

# Acquisition Opportunity: Family Fitness Inc.

Local, high-end, family-owned fitness facilities in Regina, Saskatchewan

Winter 2020



EVOLUTION  
FITNESS

Bid Deadline: January 8, 2021



# Acquisition Opportunity

## Company Background

Family Fitness Inc. (“FFI” or the “**Company**”) is a family owned, Regina based business that operates gym and fitness facilities under its operating name “Evolution Fitness”.

The Company operates three Evolution Fitness facilities, which include gyms at the following locations in Regina:

- 2121 East Quance Street
- 358 McCarthy Blvd North
- 3615 Pasqua Street South

All locations provide a range of fitness activities including weight training, individual personal training sessions, group exercise classes, and kids club through a variety of memberships and daily drop in options.

Due to government mandated shutdowns resulting in the complete closure of all three facilities in the first half of 2020, the company encountered financial challenges that resulted in Receivership Proceedings on October 13, 2020.

Notwithstanding the COVID 19 pandemic, the Company continues to operate with its strong reputation and dedicated membership base, while adhering to all governmental orders and regulations. FFI has superior facilities that position the company for profitability and growth in the future.

## Court Process

On October 13, 2020, the Court of Queen’s Bench For Saskatchewan (the “**Court**”) granted an order (the “**Receivership Order**”) appointing Alvarez & Marsal Canada Inc., as the court-appointed receiver (the “**Receiver**”) of Family Fitness Inc.

On November 23, 2020, the Court granted a sales and investment solicitation process order (“**SISP Order**”) allowing the Receiver to solicit proposals from qualified interested parties on the business and/or assets of FFI.

Under this sales process, the Court has approved a “Stalking Horse Bid”, which will result in FFI under new ownership. The SISP Order allows the Receiver to solicit further offers that may be superior to the “Stalking Horse Bid”, subject to certain adjustments as per the Asset Purchase Agreement, by the Bid Deadline (January 8, 2021). Should there not be any superior offer to the “Stalking Horse Bid”, the Receiver will proceed to Court to seek final approval to accept the Stalking Horse Bid and close the transaction.

## Acquisition Highlights



### Local Brand

- Evolution Fitness is recognized as the premier local gym chain in Regina, with a dedicated membership base over 7000 members spread across three locations.
- Evolution fitness is an established and respected local business, that is well involved in the Regina community with yearly fundraising initiatives.



### Location

- The three Evolution Fitness gym facilities that are operated by Family Fitness are well situated in highly visible and convenient locations across Regina.
- Each location is well established and has been operating as a gym for more than five years.



### Facilities

- The three Evolution Fitness facilities collectively offer more than 80,000 square feet of space for fitness operations, with approximately 500 pieces of equipment spread among the facilities, including 240 pieces of cardio equipment which are mainly new.
- All three facilities offer large open fitness areas, spacious change rooms, utility spaces to conduct workout classes, and offices for employees.



### Amenities

- All fitness facilities offer a variety of additional services to enable the best experience for members. Amenities across the three gyms include kids club, hydromassage beds, tanning booths, and percussive therapy devices.



EVOLUTION  
FITNESS



# Location Details

## Location Details

### North Gym

**Address:** 358 McCarthy Blvd North

**Facility Size:** 20,000 square feet

### South Gym

**Address:** 2615 Pasqua Street South

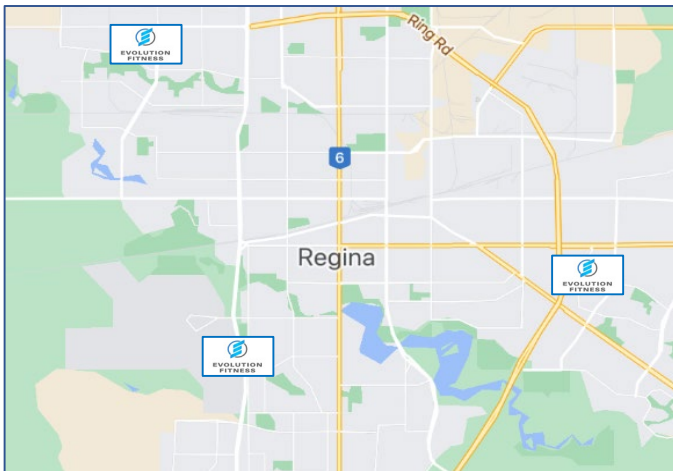
**Facility Size:** 36,400 square feet

### East Gym

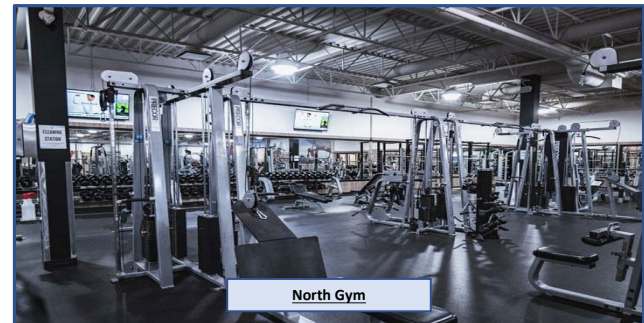
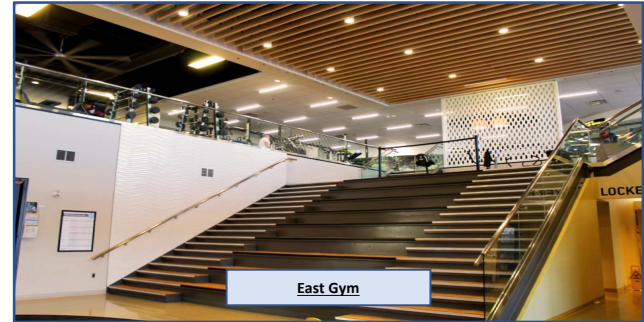
**Address:** 2121 Quance Street East

**Facility Size:** 30,300 square feet

## Location Map



## Location Photos



**EVOLUTION  
FITNESS**





# Additional Information

## Next Steps

The Receiver is conducting the SISP in accordance with the procedures included in the SISP Order posted on the Receiver's website:

[www.alvarezandmarsal.com/familyfitness](http://www.alvarezandmarsal.com/familyfitness).

Per the SISP, a qualified bidder must deliver a Definitive Sale Agreement to the Receiver by:

- **Bid Deadline:** 12:00pm MT on **January 8<sup>th</sup>, 2021**
- **Purchase Price:** Must be superior to the Stalking Horse Bid plus the "break fee".
- **Auction Date** (if applicable): January 12th, 2021 at 9:00am MT.
  - If the Receiver determines that one or more qualified bids are received, the Receiver will notify all qualified bidders by 5:00pm MT on January 9th, 2021 that they are entitled to participate in an auction.
  - The auction contemplates a minimum incremental bid of \$25,000.

A full copy of the Stalking Horse Bid is available for review on the Receiver's website.

Family Fitness Inc. and/or its assets are being offered on an "**as is where is**" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Receiver whatsoever.

Interested parties who wish to pursue a potential acquisition are required to execute a Confidentiality Agreement, which accompanies this teaser, to receive access to additional information. Please contact a representative of the Receiver listed below for further information.

A&M reserves the right at any time to amend or terminate these sale procedures, to decline an interested party the ability to participate in the 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.

**Alvarez & Marsal**  
Bow Valley Square 4  
Suite 1100, 250 6th Ave SW  
Calgary, Alberta T2P 3H7

**Stephen Oosterbaan**  
Analyst  
Calgary  
403.538.7555  
[soosterbaan@alvarezandmarsal.com](mailto:soosterbaan@alvarezandmarsal.com)

**Jill Strueby**  
Director  
Calgary  
403.538.7529  
[jstrueby@alvarezandmarsal.com](mailto:jstrueby@alvarezandmarsal.com)

**Cassie Riglin**  
Senior Vice President  
Calgary  
403.538.7519  
[criglin@alvarezandmarsal.com](mailto:criglin@alvarezandmarsal.com)

**Orest Konowalchuk**  
Senior Vice President  
Calgary  
403.538.4736  
[okonowalchuk@alvarezandmarsal.com](mailto:okonowalchuk@alvarezandmarsal.com)

