Reflecting longer term impacts, where scenario pathways diverge more clearly and the long lifespan of built-environment assets becomes an important consideration.

The analysis covered all UK operations and identified regional vulnerabilities where relevant. Physical risks are most pronounced under the SSP5-8.5 pathway, while the NZE scenario presents the most material transition-related risks and opportunities.

Scenario outputs continue to inform forward planning and support our understanding of business model resilience across a range of potential futures. The analysis highlights where operational adjustments or targeted investments may be required and provides insight into the potential scale and timing of capital and operating cost implications, informing decisions on estate investment, landlord engagement on building performance and the prioritisation of efficiency measures within financial planning cycles.

During the year, we progressed further initiatives to improve energy efficiency and building performance across the estate, including estate-wide voltage optimisation, alongside targeted trials to support more effective management of operational consumption.

The analysis indicates that the business model remains resilient across the assessed pathways, including those presenting the most significant physical and transition challenges. Under SSP5-8.5, higher temperatures, localised flooding and increased cooling demand are longer term considerations but are not expected to materially affect operations in the short to medium term given current mitigation measures. Ongoing improvements to site energy efficiency support the management of these impacts, informed by the exceptionally warm Summer of 2025.

Under the NZE scenario, existing efficiency initiatives support the Group's ability to respond to evolving policy, regulatory and technology developments, with continued investment in energy efficiency underpinning long term resilience. However, it is crucial that we remain alert to potential regulatory changes, such as the upcoming UK Sustainability Reporting Standards, to ensure we remain resilient to evolving compliance requirements.

## Risk Management

Climate-related risks and opportunities are managed through the Group's established enterprise risk management framework, ensuring they are assessed consistently alongside other strategic and operational risks.

An initial set of climate-related risks and opportunities was identified during preparatory work for the 2023 climate scenario analysis, drawing on climate science, sector trends and operational insight. These risks and opportunities are reviewed on an ongoing basis and updated within the climate-related risks and opportunities register to reflect changes in external conditions and the business context.

Climate-related risks and opportunities are assessed by considering both potential financial impact and likelihood of occurrence. Impact is assessed with reference to effects on the Group's financial performance and position, while likelihood reflects an estimated probability of occurrence. Both dimensions are scored on a scale of 1 to 4 and combined to determine a gross risk score. The effectiveness of existing control measures is then applied to determine a net risk score, providing a consistent assessment of residual exposure.

The outputs of this assessment are recorded in the climate-related risks and opportunities register and consolidated into the Group-wide risk register. This integration supports prioritisation and ensures climate-related risks and opportunities are considered alongside other enterprise-wide risks. Climate change continues to be classified as an emerging risk, reflecting that while it is not expected to have a material impact on financial performance or position over the current strategic planning cycle, its significance is expected to increase over time as policy, regulatory, market and physical climate drivers evolve.

Oversight of climate-related risks and opportunities is maintained through established governance arrangements. The consolidated outputs of the climate-related risk assessment are reviewed by the Audit and Risk Committee and the Board. The Finance Director has overall responsibility for the Group-wide risk register and assigns accountability for specific climate-related risks and opportunities to relevant senior managers. Further detail on the Group's approach to risk management is set out in the Managing Risk section of the Strategic Report on **pages 42 to 43**.

## Metrics and Targets

We continue to collect and review ESG data to monitor and manage sustainability and climate-related risks and opportunities, maintaining a clear view of our exposure over time. This enables evaluation of management actions and identification of areas requiring further attention as expectations evolve. Reported emissions are influenced by operational performance and national emissions factors, and progress against targets is affected by the ongoing decarbonisation of the UK electricity grid. Further detail on environmental performance and key climate-related metrics, including GHG emissions and progress against environmental targets, is set out on **pages 35 to 37**.

Strategic Report

**TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES** CONTINUED

Risk	Potential Financial Impact	Control Measures	Emissions Scenario	Materialisation
<b>Climate-related physical risks</b>				
<b>Flooding:</b> More frequent and intense rainfall may increase river and surface water flooding, with surface water presenting the greatest risk in urban areas where The Gym Group operates. Rising sea levels may also raise flood risk in some coastal locations. Gyms in South East England are most exposed.	<ul style="list-style-type: none"> <li>• <b>Revenue:</b> Loss of income due to disruption or temporary closure.</li> </ul>	Leased premises allow flexibility to exit higher-risk sites if necessary.	Medium emissions	Short term
	<ul style="list-style-type: none"> <li>• <b>Expenditures:</b> Higher insurance premiums and potential spend on flood resilience measures.</li> </ul>	Insurance policies include flood cover, with risk mapping reviewed at renewal.  Flood exposure is assessed during new site due diligence.	High emissions	Short term
	<ul style="list-style-type: none"> <li>• <b>Assets and liabilities:</b> Reduced asset value or possible write-offs due to water damage.</li> </ul>	Members can use alternative locations within our national network if their primary gym is unavailable.		
<b>Prolonged water stress:</b> Longer dry periods during Summer months may lead to water restrictions, which could affect the provision of shower facilities. This risk is most relevant in South East England.	<ul style="list-style-type: none"> <li>• <b>Revenue:</b> Possible reduction in demand if water restrictions affect facilities.</li> <li>• <b>Expenditures:</b> Increased water costs.</li> </ul>	Our water management approach and ongoing initiatives are outlined on <b>page 36</b> .	High emissions	Short term
<b>High temperatures:</b> Rising average temperatures may increase cooling requirements in gyms and offices and could reduce demand for indoor exercise. This risk is most pronounced for gyms in South East England.	<ul style="list-style-type: none"> <li>• <b>Expenditures:</b> Higher installation, maintenance or operational costs associated with cooling and air conditioning.</li> <li>• <b>Assets and liabilities:</b> Shortened lifespan of cooling equipment.</li> </ul>	The '20 is Plenty' model, introduced in 2023 and now delivered annually, ensures gyms operate at 20°C or above, helping reduce unnecessary cooling demand.  Building insulation lowers cooling requirements and supports consistent indoor comfort.	High emissions	Medium term
<b>Climate-related transition risks</b>				
<b>Legislative requirements:</b> Increasing regulatory expectations relating to building energy performance may lead to higher compliance costs, including retrofitting older building services or moving to more efficient premises.	<ul style="list-style-type: none"> <li>• <b>Expenditures:</b> Higher costs for upgrading building systems to meet new standards and for retrofitting where required.</li> </ul>	We continue to invest in improving energy efficiency across our portfolio, as described on <b>pages 35 to 37</b> .  Work is underway with landlords to improve EPC performance across leased sites, and currently 83% of gyms with EPC certificates hold a rating of C or above, with the intention that all gyms reach at least a C.	Net zero emissions    Low emissions	Short term

Risk	Potential Financial Impact	Control Measures	Emissions Scenario	Materialisation
<b>Climate-related transition risks</b> continued				
<p><b>Decarbonising estate:</b> Transitioning away from fossil fuels and upgrading equipment to lower carbon alternatives may require increased capital investment and phased retirement of existing assets.</p>	<ul style="list-style-type: none"> <li><b>Expenditures:</b> Higher upfront capital costs to replace or retire equipment and implement efficiency measures that support transition.</li> </ul>	<p>Our approach to decarbonising operations is outlined on <b>pages 35 to 37</b>.</p> <p>As part of our wider sustainability activity, we are progressing plans to remanufacture and repurpose equipment and building components, extending asset life and minimising waste.</p> <p>We also have a phased programme to remove gas for water heating as boilers reach their end of life, supporting a managed transition away from fossil fuels.</p>	<p>Net zero emissions</p> <hr/> <p>Low emissions</p>	Short term

Opportunity	Potential Financial Impact	Control Measures	Emissions Scenario	Materialisation
<b>Climate-related opportunities</b>				
<p><b>On-site energy generation:</b> Installing energy generation technologies such as solar PV may reduce dependence on purchased electricity and help limit exposure to fluctuating fossil fuel prices.</p>	<ul style="list-style-type: none"> <li><b>Expenditures:</b> Lower operating costs over time due to reduced reliance on purchased electricity.</li> </ul>	<p>On-site generation can reduce electricity costs and support greater resilience. We have trialled solar PV at selected gyms and continue to assess the business case for wider rollout.</p>	<p>Net zero emissions</p> <hr/> <p>Low emissions</p> <hr/> <p>Medium emissions</p>	Short term
<p><b>Indoor exercise demand:</b> Demand for climate-controlled indoor exercise facilities may increase during periods of extreme heat or unsettled weather, whether in short bursts or over sustained periods.</p>	<ul style="list-style-type: none"> <li><b>Revenue:</b> Potential uplift in memberships as customers seek indoor alternatives.</li> <li><b>Capital and financing:</b> Increased attractiveness to investors and potential improvement in share valuation.</li> </ul>	<p>Hotter Summers, heat waves and wetter Winters may make outdoor exercise less appealing, creating an opportunity to attract customers who previously chose to exercise outdoors.</p>	High emissions	Medium term

Strategic Report  
**MANAGING RISK**

# RISK MANAGEMENT FRAMEWORK

**Our enterprise risk management framework supports the delivery of the Group's strategy by ensuring that risks are identified, assessed and managed in a structured and consistent way.**

It provides clear accountability, regular oversight and open dialogue across the business. The Board sets the overall direction and risk appetite, while management embeds risk management into day-to-day operations and planning.

The framework brings together bottom-up functional assessments and top-down strategic reviews, giving the Board and Executive Committee a comprehensive view of the risks and opportunities that could impact the Group.

### Approach to Risk Management

The Board is responsible for ensuring the Group has an effective system of risk management and internal control in place.

This includes identifying the principal risks that could affect the Group's performance, reviewing these biannually, and ensuring they are well understood and appropriately managed. The Audit and Risk Committee provides oversight and challenge on the effectiveness of the framework and the adequacy of mitigating controls.

Management plays a key role in embedding risk awareness across the business, reviewing risks regularly and ensuring that mitigating actions are well defined, monitored and updated. Risk management is integrated into the Group's planning and review processes and supports decision-making at all levels.

### Risk Appetite

In line with the requirements of the UK Corporate Governance Code, the Board sets the Group's risk appetite. This reflects the amount and types of risk the Board is willing to accept in order to achieve the Group's strategic and operational objectives. A risk that could seriously affect the performance, prospects or reputation of the Group is deemed to be a principal risk, and the Group's risk management process is designed to strike the right balance between identifying and mitigating such risks, while enabling the business to pursue opportunities and deliver against its strategy.

Risk appetite statements are provided for each principal risk, setting out the Board's view of acceptable exposure and how this guides strategic and investment decisions.

### Roles and Responsibilities

The roles and responsibilities for designing, monitoring and operating the system of risk management are set out below.

1 First Line of Defence	2 Second Line of Defence	3 Third Line of Defence	
<p><b>Functions and Employees</b></p> <p>Identify and manage day-to-day risks within their areas to support the delivery of the Group's objectives and strategy.</p> <ul style="list-style-type: none"> <li>Manage risks in line with Group policies, standards and control frameworks.</li> <li>Identify and report functional risks to the Executive Committee.</li> <li>Ensure mitigating actions are implemented and monitored.</li> </ul>	<p><b>Executive Committee</b></p> <p>Provides oversight and coordination of risk management across the Group and is responsible for the overall management of the business to ensure it meets its objectives and delivers the Group's strategy.</p> <ul style="list-style-type: none"> <li>Embeds risk management across the business.</li> <li>Ensures active management of identified and emerging risks.</li> <li>Conducts twice-yearly reviews of functional and strategic risks.</li> <li>Reports to the Audit and Risk Committee on principal and emerging risks and on the effectiveness of the Group's internal control framework.</li> <li>Develops strategy in line with the Board's risk appetite.</li> </ul>	<p><b>Audit and Risk Committee</b></p> <p>Oversees and assesses the effectiveness of the Group's risk management and internal controls.</p> <ul style="list-style-type: none"> <li>Reviews outputs from the Executive Committee's twice-yearly risk assessments.</li> <li>Conducts an annual assessment of the internal control and risk management framework.</li> <li>Recommends improvements to strengthen the framework.</li> <li>Oversees the internal and external audit activities and monitors their effectiveness.</li> <li>Reviews the Group's viability assessment and underlying stress-testing.</li> </ul>	<p><b>Board</b></p> <p>Sets the overall direction for risk management and ensures alignment with strategy.</p> <ul style="list-style-type: none"> <li>Sets the tone and culture for managing risk across the Group.</li> <li>Defines and reviews the Group's risk appetite.</li> <li>Reviews principal risks at least annually.</li> <li>Approves the viability assessment.</li> <li>Considers risk implications in strategic decisions and investments.</li> </ul>

## Risk Management Process

### Functional Risk Reviews

Functional teams maintain risk registers for key business areas including People, Operations, Marketing and Commercial, Property, Finance, Technology, Data and Sustainability. Risks are identified, assessed and updated as part of the established risk management process, through horizon scanning, external market insights, regulatory developments and internal discussion. The Executive Committee reviews the functional registers twice yearly.

### Strategic Risk Reviews

Strategic risks are identified and discussed twice-yearly by the Executive Committee as part of its top-down assessment. Strategic risks are defined as those risks that management believes could have a material impact on the Group's ability to deliver its long term goals over the period covered by the Group's strategic planning cycle. These risks have the potential to influence future performance, key priorities or the overall direction of the business.

### Risk Scoring

All risks are assessed using a consistent scoring methodology to ensure comparability across the Group. Each risk is evaluated on both a gross and net basis:

- Gross risk assesses the inherent likelihood and impact of a risk materialising before taking account of any controls or mitigations. This provides a clear view of the risk's natural exposure.
- Net risk reflects the residual level of risk after considering the effectiveness of the controls and mitigations currently in place. This helps determine whether the existing risk response is appropriate.

Where the net risk score exceeds the Group's risk appetite, additional actions are identified to strengthen controls, reduce exposure or improve monitoring. This scoring approach supports consistent evaluation across functional, strategic and emerging risks and ensures that the most significant areas of exposure receive appropriate focus from management and the Board.

### Audit and Risk Committee Review

Outputs from the risk review process are reported to the Audit and Risk Committee, which provides challenge and oversight to ensure risks are appropriately managed and that principal and emerging risks are fully considered.

### Provision 29 Readiness

During the year, we continued to strengthen elements of the risk and control environment to support compliance with the requirements of Provision 29 of the UK Corporate Governance Code. Details of the changes made in the year are included within the Audit and Risk Committee Report on **pages 71 to 74**.

### Group Principal Risks

The Group's principal risks represent the most material risks to the business, combining both the strategic (top-down) and functional (bottom-up) reviews. Principal risks are those risks that the Board believes could most significantly affect the Group's business model, financial performance, solvency, liquidity or reputation.

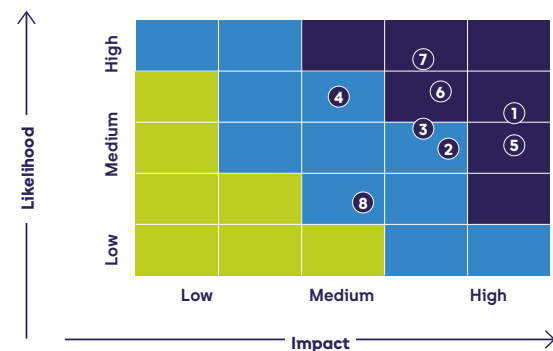
Through its 2025 reviews, the Board and Executive Committee identified eight principal risks, which are set out on the following pages. Additional risks and uncertainties that are not currently known to us, or which we currently consider immaterial, may also have an adverse effect in the future.

The eight principal risks identified in 2025 are unchanged from those reported in the 2024 Annual Report and Accounts. However, whilst the Board believes that the Group has made significant improvements to the underlying IT infrastructure over the last year, it has concluded that the IT Dependency risk has increased as a result of the work we are currently undertaking to replace and upgrade our member management and payment systems. This project is expected to complete in 2026, at which time we expect the IT Dependency risk to start to trend back downwards.

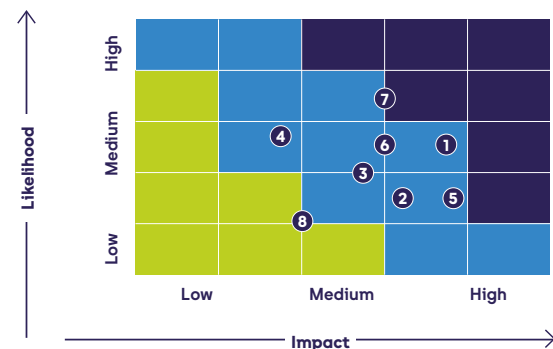
For each principal risk set out on the following pages, we provide a link to the Group's strategic priorities, commentary on any movement in trend compared with the prior year, and examples of the key controls and mitigations in place. Risks included in the Group's long term viability assessment are also highlighted.

The heat maps below show the position of principal risks by likelihood and impact before and after mitigations. Colour intensity reflects risk severity, with the post-mitigations view demonstrating the reduction in risk achieved through management actions.

#### Principal Risks heat map (before mitigations)



#### Principal Risks heat map (after mitigations)



#### Key

- |                       |                               |
|-----------------------|-------------------------------|
| ① Operational Gearing | ⑤ Reputation, Brand and Trust |
| ② Member Experience   | ⑥ IT Dependency               |
| ③ Trading Environment | ⑦ Cyber and Data Security     |
| ④ Our People          | ⑧ Reliance on Key Suppliers   |

#### Emerging Risks

Emerging risks are identified as part of the functional and strategic risk reviews. These risks are defined as those that do not pose a significant threat to the business today, but that may develop over time. They are categorised based on their potential future impact, with early indicators monitored and potential mitigations considered as appropriate. Further details on the Group's emerging risks are provided on **page 50**.

Strategic Report  
**MANAGING RISK** CONTINUED

# PRINCIPAL RISKS

1 Operational Gearing		Risk Owner: Chief Financial Officer	1 2 V
<b>Description</b>			
<p>The Group operates with high operational gearing due to its largely fixed cost base. Ongoing estate expansion further increases fixed commitments through new site leases. This limits the actions available to offset any shortfall in membership performance, while wage and cost inflation continues to add pressure to the operating model.</p> <p><b>Impact</b> Under-performance in membership numbers or the inability to pass on cost increases through price rises may reduce margins and cash generation. Prolonged under-performance could also reduce headroom against banking covenants.</p>			
<b>Risk Appetite Statement</b>	<b>Controls and Mitigations</b>		
<p>The Group has a moderate appetite for operational gearing risks, accepting that a level of operational gearing is necessary to support its high value, low cost business model, while seeking to ensure that fixed cost commitments and growth plans remain aligned with expected demand and financial capacity.</p>	<ul style="list-style-type: none"> <li>• <b>Financial planning and modelling:</b> Board-approved Annual Budget and Three Year Plan supported by scenario modelling and ongoing monitoring of covenant headroom</li> <li>• <b>Trading management and oversight:</b> Active gym-level pricing, yield and retention management supported by flexible membership options, with weekly reviews to monitor trading performance and drive timely commercial decisions</li> <li>• <b>Group performance monitoring:</b> Monthly management accounts reviewed by Senior Management and the Board</li> <li>• <b>Site-level performance review:</b> Regular monitoring and reforecasting of site level performance through the Operations Leadership Group</li> <li>• <b>Cost and cash management:</b> Ongoing cost-efficiency measures, including energy management initiatives, alongside disciplined control of discretionary spend</li> <li>• <b>Funding arrangements:</b> Committed bank facilities (£102m until at least June 2028) providing liquidity and financial flexibility</li> <li>• <b>Capital allocation framework:</b> Clear criteria for assessing investment returns and prioritising spend across the estate</li> <li>• <b>Flexibility in expansion pace:</b> Ability to slow or pause new site openings to preserve cash and reduce fixed cost commitments</li> <li>• <b>Commercial levers:</b> Use of pricing, promotions and product mix to support member growth and yield in a downturn</li> </ul>		



<b>Key</b>	<b>Risk direction vs prior year:</b>			V Included in Viability Assessment, see <b>page 52</b>
	Risk increase	No change	Risk decrease	

## 2 Member Experience

Risk Owner: Operations Directors

1 2 V

### Description

The Group's ability to deliver a high quality product and service is critical to member satisfaction and retention. Service disruption or deterioration, whether arising from operational issues, systems failures, or external factors, may weaken members' perception of value and reduce confidence in the brand.

#### Impact

A decline in actual or perceived service quality may lead to reduced membership levels, with a consequent impact on revenue and profitability, as well as potential reputational harm.

### Risk Appetite Statement

The Group has a moderate appetite for member experience risks, recognising that innovation and operational change are necessary to enhance our offering and support delivery of our strategy. We balance this with maintaining core service standards and ensuring that improvements support our price competitiveness.



### Controls and Mitigations

- **Member experience monitoring:** Regular tracking of utilisation, cleanliness and satisfaction scores with defined KPIs and escalation thresholds
- **Service standards oversight:** Regular site audits supported by staff training on service and safety to ensure consistent delivery across the estate
- **Health and safety management:** Clear procedures for managing health and safety incidents, supported by regular staff training, structured out-of-hours monitoring and regular external audits
- **Equipment maintenance:** Ongoing review of equipment usage and timely repair of equipment
- **Flexible staffing model:** Deployment aligned to peak demand to maintain service levels
- **Clear member communications:** Consistent communication to support engagement and issue resolution
- **Capacity management:** Dynamic pricing and off-peak products to manage demand
- **Investment programme:** Significant investment to enhance and upgrade gym equipment and kit mix and refurbish older sites
- **Product and digital innovation:** Continued evolution of our fitness products and equipment offering, alongside ongoing development of the app, to meet evolving member needs and strengthen engagement

## 3 Trading Environment

Risk Owner: Chief Commercial Officer

1 2 V

### Description

#### Macroeconomic/consumer factors

Ongoing economic and geopolitical uncertainty, alongside pressure on consumer finances, may affect members' ability or willingness to maintain a gym membership and influence overall demand.

#### Competition

Existing competitors' pricing, investment or site strategies may intensify competitive pressure in local markets. New entrants, including digital fitness providers and aggregator platforms, may also offer alternative propositions that compete with the low cost gym model.

#### Impact

Adverse trading conditions or more aggressive competitive behaviour may weaken member acquisition and retention, leading to under-performing sites and reduced revenue, profitability and cash generation.

### Risk Appetite Statement

The Group has a moderate appetite for trading environment risks, accepting that some exposure is necessary to achieve its strategic objectives. Material trading decisions are underpinned by detailed business cases that assess the balance of potential risks and rewards.




### Controls and Mitigations

- **Competitive pricing position:** Strong value proposition, ensuring the Group is well placed to operate successfully in a challenging economic environment
- **Financial planning and modelling:** Board-approved Annual Budget and Three Year Plan supported by scenario modelling and ongoing monitoring of covenant headroom
- **Trading management and oversight:** Active gym-level pricing, yield and retention management supported by flexible membership options, with weekly reviews to monitor trading performance and drive timely commercial decisions
- **Product and digital innovation:** Continued evolution of our fitness products and equipment offering, alongside ongoing development of the app, to meet evolving member needs and strengthen engagement
- **Competition monitoring:** Established monitoring and defence processes to assess competitor activity and inform local commercial decisions
- **Rigorous site selection:** Disciplined site selection framework ensuring new openings support sustainable trading performance
- **Cost and cash management:** Ongoing cost-efficiency measures, including energy management initiatives, alongside disciplined control of discretionary spend
- **Funding arrangements:** Committed bank facilities (£102m until at least June 2028) providing liquidity and financial flexibility
- **Flexibility in expansion pace:** Ability to slow or pause new site openings to preserve cash and reduce fixed cost commitments

Strategic Report  
**MANAGING RISK** CONTINUED

# PRINCIPAL RISKS

 CONTINUED

4 Our People		Risk Owner: Chief People Officer	1 2 3 V
<b>Description</b>			
<p>The success of the Group depends on the attraction, development and retention of talented and engaged colleagues, supported by a positive culture and a focus on wellbeing. Increased competition for skilled staff and heightened demand in the labour market may affect our ability to resource and support gym operations effectively and deliver a consistent member experience. Limited succession depth, including key-man dependency in critical roles, may reduce organisational resilience, constrain leadership continuity and affect delivery of strategic objectives.</p> <p><b>Impact</b> Challenges in attracting, retaining or developing colleagues may lead to resourcing gaps, reduced operational effectiveness and a lower quality member experience. This could impact delivery of key projects, business performance and strategic execution.</p>			
Risk Appetite Statement	Controls and Mitigations		
<p>The Group has a moderate appetite for people-related risks, seeking to provide a great place to work while balancing costs and risks to ensure colleagues remain engaged and capable of delivering our strategy. We have no tolerance for physical or mental harm and actively promote equality, diversity and inclusion.</p> 	<ul style="list-style-type: none"> <li>• <b>Talent attraction and retention tools:</b> Competitive pay and benefits, opportunities for equity participation and variable pay, and access to training and progression pathways to attract, retain and motivate colleagues at all levels</li> <li>• <b>Succession and workforce planning:</b> Succession planning, cross-training and growth of Gym Support functions to reduce key-man dependency and strengthen organisational resilience</li> <li>• <b>Engagement and communication platforms:</b> Regular engagement surveys with action plans, supported by CORE, our learning, communication and recognition/rewards platform</li> <li>• <b>Training and development:</b> Regular leadership development, management training, skills training and Emerging Talent (career pathway programmes). Development of The Gym Group Academy to provide qualifications, and enhanced operating and recruitment models to widen the talent pool for gym roles</li> <li>• <b>Performance and development reviews:</b> Regular performance discussions and structured development planning to support growth, progression and retention</li> <li>• <b>Wellbeing and inclusion programmes:</b> Wellbeing initiatives and employee forums, supported by the Employee Diversity &amp; Inclusion Group</li> <li>• <b>Health and support services:</b> Access to the 24/7 Employee Assistance Programme and the 24/7 Doctor Line to support colleague wellbeing</li> <li>• <b>Culture and leadership focus:</b> Actions to maintain a positive culture, strong leadership behaviours and clear reporting lines to support engagement and operational delivery</li> </ul>		

Key	Risk direction vs prior year			
	 Risk increase	 No change	 Risk decrease	 Included in Viability Assessment, see <b>page 52</b>

## 5 Reputation, Brand and Trust

Risk Owner: Chief Commercial Officer

1 2 3

### Description

The Group's brand is built on delivering high value, low cost fitness for all, and its growing estate, workforce and profile continue to increase public visibility. Any health and safety or other serious incident within our gyms could cause harm to members and damage trust in the brand. In addition, inappropriate or misleading material posted on social media – by employees, members or external parties – may spread quickly and adversely influence public perception of the Group.

### Impact

Events that negatively affect the Group's reputation may lead to reduced member confidence, lower demand and potential loss of membership, as well as distracting management from delivering strategic and operational priorities.

### Risk Appetite Statement

The Group has no appetite to knowingly breach the spirit or letter of the laws that apply to us. In areas of uncertainty, we will have a robust justification and clear rationale for the choices we make.

We seek to provide a great place to work and workout. We have no tolerance for harm (physical or mental) to individuals and actively promote equality, diversity and inclusion.



### Controls and Mitigations

- **Policies and behavioural standards:** Group policies and procedures setting clear expectations for colleague behaviour, decision-making and communication
- **Member and stakeholder engagement:** Ongoing communication and engagement programmes to understand member and stakeholder needs, including health, community and sustainability initiatives
- **Values and culture:** Promotion of the Group's values and high standards of conduct to support a trusted brand and responsible business culture
- **Health and safety management:** Clear procedures for managing health and safety incidents, supported by regular staff training, structured out-of-hours monitoring and regular external audits
- **External specialist support:** Third-party health and safety expertise engaged for advice, assurance and audit activities
- **Social media governance:** Centralised control of corporate social media activity to ensure consistent, appropriate and timely messaging
- **Crisis and incident response:** Established business response plans for brand and reputational issues, supported by specialist PR advisers and media training for key executives

## 6 IT Dependency

Risk Owner: Chief Technology Officer

1 2 3 V

### Description

The Group's ability to enrol and support members, process payments, deliver online marketing and manage gym access is reliant on the availability and performance of its IT systems. As the business expands its digital and product capabilities, the associated increase in technology complexity and platform load requires careful management to maintain stability. Planned upgrades to the Group's member management and payment systems may temporarily reduce the pace of innovation and increase the risk of disruption to critical systems during the transition.

### Impact

Failure or disruption within key IT systems may affect member enrolment, access, service delivery or payment processing, leading to a reduced-quality member experience, lost revenue and constraints on business growth.

### Risk Appetite Statement

The Group has a moderate appetite for technology-related risks, recognising that ongoing innovation and development are essential to achieving our strategic objectives. Major projects are subject to rigorous governance and oversight, and are expected to be delivered to time, budget and quality where practicable, with appropriate safeguards for colleague wellbeing. Some tolerance for delays or cost overruns is accepted where necessary to achieve the desired outcome.

### Controls and Mitigations

- **Specialist hosting and infrastructure:** All key systems hosted in a highly resilient and redundant cloud infrastructure or using suitable enterprise-grade data centre and fully managed by specialist providers using best-practice architecture and support models
- **Data back-ups and resilience:** Regular automated and immutable back-ups of all membership and business data to third-party locations to ensure recoverability
- **Disaster recovery and business continuity:** Robust disaster recovery and business continuity plans in place for critical systems
- **Platform capacity and performance testing:** Additional capacity and autoscaling capability built into infrastructure and regular load testing undertaken to manage peak usage on member-facing platforms
- **Internal technology capability:** Strong internal technology team supported by specialist external partners to maintain and develop systems
- **Technology governance:** Formal governance for all major technology programmes, including steering committees and oversight from the Executive Committee and the Board
- **Change management controls:** Structured technology change-control processes to safeguard system stability during deployments
- **Service level monitoring:** Active monitoring of internal systems and supplier and platform performance against agreed SLAs, with escalation routes for issues



As noted on page 43, the Board believes that this risk has increased as a result of the work we are currently undertaking to replace and upgrade our member management and payment systems. This project is expected to complete in 2026, at which time we expect the IT Dependency risk to start to trend back downwards.

Strategic Report  
**MANAGING RISK** CONTINUED

# PRINCIPAL RISKS CONTINUED

7 Cyber and Data Security		Risk Owner: Chief Technology Officer	1
<b>Description</b>			
<p>The Group holds business-critical and confidential information electronically and is dependent on the security of its systems and data protection controls. Unauthorised access, loss or disclosure of this information – whether through cyber attack, system failure or human error – could compromise confidentiality, integrity or availability of data. Overall cyber risk remains elevated due to geopolitical instability, the growing sophistication of threat actors (including the use of AI) and the Group’s increasing brand recognition, which may heighten its attractiveness as a target.</p>			
<b>Impact</b>			
<p>A breach of cyber or data protection controls could lead to operational disruption, regulatory penalties, legal claims or reputational damage. Under data protection legislation, fines may be up to the higher of £17.5m or 4% of annual global turnover.</p>			
Risk Appetite Statement	Controls and Mitigations		
<p>The Group has no appetite for the loss, unauthorised access or accidental disclosure of member or other sensitive data.</p>	<ul style="list-style-type: none"> <li>• <b>Network and system security:</b> Firewalls, authentication tools, security software and strong password controls used to protect core systems</li> <li>• <b>Data encryption and access management:</b> Sensitive data encrypted in transit, with access restricted by role-based permissions and MFA applied across critical systems</li> <li>• <b>Payment security compliance:</b> PCI Level 2 compliance maintained, with customer payment data stored on PCI-DSS and/or BACS-certified platforms</li> <li>• <b>Security review and testing programme:</b> Ongoing programme of security assessments, patching and upgrades, supported by regular vulnerability and penetration testing</li> <li>• <b>Product and third-party security assessment:</b> Regular review of new security products and assessment of key suppliers and hosting partners</li> <li>• <b>Data protection governance:</b> Data Protection Manager oversight, mandatory cyber and data protection training for all employees, and biennial GDPR audits</li> <li>• <b>InfoSec governance:</b> Dedicated InfoSec lead drives and oversees implementation of new tools, processes and methods and adherence to policies</li> <li>• <b>Information security reporting:</b> Regular reporting to senior leadership and at least annual Board updates as part of the IT strategy review</li> <li>• <b>Cyber insurance:</b> Cyber security insurance in place to provide financial protection against major incidents</li> <li>• <b>Incident response and continuity planning:</b> Defined incident response and recovery procedures, supported by business continuity arrangements to minimise disruption</li> <li>• <b>Security monitoring and simulation:</b> Real-time monitoring of systems for threats, supported by periodic cyber simulation exercises to strengthen readiness</li> </ul>		



Key			
Risk increase	No change	Risk decrease	Included in Viability Assessment, see <b>page 52</b>

## 8 Reliance on Key Suppliers

Risk Owner: Chief Financial Officer

1 2 V

### Description

While the Group uses multiple suppliers where possible, the standardisation of equipment, materials and processes across the estate creates dependencies in key areas such as equipment provision, gym access and payment processing. Ongoing macroeconomic pressures and geopolitical instability increase the risk of supplier failure; and as the business grows, some suppliers may struggle to scale their systems and processes to meet the Group's operational and strategic requirements.

### Impact

Failure or underperformance of a key supplier could lead to operational disruption, higher costs, delays to site openings or refurbishments, and a negative impact on member experience and business performance.

### Risk Appetite Statement

The Group has a moderate appetite for partnering with third parties to deliver core activities. However, relationships with critical suppliers must be well monitored, value for money, and regularly reviewed to ensure compliance with appropriate regulatory and ethical standards.



### Controls and Mitigations

- **Supplier relationships and ethical standards:** Strong, professional relationships maintained with key suppliers, with an expectation that all partners operate ethically and to required standards
- **Procurement and supplier assessment:** Established procurement processes to assess supplier capability, quality and financial stability, strengthened by enhanced assessments
- **Contract management:** Key supplier contracts reviewed and renewed with improved data protection, service-level and performance provisions
- **Supplier resilience and diversification:** Use of suppliers with diversified manufacturing or operational locations to mitigate geopolitical and supply chain risks
- **Business continuity planning:** Business continuity plans in place for critical suppliers and reviewed regularly to ensure resilience
- **Performance monitoring and review:** Ongoing monitoring of supplier performance, service levels and risk indicators to enable timely intervention where issues arise

Strategic Report  
**MANAGING RISK** CONTINUED

# EMERGING RISKS

## 1 Climate Change

### Description

Extreme weather events in the UK – such as flooding and periods of high heat – have the potential to disrupt operations by damaging gyms and equipment and increasing repair or replacement costs. These events could also lead to temporary site closures and increase insurance and operating costs over time.

Our TCFD Report on **pages 38 to 41** contains a comprehensive discussion about the climate-related physical and transition risks that the Group faces and the measures we are taking to address these risks both now and in the future. The report includes a range of scenarios and mitigating actions.

### Rationale for Categorisation as Emerging Risk

The geographic distribution of our gyms means that, over the time horizon covered by our strategic planning and Group principal risks assessment (three years), these are expected to impact only a small number of sites and do not threaten closure of a substantial part of the estate for a prolonged period of time. In addition, insurance policies are in place to mitigate any costs or business interruption, although it is acknowledged that such policies will become more expensive and less available over the longer term.

## 2 Artificial Intelligence ('AI')

### Description

AI offers significant opportunities to enhance efficiency, decision-making and member experience, and the Group already employs AI across areas such as customer service, marketing, data and software delivery. However, increased use of AI also introduces potential risks, including data or system breaches, reduced marketing effectiveness, inappropriate or inaccurate outputs, ethical concerns around transparency or bias, increased complexity of customer queries, and dependency on third-party AI tools or models. In addition, there is a potential risk to competitive position if existing or new competitors use AI to innovate more rapidly or materially reduce operating costs.

### Rationale for Categorisation as Emerging Risk

We continue to evaluate how the business could benefit from the use of AI as well as what risk AI could potentially pose in relation to possible data or system breaches, or loss of competitive advantage should existing or new competitors use AI to innovate or reduce operating costs.

The Group has in place an AI policy setting expectations for responsible use, data protection, ethical considerations and approval processes. An employee training and awareness programme has also been launched to ensure safe, responsible and compliant use.

## 3 Weight Loss Drugs

### Description

The availability and use of weight loss drugs have increased significantly in the last year and there is now an estimated 1.6m monthly users in the UK. Clinical guidance requires increased physical activity alongside these drugs and we believe this presents The Gym Group with an opportunity to support current and prospective members seeking to establish or restart a gym routine as part of sustainable health and fitness improvements. However, there is a risk that the use of weight loss drugs is viewed by some as a substitute for exercise.

### Rationale for Categorisation as Emerging Risk

Whilst, on balance, we believe there is more opportunity than risk for The Gym Group in relation to weight loss drugs, we continue to monitor emerging trends closely.

# GOING CONCERN AND VIABILITY ASSESSMENT

## Going Concern

In assessing the going concern position of the Group for the year ended 31 December 2025, the Directors have considered the following:

- the Group's trading performance in 2025 and throughout the traditional January and February 2026 peak period;
- the future expected trading performance of the Group to 30 June 2027 (the going concern period), including membership levels and behaviours in light of the continued difficult macroeconomic environment; and
- the Group's financing arrangements and relationship with its lenders and shareholders.

Trading in 2025 was strong, with membership at the end of December 2025 reaching 923,000, an increase of 4% from the end of December 2024. Average revenue per member per month ('ARPM') for the year was £21.60, up 4% from £20.81 in the prior year. As a result, revenue increased by 8% to £244.9m (2024: £226.3m), and Group Adjusted EBITDA Less Normalised Rent at £56.7m was 19% better than in 2024.

The Group also reported strong cash generation in the year, with Free Cash Flow of £38.3m (see Note 24 to the Consolidated Financial Statements for a reconciliation to Net Cash Inflow from Operating Activities) being generated and used to fund 16 new site openings and major refurbishments and enhancements to the mature sites, as well as significant investment in technology.

On 12 June 2025, the Group agreed a one year extension to the existing bank facilities as well as an increase in the available RCF facility of £12m. As a result, the Group now has in place a combined £102m facility, consisting of £45m of Term Loan and £57m of RCF, which is due to mature in June 2028. Drawings under the facility continue to be subject to quarterly financial covenant tests on Adjusted Leverage (Non-Property Net Debt divided by Group Adjusted EBITDA Less Normalised Rent must not exceed 3.0 times) and Fixed Charge Cover (Adjusted EBITDAR to Net Finance Charges plus Normalised Rent must be greater than 1.5 times).

As at 31 December 2025, the Group had Non-Property Net Debt (including non-property leases) of £59.3m, consisting of £62.0m drawn debt under the RCF, £0.3m of non-property leases and £3.0m of cash. The Directors believe that this measure of net debt best reflects the financial health of the business. In addition, it is a key constituent of the Adjusted Leverage covenant included in the Group's banking agreement as noted above. Headroom under the bank facilities at 31 December 2025 (drawn debt less cash) was £43.0m. Adjusted Leverage was 1.0 times and Fixed Charge Cover was 2.1 times.

Following the January and February 2026 peak trading period, closing membership at 28 February 2026 was 999,000, an increase of 8% on the position at 31 December 2025, demonstrating that the low cost gym model remains resilient and spend on gym membership continues to be prioritised.

Despite the continued strong trading performance, the Directors have continued to take a cautious approach to planning. The base case forecast for the period to 30 June 2027 anticipates some growth in yields across the whole estate as a result of pricing optimisation actions identified as part of the Next Chapter growth plan. Modest increases in membership levels are driven largely by the sites opened in 2024 and 2025, and not by growth in the mature estate.

In addition, whilst the Directors have planned for an acceleration of the new site opening programme throughout the plan period, all new sites are assumed to be self-financed. Under this scenario, the financial covenants are passed with headroom, and the Group can operate comfortably within its financing facilities.

The Directors have also considered a severe downside scenario in which membership numbers in the mature estate decline by approximately 4%. Yields continue to grow, but at a much more modest rate than in the base case. In this scenario, the number of new site openings is reduced to conserve cash, expenditure on maintenance and marketing is reduced slightly, and discretionary performance-related bonuses and share based payment funding are removed. The share buyback programme is also paused. Under this scenario, the financial covenants continue to be passed, and the Group continues to operate within its financing facilities.

The Directors have also considered a reverse stress test scenario to ascertain the extent of the downturn in trading that would be required to breach the Group's banking covenants or liquidity requirements. Mitigating actions assumed in this scenario include moving to a minimum level of maintenance and technology capital expenditure; further reducing controllable operating costs and marketing expenditure; and pausing the new site opening programme in order to preserve cash.



Hendon Gym

Strategic Report

**MANAGING RISK** CONTINUED

# GOING CONCERN AND VIABILITY ASSESSMENT CONTINUED

In this scenario, membership numbers would need to decline steadily from April 2026 to June 2027 to the point where closing membership at 30 June 2027 was 27% lower than the base case. Under this scenario, the Fixed Charge Cover covenant would be breached in June 2027. The Group would, however, continue to operate within its current level of debt capacity and the Adjusted Leverage ratio would not be breached.

In the event of a reverse stress test scenario, the Directors would introduce additional measures to mitigate the impact on the Group's covenants and liquidity, including: (i) even greater reductions in controllable operating costs, marketing and capital expenditure; (ii) discussions with lenders to secure a covenant waiver; and (iii) deferral of, or reductions in, rent payments to landlords. The Directors consider the reverse stress test scenario to be highly unlikely.

## Conclusion

The Board has reviewed the financial plan and downside scenarios of the Group and has a reasonable expectation that the Group has adequate resources to continue in operational existence for the period to 30 June 2027. As a result, the Directors continue to adopt the going concern basis in preparing the consolidated financial statements. In making this assessment, consideration has been given to the current and future expected trading performance; the Group's current and forecast liquidity position and the support received to date from our lenders and shareholders; and the mitigating actions that can be deployed in the event of reasonable downside scenarios.

## Viability Assessment

As stated in the going concern assessment, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the period to 30 June 2027. However, in accordance with provision 31 of the UK Corporate Governance Code 2024, the Directors have also assessed the longer term viability of the Group, taking into account the Group's current position and the potential impact of the principal and emerging risks documented earlier in this report (including climate change risk) that would threaten its business model, future performance, solvency or liquidity.

The Directors have determined that the three year period to 31 December 2028 is an appropriate period over which to assess the Group's viability as:

- the Directors review a three year financial plan with management each year as part of an annual strategy review and the viability analysis is based primarily on this plan; and
- the period is sufficient to reflect the maturation of new sites opened in 2024 and 2025.

Whilst the viability review has considered all the principal risks identified by the Group, the Directors have concluded that the risks that would most materially threaten the Group's growth drivers, future performance, solvency or liquidity are Operational Gearing, Member Experience, Trading Environment, Our People, IT Dependency and Reliance on Key Suppliers.

Severe but plausible downside scenarios based on these risks were therefore created against which liquidity and debt covenant headroom analysis was performed. The downside scenarios included modelling a severe decline in membership numbers compared with the base case plan and a significant increase in costs over and above that included in the base case plan.

In these scenarios, the number of new site openings is reduced to conserve cash, and expenditure on maintenance and marketing is reduced slightly. Discretionary performance-related bonuses and share based payment funding are removed and the share buyback programme is paused to ensure that all financial covenants continue to be passed and the Group continues to operate within its financing facilities.

The Directors have also considered a reverse stress test scenario to ascertain the extent of the downturn in trading that would be required to breach the Group's banking covenants or liquidity requirements. In this scenario, membership numbers would need to decline steadily from April 2026 to December 2028 to the point where closing membership at 31 December 2028 was 19% lower than the base case. At this point, the Fixed Charge Cover covenant would be breached, but the Group would continue to operate within its current level of debt capacity and the Adjusted Leverage ratio would not be breached.

Additional mitigating actions assumed in this scenario include moving to a minimum level of maintenance and technology capital expenditure; further reducing controllable operating costs and marketing expenditure; and pausing the new site opening programme in order to preserve cash.

In addition to the above scenario modelling, the Directors also considered the fact that the Group's banking facilities of £102m are currently expected to expire in June 2028 and concluded that, based on regular discussions with participating banks and financial advisers, there is a realistic prospect that this will be extended to cover the whole of the viability assessment period.

Having completed the above assessment, the Directors have concluded that the Group remains viable.

Strategic Report

# NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

The table below sets out where stakeholders can find information in our Strategic Report relating to non-financial and sustainability matters detailed under section 414CB of the Companies Act 2006.

Reporting requirement	Where to find further information	Pages	Summary of relevant policies if applicable
<b>Environmental Matters</b>	Sustainability Report	<b>30 to 37</b>	Our environmental strategy is set out on <b>page 38</b> and on our website at <a href="http://www.tggplc.com">www.tggplc.com</a> .
<b>Climate-Related Financial Disclosures</b>	Task Force on Climate-Related Financial Disclosures Report ('TCFD')	<b>38 to 41</b>	Our updated disclosures with regard to TCFD can be found on <b>pages 38 to 41</b> .
<b>Employees</b>	Sustainability Report Chief Executive's Review Managing Risk – Principal Risks – Our People	<b>30 to 37</b> <b>07 to 09</b> <b>46</b>	The Group has relevant training for all employees which is served via a training portal. Our employee-related policies and procedures which include our privacy notice, family-friendly and inclusivity policies and all work-related policies, are available to employees on the intranet.
<b>Human Rights</b>	Sustainability Report	<b>30 to 37</b>	Our Human Rights Policy and Modern Slavery and Human Trafficking Statements can be found on our website at <a href="http://www.tggplc.com">www.tggplc.com</a> .
<b>Anti-Bribery, Anti-Corruption and Whistleblowing Arrangements</b>	Audit and Risk Committee Report	<b>71 to 74</b>	It is prohibited for any employee or person working on our behalf to offer, give, request or accept any bribe or commit any fraudulent activities. The Group has Anti-Bribery and Anti-Corruption and Anti-Fraud policies, which set out the relevant procedures. A copy can be found on our website at <a href="http://www.tggplc.com">www.tggplc.com</a> .  The Company also has a Whistleblowing policy, which is also available on our website.
<b>Social Matters</b>	Sustainability Report	<b>30 to 37</b>	Our approach to equity, diversity and inclusion, creating good jobs and career opportunities, and promoting good health and wellbeing are set out on <b>pages 30 to 34</b> .  Our Diversity and Inclusion manifesto can be found on our website at <a href="http://www.tggplc.com">www.tggplc.com</a> .
<b>Business Model</b>	Introduction to our Business – How We Deliver	<b>03</b>	An explanation of the Group's business model can be found on <b>page 3</b> .
<b>Principal Risks</b>	Managing Risk	<b>42 to 52</b>	The Board has a process for considering the principal risks as set out on <b>pages 42 to 43</b> .
<b>Financial and Non-Financial KPIs</b>	Key Performance Indicators ('KPIs')	<b>20 to 21</b>	The Board approves relevant KPIs for use as set out in the Strategic Report on <b>pages 20 to 21</b> .
<b>Relationships with Suppliers, Members and Others</b>	Section 172 Statement	<b>64 to 66</b>	The Group has a number of policies and procedures underpinning its commitment to high standards of business conduct, which are available to all employees on the staff intranet.

On behalf of the Board

**Will Orr**  
Chief Executive Officer

11 March 2026

OVERVIEW

STRATEGIC REPORT

GOVERNANCE REPORT

FINANCIAL STATEMENTS

OTHER INFORMATION

## Governance Report

# INTRODUCTION FROM THE CHAIR OF THE BOARD



### Dear Shareholder

I am pleased to introduce the 2025 Governance Report on behalf of the Board. The Governance Report forms part of the Directors' Report.

### Board and Committee Activities During the Year

During the year, the Board and its Committees continued to observe good governance when making decisions, demonstrating effective oversight, accountability and compliance with applicable laws, regulations and best practice guidance for long term value creation. An overview of their key activities during the year can be found on **pages 59 to 63** for the Board and **pages 67 to 87** for the Nomination, Audit and Risk, Sustainability and Remuneration Committees.

### Board Composition, Training and Development

On 1 May 2025 we welcomed Tamsin Todd to the Board as a Non-Executive Director. Tamsin completed a formal and tailored induction and was appointed as a member to each of the Board's Committees. Wais Shaifta will also be retiring from the Board at the end of the 2026 AGM after five years of service. We thank him for his invaluable contributions over the years and wish him the best for the next chapter of his career. For further details on Board composition see the Nomination Committee's Report on **pages 67 to 70**

We also continued to focus on training and development opportunities for the wider Board, taking into consideration feedback from our Board performance reviews. The Nomination Committee will continue to review the composition of the Board, its Committees and their effectiveness in achieving the Company's strategy during 2026. For more on training and development see the Corporate Governance Statement on **pages 59 to 63**.

### Talent, Diversity and Succession

In 2025, we continued to focus on succession and talent management for the Board, Executive Committee and throughout the business by conducting robust talent sessions centred on performance, critical talent, development, diversity and succession planning.

These and other activities are the responsibility of the Nomination Committee and further details may be found in its report on **pages 67 to 70**. Progress on encouraging strong performance and retention of the best possible talent and resource within the business can also be found in the Sustainability Report on **pages 30 to 37**.

### Board Performance Evaluation

It is imperative that we have the right balance of skills, experience, knowledge and perspectives around the table to foster robust debate, constructive challenge and positive engagement on strategy and other key decisions. An internal review of the performance of the Board, its Committees and individual Directors was conducted in respect of 2025. Further details on the process and an update on progress against actions arising from previous reviews can be found in the Nomination Committee Report on **pages 67 to 70**.

### Stakeholder Engagement

Myself and other members of the Board engaged with shareholders throughout the year to understand their views on the Company's strategy, financial performance and governance matters. I also worked with the Chief People Officer and the Company Secretary in my capacity as Workforce Engagement Director, to determine the most effective ways to engage with our colleagues and better understand their views and interests. As a result, we conducted multiple employee listening sessions across the UK, from which anonymous colleague feedback was provided to the Board. Towards the end of 2025, the Board also reviewed its list of key stakeholders and the effectiveness of its engagement mechanisms. Further details on stakeholder engagement and a review of our engagement tools can be found in the Section 172 Statement on **pages 64 to 66**.

### Sustainability

We continue to improve and enhance our sustainability reporting. The Sustainability Committee oversees our sustainability strategy, ensuring that such matters are supported by robust governance streams and that they continue to be a focal point for the Board in its decision-making. See further details in the Sustainability Report on **pages 30 to 37**.

### AGM

Our AGM is planned for 7 May 2026, and I look forward to meeting shareholders there.

**John Treharne**  
Chair of the Board

11 March 2026

## Governance Report AT A GLANCE

### Collective Knowledge, Skills and Experience of our Directors

Rating **GOOD** **EXCELLENT**

B2C	Operational
B2B	Multi-site operations and rollout
Fitness industry	Technology/cybersecurity
Leisure industry	Commercial
Strategy	Digital marketing
Accounting and finance	HR/People
Risk management and internal control	Corporate finance/M&A
Listed/governance	Legal/regulatory
ESG and sustainability	

Further details on Directors' strengths and contributions can be found in their biographies on **pages 56 to 57**. The Board and its Committees are also supported by internal experts and external advisers.

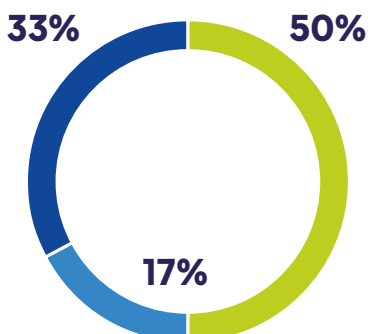
### Gender Identity or Sex of Board and Executive Committee Members

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Board Chair)	Number in Executive Management	Percentage of Executive Management
Men	6	75%	3	6	67%
Women	2	25%	1	3	33%

### Ethnic Background of Board and Executive Committee Members

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Board Chair)	Number in Executive Management	Percentage of Executive Management
White British or other White (including minority-white groups)	7	88%	4	9	100%
Asian/Asian British	1	12%	–	–	–

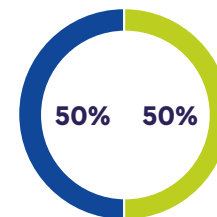
### Tenure of our Non-Executive Directors (as at 31 December 2025)



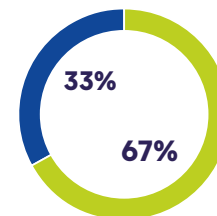
- 0-3 years**  
Simon Jones and Tamsin Todd
- 3-6 years**  
Wais Shaifta, Elaine O'Donnell and Richard Stables
- 6+ years**  
John Treharne

### Board and Committee Independence

Board



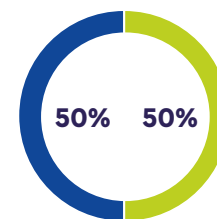
Nomination Committee



Audit and Risk & Remuneration Committees



Sustainability Committee



● Non-Independent ● Independent

Governance Report

# BOARD OF DIRECTORS



**John Treharne**  
Chair of the Board

**Committees**



**Career**

John was appointed Chair of the Board and Nomination Committee in July 2022. John founded The Gym Group in 2007 and has over 30 years' experience in the health and fitness industry including the launch of Dragons Health Club plc in 1991, before its flotation on AIM in 1997 and sale to Crown Sports plc in 2000. He is currently a member of the ukactive and EuropeActive Boards and Chair of The Padel Club.

**Board skills and experience**

John's wealth of operational and leadership experience and knowledge of industry trends offers the Board valuable context to develop its strategy and inform its decisions. As founder of The Gym Group, John has an unmatched network of industry connections and corporate knowledge used to support the business, and the Board's evolution. As Board Chair, John provides stability and continuity in leadership.

**Other appointments**

**ukactive**

Board member

**EuropeActive**

Board member

**The Padel Club**

Chair



**Will Orr**  
Chief Executive Officer

**Committees**



**Career**

Will joined The Gym Group as Chief Executive Officer ('CEO') in September 2023. Will was formerly Managing Director of Times Media Limited, publisher of the Times and Sunday Times, and previously held Managing Director roles for RAC and British Gas (Centrica Plc). He is a Fellow of the Marketing Society and has an MBA from London University.

**Board skills and experience**

Will brings significant experience developing and delivering sustainable customer growth strategies (including pricing, proposition, digital marketing and retention strategies) as well as operational expertise in businesses where customer experience is critical.

**Other appointments**

None



**Luke Tait**  
Chief Financial Officer

**Committees**

**Career**

Luke joined The Gym Group as Chief Financial Officer ('CFO') in October 2022. Luke is a chartered management accountant and was formerly Group CFO of Nando's Group Holdings Limited, the global restaurant business, which he joined in 2017. Prior to this, he held various finance roles at SSP plc, including CFO of the UK and US businesses and Group Corporate Finance Director, finishing his time as Group Financial Controller.

**Board skills and experience**

Luke brings broad experience to the Board from global leisure businesses to lead the finance function. Luke has worked with the leadership and stakeholders across The Gym Group to ensure it is well placed to capitalise on the significant market opportunities ahead.

**Other appointments**

None



**Elaine O'Donnell**  
Senior Independent Director

**Committees**



**Career**

Elaine joined The Gym Group in August 2022 and is Senior Independent Director and Chair of the Audit and Risk Committee. She is also Chair of the Board at The Beauty Tech Group plc and Chair of the Audit Committee and Senior Independent Director at On the Beach Group plc. She was a Non-Executive at SThree plc until 2025 and Chair of Games Workshop plc until 31 December 2022, having served in various roles on that Board. Elaine was also a partner at Ernst & Young and is a chartered accountant.

**Board skills and experience**

Elaine brings to the Board extensive experience as a non-executive director, plc chair and committee member of a diverse range of businesses. Elaine's financial knowledge and expertise in addition to her online retail industry experience, supports the Board in its oversight of the Group's financial reporting and related controls and provides valuable insight on strategic and commercial matters.

**Other appointments**

**The Beauty Tech Group plc**  
Board Chair

**On the Beach Group plc**

Senior Independent Director and Chair of the Audit Committee

**Key Committees:** **N** Nomination Committee **A** Audit & Risk Committee **R** Remuneration Committee **S** Sustainability Committee **C** Chair



**Simon Jones**  
Non-Executive Director

**Committees**



**Career**

Simon joined The Gym Group in February 2023 and is currently the CEO for The Travel Corporation Touring Division. Prior to this role he was CEO of Away Resorts, Managing Director for Premier Inn and Restaurants and UK and Global Commercial Director at Whitbread. Before Whitbread, Simon had over 15 years' experience as a strategy consultant, latterly as a partner at OC&C Strategy Consultants.

**Board skills and experience**

Simon has extensive commercial and operational experience in building UK-wide businesses whose customer proposition is based on value and quality, which supports the Board's discussions and future growth plans.

**Other appointments**

**The Travel Corporation, Touring Division**  
CEO



**Wais Shaifta**  
Non-Executive Director

**Committees**



**Career**

Wais joined The Gym Group in February 2021 and is the Chair of the Remuneration and Sustainability Committees. He is also the Chief Growth Officer at The Co-operative Group, Senior Independent Trustee at the Football Foundation and Operating Partner at Samaipata. Previously, Wais held executive and other leadership positions at Just Eat and Treatwell. He was also the CEO of Push Doctor and PrivateDoc and Non-Executive Director at Reach plc and Snappy Shopper.

**Board skills and experience**

Wais is an expert in digital growth and transformation. His background in leading technology businesses gives him a strong understanding of the vital role technology plays in our drive to remain relevant to members. Wais's experience of healthcare businesses also means he is well aligned with our purpose to provide access to affordable fitness for all.

**Other appointments**

**The Co-operative Group**  
Chief Growth Officer

**Football Foundation**  
Senior Independent Trustee

**Samaipata**  
Operating Partner



**Richard Stables**  
Non-Executive Director

**Committees**



**Career**

Richard joined The Gym Group in August 2022 and is a chartered accountant and an experienced corporate financier, having spent 32 years at Lazard. Currently, Richard is a Partner at Fulcrum Advisory Partners LLP, an independent advisory firm, a senior adviser to Blantyre Capital and a Non-Executive Director at Archer.

**Board skills and experience**

Richard brings his strong experience of corporate finance and understanding of the UK financial markets to support the Board in its strategic direction and decision-making, deepening the Board's skillset for the future.

**Other appointments**

**Fulcrum Advisory Partners LLP**  
Partner

**Blantyre Capital**  
Senior Advisor

**Archer Ltd**  
Non-Executive Director



**Tamsin Todd**  
Non-Executive Director

**Committees**



**Career**

Tamsin joined The Gym Group in May 2025 and is currently a Non-Executive Director at Auction Technology Group, where she is the Remuneration Committee Chair, and Into University Partnerships. Prior to these roles she was the Chief Executive Officer of Findmypast, Managing Director of Ski Holidays at the TUI Group, Head of E-commerce at Betfair and held marketing, product and commercial roles at Microsoft and Amazon.

**Board skills and experience**

Tamsin has extensive product, data and technology experience in multi-site businesses, which is invaluable to the Board in its continued overview of and strategic planning for the Group.

**Other appointments**

**Auction Technology Group**  
Non-Executive Director

**Into University Partnerships**  
Non-Executive Director

Governance Report

## EXECUTIVE COMMITTEE



From left to right, Executive Committee biographies below.

**Milan Juza**  
Chief Technology Officer

Milan provides strategic technology leadership, driving market-leading innovation, business advantage and agility through technology.

**Catherine Ferma**  
Operations Director

Catherine provides operational leadership across 260+ gyms, delivering sector-leading member experiences and leading key initiatives that support the business's growth ambitions.

**Hamish Latchem**  
Chief Property Officer

Hamish provides strategic property leadership to enable the Group's accelerated growth, overseeing property acquisition, estate and facilities management, sustainability, as well as gym format and design.

**Luke Tait**  
Chief Financial Officer

See Board biography on **page 56**.

**Jon Baker**  
Operations Director

With 13 years at The Gym Group, Jon brings deep business knowledge and leadership experience, driving operational excellence at scale and strengthening the foundations that support continued growth.

**Will Orr**  
Chief Executive Officer

See Board biography on **page 56**.

**Tina Koehler**  
Chief Commercial Officer

Tina provides strategic commercial leadership, shaping the brand and commercial proposition to drive growth. She oversees marketing, pricing and promotion, the commercial proposition, and PR.

**Nick Shelmerdine**  
Director of Strategy and Corporate Development

Nick leads growth strategy and corporate development, playing a key role in shaping the Group's strategic direction and identifying new growth opportunities.

**Ruth Jackson**  
Chief People Officer

Ruth leads the People function and strategy, driving engagement, performance and culture to support business growth. Ruth focuses on building and sustaining high-performing teams through talent, development and retention.

### How the Board and Executive Committee work together

The Board and Executive Committee work together to ensure the robust governance of the business and successful execution of our strategy. Over the year, the Board and Executive Committee continued to work closely on delivering transformational change projects in strategy and the consumer proposition with a focus on ensuring that the Group is well resourced, motivated and driven by our purpose to break down barriers to fitness for all.

Governance Report

# CORPORATE GOVERNANCE STATEMENT

The Corporate Governance Statement forms part of the Directors' Report, which can be found on **pages 88 to 90**.

## UK Corporate Governance Code Compliance Statement

The UK Corporate Governance Code 2024 (the 'Code') was the key governance measure for the financial year ended 31 December 2025 (the Code can be found at [www.frc.org.uk](http://www.frc.org.uk)). Throughout the reporting period, the Company complied with the principles and provisions of the Code, except for the following:

### Provision 9

John Treharne was not considered independent on appointment as Chair of the Board in July 2022 as he is the founder of The Gym Group and formerly held the positions of CEO until September 2018 and Founder Director until July 2022.

During 2025, the Senior Independent Director consulted with the Company's major shareholders on John's continuation as Chair of the Board for the short to medium term. In November 2025, this support was further bolstered by the results of the internal review of John's performance in that capacity, which concluded that he continues to be effective in role. Further details of the internal Board performance review and the Board Chair succession planning process may be found in the Nomination Committee Report on **pages 67 to 70**.

## Board Leadership and Company Purpose Role of the Board

The Board is the principal decision-making body in the Group. It is collectively responsible for promoting the long term success of the business for the benefit of its shareholders, achieving this through the creation and delivery of sustainable shareholder value.

**Our governance reporting follows the order of the Code as set out below:**

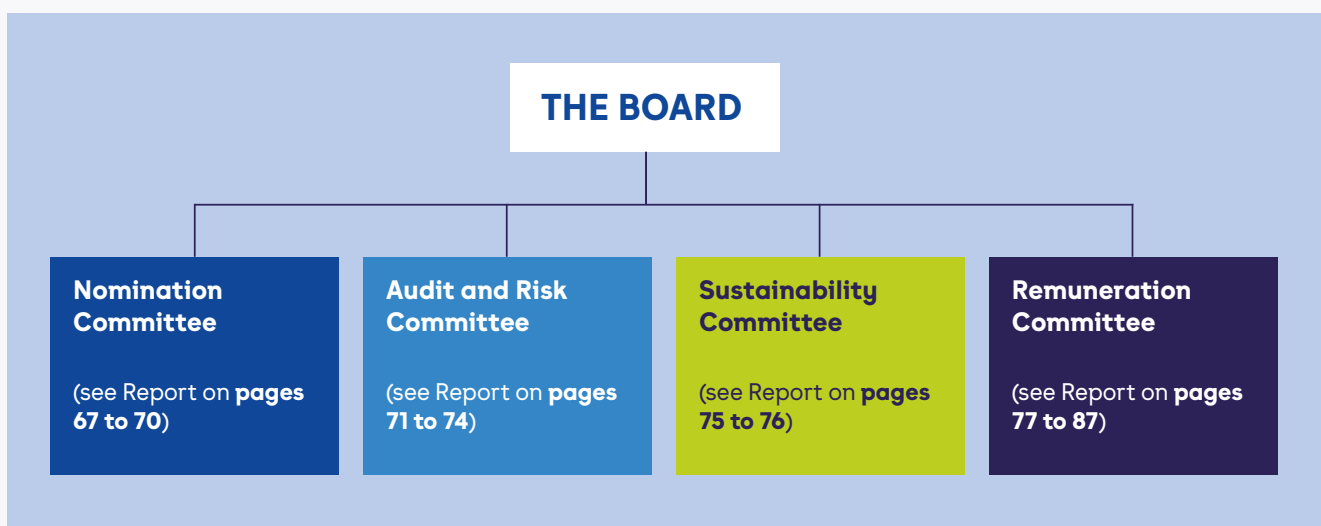
Board Leadership and Company Purpose	<b>Pages 59 to 60</b>	→
Division of Responsibilities	<b>Page 61</b>	→
Composition, Succession and Evaluation	<b>Pages 67 to 70</b>	→
Audit, Risk and Internal Control	<b>Pages 71 to 74</b>	→
Remuneration	<b>Pages 77 to 87</b>	→

The Board also carefully considers its wider stakeholders, including colleagues, members and suppliers, when making decisions. Further information can be found in our Section 172 Statement on **pages 64 to 66**.

In addition to setting the strategy of the business and overseeing its implementation by management, the Board provides leadership to the business on purpose, culture, values and ethics, sustainability, monitoring overall financial performance, and ensuring effective corporate governance, stakeholder engagement and legal and regulatory compliance. The Board is also responsible for ensuring that effective internal control and risk management systems are in place.

### Board Committees

The Board has formally delegated certain governance activities to its Board Committees to assist with fulfilling its responsibilities – see the Board structure below. The Matters Reserved for the Board and the Committees' terms of reference can be found on our website at [www.tggplc.com](http://www.tggplc.com).



Governance Report

**CORPORATE GOVERNANCE STATEMENT** CONTINUED

**Company Purpose, Values and Culture**

The Gym Group’s purpose is to break down barriers to fitness for all, and the Board fully supports and promotes this by conducting its business according to our core values: take the first step, realness, friendliness and challenging our limits. Our purpose and values are reinforced by our people-first culture and investors’ and other key stakeholders’ interests are at the forefront when making decisions.

The Board has responsibility for and is satisfied that our culture remains aligned with our purpose, values and strategy and that it has been embedded throughout the organisation. They discharge this duty through constructive challenge and by monitoring compliance with the applicable laws and regulations. They also review, or approve as appropriate, the relevant policies, practices and behaviours adopted throughout the business, including its own conduct as a Board and the conduct of its individual Directors (see the Nomination Committee Report on **pages 67 to 70**).

During 2025, the Board had oversight of the Group’s culture and how it is being embedded across the business, through various formal updates, including those on:

- the effectiveness of the Group’s talent management and performance appraisal processes and remuneration structure. The Board was also updated on revisions to the Company’s talent process, talent framework and behaviours matrix, which are being implemented through recruitment and performance appraisals, among other means. These processes are now further aligned to colleagues’ personal and professional development, Next Chapter growth plan objectives and remuneration outcomes;
- employee engagement survey results;
- the achievement of external awards namely, the gold standard in the Investors in People and Investors in Wellbeing accreditations, Level 3 Disability Confident Leader status and the Gold Award for the leisure sector from The Royal Society for the Prevention of Accidents;
- wider stakeholder engagement as set out in the Section 172 Statement on **pages 64 to 66** and our Sustainability Report on **pages 30 to 37**;
- diversity and inclusion at Board and Executive Management levels and across the wider business;
- risk management, internal control, anti-bribery, fraud and whistleblowing arrangements as set out in the Audit and Risk Committee Report on **pages 71 to 74**; and
- strategy, operations, health and safety, investor relations, ESG and sustainability, governance and technology from our Executive Management and senior leadership team.

**Key Areas of Focus During the Year**

Most of the Board’s time was spent on strategy, followed by financial, technology, governance and compliance, which the Board considers to be appropriate. Minutes of all Board and Committee meetings are taken by the Company Secretary and circulated for comments and approval. Any concerns raised, or challenges made, by a Director are recorded in the minutes.

The following sets out the key areas of focus for the Board during the year. Further details on 2025 outcomes and how our key stakeholders were considered are set out on **pages 64 to 66**.

<b>Strategy</b>
<ul style="list-style-type: none"> <li>• Strategy review and approval</li> <li>• Site approvals and pipeline reviews</li> <li>• ESG and sustainability matters</li> <li>• Performance management and talent review of Executive Management</li> <li>• Functional reports including People, Operations and Health and Safety</li> <li>• Trading environment reviews and consideration of market conditions</li> <li>• Stakeholder engagement including feedback received from investors, employees and other key stakeholders</li> <li>• Pricing and member plan reviews</li> </ul>
<b>Financial</b>
<ul style="list-style-type: none"> <li>• Business performance, including trading updates and the market’s response to announcements</li> <li>• Preparation of the Annual Report and Accounts, including full and half year announcements</li> <li>• Engagement with the Group’s banks</li> <li>• Budget and financial planning</li> </ul>
<b>Technology</b>
<ul style="list-style-type: none"> <li>• Improved app and mobile web experience</li> <li>• Technology investment and improvements</li> </ul>
<b>Governance and Compliance</b>
<ul style="list-style-type: none"> <li>• Approval of the Annual Report and Accounts</li> <li>• Onboarding and development of Directors</li> <li>• Succession planning and review of Board performance and composition</li> <li>• Diversity and inclusion matters</li> <li>• Risk management and internal control</li> <li>• Remuneration Policy considerations</li> <li>• Legal and regulatory compliance</li> </ul>

### Division of Responsibilities

The Board and its Committees have a scheduled programme of meetings aligned to the updated strategy, to ensure that sufficient time is allocated to each key area and Directors' time is used effectively. There is sufficient flexibility for items to be added to the agenda, which enables the Board to focus on key matters relating to the business at the right time.

As at 31 December 2025, our Board comprised four independent Non-Executive Directors, of which one acts as Senior Independent Director, one non-independent Non-Executive Director, two Executive Directors and the Chair of the Board. Each of their responsibilities is listed below and more information on their specific contributions to the business can be found in their biographies on pages 56 to 57.

The Chair of the Board and the Non-Executive Directors also met without the Executive Directors being present, and the Senior Independent Director held discussions with the Non-Executive Directors without the Executive Directors or the Chair of the Board being present.

Directors were made aware of the key discussions and decisions made at each of the four principal Committees; this included the Chair of each Committee providing summaries of the key matters discussed at each of their respective meetings at the next Board meeting.

On the occasion that a Director is unavoidably unable to attend a scheduled meeting, they receive a briefing from the respective Chair, so that their comments and input may be taken into account at the relevant meeting, and the Chair provides an update to them after the meeting.

## Roles and Key Responsibilities

### Chair of the Board

- The leadership, effectiveness and governance of the Board.
- Setting the agenda, style and tone of Board discussions with a particular focus on strategic matters.
- Ensuring each Non-Executive Director makes an effective contribution to the Board.
- Ensuring that the Directors receive accurate, timely and clear information.
- Chairing the Nomination Committee.
- Promoting a culture of openness and debate.
- Facilitating constructive Board relations.

### Chief Executive Officer ('CEO')

- Proposing the strategic objectives of the Group for approval by the Board and delivering the strategic and financial objectives in line with the agreed purpose and strategy.
- Leading the Executive Committee and Senior Management in managing the operational requirements of the business.
- Providing clear and visible leadership of our shared values.
- Responsibility for the effective and ongoing communication with colleagues and shareholders.

### Chief Financial Officer ('CFO')

- Working with the CEO and Executive Committee to develop and implement the Group's strategic and financial objectives in line with the agreed purpose and strategy.
- Ensuring that the Group remains appropriately funded to pursue the strategic objectives.
- Investor relations activities and communications with shareholders.
- Monitoring the financial performance of the Group.
- Financial reporting including the preparation of the Annual Report and Accounts.

### Senior Independent Director ('SID')

- Acting as a sounding board for the Chair of the Board and serving as an intermediary for the other Directors as necessary.
- Acting as lead independent Non-Executive Director.
- Leading the Non-Executive Directors in the performance evaluation of the Chair of the Board, with input from the Executive Directors.
- Meeting with shareholders in the event that the Chair of the Board or the Executive Directors are unavailable and where otherwise appropriate.

### Non-Executive Directors

- Constructively challenging management proposals and providing advice in line with their respective skills and experience.
- Helping develop proposals on strategy.
- Having a prime role in appointing and, where necessary, removing Executive Directors.
- Contributing to succession planning at Board and Senior Management levels.

### Company Secretary

- Supporting the Chair of the Board and the Non-Executive Directors with their responsibilities.
- Advising on regulatory, compliance and corporate governance matters.
- Facilitating individual induction programmes for Directors and assisting with their development as required.
- Communications with shareholders and organisation of the AGM.
- Keeping a record of Board and Committee discussions and tracking actions.

Governance Report

**CORPORATE GOVERNANCE STATEMENT** CONTINUED

**Board Meetings**

The Board's programme of meetings allows key areas of focus to be established and reviewed on a regular basis. Scheduled Board meetings are predominantly held in person, with additional virtual and hybrid meetings facilitated where required. Members of Executive Committee and Senior Management attend to support the Board's assessment of performance, discuss progress and agree key priorities. The below table shows the attendance of Directors at scheduled Board and Committee meetings in 2025.

	Board	Nomination Committee	Audit and Risk Committee	Sustainability Committee	Remuneration Committee
John Treharne	8/8	2/2	N/A	3/3	N/A
Will Orr	8/8	N/A	N/A	3/3	N/A
Luke Tait	8/8	N/A	N/A	N/A	N/A
Wais Shaifta	8/8	2/2	4/4	3/3	3/3
Elaine O'Donnell	8/8	2/2	4/4	3/3	3/3
Richard Stables	8/8	2/2	N/A	N/A	N/A
Simon Jones <sup>1</sup>	8/8	2/2	4/4	2/3	3/3
Tamsin Todd <sup>2</sup>	6/8	1/2	2/4	2/3	1/3

1 Simon Jones was unable to attend the Sustainability Committee meeting held in June due to medical reasons. He attended all other meetings during the year.  
2 Tamsin Todd joined the Board on 1 May 2025 and has attended all meetings since her appointment.

**Director Independence**

In line with the Code, John Treharne, Chair of the Board, was not deemed independent on appointment given he is the founder of The Gym Group and having previously been an Executive Director of the Company. Non-Executive Directors Wais Shaifta, Elaine O'Donnell, Simon Jones and Tamsin Todd all of whom served during the year, were deemed independent on, and during, their appointments. As a result of his connections with one of the Company's major shareholders, Richard Stables was not considered independent on appointment to the Board. The independence of the Non-Executive Directors is closely monitored by the Board on an ongoing basis.

**Directors' Conflicts of Interest**

All Directors are required to declare to the Board any interests that are potential or existing conflicts with the interests of the Company. The procedure for declaring and dealing with such conflicts is outlined in the Company's Articles of Association. A register of Directors' conflicts is maintained by the Company Secretary and reviewed by the Board at least annually.

No Directors took on additional significant commitments during the year, which impacted their ability to carry out their duties to the Company. All Directors acted in line with the Group's conflicts procedures. As at 31 December 2025 and the date of this report, none of the Directors held a material interest in any contracts that the Company, or any subsidiary undertaking of the Company, is a party to.

**Board Skills and Composition Information and Support**

An agenda and accompanying papers are circulated to the Directors prior to the relevant meetings, usually a week in advance, via a secure digital platform. Given the fast-paced nature of the business, certain relevant information, such as the latest trading data up to the prior day, is shared with Directors at Board meetings. These include reports from Executive Directors on their areas of responsibility and additional reports from other members of Executive and Senior Management and external advisers. Members of Executive and Senior Management are often invited to present relevant matters to the Board. All Directors have access to management should they require additional information on any of the items to be discussed, as well as the Company Secretary, should they wish to discuss governance, procedural or administrative matters. The Board and the Audit and Risk Committee also receive regular and specific reports to allow the monitoring of the Group's system of risk management and internal control (further details may be found in the Audit and Risk Committee Report on **pages 71 to 74**).

The information supplied to the Board and its Committees is kept under review and is formally assessed on an annual basis as part of the Board performance review to ensure it remains relevant and enables sound decision-making. Further details on the 2025 internal Board performance review may be found in the Nomination Committee Report on **pages 67 to 70**.

### Training and Development

The Group has developed an induction programme to provide new Directors with a formal and tailored orientation that includes visiting several operational locations and business and industry updates from key members of management and external advisers.

The knowledge, skills, experience and diversity of the Board as a whole and on an individual Director basis are assessed each year using a skills and diversity matrix and further evaluated as part of the Board performance review process. These inform decisions on Board composition and ongoing training and development opportunities for Directors. The Board and Committee agenda items also include briefings on a wide range of topics, such as corporate governance, legal and regulatory updates.

Additionally, Directors have access to the advice and services of the Company Secretary and independent and professional external advisers at the Group's expense, should they determine that this is necessary to discharge their duties.

### Re-Election of Directors

On the recommendation of the Nomination Committee, the Board considers all Directors to be effective, committed to their roles and to have sufficient time to perform their duties. In accordance with the Code and the Articles of Association, John Treharne, Will Orr, Luke Tait, Elaine O'Donnell, Richard Stables, Simon Jones and Tamsin Todd will offer themselves up for re-election at the Company's AGM in May 2026. Wais Shaifta will not seek re-election.

The Board was pleased that the majority of shareholders voted in favour of the resolution relating to the re-election of John Treharne as a Director at the previous AGM held in May 2025, with 79.19% of votes in favour. Nevertheless, it is acknowledged that over 20% of shareholders voted against the resolution. A statement setting out the actions taken since the 2025 AGM has been disclosed on our website, [www.tggplc.com](http://www.tggplc.com), and updates on a Board Chair succession plan and our progress on meeting our Board diversity targets can be found in the Nomination Committee Report on **pages 67 to 70**.

All of the Directors' service agreements and letters of appointment will be available for inspection at the Company's registered office during normal business hours from the date of the Notice of the 2026 AGM until the conclusion of that meeting. On the date of the 2026 AGM, they will also be available at the meeting venue for inspection.

Governance Report

## SECTION 172 STATEMENT

**Section 172 ('s172') of the Companies Act 2006 requires the Directors to promote the Group's long term success for the benefit of its members, taking into consideration various stakeholders' interests and maintaining high standards of business conduct.**

### Key Stakeholders and the Effectiveness of our Stakeholder Engagement Tools

During the year, the Board reviewed its list of key stakeholders and the effectiveness of its stakeholder engagement tools, taking into consideration relevant legal requirements, best practice guidance and comparative data. Based on the review, the Board determined that 'Government and Regulators' be added as a key stakeholder. It was also determined that existing engagement mechanisms remained effective in ensuring that they received up-to-date information on, and a clear understanding of, stakeholders' interests.

With respect to workforce engagement, employee listening sessions commenced towards the end of 2024 and carried on into 2025. Sessions were held in London, Surrey, Leeds and Manchester, between colleagues from our Gym Support and Gym Operations teams and the Workforce Engagement Director ('WED'), John Treharne. On review of the feedback received, the Board concluded that the listening sessions are a helpful tool in gathering colleagues' views and fostering an inclusive community, particularly regarding operational sites furthest away from London. Listening sessions were also found to be complementary to employee engagement surveys, and the two taken together provide a rounded view of colleagues' interests. Going forward, listening sessions will be focused on key projects and initiatives, as a means of ensuring management and the Board continue to gain a holistic view of the impact and experience from an employee perspective.

Our key stakeholders and main methods of engagement are as follows:

Stakeholders	How we Engaged
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>• Investor and analyst presentations and meetings</li> <li>• Investor roadshows</li> <li>• Annual General Meeting</li> <li>• Site visits to our gyms</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Employee engagement and pulse surveys</li> <li>• Externally conducted surveys, which resulted in the achievement of employer awards namely, the gold standard in the Investors in People and Investors in Wellbeing accreditations and Level 3 Disability Confident Leader status</li> <li>• Employee listening sessions with the WED</li> <li>• Annual conference for gym managers and the Gym Support team</li> <li>• Monthly hybrid all-staff meetings</li> <li>• Executive Committee ('ExCo') and senior leadership team away days</li> <li>• Bi-weekly all-staff emails from the CEO</li> <li>• Reports from the Chief People Officer to the Board and the Nomination Committee on talent pipeline, development and succession planning</li> </ul>
<b>Members</b>	<ul style="list-style-type: none"> <li>• Regular review of members' overall satisfaction scores, customer satisfaction scores and key operational metrics</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Service review meetings with key suppliers</li> <li>• Meetings between Directors and key corporate advisers in and outside of Board and Committee meetings</li> </ul>

Stakeholders	How we Engaged
<b>Communities</b>	<ul style="list-style-type: none"> <li>• Fundraising events for NHS Charities Together</li> <li>• Working closely with local authorities primarily for health, safety and environmental matters and fire safety, to ensure our gyms remain safe spaces for our members</li> <li>• Recruiting from diverse candidate pools to ensure our workforce is reflective of the communities in which we operate</li> <li>• Gym staff driving our Social Value by actively engaging with new and existing members to increase the frequency of members' visits</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>• See our Sustainability and TCFD Reports and the Sustainability Committee Report on <b>pages 30 to 37, 38 to 41 and 75 to 76</b>, respectively</li> </ul>
<b>Lending Banks</b>	<ul style="list-style-type: none"> <li>• Regular engagement with our lending banks through meetings with the Group CFO and ongoing communication on performance, strategy and capital allocation plans</li> </ul>
<b>Government and Regulators</b>	<ul style="list-style-type: none"> <li>• Participation in industry groups, including ukactive, and consultations on existing and upcoming legal and regulatory developments including: <ul style="list-style-type: none"> <li>• the UK Supreme Court's ruling on the interpretation of 'sex' in the Equality Act 2010</li> <li>• the Competition and Markets Authority's ('CMA') guidance on price transparency</li> <li>• HMRC's employer compliance review</li> <li>• engagement with our health and safety and fire safety primary authority partners</li> </ul> </li> </ul>

### 2025 Outcomes and how we Considered our Key Stakeholders

Below are a few outcomes emerging from and examples of how our key stakeholders were considered during 2025. Collectively, these outcomes contribute to the Group's longevity ensuring an inclusive working environment for employees, high value, low cost gym facilities for our members and a business that continues to prioritise compliance with its legal and regulatory obligations and value creation for its shareholders. The Group's commitment to maintaining high standards of business conduct is and continues to be embedded in its purpose, values and culture as set out on **page 60**.

#### Employee Listening Sessions

The WED provided anonymous reports to the wider Board on employee listening sessions. Key themes centred around the communication of business focus areas and strategy to employees below management level, employees' perception of leadership, culture, gym layout and maintenance, product offering, brand perception and our web-based and app technology.

TGG's leadership and culture were perceived positively. However, it was noted that gym staff would like to see greater consistency in how business focus areas and strategy are communicated below management level. Colleagues felt that the gym layout, maintenance and product offering were strong, but that gyms could benefit from better provision for female members, higher standards of cleanliness and ensuring there is adequate gym kit available during peak hours. In terms of branding, it was the view of some colleagues that a few of TGG's competitors were doing more to appeal to younger members, and while there had been great improvement with TGG's membership app, there were some features that colleagues felt could be further enhanced.

Much of the feedback received was already in discussion by the Board and Executive Management, and features strongly in our strategic plans and initiatives as discussed in this section and throughout the Annual Report and Accounts.

#### 2026 Strategy Planning

Details of our Next Chapter growth plan can be found on **pages 12 to 13**. Improvements in the Board's approach to strategic discussions can also be found in the Nomination Committee Report on **pages 67 to 70**. During the planning process, all key stakeholders were considered by the Board and the ExCo. The outcome is a strategy targeted at delivering sustainable and long term growth for shareholders, an improved offering for members, an inclusive and progressive working environment for employees, added Social Value for the communities we serve, impactful actions for the health of our planet and a Group operating at high business standards and compliant with its legal, regulatory and contractual obligations.

Governance Report

## SECTION 172 STATEMENT CONTINUED

### 2025 Outcomes and how we Considered our Key Stakeholders continued

#### Improvements to our Gym Spaces

In our previous Annual Report and Accounts, we reported that we were starting to refresh the look and feel of our gyms. During 2025, with oversight by our internal Property Committee and Board of Directors, and using research, sustainability factors and feedback from our teams and members, we continued to develop and refine the new elevated site format, to establish a fresh, compelling, contemporary design. This has been applied to all new gyms and a scalable, cost-effective model has been developed for refurbishing the existing estate within our maintenance capital expenditure budgets. Further details on the new elevated site format can be found on **pages 17 to 18**.

#### Investment in Major Technology and Data Platforms

In 2025, we started a programme of investment in our major technology and data platforms, which is ongoing. We are introducing new member management and payment facilities, focused on a new set of market-leading business and member capabilities, accelerating the pace of innovation and creating a step change in operational performance, scalability and efficiency. This is a phased programme over 2025 and 2026, using proven technology delivered in collaboration with leading solution providers. We expect these developments to accelerate the already strong progress we are seeing from the Next Chapter growth plan.

We are carefully considering feedback from both internal and external stakeholders involved in operating these systems, as well as from our members who rely on these capabilities to keep their data secure and to deliver a reliable, high quality and overall great customer experience. Regular progress updates are provided to the Board directly by the Chief Technology Officer and through a dedicated Board Committee established to provide enhanced oversight of the programme.

#### Legal and Regulatory Compliance

##### The Equality Act 2010

In April 2025, the UK Supreme Court ruled that the term 'sex' in the Equality Act 2010 refers to biological sex. Legal advice on the impact to our business and our members has been obtained and members of management have joined ukactive's Supreme Court Ruling working group to contribute and gain insight on any changes. The Equality and Human Rights Commission have also updated the relevant Code of Practice and awaits parliamentary approval. The Sustainability Committee is kept up to date as the matter progresses. Any updates to our policies and operations will be in compliance with our legal obligations and industry best practice, so far as they are appropriate, and will take into consideration the interests of our members.

##### Failure to Prevent Fraud Offence ('FTPF')

FTPF became effective in September 2025. To ensure compliance, management under the oversight of the Board, engaged with the Group's corporate lawyers and relevant teams across the business to assess the risk of fraud and existing controls and mitigations, and to identify gaps and next steps. This resulted in the preparation and approval by the Board of an Anti-Fraud Policy as well as updates to other employee and supplier-related policies. Going forward, the Board has delegated ongoing monitoring and oversight to the Audit and Risk Committee.

##### CMA Price Transparency Guidance

Guidance for businesses on the price transparency provisions of the Digital Markets, Competition and Consumers Act 2024 came into effect on 18 November 2025. Management under the oversight of the Board, engaged with the Group's corporate lawyers to ensure the correct interpretation of the guidance. Management also joined the CMA webinar held in December 2025 and consulted with relevant teams across the Group to audit marketing channels and identify all areas subject to compliance.

##### Audit Quality Review ('AQR') by the Financial Reporting Council ('FRC')

During 2025, the FRC conducted an AQR of the audit of the Group's 2024 financial statements as part of their annual inspection of our previous external auditors, Ernst & Young LLP. Further details can be found in the Audit and Risk Committee Report on **page 73**.



Further details on engagement with our people, members, communities and the environment can be found in our Sustainability Report on **pages 30 to 37**.

Governance Report

# NOMINATION COMMITTEE REPORT

OVERVIEW

STRATEGIC REPORT

GOVERNANCE REPORT

FINANCIAL STATEMENTS

OTHER INFORMATION



**John Treharne**  
Chair of the Nomination Committee

<b>Chair of the Committee</b>	<b>John Treharne</b>
Committee Members	Wais Shaifta Elaine O'Donnell Richard Stables Simon Jones Tamsin Todd
<b>Number of Meetings Held in 2025</b>	<b>2</b>

**Role and Responsibilities of the Committee**  
The role of the Committee is to develop and maintain a formal, rigorous and transparent procedure for making recommendations on appointments and reappointments to the Board. In addition, it is responsible for reviewing the succession plans for Executive and Non-Executive Directors and senior management. This involves regularly reviewing the:

- leadership needs of the Group with a view to ensuring its continued ability to compete effectively in the marketplace;
- collective performance, structure, size and composition of the Board to ensure it has an appropriate balance of skills, diversity, experience, knowledge and independence, and reporting and making recommendations to the Board with regard to any changes; and
- knowledge, skills and experience of individual Board members and reporting those results to the Board.

The Committee has formal terms of reference which can be viewed on the Company's website: [www.tgplc.com](http://www.tgplc.com).

**Dear Shareholder**

I am pleased to present the Nomination Committee (the 'Committee') Report, and to provide an update on developments that took place during 2025.

**Composition and Governance of the Committee**

The Committee currently comprises four independent and two non-independent Non-Executive Directors and meets at least twice a year. In 2025, the Committee met on two occasions. For more details on each of the Committee members and their attendance at meetings, please see **pages 56 to 57 and 62**, respectively.

Only members of the Committee are entitled to attend meetings, however standing invitations are extended to the Chief Executive Officer and the Chief People Officer. The Company Secretary to the Board is also the Secretary to the Committee.

**Key Activities During the Year**

- Recommended the appointment of a new Non-Executive Director to the Board for approval.
- Reviewed the performance, diversity and composition of the Board and its Committees and progress on actions arising from previous performance reviews.
- Reviewed each of the Non-Executive Directors' independence, skills, experience, knowledge and time commitments.
- Reviewed the Board Diversity and Inclusion Policy.

- Reviewed succession plans for the Board, Executive Committee ('ExCo') and Senior Management and overseeing the development of a diverse pipeline for succession.
- Received updates on performance development plans and actions taken for the ExCo and Senior Management.
- Received updates on employee engagement across the business.
- Recommended amendments to the Committee's terms of reference to the Board for approval.
- Recommended the re-election of Directors at the Company's upcoming AGM, to the Board.

**Board composition**

In our previous Annual Report and Accounts, we reported that we sought to replace Emma Woods and David Kelly, who both stepped down from the Board in 2023, to ensure that we had adequate bandwidth as well as the right balance of skills and expertise on the Board. The Committee therefore led a formal recruitment process based on merit and objective criteria taking into consideration diversity and inclusion factors. The Committee sought the support of external search agency, Founders Keepers, for access to a diverse talent pool and whose purpose and values are in alignment with the Group's. Founders Keepers did not perform any other services for the Company during the year.

## Governance Report

# NOMINATION COMMITTEE REPORT CONTINUED

The process included development of a brief setting out the Committee's specifications for the role, preparation of a shortlist of candidates, and interviews with several Board members and members of Senior Management to assess candidates' skills, knowledge, experience and alignment with our culture and strategy.

Following a formal, robust and transparent process, including receipt of satisfactory references and confirmation of any conflicts and time commitments, the Committee recommended the appointment of Tamsin Todd to the Board, which was approved with effect from 1 May 2025. Tamsin's biography can be found on **page 57**.

The Committee further approved a formal and tailored induction programme designed to support Tamsin in learning about the business, its culture, purpose, history and strategy, its commercial proposition, and the governance roles and responsibilities relevant to her duties.

Additionally, after five years of service, Wais Shaifta has decided to step down from the Board. His retirement will become effective at the end of the 2026 AGM. Succession plans for the Remuneration and Sustainability Committee Chair roles are in discussion and will be disclosed once finalised later in the year.

### Succession Planning at Board Level

The Committee regularly reviews its succession plans for both Executive and Non-Executive Directors taking into account short, medium and long term considerations, governance requirements and the balance of skills, knowledge and experience required on the Board.

During 2025, the Senior Independent Director ('SID') held discussions with major shareholders on various governance matters, including tenure and succession plans for my role as Chair of the Board. Under the leadership of our SID, there have been robust discussions by the Committee on the latter, taking into consideration the UK Corporate Governance Code, the Board's dynamic and performance and the views of our major shareholders. The Committee concluded that I continue in role as Chair of the Board for the medium term.

### Succession Planning Beyond the Board

The Committee regularly reviews the composition, and succession plans in place for members of the ExCo and their direct reports. The Committee received a report on the future model, capability and succession planning for key roles within the wider business, focusing on the ExCo and Senior Management with ongoing resource requirements in mind.

In addition, the CEO regularly briefs the Board on the performance of individual ExCo members and proposed changes to that team. Whilst this activity does not take place formally within the meetings of the Committee, it does form part of its work in overseeing ExCo's development, the overall succession process and the pipeline of talent available for succession to the Board.

Board members have regular contact with members of the ExCo and Senior Management, through formal Board presentations, attendance at annual strategy days, and regular visits to the head office and other Group sites, when Non-Executive Directors meet the team on a less formal basis. Non-Executive Directors also mentor and provide guidance to members of the Executive Committee and Senior Management, subject to the specific requirements of the mentee. Further details on the members of the ExCo may be found in their biographies on **page 58**.

### Diversity and Inclusion

Our Group Diversity and Inclusion Policy states that no individual should be discriminated against on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (which includes colour, nationality and ethnic or national origins), religion or belief, sex or sexual orientation. Our policy is reflected in our approach to recruitment at all levels and is stated in our employee handbook which forms part of our employees' service contracts.

We also conducted our annual review of the Board's Diversity and Inclusion Policy during the year, which can be found on the Group's website. The policy sets out objectives that are aligned with the FCA's UK Listing Rules and governance best practice, progress against which is reported overleaf.

We will be publishing our annual Gender Pay Gap Report on our website in March 2026. Our mean gender pay gap is 9.4% (9.4% in 2024). Our median pay gap remains consistent with 2024 reporting at 0%, as most of our employees undertake the same role and are therefore on the same pay-rate, regardless of whether they are male or female. Our Gender and Ethnicity Pay Gap reports will provide further details on our figures and the actions we are taking to address these gaps.

Gender diversity on the Board increased during the year from 14% to 25%. We recognise that we did not meet the recommendations in Listing Rule 6.6.6 (9) (a) (i) – the requirement to have at least 40% of Board appointments held by women and acknowledge that the composition of the Board is a matter that needs to be kept under review, especially with respect to diversity. We will continue to evaluate the size and balance of the Board throughout 2026. Further details on the composition of the Board and the Executive Committee relating to gender identity and ethnic background as at 31 December 2025, can be found overleaf and in the At a Glance section on **page 55**.

As at 31 December 2025, we had a total of 33% (662) and 67% (1,341) female and male employees, respectively. The Executive Committee's direct reports, comprising our senior leadership team and certain heads of departments, have 42% (nine) female and 57% (twelve) male members. We believe we are making progress towards a more diverse leadership in all areas, including gender and cultural diversity, and are working towards a more representative, diverse Board to reflect our workforce.

We continue our commitment to diversity and inclusion by reviewing progress against our equality, diversity and inclusion pledges and projects, which are aligned with our purpose of breaking down barriers. Details of relevant initiatives can be found on **page 34**.

The demographic data sets (including special categories of data) collected from employees and candidates for the purpose of equal opportunities monitoring and reporting, are built into our HR information system (Workday) and processes.

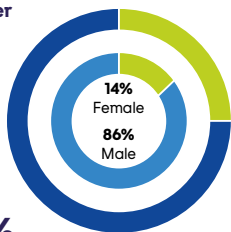
Information on why we collect this data and how we process it is outlined in our Privacy Notices and is made available at the point of disclosure along with a request for consent and agreement to the terms and conditions. Within the candidate/employee onboarding journey, individuals are asked to complete a diversity and inclusion form within Workday. Disclosures within this form are voluntary, with all data categories having the option of 'prefer not to say' (with the exception of gender). Data is stored securely against the employees' personal records with visibility restricted to select members of the People team.

Custom dashboards and reports have been built within Workday to collate employee data and enable real-time reporting. Through collecting data in this way, we are also able to build notifications within Workday enabling us to carry out periodic data drives to employees with incomplete data sets, requesting them to complete the diversity and inclusion form.

Board Diversity Objectives	Progress
To continue to adopt a formal, rigorous and transparent process, taking into account diversity and inclusion, when considering the appointment of Directors. The Board is committed to using search firms that access talent from wide and diverse pools and whose values and approach in identifying and proposing suitable candidates, are aligned with the policy.	The procedure adopted for Tamsin Todd's appointment to the Board can be found on <b>page 67</b> of this report.  The Committee's terms of reference also set out the procedure for the appointment of new Directors, which is in line with best practice guidance.
To achieve and maintain, with respect to gender and ethnic diversity at Board and Committee levels, any legal and regulatory requirements particularly under the FCA's Listing Rules, recognising that unexpected changes in Board composition may result in temporary periods when this balance is not achieved.	Our compliance with gender and ethnic diversity at Board level under the FCA's UK Listing Rules can be found in the At a Glance section on <b>page 55</b> and in the pie charts below.
To monitor progress in ensuring that a suitable number of roles are held by women and persons from ethnic minority backgrounds, at the Executive Committee level and below.	As is the annual practice, the Chief People Officer presented a report setting out its analysis of employee positions held by women and persons from an ethnic minority, as well as gender and ethnicity pay gaps across all levels of the Group.
To continue to facilitate a culture of inclusivity among Board and Committee members and to encourage active contributions from all Directors, recognising that a clear tone and example must be set at Board level.	Following the internal Board performance review conducted during 2025, it was found that the culture and dynamics of the Board and its meeting discussions continued to be effective and were in line with the Company's core values. These and other related matters will continue to be reviewed on an annual basis.

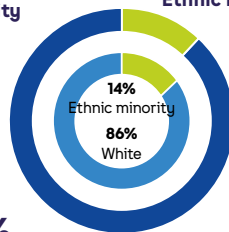
### Diversity of Board Members

Gender



**25%**  
Female

Ethnicity



**12%**  
Ethnic minority

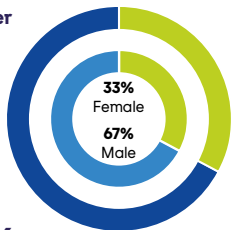


See diversity tables for the Board and Executive Committee on **page 55**.

● 2025  
● 2024

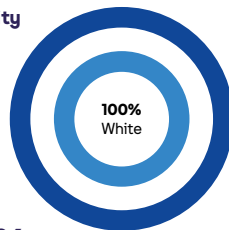
### Diversity of Executive Committee Members

Gender



**33%**  
Female

Ethnicity



**100%**  
White

● 2025  
● 2024

**67%**  
Male

Governance Report

**NOMINATION COMMITTEE REPORT** CONTINUED

**Board Performance Review**

Previous Outstanding Actions	Progress
2023: to assess the effectiveness of our workforce engagement arrangements	Given employee listening sessions were only implemented at the end of 2024 between myself, as the Workforce Engagement Director, and colleagues in Gym Support and Gym Operations across the UK, the review was deferred to 2025. The outcome of that review can be found in the Section 172 Statement on <b>pages 64 to 66</b> .
2024: to review the Board's approach to medium and long term strategy discussions	The Board and ExCo commenced strategy discussions earlier in the year than usual to agree focus areas and obtain advice from external strategy consultants. The Board reflected and agreed that the process had improved and allowed more time for meaningful discussions. The revised approach would be continually applied and refined over time. Further details on how stakeholders were considered during the strategy process can be found in the Section 172 Statement on <b>pages 64 to 66</b> .

During 2025, the Committee changed the timing of the Board performance review to commence in the Summer, so that it was better aligned with the Company's year end reporting timetable. The review was facilitated internally by the Company Secretary using anonymous questionnaires, which were completed by members of the Board. The review focused on the Board and its Committees' composition, skills and behaviours, governance processes and support, the quality of information received and activities undertaken during 2025. For the Board, the questionnaire also focused on matters relating to strategy, risk, governance and investor and stakeholder engagement. The results were discussed at the November Committee meeting and subsequently reported to the Board.

The key actions arising from the 2025 internal performance review were to:

- review the Committees' composition, taking into account the recent appointment of Tamsin Todd; and
- review capital allocation plans to ensure their alignment with the Company's long term strategy.

These actions are currently under way with updates to be disclosed later in the year and in the next Annual Report and Accounts, as appropriate.

Individual appraisals on the performance of the Non-Executive Directors were also conducted and reviewed by me in my capacity as Board Chair, with feedback from the CEO and CFO.

Additionally, other members of the Board led by the Senior Independent Director, completed a review of my performance as Board Chair with respect to the reporting period and concluded that I remained effective in that capacity.

All Directors, with their consent, are submitted for annual re-election subject to continued satisfactory performance, which is assessed each year. Based on the outcome of the 2025 internal performance review of the Board, its Committees and the individual Directors it was concluded that all Directors continue to make valuable contributions, exercise independent judgement and dedicate adequate time to their responsibilities. Accordingly, the Board, on the recommendation of the Committee, has proposed the re-election of John Treharne, Will Orr, Luke Tait, Elaine O'Donnell, Richard Stables, Simon Jones and Tamsin Todd at the 2026 AGM. Wais Shaifta has decided to step down from the Board and therefore will not stand for re-election.

**John Treharne**  
Chair of the Nomination Committee

11 March 2026

Governance Report

# AUDIT AND RISK COMMITTEE REPORT

OVERVIEW

STRATEGIC REPORT

GOVERNANCE REPORT

FINANCIAL STATEMENTS

OTHER INFORMATION



**Elaine O'Donnell**  
Chair of the Audit and Risk Committee

<b>Chair of the Committee</b>	<b>Elaine O'Donnell</b>
Committee Members	Wais Shaifta Simon Jones Tamsin Todd
<b>Number of Meetings Held in 2025</b>	<b>4</b>

### Role and Responsibilities of the Committee

- Reviewing the Group's annual and half year financial statements and accounting policies.
- Monitoring the integrity of the Group's financial statements and related announcements, including reviewing and challenging any significant financial reporting judgements contained therein.
- As requested by the Board, assessing whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.
- Reviewing the Group's risk management framework, including principles, policies, methodologies, systems, processes, procedures and people.
- Advising on the Group's risk appetite.
- Monitoring compliance with internal control systems, reviewing the overall effectiveness of the Group's system of internal control and risk management and making recommendations to the Board for improvements or developments.
- Reviewing the programme and work of the internal audit function and monitoring progress on follow up actions.
- Agreeing the external auditor's engagement terms, scope and fees, monitoring and reviewing the effectiveness and independence of the external auditor, and ensuring appropriate policies are in place to protect independence.
- Reviewing the effectiveness of the Group's whistleblowing, anti-bribery and fraud prevention processes.

The Committee has formal terms of reference which can be viewed on the Company's website: [www.tggplc.com](http://www.tggplc.com).

## Dear Shareholder

As Chair of the Audit and Risk Committee (the 'Committee') I am pleased to present this report for the year ended 31 December 2025.

### Composition and Governance of the Committee

The Committee currently comprises four independent Non-Executive Directors who bring a wide range of financial and commercial expertise relevant to our market. The Board is satisfied that as Chair, I have extensive, recent and relevant financial experience and that the Committee as a whole has a wide range of experience and competence relevant to the sector in which the Group operates through current and previous roles. We welcomed Tamsin Todd to the Board and to the Committee in May 2025, whose expertise includes technology, business strategy and product management; all of which have been beneficial to the Committee in fulfilling its duties. For more details on each of the Committee members, see **pages 56 to 57**.

Whilst the management team and Chair of the Board are not members of the Committee, a positive working relationship is critical to the Committee's proper function. Only members of the Committee are entitled to attend meetings, however standing invitations are extended to the Chief Financial Officer, Finance Director, Chief Executive Officer, Chair of the Board, the external and internal auditors and other Non-Executive Directors.

In addition, the Committee also invites other senior finance and business managers to attend certain meetings where it is deemed appropriate. The Company Secretary to the Board is also the Secretary to the Committee.

Luke Tait, as Chief Financial Officer, has responsibility for all aspects of financial reporting, internal control and risk management. At the request of the Committee, Luke attends all Committee meetings and provides updates on key matters.

In 2025, the Committee met on four occasions. Attendance at those meetings is shown in the table on **page 62**. In March 2025 and 2026, the Committee held private sessions with the external auditors without members of management being present.

### Key Activities During the Year

- Reviewed and recommended for approval by the Board, the 2025 half year and full year results for publication, including related investor presentations.
- Considered significant accounting matters and judgements in relation to the financial statements. This included consideration of management's approach and the related comments of the external auditor.

## Governance Report

# AUDIT AND RISK COMMITTEE REPORT CONTINUED

- Considered and recommended for approval by the Board, the Group's going concern and viability statements.
- Considered the requirements under the UK Corporate Governance Code (the 'Code') concerning fair, balanced and understandable reporting.
- Considered and recommended to the Board where appropriate, matters relating to distributable reserves, interim accounts filings and a share buyback programme.
- Oversaw the successful transition to the Group's new external auditor, Grant Thornton UK LLP ('GT'), approved the scope of the external audit plan, audit materiality and key focus areas and fees, and verified their independence.
- Appointed PwC as internal auditors to provide independent, objective assurance over the effectiveness of risk management, control and governance processes.
- Approved the approach to, and received progress updates on, the readiness of the Group for reporting under provision 29 of the Code.
- Assessed the effectiveness of the Group's risk management and internal control systems.
- Reviewed the outcome from the Group's bi-annual risk management process, including assessment of the principal risks and risk appetite statements, and approved the Managing Risk section of this Annual Report.
- Approved amendments to the Group's Whistleblowing and Anti-Bribery and Anti-Corruption policies and reviewed the effectiveness of those procedures.
- Reviewed the Committee's terms of reference.

### Significant Issues and Judgements Relating to the Financial Statements

The Committee has the responsibility to monitor the integrity of the Annual Report and Accounts and the Interim Results, including a review of the significant financial reporting matters and judgements contained in them.

At its meeting in September 2025, the Committee reviewed a comprehensive paper prepared by the Finance Director, which analysed the Group's results for the half year and highlighted any significant issues and judgements arising in the preparation of the Group's half year financial statements. In early 2026, an updated paper was prepared and reviewed, which supported the preparation of the Group's Annual Report and Accounts 2025. It also provided information to support the Directors' viability and going concern statements. The Committee also considered a paper prepared by the external auditor, which included their findings in respect of the audit of the full year financial statements and significant reporting and accounting matters therein.

The most significant issues and judgements considered by the Committee were as follows:

### Impairment of CGUs – Property, Plant and Equipment and Right of Use Assets

Consistent with prior years, as part of the year end procedures, management has considered whether there are any indicators of impairment in relation to tangible assets, Right-of-Use assets and intangible assets, and where such indicators are present, tested those assets for impairment. The cash flow forecasts used in the assessment were based on the Group's three year financial plan, together with assumed growth rates thereafter. A number of significant judgements have been made by management in relation to the impairment review process, the most judgemental of which are considered to be the determination of cash generating units ('CGUs') and the determination of the discount rates to apply to the future cash flows generated by each CGU.

The CGUs identified by management for both goodwill and other asset impairment testing in 2025 are consistent with those identified in the prior year. Nothing has come to light in the year, or fundamentally changed in the way the business operates, to suggest this would no longer be appropriate.

The pre-tax discount rate applied to the CGU cash flows, which was calculated by management using internal and external data points and assumptions, has remained unchanged at 11.0% (2024: 11.0%).

The impairment testing methodology and key assumptions, including CGU determination and discount rates, were reviewed and considered by the Committee and the Committee is satisfied that the impairment loss of £0.8m that has been recognised in the Group's financial statements for 2025 is appropriate. Please refer to Notes 14 and 15 to the financial statements for further information.

### Accounting for Costs Associated with the New Member Management and Payment Systems

During 2025, we commenced a programme of investment to upgrade our major technology and data platforms, including new member management and payment capabilities. Management completed an assessment of the accounting for the costs of the upgrade activities and concluded that £4.5m of the costs incurred in 2025 met the criteria under IAS 38 Intangible Assets for capitalisation; the remaining £2.1m have been included in the Group Income Statement under 'Non-underlying operating items'.

### Going Concern and Viability

The Committee reviewed and considered the paper prepared by management to support the going concern assumption in the financial statements and the longer term viability assessment.

Consideration was given to the assumptions made in the Group's three year plan base case, the severe, but plausible downside cases and the reverse stress tests.

The viability assessment also included a review of the principal risks facing the Group, their financial impact and how they are managed, as well as the adequacy and timing of renewal of the Group's bank facilities. Following a detailed review and discussion, the Committee concluded that the Group has adequate resources to continue in operational existence for the period to 30 June 2027 (the going concern assessment period) and that the Group remains viable over the period of the Group's three year plan.

As well as the key judgements noted above, the Committee also reviewed and considered other accounting matters, including the capitalisation of staff costs, accounting for changes to the Group's bank facilities and the recognition of deferred tax assets. In all instances, the Committee was satisfied that the accounting treatment adopted, and the classification and disclosure in the financial statements, were appropriate; and that there were no material matters requiring the Committee to make amendments to the consolidated financial statements.

### Fair, Balanced and Understandable

The Board recognises its duty to ensure that the Annual Report and Accounts 2025, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the position, performance, strategy and business model of the Group.

The Board has placed reliance on the following to form this opinion:

- the process by which the Annual Report and Accounts 2025 was prepared, including detailed project planning and a comprehensive review process;
- the review of the Annual Report and Accounts 2025 by the Committee, placing reliance on the experience of the Committee members;
- reports prepared by senior management regarding critical accounting judgements and significant accounting policies;
- discussions with, and reports prepared by, the external auditor; and
- regular financial information received throughout the year, including monthly KPIs.

As detailed in the Directors' Responsibility Statement on **page 91**, each of the Directors has confirmed that, to the best of each person's knowledge and belief, the Annual Report and Accounts 2025, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy.

### External Auditor Independence and Effectiveness

During the year, the Committee oversaw the successful transition to the Group's new external auditor, with no disruption to audit quality or reporting timetables.

GT was appointed as the Group's external auditor following a formal and robust tender process, which concluded in December 2024 and was subsequently approved by shareholders at the 2025 AGM. The appointment was made having considered their capabilities, experience and independence. Further details on the process can be found on **page 87** of the 2024 Annual Report and Accounts.

As part of the annual reporting process, the Committee reviewed the effectiveness and independence of the auditor by:

- Reviewing the 2025 audit plan.
- Discussing the results of the audit, including their views on material accounting issues and key judgements and estimates.
- Meeting the auditor without management present and understanding the extent to which the auditor challenged management.
- Considering the robustness of the audit process.
- Meeting without the auditor present to consider their performance.
- Confirming the independence and objectivity of the auditor through a review of formal reports presented to the Committee and considering whether any other conflicts of interest exist which might impact independence.
- Confirming that no non-audit work was undertaken.

Based on its review, the Committee concluded that GT is effective and independent.

### External Auditor Fees

During 2025, management agreed to audit fees for the Group of £310,000 for the year ended 31 December 2025 (2024: £400,000).

### Non-Audit Services

In 2025 Ernst & Young, for the remainder of its appointment as external auditor, and GT did not provide any non-audit services to the Company or its subsidiaries.

In line with UK Independence Rules, the Committee is responsible for approving all non-audit services provided by the auditor. The Committee has a formal policy on the supply of non-audit services by the Company's auditor. All non-audit services carried out by the Company's auditor are to be pre-approved by the Committee.

### Engagement with Regulators

During the year, the FRC's Audit Quality Review ('AQR') team reviewed the audit of the Group's 2024 financial statements as part of their annual inspection of Ernst & Young LLP. The findings from the review, none of which were significant, were considered by the Committee and no further action was deemed necessary.

### Risk Management

Our risk management process and the risks which are considered to be the principal risks of the Group, are detailed in the Managing Risk section on **pages 42 to 52**.

During the year, the Committee reviewed the Group's risk management process and methodology and considered the principal and emerging risks identified by management, together with the adequacy of any mitigating actions put in place to reduce each risk. In addition, the Committee reviewed and approved the risk appetite statements included in the Annual Report and Accounts 2025, which are linked to our corporate purpose and strategic ambitions and embedded into the Group's risk management process.

## Governance Report

# AUDIT AND RISK COMMITTEE REPORT CONTINUED

The Committee discussed the risk in relation to IT Dependency and agreed with management's view that this had temporarily increased as a result of the major technology investment that is under way.

The Committee also discussed the continued high likelihood for cyber attacks in light of ongoing geopolitical events. The Committee was satisfied with the mitigations in place to manage cyber risk, which include: the completion of a biennial GDPR audit (last audit held in August 2024); the Chief Technology Officer ('CTO') briefing the Board on information security matters at least annually; all employees being required to complete online training courses for data protection and cybersecurity at least once a year; and an ongoing programme of assessments and accreditations testing the information security environment. There have been no material information security breaches in the last five years.

The Group's emerging risks of Climate Change, AI and the availability of Weight Loss Drugs were discussed by the Committee. These will continue to be monitored.

### Internal Control

The Committee has delegated responsibility from the Board for reviewing the effectiveness of the Group's system of internal control, which includes financial, operational and compliance controls and the risk management process. The Group's system of internal control is underpinned by the following:

- A robust system of financial controls, including appropriate segregation of duties within the Finance team, clear delegation of authority rules, an established balance sheet reconciliation and review process, and a detailed monthly meeting with the Finance Director and CFO to review the monthly management accounts.
- The Group's Code of Conduct and suite of policies underpinned by procedures, operating standards and employee training for each of our key functional areas as appropriate. These cover areas ranging from financial reporting, corporate compliance, information security, and health and safety in gyms. Relevant business areas and functions own these underlying components of our internal controls environment and are responsible for ensuring control processes and activities are maintained and operate effectively.
- Regular meetings of various groups, including business functions, senior management, sub-Committees and the Board to discuss key trading, operational and financial matters.
- A thorough budget and three year planning process with outputs reviewed by the Board.
- Circulation of monthly reports to the Board containing detailed information regarding financial and operational performance and financial and non-financial KPIs, as well as whistleblowing and compliance matters.

The Committee considers that it has complied with its obligations under the Code in relation to the assessment of risk and monitoring and the review of the effectiveness of internal controls and risk management.

During the year, the Committee continued to oversee the Group's progress towards full compliance with Provision 29 of the Code. PwC, in their capacity as Internal Auditor, delivered a number of workshops for members of the Finance management team to support understanding of the requirements, agree an approach to identifying 'material controls' and commence documentation of those controls. In addition, enhancements to the internal control framework in the year included commencing end-to-end process mapping for key financial processes and controls, clarifying ExCo ownership of principal risks and aligning risk definitions, appetite and related controls and mitigations, and using Internal Audit to provide independent assurance over key financial controls and the risk management framework. The Group intends to provide more detailed disclosure on Provision 29 in the Annual Report and Accounts 2026.

### Internal Audit

During the year, the Committee approved the appointment of PwC as the Group's Internal Auditor, strengthening independent assurance over key financial controls and the effectiveness of the Group's risk management framework.

PwC are also appointed as the Company's remuneration consultants. Further details can be found in the Remuneration Committee Report on **pages 77 to 87**.

### Whistleblowing

The Group encourages staff to report concerns which they believe need to be brought to management's attention concerning any financial or other impropriety. All colleagues are required to read our Group Whistleblowing Policy and complete related mandatory training, both of which contain details of our whistleblowing arrangements and procedures should a member of staff wish to, anonymously or otherwise, raise concerns in confidence in respect of suspicions of wrongdoing or unethical conduct.

These concerns may be raised by colleagues to their line manager or on an online portal anonymously, accessible through a hyperlink on our staff intranet and in the Policy. The Policy also prohibits bullying, harassment or other detrimental treatment of colleagues who choose to speak up.

The Committee last reviewed the policy in November 2025 and receives a report, at least annually, relating to any whistleblowing matters raised and considers responses where appropriate.

**Elaine O'Donnell**  
Chair of the Audit and Risk Committee

11 March 2026

Governance Report

# SUSTAINABILITY COMMITTEE REPORT

OVERVIEW

STRATEGIC REPORT

GOVERNANCE REPORT

FINANCIAL STATEMENTS

OTHER INFORMATION



**Wais Shaifta**  
Chair of the Sustainability Committee

Chair of the Committee	Wais Shaifta
Committee Members	John Treharne Will Orr Elaine O'Donnell Simon Jones Tamsin Todd Hamish Latchem Cornelia Woschek
Number of Meetings Held in 2025	3

**Role and Responsibilities of the Committee**

- Assisting the Board in overseeing corporate responsibility, climate, sustainability and reputational matters considering the Group's purpose, strategy and culture.
- Developing, upholding and promoting the Group's sustainability strategy, including evaluating materiality and reviewing sustainability targets.
- Monitoring sustainability KPIs to measure delivery against the Group's strategy and targets relating to carbon emissions and the Group's environmental impact.
- Advising on managing the sustainability and climate-related risks and opportunities for the Group and helping to facilitate their integration into decision-making and strategy development.
- Liaising with members of the Board to agree capital allocation towards climate risk and opportunity management, including innovations to reduce greenhouse gas emissions, energy consumption, water consumption and waste generation.
- Reviewing, and recommending for approval, the external statements and disclosures made by the Group concerning sustainability and ESG matters.

The Committee has formal terms of reference which can be viewed on the Company's website: [www.tggplc.com](http://www.tggplc.com).

## Dear Shareholder

I am pleased to present the Sustainability Committee (the 'Committee') Report and to highlight key developments in 2025.

## Composition and Governance of the Committee

The Committee comprises a combination of Board members, Executive and Senior Management as permitted under the Committee's terms of reference, consisting of four independent Non-Executive Directors, the Board Chair, the Chief Executive Officer, the Chief Property Officer and the Business Development and Sustainability Director. The Committee meets at least three times a year, and in 2025 met on three occasions. For more details on Board and Executive Committee members and Board members' attendance at meetings, see **pages 56 to 57 and 62**, respectively. Only members of the Committee are entitled to attend meetings, however standing invitations are extended to the Chief Financial Officer, the Chief People Officer, Head of Health & Safety and the Diversity, Inclusion & Wellbeing Manager. The Company Secretary to the Board is also the Secretary to the Committee.

After five years of service on the Board, I will be stepping down from my positions as a Director of the Board and Chair of the Sustainability Committee at the AGM in May. Succession planning for the latter is underway and a decision will be disclosed once finalised.

The Committee supports the Group in continually improving its ESG and sustainability performance and reporting. These matters are regularly discussed and reviewed by the Board and its Committees, with the Group always striving to exceed the expectations of our stakeholders.

Climate-related risks and opportunities are a standing agenda item for the Committee, which provides Board-level governance of climate-related issues. This includes (but is not limited to) reviewing progress against our goals and targets to achieve our science-based net zero emissions targets and managing physical and transition risks through our identified control measures. The Board also has final sign-off on annual budget allocations and strategic aims, including the planned expenditures for carbon-related initiatives.

The sustainability working group, consisting of representatives from the ESG, Equity, Diversity and Inclusion ('EDI') and Health, Safety and Wellbeing workstreams, convenes at least three times per year. It provides reports to the Committee and Board on sustainability-related matters. It also supports the Committee and Board in their responsibility to oversee and ensure an effective governance structure across the business, and the successful execution of the sustainability strategy.

Governance Report

## SUSTAINABILITY COMMITTEE REPORT CONTINUED

### Key Activities During the Year

- Monitored gender and cultural diversity across the Group at different levels of the workforce and how these populations reflect our member population.
- Revised targets relating to ESG and sustainability at The Gym Group, including a revision of our gender balance targets.
- Received progress reports from the sustainability workstreams: EDI; Sustainability; Health, Safety & Wellbeing; and ESG.
- Recommended to Board for approval, external sustainability disclosures and the Company's annual Sustainability and Committee reports.
- Revised the Committee's terms of reference.

### ESG and Sustainability

ESG and sustainability matters are crucial to our ability to deliver on our purpose of breaking down barriers to fitness for all. Our sustainability strategy centres on 'healthy people, healthy communities and a healthy planet'. It has been developed to advance our purpose and build a resilient business environment.

Delivering positive health and wellbeing benefits to our members is at the heart of our business. By making high quality exercise facilities more accessible to a larger part of the population, we support our members in achieving their goals. Measuring the positive impact exercise has on society aligns with our purpose and drives commercial success. The Committee is pleased to note the increase in Social Value of 4% to £1bn in 2025, driven by more members working out more frequently.

The global challenge of climate change presents local impacts for our business, and we remain proactive in addressing these by strengthening our sustainable business model. Building on our 2023 Task Force on Climate-Related Financial Disclosures ('TCFD') report, we have made further progress in embedding climate change management across our operations and have enhanced our disclosures in alignment with the TCFD's recommendations. As outlined in our TCFD report on **pages 38 to 41**, we believe our current business strategy is resilient to various potential climate futures.

We remain fully committed to achieving our validated science-based net zero targets and are engaging our suppliers and customers to collaborate on this journey. Reducing our own carbon footprint is a critical part of our role in transitioning to a lower carbon economy, and we will continue to drive the decarbonisation of our estate by introducing innovative technology and processes. The Committee is pleased with the progress made in 2025, especially regarding the continued roll out of Voltage Optimisation units and trials of low carbon technology like advanced lighting controls and remote air conditioning management systems. These developments help inform and advance our net zero transition plan, an essential element that will help build resilience into our business model.

### Strategy

Sustainability, including the management of climate-related issues, is fully integrated into our business strategy. The environment is recognised as a critical stakeholder that must be considered when reviewing and guiding strategy, major plans of action, risk management policies and annual budgets. One of the Committee's responsibilities is to assist the Board in articulating and developing the Group's sustainability strategy.

For more information on our strategy, please visit our website at [www.tggplc.com](http://www.tggplc.com). Our Sustainability Report on **pages 30 to 37** explains our progress and performance against our sustainability strategy in the areas identified in our materiality assessment.

### Risks and Opportunities

Our Board has overall responsibility for managing the business risks and opportunities, including those presented by climate change. Alongside the Executive Committee and the relevant Board Committees, the Board remains fully committed to managing risks and opportunities that have the potential to influence the business.

The Committee supports the Board in developing its understanding of climate and sustainability-related risks and opportunities for the Group. Climate change has been identified as an emerging risk for the business. This reflects our understanding that managing climate-related risks and opportunities will increasingly influence our financial position and performance in the years to come. We outline our full process for assessing risks in the Managing Risk section on **pages 42 to 52**.

Further information on our sustainability governance framework and other related matters can be found on the Company's website at [www.tggplc.com](http://www.tggplc.com).

### Wais Shaifta Chair of the Sustainability Committee

11 March 2026

Governance Report

# REMUNERATION COMMITTEE REPORT


OVERVIEW

STRATEGIC REPORT

GOVERNANCE REPORT

FINANCIAL STATEMENTS

OTHER INFORMATION



**Wais Shaifta**  
Chair of the Remuneration Committee

Chair of the Committee	Wais Shaifta
Committee Members	Elaine O'Donnell Simon Jones Tamsin Todd
Number of Meetings Held in 2025	3

**Role and Responsibilities of the Committee**

- Preparing and recommending for Board and shareholder approval, the Directors' Remuneration Policy and the Directors' Remuneration Report.
- Determining the levels of remuneration for Executive Directors, Chair of the Board and Executive Committee.
- Reviewing workforce remuneration and related policies, and the alignment of incentives and rewards with culture.
- Approving the overall parameters for annual salary reviews and bonus plans of the Group's employees.
- Recommending for Board and, where relevant, shareholder approval, the design and operation of any employee performance-related pay schemes and employee share incentive schemes.

The Committee has formal terms of reference which can be viewed on the Company's website: [www.tggplc.com](http://www.tggplc.com).

## Dear Shareholder

I am pleased to present the Remuneration Committee (the 'Committee') Report for the financial year ended 31 December 2025.

## Composition and Governance of the Committee

The Committee currently comprises four independent Non-Executive Directors ('NEDs') and meets at least three times a year. For more details on each of the Committee members and their attendance at meetings, see **pages 56 to 57 and 62**, respectively.

Only members of the Committee are entitled to attend meetings however, standing invitations are extended to the Chief Executive Officer, the Chief Financial Officer and the Chief People Officer (except when their own remuneration is being directly discussed) and the Committee's remuneration advisers, PricewaterhouseCoopers LLP ('PwC'). The Company Secretary to the Board is also the Secretary to the Committee.

After five years of service on the Board, I will be stepping down from my positions as a Director of the Board and Chair of the Remuneration Committee at the AGM in May. Succession planning for the latter is underway and a decision will be disclosed once finalised.

## Key Activities During the Year

- Prepared the Directors' Remuneration Report for the financial year ended 31 December 2024.
- Reviewed the Board Chair's fees.

- Reviewed the remuneration of the Executive Directors and the Executive Committee.
- Assessed the final vesting outcome under the 2022 Performance Share Plan ('PSP') awards.
- Assessed the outturn of the 2024 TGG Incentive Plan.
- Set the performance measures, weightings and targets for the 2025 TGG Incentive Plan.
- Approved a new bonus scheme for junior-level employees in the Gym Support team.
- Approved a grant of options under the Save as You Earn scheme.
- Reviewed and approved a Company wide pay review for 2026.

## Performance in 2025

The Group continued to build on strong trading momentum, with revenue growth for the year up by 8%, average members up 4%, average revenue per member per month ('ARPM') up 4% and like-for-like revenue growth of 3%. Mature site ROIC in 2025 was also up 2% to 27%. We continued to make great progress against our Next Chapter growth plan resulting in Group Adjusted EBITDA Less Normalised Rent at £56.7m, ahead of the top end of the 2025 forecast range. Further details on our performance in 2025 can be found in the Strategic Report on **pages 6 to 53**.

## 2025 TGG Incentive Plan Outcome

The maximum opportunity for Executive Directors under the TGG Incentive Plan is 275% of salary, with 35% of the award delivered in cash and the remaining 65% delivered in shares.

## Governance Report

# REMUNERATION COMMITTEE REPORT CONTINUED

The deferred share element was granted on 13 March 2025 and will vest on the third anniversary of grant, subject to the 2025 performance outcome, continued employment and a performance underpin, as well as a two year post-vesting holding period.

The performance targets for the 2025 TGG Incentive Plan were based on Group Adjusted EBITDA Less Normalised Rent (50%), Mature Site ROIC (30%), percentage of customers visiting 4+ times per month (10%) and our employee engagement score (10%).

The Group has delivered exceptional financial performance again this year, with Group Adjusted EBITDA Less Normalised Rent at £56.7m in line with the stretch performance level set by the Committee at the start of the year, and Mature Site ROIC at 27% being between the target and stretch performance levels. Performance against the non-financial measures has also been very strong, with 54.6% of members visiting at least four times per month being between the target and maximum levels, and our Peakon employee engagement score (9.0) exceeding the maximum level. The overall TGG Incentive Plan outcome for 2025 was 88.4% of maximum.

The share element will vest in March 2028, subject to continued employment and a performance underpin such that, if Group Adjusted EBITDA Less Normalised Rent in 2026 or 2027 falls below the 2025 performance (£56.7m), 25% of the shares will lapse.

The Committee is confident that this outcome appropriately reflects the performance delivered in 2025 as we continue to make progress towards our strategic ambitions, and therefore did not exercise any discretion. Further details are set out on **page 81**.

### 2023 PSP Outcome

On 29 March 2023, Luke Tait was granted an award under the PSP, subject to performance conditions based on Absolute TSR (40%), Relative TSR (40%) and Social Value (20%). The Social Value metric was based on performance for the year ending 31 December 2025. The performance period for the Absolute and TSR metrics was the three year period from the date of grant. Following his appointment to the Board, Will Orr was granted an award under the PSP on 13 September 2023, subject to the same performance conditions except that the performance period for the Absolute and Relative TSR metrics was aligned to the grant date of the original awards to ensure alignment with the awards for other participants.

The performance period for the Absolute and Relative TSR metrics is not yet complete. However, the Committee assessed the estimated vesting outcome based on performance up to 27 February 2026 (the last practical date prior to the finalisation of this report) to consider whether this appropriately reflects the shareholder experience and share price performance over the performance period.

The review highlighted concerns that the estimated outcome did not fairly reflect the performance delivered, noting that the Company's share price has increased by c.100% since the March 2023 grant, Group Adjusted EBITDA Less Normalised Rent has increased from £38.0m in 2022 to £56.7m in 2025 and ROIC has increased from 20.0% to 27.3%.

This disconnect is primarily driven by the averaging period used in the TSR calculation. In line with typical market practice, the Absolute and Relative TSR performance measures were intended to be determined based on a three month averaging period prior to the start and end of the performance period (which commenced on the date of grant). The start average share price was approximately 124p. However, the share price at the date of grant in March 2023 was significantly lower (88.5p) following a series of challenging trading and results announcements. The number of shares subject to each participant's award was determined based on the 124p share price, and therefore participants did not receive more shares as a result of the lower share price.

However, this difference means that, at the date of grant, the Company's TSR performance was actually negative versus the three month average start positioning (-29%), making the targets significantly more stretching to achieve than was originally intended. For example, to meet the absolute TSR targets (+7.5% pa to +15% pa) requires TSR performance from the date of grant of +20.3% p.a. to +28.7% p.a. However, if the awards had been granted three months later (in June 2023), this issue would not have arisen.

The Committee is cognisant of the long term shareholder experience. However, the Committee also recognises that this issue unfairly penalises the current Executive Directors, given that Will Orr joined the Company in September 2023 after the share price decline and Luke Tait joined in October 2022 with limited ability to significantly impact the FY22 results. The Committee is also mindful of the need to retain and motivate our strong leadership team, led by Will and Luke, which has delivered excellent results since their appointment, as outlined above.

The Committee consulted with major shareholders and considered various options to address this issue, and determined that it was appropriate to adjust the measurement such that it is based on a three month period beginning on the date of grant for the purpose of the Absolute and Relative TSR measures (and with the same approach also taken for the peers in the Relative TSR comparator group) and better reflect the performance over the actual period. Our major shareholders were generally supportive of this approach.

Based on performance up to 27 February 2026, our current estimate is that the Absolute and Relative TSR elements will vest at 100% and 88.8% respectively. Performance against our Social Value metric has been exceptionally strong, with over £1bn of Social Value generated, and therefore this element will vest in full.

The overall estimated vesting level for the 2023 PSP is therefore 95.5% of maximum, subject to the final outcome of the TSR metrics.

### Overall remuneration outcomes for 2025

The Committee carefully considered the performance outcomes under variable pay schemes for 2025. The Committee strongly believes that the TGG Incentive outcome appropriately reflects the exceptional performance delivered in 2025 as we continue working towards our strategic ambitions, whilst the estimated 2023 LTIP outcome reflects the strong performance delivered over the three year period.

The Committee recognises that the total remuneration outcomes for our Executive Directors are higher compared to previous years, but notes that this is partly driven by a requirement of the reporting regulations as it includes both the final LTIP award and the outcome of the TGG Incentive Plan (which replaced the previous bonus and LTIP structure from 2024).

### Implementation of our Remuneration Policy in 2026

#### Base Salary

A 3% increase to Will Orr's and Luke Tait's base salaries was applied from 1 January 2026, to 450,883 and 334,184 respectively. This is below the average increase for the wider workforce of 4.1%.

#### TGG Incentive Plan

The maximum opportunity for Executive Directors will be 275% of salary, with 35% of awards delivered in cash and the remaining 65% delivered in shares.

The deferred share element is expected to be granted in March 2026 and vest on the third anniversary of grant, subject to the 2026 performance outcome, continued employment and a performance underpin, as well as a two year post-vesting holding period.

No changes are proposed to the performance measures and weightings for 2025 and these will therefore remain as Group Adjusted EBITDA Less Normalised Rent (50%), Mature Site ROIC (30%), percentage of customers visiting 4+ times per month (10%) and our employee engagement score (10%).

#### Chair of the Board and Non-Executive Director Fees

The fee for the Chair of the Board and the base and additional fees for the NEDs were increased by 3% with effect from 1 January 2026, in line with the Executive Directors.

#### Closing Remarks

I would like to thank shareholders for their continued support throughout the year. Should you have any queries or comments on this report, or more generally in relation to remuneration, then please do not hesitate to contact me via the Company Secretary.

I hope that you find the information in this report helpful and informative, and I look forward to your continued support at the 2026 AGM.

#### Wais Shaifta

Chair of the Remuneration Committee

11 March 2026

### At a Glance: Remuneration Policy and Implementation

Overview of Current Policy	Remuneration in 2025	Implementation for 2026
<b>Base Salary</b>		
<p>Reviewed annually.</p> <p>Consideration given to performance of the Group and the individual, responsibilities or scope of the role, as well as pay practices in relevant comparator companies.</p>	<p>Will Orr: <b>£437,750</b></p> <p>Luke Tait: <b>£324,450</b></p>	<p>With effect from 1 January 2026:</p> <ul style="list-style-type: none"> <li><b>Will Orr:</b> £450,883 (+3%)</li> <li><b>Luke Tait:</b> £334,184 (+3%)</li> </ul> <p>This is below the average increase for the wider workforce of 4.1%.</p>
<b>Pensions and Benefits</b>		
<p>Pension – maximum contribution of 4% of salary, aligned with the majority of the workforce.</p> <p>Benefits – currently consist of private medical cover and a car allowance. The Committee reserves the discretion to introduce new benefits where appropriate.</p>	<p>Executive Director pension levels in line with the majority of the workforce.</p> <p>Benefits in line with policy.</p>	<p>No change.</p>

Governance Report

REMUNERATION COMMITTEE REPORT CONTINUED

At a Glance: Remuneration Policy and Implementation continued

Overview of Current Policy	Remuneration in 2025	Implementation for 2026
<b>TGG Incentive Plan</b>		
<p>Maximum of 275% of salary.</p> <p>Subject to achievement of relevant performance conditions.</p> <p>Up to 35% of any award is paid in cash. The balance (at least 65%) is delivered in shares which are normally granted at the start of the performance period (or shortly thereafter) and will be reduced following the end of the year to the extent that the relevant performance targets are not met in full.</p> <p>The resulting shares vest after a further two years (i.e. three years after the date of grant) subject to continued employment and the satisfaction of one or more performance underpins. The vested shares are then subject to a two year post-vesting holding period.</p> <p>Subject to malus and clawback provisions.</p>	<p><b>Maximum:</b> 275% of salary</p> <p><b>Performance measures for 2025:</b></p> <ul style="list-style-type: none"> <li>Group Adjusted EBITDA Less Normalised Rent (<b>50%</b>)</li> <li>Mature Site ROIC (<b>30%</b>)</li> <li>Percentage of customers visiting <b>4+</b> times per month (<b>10%</b>)</li> <li>Employee engagement score (<b>10%</b>)</li> <li>Outcome was <b>88.4%</b> of maximum</li> <li>Shares are subject to an underpin such that <b>25%</b> will lapse if 2026 and/or 2027 Group Adjusted EBITDA Less Normalised Rent is less than <b>£56.7m</b></li> </ul>	<p>No change.</p> <p>For the avoidance of doubt, shares will be subject to a further underpin such that <b>25%</b> will lapse if 2027 and/or 2028 Group Adjusted EBITDA Less Normalised Rent is less than the 2026 level.</p> <p>The performance targets are considered commercially sensitive at this time and will be disclosed in next year's report.</p>
<b>Share Ownership Guidelines</b>		
<p>Executive Directors are expected to build up a prescribed level of shareholding equal to 200% of salary. The Committee has the discretion to amend, but not reduce, this level in future years.</p> <p>A two year post-employment shareholding guideline of 200% of salary (or actual shareholding at leaving, if lower) applies from leaving.</p>	<p>As at 31 December 2025, the Executive Directors were working towards meeting their shareholding requirement, noting that:</p> <ul style="list-style-type: none"> <li>Will Orr joined the Board on <b>1 September 2023</b></li> <li>Luke Tait joined the Board on <b>17 October 2022</b></li> </ul>	<p>No change.</p>
<b>NED Fees</b>		
<p>The fees for the NEDs may include a basic fee and additional fees for further responsibilities (for example, when chairing Board Committees or holding the office of Senior Independent Director ('SID')).</p> <p>No benefits are envisaged for the NEDs, although the Company reserves the right to provide benefits, such as travel and office support.</p> <p>As Founder, John Treharne currently receives certain benefits in line with his legacy provision.</p>	<p>With effect from 1 February 2025:</p> <ul style="list-style-type: none"> <li>Chair of the Board: <b>£149,247</b></li> <li>Base NED fee: <b>£59,483</b></li> </ul> <p>Additional fee for:</p> <ul style="list-style-type: none"> <li>Senior Independent Director: <b>£5,250</b></li> <li>Chair of the Audit and Risk Committee: <b>£8,400</b></li> <li>Chair of the Remuneration Committee: <b>£8,400</b></li> </ul>	<p>With effect from 1 January 2026:</p> <ul style="list-style-type: none"> <li>Chair of the Board: <b>£153,724 (+3%)</b></li> <li>Base NED fee: <b>£61,267 (+3%)</b></li> </ul> <p>Additional fee for:</p> <ul style="list-style-type: none"> <li>Senior Independent Director: <b>£5,408 (+3%)</b></li> <li>Chair of the Audit and Risk Committee: <b>£8,652 (+3%)</b></li> <li>Chair of the Remuneration Committee: <b>£8,652 (+3%)</b></li> </ul> <p>The increase in fee for the Chair of the Board and NED base fee is in line with the Executive Directors and below the average increase for the wider workforce of <b>4.1%</b>.</p>

As disclosed in the Group's announcement made on 30 August 2022, Richard Stables is currently a Partner at Fulcrum Advisory Partners LLP ('Fulcrum Partners'), an independent advisory firm, and a Senior Advisor to Blantyre Capital ('Blantyre'), which held c.6.1% of the Company's shares as at 31 December 2025. While Richard has not been appointed as a representative of Blantyre or any other shareholder, and Fulcrum Partners has ceased to provide advisory services to Blantyre in relation to the Company, Fulcrum Partners is party to an incentive arrangement with Blantyre pursuant to which Fulcrum Partners is entitled to certain cash payments contingent on the share price of the Company achieving various price levels up to 600p per share, with a maximum cash value at those price levels equivalent to 305,641 shares in the Company.

For the avoidance of doubt, no payments under this incentive have been made up to the date of this report and the cost of any such payments are met in full by Blantyre, i.e. there is no cost to the Company.

## Introduction

This report contains the material required to be set out in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (the 'DRR Regulations'), as amended in 2013, 2018 and 2019.

### Single Total Figure Table (audited)

The remuneration for Directors of the Company who performed qualifying services during 2025 is detailed below, with prior year information provided for comparison purposes.

	Salary/fees		Taxable benefits <sup>1</sup>		Pension		Total fixed remuneration		Bonus/TGG Incentive Plan		Long term incentives <sup>3,4</sup>		Total variable remuneration		Total remuneration	
	2024	2025	2024	2025	2024	2025	2024	2025	2024 <sup>2</sup>	2025	2024	2025	2024	2025	2024	2025
<b>Executive Directors</b>																
Will Orr	425	<b>438</b>	15	<b>14</b>	17	<b>18</b>	457	<b>469</b>	1,153	<b>958</b>	–	<b>976</b>	1,153	<b>1,934</b>	1,610	<b>2,403</b>
Luke Tait	315	<b>324</b>	15	<b>15</b>	13	<b>13</b>	342	<b>352</b>	855	<b>710</b>	34	<b>576</b>	889	<b>1,286</b>	1,231	<b>1,638</b>
<b>Chair of the Board and Non-Executive Directors</b>																
John Treharne	145	<b>149</b>	16	<b>14</b>	–	–	161	<b>163</b>	–	–	–	–	–	–	161	<b>163</b>
Elaine O'Donnell	71	<b>73</b>	–	–	–	–	71	<b>73</b>	–	–	–	–	–	–	71	<b>73</b>
Wais Shaifta	66	<b>68</b>	–	–	–	–	66	<b>68</b>	–	–	–	–	–	–	66	<b>68</b>
Richard Stables	58	<b>59</b>	–	–	–	–	58	<b>59</b>	–	–	–	–	–	–	58	<b>59</b>
Simon Jones	58	<b>59</b>	–	–	–	–	58	<b>59</b>	–	–	–	–	–	–	58	<b>59</b>
Tamsin Todd <sup>5</sup>	–	<b>40</b>	–	–	–	–	–	<b>40</b>	–	–	–	–	–	–	–	<b>40</b>

- Taxable benefits for the Executive Directors comprise a car allowance (£8,000 per annum) and private medical cover. Legacy benefits are provided to John Treharne which include private medical and dental cover.
- The 2025 TGG Incentive Plan figures represent the cash element of the award plus the value of the share element which is not impacted by the performance underpin (based on the share price of £1.49 as at 31 December 2025). The value of the share element which may be impacted by the performance underpin will be disclosed in the 2027 report to the extent that the underpin is met.
- The 2023 PSP awards were subject to Absolute TSR (40% weighting), Relative TSR (40% weighting) and Social Value (20% weighting). The Social Value condition was based on performance for the year ending 31 December 2025, but the performance period for the Absolute and Relative TSR conditions is the three year period from 29 March 2023, which is not yet complete as at the date of this report. However, based on performance up to 27 February 2026 (the last practical date prior to finalising this report), the estimated overall vesting outcome is 95.5%. The estimated value of the awards included above is based on the average share price over the three month period ending on 31 December 2025 (£1.4233). Further details are set out on **page 78** and the final outcome will be disclosed in next year's Annual Report.
- The performance period for the Absolute TSR element of the 2022 PSP award for Luke Tait did not end until October 2025 and was therefore not complete at the time of finalising last year's report. Based on performance up to 31 December 2024, it was estimated that the Absolute TSR threshold performance level would not be met and that the overall estimated vesting level would be 6.2%. The Committee confirmed this assessment following the end of the performance period. The value included above has been restated for the share price of £1.37 at the vesting date (17 October 2025).
- Tamsin Todd joined the Board as a NED on 1 May 2025 and the figures in the table above reflect her fees from this date.

### 2025 TGG Incentive Plan

For 2025, the overall TGG Incentive Plan maximum for Executive Directors was 275% of salary. In accordance with the Directors' Remuneration Policy, 35% of awards are delivered in cash following the end of the performance period, and the remaining 65% is delivered in shares which vest on the third anniversary of grant, subject to the 2025 performance outcome, continued employment and a performance underpin, as well as a two year post-vesting holding period.

For 2025, the share element of the award was granted to Will Orr and Luke Tait on 13 March 2025. Awards were granted in the form of nominal value (£0.0001) options.

Executive	Date of grant	Award level <sup>1</sup>	Face value of award	Share price used for grant <sup>2</sup>	Number of shares awarded
Will Orr	13 March 2025	178.75% of salary (65% of award)	£782,477	£1.3192	593,145
Luke Tait	13 March 2025	178.75% of salary (65% of award)	£579,953	£1.3192	439,625

- Reflects the proportion of the maximum award amount that may be delivered in shares. The number of shares is reduced following the end of the 2025 performance period to the extent that the relevant performance targets are not met in full.
- Based on the five day average share price up to the date of grant.

For 2025, performance was based on four metrics, with 80% based on financial targets (Group Adjusted EBITDA Less Normalised Rent and Mature Site ROIC), and the remaining 20% based on strategic objectives (membership visits and employee engagement).

Governance Report

**REMUNERATION COMMITTEE REPORT** CONTINUED

Measure	Weighting	Threshold (20%)	Target (60%)	Maximum (100%)	Actual	Outcome (% of max)	Weighted outcome (% of max)
Group Adjusted EBITDA Less Normalised Rent	50%	£49.3m	£53.0m	£56.7m	£56.7m	100%	50%
Mature Site ROIC	30%	26.1%	27.1%	28.1%	27.3%	68%	20.4%
% of members visiting 4+ times per month	10%	53.1%	54.1%	55.1%	54.6%	80%	8%
Employee engagement score	10%	Median (7.9)	Upper quartile (8.4)	Upper decile (8.7)	Above upper decile (9.0)	100%	10%
<b>Overall</b>	<b>100%</b>						<b>88.4%</b>

The table below sets out the 2025 TGG Incentive Plan awards for the Executive Directors:

	2025 opportunity	2025 outcome (% of max)	2025 outcome (face value)
<b>Will Orr</b>			
Cash	96.25% of salary (35% of award)		£372,460
		88.4%	(85.1% of salary)
Shares	593,145 shares (65% of award)		524,340 shares*
<b>Luke Tait</b>			
Cash	96.25% of salary (35% of award)		£276,058
		88.4%	(85.1% of salary)
Shares	439,625 shares (65% of award)		388,628 shares*

\* The share element of the award is subject to an underpin, such that 25% of the shares will lapse if Group Adjusted EBITDA Less Normalised Rent in 2026 and/or 2027 falls below the level achieved in 2025 (£56.7m).

In accordance with the DRR Regulations, the value included in the 2025 single figure table is the cash element of the award, plus the value of the share element which is subject to continued employment only (75% of the shares). This equates to £958,410 for Will Orr and £710,350 for Luke Tait (based on the share price of £1.49 as at 31 December 2025).

As at 31 December 2025, the remainder of the share element (25% of the shares) is worth £195,317 for Will Orr and £144,764 for Luke Tait. The outcome of the performance underpin will be disclosed in the 2027 report, including the vesting value of these shares (to the extent that the underpin is met).

**Vesting Outcome of 2022 and 2023 PSP Awards**

**Final Vesting Outcome for 2022 PSP Awards**

Following his appointment to the Board, Luke Tait was granted an award under the PSP on 17 October 2022 based on Absolute TSR, ROIC in Mature Estate, and Cumulative Adjusted Group Operating Cash Flow. The performance period for the Absolute TSR condition was not complete at the time of preparation of the 2024 Annual Report and Accounts, but the overall vesting outcome was estimated at 6.2% based on performance up to 31 December 2024. Following the end of the performance period, the final outcome was confirmed as 6.2% vesting, as outlined in the table below.

Performance measure	Weighting	Threshold (20% vests)	Maximum (100% vests)	Actual	Outcome (% of max)	Outcome (% of award vesting)
Absolute TSR	50%	300p	375p	145.1p	0%	0%
ROIC in Mature Estate	25%	25%	30%	25.3%	24.8%	6.2%
Cumulative Adjusted Group Operating Cash Flow	25%	£135m	£150m	£110.2m	0%	
<b>Total</b>	<b>100%</b>					<b>6.2%</b>

### Estimated Vesting Outcomes for 2023 PSP Awards

On 29 March 2023, Luke Tait was granted an award under the PSP, subject to performance conditions based on Absolute TSR, Relative TSR and Social Value. The Social Value metric was based on performance for the year ending 31 December 2025. The performance period for the Absolute and TSR metrics is the three year period from the date of grant.

Following his appointment to the Board, Will Orr was granted an award under the PSP on 13 September 2023, subject to the same performance conditions except that the performance period for the Absolute and Relative TSR metrics was aligned to the grant date of the original awards (i.e. the three year period from 29 March 2023) to ensure alignment with the awards for other participants.

As outlined in the Chair's Statement, the Committee determined that the measurement approach for the TSR metrics should be adjusted such that it is based on a three month average beginning on (rather than ending on) the date of grant.

Details of the final outcome in relation to the Social Value metric are set out below. The performance period for the Absolute and Relative TSR metrics is not yet complete and therefore the figures below represent the estimated outcomes based on performance up to 27 February 2026 (the last practical date prior to finalising this report).

Performance measure	Weighting	Threshold (20% vests)	Maximum (100% vests)	Actual	Outcome (% of max)	Outcome (% of award vesting)
Absolute TSR	40%	7.5% pa	15.0% pa	22.1% pa (estimated)	100% (estimated)	40% (estimated)
Relative TSR (vs FTSE Small Cap exc ITs)	40%	Median	Upper quintile	Between median and upper quintile (estimated)	88.8% (estimated)	35.5% (estimated)
Social Value generated in FY25	20%	£700m	£900m	£1,002m	100%	20%
<b>Total</b>	<b>100%</b>					<b>95.5%</b>

The estimated resulting number of shares expected to vest is therefore as follows:

Executive	Number of shares granted	Vesting outcome (estimate)	Number of shares vesting (estimate)	Value of estimated shares vesting <sup>1</sup>
Will Orr	717,697	95.5%	685,581	£975,787
Luke Tait	423,797	95.5%	404,832	£576,197

<sup>1</sup> Based on the average share price over the three month period up to 31 December 2025 (£1.4233).

The 2023 LTIP awards for Will Orr and Luke Tait were granted based on a three month average share price up to the day prior to the grant date of 103.63p and 123.88p respectively. Of the estimated vesting values above (which are based on a three month average share price up to 31 December 2025 of 142.33p), £265,320 and £74,692 are attributable to share price appreciation for Will Orr and Luke Tait respectively.

Governance Report

**REMUNERATION COMMITTEE REPORT** CONTINUED

**Statement of Directors' Shareholding and Share Interests (audited)**

The table below details, for each Director who served during the year, the total number of Directors' interests in shares at 31 December 2025:

Director	Ordinary shares <sup>1</sup>	Awards subject to continued employment			Awards subject to performance conditions			Vested but unexercised options	Total shareholding and share interests	Shareholding requirement met?
		Matching shares awarded under SIP (shares)	Sharesave awards (options)	PSP/DSBP awards (nominal cost options)	TGG Incentive Plan	PSP awards (nominal cost options)	TGG Incentive Plan			
<b>Executive Directors</b>										
Will Orr	36,385	–	–	9,488	504,855	717,697	761,430	246,067	2,275,922	No <sup>2</sup>
Luke Tait	64,210	–	–	20,094	374,187	423,797	564,354	284,445	1,731,087	No <sup>2</sup>
<b>Chair of the Board and Non-Executive Directors</b>										
John Treharne	1,629,053	1,764	–	–	–	–	–	170,553	1,801,370	
Wais Shaifta	–	–	–	–	–	–	–	–	–	
Elaine O'Donnell	45,000	–	–	–	–	–	–	–	45,000	
Richard Stables	250,000	–	–	–	–	–	–	–	250,000	
Simon Jones	–	–	–	–	–	–	–	–	–	
Tamsin Todd	–	–	–	–	–	–	–	–	–	

1 Includes shares held by connected persons.

2 Executive Directors are required to build up a shareholding of at least 200% of salary. For this purpose, the shareholding includes all beneficial shareholdings, vested but unexercised options (on a net of tax basis) and unvested shares subject to continued employment only (on a net of tax basis). As at 31 December 2025, Will Orr and Luke Tait were still working towards this requirement (150% and 196% of salary respectively).

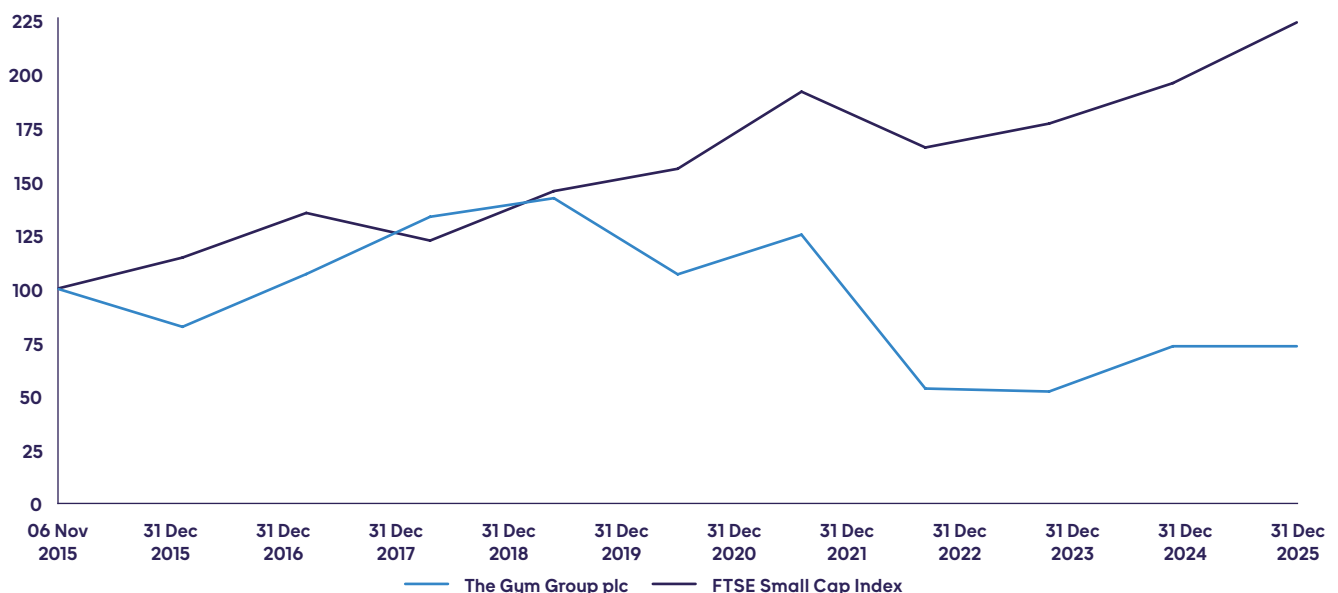
No Directors exercised share options during the year.

There were no changes in the Directors' shareholdings and share interests between 31 December 2025 and the date of this report.

**Performance Graph and CEO Remuneration Table**

The graph below shows the total shareholder return ('TSR') performance of an investment of £100 in The Gym Group plc's shares from its listing in November 2015 to the end of the period, compared with a £100 investment in the FTSE SmallCap Index over the same period. The FTSE SmallCap (excluding Investment Trusts) Index was chosen as a comparator because it represents a broad equity market index of which the Company is a constituent. The TSR was calculated in accordance with the DRR Regulations.

**Total Shareholder Return (TSR)**



The table below details certain elements of the CEO's remuneration over the same period as presented in the TSR graph:

	CEO	Single figure of total remuneration (£'000)	Annual bonus/TGG Incentive Plan outcome (% of maximum)	Long term incentive outcome (% of maximum)
2016	John Treharne	314	27.2%	N/A
2017	John Treharne	431	74.3%	N/A
2018 <sup>1</sup>	John Treharne	273	16.0%	41.7%
2018 <sup>1</sup>	Richard Darwin	97	16.0%	41.7%
2019	Richard Darwin	537	35.1%	72.5%
2020	Richard Darwin	336	0%	0%
2021	Richard Darwin	484	44.7%	0%
2022	Richard Darwin	382	0%	0%
2023 <sup>1</sup>	Richard Darwin	150	84%	0%
2023 <sup>1</sup>	Will Orr	574	83%	N/A
2024	Will Orr	1,610	98%	N/A
<b>2025</b>	<b>Will Orr</b>	<b>2,403</b>	<b>88.4%</b>	<b>95.5% (estimate)</b>

1 The 2018 figures represent the single figure of total remuneration for John Treharne for the period to 17 September 2018, and for Richard Darwin from that date. The 2023 figures represent the single figure of total remuneration for Richard Darwin for the period to 24 March 2023, and for Will Orr from 1 September 2023.

2 No long term incentive awards vested in 2016 or 2017.

### Annual Percentage Change in Remuneration of Directors and Employees

The percentage change in remuneration of the Directors and employees of the business over the last five years were as follows:

Element	Executive Directors				Chair of the Board and Non-Executive Directors				
	Employees	Will Orr	Luke Tait	John Treharne	Wais Shaifta	Elaine O'Donnell	Richard Stables	Simon Jones	Tamsin Todd
<b>% change from 2020 to 2021</b>									
Salary/fees	6%	N/A	N/A	36%	N/A	N/A	N/A	N/A	N/A
Benefits	29%	N/A	N/A	42%	N/A	N/A	N/A	N/A	N/A
Bonus	100%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>% change from 2021 to 2022</b>									
Salary/fees	11%	N/A	N/A	(40)%	0%	N/A	N/A	N/A	N/A
Benefits	4%	N/A	N/A	23%	N/A	N/A	N/A	N/A	N/A
Bonus	720%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>% change from 2022 to 2023</b>									
Salary/fees	9%	N/A	0%	19%	0%	0%	0%	N/A	N/A
Benefits	19%	N/A	25%	20%	N/A	N/A	N/A	N/A	N/A
Bonus	(29)%	N/A	171%	N/A	N/A	N/A	N/A	N/A	N/A
<b>% change from 2023 to 2024</b>									
Salary/fees	9%	0%	5%	5%	5%	5%	5%	5%	N/A
Benefits	27%	(11)%	48%	27%	N/A	N/A	N/A	N/A	N/A
Bonus	53%	227%	247%	N/A	N/A	N/A	N/A	N/A	N/A
<b>% change from 2024 to 2025</b>									
<b>Salary/fees</b>	<b>7%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>2%</b>	<b>2%</b>	<b>3%</b>	<b>3%</b>	<b>N/A</b>
<b>Benefits</b>	<b>(7)%</b>	<b>(4)%</b>	<b>(2)%</b>	<b>(13)%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Bonus</b>	<b>110%</b>	<b>(17)%</b>	<b>(17)%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

1 The strict legal requirement is to only provide details of employees of The Gym Group plc. As the listed entity has very few employees, we have decided to voluntarily disclose in respect of all The Gym Group employees.

2 The average percentage change in employee remuneration was calculated using the movement in mean values (in respect of each element of remuneration) between the relevant years. The relevant mean values were calculated by dividing the aggregate total of each element of remuneration for all Group employees during the year (calculated on an FTE basis) by the total number of Group employees.

3 Luke Tait and Will Orr joined the Board on 17 October 2022 and 1 September 2023 respectively. Figures have been calculated on an annualised basis.

4 Wais Shaifta joined the Board on 1 February 2021, Elaine O'Donnell and Richard Stables joined the Board on 30 August 2022, Simon Jones joined the Board on 6 February 2023 and Tamsin Todd joined the Board on 1 May 2025. Figures have been calculated on an annualised basis.

Governance Report

## REMUNERATION COMMITTEE REPORT CONTINUED

### CEO to Employee Pay Ratio

The table below shows how the CEO's total remuneration compares to the full-time equivalent total remuneration of UK employees ranked at the 25th, 50th and 75th percentile.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2019	Option C	30:1	27:1	14:1
2020	Option C	19:1	19:1	13:1
2021	Option C	26:1	25:1	24:1
2022	Option C	20:1	19:1	16:1
2023	Option C	34:1	33:1	27:1
2024	Option C	69:1	66:1	50:1
<b>2025</b>	<b>Option C</b>	<b>95:1</b>	<b>94:1</b>	<b>67:1</b>

As the hourly rates for gender pay gap purposes for significant numbers of employees are the same, it is not possible to identify appropriate representative quartile employees from this data alone and therefore Option C is used. The lower quartile, median and upper quartile employees were initially identified using the approximate full-time equivalent total actual pay of all employees for the financial year (based on employees of the Group as at 31 December 2025).

A full-time equivalent total pay and benefits figure for the financial year to 31 December 2025 was then calculated for each of those employees. This was also sense checked against a sample of employees with full-time equivalent total actual pay on either side of the identified individuals to ensure that the appropriate representative employee is selected.

Each employee's pay and benefits were calculated using each element of employee remuneration on a full-time basis, consistent with the CEO. Where required, remuneration was approximately adjusted to be full-time and full year equivalent based on the employee's average full-time equivalent hours for the year and the proportion of the year they were employed. No other adjustments were made.

The salary and total pay and benefits of the employees at the 25th percentile, the median and the 75th percentile for 2025 are shown below:

	25th percentile	Median	75th percentile
Salary	£25,173	£25,497	£35,000
Total pay and benefits	£25,173	£25,497	£36,050

The 2025 ratios are higher than 2024 – as noted in the Chair's Statement, the 2025 single figure for our Executive Directors is higher than a typical year as it includes both the (legacy) 2023 LTIP vesting and the 2025 TGG Incentive Plan (which replaced the previous bonus and LTIP structure in 2024). The outcomes of both of these schemes reflect the strong performance over 2025 (in the case of the TGG Incentive Plan) and over the last three years (in the case of the 2023 LTIP).

Base salaries of all employees, including our Executive Directors, are set with reference to a range of factors including market practice, experience and performance in role. The Committee also notes that the CEO's remuneration package is weighted more heavily towards variable pay (namely the TGG Incentive Plan) than those of the wider workforce due to the nature of the role, consistent with our reward policies. This means the ratios are likely to fluctuate depending on the performance of the business and associated outcomes of incentive plans in each year. Furthermore, the Committee is satisfied that our pay and broader people policies drive the right behaviours and reinforce the Group's values which in turn drive our culture. For these reasons, the Committee believes that the ratios are consistent with these policies.

### Relative Importance of Spend on Pay

The table below details the change in total staff pay between 2024 and 2025 compared with distributions to shareholders by way of dividend, share buy backs or any other significant distributions or payments:

	2025 (£'000)	2024 (£'000)	% change
Total gross staff pay	<b>46,251</b>	40,536	14.1%
Dividends/share buy back(s)	-	-	-

## Summary of Shareholder Voting

The following table shows the results of the advisory vote on the 2024 Directors' Remuneration Report at the 2025 AGM and the binding vote on the Directors' Remuneration Policy at the 2024 AGM:

	Approval of the 2024 Directors' Remuneration Report (2025 AGM)		Approval of the Directors' Remuneration Policy (2024 AGM)	
	Total number of votes	% of votes cast	Total number of votes	% of votes cast
For (including discretionary)	107,057,376	93.47%	88,041,742	77.32%
Against	7,483,227	6.53%	25,820,467	22.68%
Votes withheld	3,198	-	3,953,624	-

## Engagement with Employees

In early 2025, we engaged with relevant employees to explain their variable pay outcomes. The outcome of the 2024 TGG Incentive Plan was communicated to participants in March 2025 by the relevant Executive Committee member for their team and were available to answer any questions on the scheme. Participants below Board level may have an element of their award subject to personal performance, depending on their grade, but the corporate outcome for all participants is the same and therefore aligned with the outcome for Executive Directors. Other employees who do not participate in the TGG Incentive Plan, but are eligible for a cash bonus, similarly received confirmation of their bonus outcome in March 2025.

## Advisers to the Remuneration Committee

The Committee appointed PwC as external independent remuneration advisers to the Committee following a competitive tender process in early 2023. PwC advised the Company on all aspects of the remuneration for Executive Directors and the senior management team. PwC received fees of £71,875 plus VAT for their advice during the year to 31 December 2025, partly on a fixed fee and partly on a time and materials basis.

PwC is a member of the Remuneration Consultants Group and the voluntary code of conduct of that body is designed to ensure objective and independent advice is given to remuneration committees. During 2025, PwC was also appointed as the Group's Internal Auditor. There are processes in place to ensure the advice received by the Committee is independent of any support provided to management. The Committee is therefore of the view that PwC provided independent remuneration advice to the Committee and does not have any connections with the Group or any Director that may impair their independence.

## Directors' Remuneration Policy

The Directors' Remuneration Policy was approved at the AGM on 9 May 2024 and took effect from that date. The full version of the Policy can be found within the Notice of 2024 AGM which is available on our website at: [www.tggplc.com/investors](http://www.tggplc.com/investors).

## Malus and Clawback

The Remuneration Committee may apply malus and clawback to awards under the TGG Incentive Plan and legacy awards made under the PSP, Deferred Share Bonus Plan ("DSBP") and the annual bonus. The circumstances where these powers of recovery may operate are where:

- the Company materially misstated its financial results for any reason and that misstatement would result or resulted either directly or indirectly in an award being granted or vesting to a greater extent than would have been the case had that misstatement not been made;
- the extent to which any performance target and/or any other condition was satisfied was based on an error, or on inaccurate or misleading information or assumptions which resulted either directly or indirectly in an award being granted or vesting to a greater extent than would have been the case had that error not been made;
- circumstances arose (or continued to arise) during the vesting period (including any holding period) of an award which would have warranted the summary dismissal of the participant; or
- there is a sufficiently significant impact on the reputation of the Company (including a corporate failure of a Group Company) to justify the operation of malus or clawback.

Malus provisions may be applied up to the date of vesting of an award, whilst the clawback provisions apply for two years after the date of vesting (three years under the PSP). This period was selected as the Committee believes that any material issues are most likely to be identified within such a period given the relatively simple nature of the Company's business model. The Committee also notes that a two year clawback period is aligned with typical UK market practice, and is consistent with the duration of the post-vesting holding period (and therefore supports the enforceability of clawback where necessary).

## Wais Shaifta

Chair of the Remuneration Committee

11 March 2026

## Governance Report

# DIRECTORS' REPORT

### The Directors present their report together with the audited financial statements for the period ended 31 December 2025.

There are references in this section to other areas of the Annual Report and Accounts 2025, which form part of this report. A summary statement of non-financial and sustainability information can also be found on **page 53**.

### Corporate Structure

The Gym Group plc is a public company limited by shares, incorporated in England and Wales, and its shares are traded on the Main Market of the London Stock Exchange. The Company number is 08528493.

### The Board

The Directors who served during the year were:

**John Treharne**

**Will Orr**

**Luke Tait**

**Elaine O'Donnell**

**Wais Shaifta**

**Richard Stables**

**Simon Jones**

**Tamsin Todd**

(appointed with effect from 1 May 2025)

The roles and biographies of the Directors as at the date of this report are on **pages 56 to 57**. The general powers of the Directors are set out in Articles 64 to 68 of the Company's Articles of Association (the 'Articles'). These provide that the Board may exercise all the powers of the Company, subject to applicable legislation, the Articles and any special resolution of the Company.

### Appointment and Replacement of Directors

The appointment and replacement of Directors is governed by the Articles. These state that the number of Directors shall not be less than two nor exceed 12 and that:

- the shareholders may, by ordinary resolution, elect any person willing to act as a Director;
- the Board may, by ordinary resolution, appoint any person willing to be a Director;
- every Director shall retire at each AGM and be eligible for election or re-election, as appropriate;
- the Company may, by special resolution, or ordinary resolution of which special notice has been given according to applicable legislation, remove any Director before the expiration of his or her period of office; and
- there are a number of other grounds on which a Director's office may cease, namely: voluntary resignation; if they are absent without special leave of absence for a period of more than six months; they are physically or mentally incapable of acting as a Director; or they become bankrupt or prohibited by law from being a Director.

### Directors' Indemnity Insurance

The Company has granted an indemnity by way of deed poll to its Directors against any liability which attaches to them in defending proceedings brought against them, to the extent permitted by English law. In addition, Directors and Officers of the Company and its subsidiaries are covered by Directors' and Officers' liability insurance.

### Compensation for Loss of Office

The Company does not have arrangements with any Director which would provide compensation for loss of office or employment resulting from a takeover, except that provisions of the Company's share plans may cause options and awards granted under such plans to vest on a takeover.

### Dividend

As noted on **page 28**, the Directors are not proposing a final dividend for the year ended 31 December 2025. Whilst dividends and other returns of capital to shareholders will be considered by the Directors in the future, we are not currently proposing a dividend as we continue to see significant opportunities, with attractive returns, to invest our free cash flow.

### Going Concern

As noted on **pages 51 to 52**, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the period to 30 June 2027. As a result, they continue to adopt the going concern basis in preparing the consolidated financial statements.

### Future developments in the business

The likely future developments in respect of the business can be found in the Strategic Report on **pages 6 to 53** and forms part of this report.

### Corporate Governance

A report on corporate governance and compliance with the Code is set out on **pages 54 to 66** and forms part of this report.

### Health and Safety

An overview of health and safety is provided in the Sustainability Report on **page 32** and forms part of this report.

### Greenhouse Gas Emissions

Information on the Group's greenhouse gas emissions is set out in the Sustainability Report on **pages 35 to 37** and forms part of this report.

### Human Rights, Anti-Bribery and Anti-Corruption

We conduct our business honestly and ethically wherever we operate. Condensed versions of our Human Rights, Anti-Bribery and Anti-Corruption and Anti-Fraud Policies can be found on our website. We also comply with the Modern Slavery Act and our Modern Slavery Act Statement, including further information on our activity to mitigate related risks, can be found on our website: [www.tggplc.com](http://www.tggplc.com). Related mandatory training is undertaken by all employees on an annual basis.

## Charitable and Political Donations

During 2025, with the help of our colleagues and members, we fundraised £144,500 for NHS Charities Together. The Company made no political donations in 2025 (2024: £nil).

## Employee Involvement and Policy Regarding Disabled Persons

At The Gym Group, we're committed to breaking down barriers to fitness for individuals with disabilities. As a Disability Confident employer, we embrace equal opportunities and ensure fair treatment for all, regardless of sex, race, ethnic origin or disability. Our initiatives include accessible recruitment, tailored onboarding and dedicated training for both staff and members. We also offer a targeted traineeship programme to help people with disabilities enter the workforce. To better support our community, we collect disability data, helping us identify needs, improve inclusivity and measure our progress. We are committed to the career development and promotion of employees with disabilities, ensuring equal opportunities for growth and progression within the Company. If an employee becomes disabled during their time with us, we're dedicated to supporting them through workplace adjustments or retraining to ensure they thrive in a new role. Together, we're creating an inclusive, supportive environment where everyone can reach their potential.

## Directors' Interests

The beneficial interests of the Directors and their connected persons in the Company's issued Ordinary shares at 31 December 2025, are provided on **page 84** of the Remuneration Committee Report.

## Share Capital

As at 31 December 2025, the Company had a total of 179,622,261 Ordinary shares in issue, with a nominal value of £0.0001 each with one vote per share.

## Ordinary Shares

The Company's Ordinary shares rank pari passu in all respects including for voting, dividend and other distribution purposes. Each Ordinary share ranks equally in the right to receive a relative proportion of shares in case of a capitalisation of reserves. Except in relation to dividends which have been declared and rights on a liquidation of the Company, the shareholders have no rights to share in the profits of the Company.

The Ordinary shares are not redeemable. However, the Company may purchase or contract to purchase any of the Ordinary shares on or off market, subject to the Companies Act 2006 and the requirements of the UK Listing Rules.

## Major Interests in Shares

As at 31 December 2025, the Company was aware of the following interests representing 3% or more of the issued share capital of the Company (see table opposite). It should be noted that these holdings may have changed since notified to the Company. However, notification of any change is not required until the next applicable threshold is crossed.

Institution	Number of shares	Percentage
Fidelity International	14,518,676	8.08%
Forum Family Office	14,171,251	7.89%
Liontrust Sustainable Investments	13,493,622	7.51%
RBC Bluebay Asset Management	13,164,343	7.33%
Blantyre Capital	11,026,523	6.14%
Goldman Sachs collateral account	10,532,321	5.86%
Barclays Capital collateral account	10,082,063	5.61%
Oxy Capital	8,693,887	4.84%
Gresham House Asset Management	8,656,002	4.82%
Columbia Threadneedle Investments	5,692,203	3.17%

Notifications under Rule 5 of the Disclosure Guidance and Transparency Rules were received from Oxy Capital (on 8 and 17 January 2026 of an increase to 5.04%, followed by a decrease to 4.95%, respectively), Blackmoor Investment Partners (on 12 January 2026 of an increase to 3%), and Barclays Capital Securities (on 6 March 2026 of an increase to 6%).

There are no restrictions on transfers of Ordinary shares other than:

- certain restrictions which may from time to time be imposed by laws or regulations such as those relating to insider dealing;
- some of the Company's employee share plans include restrictions on transfer of shares while the shares are held within the plan;
- pursuant to the Group's Share Dealing Code whereby the Directors and designated employees require approval to deal in the Company's shares; and
- where a person with an interest in the Company's shares has been served with a disclosure notice and has failed to provide the Company with information concerning interests in those shares.

The Company is not aware of any arrangements between shareholders which may result in restrictions on the transfer of securities or voting rights.

## Amendment to the Company's Articles of Association

The Company may alter its Articles of Association by special resolution passed at a general meeting of shareholders.

## Authority for the Company to Purchase its Own Shares

At the 2025 AGM, shareholders approved an authority for the Company to make market purchases of its own shares up to a maximum of 17,930,710 shares (being approximately 10% of the issued share capital at that time) at prices not less than the nominal value of each share (being £0.0001 each). No use was made of this authority during 2025.

Governance Report

**DIRECTORS' REPORT** CONTINUED

The Company commenced a share buyback programme on 15 January 2026 and has repurchased 1,103,789 of its shares under the aforementioned authority as at 10 March 2026. The Company intends to renew this authority at its 2026 AGM.

**Authority to Allot Shares**

At the 2025 AGM, authority was given to the Directors to allot new Ordinary shares up to a nominal value of £5,976.30, equivalent to 33.33% of the issued share capital of the Company at that time. In addition, authority was given to the Directors to allot further new Ordinary shares up to a nominal value of £11,952.60, equivalent to 66.67% of the authorised share capital of the Company at that time, in connection with a rights issue or other pre-emptive offer to Ordinary shareholders. The Company intends to renew this authority at its 2026 AGM.

**Significant Agreements**

The Company is not a party to any significant agreements which would take effect, alter or terminate upon a change of control of the Company.

**Financial Risk Management**

The Group's financial risk management objectives and policies, including its use of financial instruments, are set out in Note 23 to the consolidated financial statements.

**Information Presented in Other Sections**

Certain information must be included in the Annual Financial Report under Listing Rule 6.6. The table below provides references to where this information can be found. If a requirement is not shown, it is not applicable to the Company.

**Stakeholder Engagement**

In their decision-making, the Directors have regard to their duties under the Companies Act 2006 including Section 172, which focuses on their responsibility to promote the long term success of the Company for the benefit of its collective shareholder base. In doing so, a number of matters must be considered, including fostering relationships with the Company's key stakeholders. These key stakeholders include shareholders, employees, members and suppliers. A detailed report on the Board's engagement with key stakeholders and how those stakeholders' interests were considered during the reporting period are set out in our Section 172 Statement on **pages 64 to 66**.

**Relationship with Shareholders**

Ensuring a satisfactory dialogue with shareholders and receiving reports on the views of shareholders is a key matter reserved for the Board.

The Board is committed to maintaining good communications with existing and potential shareholders. During the year, there was regular dialogue with institutional shareholders in order to develop an understanding of their views, which were communicated back to, and discussed with, the Board.

These discussions were primarily led on separate occasions by the Chair of the Board, the SID and the Executive Directors, and covered strategy, Board composition, business performance and results (at the year end and half year).

Presentations were delivered to analysts and investors as part of the annual and interim results roadshows by the CEO and CFO. These presentations and further information may be found in the investors' section of the Group's website at [www.tggplc.com](http://www.tggplc.com).

Additionally, the Board receives regular investor feedback through our joint brokers, Deutsche Numis and Peel Hunt, both in-person at Board meetings and from written updates, as well as from our remuneration consultants, PricewaterhouseCoopers, who provide updates to the Remuneration Committee on the views of institutional shareholders and proxy voting agencies.

A timetable for press engagements on commercial and corporate matters is managed through our public relations adviser, Team Lewis.

**AGM**

The Notice convening the 2026 AGM will be circulated to shareholders separately with details of the meeting. We will ensure that shareholders are kept informed using the Notice of Meeting, our website and relevant regulatory announcements in due course.

On behalf of the Board

**Camille Skerritt**  
Company Secretary

11 March 2026

Section	Listing Rule Requirement	Location
1	A statement of the amount of interest capitalised by the Group during the period under review with an indication of the amount and treatment of any related tax relief	Note 9 Finance Costs ( <b>page 119</b> )
4	Details of long term incentive schemes	Remuneration Committee Report ( <b>pages 77 to 87</b> )
10	Details of contracts of significance	Corporate Governance Statement ( <b>page 62</b> Directors' Conflicts of Interest)

Governance Report

# DIRECTORS' RESPONSIBILITY STATEMENT

## The Directors are responsible for preparing the Annual Report and Accounts 2025 in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the Group financial statements in accordance with UK-adopted international accounting standards ('IFRS'), and the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101'). Under company law, the Directors must not approve the Group and Company financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company, and of the profit or loss of the Group and the Company for that period.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs (or in respect of the Parent Company financial statements, FRS 101) is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and performance;
- in respect of the Group financial statements, state whether applicable UK-adopted IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements;
- in respect of the Parent Company financial statements, state whether applicable UK accounting standards including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis, unless it is appropriate to presume that the Company and/or Group will not continue in business.

The Directors confirm that the financial statements comply with the above requirements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions, and disclose with reasonable accuracy at any time the financial position of the Company and the Group, and enable them to ensure that the Company and Group financial statements comply with the relevant financial reporting framework and the Companies Act 2006.

They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable laws and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Remuneration Committee Report and Corporate Governance Statement that comply with those laws and regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the UK governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

### Auditor

Each Director in office at the date of approval of the Annual Report and Accounts 2025 confirms that: a) so far as the Director is aware, there is no relevant audit information of which the Group's auditor is unaware; and b) the Director has taken all the steps which they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

### Responsibility Statement

The Directors confirm, to the best of their knowledge:

- that the consolidated financial statements, prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and results of the Parent Company and subsidiary undertakings included in the consolidation taken as a whole;
- that the Annual Report and Accounts 2025, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company and subsidiary undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- that they consider the Annual Report and Accounts 2025, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the position, performance, business model and strategy of the Company and subsidiary undertakings included in the consolidation taken as a whole.

On behalf of the Board

**Will Orr**  
Chief Executive Officer

11 March 2026

## Financial Statements

# INDEPENDENT AUDITOR'S REPORT

for the year ended 31 December 2025

### Opinion

We have audited the financial statements of The Gym Group Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2025, which comprise the Consolidated Statement of Comprehensive Income for the year, the Consolidated Statement of Financial Position as at 31 December 2025, the Consolidated Statement Of Changes in Equity for the year, the Consolidated Cash Flow Statement for the year, Notes to the Consolidated Financial Statements, the Company Statement of Financial Position, the Company Statement of Changes in Equity and Notes to the Company Financial Statements, including material accounting policy information. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2025 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions Relating to Going Concern

We are responsible for concluding on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.

Our evaluation of the Directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Confirming our understanding of management's going concern assessment process for the period January 2026 to June 2027, including their preparation of cash flow forecasts, assessment of liquidity and covenant compliance, review of key assumptions, and consideration of downside and reverse stress test scenarios together with available mitigating actions.
- Obtaining management's base case forecast, aligned to the Board-approved Three Year Plan (FY26–FY28), including cash flow forecasts, covenant projections and liquidity analysis, and assessed whether the period appropriately extended to June 2027, consistent with management's going concern assessment period.
- Testing the mechanical accuracy of the financial models, including forecast cash flows and covenant calculations.
- Challenging key assumptions applied in the forecasts, including membership levels and corresponding revenue growth, expected cost inflation and the planned site opening programme. In doing so, we referenced FY25 actual results and performance in periods prior to FY25.
- Evaluating whether early FY26 trading performance supported the base case assumptions.
- Assessing the Group's banking arrangements, including the £102m facilities amended and extended in June 2025 and the forecasted compliance with financial covenants throughout the going concern period under both base and downside scenarios.

- Evaluating management's downside scenario, which models a severe but plausible downturn from April 2026. The scenario included a fall in mature estate membership, scaled-back site openings, reduced bonuses and lower discretionary costs. Based on this assessment, we noted that liquidity headroom remained significant and all covenants continued to be met.
- Evaluating management's reverse stress test and noted that membership would need to fall by 27% from April 2026 before breaching the Fixed Charge Cover covenant in June 2027, with no breach of the leverage covenant and no liquidity shortfall at that threshold.
- Considering whether the reverse stress test was plausible and assessed management's identification of further controllable mitigations (for example reductions in discretionary capital expenditure, pausing new site openings, further cost reductions) and potential non-controllable mitigations (e.g. rent deferrals, lender waivers).
- Assessing the consistency of the going concern assessment with other audit evidence obtained, including impairment assessments, covenant calculations, post year end trading data and Board papers.
- Evaluating the adequacy, clarity and completeness of the going concern disclosures within the Annual Report, including transparency of assumptions, downside scenarios and stress testing.

Going concern was not determined to be a key audit matter due to the significant covenant and liquidity headroom, the resilience demonstrated in FY25 results, and the mitigations and headroom available to management.

In our evaluation of the Directors' conclusions, we considered the inherent risks associated with the Group's and the Parent Company's business model including effects arising from macroeconomic uncertainties such as subdued discretionary spending and the ongoing pressure on consumer finances, both of which may influence demand levels. We assessed and challenged the reasonableness of estimates made by the Directors and the related disclosures and analysed how those risks might affect the Group's and the Parent Company's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Group's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

## Our Approach to the Audit

### Overview of Our Audit Approach

Overall materiality:

Group: £1,800,000, which represents 0.73% of the Group's Revenue.

Parent Company: £2,400,000 which represents 0.9% of the Parent Company's Net Assets. Parent Company component materiality has been capped at an amount less than Group materiality for Group audit purposes.

Key audit matters were identified as:

- Impairment of Property, Plant and Equipment ('PPE') and Right-of-Use Assets ('ROUA') (same as previous year); and
- Capitalisation of costs in relation to the new member management and payment systems (new in current year).

The auditor's report for the year ended 31 December 2024 included one key audit matter which has not been reported as a key audit matter in our current year's report. This related to the deferral of membership income.

We have performed an audit of the financial information using component performance materiality (full scope audit) on two components and audit of one or more account balances, classes of transactions or disclosures of the component (specific audit procedures) on one component. We performed analytical procedures at Group level (analytical procedures) on the remaining components of the Group.

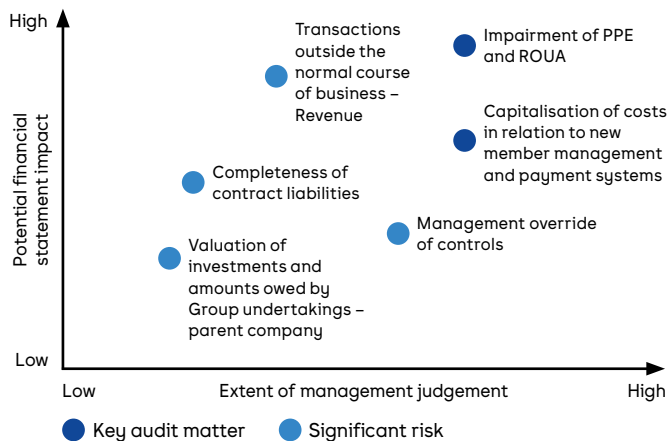
### Key Audit Matters

Key Audit Matters ('KAMs') are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Financial Statements

**INDEPENDENT AUDITOR'S REPORT** CONTINUED  
for the year ended 31 December 2025

In the graph below, we have presented the Key Audit Matters, significant risks and other risks relevant to the audit.



**Key Audit Matter – Group**

**Impairment of Property, Plant and Equipment ('PPE') and Right-of-Use Assets ('ROUA')**

We identified the risk of impairment of property, plant and equipment (PPE) and right-of-use assets (ROUA) as one of the most significant assessed risks of material misstatement due to error and potential management bias.

The Group holds £472.4m of PPE, intangibles (excluding goodwill) and ROUA on the statement of financial position and is required to assess these assets for indicators of impairment at each reporting date.

Where indicators of impairment exist, assets or cash-generating units (CGUs) are tested for impairment to ensure that they are not carried at an amount greater than their recoverable amount, in accordance with IAS 36. These assessments involve significant judgement and estimation, including determining which sites require detailed testing, assessing whether specific gyms should be combined, as a group of gyms, for testing as a single CGU, preparing medium term cash flow forecasts based on the Group's Board-approved Three Year Plan, selecting an appropriate discount rate and applying long term growth assumptions.

Given the size of the carrying value, the sensitivity of the impairment outcome to key assumptions, changes in methodology, and the potential for management bias, this area was considered to be a significant risk and a Key Audit Matter.

**How Our Scope Addressed the Matter – Group**

In responding to the Key Audit Matter, we:

- Performed walkthroughs of management's impairment assessment process, including reviewing process documentation and control activities, to understand how impairment indicators were identified and how site level models were prepared.
- Assessed the appropriateness of management's methodology for identifying impairment indicators and tested its completeness, including reviewing financial and operational performance data to determine whether any additional sites should be included in scope.
- Evaluated management's value-in-use model methodology for compliance with IAS 36.
- Engaged our internal valuation expert and reviewed the appropriateness of the discount rate and long term growth rate applied, benchmarking these to external market data and considering whether they were appropriate for the Group's risk profile.
- Performed substantive testing over the carrying values of the PPE, intangible assets (excluding goodwill) and ROUA, agreeing amounts to the audited trial balance.
- For gyms exhibiting greater sensitivity to impairment, performed detailed testing of key assumptions, including site level revenue and cost forecasts. We also compared management's assumptions to post-year end data.
- Assessed the appropriateness of management's site clustering assumptions, including assessing site level interdependency data to confirm that gyms grouped into clusters meet the IAS 36 requirements for identifying cash generating units.
- Performed sensitivity analysis on both site-specific models and the overall impairment model, including applying downside scenarios consistent with those used in the going concern assessment to evaluate whether the conclusions remained robust.
- Reviewed the disclosures in the financial statements relating to impairment, assessing whether they were complete, accurate and provided a true and fair view of the judgements, assumptions and sensitivities involved.

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**How Our Scope Addressed the Matter – Group**

**Our Results**

Based on the audit procedures performed, we are satisfied that no material misstatements were identified in respect of Property, Plant and Equipment and Right-of-Use Assets.

**Relevant Disclosures in the Annual Report**

- **Financial Statements:** Note 14, Property, Plant and Equipment
  - **Audit and Risk Committee Report:** Impairment of CGUs – Property, Plant and Equipment and Right-of-Use Assets
- 

**Key Audit Matter – Group**

**Capitalisation of Costs in Relation to the New Member Management and Payment Systems**

We identified the capitalisation of costs associated with the Group's large scale programme to replace the legacy member management and payment systems as one of the areas of most significance to the audit due to the risk of fraud and error.

The project involves substantial expenditure (£6.6m incurred in FY25, of which £4.5m has been capitalised) and its accounting treatment requires management to exercise significant judgement in determining which costs meet the recognition criteria under IAS 38 for internally generated intangible assets. This includes evaluating whether the costs to be capitalised relate to an identifiable asset, control can be demonstrated, and whether it is probable that future economic benefits will flow from the project.

Given the complexity of the project, the significant judgement involved in distinguishing costs which meet the capitalisation criteria under IAS 38 from those that did not, and the material impact of the capitalised balance on the Group's financial position, this area required significant audit attention.

**How Our Scope Addressed the Matter – Group**

In responding to the Key Audit Matter, we:

- Performed walkthroughs of the processes supporting the identification, approval and recording of project costs, including discussions with senior technical and product personnel involved in delivering the project, to understand the design and implementation of controls over cost classification and capitalisation, the development streams, the work performed to date, and the substance of activities giving rise to capitalised expenditure.
- Evaluated management's accounting policy and key judgements against IAS 38 and relevant IFRIC guidance, assessing whether the nature of the activities being capitalised met the recognition criteria for internally generated intangible assets.
- Corroborated management's assessment of capitalisable costs by inspecting supporting documentation, including systems architecture papers, subcontractor statements of work, supplier contracts and technical project artefacts to determine whether the expenditure related to development activities rather than configuration or operational costs.
- Reviewed project governance and progress through inspection of Steering Committee minutes and project reporting, to confirm that the programme was progressing as planned, remained technically feasible, and that no issues had arisen that would indicate the nature of activities had changed such that costs would cease to be eligible for capitalisation.
- Performed sample testing over additions capitalised during the year, verifying that selected items related to development streams assessed as eligible for capitalisation and agreeing amounts to third party evidence to confirm both appropriateness of capitalisation and accuracy of the recorded cost.
- For capitalised staff costs, interviewed personnel involved in the project and evaluated the basis of their time allocation, corroborating allocated hours to payroll reports to assess whether the proportion of time capitalised was reasonable and supported by underlying evidence.

**Our results**

Based on our audit work we found management's accounting policy and judgements to be consistent with IAS 38 and IFRIC guidance applied to the project. We are satisfied that the judgement made by management is appropriate for the capitalisation of costs in relation to the new member management and payment systems.

**Relevant disclosures in the Annual Report**

- **Financial Statements:** Note 8, Non-Underlying Items. Note 13, Intangible Assets
  - **Audit and Risk Committee Report:** Accounting for Costs Associated with the New Member Management and Payment Systems
-

Financial Statements

**INDEPENDENT AUDITOR'S REPORT** CONTINUED

for the year ended 31 December 2025

We did not identify any Key Audit Matters relating to the audit of the financial statements of the Parent Company only.

**Our Application of Materiality**

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

Materiality was determined as follows:

Materiality Measure	Group	Parent Company
<b>Materiality for financial statements as a whole</b>	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.	
<b>Materiality threshold</b>	£1,800,000 (2024: £1,668,000), which represents 0.73% of revenue.	£2,400,000 (2025: £2,364,092), which represents 0.9% of net assets.
<b>Significant judgements made by the auditor in determining materiality</b>	<p>In determining materiality, we made the following significant judgements:</p> <ul style="list-style-type: none"> <li>Total revenue is considered to be the most appropriate benchmark, as it is a key performance measure for the Group, is less volatile than profit-based metrics, and is widely used by stakeholders to assess financial performance.</li> <li>Revenue has shown greater stability than reported profit in recent years.</li> <li>The measurement of 0.73% of revenue is, in our view, appropriate given user expectations and industry benchmarking, and results in a materiality that is sufficient to identify any material misstatements.</li> </ul> <p>Materiality for the current year is higher than the level that was determined for the year ended 31 December 2024 to reflect the increase in revenue and the Group's continued growth trajectory.</p>	<p>In determining materiality, we made the following significant judgements:</p> <ul style="list-style-type: none"> <li>Net assets is considered to be the most appropriate benchmark for the Parent Company, as this benchmark most accurately reflects the nature of the Parent company's activities and financial position.</li> <li>The measurement of 0.9% of net assets is, in our view, appropriate given user expectations and industry benchmarking, and results in a materiality level that is sufficient to identify any material misstatements.</li> </ul> <p>Materiality for the current year is higher than the level that was determined for the year ended 31 December 2024 to reflect movements in net assets and the Parent Company's role as a holding and financing vehicle rather than an operating entity.</p>
<b>Performance materiality used to drive the extent of our testing</b>	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.	
<b>Performance materiality threshold</b>	<p>£1,170,000 (2024: £1,251,000), which is 65% (2024: 75%) of financial statement materiality.</p> <p>The range of component performance materialities used across the Group was £720,000 to £1,053,000.</p>	<p>£1,560,000 (2024: £1,773,069), which is 65% (2024: 65%) of financial statement materiality.</p> <p>Parent Company component performance materiality has been capped at an amount less than Group performance materiality for Group audit purposes.</p>

Materiality Measure	Group	Parent Company
<b>Significant judgements made by the auditor in determining performance materiality</b>	<p>In determining performance materiality, we made the following significant judgements:</p> <ul style="list-style-type: none"> <li>This is our first year as auditor, and consistent with the heightened risk profile typically associated with first year audits, we applied a more conservative performance materiality percentage.</li> <li>Considered control deficiencies previously reported by the predecessor auditor and the potential impact on the current period's audit when performing our risk assessment procedures.</li> <li>Our understanding of the entity obtained during risk assessment procedures.</li> </ul> <p>In determining component performance materiality, we made the following significant judgements:</p> <ul style="list-style-type: none"> <li>The Group structure is non-complex, with all trading activity conducted through a single operating entity and only limited non-trading balances held in the Parent Company; as a result, financial information is not highly disaggregated across components, and the relative risk and size of each component to the Group is low.</li> </ul> <p>For each component in scope for our Group audit, we allocated a performance materiality that is less than our overall Group performance materiality.</p>	<p>In determining performance materiality, we made the following significant judgements:</p> <ul style="list-style-type: none"> <li>This is our first year as auditor, and consistent with the heightened risk profile typically associated with first year audits, we applied a more conservative performance materiality percentage.</li> <li>Considered control deficiencies previously reported by the predecessor auditor and the potential impact on the current period's audit when performing our risk assessment procedures.</li> <li>Our understanding of the entity obtained during risk assessment procedures.</li> </ul>
<b>Specific materiality</b>	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.	
<b>Specific materiality</b>	<p>We determined a lower level of specific materiality for the following areas:</p> <ul style="list-style-type: none"> <li>Related party transactions.</li> <li>Directors' remuneration.</li> </ul>	<p>We determined a lower level of specific materiality for the following areas:</p> <ul style="list-style-type: none"> <li>Related party transactions.</li> <li>Directors' remuneration.</li> </ul>
<b>Communication of misstatements to the Audit and Risk Committee</b>	We determine a threshold for reporting unadjusted differences to the Audit and Risk Committee.	
<b>Threshold for communication</b>	£90,000 (2024: £83,400), which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£120,000 (2024: £118,205), which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

Financial Statements

**INDEPENDENT AUDITOR'S REPORT** CONTINUED

for the year ended 31 December 2025

**An Overview of the Scope of Our Audit**

We performed a risk-based audit that requires an understanding of the Group's and the Parent Company's business and in particular matters related to:

**Understanding the Group, its components, their environments, and its system of internal control including common controls**

The engagement team obtained an understanding of the Group and its components, their environment, and the system of internal control, noting that financial reporting processes are highly centralised with all trading activities conducted through a single operating entity and Group Finance performing consolidation and control activities. We also considered the effect of centralised processes relevant to financial reporting, including the use of shared systems within the Group, in assessing the risks of material misstatement at the Group level.

**Identifying components at which to perform audit procedures**

We have determined the components at which to perform further audit procedures by considering:

- Components that individually include a risk of material misstatement to the Group financial statements due to their nature or circumstances.
- Components requiring further audit procedures because of the nature and size of their assets, liabilities and transactions, making them financially significant to one or more scoped areas.
- Components selected to obtain sufficient appropriate audit evidence over significant classes of transactions, account balances and disclosures, or to incorporate an element of unpredictability into our audit approach.

**Type of work to be performed on financial information of Parent and other components (including how it addressed the Key Audit Matters)**

In order to address the audit risks identified during our planning procedures, the Group engagement team determined that the following audit procedures were necessary:

- Full-scope audits were performed on the financial information of The Gym Limited (the primary trading entity) and The Gym Group plc (the parent company). These full-scope audits included all of our work over the identified significant risks and areas of focus. These two components contribute all of the Group's revenue, operating costs and 99.8% of the Group's total assets and therefore represent the most financially significant components of the Group.
- Specific-scope procedures were performed in respect of The Gym Group Operations Limited, focused on the Group's investment in Fiit which is recorded in this entity and represents 0.2% of the remaining total assets.
- Analytical procedures at Group level were performed over the remaining components within the Group. These components are individually and collectively financially immaterial, and analytical review procedures were determined to provide sufficient appropriate audit evidence in the context of the overall Group audit risk assessment.

**Performance of Our Audit**

In order to address the audit risks identified during our planning procedures, we determined that a combination of full-scope, specific-scope and analytical procedures across the Group's components was necessary to obtain sufficient appropriate audit evidence.

Full-scope procedures covered 100% of Group revenue, 99.8% of total Group assets, and 100% of Group profit before tax (on an absolute basis). Specific scope procedures contributed 0.2% of Group assets. Analytical review procedures were performed over all remaining other Group components, which were considered financially immaterial individually and in aggregate.

The components within the scope of further audit procedures accounted for the following percentages of the Group's results, including the Key Audit Matters identified:

Audit approach	No. of components	% coverage total assets	% coverage revenue	% coverage PBT (on absolute basis)
Full-scope audit	2	99.8%	100%	100%
Specific scope audit	1	0.2%	-	-
<b>Full-scope and specific scope procedures coverage</b>	<b>3</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Analytical procedures	2	-	-	-
<b>Total</b>	<b>5</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

### Communications with Component Auditors

As all in-scope audit work across the Group was performed directly by the Group auditor, no component auditors were appointed for any of the Group's locations or reporting units.

### Other Information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Our Opinions on Other Matters Prescribed by the Companies Act 2006 are Unmodified

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

### Matters on Which We are Required to Report Under the Companies Act 2006

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

### Matters on Which We are Required to Report by Exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the Parent Company or returns adequate for our audit have not been received from branches not visited by us.
- The Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.
- Certain disclosures of Directors' remuneration specified by law are not made.
- We have not received all the information and explanations we require for our audit.
- A Corporate Governance Statement has not been prepared by the Parent Company.

### Corporate Governance Statement

We have reviewed the Directors' statement in relation to going concern, longer term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on **pages 51 to 52**.
- The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on **pages 51 to 52**.
- The Directors' statement on whether they have a reasonable expectation that the Company will be able to continue in operation and meets its liabilities set out on **pages 51 to 52**.
- The Directors' statement on fair, balanced and understandable set out on **page 91**.
- The Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on **pages 42 to 50**.

## Financial Statements

# INDEPENDENT AUDITOR'S REPORT CONTINUED

for the year ended 31 December 2025

- The section of the Annual Report that describes the review of the effectiveness of risk management and internal control systems set out on **pages 42 to 50**.
- The section describing the work of the Audit and Risk Committee set out on **pages 71 to 74**.

## Responsibilities of Directors

- As explained more fully in the Directors' Responsibilities Statement set out on **page 91**, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant for The Gym Group plc are: the Companies Act 2006; UK adopted IAS; the UK Listing Rules; the FCA's Disclosure Guidance and Transparency Rules; the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2013 (including the Directors' Remuneration Report requirements) and UK taxation legislation.
- We understood how The Gym Group plc complies with these frameworks by making enquiries of senior management and those charged with governance; attending Audit and Risk Committee meetings; obtaining an understanding of entity level controls and considering the influence of the control environment; reviewing the Group's policies and procedures relating to compliance, including whistleblowing, anti bribery, data protection, and health and safety; and inspecting evidence of how compliance is monitored. We also reviewed the Group's risk register, considered senior management's processes for identifying, managing and responding to fraud risks, and reviewed relevant correspondence where available.
- Our assessment of the Group's compliance with laws and regulations was integrated into our audit procedures on relevant financial statement line items. As the Group engagement team performed all component work directly, this assessment was carried out centrally across all Group entities. We obtained an understanding of the Group's controls over compliance and performed substantive procedures designed to detect non compliance that could materially affect the financial statements.
- Audit procedures performed by the engagement team included:
  - Enquiring of management, the Finance team, and those charged with governance about fraud risks relevant to the Group, including risks arising from the operating model, performance pressures and the control environment. This included enquiries outside the Finance team, such as with the Property team and the People team, to identify fraud risks relating to operational processes, payroll, site openings and property disputes.
  - Assessing the design and implementation of controls relevant to preventing and detecting fraud, including understanding the Group's internal controls over journal entries, revenue recording, site level transactions and non routine adjustments.
  - Identifying and testing journal entries using data driven risk profiling, and journals indicative of potential management override.
  - Performing audit data analytics to identify transactions outside the expected revenue posting pattern which may indicate fraudulent transactions or inappropriate revenue recognition.
  - Running specific keyword searches across the journal entry population, including keywords linked to related parties, legal disputes, or indicators of concealment, to assess whether any entries required further investigation.

- Reviewing samples of legal and professional fees to identify potential indicators of undisclosed litigation, regulatory matters or unusual arrangements that could signal non compliance or fraud.
  - Assessing disclosures within the Annual Report and Accounts, including principal and emerging risks, to evaluate whether such disclosures were consistent with our knowledge obtained during the audit.
  - Challenging key management judgements and estimates, including those relating to impairment and capitalisation of development expenditure, focusing on areas where management bias could result in material misstatement.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
  - As part of the engagement partner's assessment of the engagement team's collective competence and capabilities, they considered the team's understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation. They also evaluated the team's knowledge of the industry in which the Group and the Parent Company operate, as well as the team's understanding of the legal and regulatory requirements relevant to the audit. Specialist support was engaged where required, including for IT systems, tax and valuation matters.
  - We communicated relevant laws, regulations and potential fraud risks to all members of the engagement team, including internal specialists, and maintained heightened alertness to indicators of non compliance throughout the audit.
  - In assessing the potential risks of material misstatement, we obtained an understanding of:
    - The entity's operations, including its revenue model, cost base, gym network and strategic plan, to understand business risks and their potential impact on financial reporting.
    - The applicable statutory and regulatory requirements governing the Group.
    - The rules and interpretative guidance issued by the FRC and the Financial Conduct Authority.
    - The entity's internal control environment, including policies and procedures relating to compliance, fraud prevention, ethical conduct, whistleblowing, and training arrangements for staff across the business.
  - As all audit work was performed directly by the Group engagement team, there were no component auditors involved, and accordingly no communications with component auditors were required regarding instances of fraud or non compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

### Other Matters Which We are Required to Address

We were appointed by the Board on 8 May 2025 to audit the financial statements for the year ending 31 December 2025. This is the first period of our engagement as auditor of The Gym Group Plc.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Group and the Parent Company in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit and Risk Committee.

### Use of Our Report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Jonathan Maile BSc (Hons) FCA

Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Crawley

11 March 2026

Financial Statements

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2025

	Note	31 December 2025 £m			31 December 2024 £m		
		Underlying	Non-underlying (Note 8)	Total	Underlying	Non-underlying (Note 8)	Total
Revenue	5	244.9	-	244.9	226.3	-	226.3
Cost of sales		(2.9)	-	(2.9)	(2.9)	-	(2.9)
<b>Gross profit</b>		<b>242.0</b>	<b>-</b>	<b>242.0</b>	<b>223.4</b>	<b>-</b>	<b>223.4</b>
Other income		-	-	-	0.1	-	0.1
Operating expenses (before depreciation, amortisation and impairment)	6	(148.6)	(2.1)	(150.7)	(139.6)	(0.4)	(140.0)
Depreciation, amortisation and impairment	13, 14, 15	(62.4)	(0.9)	(63.3)	(60.1)	(0.5)	(60.6)
<b>Operating profit</b>		<b>31.0</b>	<b>(3.0)</b>	<b>28.0</b>	<b>23.8</b>	<b>(0.9)</b>	<b>22.9</b>
Finance costs	9	(20.9)	(0.2)	(21.1)	(20.7)	(0.2)	(20.9)
Finance income		0.5	-	0.5	0.5	-	0.5
<b>Profit before tax</b>		<b>10.6</b>	<b>(3.2)</b>	<b>7.4</b>	<b>3.6</b>	<b>(1.1)</b>	<b>2.5</b>
Tax (charge)/credit	10	(0.7)	0.7	-	1.8	0.1	1.9
<b>Profit for the year attributable to equity shareholders</b>		<b>9.9</b>	<b>(2.5)</b>	<b>7.4</b>	<b>5.4</b>	<b>(1.0)</b>	<b>4.4</b>
Other comprehensive income for the year		-	-	-	-	-	-
<b>Total comprehensive income attributable to equity shareholders</b>		<b>9.9</b>	<b>(2.5)</b>	<b>7.4</b>	<b>5.4</b>	<b>(1.0)</b>	<b>4.4</b>
<b>Earnings per share (p)</b>	11						
Basic				4.2			2.5
Diluted				4.0			2.4

### Reconciliation of Operating Profit to Group Adjusted EBITDA Less Normalised Rent<sup>1</sup>

	Note	31 December 2025 £m	31 December 2024 £m
<b>Operating Profit</b>		<b>28.0</b>	22.9
Add back:			
Non-underlying operating items	8	3.0	0.9
Share based payments (included in Operating expenses)	7, 26	5.5	3.4
Underlying depreciation and amortisation	13, 14, 15	62.4	60.1
<b>Group Adjusted EBITDA</b>		<b>98.9</b>	87.3
Less:			
Normalised Rent <sup>2</sup>		(42.2)	(39.6)
<b>Group Adjusted EBITDA Less Normalised Rent<sup>1</sup></b>		<b>56.7</b>	47.7

1 Group Adjusted EBITDA Less Normalised Rent is a non-statutory metric used internally by management and externally by investors. It is calculated as operating profit before depreciation, amortisation, share based payments and non-underlying items, and after deducting Normalised Rent. Refer to the KPIs on pages 20 to 21 for further information.

2 Normalised Rent is the contractual rent payable, recognised in the monthly period to which it relates.

The Notes on pages 106 to 134 form an integral part of the financial statements.

Financial Statements

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2025

	Note	31 December 2025 £m	31 December 2024 £m
<b>Non-current assets</b>			
Intangible assets	13	13.9	10.4
Goodwill	12	81.8	81.8
Property, plant and equipment	14	202.8	181.2
Right-of-use assets	15	284.7	280.5
Investments in financial assets	16	1.0	1.0
Deferred tax assets	10	18.2	18.2
<b>Total non-current assets</b>		<b>602.4</b>	573.1
<b>Current assets</b>			
Inventories		0.6	0.7
Trade and other receivables	17	9.9	8.8
Cash and cash equivalents	18	3.0	3.0
<b>Total current assets</b>		<b>13.5</b>	12.5
<b>Total assets</b>		<b>615.9</b>	585.6
<b>Current liabilities</b>			
Trade and other payables	19	61.8	49.5
Lease liabilities	15	26.7	27.6
Dilapidations provision	22	0.4	0.5
<b>Total current liabilities</b>		<b>88.9</b>	77.6
<b>Non-current liabilities</b>			
Borrowings	20	62.2	61.3
Lease liabilities	15	320.8	312.9
Dilapidations provision	22	2.3	2.2
<b>Total non-current liabilities</b>		<b>385.3</b>	376.4
<b>Total liabilities</b>		<b>474.2</b>	454.0
<b>Net assets</b>		<b>141.7</b>	131.6
<b>Capital and reserves</b>			
Own shares held	25	0.1	0.1
Share premium	25	190.1	189.9
Own shares reserve – EBT	25	(4.6)	(3.0)
Merger reserve	25	39.9	39.9
Retained deficit	25	(83.8)	(95.3)
<b>Total equity shareholders' funds</b>		<b>141.7</b>	131.6

The Notes on pages 106 to 134 form an integral part of the financial statements.

These financial statements were approved by the Board of Directors on 11 March 2026.

Signed on behalf of the Board of Directors

**Will Orr**  
Chief Executive Officer

**Luke Tait**  
Chief Financial Officer

Financial Statements

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2025

	Note	Own shares held £m	Share premium £m	Own shares reserve – EBT £m	Merger reserve £m	Retained deficit £m	Total £m
At 1 January 2024		0.1	189.8	–	39.9	(101.8)	128.0
Profit for the year		–	–	–	–	4.4	4.4
Other comprehensive income for the year		–	–	–	–	–	–
<b>Profit for the year and total comprehensive expense</b>		–	–	–	–	4.4	4.4
Share based payments	26	–	–	–	–	2.9	2.9
Issue of Ordinary share capital		–	0.1	–	–	–	0.1
Purchase of own shares by EBT		–	–	(3.5)	–	–	(3.5)
Exercise of share options		–	–	0.5	–	(0.8)	(0.3)
At 31 December 2024		0.1	189.9	(3.0)	39.9	(95.3)	131.6
Profit for the year		–	–	–	–	7.4	7.4
Other comprehensive income for the year		–	–	–	–	–	–
<b>Profit for the year and total comprehensive income</b>		–	–	–	–	7.4	7.4
Share based payments	26	–	–	–	–	4.7	4.7
Issue of Ordinary share capital		–	0.2	–	–	–	0.2
Purchase of own shares by EBT		–	–	(2.0)	–	–	(2.0)
Exercise of share options		–	–	0.4	–	(0.6)	(0.2)
<b>At 31 December 2025</b>		<b>0.1</b>	<b>190.1</b>	<b>(4.6)</b>	<b>39.9</b>	<b>(83.8)</b>	<b>141.7</b>

The Notes on **pages 106 to 134** form an integral part of the financial statements.

Financial Statements

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2025

	Note	31 December 2025 £m	31 December 2024 £m
<b>Cash flows from operating activities</b>			
Profit before tax		7.4	2.5
<b>Adjustments for:</b>			
Finance costs	9	21.1	20.9
Finance income		(0.5)	(0.5)
Non-underlying operating items	8	3.0	0.9
Underlying depreciation and amortisation	13, 14, 15	62.4	60.1
Share based payments and associated NICs	26	5.5	3.4
Decrease in inventories		0.1	-
(Increase)/decrease in trade and other receivables		(0.5)	2.3
Increase in trade and other payables		5.7	6.1
(Decrease)/increase in provisions		(0.1)	0.3
<b>Cash generated from operations</b>		<b>104.1</b>	96.0
Tax (paid)/received		-	-
<b>Net cash inflow from operating activities before non-underlying items</b>		<b>104.1</b>	96.0
Non-underlying operating items	8	(1.8)	(0.9)
<b>Net cash inflow from operating activities</b>	24	<b>102.3</b>	95.1
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(41.1)	(33.0)
Purchase of intangible assets		(10.1)	(7.0)
Bank interest received		0.5	0.5
<b>Net cash outflow used in investing activities</b>		<b>(50.7)</b>	(39.5)
<b>Cash flows from financing activities</b>			
Repayment of lease liability principal	21	(28.9)	(30.2)
Lease interest paid	21	(16.4)	(15.5)
Bank interest paid	21	(4.9)	(5.8)
Repayments of bank loans	21	(7.0)	(3.0)
Drawdown of bank loans	21	8.0	5.0
Payment of financing fees		(0.3)	(0.8)
Purchase of own shares by EBT	25	(2.0)	(3.5)
Settlement of share based payments through EBT	26	(0.3)	(0.4)
Proceeds from issue of Ordinary shares		0.2	0.1
<b>Net cash outflow from financing activities</b>		<b>(51.6)</b>	(54.1)
Net increase in cash and cash equivalents		-	1.5
Cash and cash equivalents at the start of the year		3.0	1.5
<b>Cash and cash equivalents at the end of the year</b>	18	<b>3.0</b>	3.0

The Notes on pages 106 to 134 form an integral part of the financial statements.

OVERVIEW

STRATEGIC REPORT

GOVERNANCE REPORT

FINANCIAL STATEMENTS

OTHER INFORMATION

## Financial Statements

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

## 1. General Information

The Gym Group plc (the 'Company') and its subsidiaries (the 'Group') operate high value, low cost, 24/7, no contract gyms.

The Company is a public limited company whose shares are publicly traded on the London Stock Exchange and is incorporated and domiciled in the United Kingdom.

The registered address of the Company is 2nd Floor, Arding & Hobbs, 7 St. John's Road, London, SW11 1QN, United Kingdom.

## 2. Summary of Material Accounting Policies

A summary of the material accounting policies is set out below. These have been applied consistently in the financial statements.

### Statement of Compliance

The financial statements have been prepared in accordance with the Listing Rules and the Disclosure Guidance and Transparency Rules of the United Kingdom Financial Conduct Authority (where applicable) and United Kingdom adopted international accounting standards. The accounting policies applied are consistent with those described in the Annual Report and Accounts of the Group for the year ended 31 December 2024. The functional currency of each entity in the Group is pound sterling. The consolidated financial statements are presented in pound sterling and all values are rounded to the nearest one hundred thousand pounds, except where otherwise indicated.

### Basis of Preparation

The consolidated financial statements have been prepared on a going concern basis under the historical cost convention as modified by the recognition of derivative financial instruments, financial assets and other financial liabilities at fair value through the profit and loss and the recognition of financial assets at fair value through other comprehensive income.

The consolidated financial statements provide comparative information in respect of the previous period.

### Going Concern

In assessing the going concern position of the Group for the year ended 31 December 2025, the Directors have considered the following:

- the Group's trading performance in 2025 and throughout the traditional January and February 2026 peak period;
- the future expected trading performance of the Group to 30 June 2027 (the going concern period), including membership levels and behaviours in light of the continued difficult macroeconomic environment; and
- the Group's financing arrangements and relationship with its lenders and shareholders.

Trading in 2025 was strong, with membership at the end of December 2025 reaching 923,000, an increase of 4% from the end of December 2024. Average revenue per member per month ('ARPM') for the year was £21.60, up 4% from £20.81 in the prior year. As a result, revenue increased by 8% to £244.9m (2024: £226.3m), and Group Adjusted EBITDA Less Normalised Rent at £56.7m was 19% better than in 2024.

The Group also reported strong cash generation in the year, with Free Cash Flow of £38.3m (see Note 24 to the Consolidated Financial Statements for a reconciliation to Net Cash Inflow from Operating Activities) being generated and used to fund 16 new site openings and major refurbishments and enhancements to the mature estate, as well as significant investment in technology.

On 12 June 2025, the Group agreed a one year extension to the existing bank facilities as well as an increase in the available RCF facility of £12m. As a result, the Group now has in place a combined £102m facility, consisting of £45m of Term Loan and £57m of RCF, which is due to mature in June 2028. Drawings under the facility continue to be subject to quarterly financial covenant tests on Adjusted Leverage (Non-Property Net Debt divided by Group Adjusted EBITDA Less Normalised Rent must not exceed 3.0 times) and Fixed Charge Cover (Adjusted EBITDAR to Net Finance Charges plus Normalised Rent must be greater than 1.5 times).

As at 31 December 2025, the Group had Non-Property Net Debt (including non-property leases) of £59.3m, consisting of £62.0m drawn debt under the RCF, £0.3m of non-property leases and £3.0m of cash. The Directors believe that this measure of net debt best reflects the financial health of the business. In addition, it is a key constituent of the Adjusted Leverage covenant included in the Group's banking agreement as noted above. Headroom under the bank facilities at 31 December 2025 (drawn debt less cash) was £43.0m. Adjusted Leverage was 1.0 times and Fixed Charge Cover was 2.1 times.

Following the January and February 2026 peak trading period, closing membership at 28 February 2026 was 999,000, an increase of 8% on the position at 31 December 2025, demonstrating that the low cost gym model remains resilient and spend on gym membership continues to be prioritised.

Despite the continued strong trading performance, the Directors have continued to take a cautious approach to planning. The base case forecast for the period to 30 June 2027 anticipates some growth in yields across the whole estate as a result of pricing optimisation actions identified as part of the Next Chapter growth plan. Modest increases in membership levels are driven largely by the sites opened in 2024 and 2025, and not by growth in the mature estate.

In addition, whilst the Directors have planned for an acceleration of the new site opening programme throughout the plan period, all new sites are assumed to be self-financed. Under this scenario, the financial covenants are passed with headroom, and the Group can operate comfortably within its financing facilities.

The Directors have also considered a severe downside scenario in which membership numbers in the mature estate decline by approximately 4%. Yields continue to grow, but at a much more modest rate than in the base case. In this scenario, the number of new site openings is reduced to conserve cash, expenditure on maintenance and marketing is reduced slightly, and discretionary performance-related bonuses and share based payment funding are removed. The share buyback programme is also paused. Under this scenario, the financial covenants continue to be passed, and the Group continues to operate within its financing facilities.

The Directors have also considered a reverse stress test scenario to ascertain the extent of the downturn in trading that would be required to breach the Group's banking covenants or liquidity requirements. Mitigating actions assumed in this scenario include moving to a minimum level of maintenance and technology capital expenditure; further reducing controllable operating costs and marketing expenditure; and pausing the new site opening programme in order to preserve cash. In this scenario, membership numbers would need to decline steadily from April 2026 to June 2027 to the point where closing membership at 30 June 2027 was 27% lower than the base case. Under this scenario, the Fixed Charge Cover covenant would be breached in June 2027. The Group would, however, continue to operate within its current level of debt capacity and the Adjusted Leverage ratio would not be breached.

In the event of a reverse stress test scenario, the Directors would introduce additional measures to mitigate the impact on the Group's covenants and liquidity, including: (i) even greater reductions in controllable operating costs, marketing and capital expenditure; (ii) discussions with lenders to secure a covenant waiver; and (iii) deferral of, or reductions in, rent payments to landlords. The Directors consider the reverse stress test scenario to be highly unlikely.

### Conclusion

The Board has reviewed the financial plan and downside scenarios of the Group and has a reasonable expectation that the Group has adequate resources to continue in operational existence for the period to 30 June 2027. As a result, the Directors continue to adopt the going concern basis in preparing the consolidated financial statements. In making this assessment, consideration has been given to the current and future expected trading performance; the Group's current and forecast liquidity position and the support received to date from our lenders and shareholders; and the mitigating actions that can be deployed in the event of reasonable downside scenarios.

### Climate Change

In preparing the consolidated financial statements, management has considered the impact of climate change, particularly in the context of the disclosures included in the Strategic Report and the stated net zero targets. These considerations did not have a material impact on the financial reporting judgements and estimates, consistent with the assessment that climate change is not expected to have a significant impact on the Group's going concern assessment to 30 June 2027 nor the viability of the Group over the next three years.

The following specific points were considered:

- We procure 100% renewable energy for all of our sites where we directly control the purchase of energy.
- The Group continues to reduce its carbon emissions and environmental impact by investing in the energy-efficient design of our new sites, as well as in our existing estate.
- Our carbon emissions through electrical power consumption will reduce with the decarbonisation of the National Grid and natural gas will eventually become our principal source of direct carbon emission. We now have 87 sites operating successfully without gas for water heating and are continuing to roll out electric heat pumps to obviate the requirement for gas.
- In all cases, the expected costs and investment required during the Group's strategic planning horizon have been considered within the future cash flows included within the Group's three year plan which forms the basis of our going concern and viability assessment, the goodwill and site impairment testing, and the assessment of the recoverability of deferred tax assets.

## Financial Statements

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2025

## 2. Summary of Material Accounting Policies continued

### Consolidation

#### Subsidiaries

A subsidiary is an entity controlled, either directly or indirectly, by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

All subsidiaries are wholly owned.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Comprehensive Income from the date the Group gains control and until the date the Group ceases to control the subsidiary.

All subsidiaries apply consistent accounting policies and all intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The acquisition method of accounting is used to account for the acquisition of subsidiaries or business combinations where trade and assets are acquired by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the Consolidated Statement of Comprehensive Income. Subsequent changes to the fair value during the measurement period are treated as fair value adjustments against the acquired net assets.

### Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Board of Directors. The Group's activities consist solely of the provision of low cost, high quality, 24/7, no contract gyms within the United Kingdom, traded through 260 sites at 31 December 2025. It is managed as one entity and management has consequently determined that there is only one operating segment.

### Revenue

Revenue, which is stated excluding value added tax and other sales-related taxes, is measured at the fair value of the consideration receivable for goods and services supplied.

Revenue from memberships comprises monthly membership fees, non-refundable joining fees and longer term membership fees. Longer term membership fees comprise student memberships which typically cover a six, nine or 12 month period, pay-up-front memberships which typically cover a nine or 12 month period and corporate annual membership. All membership income (being the membership fee and the joining fee) is recognised straight-line over the period that the membership relates to, with any subscriptions in advance of the period in which the service is provided being recorded as a contract liability in the Consolidated Statement of Financial Position.

Rental income from personal trainers, which represents amounts paid by standalone personal trainers to operate their business from our gyms, is recognised on a straight-line basis over the term of the rental agreement.

Other income, which includes the sale of goods through vending machines and day passes, are recognised at the point in time when control of the goods transfers to the customer.

Contracts with customers are non-complex and do not require any significant accounting judgements or estimates.

## Cost of Sales and Gross Profit

Cost of sales comprises costs arising in connection with the generation of ancillary revenue as well as call centre costs and payment processing costs. Therefore, gross profit is stated before costs associated with operating the gyms.

## Non-Underlying Items

Non-underlying items are income or expenses that are material by their size and/or nature and are not considered to arise in the normal course of business. The Directors consider that these items should be disclosed separately on the face of the Consolidated Statement of Comprehensive Income (but within their relevant category) to allow a more comparable view of underlying trading performance.

Non-underlying items include costs of major strategic projects and investments, restructuring and reorganisation costs (including site closure costs), impairment of assets, amortisation and impairment of business combination intangibles, and refinancing costs.

Profit before non-underlying items is used to calculate Adjusted Earnings Per Share and is reconciled to profit before taxation on the face of the Consolidated Statement of Comprehensive Income. Non-underlying items are disclosed in Note 8.

## Intangible Assets

### Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or the Group's share of trade and assets acquired in a business combination at the date of acquisition. Goodwill on acquisitions is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Further information in relation to impairment testing is provided in the 'Impairment of non-financial assets' section of this Note.

### Computer Software and Licences

Acquired computer software and licences are capitalised on the basis of the costs incurred to acquire and bring into use the specific software. Certain costs incurred in connection with the development of software to be used internally, or for providing services to customers, are capitalised once a project has progressed beyond a conceptual, preliminary stage to that of application development. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use.
- Management intends to complete the software product and use or sell it.
- There is an ability to use or sell the software product.
- It can be demonstrated that the software product will generate probable future economic benefits.
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available.
- The expenditure attributable to the software product during its development can be reliably measured.

Costs that qualify for capitalisation include both internal and external costs but are limited to those that are directly related to the specific project. Computer software costs are included at capitalised cost less accumulated amortisation and any recognised impairment loss.

Amortisation is calculated to write down the cost of the assets on a straight-line basis over their estimated useful lives, over three to five years. Useful lives are reviewed at the end of each reporting period and adjusted as appropriate. The carrying value of computer software is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

## Property, Plant and Equipment

Property, plant and equipment are included in the financial statements at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is calculated to write down the cost of the assets on a straight-line basis over the estimated useful lives as follows:

- leasehold improvements over the shorter of the useful life and the term of the lease;
- fixtures, fittings and equipment between three and ten years;
- gym and other equipment between five and ten years; and
- computer equipment three years.

The estimated useful lives are reviewed at the end of each reporting period and adjusted if appropriate. The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

## Financial Statements

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2025

## 2. Summary of Material Accounting Policies continued

### Property, Plant and Equipment continued

Assets under construction represents the costs incurred in the construction of gyms and are included in Property, plant and equipment. No depreciation is provided on assets under construction until the asset is available for use.

On 1 January 2025, the Group revised its estimate of the useful estimated life of certain gym and other equipment, which is classified as Property, plant and equipment. The Group believes that the new useful estimated life provides more accurate information in relation to the consumption of the assets. The Group has applied the change in the estimate prospectively. The impact of this change in estimate was a decrease of £2.2m of depreciation expense in 2025, and therefore a £2.2m increase in profit before tax.

### Leases and Right-of-Use Assets

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee.

#### Lease Liabilities

Lease liabilities are presented as a separate line in the Consolidated Statement of Financial Position.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the Group's incremental borrowing rate. The Group uses its incremental borrowing rate because the interest rate implicit in the lease is not readily determinable. The Group's incremental borrowing rate is the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. There are no variable lease payments nor residual value guarantees.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by The Gym Group, which does not have recent third-party financing; and
- makes adjustments specific to the lease, e.g. term and security.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability whenever:

- there is a change in the Group's assessment of whether it is reasonably certain to exercise a purchase, extension or termination option, in which case the lease liability is remeasured by discounting the minimum lease payments using a revised discount rate at the effective date of the change in assessment;
- the lease payments change due to changes in an index or rate, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- the lease payments change due to a rent review, in which case the lease liability is remeasured by discounting the revised lease payments using the original discount rate at the effective date of the change in rent; and
- the lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

When the lease liability is remeasured, an equivalent adjustment is made to the right-of-use asset, except in the case of modifications resulting in a reduction in the scope of the lease, or in instances where doing so would reduce the carrying amount of the right-of-use asset below zero. For a modification that fully or partially decreases the scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect partial or full termination of the lease and any difference between that adjustment and the amount of the remeasurement of the lease liability is recognised in profit or loss at the effective date of the modification. In other cases, if the right-of-use asset is reduced to zero by a remeasurement, any remaining amount of the remeasurement is recognised in profit or loss.

Although the Group enjoys security of tenure as tenant in respect of certain of its lease arrangements, there are conditions associated with these rights such that no unconditional right to extend the lease term exists.

Extension and termination options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. When it is reasonably certain that the Group will not exercise a termination option or will exercise an extension option, this assumption is included within the calculation of the lease liability.

### Incremental Borrowing Rate

The calculation of lease liabilities requires the Group to determine an incremental borrowing rate ('IBR') to discount future minimum lease payments. Judgement has been applied to those leases entered into prior to November 2015 when the Group listed on the London Stock Exchange and entered into a Revolving Credit Facility ('RCF'), and which remain on the 31 December 2025 balance sheet as right-of-use assets and lease liabilities. Prior to this the Group was under private equity ownership, with its financing reflecting such ownership (including loan notes). As a consequence, there was less observable data on which to assess the IBR of the Group during this time, hence there was an increased level of judgement in assessing an appropriate IBR for use in applying IFRS to pre-2015 leases. Post-listing and refinancing of the Group's bank facilities in October 2019, there was an increased level of observable data, including a market-based margin, to indicate the credit spread on which the Group could borrow. This margin was then added to observable Bank of England base or risk-free rates, such that the level of judgement on post-2015 leases, and in particular post-2019 leases, is considered to be low.

### Right-of-Use Assets

Right-of-use assets predominantly relate to property leases and are depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. Right-of-use assets for non-property leases mainly relate to gym equipment purchased on hire purchase contracts and are depreciated over the asset's useful life.

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

The carrying values of right-of-use assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

### Impairment of Non-Financial Assets

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Under IAS 36, goodwill is allocated to cash generating units ('CGUs') or groups of CGUs on the basis of which CGU or group of CGUs is expected to benefit from the business combination in which the goodwill arose. As management has determined that the Group's goodwill cannot be allocated to CGUs on a non-arbitrary basis and that the Group has just one operating segment and goodwill is not monitored at any lower level, then consistent with the requirements of IAS 36, testing for goodwill impairment is performed at the operating segment level, being the entire business.

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use.

## Financial Statements

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2025

## 2. Summary of Material Accounting Policies continued

### Impairment of Non-Financial Assets continued

Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs. CGUs are identified based on the lowest level aggregation of asset from which largely independent cash inflows are generated. This can be a single gym or, in a number of instances, a group of gyms which are geographically closely located where the cash inflows from each individual gym are not generated largely independent of other gym sites within the surrounding geographical area. Any impairment charge is recognised in non-underlying items in the Consolidated Statement of Comprehensive Income in the period in which it occurs.

Impairment losses relating to goodwill cannot be reversed in future periods. At each reporting date, an assessment is made as to whether there is any indication that a previously recognised impairment loss for assets other than goodwill no longer exists or has decreased. If there is any such indication, the recoverable amount of the asset is recalculated and the impairment loss reversed. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in non-underlying items in the Consolidated Statement of Comprehensive Income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase and recognised as a separate reserve within equity.

Further information on impairment testing is provided in Notes 3, 12, 14 and 15.

### Financial Instruments

#### Fair Value Hierarchy

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

- Level 1: quoted prices in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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

#### Financial Assets

The Group's financial assets comprise trade and other receivables, cash and cash equivalents, and investments. The Group classifies its financial assets as those to be measured at amortised cost, those recognised at fair value through profit and loss, and those recognised at fair value through other comprehensive income.

The Group measures its trade and other receivables, and cash and cash equivalents at amortised cost. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest method. Income from these financial assets is calculated on an effective yield basis and is recognised in finance income in the Consolidated Statement of Comprehensive Income. Due to the Group's upfront payment model, it has limited exposure to credit losses.

Investments in unquoted equity securities are designated as fair value through other comprehensive income if they are held as long term strategic investments that are not expected to be sold in the short to medium term. Any changes in fair value of those assets are recognised in other comprehensive income and are not recycled to profit or loss.

Financial assets are classified as non-current if the asset is not expected to be realised within 12 months.

#### Financial Liabilities

The Group's financial liabilities comprise trade and other payables, other financial liabilities (including contingent consideration) and borrowings.

The Group initially recognises its financial liabilities at fair value net of transaction costs where applicable and, other than derivatives and contingent consideration, they are subsequently measured at amortised cost using the effective interest method. Transaction costs are amortised using the effective interest method over the maturity of the loan. Contingent consideration is subsequently measured at its fair value, which is reassessed at each reporting period, and any fair value movement is recognised in non-underlying items in the Consolidated Statement of Comprehensive Income.

### Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on temporary investments of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in finance costs in the Consolidated Statement of Comprehensive Income in the period in which they are incurred.

### Hedging Activities

The Group enters into structured wholesale energy market contracts for the procurement of electricity and natural gas. It does this by buying energy directly from the wholesale market to cover operational energy requirements. All contracts are entered into and continue to be held to receive or deliver the energy in accordance with the Group's expected usage requirements and all contracted quantities are actually physically supplied with no financial settlement prior to, or at, maturity. As such, the Group applies the own use exemption in IFRS 9 with regards energy market contracts and recognises the contracted cost of energy in the Consolidated Statement of Comprehensive Income when the energy is consumed.

### Pensions

The Group operates defined contribution pension schemes and pays contributions to publicly or privately administered pension plans. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due.

### Share Based Payments

The Group operates a number of share based arrangements for employees. Equity-settled share based payments are measured at the fair value of the equity instruments at the grant date, which excludes the effect of non-market-based vesting conditions. The fair value at the grant date is recognised as an expense on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. The estimate of the number of awards likely to vest is reviewed at each balance sheet date up to the vesting date, at which point the estimate is adjusted to reflect the actual outcome of awards which have vested. No adjustment is made to the fair value after the vesting date even if the awards are forfeited or not exercised. Employer's national insurance contributions are payable, on exercise, on the market value of the award.

### Inventories

Inventories are carried at the lower of cost and net realisable value.

### Trade and Other Receivables

Trade and other receivables comprise rental income due from personal trainers, room rental income, advertising income and amounts due from landlords in respect of contributions towards building work. They are initially measured at transaction price. Subsequently, trade and other receivables are measured at amortised cost. The loss allowance for trade receivables and accrued income is measured using the simplified approach (lifetime expected credit losses).

### Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank, short term deposits held on call with banks and other short term, highly liquid investments with original maturities of three months or less.

### Trade and Other Payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### Taxation

#### Current Taxation

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date. Income tax relating to items recognised in comprehensive income or directly in equity, is recognised in comprehensive income or equity and not in the Consolidated Statement of Comprehensive Income.

## Financial Statements

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2025

## 2. Summary of Material Accounting Policies continued

### Taxation continued

#### Deferred Taxation

Deferred income tax is provided using the liability method on all temporary differences between the tax bases of assets and liabilities, and their carrying amounts for financial reporting purposes at the balance sheet date, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward tax credits or tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

#### Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

A dilapidations provision is recognised when there is a present obligation relating to the maintenance of leasehold properties. The provision is based on management's best estimate of the cost of meeting this obligation.

#### Dividends

Dividends payable by the Company are recognised on declaration.

## 3. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements in accordance with IFRS requires estimates and assumptions to be made that affect the value at which certain assets and liabilities are held at the balance sheet date and also the amounts of revenue and expenditure recorded in the period. The Directors believe the accounting policies chosen are appropriate to the circumstances and that the estimates, judgements and assumptions involved in its financial reporting are reasonable.

Accounting estimates made by the Group's management are based on information available to management at the time each estimate is made. Accordingly, actual outcomes may differ materially from current expectations under different assumptions and conditions. The significant judgements that management has made in applying its accounting policies and the estimates and assumptions for which there is a significant risk of a material adjustment to the financial statements within the next financial year are set out below.

### Critical Judgements

#### Determination of CGUs for Goodwill Impairment Testing

The Group's activities consist solely of the provision of low cost, high quality, 24/7, no contract gyms within the United Kingdom, traded through 260 sites as at 31 December 2025. All gyms operate under 'The Gym Group' brand including gyms acquired through business combinations. Under IAS 36, goodwill is allocated to the cash generating units ('CGUs') on the basis of which CGU or group of CGUs is expected to benefit from the business combination in which the goodwill arose. However, management has determined that the Group's goodwill cannot be allocated to CGUs on a non-arbitrary basis. Further, the Group has determined that it has a single operating segment and goodwill is not monitored at any lower level. Therefore, consistent with the requirements of IAS 36, testing for goodwill impairment is performed at the operating segment level, being the entire business.

### Determination of CGUs for Property, Plant and Equipment, and Right-of-Use Assets Impairment Testing

Annually, management considers indicators of impairment to determine if an impairment assessment is required for property, plant and equipment, right-of-use assets and intangible assets other than goodwill. Where indicated, management identifies the CGU into which an asset belongs. Individual assets generally do not generate independent cash inflows, and therefore they must be tested at the level of the CGU. In many cases, individual gyms are considered to generate largely independent cash flows and therefore are considered to be a single CGU for impairment purposes. However, there are some instances where a number of sites may be interdependent in generating cash flows. This is the case where some gyms in a geographic location have a higher proportion of Ultimate members who frequently visit other gyms in the same geographic location. In these instances, there is significant trading interdependency and the cash inflows from each individual gym are not generated largely independent of each other. In these instances, these gyms are grouped together and considered to be one CGU for impairment assessment purposes. There is judgement required to determine which sites are largely independent and which gyms are interdependent on each other. If no grouping of sites was assumed, the additional impairment recognised in the financial year ended 31 December 2025 would have been £2.8m in relation to three sites.

Further information on the impairment testing undertaken in the year is included in Note 14.

### Accounting for Costs Associated with the New Member Management and Payment Systems

During 2025, the Group commenced a programme to upgrade member management and payment systems. In accordance with the accounting policy set out on **page 109**, the Group capitalises costs for product development projects if the capitalisation criteria under IAS 38 is met. Significant judgement is involved in distinguishing which costs meet the capitalisation criteria under IAS 38. As at 31 December 2025, £4.5m of costs incurred met the capitalisation criteria under IAS 38, and the remaining £2.1m of costs incurred have been included as non-underlying expenses in the Consolidated Statement of Comprehensive Income.

### Sources of Estimation Uncertainty

#### Impairment Testing

The recoverable amount of the Group's CGUs is based on value-in-use calculations. This method requires the estimation of future cash flows and the determination of a pre-tax discount rate in order to calculate the present value of the cash flows. Discount rates reflect the estimated return on capital employed required by an investor. This is also the benchmark used by management to assess operating performance and to evaluate future capital investment proposals. The pre-tax discount rate is derived from the Group's post-tax weighted average cost of capital. Changes in the discount rate are calculated with reference to latest market assumptions for the risk-free rate, equity market risk premium and the cost of debt.

Where an impairment loss is identified, it is allocated to the assets of the CGU on a pro-rata basis to their carrying amount, subject to the limitation that the carrying amount of an asset cannot be reduced below the highest of fair value less costs of disposal, value-in-use or zero. More information, including key assumptions and carrying values, is included in Notes 12, 14 and 15.

Whilst the Directors have currently assessed that reasonably possible changes in key assumptions are unlikely to cause an impairment in the carrying value of goodwill, estimates of future cash flows and the determination of discount rates applied to those cash flows could change in the longer term such that an impairment arises. Further, the Directors have currently assessed that the carrying value of property, plant and equipment is sensitive to reasonably possible changes in key assumptions – see Note 14 for further details. In addition, estimates of future cash flows and the determination of discount rates applied to those cash flows could change in the longer term such that an impairment arises in relation to other CGUs.

## 4. New and Amended IFRS Standards

### New and Amended IFRS Standards that are Effective for the Current Year

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### Lack of Exchangeability – Amendments to IAS 21

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments did not have a material impact on the Group's financial statements.

There were no other standards and amendments that became effective in the period, that apply to the consolidated financial statements of the Group.

Financial Statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** CONTINUED  
for the year ended 31 December 2025

**4. New and Amended IFRS Standards** continued

**New and Revised IFRS Standards that are In Issue but not yet Effective**

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Standard	Effective for periods beginning on or after
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

The Group has assessed the impact of these new and amended standards and interpretations, and does not anticipate any material impact on the consolidated financial statements, with the exception of IFRS 18.

**IFRS 18 – Presentation and Disclosure in Financial Statements**

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss;
- provide disclosures on management-defined performance measures ('MPMs') in the notes to the financial statements; and
- improve aggregation and disaggregation.

The Group is required to apply IFRS 18 for its financial year beginning on 1 January 2027 and the amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, will become effective at the same time. IFRS 18 requires retrospective application with specific transition provisions.

The Directors are still assessing the impact of the application of these amendments on the presentation of the Group's consolidated financial statements. Some of the possible impacts have been disclosed below.

IFRS 18 introduces five defined categories in the statement of profit and loss (Operating, Investing, Financing, Income Taxes and Discontinued Operations). It is expected that finance income will move into the 'Investing' category. A new subtotal of 'Profit before financing and tax' will be introduced, which will include the finance income amount.

IFRS 18 also requires the disclosure of all MPMs within a single note to the financial statements. Some of the current alternative performance measures may constitute MPMs under IFRS 18 and would therefore fall into the scope of these requirements.

**5. Revenue**

The principal revenue streams for the Group are membership income, rental income from personal trainers and ancillary income.

Membership income comprises monthly membership fees, non-refundable joining fees and longer term membership fees in relation to student, saver and corporate memberships. Rental income from personal trainers represents amounts paid by standalone personal trainers to operate their business from our gyms. Ancillary income includes income from the sale of goods through vending machines, and advertising income through the use of media screens.

The majority of revenue is derived from contracts with members and all revenue arises in the United Kingdom.

## Disaggregation of Revenue

In the following table, revenue is disaggregated by major products and service lines and timing of revenue recognition.

	31 December 2025 £m	31 December 2024 £m
<b>Major products/service lines</b>		
Membership income	232.6	214.9
Rental income from personal trainers	8.6	8.2
Ancillary income	3.7	3.2
	<b>244.9</b>	<b>226.3</b>
<b>Timing of revenue recognition</b>		
Products transferred at a point in time	4.3	3.7
Products and services transferred over time	240.6	222.6
	<b>244.9</b>	<b>226.3</b>
<b>Liabilities relating to contracts with customers</b>		
Contract liabilities (Note 19)	(17.6)	(15.8)
<b>Revenue recognised that was included in contract liabilities in the prior year</b>		
Membership income	15.8	14.4

Contract liabilities relate to membership fees received at the start of a contract, where the Group has the obligation to provide a gym membership over a period of time, and are included within trade and other payables (see Note 19). The contract liability balance increases as the Group's membership numbers increase. The Group does not receive any consideration greater than 12 months in advance from members. Hence, the total contract liability as at 31 December 2024 of £15.8m has been recognised as revenue during the year ended 31 December 2025.

## 6. Operating Expenses (before Depreciation, Amortisation and Impairment)

Operating expenses comprise the following:

	31 December 2025 £m	31 December 2024 £m
Underlying employee costs (Note 7)	57.0	49.8
Site costs (excluding employee costs) <sup>1</sup>	82.4	80.6
Central support office costs (excluding employee costs) <sup>2</sup>	8.9	8.7
Auditor's remuneration costs:		
Fees payable for the audit of the Group's annual accounts	0.2	0.4
Audit of the Group's subsidiaries pursuant to legislation	0.1	0.1
<b>Underlying operating expenses (before depreciation, amortisation and impairment)</b>	<b>148.6</b>	<b>139.6</b>
Non-underlying operating expenses (before depreciation, amortisation and impairment) (Note 8)	2.1	0.4
<b>Operating expenses (before depreciation, amortisation and impairment)</b>	<b>150.7</b>	<b>140.0</b>

1 Site costs include the fixed and variable costs of running the Group's gyms and include rates and services charges, cleaning costs, utilities, repairs and maintenance, site technology costs, marketing costs and insurance.

2 Central support office costs largely comprise central technology and marketing costs and professional and administrative fees.

Financial Statements

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2025

### 7. Employee Information

	31 December 2025 £m	31 December 2024 £m
Wages and salaries	46.6	42.8
Social security costs	4.6	3.4
Employers' pension costs	0.9	0.8
Share based payments (Note 26)	5.5	3.4
<b>Underlying employee costs</b>	<b>57.6</b>	<b>50.4</b>
Non-underlying employee costs (Note 8)	1.1	0.1
<b>Employee costs</b>	<b>58.7</b>	<b>50.5</b>

Included within employee costs in 2025 is £0.6m (2024: £0.6m) which has been included within cost of sales in the Consolidated Statement of Comprehensive Income.

The average number of employees, including Directors, during the year was:

	31 December 2025	31 December 2024
Operational	1,674	1,621
Administrative	250	216
	<b>1,924</b>	<b>1,837</b>

### 8. Non-Underlying Items

	31 December 2025 £m	31 December 2024 £m
<b>Affecting operating expenses (before depreciation, amortisation and impairment)</b>		
Costs of major strategic projects and investments	2.1	0.2
Restructuring and reorganisation costs (including site closures)	-	0.2
<b>Total affecting operating expenses (before depreciation, amortisation and impairment)</b>	<b>2.1</b>	<b>0.4</b>
<b>Affecting depreciation, amortisation and impairment</b>		
Impairment of property, plant and equipment, right-of-use assets and intangible assets	0.8	0.4
Amortisation of business combination intangible assets	0.1	0.1
<b>Total affecting depreciation, amortisation and impairment</b>	<b>0.9</b>	<b>0.5</b>
<b>Total affecting operating expenses</b>	<b>3.0</b>	<b>0.9</b>
<b>Affecting finance costs</b>		
Refinancing costs and remeasurement of borrowings	0.2	0.2
<b>Total affecting finance costs</b>	<b>0.2</b>	<b>0.2</b>
<b>Total all non-underlying items before tax</b>	<b>3.2</b>	<b>1.1</b>
Tax on non-underlying items	(0.7)	(0.1)
<b>Total non-underlying charge in the Consolidated Statement of Comprehensive Income</b>	<b>2.5</b>	<b>1.0</b>

Non-underlying items affecting operating expenses (before depreciation, amortisation and impairment) increased in the year to £2.1m (2024: £0.4m). The £2.1m reflects the non-capitalisable costs (including £1.1m of employee costs) incurred to date on the implementation of the new member management and payment systems to replace legacy technology and introduce market-leading business and member capabilities to further accelerate delivery of our strategic initiatives.

Non-underlying costs affecting depreciation, amortisation and impairment in the year amounted to £0.9m (2024: £0.5m), of which £0.8m (2024: £0.4m) relates to the partial impairment of four sites (2024: one site). The remaining £0.1m (2024: £0.1m) relates to the amortisation of business combination intangibles acquired as part of the Lifestyle, easyGym and Fitness First acquisitions.

Non-underlying items affecting finance costs amounted to £0.2m (2024: £0.2m) and relates to the remeasurement of the RCF and Term Loan as a result of the amendment and extension in the period of the Group's banking facilities. Further information about the Group's bank facilities can be found in Note 20.

Tax on non-underlying items represents the tax charge or credit arising on the Group's non-underlying items calculated at the current tax rate.

### Reconciliation of Non-Underlying Operating Items to Cash Flow

	31 December 2025 £m	31 December 2024 £m
<b>Non-underlying items affecting operating expenses</b>	<b>3.0</b>	0.9
Less: Non-underlying items affecting depreciation, amortisation and impairment	(0.9)	(0.5)
Add: Opening accruals	-	0.5
Less: Closing accruals	(0.3)	-
<b>Cash outflow from non-underlying operating items</b>	<b>1.8</b>	0.9

## 9. Finance Costs

	31 December 2025 £m	31 December 2024 £m
Bank loans	4.9	5.6
Lease interest	16.4	15.5
	21.3	21.1
Less: Capitalised interest	(0.4)	(0.4)
<b>Underlying finance costs</b>	<b>20.9</b>	20.7
Non-underlying finance costs	0.2	0.2
<b>Finance costs</b>	<b>21.1</b>	20.9

Capitalised interest is recognised within leasehold improvements. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's general borrowings during 2025 of 7.1% (2024: 8.2%).

## 10. Taxation

### Tax on Profit

	31 December 2025 £m	31 December 2024 £m
<b>Current income tax</b>		
Current tax on profits in the year	-	-
<b>Total current income tax</b>	<b>-</b>	-
<b>Deferred tax</b>		
Origination and reversal of temporary differences	-	1.9
<b>Total deferred tax</b>	<b>-</b>	1.9
<b>Tax (charge)/credit</b>	<b>-</b>	1.9

The standard rate of corporation tax applied to reported profits is 25% (2024: 25%).

Financial Statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** CONTINUED

for the year ended 31 December 2025

**10. Taxation** continued

**Reconciliation of Tax (Charge)/Credit**

	31 December 2025 £m	31 December 2024 £m
Profit before tax	7.4	2.5
Tax calculation at standard rate of corporation tax	(1.9)	(0.6)
Expenses not deductible for tax purposes	(0.3)	(0.4)
Unrecognised tax losses	2.2	2.9
<b>Tax (charge)/credit</b>	<b>-</b>	<b>1.9</b>

**Deferred Tax**

	Accelerated capital allowances £m	Losses £m	Intangible assets £m	Share schemes £m	Other £m	Total £m
At 1 January 2024	2.1	11.1	(0.3)	0.9	2.5	16.3
Recognised in the Consolidated Statement of Comprehensive Income	1.0	1.0	0.3	-	(0.4)	1.9
At 31 December 2024	3.1	12.1	-	0.9	2.1	18.2
Recognised in the Consolidated Statement of Comprehensive Income	(1.7)	1.5	-	0.6	(0.4)	-
<b>At 31 December 2025</b>	<b>1.4</b>	<b>13.6</b>	<b>-</b>	<b>1.5</b>	<b>1.7</b>	<b>18.2</b>

Deferred tax assets are recognised in respect of those tax losses and other temporary differences only to the extent it is considered probable that the assets will be recoverable. This involves an assessment of when those assets are likely to be recovered, and a judgement as to whether or not there will be sufficient taxable profits available to offset the assets.

In assessing the probability of recovery, the Directors reviewed the Group's three year plan that underpinned the going concern and viability assessment, and the goodwill and property, plant and equipment impairment testing. However, the cash flows, particularly in the outer years, were then risk-adjusted to reflect the uncertainty inherent to the future.

Under the Base Case assumptions, forecast taxable profits over the planning period would support the recognition of a deferred tax asset of £19.5m. However, forecast profits in the later years of the plan are inherently subject to greater estimation uncertainty, particularly in respect of mature membership levels, pricing and membership growth, margin performance and the pace of new site openings. In light of this uncertainty, the Directors have exercised judgement in limiting the recognised balance to £18.2m, being the amount considered probable of recovery based on the weight of available evidence at the reporting date. The Directors have also considered reasonably possible downside assumptions as part of their broader forecasting and viability assessment process. Under those assumptions, the recoverable amount within the three year plan period would reduce by approximately £1.7m. This sensitivity reflects reasonably possible changes in key assumptions at the reporting date. Any future reduction in the deferred tax asset is expected to arise primarily through the normal utilisation of tax losses against taxable profits rather than from a reassessment of recoverability. The Directors therefore believe that there is convincing evidence to support the recognition of deferred tax assets of £18.2m (2024: £18.2m) in the Group's balance sheet at 31 December 2025, which are forecast to be recovered within three years.

A deferred tax asset of £13.6m (2024: £12.1m) has been recognised in respect of trading losses. The trading losses were incurred as a result of the Covid-19 pandemic and the subsequent cost-of-living crisis, together with the introduction in March 2021 of the temporary enhanced capital allowances regime (the 'super-deduction tax break'). Losses for which no deferred tax asset has been recognised amount to £5.2m (2024: £16.1m), resulting in an unrecognised deferred tax asset of £1.3m (2024: £4.0m) using a 25% tax rate. There is no time limit for utilising trade losses in the UK.

A deferred tax asset of £1.4m (2024: £3.1m) has arisen on accelerated capital allowances, whereby the tax written-down value is higher than the net book value. No deferred tax asset has arisen on intangible assets (2024: £nil). Other deferred tax assets of £3.2m (2024: £3.0m) include temporary differences on the accounting for the various share schemes and an IFRS 16 adoption adjustment.

The deferred tax assets and liabilities have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

There are no material uncertain tax provisions at 31 December 2025 (2024: £nil). However, judgement has necessarily been applied in estimating the impact and timing of utilisation of capital allowances and tax losses which could give rise to prior period adjustments in future years.

## 11. Earnings Per Share

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders by the weighted average number of Ordinary shares outstanding during the year, excluding unvested shares held pursuant to The Gym Group plc's share based long term incentive schemes (see Note 26).

Diluted earnings per share is calculated by adjusting the weighted average number of Ordinary shares outstanding to assume conversion of all dilutive potential Ordinary shares. During the year ended 31 December 2025, the Group had potentially dilutive shares in the form of share options and unvested shares issued pursuant to The Gym Group plc's share based long term incentive schemes (see Note 26).

	31 December 2025	31 December 2024
<b>Profit (£m)</b>		
Profit for the year attributable to equity shareholders	7.4	4.4
Adjustment for non-underlying items	2.5	1.0
Adjusted profit for the year attributable to equity shareholders	9.9	5.4
Weighted average number of Ordinary shares for basic earnings per share <sup>1</sup>	176,039,282	177,153,298
Effect of dilution from share options	10,045,438	7,503,376
<b>Weighted average number of Ordinary shares adjusted for the effect of dilution</b>	<b>186,084,720</b>	184,656,674
<b>Earnings per share (p)</b>		
Basic earnings per share	4.2	2.5
Diluted earnings per share	4.0	2.4
Adjusted basic earnings per share	5.6	3.0
Adjusted diluted earnings per share	5.3	2.9

<sup>1</sup> The weighted average number of Ordinary shares excludes the shares that are held by the EBT (see Note 25) as these are classified as Own shares reserve – EBT.

## 12. Goodwill

The carrying value of goodwill at 31 December 2025 was £81.8m (2024: £81.8m). Goodwill is tested for impairment on an annual basis, or more frequently if events or changes in circumstance indicate that the carrying value may be impaired.

The recoverable amount of goodwill has been determined based on a value-in-use calculation using cash flow projections based on the Group's three year plan. Cash flows beyond this period have been extrapolated using an estimated growth rate of 2.5% (2024: 3.0%). All cash flows have been discounted using a pre-tax discount rate of 11.0% (2024: 11.0%).

Membership growth, growth rates in subscription prices and increases applied to costs are the key assumptions included within the Group's three year plan. These have been modelled based upon a mixture of historical experience and expected future performance. The impact of any future openings has not been included in the assessment as they do not form part of the existing assets. The performance of any gyms expected to close have been included within the calculation up to the point of closure. In the years under review, management's value-in-use calculations have indicated no requirement to impair and no reasonably possible change in key assumptions gives rise to an impairment. Further information on impairment is provided in Note 3.

Financial Statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** CONTINUED

for the year ended 31 December 2025

**13. Intangible Assets**

	Assets under construction £m	Customer list £m	Contract £m	Computer software and licences £m	Total £m
<b>Cost</b>					
At 1 January 2024	–	3.0	0.9	24.7	28.6
Additions	–	–	–	6.7	6.7
Transfers	–	–	–	0.3	0.3
At 31 December 2024	–	3.0	0.9	31.7	35.6
Additions	4.1	–	–	6.2	10.3
Disposals	–	(2.7)	(0.2)	(7.1)	(10.0)
<b>At 31 December 2025</b>	<b>4.1</b>	<b>0.3</b>	<b>0.7</b>	<b>30.8</b>	<b>35.9</b>
<b>Accumulated amortisation</b>					
At 1 January 2024	–	(2.8)	(0.4)	(15.8)	(19.0)
Charge for the year	–	(0.1)	–	(6.1)	(6.2)
At 31 December 2024	–	(2.9)	(0.4)	(21.9)	(25.2)
Charge for the year	–	–	(0.1)	(6.7)	(6.8)
Disposals	–	2.7	0.2	7.1	10.0
<b>At 31 December 2025</b>	<b>–</b>	<b>(0.2)</b>	<b>(0.3)</b>	<b>(21.5)</b>	<b>(22.0)</b>
<b>Net book value</b>					
At 31 December 2024	–	0.1	0.5	9.8	10.4
<b>At 31 December 2025</b>	<b>4.1</b>	<b>0.1</b>	<b>0.4</b>	<b>9.3</b>	<b>13.9</b>

The amortisation charge for customer lists and contracts of £0.1m (2024: £0.1m) has been recognised as non-underlying expenses in the Consolidated Statement of Comprehensive Income.

Assets under construction relate to costs incurred to date on the implementation of the new member management and payment systems to replace legacy technology.

## 14. Property, Plant and Equipment

	Assets under construction £m	Leasehold improvements £m	Fixtures, fittings and equipment £m	Gym and other equipment £m	Computer equipment £m	Total £m
<b>Cost</b>						
At 1 January 2024	1.8	251.2	11.9	94.3	6.3	365.5
Additions	0.9	23.4	0.3	9.0	1.5	35.1
Disposals	(0.2)	(1.8)	(0.1)	(11.7)	–	(13.8)
Transfers	(1.6)	0.7	–	0.6	–	(0.3)
At 31 December 2024	0.9	273.5	12.1	92.2	7.8	386.5
Additions	1.1	32.9	0.6	10.6	1.0	46.2
Disposals	–	(3.2)	(0.5)	(3.8)	(1.0)	(8.5)
Transfers	(0.8)	0.8	–	–	–	–
<b>At 31 December 2025</b>	<b>1.2</b>	<b>304.0</b>	<b>12.2</b>	<b>99.0</b>	<b>7.8</b>	<b>424.2</b>
<b>Accumulated depreciation</b>						
At 1 January 2024	–	(111.4)	(10.1)	(67.5)	(4.8)	(193.8)
Charge for the year	–	(16.5)	(0.4)	(6.7)	(1.0)	(24.6)
Disposals	–	1.6	0.1	11.7	–	13.4
Transfers	–	–	–	0.1	–	0.1
Impairment	–	(0.4)	–	–	–	(0.4)
At 31 December 2024	–	(126.7)	(10.4)	(62.4)	(5.8)	(205.3)
Charge for the year	–	(17.4)	(0.4)	(5.5)	(1.1)	(24.4)
Disposals	–	3.2	0.5	3.8	1.0	8.5
Impairment	–	(0.2)	–	–	–	(0.2)
<b>At 31 December 2025</b>	<b>–</b>	<b>(141.1)</b>	<b>(10.3)</b>	<b>(64.1)</b>	<b>(5.9)</b>	<b>(221.4)</b>
<b>Net book value</b>						
At 31 December 2024	0.9	146.8	1.7	29.8	2.0	181.2
<b>At 31 December 2025</b>	<b>1.2</b>	<b>162.9</b>	<b>1.9</b>	<b>34.9</b>	<b>1.9</b>	<b>202.8</b>

Included within additions for the year is £0.4m of capitalised interest (2024: £0.4m) and a net movement of £4.7m of accrued capital expenditure (2024: £5.5m).

### Impairment test for property, plant and equipment, right-of-use assets and other intangible assets

The Group reviews the carrying value of property, plant and equipment, right-of-use assets and intangible assets (excluding goodwill) for indicators of impairment annually, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of the Group's CGUs is typically based on value-in-use calculations. The value-in-use at 31 December 2025 was calculated using the discounted present value of each CGU's expected future cash flows using the Group's three year plan as the basis. Membership growth, growth rates in subscription prices and increases applied to costs are the key assumptions included when determining the expected future cash flows of each CGU. These have been modelled based upon a mixture of historical experience and expected future performance. A pre-tax discount rate of 11.0% (2024: 11.0%) was used to calculate the present value.

During the year, a total impairment loss of £0.8m (2024: £0.4m) was recognised relating to four (2024: one) sites where the projected future cash flows of the affected sites was less than the carrying amount. Of the impairment loss, £0.2m (2024: £0.4m) was allocated against property, plant and equipment, and £0.6m (2024: £nil) was allocated against right-of-use assets. The total recoverable amount of the affected CGUs was £1.3m (2024: £1.8m).

The impairment loss was allocated to the assets of the CGU on a pro-rata basis to their carrying amount, subject to the limitation that the carrying amount of an asset cannot be reduced below the highest of fair value less costs of disposal, value-in-use or zero.

Under the downside scenario prepared for the going concern assessment, at the four sites impaired during the year, a further impairment charge of £0.4m (2024: £nil) would arise in relation to right-of-use assets.

Financial Statements

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2025

### 14. Property, Plant and Equipment continued

#### Impairment test for property, plant and equipment, right-of-use assets and other intangible assets continued

In addition, a further impairment charge of £0.9m at a further five sites (2024: £nil) would be recognised in relation to right-of-use assets. No further impairment charge (2024: £1.2m) would be recognised in relation to property, plant and equipment.

Further information on impairment is provided in Note 3.

### 15. Right-of-Use Assets and Leases

The Group leases gym sites and its head office ('Property leases') and also enters into hire purchase and lease agreements for gym equipment ('Non-property leases'). Property leases are typically made for fixed periods of ten to 20 years but may have extension options as well. Non-property leases are typically made for fixed periods of three years. Both property and non-property leases are recognised as a right-of-use asset with a corresponding liability at the date at which the leased asset is available for use by the Group.

#### (i) Amounts Recognised in the Consolidated Statement of Financial Position

	Property leases £m	Non-property leases £m	Total £m
<b>Cost</b>			
At 1 January 2024	434.3	18.3	452.6
Additions	32.0	0.2	32.2
Disposals	(2.5)	(0.1)	(2.6)
At 31 December 2024	463.8	18.4	482.2
Additions	36.8	–	36.8
Disposals	(6.2)	–	(6.2)
<b>At 31 December 2025</b>	<b>494.4</b>	<b>18.4</b>	<b>512.8</b>
<b>Accumulated depreciation</b>			
At 1 January 2024	(170.4)	(4.1)	(174.5)
Charge for the year	(27.0)	(2.4)	(29.4)
Disposals	2.3	–	2.3
Transfers	–	(0.1)	(0.1)
At 31 December 2024	(195.1)	(6.6)	(201.7)
Charge for the year	(28.9)	(2.4)	(31.3)
Disposals	5.5	–	5.5
Impairment	(0.6)	–	(0.6)
<b>At 31 December 2025</b>	<b>(219.1)</b>	<b>(9.0)</b>	<b>(228.1)</b>
<b>Net book value</b>			
At 31 December 2024	268.7	11.8	280.5
<b>At 31 December 2025</b>	<b>275.3</b>	<b>9.4</b>	<b>284.7</b>

During the year, a total impairment loss of £0.8m (2024: £0.4m) was recognised relating to four (2024: one) sites, of which £0.2m (2024: £0.4m) was allocated against property, plant and equipment, and £0.6m (2024: £nil) was allocated against right-of-use assets. The total recoverable amount of the affected CGUs was £1.3m (2024: £1.8m). See Note 14 for further disclosure.

The split of lease liabilities between current and non-current is as follows:

	31 December 2025 £m	31 December 2024 £m
Current	26.7	27.6
Non-current	320.8	312.9
<b>Total lease liabilities</b>	<b>347.5</b>	<b>340.5</b>

The total cash outflow for leases in the year was £45.3m (2024: £45.7m). The maturity analysis of lease liabilities is disclosed in Note 23.

### (ii) Amounts Recognised in the Consolidated Statement of Comprehensive Income

The Consolidated Statement of Comprehensive Income shows the following amounts relating to leases:

	31 December 2025 £m	31 December 2024 £m
Depreciation charge of right-of-use assets	31.3	29.4
Impairment of right-of-use assets	0.6	–
Interest expense (included in finance cost)	16.4	15.5

There are no variable lease payments and no sublease income recognised in the Consolidated Statement of Comprehensive Income.

### (iii) Extension and Termination Options

The Group has recognised lease extension options contained within the lease in the calculation of right-of-use assets and lease liabilities at inception of the lease if management is reasonably certain to exercise the option to extend the lease beyond its contractual term. In all other cases, a lease extension is only recognised when a lease is extended beyond the original contractual term.

During the year, the Group has recognised a termination option of one lease (2024: none) which is expected to be exercised. This resulted in lease liabilities of £0.9m being derecognised, with a corresponding £0.7m disposal included within disposals to the right-of-use assets in the table in Note 15 (i).

### (iv) Non-Property Leases

At 31 December 2025, the Group had amounts outstanding in respect of non-property lease arrangements of £0.3m (2024: £3.3m). These lease arrangements predominantly relate to the financing of the fit-out of gyms opened in 2022 and 2023.

## 16. Investments in Financial Assets

On 3 February 2020, the Group purchased convertible loan notes in Fiit Limited for cash consideration of £1.0m. Conversion was originally expected to take place within two years of issue, giving the Group a small non-controlling stake at a maximum valuation of £1.25m. During 2022, a number of changes to the terms of the convertible loan notes were agreed, including the extension of the date of conversion to 15 July 2023 and changes to the circumstances in which the loan notes may be redeemed or converted. In July 2023, the date of conversion was further extended to 15 July 2025. On 12 August 2025, the loan notes were converted into equity. This conversion has given the Group a small non-controlling stake in Fiit Limited.

These financial assets are measured at fair value through profit or loss and the carrying value at the end of the year was £1.0m (2024: £1.0m).

This is a Level 3 valuation under the fair value hierarchy and was determined based on the performance of the business post-acquisition against the business plan produced at the time of the investment. The business continues to build strategic partnerships with a number of parties and is expected to continue to have adequate funding in place. As such, the carrying amount is believed to appropriately reflect the fair value. The range of sensitivity in the valuation at 31 December 2025 to reasonably possible changes in the assumptions used is not considered to be material.

Financial Statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** CONTINUED  
for the year ended 31 December 2025

**17. Trade and Other Receivables (due in less than one year)**

	31 December 2025 £m	31 December 2024 £m
Trade receivables	1.0	1.0
Loss allowance	–	(0.3)
	<b>1.0</b>	<b>0.7</b>
Other receivables	<b>0.2</b>	0.3
Prepayments and accrued income	<b>8.7</b>	7.8
<b>Trade and other receivables</b>	<b>9.9</b>	<b>8.8</b>

**18. Cash and Cash Equivalents**

	31 December 2025 £m	31 December 2024 £m
Cash at bank	<b>3.0</b>	3.0
<b>Cash and cash equivalents</b>	<b>3.0</b>	<b>3.0</b>

Cash and cash equivalents earn interest at floating rates based on daily bank deposit rates. Short term deposits are made for periods of one day and earn interest at the respective short term deposit rates.

**19. Trade and Other Payables (due in less than one year)**

	31 December 2025 £m	31 December 2024 £m
Trade payables	<b>11.0</b>	9.4
Social security and other taxes	<b>2.9</b>	2.2
Accruals	<b>30.1</b>	21.9
Other payables	<b>0.2</b>	0.2
Contract liabilities (Note 5)	<b>17.6</b>	15.8
<b>Trade and other payables</b>	<b>61.8</b>	49.5

**20. Borrowings**

The carrying value of the Group's bank borrowings at 31 December 2025 was £62.2m (2024: £61.3m) and the fair value was £62.0m (2024: £61.0m).

During the first half of 2025, the Group had in place a combined £90m Revolving Credit Facility ('RCF') which was syndicated to a three-lender panel of NatWest, HSBC and Barclays. The facility was due to mature in June 2027. On 12 June 2025, the Group agreed a one year extension to the existing bank facilities, as well as an increase in the available RCF of £12m. As a result, the Group now has in place a combined £102m facility, consisting of £45m of Term Loan and £57m of RCF, which is due to mature in June 2028. All other terms remain unchanged.

Funds borrowed under the facility bear interest at a minimum annual rate of 2.75% (2024: 2.75%) above the Sterling Overnight Index Average ('SONIA'); and undrawn funds bear interest at a minimum annual rate of 1.1% (2024: 1.1%). The average interest rate paid in the year on drawn funds was 7.1% (2024: 8.2%).

The facility is subject to quarterly financial covenant tests on Adjusted Leverage and Fixed Charge Cover (both terms defined on **page 143**). Adjusted Leverage must not exceed 3.0 times and the Fixed Charge Cover must be greater than 1.5 times.

At 31 December 2025, the Group had drawn down £17.0m under the RCF (2024: £16.0m) and £45.0m under the Term Loan (2024: £45.0m), leaving £40.0m (2024: £29.0m) undrawn and available. The £62.0m is repayable in June 2028. Adjusted Leverage was 1.0 times (2024: 1.3 times) and Fixed Charge Cover was 2.1 times (2024: 1.9 times).

The Group's borrowings are held at amortised cost using the effective interest method. Each reporting period, the Group reviews its cash flow forecasts and if these have changed since the previous reporting period (other than as a result of changes in floating interest rates), the borrowings are remeasured using the original effective interest rate. Any remeasurement of borrowings is treated as non-underlying and excluded from Adjusted Earnings.

## 21. Financing Liabilities

### Changes in Liabilities Arising From Financing Activities

	Borrowings £m	Non-property lease liabilities £m	Property lease liabilities £m	Total lease liabilities £m
At 1 January 2024	58.9	8.9	330.3	339.2
Repayments of interest and principal	(8.8)	(6.1)	(39.6)	(45.7)
Interest expense	5.4	0.5	15.0	15.5
Drawdowns	5.0	-	-	-
New leases and modifications	-	-	31.5	31.5
Other	0.8	-	-	-
At 31 December 2024	61.3	3.3	337.2	340.5
Repayments of interest and principal	(11.9)	(3.2)	(42.1)	(45.3)
Interest expense	4.9	0.2	16.2	16.4
Drawdowns	8.0	-	-	-
New leases and modifications	-	-	36.8	36.8
Lease disposals	-	-	(0.9)	(0.9)
Other	(0.1)	-	-	-
<b>At 31 December 2025</b>	<b>62.2</b>	<b>0.3</b>	<b>347.2</b>	<b>347.5</b>

Included in 'Other' is the effect of changes to amortised cost on borrowings using the effective interest rate method and accrued interest.

## 22. Dilapidations Provision

	Total £m
At 1 January 2025	2.7
New provisions	0.1
Release of provisions	(0.1)
<b>At 31 December 2025</b>	<b>2.7</b>
Due in less than one year	0.4
Due in more than one year	2.3
<b>At 31 December 2025</b>	<b>2.7</b>

A dilapidations provision is recognised when there is a present obligation relating to the maintenance of leasehold properties. The provision is based on management's best estimate of meeting this obligation, but the amount and timing of this are uncertain. Any difference between expectations and the actual future liability will be accounted for in the period when such determination is made. Management has determined that the likelihood of a liability arising is not probable in relation to 214 of the Group's 260 gym sites as at 31 December 2025 (2024: 203 of 245) as the Group enjoys security of tenure as tenant and therefore is unlikely to give up a site where it is trading profitably. Sites are also maintained and any damage is repaired as it arises. If circumstances indicate otherwise, the Group will recognise an appropriate provision.

Subject to a new lease not being negotiated to extend the current lease term, dilapidations would become payable between 2026 and 2040 (2024: 2025 and 2040) with £0.9m (2024: £1.0m) expected to crystallise in the next five years, £0.9m (2024: £0.9m) crystallising in between five and ten years, and the remainder crystallising in more than ten years.

Financial Statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** CONTINUED  
for the year ended 31 December 2025

**23. Financial Instruments**

**Fair Values**

With the exception of the Group's borrowings, the carrying value of financial assets and liabilities equal their fair value. The carrying value of borrowings of £62.2m (2024: £61.3m) has a fair value of £62.0m (2024: £61.0m). After initial recognition, borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit and loss when the liabilities are derecognised.

The fair value of borrowings has been calculated by discounting the future cash flows at prevailing market interest rates. The fair value of borrowings is categorised as Level 2, and all other financial assets at fair value through profit and loss are categorised as Level 3.

**Capital Risk Management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure and cost of capital. In order to maintain or adjust capital, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as Non-Property Net Debt divided by total capital. Non-Property Net Debt is calculated as bank borrowings and non-property leases less cash and cash equivalents. The Directors believe that this measure of net debt best reflects the financial health of the business. In addition, it is a key constituent of the Adjusted Leverage covenant included in the Group's banking agreement.

Total capital is calculated as equity as shown in the Consolidated Statement of Financial Position (excluding own shares held, treasury shares and retained earnings).

The gearing ratio for the years under review are as follows:

	31 December 2025 £m	31 December 2024 £m
Bank borrowings	62.0	61.0
Non-property leases	0.3	3.3
Less: Cash and cash equivalents	(3.0)	(3.0)
<b>Non-Property Net Debt</b>	<b>59.3</b>	61.3
Equity	230.0	229.8
<b>Total capital</b>	<b>289.3</b>	291.1
Gearing ratio	<b>20%</b>	21%

**Financial Risk Management**

The Group has exposure to the following risks from its use of financial instruments:

- Market risk
- Liquidity risk
- Credit risk

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

**Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The principal market risk affecting the Group is interest rate risk. Financial instruments affected by market risk include borrowings, deposits and derivative financial instruments.

The sensitivity analysis in the following sections relates to the position as at 31 December 2025 and 2024. The analysis has been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt and derivatives are all constant.

## Interest Rate Risk

The Group is exposed to interest rate risk because the Group's long term debt obligations are at floating interest rates based on GBP SONIA. The risk is sometimes managed by the Group through interest rate swap contracts and hedging activities are evaluated regularly to align with interest rate views and defined risk appetite to ensure the most cost-effective hedging strategies are applied. The Group has not entered into any derivatives in the current or prior period.

The Group is not expecting any reduction in interest rates over the next 12 months.

The impact on profit, and therefore equity, of a reasonably possible change in interest rates is as follows:

	31 December 2025 £m	31 December 2024 £m
Change in interest rates of 0.5% (2024: 0.5%)	<b>0.3</b>	0.3

## Liquidity Risk

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

The table below summarises the maturity profile of the Group's financial liabilities:

	31 December 2025				Total £m
	Within 1 year £m	1 to 2 years £m	2 to 5 years £m	More than 5 years £m	
Trade and other payables	<b>41.3</b>	-	-	-	<b>41.3</b>
Borrowings	<b>4.2</b>	<b>4.1</b>	<b>64.9</b>	-	<b>73.2</b>
Lease liabilities	<b>45.3</b>	<b>47.3</b>	<b>137.5</b>	<b>225.1</b>	<b>455.2</b>
	<b>90.8</b>	<b>51.4</b>	<b>202.4</b>	<b>225.1</b>	<b>569.7</b>

	31 December 2024				Total £m
	Within 1 year £m	1 to 2 years £m	2 to 5 years £m	More than 5 years £m	
Trade and other payables	31.5	-	-	-	31.5
Borrowings	4.5	4.7	64.5	-	73.7
Lease liabilities	45.0	43.7	126.2	224.1	439.0
	81.0	48.4	190.7	224.1	544.2

The trade and other payables maturity profile in the above tables includes trade payables, accruals and other payables as shown in Note 19.

## Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Due to the nature of the business requiring customers to pay in advance, there is little concentration of risk in trade receivables due to the limited value of trade receivables due from a large number of customers which are spread across wide geographical areas. Trade receivable balances are written off when the balance is known not to be recoverable, and expected credit losses are immaterial.

Financial Statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** CONTINUED  
for the year ended 31 December 2025

**24. Net Cash Inflow from Operating Activities**

The Directors believe that Free Cash Flow is the measure that best reflects the amount of cash available to the Group for investing in new sites and technology, and for enhancing existing sites. As such, Free Cash Flow is included within the Key Performance Indicators section of the Annual Report and Accounts 2025, and referenced in both the Financial Review and Going Concern note. A reconciliation of Net Cash Inflow from Operating Activities to Free Cash Flow is included below.

**Reconciliation of Net Cash Inflow from Operating Activities to Free Cash Flow**

	31 December 2025 £m	31 December 2024 £m
Net Cash Inflow from Operating Activities	102.3	95.1
Less: Property lease payments made (Note 21)	(42.1)	(39.6)
Less: Maintenance capital expenditure*	(17.3)	(14.8)
Less: Bank and non-property lease interest paid	(5.1)	(6.3)
Add: Bank interest received	0.5	0.5
<b>Free Cash Flow*</b>	<b>38.3</b>	<b>34.9</b>

\* Free Cash Flow for FY24 has been restated to reallocate £2.6m of Technology and Data spend from Expansionary Capital Expenditure to Maintenance Capital Expenditure to bring it into line with the presentation of Technology and Data spend in FY25.

**25. Issued Share Capital and Reserves**

	31 December 2025 £m	31 December 2024 £m
<b>Allotted, called up and fully paid</b>		
Ordinary shares of £0.0001 each	-	-
<b>Own shares held</b>		
Deferred Ordinary shares of £1 each	0.1	0.1

The number of Ordinary shares in issue is as follows:

	31 December 2025	31 December 2024
Ordinary shares of £0.0001 each	179,622,261	179,287,837
Deferred Ordinary shares of £1 each	48,050	48,050

In January 2024, the Group established an Employee Benefit Trust ('EBT') to purchase shares in order to minimise dilution associated with the share based payments. As the sponsoring entity of the EBT, the EBT has been accounted for as an extension of the Group in the Group's consolidated financial statements. During the year ended 31 December 2025, the EBT purchased 1,433,184 shares (2024: 2,834,928) at a cost of £2.0m (2024: £3.5m). As at 31 December 2025, the EBT held 3,659,556 shares (2024: 2,479,863) at a value of £4.6m (2024: £3.0m).

In addition to the above, 686,529 Ordinary shares of £0.0001 each are held by a separate employee trust (2024: 627,962). This trust is linked to the share incentive plan offered to employees of the Group. The Group has no control over this trust.

The shares held by the EBT and the separate employee trust are included within the Ordinary shares in issue disclosed in the table above.

The following describes the nature and purpose of each reserve in equity:

**Own Shares Held**

These reserves represent 48,050 Deferred Ordinary shares of £1 each repurchased by the Group on 12 November 2015. The Deferred Ordinary shares constitute a separate, non-voting class of shares which is held in treasury and not admitted to trading. The rights attached to the Deferred Shares are set out in the Parent Company's Articles.

**Share Premium**

The amount subscribed for share capital in excess of nominal value.

### Own Shares Reserve – EBT

The value of shares that are held by the EBT, which will be used to settle share based payments transactions.

### Merger Reserve

The amount subscribed for share capital in excess of nominal value attracting merger relief under the Companies Act 2006.

### Retained Deficit

The accumulated net losses of the Group since inception.

Issued Share Capital and Capital Redemption Reserve are not included in the Consolidated Statement of Changes in Equity because the balances in these reserves are less than £0.1m.

## 26. Share Based Payments

The Group had the following equity-settled share based payment arrangements in operation during the year:

- The Gym Group plc Incentive Plan ('TGG Incentive Plan')
- The Gym Group plc Performance Share Plan ('PSP')
- The Gym Group plc Share Incentive Plan – Free shares ('SIP – Free Shares')
- The Gym Group plc Share Incentive Plan – Matching shares ('SIP')
- The Gym Group plc Savings Related Share Option Scheme ('SAYE')

In accordance with IFRS 2 Share Based Payment, the value of the awards is measured at fair value at the date of the grant. The fair value is expensed on a straight-line basis over the vesting period, based on management's estimate of the number of shares that will eventually vest. The Group recognised a total charge of £4.7m (2024: £2.9m) in respect of the Group's share based payment arrangements. There was a charge of £0.8m related to employer's national insurance (2024: £0.5m).

A summary of the movements in each scheme is outlined below:

Scheme Type	31 December 2025					
	Outstanding at 1 January 2025	Granted during the year	Lapsed/cancelled during the year	Exercised during the year	Outstanding at 31 December 2025	Exercisable at 31 December 2025
Performance Related Plans (a and b)	5,576,228	2,964,804	(421,932)	(15,662) <sup>1</sup>	8,103,438	176,235
Share Incentive Plan – Free shares (c)	9,525	–	–	(762) <sup>2</sup>	8,763	8,763
Share Incentive Plan – Matching shares (d)	309,291	83,869	(20,423)	(29,390) <sup>3</sup>	343,347	118,521
Service Related Plans (b)	4,043,620	1,273,278	(51,524)	(412,881) <sup>4</sup>	4,852,493	917,944
Long Service Awards (b)	2,500	5,000	–	(2,500) <sup>5</sup>	5,000	–
Save as You Earn (e)	1,125,189	318,916	(145,678)	(244,691) <sup>6</sup>	1,053,736	263,785
	<b>11,066,353</b>	<b>4,645,867</b>	<b>(639,557)</b>	<b>(705,886)</b>	<b>14,366,777</b>	<b>1,485,248</b>

1 The weighted average share price at the date of exercise of these options was £1.39.

2 The weighted average share price at the date of exercise of these options was £1.37.

3 The weighted average share price at the date of exercise of these options was £1.44.

4 The weighted average share price at the date of exercise of these options was £1.44.

5 The weighted average share price at the date of exercise of these options was £1.55.

6 The weighted average share price at the date of exercise of these options was £1.41.

Financial Statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** CONTINUED

for the year ended 31 December 2025

**26. Share Based Payments** continued

Scheme Type	31 December 2024					
	Outstanding at 1 January 2024	Granted during the year	Lapsed/cancelled during the year	Exercised during the year	Outstanding at 31 December 2024	Exercisable at 31 December 2024
Performance Related Plans (a and b)	4,052,963	2,804,981	(1,076,142)	(205,574) <sup>1</sup>	5,576,228	169,726
Share Incentive Plan – Free shares (c)	14,367	–	(1,413)	(3,429) <sup>2</sup>	9,525	9,525
Share Incentive Plan – Matching shares (d)	274,534	84,668	(33,716)	(16,195) <sup>3</sup>	309,291	101,136
Service Related Plans (b)	3,388,244	1,782,726	(331,108)	(796,242) <sup>4</sup>	4,043,620	539,705
Long Service Awards (b)	1,500	2,500	–	(1,500) <sup>5</sup>	2,500	–
Save as You Earn (e)	1,424,361	166,486	(314,668)	(150,990) <sup>6</sup>	1,125,189	13,187
	<b>9,155,969</b>	<b>4,841,361</b>	<b>(1,757,047)</b>	<b>(1,173,930)</b>	<b>11,066,353</b>	<b>833,279</b>

- 1 The weighted average share price at the date of exercise of these options was £1.12.
- 2 The weighted average share price at the date of exercise of these options was £1.31.
- 3 The weighted average share price at the date of exercise of these options was £1.36.
- 4 The weighted average share price at the date of exercise of these options was £1.35.
- 5 The weighted average share price at the date of exercise of these options was £1.53.
- 6 The weighted average share price at the date of exercise of these options was £1.21.

The exercise price of all options under the schemes held during the year is 0.01p (2024: 0.01p), with the exception of the SAYE scheme where the exercise price ranges between 93p and 128p (2024: 93p and 236p). 1,221,463 options were exercisable under the TGG Incentive Plan, PSP, and SIP schemes as at 31 December 2025 (2024: 820,092) and 263,785 options were exercisable under the SAYE scheme (2024: 13,187). No other options were exercisable as at 31 December 2025 (2024: none).

In the case of the Performance Related Plans and Service Related Plans, when exercised, the Group is required to withhold an amount in respect of the participating employee's tax obligation associated with these share based payments and transfer it to the tax authority on behalf of the employee. To fulfil this obligation, the Group withholds the number of equity instruments equal to the monetary value of the employee's tax obligation from the total number of equity instruments that otherwise would have been issued to the employee upon exercise of these share based payments (referred to as 'net settlement'). The estimated future payments to the tax authority over the next five years in respect of these schemes at 31 December 2025 is £7.5m. This has been estimated based on the number of equity instruments expected to vest, multiplied by the share price at 31 December 2025, multiplied by the average tax rate of 45%.

During the year, the Group made income tax payments on behalf of employees of £0.3m (2024: £0.4m) in the form of cash as part of the net settlement process on share based payments. The settlement in cash reduced the future funding requirement to the EBT and has accordingly been classified as a financing activity in the Consolidated Cash Flow Statement.

**(a) Performance Related Plans**

The outstanding awards under the Performance Related Plans as at 31 December 2025 will all vest within three years, subject to continued employment and the achievement of certain performance targets.

For awards made in 2024 and 2025 (issued under the TGG Incentive Plan), the targets are based on financial targets (Group Adjusted EBITDA Less Normalised Rent and ROIC), employee engagement and member visits. The financial targets contribute 80% of the vesting conditions, with the employee engagement and member visit targets each contributing 10%. All targets in the 2024 and 2025 awards are non-market-based conditions, and therefore the fair value of the award was determined using the share price at the date of grant.

The vesting conditions of the 2025 TGG Incentive Plan are set out on **pages 81 to 82**. The maximum term of these awards is three years and settlement is in the form of shares.

For awards made in 2023 (issued under the PSP), the targets are based on TSR and Social Value performance measures, with the TSR target contributing 80% of the vesting conditions, and the Social Value contributing 20%. The TSR performance measures are relative TSR and absolute TSR, with the TSR element of awards being split equally between these two measures.

For awards made in 2022 (issued under the PSP), the targets are based on absolute TSR and financial performance measures with each target contributing to 50% of the vesting conditions. The financial performance measures are Return on Invested Capital ('ROIC') and Cumulative Adjusted Group Operating Cash Flow, with the financial element of awards being split equally between these two measures.

The fair value of the awards that vest based on non-market-based conditions was determined using the share price at the date of grant.

The fair value of the awards that vest based on market-based conditions (TSR element) was estimated at the grant date using a Monte Carlo simulation model, taking into account the terms and conditions upon which the awards were granted. This model simulates the TSR and compares it against the group of comparator companies. It takes into account historic dividends and share price fluctuations to predict the distribution of relative share price performance.

The weighted average fair value of each award issued under this scheme during the year was £1.32 (2024: £1.33). The weighted average remaining contractual life was 8.1 years at 31 December 2025 (2024: 7.8 years).

#### **(b) Share Incentive Plan – Free Shares**

The awards made under the SIP – Free Shares occurred when the Group floated on the London Stock Exchange and were subject to continued employment requirements over a three year period and had no performance conditions. Therefore, the options vested in full at the end of the three year period. No further awards have been issued. The shares are held by an employee benefit trust.

The weighted average remaining contractual life was 0.3 years at 31 December 2025 (2024: 1.3 years).

#### **(c) Share Incentive Plan – Matching Shares**

Under the matching shares award, for every share purchased by an employee the Company will award one matching share, up to a maximum value. Therefore, the options vest in full at the end of the three year period. The awards are subject to continued employment requirements over a three year period and have no performance conditions. The shares are held by an employee benefit trust.

The weighted average fair value of each award issued under this scheme during the year was £1.43 (2024: £1.24) and was determined using the share price at the date of grant. The weighted average remaining contractual life was 1.0 years at 31 December 2025 (2024: 1.1 years).

#### **(d) Service Related Plans**

The outstanding awards under the Service Related Plans (issued under the PSP) are subject to continued employment requirements, which range from a one year to a three year period and have no performance conditions. Therefore, the options vest in full at the end of the period.

The weighted average fair value of each award issued under this scheme during the year was £1.32 (2024: £1.33) and was determined using the share price at the date of grant. The weighted average remaining contractual life was 8.0 years at 31 December 2025 (2024: 8.2 years).

#### **(e) Long Service Awards**

The outstanding Long Service Awards (issued under the PSP) are subject to continued employment requirements over a one year period and have no performance conditions. Therefore, the options vest in full at the end of the period.

The weighted average fair value of each award issued under this scheme during the year was £1.53 (2024: £1.33) and was determined using the share price at the date of grant. The weighted average remaining contractual life was 0.4 years (2024: 0.5 years) at 31 December 2025.

#### **(f) Save as You Earn ('SAYE') Scheme**

Under the SAYE scheme, employees are allowed to acquire options over the Company's shares at a discount of up to 20% of their market value at the date of grant. The awards are subject to continued employment requirements over a three year period and have no performance conditions. Therefore, the options vest in full at the end of the period.

The weighted average fair value of each award issued under this scheme during the year was £1.19 (2024: £1.28) and was determined using the share price at the date of grant. The weighted average remaining contractual life was 1.8 years (2024: 2.0 years) at 31 December 2025.

## **27. Commitments and Contingencies**

The Group had £3.0m of commitments that were contracted but not provided as at 31 December 2025 relating to contracts for the fit-out of new gyms where works have not yet commenced (2024: £5.9m).

Financial Statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** CONTINUED  
for the year ended 31 December 2025

**28. Related Party Transactions**

**Identification of Related Parties**

The ultimate holding company of the Group is The Gym Group plc, a company incorporated in the United Kingdom.

The subsidiaries of the Group are as follows:

Company	Principal activity	Country of incorporation	Holding
The Gym Group Midco1 Limited*	Holding company	United Kingdom	100%
The Gym Group Midco2 Limited*	Holding company	United Kingdom	100%
The Gym Group Operations Limited	Holding company	United Kingdom	100%
The Gym Limited	Fitness operator	United Kingdom	100%

\* For the year ended 31 December 2025, this subsidiary of the Group was exempt from the requirement for audit for individual financial statements in accordance with section 479A of the Companies Act 2006.

The registered office of the subsidiaries is 2nd Floor, Arding & Hobbs, 7 St. John's Road, London, SW11 1QN.

**Terms and conditions of transactions with related parties**

The purchases from related parties are made at normal market prices. Outstanding balances at the year end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided for any related party payables. There were no transactions with related parties during 2025 (2024: £nil), other than key management personnel as disclosed below.

**Compensation of Key Management Personnel**

Key management includes the Directors as identified in the Directors' Report and members of the Group's Executive Committee. The compensation paid or payable to key management for employment services is shown below:

	31 December 2025 £m	31 December 2024 £m
Remuneration	3.9	3.6
Company contributions to defined contribution pension scheme	0.1	0.1
Share based payment charge	1.9	1.3
	<b>5.9</b>	<b>5.0</b>

At the current and prior year end, there were no outstanding loan balances owed by key management personnel. At the year end, no balance (2024: £nil) was owed to key management personnel in respect of year end bonuses.

Information regarding the highest paid Director is shown in the Remuneration Committee Report.

**29. Subsequent Events**

Subsequent to the year end, the Group commenced a share buyback programme of up to £10m. As at 10 March 2026, the Group had repurchased 1,103,789 of its shares through the share buyback programme. Further information can be found in the Director's Report on **page 89**.

Financial Statements

# COMPANY STATEMENT OF FINANCIAL POSITION

as at 31 December 2025

	Note	31 December 2025 £m	31 December 2024 £m
<b>Non-current assets</b>			
Investments in subsidiaries	4	237.5	232.8
Trade and other receivables	5	85.3	74.6
Deferred tax asset		0.2	0.2
<b>Total non-current assets</b>		<b>323.0</b>	307.6
<b>Current assets</b>			
Trade and other receivables	5	3.0	3.0
Cash and cash equivalents		2.0	0.1
<b>Total current assets</b>		<b>5.0</b>	3.1
<b>Total assets</b>		<b>328.0</b>	310.7
<b>Current liabilities</b>			
Trade and other payables	6	4.3	5.5
<b>Non-current liabilities</b>			
Borrowings	7	62.2	61.3
<b>Total liabilities</b>		<b>66.5</b>	66.8
<b>Net assets</b>		<b>261.5</b>	243.9
<b>Capital and reserves</b>			
Own shares held	8	0.1	0.1
Share premium	8	190.1	189.9
Own shares reserve – EBT	8	(4.6)	(3.0)
Merger reserve	8	39.9	39.9
Retained earnings	8	36.0	17.0
<b>Total equity shareholders' funds</b>		<b>261.5</b>	243.9

The Notes on **pages 137 to 141** form an integral part of the financial statements.

As permitted by s.408 of the Companies Act 2006, the Company's profit and loss account is not presented as part of these accounts. The Company's profit for the year amounted to £14.7m (2024: loss of £0.2m).

These financial statements were approved by the Board of Directors on 11 March 2026.

Signed on behalf of the Board of Directors

**Will Orr**  
Chief Executive Officer

**Luke Tait**  
Chief Financial Officer

Company Registration Number 08528493

OVERVIEW

STRATEGIC REPORT

GOVERNANCE REPORT

FINANCIAL STATEMENTS

OTHER INFORMATION

Financial Statements

## COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2025

	Own shares held £m	Share premium £m	Own shares reserve – EBT £m	Merger reserve £m	Retained earnings £m	Total £m
At 1 January 2024	0.1	189.8	–	39.9	14.7	244.5
Loss for the year	–	–	–	–	(0.2)	(0.2)
Other comprehensive income	–	–	–	–	–	–
Total comprehensive loss for the year	–	–	–	–	(0.2)	(0.2)
Capital contributions to subsidiaries	–	–	–	–	2.9	2.9
Issue of Ordinary share capital	–	0.1	–	–	–	0.1
Purchase of own shares by EBT	–	–	(3.5)	–	–	(3.5)
Exercise of share options	–	–	0.5	–	(0.4)	0.1
At 31 December 2024	0.1	189.9	(3.0)	39.9	17.0	243.9
Profit for the year	–	–	–	–	14.7	14.7
Other comprehensive income	–	–	–	–	–	–
Total comprehensive profit for the year	–	–	–	–	14.7	14.7
Capital contributions to subsidiaries	–	–	–	–	4.7	4.7
Issue of Ordinary share capital	–	0.2	–	–	–	0.2
Purchase of own shares by EBT	–	–	(2.0)	–	–	(2.0)
Exercise of share options	–	–	0.4	–	(0.4)	–
<b>At 31 December 2025</b>	<b>0.1</b>	<b>190.1</b>	<b>(4.6)</b>	<b>39.9</b>	<b>36.0</b>	<b>261.5</b>

The capital contributions to subsidiaries relate to share based payments made by subsidiaries of the Company.

The Notes on **pages 137 to 141** form an integral part of the financial statements.

Retained earnings include distributable reserves of £23.9m (2024: £9.2m).

Financial Statements

# NOTES TO THE COMPANY FINANCIAL STATEMENTS

for the year ended 31 December 2025

## 1. General Information

The Gym Group plc (the 'Company') is incorporated and domiciled in the United Kingdom with Company number 08528493. The registered address of the Company is 2nd Floor, Arding & Hobbs, 7 St. John's Road, London, SW11 1QN, United Kingdom.

## 2. Summary of Material Accounting Policies

A summary of the material accounting policies is set out below. These have been applied consistently in the financial statements.

### Statement of Compliance and Basis of Preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101') and with those parts of the Companies Act 2006 applicable to companies reporting under FRS 101. The financial statements of the Company are included in the Group's consolidated financial statements which can be obtained from the Company's registered office.

The Company meets the definition of a qualifying entity under FRS 101 and has therefore taken advantage of the following disclosure exemptions available to it under FRS 101:

- The requirements of IFRS 7 Financial Instruments.
- The requirements of paragraph 97 of IFRS 13 Fair Value Measurement.
- The requirements of IAS 7 Statement of Cash Flows.
- The requirements of paragraphs 10(d), 111 and 134 to 136 of IAS 1 Presentation of Financial Statements.
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- The requirements of paragraph 17 of IAS 24 Related Party Disclosures.
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

### Going Concern

In assessing the going concern position of the Company for the year ended 31 December 2025, the Directors have considered the following:

- the Group's trading performance in 2025 and throughout the traditional January and February 2026 peak period, in particular in respect of its trading subsidiary The Gym Limited ('TGL') on which the Company is interdependent;
- the future expected trading performance of the Company and the Group to 30 June 2027 (the going concern period), including membership levels and behaviours in light of the continued difficult macroeconomic environment; and
- the Company and Group's financing arrangements and relationship with its lenders and shareholders.

Trading in 2025 for The Gym Group was strong, with membership at the end of December 2025 reaching 923,000, an increase of 4% from the end of December 2024. Average revenue per member per month ('ARPM') for the year was £21.60, up 4% from £20.81 in the prior year. As a result, revenue increased by 8% to £244.9m (2024: £226.3m), and Group Adjusted EBITDA Less Normalised Rent at £56.7m was 19% better than in 2024.

The Group also reported strong cash generation in the year, with Free Cash Flow of £38.3m (see Note 24 to the Consolidated Financial Statements for a reconciliation to Net Cash Inflow from Operating Activities) being generated and used to fund 16 new site openings and major refurbishments and enhancements to the mature sites, as well as significant investment in technology.

On 12 June 2025, the Company agreed a one year extension to the existing bank facilities, as well as an increase in the available RCF facility of £12m. As a result, the Company now has in place a combined £102m facility, consisting of £45m of Term Loan and £57m of RCF, which is due to mature in June 2028. Drawings under the facility continue to be subject to quarterly financial covenant tests on Adjusted Leverage (Non-Property Net Debt divided by Group Adjusted EBITDA Less Normalised Rent must not exceed 3.0 times) and Fixed Charge Cover (Adjusted EBITDAR to Net Finance Charges plus Normalised Rent must be greater than 1.5 times).

## Financial Statements

# NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2025

## 2. Summary of Material Accounting Policies continued

### Going Concern continued

As at 31 December 2025, the Group had Non-Property Net Debt (including non-property leases) of £59.3m, consisting of £62.0m drawn debt under the RCF, £0.3m of non-property leases and £3.0m of cash. The Directors believe that this measure of net debt best reflects the financial health of the business. In addition, it is a key constituent of the Adjusted Leverage covenant included in the Group's banking agreement as noted above. Headroom under the bank facilities at 31 December 2025 (drawn debt less cash) was £43.0m. Adjusted Leverage was 1.0 times and Fixed Charge Cover was 2.1 times.

Following the January and February 2026 peak trading period, closing membership at 28 February 2026 was 999,000, an increase of 8% on the position at 31 December 2025, demonstrating that the low cost gym model remains resilient and spend on gym membership continues to be prioritised.

Despite the continued strong trading performance, the Directors have continued to take a cautious approach to planning. The base case forecast for the period to 30 June 2027 anticipates some growth in yields across the whole estate as a result of pricing optimisation actions identified as part of the Next Chapter growth plan. Modest increases in membership levels are driven largely by the sites opened in 2024 and 2025, and not by growth in the mature estate.

In addition, whilst the Directors have planned for an acceleration of the new site opening programme throughout the plan period, all new sites are assumed to be self-financed. Under this scenario, the financial covenants are passed with headroom, and the Group can operate comfortably within its financing facilities.

The Directors have also considered a severe downside scenario in which membership numbers in the mature estate decline by approximately 4%. Yields continue to grow, but at a much more modest rate than in the base case. In this scenario, the number of new site openings is reduced to conserve cash, expenditure on maintenance and marketing is reduced slightly, and discretionary performance-related bonuses and share based payment funding are removed. The share buyback programme is also paused. Under this scenario, the financial covenants continue to be passed, and the Group continues to operate within its financing facilities.

The Directors have also considered a reverse stress test scenario to ascertain the extent of the downturn in trading that would be required to breach the Company and Group's banking covenants or liquidity requirements. Mitigating actions assumed in this scenario include moving to a minimum level of maintenance and technology capital expenditure; further reducing controllable operating costs and marketing expenditure; and pausing the new site opening programme in order to preserve cash. In this scenario, membership numbers would need to decline steadily from April 2026 to June 2027 to the point where closing membership at 30 June 2027 was 27% lower than the base case. Under this scenario, the Fixed Charge Cover covenant would be breached in June 2027. The Group would, however, continue to operate within its current level of debt capacity and the Adjusted Leverage ratio would not be breached.

In the event of a reverse stress test scenario, the Directors would introduce additional measures to mitigate the impact on the Company and Group's covenants and liquidity, including: (i) even greater reductions in controllable operating costs, marketing and capital expenditure; (ii) discussions with lenders to secure a covenant waiver; and (iii) deferral of, or reductions in, rent payments to landlords. The Directors consider the reverse stress test scenario to be highly unlikely.

### Conclusion

The Board has reviewed the financial plan and downside scenarios of the Group and has a reasonable expectation that the Company and the Group has adequate resources to continue in operational existence for the period to 30 June 2027. As a result, the Directors continue to adopt the going concern basis in preparing the financial statements. In making this assessment, consideration has been given to the current and future expected trading performance; the Company and Group's current and forecast liquidity position and the support received to date from our lenders and shareholders; and the mitigating actions that can be deployed in the event of reasonable downside scenarios.

### Investments

On initial recognition, investments in subsidiaries are recorded at cost, which is the fair value of the consideration paid. Where consideration is paid by way of shares, the excess of fair value of the shares over nominal value of those shares is recorded in share premium. Investments in subsidiaries are reviewed for impairment at each balance sheet date with any impairment charged to the Statement of Comprehensive Income. Refer to Note 4 for further details of impairment testing.

### Fair Value Hierarchy

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

- Level 1: quoted prices in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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

### Financial Assets

The Company measures its trade and other receivables, and cash and cash equivalents at amortised cost. Subsequent to initial recognition these assets are carried at amortised cost using the effective interest method. Income from these financial assets is calculated on an effective yield basis and is recognised in the Statement of Comprehensive Income.

The Company recognises an allowance for ECLs for all debt instruments held at amortised cost. The ECLs are based on the difference between the contractual cash flows due, and the cash flows expected to be received.

For trade receivables, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

For receivables other than trade receivables, the Company recognises ECLs in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, a loss allowance is recognised based on 12-month ECLs. For credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for lifetime ECLs.

### Financial Liabilities

The Company initially recognises its financial liabilities at fair value and subsequently they are measured at amortised cost using the effective interest method.

### Current Taxation

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Income tax relating to items recognised in comprehensive income or directly in equity, is recognised in comprehensive income or equity and not in the Statement of Comprehensive Income.

Refer to Note 2 to the consolidated financial statements for the Deferred taxation accounting policy.

## 3. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements in accordance with FRS 101 requires estimates and assumptions to be made that affect the value at which certain assets and liabilities are held at the balance sheet date and also the amounts of revenue and expenditure recorded in the period. The Directors believe the accounting policies chosen are appropriate to the circumstances and that the estimates, judgements and assumptions involved in its financial reporting are reasonable.

There are no critical accounting judgements or estimates within these financial statements.

## 4. Investments in Subsidiaries

	£m
At 1 January 2024	229.9
Additions	2.9
At 31 December 2024	232.8
Additions	4.7
<b>At 31 December 2025</b>	<b>237.5</b>

During the current and prior year, share options in the Company's shares were granted to employees of The Gym Limited. A corresponding capital contribution of £4.7m has been recognised within investments in subsidiaries (2024: £2.9m). Details of the Company's share based payment arrangements are shown in Note 26 to the consolidated financial statements.

Financial Statements

**NOTES TO THE COMPANY FINANCIAL STATEMENTS** CONTINUED  
for the year ended 31 December 2025

**4. Investments in Subsidiaries continued**

In January 2024, the Company established an EBT to purchase shares in order to minimise dilution associated with the share based payments. As the sponsoring entity of the EBT, the EBT has been accounted for as an extension of the Company in the Company's financial statements. During the year ended 31 December 2025, the EBT purchased 1,433,184 shares (2024: 2,834,928) at a cost of £2.0m (2024: £3.5m). As at 31 December 2025, the EBT held 3,659,556 shares (2024: 2,479,863) at a value of £4.6m (2024: £3.0m).

The Company's subsidiary undertakings are shown in Note 28 to the consolidated financial statements.

The Company assesses at each reporting date, whether there are any indications of impairment of investments. If at a reporting date any indication is present, an impairment test is performed. The impairment test assesses the investments in subsidiaries for impairment by comparing the recoverable amount (being the higher of the fair value less costs of disposal and value-in-use) to the carrying amount. If the carrying amount exceeds the recoverable amount, the investment is considered impaired and written down to its recoverable amount.

The Company determines the recoverable amount of its investments by determining the present value of the estimated future cash flows expected to be generated by the investees. This is performed using cash flow projections based on the Board-approved three year plan. Cash flows beyond this period are extrapolated using an estimated growth rate of 2.5% (2024: 3.0%). All cash flows are discounted using a pre-tax discount rate of 11.0% (2024: 11.0%).

In the years under review, management's value-in-use calculations have indicated no requirement to impair and no reasonably possible change in key assumptions gives rise to an impairment.

**5. Trade and Other Receivables**

	31 December 2025 £m	31 December 2024 £m
Amounts owed by Group undertakings	<b>88.3</b>	77.6
	<b>88.3</b>	77.6
Due in less than one year	<b>3.0</b>	3.0
Due in more than one year	<b>85.3</b>	74.6
	<b>88.3</b>	77.6

The Company provides a guarantee over certain non-property lease contracts of its trading subsidiary, The Gym Limited. As a result, at 31 December 2025, the Company was exposed to £0.3m (2024: £3.3m) should The Gym Limited default on its obligations under those leases. No expected credit loss in respect of this has been recognised at the balance sheet date.

No expected credit loss in respect of the intercompany receivables has been recognised at the balance sheet date (2024: £nil) as these have been assessed as immaterial. In making this assessment, consideration has been given to a probability-weighted estimate of credit losses over the expected life of the intercompany debt.

Qualitative factors, including a review of the cash flow projections of the main trading entity (The Gym Limited), have then been considered to ascertain whether there has been a significant increase in the credit risk during the year. Based on this assessment, there has been no significant increase in credit risk and the entity is expected to generate sufficient cash to repay its intercompany balances and/or dividends to other entities within the Group to allow them to repay their intercompany balances.

## 6. Trade and Other Payables (due in less than one year)

	31 December 2025 £m	31 December 2024 £m
Trade payables	-	0.1
Amounts owed to Group undertakings	3.8	4.9
Accruals	0.5	0.5
	<b>4.3</b>	5.5

## 7. Borrowings

The carrying value of the Company's borrowings at 31 December 2025 was £62.2m (2024: £61.3m).

Refer to Note 20 of the consolidated financial statements for further details.

## 8. Issued Capital and Reserves

	31 December 2025 £m	31 December 2024 £m
<b>Allotted, called up and fully paid</b>		
Ordinary shares of £0.0001 each	-	-
<b>Own shares held</b>		
Deferred Ordinary shares of £1 each	0.1	0.1

The number of Ordinary Shares in issue is as follows:

	31 December 2025	31 December 2024
Ordinary shares of £0.0001 each	179,622,261	179,287,837
Deferred Ordinary shares of £1 each	48,050	48,050

Refer to Note 25 of the consolidated financial statements for details of movements in share capital.

The following describes the nature and purpose of each reserve in equity:

### Own Shares Held

These reserves represent 48,050 Deferred Ordinary shares of £1 each repurchased by the Company on 12 November 2015. The Deferred Ordinary shares constitute a separate, non-voting class of shares which is held in treasury and not admitted to trading. The rights attached to the Deferred Shares are set out in the Company's Articles.

### Share Premium

The amount subscribed for share capital in excess of nominal value.

### Own Shares Reserve – EBT

The value of shares that are held by the EBT, which will be used to settle share based payments transactions.

### Merger Reserve

The amount subscribed for share capital in excess of nominal value attracting merger relief under the Companies Act 2006.

### Retained Earnings

The accumulated net gains and losses of the Company since inception.

Issued Share Capital and Capital Redemption Reserve are not included in the Statement of Changes in Equity because the balances in these reserves are less than £0.1m.

## 9. Subsequent Events

Subsequent to the year end, the Group commenced a share buyback programme of up to £10m. As at 10 March 2026, the Group had repurchased 1,103,789 of its shares through the share buyback programme. Further information can be found in the Director's Report on **page 89**.

Other Information

## FIVE YEAR RECORD

The following table sets out a summary of selected key financial information and KPIs for the business.

	2025	2024	2023	2022	2021
Revenue (£m)	<b>244.9</b>	226.3	204.0	172.9	106.0
Group Adjusted EBITDA Less Normalised Rent <sup>1</sup> (£m)	<b>56.7</b>	47.7	38.5	38.0	5.7
Free Cash Flow <sup>2</sup> (£m)	<b>38.3</b>	34.9	25.7	15.1	1.1
Non-Property Net Debt <sup>3</sup> (£m)	<b>59.3</b>	61.3	66.4	76.0	44.1
Adjusted Leverage (x)	<b>1.04</b>	1.29	1.72	2.00	7.74
Total Number of Gyms (number)	<b>260</b>	245	233	229	202
Total Number of Members ('000)	<b>923</b>	891	850	821	718
Average Revenue per Member per Month (£) <sup>4</sup>	<b>21.60</b>	20.81	19.50	17.82	17.60
Members that Visit 4+ Times in a Month <sup>5</sup>	<b>54.6%</b>	53.1%	52.2%	48.8%	35.3%
Number of Mature Gyms in Operation (number)	<b>232</b>	227	199	182	175
Mature Gym Site EBITDA Less Normalised Rent <sup>6</sup> (£m)	<b>66.3</b>	61.5	53.6	50.9	22.5
Return on Invested Capital of Mature Gym Sites <sup>7</sup>	<b>27%</b>	25%	21%	22%	20%
Employee Engagement Score <sup>8</sup>	<b>9.0</b>	9.0	8.5	8.4	7.6

1 A reconciliation of Operating Profit to Group Adjusted EBITDA Less Normalised Rent has been included underneath the Consolidated Statement of Comprehensive Income on **page 102**.

2 A reconciliation of Net Cash Inflow from Operating Activities to Free Cash Flow has been provided in Note 24 to the Consolidated Financial Statements. Free Cash Flow for 2024 and earlier has been restated to reallocate a proportion of Technology and Data spend from Expansionary Capital Expenditure to Maintenance Capital Expenditure to bring it into line with the presentation of Technology and Data spend in 2025.

3 Information on the make-up of Non-Property Net Debt is included under Capital Risk Management in Note 23 to the Consolidated Financial Statements.

4 In order to provide better year on year comparability for yield, the figures presented for 2021 have been adjusted to exclude the impact of UK Government-enforced closure periods as a result of the Covid-19 pandemic. The 2021 figure is calculated for the period from July 2021 to December 2021 when all gyms were fully open and trading had returned to normal.

5 The figures for 4+ visits for 2024 and earlier have been restated to include like-for-like sites only and to exclude Saver members, members on freeze and members who have joined in a gym's pre-opening period to ensure comparability across periods. Further adjustments and restatements may occur in 2026 as we continue to refine this KPI. The 2021 figures are impacted by closure days.

6 Group Adjusted EBITDA Less Normalised Rent contributed by mature sites (£66.3m in 2025; £61.5m in 2024) plus Group Adjusted EBITDA Less Normalised Rent contributed by non-mature and acquisition sites (£18.3m in 2025; £13.1m in 2024) less Central Support Office costs (£27.9m in 2025; £26.9m in 2024) equals Group Adjusted EBITDA Less Normalised Rent (£56.7m in 2025; £47.7m in 2024).

7 ROIC for 2023 and earlier has been restated to deduct the value of rent free amounts from the capital initially invested. In order to provide better year on year comparability for ROIC, the figures presented for 2021 have also been adjusted to exclude the impact of UK-Government-enforced closure periods as a result of the Covid-19 pandemic. The 2021 figure is calculated for the period from July 2021 to December 2021 when all gyms were fully open and trading had returned to normal.

8 In 2023, we changed the way we measure employee engagement. We partnered with Peakon, an engagement specialist, and adopted a more accurate and comprehensive approach using a 0-10 scale rating system, moving away from a percentage score (Top Box). Due to the change in methodology for calculating the engagement score, a precise comparison to 2022 and prior cannot be made. These are therefore included for indicative purposes only.

## Other Information

# DEFINITION OF NON-STATUTORY MEASURES

**Group Adjusted EBITDA** – operating profit before depreciation, amortisation, share based payments and non-underlying items.

**Normalised Rent** – the contractual rent payable, recognised in the monthly period to which it relates.

**Group Adjusted EBITDA Less Normalised Rent** – Group Adjusted EBITDA after deducting Normalised Rent. A reconciliation of Operating Profit to Group Adjusted EBITDA Less Normalised Rent is included below the Consolidated Statement of Comprehensive Income on **page 102**.

**Run Rate EBITDA Less Normalised Rent** – Group Adjusted EBITDA Less Normalised Rent adjusted to include projected mature performance of gyms less than two years old at the end of the period.

**Adjusted Profit Before Tax** – profit before tax before non-underlying items.

**Adjusted Earnings** – profit for the year before non-underlying items and the related tax.

**Basic/Diluted Adjusted EPS** – Adjusted Earnings divided by the basic/diluted weighted average number of shares.

**Free Cash Flow** – Group Adjusted EBITDA Less Normalised Rent and movement in working capital, less maintenance capital expenditure, cash non-underlying items, bank and non-property lease interest and tax. A reconciliation of Net Cash Inflow from Operating Activities to Free Cash Flow is included in Note 24 to the Consolidated Financial Statements.

**Non-Property Net Debt** – bank and non-property lease debt less cash and cash equivalents. See Note 23 to the Consolidated Financial Statements for the breakdown.

**Mature Gym Site EBITDA Less Normalised Rent** – Group Adjusted EBITDA Less Normalised Rent contributed by mature sites. Mature sites are defined as those sites that have been open for 24 months or more at the year end and exclude acquisition sites.

**Return On Invested Capital ('ROIC') of Mature Gym Sites** – Mature Gym Site EBITDA Less Normalised Rent divided by total capital initially invested in the mature sites (after capital contributions and rent free amounts).

**Maintenance Capital Expenditure** – costs of replacement gym equipment and premises refurbishment and technology maintenance spend.

**Expansionary Capital Expenditure** – costs of fit-out of new gyms (both organic and acquired), technology projects and other strategic projects. It is stated net of contributions from landlords.

**Adjusted Leverage** – Non-Property Net Debt divided by LTM Group Adjusted EBITDA Less Normalised Rent.

**Fixed Charge Cover** – LTM Group Adjusted EBITDA divided by LTM Finance costs (excluding interest costs on property leases) less Finance Income plus Normalised Rent.

Other Information

## CORPORATE INFORMATION

### Company Secretary

Alison Camille Skerritt

### Company Number

08528493

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### Website

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### Corporate Advisers

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HSBC Bank plc

#### Solicitors

Travers Smith LLP

#### Auditor

Grant Thornton UK LLP

#### Joint Brokers

Deutsche Numis  
Peel Hunt LLP

#### Registrar

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