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GLASS RATNER
a B. Riley Financial company

GGI Holdings, LLC et al.,

Sale Process Update

Week Ended July 3, 2020

Member of BTG Global Advisory

B | RILEY Financial

Key Dates

June – Potential Bidder Outreach

- June 11th – Bid Procedures Order Entered
- June 15th – Form Sale Order and Form APA to the VDR
- June 22nd – Notice of Proposed Cure Costs to be filed

- July 7th – Initial Sale Objections Due
- July 9th – Bid Deadline
- July 13th – Auction
- July 14th – 24 hours after auction to finalize sale documents and adequate assurance information to be served
- July 15th – Sale Notice to be filed
- July 21st – Final Sale Objections Due
- July 24th – Sale Hearing
- July 31st – Sale Closing

- August 1st – Confirmation Order
- August 6th – Effective Date

June 2020

Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

July 2020

Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

August 2020

Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

Key Upcoming Dates

Process Overview

GlassRatner commenced outreach to potential bidders on June 2, 2020. To date:

- 173 parties have been contacted;
- 168 parties have been sent an NDA and 168 parties have been sent a "teaser";
- 46 parties have signed NDAs;
- 0 NDAs are pending signature subject to legal review;
- 17 parties are active in the Virtual Data Room ("**VDR**");
- 97 parties have declined to date, of which 28 declined after receiving access to the VDR;
- Key reasons for declinations include:
  - Uncertain industry outlook during the pandemic;
  - Size of deal too small;
  - Negative 2020 EBITDA and uncertain cash burn; and
  - Unwilling to top qualifying bid.

Most Active Parties

- Mizuho Securities / THINK Fitness
- Delos Capital / US Fitness
- RSG Group
- Integrity Square / KSL Capital Partners
- Main Street Advisors / Cyrus Capital

Next Steps

- Facilitate diligence requests
- Follow up contacted parties
- Continue targeted outreach

Potential Bidder Outreach Summary

Category	Contacted	Sent Teaser	NDAs		Data Room Access	Declined
			Sent	Executed		
Active Financial Buyers	72	70	72	15	15	
Active Strategic Buyers	4	3	4	2	2	
Financial Buyers Contacted	**166**	**162**	**162**	**43**	**42**	**94**
Strategic Buyers Contacted	**7**	**6**	**6**	**3**	**3**	**3**
Total Contacted Parties	**173**	**168**	**168**	**46**	**45**	**97**

Status	Parties
NDA Signed & Active	▪ Integrity Square / KSL Capital Partners* ▪ Kingswood Capital ▪ LightBay Capital ▪ Main Street Advisors / Cyrus Capital* ▪ MidOcean Partners ▪ Najafi Companies (UNC) ▪ Planet Fitness ▪ Platinum Equity ▪ Prophet Equity ▪ Prospect Hill Growth ▪ RSG Group ▪ Searchlight Capital Partners ▪ Silver Oak Services Partners ▪ Sycamore Partners ▪ THINK Fitness / Mizuho Securities* ▪ US Fitness (Delos Capital) / HRS Management* ▪ Vintage Capital Management

* Integrity Square and KSL Capital Partners are jointly considering this investment opportunity.
* Main Street Advisors and Cyrus Capital are jointly considering this investment opportunity.
*THINK Fitness and Mizuho Securities are jointly considering this investment opportunity.
* US Fitness and HRS Management are jointly considering this investment opportunity.

= Strategic investor

Potential Bidder Outreach Summary

Status	Parties
Contacted, No NDA Signed	▪ A&M Capital Advisors* ▪ Action Capital* ▪ Alaris Royalty* ▪ Altas Partners* ▪ American Securities* ▪ Apollo Global Management* ▪ Ares Management* ▪ Atlanta Equity* ▪ Aurora Management Partners* ▪ Authentic Brands Group* ▪ AV Capital* ▪ Bayside Capital* ▪ Black Diamond Capital Management* ▪ Blue Arc* ▪ Brightwell Investments* ▪ C3 Capital* ▪ Chatham Capital* ▪ Clarion Capital Partners* ▪ Comvest Partners* ▪ Crunch Fitness (New Evolution Ventures)* ▪ Falconhead Capital* ▪ Georgia Oak Partners* ▪ Great Hill Partners* ▪ Halifax Group* ▪ Harbert Management Corporation* ▪ Iconix Brand Management* ▪ JML Financial Partners* ▪ Jordan Company* ▪ Kelso* ▪ Kohlberg & Company* ▪ L Catterton* ▪ Littlejohn & Co* ▪ LNK Partners* ▪ Monomoy Capital Partners* ▪ Morgan Stanley Private Equity* ▪ NRC Realty & Capital Advisors* ▪ Oak Hill Capital Partners* ▪ Olympus Partners* ▪ ONCAP* ▪ Pegasus Capital Advisors* ▪ PSP Partners* ▪ Quilvest Private Equity* ▪ Real Asset Capital* ▪ Riomar Capital* ▪ Rizap* ▪ Rocky Mountain High Brands* ▪ Seidler Equity Partners* ▪ SmartFit* ▪ Snow Phipps Group* ▪ Swank Capital* ▪ Towerbook Capital Partners* ▪ TPG Capital* ▪ TREW Capital Management* ▪ US Strategic Capital* ▪ Viking Financial* ▪ Vulcan Capital* ▪ Warburg Pincus* ▪ Wayzata Investment Partners* ▪ Z Capital Partners*

* Presumptive decline after initial outreach and numerous non-responsive follow up approaches.

= Strategic investor

Potential Bidder Outreach Summary

Status	Parties
Declined	366 Development 507 Capital Acon Investments Advent International AEA Investors Al Ahli Group/Goode Partners Altamont Capital Partners Angelo Gordon Apax Partners Audax Group Avalt Bain Capital Balmoral Funds Beekman Group Blackstreet Capital Black Rock Blackstone Bristol Capital Advisors Carlyle Group** Castanea Partners CCMP Capital Charger Investment Partners Centerbridge Partners CenterOak Partners Centre Partners Clearlake Capital Compass Group Cove Hill Partners CVC Capital Partners Drum Capital EQT Partners Equinox F45 HQ FFL Partners Flexpoint Ford Fremont Group Fortress Investment Group Gauge Capital Gemspring Capital Golden Gate Capital GP Investments Greenbriar Equity Gridiron Capital Gryphon Investors Harvest Partners H.I.G. Capital Highland Capital Partners Highview Capital Invus Group Kilroy Capital LLC Lantern Asset Management Larry North Fitness / Satori Capital Leonard Green Levine Leichtman Lion Capital LKCM Headwater Investments Main Street Capital Marquee Brands Meritage Funds Mistral Equity Partners LLC Monroe Capital New State Capital Partners North Castle Partners Norwest Equity Partners NRD Capital Management Onex Corporation Pacific Avenue Capital Palladium Equity Peak Rock Capital Princeton Equity Prospect Capital Providence Equity Partners Pulse Equity Partners Renovo Capital Riata Capital Group Roark Capital Group Sandton Capital Sentinel Capital Partners Staple Street Sport Life Group Sun Capital Summit Investment Summit Partners Surgis Capital T Boone Pickens Family Office (Chiron Financial) TA Associates Tengram Capital Partners Terramar Capital Thomas H. Lee Partners Transom Capital Group Trive Capital TruFit Athletic Clubs (Celerity Partners) TSG Consumer Partners Wellspring Capital Management West Street Capital Partners (GS) Versa Capital Management York Capital

** Declined asset acquisition opportunity, but is considering providing exit financing for other bidders.

= Strategic investor

Management Presentations

- GlassRatner has facilitated 3 management presentations to date.

No.	Name of Party	Presentation Date
1.	Delos Capital	6/26/20
2.	The Najafi Companies (UNC)	6/26/20
3.	RSG	6/30/20