Q4 2023

INTERIM REPORT
OCTOBER-DECEMBER 2023

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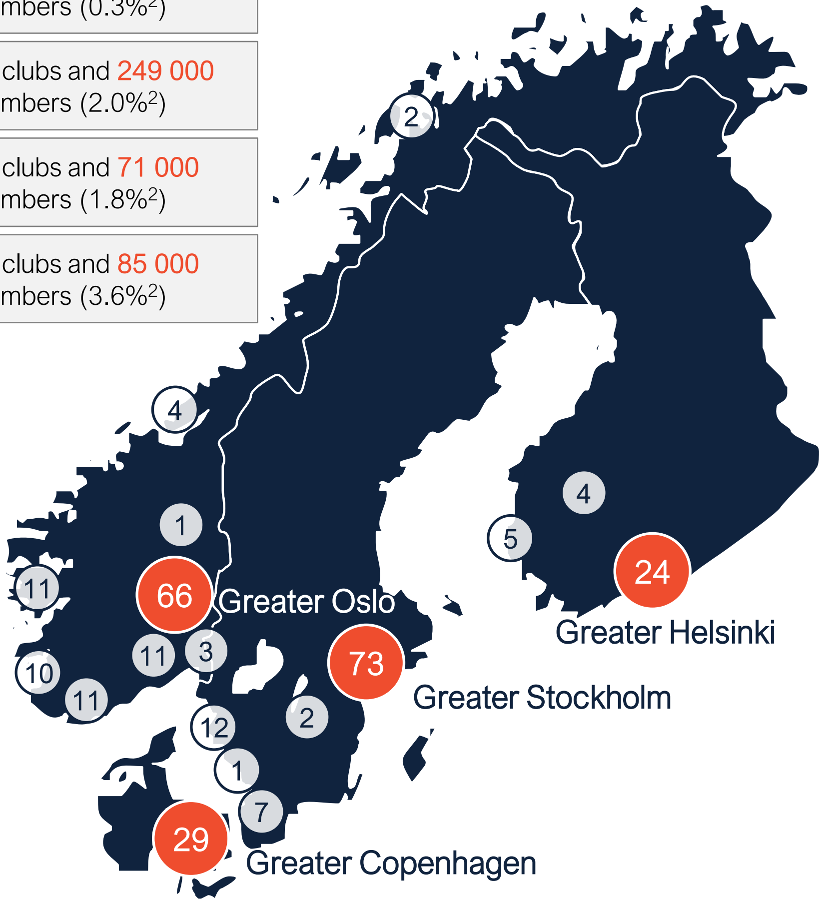
Q4 2023 SUMMARY

- 119 clubs and 326 000 members (0.3%[2])
- 95 clubs and 249 000 members (2.0%[2])
- 33 clubs and 71 000 members (1.8%[2])
- 29 clubs and 85 000 members (3.6%[2])



276 CLUBS

731 000 MEMBERS

#1 IN THE NORDICS[1]

#4 IN EUROPE[1]

KEY FIGURES	Q4 2023	Q4 2022	CHANGE
TOTAL REVENUES	1 227 MNOK	1 082 MNOK	+13%
EBITDA BEFORE IFRS 16	128 MNOK	12 MNOK	964%
FREE CASHFLOW	137 MNOK	18 MNOK	661%
LEVERAGE[3]	2.3X	11.2X	-8.9X

1) Measured by 2022 revenues based on figures from Deloitte EuropeActive EHFMR 2023
2) Compared to Q4 2022
3) Net debt to EBITDA before IFRS 16

SIGNIFICANTLY IMPROVED FINANCIAL DELIVERY IN Q4 2023

- Record-high Q4 total revenues of NOK 1,227 million (+13%) and EBITDA[1] of NOK 128 million (+964%)
  FY total revenues of NOK 4,734 (+16%) and EBITDA[1] of NOK 614 million (+322%)
- Higher yield on new memberships as a result of product improvements and price adjustments, and stable member base
- Improved earnings and cash generation (FCF[2] of 137 MNOK in Q4 2023), and repayment of debt resulting in high-paced deleveraging from 11.2x to 2.3x (net debt to EBITDA[1])
- High activity levels at the clubs, with 8% more visits during Q4 2023 compared to Q4 2022, a trend that has been consistent across all quarters

1) Before IFRS 16
2) Free cash flow

CONTINUED GROWTH IN SATS' CORE BUSINESS

No significant signs of weakened consumer sentiment within gym memberships, which is the core business, constituting ~80% of revenues

Somewhat slower additional sales, constituting ~20% of revenues

STRONG PRICE DEVELOPMENT

Average membership yield (curr. adj.) for:

NEW MEMBERSHIPS:	FULL MEMBER BASE:
+9%	+9%

VS Q4 2022

Higher membership prices mainly driven by improvements in our product offering and adjustment of list prices

SUPPORTIVE MEMBER SALES

Sales of new memberships:

+5%	-14%
VS Q4 2019	VS Q4 2022

Reduction in sales of new memberships as expected, given record-high numbers in 2022; nonetheless, we are outperforming pre-COVID figures for comparable period

SOMEWHAT SLOWER ADDITIONAL SALES

PT and retail revenues (curr. adj.):

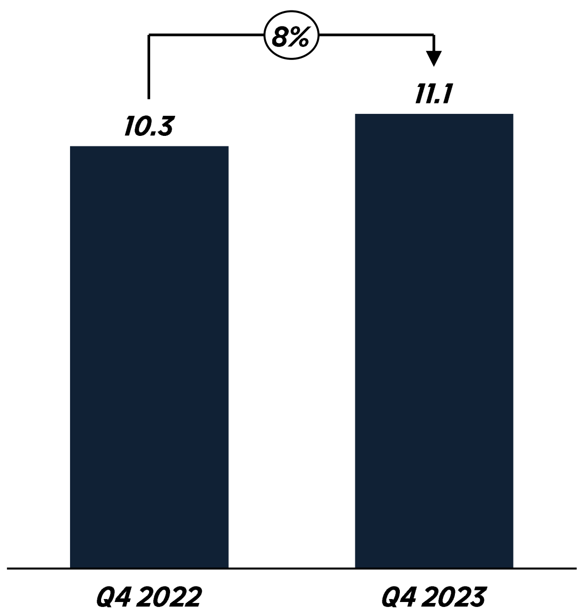
PT REVENUES:	RETAIL REVENUES:
-1%	-8%

VS Q4 2022

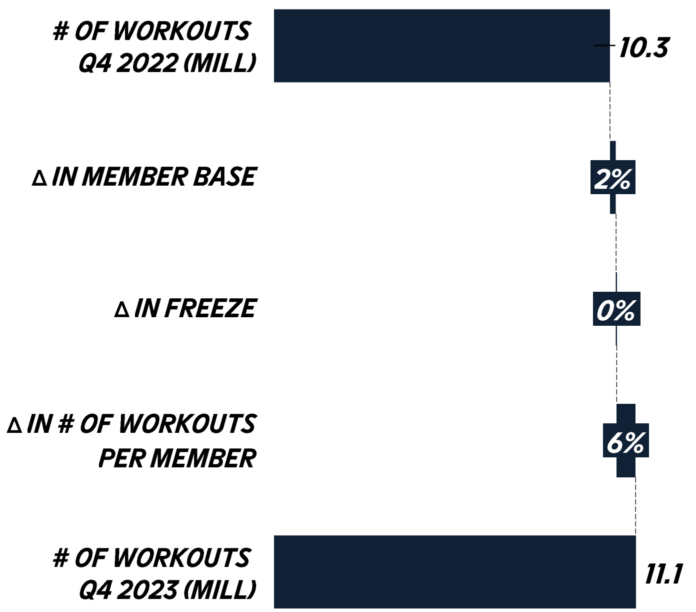
Decrease in sales for both PT and Retail; however, offset by strong increase in gross margins of 2p.p. and 9p.p., respectively

Q4: INCREASING MEMBER ACTIVITY, INDICATING A POSITIVE SHIFT IN THE LOYALTY OF OUR MEMBERS

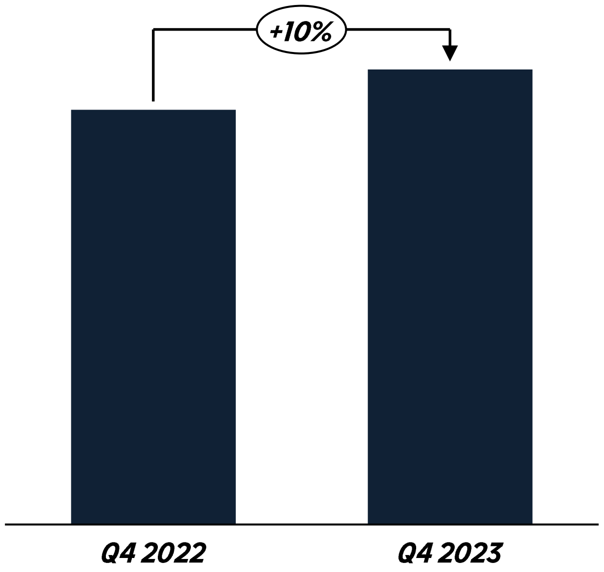
OF WORKOUTS (MILL)



DRIVERS FOR CHANGE IN # OF WORKOUTS



OF GROUP TRAINING WORKOUTS



- The combination of more members and the higher activity level per member drives the activity level up
- Underlying growth driven by improvements in our product offering, communications and initiatives aimed at improving member experiences
- The trend in the fourth quarter is consistent with rest of the year, indicating a positive shift in loyalty in the member base
- Group training up 10% compared to last year, in combination with higher member satisfaction with the group training product

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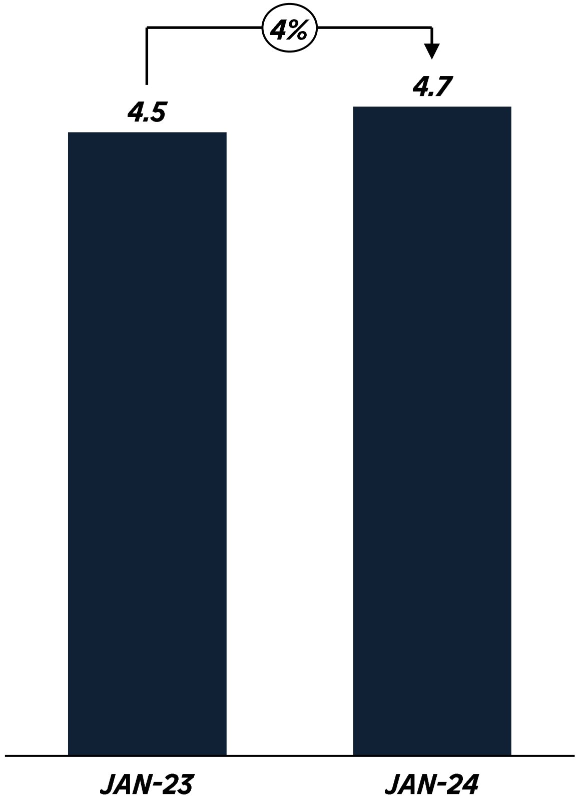
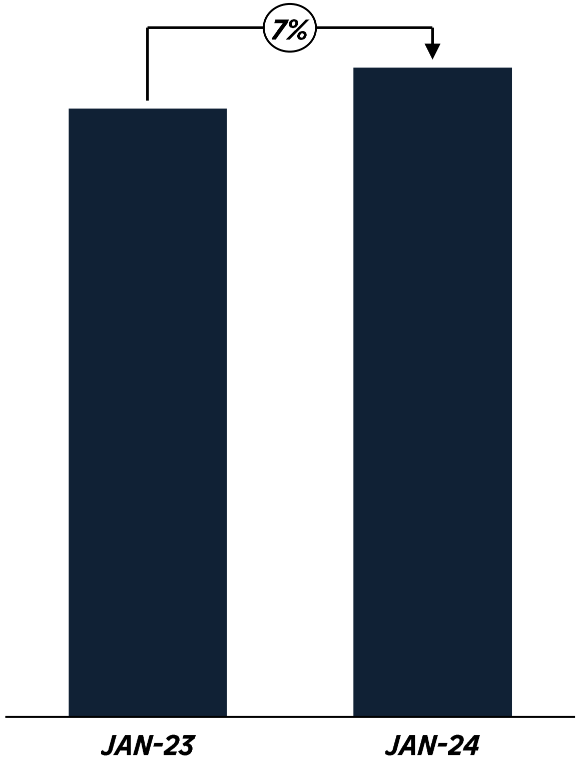
JANUARY 2024: THE LONG-LASTING POSITIVE ACTIVITY TREND CONTINUES, EVEN MEASURED AGAINST RECORD-HIGH 2023 COMPARABLES

OF WORKOUTS (MILL)



OF WORKOUTS PER PAYING MEMBER

OF GROUP TRAINING SESSIONS



HEALTHIER MEMBERS = HEALTHIER SOCIETY

Global Burden of Diseases, Injuries & Risk Factors Study[1] suggests that 87% of the disease burden in Norway stems from non-communicable diseases (formerly called "lifestyle diseases"), indicating a substantial potential welfare gain from raising activity levels in society

IN THE LAST 12 MONTHS SATS MEMBERS HAVE CONTRIBUTED WITH:

~ NOK 23.0 BILLION IN SOCIO-ECONOMIC WELFARE GAIN

~16 000 QUALITY-ADJUSTED LIFE YEARS (QALYS)

SUPPORTED BY:

Robust megatrends driving activity levels and higher health awareness

SATS helping members succeeding with their training

Higher fitness membership penetration among younger generations - expected to keep those habits through life

1) "Sykdomsbyrden i Norge i 2016"

Please see appendix for methodology

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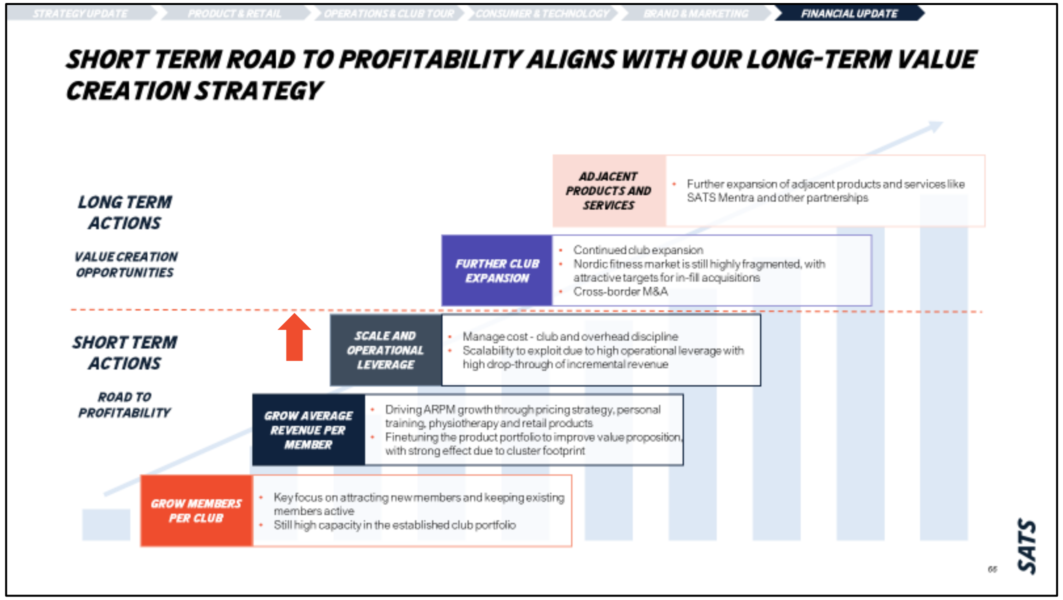
NO CHANGES TO THE CLUB GROWTH PIPELINE, FOCUSING ON OPTIMIZING CLUB PROFITABILITY AND REDUCING DEBT

	Q4 2023	FY 2024
+	**1 GREENFIELD** ELIXIA Ratina	**4 GREENFIELDS PLANNED** SATS Kungsmässan (Q1 2024) SATS Sluseholmen (Q1 2024) SATS Mölndal (Q3 2024) SATS Haga Norra (Q3 2024)
–	**NO CLUB REDUCTIONS**	**2 CLUB REDUCTIONS** SATS Lillehammer (Q1 2024) SATS Rødovre (Q1 2024)

WE HAVE RECENTLY UPDATED OUR STRATEGY FOR THE COMING YEARS, FOCUSING ON IMPROVING EBIT THROUGH OPERATIONAL LEVERAGE

OUTCOME OF RECENT STRATEGY PROCESS IN LINE WITH MESSAGES FROM CMD...



...FOCUSING ON IMPROVING EBIT THROUGH OPERATIONAL LEVERAGE

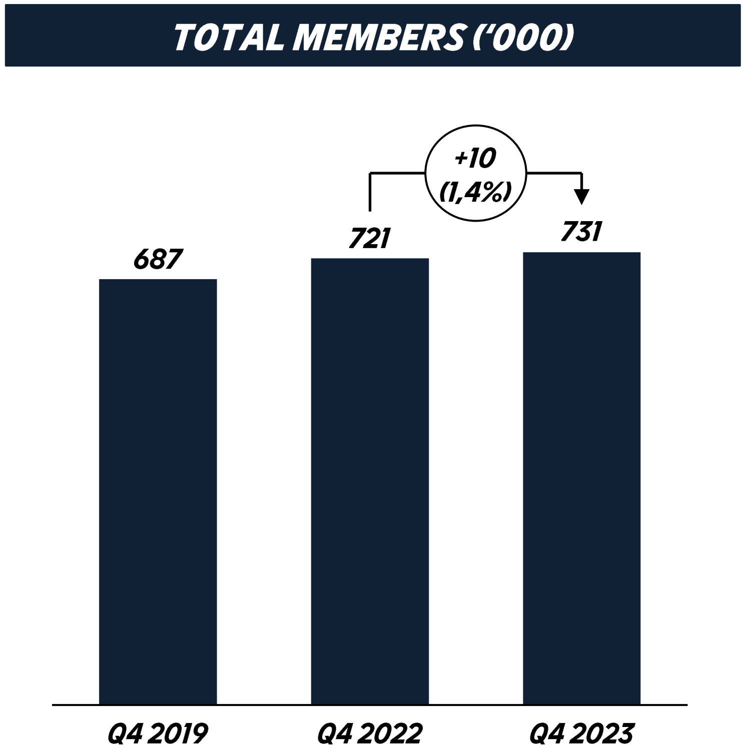
Grow revenue per sqm through attracting new members and helping them attain a sustainable activity level in existing club footprint

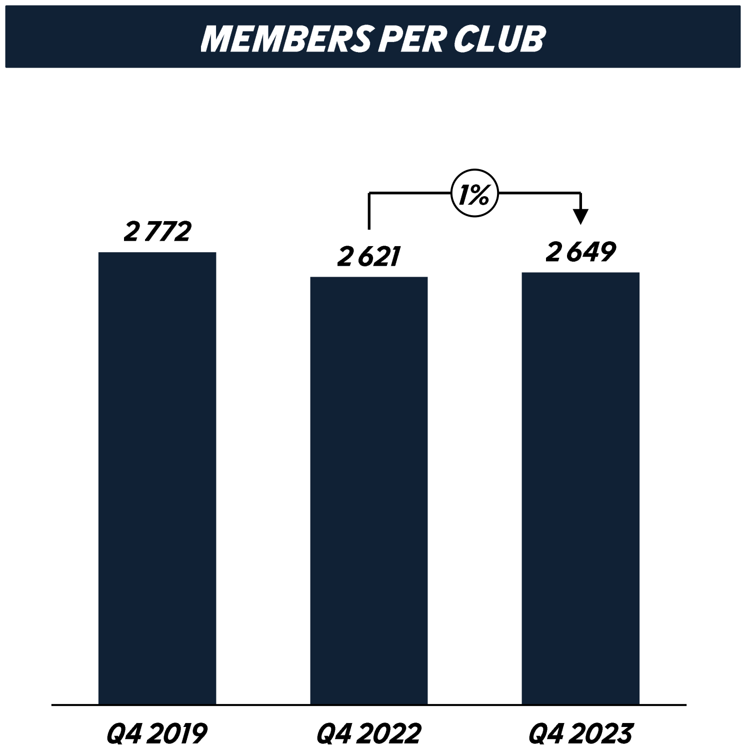
Increase membership yield by refining our product offering to improve value proposition and finetuning our pricing to reflect a fair membership price

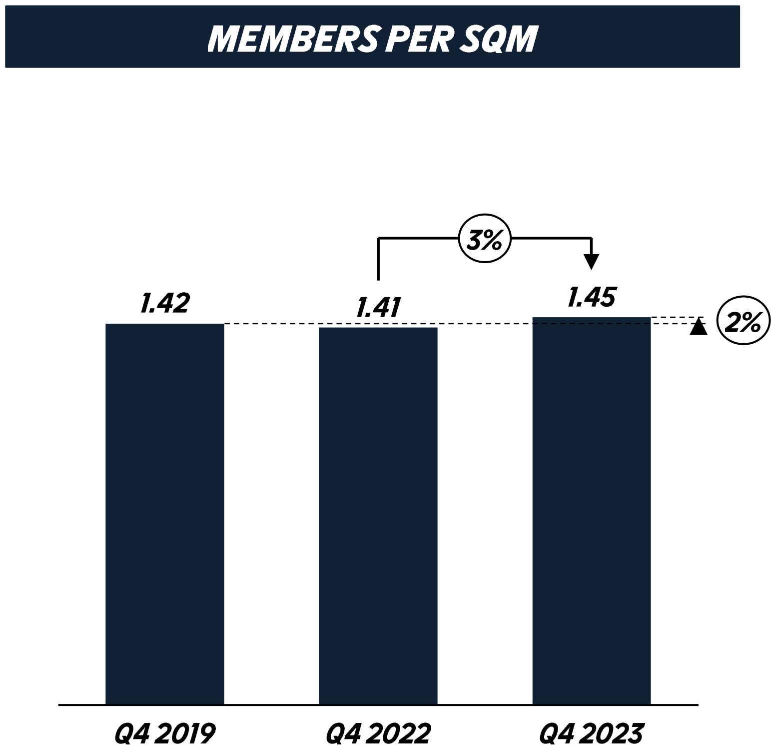
Continued cost discipline to support further high-paced deleveraging

FINANCIAL REVIEW

RESILIENT MEMBER BASE AND IMPROVED SQM UTILIZATION







- Resilient member base in a challenging macro environment with steady member base growth of 10 000 the past year
- Still behind pre-pandemic levels in terms of members per club, but utilizing the total rented space better, with more members per sqm
- Opening slightly smaller clubs than the average in the base due to higher space utilization, as well as downsizing clubs with spare capacity
- Still significant unleashed potential in improving members per club and sqm

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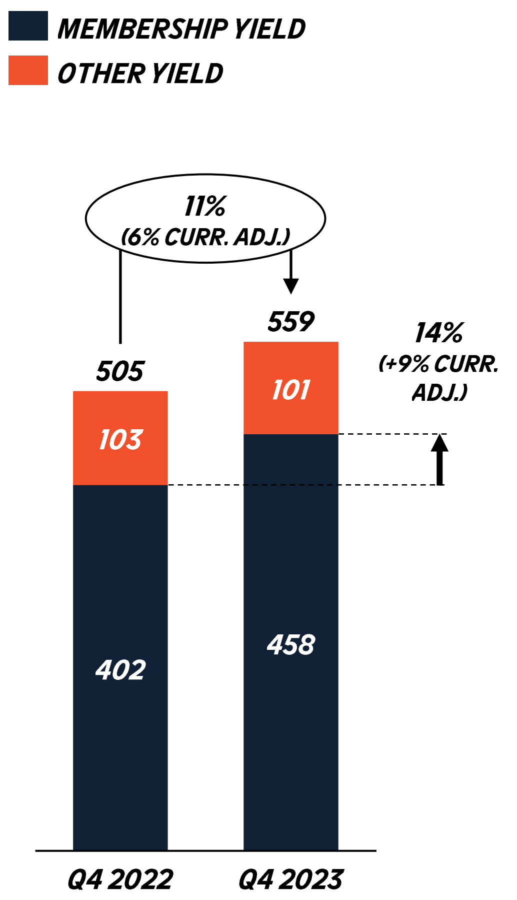
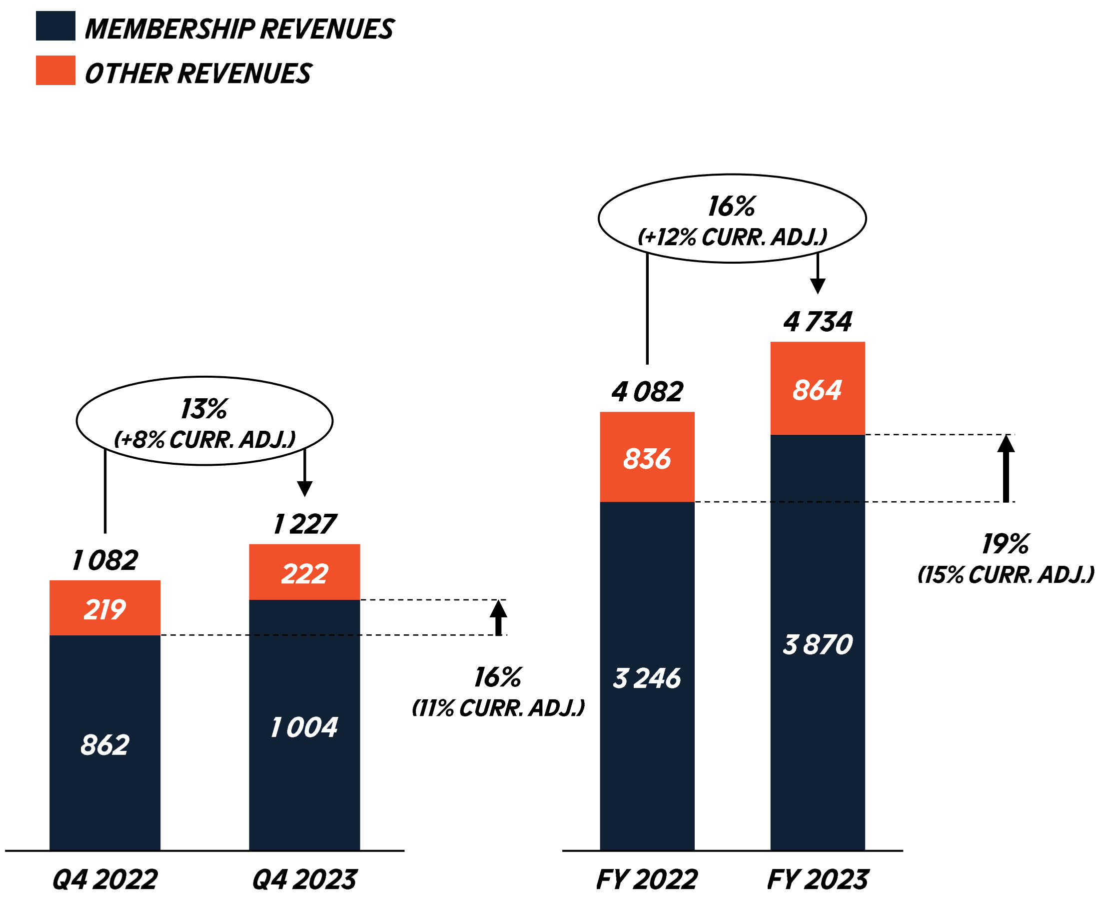
CONTINUED PROGRESSION IN REVENUES DRIVEN BY BOTH VOLUME AND PRICE

TOTAL ARPM (NOK)

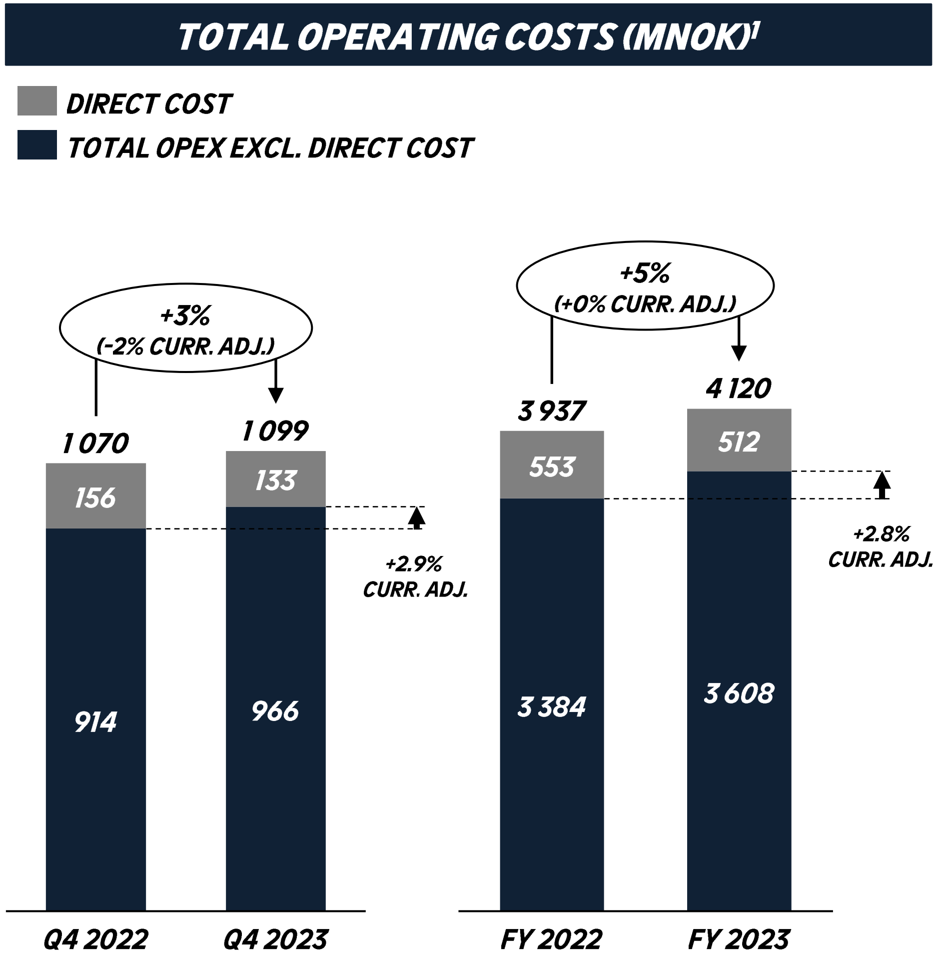


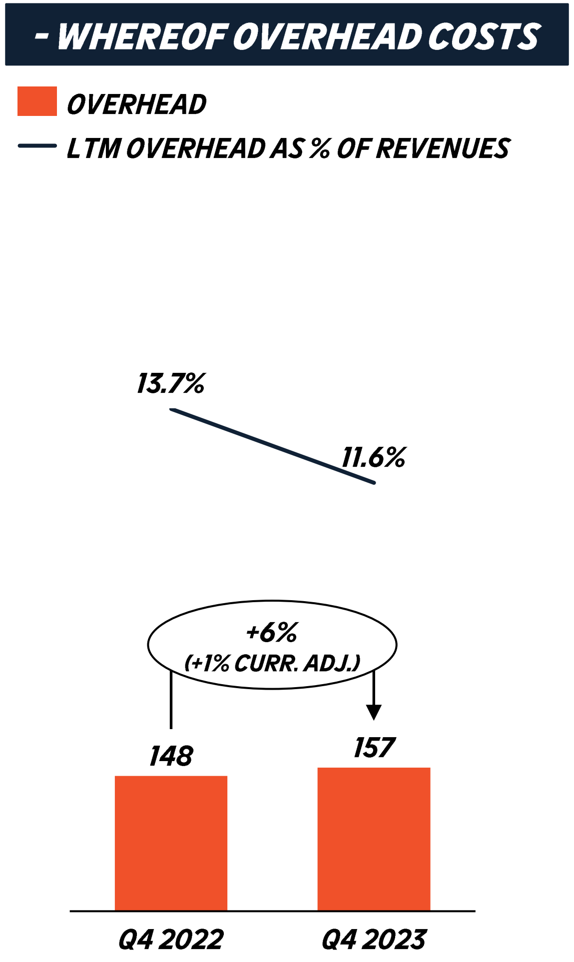
TOTAL REVENUES (MNOK)



- Total revenue growth of 8% (curr. adj) compared to Q4 2022 is driven by both increased average revenue per member and growth in members
- Despite a challenging macroeconomic environment with higher interest rates and inflation, our members continue to invest in their health
- The member revenue increase of 11% (curr.adj.) in the quarter and 15% (curr. adj.) FY is an important proof point of our ability to build member base and charge a fair price for memberships
- Moderate growth in other revenues with slower development for PT and retail, but with improved margins due to increased list prices and fewer campaigns

WELL CONTROLLED COST BASE, COST REDUCTION IN THE QUARTER DESPITE INFLATIONARY PRESSURE





- Cost reduction driven by initiatives from profitability improvement program, mainly reducing costs related to salaries, marketing and rent
- Total operating cost is down 2% (curr. adj.), partly driven by:
  - Lower direct costs following lower additional sales
  - Electricity costs down NOK 20 million y/y
- Hedged the electricity price for ~50% of the total estimated consumption in Q4 2023 and Q1 2024 to reduce risk
- Expect cost increases in line with inflation from 2024 and onwards

1) Before IFRS 16

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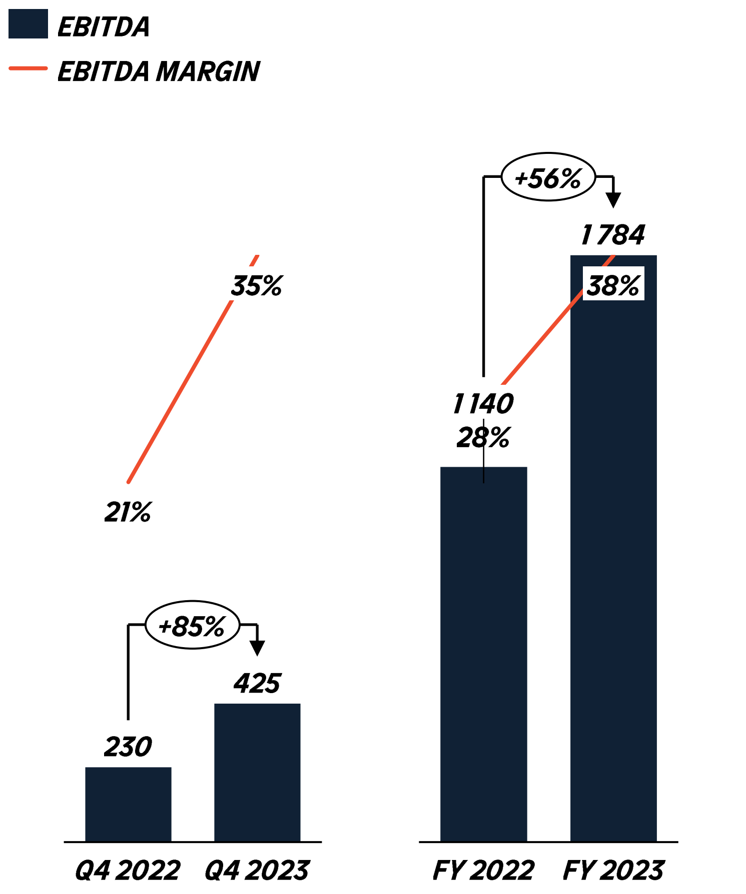
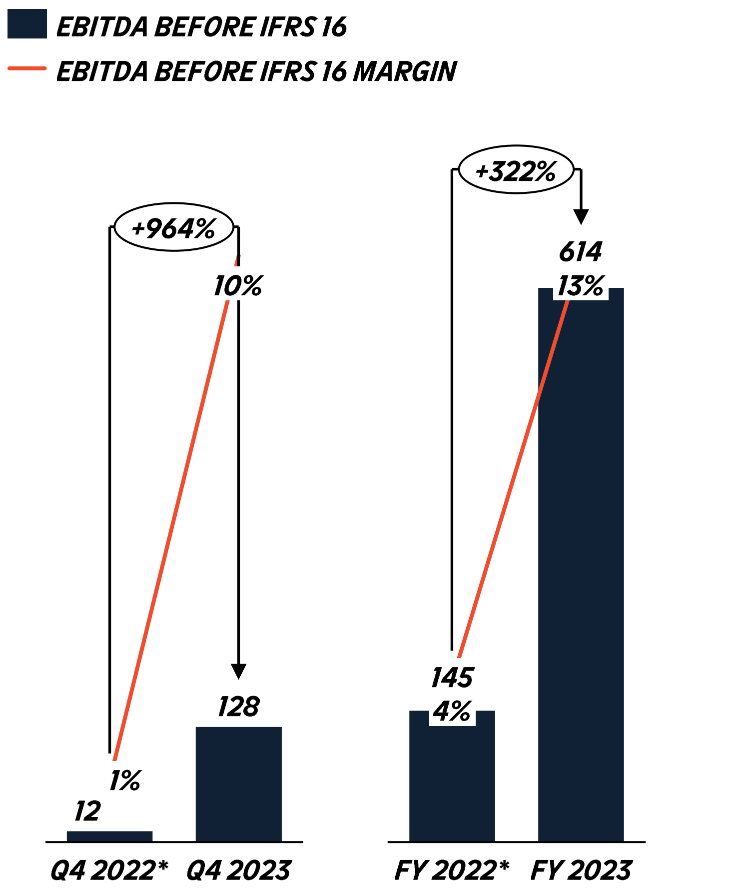
THE IMPROVED REVENUE PERFORMANCE CONTRIBUTES TO A SUBSTANTIAL BOOST IN PROFITABILITY

REPORTED EBITDA



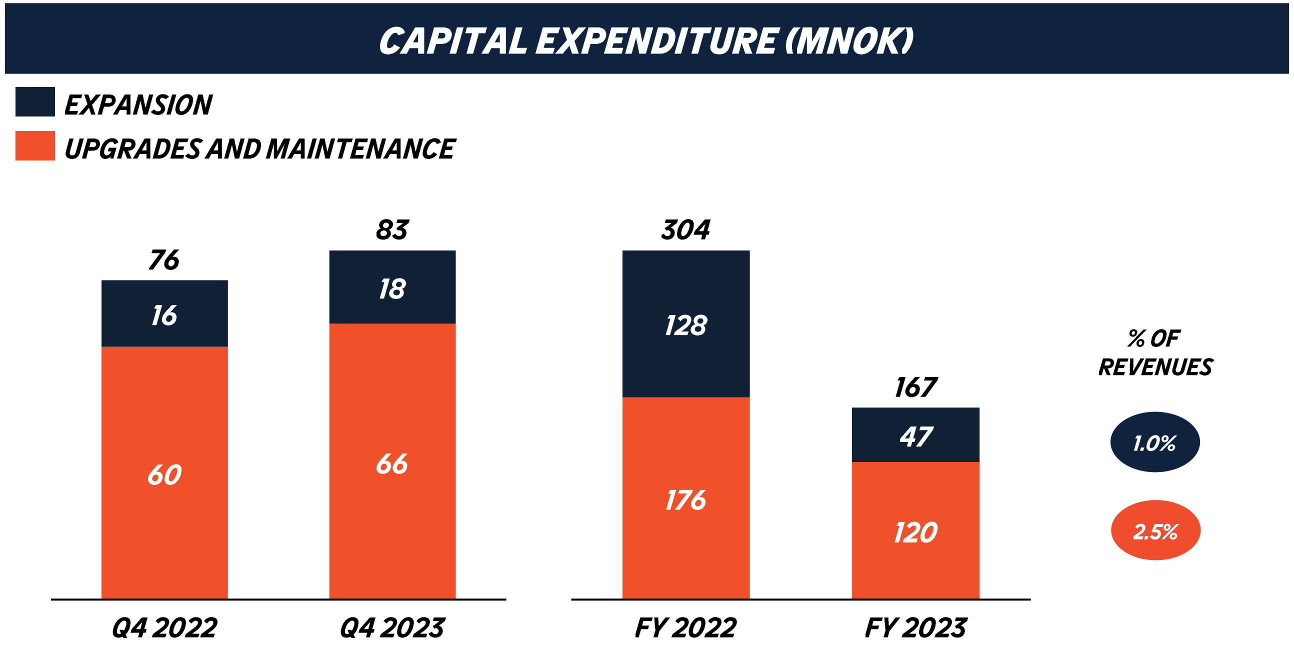
EBITDA BEFORE IFRS 16 (MNOK)



- Q4 2023 EBITDA before IFRS 16 at 128 million was 10x higher compared to Q4 2022, while the full year results demonstrated growth from NOK 145 million in 2022 to NOK 614 million in 2023.
- 2023 has set a new standard for SATS with record-high revenues, an improved financial position and high activity levels among our members
- Costs continue to be well controlled, leading to drop through of growing revenues to EBITDA, growing margins and strong cash conversion

*EBITDA before IFRS 16 2022, excluding extraordinary items of NOK 46 million

MODERATE CAPEX LEVELS IN 2023



- Lower upgrades and maintenance capex in 2023 due to a precautionary spending approach, as well as delay of some projects in H2, expected to be implemented in Q1 2024
- One new club opened in Q4
- Going forward, we will increase investments in our existing clubs, growing the existing club capacity and improving our product offering for our members

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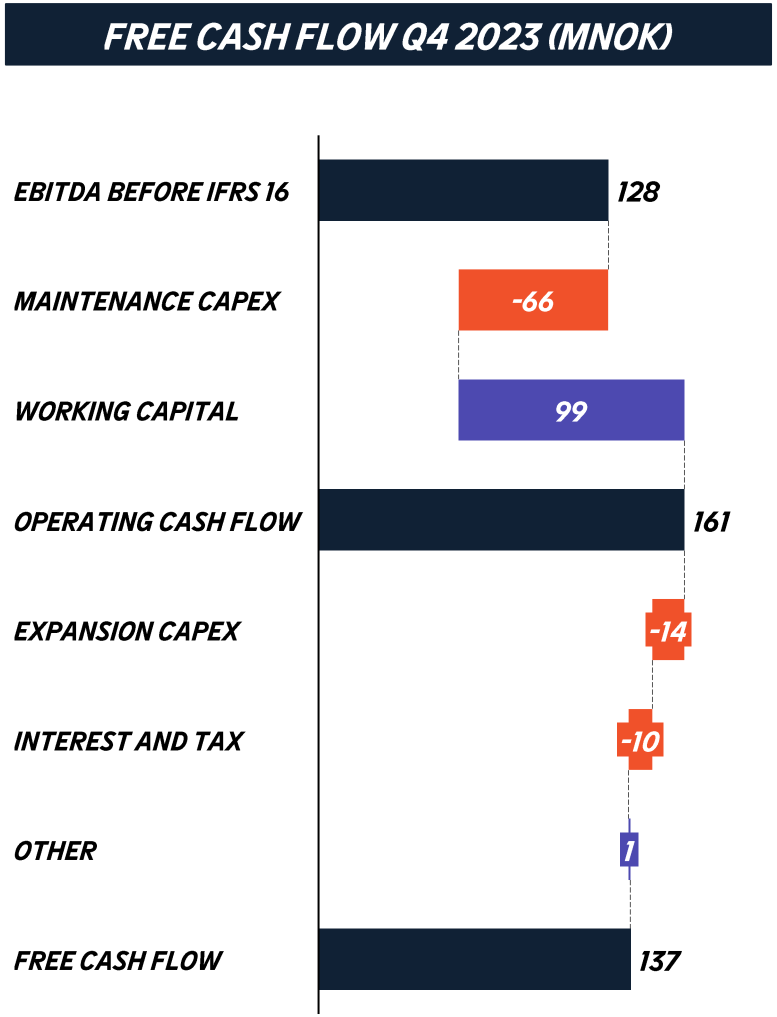
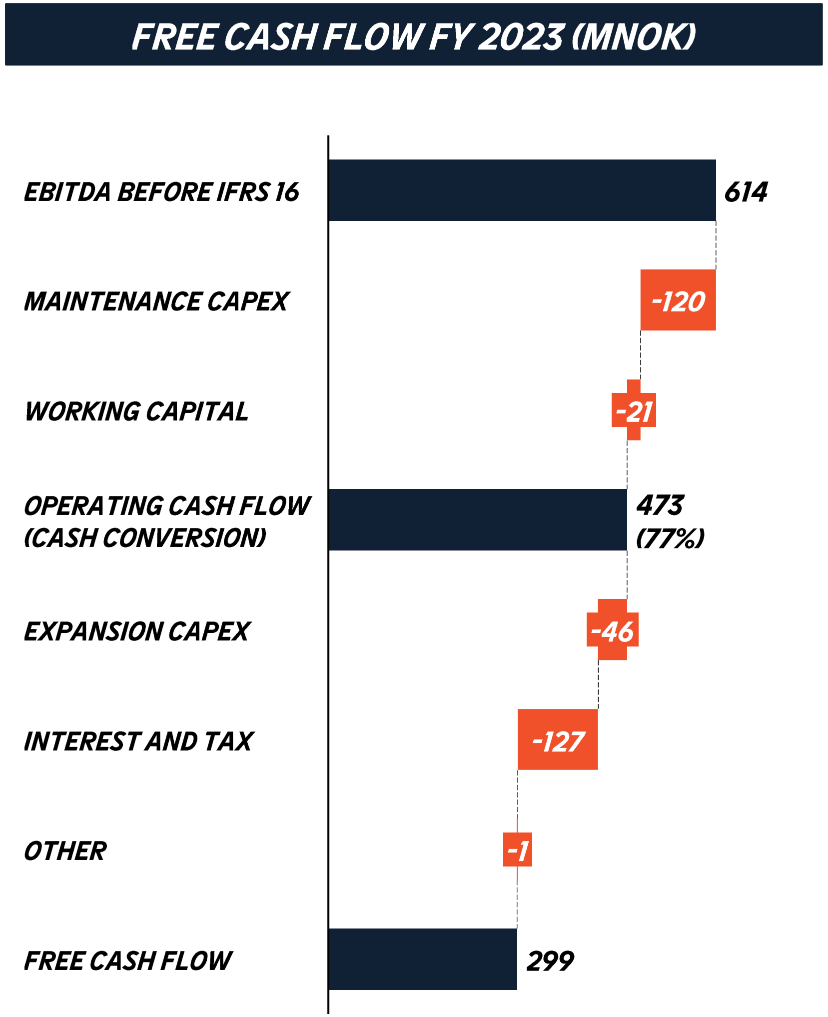
FULL YEAR FREE CASH FLOW OF MNOK ~300





- Operating cash flow of NOK 161 million in the quarter and free cash flow of 137 million
- Positive working capital effects following the growing business with prepayment of memberships
- LTM Operating cash flow of 473 million and cash conversion of 77% shows that our cash-generating ability is recovering and is now well on the way to more "normal" levels, except for working capital which is slightly negative due to extraordinary items accrued for in 2022
- Cash flow development last twelve months (LTM) shows that the business generated sufficient cash flow to more than cover all operating costs, maintenance and growth capex and financial cost, leaving room to reduce debt and deleverage

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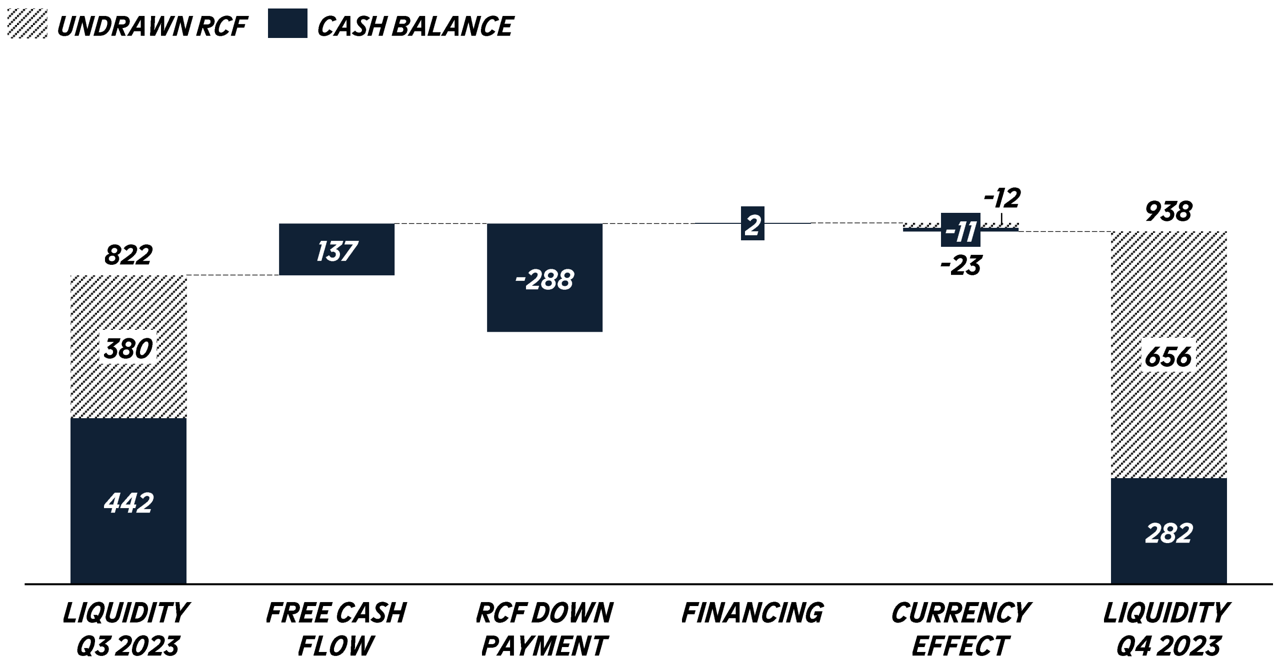
REPAYMENT OF DEBT BY 288 MNOK IN THE QUARTER

LIQUIDITY POSITION (MNOK)[1]

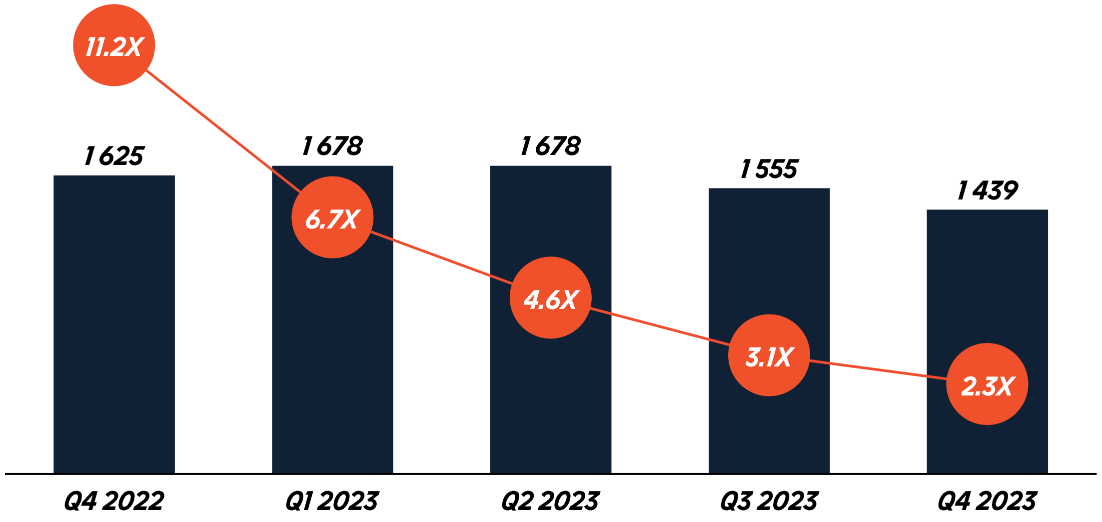


- Liquidity position improved by 116 million from Q3 after positive free cash flow
- Satisfactory liquidity position to handle current operations and communicated expansion strategy

1) Liquidity includes cash balance and undrawn revolving credit facility

CONTINUED HIGH-PACED DELEVERAGING

NET DEBT (MNOK) AND LEVERAGE RATIO[1]



- Improved earnings, cash generation and repayment of debt resulting in high-paced deleveraging from 11.2x to 2.3x, expected to continue throughout 2024
- Historically, we have shown strong cash generation capabilities and stable cash conversion, resulting in a strong deleveraging profile
- Covenant waiver of the revolving credit facility cancelled, resulting in reduced margins on RCF as of November 2023
  - Returning to the original covenant of 4.0x net debt to EBITDA before IFRS 16
  - The effect of lower margins will all else equal reduce annual interest cost by NOK 25 million

1) Net debt divided by last twelve months Adj. EBITDA before IFRS 16

CAPITAL ALLOCATION PRINCIPLES; TARGETING LONG-TERM LEVERAGE RATIO OF 1.5-2.0X

	RE-INVESTMENT IN EXISTING CLUBS	GROWTH	LEVERAGE AND DIVIDEND POLICY
	Ongoing investment in physical and digital product to maintain outstanding member experience	Investing in high-returning growth opportunities	Sensible leverage with excess cash returned to shareholders
SHORT TERM	Total maintenance CAPEX of 5% of revenues, including club portfolio and tech CAPEX	Prioritize investing in existing clubs to increase club capacity and product offering	Prioritizing to reduce debt, reducing leverage to below 2.0x (net debt to EBITDA)
LONG TERM		Expected to average 8-12 yearly club openings, depending on the attractiveness of acquisition targets and greenfield locations	Excess cash returned to shareholders, or re-invested in growth Leverage ratio ranging from 1.5-2.0x

1) Before IFRS 16

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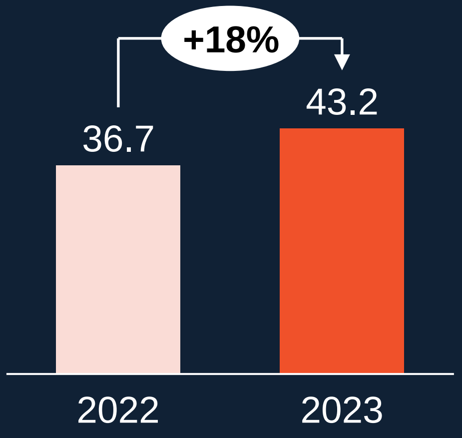
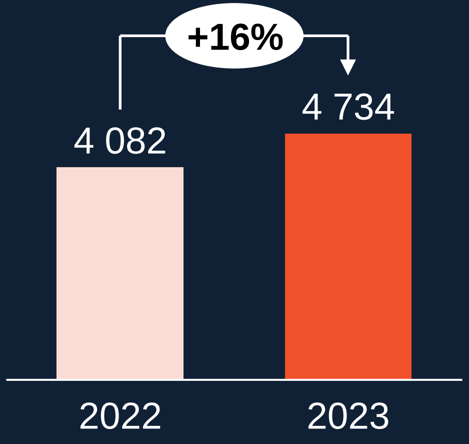
FULL-YEAR 2023 SUMMARY

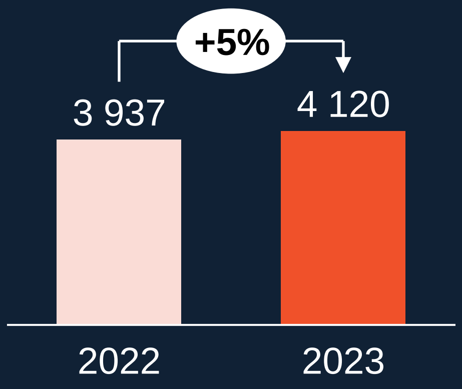
NUMBER OF VISITS (MILLION)



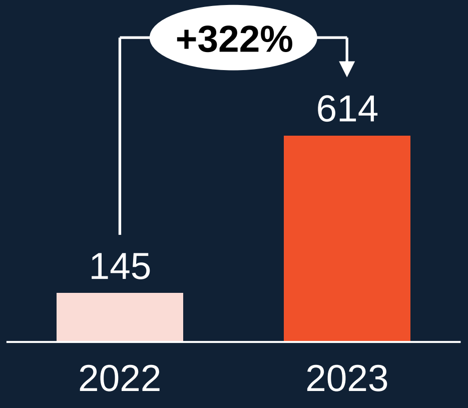
REVENUE (MNOK)



TOTAL OPEX (MNOK)



EBITDA BEFORE IFRS 16 (MNOK)

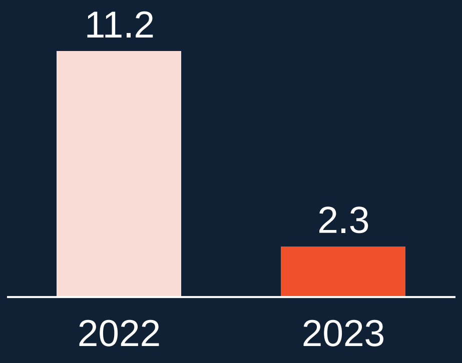


LIQUIDITY

938 MNOK

+25%

LEVERAGE RATIO



OUTLOOK

OUTLOOK

Expecting revenue growth driven by improved product offering and continued price adjustments – starting the year as anticipated

Still unleashed potential in the existing club portfolio

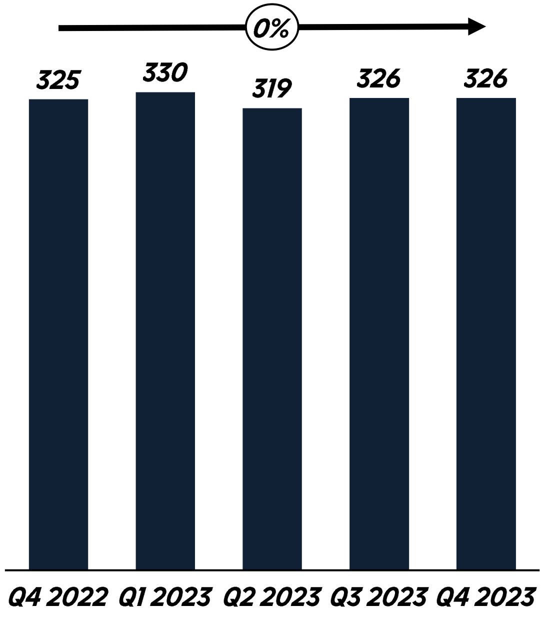
Prioritizing to reach a leverage ratio below 2.0x, targeting a range from 1.5x - 2.0x

The accelerating financial momentum will further strengthen our balance sheet, enabling us to execute on our ambitions of balanced expansion

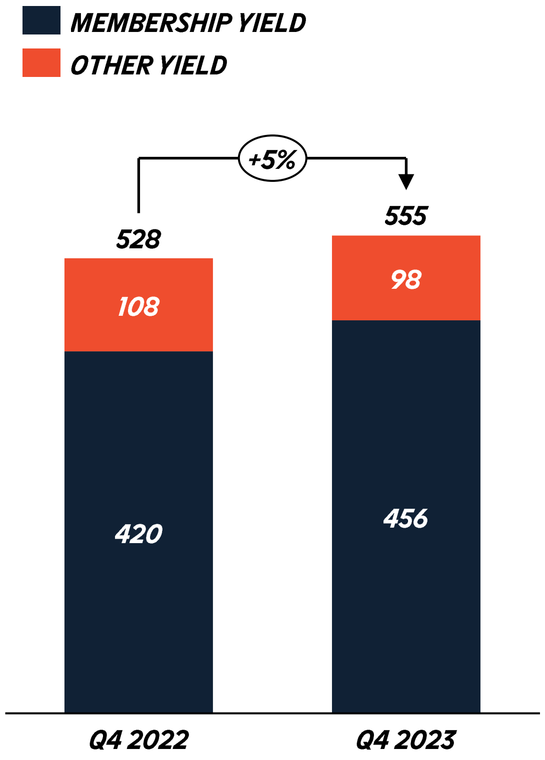
APPENDIX

NORWAY

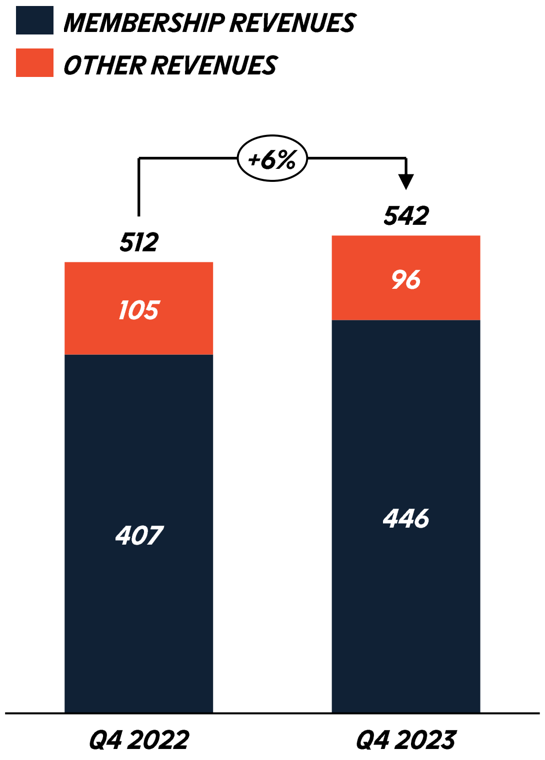
OUTGOING MEMBER BASE ('000)



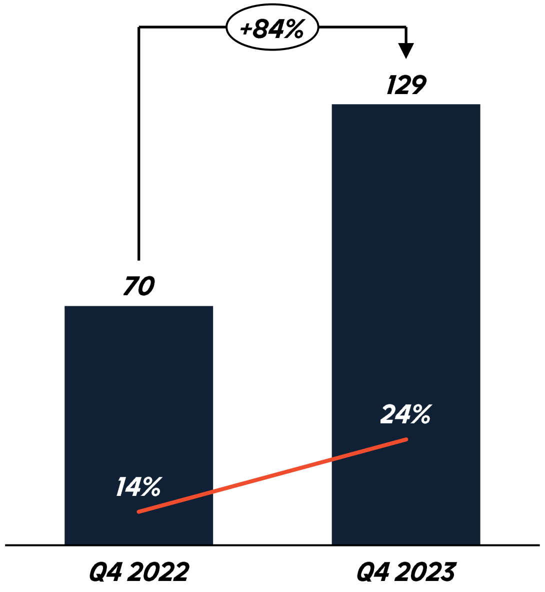
ARPM AND YIELD (NOK/MONTH)



TOTAL REVENUES (MNOK)

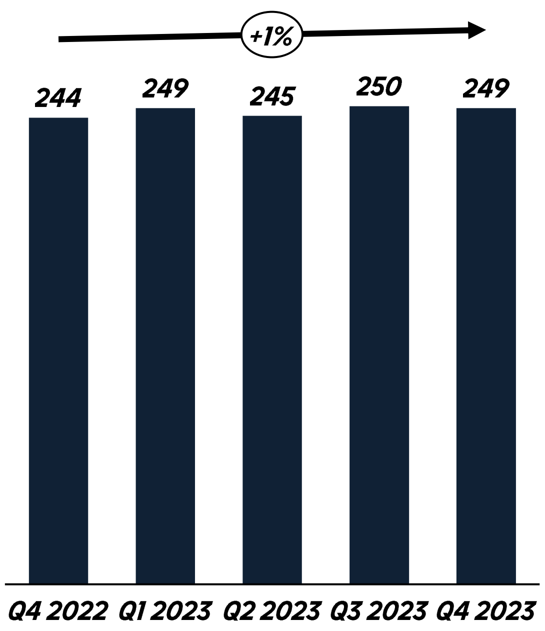


COUNTRY EBITDA BEFORE IMPACT OF IFRS 16 (MNOK)

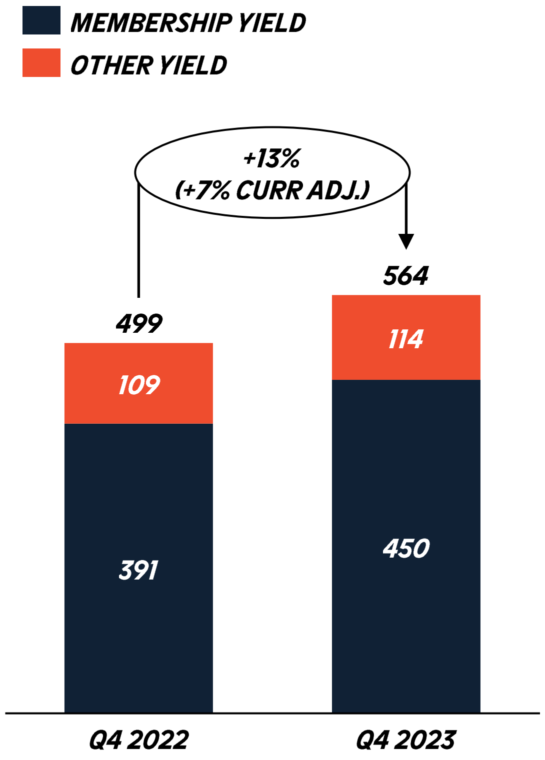


SWEDEN

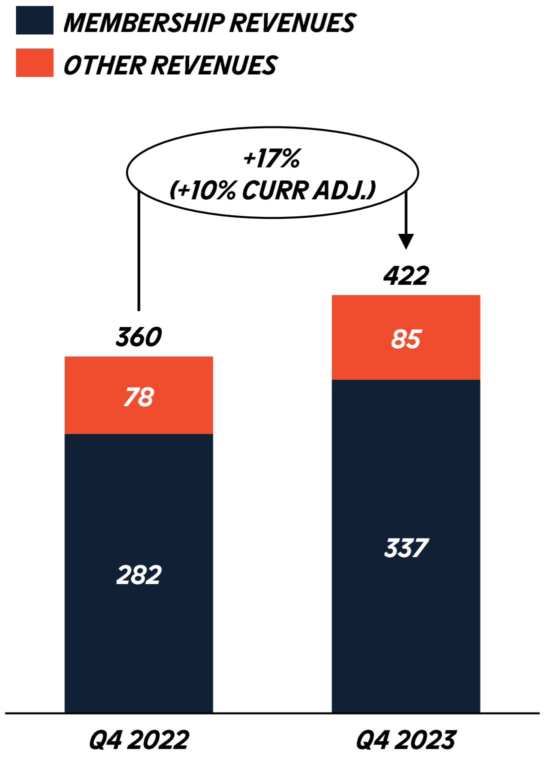
OUTGOING MEMBER BASE ('000)



ARPM AND YIELD (NOK/MONTH)



TOTAL REVENUES (MNOK)



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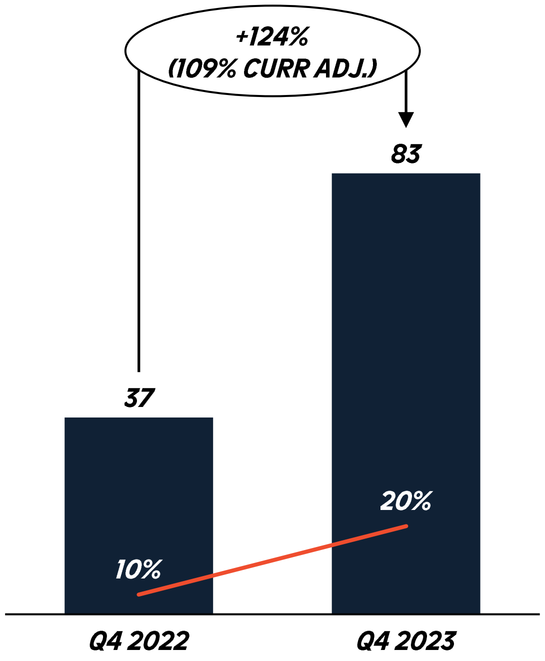

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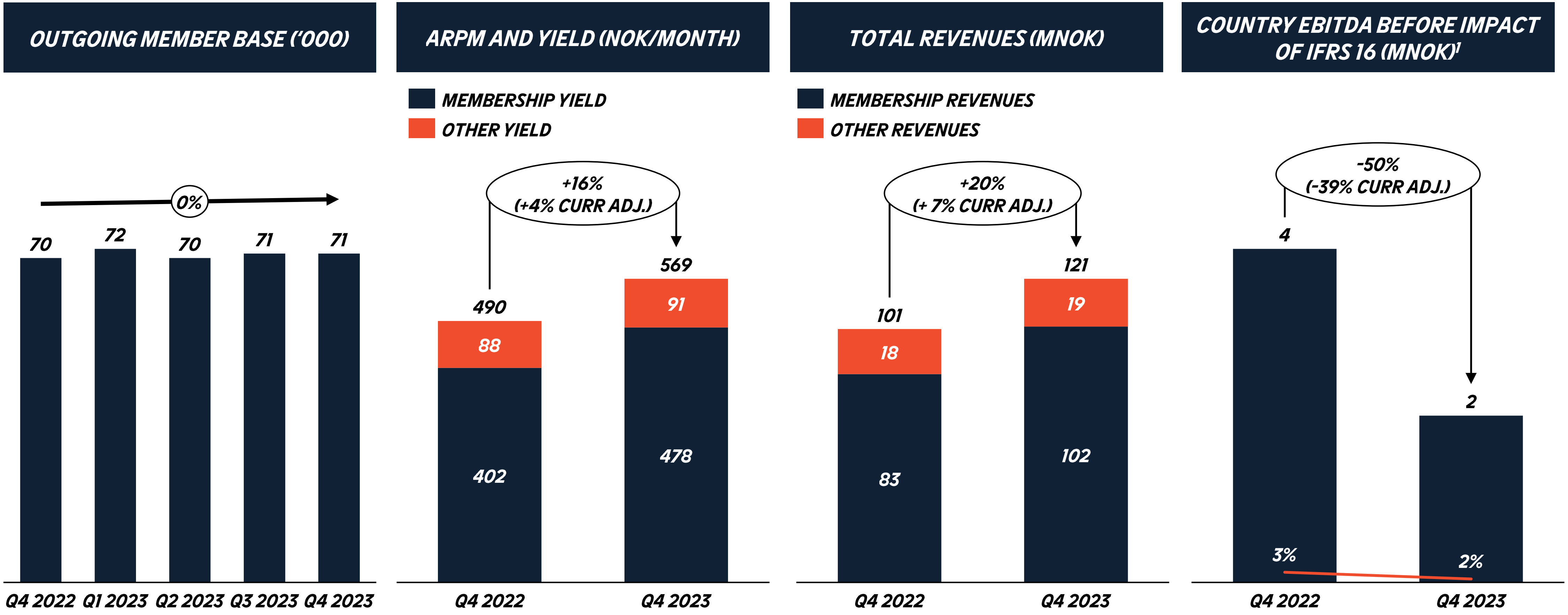
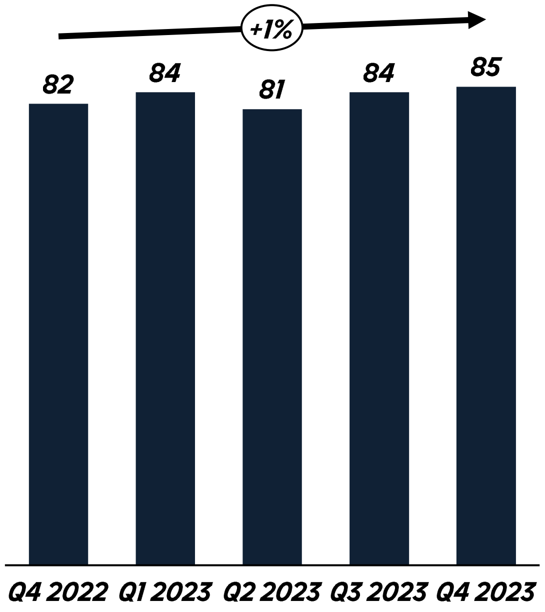
FINLAND



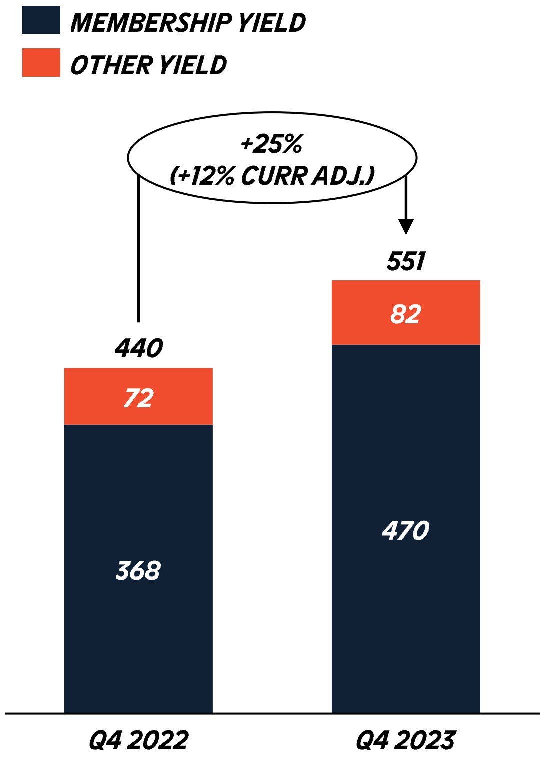
1) Q4 EBITDA result in Finland negatively affected by one-off adjustment and periodization effects between quarters related to salaries (of approximately EUR 700k)

DENMARK

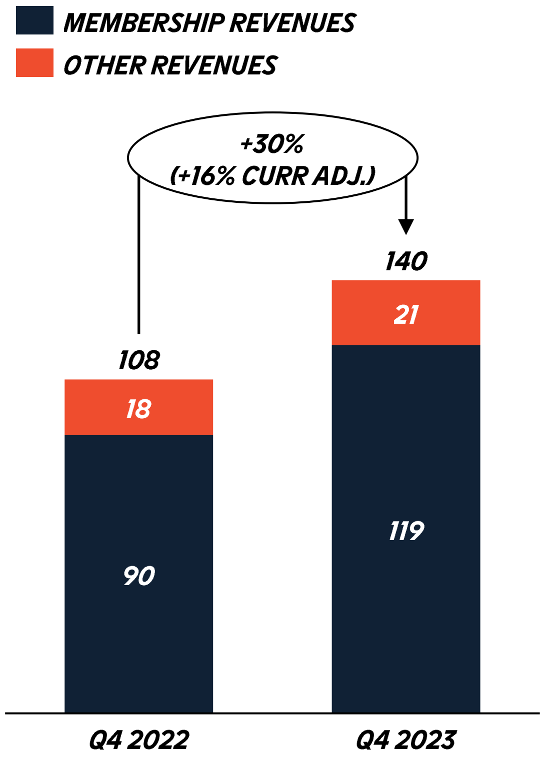
OUTGOING MEMBER BASE ('000)



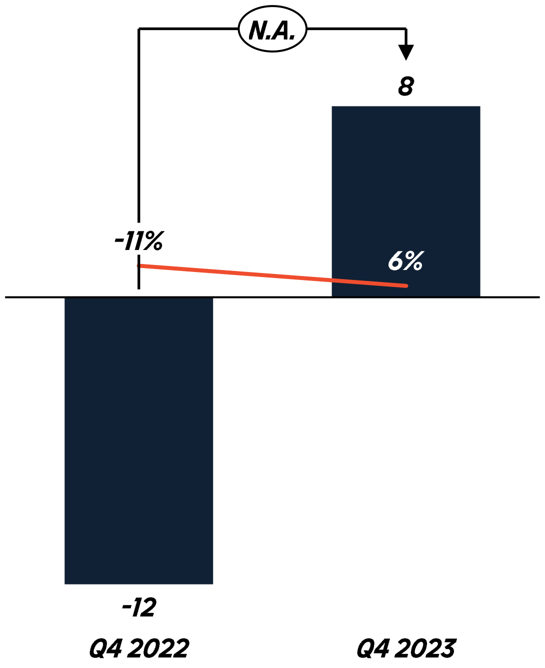
ARPM AND YIELD (NOK/MONTH)



TOTAL REVENUES (MNOK)



COUNTRY EBITDA BEFORE IMPACT OF IFRS 16 (MNOK)



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SUMMARY TABLE

Amounts in NOK million	Q4 2023	Q4 2022
Number of clubs, EOP	276	275
Outgoing member base ('000s)	731	721
Average number of members per club	2 649	2 621
ARPM (NOK)	559	505
Yield (NOK)	458	402
Reported EBITDA (MNOK)	425	230
EBITDA before impact of IFRS 16 (MNOK)	128	12
EBITDA before impact of IFRS 16 margin	10 %	1 %
Country EBITDA before impact of IFRS 16 (MNOK)	222	98
Country EBITDA before impact of IFRS 16 margin	18 %	9 %
Net debt (MNOK)	1 439	1 625
Total capital expenditures (MNOK)	83	76
Expansion capital expenditures (MNOK)	18	16
Maintenance capital expenditures (MNOK)	66	60
Operating cash flow (MNOK)	161	96
Leverage ratio	2,3	11,2
Cash conversion	126 %	804 %

REPORTING UNDER IFRS 16

Amounts in NOK million	REPORTED Q4 2023	CHANGE IFRS 16	EXCL. IFRS 16 Q4 2023
BALANCE SHEET ITEMS - IFRS 16			
Property, plant and equipment	705	0	705
Right-of use assets	4 570	4 570	0
Deferred tax assets	178	73	105
Prepaid expenses and accrued incor	237	-94	332
Total assets	**8 983**	**4 549**	**4 434**
Equity	**1 020**	**-352**	**1 372**
Non-current lease liability	4 009	4 009	0
Current lease liability	929	929	0
Other current liabilities	415	-38	453
Total liabilities	**7 963**	**4 901**	**3 062**
PROFIT & LOSS ITEMS - IFRS 16			
Revenue	**1 227**	**0**	**1 227**
Cost of goods sold	-31	0	-31
Personnel expenses	-480	0	-480
Other operating expenses	-291	297	-588
Depreciation and amortization	-302	-241	-61
Impairment of assets held for sale	0	0	0
Operating profit	**123**	**57**	**67**
Net financial items	-67	-59	-7
Profit/loss before tax	**57**	**-3**	**59**

DEFINITIONS

TERM	DEFINITION
Adjusted EBITDA before impact of IFRS 16	EBITDA adjusted for (i) closed clubs; (ii) certain comparability items; and (iii) the impact of implementation of the IFRS 16 lease standard
Average number of members per club	Outgoing member base divided by outgoing number of clubs
Average revenue per member (ARPM)	Calculated as monthly total revenue divided by the average member base
Capex: Expansion capital expenditures	The sum of investments related to acquisitions and greenfields, as well as capex related to the perfect club initiative and digital expansion
Capex: Upgrades and maintenance capital	Club upgrades and maintenance and IT capital expenditures
Cash conversion	Operating cash flow divided by EBITDA before impact of IFRS 16
Country EBITDA before impact of IFRS 16	EBITDA before impact of IFRS 16 less allocation of Group overhead and cost allocations
EBITDA	Profit/(loss) before net financial items, income tax expense, depreciation and amortization
EBITDA before impact of IFRS 16	EBITDA adjusted for the impact of implementation of the IFRS 16 lease standard

TERM	DEFINITION
Group overhead	Consists of group services such as commercial functions, IT, finance and administration
Leverage ratio	Net debt divided by last twelve months EBITDA before impact of IFRS 16
Member base	Number of members, including frozen memberships, excluding free memberships
Operating cash flow	EBITDA before impact of IFRS 16 less upgrades and maintenance capital expenditures and working capital
Other yield	Calculated as monthly other revenue in the period, divided by the average member base
Total overhead	The sum of country overhead and group overhead
Underlying operating cash flow	Operating cash flow less expansion capital expenditures
Yield	Calculated as monthly member revenue in the period, divided by the average member base

RECONCILIATION OF FREE CASH FLOW BRIDGE AND CONSOLIDATED STATEMENT OF CASH FLOWS

FREE CASH FLOW	CONSOLIDATED STATEMENT OF CASH FLOWS
EBITDA before impact of IFRS16	Profit before tax
	Depreciation, amortization and impairment
	Net financial items
	Installments on lease liabilities
	Interests on lease liabilities
Maintenance capex	Purchase of property, plant and equipment (contains both maintenance capex and expansion capex)
Working capital	Change in inventory
	Change in accounts receivables
	Change in trade payables
	Change in other receivables and accruals
Expansion capex	Purchase of property, plant and equipment (contains both maintenance capex and expansion capex)
	Proceeds from property, plant and equipment
	Acquisition of subsidiary, net of cash acquired
Interest and tax	Taxes paid in the period
	Paid interests on borrowings
Other	Gain/loss from disposal or sale of equipment
Cash flow items not included in free cash flow	Loan to related parties
	Repayments of borrowings
	Proceeds from borrowings
	Proceeds from issues of shares
	Proceeds from sale of own shares
	Transaction costs from issues of new shares
	Other financial items

CALCULATION OF PUBLIC HEALTH EFFECT: METHODOLOGY

- Calculated health effect of all SATS members who meet WHO's recommendation of minimum 75-100 minutes of vigorous-intensity aerobic physical activity per week at SATS alone (World Health Organization, 2022)
  - Midpoint of 87.5 minutes applied
  - Assuming an average of 60 minutes per SATS workout

- Members who meet WHO's recommendation through a combination of SATS workouts and other workouts are not factored in

- Applying welfare effects of an average inactive 30-year-old person becoming moderately active of 1.9 QALYs (quality-adjusted life years) for men and 1.1 QALYs for women (Helsedirektoratet, 2008)

- Applying a value per QALY of NOK 1.4 million, not including the value labor force participation (Helsedirektoratet, 2016)

SATS