

WELCOME BACK

Q3 2020 INTERIM REPORT
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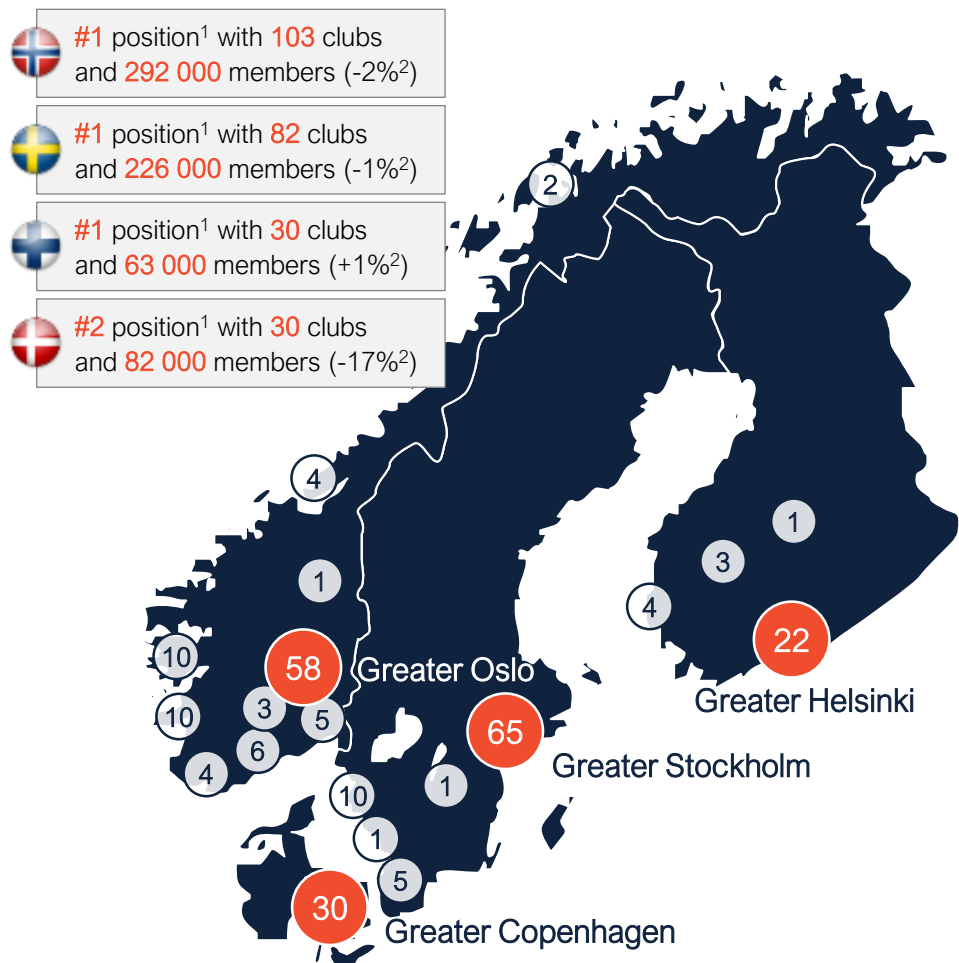
SATS

WE ARE BACK

- We have seen a ***rapid comeback of members and visits*** after opening our clubs
- We have proven that it is ***safe to work out at SATS***, with no confirmed infection cases among members tracked back to our clubs
- We have ***strong operational routines and tight cost control***, resulting in a significant improvement in member satisfaction and solid financial delivery



THE TOP LINE IS BACK AND THE MEMBER BASE IS GROWING



- #1 position¹ with 103 clubs and 292 000 members (-2%²)
- #1 position¹ with 82 clubs and 226 000 members (-1%²)
- #1 position¹ with 30 clubs and 63 000 members (+1%²)
- #2 position¹ with 30 clubs and 82 000 members (-17%²)



KEY FIGURES	Q3 2020	CHANGE VS Q3 2019
TOTAL REVENUES	955 MNOK	+2%
ADJ. EBITDA BEFORE IFRS 16	99 MNOK	-23%
ADJ. EBITDA BEFORE IFRS 16 MARGIN	10.4%	-3.4 P.P.

(1) Measured by 2019 revenues based on figures from Deloitte EuropeActive EHFMR 2020, (2) Compared to Q3 2019

OUR MEMBERS ARE GETTING HEALTHIER AND HAPPIER – VISITS ARE BACK TO STRONG LEVELS

— VISITS THIS YEAR, INDEXED

— VISITS LAST YEAR

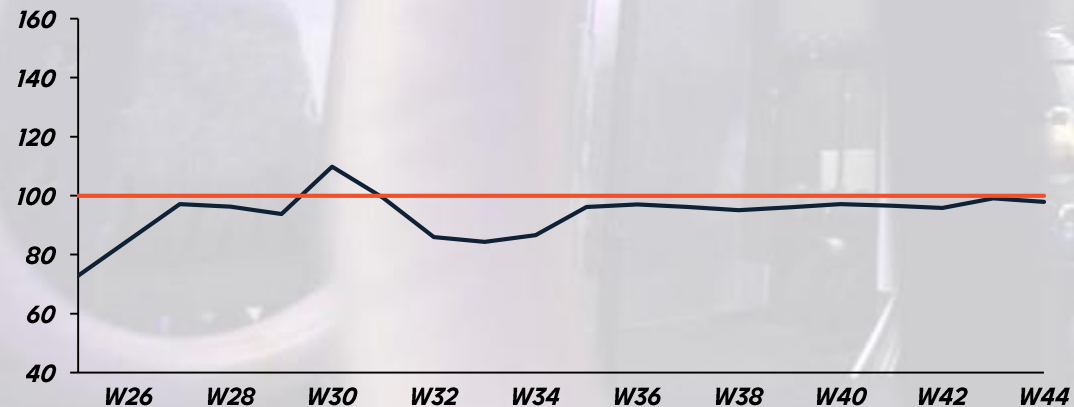
NORWAY



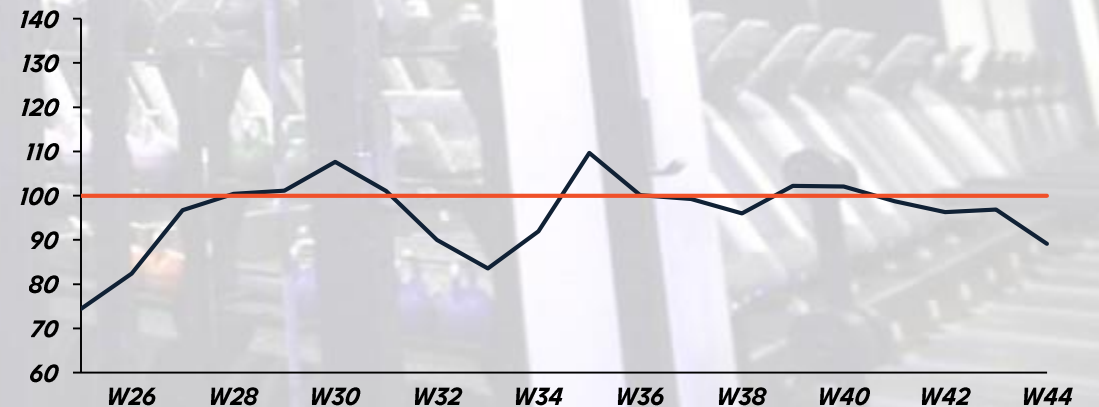
SWEDEN



FINLAND



DENMARK (EXCL. NINE SOLD CLUBS)



WE HAVE RE-ENGAGED THE FULL MEMBER BASE

INCREASED ACTIVITY LEVEL Y/Y

of workouts / member,
at clubs and online

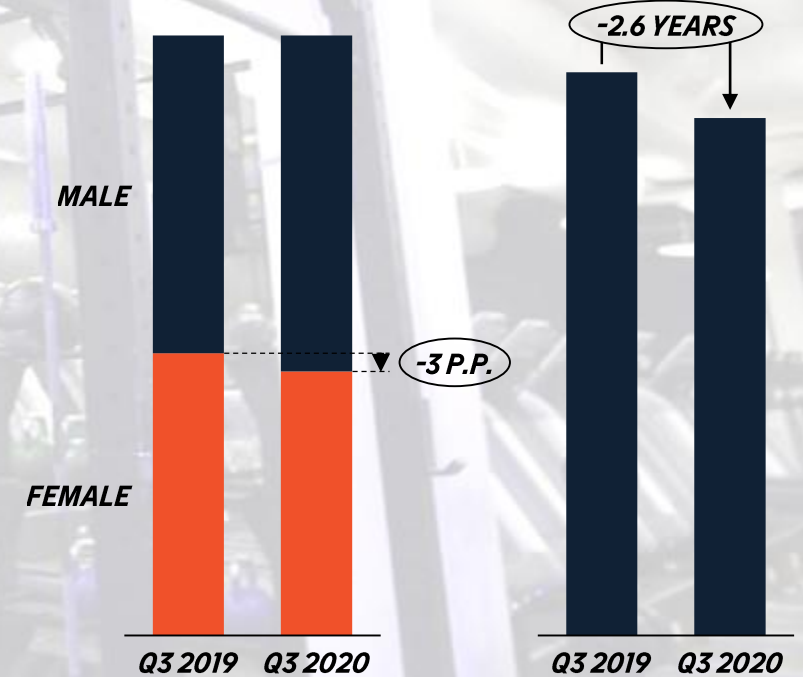


BROAD DISTRIBUTION IN RETURNED MEMBER BASE

Share of active members in member base



Gender distribution,
club visits

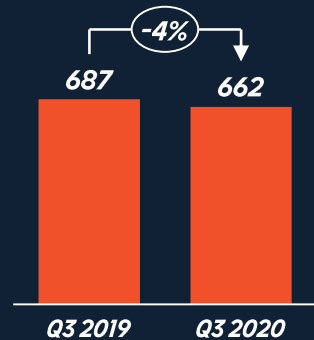


RESULTING IN A STRONG FINANCIAL DELIVERY

NEARLY REGAINED MEMBER BASE

After adjusting for the sale of nine clubs in Denmark, the member base is only 1% behind Q3 2019 and has grown with 26 000 members in Q3 2020

OUTGOING MEMBER BASE ('000)



NET MEMBER GROWTH ('000)

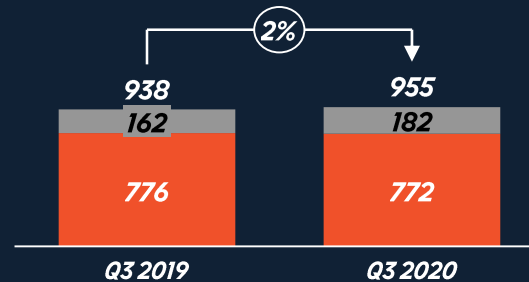


REVENUES CLIMBING BACK

Revenues climbing back towards last year, driven by yield initiatives

TOTAL REVENUES (MNOK)

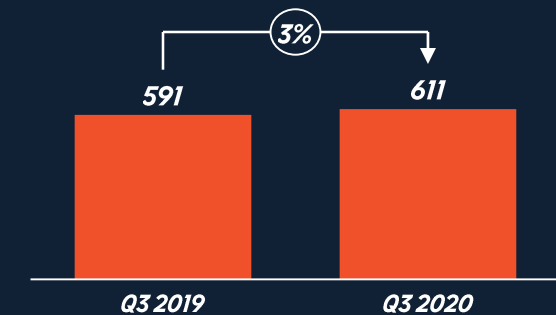
MEMBERSHIP REVENUE OTHER REVENUE



GOOD COST CONTROL

The new normal entails certain additional cost-driving measures, but this is compensated for through other cost reductions

OPERATING COSTS EXCL. DEPR. (MNOK)



HOW DID WE GET THERE?



IMPROVED AND ADAPTED OUR OPERATING MODEL

PROACTIVE AND INNOVATIVE DURING THE CRISIS

12 MARCH

Temporarily closed all clubs



26 MARCH

Reopened all clubs in Sweden. Limited measures from the government created a situation differing from the other Nordic countries



24 APRIL

Reopened all clubs in Finland, after the restrictions in the main Helsinki area were lifted



11 JUNE

Reopened all clubs in Denmark, after a governmental imposed lock-down from 17 March to 8 June, with a short reopening notice



15 JUNE

Reopened all clubs in Norway, after a governmental imposed lock-down from 12 March to 15 June



Dual focus during the lock-down:

Short term crisis management



Long term planning for a strong comeback

WE FOLLOW THE LOCAL GOVERNMENTAL RESTRICTIONS

GOVERNMENTAL RESTRICTIONS AS PER 4 NOVEMBER:

NORWAY

- No specific national restrictions related to fitness clubs, but face masks are mandatory in public spaces in general when it is not possible to keep 1 meter distance
- SATS recommends staff and members to use face masks in situations where it is challenging to keep 1 meter distance

FINLAND


- No specific restrictions related to fitness clubs, but recommendation to use face masks in public spaces of fitness clubs
- Recommendation to reduce capacity by 50%
- SATS recommends staff and members to use facemasks in public spaces of the clubs

SWEDEN

- No specific restrictions related to fitness clubs
- Local recommendations in certain areas to avoid fitness clubs, swimming pools, libraries and shopping malls until 19 November
- We have all clubs open, but push online training and encourage members to visit us outside peak hours

DENMARK

- The government has imposed use of face masks in public spaces of fitness clubs, not including the training area, until 2 January
- The government has restricted gatherings to maximum 10 persons. For SATS this means 9 participants per GX class



Given the recent development in infection levels in the Nordics, we expect new restrictions to come, but have proven the ability to handle these in a responsible way

IMPROVED AND ADAPTED OUR OPERATING MODEL

FURTHER STANDARDIZING THE OPERATING MODEL

RESPONSIBILITIES AND EXPECTATIONS TO MGMT ROLES

- Role descriptions for Club manager and Assistant club manager roles

Ansvar	Ansvar	Ansvar	Ansvar
<p>Ansvar for Club Manager (CM) for 2-4 haller</p> <p>Ansvar for Club Manager (CM) for 2-4 haller er at sikre at klubben fungerer som en professionel og attraktiv arbejdsplads for medlemmerne. Dette omfatter at sikre at klubben er økonomisk bæredygtig, at medlemmerne er tilfredse og at klubben lever op til SATS' krav til kvalitet og standardisering.</p>	<p>Ansvar for Assistant Club Manager (ACM) for 2-4 haller</p> <p>Ansvar for Assistant Club Manager (ACM) for 2-4 haller er at assistere Club Manageren i at sikre at klubben fungerer som en professionel og attraktiv arbejdsplads for medlemmerne. Dette omfatter at assistere med økonomiske opgaver, at sikre at medlemmerne er tilfredse og at klubben lever op til SATS' krav til kvalitet og standardisering.</p>	<p>Ansvar for Club Manager (CM) for 5-10 haller</p> <p>Ansvar for Club Manager (CM) for 5-10 haller er at sikre at klubben fungerer som en professionel og attraktiv arbejdsplads for medlemmerne. Dette omfatter at sikre at klubben er økonomisk bæredygtig, at medlemmerne er tilfredse og at klubben lever op til SATS' krav til kvalitet og standardisering.</p>	<p>Ansvar for Assistant Club Manager (ACM) for 5-10 haller</p> <p>Ansvar for Assistant Club Manager (ACM) for 5-10 haller er at assistere Club Manageren i at sikre at klubben fungerer som en professionel og attraktiv arbejdsplads for medlemmerne. Dette omfatter at assistere med økonomiske opgaver, at sikre at medlemmerne er tilfredse og at klubben lever op til SATS' krav til kvalitet og standardisering.</p>

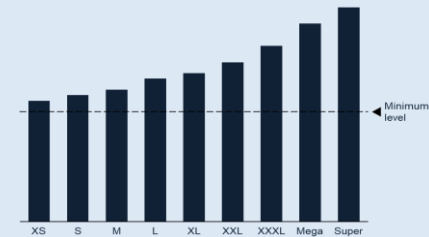
TASKS THAT ARE EXECUTED IN CLUBS

- Overview of tasks executed in clubs
 - Operative tasks
 - Cleaning and maintenance
 - Meetings

Task	Frequency	Responsible
Changing room check	Always	Club Manager
Center check	Always	Club Manager
Club meeting	Monthly	Club Manager
Financial review	Quarterly	Club Manager
Member survey	Annually	Club Manager
Staff training	Quarterly	Club Manager
Facility maintenance	As needed	Facility Manager
Marketing activities	As needed	Marketing Manager
Community outreach	As needed	Community Manager
Health and safety	Always	Club Manager
Compliance	Always	Club Manager
Customer service	Always	Club Manager
Operative tasks	Always	Club Manager
Cleaning and maintenance	Always	Club Manager
Meetings	Always	Club Manager

ALLOCATION OF STAFF HOURS

- Principles for staffing
- Model for allocating hours to clubs
- Backbone schedules per club size



WAY OF WORKING

- Way of working with tasks and hours for operations
 - Planning
 - Execution
 - Follow-up

WE NEED TO ESTABLISH A WAY OF WORKING WITH THE MODEL THAT ENSURES ADHERENCE AND RELEVANCE

Phase	Purpose	Process
Audit	<ul style="list-style-type: none"> To ensure that all clubs follow the SATS standard and provide an excellent member experience. To promote learning and build competence through sharing of best practices. 	<ul style="list-style-type: none"> To ensure high frequency while keeping the workload manageable we should have one audit and report, one more detailed and less frequent version of the audit (Currently being developed).
Benchmarking	<ul style="list-style-type: none"> To identify high performers and best practices that can be applied to other clubs. To create healthy competition between comparable clubs. 	<ul style="list-style-type: none"> Use the SPTS in the SACS file as a benchmark follow-up tool where clubs are matched against comparable peers. Use best practices from the high-performers to expand the "action list" provided to clubs.
Updating the model	<ul style="list-style-type: none"> To ensure that the model is regularly updated and remains relevant while avoiding variation in the model between countries. 	<ul style="list-style-type: none"> Establish one common area with all countries' documentation relating to the operating model. Establish a forum with a mandate to change the model.

THE NEW NORMAL

MOST IMPORTANTLY, IT IS SAFE TO WORK OUT IN A SATS CLUB

SOURCE

CONCLUSION

Study by Clinical Effectiveness Research team at the University of Oslo, in collaboration with Oslo University Hospital, Virke Trening, SATS, EVO and STOLT

People who went to a gym were not more likely to get infected, or sick, than people who didn't



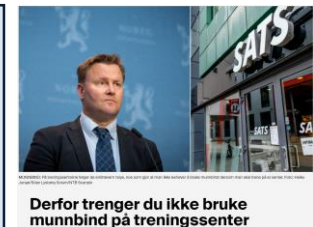
Study by EuropeActive

Preliminary data reveals extremely low levels of COVID-19 risk in fitness clubs and leisure facilities. With more than 62 million visits analyzed, the average infection rate sits at 0.78 per 100 000 visits



The Norwegian Directorate for Health and Social Affairs

There is enough space at fitness clubs to enable social distancing, and there have been very few outbreaks in this industry



THE NEW NORMAL

INFECTION CONTROL IS THE NUMBER ONE PRIORITY IN SATS



4.2 million visits in Norway since reopening

145 visits from transmitted members

0 transmitted members at SATS¹

INFECTION TRACKING ROUTINES

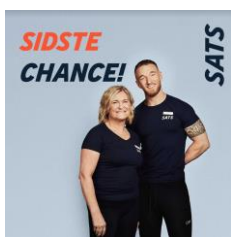
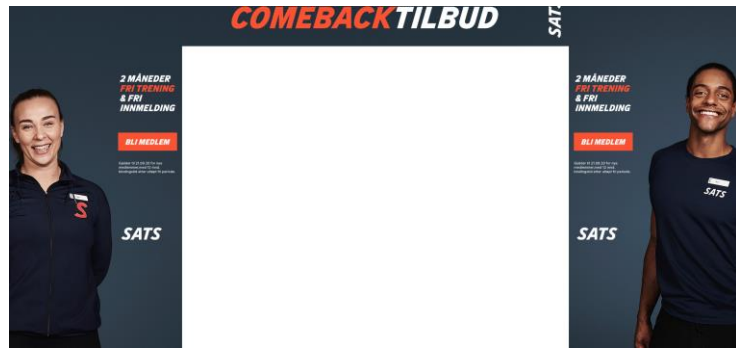
- Access control secures complete overview of visits at any time
- Deviation reporting of:
 - Infection cases
 - Employees in quarantine
 - Access restrictions at clubs
- Always send SMS to members who have visited a SATS club during the same time period as an infected member
- Close dialogue with the local “Smittevernskontor” in each case

(1) According to infection tracking conducted by local “Smittevernskontor”

Q3 CAMPAIGN

SUCCESSFUL MARKETING CAMPAIGN AND MEMBER ACTIVATION ACTIVITIES

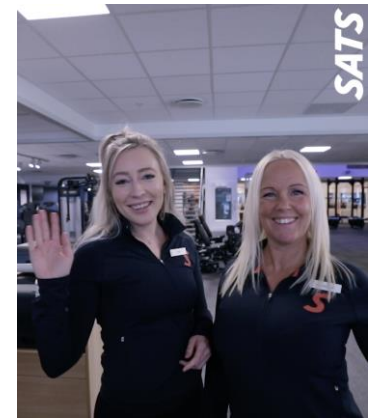
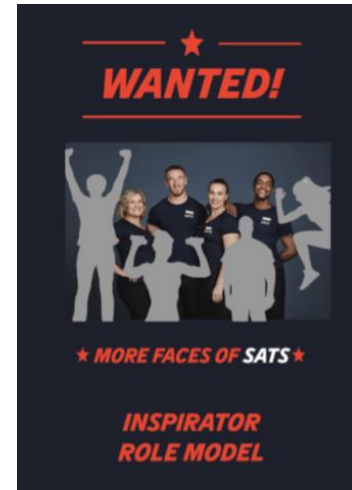
Q3 CAMPAIGN



PRODUCT



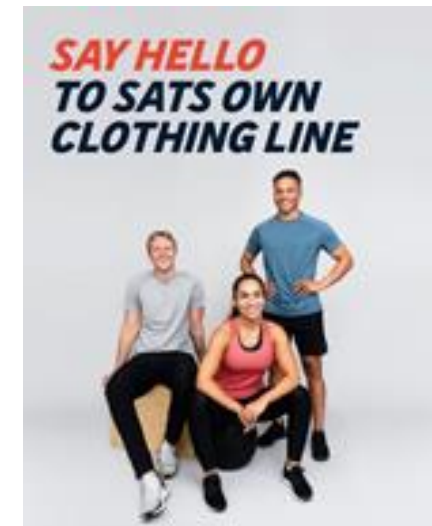
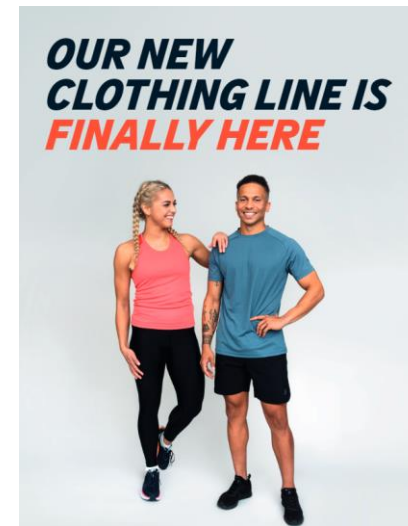
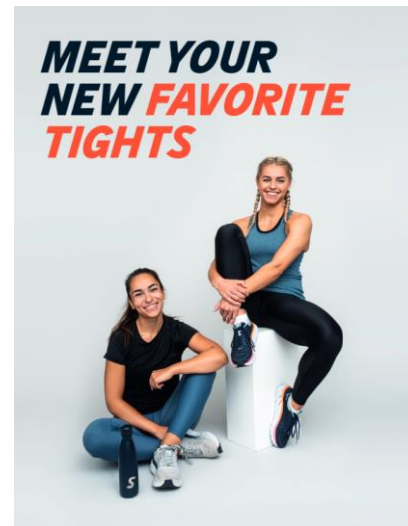
ENGAGEMENT



SATS CLOTHES COLLECTION

PREPARING LAUNCH IN NOVEMBER

- Affordable clothes (lower price points than branded suppliers) with good quality and commercial design
- The majority of the clothes are made of 100% recycled materials
- To be launched in November in Sweden, Norway and Denmark
- Own SATS models will front the collection and be visualized on all the marketing materials out on clubs – in an inspirational way

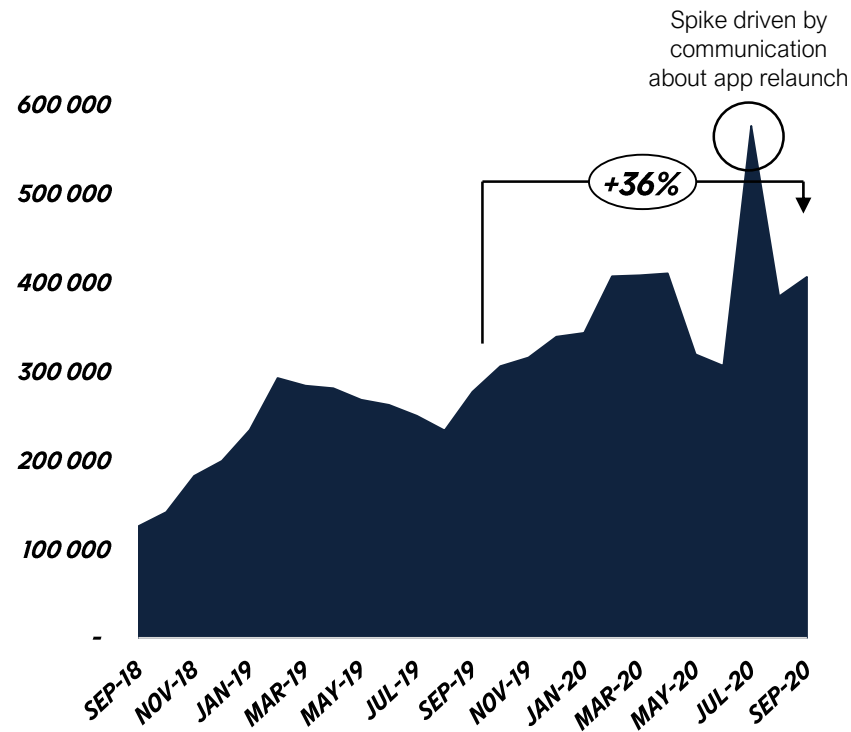


ACCELERATED THE DIGITAL INITIATIVES

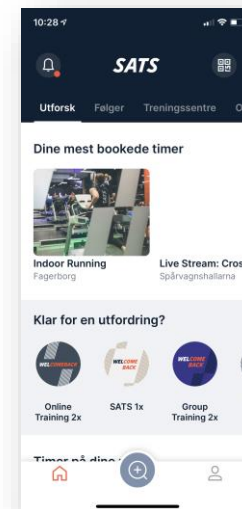
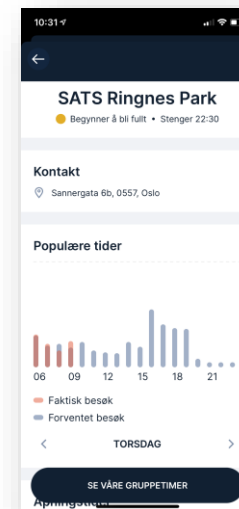
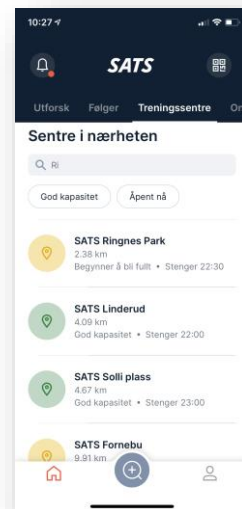
NEW MEMBER APP LAUNCHED...

APP USAGE INCREASING AT A HIGH PACE;

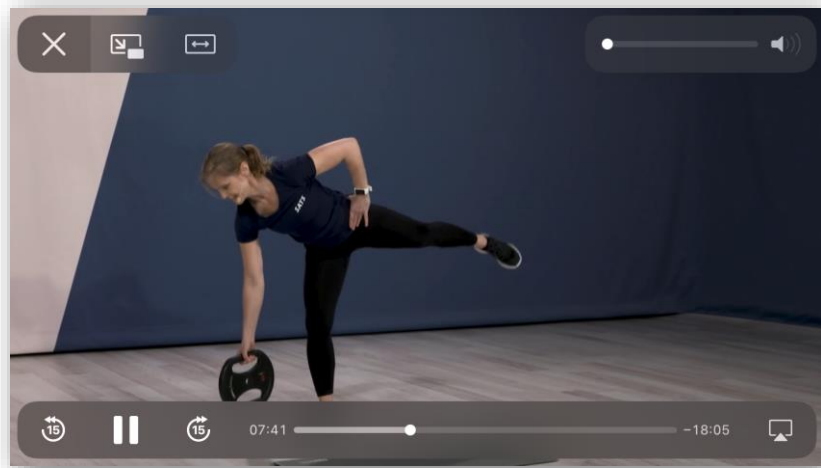
App usage, 30 days rolling



- New club overview showing clubs nearby, current capacity and opening hours
- New discover screen with news, suggested classes and important information
- New push message services reminding members to clean and be responsible at club, right after entering the club (COVID-19 initiative)
- Members adapting the social features, with 3.5 million likes and 90 000 comments the past year

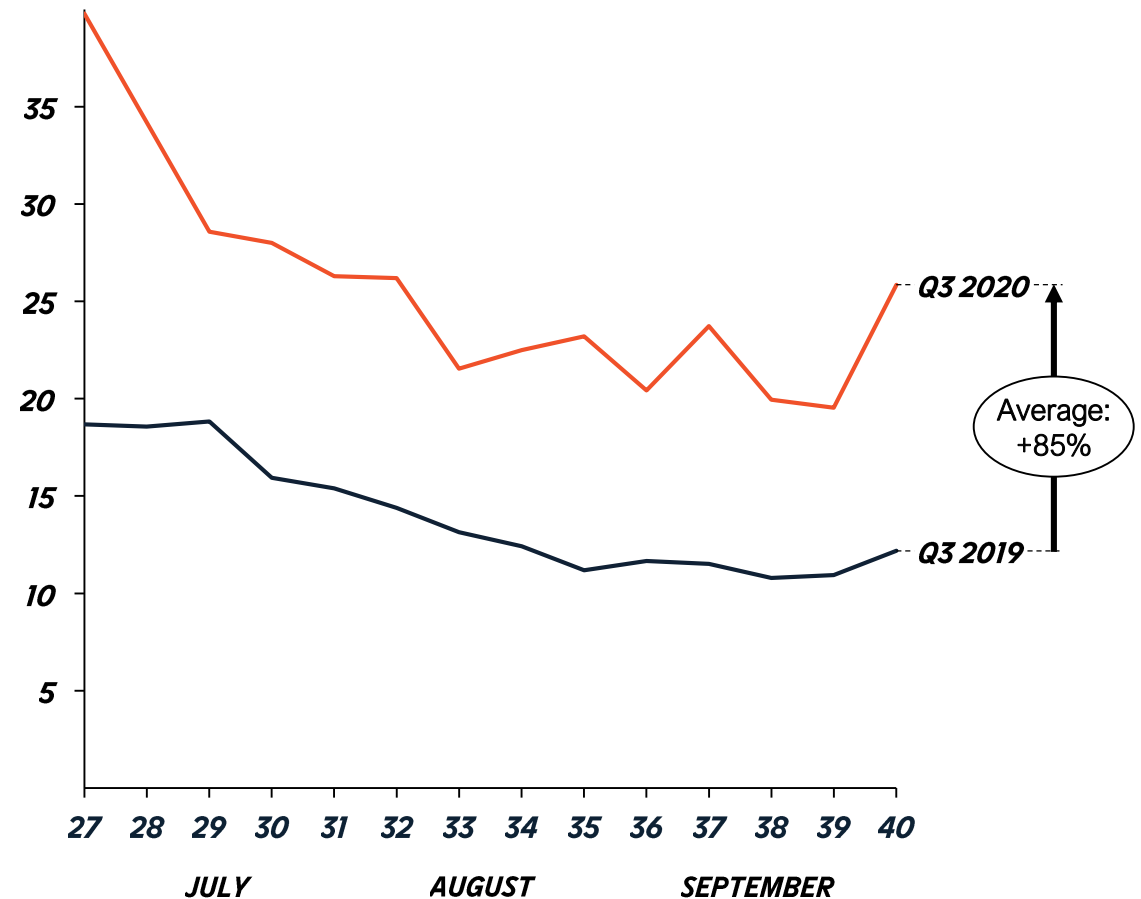


ACCELERATED THE DIGITAL INITIATIVES ...WITH ONLINE TRAINING SEAMLESSLY INTEGRATED



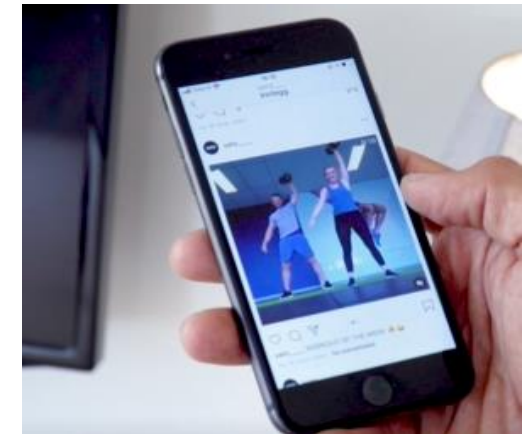
ONLINE TRAINING USAGE HAS STABILIZED AT A HIGH LEVEL

'000 of sessions started per week



ACCELERATED THE DIGITAL INITIATIVES ***LAUNCHED A NEW MULTI-CHANNEL CONCEPT CLASS***

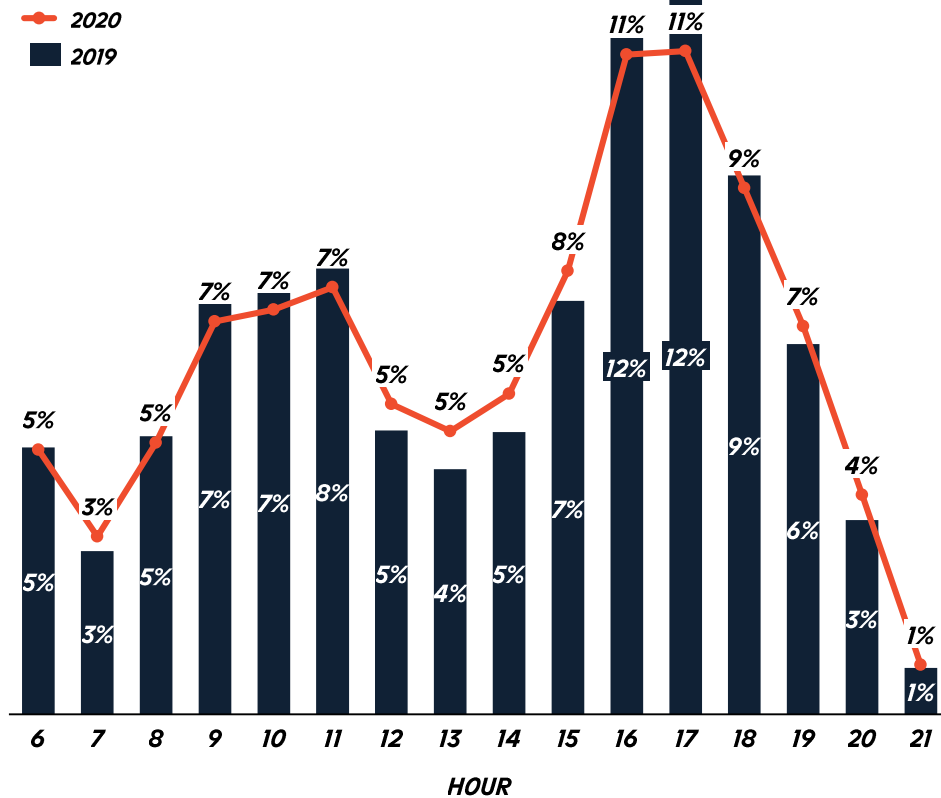
- All workouts are available on all SATS platforms
- A 360 degree product, so each member chose where and when to do the workout
- Members will know what to train before entering the GX room, reducing the barrier to attend



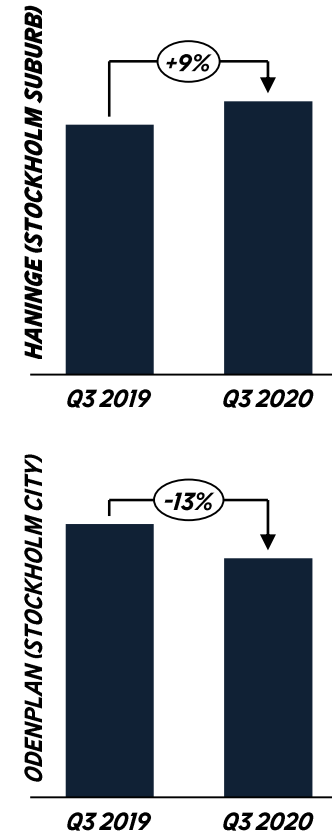
THE NEW NORMAL

THE STRENGTH OF OUR STRONG CLUB CLUSTERS IS PROVEN WITH CHANGES IN MEMBER HABITS

VISIT DISTRIBUTION SEPTEMBER VS LAST YEAR



VISITS AT TWO EXAMPLE CLUBS



- Visits more evenly distributed throughout the day, easing the pressure in peak hours
- Visits to some extent distributed from the busiest city clubs to more suburban clubs
- “Infection control guard” limits the number of members at each club and in each zone
- Introduced access restriction by the door in cases when the club is full

WHAT WILL THE FUTURE BRING?



DIGITALIZATION OF THE FITNESS INDUSTRY GAINING MOMENTUM

- The digital fitness landscape is growing rapidly, and new players have entered the industry, both globally and locally
- The growth of digital fitness is fueled by several underlying drivers:
 - Fit-tech devices becoming widely adopted
 - Growth of at-home workouts, boosted by COVID-19
 - New players with interactive platforms
 - Growth of online communities
- Huge opportunities within digital fitness – currently one of the biggest app categories globally



MIRROR



Google Fit



NEO

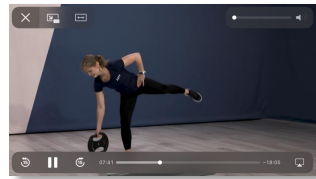
Apple Fitness+

“Consumer investment in digital fitness has increased by 30%-35% relative to pre-COVID-19 levels, positioning the sector for faster growth in the future”

LEK Consulting

WE WILL CONTINUE TO BUILD OUR INTERNAL DEVELOPMENT TEAM TO CAPITALIZE ON DIGITAL OPPORTUNITIES

CONTINUING TO EXPAND OUR DIGITAL OFFERING...



SATS online Training

- Library of +120 on-demand classes and training programs



Webinars and audios

- Providing expert advice on selected topics



Online PT, physio and nutrition advice

- Bringing our 1:1 services to a digital platform



SATS online shop & partnerships

- Online shop with discounts for members through multiple partnerships



Digital corporate training

- On-demand and live corporate office training

... THROUGH BUILDING OUR DEVELOPMENT CAPABILITIES

- We are continuing our shift in strategy started in 2019 from external consultants to internal developers

- Per 1 September, we have hired 13 developers and 2 UX/Design resources

- We will continue to build our digital team and capabilities to capitalize on digital opportunities



OUR AMBITION IS TO HAVE THE LEADING PLATFORM FOR DIGITAL TRAINING IN THE NORDICS

WE ARE INCREASING THE NUMBER OF TOUCH POINTS AMONGST OUR MEMBERS THROUGH OUR DIGITAL PRESENCE

- Our digital traffic is increasing rapidly, driven by increases in web and especially app usage
- Online Training usage has stabilized at a higher level compared to pre-COVID-19 (+85% higher on average than Q3 2019)
- This digital activity amongst our members is an increasingly important driver of increased overall activity, and allows us to have many more touch points with our members than would otherwise be possible

WE WILL CONTINUE TO INVEST IN DIGITAL FITNESS

- We will continue to invest in digital to both enhance customer omni-channel experience and create new revenue opportunities



**Our ambition:
The leading platform for digital
training in the Nordics**

PUBLIC HEALTH

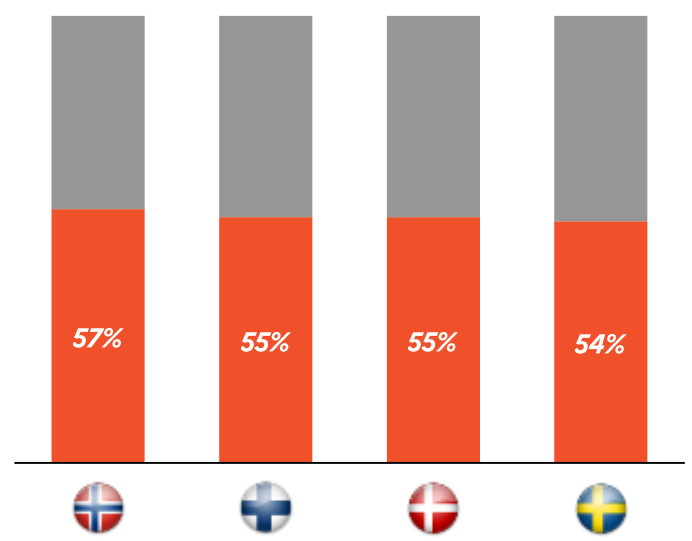
INACTIVITY IS A PUBLIC HEALTH PROBLEM

THE NORDIC POPULATION HAS AN INACTIVITY PROBLEM...

...WHICH WAS FURTHER AMPLIFIED DURING THE LOCK-DOWN PERIOD

A HIGH PROPORTION OF THE NORDIC POPULATION DOES NOT REACH THE MINIMUM WHO RECOMMENDATION ON PHYSICAL ACTIVITY FOR HEALTH¹
Share of population spending > 2.5 hours on health enhancing activity per week

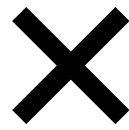
As if that were not enough, the COVID-19 pandemic came and further reduced the activity level in the population:



Rapid decrease in step counts worldwide, with some regions dropping nearly 50%²



In Norway, one out of five reported to be in worse shape in May than prior to the COVID-19 outbreak³



More than half of youths in Norway stopped exercising⁴

(1) Eurostat 2014, (2) Worldwide Effect of COVID-19 on Physical Activity: A Descriptive Study (Geoffrey H. Tison), (3) "Hver femte nordmann i dårligere fysisk form by Norsk koronamonitor for Opinion, (4) Study by Kantar for NRK

THE POSITIVE EFFECTS ON THE PUBLIC HEALTH OF PHYSICAL ACTIVITY ARE SIGNIFICANT WELL DOCUMENTED



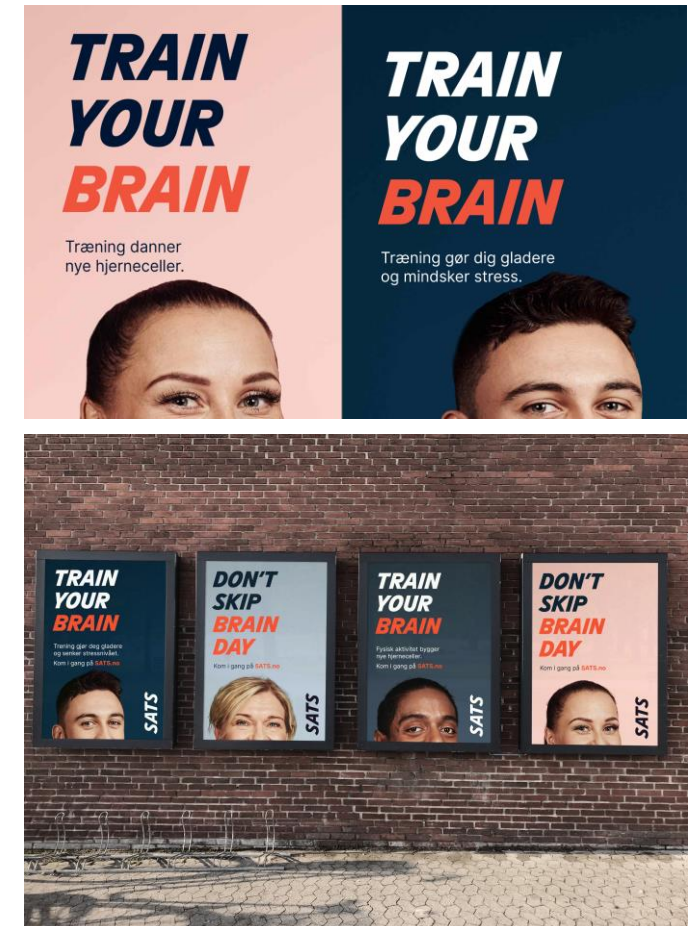
- Physical activity improves both stress management, learning, memory, creativity, concentration and intelligence¹



- Regular physical activity leads to a better quality of life due to increased mental well-being and better general physical health²
- A physically active 30-year old can get five years of increased life quality with increased well-being, in addition to three additional years of life, compared to an inactive peer²



- The risk of COVID-19 makes exercise even more important:
 - “Knowing that exercise could become a key pillar for health recovery and COVID-19 prevention, it is important to keep following the physical activity guidelines”³
 - “Governments and policymakers should be aware of the impact of governmental restrictions on decreasing physical activity, since physical activity is an important determinant of health”⁴



(1) Ole Petter Hjelle, Doctor and brain researcher, (2) “Hva fysisk aktivitet gjør med kroppen” by helsenorge.no, (3) “Do the benefits of exercise in indoor and outdoor environments during the COVID-19 pandemic outweigh the risks of infection?” in Sports Sci Health by Dominski & Brandt, (4) “Worldwide Effect of COVID-19 on Physical Activity: A Descriptive Study” in Annals of Internal Medicine by Tison, Avram & Kuhar

PUBLIC HEALTH

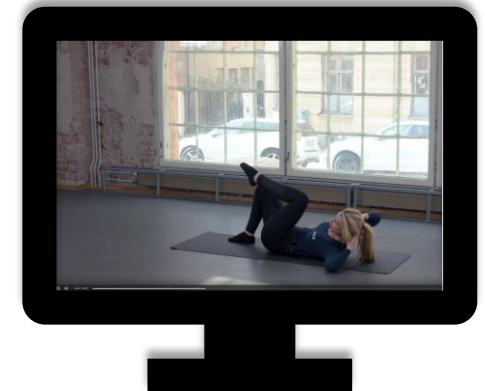
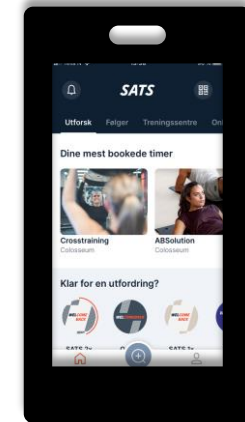
SATS WORKS EVERY DAY TO REDUCE PHYSICAL INACTIVITY AND IMPROVE PUBLIC HEALTH – MAKING PEOPLE HEALTHIER AND HAPPIER



BOTH THROUGH THE PRODUCT; THE COMPREHENSIVE PHYSICAL CLUB EXPERIENCE, COMPLIMENTED BY THE DIGITAL UNIVERSE...

VISION:

WE MAKE PEOPLE HEALTHIER AND HAPPIER





SATS WORKS EVERY DAY TO REDUCE PHYSICAL INACTIVITY AND IMPROVE PUBLIC HEALTH

... AND THROUGH ACTIVE MEMBER COMMUNICATION

SATS

EN PERSONLIG VIDEOHILSEN
- TIL DEG FRA OSS

HISTORIEN OM HVORDAN
DA
KOM SEG PÅ TRENING

Sommeren er på hell og nå heier vi på deg! Finn tilbake til treningsleden, og kjenn på økt energi og velvære. Vi håper denne personlige videoen vil inspirere og motivere deg, og kanskje gi deg et lite smil om munnen.

Vi gleder oss til å se deg på trening! 🤍👏

[SE DIN PERSONLIGE VIDEO HER](#)

WELCOMEBACK

Haha så kul att vi lyckades! 🥳👏👉

Fyfan vad @satssverige har tjatat på Mail och sms. Nu är jag här! Bring me cake

SATS

11 TIPS FOR Å KICKSTARTE TRENINGEN

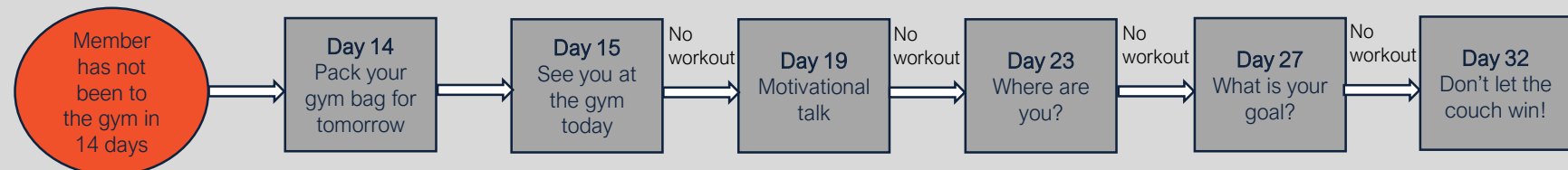
WELCOMEBACK

S SATS 2 min siden

High five 🙌

Wow, du imponerer oss med din treningsiver! Det er inspirerende å følge med på deg og alt det harde arbeidet du legger ned! Utrolig bra jobba, stå på videre 🙌

30 days activation:
Pushing inactive members extensively through email / app notifications

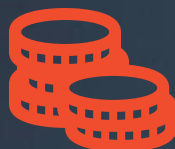


PUBLIC HEALTH RESULTING IN HEALTHIER AND HAPPIER MEMBERS

***38 MILLION VISITS IN SATS CLUBS DURING A YEAR,
WITH THE FOLLOWING PUBLIC HEALTH EFFECT¹:***



***~ 8 000 QUALITY
ADJUSTED LIFE-YEARS
(QALYS)***



***~ NOK 11 BILLION IN
SOCIO-ECONOMIC
WELFARE GAIN***



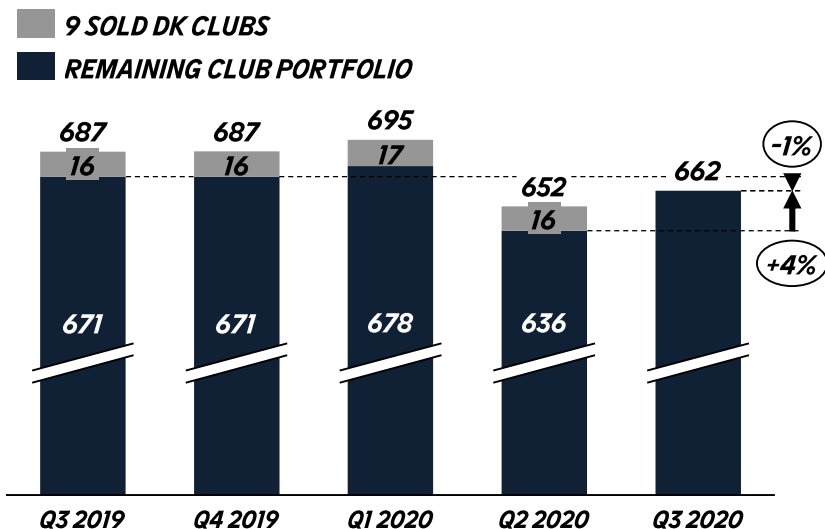
.(1) Estimated by Oslo Economics. Please see appendix for methodology.

FINANCIAL REVIEW

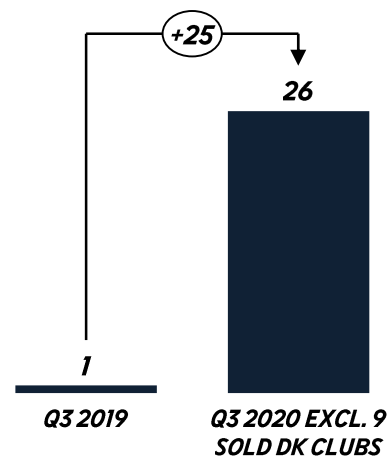


NET MEMBER GROWTH INCREASE DUE TO SUCCESSFUL CAMPAIGN

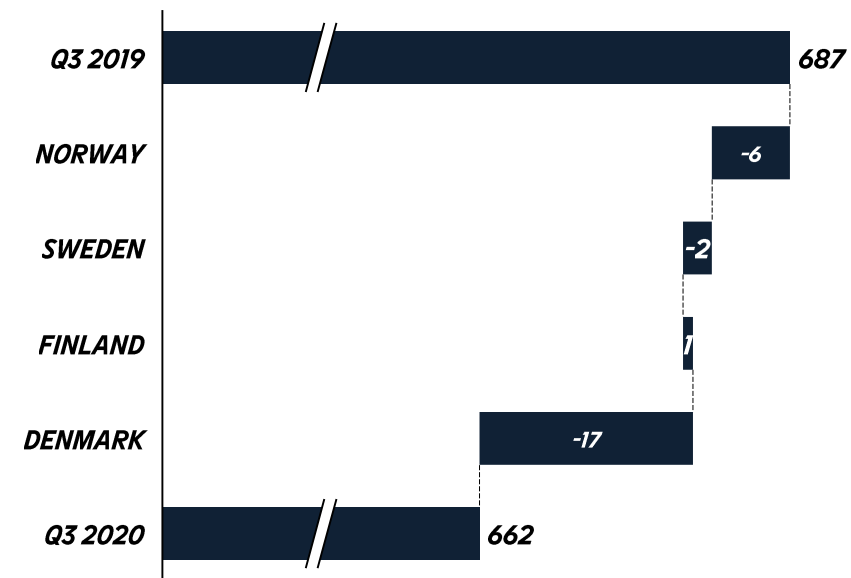
OUTGOING MEMBER BASE ('000)



NET GROWTH ('000)



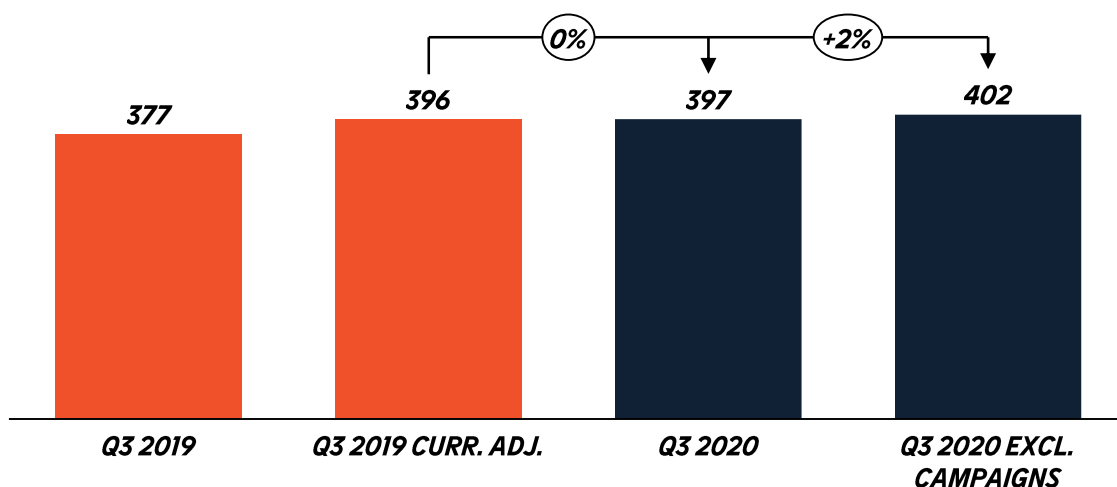
BY SEGMENT: OUTGOING MEMBER BASE ('000)



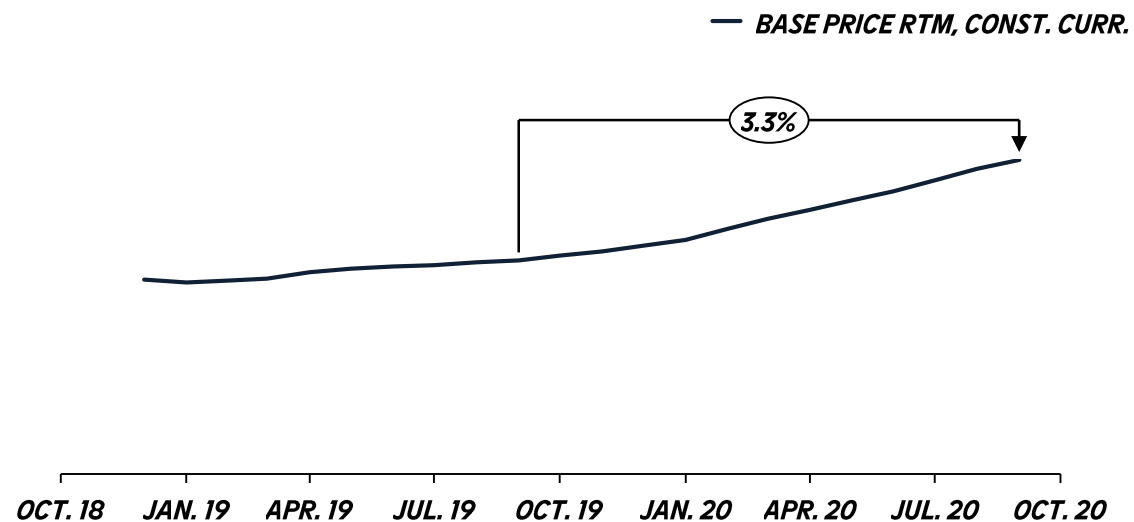
- After adjusting for the club closure and sale of nine clubs in Denmark, the member base grew with 4% in Q3, versus a flat development in Q3 2019
- Successful campaign in August and September resulted in record high Q3 sales, proving out ability to recover
- The record high net growth in member base in Q3 is not expected to continue in Q4 given the COVID-19 development and uncertainty around governmental restrictions

UNDERLYING MEMBERSHIP PRICES CONTINUING TO INCREASE

MEMBERSHIP YIELD (NOK/MONTH)



CONTRACTUAL PRICE



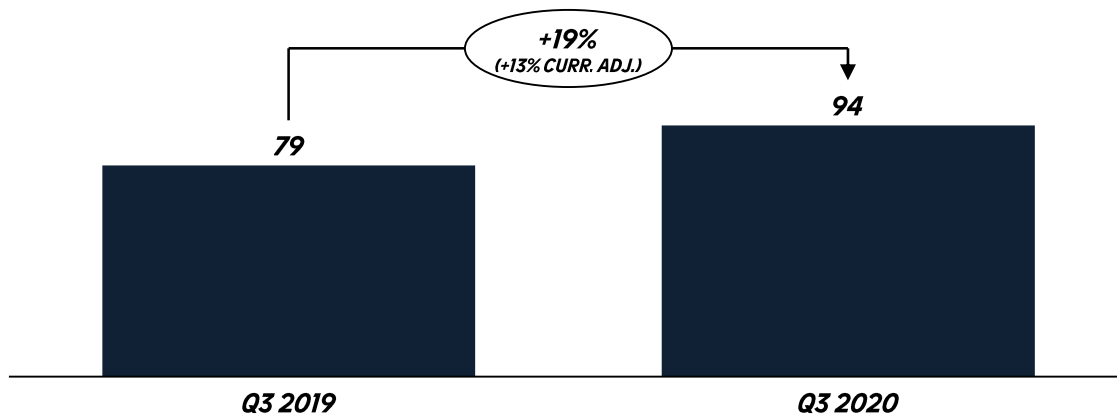
- Flat currency adjusted yield y/y as previous yield initiatives are compensating for short term effect of Q3 campaigns
- Tactical sales campaigns from June to September will affect reported ARPM the next year, as the two free months are deferred over the binding period
 - Campaign effect in Q3: NOK 11.5 million
 - Expected campaign effect on reported ARPM of approx. NOK 20 million in Q4 2020 and NOK 15 million in Q1 2021

- Underlying price increasing, driven by price adjustments during the past year

PT AND RETAIL BACK ON TRACK

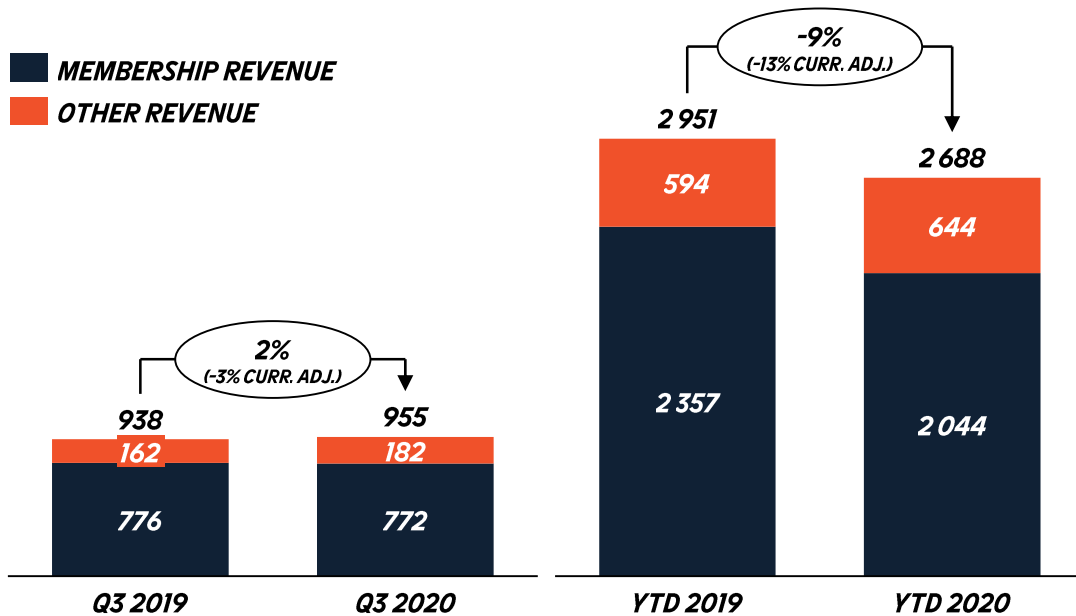
- Revenue from personal training back to pre-COVID-19 levels, with a slight decline in number of PTs more than compensated by increased activity per PT
- PT and retail margins of 35-40%, in line with pre-COVID-19 levels

OTHER YIELD (NOK/MONTH)

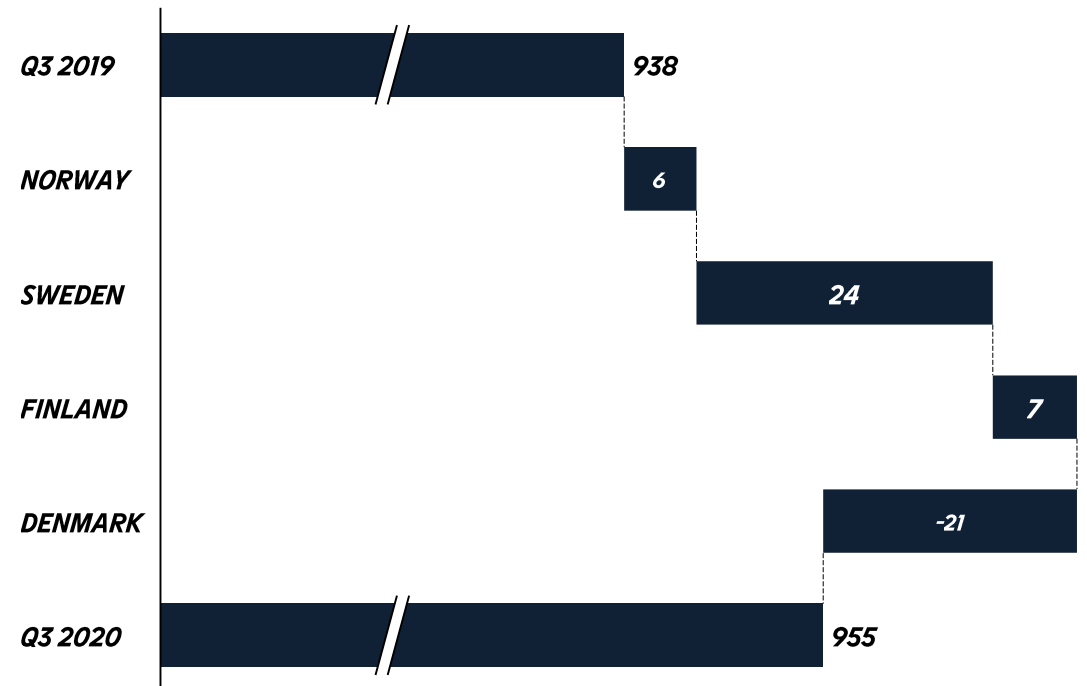


REVENUES RECOVERING AS THE MEMBER BASE IS NEARLY REGAINED

TOTAL REVENUES (MNOK)



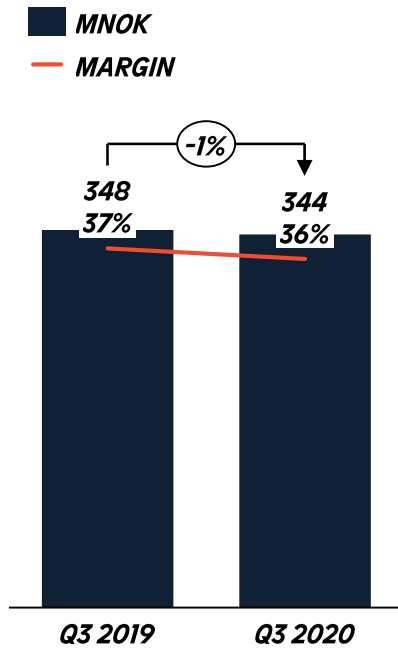
BY SEGMENT: TOTAL REVENUES (MNOK)



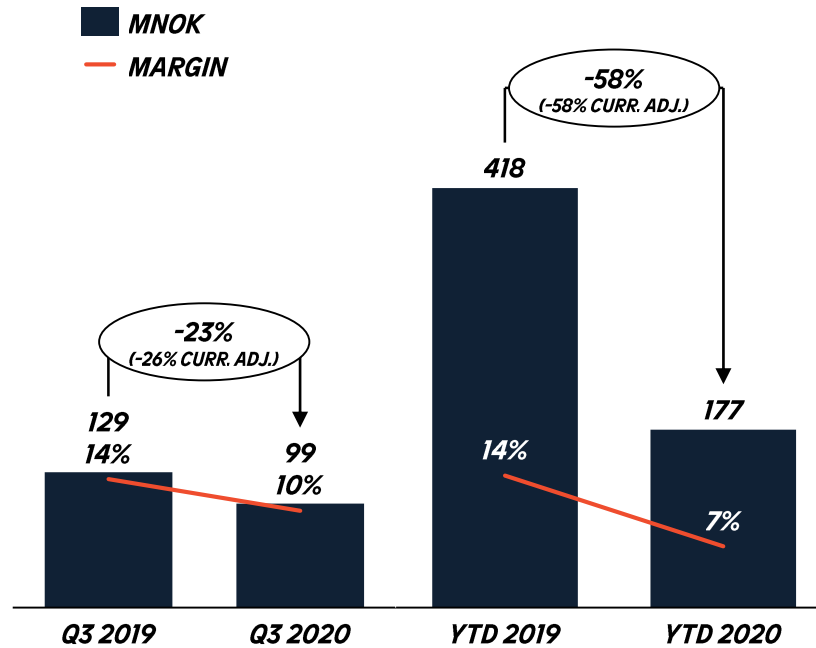
- Revenue increase in Q3 driven by weakening of NOK relative to SEK, DKK and EUR
- Revenue decrease in Denmark mainly due to divestment of nine clubs in Jylland and Fyn in the quarter

EBITDA ON THE ROAD TO RECOVERY

REPORTED EBITDA



ADJ. EBITDA BEFORE IMPACT OF IFRS 16



BY SEGMENT: ADJ. EBITDA BEFORE IMPACT OF IFRS 16



- Adj. EBITDA recovering after the lock-down, but is lower than in Q3 2019 as:
 - Marketing costs increased as a part of the strategic decision to win back the lost sales from the closure period
 - Temporarily increased frozen share of members

GARDEROBER
GRUPPETIMESAL Q1
BUILD'N'BURN




Campaigns will affect reported ARPM in the short term, but contractual membership price is increasing



Member base climbing back towards pre-COVID-19 levels



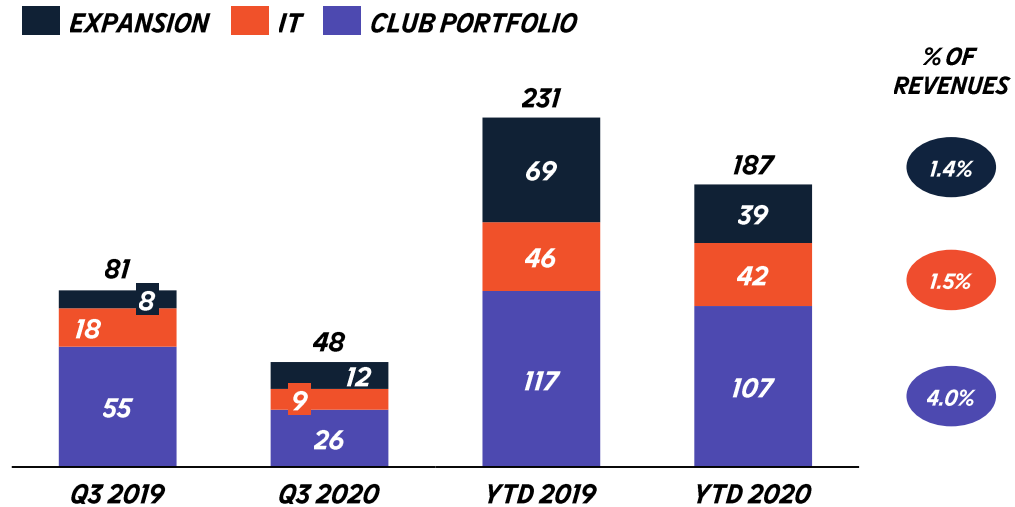
The new normal entails certain additional cost-driving measures, but this is compensated for through other cost reductions. Slightly higher cost in Q3 due to higher marketing spend – other than that on par with last year



Once the member base is back to pre-COVID-19 levels, we expect to return to the healthy financials proven prior to the pandemic

EXPECT MAINTENANCE CAPEX OF 5% OF YEARLY REVENUES

CAPITAL EXPENDITURE (MNOK)



- Full year expectations for maintenance capex remains in line with our previous communication of keeping a stable level at around 5% of revenues



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

NET GROWTH OF FIVE CLUBS IN 2020

YTD 2020

NEW CLUBS

• GREENFIELDS

- Tapiola (Q1)
- Ursvik Entré (Q1)
- Iso Omena (Q3)
- Lyngby – Kanalvej (Q3)

• ACQUISITIONS

- Hamnen (Q1)
- Mölnvik (Q1)

• RELOCATIONS

- Skøyen to Hoff (Q3)
- St. Olav to Herbarium (Q3)

+6

Q4 2020

• SIGNED GREENFIELDS

- Häggvik
- Arninge

• SIGNED ACQUISITIONS

- Ås
- Kalbakken
- Sinsen
- Romsås
- Haugerud
- Lier

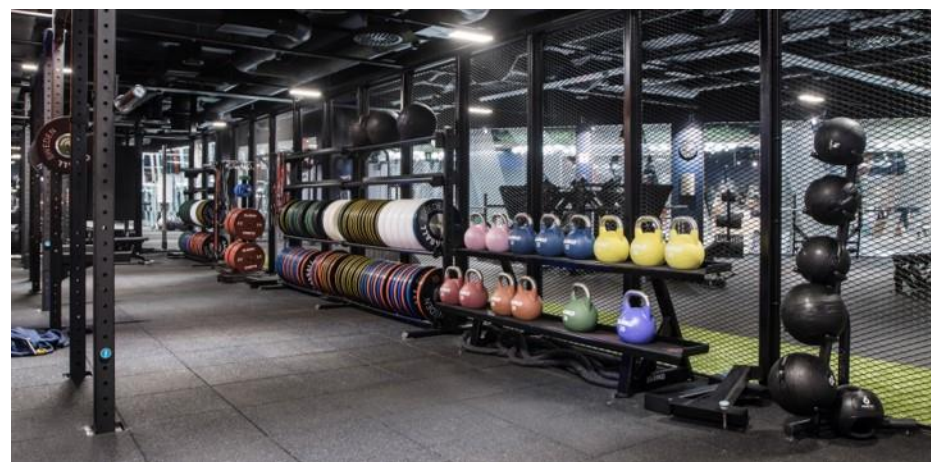
+8

DIVESTMENTS

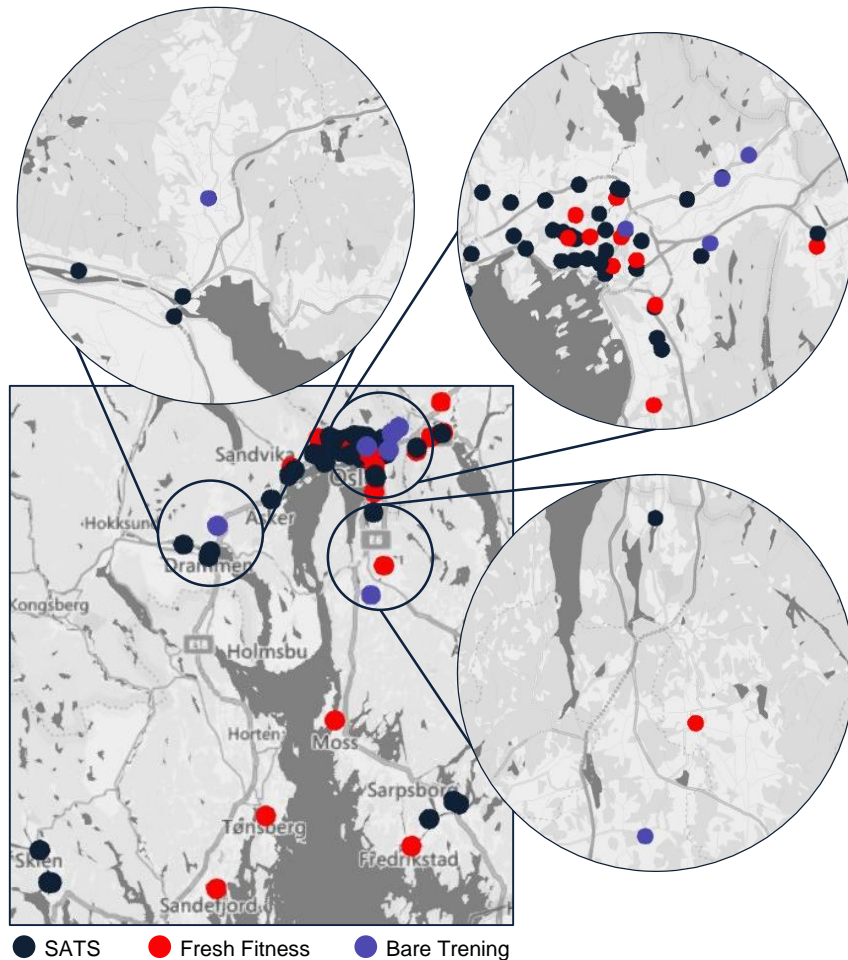
• NINE CLUBS IN JYLLAND AND FYN

- The nine clubs Nyborgvej, Vogterhus, Svendborg, Broen, Strandbytov, Bispensgade, Frisko, Risskov and Viby divested to Fitness 1, enabling SATS to continue focusing on the Greater Copenhagen area
- Transaction closed on 1 July 2020

-9



FRESH FITNESS' HAS ACQUIRED SIX CLUBS FROM BARE TRENING IN THE GREATER OSLO



- Well run clubs, fitting into Fresh Fitness' club portfolio and filling out our Greater Oslo cluster with:
 - Romsås
 - Kalbakken
 - Haugerud
 - Sinsen
 - Ås
 - Lier
- Transaction closed on 2 November
- Key figures:
 - 2019 revenues ~ NOK 30 million
 - 2019 EBITDA: ~ NOK 11 million
 - Members: ~ 9 000

FURTHER GROWTH APPETITE

ATTRACTIVE M&A MULTIPLES

- Average EV/EBITDA multiple for the past fill-in acquisitions in Oslo and Stockholm:

5-6X

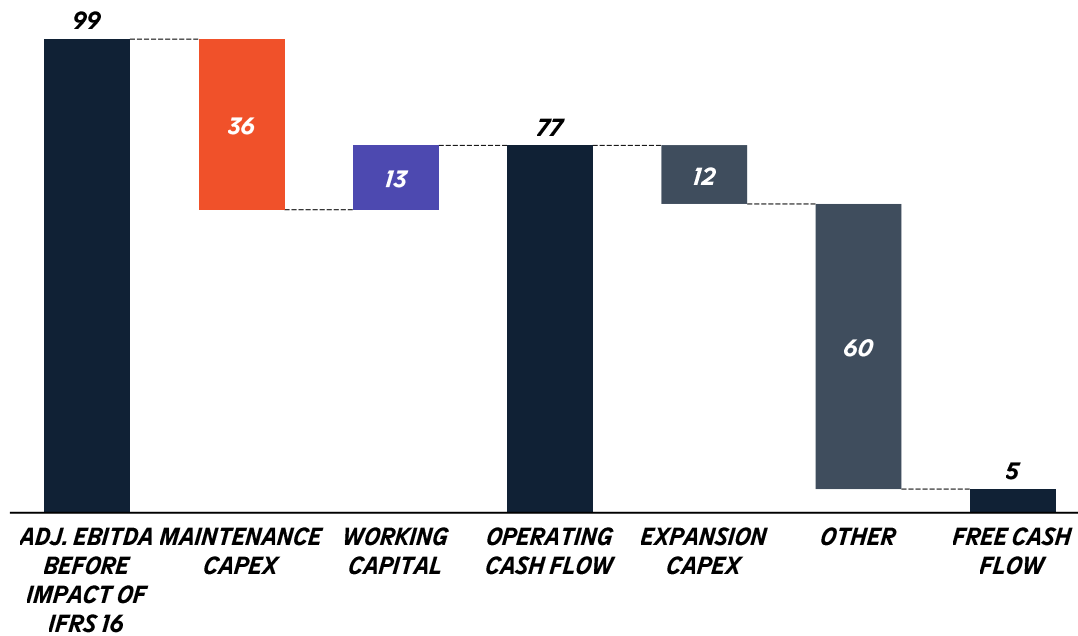
GOING FORWARD

- Will continue to grow through a combination of acquisitions and greenfields
- Aiming to fill out the existing clusters
- Assessing potential new clusters in smaller cities in the Nordics

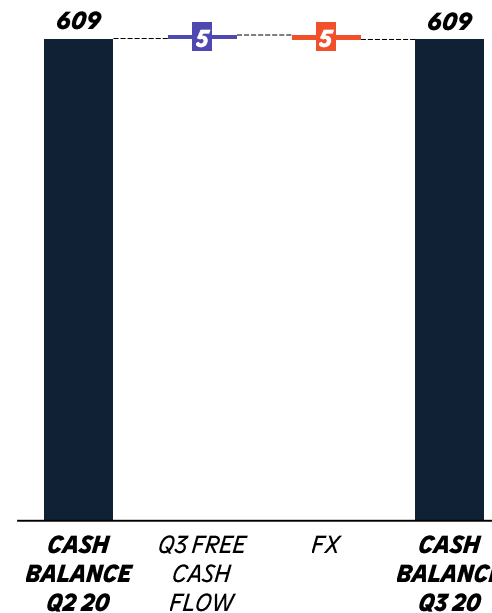


STABLE AND HEALTHY LIQUIDITY POSITION

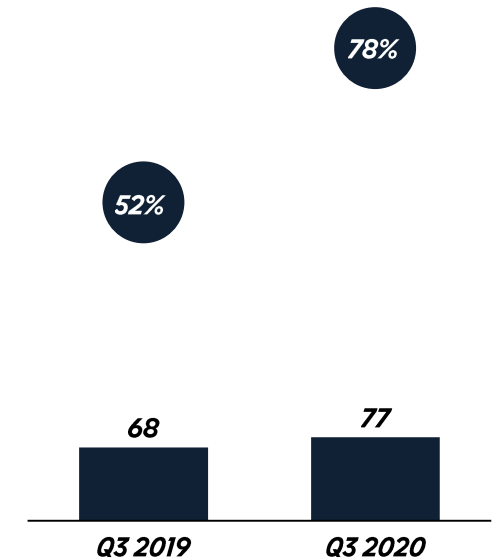
KEY CASH FLOW ITEMS Q3 2020 (MNOK)



LIQUIDITY POSITION



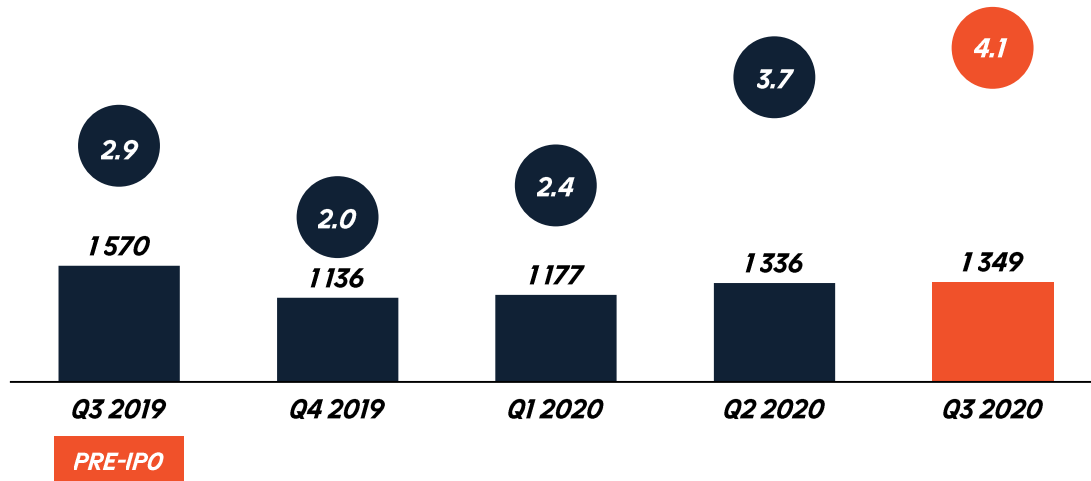
OPERATING CASH FLOW (MNOK) AND CASH CONVERSION



- Frontloading of maintenance capex in 2020 leads to a step-up in cash conversion in Q3 2020
- Structural negative working capital in Q3 outweighed by reduction in payroll taxes and duties in Norway, as well as distributed compensation for fixed costs during the closure period in Q1 and Q2
- Sufficient cash buffer in the event of local or national lockdowns

STABLE NET DEBT DURING THE QUARTER

NET DEBT (MNOK) AND LEVERAGE RATIO¹



- Leverage ratio temporarily elevated due to effects of lock-down on LTM adj. EBITDA
- Amendment to the revolving credit facility in place, waiving the original financial covenants of <4.25x adj. LTM EBITDA until September 2021 and <4.00x thereafter

(1) Net debt divided by last twelve months adjusted EBITDA before impact of IFRS 16



WELL PREPARED FOR THE FUTURE

- The record high net growth in member base in Q3 is not expected to continue in Q4 given the COVID-19 development and uncertainty around potential new governmental restrictions – but we have proven that we are able to quickly recover even after a long club closure
- Our number one priority is to ensure that it is safe to train in our clubs, so we can continue with our positive contribution to public health – which is now more important than ever
- We have proven that we are able to combine strong infection control measures, and at the same time deliver positive member experiences, growth and product development – and we are ready to operate in this “new normal” for as long as necessary
- Digital fitness is growing, creating new growth opportunities for SATS
- We will continue to invest in growth both in existing and new clusters going forward



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



CALCULATION OF PUBLIC HEALTH EFFECT BY OSLO ECONOMICS

SATS AS A TRAINING PLATFORM: YEARLY HEALTH BENEFITS

Health gains from physical activity come both in the form of increased health-related quality of life, increased life expectancy and reduced absence from work. The basis is the research showing that systematic training has positive health benefits¹. Health benefits is measured in quality adjusted life-years (QALY = one year in “perfect” health).

The effect is calculated in two alternative ways:

- a) The effect for those who go from being physically inactive to being physically active for the rest of their lives as a result of training at SATS
- b) The weighted health benefit of all training at SATS

We only present (a), but (b) resulted in a similar range.

Lost quality of life related to less serious illnesses and other “well-being effects” are not included.

VALUE OF QALYS GENERATED

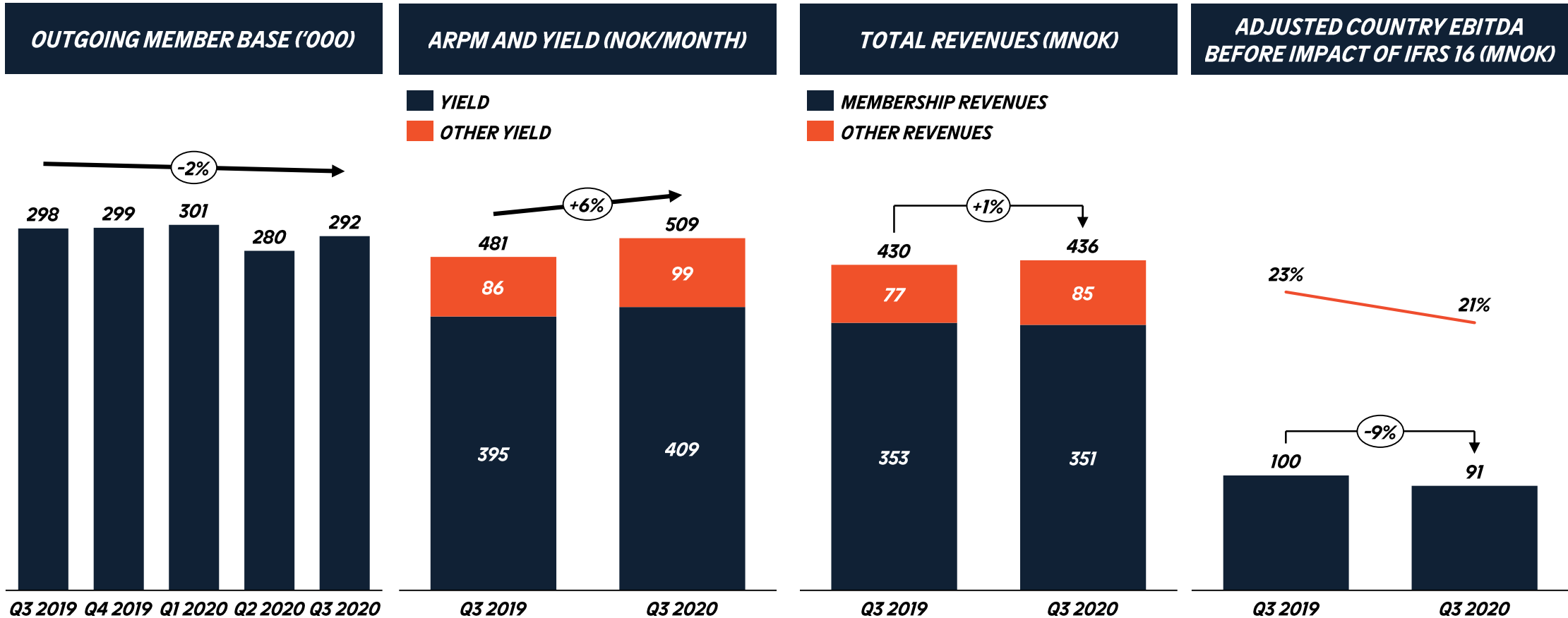
Key assumptions:

- A proportion of SATS’ new members change their lifestyle due to SATS and go from being inactive to active the rest of their life (between 1 000-10 000 people each year, best estimate 5 000)
- Inactive to active: Going from no activity to 30 minutes moderate activity per day
- QALY gain equal to 1.9 for males and 1.1 for females²
- Value of a QALY = NOK 1.4 million³

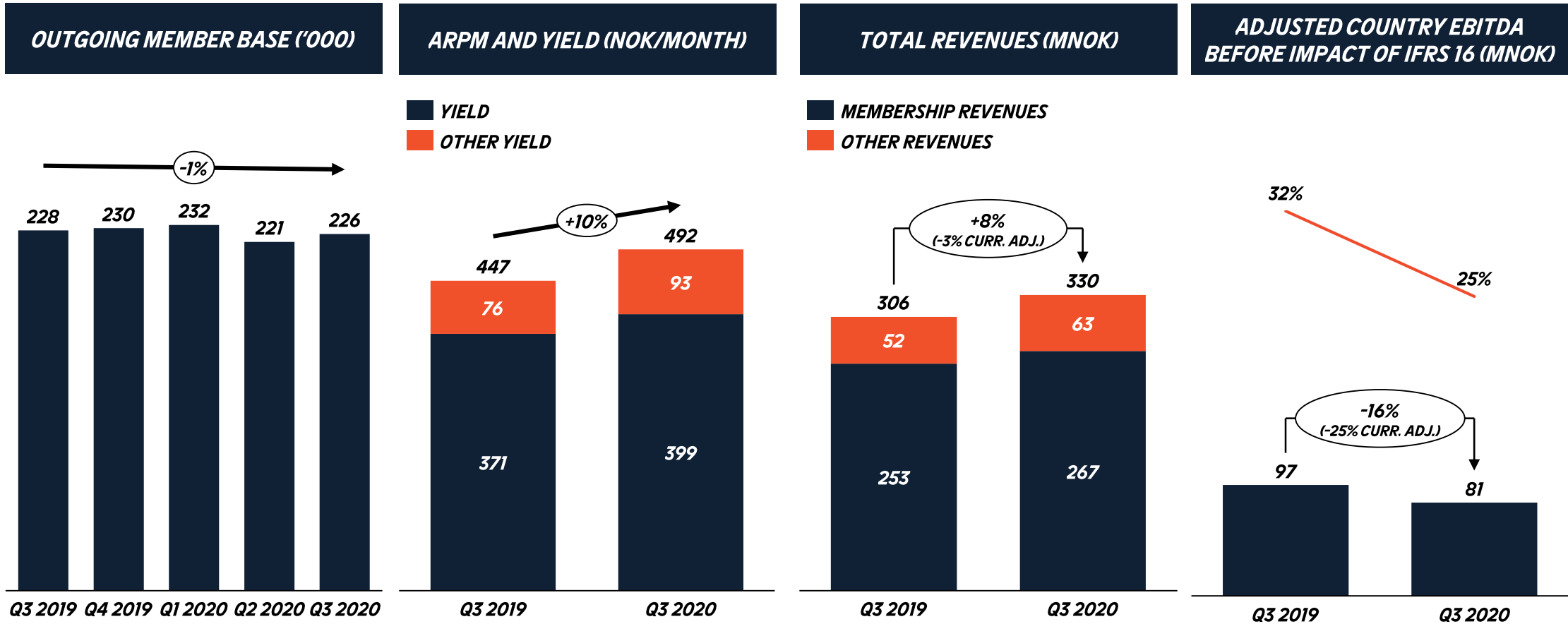
Low estimate	High estimate	Best estimate
2 billion	21 billion	11 billion

(1) www.fhi.no/ml/aktivitet/helseeffekter-av-fysisk-aktivitet/, (2) Helsedirektoratet (2009): Positive helseeffekter av fysisk aktivitet - En konkretisering av veien mot mer fullstendige samfunnsøkonomiske analyser, (3) Helsedirektoratet (2016): Samfunnskostnader ved sykdom og ulykker 2013 Sykdomsbyrde, helsetjenestekostnader og produksjonstap fordelt på sykdoms grupper.

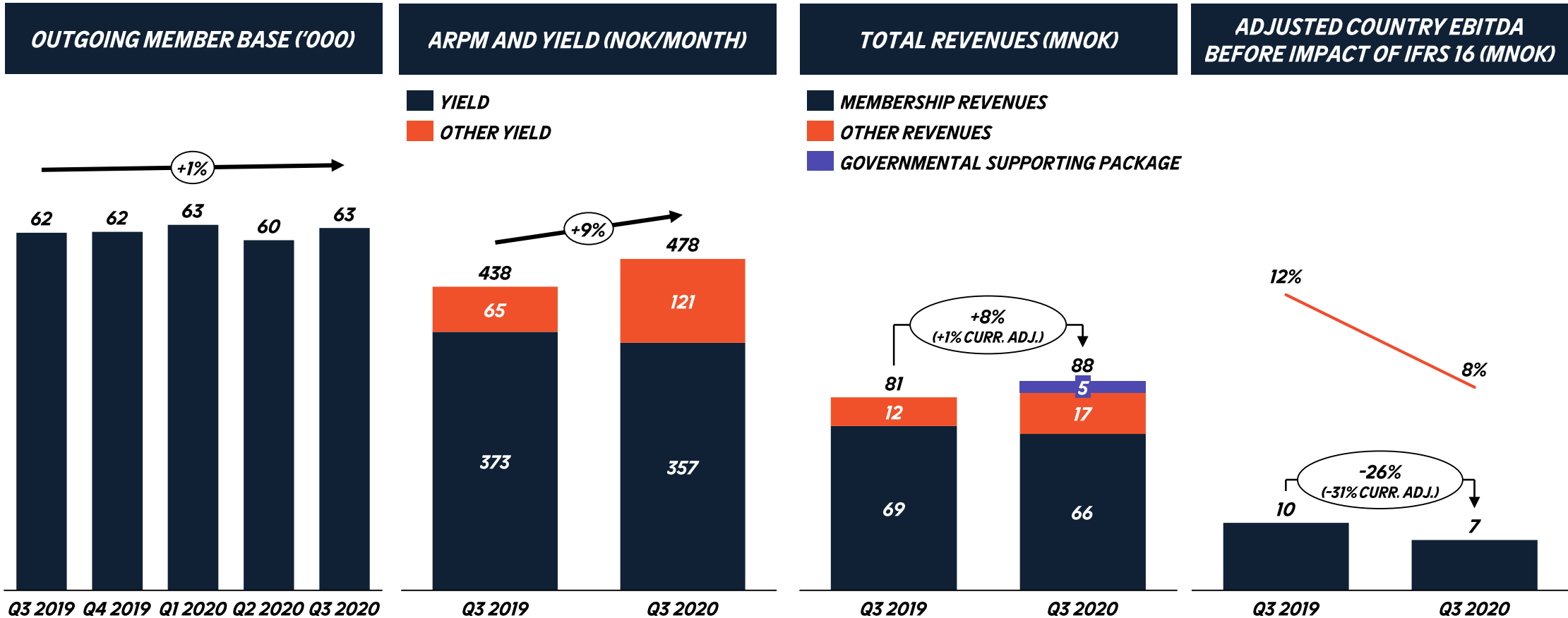
NORWAY



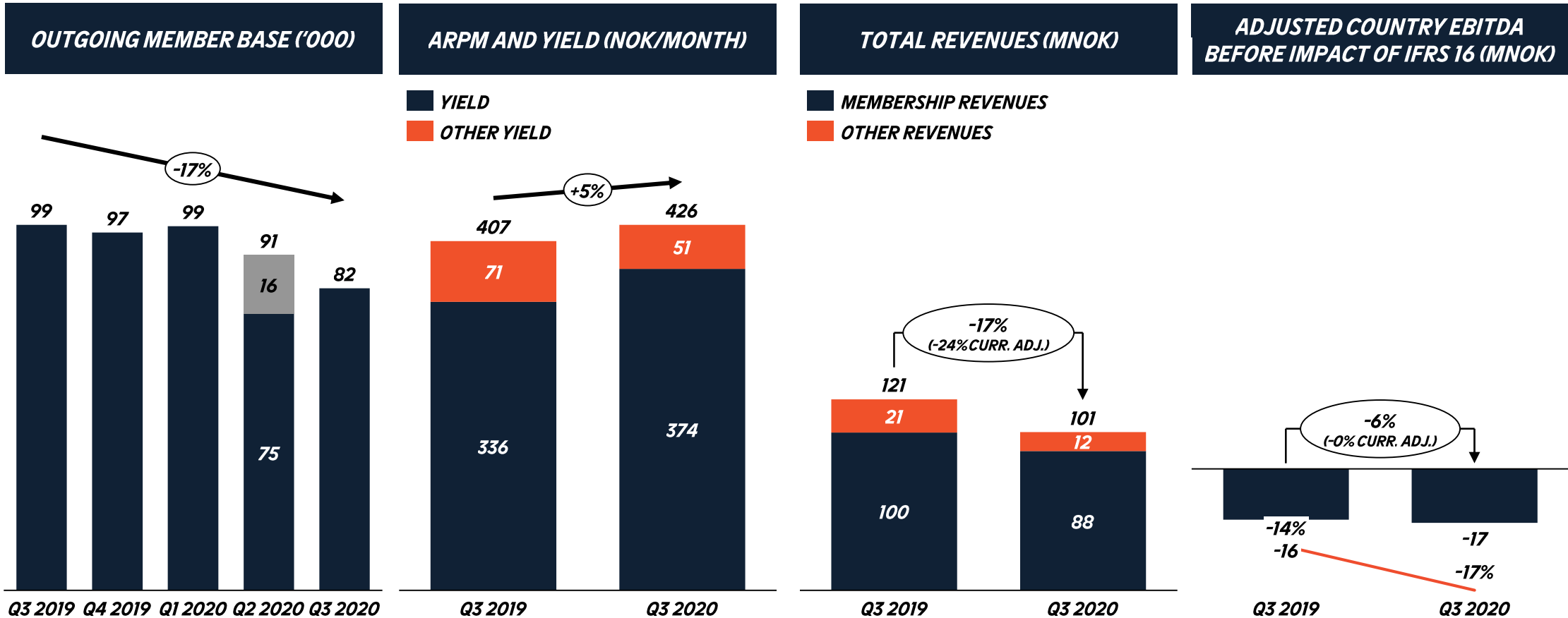
SWEDEN



FINLAND



DENMARK



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 by 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
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 e.g. 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 in the end of the period, including frozen memberships, excluding free memberships
Member base, outgoing	Number of members as of 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 2020	Q3 2019
Number of clubs, EOP	245	248
Outgoing member base ('000s)	662	687
Average number of members per club	2 703	2 772
ARPM (NOK)	490	455
Yield (NOK)	397	377
Reported EBITDA (MNOK)	344	348
Adjusted EBITDA before impact of IFRS 16 (MNOK)	99	129
Adjusted EBITDA before impact of IFRS 16 margin	10%	14%
Adjusted country EBITDA before impact of IFRS 16 (MNOK)	162	190
Adjusted country EBITDA before impact of IFRS 16 margin	17%	20%
Net debt (MNOK)	1 349	1 570
Total capital expenditures (MNOK)	48	81
Expansion capital expenditures (MNOK)	12	8
Maintenance capital expenditures (MNOK)	36	73
IT capital expenditures (MNOK)	9	18
Club portfolio capital expenditures (MNOK)	26	55
Operating cash flow (MNOK)	77	68
Leverage ratio	4.1	2.9
Cash conversion	78%	52%

REPORTING UNDER IFRS 16

<i>Amounts in NOK million</i>	Reported Q3 2020	Change IFRS 16	Excl. IFRS 16 Q3 2020
Balance sheet items - IFRS 16			
Property, plant and equipment	772	0	772
Right-of use assets	4 195	4 195	0
Deferred tax assets	150	85	65
Prepaid expenses and accrued income	313	-70	383
Total assets	8 900	4 210	4 690
Equity	1 013	-328	1 341
Non-current lease liability	3 778	3 778	0
Current lease liability	811	811	0
Other current liabilities	345	-51	397
Total liabilities	7 887	4 538	3 349
Profit & loss items - IFRS 16			
Revenue	955	0	955
Cost of goods sold	-30	0	-30
Personnel expenses	-328	0	-328
Other operating expenses	-253	245	-498
Depreciation and amortisation	-259	-198	-60
Impairment of assets held for sale	-16	0	-16
Operating profit	69	46	23
Net financial items	-75	-48	-27
Profit/loss before tax	-6	-2	-4

SATS