UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One) ☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 001-40887

Life Time Group Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**47-3481985**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2902 Corporate Place

Chanhassen, Minnesota 55317

(952) 947-0000

(Address of principal executive offices, including zip code and Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common stock, par value $0.01 per share	LTH	The New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of June 30, 2023, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was approximately $722.0 million (based upon the closing sale price of the common stock on that date on the NYSE).

As of February 26, 2024, the registrant had 196,705,443 shares of common stock outstanding, par value $0.01 per share.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the Annual Meeting of Stockholders to be held on April 26, 2024, are incorporated by reference into Part III, Items 10-14 of this Annual Report on Form 10-K. The Proxy Statement will be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

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Cautionary Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K (this “Annual Report”) includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), which are subject to the “safe harbor” created by those sections. Forward-looking statements include all statements that are not historical facts, including statements reflecting our current views with respect to, among other things, our plans, strategies and prospects, both business and financial, including our financial outlook and cash flow, possible or assumed future actions, opportunities for growth and margin expansion, improvements to our balance sheet and leverage, capital expenditures, consumer demand, industry and economic trends, business strategies, events or results of operations. These forward-looking statements are included throughout this Annual Report, including in the sections entitled “Business,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Risk Factors.” These statements may be preceded by, followed by or otherwise include the words “believes,” “assumes,” “expects,” “anticipates,” “intends,” “continues,” “projects,” “predicts,” “estimates,” “plans,” “potential,” “may increase,” “may result,” “will result,” “may fluctuate,” and similar expressions or future or conditional verbs such as “will,” “should,” “would,” “foreseeable,” “may,” and “could” as well as the negative version of these words or similar terms and phrases. In addition, any statements or information that refer to expectations, beliefs, plans, projections, objectives, performance or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking.

The forward-looking statements contained in this Annual Report are based on management’s current beliefs and assumptions and are not guarantees of future performance. The forward-looking statements are subject to various risks, uncertainties, assumptions or changes in circumstances that are difficult to predict or quantify. Actual results may differ materially from these expectations due to numerous factors, many of which are beyond our control, including risks relating to our business operations and competitive and economic environment, risks relating to our brand, risks relating to the growth of our business, risks relating to our technological operations, risks relating to our capital structure and lease obligations, risks relating to our human capital, risks relating to legal compliance and risk management and risks relating to ownership of our common stock and as detailed under the section entitled “Risk Factors” in this Annual Report, as such risk factors may be updated from time to time in our periodic filings with the Securities and Exchange Commission, or SEC, and are accessible on the SEC’s website at www.sec.gov. Since it is not possible to foresee all such factors, these factors should not be considered as complete or exhaustive. Consequently, we caution investors not to place undue reliance on any forward-looking statements, as no forward-looking statement can be guaranteed, and actual results may vary materially.

Any forward-looking statements made by us in this Annual Report speak only as of the date of this Annual Report and are expressly qualified in their entirety by the cautionary statements included in this Annual Report. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, investments or other strategic transactions we may make. Except as required by law, we do not have any obligation to update or revise, or to publicly announce any update or revision to, any of the forward-looking statements, whether as a result of new information, future events or otherwise.

PART I

Item 1. BUSINESS

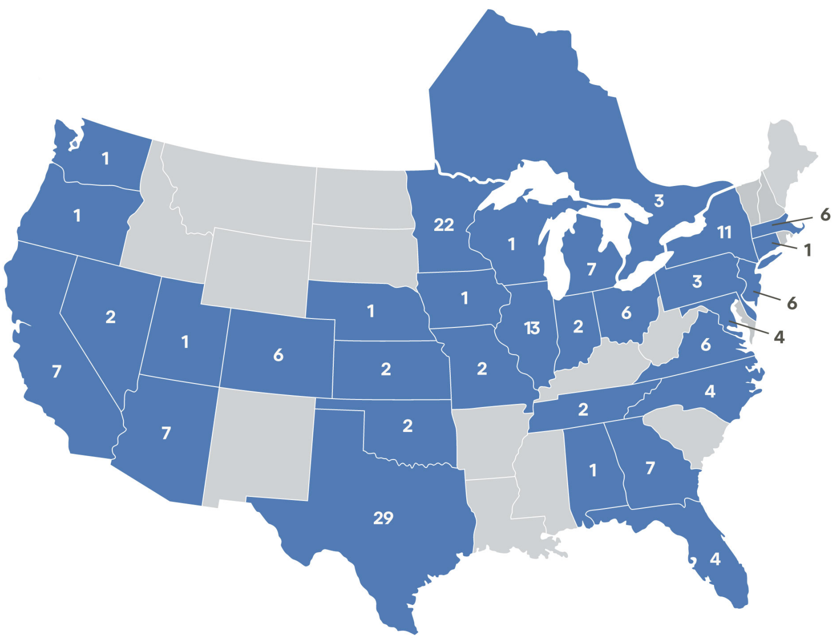
Life Time Group Holdings, Inc. (collectively with its direct and indirect subsidiaries, "Life Time," "we," "our," "us," or the "Company") is a holding company incorporated in the state of Delaware. Life Time Group Holdings, Inc. completed its initial public offering ("IPO") in October 2021 and its common stock trades on the New York Stock Exchange ("NYSE") under the symbol "LTH." For more information on the IPO, see Note 1, Nature of Business and Basis of Presentation—Initial Public Offering, to our consolidated financial statements included in Part II, Item 8 of this Annual Report.

Who We Are

Life Time, the "Healthy Way of Life Company," is a leading lifestyle brand offering premium health, fitness and wellness experiences to a community of nearly 1.5 million individual members, who together comprise nearly 815,000 memberships, as of December 31, 2023. Since our founding over 30 years ago, we have sought to continuously innovate ways for our members to lead healthy and happy lives by offering them the best places, programs and performers. We believe that consumers equate our brand with the uncompromising quality, luxury and "Healthy Way of Life" experiences that Life Time offers. We have built this reputation and robust brand equity through our continuous focus on delivering high-quality experiences through our omni-channel physical and digital ecosystem that includes more than 170 centers—distinctive, resort-like athletic country club destinations—across 31 states in the United States and one province in Canada. Our brand loyalty and track record of providing differentiated experiences to our members has fueled our strong, long-term financial performance.

Our luxurious athletic country clubs total approximately 17 million square feet in the aggregate. Our centers are located in affluent suburban and urban locations and include ground-up suburban builds, mall or retail locations, vertical residential and urban locations. Depending on the size and location of a center, we offer expansive fitness floors with top-of-the-line equipment, spacious locker rooms, group fitness studios, indoor and outdoor pools and bistros, indoor and outdoor tennis courts, pickleball courts, basketball courts, LifeSpa, LifeCafe and our childcare and Kids Academy learning spaces. Our premium service offerings are delivered by over 37,000 Life Time team members, including over 9,800 certified fitness professionals, ranging from personal trainers to studio performers.

Our footprint of athletic country clubs as of December 31, 2023:



Coming out of the COVID-19 pandemic, we believe that we have built an even healthier and stronger business. Our initial focus on center recovery produced strong results in member engagement and increasing memberships, visits and Center revenue. We were then able to focus on expanding margins by optimizing our average revenue per center membership and significantly improving the efficiency of our club operations and corporate office. We have also benefited from the greater flow through of our increased revenue and from new members joining at higher membership dues rates. In 2023, we achieved a 3.4% net income margin and a 24.2% Adjusted EBITDA margin, both of which exceeded the 1.6% net income margin and 23.0% Adjusted EBITDA margin in 2019 before the pandemic.

Our Membership Offering

We define a membership in two ways: Center memberships and Digital On-hold memberships. As of December 31, 2023, we had 814,936 total memberships, comprised of 763,216 Center memberships and 51,720 Digital On-hold memberships.

Center Memberships. A center membership provides general access to one or more of our centers. We offer a variety of convenient month-to-month Center memberships with no long-term contracts. Each Center membership is defined as one or more adults, plus any children under the age of 14.

- *Base Memberships.* We offer base memberships that provide general access (with some amenities excluded) to a selected home center and all centers with the same or lower base monthly dues rate. Our optimized pricing for a Center membership is determined center-by-center based on a variety of factors, including geography, market presence, demographic nature, population density, competition, initial investment in the center and available services and amenities.
    - Our standard multi-center access memberships include general access to our centers, including the locker rooms (with locker and towel service), fitness floor, child center and other benefits such as the Life Time app.
    - In 2021, we launched our signature membership. Signature multi-center access memberships provide the benefits of a standard membership along with certain products, services or spaces that would otherwise be accessible only upon payment of additional dues or fees, such as small group training and court time for certain racquet sports at certain centers. As a result, some revenue that was historically reported as in-center revenue is now reported as membership dues revenue. Certain of our centers are accessible only with a signature membership.
- *Junior Memberships.* We offer junior memberships (as an add-on to a base membership) that provide one or more children 13 years of age or younger access to the child center, pools and gymnasiums at designated times, drop-off events and Kids Academy, which includes more in-depth programming focused on activity, learning and fitness. Junior memberships currently cost $20 to $100 per month depending upon the center. We do not count junior memberships as incremental in our membership count since they are already part of the Center membership.
- *Other Memberships and Products*. We offer several other recurring memberships and access-related products at select centers, including a pool pass that provides access to the outdoor pool area at select centers. We also offer base memberships that can be purchased at a reduced rate in partnership with certain medical insurance providers. We refer to these memberships as qualified memberships and recognize the membership dues and related revenue if the member visits a center within a given month. Beginning in 2024, qualified memberships associated with a Medicare insurance plan have access to centers during limited hours, which helps to optimize center usage by shifting their visits to non-peak hours.

Digital On-hold Memberships. We offer Digital On-hold memberships for members who do not currently wish to access our centers, but still want to maintain certain member benefits, including our Life Time Digital membership and the right to convert back to a Center membership without paying an enrollment fee. The majority of our Digital On-hold memberships cost $15 per month.

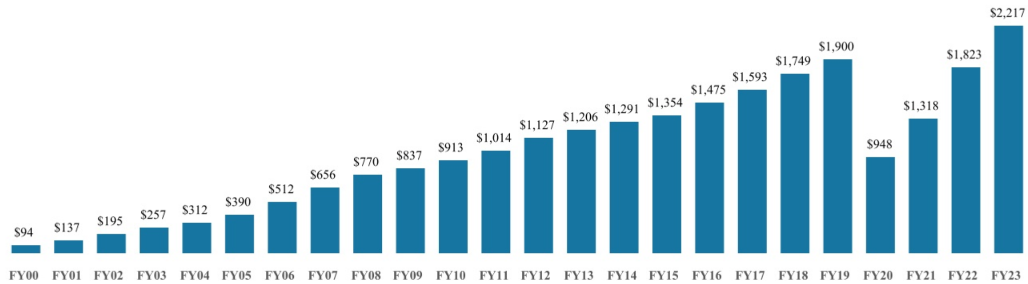
We also have Life Time Digital memberships for direct-to-consumer memberships that do not provide access to our centers and do not convert back to a Center membership. Life Time Digital features include live streaming fitness classes, remote goal-based personal training, nutrition and weight loss support, and curated award-winning health, fitness and wellness content. Currently, our digital membership is included with both our Center and Digital On-hold memberships at no additional charge or it can be purchased separately as a digital-only membership. We currently report our Digital memberships within our Digital On-hold membership totals.

As we continue to invest in our technology, including the Life Time app and artificial intelligence, we believe our members will be able to further utilize and benefit from our "Healthy Way of Life" ecosystem.

Our Recurring Revenue Model

Membership dues create a recurring and relatively predictable revenue stream that has proven to be resilient for over 30 years and across economic cycles. Membership dues and enrollment fees provide our largest source of revenue, representing over 70% of our total Center revenue. We believe this recurring revenue stream, the strength of our brand and the effective execution of our operating strategy have driven our long-term track record of growth. Except in 2020 due to the impact of COVID-19, we have grown our revenue each year since 2000 and we had our highest ever amount of revenue in 2023, as shown below.

Revenue ($ in millions)



Our Engaged Members

The power of our lifestyle brand, attractive member demographics, breadth of amenities and services and high utilization of our centers allow us to build deeply meaningful connections with our members, which are difficult for others in our industry to replicate fully. Additionally, we support our existing and prospective members through a concierge service model that keeps our members' interests first. Our shift from a sales-driven culture to delivering a concierge-type experience to our members is enhancing how we interact with prospective and existing members.

Our members are highly engaged and draw inspiration from the experiences and community we have created. The value our members place on our community is reflected in the continued strength and growth of our average revenue per center membership, center usage and the visits per membership to our athletic country clubs. Our average revenue per center membership increased to $2,810 in 2023 compared to $2,528 and $2,098 in 2022 and 2021, respectively. We had 135 average visits per membership to our centers in 2023 compared to 124 and 113 in 2022 and 2021, respectively. We believe that no other company in the United States delivers the same quality and breadth of health, fitness and wellness experiences that we deliver, which has enabled us to consistently grow our annual membership dues and in-center revenue.

Our member engagement is driven by the vast array of amenities, services and activities that enable an entire family to grow and develop, regardless of where they are in their health and wellness journey. We have something for every generation, from young children attending our swim lessons, parent-child dances, pool parties and Kids Academy classes, teenagers engaged in our sports and agility training, adults engaged in our Dynamic Personal Training and small group training and more senior adults engaged in our ARORA community, to members of all ages participating in pickleball, our iconic athletic events and a variety of our other in-center activities. The table below displays this wide assortment:

Amenities	Services	Activities and Events
Indoor and Outdoor Pools	Dynamic Personal Training	Athletic Leagues and Tournaments
Group Fitness Studios	Dynamic Stretch	Kids' Birthday Parties
Cycle Studios	Small Group Training	Summer and Vacation Camps for Kids
Yoga & Pilates Studios	ARORA	Sports Training Camps
Indoor and Outdoor Tennis Courts	MIORA	Athletic Events
Pickleball Courts	Weight Loss Coaching	Social Events
LifeCafe with Poolside Service	Nutrition Coaching	Outdoor Group Runs
Bar and Lounge	LifeSpa and Medi-spa	Outdoor Group Cycle Rides
Free Weight and Resistance Equipment	Physical Therapy and Chiropractic	Swim Meets
Cardiovascular Equipment	Assessments and Lab Testing	Charity Events
Steam Room and Sauna	Sport Specific Coaching	
Racquetball and Squash Spaces	Endurance Coaching	
Locker Rooms	Swim Lessons and Team Coaching	
Child Center and Kids Academy	Towel and Locker Service	
Basketball/Volleyball Courts		

During 2023, we also organized approximately 27,800 events and served as a social and community hub for our members.

Our member base is primarily made up of members in affluent suburban and urban locations. We believe our membership base has a discretionary spending level that, on average, is less susceptible to adverse economic conditions. As of December 31, 2023, our members had a median household income of $145,000, 80% owned a home and approximately 58% of our members are part of a couples or family membership, and these members typically engage more fully within our centers. Approximately 59% of our members had at least a college education. Additionally, our gender mix is balanced and approximately 46% of our members are under 35 years of age and approximately 79% are under 55 years of age.

Our Growth Strategies and Member Experience Initiatives

We have built a strong foundation with an engaged membership base in pursuit of a healthy way of living. We continue to build on that foundation by executing several strategies and initiatives to grow our business, further engage our members, optimize our memberships and increase revenue per center membership. We are elevating our member experiences through new and improved in-center service offerings and omni-channel offerings. We are also expanding the number of our centers in an asset-light model that targets higher income members, higher average annual revenue per center membership and higher returns on invested capital.

Expand and Elevate In-Center Service Offerings

We continue to evolve our premium lifestyle brand in ways that elevate and broaden our member experiences and allow our members to integrate health, fitness and wellness into their lives with greater ease and frequency.

The following strategic initiatives, which we began to invest more into in 2022, are driving significant increases in unique participants or total sessions in these areas:

- Pickleball. We now have over 500 permanent pickleball courts. Over the last two years, we saw an 841% increase in unique participants in pickleball. We believe pickleball is driving both new memberships and member engagement.
- Dynamic Personal Training. During 2023, we averaged 160,000 dynamic personal training sessions per month, resulting in a 26% increase in total sessions over the last two years. We also launched Dynamic Stretch in the third quarter of 2023. We believe this service can increase our member engagement and drive incremental revenue.
- Small Group Training. During 2023, we averaged 30,000 small group training sessions per month and experienced a 277% increase in unique participants over the last two years. Our small group training includes Alpha, GTX and Ultra Fit.
- ARORA. Our ARORA community is focused on members aged 55 years and older. We averaged over 7,000 classes per month in 2023 and saw a 344% increase in unique participants over the last two years. We believe we have opportunities to further grow our offerings to this community as the U.S. population continues to age.

We believe we also have opportunities to enhance our offerings within our LifeCafe and LifeSpa during 2024. We have also launched a pilot location for our new MIORA service offering, which offers health optimization and longevity services, including comprehensive assessments, proprietary therapies, unique supplements and recovery and rejuvenation tools.

Optimize Revenue per Center Membership

Historically, we focused on a higher membership, lower usage business model. Approximately a decade ago and coming out of the great recession, we began to shift our model by delivering the highest quality member experiences. Coming out of the COVID-19 pandemic, we continued to elevate and expand our member experiences with a focus on our engaged members while optimizing membership levels and increasing membership dues in our centers. We believe that the pricing actions we have taken to better reflect our premier brand and offering has resulted in higher revenue and better member experiences. We expect to continually refine our strategy to strike the right balance between the number of members at any given center with the membership dues for that center.

We have grown our average revenue per center membership to $2,810 in 2023, up from $2,098 in 2021 and $2,528 in 2022. We believe our average revenue per center membership will continue to grow as our new centers ramp to expected performance, we open new centers in desirable locations across the country and we continue to execute on our strategic initiatives discussed above. Our new centers on average have taken three to four years to ramp to expected performance. As of December 31, 2023, we had 27 centers open for less than three years. We believe the combined dynamic of our ramping new centers plus the capital expenditures already invested in our centers under construction creates a strong tailwind for the continued growth of our revenue.

Expand National Footprint in Affluent Metropolitan Statistical Areas

Our diversified portfolio of over 170 resort-like athletic country club destinations are primarily located in affluent markets across 31 states and one Canadian province. Our new center expansion initiatives are focused on strategic locations in increasingly affluent markets with higher income members that will generate higher average dues, higher in-center revenue per membership and higher revenue per square foot. We believe we have significant whitespace opportunity for our premium athletic country clubs across the United States and Canada, as well as internationally. Since 2015, we have introduced more strategic and flexible center formats that can be modified to accommodate various settings, including ground-up suburban builds, mall or retail locations, vertical residential and urban locations. The strength of our brand paired with this flexibility has allowed us to expand our footprint on the East and West coasts, and increased our presence in premium urban and coastal areas such as Boston, Chicago, New York City, Florida and California.

We have developed a disciplined and sophisticated process to evaluate markets and specific sites in those markets where we may want to build, lease or acquire new centers. This dynamic process is based upon demographic, psychographic and competitive criteria generated from profiles of our most successful centers, and we continue to refine these criteria based upon the performance of our centers. We believe that the presence of a Life Time center benefits landlords and property developers and the value of the underlying property and surrounding neighborhoods. We seek to leverage this halo effect of our brand, as well as long-term relationships with landlords and property developers, to achieve favorable lease or development agreements and increased construction reimbursements to support our asset-light expansion.

We opened 11, 10 and six new centers in 2023, 2022 and 2021, respectively, and have plans to open nine to 10 new centers in 2024.

Asset-light, Flexible Real Estate Strategy

We are expanding the number of our centers using an asset-light model that targets acquisitions of existing facilities at below market value that we are able to open more quickly, taking over leases with tenant improvement contributions from landlords, adapting existing retail or office space with tenant improvement contributions, and through ground-up suburban builds with sale-leaseback proceeds. This asset-light strategy is expected to help us achieve our objective to be cash flow positive after all capital expenditures starting in the second quarter of 2024 while maintaining a robust pipeline of new centers.

Approximately 66% of our centers are now leased, including approximately 88% of our new centers opened since 2015, versus a predominantly owned real estate strategy prior to 2015. Our focus on an asset-light real estate strategy has enabled us to develop a business model that targets a new center return on invested capital, after sale-leaseback proceeds or construction reimbursements, in the mid-to-upper 30% range, which is more than double historical trends before implementing this strategy. This strategy has also allowed us to grow the number of centers in a more cost-effective manner and to enter attractive urban and coastal markets with premium centers where the price of real estate had historically been a deterrent to entry.

We also benefit from our in-house architecture, design and construction expertise that allows us to create operationally efficient centers and a consistent feel across our centers. This internal expertise has also helped us control the cost and pace of capital expenditures, including in determining when to begin construction on a new location after we have purchased the land as we balance the timing of our growth with any inflationary, labor or supply pressures.

We have acquired, and expect to continue to acquire, centers as well as events and services that complement our offerings. Our acquisitions can be single assets or portfolios of assets. We take a disciplined approach to sourcing, acquiring and integrating high quality assets and/or locations and complementary businesses that can help us continue to expand into new geographic areas, acquire key talent and offer new services and experiences. Our post-acquisition integration process often involves significant investments in both the acquired physical assets and human capital to improve each acquired site and to rebrand the look and feel of the center to create the Life Time brand experience for our members.

Expanded Omni-Channel Offerings

We believe the importance of health, fitness and wellness coupled with the structural shift of consumer preferences toward experiential and proactive health and wellness spending creates new opportunities for us to leverage our "Healthy Way of Life" lifestyle brand. We expect to leverage our brand reputation and deep understanding of the member experience to add a growing portfolio of products and services to our omni-channel platform.

We continue to invest in our technology, including in the Life Time app and artificial intelligence, which we believe will enable our members to further utilize our "Healthy Way of Life" ecosystem. Our omni-channel experience currently includes live streaming fitness classes, remote goal-based personal training, nutrition and weight loss support and curated award-winning health, fitness and wellness content. In addition, we are improving our e-commerce platform that includes the purchase of a wide variety of equipment, wearables, apparel, beauty products and nutritional supplements.

We also continue to expand our "Healthy Way of Life" ecosystem in response to the desire of our members to holistically integrate health and wellness into every aspect of their daily lives. In 2018, we launched Life Time Work, an asset-light branded co-working model that offers premium work spaces in close proximity to our athletic country clubs and integrates ergonomic furnishings and promotes a healthy working environment. Life Time Work members also have the ability to receive access to all of our resort-like athletic country club destinations across the United States and Canada. Additionally, our Life Time Living locations offer luxury wellness-oriented residences, also in close proximity to one of our athletic country clubs. As of December 31, 2023, we had 14 Life Time Work and four Life Time Living locations open and operating. Our Life Time Living offering is generating interest from new property developers and presenting opportunities for new center development that were not previously available to us While we are in the early stages of capitalizing on this opportunity, we believe integrating how and where consumers live, work, move and play is a promising opportunity that Life Time is uniquely positioned to capture. As we expand our footprint with new centers and nearby work and living spaces, as well as strengthen our digital capabilities, we expect to continue to grow our omni-channel platform to support the "Healthy Way of Life" journey of our members wherever they are in the United States and Canada.

Impact of COVID-19 on Our Financial Performance

In March 2020, the World Health Organization declared the outbreak of COVID-19 as a pandemic, the United States declared a National Public Health Emergency and we closed all of our centers based on orders and advisories from federal, state and local governmental authorities regarding COVID-19. Throughout this Annual Report, including in this "Business" section and the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" when we refer to "COVID-19" or "the pandemic," such as when we describe the "impact of COVID-19" on our operations, we mean the coronavirus-related orders issued by governmental authorities affecting our operations and/or the presence of coronavirus in our centers, including COVID-19 positive members or team members.

We re-opened our first center on May 8, 2020, and continued to re-open our centers as state and local governmental authorities permitted, subject to operating processes and protocols that we developed in consultation with an epidemiologist (MD/PhD) to provide a healthy and clean environment for our members and team members and to meet various governmental requirements and restrictions. Our centers were also impacted in 2021 as a result of the Delta variant and then again later in 2021 and into 2022 with the Omicron variant. The performance of our centers has improved significantly as our centers have ramped back from the adverse impacts of COVID-19.

Human Capital

Our unwavering commitment to excellence and a "Healthy Way of Life" culture is driven by our passionate team members and strong leadership team that includes Bahram Akradi, our founder, Chairman and Chief Executive Officer. Life Time was founded by Mr. Akradi in 1992 to help people achieve their health, fitness and wellness goals by delivering entertaining, educational and innovative experiences with uncompromising quality and unparalleled service. Since our founding, we have believed that creating and sustaining a trusted community requires a high level of passion and commitment from our team. We therefore recruit, hire and certify those whom we believe are the best professionals in the industry to empower, educate and entertain our members. In addition, to enhance our member experiences and drive consistency in our hospitality and services, we have a strong focus on team member culture, training and certification. We value diversity, equity and inclusion and strive to create a welcoming and inclusive culture. Our focus on engagement among team members attracts and fosters our multi-generational member base.

By building a strong team, Life Time has continued to grow and consistently deliver exceptional experiences and strong financial results. As of December 31, 2023, we employed over 37,000 Life Time team members, including over 28,000 part-time employees and over 9,800 certified fitness professionals, ranging from personal trainers to studio performers. On average, our centers are generally staffed with approximately 200 to 240 full-time and part-time employees depending on center activity levels.

Our team members are at the heart of our Company. We have an entrepreneurial spirit that we believe makes us highly adaptable, reflects an ownership mentality and allows us to navigate shifts in the health, fitness and wellness landscape. Our team members are dedicated to providing the best programs and experiences in the best facilities, and we know this happens by hiring and inspiring the best people. By consistently delivering extraordinary experiences, we have built a highly trusted, premium lifestyle brand that embraces all aspects of healthy living, healthy aging and healthy entertainment. We call this collective approach and lens to physical, mental and social well-being "Healthy Way of Life" ("HWOL").

To build our HWOL brand, we aim to recruit, train, promote and empower team members through our culture of care and such initiatives as the Life Time Inclusion Council and Life Time University discussed below. Our culture of care encourages our team members to exemplify HWOL in their personal and professional lives. We believe in supporting our team members throughout their journey from casting, onboarding, training, certification, career-path planning and employee resource or affinity groups. We also offer numerous supportive programs, including education, training and surveys.

Inclusion at Life Time

At Life Time, we are committed to inspiring healthy, happy lives for everyone in our communities. We aspire to create healthy environments and workspaces that recognize, empower and celebrate the unique talents, backgrounds and perspectives of individuals so team members feel welcomed, respected, supported and valued. We believe inclusion is at the heart of our team members' and members' sense of belonging, and so our diversity, equity and inclusion ("DEI") efforts are focused on making Life Time "A Place for Everyone."

To help create "A Place for Everyone" at Life Time, we created the Life Time Inclusion Council, which is comprised of a small group of core team members, along with a larger group of ambassadors representing each of our club locations and many corporate divisions. Our inclusion council works through committees to identify and incubate areas for enhancing DEI within our organization. Among other initiatives, Life Time has supported mentoring, coaching, engagement forums and inclusive leadership feedback and learning.

Development and Training

Our recruiting and talent acquisition teams seek diverse and highly skilled team members who promote a friendly and inviting environment and uphold consistency in performance and excellence in hospitality. Through this casting, we select team members whom we believe are the best fitness professionals in the industry to empower, educate and entertain our members. Additionally, all center team members are required to participate in a training and certification program that is specifically designed for their role and in education that promotes health and safety and reinforces our non-discrimination and anti-harassment policies. We also provide comprehensive training through our Life Time Education platform that is comprised of both an externally licensed school branded as Life Time Academy ("LTA") and an internal team member education and certification division that we call Life Time University ("LTU"). LTA offers a certification for entry-level professionals to prepare for a career with Life Time or within the health, fitness and wellness industry. LTU delivers certification, learning, education and development opportunities for all team members. Life Time Education supports the culture of Life Time through programs in service, inclusion and diversity and personal and professional growth. Team members also receive ongoing mentoring and continuing education, and we require an annual re-certification before any team member is permitted to work or to advance to other positions within our Company.

Our personal trainers, registered dietitians, massage therapists and cosmetologists are required to maintain a professional license or one of their industry's top certifications.

Compensation and Benefits

We believe that supporting our team members to be successful in their roles enables them to provide extraordinary experiences to our members. We offer a wide range of benefits designed to holistically support our team members in all areas of their lives. In addition to paid time off, paid sick leave, parental leave, adoption assistance, subsidized medical, dental and vision insurance, company paid life insurance, short and long-term disability, and a center membership, we also provide:

- Employee Assistance Program – Offers confidential assistance with personal, legal, work, financial and other life issues on a 24-hours-a-day, 7-days-a-week basis; and
- Life Time Mind ("LT Mind") – LT Mind is a holistic performance coaching program proprietary to Life Time aimed at helping team members optimize their performance, achieve their goals and enhance their well-being. Offerings for team members include online training and virtual mental resiliency coaching.

We are not a party to a collective bargaining agreement with any of our employees. We believe our continued efforts to build a diverse, equitable and inclusive environment for our team members has created a positive environment where they can thrive while delivering an uncompromising member experience, and we believe relations with our employees are good.

Information Systems

In addition to our standard operating and administrative systems, we use an integrated and proprietary member management system to manage the flow of member information within and between each of our centers and our corporate office. We have designed and developed our proprietary system to allow us to easily collect and process information. Our system enables us to, among other things, enroll new members with an electronic membership agreement, capture digital pictures of members for identification purposes and capture and maintain specific member information, including usage. The system allows us to streamline the collection of membership dues electronically, thereby offering additional convenience for our members while at the same time reducing our corporate overhead and accounts receivable. In addition, we use a customer relationship management system to enhance our marketing campaigns and management oversight regarding daily sales and marketing activities.

Competition

We consider the following groups to be the primary participants in the health, fitness and wellness industry:

- health center operators, including, but not limited to, Equinox Holdings, Inc., The Bay Club Company, Invited (formerly ClubCorp), LA Fitness International, LLC and 24 Hour Fitness Worldwide, Inc.;
- the YMCA and similar non-profit organizations or community centers;
- physical fitness and recreational facilities established by local governments, hospitals and businesses;
- local salons, cafes and businesses offering similar ancillary services;
- small fitness clubs and studios and other boutique fitness offerings, including Anytime Fitness, Snap Fitness, Planet Fitness, Orange Theory, Barre3, StretchLab and others;
- racquet, tennis, pickleball and other athletic centers;
- rental unit and condominium amenity centers;
- country clubs;
- digital fitness and health services, including online or other technology-based personal training and fitness and nutrition coaching;
- the home-use fitness equipment industry;

- athletic event operators and related suppliers; and
- providers of wellness and other health and wellness-orientated products and services.

While competition in the industry varies from market to market, it may be impacted by various factors, including the breadth and price of membership offerings and other products and services, the flexibility of membership options, the overall quality of the offering, name or brand recognition and economies of scale. We believe that our brand, our comprehensive product offering and focus on premium services and amenities and our value provide us with a distinct competitive advantage that positions us well in the health, fitness and wellness industry.

Intellectual Property

Our business depends on the quality and reputation of our brand. We file a substantial number of our trademarks and service marks with the United States Patent and Trademark Office, including for Life Time and many of our branded studio classes and service offerings. We consider our brand to be one of our most important assets and certain of our trademarks and service marks to be of material importance to our business and actively defend and enforce such trademarks and service marks. Examples include LIFE TIME®, , EXPERIENCE LIFE®, DPT DYNAMIC PERSONAL TRAINING, ARORA, MIORA, LIFECAFE®, LIFESPA®, LIFE TIME HEALTHY WAY OF LIFE®, LIFE TIME WORK® and LIFE TIME LIVING®. Solely for convenience, our trademarks, service marks or tradenames may appear in this Annual Report without the corresponding ® or TM symbols, but such references are not intended to indicate in any way that we will not assert, to the fullest extent, our rights to such trademarks, service marks and tradenames.

Governmental Laws and Regulations

Our operations and business practices are subject to laws and regulations at federal, state, provincial and local levels, including consumer protection laws, health and safety regulations, licensing requirements related to our training, cafe and bistro, spa, aquatics, child care and ancillary health and fitness-related products and services, environmental laws and regulations, including those related to the handling, use, investigation, remediation and storage of hazardous materials, the emission, release and discharge of hazardous materials into the environment, the health and safety of our employees and the disclosure of our environmental initiatives, fair housing laws, accessibility laws, regulations and laws related to the collection, use and security of personal information about our members, guests and other third parties, and wage and hour and other labor and employment laws.

In particular, within the health, fitness and wellness industry, state statutes regulate the sale and terms of our membership contracts. State statutes often require that we:

- include certain terms in our membership contracts, including the right to cancel a membership, in most cases, within three to 10 days after joining, and receive a refund of enrollment fees paid;
- escrow funds received from pre-opening sales or post a bond or proof of financial responsibility; and
- adhere to price or financing limitations.

Seasonality of Business

Seasonal trends have an effect on our overall business. Generally, we have experienced greater membership growth at the beginning of the year. We also typically experience increased levels of membership in certain centers during the summer pool season. During the summer months, we also experience a slight increase in our in-center business activity with summer programming and operating expenses due to our outdoor aquatics operations and kids programming. We typically experience an increased level of membership attrition during the third and fourth quarters as the summer pool season ends and we enter the holiday season. This can lead to a sequential decline in memberships during those quarters.

Life Time Foundation

We believe in giving back to our communities in ways that empower people to live happy, healthy lives. In 2003, we formed the Life Time Foundation with a focus on inspiring healthier families. In 2010, we further focused on helping children reach their full potential by collaborating with school food leaders to help them serve wholesome, nourishing, minimally processed food in schools across the United States. In 2022, we complemented these efforts with a focus on improving exercise and healthy movement in our nation's youth. Since 2010, the Life Time Foundation has positively impacted over 6.3 million children across the country in these areas. In 2023, we expanded the mission of the Life Time Foundation to promote a healthy planet including forestation and environmental conservation efforts. The Healthy Planet program supported over 100,000 acres of land conservation in 2023.

Available Information

We file annual, quarterly and special reports and other information with the SEC. Our filings with the SEC are available to the public on the SEC's website at http://www.sec.gov. Those filings are also available to the public free of charge on, or accessible through, our investor relations website at www.ir.lifetime.life under the "Filings" tab. The information we file with the SEC or contained on or accessible through our corporate website or any other website that we may maintain is not part of this Annual Report.

Item 1A. RISK FACTORS

Risks Relating to Our Business Operations and Competitive Environment

We may be unable to attract and retain members and we may not effectively optimize revenue per center membership, either of which could have a negative effect on our business, results of operations and financial condition.

The success of our business depends on our ability to attract and retain members and to optimize our revenue per center membership. There are numerous factors that could lead to a decline in membership or in-center service levels or that could prevent us from increasing our memberships and optimizing our revenue per center membership, any of which could adversely impact our business, results of operations and financial condition. These factors include our ability to deliver premium member experiences, changing desires and behaviors of consumers and our ability to anticipate and respond to shifts in consumer preferences, introductions of new products, services or technology, changing consumer confidence, changes in discretionary spending trends and general economic conditions, market or center maturity or saturation, direct and indirect competition in our trade areas, as well as social fears such as terror or health threats.

All of our members are able to cancel their membership at any time upon providing advance notice. We must therefore continually engage existing members and attract new members in order to maintain our membership and in-center service levels and earn the membership dues and service fees that we charge our members. Elevating our member experiences requires investment in our team members, programs, products, services and centers. These investments may impact our short-term results of operations and cash flows as our investments in our business may be made more quickly than we see the returns on our investments. Additionally, we cannot be certain that these strategies will attract and retain members or deliver higher revenue per center membership.

Our business could be adversely affected by competition in the highly competitive health, fitness and wellness industry.

We compete with numerous industry participants as detailed in "Item 1—Business—Competition" of this Annual Report. Competitors compete with us to attract members in our markets and digitally. Competitors may also attempt to copy all or portions of our business model or services, which could erode our market share and brand recognition or impair our business and results of operations. It is also possible that competitors could introduce new products and services or new ways to provide those products and services that negatively impact consumer preference or willingness to pay for our products and services. Certain competitors may have advantages over us including greater name recognition and/or resources, and non-profit and government organizations may be able to obtain land and construct centers at a lower cost and collect membership fees without paying taxes, thereby allowing them to charge lower prices. Additionally, consolidation in the health, fitness and wellness industry could result in increased competition among participants. This competition may limit our ability to attract and retain members or to optimize our revenue per center membership, each of which could materially and adversely affect our business, results of operations and financial condition.

Our business, results of operations and prospects may be adversely affected by the environments in which we operate, including with respect to the macroeconomy, the political climate, global pandemics or other health crises, severe weather, natural disasters, hostilities, gun violence and social unrest.

The macroeconomic environment in which we operate can adversely impact our business, results of operations and prospects, including with respect to inflation, interest rates, labor and supply chain issues, as well as a potential economic recession. The inflation rate has improved but remains elevated, which impacts our expenses and capital expenditures in several areas, including wages, construction costs and other operating expenses. These inflationary impacts pressure our margin performance and increase our capital expenditures. The rising interest rate environment has also increased the cost of our borrowings. The combined impact of inflation and higher interest rates caused us to temporarily slow down the start of new construction on our ground-up suburban builds as future sale-leaseback transactions were delayed. If our investment in new centers is higher than we had planned, if the capitalization rates on our sale-leaseback transactions are higher than historical levels or if our investment takes longer to execute due to any number of reasons, we may need to outperform our operational plan to achieve our targeted return. Additionally, consumers and businesses may reduce or postpone spending in response to tighter credit, negative financial news and/or declines in income or asset values, which could have a negative effect on the demand for our services and products.

Global pandemics or other health crises can also adversely impact our business, results of operations, financial condition and prospects. We experienced significant reductions in membership levels, revenue per center membership, center activity and new center growth related to the COVID-19 pandemic, including the responses of governmental authorities to community transmission of COVID-19, which required closure of our centers in March 2020 and the suspension of significant real estate development and construction projects. Our business took time to recover from that pandemic, similar to how our new centers take several years to mature to expected performance, and the recovery varied by center. We cannot be certain that we will not need to close our centers, restrict operations within our centers or suspend or reduce the level of real estate or construction activities again related to another pandemic or health crisis.

Severe weather, natural disasters, shifting climate patterns, hostilities, gun violence, social unrest or terrorist activities (or expectations about them) can adversely affect our members, consumer spending and confidence levels, supply availability and costs, as well as the local operations in impacted markets, all of which could have an adverse effect on our results of operations and financial condition. We may also be forced to temporarily close centers due to any number of unforeseen circumstances, including as a result of fire, flood, technical difficulties, shortage of employees, loss of power, a health and safety incident, social unrest, terrorist incident, natural disaster or an active shooting or other violence. The severity and impact of center closures and center damage or destruction, and the cost to operate our centers, could increase as the climate and social environment changes, including with respect to our water usage and the cost to cool our facilities. That severity and impact could also be greater in the various geographical locations across the country where we operate multiple centers and as we expand. Any prolonged closures may adversely affect our results of operations and financial condition and may also result in longer term reductions in revenue as a result of termination of memberships at the affected centers. Our receipt of proceeds under any insurance we maintain with respect to some of these risks may be delayed or the proceeds may be insufficient to cover our losses fully. Additionally, while we have been a company focused on environmental, social and governance (“ESG”) matters from our formation, as we continue to develop and execute on our ESG initiatives, we could incur additional costs or risks that adversely impact our business.

Our dependence on third-party suppliers for equipment and certain products and services could result in disruptions to our business and could adversely affect our business, results of operations and financial condition.

Equipment and certain products and services needed for us to operate our business efficiently and to consistently meet our business requirements, including our exercise equipment and certain of our software and hardware, are sourced from third-party suppliers. The ability of these third-party suppliers to successfully provide reliable and high-quality services is subject to economic, technical and operational uncertainties that are beyond our control. Any disruption to our suppliers’ operations, or any inability by us to identify and enter into agreements with alternative suppliers on a timely basis and on acceptable terms, could impact our supply chain and our ability to service our centers and elevate our brand. Transitioning to new suppliers could be time-consuming and expensive and may result in interruptions in our operations. If any of these events occurs, it could have a material adverse effect on our business, results of operations and financial condition.

Risks Relating to Our Brand

Our business depends on the quality and reputation of our brand, and any deterioration in the quality or reputation of our brand or the health, fitness and wellness industry could materially adversely affect our market share, business, results of operations and financial condition.

Our brand and our reputation are among our most important assets. Our ability to attract and retain members and expand our business may be impacted by the external perceptions of Life Time, the quality and consistency of our centers and premium services and our corporate and management integrity. Any operation of our centers that does not meet expectations, any adverse incidents, including any involving the potential safety of our members, guests or employees, physical or sexual abuse or other harm to a child at any of our children play areas, or any negative events or publicity regarding us, our competitors or the health, fitness and wellness industry, may damage our brand and our reputation, cause a loss of consumer confidence in Life Time and our industry and could have an adverse effect on our market share, business, results of operations and financial condition.

Use of social media platforms, and email, text messaging, phone and social media marketing, may adversely impact our reputation, business, results of operations, and financial condition or subject us to fines or other penalties.

There has been a substantial increase in the use of social media platforms. Negative commentary about us or calls for collective action against us, such as boycotts, may be posted on social media platforms or similar devices at any time to a broad audience and may harm our brand, reputation or business without affording us an opportunity for redress or correction in a timely manner or at all. Consumers value readily available information about health, fitness and wellness and often act on such information without further investigation and without regard to its accuracy.

We also use email, text messaging, phone and social medial platforms as marketing tools. As laws and regulations rapidly evolve to govern the use of these platforms and devices, the failure by us, our employees or third parties acting at our direction to abide by applicable laws and regulations in the use of these platforms and devices could adversely impact our business, results of operations and financial condition or subject us to fines or other penalties.

Our intellectual property rights may be inadequate to protect our business or may be infringed, misappropriated or challenged by others. We may also become involved in costly litigation or be required to pay royalties or fees.

We attempt to protect our intellectual property rights through a combination of patent, trademark, copyright and trade secret laws, as well as licensing agreements and third-party nondisclosure and assignment agreements. Our failure to obtain or maintain adequate protection of our intellectual property rights for any reason, whether in the United States or internationally, could have a material adverse effect on our business, results of operations and financial condition.

We rely on our trademarks, trade names and brand names to distinguish our products and services from the products and services of our competitors, and we have registered or applied to register many of these trademarks. There is no assurance that our trademark applications will be approved in the United States or internationally. Third parties may also oppose our trademark applications, or otherwise challenge our use of the trademarks. In the event that our trademarks are successfully challenged, we could be forced to rebrand our products or services, which could result in loss of brand recognition, and could require us to devote resources to advertising and marketing new brands and to replacing products. In particular, although we own a United States federal trademark registration for use of the LIFE TIME® mark in the field of health and fitness centers, we are aware of entities in certain locations around the country and internationally that use LIFE TIME FITNESS, LIFE TIME or other similar marks in connection with goods and services related to health, fitness and wellness, including dietary food supplements. The rights of these entities in such marks may predate our rights. Accordingly, if we open any centers or otherwise operate in the areas in which these parties operate, we may be required to pay royalties or other fees or may be prevented from using the mark in such areas. Furthermore, if any third party were to successfully seek cancellation of our federal trademark registrations, we may be prevented from using such marks throughout the United States.

Further, there is no assurance that competitors or other businesses will not infringe on our trademarks or other intellectual property rights or that we will not have disputes with third parties to enforce our intellectual property rights, protect our trademarks, determine the validity and scope of the proprietary rights of others or defend ourselves from claims of infringement, invalidity, misappropriation or unenforceability. In the event of any such infringement or claimed infringement, the value of our brand may be harmed and we may be required to incur substantial costs and divert resources to pursue, or defend against, any claim. Additionally, any damage to our brand or reputation could cause membership levels to decline and make it more difficult to attract new members. If we were to fail to successfully defend a claim against us, we may have to pay significant fees (and fines and penalties) and enter into royalty or licensing agreements, we may be prevented from using the intellectual property within certain markets in connection with goods and services that are material to our business or we may be unable to prevent a third party from using our intellectual property. Any such failure to successfully protect our intellectual property rights, or to defend against any claims or infringement, invalidity, misappropriation or unenforceability, for any reason, could have an adverse effect on our business, results of operations and financial condition.

Risks Relating to the Growth of Our Business

If we are unable to successfully execute our asset-light growth strategy, our results of operations, cash flow and return on invested capital may be negatively impacted. Our center profitability may decline as we open new centers.

We are executing on a strategy to grow our business by expanding the number of our centers in an asset-light manner as detailed in "Item 1—Business—Our Growth Strategies and Member Experience Initiatives" of this Annual Report. To successfully expand our business, we must identify and acquire or lease sites that meet the site selection criteria we have established. We may face significant competition for sites that meet our criteria, and as a result, we may lose those sites, our competitors could copy our format or we could be forced to pay significantly higher prices for those sites. Additionally, as we grow the number of our centers in an asset-light manner, we must engage and negotiate with numerous third parties, including landlords, developers, sellers, contractors and governmental authorities. Their timeline and ability to move forward may differ from ours. If we are unable to cost-effectively identify and acquire or lease sites for new centers, our revenue growth rate, profits, cash flow and return on invested capital may be negatively impacted. Additionally, if our analysis of the suitability of a site is incorrect or if we do not adapt to or anticipate all of the challenges relating to the expansion of our operations, including the more diverse locations, sizes and types of buildings, remodels and timelines in new markets and spaces, we may not be able to expand profitably or recover our capital investment in developing and building or remodeling the new center on the timeline or at the rate we expected. Any of these results could have a negative impact on our revenue growth rate, profits, cash flow and return on invested capital.

Our focus for new centers continues to include wealthier demographic locations, including in urban and coastal markets and at ground-up suburban builds, mall or retail locations, vertical residential and urban locations. If we are unable to leverage our brand and what we bring to these markets and locations, we may be required to pay relatively higher costs for land or lease payments. We could also have increased construction costs and higher development costs to offer more luxurious amenities and features within the new centers. We have also experienced escalating construction costs more generally due to inflation. Higher gross invested capital and higher occupancy costs at these centers would require increases in the value of sale-leaseback transactions or higher operating profits per center to produce our targeted rate of return. At the same time, however, a result of opening new centers is that our center operating margins may be lower than they have been historically while the centers build membership base. An increase in pre-opening expenses and lower revenue volumes characteristic of newly opened centers would affect our operating margins at these new centers.

Opening new centers in existing markets may attract some memberships away from other centers in those markets, which could lead to diminished revenue and profitability. In addition, as a result of new center openings in existing markets, and because older centers will represent an increasing proportion of our center base over time, our same-center revenue increases may be lower in future periods than in the past.

Delays in new center openings could have an adverse effect on our growth.

A significant amount of time and expenditure of capital is required to develop and construct our ground-up suburban builds, mall or retail locations, vertical residential and urban locations. Our temporary delay in the start of new ground-up suburban builds due to elevated construction costs and management of capital expenditures could result in increased costs and our competitors may be able to open new centers in the same market before we open our centers or improve centers currently open. In addition, delays in opening these new centers could hurt our ability to meet our growth objectives and could have an adverse effect on our results of operations and financial condition.

Our ability to open new centers on schedule and on budget or at all depends on a number of factors, many of which are beyond our control. These factors include:

- obtaining acceptable financing including executing sale-leaseback transactions to fund construction of new sites and negotiating tenant improvement contributions from developers and landlords;
- obtaining entitlements, permits and licenses necessary to complete construction of the new center on schedule and to operate the center;
- negotiating the terms of the acquisition or lease of new centers;
- securing access to and the costs of labor and materials necessary to develop and construct or remodel our centers;
- delays or cost increases due to material shortages, labor issues, design changes, weather conditions, acts of God, pandemics or epidemics, discovery of contaminants, accidents, deaths or injunctions;

- recruiting, training and retaining qualified employees; and
- general economic conditions.

Our growth and changes in the industry could place strains on our management, employees, information systems and internal controls, which may adversely impact our business.

Our plans for current and future expansion and development, including an increase in the number of our centers, development of existing and new businesses and memberships, expansion of our "Healthy Way of Life" ecosystem and acquisitions of other businesses, as well as changes in the industry, may place significant demands on our administrative, operational, financial, technological and other resources. Any failure to manage growth and development effectively could harm our business. To be successful, we will need to continue to develop technologically and implement management information systems and improve our operating, administrative, financial and accounting systems and controls. We will also need to train new employees and maintain close coordination among our executive, accounting, finance, legal, human resources, risk management and operations functions. These processes are time-consuming and expensive, increase management responsibilities and divert management attention.

We may incur significant costs in the development and implementation of new or re-imagined businesses or strategies with no guarantee of success.

In order to elevate and broaden member experiences, increase our revenue per center membership, remain competitive, respond to consumer demands and expand our business, we have developed, and expect to continue to develop and re-imagine, in-center, digital and ancillary businesses and strategies as well as co-working and living spaces. We may incur significant costs in the development or refinement of these businesses and strategies, some of which may be outside of our core competency. In addition, we cannot guarantee that these businesses or strategies will be successful and contribute to earnings, and any of these businesses or strategies may lose money and have an adverse effect on our business, financial condition and operating results.

We may be unable to successfully acquire or invest in suitable businesses or, if we do acquire or invest in them, that may disrupt our business, we may be unable to successfully integrate the businesses into our existing business or the acquired assets may be subject to impairment, any of which may have an adverse effect on our results of operations and financial condition.

In order to remain competitive and to expand our business, we have acquired or invested in, and expect to continue to acquire or invest in, complementary businesses and centers. We may not be able to find suitable acquisition candidates or joint venture partners in the future. If we do find suitable candidates, we may not be in a financial position to pursue the transactions or we may not be able to conduct effective due diligence or execute the transactions on favorable terms or at all. We may also have to incur debt or issue equity securities to pay for any acquisition or investment, which could adversely affect our financial condition or dilute our stockholders.

If we do acquire other businesses, we cannot provide any assurances that we will be able to successfully integrate those businesses and integrating those businesses into our existing business may place significant demands on our administrative, operational, financial and other resources and may require significant management time, which may disrupt our other businesses. We may also need to invest significant capital into the acquired businesses or centers to deliver experiences consistent with the Life Time brand. Our ability to acquire and integrate larger or more significant companies is unproven. Any failure to integrate an acquired business or center into our existing business could have an adverse effect on our existing business, results of operations and financial condition.

Additionally, as we have acquired other businesses, we have recorded assets, liabilities and intangible assets at fair value at the time of acquisition. If the fair value of the long-lived assets or intangible assets were determined to be lower than the carrying value, the assets would be subject to impairment, which could adversely affect our financial results.

Risks Relating to Our Technological Operations

We rely on technology and if we are unable to adapt to significant and rapid technological change and deliver connected and digital experiences, we may not compete effectively and our business could be adversely affected.

Technology is a key component of our business model and we regard it as crucial to our success moving forward. We increasingly use electronic and digital means to interact with our members, provide services and products to our members and collect, maintain and store individually identifiable information. We use an integrated and proprietary member management system to manage the flow of member information within each of our centers and between centers and our corporate office. We also continue to invest in our mobile application and systems, which enable us to, among other things, enroll new members with an electronic membership agreement, streamline the collection of membership dues electronically, capture digital pictures of members for identification purposes, offer online reservations, offer live streaming classes and capture and maintain specific member information, including usage. While we seek to offer our members best-in-class technology solutions to ensure a smooth customer experience, we operate in an environment that has undergone, and continues to experience, significant and rapid technological change, including with respect to artificial intelligence. To remain competitive, we must continue to maintain, enhance and improve the functionality, capacity, accessibility, reliability and features of our automated member interfaces and other technology offerings.

Our growth and success will depend, in part, on our ability to continue to elevate and broaden our member experiences, including through developing our omni-channel ecosystem, licensing leading technologies, systems and use rights, enhancing our existing platforms and services and creating new platforms and services. We must also respond to member demands, technological advances and emerging industry standards and practices on a cost-effective and timely basis. The adoption of new technologies or market practices (including artificial intelligence) may require us to devote significant additional resources to improve and adapt our services. We may also need to secure and maintain the rights to use music with our content, which can be costly depending on the method we use to provide our content and may involve many third parties and navigating complex and evolving legal issues. Keeping pace with these ever-increasing technological and use requirements can be expensive, and we may be unable to make these improvements to our technology infrastructure or obtain the necessary use rights in a timely manner or at all. If we are unable to anticipate and respond to the demand for new services, products and technologies on a timely and cost-effective basis, or to adapt to and leverage technological advancements and changing standards, our business, results of operations and financial condition could be materially and adversely affected. Furthermore, we may rely on the ability of our members to have the necessary hardware products (smartphones, tablets, watches, etc.) to support our new product offerings. To the extent our members are not prepared to invest or lack the necessary resources or infrastructure, the success of any new initiatives may be compromised.

If we fail to properly maintain the operation, integrity and security of our systems and the security of our data or the data of our members, guests and employees, to comply with applicable privacy laws, or to strategically implement, upgrade or consolidate existing information systems, our reputation and business could be adversely affected.

The operation, integrity and security of our systems and the security of our data and the data of our members, guests and employees is critical to us. Despite the security measures we have in place and our continuous assessment and improvements, our systems, and those of our third-party service providers, may be vulnerable to security breaches, acts of cyber terrorism, demands for ransom, vandalism or theft, computer viruses, misplaced or lost data, programming and/or human errors or other similar events. Because such attacks are increasing in sophistication (including from the use of artificial intelligence) and frequently change in nature, we and our third-party service providers may be unable to anticipate these attacks or implement adequate preventative measures, and any compromise of our systems, or those of our third-party providers, may not be discovered and remediated promptly. Changes in consumer behavior following such an event affecting us or a third party may materially and adversely affect our business, which in turn may materially and adversely affect our reputation, results of operations and financial condition. Our receipt of proceeds under any insurance we maintain with respect to some of these risks may be delayed or the proceeds may be insufficient to cover our losses fully, which could have a material adverse effect on our business, results of operations and financial condition.

Additionally, the collection, maintenance, use, disclosure and disposal of individually identifiable or other personal data by our businesses are regulated at the federal, state and foreign levels as well as by certain financial industry groups, such as the Payment Card Industry Security Standards Council, Nacha, Canadian Payments Association and individual credit card issuers. Some of this data is sensitive and could be an attractive target of a criminal attack by malicious third parties with a wide range of motives and expertise. Federal, state and foreign regulators and financial industry groups continue to adopt or consider new privacy and security requirements that may apply to our businesses. Compliance with evolving and fragmenting privacy and security laws, requirements and regulations may result in cost increases due to necessary systems changes, new limitations or constraints on our business models and the development of new administrative processes. They also may impose further restrictions on our collection, disclosure and use of information that is housed in one or more of our databases. Noncompliance with privacy laws, financial industry group requirements or a security breach involving the misappropriation, loss or other unauthorized disclosure of personal, sensitive and/or confidential information, whether by us or by one of our vendors, could have adverse effects on our business, operations, brand, reputation and financial condition, including decreased revenue, fines and penalties, increased financial processing fees, compensatory, statutory, punitive or other damages, adverse actions against our licenses to do business and injunctive relief.

Moreover, any failure or unforeseen issues, such as bugs, data inconsistencies, cloud concentration issues, outages, fires, floods, changes in business processes and other interruptions with our systems or the systems of third-party vendors could adversely impact our business and member experiences and cause us to lose members. Disruptions or failures that affect our billing and other administrative functions could also have an adverse effect on our results of operations. Correcting any disruptions or failures that affect our systems could be difficult, time-consuming and expensive. Additionally, if we need to move to different third-party systems, or otherwise significantly modify our systems, our operations and member experiences could be interrupted and negatively impacted.

Risks related to our acceptance of ACH, credit card, debit card and digital payments could harm our brand or our results of operations.

We accept payments through ACH, credit card, debit card and digital transactions. For such transactions, we pay interchange and other fees, which may increase over time. Additionally, if we or any of our processing vendors have problems with our billing software, or the billing software malfunctions, it could have an adverse effect on our member satisfaction and could cause one or more of the major companies to disallow our continued use of their payment products. If our billing software fails to work properly and, as a result, we do not automatically charge our members' credit cards, debit cards or bank accounts on a timely basis or at all, we could lose membership revenue, which would harm our results of operations.

If we fail to adequately control fraudulent ACH, credit card, debit card and digital transactions, we may face civil liability, diminished public perception of our security measures and significantly higher ACH, credit card and debit card related costs, each of which could adversely affect our business, results of operations and financial condition. The termination of our ability to process payments through ACH transactions or on any major credit or debit card would significantly impair our ability to operate our business.

Risks Relating to Our Capital Structure and Lease Obligations

Our level of indebtedness and lease obligations, and the restrictive covenants in the documents governing such indebtedness and lease obligations, could adversely affect our financial condition and prevent us from growing our business, taking certain actions or responding to changes in the economy or our industry.

As of December 31, 2023, we had total consolidated indebtedness outstanding of approximately $1,948 million, as detailed in Note 8—Debt, to our consolidated financial statements included in Part II, Item 8 of this Annual Report. For the year ended December 31, 2023, our interest expense, net of interest income was $131 million. Our annual debt service obligation for 2024 is expected to be approximately $146.4 million for interest and $73.8 million primarily for mortgage principal payments. Despite our level of indebtedness, we and our subsidiaries may still incur substantially more debt, including secured debt.

As of December 31, 2023, we had 165 leased properties, including 129 center leases (of which 11 are ground leases) and centers under construction. For the year ended December 31, 2023, our rent expense was approximately $275 million. In addition to minimum lease payments, some of our center leases provide for additional rental payments based on a percentage of net sales, or "percentage rent," if sales at the respective centers exceed specified levels, as well as the payment of common area maintenance charges, real property insurance and real estate taxes. Many of our leases also have defined escalating rent provisions over the initial term and any extensions. As we continue to execute on our asset-light growth strategy, including sale-leaseback transactions, we expect to lease, rather than own, the majority of our new centers in the future.

The indentures governing our secured and unsecured notes and the credit agreement governing our senior secured credit facility contain a number of covenants imposing significant restrictions on our business, including we are required to comply with a first lien net leverage ratio covenant under the revolving portion of our senior secured credit facility. These restrictions may affect our ability to operate our business and may limit our ability to take advantage of potential business opportunities as they arise. Similarly, since as a lessee we do not completely control the land and improvements underlying our operations, we may not be able to take certain actions that we desire or the lessors under our leases could take certain actions to disrupt our rights in the centers we lease. Our ability to comply with these covenants may be affected by circumstances and events beyond our control, such as prevailing economic conditions, pandemics or epidemics and changes in regulations, and there is no assurance that we will be able to comply with such covenants.

Specifically, our level of indebtedness and lease obligations, and the restrictions imposed thereby, could have material consequences, including:

- making it more difficult for us to satisfy our obligations with respect to our indebtedness and lease obligations, and if we fail to comply with these requirements, an event of default could result;
- limiting our ability to obtain or guarantee additional indebtedness or make certain investments, which could impact our ability to fund or execute on future working capital, capital expenditures, our growth strategy or other general corporate requirements or business opportunities;
- requiring a substantial portion of our cash flows to be dedicated to debt service and lease obligations, thereby reducing the amount of cash flows available for working capital, capital expenditures, our growth strategy and other general corporate purposes or business opportunities, and restricting our ability to pay dividends or make distributions on our capital stock;
- limiting our ability to incur liens, to sell assets, to consolidate, merge, sell or otherwise dispose of all or substantially all of our assets or to enter into transactions with our affiliates;
- increasing our vulnerability to general adverse economic and industry conditions;
- limiting our flexibility in planning for and reacting to changes in the industry in which we compete and to changing business and economic conditions;
- placing us at a disadvantage compared to other, less leveraged competitors; and
- increasing our cost of borrowing or limiting our ability to refinance indebtedness.

Additionally, a breach of any of the restrictive covenants could result in an event of default under the applicable indebtedness. Such a default may allow the creditors to accelerate the related indebtedness and may result in the acceleration of any other indebtedness that is subject to an applicable cross-acceleration or cross-default provision. An event of default under the credit agreement governing our senior secured credit facility would permit the lenders thereunder to terminate all commitments to extend further credit under the facilities. Furthermore, if we were unable to repay the amounts due and payable under our secured indebtedness, those lenders or holders, as applicable, could proceed against the collateral granted to them, including our available cash, to secure that indebtedness, subject to the provisions of the applicable intercreditor agreement. In the event our lenders or holders of our secured or unsecured notes accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness. Similarly, a number of our leases, including those pursuant to the sale-leaseback transactions, may be terminated in the event of a breach and certain other circumstances. The occurrence of any one of these events could have a material adverse effect on our business, financial condition, results of operations and ability to grow our business or satisfy our obligations.

Rates under our senior secured credit facility are variable, which could result in increased debt service obligations and decreased net income and cash flows.

Borrowings under the revolving portion of our senior secured credit facility (the “Revolving Credit Facility”) and the term loan portion of our senior secured credit facility (the “Term Loan Facility” and, together with the Revolving Credit Facility, the “Credit Facilities”) are at variable rates of interest and expose us to interest rate risk. As interest rates increase, our debt service obligations on the variable rate indebtedness increases even though the amount borrowed remains the same, and our net income and cash flows, including cash available for servicing our indebtedness, correspondingly decreases. Assuming no prepayments of the Term Loan Facility and that the Revolving Credit Facility is fully drawn (and to the extent that SOFR is in excess of the floor rate applicable to the Term Loan Facility), each one percentage point change in interest rates would result in an approximately $7.9 million change in annual interest expense on the indebtedness under the Credit Facilities. In the future, we may enter into interest rate swaps that involve the exchange of floating for fixed rate interest payments in order to reduce interest rate volatility or risk. However, we may not maintain interest rate swaps with respect to any of our variable rate indebtedness, and any swaps we enter into may not fully or effectively mitigate our interest rate risk. Changes in market interest rates may influence our financing costs, returns on financial investments and the valuation of derivative contracts and could reduce our earnings and cash flows.

We may not be able to generate sufficient cash to service all of our indebtedness and lease obligations and may be forced to take other actions to satisfy our obligations, which may not be successful.

We depend on cash flow from operations to pay our indebtedness and lease obligations. We also need to refinance all or a portion of our indebtedness on or before maturity. Our ability to make scheduled payments on our indebtedness and lease obligations, to refinance our debt obligations or to negotiate favorable terms on new or expiring leases depends on our financial condition and operating performance, which could be subject to prevailing economic and competitive conditions and to certain financial, business, market, legislative, regulatory, environmental and other factors beyond our control. Our inability to generate sufficient cash flows to satisfy our debt and lease obligations, or to refinance our indebtedness at comparable interest rates and on commercially reasonable terms or at all, or to renew our leasehold interests on their expiration or on terms that are as favorable as the current terms, would materially and adversely affect our business, financial position and results of operations. We could also face substantial liquidity problems and be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure our indebtedness. We may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow us to meet our operating needs or our scheduled debt service obligations.

Our ability to raise capital in the future may be limited, which could impact our operations and ability to grow.

Our business requires capital to operate and grow. We may need or choose to raise additional funds through the issuance of new equity securities, debt or a combination of both. Additional financing may not be available on favorable terms, or at all. If we issue new debt securities, the debt holders would have rights senior to common stockholders to make claims on our assets, and the terms of any debt could further restrict our operations, including our ability to pay dividends on our common stock. If we issue additional equity securities, existing stockholders will experience dilution, and the new equity securities could have rights senior to those of our common stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our stockholders bear the risk of our future securities offerings reducing the market price of our common stock and diluting their interest.

Risks Relating to Our Human Capital

If we cannot retain our key employees, hire additional highly qualified employees and optimize our support structure, we may not be able to successfully manage our businesses, achieve our growth targets and pursue our strategic objectives. We may also continue to face increased labor costs that could reduce our profitability.

We are highly dependent on the services of our senior management team and other key employees at both our corporate headquarters and our centers. Competition for such employees is intense. Our inability to attract, retain, train and motivate qualified employees could reduce member satisfaction, harm our brand and reputation and adversely affect our operating efficiency and financial results. We rewired the corporate and management support of our centers to operate more effectively and efficiently. Failure to operate as planned under these structures could adversely affect our business.

Staffing shortages, including for our centers and for key corporate and technology resources, could also hinder our ability to implement our business and growth strategy. Payroll costs are a major component of the operating expenses at our centers. We have experienced and may continue to experience a labor market that requires higher wages, which places pressure on our profitability. Increases in minimum wage rates could also result in increased costs for us, which may adversely affect our results of operations and financial condition.

Attempts by labor organizations to organize groups of our employees or changes in labor laws could disrupt our operations or increase our labor costs.

Although none of our employees are currently covered under collective bargaining agreements, we may become subject to collective bargaining agreements, similar agreements or regulations enforced by governmental entities in the future. Changes in the federal regulatory scheme could make it easier for unions to organize groups of our employees. Unionization could hinder our ability to cross-train and cross-promote our employees due to prescribed work rules and job classifications. Labor regulations could also lead to higher wage and benefit costs, changes in work rules that raise operating expenses and legal costs, and limit our ability to take cost saving measures. If relationships with our employees or other personnel become adverse, our centers could experience labor disruptions such as strikes, lockouts and public demonstrations. These or similar agreements, legislation or changes in regulations could disrupt our operations, reduce our profitability or interfere with the ability of our management to focus on executing our business and operating strategies.

Risks Relating to Legal Compliance and Risk Management

We are subject to extensive governmental laws and regulations, and changes in these laws and regulations could have a negative effect on our results of operations and financial condition.

Our operations are subject to various United States and foreign national, federal, state, provincial and local laws and regulations, including but not limited to the following:

- consumer protection laws related to the advertising, marketing and sale of our products and services;
- statutes that regulate the sale and terms of our membership contracts;
- health or safety regulations related to various center operations, such as our Dynamic Personal Training, MIORA, LifeCafe, LifeSpa, Life Time Swim and Life Time Kids;
- regulation or licensing of ancillary health, fitness and wellness-related products and services;
- licensing or other regulation of our service providers, such as cosmetologists, massage therapists and registered dietitians;
- environmental and workplace safety laws and regulations;
- laws and regulations on fair housing and accessibility;
- laws and regulations governing privacy and security of information; and
- wage and hour or other employment related laws and regulations.

Any changes in such laws or regulations or any failure by us to comply with such laws or regulations, including by any of our team members, could have an adverse effect on our results of operations and financial condition. Additionally, as we expand our business and "Healthy Way of Life" ecosystem, including potentially offering our digital membership or other services internationally, we could be exposed to new or incremental regulatory, economic and political risks in addition to those we already face in the United States and Canada.

We could be subject to claims related to the construction or operation of our facilities and the use or condition of our premises, facilities, equipment, services, activities or products, which could have a negative effect on our results of operations and financial condition.

Use of our premises, facilities, equipment, services, activities or products pose potential health or safety risks to members and guests. Claims may be asserted against us for loss, injury or death suffered by someone (including a minor child) using our premises, facilities, equipment, services, activities or products. We could also face claims in connection with the construction and remodel of our centers and other facilities, as well as claims related to environmental matters or remediation. While we carry insurance generally applicable to such claims, we face exposure for losses within any self-insured retention or for uninsured damages.

We could also face claims for economic or other damages by members, guests or employees, including consumer protection, wage and hour, health center contract, or other statutory or common law claims arising from our business operations. Such claims may be uninsured or the proceeds of our insurance coverages for such claims may be insufficient to cover our losses fully. Depending upon the outcome, these matters may have a material adverse effect on our business, results of operations and financial condition.

We could be subject to claims related to our health, fitness and wellness-related offerings or other claims, and the value and reputation of our brand may suffer.

We offer directly or through third parties a variety of health, fitness and wellness-related products and services, such as nutritional and weight loss products, blood screenings and other fitness assessments, anti-aging and longevity services, health and fitness content and services, chiropractic services and medi-spa services. There is no assurance that there will be no claims against us related to these services and products, including regarding the ingredients in, manufacture of or results of using our nutritional products, our provision of other health, fitness and wellness-related services or our relationships with third parties. Furthermore, there is no assurance that any rights we have under indemnification provisions and/or insurance policies will be sufficient to cover any losses that might result from such claims. Any publicity surrounding such claims may negatively impact the value of our brand.

In the ordinary course of conducting our business, we are exposed to claims that can have significant adverse effects upon our financial position, results of operations and cash flows, including wage and hour claims and class action claims. See “Item 3—Legal Proceedings” in this Annual Report. At any given time, there may be one or more civil actions initiated against us. If one or more of these pending lawsuits, or any lawsuits in the future, are adjudicated in a manner adverse to our interests, or if a settlement of any lawsuit requires us to pay a significant amount, the result could have an adverse impact on our financial position, results of operations and cash flows. In addition, any litigation, regardless of the outcome, may distract our management from the operation of our business.

We may not be able to maintain the required type or level of insurance coverage on acceptable terms or at an acceptable cost.

We may not be able to maintain insurance, including general liability and property insurance, on acceptable terms or maintain a level of insurance that would provide adequate coverage against potential third-party liability, health and safety and other claims. An increase in the number of claims against health and fitness center operators generally or against us in particular may cause the cost of insurance for the industry as a whole or us in particular to rise, and comprehensive insurance coverage may become more difficult to attain. Any gaps in insurance or any increase in the cost of insurance may have a material adverse effect on our business, results of operations and financial condition.

Adverse developments in applicable tax laws could have a material and adverse effect on our business, financial condition and results of operations. Our effective tax rate could also change materially as a result of various evolving factors, including changes in income tax law or changes in the scope of our operations.

We are subject to taxation in the United States at the federal level and by certain states and municipalities and foreign jurisdictions because of the scope of our operations. While our existing operations have been implemented in a manner we believe is in compliance with current prevailing laws, one or more taxing jurisdictions could seek to impose incremental or new taxes on us. In addition, jurisdictions in which we operate are actively considering significant changes to current tax laws, including increasing the corporate income tax rate in the United States. Any adverse developments in tax laws or regulations, including legislative changes, judicial holdings or administrative interpretations, could have a material and adverse effect on our business, financial condition and results of operations. Changes in the scope of our operations, including expansion to new products or new geographies, could also increase the amount and type of taxes to which we are subject, and could increase our effective tax rate.

Risks Relating to Ownership of Our Common Stock

Our share price may change significantly, and stockholders may not be able to resell our common stock at or above the price per share paid or at all.

The trading price of our common stock has experienced volatility. Stock volatility often has been unrelated or disproportionate to the operating performance of particular companies. Additionally, how active and liquid the trading market on the NYSE for our common stock is or may become may be impacted by the fact that certain of our existing stockholders who were stockholders before the IPO, who we refer to as the “Voting Group,” collectively held as of February 26, 2024, approximately 74.7% of the voting power of our common stock. If an active and liquid trading market does not develop or continue, stockholders may have difficulty selling any of the shares of common stock that they purchased. Stockholders may also not be able to resell our common stock at or above the price per share paid due to a number of factors, such as those listed in other portions of this “Risk Factors” section and the following:

- results of operations that vary from the expectations of securities analysts and investors;
- if securities analysts do not publish research or reports about our business, or if they downgrade our common stock or our industry;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance and growth, including financial estimates and investment recommendations by securities analysts and investors;

- investor perceptions of the investment opportunity associated with our common stock relative to other investment alternatives;
- the public's response to press releases or other public announcements by us or third parties, including our filings with the SEC;
- guidance, if any, that we provide to the public, any changes in this guidance or our failure to meet this guidance; and
- changes in accounting principles.

These broad market and industry fluctuations may materially adversely affect the market price of our common stock, regardless of our actual operating performance. In addition, price volatility may be greater if the public float and trading volume of our common stock remain low.

In the past, following periods of market volatility, stockholders of companies have instituted securities class action litigation. If we were involved in securities litigation, it could have a substantial cost and divert resources and the attention of executive management from our business regardless of the outcome of such litigation.

We are controlled by certain of our stockholders, whose interests may not be aligned with yours.

The Voting Group is party to an amended and restated stockholders agreement with the Company (the "Stockholders Agreement") and collectively held approximately 74.7% of the voting power of our common stock as of February 26, 2024. The Voting Group includes investment funds affiliated with Leonard Green & Partners, L.P. and its affiliates ("LGP") and TPG Inc. and its affiliates ("TPG"), which collectively held approximately 51.8% of the voting power of our common stock as of February 26, 2024. Pursuant to the terms of the Stockholders Agreement, certain members of the Voting Group are entitled to designate individuals to be included in the slate of nominees recommended by our board of directors for election to our board of directors, subject to certain stock ownership thresholds set forth in the Stockholders Agreement, and the members of the Voting Group have agreed to vote their shares of our common stock in favor of the election of such nominees. As a result, the Voting Group has the ability to elect all of the members of our board of directors, and thereby, control our management and affairs, including virtually all matters requiring stockholder approval. The directors so elected have the authority, subject to the terms of our indebtedness and applicable rules and regulations, to issue additional stock, implement stock repurchase programs, declare dividends and make other decisions. Even if the Voting Group were to own or control less than a majority of our total outstanding shares of common stock, they will be able to influence the outcome of corporate actions so long as they own a significant portion of our total outstanding shares of common stock.

It is possible that members of the Voting Group may have interests that are different from other stockholders and may vote in a way with which other stockholders may disagree and that may be adverse to other stockholders' interests. Further, members of the Voting Group may have differing views from each other, none of which may align with other stockholders' interests. In addition, the Voting Group's concentration of ownership could have the effect of delaying or preventing a change in control or otherwise discouraging a potential acquirer from attempting to obtain control of us, which could cause the market price of our common stock to decline or prevent our stockholders from realizing a premium over the market price for their common stock.

Additionally, certain of the members of the Voting Group are in the business of making investments in companies and may from time to time acquire interests in businesses that directly or indirectly compete with certain portions of our business or supply us with goods and services. Such members of the Voting Group may also pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us or may be more expensive for us to pursue.

We are a "controlled company" within the meaning of the NYSE rules and the rules of the SEC. As a result, we qualify for and are currently relying on exemptions from certain corporate governance requirements that provide protection to stockholders of other companies.

As a result of the Voting Group owning a majority of our common stock, we are a "controlled company" within the meaning of the corporate governance standards of the NYSE and the rules of the SEC. Under these rules, a "controlled company" may elect not to comply with certain corporate governance requirements, including:

- the requirement that a majority of our board of directors consist of "independent directors" as defined under the rules of the NYSE;

- the requirement that we have a compensation committee that is composed entirely of directors who meet the NYSE independence standards for compensation committee members with a written charter addressing the committee's purpose and responsibilities;

- the requirement that our director nominations be made, or recommended to our full board of directors, by our independent directors or by a nominations committee that consists entirely of independent directors and that we adopt a written charter or board resolution addressing the nominations process; and

- the requirement for an annual performance evaluation of the nominating and corporate governance and compensation committees.

We do not currently have a nominating and corporate governance committee or compensation committee that consists entirely of independent directors. We may also elect to rely on additional exemptions for so long as we remain a "controlled company." As a result, in the future our board of directors and those committees may have more directors who do not meet the NYSE's independence standards than they would if those standards were to apply. The independence standards are intended to ensure that directors who meet those standards are free of any conflicting interest that could influence their actions as directors. Accordingly, stockholders may not have the same protections afforded to stockholders of other companies that are subject to all of the corporate governance requirements of the NYSE.

Future sales, or the perception of future sales, by us or our existing stockholders in the public market could cause the market price for our common stock to decline.

The sale of our common stock in the public market, or the perception that such sales could occur, could harm the prevailing market price of our common stock. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.

As of February 26, 2024, we had a total of 196,705,443 shares of common stock outstanding and the Voting Group held 146,864,926 shares, or approximately 74.7%, of our common stock. The shares of our common stock held by the Voting Group are "restricted securities" under Rule 144 of the Securities Act and subject to certain restrictions on resale. Restricted securities may be sold in the public market only if they are registered under the Securities Act or are sold pursuant to an exemption from registration such as Rule 144. The Voting Group has certain registration rights under the Stockholders Agreement. Registration of any of these outstanding shares of common stock would result in such shares becoming freely tradable without compliance with Rule 144 upon effectiveness of the registration statement.

If the Voting Group exercises its registration rights, the market price of our common stock could drop significantly if the holders of these shares sell them or are perceived by the market as intending to sell them. These factors could also make it more difficult for us to raise additional funds through future offerings of our common stock or other securities.

In addition, our shares of common stock subject to outstanding awards or reserved for future issuance under our 2021 Incentive Award Plan and our 2021 Employee Stock Purchase Plan will become eligible for sale in the public market once those shares are issued, subject to provisions relating to any vesting agreements.

We may also issue our securities in connection with investments or acquisitions. The amount of our common stock issued in connection with an investment or acquisition could constitute a material portion of our then-outstanding common stock. Any issuance of additional securities in connection with investments or acquisitions may result in additional dilution to our stockholders and the securities issued may have rights that are senior to our common stock.

Some provisions of our charter documents and Delaware law may have anti-takeover effects that could discourage an acquisition of us by others, even if an acquisition would be beneficial to our stockholders, and may prevent attempts by our stockholders to replace or remove our current management.

Provisions in our amended and restated certificate of incorporation and our amended and restated bylaws, as well as provisions of the Delaware General Corporation Law (the "DGCL"), could make it more difficult for a third party to acquire us or increase the cost of acquiring us, even if doing so would benefit our stockholders, including transactions in which stockholders might otherwise receive a premium for their shares. These provisions include:

- establishing a classified board of directors such that not all members of the board are elected at one time;

- allowing the total number of directors to be determined exclusively (subject to the rights of holders of any series of preferred stock to elect additional directors) by resolution of our board of directors and granting to our board the sole power (subject to the rights of holders of any series of preferred stock or rights granted pursuant to the Stockholders Agreement) to fill any vacancy on the board;
- limiting the ability of stockholders to remove directors without cause;
- authorizing the issuance of “blank check” preferred stock by our board of directors, without further stockholder approval, to thwart a takeover attempt;
- prohibiting stockholder action by written consent (and, thus, requiring that all stockholder actions be taken at a meeting of our stockholders), if the Voting Group collectively ceases to own, or no longer has the right to direct the vote of, at least 50% of the voting power of our common stock;
- eliminating the ability of stockholders to call a special meeting of stockholders, except for LGP and TPG, so long as the Voting Group collectively owns, or has the right to direct the vote of, at least 50% of the voting power of our common stock;
- establishing advance notice requirements for nominations for election to the board of directors or for proposing matters that can be acted upon at annual stockholder meetings;
- requiring the approval of the holders of at least two-thirds of the voting power of all outstanding stock entitled to vote thereon, voting together as a single class, to amend or repeal our amended and restated certificate of incorporation or amended and restated bylaws if the Voting Group collectively ceases to own, or no longer has the right to direct the vote of, at least 50% of the voting power of our common stock; and
- electing not to be governed by Section 203 of the DGCL.

These provisions could discourage, delay or prevent a transaction involving a change in control of our Company. They could also discourage proxy contests and make it more difficult for stockholders to elect directors of their choosing and cause us to take corporate actions other than those which our stockholders desire.

Our ability to use our net operating loss carryforwards and certain other tax attributes may become subject to limitation.

As of December 31, 2023, we had U.S. federal and state net operating loss carryforwards of approximaely $329.1 million ($69.1 million tax effected) and $196.9 million ($11.0 million tax effected), respectively, and disallowed interest expense carryforwards under Section 163(j) of the Internal Revenue Code of 1986, as amended (the “Code”), of approximately $229.6 million ($57.8 million tax effected). Our ability to utilize our federal net operating carryforwards and disallowed interest expense carryforwards (the “Tax Attributes”) may become limited under Section 382 of the Code. The limitation applies if we experience an “ownership change,” which is generally defined as a greater than 50 percentage point change (by value) in the ownership of our equity by certain stockholders over a rolling three-year period. The amount of the annual limitation is generally equal to the product of the applicable long-term tax exempt-rate (as published by the Internal Revenue Service for the month in which the “ownership change” occurred) and the value of our outstanding stock immediately prior to the “ownership change.” If we have a net unrealized built-in gain in our assets immediately prior to the “ownership change,” the annual limitation may be increased as certain gains are, or are treated as, recognized during the five-year period beginning on the date of the “ownership change.” Similar provisions of state tax law may also apply to limit the use of our state net operating loss carryforwards. We may undergo an “ownership change” due to future transactions in our stock, which may be outside of our control, and we cannot predict whether any future “ownership change” would result in a significant limitation on our ability to use our Tax Attributes to offset our taxable income and adversely affect our future cash flows.

Non-U.S. holders who own more than 5% of our common stock may be subject to U.S. federal income tax on gain realized on the sale or other taxable disposition of such stock.

Because we have significant ownership of real property located in the United States, we may be a “United States real property holding corporation” (“USRPHC”) for U.S. federal income tax purposes, but we have made no determination to that effect. There can be no assurance that we do not currently constitute or will not become a USRPHC. As a result, any beneficial owner of our common stock that is neither a “U.S. person” nor an entity treated as a partnership for U.S. federal income tax purposes (a “Non-U.S. Holder”) may be subject to U.S. federal income tax on gain realized on a sale or other taxable disposition of our common stock if such Non-U.S. Holder has owned, actually or constructively, more than 5% of our common stock at any time during the shorter of the five-year period ending on the date of the sale or other taxable disposition or the Non-U.S. Holder's holding period in such stock.

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 1C. CYBERSECURITY

The operation, integrity and security of our systems and the security of our data and the data of our members, guests and employees is critical to us. We have therefore developed and maintain a cybersecurity program designed to safeguard our systems from unauthorized access and to protect the confidentiality, integrity and availability of our data and the data of our members, guests and employees from external and internal threats.

Risk Management and Strategy

We take a risk-based approach with our cybersecurity program that has been designed in accordance with the National Institute of Standards and Technology ("NIST") cybersecurity framework. Our program focuses on a variety of potential material risks including operational (including unauthorized access), financial, reputational and compliance-related. We analyze these risks based on numerous factors and also weigh their likelihood and potential impact. This analysis is led by our Chief Digital Officer and Chief Information Security Officer as detailed below under "—Governance." Additionally, we have identified cybersecurity as a credible technology-related risk under our enterprise risk management ("ERM") program. Our Chief Digital Officer is the owner of our technology risks and is therefore charged with executing controls to monitor and mitigate cybersecurity risks through people, processes and technology. Our ERM Committee is comprised of Company leaders and meets at least quarterly to consider, among other matters, the effectiveness of the risk monitoring and mitigating and the expected frequency, severity and trend of our credible risks including cybersecurity.

We seek to continuously improve our program within the NIST framework based on our risk assessment as well as our business needs and industry trends. We also apply administrative, operational and technical security controls to handle and process our data and the data of our members, guests and employees in a responsible and secure manner, including through various internal policies and standards governing information security. We leverage the expertise and advice of third parties to conduct audits, assessments, tabletop exercises, penetration testing and other reviews to assist us in identifying and implementing improvements to our cybersecurity program and aligning it with the NIST framework and our overall ERM program.

Our cybersecurity program includes ongoing vulnerability and risk management processes along with a managed security service provider that utilizes a detection and response solution to provide us with 24/7/365 monitoring and alerting. We have developed an incident response plan that is designed in accordance with the NIST framework to facilitate (1) identification and containment of any cybersecurity incidents; (2) remediation of identified vulnerabilities; (3) mitigation of disruption to critical information systems; and (4) assessment of what occurred, notification of affected individuals as necessary and mitigation of consequences that may arise from any unauthorized access. This plan also identifies and describes the roles and responsibilities of our incident response team, including investigation and escalation as appropriate up to and including our Audit Committee or Board of Directors.

Our cybersecurity program also addresses risks associated with third-party service providers who may access or integrate with our systems and data. Our processes include having such third parties complete a cybersecurity questionnaire, agree to appropriate contractual obligations and provide annual evidence of their compliance where applicable.

While we experience cybersecurity threats during the normal course of business, no risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, have materially affected us and we do not believe are reasonably likely to materially affect us, including with respect to our business strategy, results of operations and financial condition.

Governance

Our Board of Directors oversees risk management of our business and accomplishes this oversight primarily through the Audit Committee. Our Audit Committee discusses the Company's policies with respect to risk assessment and risk management, including guidelines and policies to govern the process by which the Company's exposure to risk is handled. As part of this process, our Audit Committee oversees our ERM program including risks related to privacy, data and information security, including cybersecurity. Management presents to the Audit Committee at least annually on our cybersecurity program and risks related thereto, and then the Audit Committee reports on that presentation to our Board of Directors. The presentations may address (1) the current cybersecurity landscape and emerging threats; (2) the status of ongoing cybersecurity initiatives and strategies; (3) incident reports and learnings from any cybersecurity incidents; and/or (4) compliance with regulatory requirements and industry standards. In addition, our executive team may report specific cybersecurity incidents to the Audit Committee or Board of Directors outside of a regularly scheduled meeting based on the impact of the incident. Our internal escalation process is set forth in our incident response plan.

Our Executive Vice President and Chief Digital Officer is our executive team member responsible for our cybersecurity program and our Chief Information Security Officer ("CISO") leads the program. Together they provide updates to the ERM Committee and present to our Audit Committee at least annually. In addition, we have established an incident response team comprised of a cross-functional group of team members who manage our response to any cybersecurity incident pursuant to our incident response plan.

Our CISO has an undergraduate degree in Management Information Systems, decades of cybersecurity and technology experience and broad industry-wide experience, including in hospitality, retail, medical, energy and government. Members of our cybersecurity team have over 100 years of combined cybersecurity experience and hold professional certifications from security organization such as ISC2 and SANS Institute that include Certified Information Systems Security Professional (CISSP), GIAC Web Application Penetration Tester (GWAPT), GIAC Penetration Tester (GPEN), GIAC Certified Intrusion Analyst (GCIA) and GIAC Certified Forensic Analyst (GCFA). Our cybersecurity team also stays informed on the latest developments in cybersecurity, including trends, risks, threat vectors and attack mechanisms, through security and compliance-related seminars, conferences, continuing education training, news feeds and forums and our CISO sits on various CISO committees and roundtables. Our CISO's knowledge and experience, coupled with the expertise and advice we receive from third parties, are instrumental in assessing and managing our cybersecurity program, including our strategy, security engineering, security operations, cybersecurity awareness and training, information technology governance and compliance, and cyber threat identification, assessment, management, mitigation and response.

Item 2. PROPERTIES

We operate distinctive, resort-like athletic country club destinations in both affluent suburban and urban locations centered around major metropolitan areas in the United States and Canada. As of December 31, 2023, we operated 171 centers in 31 states and one Canadian province, 58 of which were owned (including ground leases) and 113 of which were leased. During 2023, we opened 11 new centers. Our luxurious athletic country clubs total approximately 17 million square feet in the aggregate and measure approximately 98,000 square feet on average. Depending on the size and location, they offer expansive fitness floors, spacious locker rooms, group fitness studios, indoor and outdoor pools and bistros, indoor and outdoor tennis courts, pickleball courts, basketball courts, LifeSpa personal care services, LifeCafe healthy restaurants and child care and Kids Academy learning spaces. Excluding renewal options, the terms of our leased centers, including ground leases, expire at various dates from October 2024 through December 2054. Including renewal options, only nine of our 113 leases expire in the next 15 years. The majority of our leases have renewal options and a few grant us the right to purchase the property. Of our 58 owned properties, 24 are pledged as collateral under our Credit Facilities as well as our secured notes, and 13 are pledged as collateral under our mortgage notes.

Our corporate headquarters, located in Chanhassen, Minnesota next to our Chanhassen center, is comprised of two 105,000 square foot, free-standing, three-story buildings that we own.

The table below contains information about our centers as of December 31, 2023:

	Number of Owned Centers	Number of Leased Centers	Total Number of Centers	Aggregate Square Feet
United States:				
Alabama	0	1	1	104,336
Arizona	2	5	7	681,917
California	3	4	7	622,477
Colorado	3	3	6	642,716
Connecticut	0	1	1	53,198
Florida	1	3	4	361,958
Georgia	3	4	7	695,937
Illinois	6	7	13	1,450,388
Indiana	2	0	2	127,512
Iowa	0	1	1	110,378
Kansas	1	1	2	222,712
Maryland	1	3	4	351,878
Massachusetts	0	6	6	688,938
Michigan	2	5	7	686,407
Minnesota	13	9	22	1,964,328
Missouri	0	2	2	238,287
Nebraska	0	1	1	116,409
Nevada	1	1	2	258,062
New Jersey	1	5	6	677,195
New York	2	9	11	734,242
North Carolina	1	3	4	378,804
Ohio	1	5	6	515,011
Oklahoma	0	2	2	232,206
Oregon	1	0	1	133,526
Pennsylvania	0	3	3	324,509
Tennessee	0	2	2	236,129
Texas	10	19	29	2,941,783
Utah	0	1	1	109,800
Virginia	1	5	6	601,008
Washington	0	1	1	34,385
Wisconsin	0	1	1	126,423
Canada:				
Ontario	3	0	3	397,853
Total Centers	**58**	**113**	**171**	**16,820,712**

In a few of our centers, we sublease space to third parties. The square footage figures above include those subleased areas. The center square footage figures exclude areas used for tennis courts, outdoor swimming pools, outdoor play areas and stand-alone Life Time Work, Life Time Sport and Life Time Swim locations.

In addition to the centers listed in the table above, as of December 31, 2023, we had seven new centers under construction, with $241 million of growth capital expenditures already invested into these new centers that have yet to open. We also operate six facilities that we classify as satellite locations. These include tennis-only facilities that we own in Oakdale, Minnesota; Centennial, Colorado; and Plano, Texas; along with leased small centers in Austin, Texas; Battery Park, New York; and Hackensack, New Jersey.

Other Property Data:

	December 31,		
	2023	2022	2021
	(Number of centers)		
Center age:			
Open 1 to 12 months	11	10	6
Open 13 to 37 months	17	12	13
Open 37+ months	143	139	132
Total centers	171	161	151
Center ownership:			
Own	33	32	33
Own/ground lease	11	11	11
Own/mortgaged outside of Credit Facilities	13	13	18
Joint venture	1	1	1
Leased	113	104	88
Total centers	171	161	151

Item 3. LEGAL PROCEEDINGS

Life Time, Inc. et al. v. Zurich American Insurance Company— On August 19, 2020, Life Time, Inc., several of its subsidiaries and a joint venture entity, Bloomingdale Life Time Fitness LLC (collectively, the “Life Time Parties”), filed a complaint against Zurich American Insurance Company (“Zurich”) in the Fourth Judicial District of the State of Minnesota, County of Hennepin (Case No. 27-CV-20-10599) (the “Action”), seeking declaratory relief and damages under a property/business interruption insurance policy with respect to Zurich’s failure to provide certain coverage to the Life Time Parties related to the closure or suspension by governmental authorities of their business activities due to the spread or threat of the spread of COVID-19. On March 15, 2021, certain of the Life Time Parties filed a First Amended Complaint in the Action adding claims against Zurich under a Builders’ Risk policy related to the suspension of multiple construction projects. The Action is subject to many uncertainties, and the outcome of the matter is not predictable with any assurance.

Other Legal Proceedings—We are also engaged in other proceedings incidental to the normal course of business. Due to their nature, such legal proceedings involve inherent uncertainties, including but not limited to, court rulings, negotiations between affected parties and governmental intervention. We will establish reserves for matters that are probable and estimable in amounts we believe are adequate to cover reasonable adverse judgments. Based upon the information available to us and discussions with legal counsel, it is our opinion that the outcome of the various legal actions and claims that are incidental to our business will not have a material adverse impact on our consolidated financial position, results of operations or cash flows. Such matters are subject to many uncertainties, and the outcomes of individual matters are not predictable with assurance.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

Item 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock is listed on the NYSE under the symbol “LTH” and began trading on October 7, 2021. Prior to that date, there was no public market for our common stock. Life Time Group Holdings, Inc. consummated its initial public offering (“IPO”) of 39.0 million shares of its common stock for total gross proceeds of $702.0 million on October 12, 2021. Additionally, on November 1, 2021, Life Time Group Holdings, Inc. consummated the sale of nearly 1.6 million additional shares of its common stock pursuant to the partial exercise by the underwriters of their over-allotment option, resulting in total gross proceeds of approximately $28.4 million.

Holders

As of February 26, 2024, there were 26 holders of record of our common stock. The number of holders of record is based upon the actual number of holders registered at such date and does not include holders of shares in "street name" or persons, partnerships, associates, corporations or other entities identified in security position listing maintained by depositories.

Dividends

We do not currently expect to pay any cash dividends on our common stock for the foreseeable future. Instead, we anticipate that all of our earnings in the foreseeable future will be used to support our operations, to finance the growth and development of our business and to pay down debt. Any determination to declare or pay dividends in the future will be at the discretion of our board of directors and will depend upon our results of operations, cash requirements, financial condition, contractual restrictions, restrictions imposed by applicable laws and other factors that our board of directors may deem relevant. In addition, our business is conducted through our subsidiaries. Dividends, distributions and other payments from, and cash generated by, our subsidiaries will be our principal sources of cash to repay indebtedness, fund operations and pay dividends. Accordingly, our ability to pay dividends to our stockholders is dependent on the earnings and distributions of funds from our subsidiaries. The covenants in the indentures governing our secured and unsecured notes and the credit agreement governing our senior secured credit facility significantly restrict the ability of our subsidiaries to pay dividends or otherwise transfer assets to us.

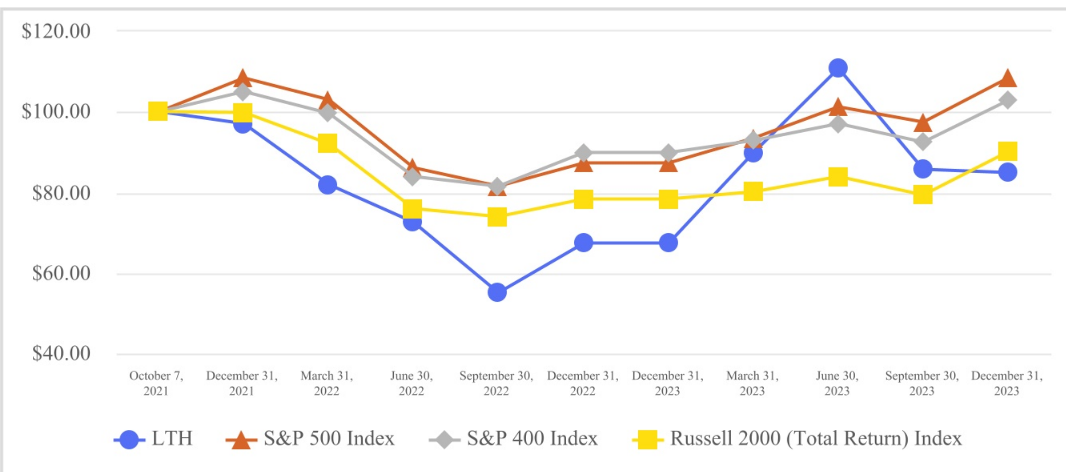
Purchases of Equity Securities

During the fourth quarter of the fiscal year ended December 31, 2023, we did not purchase any of our equity securities that are registered under Section 12(b) of the Exchange Act.

Stock Performance Graph

The following graph compares the change in total cumulative stockholder return on our common stock for the period from the close of trading on October 7, 2021, which was the first day our common stock began to trade publicly on the NYSE, to the end of fiscal 2023 relative to the performance of the S&P 500 Index, the S&P 400 Index and the Russell 2000 (Total Return) Index. We include a comparison against the Russell 2000 (Total Return) Index because there is no published industry or line-of-business index for our industry, and we do not have a readily definable peer group that is publicly traded. The graph assumes $100.00 is invested at the closing price of $17.75 for our common stock on October 7, 2021.

The stock price performance shown below is not indicative of future performance. The performance graph shall not be deemed "soliciting material" or considered to be "filed" with the SEC for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities under that Section, and shall not be deemed to be incorporated by reference into any of the Company's filings under the Securities Act or the Exchange Act.



Item 6. [RESERVED]

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and the related notes and other financial information included elsewhere in this Annual Report. Some of the information included in this discussion and analysis or set forth elsewhere in this Annual Report, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. You should review the "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" sections of this Annual Report for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Refer to Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, in our Form 10-K for the year ended December 31, 2022 filed with the SEC on March 8, 2023, for discussion of the results of operations for the year ended December 31, 2022 compared to the year ended December 31, 2021.

Overview

Business and Strategy

Life Time, the "Healthy Way of Life Company," is a leading lifestyle brand offering premium health, fitness and wellness experiences to a community ofnearly 1.5 million individual members, who together comprise nearly 815,000 memberships, as of December 31, 2023. Since our founding over 30 years ago, we have sought to continuously innovate ways for our members to lead healthy and happy lives by offering them the best places, programs and performers. We deliver high-quality experiences through our omni-channel physical and digital ecosystem that includes more than 170 centers—distinctive, resort-like athletic country club destinations—across 31 states in the United States and one province in Canada. Our brand loyalty and track record of providing differentiated experiences to our members has fueled our strong, long-term financial performance.

Our luxurious athletic country clubs total approximately 17 million square feet in the aggregate. Our centers are located in affluent suburban and urban locations and include ground-up suburban builds, mall or retail locations, vertical residential and urban locations. Depending on the size and location of a center, we offer expansive fitness floors with top-of-the-line equipment, spacious locker rooms, group fitness studios, indoor and outdoor pools and bistros, indoor and outdoor tennis courts, pickleball courts, basketball courts, LifeSpa, LifeCafe and our childcare and Kids Academy learning spaces. Our premium service offerings are delivered by over 37,000 Life Time team members, including over 9,800 certified fitness professionals, ranging from personal trainers to studio performers.

Our members are highly engaged and draw inspiration from the experiences and community we have created. The value our members place on our community is reflected in the continued strength and growth of our average revenue per center membership, center usage and the visits to our athletic country clubs. Our average revenue per center membership increased to $2,810 for the year ended December 31, 2023 as compared to $2,528 for the year ended December 31, 2022 and $2,098 for the year ended December 31, 2021. We had 135 average visits per membership to our centers in 2023 compared to 124 and 113 in 2022 and 2021, respectively, and total visits to our clubs were 103 million in 2023, 86 million in 2022 and 69 million in 2021. We believe that no other company in the United States delivers the same quality and breadth of health, fitness and wellness experiences that we deliver, which has enabled us to consistently grow our annual membership dues and in-center revenues.

Our total Center revenue increased to $2,154 million for the year ended December 31, 2023 as compared to $1,770 million for the year ended December 31, 2022 and $1,287 million for the year ended December 31, 2021. We believe it will continue to grow as our new centers ramp to expected performance, we open new centers in desirable locations across the country and we continue to execute on our strategic initiatives discussed below. Our new centers on average have taken three to four years to ramp to expected performance. As of December 31, 2023, we had 27 centers open for less than three years. We are also expanding the number of our centers using an asset-light model that targets increasingly affluent markets with higher income members, higher average annual revenue per center membership and higher returns on invested capital. As we open these new centers in more affluent markets, we believe our average revenue per center membership will naturally increase. We believe we have significant opportunities to continue expanding our portfolio of premium centers in an asset-light manner with plans for nine to 10 new centers in 2024. While we have temporarily slowed down the start of new construction on our ground-up suburban builds and pursued more asset-light opportunities that include leases with tenant improvement allowances and existing facility takeovers with lower capital required and quicker turnaround times, as of December 31, 2023, we had seven new centers under construction, with $241 million of growth capital expenditures already invested into these new centers that have yet to open. We believe the combined dynamic of our ramping new centers plus the capital expenditures already invested in our centers under construction creates a strong tailwind for the continued growth of our total Center revenue.

Coming out of the COVID-19 pandemic, we believe that we have built an even healthier and stronger business. Our initial focus on center recovery produced strong results in member engagement and increasing memberships, visits and Center revenue. We were then able to focus on expanding margins by optimizing our average revenue per center membership and significantly improving the efficiency of our club operations and corporate office. We have also benefited from the greater flow through of our increased revenue and from new members joining at higher membership dues rates.

We have also implemented several strategic initiatives that are driving revenue, engagement and memberships as we continue to elevate and broaden our member experiences and allow our members to integrate health, fitness and wellness into their lives with greater ease and frequency. These strategic initiatives include pickleball, Dynamic Personal Training, Dynamic Stretch, small group training such as Alpha, GTX and Ultra Fit, and our ARORA community focused on members aged 55 years and older, where we have experienced a significant increase in our unique participants or total sessions. We have also launched a pilot for our MIORA health optimization and longevity services and believe we also have opportunities to enhance our offerings within our LifeCafe and LifeSpa during 2024. Additionally, our enhanced digital platform is delivering a true omni-channel experience for our members, including live streaming fitness classes, remote goal-based personal training, nutrition and weight loss support and curated award-winning health, fitness and wellness content. In addition, our members are able to purchase a wide variety of equipment, wearables, apparel, beauty products and nutritional supplements via our digital health store. We are continuing to invest in our digital capabilities, including our integrated digital app and artificial intelligence, in order to strengthen our relationships with our members and more comprehensively address their health, fitness and wellness needs so that they can remain engaged and connected with Life Time at any time or place.

We also continue to expand our “Healthy Way of Life” ecosystem in response to the desire of our members to holistically integrate health and wellness into every aspect of their daily lives. In 2018, we launched Life Time Work, an asset-light branded co-working model that offers premium work spaces in close proximity to our centers and integrates ergonomic furnishings and promotes a healthy working environment. Life Time Work members also have the ability to receive access to all of our resort-like athletic country club destinations across the United States and Canada. Additionally, our Life Time Living locations offer luxury wellness-oriented residences, also in close proximity to one of our athletic country clubs. As of December 31, 2023, we had 14 Life Time Work and four Life Time Living locations open and operating.Our Life Time Living offering is generating interest from new property developers and presenting opportunities for new center development that were not previously available to us. As we expand our footprint with new centers and nearby work and living spaces, as well as strengthen our digital capabilities, we expect to continue to grow our omni-channel platform to support the “Healthy Way of Life” journey of our members.

Macroeconomy

We continue to monitor the macroeconomic environment and its impact on our business, including with respect to inflation, interest rates, labor and supply chain issuesas well as a potential economic recession. While the inflation rate has improved, it remains elevated and the more than two years of elevated inflation has impacted our expenses and capital expenditures in several areas, including wages, construction costs and other operating expenses, and thus pressured our margin performance. Despite this headwind, we have experienced growth in our revenue and margins. The rising interest rate environment has also increased the cost of our Term Loan Facility and Revolving Credit Facility and may result in increased capitalization rates and delays on future sale-leaseback transactions. We continue to explore sale-leaseback transactions but are being selective on the timing and rates given our current ability to add new centers through asset-light opportunities and our improved cash flow. We will continue to monitor the macroeconomic environment, but we believe that our business is resilient and has performed well historically during different economic cycles including during a recession.

Components of Our Results of Operations

Total revenue

Total revenue consists of center revenue and other revenue (each defined below).

Center revenue

Center revenue consists of membership dues, enrollment fees and revenue generated within a center, which we refer to as in-center revenue. In-center revenue includes fees for Dynamic Personal Training, aquatics and kids programming and other member services, as well as sales of products at our cafés, and sales of products and services offered at our spas and tennis and pickleball programs.

Other revenue

Other revenue includes revenue generated from our businesses outside our centers, which are primarily media, athletic events and related services. Our media revenue includes our magazine, Experience Life®, our athletic events revenue includes endurance activities such as running and cycling, and our related services revenue includes revenue from our race registration and timing businesses. Other revenue also includes revenue generated from our Life Time Work and Life Time Living locations.

Center operations expenses

Center operations expenses consist of direct expenses related to the operation of our centers, such as salaries, commissions, payroll taxes, benefits, real estate taxes and other occupancy costs (excluding rent), utilities, repairs and maintenance, supplies and pre-opening expenses.

Rent expense

Rent expense consists of both cash and non-cash expense related to our operating leases booked on a straight-line basis over the lease term in accordance with generally accepted accounting principles in the United States ("GAAP").

Non-cash rent expense

Non-cash rent expense reflects the non-cash portion of our annual GAAP operating lease expense that is greater or less than the cash operating lease payments. Non-cash rent expense for our open properties represents non-cash expense associated with properties that were operating at the end of each period presented. Non-cash rent expense for our properties under development represents non-cash expense associated with properties that are still under development at the end of each period presented.

General, administrative and marketing expenses

General, administrative and marketing expenses include:

- Costs relating to our centralized support functions, such as accounting, information systems, procurement, real estate and development and member relations, as well as share-based compensation expense;
- Marketing expenses, which primarily consist of marketing department costs and media and advertising costs to support and grow Center membership levels, in-center businesses, new center openings and our businesses outside of our centers; and
- Indirect support costs related to the operation of our centers, including payroll-related expenses associated with our regional center management structure and in-center business support.

Depreciation and amortization expense

Depreciation and amortization expense consists of depreciation and amortization for our depreciable long-lived assets, including assets related to our owned centers.

Other operating expense (income)

Other operating expense (income) consists primarily of expenses (income) related to our other revenue, which is generated from our businesses outside of our centers. In addition, we record other non-recurring operating expenses (income) that we believe are not indicative of our core operating performance, as a component of other operating expense (income).

Interest expense, net of interest income

Interest expense, net of interest income consists primarily of cash interest expense on borrowings and non-cash interest expense, which includes the amortization of debt issuance costs, partially offset by interest earned.

Equity in earnings (loss) of affiliates

Equity in earnings (loss) of affiliates includes investments in unconsolidated subsidiaries, which we account for using the equity method of accounting.

Provision for (benefit from) income taxes

The provision for (benefit from) income taxes consists of an estimate for U.S. federal, state and foreign income taxes based on enacted rates, as adjusted for allowable credits, deductions, uncertain tax positions, changes in deferred tax assets and liabilities and changes in the tax law.

Net income (loss)

Net income (loss) consists of our total revenue, less our total operating expenses, and then adjusted for other (income) expenses and provision for (benefit from) income taxes, as set forth on our consolidated statements of operations.

Non-GAAP Financial Measures

This discussion and analysis includes certain financial measures that are not presented in accordance with GAAP, including Adjusted net income (loss), Adjusted net income (loss) per common share and Adjusted EBITDA and ratios and calculations related thereto. These non-GAAP financial measures are not based on any comprehensive set of accounting rules or principles and should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. In addition, these non-GAAP financial measures should be read in conjunction with our financial statements prepared in accordance with GAAP. The reconciliations of the Company’s non-GAAP financial measures to the corresponding GAAP measures should be carefully evaluated.

Adjusted net income (loss)

We define Adjusted net income (loss) as net income (loss) excluding the impact of share-based compensation expense, (gain) loss on sale-leaseback transactions, capital transaction costs, legal settlements, asset impairment, severance and other items that are not indicative of our ongoing operations, including incremental costs related to COVID-19, less the tax effect of these adjustments.

Adjusted EBITDA

We define Adjusted EBITDA as net income (loss) before interest expense, net, provision for (benefit from) income taxes and depreciation and amortization, excluding the impact of share-based compensation expense, (gain) loss on sale-leaseback transactions, capital transaction costs, legal settlements, asset impairment, severance and other items that are not indicative of our ongoing operations, including incremental costs related to COVID-19.

Management uses Adjusted net income (loss) and Adjusted EBITDA to evaluate the Company’s performance. We believe that Adjusted net income (loss) and Adjusted EBITDA are important metrics for management, investors and analysts as they remove the impact of items that we do not believe are indicative of our core operating performance and allow for consistent comparison of our operating results over time and relative to our peers. We use Adjusted net income (loss) and Adjusted EBITDA to supplement GAAP measures of performance in evaluating the effectiveness of our business strategies and to establish annual budgets and forecasts. We also use Adjusted EBITDA or variations thereof to establish short-term incentive compensation for management.

Adjusted net income (loss) and Adjusted EBITDA should be considered in addition to, and not as a substitute for or superior to, financial measures calculated in accordance with GAAP. These are not measurements of our financial performance under GAAP and should not be considered as alternatives to net income (loss) or any other performance measures derived in accordance with GAAP and may not be comparable to other similarly titled measures of other businesses. Adjusted net income (loss) and Adjusted EBITDA have limitations as analytical tools, and you should not consider these measures in isolation or as a substitute for analysis of our operating results as reported under GAAP. Furthermore, we compensate for the limitations described above by relying primarily on our GAAP results and using Adjusted net income (loss) and Adjusted EBITDA only for supplemental purposes. See our consolidated financial statements included elsewhere in this Annual Report for our GAAP results.

Non-GAAP Measurements and Key Performance Indicators

We prepare and analyze various non-GAAP performance metrics and key performance indicators to assess the performance of our business and allocate resources. For more information regarding our non-GAAP performance metrics, see “—Non-GAAP Financial Measures” above. These are not measurements of our financial performance under GAAP and should not be considered as alternatives to any other performance measures derived in accordance with GAAP.

Set forth below are certain GAAP and non-GAAP measurements and key performance indicators for the years ended December 31, 2023, 2022 and 2021. The following information has been presented consistently for all periods presented.

	Year Ended December 31,		
	2023	2022	2021
	($ in thousands, except for Average Center revenue per center membership data)		
Membership Data			
Center memberships	763,216	725,206	649,373
Digital On-hold memberships	51,720	51,470	74,767
Total memberships	814,936	776,676	724,140
Revenue Data			
Membership dues and enrollment fees	72.3%	70.7%	70.5%
In-center revenue	27.7%	29.3%	29.5%
Total Center revenue	100.0%	100.0%	100.0%
Membership dues and enrollment fees	$ 1,557,289	$ 1,251,693	$ 907,111
In-center revenue	597,040	517,827	379,523
Total Center revenue	$ 2,154,329	$ 1,769,520	$ 1,286,634
Average Center revenue per center membership [1]	$ 2,810	$ 2,528	$ 2,098
Comparable center revenue [2]	15.3%	33.0%	35.3%
Center Data			
Net new center openings [3]	10	10	2
Total centers (end of period) [3]	171	161	151
Total center square footage (end of period) [4]	16,800,000	16,000,000	15,000,000
GAAP and Non-GAAP Financial Measures			
Net income (loss)	$ 76,063	$ (1,793)	$ (579,369)
Net income (loss) margin [5]	3.4 %	(0.1)%	(44.0)%
Adjusted net income (loss) [6]	$ 129,704	$ (41,569)	$ (305,370)
Adjusted net income (loss) margin [6]	5.9 %	(2.3)%	(23.2)%
Adjusted EBITDA [7]	$ 536,831	$ 281,724	$ 80,299
Adjusted EBITDA margin [7]	24.2 %	15.5 %	6.1 %
Center operations expense	$ 1,184,370	$ 1,068,208	$ 844,098
Pre-opening expenses [8]	7,280	12,399	7,021
Rent	275,122	245,226	209,823
Non-cash rent expense (open properties) [9]	33,626	27,737	9,959
Non-cash rent expense (properties under development) [9]	3,918	10,797	12,643

(1) We define Average Center revenue per center membership as Center revenue less Digital On-hold revenue, divided by the average number of Center memberships for the period, where the average number of Center memberships for the period is an average derived from dividing the sum of the total Center memberships outstanding at the beginning of the period and at the end of each month during the period by one plus the number of months in each period.

(2) We measure the results of our centers based on how long each center has been open as of the most recent measurement period. We include a center, for comparable center revenue purposes, beginning on the first day of the 13th full calendar month of the center's operation, in order to assess the center's growth rate after one year of operation.

(3) Net new center openings is calculated as the number of centers that opened for the first time to members during the period, less any centers that closed during the period. Total centers (end of period) is the number of centers operational as of the last day of the period. During 2023, we opened 11 centers and closed one center.

(4) Total center square footage (end of period) reflects the aggregate fitness square footage, which we use as a metric for evaluating the efficiencies of a center as of the end of the period. The square footage figures exclude areas used for tennis courts, outdoor swimming pools, outdoor play areas and stand-alone Work, Sport and Swim locations. These figures are approximations.

(5) Net income (loss) margin is calculated as net income (loss) divided by total revenue.

(6) We present Adjusted net income (loss) as a supplemental measure of our performance. We define Adjusted net income (loss) as net income (loss) excluding the impact of share-based compensation expense, (gain) loss on sale-leaseback transactions, capital transaction costs, legal settlements, asset impairment, severance and other items that are not indicative of our ongoing operations, including incremental costs related to COVID-19, less the tax effect of these adjustments.

Adjusted net income (loss) margin is calculated as Adjusted net income (loss) divided by total revenue.

The following table provides a reconciliation of net income (loss) and income (loss) per common share, the most directly comparable GAAP measures, to Adjusted net income (loss) and Adjusted net income (loss) per common share:

	Year Ended December 31,		
($ in thousands)	**2023**	**2022**	**2021**
Net income (loss)	$ 76,063	$ (1,793)	$ (579,369)
Share-based compensation expense [a]	50,144	37,291	334,339
COVID-19 related expenses [b]	470	3,056	(1,589)
Loss (gain) on sale-leaseback transactions [c]	13,624	(97,632)	2,380
Capital transaction costs [d]	—	255	2,904
Asset impairments [e]	6,620	—	—
Other [f]	(4,011)	(1,048)	2,338
Taxes [g]	(13,206)	18,302	(66,373)
Adjusted net income (loss)	$ 129,704	$ (41,569)	$ (305,370)
Income (loss) per common share:			
Basic	$ 0.39	$ (0.01)	$ (3.73)
Diluted	$ 0.37	$ (0.01)	$ (3.73)
Adjusted income (loss) per common share:			
Basic	$ 0.66	$ (0.21)	$ (1.96)
Diluted	$ 0.64	$ (0.21)	$ (1.96)
Weighted-average common shares outstanding:			
Basic	195,671	193,570	155,470
Diluted	204,005	193,570	155,470

(a) Share-based compensation expense recognized during the year ended December 31, 2023 is associated with stock options, restricted stock units, our employee stock purchase plan ("ESPP") that launched on December 1, 2022 and liability classified awards related to our short-term incentive plan in 2023. Share-based compensation expense recognized during the year ended December 31, 2022 is associated with stock options, restricted stock, restricted stock units and our ESPP. A significant portion of the share-based compensation expense that we recognized during the year ended December 31, 2021 is associated with stock options that were granted prior to 2021. As of the effective date of the IPO in October 2021, these stock options became fully vested, and they became exercisable either immediately or on April 4, 2022, subject to continued service through such date. Accordingly, during the period from the effective date of the IPO through April 4, 2022, we recognized share-based compensation expense associated with these stock options in an amount equal to the proportion of the total service period that passed from the respective grant dates associated with each of these stock option awards through April 4, 2022. Because the exercisability of these stock options was contingent upon the occurrence of a change of control or an initial public offering, no share-based compensation expense associated with these stock options was recognized prior to the

IPO.

(b) Represents the incremental net expenses (credits) we recognized related to the COVID-19 pandemic. We adjust for these expenses (credits) as they do not represent expenses (credits) associated with our normal ongoing operations. We believe that adjusting for these expenses (credits) provides a more accurate and consistent representation of our actual operating performance from period to period. For the year ended December 31, 2023, COVID-19 related expenses primarily consisted of legal-related costs in pursuit of our claim against Zurich, partially offset by a subsidy for our Canadian operations.For the year ended December 31, 2022, COVID-19 related expenses primarily consisted of site development cost write-offs and legal-related costs in pursuit of our claim against Zurich. For the year ended December 31, 2021, COVID-19 related credits primarily consisted of the recovery of certain qualifying expenses under the CARES Act, partially offset by COVID-19 legal-related costs in pursuit of our claim against Zurich. For more information regarding this claim against Zurich, see Item 3, Legal Proceedings, in this Annual Report.

(c) We adjust for the impact of losses and gains on the sale-leaseback of our properties as they do not reflect costs associated with our ongoing operations. For details on the loss and gain on sale-leaseback transactions that we recognized during the years ended December 31, 2023, 2022 and 2021, see “Sale-Leaseback Transactions” within Note 9, Leases, to our consolidated financial statements in Part II, Item 8 of this Annual Report.

(d) Represents costs related to capital transactions, including debt and equity offerings that are non-recurring in nature, but excluding direct costs related to the IPO which were netted against the proceeds of the IPO.

(e) Represents non-cash asset impairments of our long-lived assets, excluding impairments on development costs that are part of our normal course of business.

(f) Includes benefits and costs associated with transactions that are unusual and non-recurring in nature.

(g) Represents the estimated tax effect of the total adjustments made to arrive at Adjusted net income (loss) using the effective income tax rates for the respective periods.

(7) We present Adjusted EBITDA as a supplemental measure of our performance. We define Adjusted EBITDA as net income (loss) before interest expense, net, provision for (benefit from) income taxes and depreciation and amortization, excluding the impact of share-based compensation expense, (gain) loss on sale-leaseback transactions, capital transaction costs, legal settlements, asset impairment, severance and other items that are not indicative of our ongoing operations, including incremental costs related to COVID-19.

Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by total revenue.

The following table provides a reconciliation of net income (loss), the most directly comparable GAAP measure, to Adjusted EBITDA:

	Year Ended December 31,		
($ in thousands)	**2023**	**2022**	**2021**
Net income (loss)	$ 76,063	$ (1,793)	$ (579,369)
Interest expense, net of interest income	130,797	113,537	224,516
Provision for (benefit from) income taxes	18,727	(825)	(140,344)
Depreciation and amortization	244,397	228,883	235,124
Share-based compensation expense [(a)]	50,144	37,291	334,339
COVID-19 related expenses (credits) [(b)]	470	3,056	(1,589)
Loss (gain) on sale-leaseback transactions [(c)]	13,624	(97,632)	2,380
Capital transaction costs [(d)]	—	255	2,904
Asset impairments [(e)]	6,620	—	—
Other [(f)]	(4,011)	(1,048)	2,338
Adjusted EBITDA	$ 536,831	$ 281,724	$ 80,299

(a) – (f) See the corresponding footnotes to the table in footnote 6 immediately above.

(8) Represents non-capital expenditures associated with opening new centers that are incurred prior to the commencement of a new center opening. The number of centers under construction or development, the types of centers and our costs associated with any particular center opening can vary significantly from period to period.

(9) Reflects the non-cash portion of our annual GAAP operating lease expense that is greater or less than the cash operating lease payments Non-cash rent expense for our open properties represents non-cash expense associated with properties that were operating at the end of each period presented. Non-cash rent expense for our properties under development represents non-cash expense associated with properties that are still under development at the end of each period presented.

Factors Affecting the Comparability of our Results of Operations

Impact of COVID-19 on our Business

Overview

In March 2020, the World Health Organization declared the outbreak of COVID-19 as a pandemic, the United States declared a National Public Health Emergency and we closed all of our centers based on orders and advisories from federal, state and local governmental authorities regarding COVID-19. Throughout this Annual Report, including this "Management's Discussion and Analysis of Financial Condition and Results of Operations," when we refer to "COVID-19," or "the pandemic" such as when we describe the "impact of COVID-19" on our operations, we mean the coronavirus-related orders issued by governmental authorities affecting our operations and/or the presence of coronavirus in our centers, including COVID-19 positive members or team members.

We re-opened our first center on May 8, 2020 and continued to re-open our centers as state and local governmental authorities permitted, subject to operating processes and protocols that we developed in consultation with an epidemiologist (MD/PhD) to provide a healthy and clean environment for our members and team members and to meet various governmental requirements and restrictions. Our centers were also impacted in 2021 as a result of the Delta variant and then again later in 2021 and into 2022 with the Omicron variant. The performance of our centers has improved significantly as our centers have ramped back from the adverse impacts of COVID-19.

Leverage

We are focused on improving the ratio of our net debt to Adjusted EBITDA, or our leverage ratic We define net debt as the current and long-term portion of our debt, excluding unamortized debt discounts and issuance costs and fair value adjustments, less unrestricted cash and cash equivalents. Our leverage ratio was elevated due in part to the adverse impacts of COVID-19, which required us to incur additional debt and significantly reduced our Adjusted EBITDA. We have significantly improved our leverage ratio in 2023 and believe that we can continue to improve our leverage ratio as our profitability improves and we continue to strengthen our balance sheet.

Investment in Business

We have continued to invest in our business to elevate and broaden our member experiences and drive additional revenue per center membership, including improving our in-center services and products, such as pickleball, Dynamic Personal Training, Dynamic Stretch, small group training and our ARORA community, introducing new types of memberships, providing concierge-type member services and expanding our omni-channel offerings. Elevating our member experiences requires investment in our team members, programs, products, services and centers. These investments may impact our short-term results of operations and cash flows as our investments in our business may be made more quickly than we achieve additional revenue per center membership. While we remain focused on providing exceptional experiences to our members and growing our revenue, we are also focused on center and overhead support efficiencies given our recovery of membership dues and a significant portion of our center memberships.

Impact of Our Asset-light, Flexible Real Estate Strategy on Rent Expense

Our asset-light, flexible real estate strategy has allowed us to expand our business by leveraging operating leases and sale-leaseback transactions, among other asset-light opportunities. Approximately 66% of our centers are now leased, including approximately 88% of our new centers opened since 2015, versus a predominantly owned real estate strategy prior to 2015. Rent expense, which includes both cash and non-cash rent expense, will continue to increase as we lease more centers and will therefore impact the comparability of our results of operations. The impact of these increases is dependent upon the timing of our centers under development and the center openings, the timing of sale-leaseback transactions and terms of the leases for the new centers or sale-leaseback transactions.

Macroeconomic Trends

We have been monitoring the macroeconomic environment and its impact on our business, including with respect to inflation, interest rates, labor and supply chain issuesas well as a potential economic recession. See "—Overview—Macroeconomy" for additional information.

Share-Based Compensation

During the year ended December 31, 2023, we recognized share-based compensation expense associated with stock options, restricted stock units, our ESPP and liability classified awards related to our short-term incentive plan in 2023, totaling approximately $50.1 million. During the year ended December 31, 2022, we recognized share-based compensation expense associated with stock options, restricted stock, restricted stock units and our ESPP, totaling approximately $37.3 million. During the year ended December 31, 2021, we recognized share-based compensation expense associated with stock options, restricted Series A Preferred Stock, restricted stock and restricted stock units totaling approximately $334.3 million, a significant portion of which is associated with stock options that were granted prior to 2021. As of the effective date of the IPO, these stock options became fully vested, and they became exercisable either immediately or on April 4, 2022, subject to continued service through such date. Accordingly, during the period from the effective date of the IPO through April 4, 2022, we recognized share-based compensation expense associated with these stock options in an amount equal to the proportion of the total service period that passed from the respective grant dates associated with each of these stock option awards through April 4, 202. Because the exercisability of these stock options was contingent upon the occurrence of a change of control or an initial public offering, no share-based compensation expense associated with these stock options was recognized prior to the IPO. For more information on our share-based compensation arrangements, see Note 10, Stockholders' Equity, to our consolidated financial statements included in Part II, Item 8 of this Annual Report.

Critical Accounting Estimates

The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Ultimate results could differ from those estimates. In recording transactions and balances resulting from business operations, we use estimates based on the best information available. We revise the recorded estimates when better information is available, facts change, or we can determine actual amounts. These revisions can affect operating results. We have identified below the following accounting policies and estimates that we consider to be critical.

Impairment of Goodwill and Indefinite-Lived Intangible Assets

We assess the recoverability of goodwill and indefinite-lived intangible assets, such as our Life Time trade name, on an annual basis, or more often if circumstances warrant. We assess the recoverability of goodwill by estimating the fair value of the reporting unit to which the goodwill relates and comparing this fair value to the net book value of the reporting unit. We assess the recoverability of the Life Time trade name through the use of the relief from royalty valuation method. If the fair value of goodwill or indefinite-lived intangible assets is less than net book value, we reduce the book value accordingly and record a corresponding impairment loss. Our policy is to test goodwill and indefinite-lived intangible assets for impairment on October 1 of each year. The valuation of goodwill and indefinite-lived intangible assets requires assumptions and estimates of many critical factors, including revenue and market growth, operating margins, membership trends, strategic initiatives, royalty rates and discount rates. A significant change in the factors noted above could cause us to reduce the estimated fair value of some or all of our reporting units or indefinite-lived intangible assets and recognize a corresponding impairment of our goodwill and indefinite-lived intangible assets in connection with a future impairment test. Adverse changes in strategy, market conditions or assumed market capitalization may result in an impairment of goodwill. Based upon our review and analysis, no material impairments of goodwill or indefinite-lived intangible assets were deemed to have occurred during any of the periods presented.

Impairment of Long-Lived Assets

We test long-lived asset groups for impairment when events or circumstances indicate that the net book value of the asset group may not be recoverable. A long-lived asset group may include property and equipment, finite-lived intangible assets and/or operating lease right-of-use assets. We consider a history of consistent and significant operating losses, or the inability to recover net book value over the remaining useful life, to be our primary indicators of potential impairment. Judgments regarding existence of impairment indicators are based on factors such as operational performance (including revenue and expense growth rates), market conditions and expected holding period of the primary asset associated with each asset group. We evaluate long-lived asset groups for impairment at the lowest levels for which there are identifiable cash flows, which is generally at an individual asset group level. The determination of whether impairment has occurred is based on an estimate of undiscounted future cash flows directly related to that asset group, compared to the carrying value of the related assets. If an impairment has occurred, the amount of impairment recognized is determined by estimating the fair value of these assets and recording a loss if the carrying value is greater than the fair value. Worsening operational performance, market conditions or change in expected holding periods of each asset may cause us to re-evaluate the assumptions used in management's analysis. We recognized impairment charges of $14.5 million, $2.1 million and $2.1 million associated with long-lived assets during the years ended December 31, 2023, 2022 and 2021, respectively.

Sale-Leaseback Arrangements

We assess each of our sale-leaseback arrangements to determine whether a sale has occurred under Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC 606"), as well as assess whether the classification of the lease and/or the payment terms associated with the renewal options preclude sale accounting under ASC 842, *Leases* ("ASC 842"). These assessments involve a determination of whether or not control of the underlying property has been transferred to the buyer. If we determine control of the underlying property has been transferred to the buyer, we account for the arrangement as a sale and leaseback transaction. If we determine control of the underlying property has not been transferred to the buyer, we account for the arrangement as a financing transaction. Since our adoption of ASC 842, we have accounted for each of our sale-leaseback arrangements as a sale and leaseback transaction.

For each sale-leaseback arrangement we have entered into with an unrelated third party since our adoption of ASC 842, the measurements associated with the gain or loss recognized on the sale and the lease-related right-of-use assets and liabilities have been adjusted for off-market terms. These off-market adjustments are based on the difference between the sale price of the property and its fair value. The determination of the fair value of the property related to our sale-leaseback arrangements requires subjectivity and estimates, including the use of multiple valuation techniques and uncertain inputs, such as market price per square foot and assumed capitalization rates or the replacement cost of the assets, where applicable. Where real estate valuation expertise is required, we obtain independent third-party appraisals to determine the fair value of the underlying asset. While determining fair value requires a variety of input assumptions and judgment, we believe our estimates of fair value are reasonable.

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Results of Operations

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

The following table sets forth our consolidated statements of operations data (amounts in thousands) and data as a percentage of total revenue for the periods indicated:

	Year Ended December 31,			
			As a Percentage of Total Revenue	
	2023	2022	2023	2022
Revenue:				
Center revenue	$ 2,154,329	$ 1,769,520	97.2 %	97.1 %
Other revenue	62,264	53,037	2.8 %	2.9 %
Total revenue	2,216,593	1,822,557	100.0 %	100.0 %
Operating expenses:				
Center operations	1,184,370	1,068,208	53.4 %	58.6 %
Rent	275,122	245,226	12.4 %	13.4 %
General, administrative and marketing	201,131	213,976	9.1 %	11.7 %
Depreciation and amortization	244,397	228,883	11.0 %	12.6 %
Other operating expense (income)	86,363	(44,355)	3.9 %	(2.4) %
Total operating expenses	1,991,383	1,711,938	89.8 %	93.9 %
Income from operations	225,210	110,619	10.2 %	6.1 %
Other (expense) income:				
Interest expense, net of interest income	(130,797)	(113,537)	(5.9) %	(6.2) %
Equity in earnings of affiliates	377	300	— %	— %
Total other expense	(130,420)	(113,237)	(5.9) %	(6.2) %
Income (loss) before income taxes	94,790	(2,618)	4.3 %	(0.1) %
Provision for (benefit from) income taxes	18,727	(825)	0.9 %	— %
Net income (loss)	$ 76,063	$ (1,793)	3.4 %	(0.1) %

Total revenue. The $394.0 million increase in Total revenue for the year ended December 31, 2023 as compared to the year ended December 31, 202 was due to continued strong growth in membership dues and in-center revenue, including continuing to realize the benefits of pricing actions already completed, membership growth in our new and ramping centers, the continued re-ramp of our centers and higher member utilization of our in-center offerings.

With respect to the $384.8 million increase in Center revenue for the year ended December 31, 2023 as compared to the year ended December 31, 2022:

- 79.4% was from membership dues and enrollment fees, which increased $305.6 million for the year ended December 31, 2023 as compared to the year ended December 31, 2022. This increase reflects pricing adjustments we made in our existing centers, as well as an increase in dues revenue as a result of our new and ramping centers; and

- 20.6% was from in-center revenue, which increased $79.2 million for the year ended December 31, 2023 as compared to the year ended December 31, 2022. This increase was recognized across all of our primary in-center businesses and reflects the higher utilization of our offerings by our members during the year ended December 31, 2023 as compared to the year ended December 31, 2022.

The $9.2 million increase in Other revenue for the year ended December 31, 2023 as compared to the year ended December 31, 2022 was primarily driven by the improved performance of our Life Time Work and Life Time Living locations.

Center operations expenses. The $116.2 million increase in Center operations expenses for the year ended December 31, 2023 as compared to the year ended December 31, 2022 was primarily due to increased operating costs related to our new and ramping centers, which consisted primarily of labor-related costs in support of increased membership and in-center business, increased costs in our existing centers to support the higher utilization of our in-center business offerings by our members, and the continued investment in our facilities to deliver the highest member experience.

Rent expense. The $29.9 million increase in Rent expense for the year ended December 31, 2023 as compared to the year ended December 31, 2022 was primarily driven by the timing of sale-leaseback transactions during both the current and prior year as well as our taking possession of six properties since May 31, 2022 for future centers where we started incurring GAAP rent expense, most of which is non-cash.

General, administrative and marketing expenses. General, administrative and marketing expenses decreased $12.8 million for the year ended December 31, 2023 as compared to the year ended December 31, 2022 primarily due to reduced center support overhead and advertising and marketing, partially offset by an increase in share-based compensation.

Depreciation and amortization expenses. Depreciation and amortization expenses increased $15.5 million for the year ended December 31, 2023 as compared to the year ended December 31, 2022 primarily due to new center openings.

Other operating expense (income). Other operating expense for the year ended December 31, 2023 was $86.4 million as compared to Other operating income of $44.4 million for the year ended December 31, 2022. The $130.8 million change was primarily attributable to the recognition of a $13.6 million loss on sale-leaseback transactions during the year ended December 31, 2023 as compared to the recognition of a $97.5 million gain on sale-leaseback transactions during the year ended December 31, 2022, the recognition of $9.1 million of property development cost write-offs during the year ended December 31, 2023 as compared to the recognition of $2.1 million of property development cost write-offs during the year ended December 31, 2022, a $5.6 million loss associated with the sale of an outparcel of land during the year ended December 31, 2023, of which $5.3 million was recognized as an impairment charge, and increased costs in support of increased business activity for the year ended December 31, 2023 as compared to the year ended December 31, 2022.

Interest expense, net of interest income. The $17.3 million increase in Interest expense, net of interest income for the year ended December 31, 2023 as compared to the year ended December 31, 2022 was driven by a higher average level of outstanding borrowings and higher interest rates during the year ended December 31, 2023 as compared to the year ended December 31, 2022.

Provision for (benefit from) income taxes. The provision for income taxes was$18.7 million for the year ended December 31, 2023 as compared to a $0.8 million benefit from income taxes for the year ended December 31, 2022. The effective tax rate was 19.8% and 31.5% for those periods, respectively. The increase in provision for income taxes for the year ended December 31, 2023 as compared to the year ended December 31, 2022 was primarily driven by the increase in earnings before income taxes, partially offset by the decrease in valuation allowance associated with certain of our deferred tax assets. The effective tax rate applied to our pre-tax income for the year ended December 31, 2023 was slightly lower than our statutory rate of 21% and reflects a decrease in the valuation allowance associated with certain of our deferred tax assets, partially offset by the tax deficiencies associated with the share-based payment awards and increase in state income tax provisions.

Net income (loss). As a result of the factors described above, net income was$76.1 million for the year ended December 31, 2023 as compared to a net loss of $1.8 million for the year ended December 31, 2022.

Liquidity and Capital Resources

Liquidity

Our principal liquidity needs include the acquisition and development of new centers, lease requirements and debt service, investments in our business and technology and expenditures necessary to maintain and update or enhance our centers and associated fitness equipment and member experiences. We have primarily satisfied our historical liquidity needs with cash flow from operations, drawing on the Revolving Credit Facility, construction reimbursements and through sale-leaseback transactions.

Our top priorities remain improving our balance sheet, reducing leverage and having positive cash flow from operations after all capital expenditures. Our cash flow from operations continues to improve and we have taken significant actions to improve our liquidity. In May 2023, we refinanced our $273.6 million Term Loan Facility that had a maturity date in December 2024 to our $310.0 million Term Loan Facility that has a maturity date of January 15, 2026. In December 2023, we amended our Term Loan Facility to reduce the interest rate by 0.50%. In addition, during the year ended December 31, 2023, we completed sale-leaseback transactions associated with three properties. During 2022, we completed sale-leaseback transactions associated with nine properties and rewired our Company to improve the efficiency of our club operations and corporate office. During 2021, we refinanced a significant portion of our outstanding debt and we completed sale-leaseback transactions associated with two properties. For information regarding the debt refinancing transactions, see Note 8, Debt, to our consolidated financial statements in Part II, Item 8 of this Annual Report. For more information regarding the sale-leaseback transactions that were consummated during 2023, 2022 and 2021, see Note 9, Leases, to our consolidated financial statements in Part II, Item 8 of this Annual Report. We continue to explore potential sale-leaseback transactions, but we are being selective on the timing and rates given our ability to add new centers through asset-light opportunities and our improved cash flows from operations. Additionally, we benefit from our in-house architecture, design and construction expertise that allows us to create operationally efficient centers and control the cost and pace of capital expenditures, including in determining when to begin or delay construction on a new athletic country club.

Additionally, on October 12, 2021, we completed our IPO of 39.0 million shares of our common stock at a public offering price of $18.00 per share, resulting in total gross proceeds of $702.0 million before deducting the underwriting discounts and other offering expenses. Additionally, on November 1, 2021, we consummated the sale of nearly 1.6 million additional shares of our common stock at the IPO price of $18.00 per share pursuant to the partial exercise by the underwriters of their over-allotment option, resulting in total gross proceeds of approximately $28.4 million before deducting the underwriting discounts and commissions. On October 13, 2021, we paid down $575.7 million (including a $5.7 million pre-payment penalty) of our Term Loan Facility with a portion of the net proceeds we received from the IPO. We used the remaining net proceeds from the IPO, along with the additional net proceeds of approximately $27.1 million from the sale of the additional nearly 1.6 million shares of common stock, for general corporate purposes. We believe the steps we have taken to strengthen our balance sheet and to reduce our cash outflows leave us well-positioned to manage our business.

As the opportunity arises or as our business needs require, we may seek to raise capital through additional debt or equity financing. There can be no assurance that any such financing would be available on commercially acceptable terms, or at all. Volatility in these markets, particularly in light of the higher interest rate environment, may increase costs associated with issuing debt instruments or affect our ability to access those markets, which could have an adverse impact on our ability to raise additional capital, to refinance existing debt and/or to react to changing economic and business conditions. In addition, it is possible that our ability to access the credit and capital markets could be limited at a time when we would like or need to do so.

As of December 31, 2023, there were $90.0 million of outstanding borrowings under our Revolving Credit Facility and there were $32.9 million of outstanding letters of credit, resulting in total availability under our Revolving Credit Facility of $352.1 million. Total cash and cash equivalents, exclusive of restricted cash, at December 31, 2023 was $11.2 million, resulting in total cash and availability under our Revolving Credit Facility of $363.3 million.

The following table sets forth our consolidated statements of cash flows data (amounts in thousands):

	Year Ended December 31,		
	2023	2022	2021
Net cash provided by (used in) operating activities	$ 463,004	$ 200,969	$ (20,029)
Net cash used in investing activities	(574,160)	(243,542)	(269,919)
Net cash provided by financing activities	115,552	36,798	288,399
Effect of exchange rate on cash and cash equivalents	61	(353)	(9)
Increase (decrease) in cash and cash equivalents	$ 4,457	$ (6,128)	$ (1,558)

Operating Activities

The $262.0 million increase in net cash provided by operating activities for the year December 31, 2023 as compared to the year ended December 31, 2022 was primarily the result of higher profitability.

The $221.0 million increase in net cash provided by operating activities for the year December 31, 2022 as compared to the year ended December 31, 2021 was primarily the result of higher profitability, before the impact of non-cash share-based compensation expense, due to the recovery from the impact of COVID-19 on our business.

Investing Activities

Investing activities consist primarily of the acquisition and development of new centers, investments in our business and technology and expenditures necessary to maintain and update or enhance our centers and associated fitness equipment. We finance the purchase of our property, centers and equipment through operating cash flows, proceeds from sale-leaseback transactions, construction reimbursements and draws on our Revolving Credit Facility.

The $330.6 million increase in net cash used in investing activities for the year December 31, 2023 as compared to the year ended December 31, 2022 was primarily driven by a $230.0 million decrease in the amount of proceeds that we received from sale-leaseback transactions during the year ended December 31, 2023 as compared to the year ended December 31, 2022 and a $102.7 million increase in capital expenditures for the year ended December 31, 2023 as compared to the year ended December 31, 2022. The increase in total capital expenditures for the year ended December 31, 2023 as compared to the year ended December 31, 2022 was primarily driven by new center construction activity and investment into our existing centers to modernize them as we executed our strategic initiatives. Of the $123.3 million in total proceeds we received from sale-leaseback transactions during the year ended December 31, 2023, $121.8 million and $1.5 million is reported within investing activities and financing activities, respectively, on our consolidated statement of cash flows. Of the $373.2 million in total proceeds we received from sale-leaseback transactions during the year ended December 31, 2022, $351.8 million and $21.4 million is reported within investing activities and financing activities, respectively, on our consolidated statement of cash flows.

The $26.4 million decrease in net cash used in investing activities for the year December 31, 2022 as compared to the year ended December 31, 2021 was primarily driven by a $277.9 million increase in the amount of proceeds that we received from sale-leaseback transactions during the year ended December 31, 2022 as compared to the year ended December 31, 2021, partially offset by a $262.3 million increase in capital expenditures for the year ended December 31, 2022 as compared to the year ended December 31, 2021. During the year ended December 31, 2021, we received $74.0 million of proceeds from sale-leaseback transactions, all of which is reporting within investing activities on our consolidated statement of cash flows. The increase in total capital expenditures for the year ended December 31, 2022 as compared to the year ended December 31, 2021 was primarily driven by new center construction activity, continued investments in technology and corporate capital expenditures related to Life Time Work.

Financing Activities

The $78.8 million increase in net cash provided by financing activities for the year ended December 31, 2023 as compared to the year ended December 31, 2022 was primarily driven by net incremental proceeds we received from borrowings under our Term Loan Facility, Revolving Credit Facility and our construction loan and proceeds from stock option exercises during the year ended December 31, 2023.

The $251.6 million decrease in net cash provided by financing activities for the year ended December 31, 2022 as compared to the year ended December 31, 2021 was primarily driven by net proceeds we received from borrowings under our Term Loan Facility and our secured and unsecured notes during the year ended December 31, 2021.

Cash Requirements

Our cash requirements within the next twelve months include accounts payable, construction accounts payable, accrued expenses and other current liabilities.

Our cash requirements greater than twelve months from various contractual obligations and commitments include:

Debt Obligations and Interest Payments

Refer to Note 8, Debt, to our consolidated financial statements included in Part II, Item 8 of this Annual Report for further detail of our debt and the timing of expected future principal payments. We expect to pay approximately $146.4 million of interest in the next 12 months and approximately $218.9 million of interest beyond 12 months.

Operating and Finance Leases

Refer to Note 9, Leases, to our consolidated financial statements included in Part II, Item 8 of this Annual Report for further detail of our lease obligations and the timing of expected future payments.

Deferred Compensation Obligations

Refer to Note 14, Executive Nonqualified Plan, to our consolidated financial statements included in Part II, Item 8 of this Annual Report for further detail of our deferred compensation plans.

Contracted Services

Contracted services include agreements with third-party service providers forsoftware licenses and support, and marketing services. We expect to pay approximately $12.5 million for contracted services in the next 12 months and approximately $4.0 million beyond 12 months.

Capital Expenditures

Our primary capital expenditure requirements include growth capital expenditures, which include new center land and construction, growth initiatives and major remodels of existing centers, as well as maintenance capital expenditures to keep our centers operational and meeting our standards.

We believe we have adequate amounts of cash to meet our requirements and plans for cash in the short-term and long-term and expect to satisfy our short-term and long-term obligations through a combination of cash on hand, funds generated from operations, sale-leaseback transactions, the borrowing capacity available under our Revolving Credit Facility and additional debt and equity financing as needed.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risks in the ordinary course of our business that include changes in interest rates and changes in foreign currency exchange rates. Information relating to quantitative and qualitative disclosures about these market risks is set forth below.

Interest rate risk

Our cash consists primarily of an interest-bearing account at a large United States bank with limited interest rate risk. At December 31, 2023, we held no investments in marketable securities.

In connection with the refinancing of our Term Loan Facility in May 2023, we converted the facilities under the Amended Credit Agreement from LIBOR to Term Secured Overnight Financing Rate (“SOFR”). We incur interest at variable rates under both our Term Loan Facility and Revolving Credit Facility. At December 31, 2023, there were $90.0 million of outstanding borrowings under the Revolving Credit Facility and $32.9 million of outstanding letters of credit, resulting in total revolver availability of$352.1 million, which was available at intervals ranging from 30 to 180 days at interest rates of SOFR plus an applicable credit adjustment spread ranging from 0.11448% to 0.42826% depending on the duration of borrowings plus 3.50% or base rate plus 2.50%. In December 2023, we amended our Term Loan Facility to reduce the interest rate by 0.50%. Our Term Loan Facility variable rates are SOFR plus the applicable credit adjustment spread plus 4.00% or base rate plus 3.00% and had an outstanding balance of $310.0 million at December 31, 2023.

Assuming no prepayments of the Term Loan Facility and that the Revolving Credit Facility is fully drawn (and that SOFR is in excess of the floor rate applicable to the Term Loan Facility), each one percentage point change in interest rates would result in an approximately $7.9 million change in annual interest expense on the indebtedness under the Credit Facilities.

Foreign currency exchange risk

We operate primarily in the United States with three centers operating in Canada. Given our limited operations outside of the United States, fluctuations due to changes in foreign currency exchange rates would not have a material impact on our business.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Exchange Act Rule 13a-15(f). Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with United States generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management, including our Chief Executive Officer and Interim Chief Financial Officer, assessed the effectiveness of our internal control over financial reporting as of December 31, 2023, utilizing criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—2013 Integrated Framework. Based on our assessment, our management concluded that, as of December 31, 2023, our internal control over financial reporting was effective based on those criteria.

Management's internal control over financial reporting as of December 31, 2023 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing on the following page, in which they expressed an unqualified opinion.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Life Time Group Holdings, Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Life Time Group Holdings, Inc. and subsidiaries (the "Company") as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2023, of the Company and our report dated February 28, 2024, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Annual Report on Internal Control Over Financial Reporting*. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP

Minneapolis, Minnesota
February 28, 2024

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Life Time Group Holdings, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Life Time Group Holdings, Inc. and subsidiaries (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of operations, comprehensive income (loss), stockholders' equity, and cash flows, for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 28, 2024, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Sale-Leaseback Transactions – Refer to Notes 2 and 9 to the financial statements

Critical Audit Matter Description

As described in Note 9 to the Company's consolidated financial statements, the Company entered into and consummated sale-leaseback transactions involving three properties with unrelated third parties during the year ended December 31, 2023. The Company determined that the transactions qualified as sale-leaseback transactions in accordance with Accounting Standards Codification ("ASC") Topic 842, *Leases.*

We identified management's evaluation of whether the sale-leaseback transactions transferred control, was recognized timely, and at fair value, as a critical audit matter. Management applies judgment in assessing relevant lease terms, provisions, and other conditions, including repurchase rights, included in the Company's sale and lease agreements to determine whether or not the control of the real estate property has transferred from the Company, the timing of the transaction, and the determination of fair value. Auditing these assessments made by management involved challenging auditor judgment due to the extent of specialized skills or knowledge required.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to sale-leaseback transactions included the following, among others:

- We tested the effectiveness of controls over the accounting for sale-leaseback transactions, including controls over (a) management's determination of fair value of the property and (b) the application of ASC 606 to determine whether a sale has occurred and ASC 842 to determine the classification of the lease.
- We selected a sample of sale-leaseback transactions and performed the following:
    - Assessed management's application of ASC Topic 842 and evaluated relevant lease terms, provisions and other conditions included in the Company's sale-leaseback agreements to assess the appropriateness of the conclusion that a transfer of control has occurred.
    - Evaluated whether the Company appropriately accounted for the sale by recognizing the transaction price for the sale of the property at the time control is transferred to the third party, derecognizing the carrying amount of the asset, and accounting for the lease in accordance with ASC Topic 842.
    - Utilized professionals with specialized skills and knowledge in valuation to assist with assessing whether the fair value of the property was appropriately recorded for the sale-leaseback.
    - Recalculated the operating lease right-of-use asset and liability based on the terms of the agreement and calculated incremental borrowing rate.

/s/ DELOITTE & TOUCHE LLP

Minneapolis, Minnesota
February 28, 2024

We have served as the Company's auditor since 2002.

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

	December 31, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 29,966	$ 25,509
Accounts receivable, net	23,903	13,381
Center operating supplies and inventories	52,803	45,655
Prepaid expenses and other current assets	57,751	45,743
Income tax receivable	10,101	748
Total current assets	174,524	131,036
Property and equipment, net	3,171,616	2,901,242
Goodwill	1,235,359	1,233,176
Operating lease right-of-use assets	2,202,601	2,116,761
Intangible assets, net	172,127	173,404
Other assets	75,914	69,744
Total assets	$ 7,032,141	$ 6,625,363
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 81,252	$ 73,973
Construction accounts payable	108,730	125,031
Deferred revenue	49,299	36,859
Accrued expenses and other current liabilities	185,305	154,427
Current maturities of debt	73,848	15,224
Current maturities of operating lease liabilities	58,764	51,892
Total current liabilities	557,198	457,406
Long-term debt, net of current portion	1,859,027	1,805,698
Operating lease liabilities, net of current portion	2,268,863	2,162,424
Deferred income taxes, net	56,066	41,393
Other liabilities	36,875	34,181
Total liabilities	4,778,029	4,501,102
Commitments and contingencies (Note 12)		
Stockholders' equity:		
Common stock, $0.01 par value per share, 500,000 shares authorized, 196,671 and 194,271 shares issued and outstanding, respectively	1,967	1,943
Additional paid-in capital	2,835,883	2,784,416
Accumulated deficit	(576,813)	(652,876)
Accumulated other comprehensive loss	(6,925)	(9,222)
Total stockholders' equity	2,254,112	2,124,261
Total liabilities and stockholders' equity	$ 7,032,141	$ 6,625,363

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,		
	2023	**2022**	**2021**
Revenue:			
Center revenue	$ 2,154,329	$ 1,769,520	$ 1,286,634
Other revenue	62,264	53,037	31,419
Total revenue	2,216,593	1,822,557	1,318,053
Operating expenses:			
Center operations	1,184,370	1,068,208	844,098
Rent	275,122	245,226	209,823
General, administrative and marketing	201,131	213,976	480,543
Depreciation and amortization	244,397	228,883	235,124
Other operating expense (income)	86,363	(44,355)	43,653
Total operating expenses	1,991,383	1,711,938	1,813,241
Income (loss) from operations	225,210	110,619	(495,188)
Other (expense) income:			
Interest expense, net of interest income	(130,797)	(113,537)	(224,516)
Equity in earnings (loss) of affiliates	377	300	(9)
Total other expense	(130,420)	(113,237)	(224,525)
Income (loss) before income taxes	94,790	(2,618)	(719,713)
Provision for (benefit from) income taxes	18,727	(825)	(140,344)
Net income (loss)	$ 76,063	$ (1,793)	$ (579,369)
Income (loss) per common share:			
Basic	$ 0.39	$ (0.01)	$ (3.73)
Diluted	$ 0.37	$ (0.01)	$ (3.73)
Weighted-average common shares outstanding:			
Basic	195,671	193,570	155,470
Diluted	204,005	193,570	155,470

See notes to consolidated financial statements.

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

	Year Ended December 31,		
	2023	**2022**	**2021**
Net income (loss)	$ 76,063	$ (1,793)	$ (579,369)
Foreign currency translation adjustments, net of tax of $0	2,297	(6,206)	214
Comprehensive income (loss)	$ 78,360	$ (7,999)	$ (579,155)

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, 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
Net income	—	—	—	—	76,063	—	76,063
Other comprehensive income	—	—	—	—	—	2,297	2,297
Share-based compensation	—	—	31,151	—	—	—	31,151
Stock option exercises	1,441	14	15,756	—	—	—	15,770
Issuance of common shares in connection with the vesting of restricted stock units	597	6	(387)	—	—	—	(381)
Issuances of common stock in connection with the employee stock purchase plan	272	3	3,476	—	—	—	3,479
Issuances of common stock in connection with business acquisitions	90	1	1,471	—	—	—	1,472
Balance at December 31, 2023	196,671	$ 1,967	$ 2,835,883	$ —	$ (576,813)	$ (6,925)	$ 2,254,112

See notes to consolidated financial statements.

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

	Year Ended December 31,		
	2023	2022	2021
Cash flows from operating activities:			
Net income (loss)	$ 76,063	$ (1,793)	$ (579,369)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	244,397	228,883	235,124
Deferred income taxes	14,577	(13,560)	(139,941)
Share-based compensation	50,144	37,291	334,339
Non-cash rent expense	37,544	38,534	22,602
Impairment charges associated with long-lived assets	14,466	2,062	2,076
Loss (gain) on disposal of property and equipment, net	14,089	(99,974)	2,746
Loss on debt extinguishment	—	—	40,993
Write-off of debt discounts and issuance costs	—	—	28,568
Amortization of debt discounts and issuance costs	7,821	7,873	9,590
Changes in operating assets and liabilities	6,465	3,372	26,717
Other	(2,562)	(1,719)	(3,474)
Net cash provided by (used in) operating activities	463,004	200,969	(20,029)
Cash flows from investing activities:			
Capital expenditures	(693,902)	(591,178)	(328,909)
Acquisitions, net of cash acquired	(5,708)	—	(9,529)
Proceeds from sale-leaseback transactions	121,831	351,850	73,981
Other	3,619	(4,214)	(5,462)
Net cash used in investing activities	(574,160)	(243,542)	(269,919)
Cash flows from financing activities:			
Proceeds from borrowings	44,291	20,084	1,907,577
Repayments of debt	(15,026)	(25,644)	(2,178,004)
Proceeds from revolving credit facility	1,376,000	805,000	159,000
Repayments of revolving credit facility	(1,306,000)	(785,000)	(253,000)
Repayments of finance lease liabilities	(1,031)	(1,404)	(1,514)
Proceeds from financing obligations	1,500	21,350	—
Payments of debt discounts and issuance costs	(3,050)	(43)	(47,586)
Proceeds from the issuance of common stock, net of issuance costs	—	—	701,926
Proceeds from stock option exercises	15,770	3,755	—
Proceeds from issuances of common stock in connection with the employee stock purchase plan	3,479	—	—
Other	(381)	(1,300)	—
Net cash provided by financing activities	115,552	36,798	288,399
Effect of exchange rate on cash and cash equivalents	61	(353)	(9)
Increase (decrease) in cash and cash equivalents	4,457	(6,128)	(1,558)
Cash and cash equivalents – beginning of period	25,509	31,637	33,195
Cash and cash equivalents – end of period	$ 29,966	$ 25,509	$ 31,637

See notes to consolidated financial statements.

LIFE TIME GROUP HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Table amounts in thousands except per share data)

1. Nature of Business and Basis of Presentation

Nature of Business

Life Time Group Holdings, Inc. (collectively with its direct and indirect subsidiaries, "Life Time," "we," "our," or "the Company") is a holding company incorporated in the state of Delaware. As a holding company, Life Time Group Holdings, Inc. does not have its own independent assets or business operations, and all of our assets and business operations are through Life Time, Inc. and its direct and indirect subsidiaries. We are primarily dedicated to providing premium health, fitness and wellness experiences at our athletic country club destinations and via our comprehensive digital platform and portfolio of iconic athletic events – all with the objective of inspiring healthier, happier lives. We design, build and operate our athletic country club destinations that are distinctive and large, multi-use sports and athletic, professional fitness, family recreation and spa centers in a resort-like environment. As of December 31, 2023, we operated 171 centers in 31 states and one Canadian province.

COVID-19 Impact

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a pandemic, the United States declared a National Public Health Emergency and we closed all of our centers based on orders and advisories from federal, state and local governmental authorities regarding COVID-19. We re-opened our first center on May 8, 2020 and continued to re-open our centers as state and local governmental authorities permitted.

Initial Public Offering

On October 12, 2021, Life Time Group Holdings, Inc. consummated its initial public offering ("IPO") of 39.0 million shares of its common stock at a public offering price of $18.00 per share, resulting in total gross proceeds of $702.0 million, which was reduced by underwriting discounts and other offering and issuance expenses of $28.0 million, of which approximately $0.3 million was recognized during 2022, for net proceeds of $674.0 million. The shares of the Company's common stock began trading on the New York Stock Exchange (the "NYSE") under the symbol "LTH" on October 7, 2021. A registration statement on Form S-1 relating to the offering of these securities was declared effective by the Securities and Exchange Commission (the "SEC") on October 6, 2021.

Upon consummation of the IPO, the 5.4 million shares of Series A Preferred Stock (as defined in Note 10, Stockholders' Equity) then outstanding automatically converted into approximately 6.7 million shares of common stock of Life Time Group Holdings, Inc. Also upon consummation of the IPO, the 0.5 million shares of restricted Series A Preferred Stock then outstanding converted into approximately 0.6 million restricted shares of common stock of Life Time Group Holdings, Inc. For more information regarding the Series A Preferred Stock, see Note 10, Stockholders' Equity.

On October 13, 2021, we used a portion of the $674.0 million of net proceeds we received in connection with the IPO to pay down $575.7 million (including a $5.7 million prepayment penalty) of our Term Loan Facility (as defined in Note 8, Debt). For more information regarding our Term Loan Facility, see Note 8, Debt.

On November 1, 2021, Life Time Group Holdings, Inc. consummated the sale of nearly 1.6 million additional shares of its common stock at the IPO price of $18.00 per share pursuant to the partial exercise by the underwriters of their over-allotment option, resulting in total gross proceeds of approximately $28.4 million, which was reduced by underwriting discounts and other offering expenses of $1.3 million, for net proceeds of $27.1 million. We used these net proceeds, as well as the remaining portion of the net proceeds we received in connection with the IPO after the partial pay down of our Term Loan Facility, for general corporate purposes.

Basis of Presentation

The consolidated financial statements include the accounts of Life Time Group Holdings, Inc. and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

We account for all of our investments in unconsolidated subsidiaries using the equity method of accounting. We apply this method of accounting to our investments when we have the ability to exercise significant influence over the operating and financial policies of the investee. Our share of the investee's earnings (losses) associated with our investments in unconsolidated subsidiaries is included in Equity in earnings (loss) of affiliates in our consolidated statements of operations. See "Other Assets" within Note 2 below for additional information regarding our investments in unconsolidated subsidiaries.

2. Summary of Significant Accounting Policies

Segment Reporting

Operating segments are defined as components of an entity for which separate financial information is available and that is regularly reviewed by the Chief Operating Decision Maker ("CODM") in deciding how to allocate resources to an individual segment and in assessing performance. The Company's CODM is our Founder, Chairman and CEO. Our CODM assesses financial performance and allocates resources based on the consolidated financial results at the total entity level. Accordingly, we have determined that we have one operating segment and one reportable segment.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. In recording transactions and balances resulting from business operations, we use estimates based on the best information available. We revise the recorded estimates when better information is available, facts change or we can determine actual amounts. These revisions can affect our consolidated operating results.

Recently Adopted Accounting Pronouncements

We adopted Accounting Standard Update ("ASU") 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting" during the second quarter of 2023. ASU 2020-04 provides optional expedients and exceptions for applying GAAP to contract modifications, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met, and provides companies with optional guidance to ease the potential accounting burden associated with transitioning away from reference rates that are expected to be discontinued. In connection with the debt refinancing that we completed in May 2023, we transitioned from LIBOR to Term Secured Overnight Financing Rate ("SOFR"). The adoption of this ASU did not have a material impact on our consolidated financial statements.

Revenue Recognition

Revenue is recognized when control of the promised goods or services is transferred to our customers, in an amount that reflects the transaction price consideration that we expect to receive in exchange for those goods or services. We defer the revenue associated with any unsatisfied performance obligation until the obligation is satisfied (i.e., when control of the product is transferred to the customer or a service has been completed).

Center Revenue

Center revenue consists of center membership and digital membership dues, enrollment fees and revenue generated within a center, which we refer to as in-center revenue. In-center revenue includes fees for Dynamic Personal Training, aquatics and kids programming and other member services, as well as sales of products at our cafés, and sales of products and services offered at our spas and tennis and pickleball programs.

Revenue from product sales is generally recognized at the point of sale to the customer; however, revenue from our various service offerings received in advance of service delivery is deferred and subsequently recognized when the services are provided. Dynamic Personal Training revenue received in advance of training sessions, as well as the related sales commissions, are initially deferred and subsequently recognized when the sessions are delivered. Upon recognition, sales commissions associated with Dynamic Personal Training sessions are included in Center operations in our consolidated statements of operations. Throughout the estimated redemption period associated with prepaid sessions, we also recognize Dynamic Personal Training breakage revenue and the related commissions, using a method that is proportionate to the pattern of redemptions. We estimate breakage based on historical redemption patterns.

Generally, we receive a one-time enrollment fee at the time a member joins. The enrollment fees are generally nonrefundable after seven days. Enrollment fees and related direct expenses are deferred and recognized on a straight-line basis over an estimated average membership life, which is based on historical membership experience. If the direct expenses related to the enrollment fees exceed the enrollment fees for any center in a month, the amount of direct expenses in excess of the enrollment fees are expensed in the current period instead of deferred over the estimated average membership life.

Other Revenue

Other revenue includes revenue generated from our businesses outside of our centers, which are primarily media, athletic events and related services. Our media revenue includes our magazine, Experience Life®, and the related advertising revenue is recognized over the duration of the advertising placement. Our athletic events revenue includes endurance activities such as running and cycling, and our related services revenue includes revenue from our race registration and timing businesses. Athletic event revenue and race registration revenue is recognized upon the completion of the event. Other revenue also includes revenue generated from our digital memberships and our Life Time Work and Life Time Living locations.

For more information regarding revenue, see Note 6, Revenue.

Cash and Cash Equivalents

We classify all unrestricted cash accounts and highly liquid debt instruments purchased with original maturities of three months or less as cash and cash equivalents. Restricted cash of $18.8 million and $0.3 million, which is used as collateral for our self-insured workers' compensation and general liabilities claims under our captive insurance policy, was included in cash and cash equivalents at December 31, 2023 and 2022, respectively.

Accounts Receivable

Accounts receivable is presented net of allowance for doubtful accounts. The allowance for doubtful accounts was $1.6 million and $0.9 million at December 31, 2023 and 2022, respectively.

Inventories

Inventories are stated at the lower of cost or net realizable value and are removed from the balance on a first-in-first-out basis. The reserve for obsolescence was approximately $1.1 million and $1.4 million at December 31, 2023 and 2022, respectively.

Property and Equipment

Property, equipment and leasehold improvements are recorded at cost. Improvements are capitalized while repair and maintenance costs are charged to operations when incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or the estimated useful life of the improvement. Accelerated depreciation methods are used for tax reporting purposes.

Site development capitalization commences when acquisition of a particular property is deemed probable by management. Should a specific project be subsequently deemed not viable for construction, any capitalized costs related to that project are charged to operations at the time of that determination. Upon completion of a project, the site development costs are classified as property and depreciated over the useful life of the asset. We capitalize interest during the construction period of our centers and this capitalized interest is included in the cost of the building. Unpaid construction costs are included in Construction accounts payable on our consolidated balance sheets.

Business Combinations and Asset Acquisitions

We account for business combinations in accordance with Accounting Standards Codification ("ASC") 805, "Business Combinations" ("ASC 805"). ASC 805 requires the acquiring entity in a business combination to recognize all the assets acquired and liabilities assumed in the transaction and establishes the acquisition-date fair value as the measurement objective for all assets acquired and liabilities assumed in a business combination. The total consideration transferred in a business combination is allocated to the assets acquired and liabilities assumed, including amounts attributable to non-controlling interests, when applicable, based on their respective estimated fair values as of the date of acquisition. Goodwill recognized in a business combination represents the excess of consideration transferred over the estimated fair value of the net assets acquired in a business combination. Certain provisions within ASC 805 prescribe, among other things, the determination of acquisition-date fair value of consideration paid in a business combination (including contingent consideration) and the exclusion of transaction and acquisition-related restructuring costs from acquisition accounting. For information on acquisitions during the year ended December 31, 2023 that we accounted for as business combinations, see Note 5, Goodwill and Intangibles.

When an acquisition does not meet the definition of a business combination because either: (i) substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset, or group of similar identified assets, or (ii) the acquired entity does not have an input and a substantive process that together significantly contribute to the ability to create outputs, we account for the acquisition as an asset acquisition. In an asset acquisition, goodwill is not recognized, but rather, any excess purchase consideration over the fair value of the net assets acquired is allocated on a relative fair value basis to the identifiable net assets as of the acquisition date and any direct acquisition-related transaction costs are capitalized as part of the purchase consideration. For information on the acquisition during the year ended December 31, 2023 that we accounted for as an asset acquisition, see Note 8, Debt. For information on the acquisition during the year ended December 31, 2021 that we accounted for as an asset acquisition, see Note 5, Goodwill and Intangibles.

Impairment of Long-Lived Assets

We test long-lived asset groups for impairment when events or circumstances indicate that the net book value of the asset group may not be recoverable. As it relates to our asset groups, we consider a history of consistent and significant operating losses, or the inability to recover net book value over the remaining useful life, to be our primary indicators of potential impairment. Assets are grouped and evaluated for impairment at the lowest level for which there are identifiable cash flows, which is generally at an individual asset group level. The determination of whether impairment has occurred is based on an estimate of undiscounted future cash flows directly related to that asset group, compared to the carrying value of the related assets. If an impairment has occurred, the amount of impairment recognized is determined by estimating the fair value of these assets and recording a loss if the carrying value is greater than the fair value.

As it relates to our site development projects, we test the carrying value of capitalized development costs associated with a particular project for impairment when we determine that all or a portion of the development project is no longer deemed viable for construction. We generally recognize an impairment charge associated with a site development project or a portion of a site development project that we decide to abandon in an amount equal to the related development costs that we previously capitalized.

During 2023, 2022, and 2021, we recognized impairment charges associated with all or a portion of certain site development projects that we decided to abandon. During 2023, we also recognized an impairment charge of $5.3 million related to the sale of an outparcel of land. Accordingly, we recognized impairment charges of $14.5 million, $2.1 million and $2.1 million associated with these long-lived assets during the years ended December 31, 2023, 2022 and 2021, respectively, which are included in Other operating expense (income) in our consolidated statements of operations.

Goodwill

We test goodwill for impairment on an annual basis, or more often if circumstances warrant, by estimating the fair value of the reporting unit to which the goodwill relates and comparing this fair value to the net book value of the reporting unit. Our policy is to test goodwill for impairment on October 1 of each year. If fair value of a reporting unit is less than its carrying value, we reduce the carrying value accordingly and record a corresponding impairment loss. We have two reporting units: Centers and Corporate Businesses. At December 31, 2023 and 2022, out of the total goodwill balance of $1,235.4 million and $1,233.2 million recognized on our consolidated balance sheets, respectively, $1,233.1 million and $1,230.9 million, respectively, has been allocated to our Centers reporting unit. At both December 31, 2023 and 2022, $2.3 million has been allocated to our Corporate Businesses reporting unit. At December 31, 2023, the estimated fair value of our reporting units are in excess of their carrying value.

Based upon our review and analysis, no goodwill impairments were deemed to have occurred during the years ended December 31, 2023, 2022, and 2021. For more information on goodwill, see Note 5, Goodwill and Intangibles.

Leases

We lease some of our centers, offices and other facilities, as well as other equipment. Excluding renewal options that are not reasonably certain to be exercised, our leases have remaining contractual terms that primarily range from one year to 31 years. Most of the leases contain renewal options and escalation clauses, and certain of them include contingent rental payments, determined based on a percentage of center-specific revenue and/or other center-specific financial metrics over contractually specified levels. Our property leases require payment of real estate taxes, insurance and common area maintenance, in addition to rent. Our lease agreements do not contain any material residual value guarantees.

Lease Cost

Lease cost associated with operating leases and short-term leases is recognized on a straight-line basis from the date we take possession of the property through the end of the lease term. Finance lease right-of-use assets are amortized on a straight-line basis over the shorter of the estimated useful life of the underlying assets or the lease term. Interest associated with finance lease liabilities is recognized using the effective interest rate method. Variable lease payments not recognized in the measurement of operating and finance lease liabilities are expensed as incurred. For more information regarding lease cost included in our consolidated statements of operations for the years ended December 31, 2023, 2022 and 2021, see Note 9, Leases.

Operating Lease Right-of-Use Assets and Liabilities

The measurement of each of our operating lease liabilities represents the present value of the remaining lease payments over the remaining lease term, discounted using an appropriate incremental borrowing rate. The measurement of each of our operating lease right-of-use assets represents the related operating lease liability measurement increased by, if applicable, prepaid rent, the fair value associated with the acquisition of a leasehold right and/or the fair value associated with the acquisition of a favorable lease, and decreased by, if applicable, lease incentives, impairment charges and/or the fair value associated with the acquisition of an unfavorable lease.

For more information regarding the operating lease right-of-use assets and liabilities that are recognized on our December 31, 2023 and 2022 consolidated balance sheets, see Note 9, Leases.

Finance Lease Right-of-Use Assets and Liabilities

The measurement of each of our finance lease right-of-use assets and liabilities represents the present value of the remaining lease payments associated with the arrangement over the remaining lease term, discounted using an appropriate incremental borrowing rate.

Finance lease right-of-use assets are included in Other assets on our consolidated balance sheets. The current and long-term portions of our finance lease liabilities are included in Accrued expenses and other current liabilities and Other liabilities, respectively, on our consolidated balance sheets. For more information regarding the finance lease right-of-use assets and liabilities that are recognized on our December 31, 2023 and 2022 consolidated balance sheets, see Note 9, Leases.

Sale-Leaseback Arrangements

We assess each of our sale-leaseback arrangements to determine whether a sale has occurred under ASC Topic 606: *Revenue from Contracts with Customers* (“ASC 606”), and we assess whether the classification of the lease and/or the payment terms associated with the renewal options preclude sale accounting under ASC 842, *Leases* (“ASC 842”). These assessments involve a determination of whether control of the underlying property has been transferred to the buyer. If we determine control of the underlying property has been transferred to the buyer, we account for the arrangement as a sale and leaseback transaction. If we determine control of the underlying property has not been transferred to the buyer, we account for the arrangement as a financing transaction. Since our adoption of ASC 842, we have accounted for each of our sale-leaseback arrangements as a sale and leaseback transaction.

For each sale-leaseback arrangement we have entered into with an unrelated third party since our adoption of ASC 842, the measurements associated with the gain or loss recognized on the sale and the lease-related right-of-use assets and liabilities have been adjusted for any off-market terms. These off-market adjustments are based on the difference between the sales price of the property and its fair value. When the sales price is less than the underlying property’s fair value, we recognize the difference as an increase to the sales price and as an increase in the operating lease right-of-use asset. When the sales price is greater than the underlying property’s fair value, we recognize the difference as a reduction to the sales price and as a financing obligation that is separate from the operating lease liability. We then allocate the payments due under the lease between those associated with the operating lease liability and those associated with the financing obligation, in a manner that results in a zero balance at the end of the initial lease term for both liabilities. The financing obligation is amortized using the effective interest method, and interest is calculated using the same incremental borrowing rate as that used for purposes of measuring the related operating lease liability.

We account for sale-leaseback arrangements with related parties at their contractually stated terms. Accordingly, under these arrangements, the measurements associated with the gain or loss recognized on the sale and the lease-related right-of-use assets and liabilities are not adjusted for off-market terms.

The determination of the fair value of the property related to our sale-leaseback arrangements is subjective and requires estimates, including the use of multiple valuation techniques and uncertain inputs, such as market price per square foot and assumed capitalization rates or the replacement cost of the assets, where applicable. Where real estate valuation expertise is required, we obtain independent third-party appraisals to determine the fair value of the underlying asset. While determining fair value requires a variety of input assumptions and judgment, we believe our estimates of fair value are reasonable.

For more information regarding sale-leaseback transactions that were consummated during the years ended December 31, 2023, 2022 and 2021, see Note 9, Leases.

Build-to-Suit Lease Arrangements

For some of our centers, we enter into build-to-suit lease arrangements related to the design and construction of a new center on the property. We evaluate build-to-suit lease arrangements by first determining whether or not we control the underlying asset being constructed prior to the commencement date of the lease. If we determine that we do not control the underlying asset during the construction period, we account for the arrangement as either an operating lease or a finance lease. If we determine that we control the underlying asset during the construction period, we initially account for the arrangement as a financing transaction. For each of our build-to-suit arrangements, we have determined that we either: (1) do not control the underlying asset currently under construction as of December 31, 2023; or (2) we did not control the underlying constructed asset prior to the commencement date of the lease. Accordingly, we are accounting for each of our build-to-suit arrangements as an operating lease.

Intangible Assets

Intangible assets at December 31, 2023 and 2022 include trade names, customer relationships anda facility license associated with an outdoor enthusiast and bicycling even. For more information on intangible assets, see Note 5, Goodwill and Intangibles.

Indefinite-Lived Intangible Assets

Intangible assets that are determined to have an indefinite useful life, such as trade names, are not amortized but instead tested for impairment at least annually. Our policy is to test indefinite-lived intangible assets for impairment on October 1 of each year. We also evaluate these assets for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of an indefinite-lived intangible asset below its carrying amount. If such a review should indicate that the carrying amount of indefinite-lived intangible assets is not recoverable, we reduce the carrying amount of such assets to fair value. Based upon our review and analysis, no indefinite-lived intangible asset impairments were deemed to have occurred during any of the periods presented.

Finite-Lived Intangible Assets

Finite-lived intangible assets are stated at cost, net of accumulated amortization, which is recorded on a straight-line or accelerated basis over the life of the asset. We review finite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If such a review should indicate that the carrying amount of finite-lived intangible assets is not recoverable, we reduce the carrying amount of such assets to fair value. Based upon our review and analysis, no finite-lived intangible asset impairments were deemed to have occurred during any of the periods presented.

Other Assets

Other assets at December 31, 2023 and 2022 primarily consists of our executive nonqualified plan assets, our investments in unconsolidated subsidiaries, rent deposits and unamortized debt issuance costs associated with the revolving portion of our senior secured credit facility.

(Table amounts in thousands except per share data)

Investments in Unconsolidated Subsidiaries

In 1999, we, together with two unrelated organizations, formed an Illinois limited liability company named Bloomingdale LIFE TIME Fitness L.L.C. (“Bloomingdale LLC”) for the purpose of constructing and operating a center in Bloomingdale, Illinois. We currently account for our investment in Bloomingdale LLC using the equity method of accounting.

In December 2019, we formed both a Delaware limited liability company named Dallas-Montfort Holdings, LLC (“D-M Holdings”) and a Delaware limited liability company named Dallas-Montfort Property, LLC, which is a wholly owned subsidiary of D-M Holdings. Also in December 2019, we and an unrelated organization each became a holder of 50% of the membership interests in D-M Holdings in exchange for a cash capital contribution. These capital contributions were made in connection with the acquisition of a property in Texas. There was no operating activity associated with D-M Holdings during the years endedDecember 31, 2023, 2022 and 2021. We currently account for our investment in D-M Holdings using the equity method of accounting.

In addition to our investments in Bloomingdale LLC and D-M Holdings, we also have investments in various other unconsolidated subsidiaries. The amounts we have currently invested in each of these unconsolidated subsidiaries is not material. We currently account for each of these investments using the equity method of accounting.

Debt Discounts and Issuance Costs

Debt discounts and issuance costs are amortized over the periods of the related debt financing. We recognize and present issuance costs associated with revolving debt arrangements as an asset and include the unamortized costs in Other assets on our consolidated balance sheets. We recognize and present unamortized discounts and issuance costs associated with non-revolving debt as a deduction from the face amount of related indebtedness. For more information on debt discounts and issuance costs, see Note 8, Debt.

Fair Value Measurements

The accounting guidance establishes a framework for measuring fair value and expanded disclosures about fair value measurements. The guidance applies to all assets and liabilities that are measured and reported on a fair value basis. This enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The guidance requires that each asset and liability carried at fair value be classified into one of the following categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The carrying amounts related to cash and cash equivalents, accounts receivable, income tax receivable, accounts payable and accrued liabilities approximate fair value.

Fair Value Measurements on a Recurring Basis. We had no material remeasurements of such assets or liabilities to fair value during the years ended December 31, 2023 and 2022.

Financial Assets and Liabilities. At December 31, 2023 and December 31, 2022, the carrying value and fair value of our outstanding long-term debt was as follows:

	December 31, 2023		December 31, 2022	
	Carrying Value	**Fair Value**	**Carrying Value**	**Fair Value**
Long-term debt [(1)]	$ 1,948,145	$ 1,934,695	$ 1,840,171	$ 1,724,178

(1) Excludes unamortized debt discounts and issuance costs.

The fair value of our debt is based on the amount of future cash flows discounted using rates we would currently be able to realize for similar instruments of comparable maturity. If our long-term debt were recorded at fair value, it would be classified as Level 2 in the fair value hierarchy. For more information regarding our debt, see Note 8, Debt.

Fair Value Measurements on a Nonrecurring Basis. Assets and liabilities that are measured at fair value on a nonrecurring basis primarily relate to our goodwill, intangible assets and other long-lived assets, which are remeasured when the derived fair value is below carrying value on our consolidated balance sheets. For these assets, we do not periodically adjust carrying value to fair value except in the event of impairment. If we determine that impairment has occurred, the carrying value of the asset would be reduced to fair value and the difference would be recorded as a loss within operating income in our consolidated statements of operations. For information regarding impairment charges associated with our long-lived assets that we recognized during each of the periods presented, see the Impairment of Long-Lived Assets section within this footnote.

Marketing Expenses

Marketing expenses, which are included in General, administrative and marketing in our consolidated statements of operations, primarily consist of marketing department costs and media and advertising costs to support and grow our Center membership levels, in-center businesses, new center openings and our ancillary businesses. Marketing expenses are recognized as incurred. Marketing expenses for the years ended December 31, 2023, 2022 and 2021 were $32.9 million, $39.3 million and $37.1 million, respectively.

Litigation

We are currently engaged in a material litigation matter with an insurance provider involving a complaint we filedseeking declaratory relief and damagesassociated with a property/business interruption insurance claim. We are also engaged in various other legal matters incidental to the normal course of business. Due to their nature, such legal proceedings involve inherent uncertainties, including but not limited to court rulings, negotiations between affected parties and governmental intervention. We establish reserves for matters that are probable and estimable in amounts we believe are adequate to cover reasonable adverse outcomes. A gain contingency is an uncertain situation that will be resolved in the future, possibly resulting in a gain. We do not allow the recognition of a gain contingency prior to settlement of the underlying event. If we were to have a gain contingency, we would disclose it in the notes to the financial statements. Based upon the information available to us and discussions with legal counsel, it is our opinion that the outcome of the various legal actions and claims that are incidental to our business will not have a material adverse impact on our consolidated financial position, results of operations or cash flows. Such matters are subject to many uncertainties, and the outcomes of individual matters are not predictable with assurance. For more information on our legal matters, see Note 12, Commitments and Contingencies.

Income Taxes

We account for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

We record net deferred tax assets to the extent we believe these assets will more likely than not be realized. In making such determination, we consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent financial operations. In the event we were to determine that we would be able to realize our deferred income tax assets in the future in excess of their net recorded amount, we would make an adjustment to the valuation allowance, which would reduce the provision for income taxes.

Our income tax returns are periodically audited by U.S. federal, state and local and Canadian tax authorities At any given time, multiple tax years may be subject to audit by various tax authorities. In evaluating the exposures associated with our various tax filing positions, we may record a liability for such exposures. We recognize, measure, present and disclose a liability for unrecognized tax benefits related to certain tax positions that we have taken or expect to take in our income tax returns. We recognize a tax position when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. We adjust our liability for unrecognized tax benefits in the period in which an uncertain tax position is effectively settled, that statute of limitations expires for the relevant taxing authority to examine the tax position or when more information becomes available. Our liability for unrecognized tax benefits, including penalties and interest, is included in Other liabilities on our consolidated balance sheets. We recognize adjustments to our liability for unrecognized tax benefits, including penalties and interest, within Provision for (benefit from) income taxes in our consolidated statements of operations. For more information on income taxes, see Note 7, Income Taxes.

(Table amounts in thousands except per share data)

Share-Based Compensation

We account for share-based compensation related to instruments issued to employees and non-employees in accordance withASC 718, "Compensation – Stock Compensation" ("ASC 718"). We recognize compensation expense associated with each share-based award over the requisite service period based on the estimated grant-date fair value of the award. We estimate the fair value of stock options to purchase shares of the Company's common stock using the Black-Scholes option pricing model. This pricing model requires management to make assumptions and to apply judgment to determine the fair value of equity awards. These assumptions and judgments include the expected term of stock options, expected stock price volatility and future stock option exercise behaviors. Share-based compensation expense related to restricted stock units is recorded based on the market value of our common stock on the date of grant. We account for share-based payment awards that represent a fixed dollar amount that, if payable, will be settled in a variable number of shares of the Company's common stock as liability-classified awards. We have elected to account for forfeitures as they occur.For more information on share-based compensation, see Note 10, Stockholders' Equity.

Income (Loss) per Share

Basic income (loss) per share is computed by dividing income (loss) available to common stockholders by the weighted average number of shares of common stock outstanding during the period. The numerator in the diluted income (loss) per share calculation is derived by adding the effect of assumed common stock conversions to income (loss) available to common stockholders. The denominator in the diluted income (loss) per share calculation is derived by adding shares of common stock deemed to be potentially dilutive to the weighted average number of shares of common stock outstanding during the period. Potentially dilutive securities that are subject to performance or market conditions are considered contingently issuable shares for purposes of calculating diluted income (loss) per share. Accordingly, these contingently issuable shares are excluded from the computation of diluted income (loss) per share until the performance or market conditions have been met. Other potentially dilutive securities that do not involve contingently issuable shares are also excluded from the computation of diluted income (loss) per share if their effect is antidilutive.

For more information on the basic and diluted income (loss) per share calculations for the years ended December 31, 2023, 2022 and 2021, see Note11, Income (Loss) Per Share.

Changes in Accumulated Other Comprehensive Income (Loss)

The changes in accumulated other comprehensive income (loss) during the years ended December 31, 2023, 2022 and 2021 is related to foreign currency translation adjustments associated with our Canadian operations.

3. Supplemental Balance Sheet and Cash Flow Information

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following:

	December 31,	
	2023	**2022**
Property held for sale	$ 8,600	$ 4,987
Construction contract receivables	25,280	8,867
Prepaid software licenses and maintenance	5,481	10,009
Other	18,390	21,880
Prepaid expenses and other current assets	$ 57,751	$ 45,743

(Table amounts in thousands except per share data)

Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

	December 31, 2023	December 31, 2022
Real estate taxes	$ 32,165	$ 32,373
Accrued interest	38,723	36,518
Payroll liabilities	40,357	19,908
Self-insurance accruals	24,869	21,369
Corporate accruals	33,066	29,731
Other	16,125	14,528
Accrued expenses and other current liabilities	$ 185,305	$ 154,427

Supplemental Cash Flow Information

(Increases) decreases in operating assets and increases (decreases) in operating liabilities are as follows:

	Year Ended December 31, 2023	2022	2021
Accounts receivable	$ (12,857)	$ (5,988)	$ (1,736)
Center operating supplies and inventories	(7,131)	(4,699)	(4,729)
Prepaid expenses and other current assets	7,967	2,027	(8,050)
Income tax receivable	(9,352)	2,784	660
Other assets	5,160	796	2,363
Accounts payable	7,145	2,990	17,189
Accrued expenses and other current liabilities	8,334	6,573	38,299
Deferred revenue	10,977	3,028	(10,950)
Other liabilities	(3,778)	(4,139)	(6,329)
Changes in operating assets and liabilities	$ 6,465	$ 3,372	$ 26,717

Additional supplemental cash flow information is as follows:

	Year Ended December 31, 2023	2022	2021
Net cash paid for (received from) income taxes, net of refunds received (taxes paid)	$ 14,051	$ 10,640	$ (885)
Cash payments for interest, net of capitalized interest	122,154	105,152	125,411
Capitalized interest	18,692	15,872	3,749
Non-cash activities:			
Issuance of Series A Preferred Stock (as defined in Note 10, Stockholders' Equity) in connection with the extinguishment of a related party secured loan	—	—	108,591
Conversion of Series A Preferred Stock to common stock	—	—	149,585
Issuances of common stock in connection with a business acquisition	1,472	—	—
Acquisition of property and equipment through the assumption of a mortgage	10,600	—	—

See Note 9, Leases, for supplemental cash flow information associated with our lease arrangements for the years ended December 31, 2023, 2022 and 2021.

(Table amounts in thousands except per share data)

4. Property and Equipment

Property and equipment, net consisted of the following:

	Depreciable Lives	December 31, 2023	December 31, 2022
Land		$ 347,989	$ 360,327
Buildings and related fixtures	3-44 years	2,078,305	1,894,007
Leasehold improvements	1-27 years	885,549	635,540
Construction in progress		340,507	410,985
Equipment and other	1-15 years	1,034,647	904,933
Property and equipment, gross		4,686,997	4,205,792
Less accumulated depreciation		(1,515,381)	(1,304,550)
Property and equipment, net		$ 3,171,616	$ 2,901,242

Included in the construction in progress balances are site development costs which consist of legal, engineering, architectural, environmental, feasibility, other direct expenditures incurred for certain new projects and capitalized interest.

Equipment and other includes exercise equipment, capitalized software, computers, audio visual equipment, furniture and fixtures, decor and signage, as well as café, spa, playground and laundry equipment.

Depreciation expense, which is included in Depreciation and amortization in our consolidated statements of operations, for the years ended December 31, 2023, 2022 and 2021 was $242.0 million, $226.0 million and $232.4 million, respectively.

5. Goodwill and Intangibles

Goodwill

The goodwill balance was $1,235.4 million at December 31, 2023, an increase of $2.2 million as compared to $1,233.2 million at December 31, 2022. During the year ended December 31, 2023, we acquired businesses for a total purchase price of approximately $2.1 million. Of this amount, approximately $2.2 million was allocated to goodwill, approximately $0.1 million was allocated to property and equipment and approximately $0.2 million was allocated to liabilities assumed. The consideration for these acquisitions consisted of $0.6 million of cash and approximately 0.9 million shares of our common stock with an estimated fair value of approximately $1.5 million as of the acquisition dates. We accounted for each of these acquisitions as a business combination. The financial results associated with these acquisitions have been included in our consolidated financial statements since the acquisition dates.

Intangibles

Intangible assets consisted of the following:

	December 31, 2023 Gross	December 31, 2023 Accumulated Amortization	December 31, 2023 Net
Intangible Assets:			
Trade name	$ 163,000	$ —	$ 163,000
Other	15,502	(6,375)	9,127
Total intangible assets	$ 178,502	$ (6,375)	$ 172,127

(Table amounts in thousands except per share data)

	December 31, 2022		
	Gross	Accumulated Amortization	Net
Intangible Assets:			
Trade name	$ 163,000	$ —	$ 163,000
Other	16,987	(6,583)	10,404
Total intangible assets	$ 179,987	$ (6,583)	$ 173,404

Other intangible assets at both December 31, 2023 and 2022 include a facility license as well as customer relationships associated with our race registration and timing businesses.

During the year ended December 31, 2021, we acquired a facility license associated with an outdoor enthusiast and bicycling event for approximately $10.2 million, of which approximately $1.1 million was included in Accrued expenses and other current liabilities on our consolidated balance sheets as of December 31, 2022 and which was subsequently paid in February 2023. This license expires in April 2031. This acquisition was accounted for as an asset acquisition. The facility license costs are being amortized on a straight-line basis over its estimated useful life of 9.8 years.

Amortization expense associated with intangible assets for the years ended December 31, 2023, 2022 and 2021 was $1.4 million, $1.5 million and $1.3 million, respectively. Amortization of intangible assets is included in Depreciation and amortization in our consolidated statements of operations.

As of December 31, 2023, the expected remaining amortization associated with intangible assets for the next five years was as follows:

2024	$ 1,114
2025	1,114
2026	1,114
2027	1,114
2028	1,114

6. Revenue

Revenue associated with our membership dues, enrollment fees, and certain services from our in-center businesses is recognized over time as earned. Revenue associated with products and services offered in our cafes and spas, as well as through e-commerce, is recognized at a point in time. The following is a summary of revenue, by major revenue stream, that we recognized during the years ended December 31, 2023, 2022 and 2021:

	Year Ended December 31,		
	2023	2022	2021
Membership dues and enrollment fees	$ 1,557,289	$ 1,251,693	$ 907,111
In-center revenue	597,040	517,827	379,523
Total center revenue	2,154,329	1,769,520	1,286,634
Other revenue	62,264	53,037	31,419
Total revenue	$ 2,216,593	$ 1,822,557	$ 1,318,053

LIFE TIME GROUP HOLDINGS, INC. AND SUBSIDIARIES
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The timing associated with the revenue we recognized during the years ended December 31, 2023, 2022, and 2021 is as follows:

	Year Ended December 31,								
	2023			2022			2021		
	Center Revenue	Other Revenue	Total Revenue	Center Revenue	Other Revenue	Total Revenue	Center Revenue	Other Revenue	Total Revenue
Goods and services transferred over time	$ 1,904,061	$ 62,264	$ 1,966,325	$ 1,546,276	$ 53,037	$ 1,599,313	$ 1,121,717	$ 31,419	$ 1,153,136
Goods and services transferred at a point in time	250,268	—	250,268	223,244	—	223,244	164,917	—	164,917
Total revenue	$ 2,154,329	$ 62,264	$ 2,216,593	$ 1,769,520	$ 53,037	$ 1,822,557	$ 1,286,634	$ 31,419	$ 1,318,053

Contract liabilities represent payments or consideration received in advance for goods or services that the Company has not yet transferred to the customer. Contract liabilities consist primarily of deferred revenue for fees collected in advance for membership dues, enrollment fees, Dynamic Personal Training and other center services offerings, as well as our media and athletic events. Contract liabilities at December 31, 2023 and 2022 were $49.9 million and $38.9 million, respectively.

Contract liabilities that will be recognized within one year are classified as deferred revenue in our consolidated balance sheets. Deferred revenue at December 31, 2023 and 2022 was $49.3 million and $36.9 million, respectively, and consists primarily of prepaid membership dues, enrollment fees, Dynamic Personal Training and other in-center services, as well as media and athletic events.

Contract liabilities that will be recognized in a future period greater than one year are classified as a component of Other liabilities in our consolidated balance sheets. Long-term contract liabilities at December 31, 2023 and 2022 were $0.6 million and $2.0 million, respectively, and consist primarily of deferred enrollment fees.

7. Income Taxes

The provision for (benefit from) income taxes is comprised of:

	Year Ended December 31,		
	2023	2022	2021
Current tax expense (benefit)			
Federal	$ (2,497)	$ 7,709	$ (528)
State and local	6,649	5,314	309
Foreign	(2)	—	—
Total current tax expense (benefit)	4,150	13,023	(219)
Deferred tax expense (benefit)			
Federal	25,341	(5,008)	(135,789)
State and local	(11,491)	(8,632)	(8,252)
Foreign	727	80	4,100
Total deferred tax expense (benefit)	14,577	(13,560)	(139,941)
Non-current benefit	—	(288)	(184)
Provision for (benefit from) income taxes	$ 18,727	$ (825)	$ (140,344)

(Table amounts in thousands except per share data)

The amount of deferred tax expense (benefit) differs from the change in the year-end deferred tax balances due to the tax effect of other comprehensive income, additional paid-in capital items or change in foreign currency exchange rates.

On March 27, 2020, Congress enacted the CARES Act to provide certain relief as a result of the COVID-19 pandemic. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits for employee retention, deferment of the employer's portion of social security tax payments, net operating loss carrybacks, alternative minimum tax credit refunds, modifications to the net interest deduction limitations and technical corrections to tax depreciation methods for qualified improvement property. An income tax benefit of $13.4 million was recognized as a result of the favorable federal tax rate differential from the net operating loss carrybacks under the CARES Act. The favorable federal tax rate differential is due to net operating losses generated in tax years with a federal tax rate of 21% whereas the losses were carried back to tax years with a federal tax rate of 35%.

The Inflation Reduction Act of 2022 (the "IRA") was signed into law on August 16, 2022. The IRA includes numerous tax provisions, clean-energy related tax incentives and more funding for IRS enforcement and other initiatives. New corporate taxes, including a 15% corporate alternative minimum tax ("CAMT") and a 1% excise tax on stock repurchases by certain publicly traded corporations, were introduced in the IRA. The 15% CAMT is applied on the adjusted financial statement income of applicable corporations and is effective for taxable years beginning after December 31, 2022. The new CAMT provision does not currently impact our consolidated financial statements, as it is not currently applicable to us and we do not expect it to be applicable to us in the foreseeable future. The 1% excise tax is imposed on repurchases of stock by certain publicly traded corporations beginning after December 31, 2022. The amount of repurchases subject to the excise tax is reduced by the value of new stock issued to the public or employees during the year.

The reconciliation between our effective tax rate on income before income taxes and the statutory tax rate is as follows:

	Year Ended December 31,		
	2023	2022	2021
Income tax expense (benefit) at federal statutory rate	$ 20,056	$ (610)	$ (151,582)
State and local income taxes, net of federal tax benefit	8,393	869	(20,575)
Section 162(m) limitation	3,341	3,709	4,831
Share-based compensation	2,060	50	—
CARES Act	—	—	(1,283)
Loss on debt extinguishment	—	—	8,609
Change in valuation allowance	(15,216)	(4,833)	16,933
Other, net	93	(10)	2,723
Provision for (benefit from) income taxes	$ 18,727	$ (825)	$ (140,344)

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Deferred income taxes are the result of provisions of the tax laws that either require or permit certain items of income or expense to be reported for tax purposes in different periods than they are reported for financial reporting. The tax effect of temporary differences that gives rise to the net deferred tax liability are as follows:

	December 31, 2023	December 31, 2022
Deferred tax assets:		
Lease-related liabilities	$ 607,331	$ 573,543
Accrued equity compensation	76,422	80,198
Accrued expenses	18,522	11,974
Deferred revenue	1,608	1,538
Net operating loss	85,217	105,214
Business interest	57,793	35,253
Other	5,742	5,589
Valuation allowance	(9,592)	(24,633)
Total deferred tax assets	843,043	788,676
Deferred tax liabilities:		
Property and equipment	(277,360)	(236,334)
Intangibles	(44,543)	(42,764)
Operating and finance lease right-of-use assets	(566,087)	(539,797)
Partnership interest	(1,654)	(1,677)
Prepaid expenses	(8,952)	(9,147)
Costs related to deferred revenue	(82)	(227)
Other	(431)	(123)
Total deferred tax liabilities	(899,109)	(830,069)
Net deferred tax liability	$ (56,066)	$ (41,393)

We recognize a tax position when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. We adjust our liability for unrecognized tax benefits in the period in which an uncertain tax position is effectively settled, that statute of limitations expires for the relevant taxing authority to examine the tax position or when more information becomes available. Unrecognized tax benefits were not significant in any of the periods presented.

We are subject to taxation in the U.S., Canada and various states. Our tax years2023, 2022, 2021 and 2020 are subject to examination by the tax authorities. With few exceptions, we are no longer subject to U.S. federal, state or local examinations by tax authorities for years before 2020.

As of December 31, 2023, we had a federal income tax net operating loss carryforward related to our U.S. operations of approximately $329.1 million ($69.1 million tax effected), that can be carried forward indefinitely. As of December 31, 2023, we also had state net operating loss carryforwards totaling approximately $196.9 million ($11.0 million tax effected), of which approximately $147.6 million ($8.1 million tax effected) expires between 2027 and 2044 and approximately $49.3 million ($2.9 million tax effected) can be carried forward indefinitely. As it relates to our Canada operations, we had an income tax net operating loss carryforward of approximately $19.4 million ($5.1 million tax effected) as of December 31, 2023, which is subject to expiration between tax years 2036 and 2042.

As of December 31, 2022, we had a federal income tax net operating loss carryforward related to our U.S. operations of approximately $393.8 million ($82.7 million tax effected), that can be carried forward indefinitely. As of December 31, 2022, we also had state net operating loss carryforwards totaling approximately $295.6 million ($16.9 million tax effected), of which approximately $218.0 million ($12.5 million tax effected) was to expire between 2026 and 2043 and approximately $77.6 million ($4.4 million tax effected) could be carried forward indefinitely. As it relates to our Canada operations, we had an income tax net operating loss carryforward of approximately $21.3 million ($5.7 million tax effected) as of December 31, 2022, which was subject to expiration between tax years 2032 and 2042.

(Table amounts in thousands except per share data)

As of December 31, 2023, we had a business interest carryforward of approximately $229.6 million ($57.8 million tax effected) that can be carried forward indefinitely.

As of December 31, 2022, we had a business interest carryforward of approximately $143.4 million ($35.3 million tax effected) that can be carried forward indefinitely.

We considered all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent financial operations to determine the extent to which we believe net deferred tax assets will more likely than not be realized. Based on this assessment, as of December 31, 2023, a valuation allowance of $0.4 million has been recorded to reduce the deferred tax asset associated with the state net operating loss carryforwards and other deferred tax assets. As of December 31, 2023, a valuation allowance of approximately $8.1 million has been recorded to reduce the deferred tax asset associated with the Canadian net operating loss carryforward and other deferred tax assets. As of December 31, 2023, we had a foreign tax credit carryforward of approximately $1.1 million that can be used to offset future U.S. federal tax liabilities on foreign-sourced income. We project that our foreign sourced income will not be sufficient to fully utilize the credit carryforward. As a result, a valuation allowance of $1.1 million has been recorded as of December 31, 2023 to reduce the deferred tax asset associated with the foreign tax credit carryforward.

As of December 31, 2022, a valuation allowance of $15.4 million was recorded to reduce the deferred tax asset associated with the state net operating loss carryforwards and other deferred tax assets. As of December 31, 2022, a valuation allowance of approximately $8.1 million was recorded to reduce the deferred tax asset associated with the Canadian net operating loss carryforward and other deferred tax assets. As of December 31, 2022, we had a foreign tax credit carryforward of approximately $1.1 million that can be used to offset future U.S. federal tax liabilities on foreign-sourced income. We projected that our foreign sourced income will not be sufficient to fully utilize the credit carryforward. As a result, a valuation allowance of $1.1 million has been recorded as of December 31, 2022 to reduce the deferred tax asset associated with the foreign tax credit carryforward.

We consider the earnings of certain non-U.S. subsidiaries to be indefinitely invested outside the United States on the basis of estimates that future domestic cash generation will be sufficient to meet future domestic cash needs and our specific plans for reinvestment of those subsidiary earnings. We have not recorded a deferred tax liability related to the U.S. federal and state income taxes and foreign withholding taxes on undistributed earnings of foreign subsidiaries indefinitely invested outside the United States.

8. Debt

Debt consisted of the following:

	December 31,	
	2023	2022
Term Loan Facility [(1)]	$ 310,000	$ 273,625
Revolving Credit Facility, maturing December 2026	90,000	20,000
Secured Notes, maturing January 2026	925,000	925,000
Unsecured Notes, maturing April 2026	475,000	475,000
Construction Loan, maturing February 2026	28,000	21,330
Mortgage Notes, various maturities	115,502	119,928
Other debt	4,122	4,122
Fair value adjustment	521	1,166
Total debt	1,948,145	1,840,171
Less unamortized debt discounts and issuance costs	(15,270)	(19,249)
Total debt less unamortized debt discounts and issuance costs	1,932,875	1,820,922
Less current maturities	(73,848)	(15,224)
Long-term debt, less current maturities	$ 1,859,027	$ 1,805,698

(1) See "—Term Loan Facility" below.

Senior Secured Credit Facility

In June 2015, Life Time, Inc. and certain of our other wholly-owned subsidiaries entered into a senior secured credit facility with a group of lenders led by Deutsche Bank AG as the administrative agent. On May 9, 2023, Life Time, Inc. and certain of our other wholly-owned subsidiaries entered into a tenth amendment to the credit agreement governing our senior secured credit facilities (the "Credit Agreement"). Pursuant to such tenth amendment, we refinanced our $273.6 million term loan facility that had a maturity date in December 2024 to our $310.0 million term loan facility (the "Term Loan Facility") that has a maturity date of January 15, 2026. A portion of the net incremental cash proceeds we received under such tenth amendment was used to pay down the then existing balance on the revolving portion of our senior secured credit facilities (the "Revolving Credit Facility" and, together with the Term Loan Facility, the "Credit Facilities"). We also converted the Credit Facilities under such tenth amendment from LIBOR to SOFR. Loans under the Term Loan Facility were issued with original issue discount of 0.50%. On December 6, 2023, Life Time, Inc. and certain of our other wholly-owned subsidiaries entered into an eleventh amendment to the Credit Agreement which reduced the interest rate under the Term Loan Facility by 0.50%. Loans under such eleventh amendment were issued at par with no original issue discount. The refinancing transactions during 2023 were accounted for as debt modifications.

Upon the exercise of an accordion feature and subject to certain conditions, borrowings under the Credit Facilities may be increased subject, in certain cases, to meeting a first lien net leverage ratio. The Credit Facilities are secured by a first priority lien (on a pari-passu basis with the Secured Notes described below) on substantially all of our assets.

Term Loan Facility

Loans under the Term Loan Facility bear interest at a floating rate per annum of, at our option, SOFR plus an applicable credit adjustment spread ranging from 0.11448% to 0.42826% depending on the duration of borrowing plus the continued applicable margin of 4.00% or a base rate plus 3.00%. The applicable margins will increase to 4.25% and 3.25%, respectively, if our public corporate family ratings falls below B2 and B from Moody's and S&P, respectively. Before the IPO, our term loan facility had a principal balance of $850.0 million and amortized at 0.25% quarterly, which required us to make three mandatory quarterly principal repayments of approximately $2.1 million during the year ended December 31, 2021. On October 13, 2021, we used a portion of net proceeds we received in connection with the IPO to pay down $575.7 million (including a $5.7 million prepayment penalty) of our term loan facility. As a result of the pay down, we are no longer required to make quarterly principal payments on the Term Loan Facility prior to its maturity.

Revolving Credit Facility

Our Revolving Credit Facility provides for a $475.0 million revolver and matures in December 2026, except that the maturity will be October 16, 2025 if we have at least $100.0 million remaining outstanding on the Secured Notes (as defined below) on such date and January 14, 2026 if we have at least $100.0 million remaining outstanding on the Unsecured Notes (as defined below) on such date. At December 31, 2023, there were $90.0 million of outstanding borrowings on the Revolving Credit Facility and there were $32.9 million of outstanding letters of credit, resulting in total revolver availability of $352.1 million, which was available at intervals ranging from 30 to 180 days at interest rates of SOFR plus the applicable credit adjustment spread plus 3.50% or base rate plus 2.50%.

The weighted average interest rate and debt outstanding under the Revolving Credit Facility for the year ended December 31, 2023 ws 8.60% and $62.6 million, respectively. The highest balance during the year was $150.0 million.

Secured Notes

On January 22, 2021, Life Time, Inc. issued senior secured notes (the "Secured Notes") in an aggregate principal amount of $925.0 million. These notes mature in January 2026 and interest only payments are due semi-annually in arrears at 5.75%. Life Time, Inc. has the option, which began on January 15, 2023, to call the Secured Notes, in whole or in part, on one or more occasions, subject to the payment of a redemption price that includes a call premium that varies depending on the year of redemption. In addition, at any time prior to January 15, 2023, Life Time, Inc. could have redeemed up to 40.00% of the aggregate principal amount of the Secured Notes outstanding with the net proceeds of certain equity offerings by us at a redemption price equal to 105.75% of the principal amount of the Secured Notes, plus accrued and unpaid interest, if any, to, but not including, the redemption date. Life Time, Inc. did not exercise this redemption right. The Secured Notes and the related guarantees are our senior secured obligations and are secured on a first-priority basis by security interests on substantially all of our assets.

Unsecured Notes

On February 5, 2021, Life Time, Inc. issued senior unsecured notes (the “Unsecured Notes”) in the original principal amount of $475.0 million. The Unsecured Notes mature in April 2026 and interest only payments are due semi-annually in arrears at 8.00%. Life Time, Inc. has the option, which began on February 1, 2023, to redeem the Unsecured Notes, in whole or in part, on one or more occasions, subject to the payment of a redemption price that includes a call premium that varies depending on the year of redemption. In addition, at any time prior to February 1, 2023, Life Time, Inc. could have redeemed up to 40.00% of the aggregate principal amount of the Unsecured Notes outstanding with the net proceeds of certain equity offerings by us at a redemption price equal to 108.00% of the principal amount of the Unsecured Notes, plus accrued and unpaid interest, if any, to, but not including, the redemption date. Life Time, Inc. did not exercise this redemption right. The Unsecured Notes and the related guarantees are our general senior unsecured obligations and will rank equally in right of payment with all of our existing and future senior indebtedness without giving effect to collateral arrangements.

Construction Loan

On January 22, 2021, we closed on a construction loan (the “Construction Loan”) providing up to $28.0 million to partially finance the construction of a Life Time Living location. The Construction Loan has a maturity date of February 15, 2026 and is collateralized by the property. Borrowings under the Construction Loan bear interest at a variable annual rate of no less than 4.80%. Interest only payments are due monthly beginning April 15, 2022 and continuing through February 15, 2024. Beginning March 15, 2024, based on the principal balance due as of February 15, 2024, monthly principal and interest installment payments will be due in an amount sufficient to fully amortize the principal balance at maturity. At December 31, 2023 and 2022, there were $28.0 million and $21.3 million, respectively, of outstanding borrowings on the Construction Loan.

Mortgage Notes

Certain of our subsidiaries have entered into mortgage facilities with various financial institutions (collectively, the “Mortgage Notes”), which are collateralized by certain of our related real estate and buildings, including one of our corporate headquarters properties. The Mortgage Notes have varying maturity dates from February 2024 through August 2027 and carried a weighted average interest rate of 5.75% and 5.12% at December 31, 2023 and 2022, respectively. Payments of principal and interest on each of the Mortgage Notes are payable monthly on the first business day of each month. The Mortgage Notes contain customary affirmative covenants, including but not limited to, payment of property taxes, granting of lender access to inspect the properties, maintenance of the properties, providing financial statements, providing estoppel certificates and lender consent to leases. The Mortgage Notes also contain various customary negative covenants, including, but not limited to, restrictions on transferring the property, change in control of the borrower and changing the borrower’s business or principal place of business. As of December 31, 2023, we were either in compliance in all material respects with the covenants associated with the Mortgage Notes or the covenants were not applicable.

During the year ended December 31, 2023, we acquired a health club facility for a total purchase price of $15.8 million. As part of this acquisition, we paid cash of $4.0 million and assumed an existing mortgage note and related accrued interest liability of $10.6 million and $1.2 million, respectively. The mortgage note matures in June 2024, and is included in current maturities of long-term debt on our consolidated balance sheet as of December 31, 2023. The entire $15.8 million purchase price was allocated to property and equipment.

During the year ended December 31, 2022, we closed on a sale-leaseback transaction that included certain properties that served as collateral for one of the Mortgage Notes. Accordingly, we used a portion of the net cash proceeds we received from the sale-leaseback transaction to pay off in full the then outstanding principal balance of $4.6 million associated with this Mortgage Note. For more information regarding the sale-leaseback transaction, see Note 9, Leases.

Extinguishment of a Related Party Secured Loan Through the Issuance of Series A Preferred Stock

On June 24, 2020, we closed on an approximate $101.5 million secured loan (the “Related Party Secured Loan”) from an investor group that was comprised solely of our stockholders or their affiliates. During the year ended December 31, 2021, interest expense of approximately $0.7 million was recognized on this secured loan.

On January 11, 2021, Life Time Group Holdings, Inc. and certain of its subsidiaries and the investor group associated with the Related Party Secured Loan (or their assignees) entered into a contribution agreement pursuant to which we converted the total amount of outstanding principal and accrued interest (up though and including January 22, 2021) under the Related Party

(Table amounts in thousands except per share data)

Secured Loan into Series A Preferred Stock (as defined in Note 10, Stockholders' Equity). Effective January 22, 2021, the total outstanding principal and accrued interest balance of approximately $108.6 million was conveyed by the investor group to us and we issued, on a dollar-for-dollar basis, to the investor group approximately 5.4 million shares of Series A Preferred Stock with an estimated fair value of $149.6 million. Because the fair value of the Series A Preferred Stock that was issued exceeded the carrying value of the outstanding principal and accrued interest balance associated with the Related Party Secured Loan that was extinguished, we recognized a $41.0 million debt extinguishment loss, which is included in Interest expense, net of interest income in our consolidated statement of operations for the year ended December 31, 2021. Upon the consummation of the IPO on October 12, 2021, the 5.4 million then outstanding shares of Series A Preferred Stock automatically converted into 6.7 million shares of the Company's common stock. For more information regarding the Series A Preferred Stock that was issued in connection with this transaction, see Note 10, Stockholders' Equity.

Debt Discounts and Issuance Costs

Unamortized debt discounts and issuance costs associated with the Term Loan Facility, Secured Notes, Unsecured Notes and Construction Loan of $15.3 million and $19.2 million are included in Long-term debt, net of current portion on our consolidated balance sheets at December 31, 2023 and 2022, respectively.

Unamortized revolver-related debt issuance costs of $2.3 million and $3.1 million are included in Other assets on our consolidated balance sheets at December 31, 2023 and 2022, respectively.

During the year ended December 31, 2021, in connection with the pay down of our Term Loan Facility, as well as the extinguishment of a prior term loan facility, certain secured and unsecured notes and a related party secured loan, we recognized $28.6 million of debt discount and issuance cost write-offs, which are included in Interest expense, net of interest income in our consolidated statement of operations.

Debt Covenants

We are required to comply with certain affirmative and restrictive covenants under our Credit Facilities, Secured Notes, Unsecured Notes and Mortgages Notes. We are also required to comply with a first lien net leverage ratio covenant under the Revolving Credit Facility, which requires us to maintain a first lien net leverage ratio, if 30.00% or more of the Revolving Credit Facility commitments are outstanding shortly after the end of any fiscal quarter (excluding all cash collateralized undrawn letters of credit and other undrawn letters of credit up to $20.0 million).

As of December 31, 2023, we were either in compliance in all material respects with the covenants or the covenants were not applicable.

Future Maturities of Long-Term Debt

Aggregate annual future maturities of long-term debt, excluding unamortized debt discounts and issuance costs and fair value adjustments, at December 31, 2023 were as follows:

2024	$ 73,848
2025	12,862
2026	1,839,890
2027	17,853
2028	181
Thereafter	2,990
Total future maturities of long-term debt	$ 1,947,624

(Table amounts in thousands except per share data)

9. Leases

Lease Cost

Lease cost included in our consolidated statements of operations for the years ended December 31, 2023, 2022 and 2021 consisted of the following:

	Year Ended December 31,			Classification in Consolidated Statements of Operations
	2023	2022	2021	
Lease cost:				
Operating lease cost	$ 261,144	$ 237,499	$ 204,165	Rent
Short-term lease cost	4,105	2,113	1,049	Rent
Variable lease cost	9,873	5,614	4,609	Rent
Variable lease cost	66,007	60,352	56,716	Center operations
Finance lease cost:				
Amortization of right-of-use assets	1,024	1,372	1,493	Depreciation and amortization
Interest on lease liabilities	98	99	177	Interest expense, net of interest income
Interest on financing obligations	2,401	—	—	Interest expense, net of interest income
Total lease cost	$ 344,652	$ 307,049	$ 268,209	

Sale-Leaseback Transactions

Sale-Leaseback Transactions with Unrelated Third Parties

During the year ended December 31, 2023, we entered into and consummated sale-leaseback transactions with unrelated third parties. Under these transactions, we sold three properties for $124.0 million, which was reduced by transaction costs of $0.7 million, for net cash proceeds of $123.3 million. The estimated fair value of the property sold was $128.4 million. Accordingly, the aggregate sales price associated with these arrangements was increased by $4.4 million, of which $5.9 million was associated with a property sale in which the sales price was less than the fair value of the property sold, which was recognized as an increase in the aggregate sales price associated with this property and an increase in the related operating lease right-of-use asset, and $1.5 million was associated with a property sale in which the sales price was greater than the fair value of the property sold, which was recognized as a reduction in the aggregate sales price associated with this property and as a financing obligation separate from the related operating lease liability. For cash flow purposes, the $1.5 million of proceeds we received from this financing obligation are reported within financing activities on our consolidated statement of cash flows. During the year ended December 31, 2023, we recognized a loss of $13.6 million on sale-leaseback transactions. This loss is included in Other operating expense (income) in our consolidated statement of operations.

During the year ended December 31, 2022, we entered into and consummated sale-leaseback transactions with unrelated third parties. Under these transactions, we sold nine properties for $375.0 million, which was reduced by transaction costs of $1.8 million, for net cash proceeds of $373.2 million. The estimated fair value of the properties sold was $385.1 million. Accordingly, the aggregate sales price associated with these arrangements was increased by a total of $10.1 million, which resulted in the recognition of a gain of $97.5 million on these transactions. This gain is included in Other operating expense (income) in our consolidated statement of operations for the year ended December 31, 2022. Of the $10.1 million net sales price increase recognized in connection with these transactions, $31.5 million was associated with property sales in which the sales price was less than the fair value of the properties sold, which was recognized as an increase in the aggregate sales price associated with these properties and an increase in the related operating lease right-of-use assets, and $21.4 million was associated with property sales in which the sales price was greater than the fair value of the properties sold, which was recognized as a reduction in the aggregate sales price associated with these properties and as financing obligations separate from the related operating lease liabilities. For cash flow purposes, the $21.4 million of proceeds we received from these financing obligations during the year ended December 31, 2022 are reported within financing activities on our consolidated statement of cash flows.

(Table amounts in thousands except per share data)

During the year ended December 31, 2021, we entered into and consummated sale-leaseback transactions with unrelated third parties. Under these transactions, we sold two properties for $76.0 million, which was reduced by transaction costs of $2.0 million, for net cash proceeds of $74.0 million. The estimated fair value of the properties sold was $85.5 million. Accordingly, the aggregate sales price associated with these arrangements was increased by a total of $9.5 million, which resulted in the recognition of a gain of $2.3 million on these transactions, which is included in Other operating expense (income) in our consolidated statement of operations for the year ended December 31, 2021.

Related Party Sale-Leaseback Transactions and Leases

For information on sale-leaseback transactions with related parties, as well as other related party leases not associated with sale-leaseback transactions, see Note 13, Related Party Transactions.

Operating and Finance Lease Right-of-Use Assets and Lease-Related Liabilities

Operating and finance lease right-of-use assets and lease-related liabilities were as follows:

	December 31, 2023	December 31, 2022	Classification on Consolidated Balance Sheets
Lease right-of-use assets:			
Operating leases	$ 2,202,601	$ 2,116,761	Operating lease right-of-use assets
Finance leases [(1)]	1,406	1,083	Other assets
Total lease right-of-use assets	$ 2,204,007	$ 2,117,844	
Lease-related liabilities:			
Current			
Operating leases	$ 58,764	$ 51,892	Current maturities of operating lease liabilities
Finance leases	633	796	Accrued expenses and other current liabilities
Non-current			
Operating leases	2,268,863	2,162,424	Operating lease liabilities, net of current portion
Finance leases	783	312	Other liabilities
Financing obligations	23,151	21,557	Other liabilities
Total lease-related liabilities	$ 2,352,194	$ 2,236,981	

(1) Finance lease right-of-use assets were reported net of accumulated amortization of $0.8 million and $1.8 million at December 31, 2023 and 2022, respectively.

Remaining Lease Terms and Discount Rates

The weighted-average remaining lease terms and discount rates associated with our lease-related liabilities at December 31, 2023 were as follows:

	December 31, 2023
Weighted-average remaining lease term [(1)]	
Operating leases	17.2 years
Finance leases	2.7 years
Financing obligations	23.7 years
Weighted-average discount rate	
Operating leases	8.59 %
Finance leases	8.42 %
Financing obligations	11.00 %

(Table amounts in thousands except per share data)

(1) The weighted-average remaining lease term associated with our operating and finance lease liabilities does not include all of the optional renewal periods available to us under our current lease arrangements. Rather, the weighted-average remaining lease term only includes periods covered by an option to extend a lease if we are reasonably certain to exercise that option.

Supplemental Cash Flow Information

Supplemental cash flow information associated with our leases is as follows:

	Year Ended December 31,		
	2023	2022	2021
Cash paid for amounts included in the measurement of lease-related liabilities:			
Operating cash flows from operating leases	$ 226,896	$ 199,762	$ 182,644
Operating cash flows from finance leases	98	99	177
Financing cash flows from finance leases	1,031	1,404	1,514
Operating cash flows from financing obligations	2,307	—	—
Non-cash information:			
Right-of-use assets obtained in exchange for initial lease liabilities:			
Operating leases	140,614	294,722	210,541
Finance leases	1,347	391	1,272
Right-of-use asset adjustments recognized as a result of the remeasurement of existing lease liabilities:			
Operating leases	17,364	(6,551)	(6,345)
Non-cash increase in operating lease right-of-use assets associated with below-market sale-leaseback transactions	5,900	31,440	9,500
Non-cash increase in financing obligations as a result of interest accretion	94	—	—

Maturities of Operating Lease Liabilities, Finance Lease Liabilities and Financing Obligations

The maturities associated with our lease-related liabilities at December 31, 2023 are as follows:

	Operating Leases	Finance Leases	Financing Obligations	Total
2024	$ 245,039	$ 830	$ 2,451	$ 248,320
2025	253,965	589	2,487	257,041
2026	256,420	247	2,525	259,192
2027	258,077	1	2,562	260,640
2028	260,030	—	2,601	262,631
Thereafter	3,360,443	—	56,907	3,417,350
Total lease payments	4,633,974	1,667	69,533	4,705,174
Less: Imputed interest	2,306,347	251	46,382	2,352,980
Present value of lease-related liabilities	$ 2,327,627	$ 1,416	$ 23,151	$ 2,352,194

Leases Not Yet Commenced

As of December 31, 2023, we had entered into several leases associated with future centers and Life Time Work locations that were executed, but for which we did not yet have control of the underlying assets. Accordingly, as of December 31, 2023, we did not recognize any right-of-use assets or lease liabilities associated with these leased locations on our consolidated balance sheet. These arrangements contain undiscounted lease payments that are payable during the initial lease terms, which range from 20 to 25 years, totaling approximately $414.6 million.

10. Stockholders' Equity

Common Stock Issued in Connection with the IPO and Over-Allotment Exercise

In connection with the IPO, including the partial exercise by the underwriters of their over-allotment option, we received total net proceeds of $701.1 million from the issuance of 40.6 million shares of the Company's common stock. For more information on these sales of the Company's common stock, see Note 1, Nature of Business and Basis of Presentation.

Series A Preferred Stock and Restricted Series A Preferred Stock Award

Conversion of Series A Preferred Stock to Common Stock

On January 11, 2021, Life Time Group Holdings, Inc. and certain of its subsidiaries and the investor group associated with our then existing related party secured loan (or their assignees) entered into an agreement to convert the total amount of outstanding principal and accrued interest (up though and including January 22, 2021) of approximately $108.6 million under the related party secured loan into 5.4 million shares of Series A convertible participating preferred stock ("Series A Preferred Stock") of Life Time Group Holdings, Inc. Upon the consummation of the IPO, the 5.4 million then outstanding shares of Series A Preferred Stock automatically converted into 6.7 million shares of the Company's common stock. For more information regarding the related party secured loan that was extinguished, including the loss that we recognized upon its extinguishment, see Note 8, Debt.

Conversion of Restricted Series A Preferred Stock Award to Restricted Common Stock

During the second quarter of 2021, in lieu of the vast majority of cash compensation for our CEO for 2021, the Company granted an award of 0.5 million shares of restricted Series A Preferred Stock to our CEO. The total grant date fair value of this award was approximately $13.8 million. Prior to the granting of this equity award, we had recognized an accrued compensation liability of approximately $1.6 million associated with the portion of our CEO's 2021 compensation that had been earned as of the grant date. The settlement of this accrued compensation liability through issuance of the restricted Series A Preferred Stock award was recognized as a decrease in Accrued expenses and other current liabilities and an increase in Additional paid-in capital on our consolidated balance sheet. Upon the consummation of the IPO, the 0.5 million then-outstanding shares of restricted Series A Preferred Stock automatically converted into 0.6 million shares of the Company's restricted common stock, which then vested in April 2022.

Fair Value of Series A Preferred Stock and Restricted Series A Preferred Stock Award

The fair value of the Series A Preferred Stock and the restricted Series A Preferred Stock award was estimated using an as-converted value plus risky put option model. The put option value was estimated using the Black-Scholes option pricing model. Primary assumptions used in determining the estimated issuance date fair value of the Series A Preferred Stock included: the estimated equity value associated with the then outstanding common stock of Life Time Group Holdings, Inc., a strike price of $20.00 per share, PIK dividend yield rate of 15.0%, expected term of 1.0 year, volatility rate of 65.00% and a risk-free rate of 0.08%.

Share-Based Compensation Expense Associated with Restricted Series A Preferred Stock Award and Restricted Common Stock

<u>Restricted Series A Preferred Stock Award</u>

Prior to the conversion of the restricted Series A Preferred Stock award to shares of the Company's restricted common stock on October 12, 2021, as noted above in "—Conversion of Restricted Series A Preferred Stock Award to Restricted Common Stock," we recognized $2.9 million of share-based compensation expense associated with the restricted Series A Preferred Stock award, all of which is included in General, administrative and marketing in our consolidated statement of operations for the year ended December 31, 2021.

Restricted Common Stock

Share-based compensation expense associated with the shares of restricted common stock that were issued upon the automatic conversion of the restricted Series A Preferred Stock award for the year ended December 31, 2022 was $5.0 million, all of which is included in General, administrative and marketing in our consolidated statement of operations. During the period from October 12, 2021 through December 31, 2021, we recognized $4.3 million of share-based compensation expense associated with the restricted common stock award, which is included in General, administrative and marketing in our consolidated statements of operations. These restricted common stock shares fully vested as of April 4, 2022, and there is no unrecognized share-based compensation expense related to these shares. The fair value of the restricted common stock shares that vested during the year ended December 31, 2022 was approximately $8.9 million, which represents the fair value of the underlying shares measured as of the vesting date. No restricted common stock shares vested during the years ended December 31, 2021

Equity Incentive Plans

2015 Equity Plan

On October 6, 2015, our board of directors adopted the LTF Holdings, Inc. 2015 Equity Incentive Plan (as amended, the “2015 Equity Plan”). During the year ended December 31, 2021, our board of directors and stockholders approved an amendment to the 2015 Equity Plan to increase the number of shares of our common stock reserved for issuance under the 2015 Equity Plan to approximately 30.6 million shares of our common stock. Effective with the IPO, no further grants have been or will be made under the 2015 Equity Plan. Approximately 1.0 million shares that were reserved and available for issuance under the 2015 Equity Plan are now available for issuance under the 2021 Equity Plan as detailed below.

2021 Equity Plan

In connection with the IPO and effective October 6, 2021, we adopted the 2021 Incentive Award Plan (the “2021 Equity Plan”), under which we may grant cash and equity-based incentive awards to our employees, consultants and directors. The maximum number of shares of our common stock available for issuance under the 2021 Equity Plan is equal to the sum of (i) approximately 14.5 million shares of our common stock, (ii) an annual increase on the first day of each year beginning in 2022 and ending in and including 2031, equal to the lesser of (A) 4% of the outstanding shares of our common stock on the last day of the immediately preceding fiscal year and (B) such lesser amount as determined by our board of directors, and (iii) the approximately 1.0 million shares of our common stock that were available for issuance under the 2015 Equity Plan as of October 6, 2021; provided, however, no more than 14.5 million shares may be issued upon the exercise of incentive stock options. Our board of directors determined that no additional shares would become available under the 2021 Equity Plan as of January 1, 2023 pursuant to the evergreen feature described in part (ii) of the immediately preceding sentence. Effective January 1, 2022, the number of shares of our common stock available for issuance under the 2021 Equity Plan increased by approximately 7.7 million shares pursuant to such evergreen feature. Additionally, the number of shares of our common stock available for issuance under the 2021 Equity Plan may increase with respect to awards under the 2015 Equity Plan which are forfeited or lapse unexercised and which following the effective date of the 2021 Equity Plan are not issued under such prior plan. The share reserve formula under the 2021 Equity Plan is intended to provide us with the continuing ability to grant equity awards to eligible employees, directors and consultants for the 10-year term of the 2021 Equity Plan.

As of December 31, 2023, approximately 17.6 million shares were available for future awards to employees and other eligible participants under the 2021 Equity Plan.

2021 Employee Stock Purchase Plan

In connection with the IPO and effective October 6, 2021, we adopted the 2021 Employee Stock Purchase Plan (the “ESPP”). The ESPP is designed to allow our eligible employees to purchase shares of our common stock, at periodic intervals, with their accumulated payroll deductions. The ESPP consists of two components: an Internal Revenue Service (“IRS”) Code section 423 (“Section 423”) component, which is intended to qualify under Section 423 of the IRS Code and a non-Section 423 component, which need not qualify under Section 423 of the IRS Code. The aggregate number of shares of our common stock that has initially been reserved for issuance under the ESPP is equal to (i) approximately 2.9 million shares of our common stock, and (ii) an annual increase on the first day of each year beginning in 2022 and ending in and including 2031, equal to the lesser of (A) 1% of the aggregate number of shares of our common stock outstanding on the final day of the immediately preceding calendar year and (B) such smaller number of our shares of common stock as determined by our board of directors; provided that in no event will more than 29.0 million shares of our common stock be available for issuance under the Section 423 component of the ESPP. Our board of directors determined that no additional shares would become available under the ESPP as of January 1, 2023 and January 1, 2022 pursuant to the evergreen feature described in part (ii) of the immediately preceding sentence. Our board of directors or the compensation committee will have authority to interpret the terms of the ESPP and determine eligibility of participants.

(Table amounts in thousands except per share data)

We launched the first offering period under the ESPP on December 1, 2022. The ESPP permits participants to purchase common stock through payroll deductions of up to 15% of their eligible compensation, which includes a participant's gross base compensation for services to us. On the first trading day of each offering period, each participant is automatically granted an option to purchase shares of our common stock. The purchase option expires at the end of the applicable offering period and will be exercised on each purchase date during such offering period to the extent of the payroll deductions accumulated during the offering period. We have consecutive offering periods of approximately six months in length commencing on each June 1 and December 1 during the term of the ESPP. The purchase price for a share of our common stock is 90% of the fair market value of a share on the enrollment date for such offering period or on the purchase date, whichever is lower, and subject to adjustment by our board of directors or compensation committee. Participants may voluntarily end their participation in the ESPP prior to the end of the applicable offering period and are paid their accrued payroll deductions that have not yet been used to purchase shares of common stock. Upon exercise, the participant purchases the number of whole shares that his or her accumulated payroll deductions will buy at the purchase option price, subject to the certain participation limitations. Participation ends automatically upon a participant's termination of employment. During the year ended December 31, 2023, 0.3 million shares were issued under the ESPP. We recognized $1.2 million and $0.1 million of share-based compensation expense for the discount received by participants during the years ended December 31, 2023 and 2022, respectively, all of which is included in General, administrative and marketing in our consolidated statements of operations. As of December 31, 2023, unrecognized share-based compensation expense was approximately $0.8 million, which is expected to be recognized over a weighted average remaining period of 0.4 years.

Stock Options

Stock Option Activity

Activity associated with stock options during the year ended December 31, 2023 is as follows:

Stock Options	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value
Outstanding at December 31, 2022	24,926	$ 12.17		
Granted	1,359	17.55		
Exercised	(1,441)	10.94		
Forfeited or cancelled	(221)	19.18		
Outstanding at December 31, 2023	24,623	$ 12.47	3.7	$ 88,230
Exercisable as of December 31, 2023	21,231	$ 11.71	2.9	$ 88,228

Options Granted

During the years ended December 31, 2023 and 2022, the Company granted approximately 1.4 million and 1.0 million stock option awards, respectively, under the 2021 Equity Plan. These options have a 10-year contractual term from the date of grant and vest in four ratable annual installments on each of the first four anniversaries of the grant date, subject to continuous employment or service from the grant date through the applicable vesting date unless otherwise agreed with the award recipient. The exercise price associated with each of these awards was not less than the fair market value per share of our common stock at the time of grant.

During the year ended December 31, 2021, the Company granted approximately 3.8 million stock option awards, of which approximately 3.2 million were granted under the 2015 Equity Plan and approximately 0.6 million were granted under the 2021 Equity Plan. These options have a 10-year contractual term from the date of grant. The exercise prices and terms of these awards were determined and approved by our board of directors or a committee thereof. The exercise price associated with each of these awards was not less than the fair market value per share of our common stock, as determined by our board of directors or a committee thereof, at the time of grant.

(Table amounts in thousands except per share data)

Of the 3.8 million total stock options granted during the year ended December 31, 2021, approximately 3.3 million were time-based vesting options and approximately 0.5 million were performance-based vesting options. The time-based options vest in four ratable annual installments on each of the first four anniversaries of the grant date, subject to continuous employment or service from the grant date through the applicable vesting date unless otherwise agreed with the award recipient. All of the performance-based options vested upon the attainment of certain targets for the twelve-month period that commenced on January 1, 2021 and ended on December 31, 2021. Both the time-based and performance-based options became exercisable (but not vested) on April 4, 2022, which was the first date following the expiration of the 180-day lock-up period applicable to the optionee related to the IPO.

Intrinsic Value and Income Tax Benefits Associated with Option Exercises

The total intrinsic value of stock options exercised during the years ended December 31, 2023 and 2022 was approximately $12.2 million and $1.5 million, respectively. In connection with these stock option exercises, we recognized an aggregate income tax benefit of approximately $2.2 million and $0.3 million during the years ended December 31, 2023 and 2022, respectively. No stock options were exercised during the year ended December 31, 2021.

Fair Value of Stock Option Awards Granted

The fair value of the options granted during the years ended December 31, 2023, 2022 and 2021 was calculated using the Black-Scholes option pricing model. The following weighted average assumptions were used in determining the fair value of stock options granted:

	Year Ended December 31,		
	2023	2022	2021
Dividend yield	0.00 %	0.00 %	0.00 %
Risk-free interest rate[(1)]	3.88 %	2.24 %	0.97 %
Expected volatility [(2)]	52.50 %	55.00 %	58.50 %
Expected term of options (in years)[(3)]	6.3	6.3	6.1
Fair Value	$ 9.63	$ 7.34	$ 10.42

(1) The risk-free rate is based on the U.S. treasury yields, in effect at the time of grant or modification, corresponding with the expected term of the options.

(2) Expected volatility is based on historical volatilities for a time period similar to that of the expected term of the options.

(3) Expected term of the options is based on probability and expected timing of market events leading to option exercise.

Share-Based Compensation Expense Associated with Stock Options

Share-based compensation expense associated with stock options for the year ended December 31, 2023 was $11.8 million, of which $0.5 million, $11.0 million and $0.3 million is included in Center operations, General, administrative and marketing and Other operating expense (income), respectively, in our consolidated statement of operations. Share-based compensation expense associated with stock options for the year ended December 31, 2022 was $19.8 million, of which $1.4 million, $17.8 million and $0.5 million is included in Center operations, General, administrative and marketing and Other operating expense (income), respectively, in our consolidated statement of operations. Share-based compensation expense associated with stock options for the year ended December 31, 2021 was $320.5 million, of which $12.7 million, $303.3 million and $4.5 million is included in Center operations, General, administrative and marketing and Other operating expense (income), respectively, in our consolidated statement of operations. A significant portion of the share-based compensation expense that we recognized during the year ended December 31, 2021 is associated with stock options that were granted prior to 2021. As of the effective date of the IPO, these stock options became fully vested, and they became exercisable either immediately or on April 4, 2022, subject to continued service through such date. Accordingly, during the period from the effective date of the IPO through April 4, 2022, we recognized share-based compensation expense associated with these stock options in an amount equal to the proportion of the total service period that passed from the respective grant dates associated with each of these stock option awards through April 4, 2022. Because the exercisability of these stock options was contingent upon the occurrence of a change of control or an initial public offering, no share-based compensation expense associated with these stock options was recognized prior to the IPO.

(Table amounts in thousands except per share data)

As of December 31, 2023, unrecognized share-based compensation expense related to stock options was approximately $17.8 million, which is expected to be recognized over a weighted average remaining period of 2.6 years.

Restricted Stock Units

Restricted Stock Unit Activity

Activity associated with restricted stock units during the year ended December 31, 2023 is as follows:

Restricted Stock Units	Shares	Weighted Average Grant Date Fair Value
Nonvested at December 31, 2022	2,486	$ 15.30
Granted	1,131	17.41
Vested	(622)	15.51
Forfeited	(525)	14.90
Nonvested at December 31, 2023	2,470	$ 16.30

Restricted Stock Units Granted

During the year ended December 31, 2023, the Company granted approximately 1.1 million restricted stock unit awards under the 2021 Equity Plan, of which approximately 0.4 million were time-based vesting awards, approximately 0.4 million were time-based vesting awards with a performance qualifier and approximately 0.3 million were performance-based vesting awards granted to our executives in connection with our short-term incentive compensation program. Of the 1.1 million restricted stock unit awards that were granted during the year ended December 31, 2023, approximately 0.8 million vest in four ratable annual installments (subject to meeting a performance qualifier for approximately 0.4 million of such awards), approximately 0.3 million vest based on meeting certain performance metrics under our short-term incentive compensation plan with any performance above the target metric resulting in the issuance of additional fully-vested shares of our common stock as detailed under "—Other Share-Based Payment Awards" below and less than 0.1 million vest in two ratable annual installments, in each case subject to continuous employment or service from the grant date through the applicable vesting date unless otherwise agreed with the award recipient. We determine the grant date fair value of restricted stock unit awards by multiplying the number of restricted stock unit awards by the closing trading price of our common stock on the grant date.

During the year ended December 31, 2022, the Company granted approximately 1.7 million restricted stock unit awards under the 2021 Equity Plan, of which approximately 1.4 million were time-based vesting awards and approximately 0.3 million were time-based vesting awards with a performance qualifier. Of the 1.7 million restricted stock unit awards that were granted during the year ended December 31, 2022, approximately 1.6 million vest in four ratable annual installments (subject to meeting a performance qualifier for approximately 0.3 million of such awards), approximately 0.1 million vest in two ratable annual installments and less than 0.1 million vest in approximately one annual installment, in each case subject to continuous employment or service from the grant date through the applicable vesting date unless otherwise agreed with the award recipient. The majority of the awards that vest in two ratable annual installments were granted to certain executives and non-executives as part of their incentive compensation for 2021, which had been recognized as an accrued compensation liability at December 31, 2021. The fair value of these restricted stock unit awards was approximately $0.6 million. Accordingly, effective with the grant date associated with these restricted stock units, we recognized a $0.6 million decrease in Accrued expenses and other current liabilities and a $0.6 million increase in Additional paid-in capital on our consolidated balance sheets. The weighted average grant date fair value associated with the approximately 1.7 million restricted stock unit awards granted during the year ended December 31, 2022 was $14.26.

During the year ended December 31, 2021, the Company granted approximately 1.9 million restricted stock unit awards, of which approximately 0.6 million were granted under the 2015 Equity Plan and approximately 1.3 million were granted under the 2021 Equity Plan. Of the 0.6 million restricted stock unit awards granted under the 2015 Equity Plan during the year ended December 31, 2021, approximately 0.5 million were granted to our CEO and approximately 0.1 million were granted to non-CEO executives and a director. All of the 1.3 million restricted stock units granted under the 2021 Equity Plan during the year ended December 31, 2021 were granted to non-CEO holders. The weighted average grant date fair value associated with the approximately 1.9 million restricted stock unit awards granted during the year ended December 31, 2021 was $18.01.

Restricted Stock Unit Awards Granted During the Year Ended December 31, 2021 under the 2015 Equity Plan

Beginning on March 15, 2020, our CEO decided to forego 100% of his base salary for the remainder of 2020. During the second quarter of 2021, our compensation committee, in consultation with our CEO and our board of directors, established a new compensation program for our CEO. Under the new program, in light of the foregone salary and bonuses in 2020, the compensation committee determined to grant our CEO an equity award of approximately 0.5 million restricted stock units under the 2015 Equity Plan, 50% of which was to vest on each anniversary of the grant date with 100% full vesting on the date that is 180 days after the effective date associated with an underwritten IPO. Accordingly, this award 100% vested on April 4, 2022. At December 31, 2020, we had recognized an accrued compensation liability of approximately $2.2 million associated with our CEO's 2020 compensation. For accounting purposes, the settlement of this $2.2 million accrued compensation liability through the issuance of the restricted stock units was recognized as a decrease in Accrued expenses and other current liabilities and an increase in Additional paid-in capital on our consolidated balance sheet.

Also during the second quarter of 2021, our compensation committee granted approximately 0.1 million restricted stock units under the 2015 Equity Plan to certain of our non-CEO executives and a new director, 50% of which vests on each anniversary of the grant date and, for the grants to our non-CEO executives, 100% full vesting was to occur effective on the date that is 180 days after an initial underwritten public offering. Accordingly, the portion of these awards that were granted to our non-CEO executives 100% vested on April 4, 2022.

Restricted Stock Unit Awards Granted During the Year Ended December 31, 2021 under the 2021 Equity Plan

With respect to the restricted stock units totaling approximately 1.3 million that were granted under the 2021 Equity Plan during the year ended December 31, 2021, nearly all vest in four ratable annual installments on each of the first four anniversaries of the grant date, subject to continued service through the applicable vesting dates unless otherwise agreed with the award recipient. Less than 0.1 million of these restricted stock units vested on April 4, 2022.

Fair Value of Vested Restricted Stock Units

The total fair value of restricted stock units that vested during the years ended December 31, 2023 and 2022 was approximately $10.2 million and $12.2 million, respectively, which represents the aggregate of the fair value of the each of the underlying shares measured as of the vesting date. No restricted stock units vested during the year ended December 31, 2021.

Share-Based Compensation Expense Associated with Restricted Stock Units

Share-based compensation expense associated with restricted stock units for the year ended December 31, 2023 was $18.1 million, of which $2.1 million, $15.5 million and $0.5 million is included in Center operations, General, administrative and marketing and Other operating expense (income), respectively, in our consolidated statement of operations. Share-based compensation expense associated with restricted stock units for the year ended December 31, 2022 was $12.4 million, of which $1.4 million, $10.6 million and $0.4 million is included in Center operations, General, administrative and marketing and Other operating expense (income), respectively, in our consolidated statement of operations. Share-based compensation expense associated with restricted stock units for the year ended December 31, 2021 was $6.6 million, of which $0.2 million, $6.3 million and $0.1 million is included in Center operations, General, administrative and marketing and Other operating expense (income), respectively, in our consolidated statement of operations.

As of December 31, 2023, unrecognized share-based compensation expense related to restricted stock units was approximately $26.3 million, which is expected to be recognized over a weighted average remaining period of 2.0 years.

Other Share-Based Payment Awards

During the year ended December 31, 2023, the Company adopted a short-term incentive program pursuant to which fully-vested shares of the Company's common stock would be issued at or around the time of determining the Company's performance under such program in early 2024 if the Company's performance exceeded the target performance metric for executives and if the Company's performance exceeded the threshold performance metric for non-executives. We account for the potential issuance of these shares of common stock as share-based payment awards granted under the 2021 Equity Plan. Share-based compensation expense associated with these awards for the year ended December 31, 2023 was $19.0 million, of which $17.1 million, and $1.9 million is included in General, administrative and marketing and Other operating expense (income), respectively, in our consolidated statement of operation. Because the incentive compensation associated with these awards represents a fixed dollar amount that, if payable, will be settled in a variable number of shares of the Company's common stock, we are currently accounting for these awards as liability-classified awards. Accordingly, the offset to the $19.0 million of share-based compensation expense we have recognized in connection with these awards during the year ended December 31, 2023 is included in Accrued expenses and other current liabilities on our December 31, 2023 consolidated balance sheet.

Stockholder Note Receivable

On August 27, 2018, Life Time, Inc. entered into a loan agreement with our CEO, who is also one of our stockholders, pursuant to which we loaned him $20.0 million. As security for repayment of the loan, our CEO granted to Life Time, Inc. a security interest in 5.0 million shares of our common stock which are held by our CEO. The loan bore interest equal to the highest interest rate associated with the revolving portion of our senior secured credit facility or, if there were no outstanding revolving borrowings, the highest interest rate associated with outstanding borrowings under the term loans portion of our senior secured credit facility. The loan was scheduled to mature at the earlier of August 2023 or upon the occurrence of certain events, including in connection with an initial public offering or a change of control, as well as the period immediately following the officer's termination of employment.

On July 3, 2019, we amended the loan agreement to reflect our forgiveness of an aggregate principal amount of $5.0 million. All other terms and conditions associated with the initial loan agreement remained unchanged. The principal forgiveness was accounted for as an equity transaction, whereby the Stockholder note receivable and Additional paid-in capital balances recognized on our consolidated balance sheet were each reduced by $5.0 million. The income tax benefit of approximately $1.3 million associated with the principal forgiveness was recognized as an increase in both Income tax receivable and Additional paid-in capital on our consolidated balance sheet.

In August 2021, we entered into an agreement pursuant to which the outstanding balance owed under the stockholder note receivable was cancelled. The cancellation of the $15.0 million outstanding principal balance associated with the loan was accounted for as an equity transaction, and the Stockholder note receivable and Additional paid-in capital balances recognized on our consolidated balance sheet were each reduced by $15.0 million.

11. Income (Loss) Per Share

For the year ended December 31, 2023, our potentially dilutive securities included stock options, restricted stock units, shares to be issued under our ESPP and contingently issuable shares related to our short-term incentive compensation program.

For the year ended December 31, 2022, our potentially dilutive securities included stock options, restricted stock units and shares to be issued under our ESPP. Due to the net loss that we recognized during the year ended December 31, 2022, the potentially dilutive shares of common stock associated with these equity-based securities were determined to be antidilutive and, therefore, are excluded from the computation of diluted loss per share for the year ended December 31, 2022.

For the year ended December 31, 2021, our potentially dilutive securities included stock options, restricted stock units and restricted stock. Due to the net loss that we recognized during the year ended December 31, 2021, the potentially dilutive shares of common stock associated with these equity-based securities were determined to be antidilutive and, therefore, are excluded from the computation of diluted loss per share for the year ended December 31, 2021.

(Table amounts in thousands except per share data)

The following table sets forth the calculation of basic and diluted income (loss) per share for the years ended December 31, 2023, 2022 and 2021:

	Year Ended December 31,		
	2023	2022	2021
Net income (loss)	$ 76,063	$ (1,793)	$ (579,369)
Weighted-average common shares outstanding – basic	195,671	193,570	155,470
Dilutive effect of stock-based compensation awards	8,334	—	—
Weighted-average common shares outstanding – diluted	204,005	193,570	155,470
Income (loss) per common share – basic	$ 0.39	$ (0.01)	$ (3.73)
Income (loss) per common share – diluted	$ 0.37	$ (0.01)	$ (3.73)

The following is a summary of potential shares of common stock that were excluded from the computation of diluted income (loss) per share for the years endeDecember 31, 2023, 2022 and 2021:

	Year Ended December 31,		
	2023	2022	2021
Stock options	6,476	24,926	24,597
Restricted stock units	193	2,486	1,854
Restricted stock	—	—	595
ESPP shares	—	137	—
Potential common shares excluded from diluted income (loss) per share	6,669	27,549	27,046

For more information regarding stock options, restricted stock units, restricted stock and ESPP shares, see Note 10, Stockholders' Equity.

12. Commitments and Contingencies

Purchase Commitments

We have entered into various unconditional purchase obligations that primarily include software licenses and support, and marketing services. As of December 31, 2023, these purchase obligations totaled approximately $16.5 million, the majority of which are expected to be settled within the next year. These unconditional purchase obligations are in addition to the current and long-term liabilities recorded on our December 31, 2023 consolidated balance sheet and exclude agreements that are cancellable at any time without penalty.

Legal Matters

Life Time, Inc. et al. v. Zurich American Insurance Company

On August 19, 2020, Life Time, Inc., several of its subsidiaries, and a joint venture entity, Bloomingdale Life Time Fitness LLC (collectively, the "Life Time Parties") filed a complaint against Zurich American Insurance Company ("Zurich") in the Fourth Judicial District of the State of Minnesota, County of Hennepin (Case No. 27-CV-20-10599) (the "Action") seeking declaratory relief and damages with respect to Zurich's failure under a property/business interruption insurance policy to provide certain coverage to the Life Time Parties related to the closure or suspension by governmental authorities of their business activities due to the spread or threat of the spread of COVID-19. On March 15, 2021, certain of the Life Time Parties filed a First Amended Complaint in the Action adding claims against Zurich under a Builders' Risk policy related to the suspension of multiple construction projects. The Action is subject to many uncertainties, and the outcome of the matter is not predictable with any assurance.

Other

We are also engaged in other proceedings incidental to the normal course of business. Due to their nature, such legal proceedings involve inherent uncertainties, including but not limited to court rulings, negotiations between affected parties and governmental intervention. We establish reserves for matters that are probable and estimable in amounts we believe are adequate to cover reasonable adverse judgments. Based upon the information available to us and discussions with legal counsel, it is our opinion that the outcome of the various legal actions and claims that are incidental to our business will not have a material adverse impact on our consolidated financial position, results of operations or cash flows. Such matters are subject to many uncertainties, and the outcomes of individual matters are not predictable with assurance.

401(k) Savings and Investment Plan

We offer a 401(k) savings and investment plan (the "401(k) Plan") to substantially all full-time employees who are at least 21 years of age. The cost associated with the Company's discretionary contributions to the 401(k) Plan during the years ended December 31, 2023, 2022 and 2021 was not material.

Letters of Credit and Posted Bonds

As of December 31, 2023 and 2022, we had $32.9 million and $31.4 million, respectively, in irrevocable standby letters of credit outstanding, which were issued primarily to municipalities, for sites under construction, as well as certain insurance carriers to guarantee payments of deductibles for various insurance programs, such as workers' compensation and commercial liability insurance. Such letters of credit are secured by the collateral under our senior secured credit facility. As of both December 31, 2023 and 2022, no amounts had been drawn on any of these irrevocable standby letters of credit.

As of December 31, 2023 and 2022, we had posted bonds totaling $35.3 million and $35.5 million, respectively, related to construction activities and operational licensing.

13. Related Party Transactions

Related Party Leases

We did not enter into any new related party leases, including related party sale-leaseback arrangements, during the years ended December 31, 2023 or 2022.

Sale-Leaseback Transactions

During the year ended December 31, 2020, we consummated a sale-leaseback transaction involving one property with a subsidiary of a limited liability company jointly owned by our CEO, a former executive of the Company, and another member of our board of directors, among other investors ("LTRE"). During the years ended December 31, 2023, 2022 and 2021, we paid rent associated with this lease of $2.6 million, $2.6 million and $2.5 million, respectively, and rent expense associated with this lease was $3.0 million, $3.0 million and $3.0 million, respectively.

During the year ended December 31, 2019, we entered into a sale-leaseback transaction involving one property with a limited liability company jointly owned by our CEO and another member of our board of directors. During the years ended December 31, 2023, 2022 and 2021, we paid rent associated with this lease of $2.3 million, $2.3 million and $2.8 million, respectively, and rent expense associated with this lease was $2.6 million, $2.6 million and $2.6 million, respectively.

During the year ended December 31, 2018, we entered into a sale-leaseback transaction involving one property with a limited liability company in which our CEO owns a 33% interest. During the years ended December 31, 2023, 2022 and 2021, we paid rent associated with this lease of $1.3 million, $1.2 million and $1.5 million, respectively, and rent expense associated with this lease was $1.4 million, $1.4 million and $1.4 million, respectively.

During the year ended December 31, 2017, we entered into sale-leaseback transactions involving two properties with a limited liability company that is a related party to one of our existing stockholders. During the years ended December 31, 2023, 2022 and 2021, we paid rent associated with these leases of $6.6 million, $6.1 million and $6.0 million, respectively, and rent expense associated with these leases was $7.4 million, $7.4 million and $7.4 million, respectively.

Other Property Leases

In September 2015, our CEO, through two limited liability companies in which he had a 100% interest, acquired the Woodbury, Minnesota facility that we have occupied and operated as a tenant since 1995. The terms of the existing lease were unchanged upon the change in ownership. On September 29, 2020, our CEO contributed his ownership of our center in Woodbury, Minnesota to LTRE. Following this contribution, we terminated our existing lease with the entities owned by our CEO and entered into a new lease for the Woodbury center with subsidiaries of LTRE. We are currently accounting for the new Woodbury lease as an operating lease.

During the years ended December 31, 2023, 2022 and 2021, rent payments associated with the new Woodbury lease were $1.2 million, $1.2 million and $1.2 million, respectively, and rent expense associated with the new Woodbury lease was $1.3 million, $1.3 million and $1.3 million, respectively.

In October 2003, we leased a center located within a shopping center that is owned by a general partnership in which our CEO has a 100% interest. During the year ended December 31, 2023, we amended this lease to reflect the expanded square footage that the Company is using at this location and make a corresponding adjustment to the rental payments. During the years ended December 31, 2023, 2022 and 2021, we paid rent associated with this lease of $0.9 million, $0.9 million and $1.1 million, respectively, and rent expense associated with this lease was $0.9 million, $0.9 million and $0.9 million, respectively.

Stockholder Note Receivable

For information on the stockholder note receivable, see Note 10, Stockholders' Equity.

Related Party Secured Loan

For information on the secured loan from an investor group comprised of our stockholders or their affiliates, see Note 8, Debt.

Unsecured Notes Offering

An affiliate of one of our stockholders was one of the initial purchasers in Life Time, Inc.'s offering of the Unsecured Notes and received customary initial purchaser discounts and commissions.

Other

Life Time, Inc. and an entity owned by our former President and Chief Financial Officer, Mr. Thomas Bergmann, jointly owned an aircraft. In connection with his retirement from the Company effective December 30, 2022, Life Time, Inc. acquired Mr. Bergmann's 50% interest in this aircraft in October 2022 for approximately $1.8 million. During this joint ownership, Life Time, Inc. and Mr. Bergmann's entity had entered into certain co-ownership, maintenance and personnel agreements under which the entity owned by Mr. Bergmann contributed approximately $0.1 million per year to an operations fund for the fixed costs for the aircraft. Life Time, Inc. and the entity owned by Mr. Bergmann paid for the costs associated with their respective trips during the time of joint ownership.

The daughter of our CEO currently serves as a senior director of real estate development for Life Time, Inc. During the years ended December 31, 2023, 2022 and 2021, we paid total compensation of approximately $0.2 million, $0.2 million and $0.2 million, respectively, for her services.

14. Executive Nonqualified Plan

During 2006, we implemented the Executive Nonqualified Excess Plan of Life Time Fitness, a non-qualified deferred compensation plan. This plan was established for the benefit of our highly compensated employees, which our plan defines as our employees whose projected compensation for the upcoming plan year would meet or exceed the IRS limit for determining highly compensated employees. This unfunded, non-qualified deferred compensation plan allows participants the ability to defer and grow income for retirement and significant expenses in addition to contributions made to our 401(k) Plan.

All highly compensated employees eligible to participate in the Executive Nonqualified Excess Plan of Life Time Fitness, including but not limited to our executives, may elect to defer up to 50% of their annual base salary and/or annual bonus earnings to be paid in any coming year. The investment choices available to participants under the non-qualified deferred compensation plan are of the same type and risk categories as those offered under our 401(k) Plan and may be modified or changed by the participant or us at any time. Distributions can be paid out as in-service payments or at retirement. Retirement benefits can be paid out as a lump sum or in annual installments over a term of up to 10 years. We did not make a matching contribution to this plan during the years ended December 31, 2023, 2022 and 2021. Any contributions to this plan vest to each participant according to their years of service with us. At December 31, 2023 and 2022, $12.4 million and $10.3 million, respectively, had been deferred and is being held on behalf of the employees. These amounts are included in Other liabilities on our consolidated balance sheets.

15. Subsequent Events

During February 2024, we fully paid at maturity the principal balance and any remaining accrued interest associated with one of our mortgages totaling $1.0 million. This balance is included in Current maturities of long-term debt on our consolidated balance sheet as of December 31, 2023. See Note 8, Debt for additional information associated with our Mortgage Notes.

The Board of Directors determined in February 2024 that the Company's 2023 performance exceeded the target performance metric for executive officers and the threshold performance metric for non-executives under the Company's short-term incentive program and issued corresponding shares of common stock to the Company's employees. As a result, the $19.0 million liability we recognized in connection with these share-based payment awards that is included in Accrued expenses and other current liabilities on our December 31, 2023 consolidated balance sheet was reclassified out of Accrued expenses and other current liabilities and into Common stock and Additional paid-in capital on our consolidated balance sheet.

We have evaluated all subsequent events through the date of the consolidated financial statements were issued and determined that, other than with repect to the mortgage payoff and reclassification of the share-based liability, there have been no other events or transactions which would have a material effect on the consolidated financial statements and therefore would require recognition or disclosure.

16. Condensed Financial Information of Registrant (Parent Company Only)

Life Time Group Holdings, Inc. is a holding company with no material operations of its own that conducts substantially all of its activities through its subsidiaries. Life Time Group Holdings, Inc. has no cash and, as a result, all expenditures and obligations of the Company are allocated to and paid by its subsidiaries. Life Time, Inc. is the borrower under our senior secured credit facility and the indentures governing our Secured Notes and our Unsecured Notes, the terms and conditions of which limit Life Time, Inc.'s ability to declare dividends or make any payment on equity to, directly or indirectly, fund a dividend or other distribution to Life Time Group Holdings, Inc. in connection with those borrowings. Dividends, redemptions and other payments on equity (restricted payments) are limited to those permitted under the senior secured credit facility and the indentures governing our Secured Notes and Unsecured Notes. Due to the aforementioned restrictions, substantially all of the net assets of our subsidiaries are restricted. For information regarding our senior secured credit facility, Secured Notes and Unsecured Notes, see Note 8, Debt.

The following condensed financial statements have been presented on a "parent-only" basis. Under a parent-only presentation, our investment in our subsidiaries is presented under the equity method of accounting. During the year ended December 31, 2023, we recognized share-based compensation expense related to stock options, restricted stock units, our ESPP and liability classified awards related to our short-term incentive plan of $50.1 million, of which $2.6 million, $44.8 million and $2.7 million is included in Center operations, General, administrative and marketing and Other operating, respectively, in our parent-only condensed statement of operations. During the year ended December 31, 2022, we recognized share-based compensation expense related to stock options, restricted stock, restricted stock units and our ESPP of $37.3 million, of which $2.8 million, $33.5 million and $0.9 million is included in Center operations, General, administrative and marketing and Other operating, respectively, in our parent-only condensed statement of operations. During the year ended December 31, 2021, we recognized share-based compensation expense related to stock options, restricted stock and restricted stock units of $334.3 million, of which $12.9 million, $316.8 million and $4.6 million is included in Center operations, General, administrative and marketing and Other operating, respectively, in our parent-only condensed statement of operations. Also during the year ended December 31, 2021, we recognized a $41.0 million debt extinguishment loss related to the conversion of the Related Party Secured Loan to Series A Preferred Stock, which is included in Interest expense, net of interest income in our parent-only condensed statement of operations. This debt extinguishment loss is not recognized for tax purposes.

A condensed statement of cash flows is not presented because Life Time Group Holdings, Inc. has no cash, and, therefore, no material operating, investing, or financing cash flow activities for years ended December 31, 2023, 2022 and 2021. The financing cash flow activities associated with the proceeds we received from the issuance of our common stock during the years ended December 31, 2023, 2022 and 2021, were non-cash transactions for Life Time Group Holdings, Inc., as the cash inflows and outflows associated with those transactions occurred at our subsidiary, Life Time, Inc. and were accounted for as our equity contributions to Life Time, Inc. For more information regarding these transactions, see Note 10, Stockholders' Equity.

LIFE TIME GROUP HOLDINGS, INC.
(PARENT COMPANY ONLY)
CONDENSED BALANCE SHEETS
(In thousands, except per share data)

	December 31,	
	2023	**2022**
ASSETS		
Current assets	$ —	$ —
Noncurrent assets:		
Investment in subsidiaries	2,254,112	2,124,261
Total noncurrent assets	2,254,112	2,124,261
Total assets	$ 2,254,112	$ 2,124,261
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities	$ —	$ —
Noncurrent liabilities	—	—
Total liabilities	—	—
Stockholders' equity:		
Common stock, $0.01 par value per share, 500,000 shares authorized, 196,671 and 194,271 shares issued and outstanding, respectively	1,967	1,943
Additional paid-in capital	2,835,883	2,784,416
Accumulated deficit	(583,738)	(662,098)
Total stockholders' equity	2,254,112	2,124,261
Total liabilities and stockholders' equity	$ 2,254,112	$ 2,124,261

LIFE TIME GROUP HOLDINGS, INC.
(PARENT COMPANY ONLY)

CONDENSED STATEMENTS OF OPERATIONS

(In thousands)

	Year Ended December 31,		
	2023	**2022**	**2021**
Total Revenue	$ —	$ —	$ —
Operating expenses:			
Center operations	2,660	2,842	12,934
General, administrative and marketing	44,776	33,535	316,836
Other operating expense	2,708	914	4,569
Total operating expenses	50,144	37,291	334,339
Loss from operations	(50,144)	(37,291)	(334,339)
Other expense:			
Interest expense, net of interest income	—	—	(40,993)
Total other expense	—	—	(40,993)
Loss before income taxes	(50,144)	(37,291)	(375,332)
Benefit from income taxes	(12,335)	(9,136)	(81,579)
Net loss before equity in net loss of subsidiaries	(37,809)	(28,155)	(293,753)
Net income (loss) attributable to subsidiaries of Life Time Group Holdings, Inc.	113,872	26,362	(285,616)
Net income (loss) attributable to Life Time Group Holdings, Inc.	$ 76,063	$ (1,793)	$ (579,369)

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our management, with the participation of our CEO and Interim Chief Financial Officer, has carried out an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this Annual Report. Based upon that evaluation, our CEO and Interim Chief Financial Officer have concluded that, as of such date, our disclosure controls and procedures were effective at a reasonable assurance level.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act during the fourth quarter of the year ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Annual Report on Internal Control Over Financial Reporting

Management's annual report on our internal control over financial reporting is included in Part II, Item 8 of this Annual Report.

Attestation Report of the Independent Registered Public Accounting Firm

The effectiveness of our internal control over financial reporting as of December 31, 2023 has been audited by Deloitte & Touche LLP, our independent registered public accounting firm, as stated in its attestation report, which is included in Part II, Item 8 of this Annual Report.

Item 9B. OTHER INFORMATION

During the three months ended December 31, 2023, no director or officer of the Companyadopted, modified or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item will be included in our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A in connection with our 2024 Annual Meeting of Stockholders and is incorporated herein by reference.

Item 11. EXECUTIVE COMPENSATION

The information required by this item will be included in our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A in connection with our 2024 Annual Meeting of Stockholders and is incorporated herein by reference.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item will be included in our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A in connection with our 2024 Annual Meeting of Stockholders and is incorporated herein by reference.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item will be included in our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A in connection with our 2024 Annual Meeting of Stockholders and is incorporated herein by reference.

Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this item will be included in our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A in connection with our 2024 Annual Meeting of Stockholders and is incorporated herein by reference.

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following documents are filed as part of this Annual Report on Form 10-K:

1. Consolidated Financial Statements (included in Item 8 of this Annual Report on Form 10-K):

    Report of Independent Registered Public Accounting Firm

    Consolidated Balance Sheets as of December 31, 2023 and 2022

    Consolidated Statements of Operations for the years ended December 31, 2023, 2022 and 2021

    Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2023, 2022 and 2021

    Consolidated Statements of Stockholders' Equity for the years ended December 31, 2023, 2022 and 2021

    Consolidated Statements of Cash Flows for the years ended December 31, 2023, 2022 and 2021

    Notes to Consolidated Financial Statements

2. Exhibits

All exhibits as set forth on the Exhibit Index.

Exhibit Index

Exhibit Number	Description of Exhibit	Form	File No.	Exhibit	Filing Date
3.1	Amended and Restated Certificate of Incorporation.	8-K	001-40887	3.1	10/12/2021
3.2	Third Amended and Restated Bylaws.	8-K	001-40887	3.2	10/12/2021
4.1	Indenture, dated as of January 22, 2021, by and between Life Time, Inc., as issuer, the guarantors party thereto and Wilmington Savings Fund Society, FSB, as trustee and notes collateral agent.	S-1	333-259495	4.1	9/13/2021
4.2	Indenture, dated as of February 5, 2021, by and between Life Time, Inc., as issuer, the guarantors party thereto and Wilmington Savings Fund Society, FSB, as trustee.	S-1	333-259495	4.2	9/13/2021
4.3	Description of Capital Stock.	10-K	001-40887	4.3	3/10/2022

Exhibit Number	Description of Exhibit	Form	File No.	Exhibit	Filing Date
10.1	Eleventh Amendment to the Credit Agreement, dated as of December 6, 2023, by and among LTF Intermediate Holdings, Inc., Life Time, Inc., the subsidiary guarantors party thereto, the lenders party thereto, and Deutsche Bank AG New York Branch, as administrative agent.	8-K	001-40887	10.1	12/6/2023
10.2 #	The Executive Nonqualified Excess Plan.	S-1	333-259495	10.10	9/13/2021
10.3 #	LTF Holdings, Inc. 2015 Equity Incentive Plan, as amended.	S-1	333-259495	10.11	9/13/2021
10.4 #	Forms of Non-Qualified Stock Option Agreements of LTF Holdings, Inc. under the LTF Holdings, Inc. 2015 Equity Incentive Plan.	S-1	333-259495	10.12	9/13/2021
10.5 #	Form of Restricted Stock Unit Award Agreement under LTF Holdings, Inc. 2015 Equity Incentive Plan.	S-1	333-259495	10.13	9/13/2021
10.6 #	LTF Holdings, Inc. Non-Qualified Stock Option Agreement, dated October 6, 2015, by and between Bahram Akradi and LTF Holdings, Inc.	S-1	333-259495	10.14	9/13/2021
10.7 †#	LTF Holdings, Inc. Preferred Restricted Stock Agreement, dated May 3, 2021, by and between Bahram Akradi and LTF Holdings, Inc.	S-1	333-259495	10.17	9/13/2021
10.8 #	Life Time Group Holdings, Inc. 2021 Employee Stock Purchase Plan.	S-1	333-259495	10.18	9/29/2021
10.9 #	Life Time Group Holdings, Inc. 2021 Incentive Award Plan.	S-1	333-259495	10.19	9/29/2021
10.10 #	Form of Stock Option Agreement under the Life Time Group Holdings, Inc. 2021 Incentive Award Plan.	S-1	333-259495	10.20	9/29/2021
10.11 #	Form of Restricted Stock Unit Award Agreement under the Life Time Group Holdings, Inc. 2021 Incentive Award Plan.	S-1	333-259495	10.21	9/29/2021
10.12 #	Form of Restricted Stock Unit Award Agreement under the Life Time Group Holdings, Inc. 2021 Incentive Award Plan.	10-Q	001-40887	10.1	5/1/2023
10.13 #	Form of Performance Stock Unit Award Agreement under the Life Time Group Holdings, Inc. 2021 Incentive Award.				Filed herewith
10.14 #	Life Time Group Holdings, Inc. Non-Employee Director Compensation Policy.	S-1	333-259495	10.22	9/13/2021
10.15 #	Offer Letter, dated as of August 18, 2021, by and between Bahram Akradi and Life Time, Inc.	S-1	333-259495	10.27	9/13/2021
10.16 †#	Employee Non-Competition Agreement, dated as of August 18, 2021, by and between Bahram Akradi and Life Time, Inc.	S-1	333-259495	10.32	9/13/2021
10.17 #	Employment Agreement by and between Thomas E. Bergmann and Life Time Group Holdings, Inc., effective as October 12, 2021.	S-1	333-259495	10.28	9/13/2021
10.18 #	Agreement and General Release by and between Thomas E. Bergmann and Life Time Group Holdings, Inc., effective as of December 30, 2022.	10-K	001-40887	10.16	3/8/2023
10.19 #	Consulting Agreement by and between Thomas E. Bergmann and Life Time, Inc., effective as of December 30, 2022.	10-K	001-40887	10.17	3/8/2023
10.20 #	Employment Agreement by and between Eric J. Buss and Life Time Group Holdings, Inc., effective as of October 12, 2021.	S-1	333-259495	10.29	9/13/2021
10.21 #	Employment Agreement by and between Jeffrey G. Zwiefel and Life Time Group Holdings, Inc., effective as of October 12, 2021.	S-1	333-259495	10.30	9/13/2021
10.22 #	Agreement and General Release by and between Jeffrey G. Zwiefel and Life Time Group Holdings, Inc., effective as of December 31, 2023.				Filed herewith

Exhibit Number	Description of Exhibit	Form	File No.	Exhibit	Filing Date
10.23 #	Consulting Agreement by and between Jeffrey G. Zwiefel and Life Time, Inc., effective as of December 31, 2023.				Filed herewith
10.24 #	Employment Agreement by and between RJ Singh and Life Time Group Holdings, Inc., effective as of October 12, 2021.	S-1	333-259495	10.31	9/13/2021
10.25 #	Employment Agreement by and between Parham Javaheri and Life Time Group Holdings, Inc., effective as of October 12, 2021.	10-Q	001-40887	10.1	5/11/2022
10.26 #	Employment Agreement by and between Robert Houghton and Life Time Group Holdings, Inc., effective as of August 28, 2022.	8-K	001-40887	10.1	8/29/2022
10.27 #	Separation Agreement and General Release by and between Robert Houghton and Life Time, Inc., effective as of January 5, 2024.	8-K	001-40887	10.1	12/26/2023
10.28	Form of Director and Officer Indemnification and Advancement Agreement.	S-1	333-259495	10.33	9/13/2021
10.29	Third Amended and Restated Stockholders Agreement, dated October 6, 2021, among the Company and certain of its stockholders.	8-K	001-40887	10.1	10/12/2021
21.1	Subsidiaries of the Registrant.				Filed herewith
23.1	Consent of Deloitte & Touche LLP.				Filed herewith
24.1	Power of Attorney (included in the signature page to the Annual Report).				
31.1	Certificate of the Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				Filed herewith
31.2	Certification of the Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				Filed herewith
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act 2002.				Furnished herewith
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act 2002.				Furnished herewith
97.1	Life Time Group Holdings, Inc. Executive Incentive Compensation Recovery Policy.				Filed herewith
101. INS	Inline XBRL Instance Document — the Instance Document does not appear in the interactive data file because its XBRL tags are Embedded within the Inline XBRL Document.				Filed herewith
101.SCH	Inline XBRL Schema Document.				Filed herewith
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.				Filed herewith
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.				Filed herewith
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.				Filed herewith
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.				Filed herewith
104	Cover Page Interactive Data File — the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.				Filed herewith

† Certain of the exhibits and schedules to this Exhibit have been omitted in accordance with Regulation S-K Item 601(a)(5). The Registrant agrees to furnish a copy of all omitted exhibits and schedules to the SEC upon its request.

Management contract, plan, or arrangement.

Item 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of the Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

		Life Time Group Holdings, Inc.
Date: February 28, 2024	By:	/s/ Erik Weaver
		Erik Weaver
		Senior Vice President, Interim Chief Financial Officer & Controller

The undersigned directors and officers of Life Time Group Holdings, Inc. hereby constitute and appoint Bahram Akradi and Erik Weaver, and each of them, as the individual's true and lawful attorney in fact and agent, with full power of substitution and resubstitution, for the person and in his name, place and stead, in any and all capacities, to sign this report and any or all amendments, and all other documents in connection therewith to be filed with the SEC, granting unto said attorney in fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney in fact as agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereto.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Bahram Akradi Bahram Akradi	Founder, Chairman & Chief Executive Officer (Principal Executive Officer)	February 28, 2024
/s/ Erik Weaver Erik Weaver	Senior Vice President, Interim Chief Financial Officer & Controller (Principal Financial Officer and Principal Accounting Officer)	February 28, 2024
/s/ Jimena Almendares Jimena Almendares	Director	February 28, 2024
/s/ Joel Alsfine Joel Alsfine	Director	February 28, 2024
/s/ Donna Coallier Donna Coallier	Director	February 28, 2024
/s/ Jonathan Coslet Jonathan Coslet	Director	February 28, 2024
/s/ John G. Danhakl John G. Danhakl	Director	February 28, 2024
/s/ J. Kristofer Galashan J. Kristofer Galashan	Director	February 28, 2024
/s/ Paul Hackwell Paul Hackwell	Director	February 28, 2024
/s/ David A. Landau David A. Landau	Director	February 28, 2024
/s/ Stuart Lasher Stuart Lasher	Director	February 28, 2024
/s/ Alejandro Santo Domingo Alejandro Santo Domingo	Director	February 28, 2024
/s/ Andres Small Andres Small	Director	February 28, 2024

LIFE TIME GROUP HOLDINGS, INC.

2021 INCENTIVE AWARD PLAN

PERFORMANCE STOCK UNIT GRANT NOTICE

Capitalized terms not specifically defined in this Performance Stock Unit Grant Notice (the "Grant Notice") have the meanings given to them in the 2021 Incentive Award Plan (as amended from time to time, the "Plan") of Life Time Group Holdings, Inc. (the "Company").

The Company hereby grants to the participant listed below ("Participant") the Performance Stock Units described in this Grant Notice (the "PSUs"), subject to the terms and conditions of the Plan and the Performance Stock Unit Award Agreement attached hereto as Exhibit A [and the Achievement and Vesting terms set forth in Exhibit B] (collectively, the "Agreement") all of which are incorporated into this Grant Notice by reference.

Participant:	*[Insert Participant Name]*
Grant Date:	*[Insert Grant Date]*
Target Number of PSUs:	*[Insert Target Number of PSUs]*
Vesting Date:	*[Insert Vesting Date]*

[The number of Achieved Units determined in accordance with Exhibit B will vest on the Vesting Date, provided that the Participant shall not have had a Termination of Service prior to the Vesting Date, except as set forth in Section 2.2 of the Agreement.]

By accepting this Award electronically through the Plan service provider's online grant acceptance policy, Participant agrees to be bound by the terms and conditions of the Plan, the Agreement and the Grant Notice. Participant has reviewed the Agreement, the Plan and the Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to executing the Grant Notice and fully understands all provisions of the Grant Notice, the Agreement and the Plan. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, the Grant Notice and the Agreement.

LIFE TIME GROUP HOLDINGS, INC.		**PARTICIPANT**	
By:	______________________	By:	______________________
Print Name:	______________________	Print Name:	______________________
Title:	______________________		

Exhibit A
TO PERFORMANCE STOCK UNIT GRANT NOTICE

PERFORMANCE STOCK UNIT AWARD AGREEMENT

Pursuant to the Grant Notice to which this Agreement is attached, the Company has granted to Participant the Target Number of PSUs set forth in the Grant Notice.

ARTICLE I.

GENERAL

Section 1.1 Defined Terms. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan or the Grant Notice. For purposes of this Agreement:

(a) "Cessation Date" shall mean the date of Participant's Termination of Service (regardless of the reason for such termination).

(b) "Participating Company" shall mean the Company or any of its parents or Subsidiaries.

(c) "Proprietary Information" shall mean (a) the name, address and/or contact information of any customer, supplier or affiliate of the Company or any information concerning the transactions or relations of any customer, supplier or affiliate of the Company or any of its shareholders; (b) any information concerning any product, service, technology or procedure offered or used by the Company or any of its affiliates, or under development by or being considered for use by the Company or any of its affiliates; (c) any information relating to marketing or pricing plans or methods, capital structure, or any business or strategic plans of the Company or any of its affiliates; (d) any inventions, innovations, trade secrets or other items covered by Section 3.2 and Section 3.8; and (e) any other information which the Company or any of its affiliates has determined and communicated to the Participant in writing to be proprietary information for purposes hereof; *provided*, *however*, that "Proprietary Information" shall not include any information that is or becomes generally known to the public other than through actions of the Participant in violation of the restrictive covenants set forth in ARTICLE III.

Section 1.2 Incorporation of Terms of Plan. The PSUs and the shares of Common Stock issued to Participant hereunder ("Shares") are subject to the terms and conditions set forth in this Agreement and the Plan (including, without limitation, Section 10.6 thereof), which is incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control.

ARTICLE II.

AWARD OF PERFORMANCE STOCK UNITS

Section 2.1 Award of PSUs. In consideration of Participant's past and/or continued employment with or service to a Participating Company and for other good and valuable consideration, effective as of the grant date set forth in the Grant Notice (the "Grant Date"), the Company has granted to Participant the target number of PSUs set forth in the Grant Notice, upon the terms and conditions set forth in the Grant Notice, the Plan and this Agreement, subject to adjustment as provided in Article VIII of the Plan. The PSUs represent the right to receive the number of Shares [determined in accordance with Exhibit B] at the times and subject to the conditions set forth herein. However, unless and until any PSUs have vested, Participant will have no right to the payment of any Shares subject thereto. Prior to the actual delivery of any Shares, the PSUs will represent an unsecured obligation of the Company, payable only from the general assets of the Company.

Section 2.2 Vesting of PSUs.

(a) Scheduled Vesting. Subject to Participant's continued employment with or service to a Participating Company on the Vesting Date (except as provided in this Section 2.2) and subject to the terms of this Agreement, PSUs shall vest [in such amounts as determined by Exhibit B] on the Vesting Date set forth in the Grant Notice.

(b) Termination of Service.

(i) In the event that Participant incurs a Termination of Service prior to the Vesting Date, except as may be otherwise provided in this Section 2.2 or as set forth in a written agreement between Participant and the Company, Participant shall immediately forfeit any and all PSUs granted under this Agreement, and Participant's rights in any such PSUs that are not so vested shall lapse and expire.

(ii) [In the event that, prior to the Vesting Date, the Participant's service is terminated due to death or Disability, or involuntary terminated by the Company for a reason other than Cause (a "Qualifying Termination"), the Participant will vest in the number, if any, of Achieved Units with respect to any tranche(s) of PSUs for which the applicable Determination Date (as defined in Exhibit B) has occurred on or prior to the date of the Termination of Service. Except as may be otherwise provided in this Section 2.2 or as set forth in a written agreement between Participant and the Company, Participant will forfeit rights in any PSUs allocated to any Performance Period for which the applicable Determination Date has not yet occurred as of the date of the Termination of Service. Distribution of any vested PSUs will not be accelerated and will be made in accordance with Section 2.3(a).]

(c) Change in Control. In the event of a Change in Control, with respect to any accelerated vesting provided pursuant to Section 8.3 of the Plan, the number of vested PSUs will be determined by the Administrator.

Section 2.3 Distribution or Payment of PSUs.

(a) Participant's vested PSUs shall be distributed in Shares (either in book-entry form or otherwise) as soon as administratively reasonable, but no later than the March 15 of the year following the Vesting Date. Notwithstanding the foregoing, the Company may delay a distribution or payment in settlement of PSUs if it reasonably determines that such payment or distribution will violate federal securities laws or any other Applicable Law, *provided* that such distribution or payment shall be made at the earliest date at which the Company reasonably determines that the making of such distribution or payment will not cause such violation, as required by Treasury Regulation Section 1.409A-2(b)(7)(ii), and *provided further* that no payment or distribution shall be delayed under this Section 2.3(a) if such delay will result in a violation of Section 409A.

(b) All distributions shall be made by the Company in the form of whole Shares (except as otherwise provided by the Administrator), and any fractional share shall be distributed in cash in an amount equal to the value of such fractional share determined based on the Fair Market Value as of the date immediately preceding the date of such distribution.

Section 2.4 Conditions to Issuance of Certificates. The Company shall not be required to issue or deliver any certificate or certificates for any Shares or to cause any Shares to be held in book-entry form prior to the fulfillment of all of the following conditions: (a) the admission of the Shares to listing on all stock exchanges on which such Shares are then listed, (b) the completion of any registration or other qualification of the Shares under any state or federal law or under rulings or regulations of the Securities and Exchange Commission or other governmental regulatory body, which the Administrator shall, in its absolute discretion, deem necessary or advisable, (c) the obtaining of any approval or other clearance from any state or federal governmental agency that the Administrator shall, in its absolute discretion, determine to be necessary or advisable, and (d) the receipt of full payment of any applicable withholding tax in accordance with Section 2.5 by the Participating Company with respect to which the applicable withholding obligation arises.

Section 2.5 Tax Withholding. Notwithstanding any other provision of this Agreement:

(a) The Participating Companies have the authority to deduct or withhold, or require Participant to remit to the applicable Participating Company, an amount sufficient to satisfy any applicable federal, state, local and foreign taxes (including the employee portion of any FICA obligation) required by Applicable Law to be withheld with respect to any taxable event arising pursuant to this Agreement. The Participating Companies may withhold or Participant may make such payment in one or more of the forms specified below:

(i) by cash or check made payable to the Participating Company with respect to which the withholding obligation arises;

(ii) by the deduction of such amount from other compensation payable to Participant;

(iii) with respect to any withholding taxes arising in connection with the vesting or settlement of the PSUs, with the consent of the Administrator, by requesting that the Company withhold a net number of vested shares of Stock otherwise issuable pursuant to the PSUs having a then current Fair Market Value not exceeding the amount necessary to satisfy the withholding obligation of the Participating Companies based on the maximum statutory withholding rates in Participant’s applicable jurisdictions for federal, state, local and foreign income tax and payroll tax purposes that are applicable to such taxable income;

(iv) with respect to any withholding taxes arising in connection with the vesting or settlement of the PSUs, with the consent of the Administrator, by tendering to the Company vested shares of Stock having a then current Fair Market Value not exceeding the amount necessary to satisfy the withholding obligation of the Participating Companies based on the maximum statutory withholding rates in Participant’s applicable jurisdictions for federal, state, local and foreign income tax and payroll tax purposes that are applicable to such taxable income;

(v) with respect to any withholding taxes arising in connection with the vesting or settlement of the PSUs, through the delivery of a notice that Participant has placed a market sell order with a broker acceptable to the Company with respect to shares of Stock then issuable to Participant pursuant to the PSUs, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Participating Company with respect to which the withholding obligation arises in satisfaction of such withholding taxes; *provided* that payment of such proceeds is then made to the applicable

Participating Company at such time as may be required by the Administrator, but in any event not later than the settlement of such sale; or

(vi) in any combination of the foregoing.

(b) With respect to any withholding taxes arising in connection with the PSUs, in the event Participant fails to provide timely payment of all sums required pursuant to Section 2.5(a), the Company shall have the right and option, but not the obligation, to treat such failure as an election by Participant to satisfy all or any portion of Participant's required payment obligation pursuant to Section 2.5(a)(ii) or Section 2.5(a)(iii) above, or any combination of the foregoing as the Company may determine to be appropriate. The Company shall not be obligated to deliver any certificate representing shares of Stock issuable with respect to the PSUs to Participant or his or her legal representative unless and until Participant or his or her legal representative shall have paid or otherwise satisfied in full the amount of all federal, state, local and foreign taxes applicable with respect to the taxable income of Participant resulting from the vesting or settlement of the PSUs or any other taxable event related to the PSUs.

(c) In the event any tax withholding obligation arising in connection with the PSUs will be satisfied under Section 2.5(a)(iii), then the Company may elect to instruct any brokerage firm determined acceptable to the Company for such purpose to sell on Participant's behalf a whole number of shares from those shares of Stock then issuable to Participant pursuant to the PSUs as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the tax withholding obligation and to remit the proceeds of such sale to the Participating Company with respect to which the withholding obligation arises. Participant's acceptance of this Award constitutes Participant's instruction and authorization to the Company and such brokerage firm to complete the transactions described in this Section 2.5(c), including the transactions described in the previous sentence, as applicable. The Company may refuse to issue any shares of Stock in settlement of the PSUs to Participant until the foregoing tax withholding obligations are satisfied, provided that no payment shall be delayed under this Section 2.5(c) if such delay will result in a violation of Section 409A.

(d) Participant is ultimately liable and responsible for all taxes owed in connection with the PSUs, regardless of any action any Participating Company takes with respect to any tax withholding obligations that arise in connection with the PSUs. No Participating Company makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or payment of the PSUs or the subsequent sale of Shares. The Participating Companies do not commit and are under no obligation to structure the PSUs to reduce or eliminate Participant's tax, insider trading or other liability.

<u>Section 2.6 Rights as Stockholder</u>. Neither Participant nor any Person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares (which may be in book-entry form) will have been issued and recorded on the records of the Company or its transfer agents or registrars and delivered to Participant (including through electronic delivery to a brokerage account). Except as otherwise provided herein, after such issuance, recordation and delivery, Participant will have all the rights of a stockholder of the Company with respect to such Shares, including, without limitation, the right to receipt of dividends and distributions on such Shares.

ARTICLE III.

RESTRICTIVE COVENANTS

Section 3.1 Introduction. The parties acknowledge and agree that (a) the provisions and covenants contained in this ARTICLE III (i) have been negotiated and are entered into in good faith as an ancillary agreement in connection with the grant of the PSUs contemplated by this Agreement, (ii) are material to this Agreement, (iii) are provided for, among other things, the protection of the Company's trade secrets, confidential and commercially-sensitive information, client and customer relationships, goodwill and reputation (which is an honest and just purpose), (iv) are reasonable in geographic and temporal scope and (v) do not impose a greater restriction or restraint than is necessary to protect the Company's trade secrets, confidential and commercially-sensitive information, client and customer relationships and contacts, goodwill, reputation and other legitimate business interests, (b) the Participant (i) is employed or otherwise engaged as an independent contractor or other service provider by the Company, (ii) has been and/or will be provided with confidential and commercially-sensitive information regarding the Company and its business during his or her employment and/or service with the Company, and (iii) provides special, unique and extraordinary services to the Company, (c) the provisions of this ARTICLE III do not adversely affect the Participant's ability to earn a living in any capacity, stifle the Participant's ability to use his or her inherent skills and experience, or otherwise impose undue hardship or oppression on the Participant, and (d) the entitlement to the benefits provided to the Participant under this Agreement, whether or not such benefits have vested and/or become exercisable, constitute sufficient consideration for all of the Participant's covenants contained in this ARTICLE III.

Section 3.2 Confidential Information. Except as permitted by the Board in writing and subject to Section 3.10 below, during the term of the Participant's employment and/or service with the Company and at all times thereafter, the Participant shall not divulge, furnish or make accessible to anyone or use in any way other than in the ordinary course of the business of the Company, any confidential, proprietary or secret knowledge or information of the Company or any of its affiliates, whether developed by the Participant or others, including but not limited to (a) trade secrets, (b) confidential and proprietary plans, developments, research, processes, designs, methods or material (whether or not patented or patentable), (c) customer and supplier lists, (d) strategic or other business, marketing or sales plans, (e) financial data and plans and (f) Proprietary Information. The Participant acknowledges that the above-described knowledge and information constitute unique and valuable assets of the Company and represent a substantial investment of time and expense by the Company, and that any disclosure or other use of such knowledge or information other than for the sole benefit of the Company would be wrongful and would cause irreparable harm to the Company. During the term of the Participant's employment and/or service with the Company, the Participant shall refrain from any acts or omissions that would reduce the value of such knowledge or information to the Company. The foregoing obligations of confidentiality shall not apply to any knowledge or information that (i) is now or subsequently becomes generally publicly known for reasons other than the Participant's violation of this Agreement, or (ii) is independently made available to the Participant in good faith by a third party who has not violated a confidential relationship with the Company.

Section 3.3 Ventures. If, during the Participant's employment and/or service with the Company, the Participant is engaged in or associated with the planning or implementing of any project, program or venture involving the Company, all rights in such project, program or venture shall belong to the Company, as applicable. Except as approved in writing by the Board, the Participant shall not be entitled to any interest in any such project, program or venture or to any commission, finder's fee or other compensation in connection therewith. The Participant shall have no interest, direct or indirect, in any customer or supplier that conducts business with the Company, provided that a passive investment of less than 2.5% of the outstanding shares of capital stock of any customer or supplier listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this sentence.

Section 3.4 Agreement Not to Solicit or Hire Employees. During the term of the Participant's employment and/or service with the Company and for twelve (12) months after the Participant's Cessation Date, the Participant will not solicit any of the Company's employees (other than purely administrative or clerical employees) to leave their employment at the Company. The Company and the Participant agree this Section 3.4 will only apply to those individuals who were employees of the Company as of the Participant's Cessation Date.

Section 3.5 Agreement Not to Solicit Business Relations. During the term of the Participant's employment and/or service with the Company and for twelve (12) months after the Participant's Cessation Date, the Participant shall not solicit or call upon, or attempt to solicit or call upon, any customer of the Company for the purpose of selling products or performing services which are substantially similar in nature to, such that they actually compete with, the products or services the Participant sold to or performed for customers on behalf of the Company during the last twenty-four (24) months of the Participant's relationship with the Company. This restriction shall apply only to any customer of the Company with whom the Participant had direct business-related contact or rendered services during the last twenty-four (24) months of the Participant's relationship with the Company.

Section 3.6 Blue Pencil Doctrine. If the duration of, the scope of or any business activity covered by any provision of this ARTICLE III is found by a court of competent jurisdiction to be in excess of what is valid and enforceable under applicable law, such provision shall be construed to cover only that duration, scope or activity that is valid and enforceable, and all other provisions of this ARTICLE III shall remain in full force and effect. The Participant hereby acknowledges that this ARTICLE III shall be given the construction that renders its provisions valid and enforceable to the maximum extent, not exceeding its express terms, possible under applicable law. Notwithstanding anything to the contrary, this Section 3.6 shall in no event apply to the extent its application would render this ARTICLE III (or any portion thereof) unenforceable under applicable law.

Section 3.7 Return of Records and Property. On or within thirty (30) days of the Cessation Date or at any other time as required by the Company, the Participant shall promptly deliver to the Company any and all Company records and any and all Company property in the Participant's possession or under the Participant's control, and all copies thereof, including without limitation manuals, books, blank forms, documents, letters, memoranda, notes, notebooks, reports, printouts, computer disks, computer tapes, source codes, data, tables or calculations, keys, access cards, access codes, passwords, credit cards, personal computers, telephones and other electronic equipment belonging to the Company, and shall also permanently delete all Company email, all Company customer, member, supplier or other business contacts' information, and all other Company information from the Participant's computer, mobile phone and other electronic devices.

Section 3.8 Protectable Material; Trade Secrets.

(a) All right, title and interest in all discoveries, inventions, improvements, innovations and other material that the Participant shall conceive or originate individually or jointly or commonly with others during the term of the Participant's employment and/or service with the Company (i) that are directly related to the business of the Company or to the Company's actual or demonstrably anticipated research or development, or that results from any work performed by the Participant for the Company, (ii) for which any equipment, supplies, facility or trade secret information of the Company was used and/or (iii) which was not developed entirely on the Participant's own time, whether or not patentable, copyrightable, or registrable as a trademark ("Protectable Material"), shall be the property of the Company and are hereby assigned by the Participant to the Company (and the Participant agrees to assign all Protectable Material to the Company in the future), along with ownership of any and all patents, copyrights, trademarks and other intellectual property rights in the Protectable Material. Upon request and without further compensation therefor, but at no expense to the Participant, the Participant shall execute any and all papers and perform all other acts necessary to assist the Company to obtain and register patents, copyrights, trademarks and other intellectual property rights on the Protectable Materials in any and all countries. Where applicable, works of authorship created by the Participant for the Company in performing the Participant's duties and responsibilities hereunder shall be considered "works made for hire," as defined in the U.S. Copyright Act.

(b) All trade secret information conceived or originated by the Participant that arises during the term of the Participant's employment and/or service with the Company and out of the performance of the Participant's duties and responsibilities to the Company or any related material or information shall be the property of the Company, and all rights therein are hereby assigned by the Participant to the Company.

(c) Notwithstanding the foregoing, the Participant understands that pursuant to the Defend Trade Secrets Act of 2016, the Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

Section 3.9 Non-Disparagement. Subject to Section 3.10 below, the Participant will not malign, defame or disparage the reputation, character, image, products or services of the Company, or the reputation or character of the Company's directors, officers, employees, shareholders or agents, either orally or in writing, at any time; *provided* that nothing in this Section 3.9 3.9 shall be construed to limit or restrict the Participant from providing truthful information to the extent required by applicable law in connection with any legal proceeding, government investigation or other legal matter.

Section 3.10 Protected Activity. Nothing in this Agreement shall prevent or restrict the Participant from (i) communicating directly with, cooperating with, or providing information to any federal, state or local government agency, including without limitation the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, the U.S. Department of Justice, the U.S. Equal Employment Opportunity Commission, or the U.S. National Labor Relations Board, (ii) providing truthful information to the extent required by applicable law in connection with any legal proceeding, government investigation or other legal matter; (iii) exercising any rights the Participant may have under Section 7 of the U.S. National Labor Relations Act (NLRA), including but not limited to filing a Charge with or speaking to the National Labor Relations Board (NLRB), or (iv) discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination based on a protected characteristic or any other conduct that the Participant has reason to believe is unlawful.

Section 3.11 Enforcement. The Participant acknowledges that the provisions of ARTICLE III are reasonable and necessary to protect the legitimate interests of the Company, and that any violation of those provisions by the Participant would cause real, immediate, substantial and irreparable harm to the Company to such an extent that monetary damages alone would be an inadequate remedy therefor. Therefore, in the event of any actual or threatened breach of any provision of ARTICLE III, the Company shall, in addition to any other remedies it may have, be entitled to injunctive and other equitable relief to enforce such provisions and to restrain the Participant from violating or continuing to violate such provisions, and such relief may be granted without the necessity of proving actual monetary damages or posting bond. The Participant agrees that the limitations on Participant's ability to solicit or hire employees and solicit business relations for twelve months following the cessation of employment, as set forth in Section 3.4 and Section 3.5 respectively, shall be tolled, and shall not run, during any period of time in which he or she is in violation of the terms of ARTICLE III, Section 3.4 or Section 3.5, in order that the Company and its affiliates shall have all of the agreed-upon temporal protection recited herein. No breach of any provision of this Agreement by the Company, or any other claimed breach of contract or violation of law, or change in the nature or scope of the Participant's employment and/or service relationship with the Company, shall operate to extinguish the Participant's obligation to comply with ARTICLE III. The Company (including, without limitation, its affiliates) are third party beneficiaries under this Agreement and shall have the right to enforce all of the Participant's obligations to the Company under this Agreement, including without limitation pursuant to ARTICLE III, and the Company shall be entitled to assign its rights under this ARTICLE III without the Participant's consent and any such assignees shall have the right to enforce all of the Participant's obligations to comply with this ARTICLE III. The Participant covenants and agrees that he or she has received adequate consideration for his or her obligations contained in ARTICLE III, and will not take the position that the covenants contained in ARTICLE III are void for lack of consideration. The Participant will be responsible for any and all attorneys' fees and costs the Company incurs in enforcing the Participant's obligations contained in ARTICLE III.

ARTICLE IV.

OTHER PROVISIONS

Section 4.1 Administration. The Administrator shall have the power to interpret the Plan, the Grant Notice and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan, the Grant Notice and this Agreement as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Administrator will be final and binding upon Participant, the Company and all other interested Persons. To the extent allowable pursuant to Applicable Law, no member of the Committee or the Board will be personally liable for any action, determination or interpretation made with respect to the Plan, the Grant Notice or this Agreement.

Section 4.2 PSUs Not Transferable. The PSUs may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution, unless and until the Shares underlying the PSUs have been issued, and all restrictions applicable to such Shares have lapsed. No PSUs or any interest or right therein or part thereof shall be liable for the debts, contracts or engagements of Participant or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect, except to the extent that such disposition is permitted by the preceding sentence.

Section 4.3 Adjustments. The Administrator may accelerate the vesting of all or a portion of the PSUs in such circumstances as it, in its sole discretion, may determine. Participant acknowledges that the PSUs and the Shares subject to the PSUs are subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan, including Article VIII of the Plan.

Section 4.4 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of the Secretary of the Company at the Company's principal office, and any notice to be given to Participant shall be addressed to Participant at Participant's last email or physical address reflected on the Company's records. By a notice given pursuant to this Section 4.4, either party may hereafter designate a different address for notices to be given to that party. Any notice shall be deemed duly given when sent via email (to Participant only) or when sent by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

Section 4.5 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

Section 4.6 Governing Law. The laws of the State of Delaware shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

Section 4.7 Conformity to Securities Laws. Participant acknowledges that the Plan, the Grant Notice and this Agreement are intended to conform to the extent necessary with all Applicable Laws, including, without limitation, the provisions of the Securities Act and the Exchange Act, and any and all regulations and rules promulgated thereunder by the Securities and Exchange Commission, and state securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the PSUs are granted, only in such a manner as to conform to Applicable Law. To the extent permitted by Applicable Law, the Plan, the Grant Notice and this Agreement shall be deemed amended to the extent necessary to conform to Applicable Law.

Section 4.8 Amendment, Suspension and Termination. To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Administrator or the Board, *provided* that, except as may otherwise be provided by the Plan, no amendment, modification, suspension or termination of this Agreement shall adversely affect the PSUs in any material way without the prior written consent of Participant.

Section 4.9 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in Section 4.2 and the Plan, this Agreement shall be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

Section 4.10 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the PSUs, the Grant Notice and this Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by Applicable Law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

Section 4.11 Not a Contract of Employment. Nothing in this Agreement or in the Plan shall confer upon Participant any right to continue to serve as an employee or other service provider of any Participating Company or shall interfere with or restrict in any way the rights of any Participating Company, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without cause, except to the extent (a) expressly provided otherwise in a written agreement between a Participating

Company and Participant or (b) where such provisions are not consistent with applicable foreign or local laws, in which case such applicable foreign or local laws shall control.

Section 4.12 Entire Agreement. The Plan, the Grant Notice and this Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

Section 4.13 Section 409A. This Agreement and the Award are intended to [comply with] [be exempt from] Section 409A and shall be interpreted consistent with such intent. However, notwithstanding any other provision of the Plan, the Grant Notice or this Agreement, the Administrator shall have the right in its sole discretion (without any obligation to do so or to indemnify Participant or any other Person for failure to do so) to adopt such amendments to the Plan, the Grant Notice or this Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Administrator determines are necessary or appropriate for this Award to comply with the requirements of Section 409A. Notwithstanding anything contained herein to the contrary, to the extent required to avoid accelerated taxation and/or tax penalties under Section 409A:

(a) a Participant shall not be considered to have terminated employment or service with the Company for purposes of any payments under this Agreement which are subject to Section 409A until the Participant would be considered to have incurred a "separation from service" from the Company within the meaning of Section 409A; and

(b) amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Agreement or any other arrangement between a Participant and the Company during the six (6) month period immediately following a Participant's separation from service shall instead be paid on the first business day after the date that is six (6) months following the Participant's separation from service (or, if earlier, the Participant's date of death).

Notwithstanding the foregoing, no provision of this Agreement shall be interpreted or construed to transfer any liability for failure to comply with the requirements of Section 409A from the Participant or any other individual to the Company or any of its Subsidiaries or any of their respective officers, directors, employees or agents.

Section 4.14 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.

Section 4.15 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant shall have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the PSUs.

Section 4.16 Clawback. In addition to those provisions in ARTICLE III, this Award and any Shares issued or compensation associated therewith is subject to forfeiture, recovery by the Company or other action pursuant to any compensation recovery policy adopted by the Board or the Committee at any time, including but not limited to in response to the requirements of Section 10D of the Exchange Act, the SEC's final rules thereunder (Listing Standards for Recovery of Erroneously Awarded Compensation, 87 Fed. Reg. 73076-73142) and any listing rules or other rules and regulations implementing the foregoing, or as otherwise required by law. This Agreement will be automatically amended to comply with any such compensation recovery policy.

Section 4.17 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which shall be deemed an original and all of which together shall constitute one instrument.

Exhibit B
TO PERFORMANCE STOCK UNIT GRANT NOTICE

ACHIEVEMENT AND VESTING

Exhibit 10.22

AGREEMENT AND GENERAL RELEASE

This Agreement and General Release (this "Agreement"), effective as of December 31, 2023 (the "Effective Date"), is between Jeffrey G. Zwiefel ("you") and Life Time Group Holdings, Inc. and its affiliates and subsidiaries (collectively, the "Company"). Collectively, you and the Company are referred to herein as "the Parties." In consideration of the mutual promises contained in this Agreement, the Parties agree as follows:

1. Separation of Employment. The Parties mutually agree that your employment with the Company shall end as of the Effective Date. You acknowledge and agree that, effective as of the Effective Date, you hereby resign as President and Chief Operating Officer and as an employee of the Company, and from all other offices, directorships and positions you may hold at the Company and the Company's direct and indirect subsidiaries. Simultaneously therewith, you are entering into a consulting agreement with the Company (the "Consulting Agreement") whereby you shall remain a service provider to the Company as a consultant providing bona fide services to the Company as set forth therein. Except as otherwise provided in this Agreement or in the Consulting Agreement, all employment privileges and benefits end as of the close of business on that date.

2. The Released Parties. The "Released Parties" include: the Company, any and all former or current parents, affiliates, subsidiaries, related companies, predecessors, successors, assigns, and each of their respective former or current officers, directors, shareholders, employees, attorneys, agents, insurers, employee benefit plans and fiduciaries of such plans, and other representatives. Through this Agreement, you are providing a release to all of the Released Parties.

3. No Admission of and No Liability. The Parties desire to resolve any and all disputes, claims and/or allegations, you or anyone on your behalf has made or could have made, up through and including the date you sign this Agreement. This Agreement is not an admission by the Parties that they have acted wrongfully or unlawfully, and the Parties agree that it will not be interpreted as such.

4. Health Insurance Benefits Continuation. Following the Effective Date, to the extent permitted by law and the Company's health insurance policies, you may voluntarily elect to continue your health insurance benefits (if any) under the federal COBRA law at your own expense for a period not to exceed eighteen (18) months. You will be provided with a separate notice of your COBRA rights. In further consideration for your releases and covenants contained in this Agreement, if you timely so elect to continue your health insurance benefits, the Company will pay the total cost of such coverage for you and your eligible dependents through June 30, 2025. You acknowledge that you are not otherwise entitled to the Company's payment for the continuation of your health insurance benefits, and that the Company has agreed to provide payment through June 30, 2025 solely as consideration for your signing, and not revoking or rescinding, this Agreement.

5. Club Membership Continuation. In further consideration for your releases and covenants contained in this Agreement, the Company will continue, at no expense to you, your current Life Time club membership through March 31, 2027. You acknowledge that you are not otherwise entitled to the Company's payment of the continuation of your club membership, and that the Company has agreed to provide such payment solely as consideration for your signing, and not revoking or rescinding, this Agreement.

6. Executive Outplacement/Coaching Services. In further consideration for the releases and covenants contained in this Agreement, the Company will reimburse you for up to $50,000 in executive outplacement/coaching services used by June 30, 2024, provided you submit appropriate documentation of the same by June 30, 2024. Whether or not documentation is appropriate is in the sole discretion of the Company. You acknowledge that you are not otherwise entitled to the Company's reimbursement for outplacement/coaching services, and that the Company has agreed to provide such reimbursement solely as consideration for your signing, and not rescinding and/or revoking, this Agreement.

7. Stock Options and Restricted Stock Units. Pursuant to the Non-Qualified Stock Option Agreement, dated June 8, 2016, and the Non-Qualified Stock Option Agreement, dated March 23, 2017, in each case by and between the Company and you (the "Pre-2021 Stock Option Agreements"), you have outstanding the right to purchase 1,000,000 shares of common stock of the Company (the "Pre-2021 Options"), all of which have vested and are exercisable as of the Effective Date. Pursuant to the Non-Qualified Stock Option Agreement, dated May 3, 2021, by and between the Company and you (the "2021 Stock Option Agreement"), the Company granted you the right to purchase 260,000 shares of common stock of the Company (the "2021 Option"), of which 195,000 shares have vested and are exercisable as of the Effective Date and 65,000 shares are to vest in equal and cumulative installments on each May 1 of the two years following the Effective Date; provided, that you remain continuously employed or engaged in active service by the Company through the applicable vesting dates. Pursuant to the Stock Option Grant Notices and Stock Option Agreements, dated October 6, 2021, March 17, 2022 and March 9, 2023, in each case by and between the Company and you (collectively, the "Public Company Stock Option Agreements"), the Company granted you the right to purchase 102,623 shares of common stock of the Company (the "IPO Option"), 101,626 shares of common stock of the Company (the "2022 Option") and 39,226 shares of common stock of the Company (the "2023 Option"), respectively, of which 51,312 shares of the IPO Option have vested and are exercisable as of the Effective Date, 25,407 shares of the 2022 Option have vested and are exercisable as of the Effective Date and the remaining 51,311 shares of the IPO Option, the remaining 76,219 shares of the 2022 Option and all of the 2023 Option are unvested and are to vest in accordance with the vesting schedule of the applicable stock option agreement; provided, that you remain continuously employed or continue to provide service to the Company through the applicable vesting dates.

As a result of your entering into the Consulting Agreement simultaneously with the effectiveness of your retirement from employment with the Company, you will remain in active service to the Company as a "Service Provider" and not have a "Termination of Service" under the applicable award agreements. The Pre-2021 Options, the 2021 Option, the IPO Option, the 2022 Option and the 2023 Option (collectively, the "Options") will thus continue to vest and be exercisable, as applicable, in accordance with and subject to the terms of the respective award agreements, including that you continue to provide bona fide services to the Company; provided, that if you cease providing bona fide services to the Company as a result of your death or Disability (as defined in the respective award agreements), after the Effective Date, the Options will continue to vest on the applicable vesting dates and be exercisable, as applicable, in accordance with and subject to the terms of the respective award agreements as modified by the next paragraph. The term of the Consulting Agreement ends March 31, 2027, at which time all of the Options shall have vested if you continue to provide bona fide services to the Company through such date. The date you cease providing services to the Company shall be the "Consultant End Date."

Solely as consideration for (and subject to) your signing, and not revoking or rescinding, this Agreement, the Company has agreed to allow (to the extent not earlier exercised) the (x) 1,000,000 vested shares of the Pre-2021 Options to remain outstanding following the Consultant End Date and be eligible to be exercised in accordance with and subject to the terms of the

Pre-2021 Stock Option Agreements (including with respect to the exercise of the Pre-2021 Options pursuant to Section 3.5 and the expiration of the Pre-2021 Options pursuant to Sections 3.3(a) and (c) but not Section 3.3(b) therein, it being understood that the Pre-2021 Options will expire before the Consultant End Date if you continue to provide services to the Company until March 31, 2027); (y) 260,000 shares of the 2021 Option to remain outstanding following the Consultant End Date (or such lesser amount that shall have vested as of the Consultant End Date; provided that if the Consultant End Date is the result of your death or Disability, then the full amount of the 2021 Option shall remain outstanding and continue to vest on the applicable vesting dates in accordance with its terms notwithstanding such Consultant End Date) and be eligible to be exercised in accordance with and subject to the terms of the 2021 Stock Option Agreement (including with respect to the exercise of the 2021 Option pursuant to Section 3.5 and the expiration of the 2021 Option pursuant to Sections 3.3(a) and (d) but not Section 3.3(b) and (c) therein); and (z) 243,475 shares of the IPO Option, the 2022 Option and the 2023 Option to remain outstanding following the Consultant End Date (or such lesser amount that shall have vested as of the Consultant End Date; provided that if the Consultant End Date is the result of your death or Disability, then the full amount of the IPO Option, the 2022 Option and the 2023 Option shall remain outstanding and continue to vest on the applicable vesting dates in accordance with their respective terms notwithstanding such Consultant End Date) and in each case be eligible to be exercised in accordance with and subject to the terms of the Public Company Stock Option Agreements (including with respect to the exercise of the IPO Option, the 2022 Option and the 2023 Option pursuant to Section 4.1 and the expiration of the IPO Option, the 2022 Option and the 2023 Option pursuant to Section 3.3(a) but not Sections 3.3(b), (c) and (d) therein) (and, in each case, for the avoidance of doubt, not to extend the original expiration dates set forth in the applicable stock option agreements).

You hereby acknowledge that you are not otherwise entitled to the concessions set forth in the foregoing paragraphs and, except as set forth in the foregoing paragraphs and except as set forth in Section 4D of the Consulting Agreement, you acknowledge that all terms of the applicable stock option agreements remain in effect and enforceable, including, but not limited to, the restrictive covenants set forth therein. You further acknowledge that, under the terms of the applicable stock option agreements, failure to comply with the restrictive covenants (as amended by Section 4D of the Consulting Agreement) will result in the expiration and forfeiture of any and all rights to vest or exercise your stock options.

Pursuant to the Restricted Stock Unit Grant Notices and Restricted Stock Unit Agreements by and between the Company and you, dated as of October 12, 2021, March 11, 2022, March 9, 2023 and March 9, 2023 (collectively, the "RSU Award Agreements"), the Company granted to you 50,000 restricted stock units on October 12, 2021 (the "IPO RSUs"), 11,111 restricted stock units on March 11, 2022 (the "2021 Bonus RSUs"), 34,742 restricted stock units on March 9, 2023 (the "2023 Bonus RSUs") and 21,714 restricted stock units on March 9, 2023 (the "2023 RSUs" and, together with the IPO RSUs, the 2021 Bonus RSUs and the 2023 Bonus RSUs, the "RSUs"), and the IPO RSUs are to vest in four equal annual installments on each of the first four anniversaries of their grant date, the 2021 Bonus RSUs are to vest in two equal annual installments on each of the first two anniversaries of their grant date, the 2023 Bonus RSUs are to vest on or about the date of determination of the Company's performance under the Company's 2023 bonus program for executive officers (the "2023 Vesting Date"); provided, that the Company meets certain performance criteria set forth in that applicable RSU Award Agreement and the 2023 RSUs are to vest in four equal annual installments beginning on or about the 2023 Vesting Date; provided, that the Company meets certain performance criteria set forth in that applicable RSU Award Agreement; provided, further, in each case that you remain continuously employed or engaged in service by the Company through the applicable vesting date. Pursuant to the RSU Award Agreements, 25,000 shares of common stock with respect to the IPO RSUs shall have vested as of the Effective Date and 5,556 shares of common stock with respect to the 2021 Bonus RSUs shall have vested as of the Effective Date. As a result of your entering into the Consulting Agreement simultaneously with the effectiveness of your separation from employment with the Company, you will remain in active service to the Company as a “Service Provider” and not have a “Termination of Service” under the RSU Award Agreements. The RSUs will thus continue to vest in accordance with and subject to the terms of the RSU Award Agreements, including that you continue to provide bona fide services to the Company; provided, that, solely as consideration for (and subject to) your signing, and not revoking or rescinding, this Agreement, the Company has agreed that if you cease providing bona fide services to the Company as a result of your death or Disability after the Effective Date but before the RSUs are fully vested, the RSUs as of such Consultant End Date will remain outstanding and continue to vest on the applicable vesting dates in accordance with and subject to the terms of the respective award agreements notwithstanding such Termination of Service. All of the IPO RSUs, the 2021 Bonus RSUs, the 2023 Bonus RSUs and the 2023 RSUs shall have vested if you continue to provide services under the Consulting Agreement through its March 31, 2027 end date and if, with respect to each of the 2023 Bonus RSUs and 2023 RSUs, the Company meets the performance criteria set forth in those applicable RSU Award Agreements; provided, that if the Company were to not meet such performance criteria in full or in part but exercises discretion to allow some or all of the similarly granted restricted stock units for the Company’s other executives to nonetheless vest in full or part, you will be treated equally with such other executives.

You hereby acknowledge that all terms of the RSU Award Agreements remain in effect and enforceable, including, but not limited to, the restrictive covenants set forth therein (as amended by the preceding paragraph and Section 4D of the Consulting Agreement). You further acknowledge that, under the terms of the RSU Award Agreements, failure to comply with the restrictive covenants (as amended by Section 4D of the Consulting Agreement) will result in the forfeiture of any remaining unvested RSUs you may have under the applicable RSU Award Agreements.

8. Annual Bonus. On September 13, 2021, you and the Company entered into an Employment Agreement (the “Employment Agreement”). In Section 2(b)(ii) of the Employment Agreement, the Parties set forth the terms regarding the amount and eligibility requirements for receiving an annual bonus. The eligibility requirements include the achievement of certain Company performance metrics and/or individual performance metrics as determined by the Board of Directors or the Compensation Committee. Given that you have served as an executive officer of the Company for all of 2023 and will continue on as a consultant to the Company, you will remain eligible under the Company’s 2023 annual bonus program for executive officers if and to the extent the Company achieves the previously approved performance metrics and based on your threshold, target and maximum cash bonus opportunities, which is reflected in the terms of the 2023 Bonus RSUs. If the Board of Directors or the Compensation Committee were to exercise positive or negative discretion in the amount of the annual bonus compared to the previously approved performance metrics, you would be treated equally with such other executives with respect to the exercise of such discretion. You further acknowledge that the restrictive covenants set forth in Sections 7 through 9 of the Employment Agreement (as well as those set forth in the stock option and restricted stock unit award agreements described above, in each case as amended by Section 4D of the Consulting Agreement) remain in effect and enforceable.

9. Return of Company Property. You acknowledge that, on or before the date you sign this Agreement, you have returned all property of the Company in your possession, including, but not limited to, all files, memoranda, spreadsheets, lists, privileged information, documents, records, copies of the foregoing, any Company credit cards, scanner/fax machines, laptops, printers, copiers, phones, keys, access cards, and any other such property in your possession, except for any such property that the Company agrees you should retain to provide services under the Consulting Agreement. You also acknowledge and agree that you have

deleted all information and material of the Company from your personal electronic devices and accounts, including, but not limited to, all Company e-mail information from your cellular phone, and all Company information from your personal laptop, except for any such information and material that the Company agrees you should retain to provide services under the Consulting Agreement. You acknowledge that this obligation is continuing and agree to promptly return to the Company (and delete) any subsequently discovered property to the Company.

10. Confidential Information. Except as may be necessary to perform any agreed upon services under the Consulting Agreement, you agree to not divulge, furnish, or make accessible to anyone or use in any way any confidential, proprietary, or secret knowledge or information of the Company that you acquired during your employment with the Company or that you acquire while providing services under the Consulting Agreement, whether developed by you or by others, concerning: (a) any Company trade secrets; (b) any confidential, proprietary, or secret plans, developments, research, processes, designs, methods, or material (whether or not patented or patentable) of the Company; (c) any customer or supplier lists of the Company; (d) any strategic or other business, media, marketing, or sales plans, ideas, materials, or products of the Company; (e) any financial data or plans with respect to the Company; (f) any and all information, documentation, data, or material protected by the attorney-client or other privilege; and (g) any other confidential or proprietary information or secret aspects of the business of the Company. You acknowledge that the above-described knowledge and information constitutes a unique and valuable asset of the Company and represents a substantial investment of time and expense by the Company, and that any disclosure or other use of such knowledge or information other than for the sole benefit of the Company would be wrongful and would cause irreparable harm to the Company. Notwithstanding the foregoing, nothing in this Agreement is intended to restrict you from exercising your Section 7 rights under the National Labor Relations Act (NLRA), including but not limited to filing a Charge with or speaking to the National Labor Relations Board (NLRB), or from discussing conduct as defined by 42 U.S.C. § 19402 (3), (4) & 42 U.S.C. § 19403(a).

11. Notice Regarding Trade Secrets. Notwithstanding the foregoing, you understand that an individual may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made: (a) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (b) solely for the purpose of reporting or investigating a suspected violation of law. You further understand that an individual may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Further, you understand that an individual who files a lawsuit for retaliation by the Company for reporting a suspected violation of law may disclose the trade secret to the individual's attorney and use the trade secret information in the court proceeding, if the individual: (a) files any document containing the trade secret under seal; and (b) does not disclose the trade secret, except pursuant to court order.

12. Mutual Release. In exchange for the covenants of the Company, you, on your own behalf and on the behalf of your heirs, attorneys, agents, insurers, administrators, executors, successors, assigns, and/or other representatives, agree to forever and do forever give up, release, and discharge any and all known and unknown claims, demands, actions, decisions, alleged omissions, events, liabilities, damages, and/or rights of any kind that you have and/or may have from the beginning of time up through and including the date you sign this Agreement against the Released Parties, including for compensation, damages and remedies of any kind, equitable or at law. Your release includes, but is not limited to, any and all claims you or anyone on your behalf made or could have made against the Released Parties.

You understand that this release includes, but is not limited to, claims under the Minnesota Human Rights Act, Minn. Stat. §§ 363A.01, et seq.; Minn. Stat. Chapter 181, excluding claims for indemnification for any acts arising within the scope of your employment with the Company; claims brought under any other state, administrative, statutory, or codified law or regulation dealing with employment practices; Title VII of the Civil Rights Act, 42 U.S.C. § 2000e, et seq.; the Civil Rights Act of 1991;the Age Discrimination in Employment Act, 29 U.S.C. § 621, et seq.; the Older Workers Benefit Protection Act of 1990; the Americans with Disabilities Act, 42 U.S.C. § 12101, et seq.; the Worker Adjustment and Retraining Notification Act, 29 U.S.C. § 2101, et seq.; the Family and Medical Leave Act, 29 U.S.C. § 2601, et seq. including amendments such as the Families First Coronavirus Response Act; the Employee Retirement Income Security Act, 29 U.S.C. §1001, et seq.; the Immigration Reform and Control Act; the Occupational Safety and Health Act; the Genetic Information Non-Discrimination Act of 2008; the Lily Ledbetter Fair Pay Act of 2009; Sections 1981 through 1988 of Title 42 of the U.S.C.; and any and all other federal, state, or local law, rule, statute, or regulation; and any of the above laws as amended, if applicable. You further understand that this release includes, but is not limited to, any and all claims that you have or may have for wrongful discharge, wrongful termination, violation of public policy, discrimination, harassment, breach of contract, failure to reasonably accommodate, failure to engage in the interactive process, failure to provide leave or protected time off, promissory estoppel or breach of an expressed or implied promise, misrepresentation or fraud, retaliation, reprisal, infliction of emotional distress, negligence, whistleblowing, defamation, or any other common law theory of recovery, all claims otherwise based on any other theory, whether legal or equitable, whether developed or undeveloped, arising from or related to your employment with the Company, your separation from employment with the Company, or any other claims, demands, actions, decisions, alleged omissions, events, liabilities, damages, and/or rights of any kind occurring up through and including the date you sign this Agreement. Your release does not include any claims for indemnification for acts arising within the scope of your employment, claims that cannot be released by law, and any claims for any vested benefits you have arising from and/or related to your employment with the Company.

You agree that you will not institute any lawsuit or arbitration proceeding against any of the Released Parties arising from or related to your employment with the Company, your separation from employment with the Company, or any other actions, decisions, alleged omissions, or events occurring up through and including the date you sign this Agreement, to the greatest extent permitted by law. However, nothing in this Agreement shall be construed to prevent you from filing a charge or complaint, including a challenge to the validity of this Agreement, with a governmental agency, from participating in or cooperating with any investigation conducted by a governmental agency, or from receiving an award for information provided to a government agency, or from participating in or cooperating with any investigation conducted by a governmental agency, including, but not limited to, the Equal Employment Opportunity Commission, the Colorado Civil Rights Division, and the Minnesota Department of Human Rights or as releasing any claims which may not be released under applicable law.

In exchange for the covenants contained herein, the Company, on its own behalf and on the behalf of its agents, insurers, successors, and assigns, agrees to forever and does forever give up, release, and discharge any and all known and unknown claims, demands, actions, decisions, alleged omissions, events, liabilities, damages, and/or rights of any kind that the Company has and/or may have from the beginning of time up through and including the date the Company signs the Agreement against you, including for compensation, damages, and remedies of any kind, equitable or at law.

13. Acceptance. The terms of this Agreement will be open for acceptance by you for a period of twenty-one (21) days during which time you may consult with an attorney and consider whether or not to accept this Agreement. You agree that changes to this Agreement, whether material or immaterial, will not restart this acceptance period.

14. Right to Rescind/Revoke. You have the right to rescind this Agreement, only insofar as it extends to potential claims under the Minnesota Human Rights Act, by written notice to the Company within fifteen (15) calendar days following your signing of this Agreement. You also have the right to revoke this Agreement, only insofar as it extends to potential claims under the Age Discrimination in Employment Act, by written notice to the Company within seven (7) calendar days following your signing of this Agreement. Any such revocation and/or rescission must be in writing and hand-delivered to the Company, or, if sent by mail, postmarked within the applicable time period, sent by certified mail, return receipt requested, and addressed as follows: Lisa Pollock, Senior Vice President, Human Resources, Life Time, Inc., 2902 Corporate Place, Chanhassen, MN 55317.

You understand that if you exercise your right of rescission and/or revocation, the Company may, at its option, either nullify this Agreement in its entirety, or keep it in effect in all respects other than as to that portion of your release of claims that you have rescinded and/or revoked. In the event the Company opts to nullify the entire Agreement, you understand that the Company will have no obligations under this Agreement to you or others whose rights may derive from you.

15. Non-Disparagement. You agree that you will not disparage or defame any of the Released Parties orally or in writing to any third party, on any web, Internet, or social media site, or in any newspaper, media or other source of any kind. The Company agrees that it will instruct the members of its Executive Leadership Team not to make any disparaging remarks of any sort or otherwise communicate disparaging comments about you to any third party. Nothing in this Paragraph shall be construed to limit or restrict you or the Executive Leadership Team from providing truthful information to the extent required by applicable law in connection with any legal proceeding, government investigation or other legal matter. Notwithstanding the foregoing, nothing in this Agreement is intended to restrict you from exercising your Section 7 rights under the NLRA, including but not limited to filing a Charge with or speaking to the NLRB, or from discussing conduct as defined by 42 U.S.C. § 19402 (3), (4) & 42 U.S.C. § 19403(a).

16. Breach. If you breach any of the provisions of this Agreement, the Company shall have the right to terminate its obligations under this Agreement to you or others whose rights may derive from you, provided the Company first provides you with written notice detailing the facts setting forth such breach and provides you with 30 (thirty) days following such written notice to respond to the information setting forth such breach.

17. Medicare Coverage/Acknowledgment. You affirm, covenant, and warrant that you are not a Medicare beneficiary and are not currently receiving, have not received in the past, will not have received at the time of payment pursuant to this Agreement, are not entitled to, are not eligible for, and have not applied for or sought Social Security Disability or Medicare benefits. In the event any statement in the preceding sentence is incorrect (for example, but not limited to, if you are a Medicare beneficiary, etc.), the following sentences (i.e., the remaining sentences of this Paragraph) apply. You affirm, covenant and warrant that you have made no claim for illness or injury against, nor are you aware of any facts supporting any claim against, the Released Parties under which the Released Parties could be liable for medical expenses incurred by you before or after the execution of this Agreement. Furthermore, you are aware of no medical expenses which Medicare has paid and for which the Released Parties are, or could be, liable now or in the future. You agree and affirm that, to the best of your knowledge, no liens of any government entities, including those for Medicare conditional payments, exist. You will indemnify, defend, and hold the Released Parties harmless from Medicare claims, liens, damages, conditional payments, and rights to payment, if any, including attorneys' fees, and you further agree to waive any and all future private causes of action for damages pursuant to 42 U.S.C. § 1395y(b)(3)(A), et seq.

18. No Bankruptcy/No Assignment of Rights. You agree that you have not filed for bankruptcy since you began your first period of employment with the Company, that you have not assigned to any person or entity your rights as it relates to your releases in this Agreement, and that you have the full authority to enter into this Agreement.

19. Cooperation Clause. You agree to cooperate with the Company in connection with any legal matters or investigations, if so requested by the Company. Such cooperation includes, without limitation, agreeing to make yourself available at the Company's request to consult, advise and assist with respect to legal and business matters about which you had knowledge or responsibility during your employment with the Company, or about which the Company reasonably believes you have such knowledge or your assistance may be helpful. In performing your obligations to cooperate under this Agreement to testify or otherwise provide information, you will truthfully and completely provide requested information to the extent that you are able to do so. You agree that the consideration set forth in this Agreement is sufficient consideration for this cooperation.

20. No Claims, Charges, or Lawsuits Filed. You represent and agree that, as of the date you sign this Agreement, you have not instituted or filed any lawsuit, charge, complaint, or claim of any kind against the Company or the Released Parties. You further agree that, as of the date you sign this Agreement, you have not made any claim for sexual harassment against the Company or the Released Parties. You also represent that you have no, and know of no, injury or illness sustained as a result of work for the Company.

21. No Other Sums Due. You represent that, except as set forth in this Agreement, as of the date you sign this Agreement, the Company has paid you all salary, wages, overtime wages, commissions, bonuses, incentives, benefits, and any other sums due to you arising out of your employment with the Company.

22. Modification/Assignment. This Agreement may not be modified or assigned except by a writing signed by both Parties. Nothing in this Agreement shall confer upon any person other than the Parties and their respective successors any right of any nature, it being understood that in the event of your death or Disability, your personal representative or any person empowered to do so under your will or under the then applicable laws of descent and distribution shall be entitled to receive and exercise the rights and benefits set forth in Sections 7 and 8 of this Agreement.

23. Governing Law/Severability. This Agreement shall be governed by the laws of the State of Minnesota. If any part of this Agreement is construed to be in violation of any law, rule, or regulation, such part shall be modified to achieve the objective of the Parties to the fullest extent permitted, and the balance of this Agreement shall remain in full force and effect.

24. Entire Agreement. You agree that this Agreement, the Consulting Agreement, the Employment Agreement, the Pre-2021 Stock Option Agreements, the 2021 Stock Option Agreement, the Public Company Stock Option Agreements, and the RSU Award Agreements (in each case as the Employment Agreement and such award agreements are amended by Section 4D of the Consulting Agreement), contain the entire agreement between the Parties with respect to the subject matter of this Agreement. Any modification of or addition to this Agreement must be in writing, signed by an officer of the Company and you.

25. Section 409A. This Agreement shall be interpreted and administered in a manner so that any amount or benefit payable hereunder shall be paid or provided in a manner that is either exempt from or compliant with the requirements Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable Treasury Regulations issued thereunder. The Parties hereto acknowledge and agree that, to the extent applicable, this Agreement shall be

interpreted in accordance with, and incorporate the terms and conditions required by, Section 409A of the Code. No provision of this Agreement shall be interpreted or construed to transfer any liability for failure to comply with the requirements of Section 409A of the Code from you or any other individual to the Company or any of its affiliates, employees or agents. To the extent permitted under Section 409A of the Code, any separate payment or benefit under this Agreement or otherwise shall not be deemed "nonqualified deferred compensation" subject to Section 409A to the extent provided in the exceptions in Treasury Regulation Section 1.409A-1(b)(4), Section 1.409A-1(b)(9) or any other applicable exception or provision of Section 409A of the Code. Notwithstanding anything to the contrary in this Agreement, no compensation or benefits shall be paid to you during the six (6)-month period following your "separation from service" from the Company (within the meaning of Section 409A of the Code, a "Separation from Service") if the Company determines that at the time of your Separation from Service that you are a "specified employee" for purposes of Section 409A of the Code and paying such amounts at the time or times indicated in this Agreement would be a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code. If the payment of any such amounts is delayed as a result of the previous sentence, then on the first day of the seventh month following the date of Separation from Service (or such earlier date upon which such amount can be paid under Section 409A of the Code without resulting in a prohibited distribution, including as a result of your death), the Company shall pay you a lump-sum amount equal to the cumulative amount that would have otherwise been payable to you during such period.

26. Valid Agreement. You agree that this Agreement and its releases fully comply with the Age Discrimination in Employment Act (including, without limitation, the Older Workers' Benefits Protection Act) (collectively referred to hereafter as the "ADEA"), the Minnesota Human Rights Act, and all other laws, statutes, ordinances, regulations, and/or principles of common law governing releases. Specifically as it relates to the ADEA, you understand that this Agreement has to meet certain requirements to validly release any ADEA claims you might have, and you represent that all such requirements have been satisfied, including that: (a) this Agreement is written in a manner calculated to be understood by you; (b) you are specifically waiving ADEA rights; (c) you are not waiving ADEA rights arising after the date of your signing this Agreement; (d) you are receiving valuable consideration in exchange for execution of this Agreement that you would not otherwise be entitled to receive; (e) the Company is hereby, in writing, encouraging you to consult with your attorney before signing this Agreement; and (f) you received twenty-one (21) days to consider this Agreement and at least seven (7) days to revoke your release of claims under the ADEA.

27. No Unlawful Restriction. You understand and agree that, notwithstanding anything to the contrary in this Agreement, nothing in this Agreement is intended to and/or shall: (a) impose any condition, penalty, or other limitation affecting your right to challenge this Agreement; (b) constitute an unlawful release or waiver of any of your rights under any laws; or (c) prevent, impede, or interfere with your ability or right to: (1) provide truthful testimony if under subpoena to do so; (2) file any charge or complaint (including a challenge to the validity of this Agreement) with, or participate in an investigation or proceeding conducted by, the EEOC and/or any other governmental entity; (3) receive an award for information provided to any government agencies; and/or (4) respond as otherwise required and/or provided for by law. Notwithstanding anything to the contrary in any paragraph of this Agreement, nothing in this Agreement is intended to be or shall be construed as a violation of any law.

28. Representation of Competency, Advice of Counsel, and Knowing and Voluntary Signature. You represent that you are fully and legally competent to execute this Agreement. You acknowledge having had the right and opportunity to review this Agreement with your own legal counsel to the extent you wish to do so. You acknowledge that you have read and fully understand this entire Agreement and knowingly and voluntarily agree to its terms and conditions. You acknowledge that neither the Company, nor any of the Released Parties or

agents or attorneys thereof, have made any promise, representation, or warranty whatsoever, express or implied, not contained herein concerning the subject matters hereof to induce you to execute this Agreement, and acknowledge that you have not executed this Agreement in reliance upon any such promise, representation, or warranty.

29. Counterparts. This Agreement may be executed in counterparts, each of which shall be an original and together shall constitute one Agreement. Copies of this Agreement shall have the same force and effect as an original. Signatures by facsimile, .pdf, or other electronic imaging shall be deemed to constitute original signatures.

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30. Acknowledgment. YOU AFFIRM THAT YOU HAVE READ THIS AGREEMENT. YOU ACKNOWLEDGE THAT YOU WERE PROVIDED WITH A REASONABLE AND SUFFICIENT PERIOD OF TIME TO REVIEW THIS AGREEMENT AND CONSIDER WHETHER OR NOT TO ACCEPT IT PRIOR TO SIGNING IT. YOU AGREE THAT THE PROVISIONS OF THIS AGREEMENT ARE UNDERSTANDABLE TO YOU, AND THAT YOU HAVE ENTERED INTO THIS AGREEMENT FREELY AND VOLUNTARILY. YOU ARE HEREBY ADVISED TO CONSULT WITH AN ATTORNEY PRIOR TO SIGNING THIS AGREEMENT.

IN WITNESS WHEREOF, the Parties have executed this Agreement by their signatures below.

Dated: ____________________

____
JEFFREY G. ZWIEFEL

LIFE TIME GROUP HOLDINGS, INC.

Dated: ____________________

By: ____________

Its: ____________

Exhibit 10.23

CONSULTING AGREEMENT

This Consulting Agreement (this "Agreement"), between Life Time, Inc., a Minnesota corporation with its principal offices located at 2902 Corporate Place, Chanhassen, MN 55317 (together with its parents, affiliates and subsidiaries, "Life Time" or the "Company"), and Jeffrey G. Zwiefel, having a mailing address of 1051 West 82nd Street, Chaska, MN 55318 ("Consultant" and together with Life Time, Inc., collectively, the "Parties" and individually, a "Party"), determines the rights and obligations of the Parties for the services provided to Life Time hereunder and is effective as of December 31, 2023 and simultaneous with the termination of Consultant's employment with the Company (the "Effective Date"). For purposes of clarity, Consultant served as the Company's President and Chief Operating Officer through and including December 31, 2023.

1. **Purpose**: The Parties wish to enter into this Agreement whereby Consultant will provide to Life Time consulting services related to Company strategy and operations, guidance to the office of the Chief Executive Officer, and special projects as defined and requested by the Company (collectively, the "Services"). Areas of consulting service may include, but are not limited to: (1) new business development opportunities, such as recovery, wellness and anti-aging; (2) professional development, including coaching and career pathing; and (3) succession planning/talent assessment. The scope and timing of the Services provided under this Agreement will be mutually agreed upon by Consultant and the Company's Chief Executive Officer.

2. **Independent Contractor**: In connection with this Agreement, Consultant is an Independent Contractor. During the performance of the services, Consultant will not be considered an employee or joint employee of Life Time within the meaning or the applications of any federal, state county, provincial, or local laws or regulations including, but not limited to, laws or regulations covering unemployment insurance, employment benefits, old age benefits, workers' compensation benefits and/or coverage, industrial accident coverage, the tracking and recording of Consultant working time, the payment of minimum wage and overtime as applicable, the timely and complete payment of all earned and owed wages and compensation, working hours limitations and scheduling obligations, prohibited employment practices, including, without limitation, discrimination, harassment, and retaliation, identification and work eligibility, and tax obligations of any kind. Accordingly, Consultant shall have the sole responsibility for paying all such taxes and other amounts due under applicable laws and regulations, and for providing any and all benefits, in respect to Consultant, if any.

   The services shall be performed by Consultant without direct supervision by Life Time, and Life Time shall not exercise control or direction over Consultant as to the means and/or methods for accomplishing mutually agreed upon results. Neither Party will have any authority, express or implied, to act for or to bind the other Party in any way, or to represent that it is in any way responsible for the acts, debts, liabilities or omissions of the other Party. Additionally, the services provided by Consultant are personal in nature. As such, Consultant cannot assign, subcontract or otherwise transfer Consultant's obligations under this Agreement without Life Time's prior written consent. Neither Party will have the right to use the other Party's names or logos for any reason without the other's prior written permission.

   Consultant and Life Time expressly represent and agree that: (a) the services performed by Consultant hereunder are not an integral part of the Company's overall business; (b) Consultant's opportunity for profit or loss depends on his own skill; (c) the extent of the relative investments of the Company and Consultant are consistent with an independent contractor relationship; (d) Consultant's services performed hereunder require special skills and initiative; (e) the relationship between Consultant and the Company is not permanent; and (f) the Company does not exercise or retain control over Consultant and/or the means, methods, materials, time, place, and/or any other elements associated with Consultant's completion of services under this Agreement. Consultant represents and agrees that Consultant is in business for himself and is economically independent from the Company, and will not take the position that Consultant is not an independent contractor at any time.

3. **Consideration for Services**:

   A. Life Time's CEO will provide Consultant with discrete projects for completion under the terms of this Agreement. The Company will pay Consultant $400.00 (Four hundred dollars and zero cents) per hour for the time it takes to complete these projects in consideration for Consultant's services and covenants under this Agreement. For the first two years of this Agreement, the Company expects to provide Consultant with projects that it anticipates will take a minimum of 84 (eighty-four) hours per month to complete. As such, for the first two years of the Agreement (for the sake of clarity, until December 31, 2025), the Company agrees to pay Consultant a minimum of $33,600.00 (Thirty-three thousand six hundred dollars and zero cents) per month. Thereafter, Consultant will continue to perform active services for the remaining two years of this Agreement based on projects mutually agreed upon by the Parties. This sum will be all-inclusive of professional fees, expenses (except as noted below), and applicable taxes. As a condition of payment, Consultant must submit a completed IRS Form W-9 and must submit an accurate invoice of hours worked on a monthly basis. The Company will provide payment to Consultant in the normal course of business, but no later than 30 (thirty) days from the date of invoice and documentation submission from Consultant. Life Time will issue Consultant an IRS Form 1099 for these payments in the normal course of business. All payments made in connection with this Agreement are exclusive of taxes imposed by governmental entities of whatever kind. Consultant shall be responsible for any taxes relating to payments, fees, or benefits Consultant receives under this Agreement.

In addition, the Company will reimburse all reasonable and documented out-of-pocket travel-related expenses incurred by Consultant in order to perform the Services. Such reimbursement by the Company shall be paid to Consultant in the normal course of business, but no later than 60 days from the date of invoice and documentation submission from Consultant.

B. In exchange for valuable consideration, the sufficiency of which both Parties acknowledge, Consultant, while an employee of the Company, previously entered into the following equity award agreements with Life Time Group Holdings, Inc. (f/k/a LTF Holdings, Inc. and a parent entity of Life Time, Inc.) ("Holdings") (collectively, the "Equity Award Agreements"): (1) the Non-Qualified Stock Option Agreement, dated June 8, 2016; (2) the Non-Qualified Stock Option Agreement, dated March 23, 2017; (3) the Non-Qualified Stock Option Agreement, dated May 3, 2021; (4) the Stock Option Grant Notices and Stock Option Agreements, dated October 6, 2021, March 17, 2022 and March 9, 2023; and (5) the Restricted Stock Unit Grant Notices and Restricted Stock Unit Agreements dated October 12, 2021, March 11, 2022, March 9, 2023 and March 9, 2023, respectively. Effective upon the termination of Consultant's employment with the Company on the Effective Date, Consultant entered into an Agreement and General Release with the Company (the "Agreement and General Release"). Paragraph 7 of the Agreement and General Release outlined the treatment of Consultant's equity-based awards, including that Consultant's unvested equity-based awards would continue to vest under the terms of the applicable Equity Award Agreements on the condition that Consultant continued to provide active services to the Company through the applicable vesting date (and that such unvested equity-based awards would continue to vest under the terms of the applicable Equity Award Agreements if Consultant ceased to provide active services to the Company as a result of Consultant's death or Disability after the Effective Date) and that Consultant's stock options that have vested as of the date that Consultant ceases to provide services to the Company (or that vest following Consultant's death or Disability) would remain outstanding and exercisable for their stated term (and not expire and be forfeited in connection with such termination of service). For the sake of clarity, Paragraph 7 of the Agreement and General Release is incorporated by reference into this Agreement.

Consultant acknowledges and agrees that, except as explicitly set forth in Paragraph 7 of the Agreement and General Release and in Section 4D below, all terms and conditions of the applicable Equity Award Agreements remain in effect and enforceable, including, but not limited to, the restrictive covenants set forth therein, which apply to Consultant during service with the Company and for a set period of time following that service as set forth in Section 4D below. Consultant agrees to abide by the same and reaffirms Consultant's prior agreement to comply with such Equity Award Agreements, including the restrictive covenants set forth therein (as amended by Section 4D below).

4. <u>Term and Termination</u>:

A. This Agreement shall commence on the Effective Date and shall continue in effect until March 31, 2027, unless otherwise extended and/or renewed in writing by mutual agreement of the Parties (the "Expiration Date"). The period from the Effective Date until the Expiration Date or such earlier date that this Agreement is terminated pursuant to Section 4B shall be the "Term."

B. This Agreement will only be terminated for the following reasons: (1) Consultant may cancel this Agreement at any time with 30 (thirty) days' written notice; (2) this Agreement shall terminate automatically upon Consultant's death or Disability before the Expiration Date; and (3) the Company may terminate this Agreement before the Expiration Date for Cause upon 30 (thirty) days' written notice to Consultant setting forth in detail the alleged events constituting Cause. For purposes of this Agreement, "Cause" shall mean the occurrence of any one or more of the following events unless, to the extent capable of correction, Consultant fully corrects the circumstances constituting Cause within thirty (30) days after receipt of a notice of termination from the Company: (i) repeated and willful or grossly negligent failure by Consultant to perform the Services under this Agreement; (ii) Consultant's willful or grossly negligent violation of any material Company rule, procedure or policy applicable to Consultant's work under this Agreement, or breach of any material non-disclosure, non-competition, non-solicitation or other similar agreement between the Company (or any parent, subsidiary or affiliate thereof) and Consultant, including the restrictive covenant provisions set forth in the Equity Award Agreements (as amended by Section 4D below); (iii) Consultant's plea of *nolo contendere* to, or conviction of a felony or a crime of moral turpitude or involving fraud or dishonesty (other than minor traffic violations or similar offenses); (iv) the perpetration of any act of fraud, embezzlement or material dishonesty against or affecting the Company, any of its subsidiaries, or any customer, agent or employee thereof; (v) material breach of this Agreement (or any other written agreement by and between Consultant and the Company) by Consultant; (vi) repeated insolent or abusive conduct towards agents, employees, or customers of Company (including its parents, subsidiaries, and affiliates), including but not limited to, harassment of others of a racial or sexual nature; or (vii) engaging in any act of material self-dealing involving the Company or opportunities identified as a result of Consultant performing work under this Agreement or during Consultant's prior employment with the Company without prior notice to and consent by the Company. For purposes of this provision, no act or failure to act shall be deemed "willful" unless done or omitted to be done in bad faith and without reasonable belief that such action or omission was in the best interest of the Company and its affiliates.

C. If this Agreement is terminated before the Expiration Date by Consultant or if this Agreement is terminated by the Company for Cause before the Expiration Date pursuant to Section 4B, Consultant understands and agrees such termination will result in the forfeiture of any remaining unvested equity-based awards Consultant may have under the Equity Award Agreements.

D. Each of the Equity Award Agreements and the Employment Agreement previously entered into on September 13, 2021 by Consultant (while an employee of the Company) and the Company contains a covenant that restricts Consultant from competing with the Company during the term of Consultant's employment and/or service with the Company and during the 18-month period following the date of termination thereof (the "Restricted Period"). In return for the valuable consideration set forth in this Agreement, the Company and Consultant hereby agree to amend the term of such non-compete restrictive covenant such that the Restricted Period shall be until March 31, 2027.

5. <u>Intellectual Property</u>:

A. Definitions. For purposes of this Agreement, the following terms shall have the following definitions:

(a) "Company Business" means: (1) the design, development, operation, management, advertisement, promotion, solicitation, marketing or sale of health and fitness clubs, health and fitness club memberships, and (2) any media related to the aforementioned.

(b) "Creations" means any and all ideas, concepts, inventions, and improvements (whether patented, patentable or not), and all copyrighted or copyrightable matter, together with all intellectual property or proprietary rights related to leadership, training and development curriculum.

(c) "Materials" means, collectively, Creations, Other Information, Trademarks, and Works Made for Hire.

(d) "Other Information" means all know-how and trade secret information, or any related material or information.

(e) "Trademarks" means any and all trademarks, trade names, service marks, trade dress and logos, together with the goodwill appurtenant thereto, and all other materials, ideas, or other property.

(f) "Works Made for Hire" is as defined in 17 U.S.C. § 101, together with all intellectual property or proprietary rights related to the foregoing.

B. Ownership.

(a) Materials Created During Consultant's Independent Contractor Relationship with the Company. Consultant hereby expressly represents and agrees that all Materials created, conceived, originated, developed, adopted, improved or reduced to practice by Consultant in the course and scope of Consultant's independent contractor relationship with the Company pursuant to this Agreement, whether solely or in collaboration with others during such relationship, are forever solely and exclusively the property and/or intellectual property of Life Time. Consultant hereby assigns to the Company all rights to such Materials. If any Materials are not considered a works made for hire owned by Company by operation of law, Consultant assigns the ownership of copyrights in such works to Company.

(b) Non-Applicability. Notwithstanding anything to the contrary in this Section 5B, this Section 5B does not apply to any Materials for which no equipment, supplies, facility, confidential information, proprietary information, or trade secrets of the Company was used and which was developed entirely on Consultant's own time, and: (1) which does not relate: (i) directly to the Company Business, or (ii) to the Company's actual or demonstrably anticipated research or development, or (2) which does not result from any work performed by Consultant for the Company, during any employment or independent contractor relationship with the Company. Consultant shall sign the Limited Exclusion Notification attached hereto as Exhibit 1, acknowledging receipt of this notice.

6. <u>Non-Disparagement</u>: Consultant will not malign, defame, disparage or speak ill of the reputation, character, image, products or services of the Company, or the reputation or character of the Company's current or former directors, officers, employees or agents. Consultant agrees that, during the Term of this Agreement and thereafter, Consultant will not disparage or denigrate Life Time orally or in writing to any third party, and/or via any web or Internet site, social media site, newspaper, or media source of any type. The Company agrees that it will instruct the members of its Executive Leadership Team not to make any disparaging remarks of any sort or otherwise communicate disparaging comments about Consultant to any third party. Nothing in this Section 6 shall be construed to limit or restrict Consultant or the Executive Leadership Team from providing truthful information to the extent required by applicable law in connection with any legal proceeding, government investigation or other legal matter. Notwithstanding the foregoing, nothing in this Agreement is intended to restrict Consultant from exercising any applicable Section 7 rights under the National Labor Relations Act (NLRA), including but not limited to filing a Charge with or speaking to the National Labor Relations Board (NLRB), or from discussing conduct as defined by 42 U.S.C. § 19402 (3), (4) & 42 U.S.C. § 19403(a).

7. <u>Confidential Information</u>:

A. Consultant acknowledges, understands and agrees that all Confidential Information which may become known to Consultant under this Agreement, is the exclusive and confidential property of the originator of such Confidential Information and shall be at all times regarded, treated and protected as such in accordance with this Agreement. Failure to mark any writing confidential shall not affect the confidential nature of such writing or the information contained therein.

B. "Confidential Information" shall include the following types of information, whether communications (oral or written), data and things, tangible or intangible and encompassed in any medium, not generally known by anyone other than the Company and its employees and/or third parties pursuant to a non-disclosure or other similar agreement with the Company: (a) any Company trade secrets; (b) any confidential, proprietary, or secret plans, developments, research, processes, designs, methods, or material (whether or not patented or patentable) of the Company; (c) any customer, member, employee, vendor, or supplier lists of the Company and any related contracts; (d) any strategic or other business, marketing, or sales plans of the Company; (e) any financial data or plans with respect to the Company; or (f) any other confidential or proprietary information or secret aspects of the business of the Company, including Materials.

C. Confidential Information shall not include information that: (a) is publicly known and such public knowledge or disclosure is not the result of any act or failure to act on the part of the Consultant; (b) is information disclosed to Consultant by a third party which is not, to the Consultant's knowledge, under a duty of confidentiality to Life Time; or (c) is independently developed by Consultant without access to or use of any Confidential Information. If the Consultant becomes legally compelled (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) to disclose any of the Confidential Information of Life Time or the fact that such Confidential Information has been made available to Consultant, Consultant agrees to provide Life Time with reasonable advance written notice of such intention or requests so that Life

Time has the opportunity to pursue its legal and equitable remedies regarding such potential disclosure.

D. During and after the Term of this Agreement, Consultant shall not disclose Confidential Information to any person or entity other than as necessary in performing Consultant's services on behalf of Life Time, without first obtaining Life Time's written consent, and will not use or disclose Confidential Information to the detriment of Life Time. Further, Consultant shall take all reasonable precautions to prevent inadvertent disclosure of such Confidential Information. Consultant will use the same degree of care as he should to protect his own confidential information, but in no event less than a reasonable degree of care. Consultant shall also promptly destroy or return to Life Time all Confidential Information within twenty (20) days of the expiration or termination of this Agreement.

E. Notwithstanding the foregoing, nothing in this Agreement is intended to restrict Consultant from exercising any applicable Section 7 rights under the National Labor Relations Act (NLRA), including but not limited to filing a Charge with or speaking to the National Labor Relations Board (NLRB), or from discussing conduct as defined by 42 U.S.C. § 19402 (3), (4) & 42 U.S.C. § 19403(a).

8. **Representations, Warranties, and Covenants**: Consultant represents and warrants that, on an on-going basis: (a) that the services and Materials delivered hereunder: (1) shall be of good quality and free from defects in design, material and workmanship; (2) shall not infringe any third party's intellectual proprietary rights; (3) will be provided by Consultant; and (4) will be performed in a professional manner using commercially reasonable efforts; and (b) that Consultant: (1) will adhere to and meet the requirements set forth in the applicable SOW (if any) or any applicable design specifications or documentation; and (2) will comply with any and all laws and regulations while performing services under this Agreement. Consultant will promptly notify Company in writing in the event of any breach of such representations and warranties.

9. **Indemnification**: Consultant will indemnify, defend and hold harmless the Company and its respective officers, directors, agents, affiliates, subsidiaries, and employees, against any and all third party: claims; losses; damages; liabilities; costs, fines, penalties, and expenses (including reasonable attorneys' fees) that arise or are alleged to have risen as a result of or in connection with (i) Consultant's negligent acts or omissions under this Agreement or (ii) Consultant's breach of any covenant, representation, warranty, or other term of provision contained herein. Life Time will provide prompt written notice of any such suit or claim to Consultant and, at Consultant's expense, assist Consultant with defense of the suit or claim. The Company will indemnify, defend and hold harmless Consultant and, as applicable, their agents, employees, affiliates, and subsidiaries, against any and all third party: claims; losses; damages; liabilities; costs, fines, penalties, and expenses (including reasonable attorneys' fees) that arise or are alleged to have risen as a result of or in connection with (i) Company's negligent acts or omissions under this Agreement or (ii) Company's breach of any covenant, representation, warranty, or other term of provision contained herein. Consultant will provide prompt written notice of any such suit or claim to Company and, assist the Company with defense of the suit or claim.

10. **Limitations of Liability**: **IN NO EVENT WILL LIFE TIME BE LIABLE FOR INDIRECT, INCIDENTAL, PUNITIVE, EXEMPLARY, SPECIAL OR CONSEQUENTIAL DAMAGES, WHETHER IN CONTRACT OR TORT, EVEN IF CONSULTANT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. CONSULTANT ACKNOWLEDGES AND AGREES THAT THE ABOVE LIMITATIONS OF LIABILITY ARE REASONABLE. IN NO EVENT WILL CONSULTANT BE LIABLE FOR INDIRECT, INCIDENTAL, PUNITIVE, EXEMPLARY, SPECIAL OR CONSEQUENTIAL DAMAGES, WHETHER IN CONTRACT OR TORT, EVEN IF COMPANY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. COMPANY ACKNOWLEDGES AND AGREES THAT THE ABOVE LIMITATIONS OF LIABILITY ARE REASONABLE.**

11. **Conflicts of Interest**: Consultant represents that Consultant is not aware of any relationship or arrangement of Consultant or Consultant's personnel that would (i) prevent the Consultant from entering into this Agreement with Life Time; (ii) interfere with the interests of Life Time; or (iii) result in Consultant or Consultant's personnel receiving improper personal benefits as a result of providing services to Life Time under this Agreement.

12. Arbitration:

A. Consultant and Company understand and agree that any disputes which may arise regarding the interpretation or application of this Agreement, or that in any way relate to Consultant's relationship with Life Time or the termination of that relationship, will be resolved through a process of binding arbitration ("Covered Claims"). "Covered Claims" are those brought under any statute, regulation, law, local ordinance, contract, covenant (express or implied), or common law relating to the relationship of the Parties, including but not limited to those concerning compensation, discrimination, harassment (except as provided below), retaliation, benefits, disability or other accommodation, or termination of relationship. Covered Claims do not include claims that as a matter of controlling law cannot be subject to arbitration, unless preempted by the Federal Arbitration Act; claims of sexual assault or sexual harassment, as defined in the federal Ending Forced Arbitration of Sexual Assault and Sexual Harassment Act of 2021 that arose or accrued after March 1, 2022 (unless Consultant elects to arbitrate the claim); actions to compel arbitration or confirm or vacate an Arbitrator's award under this Agreement; actions for declaratory judgment or injunctive relief arising out of a written non-disclosure, intellectual property, non-solicitation, or non-competition agreement signed by Life Time and Consultant, although Life Time and Consultant give up the opportunity to recover monetary relief from such court action and, instead, are able to pursue a claim for monetary relief through arbitration under this Agreement; and a charge or complaint filed with a federal, state, or local administrative agency such as the Equal Employment Opportunity Commission, National Labor Relations Board, Department of Labor, or similar agency, although Life Time and Consultant give up the opportunity to recover monetary relief from such charge or complaint and, instead, are able to pursue a claim for monetary relief through arbitration under this Agreement. Covered Claims will be arbitrated only on an individual basis, and Consultant waives the right to participate in or receive monetary or other relief from a class, collective, consolidated, or other representative proceeding. Consultant agrees to waive any and all rights to a trial by jury on the Covered Claims.

B. Neither Consultant nor Life Time may bring a representative claim on behalf of or regarding the rights or interests of other individual(s). An Arbitrator hearing a claim may not combine more than one individual's claim or claims into a single case or arbitrate any form of a class, collective, consolidated, or other representative proceeding. Any question or dispute concerning the scope or validity of the above Section 12A will be decided by a court of competent jurisdiction and not by an Arbitrator. If a court determines that this Section is invalid, you and Life Time waive any right to arbitration of class, collective, consolidated, or other representative claims, and instead agree and stipulate that such claims will be heard only before a court.

C. The Arbitrator will be: (1) a retired federal district court judge, retired federal magistrate judge, or retired state trial court judge, who served in that capacity in Minnesota; or (2) an attorney with at least 15 years of experience in employment law in private practice. Consultant and Life Time will confer and attempt to mutually agree on an Arbitrator who meets the above Arbitrator Qualifications. If Consultant and Life Time cannot agree on an Arbitrator who meets the Qualifications, Consultant and the Company will request that AAA provide a list of nine arbitrators who meet the Qualifications. Consultant and Life Time will confer in person or by telephone and select from that list the Arbitrator who will hear the Covered Claim. The party demanding arbitration will strike a name first and then the responding party, alternating strikes until only one name remains, who will be the selected Arbitrator unless he or she is unavailable or otherwise unable to serve. The selected arbitrator shall arbitrate any dispute in accordance with the Employment Arbitration Rules of the American Arbitration Association ("AAA") and the Uniform Arbitration Act. These rules may be found at www.adr.org and www.law.cornell.edu/rules/frcp/rule_68, respectively, or Consultant can request them from Life Time. The Arbitrator's authority and jurisdiction will be limited to determining the matter in dispute consistent with controlling law and this Agreement. Because Contractor resides and worked in Minnesota and the Company's corporate headquarters is based in Minnesota, the Parties agree that the laws of Minnesota shall apply. The Arbitrator will apply—and will not deviate from—the substantive state law of Minnesota and/or federal law under which the claim arose. The Arbitrator will not have the authority to hear disputes not recognized by existing law. The Arbitrator will have the authority to issue an award or partial award on the grounds that there is no claim on which relief can be granted or that there is no genuine issue of material fact, consistent with the standards set forth in Rules 12 and 56 of the FRCP (www.law.cornell.edu/rules/frcp/rule_12 and www.law.cornell.edu/rules/frcp/rule_56). The Arbitrator will have the same authority to order remedies (e.g., emotional distress damages, punitive damages, equitable relief, etc.) as would a court of competent jurisdiction. The Arbitrator will not have the authority to order a remedy that a court would not be authorized to order under the law applicable to the claim. The Arbitrator's authority will be limited to deciding the case submitted by the parties. Therefore, no decision by an Arbitrator will serve as precedent in other arbitrations, except in a dispute between Consultant and Life Time to preclude the same claim from being re-arbitrated. The Arbitrator will evaluate this case under the laws of Minnesota. The arbitration shall be confidential, and the parties agree not to disclose the claims, defenses, evidence, testimony, or outcome of the arbitration, or to otherwise disclose information from the arbitration, unless the arbitration concerns a claim for sexual harassment, discrimination, retaliation, or any claim that may not be treated as confidential under applicable law. No later than thirty (30) days from the date the arbitration hearing concludes, the Arbitrator must issue an award in writing, setting forth in summary form the factual and legal bases for the Arbitrator's determination. The Company shall pay all costs associated with the arbitration, except that each Party shall each be responsible for the payment of that Party's attorneys' fees and costs.

13. General Provisions:

A. Survival. The provisions of Sections 2-10, 12, and 13 of this Agreement shall survive the termination and/or expiration of this Agreement.

B. Severability. In case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such provision(s) had never been contained herein, provided that such provision(s) shall be curtailed, limited or eliminated only to the extent necessary to remove the invalidity, illegality or unenforceability.

C. Assignment/Modification. This Agreement may not be assigned or modified, except by a written agreement signed by the Parties hereto. Notwithstanding the preceding sentence, the Company in its sole discretion may assign this Agreement, in whole or in part, to any parent, subsidiary, affiliate, successor or purchaser of the Company without the prior written consent of Consultant. Consultant may not use a subcontractor to provide any products and/or services without Life Time's prior written consent, and Contactor will remain responsible for any such subcontractor.

D. Waiver. No waiver by a Party of any breach by the other Party of any of the provisions of this Agreement shall be deemed a waiver of any preceding or succeeding breach of the same or any other provisions hereof. No such waiver shall be effective unless in writing and then only to the extent expressly set forth in writing.

E. Excusable Delay. Neither Party will be in default of its obligations under the Agreement or liable to the other for any noncompliance arising from causes beyond the reasonable control of the Party, including, without limitation, fires, floods, natural disasters, communication failures and other equipment or telecommunication problems. Each Party will use reasonable efforts to resolve promptly any type of excusable delay.

F. Notices. All notices between the Parties shall be in writing and shall be sent by a method providing for proof of delivery to the attention of Life Time's General Counsel and to the Consultant. Other communications may be delivered by e-mail or other means.

G. Governing Law. Except where prohibited by law, this Agreement is governed by Minnesota law without regard to conflicts of laws principles.

H. Entire Agreement. This Agreement, the Agreement and General Release, the Equity Award Agreements, and the restrictive covenants set forth in the Employment Agreement previously entered into on September 13, 2021 by Consultant (while an employee of the Company) and the Company (in each case as amended by Section 4D in this Agreement) set out the entire agreement between Life Time and the Consultant with respect to the subject matter contained herein. They supersede all prior agreements, proposals, arrangements and communications, whether oral or written, with respect to the subject matter hereof.

IN WITNESS WHEREOF, the Parties have executed this Agreement by their signatures below.

For LIFE TIME, INC.	**For CONSULTANT**
(Signature)	(Signature)
(Printed Name)	(Printed Name)
(Title)	December 31, 2023 (Date)
December 31, 2023 (Date)	

EXHIBIT 1
LIMITED EXCLUSION NOTIFICATION

THIS IS TO NOTIFY JEFFREY G. ZWIEFEL (“CONSULTANT”), in accordance with Minnesota Statute § 181.78, that the above and foregoing Life Time Consultant Agreement between Consultant and Life Time, Inc. (together with its parents, affiliates and subsidiaries the “Company”), does not require Consultant to assign or offer to assign to the Company any invention that Consultant developed entirely on his own time without using the equipment, supplies, facilities, or trade secret information of the Company or any affiliate, except for those inventions that either:

1. RELATE AT THE TIME OF CONCEPTION OR REDUCTION TO PRACTICE OF THE INVENTION TO THE BUSINESS OR ACTUAL OR DEMONSTRABLY ANTICIPATED RESEARCH OR DEVELOPMENT OF THE COMPANY OR ANY AFFILIATE; OR

2. RESULT FROM ANY WORK PERFORMED BY CONSULTANT FOR THE COMPANY OR ANY AFFILIATE.

I, the undersigned, acknowledge receipt of a copy of this notification.

____
(Signature)

____
(Printed Name)

December 31, 2023
(Date)

Exhibit 21.1

Subsidiary	Jurisdiction of Organization
Athlinks Inc.	Delaware
ChronoTrack Administrator LLC	Delaware
ChronoTrack Holdings LLC	Delaware
ChronoTrack Mexico, S. DE R.I. DE C.V.	Mexico
ChronoTrack Systems Europe B.V.	Netherlands
Healthy Way of Life I, LLC	Delaware
Healthy Way of Life II, LLC	Delaware
Healthy Way of Life III, LLC	Delaware
Healthy Way of Life IV, LLC	Delaware
Healthy Way of Life V, LLC	Delaware
Healthy Way of Life VI, LLC	Delaware
Healthy Way of Life VII, LLC	Delaware
Healthy Way of Life VIII, LLC	Delaware
Healthy Way of Life IX, LLC	Delaware
Healthy Way of Life X, LLC	Delaware
Healthy Way of Life XI, LLC	Delaware
Healthy Way of Life XII, LLC	Delaware
Healthy Way of Life XIII, LLC	Delaware
Healthy Way of Life XIV, LLC	Delaware
Healthy Way of Life XV, LLC	Delaware
Healthy Way of Life XVI, LLC	Delaware
Healthy Way of Life XVII, LLC	Delaware
Healthy Way of Life XVIII, LLC	Delaware
Healthy Way of Life XIX, LLC	Delaware
Healthy Way of Life XX, LLC	Delaware
Life Time, Inc.	Minnesota
Life Time Captive Insurance Company	Vermont
Life Time Digital, LLC	Delaware
Life Time Foundation	Minnesota
Life Time LL, LLC	Delaware
Life Time Mixed Use Management Services Company, LLC	Delaware
Life Time Mixed Use Real Estate Company, LLC	Delaware
Life Time Real Estate Development & Construction, LLC	Delaware
LT Canada Co-Borrower GP Inc.	Ontario, Canada
LT Canada Co-Borrower Holdco, LP	Ontario, Canada
LT Canada Co-Borrower, LP	Ontario, Canada
LT Co-Borrower, LLC	Delaware
LT Co-Borrower Holdco, LLC	Delaware
LT Headquarters 2, LLC	Delaware
LT Living (Dallas) Managing Member, LLC	Delaware
LT Living (Dallas) Property, LLC	Delaware
LT Mixed Use (Burlington), LLC	Delaware
LT Mixed Use (Dallas-Montfort), LLC	Delaware
LT Mixed Use (Edina), LLC	Delaware

LT Mixed Use (Paradise Valley), LLC	Delaware
LT Mixed Use (Raleigh), LLC	Delaware
LT Mixed Use (Stevens Creek), LLC	Delaware
LT Mixed Use ReCo (Henderson), LLC	Delaware
LT MRS Holdings, LLC	Delaware
LT (Connecticut) Property Management Company, LLC	Delaware
LT (Florida) Property Management Company, LLC	Delaware
LT (Illinois) Property Management Company, LLC	Delaware
LT (Massachusetts) Property Management Company, LLC	Delaware
LT (Nevada) Management Services Company, LLC	Delaware
LT (Nevada) Property Management Company, LLC	Delaware
LTF Architecture, LLC	Delaware
LTF Intermediate Holdings, Inc.	Delaware
LTF Club Management Company, LLC	Delaware
LTF Club Operations Company, Inc.	Minnesota
LTF Club Operations Company Canada Inc.	Ontario, Canada
LTF Club Operations Company Kansas, Inc.	Kansas
LTF Construction Company, LLC	Delaware
LTF Educational Programs, LLC	Delaware
LTF Ground Lease Company, LLC	Delaware
LTF Lease Company, LLC	Delaware
LTF Lease Company (Manhattan Four), LLC	Delaware
LTF Management Services, LLC	Delaware
LTF Maryland Liquor, LLC	Maryland
LTF Operations Holdings, Inc.	Minnesota
LTF Real Estate CMBS II, LLC	Delaware
LTF Real Estate Company, Inc.	Minnesota
LTF Real Estate Holdings, LLC	Delaware
LTF Real Estate MP I, LLC	Delaware
LTF Real Estate MP II, LLC	Delaware
LTF Real Estate MP III, LLC	Delaware
LTF Restaurant Company, LLC	Delaware
LTF Triathlon Series, LLC	Delaware
LTF Yoga Company, LLC	Delaware
Massage Retreat & Spa, Inc.	Delaware
Massage Retreat & Spa Franchise Company L.L.C.	Minnesota

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-260197 on Form S-8 of our reports dated February 28, 2004, relating to the financial statements of Life Time Group Holdings, Inc. and the effectiveness of Life Time Group Holdings, Inc.'s internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2023.

/s/ Deloitte & Touche LLP

Minneapolis, Minnesota

February 28, 2024

Exhibit 31.1

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Bahram Akradi, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2023 of Life Time Group Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2024	By:	/s/ Bahram Akradi
		Bahram Akradi
		Chief Executive Officer
		(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Erik Weaver, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2023 of Life Time Group Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2024

By: /s/ Erik Weaver

Erik Weaver
Interim Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing of the Annual Report on Form 10-K of Life Time Group Holdings, Inc. (the “Company”) for the year ended December 31, 2023 with the Securities and Exchange Commission on the date hereof (the “Report”), I certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: February 28, 2024

By: /s/ Bahram Akradi

Bahram Akradi

Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing of the Annual Report on Form 10-K of Life Time Group Holdings, Inc. (the "Company") for the year ended December 31, 2023 with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: February 28, 2024	By:	/s/ Erik Weaver
		Erik Weaver
		Interim Chief Financial Officer
		(Principal Financial Officer)

Exhibit 97.1

LIFE TIME GROUP HOLDINGS, INC.

EXECUTIVE INCENTIVE COMPENSATION RECOVERY POLICY

Adopted September 22, 2023

Policy

The Board of Directors (the "Board") of Life Time Group Holdings, Inc. (the "Company") has adopted this Executive Incentive Compensation Recovery Policy (this "Policy") pursuant to Rule 10D-1 of the Securities and Exchange Act of 1934, as amended (the " Exchange Act"), the Securities and Exchange Commission ("SEC") regulations promulgated thereunder, and applicable New York Stock Exchange ("NYSE") listing standards. Subject to and in accordance with the terms of this Policy, upon a Recoupment Event, each Covered Executive shall be obligated to return to the Company, reasonably promptly, the amount of Erroneously Awarded Compensation that was received by such Covered Executive during the Lookback Period.

Administration

This Policy will be administered by the Compensation Committee of the Board (the "Committee"). Any determinations made by the Committee will be final and binding on all affected individuals.

Definitions

"Accounting Restatement" means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is (a) material to the previously issued financial statements (commonly referred to as a "Big R" restatement), or (b) would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (commonly referred to as a "little r" restatement).

"Covered Executive" means each of the Company's current and former Section 16 Officers.

"Erroneously Awarded Compensation" means, with respect to each Covered Executive in connection with an Accounting Restatement, the excess of the amount of Incentive-Based Compensation received by the Covered Executive during the Lookback Period over the amount of Incentive-Based Compensation that otherwise would have been received had it been determined based on the restated amounts, computed without regard to any taxes paid. For Incentive-Based Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement: (a) the amount must be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was received; and (b) the Company must maintain documentation of the determination of that reasonable estimate and provide such documentation to NYSE.

"Financial Reporting Measures" are any measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures derived wholly or in part from such measures. Stock price and total shareholder return are also Financial Reporting Measures. A Financial Reporting Measure need not be presented within the financial statements or included in a filing with the SEC.

"Incentive-Based Compensation" is any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

"Lookback Period" means the three completed fiscal years immediately preceding the Required Restatement Date and any transition period (that results from a change in the Company's fiscal year) of less than nine months within or immediately following those three completed fiscal years.

A "Recoupment Event" occurs when the Company is required to prepare an Accounting Restatement.

"Required Restatement Date" means the earlier to occur of: (a) the date the Company's Board, a committee of the Board, or the officer(s) of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, or (b) the date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement.

"Section 16 Officer" is defined as an "officer" of the Company within the meaning of Rule 16a-1(f) of the Exchange Act.

"Section 409A" means Section 409A of the Internal Revenue Code and the regulations and guidance promulgated thereunder.

Amount Subject to Recovery

The Incentive-Based Compensation that is subject to recovery under this Policy includes such compensation that is received by a Covered Executive (i) on or after October 2, 2023 (even if such Incentive-Based Compensation was approved, awarded or granted prior to this date), (ii) after the individual began service as a Covered Executive, (iii) if the individual served as a Section 16 Officer at any time during the performance period for such Incentive-Based Compensation, and (iv) while the Company has a class of securities listed on a national securities exchange or national securities association.

The amount of Incentive-Based Compensation subject to recovery from a Covered Executive upon a Recoupment Event is the Erroneously Awarded Compensation, which amount shall be determined by the Committee.

For purposes of this Policy, Incentive-Based Compensation is deemed "received" in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period.

Recovery of Erroneously Awarded Compensation

Promptly following a Recoupment Event, the Committee will determine the amount of Erroneously Awarded Compensation for each Covered Executive, and the Company will provide each such Covered Executive with a written notice of such amount and a demand for repayment or return. Upon receipt of such notice, each affected Covered Executive shall promptly repay or return such Erroneously Awarded Compensation to the Company.

If such repayment or return is not made reasonably promptly, the Company shall recover Erroneously Awarded Compensation in a reasonable and prompt manner using any lawful method determined by the Committee; provided that recovery of any Erroneously Awarded Compensation must be made in compliance with Section 409A.

Limited Exceptions

Erroneously Awarded Compensation will be recovered in accordance with this Policy unless the Committee determines that recovery would be impracticable and one of the following conditions is met:

- the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered, provided the Company has first made a reasonable effort to recover the Erroneously Awarded Compensation; or
- the recovery would likely cause a U.S. tax-qualified retirement plan to fail to meet the requirements of Internal Revenue Code Sections 401(a)(13) and 411(a) and the regulations thereunder.

Reliance on any of the above exemptions will further comply with applicable listing standards, including without limitation, documenting the reason for the impracticability and providing required documentation to NYSE.

No Insurance or Indemnification

Neither the Company nor any of its affiliates or subsidiaries may indemnify any Covered Executive against the loss of any Erroneously Awarded Compensation (or related expenses incurred by the Covered Executive) pursuant to a recovery of Erroneously Awarded Compensation under this Policy, nor will the Company nor any of its affiliates or subsidiaries pay or reimburse a Covered Executive for any insurance premiums on any insurance policy obtained by the Covered Executive to protect against the forfeiture or recovery of any compensation pursuant to this Policy.

Interpretation

The Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. This Policy shall be applied and interpreted in a manner that is consistent with the requirements of Rule 10D-1 and any applicable regulations, rules or standards adopted by SEC or the rules of any national securities exchange or national securities association on which the Company's securities are listed. In the event that this Policy does not meet the requirements of Rule 10D-1, the SEC regulations promulgated thereunder, or the rules of any national securities exchange or national securities association on which the Company's securities are listed, this Policy shall be deemed to be amended to meet such requirements.

Indemnification of Policy Administrators

Any members of the Committee who participate in the administration of this Policy shall not be personally liable for any action, determination or interpretation made with respect to this Policy and shall be fully indemnified by the Company to the fullest extent permitted under applicable law and Company governing documents and policies with respect to any such action, determination or interpretation. The foregoing shall not limit any other rights to indemnification of the members of the Committee under applicable law or Company governing documents and policies.

Amendment; Termination

The Board or the Committee may amend this Policy in its discretion and shall amend this Policy as it deems necessary to comply with the regulations adopted by the SEC under Rule 10D-1 and the rules of any national securities exchange or national securities association on which the Company's securities are listed. The Board or the Committee may terminate this Policy at any time. Notwithstanding anything herein to the contrary, no amendment or termination of this Policy shall be effective if that amendment or termination would cause the Company to violate any federal securities laws, SEC rules or the rules of any national securities exchange or national securities association on which the Company's securities are listed.

Other Recoupment Rights

Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any similar provision in any employment agreement or other compensation plan or agreement and any other legal remedies available to the Company. This Policy is in addition to any other clawback or compensation recovery, recoupment or forfeiture policy in effect or that may be adopted by the Company from time to time, or any laws, rules or listing standards applicable to the Company, including without limitation, and the Company's right to recoup compensation subject to Section 304 of the Sarbanes-Oxley Act of 2002. To the extent that application of this Policy would provide for recovery of Erroneously Awarded Compensation that the Company recovers pursuant to another policy or provision, the amount that is recovered will be credited to the required recovery under this Policy.

This Policy replaces that certain Executive Incentive Compensation Recovery Policy adopted by the Board effective as of December 14, 2022.

Successors

This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.

ACKNOWLEDGMENT TO

LIFE TIME GROUP HOLDINGS, INC.

EXECUTIVE INCENTIVE COMPENSATION RECOVERY POLICY

By signing below, the undersigned acknowledges and confirms that the undersigned has received and reviewed a copy of the Life Time Group Holdings, Inc. (the "Company") Executive Incentive Compensation Recovery Policy (as it may be amended and in effect from time to time, the "Policy"). By signing this Acknowledgement, for good and valuable consideration, the receipt of which is acknowledged, the undersigned acknowledges and agrees that the undersigned (including any compensation received by the undersigned) is and will continue to be subject to the Policy, and that the Policy will apply both during and after the undersigned's employment with, and provision of services to, the Company.

In the event of any inconsistency between the Policy and the terms of any employment or other agreement to which the undersigned is a party, or the terms of any compensation plan, program or agreement under which any compensation has been granted, awarded, earned or paid, the terms of the Policy shall govern.

Further, by signing below, the undersigned acknowledges that the Company will not indemnify the undersigned against enforcement of the Policy including any loss of an Erroneously Awarded Compensation (as defined in the Policy) and expressly waives any such rights and agrees to abide by the terms of the Policy, including, without limitation, by forfeiting, returning and/or reimbursing any Erroneously Awarded Compensation (as defined in the Policy) to the Company to the extent required by, and in a manner and timing consistent with, the Policy and notwithstanding any other agreement to the contrary.

____
Signature

____
Printed Name

____
Date