

PRESS RELEASE
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BaltCap's portfolio company Impuls acquires Arctic Sport clubs in Estonia



BaltCap is the leading independent private equity firm focusing on small and midmarket buyout and expansion capital investments in the Baltic States.

BaltCap has strong presence in all three Baltic countries with local offices and experienced team of 16 professionals.

Since 1995, BaltCap has been managing private equity and venture capital funds with total capital of over EUR 260 million and has made more than 60 investments.

BaltCap is a member of Invest Europe (www.investeurope.eu), Estonian Private Equity and Venture Capital Association (www.estvca.ee), Latvian Venture Capital Association (www.lvca.lv) and Lithuanian Venture Capital Association (www.vca.lt).

BaltCap is a signatory of the United Nations Principles for Responsible Investment (UNPRI) since 2008.

Impuls LTU, the operator of Lithuania's biggest fitness chain Impuls, is to acquire Estonia's Arctic Sport Clubs creating the first pan-Baltic fitness centre operator in this region. The company signed a share purchase agreement with the Estonian chain operator on Wednesday. Sales of Arctic Sport Clubs are expected to reach EUR 2.3 million in 2015.

Impuls LTU and Arctic Sport Clubs announced that Impuls LTU will acquire all of the outstanding shares of the company that owns the Arctic Sport Club chain. The acquisition will be financed by Nordea Bank and BaltCap Lithuania SME Fund and is anticipated to be completed by 2015 year end. It is currently pending the approval of the Estonian Competition Authority.

"We spent significant time planning and coordinating the acquisition of Arctic Sport Club, one of the leading industry players in Estonia. The Arctic Sport Club chain complements well the Impuls Group's focus on delivering best experience to clients – the company's fitness centres offer a complete range of high-quality fitness services, and feature the latest fitness equipment and swimming pools. Arctic Sport Club will remain under the leadership of its current management team. This is because Impuls LTU highly values the achievements of the members of this team and intends to continue the company's development in Estonia with their help," said Impuls CEO Vidmantas Šiugždinis.

After the opening of Lemon Gym fitness club in Riga in January 2016, Impuls LTU will become the first fitness centre operator present in all three Baltic states. The Group plans to pursue growth in the Baltics through its premium-brand Impuls and low-price Lemon Gym chains.

Arctic Sport Club owns two 2,500 sq m fitness centres in Tallinn and Tartu. Both centres offer a variety of fitness services including full-service gyms, fitness classes and personal training, and feature 25m swimming pools. The fitness centres employ a total of 89 staff members. The company has more than 4,000 regular members, rising Impuls Group's total membership close to 30,000 following the acquisition.

"We are glad to have reached the agreement with Impuls LTU, which manages one of the strongest fitness chains in the Baltic states. We believe that a new shareholder will provide us with a new impulse to grow and expand. On our part, we commit to maintaining the highest-quality fitness centres possible," said Arctic Sport Club shareholder and CEO Rein Reitalu.

After the acquisition, Impuls Group will own five companies across all three Baltic states. Projected sales of Impuls LTU in 2015 are EUR 11 million. The main shareholder of Impuls LTU is BaltCap Lithuania SME Fund.

Lithuania SME Fund is 20 million EUR growth capital fund organized as part of the JEREMIE initiative in Lithuania managed by the EIF and financed from the EU Structural Funds under 2007-2013 Economic Growth Operational Programme.

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