

RICHTER

ACQUISITION OPPORTUNITY MULTIPLE ONTARIO LOCATIONS OF NATIONAL FITNESS CHAIN



BACKGROUND

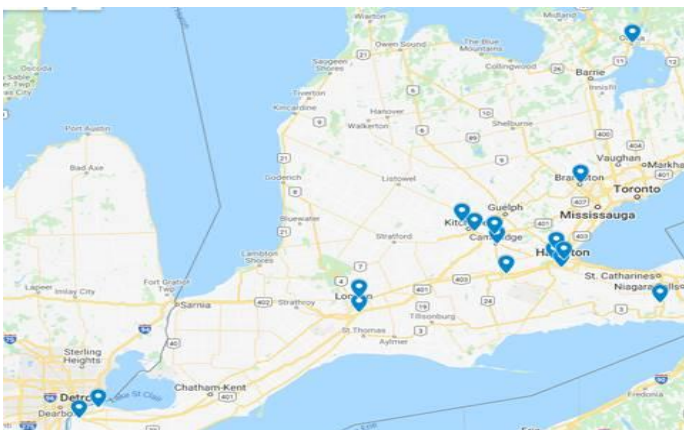
On the 4th day of March, 2021, the Ontario Superior Court of Justice – Commercial List (the "**Court**") issued an order (the "**Order**"), which among other things, appointed Richter Advisory Group Inc. as the monitor (the "**Monitor**") of all of the properties, assets and undertakings (collectively the "**Property**") of 2592931 Ontario Inc., W.G.K. Fitness Inc., 2039675 Ontario Inc., WGWindsor 2 Fitness Inc., WG Brampton Fitness Inc., WGH Fitness Inc., CFC Welland Inc., W.G.C. Fitness Inc., 2014595 Ontario Inc., CFC Brantford Inc. CFC Waterdown Inc., CFC London South Inc., W.G.G. Fitness Inc., WGWindsor Fitness Inc., W.G.W Fitness Inc., WGLondon Fitness Inc., and WG Orillia Inc. (collectively, the "**Companies**").

Pursuant to the Order, the Monitor was authorized, as agent for Bank of Montreal ("**BMO**") to undertake a sale and investment solicitation process (the "**Sales Process**") for the Property.

OVERVIEW OF THE COMPANIES

Crunch Fitness was founded in 1989 and is an internationally recognized and respected fitness chain that currently operates through more than 300 franchised fitness clubs in Canada, the United States, Australia, Cost Rica and Spain. The Companies operate sixteen fitness centers in the province of Ontario under the Crunch Fitness banner (the "**Crunch Gyms**"). Prior to the COVID-19 pandemic, the Crunch Gyms had a combined membership base of approximately 92,000.

Due to the ongoing COVID-19 pandemic, and in compliance with provincially mandated business shut-downs, the Crunch Gyms have, at times, been closed or operating at reduced capacities over the past year, resulting in the Companies' suffering financial difficulties. Notwithstanding the Covid-19 pandemic, the Companies continue to operate where permitted to do so, while adhering to all government orders and regulations. The Companies are well positioned for future profitability and growth.



Corporate Entity	Crunch Gym Location
2014595 Ontario Inc.	West Hamilton
2039675 Ontario Inc.	Hamilton Mountain
CFC Brantford Inc.	Brantford
CFC London South Inc.	London South
CFC Waterdown Inc.	Waterdown
CFC Welland Inc.	Welland
W.G.C. Fitness Inc.	Cambridge
W.G.K. Fitness Inc.	Kitchener
W.G.W. Fitness Inc.	Waterloo
WG Brampton Fitness Inc.	Brampton North
WG Orillia Inc.	Orillia
WGH Fitness Inc.	Hamilton Downtown
WGLondon Fitness Inc.	London North
WGWindsor 2 Fitness Inc.	Lasalle
WGWindsor Fitness Inc.	Windsor
W.G.G. Fitness Inc.	Galt

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CHICAGO

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ACQUISITION HIGHLIGHTS

Potential for Future Growth

The Companies were profitable prior to the onset of the COVID-19 pandemic and appear well placed to return to profitability in the coming years.

Nationally Recognized Brand

Crunch Fitness is a highly visible, well-established and respected brand in the fitness industry that is recognized both throughout Canada and internationally.

Low-Cost Membership Base

The Crunch Gyms are positioned as lower-cost fitness centers which can be attractive to new customers.

Amenities

The Crunch Gyms offer a variety of additional services, including group fitness classes, live on-line video workouts, hydromassage beds, tanning and multi-club access.



SOLICITATION PROCESS

Below is a summary of the key aspects of the Sales Process:

- Interested parties shall be required to execute a non-disclosure agreement (an “**NDA**”) and return it to the Monitor in order to gain access to confidential information maintained in a data room.
- **Parties will be required to submit binding offers to the Monitor by 5 p.m. EST on April 8, 2021 (the “Bid Deadline”).**
- To be considered by the Monitor, binding offers are to be on an “as is, where is” basis and shall remain open for acceptance for a period of at least ten business days from the Bid Deadline.
- The acceptability of any offer received is to be determined by the Monitor in consultation with BMO.
- If no satisfactory offers are received by the Bid Deadline, the Monitor will consider whether to continue the Sales Process.
- The Sales Process contemplates that the Monitor is not required to accept the highest, best or any offer.
- The Monitor has the right at any time to alter, vary or terminate the Sales Process, to decline an interested party the ability to participate in the Sales Process, to terminate discussions with any or all interested parties, to reject any or all offers, or to negotiate with any party with respect to a possible transaction.

If you would like to execute an NDA, or further discuss this opportunity or the Sales Process, please direct your enquiries to:

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