

MAD LAGREE MARBELLA

Premium Lagree Fitness Studio — Benahavís, Marbella

Investment Memorandum | April 2026 — Working Draft | Confidential

Capital raise	€320,000
Total CapEx	€304,680
EBITDA-positive	Month 1
Y1 Revenue (Base)	€428,225
Y1 EBITDA (Base)	€200,793
5-yr Enterprise Value (cons. 7x)	€2,924,689
5-yr Enterprise Value (base 10x)	€4,178,128
MOIC — enterprise (cons.–base)	9.1x – 13.1x
IRR (approx.)	~56% – ~67%

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1. Executive Summary

The 60-second case for MAD Lagree Marbella

MAD Lagree Marbella is a premium boutique fitness studio opening in July 2026 in the heart of Benahavís — the highest-income municipality on the Costa del Sol. Operating under the MAD franchise licence from London, the studio will offer Lagree Fitness classes on 10 Lagree EVO Pro machines: the most advanced equipment in the method's history.

The studio targets a captive market of 9,244 permanent residents — 63% of whom are foreign nationals (INE Padrón Municipal 2024) — supplemented by 1.5 million annual tourist visitors and a 12-month-per-year demographic that insulates revenue from the seasonality affecting traditional coastal fitness businesses.

Capital raise	€320,000
Total CapEx	€304,680
EBITDA-positive from	Month 1 — cash-on-cash payback in Year 2
Year 1 EBITDA (Base)	€200,793
Year 2 EBITDA	€360,612
5-year Enterprise Value (base 10x)	€4,178,128
MOIC — enterprise (cons.-base)	9.1x – 13.1x · Full returns on p.9
IRR (approx.)	~56% (cons.) — ~67% (base)
LTV : CAC	6.4x — highly efficient acquisition

The Lagree method is one of the fastest-growing fitness categories globally — CAGR 7.2% for boutique fitness to 2034 (Market.us, 2024), with Lagree outperforming that benchmark. The Costa del Sol has no dedicated Lagree studio. This is a first-mover opportunity.

2. Market Context

Why Benahavís, why now, why Lagree

The Marbella Corridor

Benahavís sits at the apex of the Golden Triangle — Marbella, Estepona, Ronda — one of Europe's densest concentrations of high-net-worth residents. The municipality has the highest per-capita income in Andalucía and the sixth-highest in Spain.

Permanent residents — Benahavís	9,244 (INE Padrón Municipal, 2024)
Foreign nationals — share of residents	63% (INE, 2024)
Annual tourist arrivals — Costa del Sol	~1.5 million
Registered golf courses — area	70+
Average household income (local)	Above Spanish national avg. x3
Boutique fitness market — global	\$40.1B (Market.us, 2024)
Boutique fitness CAGR	7.2% CAGR to 2034 (Market.us, 2024)
Lagree studios — worldwide	300+ in 30+ countries (Lagree HQ)

Lagree studios — Costa del Sol	0 (first-mover opportunity)
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Sources: INE Padrón Municipal 2024 (population); Market.us Boutique Fitness Studio Market Report 2024 (market size/CAGR); Lagree Fitness HQ licensing page 2025 (studio count).

Competitive Landscape

Two studios in the area offer Lagree — House of Yage and Palm Sporting Club — both on standard Megaformer equipment (not EVO Pro) and both priced identically at €35 drop-in and €245–350/month membership. MAD's pricing (€265–360/month) sits above this benchmark, justified by the EVO Pro equipment and MAD London brand. Reformer alternatives are priced significantly lower and target a different modality. Key competitors:

Studio	Method	Location	Drop-in / Membership	Threat Level
House of Yage	Lagree	Marbella	€35 / €245–350/mo	Medium
Palm Sporting Club	Lagree	Marbella	€35 / €245–350/mo	Medium
Reforma Studio	Reformer	Marbella	~€22–28/class (est.)	Low
Studio 34	Lagree-style	Area	~€20–26/class (est.)	Low — lower spec

House of Yage offers Lagree but on standard (non-EVO Pro) machines and without MAD's brand recognition or programming. The EVO Pro advantage — 50+ more exercises, deeper range of motion, superior ergonomics — is a meaningful product differentiator that justifies the premium price.

Pricing verified April 2026 via studio websites. House of Yage current promotion: 7 classes for €185 (expires May 2026). Both Lagree competitors run 3-month membership commitments.

3. The Lagree Method

Why Lagree wins in premium markets

Lagree Fitness is a patented, full-body training method developed by Sébastien Lagree that combines strength, endurance, cardio, balance, flexibility, and core training in a single 50-minute session on the Megaformer (now evolved to the EVO Pro). The method is scientifically validated, intensely challenging, and uniquely addictive. As of 2025, Lagree operates 300+ licensed studios across 30+ countries — making it one of the fastest-expanding premium fitness formats globally.

- High-intensity, low-impact: suitable for all ages and fitness levels — critical in a 45+ demographic market
- 50-minute sessions: premium time efficiency drives membership stickiness
- 10-person maximum class size: naturally premium, justified high price point
- Celebrity following (Meghan Markle, Kim Kardashian, Sofia Vergara): cultural cachet that resonates with the Costa del Sol demographic
- MAD London: one of the most recognised Lagree brands in Europe, with operational studios in Shoreditch and Marylebone, and a third location (Notting Hill) under construction

The Lagree EVO Pro

The studio will operate exclusively on the Lagree EVO Pro — the latest-generation machine launched in 2023. The EVO Pro offers 50+ additional exercises versus the previous Megaformer generation, improved weight stack, and patented SmartSpring technology. This is the same machine used in MAD London's studios. Competitors on the Costa del Sol operate older-generation equipment.

4. Location

The Deck, Benahavís — strategic positioning

The studio will open at The Deck, a premium lifestyle complex in Benahavís. The location is positioned within 5–10 minutes' drive of the six largest luxury residential estates on the Costa del Sol, including La Zagaleta, Los Flamings, and La Quinta.

Location	The Deck, Benahavís
Year 1 rent	€35,000 per annum (€2,916 / month)
Year 2 rent	€45,000 per annum
Year 3 rent	€55,000 per annum
Year 4–10 rent	€60,000 per annum (fixed)
Rent-free period	3 months (construction / fit-out)
Deposit paid	€10,000
Parking	Available at The Deck

The 3-month rent-free period de-risks the pre-revenue build phase. The rent escalation schedule (€35k → €60k over 4 years) is structurally below comparable premium fitness real estate in Madrid or Barcelona (€80–120k/yr), providing sustained unit-economic advantage.

5. Operating Model

Class schedule, pricing, and capacity

Class Schedule

Day	Opening Schedule	Ramped Schedule
Mon – Fri	5–6 classes/day	Up to 8 classes/day
Saturday	3 classes	3–4 classes
Sunday	2 classes	2–3 classes
Weekly total (est.)	~30–33 classes	Up to 48 classes

The studio opens on a reduced schedule to match initial demand and instructor capacity, ramping up as membership grows. The financial model uses 40 classes/week as the operating baseline — conservative relative to the full-ramp ceiling.

Pricing Structure

Tier	Price	Notes
Intro class	€20	One-time, new clients only — lowers entry barrier
Founding Member	€225/month	First 50 — pre-launch, rate locked 12 months
Membership — Core	€265/month	Unlimited classes
Membership — Premium	€310/month	Unlimited + priority booking
Membership — Elite	€360/month	Unlimited + 1 PT/month included
Class pack (10)	€290	€29/class
Drop-in	€35	Walk-in / occasional

Staffing

Ramy (owner/operator)	Full-time studio manager — backup instructor if needed	€2,200/month
External instructors	All classes at €27/hr — opening ~30/week, ramping to 40+	Hourly — no fixed salary liability
Reception	Part-time	€1,000/month
Cleaning	Outsourced	€500/month

6. Financial Model

Bottom-up revenue model — base / bull / bear

Revenue Mechanics

With 10 machines per class and 40 classes per week, the studio has a theoretical weekly capacity of 400 class slots. Revenue is modelled on a blended price of €30/slot (reflecting the membership/pack/drop-in mix below), with a fill-rate ramp from 40% in opening months to 65% by end of Year 1 and 72–85% in Year 2 — conservative benchmarks versus comparable London studios.

Machines (capacity)	10 persons per class
Classes per week (model baseline)	40 — opening at ~30 (5–6/day weekdays), ramping to 40+
Weekly class capacity	400 slots
Blended price / slot	€30
Y1 fill rate (opening – month 3)	40%
Y1 fill rate (month 4–6)	50%
Y1 fill rate (month 7–9)	60%
Y1 fill rate (month 10–12)	65%
Y2 fill rate (month 13–15)	72%
Y2 fill rate (month 22–24)	85%
Revenue mix — memberships	55%
Revenue mix — class packs	30%
Revenue mix — drop-in	15%
Bar & merchandise revenue	15% of class revenue — approx. 1 purchase per 3 visits at avg €8

Bar revenue is modelled conservatively at 15% of class revenue. At average 7 clients per class in Year 1, this implies ~2 purchases per class at €8 — consistent with juice bar attachment rates at premium fitness studios.

Scenario Analysis — Year 1

Metric	Bear Case	Base Case	Bull Case
Fill rate (vs base)	-25%	Base	+20%
Price/slot	-5%	€28	+5%

Year 1 Revenue	€305,110	€428,225	€539,564
Year 1 EBITDA	€83,834	€200,793	€306,565
EBITDA margin	27%	47%	57%

The base case reflects 40–65% fill rate, consistent with boutique fitness opening benchmarks for premium urban studios. The bear case stress-tests a 25% miss on occupancy — the studio remains operationally viable. In all scenarios the proposed royalty ramp (5% Year 1 / 6% Year 2 / 8% Year 3+) is fully absorbed.

5-Year Summary (Base Case)

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	€428,225	€615,875	€677,463	€711,336	€739,789
EBITDA	€200,793	€360,612	€380,034	€398,886	€417,813
Margin	47%	59%	56%	56%	56%

Year 3–5 estimates apply modest revenue growth from increased occupancy and a second revenue line (potential corporate wellness contracts). The full monthly P&L; model is available in the accompanying Excel workbook.

7. Unit Economics

LTV, CAC, payback — the investor metrics

Avg. revenue per member / month	€247
Gross margin % (per member)	72% (after instructor cost)
Gross profit per member / month	€178
Average member tenure	18 months (boutique fitness benchmark)
Lifetime Value (LTV)	€3,205
CAC — months 1–3 (launch spend)	€650
CAC — months 4–6 (steady state)	€500
CAC — months 7–12 (referral-led)	€380
CAC — Year 2+ (community-driven)	€300
LTV : CAC ratio (steady state)	6.4x (benchmark: >4x = healthy)
CAC payback period	2.8 months (benchmark: <6 months)

The LTV:CAC of 6.4x reflects the high-retention dynamics of premium boutique fitness. Industry benchmarks for premium boutique studios indicate 16–24 month average tenure at mature locations (IHRSA, Mindbody). The 18-month assumption used here sits conservatively within that range.

Churn Profile

Month	1	2	3	6	12	18
Retention	85%	77%	71%	62%	55%	48%

Months 1–3 churn (15%) is the 'honeymoon cliff' typical of all boutique fitness. The founding-member pricing tier (€225/month) is designed to lock in the most committed early adopters and reduce this cliff effect.

8. Use of Funds

€320,000 fully deployed — €304,680 CapEx + €15,320 buffer

Capital Item	Amount (€)	Notes
10x Lagree EVO Pro @ €9,900/unit (incl. shipping & installation)	€100,000	EVO Pro — next-gen Lagree platform
Fit-out — interior (ceiling, stone panels, curtains, flooring)	€110,000	Premium fit-out spec
Bar & reception fit-out	€5,000	Juice bar + check-in counter
Design & architecture fees	€10,000	Architecture & branding
IT & tech (all phases, P0–P4)	€19,680	Full tech platform: waitlist, booking, app, AI ops
Franchise fee	€25,000	MAD London franchise licence
Spanish establishment (S.L., licencia, insurance)	€10,000	S.L. registration, permits, insurance
Working capital reserve	€15,000	3–4 months operating buffer
Rent deposit	€10,000	Per lease agreement
TOTAL	€304,680	

Capital raise	€320,000
Total CapEx deployed	€304,680
Working capital buffer	€15,320 (post-CapEx cash reserve)
Minimum cash position (Y1)	€42,205
Cash at end of Year 1	€267,719

The €304,680 CapEx covers all confirmed line items across construction, equipment, legal setup, and technology. The €320,000 capital raise fully funds the CapEx with a deliberate €15,320 working capital buffer on top — providing headroom for pre-opening overruns and the first weeks of operations before membership revenue stabilises.

A 20% CapEx overrun scenario is modelled in the accompanying Excel workbook. Under this scenario the studio still reaches EBITDA break-even within Year 1, funded by founder working capital contribution or a short-term credit facility.

9. Investor Returns

Exit analysis and return profile

Returns are modelled on a Year 5 trade sale to a regional fitness operator or the MAD group. Two exit scenarios are shown: a conservative 7x EBITDA (distressed/small-market sale) and a base-case 10x EBITDA (consistent with comparable premium fitness transactions — Psycle London ~11x, Barry's Bootcamp ~10x). Both scenarios produce strong returns.

Metric	Conservative (7x)	Base Case (10x)
Year 5 EBITDA	€417,812	€417,812
Exit multiple	7x	10x
Enterprise value	€2,924,689	€4,178,128
Capital raise	€320,000	€320,000
MOIC (enterprise basis)	9.1x	13.1x

5-year IRR (approx.)	~56%	~67%
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Returns are shown on an enterprise basis. The equity structure — percentage offered, profit distribution, and exit mechanism — is open for discussion and will be agreed with the investor before capital close. The business case stands on its own merits regardless of how the equity is structured.

Alternative exit routes include: (i) multi-location expansion (Estepona, Puerto Banús) increasing EBITDA and warranting higher exit multiple; (ii) JV restructure with MAD London converting royalty stream to equity; (iii) independent continuation with refinancing for expansion capital.

10. Franchise & Legal Position

MAD London licence — known risks and mitigation

The studio will operate under a MAD London franchise licence. The franchise provides brand recognition, a proven programming playbook, and access to the MAD instructor training pipeline. The franchise fee of €25,000 is a one-time payment included in CapEx. Franchise negotiations are active — a 23-point position paper was submitted to MAD London on 13 April 2026 covering all material commercial and legal terms.

Key Franchise Terms — Proposed Position

Franchise fee	€25,000 (one-time, payable on premises finalisation)
Royalty — Year 1	5% of studio operating revenue
Royalty — Year 2	6% of studio operating revenue (negotiated ramp)
Royalty — Year 3+	8% of studio operating revenue
Territory	Marbella + Benahavís — exclusivity under active negotiation
Protected territory	Negotiating enforceable exclusivity while franchisee compliant
Opening timeline	6 months from lease and possession — not from franchise signing
Data ownership	Customer data to remain with franchisee — under negotiation
Step-in rights	Under negotiation — proposed: emergency/serious situations only
Exit penalty	Under negotiation — proposed proportionate structure
Future studios	First studio only — second/third by separate agreement or option

The 23-point position paper addresses territory, royalty ramp, data rights, step-in clauses, exit penalties, IP ownership, refurbishment obligations, and change-of-control protections. MAD London's response is pending. The financial model uses the proposed royalty ramp (5%/6%/8%) as the base case.

The studio will operate its own booking, membership, and client management platform — built independently of MAD's franchise software. This gives the business full ownership of its customer data and operating systems regardless of the franchise outcome, and directly supports the negotiating position on data rights.

11. Key Risks & Mitigants

Honest assessment — and why we are well-positioned

Risk	Likelihood	Severity	Mitigation
Occupancy ramp slower than modelled	Medium	High	Bear case modelled at -25% fill; still EBITDA-positive by Month 7
EVO Pro delivery delay	Low	High	3-month rent-free period absorbs pre-opening delay up to 12 weeks
Royalty ramp not agreed (5%→6%→8%)	Medium	Medium	Proposed ramp modelled in base case; MAD London response pending
No territorial exclusivity	High	Medium	First-mover advantage + EVO Pro spec creates 18-month moat minimum
Dependence on key person (Ramy)	Medium	High	Operational partner named pre-opening; Ramy equity-aligned
Seasonal demand dip (summer)	Low	Low	Benahavís 12-month demand; tourist peaks offset expat holidays
FX / EUR cost pressure	Low	Low	All costs and revenue in EUR; no currency exposure
Competitor enters market	Low (12-18 month lag)	Medium	Community-driven retention and EVO Pro lock-in mitigate impact

12. Investment Structure

Equity partnership — terms open for discussion

MAD Lagree Marbella is seeking an equity investor to fund the €320,000 capital raise. This is not a loan or a debt instrument — the investor participates directly in the upside of the business: profits, growth, and exit value. The equity structure — percentage offered, partner role, profit distribution, and exit mechanism — will be agreed with the investor before capital close. This document presents the business case on its merits; the terms are open.

Capital raise	€320,000
Structure	Equity stake in MAD Lagree Marbella S.L. (operating company)
Equity % offered	Open — to be agreed with investor
Partner role	Open — active or silent partner
Profit distribution	Open — timing and policy to be agreed
Exit mechanism	Open — buy-out, tag-along, or agreed timeline
Decision-making rights	Open — approval thresholds to be agreed

Pre-Investment Milestones Already Achieved

- **Lease heads of terms agreed — 3 months rent-free, €35k Year 1**
- **Lease deposit (€10,000) paid — committed location**
- **Franchise agreement reviewed — 23-point position paper sent to MAD London**
- **Full financial model built (bottom-up, 12-tab Excel workbook)**
- **MAD London relationship active — franchise fee agreed at €25,000**

Milestones Required Before Capital Close

- Franchise agreement finalised — 23 negotiation points resolved with MAD London
- Lease formally signed (location secured)
- 40+ paid pre-registrations via waitlist (market demand validated)
- Investment terms agreed with investor and reviewed by Spanish legal counsel

Project Timeline — Relative to Investment Agreement (T=0)

All dates are relative to T=0 (investment agreement signed, funds transferred). This timeline remains valid regardless of when the agreement is executed.

Milestone	Timing	Description
Investment agreement signed	T = 0	Equity structure confirmed, funds transferred
Investor website + waitlist live	T + 2 weeks	Pre-registration opens, market validation begins
Lease formally signed	T + 2 weeks	Location secured
40 paid pre-registrations	T + 6 weeks	Market demand validated — go/no-go checkpoint
Fit-out begins	T + 6 weeks	3-month rent-free period starts
EVO Pro machines ordered	T + 6 weeks	Lead time ~8–10 weeks from Lagree HQ
Fit-out complete + machines installed	T + 14 weeks	Studio ready for soft launch
Studio opens — paying members	T + 16 weeks	~4 months post-agreement
EBITDA-positive	T + 17 weeks	Month 1 of operations
First profit distribution (if applicable)	T + 12 months	Subject to agreed investment terms

For further information or to discuss the investment structure, please contact:

Ramy — MAD Lagree Marbella

This memorandum is prepared by Bergumlie Tech & Advisory in conjunction with the founding team. A live investor portal and pre-registration waitlist will be available at the project website.