

**LIFE TIME GROUP HOLDINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(In thousands, except per share data)

	December 31,	
	2022	2021
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 25,509	\$ 31,637
Accounts receivable, net	13,381	6,464
Center operating supplies and inventories	45,655	41,007
Prepaid expenses and other current assets	45,743	48,883
Income tax receivable	748	3,533
Total current assets	131,036	131,524
Property and equipment, net	2,901,242	2,791,464
Goodwill	1,233,176	1,233,176
Operating lease right-of-use assets	2,116,761	1,864,528
Intangible assets, net	173,404	174,241
Other assets	69,744	61,742
Total assets	\$ 6,625,363	\$ 6,256,675
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 73,973	\$ 71,308
Construction accounts payable	125,031	83,311
Deferred revenue	36,859	33,871
Accrued expenses and other current liabilities	154,427	147,920
Current maturities of debt	15,224	23,527
Current maturities of operating lease liabilities	51,892	46,315
Total current liabilities	457,406	406,252
Long-term debt, net of current portion	1,805,698	1,775,719
Operating lease liabilities, net of current portion	2,162,424	1,909,883
Deferred income taxes, net	41,393	55,213
Other liabilities	34,181	18,216
Total liabilities	4,501,102	4,165,283
Commitments and contingencies (Note 12)		
Stockholders' equity:		
Common stock, \$0.01 par value per share, 500,000 shares authorized, 194,271 and 193,060 shares issued and outstanding, respectively	1,943	1,931
Additional paid-in capital	2,784,416	2,743,560
Accumulated deficit	(652,876)	(651,083)
Accumulated other comprehensive loss	(9,222)	(3,016)
Total stockholders' equity	2,124,261	2,091,392
Total liabilities and stockholders' equity	\$ 6,625,363	\$ 6,256,675

See notes to consolidated financial statements.

**LIFE TIME GROUP HOLDINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(In thousands, except per share data)**

	Year Ended December 31,		
	2022	2021	2020
Revenue:			
Center revenue	\$ 1,769,520	\$ 1,286,634	\$ 929,966
Other revenue	53,037	31,419	18,413
Total revenue	1,822,557	1,318,053	948,379
Operating expenses:			
Center operations	1,068,208	844,098	660,046
Rent	245,226	209,823	186,257
General, administrative and marketing	213,976	480,543	149,898
Depreciation and amortization	228,883	235,124	247,693
Other operating (income) expenses	(44,355)	43,653	63,634
Total operating expenses	1,711,938	1,813,241	1,307,528
Income (loss) from operations	110,619	(495,188)	(359,149)
Other (expense) income:			
Interest expense, net of interest income	(113,537)	(224,516)	(128,394)
Equity in earnings (loss) of affiliates	300	(9)	(187)
Total other expense	(113,237)	(224,525)	(128,581)
Loss before income taxes	(2,618)	(719,713)	(487,730)
Benefit from income taxes	(825)	(140,344)	(127,538)
Net loss	\$ (1,793)	\$ (579,369)	\$ (360,192)
Loss per common share – basic and diluted	\$ (0.01)	\$ (3.73)	\$ (2.48)
Weighted-average common shares outstanding – basic and diluted	193,570	155,470	145,137

See notes to consolidated financial statements.

**LIFE TIME GROUP HOLDINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
(In thousands)

	<b>Year Ended December 31,</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
Net loss	\$ (1,793)	\$ (579,369)	\$ (360,192)
Foreign currency translation adjustments, net of tax of \$0	(6,206)	214	1,422
Comprehensive loss	<u>\$ (7,999)</u>	<u>\$ (579,155)</u>	<u>\$ (358,770)</u>

See notes to consolidated financial statements.

**LIFE TIME GROUP HOLDINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(In thousands)

	Common Stock		Additional Paid-in Capital	Stockholder Note Receivable	Retained Earnings/ (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Total Equity
	Shares	Amount					
Balance at December 31, 2019	141,596	\$ 1,416	\$ 1,479,941	\$ (15,000)	\$ 288,478	\$ (4,652)	\$ 1,750,183
Net loss	—	—	—	—	(360,192)	—	(360,192)
Other comprehensive income	—	—	—	—	—	1,422	1,422
Issuance of common stock	3,600	36	89,964	—	—	—	90,000
Balance at December 31, 2020	145,196	1,452	1,569,905	(15,000)	(71,714)	(3,230)	1,481,413
Net loss	—	—	—	—	(579,369)	—	(579,369)
Other comprehensive income	—	—	—	—	—	214	214
Share-based compensation	—	—	334,339	—	—	—	334,339
Settlement of accrued compensation liabilities through the issuance of share-based compensation awards	—	—	3,843	—	—	—	3,843
Issuance of common stock in connection with the IPO and over-allotment exercise, net of offering costs	40,582	406	700,961	—	—	—	701,367
Issuance of common stock in connection with Series A Preferred Stock conversion	6,687	67	149,518	—	—	—	149,585
Issuance of restricted stock in connection with restricted Series A Preferred Stock conversion	595	6	(6)	—	—	—	—
Cancellation of stockholder note receivable	—	—	(15,000)	15,000	—	—	—
Balance at December 31, 2021	193,060	1,931	2,743,560	—	(651,083)	(3,016)	2,091,392
Net loss	—	—	—	—	(1,793)	—	(1,793)
Other comprehensive loss	—	—	—	—	—	(6,206)	(6,206)
Share-based compensation	—	—	37,291	—	—	—	37,291
Stock option exercises	363	4	3,751	—	—	—	3,755
Equity issuance costs	—	—	(270)	—	—	—	(270)
Issuance of common shares in connection with the vesting of restricted stock units	848	8	(562)	—	—	—	(554)
Settlement of accrued compensation liabilities through the issuance of share-based compensation awards	—	—	646	—	—	—	646
Balance at December 31, 2022	194,271	\$ 1,943	\$ 2,784,416	\$ —	\$ (652,876)	\$ (9,222)	\$ 2,124,261

See notes to consolidated financial statements.

**LIFE TIME GROUP HOLDINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)

	Year Ended December 31,		
	2022	2021	2020
Cash flows from operating activities:			
Net loss	\$ (1,793)	\$ (579,369)	\$ (360,192)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	228,883	235,124	247,693
Deferred income taxes	(13,560)	(139,941)	(99,910)
Share-based compensation	37,291	334,339	—
Non-cash rent expense	38,534	22,602	37,105
Impairment charges associated with long-lived assets	2,062	2,076	37,754
(Gain) loss on disposal of property and equipment, net	(99,974)	2,746	(7,130)
Loss on debt extinguishment	—	40,993	—
Write-off of debt discounts and issuance costs	—	28,568	—
Amortization of debt discounts and issuance costs	7,873	9,590	12,033
Changes in operating assets and liabilities	3,372	26,717	37,517
Other	(1,719)	(3,474)	(851)
Net cash provided by (used in) operating activities	<u>200,969</u>	<u>(20,029)</u>	<u>(95,981)</u>
Cash flows from investing activities:			
Capital expenditures	(591,178)	(328,909)	(265,617)
Acquisitions, net of cash acquired	—	(9,529)	(100)
Proceeds from sale-leaseback transactions	351,850	73,981	235,660
Proceeds from the sale of land held for sale	—	—	22,971
Other	(4,214)	(5,462)	971
Net cash used in investing activities	<u>(243,542)</u>	<u>(269,919)</u>	<u>(6,115)</u>
Cash flows from financing activities:			
Proceeds from borrowings	20,084	1,907,577	116,583
Repayments of debt	(25,644)	(2,178,004)	(36,385)
Proceeds from revolving credit facility	805,000	159,000	573,902
Repayments of revolving credit facility	(785,000)	(253,000)	(654,902)
Repayments of finance lease liabilities	(1,404)	(1,514)	(1,343)
Proceeds from financing obligations	21,350	—	—
Proceeds from the issuance of common stock, net of issuance costs	—	701,926	90,000
Proceeds from stock option exercises	3,755	—	—
Increase in debt discounts and issuance costs	(43)	(47,586)	(460)
Other	(1,300)	—	—
Net cash provided by financing activities	<u>36,798</u>	<u>288,399</u>	<u>87,395</u>
Effect of exchange rate on cash and cash equivalents	<u>(353)</u>	<u>(9)</u>	<u>(55)</u>
Decrease in cash and cash equivalents	(6,128)	(1,558)	(14,756)
Cash and cash equivalents – beginning of period	31,637	33,195	47,951
Cash and cash equivalents – end of period	<u>\$ 25,509</u>	<u>\$ 31,637</u>	<u>\$ 33,195</u>

See notes to consolidated financial statements.