SATS Q4 2019

THIS IS SATS

The Group, through our brands and concepts SATS, ELIXIA, Fresh Fitness and HiYoga is the leading provider of fitness and training services in the Nordics, with nearly 250 clubs, more than 10 000 employees and around 700 000 members.

Everyone is welcome at SATS, and our members have full flexibility to tailor packages that address their individual needs. We offer cutting-edge studio facilities for individual training, the broadest offering of group training with superior programming, and highly qualified personal trainers for specialized training and individual coaching. We also have a strong focus on supporting our members through the use of online training and digital tools for when they are not able to physically visit our club facilities. We are also constantly working with trend research and innovation to be the industry's best and most forward-looking fitness chain.

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FOURTH QUARTER HIGHLIGHTS

"In 2019, we made solid progress on member activation, helping our members to succeed with their training."

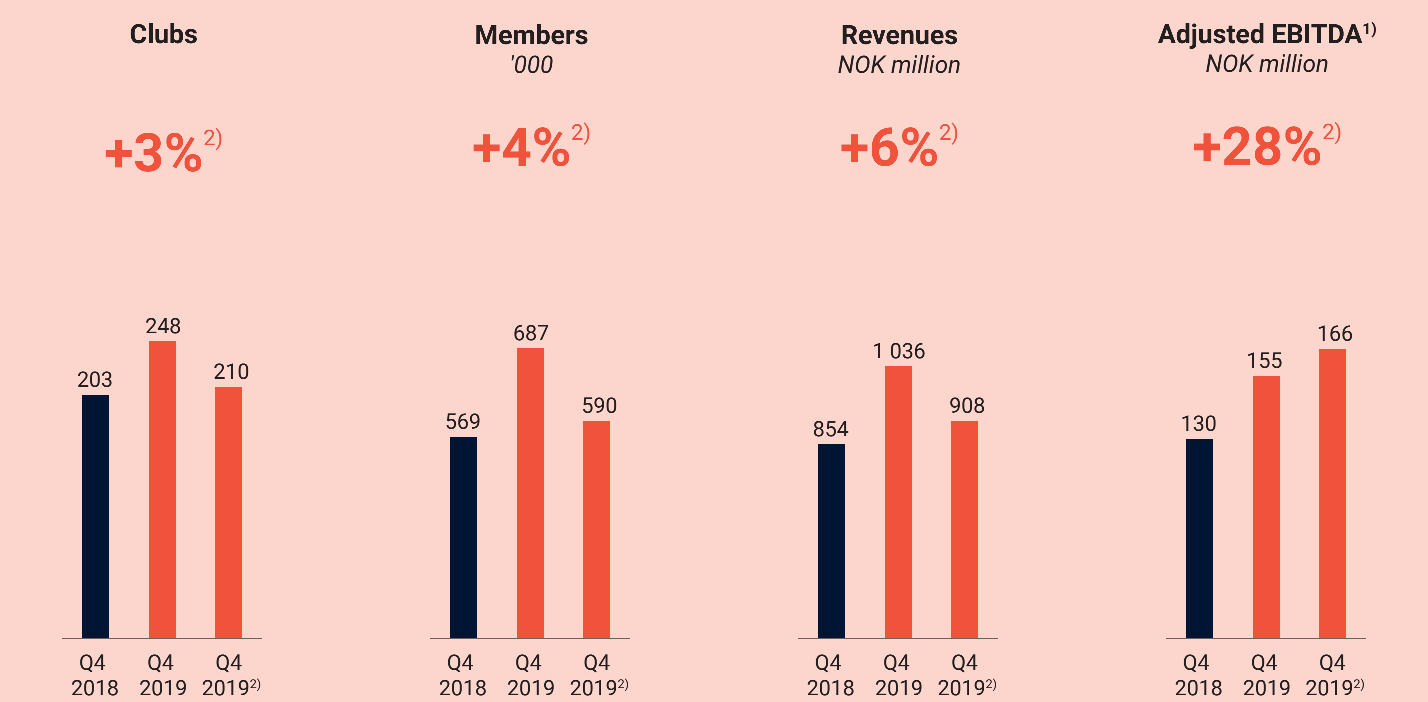
Now that 2019 is behind us, I am excited to share that our excellent members completed more than 36 million workouts at our clubs. Excluding Denmark, this represents an 7% increase per member compared to last year, and we saw a 12% increase in the number of user sessions for our online training classes. This shows that, in 2019, we made solid progress on member activation, helping our members to succeed with their training.

We know that a member's first few weeks at a new club are critical for establishing good training routines. Therefore, we initiated in 2019 a multichannel onboarding program to do our outmost to help new members get started. This way, we can make our members healthier and happier in the long term.

SATS' fourth quarter results reflect continued robust performance. Adjusted EBITDA improved compared to the same quarter last year in Norway, Sweden and Finland, and the same goes for full-year 2019. The newly acquired Denmark segment still contributed negatively, as expected, but improved significantly compared to the third quarter. We have made significant investments in the Danish club portfolio during the past year, and operational and profit improvements in Denmark will be a top priority for us in the year to come.

We look forward to 2020 and to continuing to deliver extraordinary training experiences to our members. Everyone is welcome at SATS!

Sondre Gravir
CEO



1) For further information regarding definitions and Alternative Performance Measures see Appendix. Adjusted Country EBITDA before impact of IFRS 16.
2) Excluding Denmark.

HIGHLIGHTS

- *Two new club openings in Q4 2019 and nine new club openings in total in 2019, with seven greenfields and acquisitions signed with opening in 2020.*
- *Solid member growth, up from 569 000 in the corresponding quarter last year to 687 000 by the end of Q4 (+3.8% excluding Denmark).*
- *Visits per member increased by 8% in 2019 compared to last year (+7% excluding Denmark).*
- *Total revenues of NOK 1 036 million in Q4, up 21.3% compared to Q4 2018 (+6.3% excluding Denmark). Full year total revenue excluding Denmark increased by 6.9% compared to last year.*
- *Adjusted EBITDA before impact of IFRS 16 of NOK 155 million, up 19.4% compared to last year (+28.0%, excluding Denmark), where Norway, Sweden and Finland continued to show strong development and improved margins mainly as a result of operating leverage. Full year EBITDA excluding Denmark increased by 14.6% compared to last year.*
- *Operating cash flow of NOK 89 million in Q4, an increase of 75% compared to last year, mainly due to improved profit.*

Key Financial Figures

Amounts in NOK million (unless otherwise stated)	**Q4 2019**	Q4 2018	**Year 2019**	Year 2018
Total revenues	1 036	854	3 987	3 259
EBITDA	381	329	1 484	1 267
Operating profit excluding impairment	132	126	512	528
Margin (%)	*13%*	*15%*	*13%*	*16%*
Operating profit	132	-139	512	263
Margin (%)	*13%*	*-16%*	*13%*	*8%*
Profit/loss for the period	25	-157	187	-4
Earnings per share (NOK)	0.12	-1.40	1.52	-0.05

Key Financial Figures and Alternative Performance Measures (APM)

Amounts in NOK million (unless otherwise stated)	**Q4 2019**	Q4 2018	**Year 2019**	Year 2018
Membership revenue	813	656	3 171	2 565
Other revenues	223	198	816	694
Total revenues	1 036	854	3 987	3 259
Adjusted Country EBITDA before impact of IFRS 16	210	169	811	724
Margin (%)	*20%*	*20%*	*20%*	*22%*
Adjusted EBITDA before impact of IFRS 16	155	130	573	539
Margin (%)	*15%*	*15%*	*14%*	*17%*
Adjusted EBITDA before impact of IFRS 16 excl Denmark	166	130	617	539
Margin (%)	*18%*	*15%*	*18%*	*17%*
Maintenance Capex	67	79	229	187
Total Capex	94	86	325	221
Net debt	1 136	1 490	1 136	1 490
Operating cash flow	89	51	344	352
Clubs	248	203	248	203
Members ('000)	687	569	687	569
ARPM (NOK/month)	502	503	490	481

[1)] *As defined in Appendix under Alternative Performance Measures.*

BOARD OF DIRECTORS' REPORT

ANALYSIS OF THE Q4 2019 FINANCIAL STATEMENTS

All financial statements show the period 1 October 2019 to 31 December 2019, compared to the restated accounts for the period 1 October 2018 to 31 December 2018. Furthermore, full-year 2019 is compared to the restated accounts for full-year 2018.

Statement of comprehensive income

Total revenues increased by 21% to NOK 1 036 million in Q4 2019, compared to NOK 854 million in Q4 2018. The new segment, Denmark, is the primary growth driver, but Norway, Sweden and Finland also had higher revenues in Q4 2019 compared to Q4 2018. ARPM was stable, and the average member base increased by 22%. ARPM increased in Norway, Sweden and Finland, but the introduction of the lower ARPM in the Denmark segment contributed negatively. Total operating expenses increased by 24% to NOK 904 million in Q4 2019, compared to NOK 728 million in Q4 2018. Excluding operating expenses of NOK 148 million from the new Denmark segment, the increase was 4%. In terms of categories, relative growth was largest for Other operating expenses and Cost of goods sold, while Personnel expenses increased by 22% in total. The operating profit increased by NOK 271 million to NOK 132 million. The loss last year was the result of an impairment of NOK 265 million in Q4 2018 related to the discontinuation of the ELIXIA brand in Norway. The loss in Denmark was more than offset by improved profits in Norway, Sweden and Denmark.

Net financial expense in Q4 2019 was NOK 96 million, an increase of NOK 56 million compared to Q4 2018 due to unrealized currency effects

Income tax expense in Q4 2019 was NOK 17 million. For the full year, income tax expense was NOK 60 million, up NOK 32 million from 2018.

Profit before tax was NOK 36 million in Q4 2019, compared to a loss of NOK 178 million in Q4 2018. The loss last year was the result of the impairment in Q4 2018. Profit for the period was NOK 19 million in Q4 2019, compared to a loss of NOK 157 million in Q4 2018, while total comprehensive income was NOK 45 million, compared to the loss of NOK 167 million in Q4 2018.

Statement of financial position

Consolidated assets increased by NOK 709 million to NOK 7 988 million in 2019. Right of use assets and goodwill were the largest components, amounting to NOK 3 912 million and NOK 2 351 million, respectively, as at 31 December 2019. The increase in assets is due to the increase in non-current assets, with right of use assets acquired in Denmark and investments in leasehold improvements and fitness equipment as the largest factors. Current assets decreased, primarily driven by a reduction in cash and cash equivalents.

Total liabilities increased from NOK 6 519 million as at 31 December 2018 to NOK 6 765 million as at 31 December 2019, primarily due to the increase in the lease liability related to the acquisition of the Denmark segment.

As at 31 December 2019, consolidated equity amounted to NOK 1 223 million, representing an equity ratio of 15%, compared to NOK 761 million and 10% in Q4 2018. The increase is the result of the combination in 2019 of profit and a capital injection related to the initial public offering in Q4, partly offset by a dividend payment.

As of 1 January 2019, the Group adopted the new lease accounting standard, IFRS 16 Leases, and restated the reported figures from 2018. As the Group leases all of the premises for its fitness clubs, this standard had a material effect on both the statement of profit or loss and the statement of financial position. The adoption of IFRS 16 Leases does not have any effect on consolidated cash flow.

Statement of cash flows

Net cash flow from the Group's operations was NOK 1 345 million in 2019, compared to NOK 1 173 million in 2018. The difference of NOK 247 million between cash flow from operations and profit before tax is mainly due to depreciation, amortization, and net financial items.

Net cash outflow from investing activities amounted to NOK 321 million in 2019, compared to an outflow of NOK 216 million in 2018. The main reason for the increased outflow is increased investments in existing clubs, mainly in Denmark, as well as increased acquisition activity.

Net cash outflow from financing was NOK 1 225 million in 2019, compared to an outflow of NOK 849 million in 2018. In Q4 2019, outstanding bank borrowings were refinanced under a new revolving credit facility, reducing the overall leverage. The net impact of repayments of borrowings and proceeds from borrowings was an outflow of NOK 402 million. Furthermore, cash flow from financing increased through the issuance of new shares related to the initial public offering in October, partly offset by a dividend payment.

In 2019, consolidated cash and cash equivalents decreased net by NOK 200 million, compared to an increase of NOK 107 million in 2018. As at the balance sheet date, the Group had cash and cash equivalents of NOK 165 million, compared to NOK 357 million at the balance sheet date in 2018.

Segment development

The following sections of this report review each operating segment. Unless otherwise stated, comments regarding development reflect a comparison between Q4 2019 and Q4 2018.

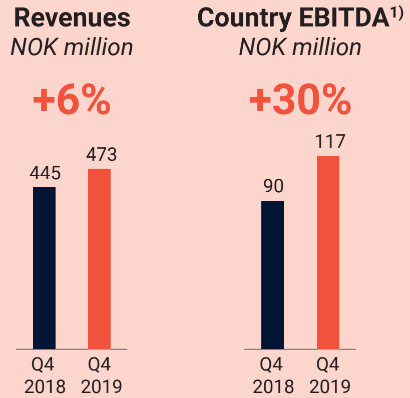
NORWAY

Norway is the largest operating segment in the Group with 46% of the consolidated total revenues in 2019 and 299 000 members at the end of Q4. SATS is a well-known brand in Norway and the largest operator of fitness clubs.

Total revenues increased by NOK 28 million in Norway in Q4, an increase of 6% compared to the corresponding quarter last year, partly as a result of strong member development with an increase of 14 300 members compared to Q4 2018. The increase in Total revenues was also supported by increased membership yield as a result of the ongoing yield management initiatives. The underlying revenue growth in Other revenues in 2019 was strong, but it was slightly weaker in Q4 due to challenges recruiting enough qualified personal trainers. Several actions are taken to increase number of PTs, as the slowdown is driven by supply. The year-on-year increase in total revenues was NOK 112 million, representing 7% growth. One new club opened in Q4 in central Bergen (Danmarksplass).

Country EBITDA increased by NOK 27 million to NOK 117 million, +30% compared to Q4 2018, continuing the positive trend and improving the year over year Country EBITDA by 22%.

John Kristian Stubban has resigned as Country Manager and Wenche Evertsen has taken over the position. Evertsen is returning to SATS after a few years outside the company, and has previously had various roles within SATS, including Country Manager and Finance Director.



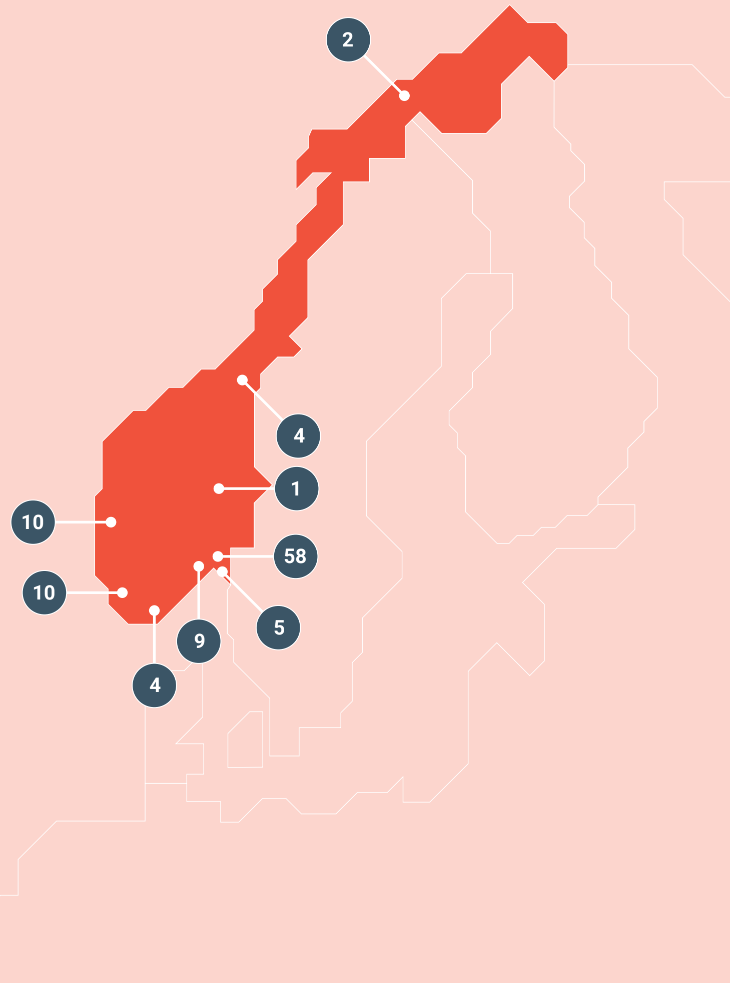
[1)] *Adjusted Country EBITDA before impact of IFRS 16.*

Key Financial Figures

Amounts in NOK million (unless otherwise stated)	**Q4 2019**	Q4 2018	**Year 2019**	Year 2018
Total revenues	473	445	1 831	1 719
EBITDA	180	157	717	645
Operating profit excluding impairment	85	66	337	282
Margin (%)	*18%*	*15%*	*18%*	*16%*
Operating profit	85	-199	337	17
Margin (%)	*18%*	*-45%*	*18%*	*1%*
Profit/loss for the period	66	-153	212	-43

Key Financial Figures and Alternative Performance Measures (APM)

Amounts in NOK million (unless otherwise stated)	**Q4 2019**	Q4 2018	**Year 2019**	Year 2018
Membership revenue	366	339	1 439	1 340
Other revenues	106	106	392	379
Total revenues	473	445	1 831	1 719
Adjusted Country EBITDA before impact of IFRS 16	117	90	452	372
Margin (%)	*25%*	*20%*	*25%*	*22%*
Adjusted EBITDA before impact of IFRS 16	82	64	322	264
Margin (%)	*17%*	*14%*	*18%*	*15%*
Clubs	103	98	103	98
Members ('000)	299	284	299	284
ARPM (NOK/month)	528	522	523	504



SWEDEN

Sweden is the second-largest operating segment in the Group, with 33% of consolidated total revenues in 2019 and 230 000 members at the end of Q4. SATS has maintained a very strong position in Sweden over the course of many years and is the largest operator of fitness clubs in terms of revenue.

Total revenues increased by NOK 18 million to NOK 346 million in Sweden in Q4, an increase of 6% compared to the corresponding quarter last year. The total member base increased by 6 400 compared to Q4 2018, which is equivalent to an increase of 3%. The increase in Total revenues was further supported by increased membership yield as a result of the ongoing yield management initiatives. The underlying growth in Other revenues in 2019 was strong, but it was slightly weaker in Q4 due to challenges in recruiting enough qualified personal trainers. Several actions are taken to increase number of PTs, as the slowdown is driven by supply. The year-on-year increase in total revenues was NOK 83 million, representing 7% growth. SATS Sweden opened one club in Stockholm (Scheelegatan).

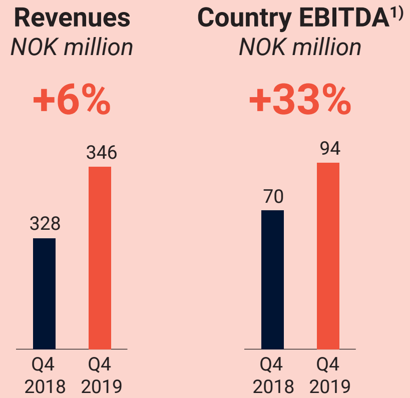
Country EBITDA increased by NOK 24 million, +33% compared to Q4 2018, continuing the positive trend and improving the year over year Country EBITDA by 14%.

Key Financial Figures

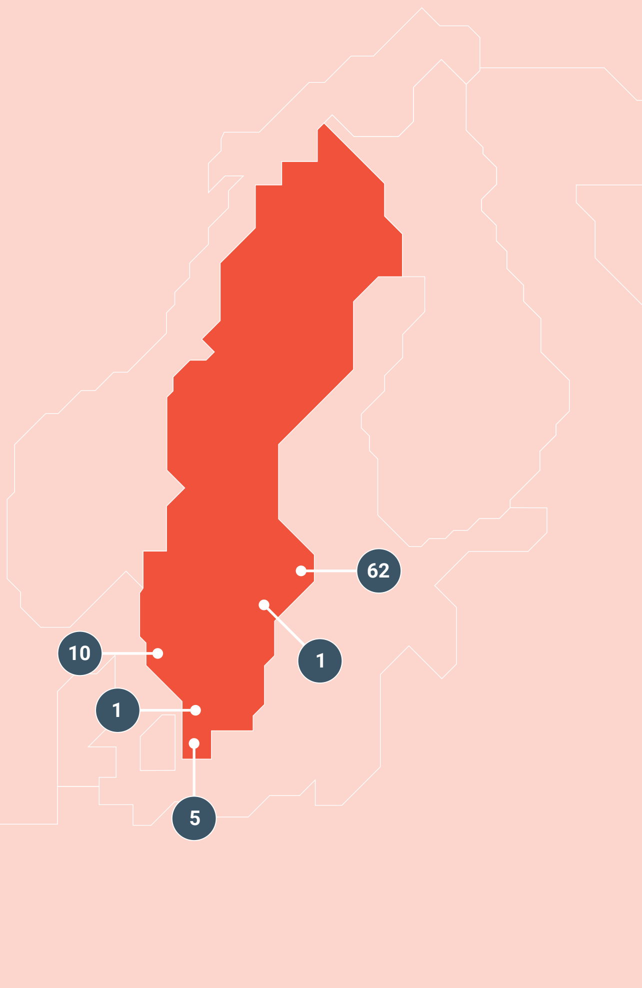
Amounts in NOK million (unless otherwise stated)	**Q4 2019**	Q4 2018	**Year 2019**	Year 2018
Total revenues	346	328	1 308	1 225
EBITDA	135	133	530	491
Operating profit	64	53	257	230
Margin (%)	*18%*	*16%*	*20%*	*19%*
Profit/loss for the period	76	33	201	146

Key Financial Figures and Alternative Performance Measures (APM)

Amounts in NOK million (unless otherwise stated)	**Q4 2019**	Q4 2018	**Year 2019**	Year 2018
Membership revenue	270	250	1 026	962
Other revenues	76	78	282	264
Total revenues	346	328	1 308	1 225
Adjusted Country EBITDA before impact of IFRS 16	94	70	363	318
Margin (%)	*27%*	*21%*	*28%*	*26%*
Adjusted EBITDA before impact of IFRS 16	65	48	256	222
Margin (%)	*19%*	*15%*	*20%*	*18%*
Clubs	79	76	79	76
Members ('000)	230	223	230	223
ARPM (NOK/month)	504	493	482	466



[1)] *Adjusted Country EBITDA before impact of IFRS 16.*



FINLAND

In Finland, the business is operated under the brand ELIXIA, and the Finnish operations, with 62 000 members at the end of Q4, constitute 9% of consolidated total revenues. The Finnish fitness market is highly fragmented, and ELIXIA is the market leader.

Total revenues increased by NOK 8 million to NOK 90 million in Finland in Q4, an increase of 10% compared to the corresponding quarter last year. The total member base increased by 1 000 members compared to Q4 2018, which is equivalent to an increase of 2%. The increase in Total revenues was supported by increased membership yield as a result of the ongoing yield management initiatives as well as increased revenues from personal training and retail products. The year-on-year increase in total revenues was NOK 29 million, representing 9% growth.

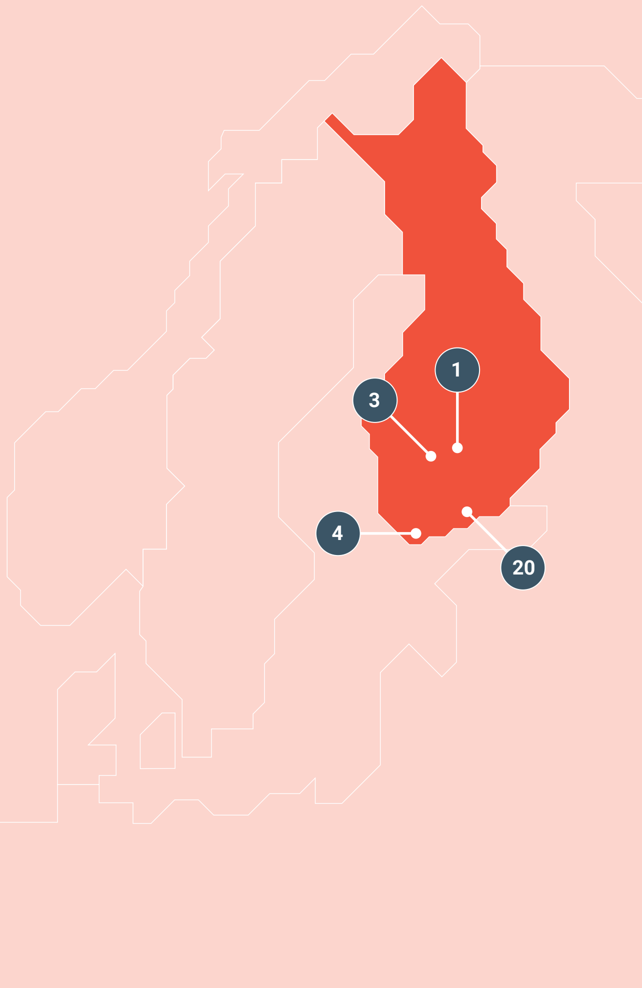
Country EBITDA increased by NOK 2 million, +26% compared to Q4 2018, improving the year over year Country EBITDA 18%.

Key Financial Figures

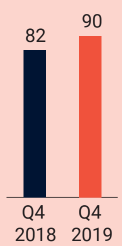
Amounts in NOK million (unless otherwise stated)	**Q4 2019**	Q4 2018	**Year 2019**	Year 2018
Total revenues	90	82	343	315
EBITDA	33	31	117	101
Operating profit	11	7	25	18
Margin (%)	*12%*	*8%*	*7%*	*6%*
Profit/loss for the period	24	0	21	-5

Key Financial Figures and Alternative Performance Measures (APM)

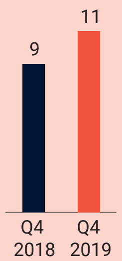
Amounts in NOK million (unless otherwise stated)	**Q4 2019**	Q4 2018	**Year 2019**	Year 2018
Membership revenue	73	67	282	264
Other revenues	17	15	61	51
Total revenues	90	82	343	315
Adjusted Country EBITDA before impact of IFRS 16	11	9	40	34
Margin (%)	*12%*	*11%*	*12%*	*11%*
Adjusted EBITDA before impact of IFRS 16	6	5	22	17
Margin (%)	*7%*	*6%*	*6%*	*5%*
Clubs	28	29	28	29
Members ('000)	62	61	62	61
ARPM (NOK/month)	485	453	466	429



Revenues
NOK million
+10%



Country EBITDA[1)]
NOK million
+26%



1) *Adjusted Country EBITDA before impact of IFRS 16.*

DENMARK

Through the acquisition of fitness dk in January 2019, SATS Denmark became the newest segment in the Group. The Danish operations, with 97 000 members at the end of Q4, constitute 13% of consolidated total revenues.

The operational turnaround has started and show early signs of positive development in important operational KPIs. Throughout the year, there has been taken several steps to establish the full SATS concept in the Danish operations. The most important initiatives so far are full rebranding to SATS and the launch of product and retail offerings, back-end cost reductions, digital front face-lift, the introduction of the SATS app, selective club upgrades, and training of employees, both in terms of product offering and SATS' way of working. In November, Linda-Li Cederroth took over as Country Manager in Denmark, which, given her solid track record as Country Manager in Sweden, will further strengthen the ongoing turnaround in Denmark. However, due to the negative development in fitness dk prior to the acquisition, it will take some time to bring the Danish business to profitability.

The Group acquired and consolidated SATS Denmark as at 1 January 2019. Hence, there are no comparable figures for 2018. Total revenues in Denmark amounted to NOK 128 million in Q4 and NOK 504 million in 2019. Country EBITDA was NOK -11 million in Q4 and NOK -44 million for 2019.

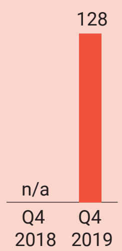
Key Financial Figures

Amounts in NOK million (unless otherwise stated)	**Q4 2019**	Q4 2018	**Year 2019**	Year 2018
Total revenues	128	-	504	-
EBITDA	24	-	86	-
Operating profit	-24	-	-98	-
Margin (%)	*-19%*	-	*-19%*	-
Profit/loss for the period	-52	-	-133	-

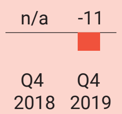
Key Financial Figures and Alternative Performance Measures (APM)

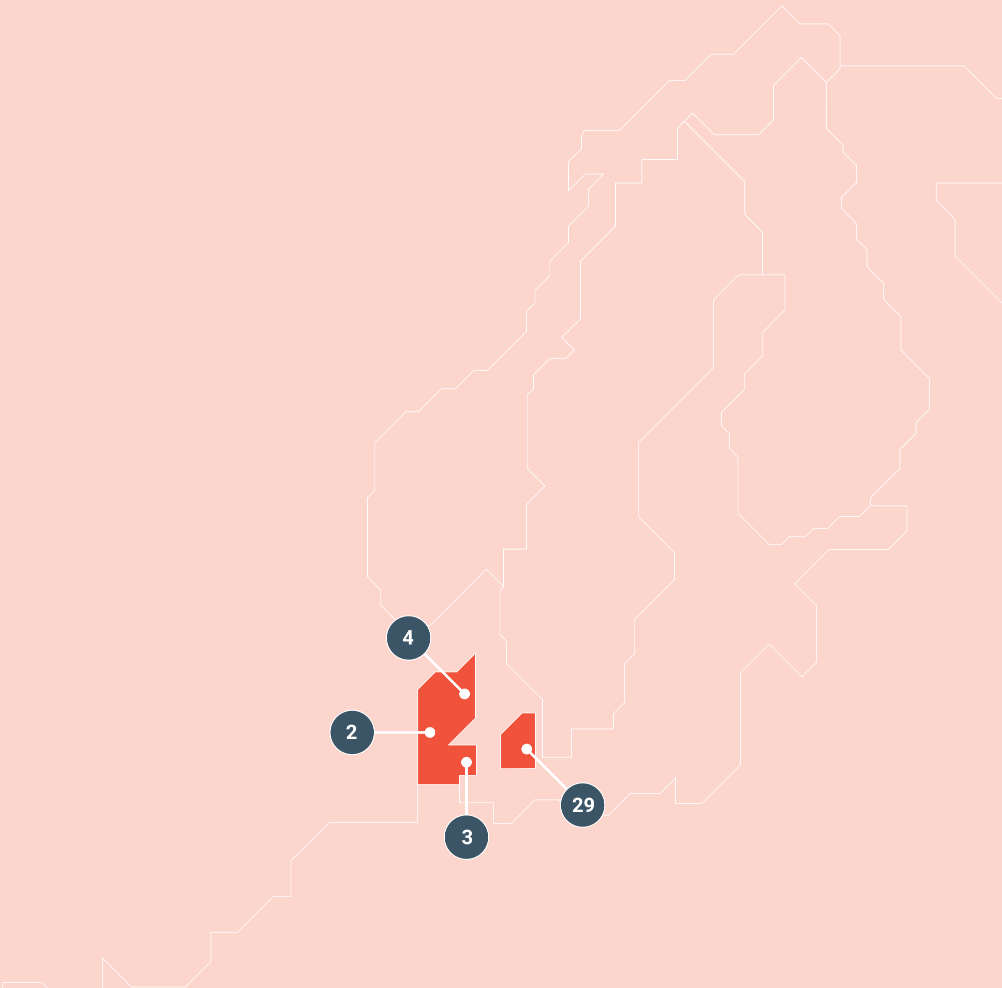
Amounts in NOK million (unless otherwise stated)	**Q4 2019**	Q4 2018	**Year 2019**	Year 2018
Membership revenue	105	-	423	-
Other revenues	23	-	81	-
Total revenues	128	-	504	-
Adjusted Country EBITDA before impact of IFRS 16	-11	-	-44	-
Margin (%)	*-9%*	-	*-9%*	-
Adjusted EBITDA before impact of IFRS 16	-19	-	-75	-
Margin (%)	*-15%*	-	*-15%*	-
Clubs	38	-	38	-
Members ('000)	97	-	97	-
ARPM (NOK/month)	433	-	423	-

Revenues
NOK million



Country EBITDA[1)]
NOK million





1) *Adjusted Country EBITDA before impact of IFRS 16.*

BUSINESS AND INDUSTRY OUTLOOK

The health and wellness sector is growing due to society's increased focus on health and well-being, and robust global trends, such as political initiatives for health and digitalisation, are fuelling health and fitness awareness. Fitness clubs, and full-service chains in particular, are at the centre of the health and wellness economy and are positioned to expand their catchment into adjacencies. The addressable market in the Nordics is the most advanced in Europe when it comes to penetration and, given highly fragmented markets in terms of market value, clubs and members, there is significant consolidation potential.
The Nordic markets have sustained their penetration premium relative to Europe and are expected to continue to do so. Nordic fitness memberships are among Europe's most affordable relative to both overall leisure spending and other comparable products/services, and the Nordic markets are rebalancing as a result of reduced supply-side growth, which is driving industry consolidation and profitability. Low-cost concepts have been present in the Nordics for several years, but low-cost providers have gained few market shares in recent years as the roll-out pace for these clubs declined and is expected to continue to remain low.

SHAREHOLDER INFORMATION

SATS ASA's share capital was NOK 361 million as at 31 December 2019, divided into 170 000 000 ordinary shares, each with a par value of NOK 2.125. All the shares have been fully paid and have equal rights. SATS did not own any treasury shares as at the balance sheet date. The number of shareholders as at 31 December 2019 was 1 216.

FINANCIAL POLICY

The Group intends to maintain a constant leverage ratio by returning excess capital to shareholders on a semi-annual basis via dividends and share buybacks. The target leverage ratio is 2.0x, net debt (current and non-current bank borrowings less cash and cash equivalents) to adjusted EBITDA before impact of IFRS 16. The Group maintains the flexibility to utilise its revolving credit facility to fund dividend payments to shareholders.

DIVIDEND

The company is targeting a minimum NOK 250 million dividend pay-out in 2020, to be finally proposed by the Board of Directors on 27 April 2020. When proposing a payout, the Board of Directors reserves the right to deviate from its current leverage targets taking into consideration internal and external factors such as material acquisitions, macroeconomic conditions and capital markets environment.

RISK AND UNCERTAINTY FACTORS

The Group's operations are affected by several external factors. The risk factors considered to be most significant to the Group's future development are market risk, credit risk and liquidity risk. Please refer to the Group's 2018 Annual Report (Board of Directors' Report and Note 23) for a detailed description of the Group's risk factors and risk management policies and procedures.

EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors is not aware of any material events that have occurred after the balance sheet date and before the date of the approval of the interim financial statements and provided new information about conditions that existed at the balance sheet date (not currently reflected in the interim financial statements). There have not been any significant events that have occurred after the balance sheet date that require additional disclosure.

Disclaimer

This report includes forward-looking statements that are based on our current expectations and projections about future events. Statements herein regarding future events or prospects, other than statements of historical facts, are forward-looking statements. All such statements are subject to inherent risks and uncertainties, and many factors can lead to actual profit and developments deviating substantially from what has been expressed or implied in such statements. As a result, undue reliance should not be placed on these forward-looking statements.

Oslo, 12 February 2020
The Board of Directors

CONSOLIDATED INCOME STATEMENT

(Amounts in NOK million)	Notes	Q4 2019	Q4 2018[2]	2019	2018[2]
Revenue	2	**1 036**	**854**	**3 987**	**3 259**
Operating expenses					
Cost of goods sold		-32	-23	-115	-80
Personnel expenses		-411	-337	-1 463	-1 224
Other operating expenses		-212	-165	-925	-688
Depreciation and amortisation	7	-249	-203	-972	-739
Total operating expenses excluding impairment		**-904**	**-728**	**-3 475**	**-2 731**
Operating profit excluding impairment[1]		**132**	**126**	**512**	**528**
Impairment of intangible assets	3, 6	0	-265	0	-265
Operating profit		**132**	**-139**	**512**	**263**
Interest income		1	0	1	0
Finance income		2	29	11	22
Interest expense		-61	-62	-253	-236
Finance expense		-38	-6	-24	-26
Net financial items		**-96**	**-40**	**-265**	**-240**
Profit/loss before tax		**36**	**-178**	**247**	**24**
Income tax expense		-17	22	-60	-28
Profit/loss for the period		**19**	**-157**	**187**	**-4**
Profit/loss for the year is attributable to:					
Equity holders of the Group		19	-157	187	-6
Non-controlling interests		0	0	0	2
Total allocation		**19**	**-157**	**187**	**-4**
Earnings per share in NOK					
Basic earnings per share attributable to equity holders of the company	4	0.12	-1.40	1.52	-0.05
Diluted earnings per share attributable to equity holders of the company	4	0.12	-1.40	1.52	-0.05

1) For further information regarding Operating profit excluding impairment, please see appendix, Alternative Performance Measures.
2) The comparative information has been restated as a result of the initial application of IFRS 16 as discussed in note 12.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts in NOK million)	Q4 2019	Q4 2018[1)]	2019	2018[1)]
Profit/loss for the year	**19**	**-157**	**187**	**-4**
Other comprehensive income				
Currency translation adjustment – may be reclassified to profit or loss	25	-10	10	37
Other comprehensive income, net of tax	**25**	**-10**	**10**	**37**
Total comprehensive income for the period	**45**	**-167**	**197**	**33**
Total comprehensive income is attributable to:				
Equity holders of the Group	44	-167	198	31
Non-controlling interests	0	0	0	2
Total comprehensive income for the period	**45**	**-167**	**197**	**33**

1) *The comparative information has been restated as a result of the initial application of IFRS 16 as discussed in note 12.*

CONSOLIDATED BALANCE SHEET

	Notes	31.12.2019	31.12.2018[1)]
(Amounts in NOK million)			
ASSETS			
Non-current assets			
Intangible assets	6	2 464	2 372
Right-of use assets	8, 12	3 912	3 229
Property, plant and equipment	7	739	598
Financial assets	9, 10	47	134
Deferred tax assets	14	192	149
Total non-current assets		**7 354**	**6 482**
Current assets			
Inventories		41	28
Accounts receivables		136	119
Other current receivables		70	119
Prepaid expenses and accrued income		222	174
Cash and cash equivalents		165	357
Total current assets		**634**	**797**
Total assets		**7 988**	**7 279**
EQUITY			
Share capital		361	225
Share premium		3 990	2 270
Other reserves		-1 261	-1 271
Retained earnings		-1 867	-459
Non-controlling interests		0	-4
Total equity		**1 223**	**761**
LIABILITIES			
Non-current liabilities			
Deferred tax liability	3	77	83
Borrowings	5	1 293	1 787
Lease liability	5	3 521	2 949
Total non-current liabilities		**4 891**	**4 820**
Current liabilities			
Borrowings	5	8	60
Lease liability	5	767	611
Contract liability		491	431
Trade and other payables		122	107
Current tax liabilities		39	46
Public fees and charges payable		127	98
Other current liabilities		322	346
Total current liabilities		**1 875**	**1 699**
Total liabilities		**6 765**	**6 519**
Total equity and liabilities		**7 988**	**7 279**

[1)] *The comparative information has been restated as a result of the initial application of IFRS 16 as discussed in note 12.*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Amounts in NOK million)	Share capital	Share premium	Other reserves	Retained earnings	**Total attributable to owners of the group**	Non-controlling interests	**Total equity**
Equity 31 December 2017 reported	**225**	**2 270**	**-1 308**	**-149**	**1 038**	**-3**	**1 035**
IFRS 16 implementation effect				-296	-296	-3	-299
Equity 1 January 2018[1)]	**225**	**2 270**	**-1 308**	**-445**	**742**	**-6**	**736**
Profit/loss for the year				-6	-6	2	-4
OCI for the year			37		37	0	37
Total comprehensive income for the period	**0**	**0**	**37**	**-6**	**31**	**2**	**33**
Other items				-8	-8		-8
Equity 31 December 2018[1)]	**225**	**2 270**	**-1 271**	**-459**	**765**	**-4**	**761**
Equity 1 January 2019[1)]	**225**	**2 270**	**-1 271**	**-459**	**765**	**-4**	**761**
Profit/loss for the year				187	187	0	187
OCI for the year			10		10	0	10
Total comprehensive income for the period	**0**	**0**	**10**	**187**	**197**	**0**	**197**
Change in minority interests				0	0	0	0
Dividends				-1 525	-1 525		-1 525
Share isssues and capital increase expenses from IPO	123	1 234		-33	1 323		1 323
Transactions with non-controlling interests				-38	-38	4	-34
Share issues	14	486			500		500
Equity 31 December 2019	**361**	**3 990**	**-1 261**	**-1 867**	**1 223**	**0**	**1 223**

1) The comparative information has been restated as a result of the initial application of IFRS 16 as discussed in note 12.

CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts in NOK million)	Notes	2019	2018[1)]
Cash flow from operating activities			
Profit before tax		247	24
Adjustment for:			
Taxes paid in the period		-60	-21
Gain/loss from disposal or sale of equipment	7	0	-1
Depreciation, amortisation and impairment	6, 7	972	1 004
Net financial items		265	240
Change in inventory		-10	2
Change in accounts receivable		-11	-20
Change in trade payables		-20	3
Change in other receivables and accruals		-38	-58
Net cash flow from operations		**1 345**	**1 173**
Cash flow from investing			
Proceeds from sale of subsidiary		2	5
Purchase of property, plant and equipment	6, 7	-265	-198
Proceeds from property, plant and equipment		2	0
Acquisition of subsidiary, net of cash acquired	14	-60	-23
Net cash flow from investing		**-321**	**-216**
Cash flow from financing			
Repayments of borrowings	5	-1 894	-60
Proceeds from borrowings	5	1 492	150
Instalments on lease liabilities	12	-750	-565
Paid interests on borrowings	5	-67	-77
Interests on lease liabilities	12	-187	-170
Disbursement of dividend		-1 032	0
Proceeds from issues of shares IPO	4	1 356	0
Transactions with non-controlling interests		-34	0
Transaction costs from issues of new shares IPO		-43	0
Other financial items		-66	-127
Net cash from financing		**-1 225**	**-849**
Net increase/(decrease) in cash and cash equivalents		**-200**	**107**
Effect of foreign exchange changes on cash and cash equivalents		8	1
Cash and cash equivalents at the beginning of the period		357	249
Cash and cash equivalents at the end of period		**165**	**357**

[1)] *The comparative information has been restated as a result of the initial application of IFRS 16 as discussed in note 12.*

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTE 1 General information and basis for preparation

General information
SATS (the "Group") consists of SATS ASA (the "Company") and its subsidiaries. To comply with the Oslo Stock Exchange (Oslo Børs) listing requirements, the Group's parent company was transformed from an AS (limited company) to an ASA (public company) entity per September 2019 and the company was thus renamed to "SATS ASA". As an ASA entity, the Group's parent company is subject to the Norwegian Public Limited Company Act. The accompanying consolidated interim financial statements include the financial statements of SATS ASA and its subsidiaries. The consolidated financial statements of the Group for the year ended 31 December 2018 are available at www.sats.no and also upon request from the Company's registered office at Nydalsveien 28, Oslo.

Basis for preparation
These consolidated interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting as adopted by the European Union (the "EU") and additional requirements in the Norwegian Securities Trading Act. This interim financial report does not include all information and disclosures required by International Financial Accounting Standards ("IFRS") for a complete set of annual financial statements. Accordingly, this report should be read in conjunction with the annual report for the year ended 31 December 2018.

These consolidated interim financial statements are unaudited.

The accounting policies applied by the Group in these consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2018, except for the changes resulting from the adoption of IFRS 16 Leases as of 1 January 2019. The effect of changing the accounting policy is presented in note 12. Because of rounding differences, numbers or percentages may not add up to the sum totals. For the reporting period IFRIC 23 has been implemented in the Group accounting policies with no material impact on the Group`s financial statements.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group.

Significant changes in the current reporting period
SATS implemented IFRS 16 using the full retrospective approach. 2018 financial information is hence restated in note 12 New accounting standards adopted 1 January 2019.

On 1 January 2019 SATS acquired 100% of the shares in the Danish fitness centre chain fitness dk. The acquisition was done with the aim of expanding the SATS concept to the Danish fitness market, and is expected to ensure profitability for the acquired entities by rebranding the centre profiles and reduce cost through economies of scale. The operating results, assets and liabilities of the acquired company are consolidated from 1 January 2019. Please see Note 14 Business combination for further information.

The financial position and performance of the Group was not, other than mentioned above, particularly affected by any events or transactions during the year of 2019.

There were no other significant events or transactions in the year ended 31 December 2019 that affected the Group`s financial position or performance.

NOTE 2 Segment information

General
The Group's business is primarily the sale of fitness center memberships, personal trainer sessions and retail sales through the fitness centers stores and the Group's website. The Group's sales are made primarily from fitness centers in Norway, Sweden, Finland and Denmark.

The Group's chief operating decision maker is the Nordic Management Group, consisting of the CEO, group functions (CFO, CCO, CDO and HR-director), and the country managers. The Nordic Management Group is responsible for allocating resources and assessing the performance of the segments.

The Group's performance is reviewed by the Nordic Management Group by geographical area of operations which are identified as Norway, Sweden, Finland and Denmark. The "Group functions and other" column relates to other business activities such as HQ-functions and other unallocated items (mainly derivatives).

The Nordic Management Group primarily uses EBITDA[2)], EBITDA excluding IFRS 16[2)], Adjusted EBITDA before impact of IFRS 16[2)] and Adjusted Country EBITDA before impact of IFRS 16[2)] (please see below and appendix Alternative Performance Measures) to assess the performance of the operating segments. However, the Nordic Management Group also receives information about the segments' revenue and the consolidated balance sheet of the Group on a monthly basis.

None of the Group's customers amounts to 10% or more of total revenues.

Operating segment information
The segment information provided to the Nordic Management Group for the reportable segments for Q4 2019 and Q4 2018, and the years ended 31 December 2019 and 2018 is as follows:

SATS Group	Norway	Sweden	Finland	Denmark	Group functions and other	**Total**
(Amounts in NOK million)						
Q4 2019						
Revenue						
Membership revenue	366	270	73	105	0	813
Other revenues	106	76	17	23	0	223
Total revenues	**473**	**346**	**90**	**128**	**0**	**1 036**
EBITDA[2)] and EBITDA before impact of IFRS 16[2)] reconcile to profit/loss for the period as follows:						
Profit/loss for the period	**66**	**76**	**24**	**-52**	**-88**	**25**
Income tax expense	4	27	19	-21	-40	-11
Net financial items[3)]	-23	-15	-6	-8	-45	-96
Operating profit	**85**	**64**	**11**	**-24**	**-4**	**132**
Depreciation and amortisation	-95	-72	-22	-48	-12	-249
EBITDA[2)]	**180**	**135**	**33**	**24**	**8**	**381**
Impact of IFRS 16	100	71	27	44	0	242
EBITDA before impact of IFRS 16[2)]	**79**	**65**	**6**	**-20**	**8**	**139**
Q4 2018[1)]						
Revenue						
Membership revenue	339	250	67	0	0	656
Other revenues	106	78	15	0	0	198
Total revenues	**445**	**328**	**82**	**0**	**0**	**854**
EBITDA[2)] and EBITDA before impact of IFRS 16[2)] reconcile to profit/loss for the period as follows:						
Profit/loss for the period	**-153**	**33**	**0**	**0**	**-37**	**-157**
Income tax expense	71	0	0	0	-50	22
Net financial items[3)]	-25	-21	-6	0	12	-40
Operating profit	**-199**	**53**	**7**	**0**	**1**	**-139**
Impairment of intangible assets	-265	0	0	0	0	-265
Operating profit excluding impairment	**66**	**53**	**7**	**0**	**1**	**126**
Depreciation and amortisation	-90	-80	-24	0	-9	-203
EBITDA[2)]	**157**	**133**	**31**	**0**	**9**	**329**
Impact of IFRS 16	93	85	26	0	0	204
EBITDA before impact of IFRS 16[2)]	**63**	**48**	**5**	**0**	**9**	**126**

On 1 January 2019 SATS acquired 100% of the shares in the Danish fitness center chain fitness dk. The operating results and assets and liabilities of the acquired company is consolidated from 1 January 2019.

1) The comparative information has been restated as a result of the initial application of IFRS 16 as discussed in note 12.
2) For further information about definitions, please see appendix Alternative Performance Measures.
3) Finance income and expenses are allocated to Group functions and other, as this type of activity is derived by the central treasury function, which manages the cash position of the Group.

SATS Group	Norway	Sweden	Finland	Denmark	Group functions and other	**Total**
(Amounts in NOK million)						
2019						
Revenue						
Membership revenue	1 439	1 026	282	423	0	3 171
Other revenues	392	282	61	81	0	816
Total revenues	**1 831**	**1 308**	**343**	**504**	**0**	**3 987**
EBITDA[2] and EBITDA before impact of IFRS 16[2] reconcile to profit/loss for the period as follows:						
Profit/loss for the period	**212**	**201**	**21**	**-133**	**-114**	**187**
Income tax expense	-37	-4	19	1	-38	-60
Net financial items[3]	-89	-51	-22	-35	-67	-265
Operating profit	**337**	**257**	**25**	**-98**	**-9**	**512**
Depreciation and amortisation	-379	-273	-92	-184	-44	-972
EBITDA[2]	**717**	**530**	**117**	**86**	**35**	**1 484**
Impact of IFRS 16	397	274	95	167	0	933
EBITDA before impact of IFRS 16[2]	**319**	**256**	**22**	**-81**	**35**	**551**
2018[1]						
Revenue						
Membership revenue	1 340	962	264	0	0	2 565
Other revenues	379	264	51	0	0	694
Total revenues	**1 719**	**1 225**	**315**	**0**	**0**	**3 259**
EBITDA[2] and EBITDA before impact of IFRS 16[2] reconcile to profit/loss for the period as follows:						
Profit/loss for the year	**-43**	**146**	**-5**	**0**	**-103**	**-4**
Income tax expense	38	-32	0	0	-34	-28
Net financial items[3]	-98	-52	-24	0	-66	-240
Operating profit	**17**	**230**	**18**	**0**	**-2**	**263**
Impairment of intangible assets	-265	0	0	0	0	-265
Operating profit excluding impairment	**282**	**230**	**18**	**0**	**-2**	**528**
Depreciation and amortisation	-363	-261	-83	0	-32	-739
EBITDA[2]	**645**	**491**	**101**	**0**	**30**	**1 267**
Impact of IFRS 16	380	270	86	0	0	736
EBITDA before impact of IFRS 16[2]	**265**	**221**	**15**	**0**	**30**	**531**

On 1 January 2019 SATS acquired 100% of the shares in the Danish fitness center chain fitness dk. The operating results and assets and liabilities of the acquired company is consolidated from 1 January 2019.

1) *The comparative information has been restated as a result of the initial application of IFRS 16 as discussed in note 12.*
2) *For further information about definitions, please see appendix Alternative Performance Measures.*
3) *Finance income and expenses are allocated to Group functions and other, as this type of activity is derived by the central treasury function, which manages the cash position of the Group.*

NOTE 3 Profit and loss information

Significant items in profit and loss
Profit for the period includes the following items that are unusual because of their nature or incidence:

	Q4 2019	Q4 2018[1)]	**2019**	2018[1)]
(Amounts in NOK million)				
Impairment of intangible assets	0	265	0	265

As of 1 January 2018, the Group`s opening balance for intangible assets included NOK 265 million recognised in relation to the ELIXIA brand name. The brand name was acquired through a business combination in 2014, when the brand name asset was recognised at fair value at the acquisition date. In 2018, management decided to implement a new branding strategy where the main goal is to harmonise the marketing profile across markets and regions of operations.

The new market strategy aimed to re-brand all the Group's fitness centres, except Fresh Fitness-centres under the logo SATS, and consequently the name ELIXIA will no longer be used, except in Finland. All existing fitness centres in Norway and Sweden have been branded under the SATS logo, hence management has estimated that little future expected cash flows from the brand name ELIXIA are expected to be generated in Norway. The value of the brand name has per the 2018 balance sheet date been determined to be nil.

Implementation of IFRS 16
The Group has implemented IFRS 16 as of 1 January 2019, and all 2018 comparables have been restated to reflect the new standard. Please see note 12 for information of the implementation effects.

Income tax expense
On both SATS Group level and on segment level, the actual tax expense is used as basis for the fourth quarter and 2019 full year income tax recognition, whereas standardized tax rates per jurisdictions are used for tax reporting purposes for the previous interim periods throughout 2019.

Definitions
In the interim financial statements, Q4 is defined as the reporting period from 1 October to 31 December.

[1)] *The comparative information has been restated as a result of the initial application of IFRS 16 as discussed in note 12.*

NOTE 4 Earnings per share

In September 2019 the shares of the company were split in the ratio 1 to 4 so that the number of shares was increased from 28 071 892 to 112 287 568. The updated number of shares has been applied as the denominator for Q4 2018 and 2018.

23 October 2019 SATS ASA was accepted for listing on the Oslo Stock Exchange (Oslo Børs). The initial public offering (IPO) was achieved by issuing 57 712 432 shares with a par value of NOK 2.125 at the price of NOK 23.5 per share, resulting in a net capital increase of NOK 1 323 million. Prior to the IPO, the company's shares have not been publicly traded. The number of shares outstanding following the IPO will be 170 000 000. The denominator for Q4 2019 and 2019 is calculated as a weighted average.

Basic earnings per share attributable to equity holders of the company

	Q4 2019	Q4 2018[1)]	**2019**	2018[1)]
Basic earnings	0.12	-1.40	1.52	-0.05
Total basic earnings per share	**0.12**	**-1.40**	**1.52**	**-0.05**
Total number of outstanding shares	155 571 892	112 287 568	123 197 589	112 287 568

Diluted earnings per share attributable to equity holders of the company

	Q4 2019	Q4 2018[1)]	**2019**	2018[1)]
Diluted earnings	0.12	-1.40	1.52	-0.05
Total diluted earnings per share	**0.12**	**-1.40**	**1.52**	**-0.05**
Total number of outstanding shares	155 571 892	112 287 568	123 197 589	112 287 568

Reconciliation of earnings used in calculating earnings per share

	Q4 2019	Q4 2018[1)]	**2019**	2018[1)]
Basic earnings per share				
Profit/loss attributable to equity holders of the Group	19	-157	187	-6
Profit used in calculating basic earnings per share	**19**	**-157**	**187**	**-6**
Diluted earnings per share				
Profit/loss used in calculating diluted earnings per share	19	-157	187	-6
Profit used in calculating diluted earnings per share	**19**	**-157**	**187**	**-6**

[1)] *The comparative information has been restated as a result of the initial application of IFRS 16 as discussed in note 12.*

NOTE 5 Interest-bearing liabilities

Overview of interest-bearing liabilities

	31.12.2019	31.12.2018[1)]
(Amounts in NOK million)		
Current		
Bank borrowings	8	60
Lease liabilities	767	611
Total current interest-bearing liabilities	**775**	**671**
Non-current		
Bank borrowings	1 293	1 787
Lease liabilities	3 521	2 949
Total non-current interest-bearing liabilities	**4 814**	**4 737**
Total interest-bearing liabilities	**5 589**	**5 408**
Total bank borrowings	1 301	1 847
Cash and cash equivalents	165	357
Net debt[2)]	**1 136**	**1 490**

Please see Note 12 New accounting standards adopted 1 January 2019 for more information.

New long-term loan facility agreement
In September the Company entered into a new unsecured revolving credit facility agreement with Swedbank, as part of its transition towards the IPO.

The new facility consists of a multicurrency revolving credit facility with a maximum principal amount of NOK 2 500 million. Per October 2019 SATS refinanced all outstanding bank borrowings under the existing agreement. Further, to finance the general corporate purpose the Group made an initial draw down of NOK 1 300 million from the new facility.

Interests on borrowings under the new facility will be paid at an annual interest rate equal to the applicable IBOR plus a margin reliant on the leverage ratio of the Group.

The facility will mature in full in October 2024, and no installment payments are due before this time. Interests payable will depend on the principal amount of the facility at any given time. However, based on an expected initial draw down of NOK 1 300 million, the annual interest rate is expected be in the range of NOK 36 to 50 million.

Covenants
The new loan facility agreement includes a financial covenant requiring the leverage ratio, Net Debt to EBITDA, not to exceed 4.25x until the date falling two years after the date of the agreement, and not to exceed 4.00x thereafter. The new facility agreement does not contain any restrictions on dividend payments.

Compliance with financial borrowing covenants
SATS ASA executes the financing functions within the Group, holds the long-term financing agreement with the Group's long-term lenders, and provides long-term financing to other Group entities. SATS ASA has complied with the financial covenants related to its borrowing facility during Q4 2019.

Payment profile
The following table shows the undiscounted payment profile of the Group's interest bearing liabilities, based on the remaining period as of 31 December 2019:

Bank borrowings	**Total**
(Amounts in NOK million)	
Less than 1 year	36
1-2 years	36
2-3 years	36
3-5 years	1 382
More than 5 years	4
Total payments	**1 495**

Lease liabilities	**Total**
(Amounts in NOK million)	
Less than 1 year	942
1-2 years	884
2-3 years	794
3-5 years	1 167
More than 5 years	1 147
Total payments	**4 935**

[1)] *The comparative information has been restated as a result of the initial application of IFRS 16 as discussed in note 12.*
[2)] *For further information regarding Net debt, please see appendix Alternative Performance Measures.*

NOTE 6 Intangible assets

Goodwill

	Norway	Sweden	Finland	Denmark	**Total goodwill**
(Amounts in NOK million)					
At 31 December 2018					
Cost	1 762	181	579	0	2 522
Accumulated impairment	-199	0	-10	0	-209
Net book amount	**1 563**	**181**	**569**	**0**	**2 313**
Year ended 31 December 2019					
Opening net book amount	1 563	181	569	0	2 313
Net effect of changes in foreign exchange	0	-4	-5	0	-9
Net additions/disposals	35	12	0	0	47
Closing net book amount	**1 599**	**188**	**564**	**0**	**2 351**
At 31 December 2019					
Cost	1 798	188	574	0	2 559
Accumulated impairment	-199	0	-10	0	-209
Net book amount	**1 599**	**188**	**564**	**0**	**2 351**
Useful life	Indefinite	Indefinite	Indefinite		
Amortisation method	Not amortised	Not amortised	Not amortised		

Other intangible assets

	Trademark	Internally developed software[1]	Customer base	Other	**Total other intangible assets**
(Amounts in NOK million)					
At 31 December 2018					
Cost	265	220	0	4	488
Accumulated amortisation and impairment	-265	-161	0	-3	-429
Net book amount	**0**	**58**	**0**	**0**	**59**
Year ended 31 December 2019					
Opening net book amount	0	58	0	0	59
Net effect of changes in foreign exchange	0	-1	0	0	-1
Acquisition	0	0	50	0	50
Additions/disposals	2	56	0	0	58
Amortisation charge	0	-43	-8	0	-52
Closing net book amount	**2**	**70**	**42**	**0**	**113**
At 31 December 2019					
Cost	267	275	49	4	595
Accumulated amortisation and impairment	-265	-205	-8	-4	-481
Net book amount	**2**	**70**	**42**	**0**	**113**
Useful life	10 years	3 years	3-7 years	1-10 years	
Amortisation method	Straight-line	Straight-line	Straight-line	Straight-line	

[1] *Software consists of capitalised development costs being an internally generated intangible asset.*

NOTE 7 Property, plant and equipment

Property, plant and equipment

	Capitalised leasehold improvements	Fitness equipment	Other fixtures and equipment	**Total tangible fixed assets**
(Amounts in NOK million)				
At 31 December 2018				
Cost	942	693	390	2 025
Accumulated depreciation	-576	-510	-341	-1 427
Net book amount	**366**	**184**	**49**	**598**
Pledged as security for liabilities				**598**
Year ended 31 December 2019				
Opening net book amount	366	184	49	598
Net effect of changes in foreign exchange	-4	-2	0	-7
Net additions/disposals	203	64	39	307
Depreciation charge	-85	-49	-25	-159
Closing net book amount	**480**	**197**	**62**	**739**
At 31 December 2019				
Cost	1 322	768	439	2 529
Accumulated depreciation and impairment	-842	-572	-377	-1 791
Net book amount	**480**	**197**	**62**	**739**
Pledged as security for liabilities				**739**
Useful life	10 years	5-9 years	3-7 years	
Depreciation method	Straight-line	Straight-line	Straight-line	

NOTE 8 Right of use ("RoU") assets

RoU assets

	Premise rental	Other leases	**Total RoU assets**
(Amounts in NOK million)			
At 1 January 2018			
Cost	6 295	21	6 315
Accumulated depreciation	-2 969	0	-2 969
Net book amount	**3 325**	**21**	**3 346**
Year ended 31 December 2018			
At 1 January 2018	3 325	21	3 346
Net effect of changes in foreign exchange	-30	0	-30
Additions/disposals	487	2	489
Depreciation charge	-566	-10	-576
Closing net book amount	**3 216**	**13**	**3 229**
At 31 December 2018			
Cost	6 752	23	6 775
Accumulated depreciation	-3 536	-10	-3 545
Net book amount	**3 216**	**13**	**3 229**
Year ended 31 December 2019			
At 1 January 2019	3 216	13	3 229
Net effect of changes in foreign exchange	-46	0	-46
Additions/disposals	1 428	63	1 491
Depreciation charge	-736	-25	-761
Closing net book amount	**3 862**	**51**	**3 912**
At 31 December 2019			
Cost	8 145	87	8 232
Accumulated depreciation	-4 283	-36	-4 319
Net book amount	**3 862**	**51**	**3 912**
Useful life	1-15 years	1-5 years	
Depreciation method	Straight-line	Straight-line	

NOTE 9 Financial instruments

Overview
Through its activities, the Group will be exposed to different types of financial risks: market risk, credit risk and liquidity risk. This note presents information related to the Group's exposure to such risks, the Group's objectives, policies and procedures for risk management and handling, as well as the Group's management of capital. The interim financial statements do not include all financial risk information and should be read in conjunction with the annual report. There have not been any changes in the Group`s risk management policies since year end. The Group does not apply hedge accounting.

Financial instruments by category
Derivatives are only used for economic hedging purposes to reduce cash flow risk and not as speculative investments.

Derivatives are classified as held for trading and initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value through profit and loss at the end of each reporting period. The fair values are based on observable market prices obtained from external parties and are based on mid-range marked interest rates and prices, excluding margins, at the reporting date. The derivatives are defined as Level 2 in the fair value hierarchy. The derivatives are classified as non-current asset or liability if the maturity date is later than 12 months from the balance sheet date and there is no intention to close the position within 12 months from the balance sheet date.

There have been no transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments from last balance sheet date.

	31.12.2019		31.12.2018[1)]	
Assets	**Assets measured at amortised cost**	**Fair value through profit and loss**	Assets measured at amortised cost	Fair value through profit and loss
(Amounts in NOK million)				
Other non-current receivables	41	0	131	0
Accounts receivables	136	0	119	0
Other current receivables	70	0	119	0
Derivatives	0	5	0	3
Cash and cash equivalents	165	0	357	0
Total	**412**	**5**	**726**	**3**

	31.12.2019		31.12.2018[1)]	
Liabilities	**Liabilities measured at amortised cost**	**Fair value through profit and loss**	Liabilities measured at amortised cost	Fair value through profit and loss
(Amounts in NOK million)				
Borrowings	1 301	0	1 847	0
Lease liabilities	4 289	0	3 560	0
Trade and other payables	122	0	107	0
Other current liabilities	322	0	346	0
Total financial liabilities	**6 032**	**0**	**5 861**	**0**

Financial derivative instruments
The Group has the following derivative financial instruments:

	31.12.2019	31.12.2018[1)]
(Amounts in NOK million)		
Non-current assets		
Interest rate swap contracts	5	3
Total non-current derivative financial instrument assets	**5**	**3**

Overview of interest swaps per 31 December 2019

Interest rate swaps	Notional in currency million	Maturity	Fixed rate	**Unrealised gain/loss 31.12.2019**
IRS NOK	713	29.09.2021	1.28	7
IRS EUR	13	29.09.2021	0.09	-1
Fair value of the Group's interest rate swaps as of 31 December 2019 in NOK million				**5**

Changes in fair value is presented within finance income and finance expense in the income statement.

[1)] *The comparative information has been restated as a result of the initial application of IFRS 16 as discussed in note 12.*

NOTE 10 Related parties

General
The following table presents an overview of transaction with related parties. Remuneration of executive staff and Board of Directors and share capital information is not included in the following overview:

Profit or loss items

Related party	Relationship	Type of services	**2019**	2018[1)]
(Amounts in NOK thousand)				
Run Holding AS	Sister company	Foreign exchange loss (gains) unrealised	0	-1 332
Run BidCo ApS	Sister company	Foreign exchange loss (gains) unrealised	0	-1 206
Run Holding AS	Sister company	Interest rate on loan	0	-1 518
Run BidCo ApS	Sister company	Interest rate on loan	0	-1 615
Elixia Holding IV AS	Shareholder of SATS Group AS	Interest rate on loan	-41	-38
Altor	Shareholder of SATS Group AS	Restructuring costs	144	309
SATS Group AS	Shareholder	Interest rate on loan	-3 810	0
Metropolis Health Club AB	Minority interest	Accounting services	75	133
SATS Grenland AS	Minority interest	IT, accounting and other services	3 948	3 614
Total related party profit or loss items			**315**	**-1 654**

The amounts in the table above are presented within interest expense and other operating costs.

Run Holding AS and Run BidCo ApS are consolidated in the SATS ASA Group from 1 January 2019. In Annual Report 2018 the entities are treated as related parties.

100% of the shares in SATS Grenland AS was acquired by the Group 19 December 2019. In the table above, SATS Grenland AS is treated as related party.

Balance sheet items

Related party	Relationship	Type of services	**31.12.2019**	31.12.2018[1)]
(Amounts in NOK thousand)				
SATS Group AS	Shareholder	Borrowings	284	66 526
Run Holding AS	Sister company	Loan	0	41 855
Run BidCo ApS	Sister company	Loan	0	87 936
Elixia Holding IV AS	Shareholder of SATS Group AS	Loan	0	1 083
Total related party balance sheet items			**284**	**197 400**

All transactions with related parties are priced at market conditions and there are no special conditions attached to these. Transactions with subsidiaries have been eliminated in consolidated statements and do not represent transactions with related parties.

[1)] *The comparative information has been restated as a result of the initial application of IFRS 16 as discussed in note 12.*

NOTE 11 Events after the balance sheet date

The Board of Directors are not aware of any material events that have occurred after the balance sheet date and before the date of the approval of the interim financial statements that provide new information about conditions that existed at the balance sheet date (that are not currently reflected in the interim financial statements), nor have any significant events occurred after the balance sheet date that require further disclosures.

NOTE 12 New accounting standards adopted 1 January 2019

New standards adopted by the Group
The following standards and amendments have been adopted by SATS Group for the first time for the financial year beginning on 1 January 2019:

IFRS 16, Leases
Adoption of IFRS 16, Leases, removes the distinction between operating and finance leases and requires lessees to recognise nearly all leases in the consolidated statement of financial position. Under the new standard, a right-of-use asset and a financial liability to pay rentals are recognised.

Transition method
SATS implemented IFRS 16 using the full retrospective approach. As such, 2018 financial information is required to be restated in these financial statements. The impact of the new lease standard is reflected in the opening balance of 1 January 2018.

SATS ASA has performed a full assessment as to whether the company's arrangements contain a lease.

Key accounting decisions and principles
SATS presents the right-of-use assets and lease liabilities as separate line-items in the statement of financial position. Lease liabilities are split into current, due within one year, and non-current, due after more than one year.

In the statement of profit or loss, depreciation and impairment expenses related to right-of-use assets are presented as part of the total depreciation and impairment expenses. Interest expenses related to the lease liabilities are presented as part of the interest expense.

Key assumptions applied in determining the estimated values of the lease liability and right-of-use asset include the assessment of the lease term, including purchase, extension or termination option, and the appropriate discount rate. The lease term is impacted by the assessment of the reasonably certain criterion in respect of renewal or termination options.

As the implicit discount rates of SATS' leases are not readily available, SATS applied the incremental borrowing rate applicable at the lease commencement dates of a lease to determine the discounted value of the lease liabilities. Upon modification of a lease, the remeasurement of the lease liability is performed using the applicable discount rate at the date of the remeasurement. The two capitalisation exemptions proposed by the standard, lease contracts with a lease term of less than 12 months and lease contracts for which the underlying asset has a low value, have been applied. The payments for such leases are recognised in the income statement on a straight-line basis over the lease contract period.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, adjusted for initial direct costs and lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method over the shorter of the lease term or the useful life of the underlying asset. In addition, the right-of-use asset has been reduced by any impairment charges and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at the present value of future lease payments at the commencement date, discounted using the Group's incremental borrowing rate.

The Group has elected to separate lease and non-lease components included in lease payments for property leases. Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or rate; initially measured using the index or rate as at the commencement date;
- (if any) amounts expected to be payable under a residual value guarantee;
- (if any) lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured, a matching adjustment is made to the carrying amount of the right-of-use asset. The weighted average incremental borrowing rate per the implementation date was 4.62%.

SATS has recognised a deferred tax position for all jurisdictions of operation except for Finland as it has determined that the IFRS 16 accounting effects will not be applicable for the Group entities' corporate income tax filings.

Lease income from operating leases where the Group is a lessor are recognised as income on a straight-line basis over the lease term. There are no material financial lease arrangements where the Group is a lessor.

Financial statement impact
The financial statement effects from implementing IFRS 16 are outlined in the tables below.

IFRS 16 effects on Consolidated Balance Sheet

	Reported 31 Dec 2018	Change IFRS 16	Restated 31 Dec 2018	Reported 31 Dec 2017	Change IFRS 16	Restated 1 Jan 2018
(Amounts in NOK million)						
Deferred tax asset	76	73	149	91	71	162
RoU assets	0	3 229	3 229	0	3 346	3 346
Prepaid expenses	227	-52	174	213	-53	160
Total assets	**303**	**3 250**	**3 552**	**304**	**3 364**	**3 668**
Equity	**1 063**	**-302**	**761**	**1 035**	**-299**	**736**
Current lease liabilities	5	606	611	5	551	555
Non-current lease liabilities	4	2 945	2 949	5	3 112	3 117
Total equity and liabilities	**1 071**	**3 249**	**4 320**	**1 044**	**3 364**	**4 408**

IFRS 16 effects on Consolidated Statements of Comprehensive Income

	Reported Q4 2018	Change IFRS 16	Restated Q4 2018	Reported FY 2018	Change IFRS 16	Restated FY 2018
(Amounts in NOK million)						
Total revenue	**854**	**0**	**854**	**3 259**	**0**	**3 259**
Cost of goods sold	-23	0	-23	-80	0	-80
Personnel expenses	-337	0	-337	-1 224	0	-1 224
Property lease expenses	-264	204	-60	-1 015	736	-279
Depreciation and amortisation	-43	-160	-203	-163	-576	-739
Other operating expenses	-105	0	-105	-409	0	-409
Impairment of intangible assets	-265	0	-265	-265	0	-265
Operating profit	**-182**	**43**	**-140**	**103**	**160**	**263**
Net financial items	5	-45	-40	-69	-170	-239
Income tax expense	21	0	22	-30	2	-28
Profit/loss for the period	**-204**	**-1**	**-157**	**4**	**-8**	**-4**
Other comprehensive income	-10	0	-10	32	5	37
Total comprehensive income	**-214**	**-1**	**-215**	**36**	**-3**	**33**

NOTE 13 Critical estimates and judgements

Critical estimates
The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong.

The areas involving significant estimates or judgements are typical estimation of current tax payable and current tax expense, potential goodwill impairment, estimated useful life of intangible assets, recognition of deferred tax assets for carried forward tax losses etc.

Management has recognised a deferred tax asset for the Danish segment based on historic tax losses carried forward. The deferred tax asset is recognized based on management's expectation of future tax profits. Part of the historic tax losses carried forward in the Finnish segment has been recognised at the balance sheet date as 2019 shows improved revenues and EBITDA, and growth in all clusters in the Finnish market. The prospects for the Finnish segment are good and management expects the positive development to continue.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension or termination option related to premise lease contracts. This assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment. During the current financial period, there was no material financial effect of revising lease terms to reflect the effect of exercising extension or termination options.

Fair value estimates
The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Specific valuation techniques used to value financial instruments include:
- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, a contingent consideration receivable and certain derivative contracts, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

NOTE 14 Business combination

Acquisition of fitness dk A/S
On 1 January 2019 SATS acquired 100% of the shares in the Danish fitness centre chain fitness dk Group. The acquisition was done with the aim of expanding the SATS concept to the Danish fitness market, and is expected to ensure profitability for the acquired entities by rebranding the centre profiles and reduce cost through economies of scale.

The operating results and assets and liabilities of the acquired company was consolidated from 1 January 2019.

Details of the purchase consideration

(Amounts in NOK million)

Purchase consideration:	
Cash paid	36
Total purchase consideration	**36**

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value at acquisition
Cash and cash equivalents	34
Right-of-use asset	663
Property, plant and equipment	106
Customer base	43
Receivables	72
Net deferred tax assets	47
Payables	129
Borrowings	130
Lease liabilities	663
Deferred tax on customer base	8
Fair value of net identifiable assets acquired	**36**

Recognised goodwill	
Total purchase consideration	36
Less: fair value of net identifiable assets acquired	36
Recognised goodwill	**-**

The amounts of revenue recognised from the acquiree since the acquisition date is disclosed in the segment reporting for Denmark, note 2. Deferred tax assets in Denmark is primarily based on historic tax losses carried forward. The deferred tax asset is recognised based on expectation of future tax profits.

Acquisition of FitnessXpress AS, Gym & Motion i Åkersberga AB and Viscus AB
On 3 January 2019, SATS acquired the Norwegian fitness club FitnessXpress AS, located in Oslo and on 2 May 2019 SATS acquired 100% of the issued shares in Gym & Motion i Åkersberga AB, a fitness club located in Österåker Municipality in Sweden. The operating results, assets and liabilities of the acquired companies have been consolidated from 3 January and 2 May 2019 respectively.

On 1 July 2019, SATS acquired 100% of the shares in Viscus AB, a business located in Gotenburg and Södertälje, offering personal training services and group exercise aiming at the corporate market. The operating results, assets and liabilities of Viscus AB has been consolidated from 1 July 2019.

Details of the purchase consideration	
(Amounts in NOK million)	
Purchase consideration:	
Cash paid	63
Total purchase consideration	**63**

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value at acquisition[1)]
(Amounts in NOK million)	
Cash and cash equivalents	3
Right-of-use asset	80
Property, plant and equipment	4
Customer base	15
Receivables	8
Payables	7
Lease liabilities	80
Deferred tax	3
Fair value of net identifiable assets acquired	**19**
Recognised goodwill	
Total purchase consideration	63
Less: fair value of net identifiable assets acquired	19
Recognised goodwill	**43**

The goodwill is attributable to the workforce and the expected profitability of the acquired business.

1) *The assets and liabilities recognized are based on preliminary purchase price allocation analysis, and may be subject to future adjustments.*

APPENDIX

ALTERNATIVE PERFORMANCE MEASURES

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.

Alternative Performance Measures reflect adjustments based on the following items:

Operating profit excluding impairment
Operating profit excluding impairment is defined as operating profit adjusted for any recognised impairment for the period. This APM is presented as management believe this presentation will more adequately represent the Group's underlying operating performance for the year, without the impact of the impairment charge related to the discontinuation of the ELIXIA brand.

EBITDA
EBITDA is a measure of earnings before deducting net financial items, taxes, amortisation and depreciation charges. The Group has presented this APM because it considers it to be an important supplemental measure to understand the overall picture of profit generation in the Group's operating activities. Please see reconciliation to profit or loss before tax in table below.

EBITDA before impact of IFRS 16
EBITDA before impact of IFRS 16 is a measure of EBITDA adjusted for lease expenses applying IAS 17 Leases, and the Group has presented this APM because it considers it to be an important supplemental measure to understand the underlying profit generation in the Group's operating activities. Please see reconciliation to profit or loss before tax in table below.

EBITDA before impact of IFRS 16 margin
EBITDA before impact of IFRS 16 divided by total revenue.

Adjusted EBITDA before impact of IFRS 16
Adjusted EBITDA before impact of IFRS 16 is a measure of EBITDA adjusted for (i) lease expenses applying IAS 17 Leases, (ii) impairment charges, (iii) revenue and costs from closed clubs, and (iiii) certain extraordinary items affecting comparability. The Group has presented this APM because it considers it to be an important supplemental measure to understand the underlying profit generation in the Group's operating activities. Please see reconciliation to profit or loss before tax in table below.

Adjusted EBITDA before impact of IFRS 16 margin
Adjusted EBITDA before impact of IFRS 16 divided by total revenue.

Adjusted Country EBITDA before impact of IFRS 16
Adjusted Country EBITDA before impact of IFRS 16 is a measure of Adjusted EBITDA before impact of IFRS 16 per segment, which is the Group's segment measure, before allocation of Group overhead and cost allocations. The Group has presented this APM because it considers it to be an important supplemental measure to understand the underlying profit generation in the Group's geographic segments without the impact of Group overhead and cost allocations. Please see reconciliation to profit or loss before tax in table below.

Adjusted Country EBITDA before impact of IFRS 16 margin
Adjusted Country EBITDA before impact of IFRS 16 divided by total revenue.

Reconciliation of profit/loss for the period to Adjusted Country EBITDA before impact of IFRS 16

TOTAL	Q4 2019	Q4 2018[1)]	2019	2018[1)]
(Amounts in NOK million)				
EBITDA before impact of IFRS 16	**139**	**-139**	**551**	**267**
(ii) Impairment of intangible assets	0	265	0	265
(iii) Revenue and costs from closed clubs	1	3	1	2
(iiii) Comparability adjustments on Country level	2	1	8	5
(iiii) Comparability adjustments on Group level	13	0	13	0
Adjusted EBITDA before impact of IFRS 16	**155**	**130**	**573**	**539**
Group overhead and cost allocation	55	39	237	185
Adjusted Country EBITDA before impact of IFRS 16	**210**	**169**	**811**	**724**

NORWAY	Q4 2019	Q4 2018[1)]	2019	2018[1)]
(Amounts in NOK million)				
EBITDA before impact of IFRS 16	**79**	**-202**	**319**	**0**
(ii) Impairment of intangible assets	0	265	0	265
(iii) Revenue and costs from closed clubs	1	3	1	4
(iiii) Comparability adjustments	2	-1	2	-5
Adjusted EBITDA before impact of IFRS 16	**82**	**64**	**322**	**264**
Group overhead and cost allocation	-35	-25	-130	-108
Adjusted Country EBITDA before impact of IFRS 16	**117**	**90**	**452**	**372**

SWEDEN	Q4 2019	Q4 2018[1)]	2019	2018[1)]
(Amounts in NOK million)				
EBITDA before impact of IFRS 16	**65**	**48**	**256**	**221**
(ii) Impairment of intangible assets	0	0	0	0
(iii) Revenue and costs from closed clubs	0	0	0	1
(iiii) Comparability adjustments	0	0	0	0
Adjusted EBITDA before impact of IFRS 16	**65**	**48**	**256**	**222**
Group overhead and cost allocation	-29	-22	-107	-96
Adjusted Country EBITDA before impact of IFRS 16	**94**	**70**	**363**	**318**

FINLAND	Q4 2019	Q4 2018[1)]	2019	2018[1)]
(Amounts in NOK million)				
EBITDA before impact of IFRS 16	**6**	**5**	**22**	**15**
(ii) Impairment of intangible assets	0	0	0	0
(iii) Revenue and costs from closed clubs	0	0	0	-2
(iiii) Comparability adjustments	0	0	0	3
Adjusted EBITDA before impact of IFRS 16	**6**	**5**	**22**	**17**
Group overhead and cost allocation	-5	-4	-17	-17
Adjusted Country EBITDA before impact of IFRS 16	**11**	**9**	**40**	**34**

DENMARK	Q4 2019	Q4 2018[1)]	2019	2018[1)]
(Amounts in NOK million)				
EBITDA before impact of IFRS 16	**-20**	**0**	**-81**	**0**
(ii) Impairment of intangible assets	0	0	0	0
(iii) Revenue and costs from closed clubs	0	0	0	0
(iiii) Comparability adjustments	1	0	7	0
Adjusted EBITDA before impact of IFRS 16	**-19**	**0**	**-75**	**0**
Group overhead and cost allocation	-8	0	-31	0
Adjusted Country EBITDA before impact of IFRS 16	**-11**	**0**	**-44**	**0**

[1)] *The comparative information has been restated as a result of the initial application of IFRS 16 as discussed in note 12.*

Net debt
Current and non-current borrowings for the period (excluding property lease liabilities recognised under IFRS 16) less cash and cash equivalents for the period. Net debt is a non-IFRS financial measure, which the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure. The Group has presented this APM as it is useful indicator of the Group's indebtedness, financial flexibility and capital structure because it indicates the level of borrowings after taking account of cash and cash equivalents within the Group's business that could be utilized to pay down the outstanding borrowings. Net Debt is also used as part of the assessment for financial covenants compliance. Please see note 5 Interest-bearing liabilities for reconciliation to Total interest-bearing liabilities.

Leverage ratio
Net debt divided by last twelve months Adjusted EBITDA before impact of IFRS 16.

Capital expenditure
Capital expenses (capex) is a measure of total investments in the period both in the operations and in new business either through business combinations (acquisitions) or through new club openings (greenfields). Capital expenditures consist of both maintenance capex and expansion capex and the source of capex is the Statement of cashflows.

Maintenance capex
Maintenance capital expenditures is a measure of investments made in the operations and consists of investments in tangible and intangible assets excluding Expansion capex. The measure is defined as the sum of purchase of property, plant and equipment from the Statement of cashflows less investments in greenfields. Maintenance capex can be divided into IT capex and Club portfolio capex where IT capex is investments and development of common software programs used by the whole Group and Club portfolio capex is physical investments at the clubs.

Expansion capex
Expansion capital expenditures is a measure of business combinations (acquisitions), investments in greenfield and capex related to the perfect club initiative.

Operating cash flow
Operating cash flow is a measure of how much cash that is generated by the operations and is used to evaluate SATS's liquidity. The definition is Adjusted EBITDA excluding IFRS 16 less Maintenance capex.

Cash Conversion
Operating cash flow divided by Adjusted EBITDA before impact of IFRS 16.

DEFINITIONS

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 items affecting comparability; and (iii) the impact of implementation of the new 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
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
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 excluding IFRS 16 less maintenance capital expenditures
Operating profit excluding impairment	Operating profit adjusted for any recognised impairment
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

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