

Q3 2021

INTERIM REPORT

JULY-SEPTEMBER 2021

**CEO SONDRE GRAVIR
CFO CECILIE ELDE**

INVESTOR RELATIONS: MARTIN.STENSHALL@SATS.NO, +47 47 33 83 31



SATS

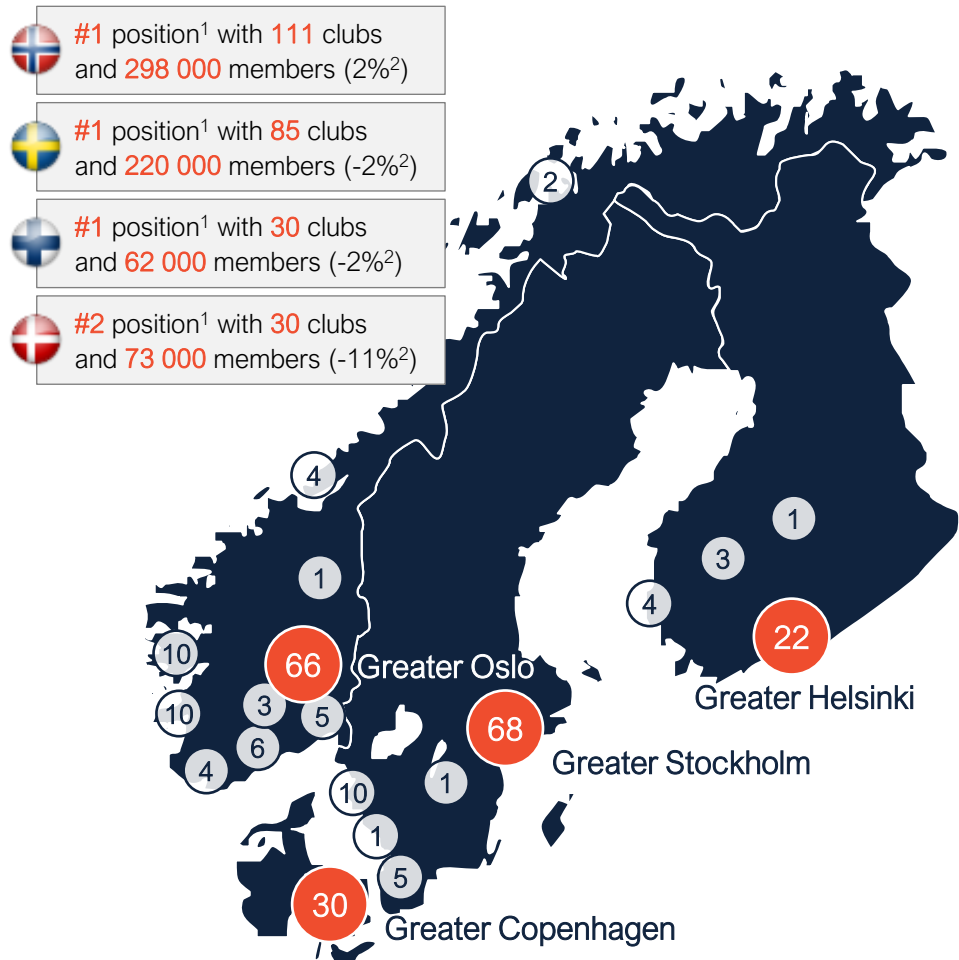
QUICK AND STRONG RECOVERY – SATS IS BACK ON TRACK

→ The member base has recovered quickly – member base back to pre-pandemic level out of October

→ Strong activation of member base and similar behaviour as pre-pandemic, combined with increased focus on health and training results in positive development in yield, visits, PT and retail

→ Foundation for future growth strengthened during the pandemic both in club expansion (organic and M&A) and digital offering with Mentra by SATS

RECORD HIGH MEMBER GROWTH – MEMBER BASE FULLY RECOVERED



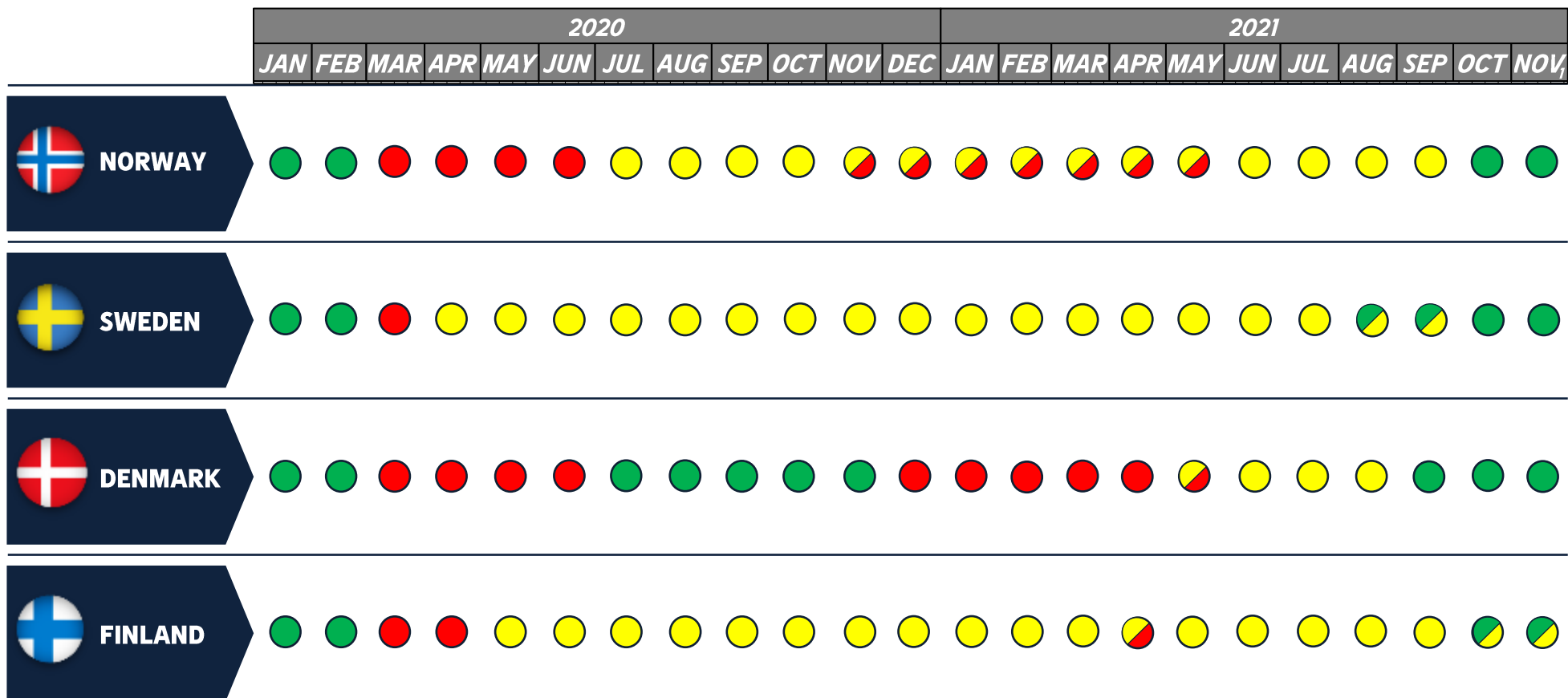
KEY FIGURES	Q3 2021	CHANGE VS Q3 2020
TOTAL REVENUES	971 MNOK ³	11%
ADJ. EBITDA BEFORE IFRS 16	83 MNOK ³	-17%
ADJ. EBITDA BEFORE IFRS 16 MARGIN	9 %	-1 P.P.

(1) Measured by 2020 revenues based on figures from Deloitte EuropeActive EHFMR 2021

(2) Compared to Q3 2020

(3) Compensation from the Danish government of NOK 12 million was booked in Q3 2021, compared to NOK 5 million in Q3 2020 from the Finnish government

ALL CLUBS ARE OPEN



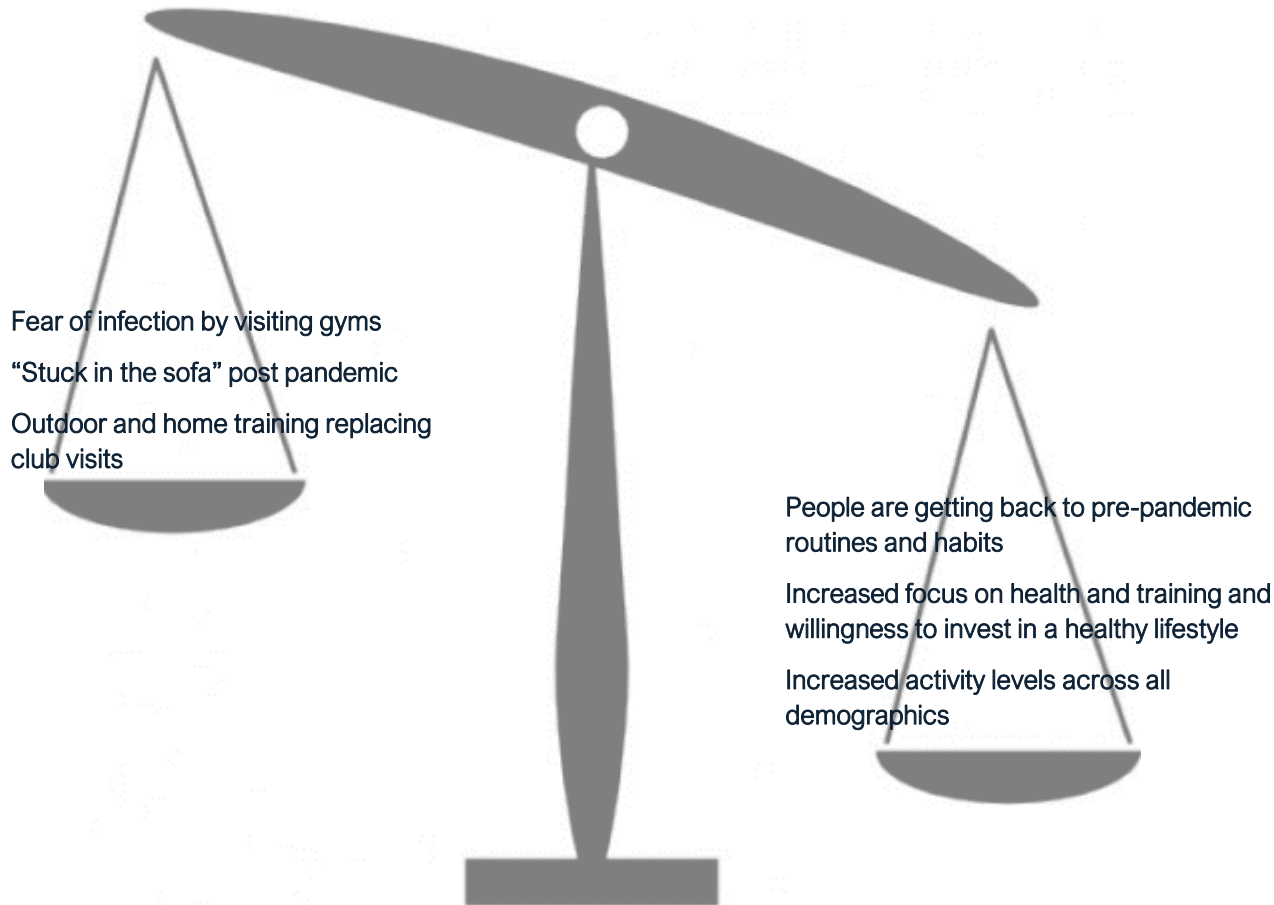
- Open clubs
- Open clubs with restrictions
- Imposed club closure

Note: (1) Status as of 10 November 2021. Situation could change due to national or local restrictions

RETURNING TO NORMAL - MEMBER HABITS LARGELY UNCHANGED

PERCEPTIONS REGARDING CLUB TRAINING DURING THE PANDEMIC

NEW NORMAL IS CLOSE TO PRE-PANDEMIC PATTERNS



MEMBER HABITS ARE LARGELY UNCHANGED



VISTS ARE ABOVE PRE-PANDEMIC LEVELS



STRONG SALES PERFORMANCE



STABLE CHURN



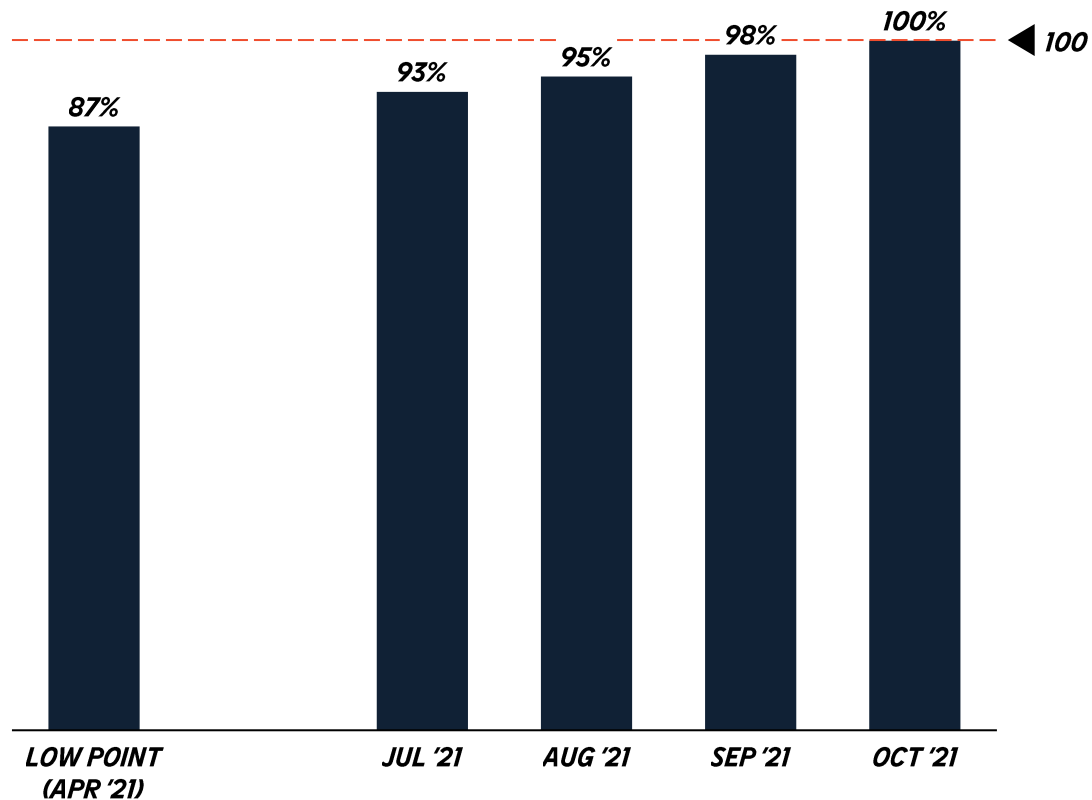
LARGELY UNCHANGED DEMOGRAPHICS

SUCCESSFUL RECOVERY OF MEMBER BASE ACROSS THE NORDICS

MEMBER BASE BACK TO PRE PANDEMIC LEVEL

STRONG SALES AND LOW CHURN DRIVING MEMBER BASE GROWTH

MEMBER BASE (EOP) 2021 VS 2019¹



April 2021 represents the low point in terms of member base through the pandemic with 87% compared to April 2019



Strong sales performance since reopening has driven the member base up to pre pandemic levels



Member churn lower than pre-pandemic levels due to positive activation and visits levels

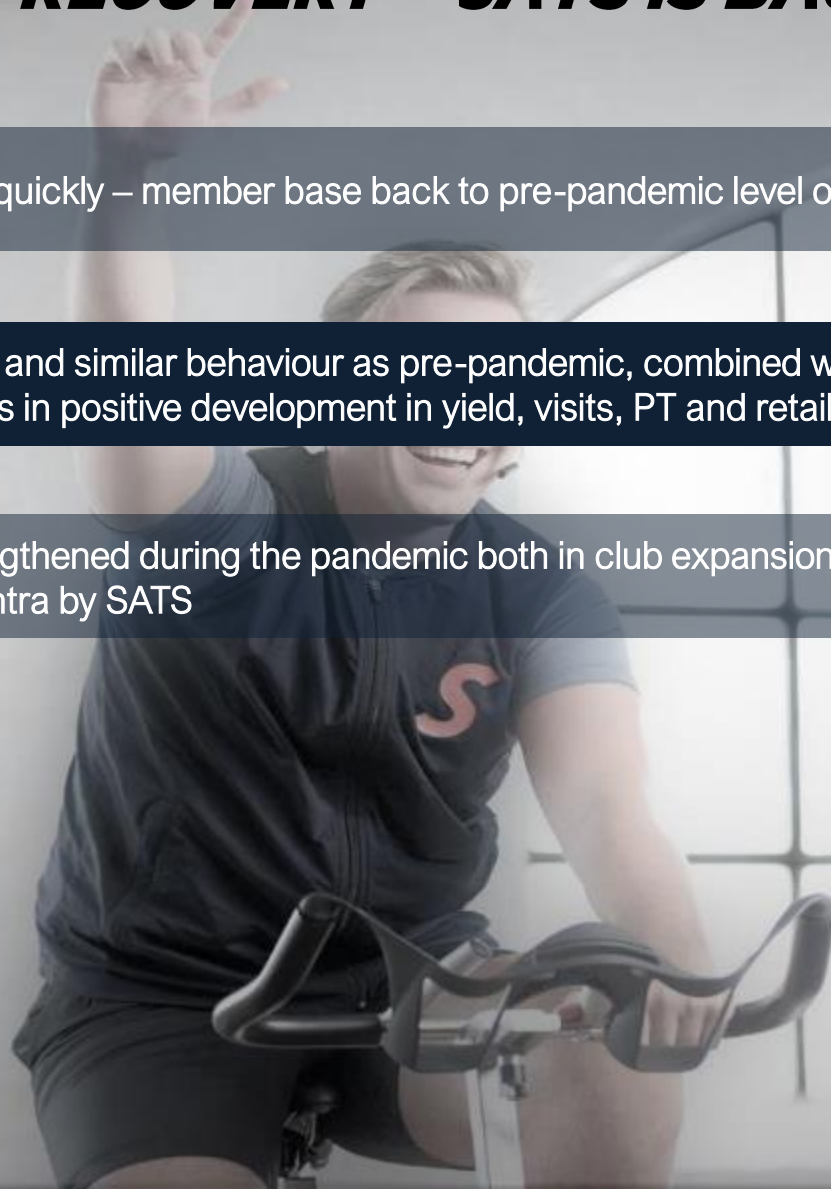
Note: (1) Total members end of period adjusted for the 9 sold clubs in Denmark in 2019

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HIGH FOCUS ON ACTIVATING THE MEMBER BASE – DELIVERING ON OUR VISION OF MAKING PEOPLE HEALTHIER AND HAPPIER

TARGETED AND SEGMENTED COMMUNICATION THROUGH MANY CHANNELS



4.2M EMAILS WITH INSPIRATION AND INFORMATION



1M APP PUSH WITH NUDGE, INSPIRATION AND INFORMATION



420K SMS WITH DIRECT & PERSONAL MESSAGING

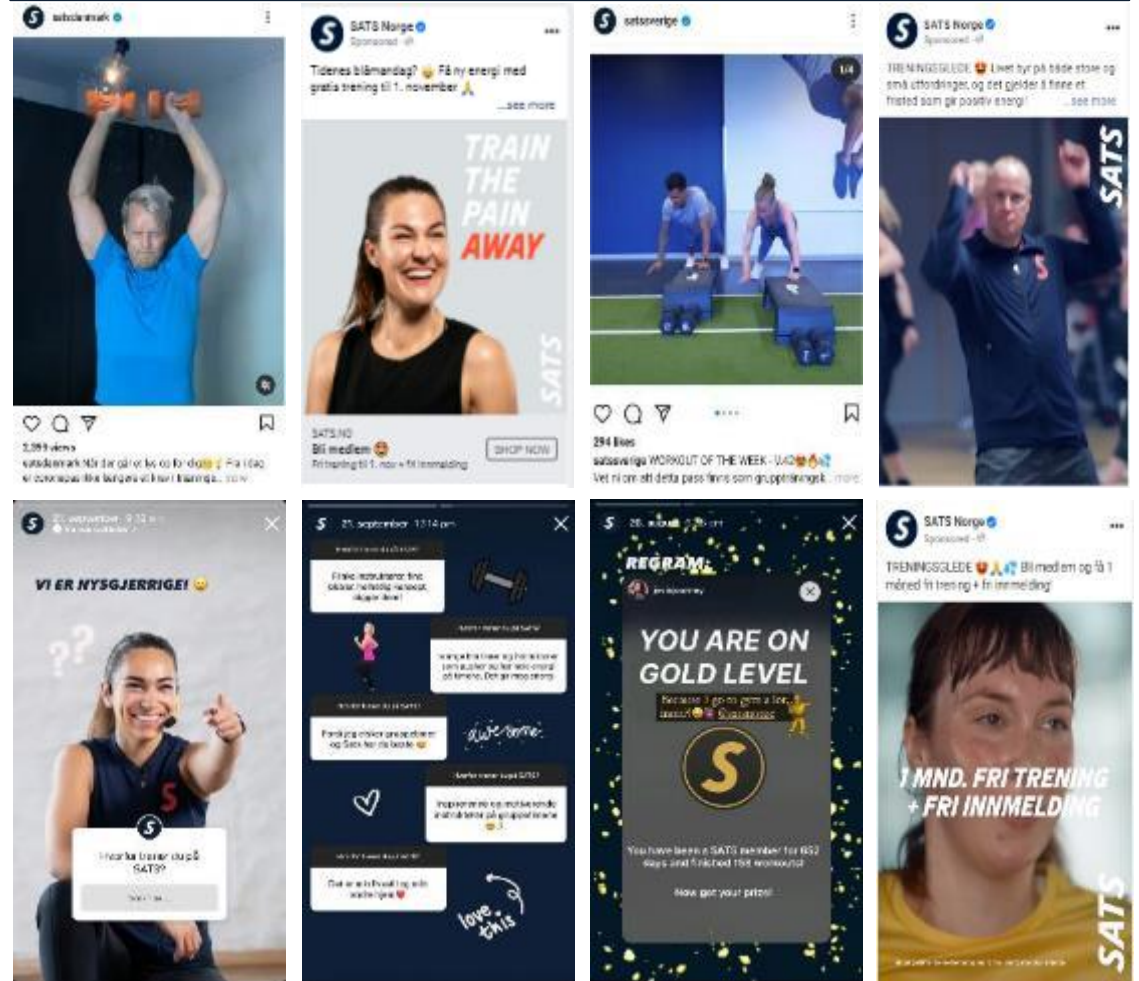


OUTDOOR, DIGITAL, TV ADVERTISING WITH SIGNIFICANT IN-HOUSE PRODUCED CONTENT



+20-116% IMPROVED ENGAGEMENT IN SOCIAL MEDIA

FOCUS ON CREATING ENGAGEMENT AND INTEREST

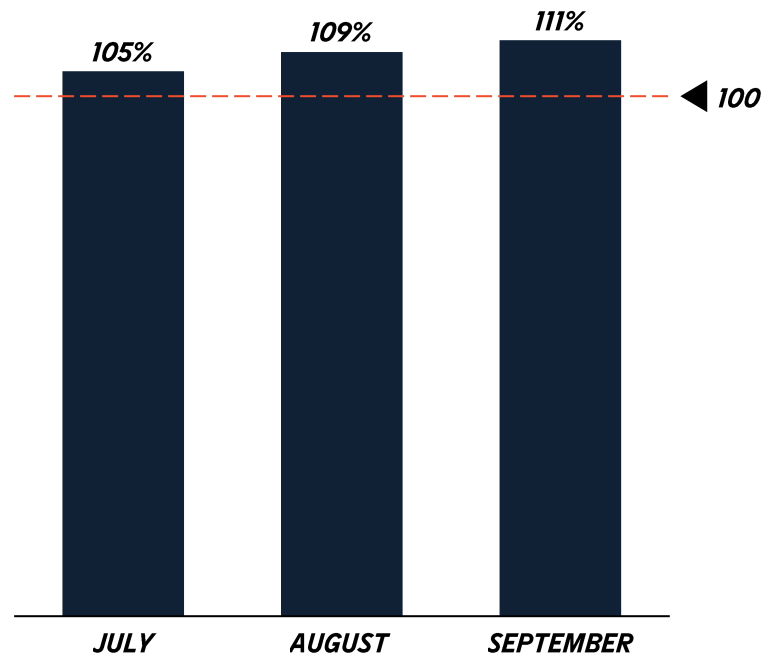


Note: The number of emails, app push etc. noted in the text above refers to Q3 2021

MEMBER ACTIVATION RESULTED IN STRONG VISIT DEVELOPMENT

VISITS PER MEMBER HIGHER THAN 2019 LEVEL IN Q3

VISITS/MEMBER 2021 VS 2019¹



TOTAL VISITS PER PAYING MEMBER HAVE BEEN ABOVE 2019 LEVELS IN THROUGH Q3



LOWER GX VISITS IN THE QUARTER HAVE BEEN COMPENSATED BY HIGHER NON-GX VISITS

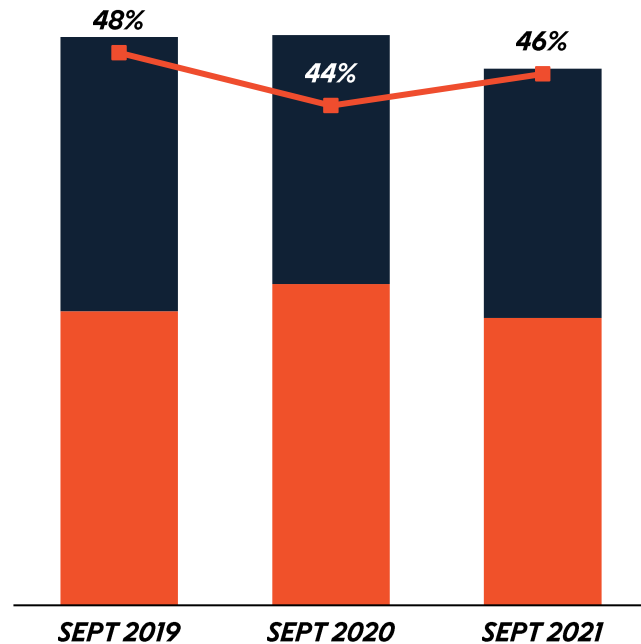
Note:1) Total members excluding members on freeze, based on numbers end of period, adjusted for 9 sold clubs in Denmark

MEMBER BEHAVIOR RETURNING TO NORMAL

MEMBER BEHAVIOUR RETURNING TO NORMAL AS SOCIETY IS OPENING UP

- SHARE OF STOCKHOLM CITY VISITS
- VISITS - STOCKHOLM CITY
- VISITS - LARGER STOCKHOLM AREA

SHARE OF VISITS IN STOCKHOLM CITY OF TOTAL VISITS IN THE LARGER STOCKHOLM AREA IS ALMOST BACK TO PRE PANDEMIC LEVEL¹

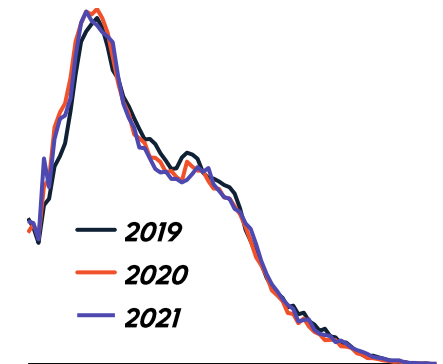
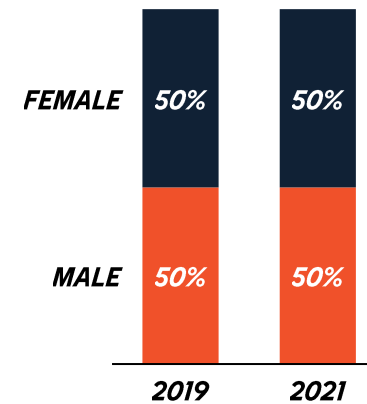


MEMBER DEMOGRAPHICS LARGELY UNCHANGED

GENDER MIX² IN MEMBER BASE LARGELY UNCHANGED SINCE PRE PANDEMIC



EQUAL SHARE OF FEMALE AND MALE IN NEW MEMBERS³ – AVERAGE AGE 1.2 YEARS YOUNGER⁴



Note: 1) Based on like-for-like numbers 2) Gender mix based on member base 3) New members in June to October 2019 and 2021 4) The average age of the member base is 1 year younger in 2021 compared to 2019

IMPROVING THE ONBOARDING AND EXIT JOURNEY

SATS

KAN VI HJELPE DEG?



Det er nå litt over en uke siden du meldte deg inn i SATS, og vi vil så gjerne se deg på trening!

For å komme i gang, hva med å prøve [dette treningsprogrammet](#)? Perfekt for deg som vil komme i god form, men som kanskje er usikker på hvor du skal starte.

Sees vi snart?

KOM I GANG

- New and improved onboarding journey
- Activating new members and helping them to access the full product offering including GX and PT

Vi har så lyst til å fortsette treningen med deg!

Vi har lyst til å hjelpe deg å fortsatt være sunn og glad, her er noen tips til å få igang treningen igjen.



Bli motivert til å trene på bare 3 minutter

Klarer hjerneforsker Ole Petter Hjelle å motivere deg til å trene på bare 3 minutter?



Trenger du en treningskompis?

Verv en venn og få et gavekort på kr 1000,- som du kan bruke i shop'en på våre sentre eller personlig trening. Og du får en treningskompis!

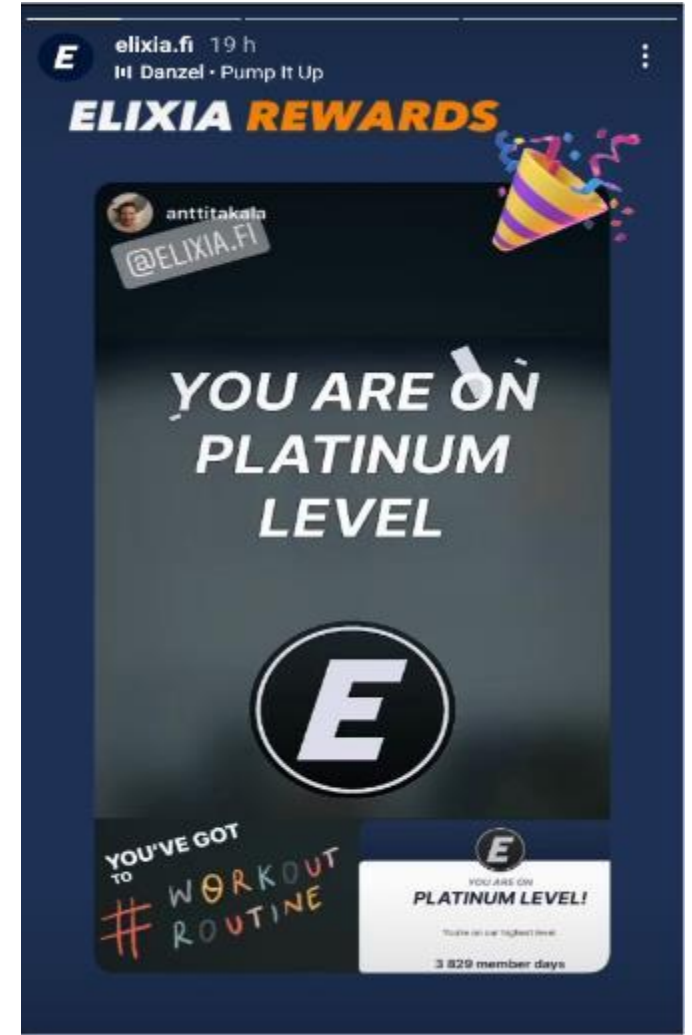


Hold treningen igang med Personlig Trener

La en Personlig Trener planlegge treningen din slik at den er effektiv hver gang. Enklere, tryggere og mer effektivt blir det ikke!

- New and improved exit journey
- Increasing motivation to continue the membership
- And ensuring a positive exit experience and keeping a digital relation

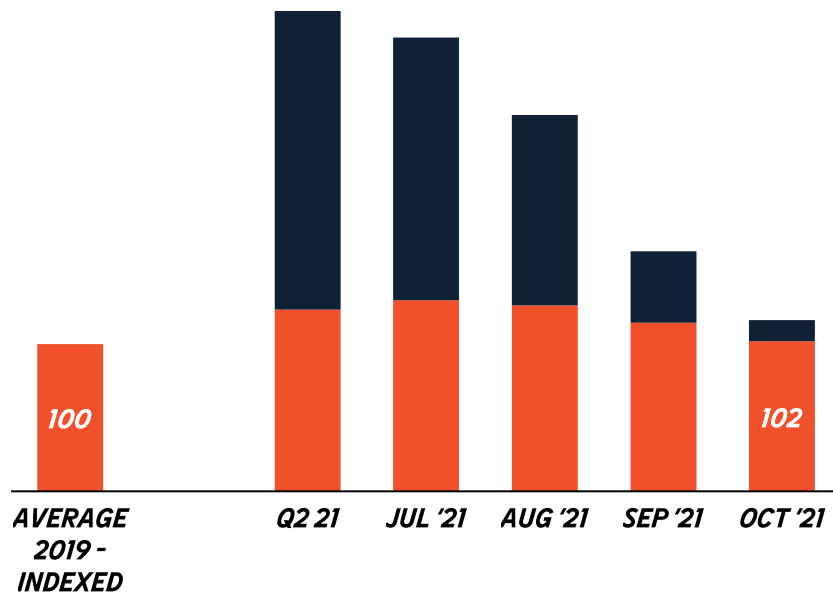
LOYALTY PROGRAM SATS REWARDS LAUNCHED – HIGHLY APPRECIATED BY OUR MEMBERS AND HIGH REWARDS USAGE



FREEZE LEVEL ALMOST BACK TO NORMAL LEVEL IN OCTOBER

FREEZE LEVEL ALMOST REDUCED TO A NORMAL 2019 LEVEL

- COVID-19 AS FREEZE REASON
- OTHER REASONS FOR FREEZE





- Closed clubs and COVID-19 caused a significant increase in freeze rates during the pandemic
- At the end of June, the total freeze level was almost 2x higher than a normal level
- The freeze level is back to a normal level at the end of October 2021


Note: Graph illustrates the freeze development indexed to the average 2019 level





PERFORMANCE ORIENTED MARKETING PUSH WITH LOWER TACTICAL OFFERING VERSUS LAST YEAR SUPPORTING YIELD DEVELOPMENT

S SATS Norge  Sponsored ·  ...


SUPERTILBUD 🎉🎊 Bli medlem i dag og få en måned fri trening og fri innmelding! [...see more](#)



SATS

S SATS Norge  Sponsored ·  ...

Prøv en av våre gruppetimer og tren deg glad med våre dyktige instruktører 🎉🎊



**1 MND. FRI TRENING
+ FRI INNMELDING**

Tilbudet gjelder for nye medlemmer og med 12 mnd. binding etter utlept filperiode.

SATS

SATS.NO

S SATS Sverige  Sponsored ·  ...

SUPERDEAL 🎉🔥 Bli medlem idag och få en månads fri träning + fri startavgift!

Erbjudandet är giltigt för nya medlemmar, med 12 mån. bindningstid efter gratisperioden.



**1 MÅNADS
FRI TRÄNING
+ FRI STARTAVGIFT**

SATS

SATS.SE
Bli medlem idag

SHOP NOW

RAMPING UP GROUP TRAINING OFFERING AS DEMAND IS INCREASING – DRIVING MEMBER VISITS AND LOYALTY

DECLINING GX SHARE THROUGH PANDEMIC

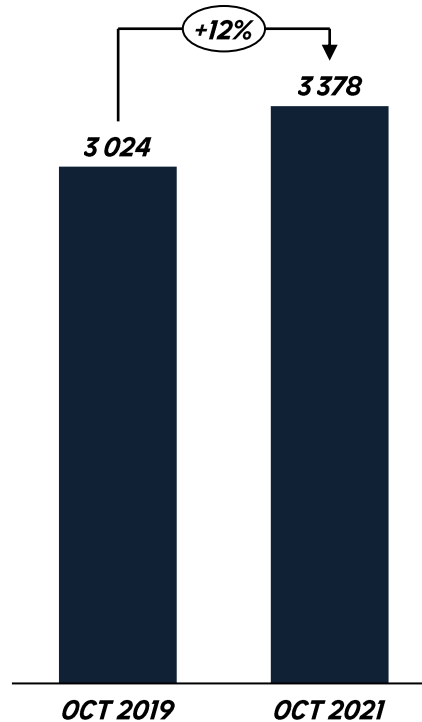
■ TOTAL GX SHARE



- Higher proportion of members with GX dropped off during the pandemic due to restrictions on GX classes
- Lower sale of new memberships with GX during the pandemic

GX SCHEDULE STRONGER THAN EVER

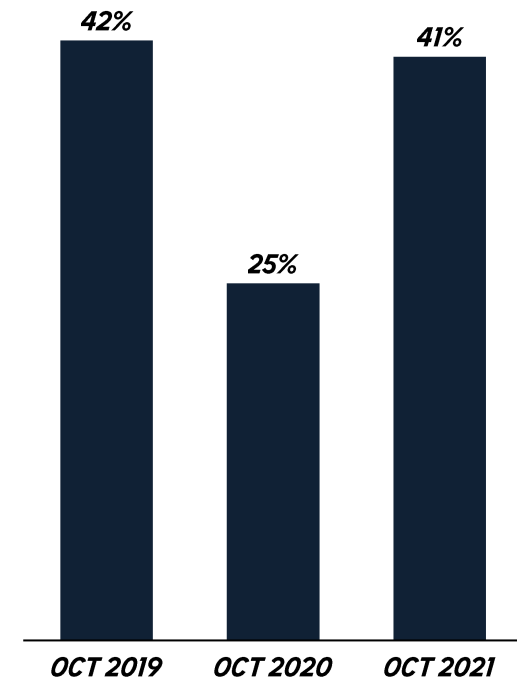
■ WEEKLY # GX CLASSES IN LARGER STOCKHOLM AREA



- With restrictions lifted, the number of GX classes in the larger Stockholm area was 12% higher in October than in 2019

SUCCESSFUL SALES OF MEMBERSHIPS WITH GX

■ TOTAL NMUS WITH GX¹



- Due to the stronger than ever GX schedule, sales of new memberships with GX share was significantly higher in October 2021 compared to 2020

Note: 1) Numbers are excluding Friend campaigns

DIVERSIFIED AND HIGH QUALITY GROUP TRAINING OFFERING FOR OUR MEMBERS

YOGA



STRENGTH



...OTHER GX CATEGORIES



DANCE



CARDIO



CYCLING



RUNNING



MARTIAL ARTS

OF RUNNING CLASSES IN OSLO IN WEEK 44

424

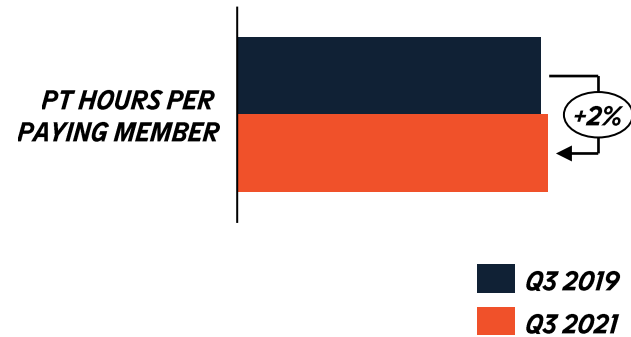
OF YOGA CLASSES IN STOCKHOLM IN WEEK 44

524

PERSONAL TRAINING AND RETAIL BUSINESS ABOVE PRE PANDEMIC LEVELS



PERSONAL TRAINING (PT) ACTIVITY BACK ON TRACK



- PT hours per paying member was up 2% in Q3 2021 compared to Q3 2019, driven by increased frequency
- Focus on recruitment of PT instructors following a reduction during the pandemic



RETAIL REVENUES PER PAYING MEMBER ABOVE PRE-PANDEMIC LEVEL



- Sale per visit was up 27% in Q3 2021 compared to Q3 2019, driven by sale of gift cards, and overall increased basket size and stable conversion rate
- Launch of clothing in Finland and Treatments in Norway in Q3 2021

CONTINUING TO GROW OUR PHYSIOTHERAPY BUSINESS IN SWEDEN AND NORWAY



SUCCESSFUL TREATMENTS OFFERING IN SWEDEN



ROLLING OUT TREATMENTS IN NORWAY



28 THERAPISTS IN SWEDEN



TREATMENTS YIELD SOMEWHAT BETTER GROSS MARGIN THAN PT



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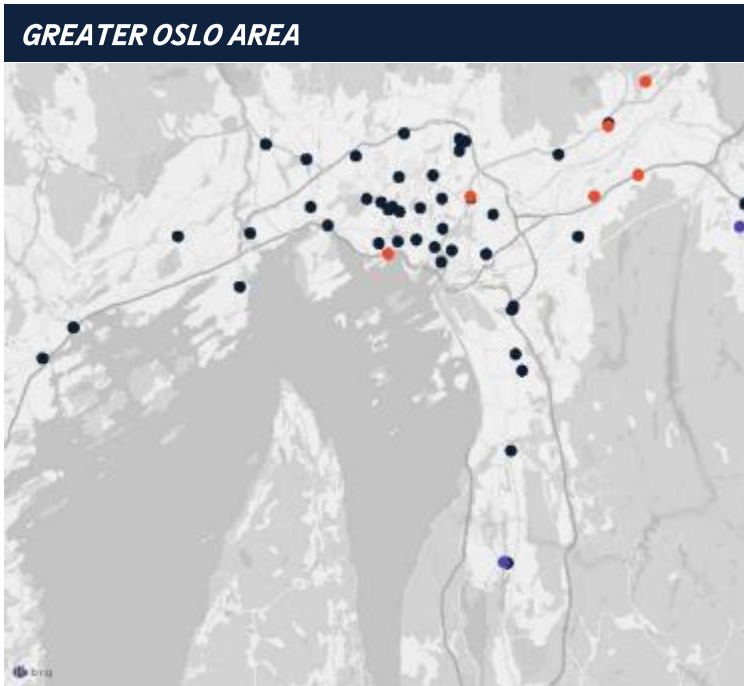
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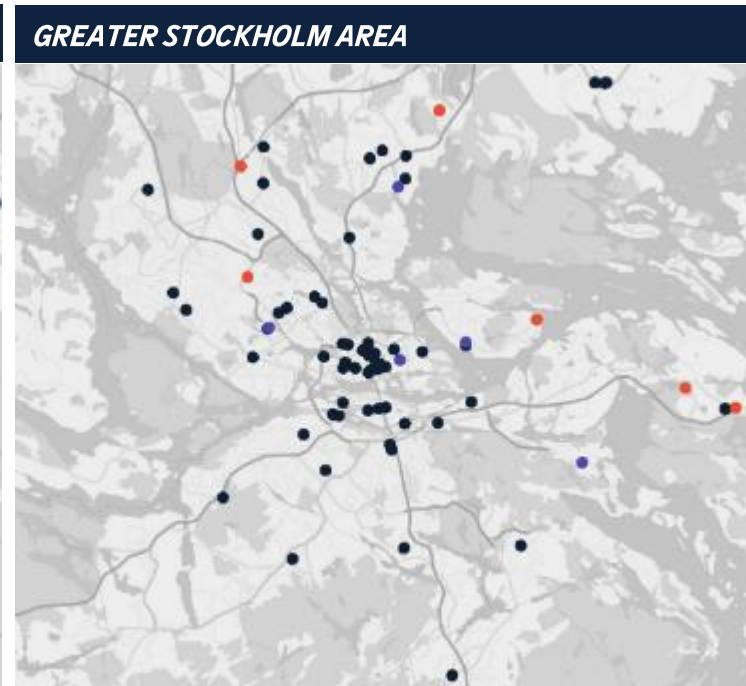
FOUNDATION FOR CONTINUED GROWTH IS STRONG WITH FOCUS ON STRENGTHENING CLUSTERS IN LARGE CATCHMENT AREAS

CAPITAL CLUSTER EXAMPLES:

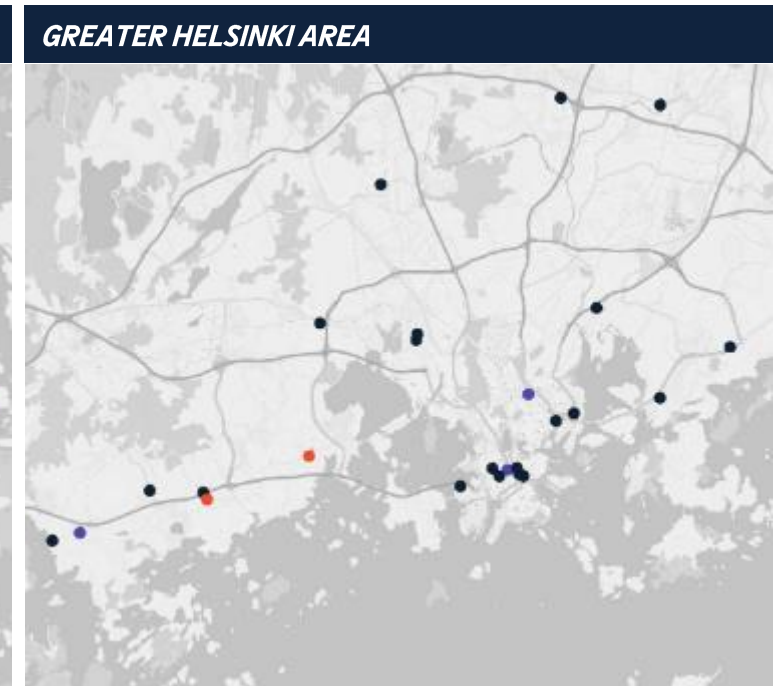
- OPENED BEFORE 2020
- OPENED IN 2020 AND YTD 2021
- PLANNED OPENING BEFORE END 2023



- 40
- 6
- 3



- 55
- 6
- 5



- 20
- 2
- 2

TOTAL SATS:



22 SUCCESSFUL CLUB OPENINGS IN 2020 AND YEAR-TO-DATE 2021



AMBITIOUS GROWTH PLANS GOING FORWARD



15 NEW GREENFIELD CLUBS AND 2 RELOCATIONS PLANNED THROUGH 2023

MENTRA BY SATS WITH +150 CLASSES AVAILABLE & WEEKLY NEW CONTENT WITH ENERGIZED AND PROFESSIONAL INSTRUCTORS

CARDIO, YOGA, STRENGTH & DANCE
LIVE EVERY DAY FROM NOVEMBER 1ST



Strength
— Shona Johnson
Duration: 15:00



Tabata
— Scott Owen
Duration: 1:00:00



Vinyasa
— Hali
Duration: 1:00:00



Strength & Cardio
— Nardono
Duration: 1:00:00



Yoga
— Elin Ma Dalby
Duration: 1:00:00



Strength
— Jorian Sell
Duration: 1:00:00

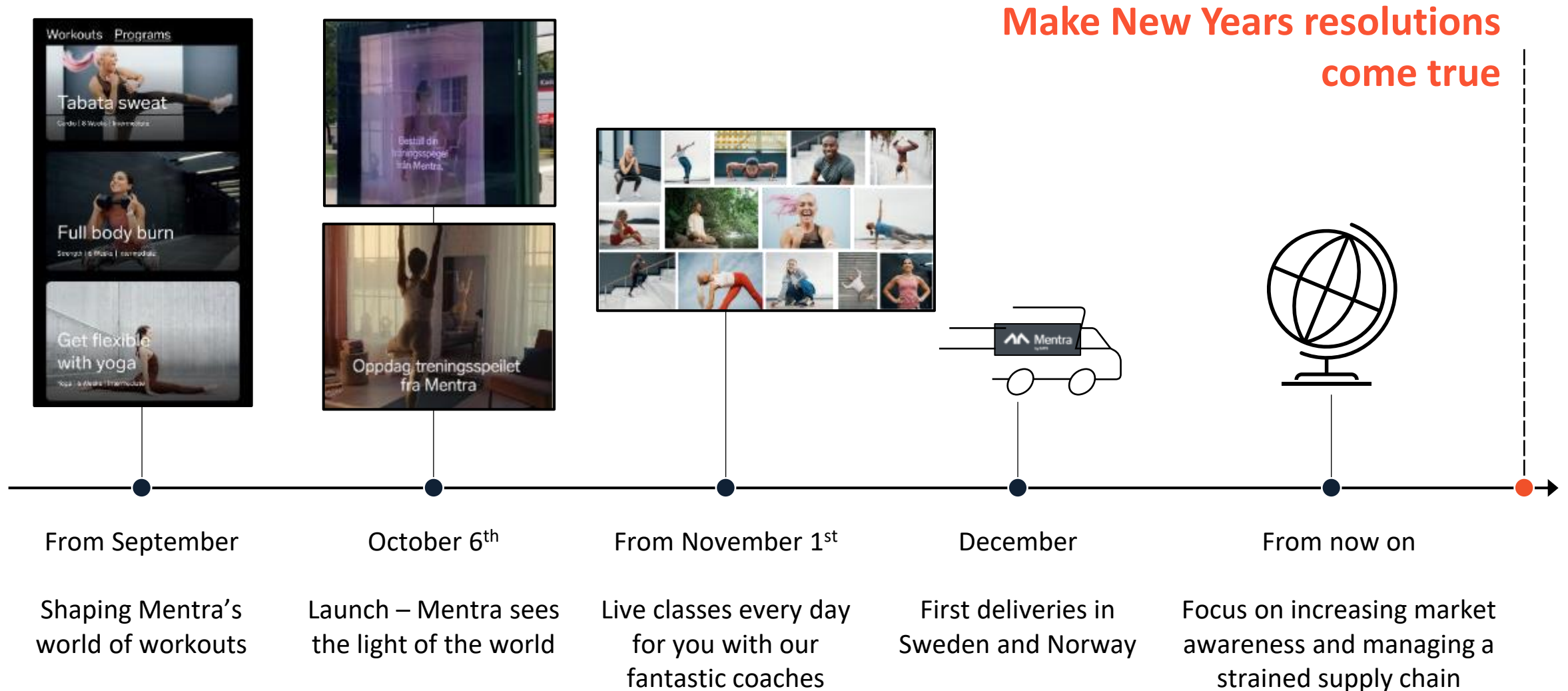


Vibeke Klemetsen - Yoga



Santino Mirena - Dance

FROM SHAPING MENTRA BY SATS, COMMERCIAL LAUNCH, FIRST DELIVERIES, TO INCREASING MARKET AWARENESS..



REVIEWS ARE POSITIVE AND OUR USERS LOVE IT

"For me workout is a lifestyle, and to incorporate it in my everyday life has never been easier."

"I'm not just buying a screen or a new tech gadget, I'm investing in better habits."

"Being able to train during my lunch breaks or after putting my kids to sleep is a life saver."

"The mirror fits me perfectly as an addition to my other workouts, as I can do it whenever I want and can squeeze in extra workouts or recovery sessions."

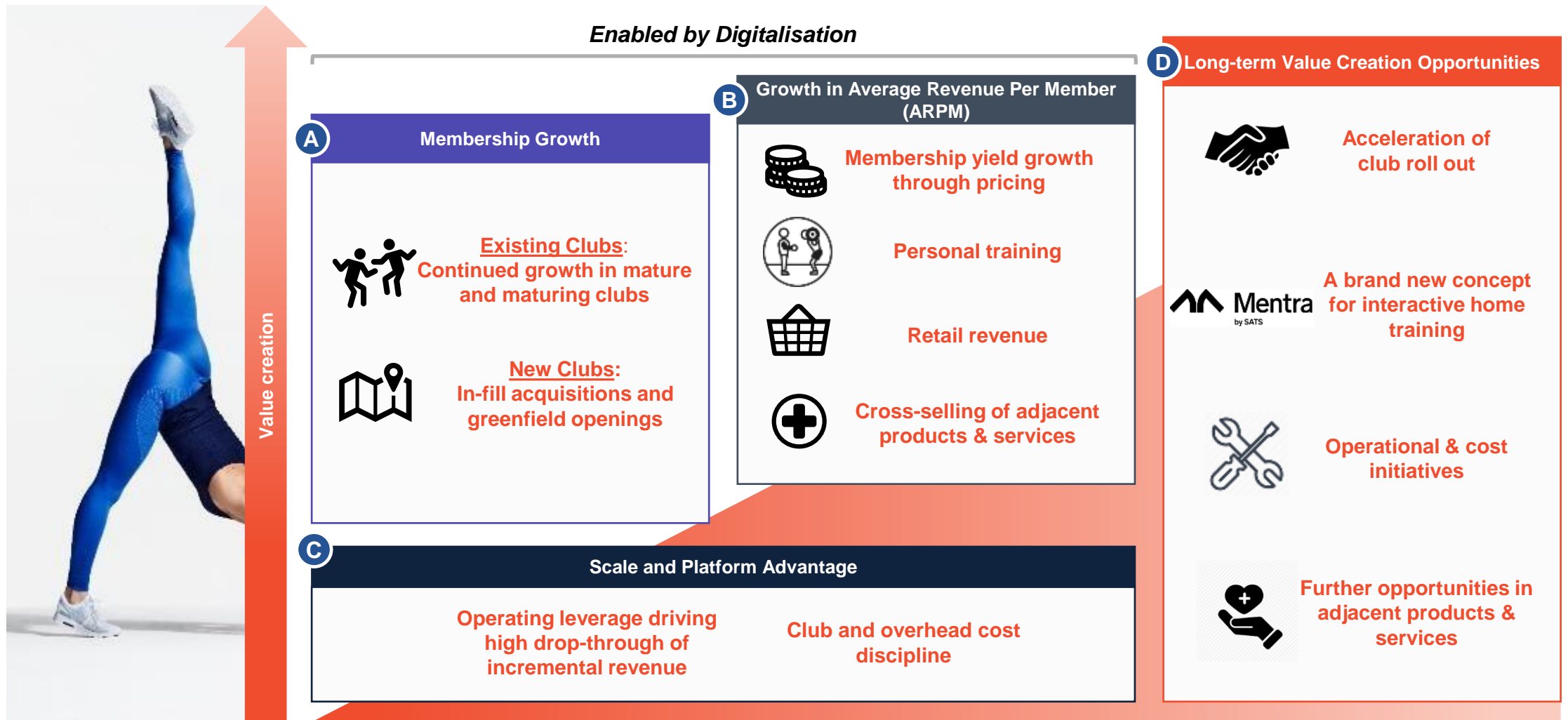


kk

Derfor hadde jeg betalt 13 000 kroner for dette speilet

Vi har testet ut fremtidens treningsform - nemlig digitalt treningspeil hjemme i din egen stue!

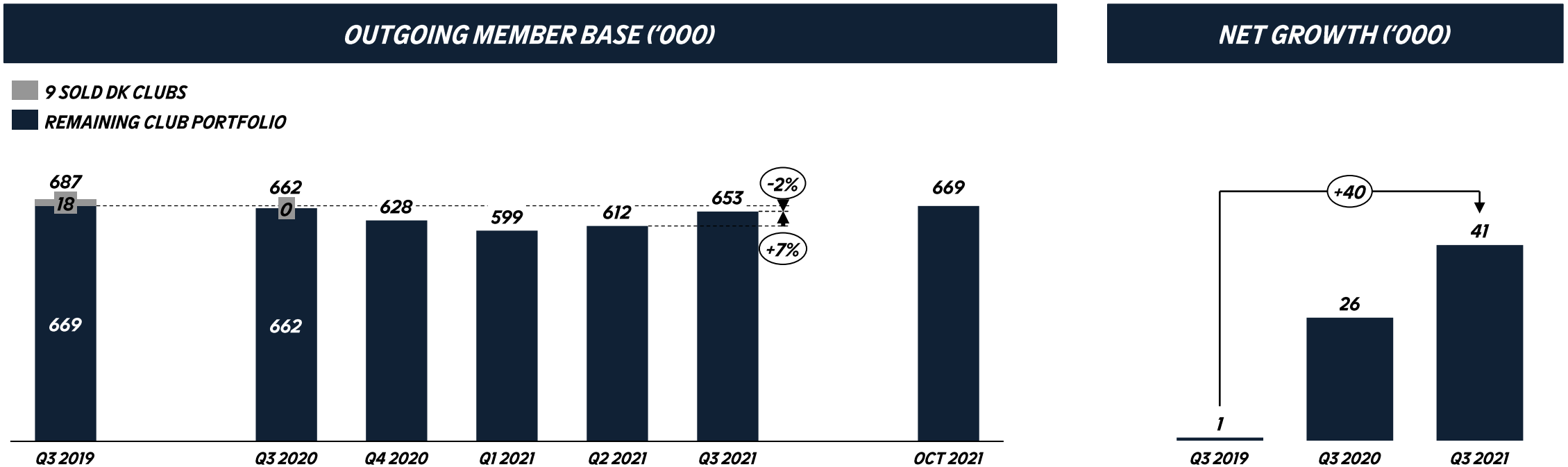
MULTIPLE GROWTH LEVERS TO DRIVE FUTURE VALUE CREATION



FINANCIAL REVIEW



RECORD HIGH NET GROWTH OF 7% IN THE QUARTER (+41 000), TOTAL MEMBER BASE REACHING 2019 LEVEL AFTER OCTOBER

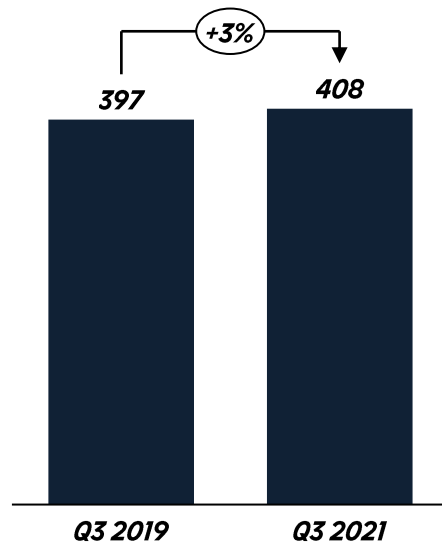


- Record high net growth of 7% in the quarter, supported by successful sales campaigns and easing of restrictions across the Nordics
- Member base ended 2% behind pre-COVID level in Q3 2019, adjusted for the sold clubs in Denmark
- Member base as of end October 2021 was 669k, in line with the level as of end October 2019

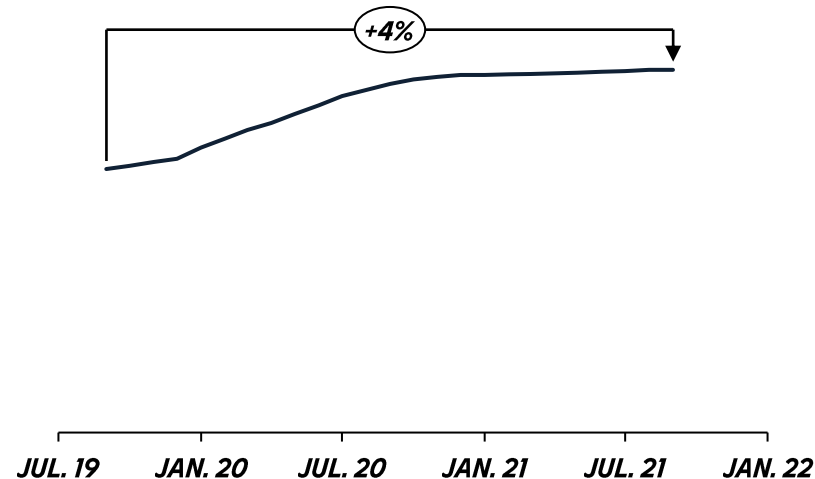
ADJUSTED YIELD SURPASSING PRE PANDEMIC LEVELS WITH INCREASING UNDERLYING MEMBERSHIP PRICES

ADJ. YIELD (NOK/MONTH)*

MEMBERSHIP YIELD



CONTRACTUAL PRICE



PRICE STRATEGY



Flexible membership structure with a “pay for what you need” logic, addressing all budgets



Annual price optimization process

- New list prices for new members on 1 January
- Adjustment for inflation for all existing members on 1 January
- Proactively increasing prices for members with significantly lower price than ordinary list price



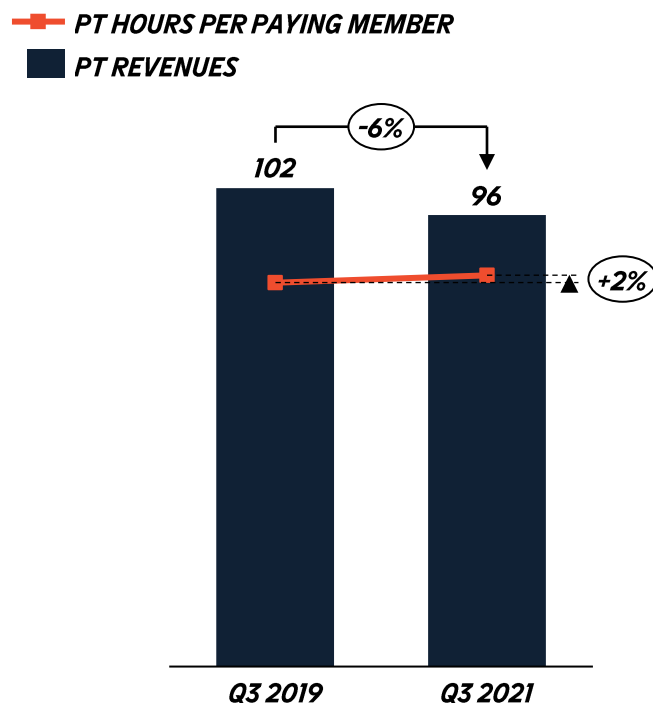
All clubs set prices individually based on club size, quality & product offering, local competition.

- Reported yield affected by inflated freeze during the quarter, but yield adjusted for frozen members are above pre pandemic levels with increasing membership prices
- Solid development in contractual membership price past two years, but slowdown in recent six months due to tight restrictions on group training and multi-club usage
- Expect to see pick-up in yield expansion as add-ons like group training and multi-club usage return to pre-pandemic level

*Yield adjusted for frozen memberships

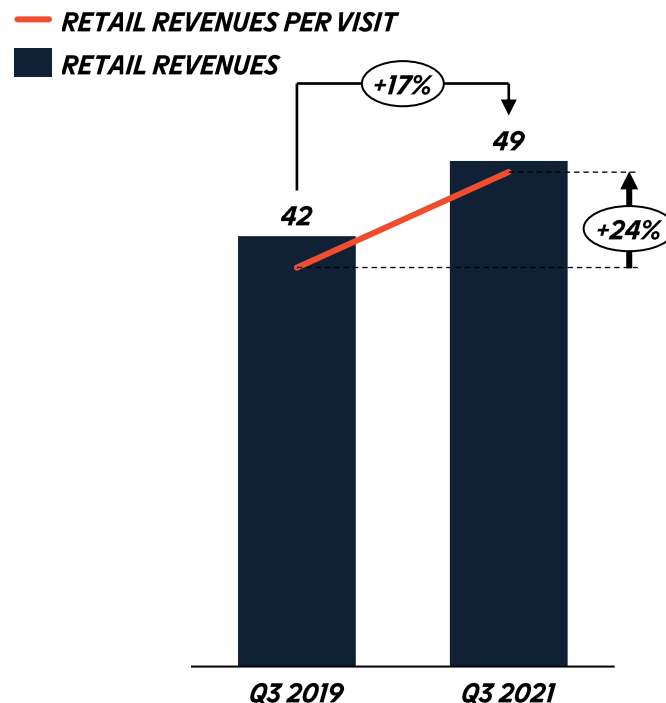
STRONG IMPROVEMENT IN REVENUES FOR RETAIL AND PERSONAL TRAINING, ABOVE PRE-PANDEMIC LEVELS IN USAGE AND REVENUES PER MEMBER

PERSONAL TRAINING REVENUES



- PT hours per member above pre-pandemic level member, up 2% driven by increased frequency
- PT revenues declined 6% driven by lower average members throughout the quarter

RETAIL REVENUES



- Improved sale per visit on back of increased basket size and stable conversion rate, partly boosted by gift card usage in the quarter

KEY DRIVERS OF PERFORMANCE



PT growth through strong focus on getting new members to try PT (“PT Start”) and stimulating usage frequency through trigger-based communication to members

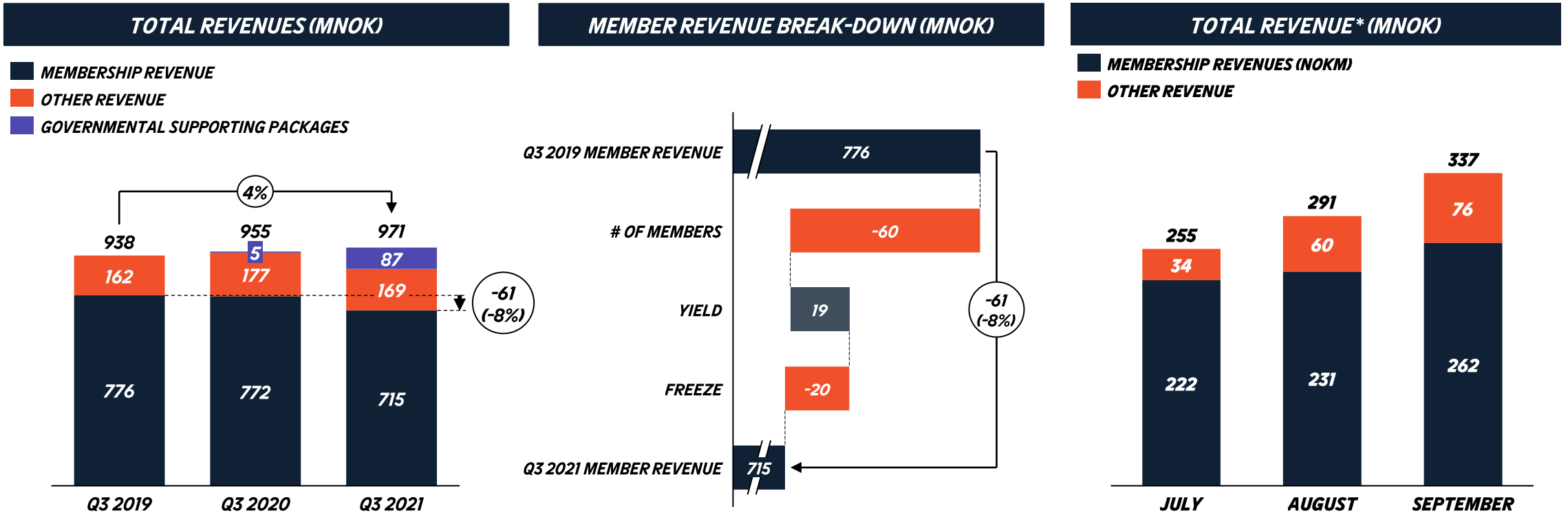


Retail growth through improved assortment including launch of SATS Clothing and SATS Nutrition, and more targeted campaigns and communication



Significant earnings contribution through PT and Retail with drop-through to adjusted EBITDA at ~35-40% of sales

IMPROVED REVENUE RUN-RATE WITH INCREASING MEMBER BASE, REVENUES RETURNING TO PRE-COVID 19 LEVELS



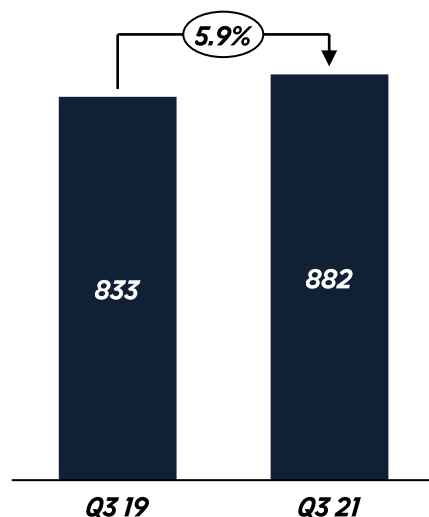
- Increasing revenues through the quarter driven by strong new membership sales, unfreezing memberships and strong retail and PT performance
- Monthly membership revenue is expected to grow as like-for-like members are returning to 2019 level and new clubs are maturing
- Freeze still slightly higher than normal, also going into Q4
- Governmental compensation of NOK 87 million was booked in Q3 2021

*Excluding governmental compensation 29

COST INCREASE MAINLY DRIVEN BY ADDITIONAL CLUBS

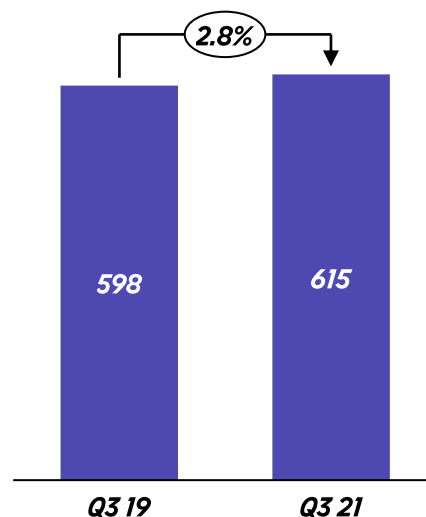
OPERATING EXPENSES

Total operating expenses including COGS and overhead (currency adjusted)



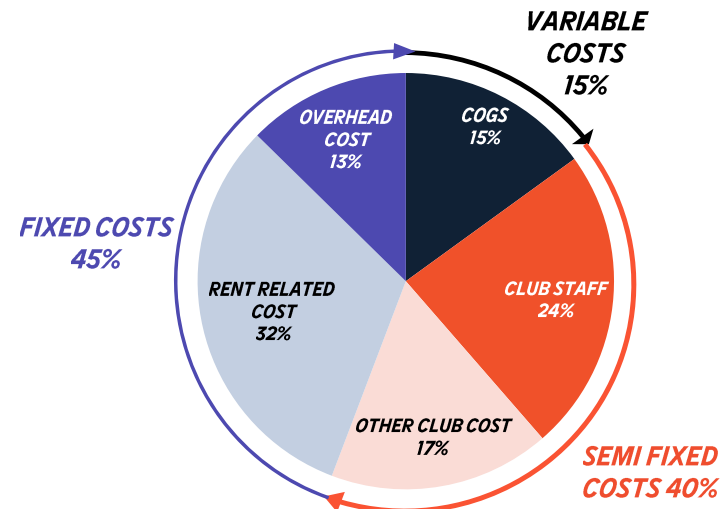
- +10 clubs compared to 2019 main driver for increase in operating expenses
- Extra marketing and campaign cost to recover the member base

Like-for-like club operating expenses (currency adjusted)

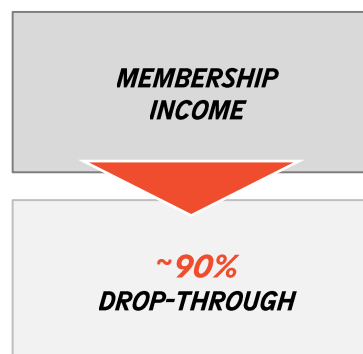


- Increase in operating expenses driven by lease cost, electricity prices and extra marketing and campaign cost to recover the member base
- OPEX increase with inflation, but successful cost saving efforts partly compensates for the increase

OPERATING LEVERAGE



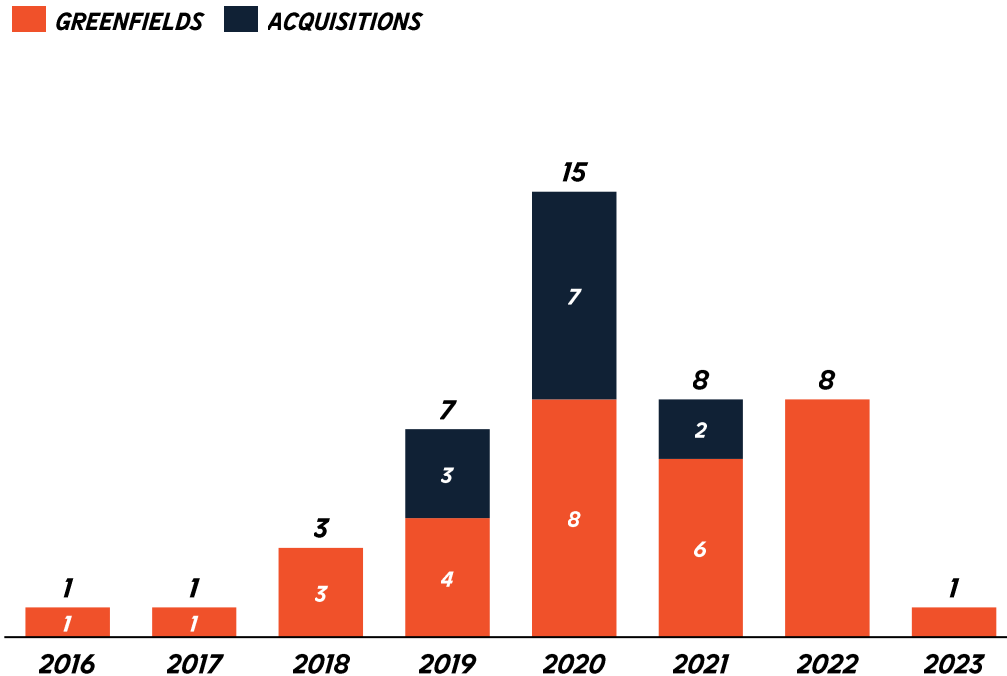
85% OF COST BASE IS FIXED OR SEMI-FIXED, RESULTING IN HIGH DROP-THROUGH TO ADJ. EBITDA



- The cost base required to operate the current club portfolio is largely fixed
- Therefore, as LFL member levels return, and new clubs fill up with new members, additional revenue growth flows directly to Adj. EBITDA
- Adj. EBITDA is expected to return to growth as LFL member volumes return

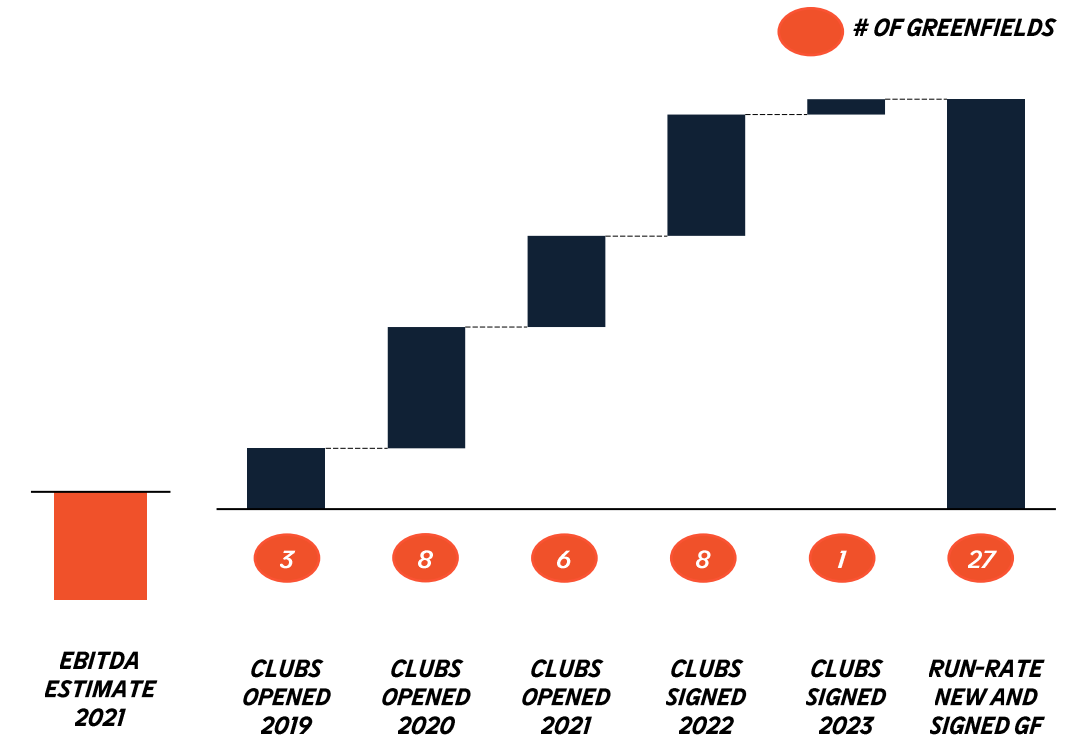
CLUB EXPANSION HITS EBITDA SHORT TERM BUT HAS AN ESTIMATED FUTURE EBITDA CONTRIBUTION OF 120 MNOK AS NEW AND SIGNED CLUBS MATURE

CLUB EXPANSION



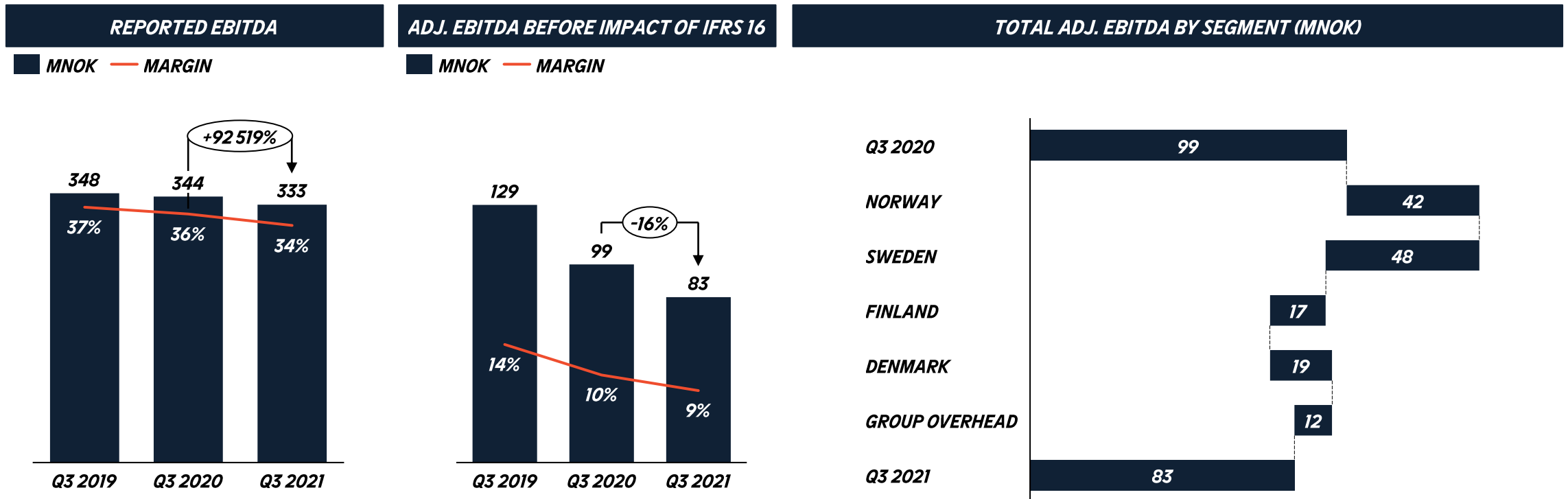
- Significant step-up in club expansion in recent years, both greenfields and acquisitions
- Greenfields take 6-12 months to reach Club EBITDA break-even and 24-36 to mature to portfolio average members and financials

ILLUSTRATION OF FUTURE POTENTIAL FOR MATURING CLUBS



- Club expansion hits EBITDA short term but as the clubs mature over the next 24 months, the EBITDA contribution from newly opened and signed clubs indicate an upside of 120 million

EBITDA SUPPORTED BY COMPENSATION AND HIT BY LOWER PAYING MEMBER BASE AND INCREASED CLUB PORTFOLIO

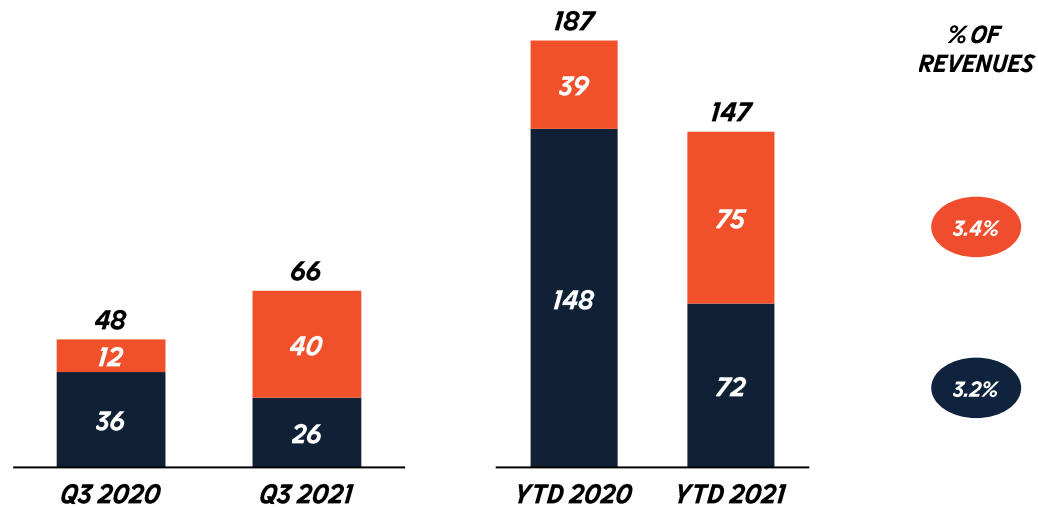


- Adj. EBITDA increase in Norway is due to government compensation, offset by lower paying member base, and higher cost base on back of more clubs
- Adj. EBITDA decrease in Sweden is due lower paying member base, and higher cost base driven by club expansion
- Short term financials will continue to be affected by increased cost for maturing clubs and somewhat higher freeze
- Run-rate profits will return to healthy financials once the member base and activities are back to pre-COVID 19 levels

CONTINUED RESPONSIBLE CAPEX SPEND

CAPITAL EXPENDITURE (MNOK)

■ MAINTENANCE ■ EXPANSION



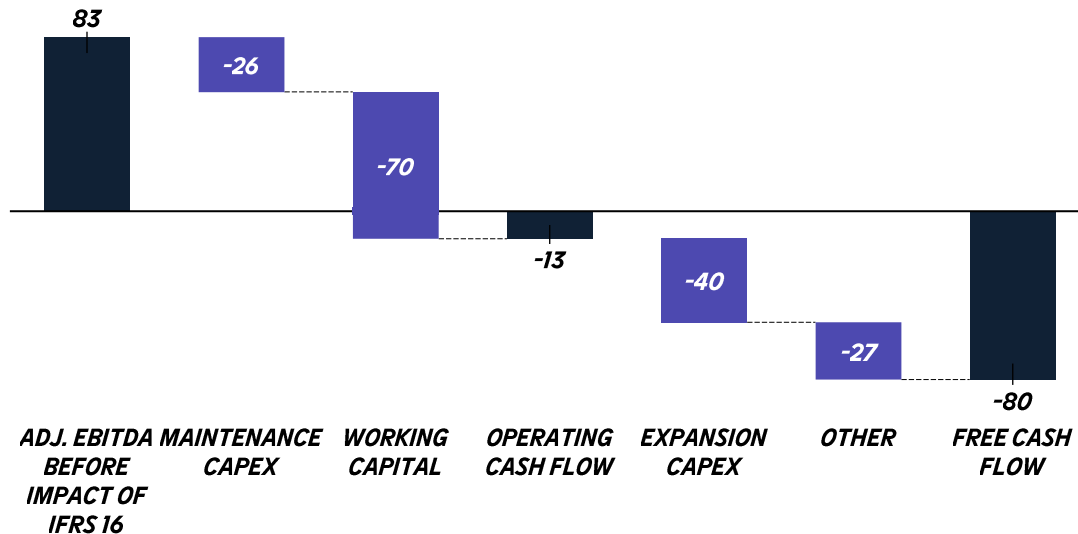
- Low maintenance capex in 2021 due to focus on cash preservation, less wear & tear on equipment because of reduced visits, and a lower average age in the club portfolio
- Expected normalized annual maintenance capex level of 5% of group revenues
- Increase expansion capex in 2021 is due to ramp-up in organic club openings, additional 6 new openings planned for Q4

(1) Maintenance capex consists of IT capex and club portfolio capex



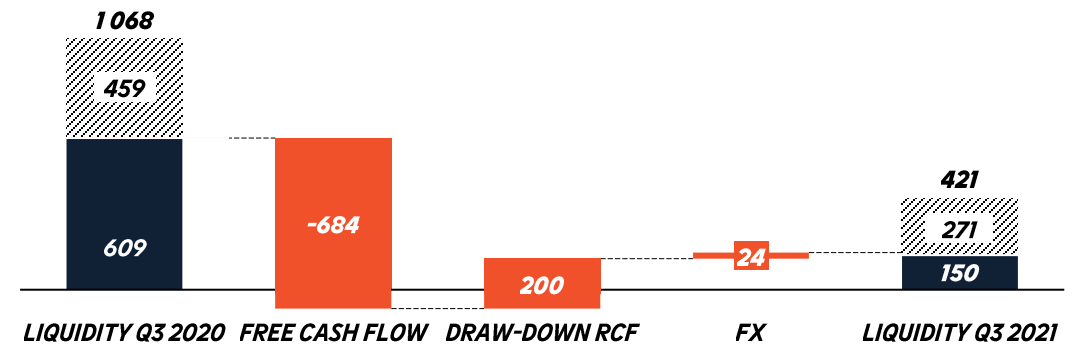
OUR LIQUIDITY POSITION IS SUFFICIENT TO HANDLE EXISTING OPERATIONS AND OUR ACCELERATED EXPANSION PLAN

KEY CASH FLOW ITEMS Q3 2021 (MNOK)



LIQUIDITY POSITION (MNOK)¹

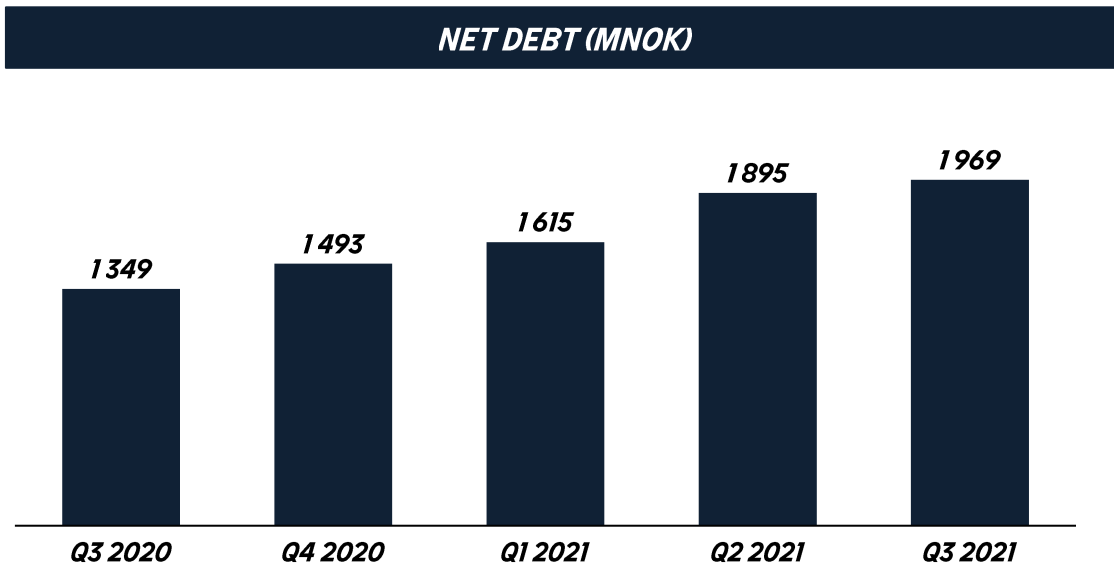
■ CASH ▨ UNDRAWN RCF



- Satisfactory liquidity with cash balance of NOK 150 million and undrawn RCF amount of NOK 271 million
- Negative change in working capital mainly due to accrual for government compensation (87 million)
- Liquidity to be strengthened in Q4 2021 after returning to positive operating cashflow and receiving governmental compensation (87 million)

(1) Liquidity includes cash balance and undrawn revolving credit facility, subject to minimum quarterly liquidity covenants

EXPECT TO START DELEVERAGING ONCE RECOVERED



- Net debt increase the past year solely due to EBITDA effect of COVID-19 and club closures
- Historically shown deleveraging capability on back of EBITDA growth and high cash conversion
- Increased short term flexibility with the addendum to the revolving credit facility agreement



SUMMARY



CLOSING REMARKS



Record net member growth in the quarter driven by strong sales and low churn



Member base fully recovered at the end of October, ahead of own expectations



Member habits largely unchanged, and underlying growth in visits, yield, personal training- and retail revenues



Positive momentum is not fully reflected in financial results yet



Revenue run-rate at the end of the quarter is approaching pre-pandemic levels



Sufficient liquidity position to handle existing operations and accelerated expansion plan



Strengthened foundation for future growth through multiple levers



Continue to be a key contributor in reducing inactivity and making people healthier and happier



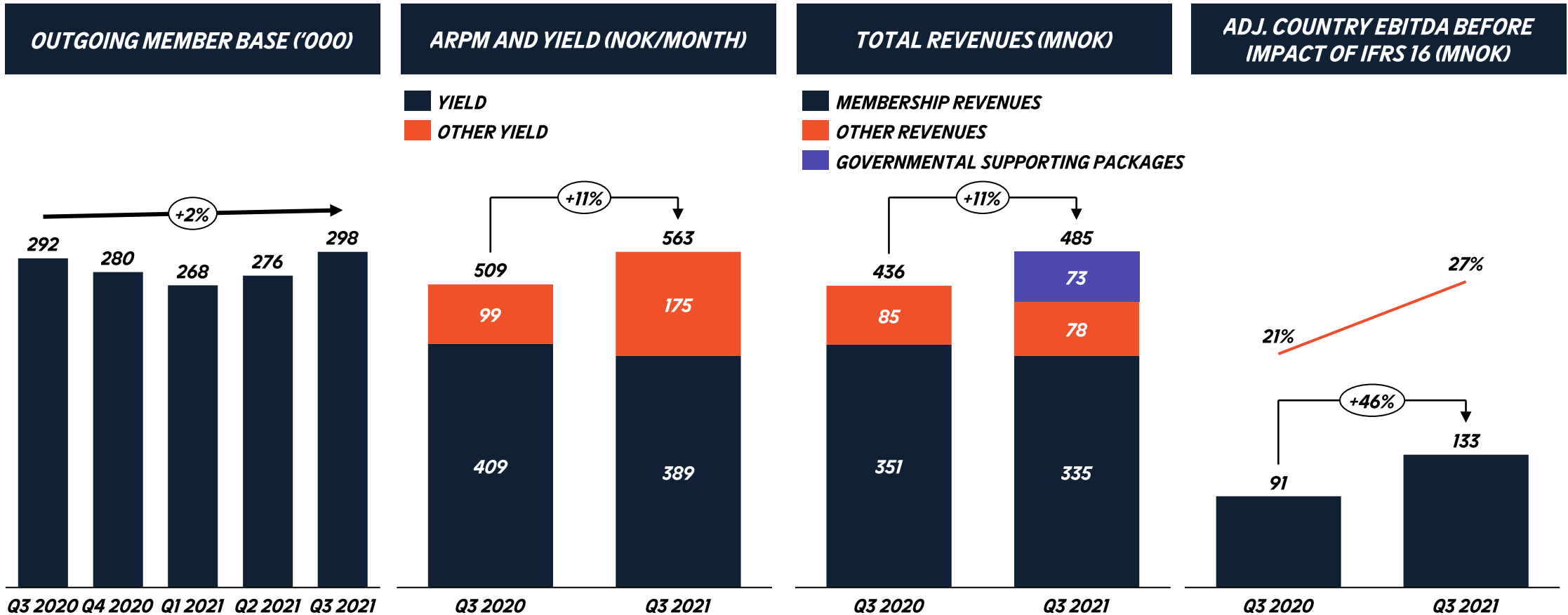
DISCLAIMER

- This report includes forward-looking statements which are based on our current expectations and projections about future events. Statements herein, other than statements of historical facts, regarding future events or prospects, are forward-looking statements. All such statements are subject to inherent risks and uncertainties, and many factors can lead to actual profits and developments deviating substantially from what has been expressed or implied in such statements. As a result, you should not place undue reliance on these forward-looking statements.
- The Group reports its financial results in accordance with accounting principles IFRS as issued by the IASB and as endorsed by the EU. However, management believes that certain alternative performance measures (APMs) provide management and other users with additional meaningful financial information that should be considered when assessing the Group's ongoing performance. These APMs are non-IFRS financial measures, and should not be viewed as a substitute for any IFRS financial measure. Management, the board of directors and the long-term lenders regularly uses supplemental APMs to understand, manage and evaluate the business and its operations. These APMs are among the factors used in planning for and forecasting future periods, including assessment of financial covenants compliance.

APPENDIX

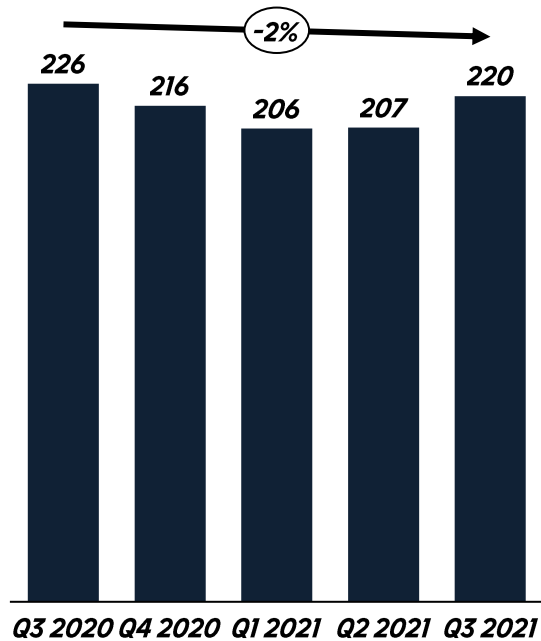


NORWAY

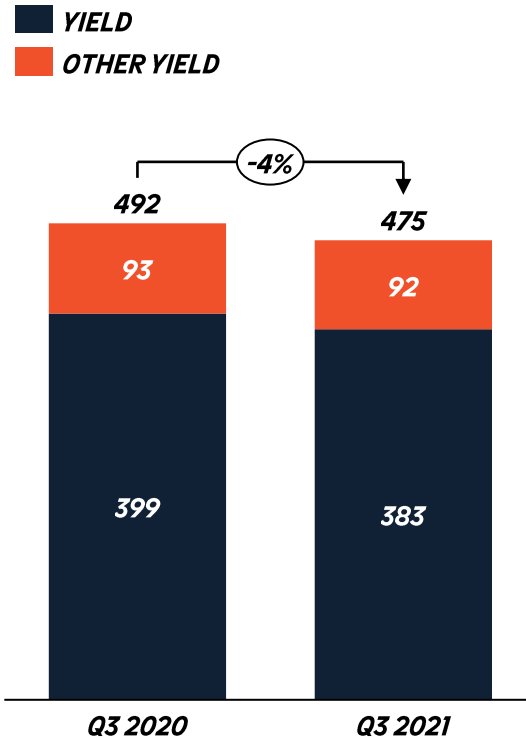


SWEDEN

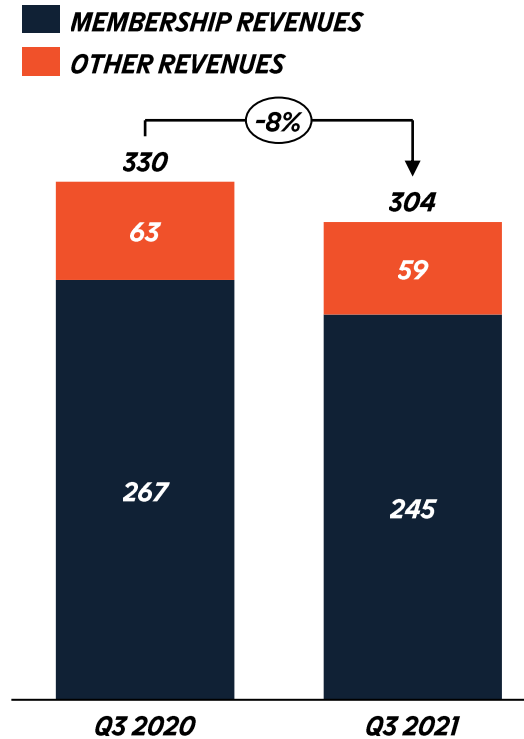
OUTGOING MEMBER BASE ('000)



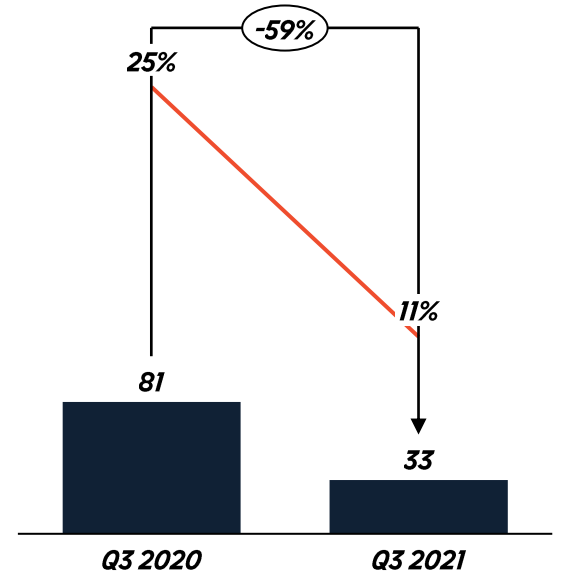
ARPM AND YIELD (NOK/MONTH)



TOTAL REVENUES (MNOK)

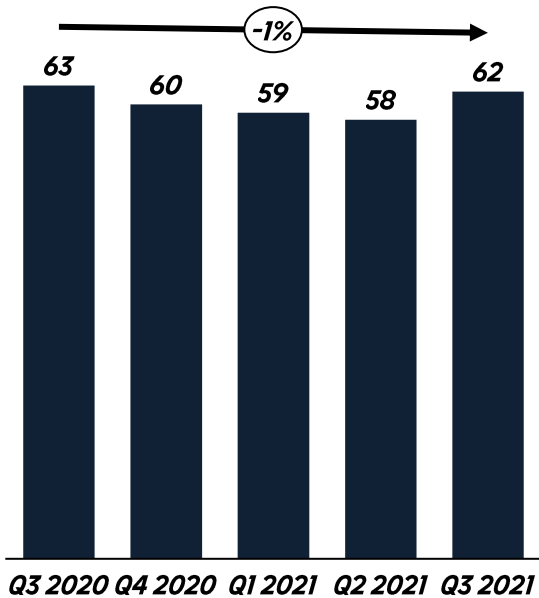


ADJ. COUNTRY EBITDA BEFORE IMPACT OF IFRS 16 (MNOK)



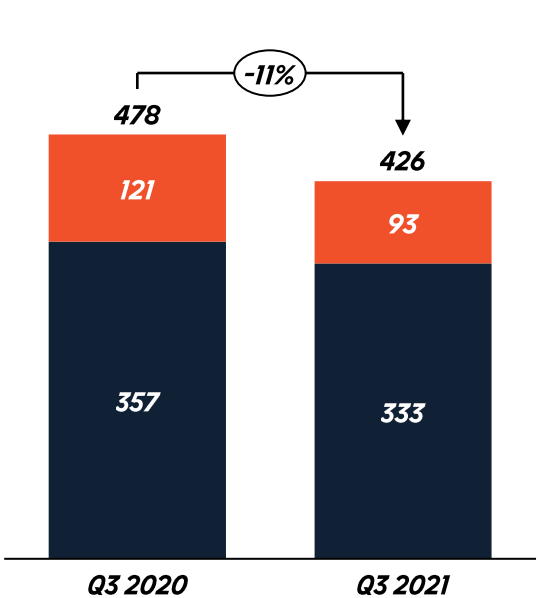
FINLAND

OUTGOING MEMBER BASE ('000)



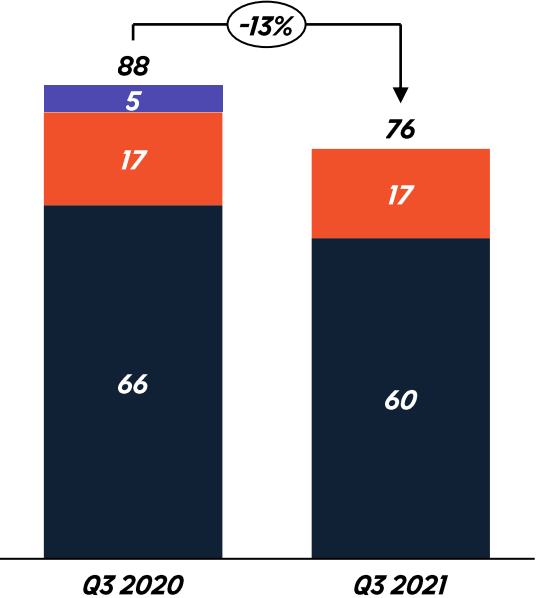
ARPM AND YIELD (NOK/MONTH)

■ YIELD
■ OTHER YIELD

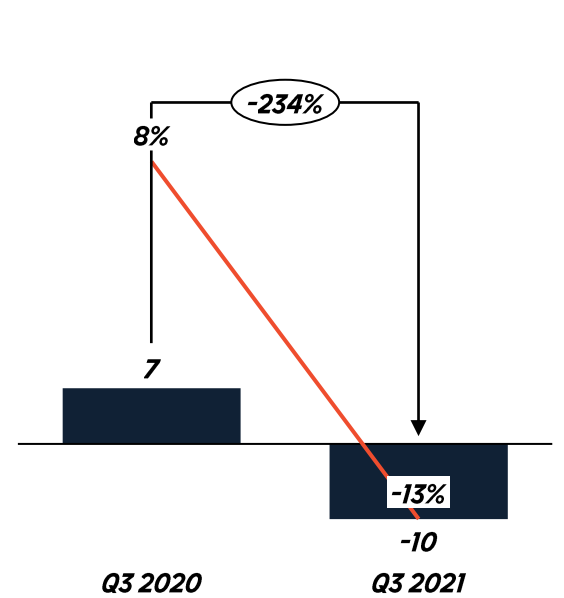


TOTAL REVENUES (MNOK)

■ MEMBERSHIP REVENUES
■ OTHER REVENUES
■ GOVERNMENTAL SUPPORTING PACKAGES

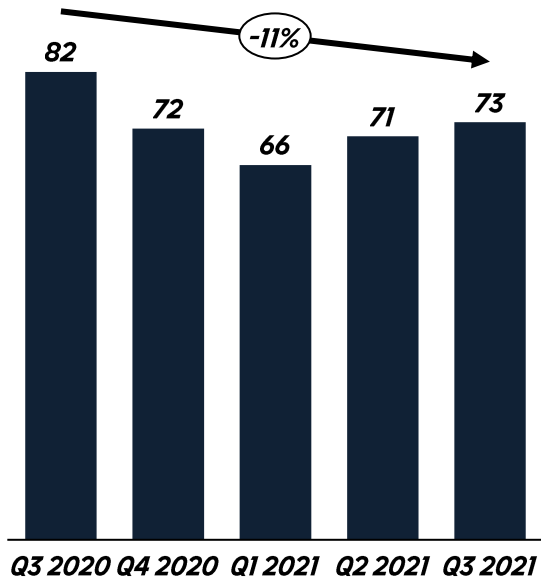


ADJ. COUNTRY EBITDA BEFORE IMPACT OF IFRS 16 (MNOK)



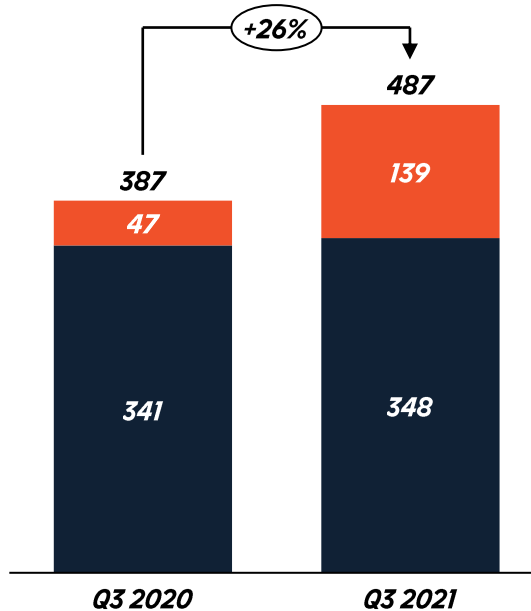
DENMARK

OUTGOING MEMBER BASE ('000)



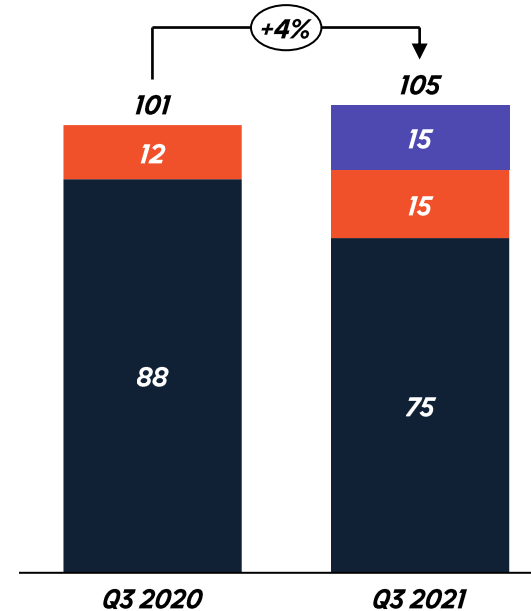
ARPM AND YIELD (NOK/MONTH)

■ YIELD
■ OTHER YIELD

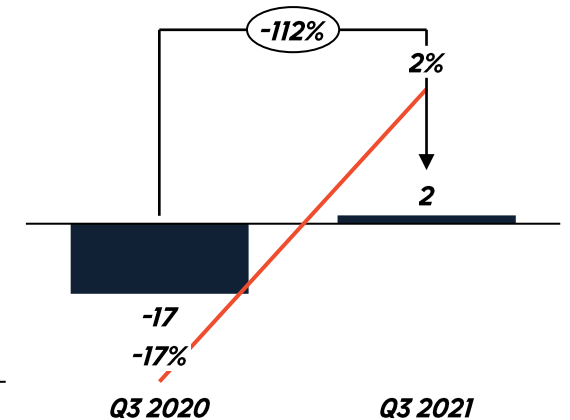


TOTAL REVENUES (MNOK)

■ MEMBERSHIP REVENUES
■ OTHER REVENUES
■ GOVERNMENTAL SUPPORTING PACKAGES



ADJ. COUNTRY EBITDA BEFORE IMPACT OF IFRS 16 (MNOK)



GLOSSARY

TERM	DEFINITION
Adjusted country EBITDA before impact of IFRS 16	Adjusted EBITDA before impact of IFRS 16 less allocation of Group overhead and cost allocations
Adjusted country EBITDA before impact of IFRS 16 margin	Adjusted country EBITDA before impact of IFRS 16 divided by total revenue
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
Adjusted EBITDA before impact of IFRS 16 margin	Adjusted EBITDA before impact of IFRS 16 divided by total revenue
Average number of members per club	Number of clubs at the end of the period divided by the average member base
Average revenue per member (ARPM)	Average revenue per member per month, calculated as total revenue divided by the average member base
Capex: Club portfolio capital expenditures	Maintenance capital expenditures less IT capital expenditures
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: IT capital expenditures	Capital expenditures associated with developing software programs
Capex: Maintenance capital expenditures	Total capital expenditures less expansion capital expenditures
Capex: Total capital expenditures	The sum of all capital expenditures
Cash conversion	Operating cash flow divided by adjusted EBITDA before impact of IFRS 16
Club	Number of clubs open and trading under the brands 'SATS', 'ELIXIA', 'Fresh Fitness' and 'HiYoga' as of the end of the period

TERM	DEFINITION
EBITDA	Profit/(loss) before net financial items, income tax expense, depreciation and amortization
EBITDA before impact of IFRS 16	EBITDA adjusted for lease expenses applying IAS 17 Leases
EBITDA before impact of IFRS 16 margin	EBITDA before impact of IFRS 16 divided by total revenue
Group overhead	Consists of group services such as commercial functions, IT, finance and administration
Leverage ratio	Net debt divided by last twelve months adjusted EBITDA before impact of IFRS 16
Member base, average	Average number of members at the beginning and end of the period, including frozen memberships, excluding free memberships
LTM EBITDA	Last twelve months EBITDA adjusted for lease expenses applying IAS 17 Leases
Member base, outgoing	Number of members at the end of the period, including frozen memberships, excluding free memberships
Net debt	Current and non-current borrowings less cash and cash equivalents
Operating cash flow	Adjusted EBITDA before impact of IFRS 16 less maintenance capital expenditures and working capital
Other yield	Calculated as other revenue in the period, divided by the average member base
Underlying operating cash flow	Operating cash flow less expansion capital expenditures
Yield	Calculated as member revenue in the period, divided by the average member base

SUMMARY TABLE

<i>Amounts in NOK million</i>	Q3 2021	Q3 2020
Number of clubs, EOP	256	245
Outgoing member base ('000s)	653	662
Average number of members per club	2 551	2 703
ARPM (NOK)	512	490
Yield (NOK)	389	395
Reported EBITDA (MNOK)	333	344
Adjusted EBITDA before impact of IFRS 16 (MNOK)	83	99
Adjusted EBITDA before impact of IFRS 16 margin	9 %	10 %
Adjusted country EBITDA before impact of IFRS 16 (MNOK)	158	162
Adjusted country EBITDA before impact of IFRS 16 margin	16 %	17 %
Net debt (MNOK)	1 969	1 349
Total capital expenditures (MNOK)	66	48
Expansion capital expenditures (MNOK)	40	12
Maintenance capital expenditures (MNOK)	26	36
IT capital expenditures (MNOK)	15	9
Club portfolio capital expenditures (MNOK)	12	26
Operating cash flow (MNOK)	-13	77
Leverage ratio	-130,0	3,2
Cash conversion	-16 %	78 %

REPORTING UNDER IFRS 16

<i>Amounts in NOK million</i>	Reported Q3 2021	Change IFRS 16	Excl. IFRS 16 Q3 2021
Balance sheet items - IFRS 16			
Property, plant and equipment	671	0	671
Right-of use assets	4 084	4 084	0
Deferred tax assets	163	0	163
Prepaid expenses and accrued income	305	-70	374
Total assets	8 238	4 014	4 224
Equity	523	-410	932
Non-current lease liability	3 660	3 660	0
Current lease liability	807	807	0
Other current liabilities	327	-43	370
Total liabilities	7 716	4 423	3 292
Profit & loss items - IFRS 16			
Revenue	971	0	971
Cost of goods sold	-35	0	-35
Personnel expenses	-342	0	-342
Other operating expenses	-260	251	-510
Depreciation and amortization	-260	-203	-56
Impairment of assets held for sale	0	0	0
Operating profit	74	47	27
Net financial items	-67	-47	-19
Profit/loss before tax	7	0	7

SATS