SATS Q2 2022

THIS IS SATS

The Group, through our brands and concepts SATS, ELIXIA, Fresh Fitness, HiYoga and Mentra by SATS, is the leading provider of fitness and training services in the Nordics with 267 clubs, close to 9 000 employees and more than 670 000 members.

Everyone is welcome at SATS, and our members have full flexibility to tailor their membership package to address their individual needs. We offer cutting-edge studio facilities for individual training, the broadest selection 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 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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WORDS FROM THE CEO

We ended Q2 2022 with a total of 671 000 members, in line with the pre-pandemic Q2 2019. The number of members is a key metric for us in SATS, as it is highly important both financially and for public health.

The fitness market characteristics and consumer preferences are, as we can see it, largely unchanged. We don't see major differences in demographics or visit patterns. Yet, despite the megatrend around health and lifestyle, the recovery of the fitness market takes time. Surveys indicate that a larger part of the population is inactive than before the pandemic, while those who were most active before are more active than ever. This trend is in also clear among SATS' members. On average, we have higher visit levels per member than prior to the pandemic, but this is mainly driven by increasing activity from younger members and those who were active before.

The economy around us is slowing down, with increasing inflation and interest rates. However, so far, we don't see members trading down, choosing lower-priced memberships, and we actually see lower churn rates than prior to the pandemic.

The number of members per club is the most important lever in SATS. We can grow members by opening new greenfield locations, through M&A and by increasing the number of members in existing clubs.

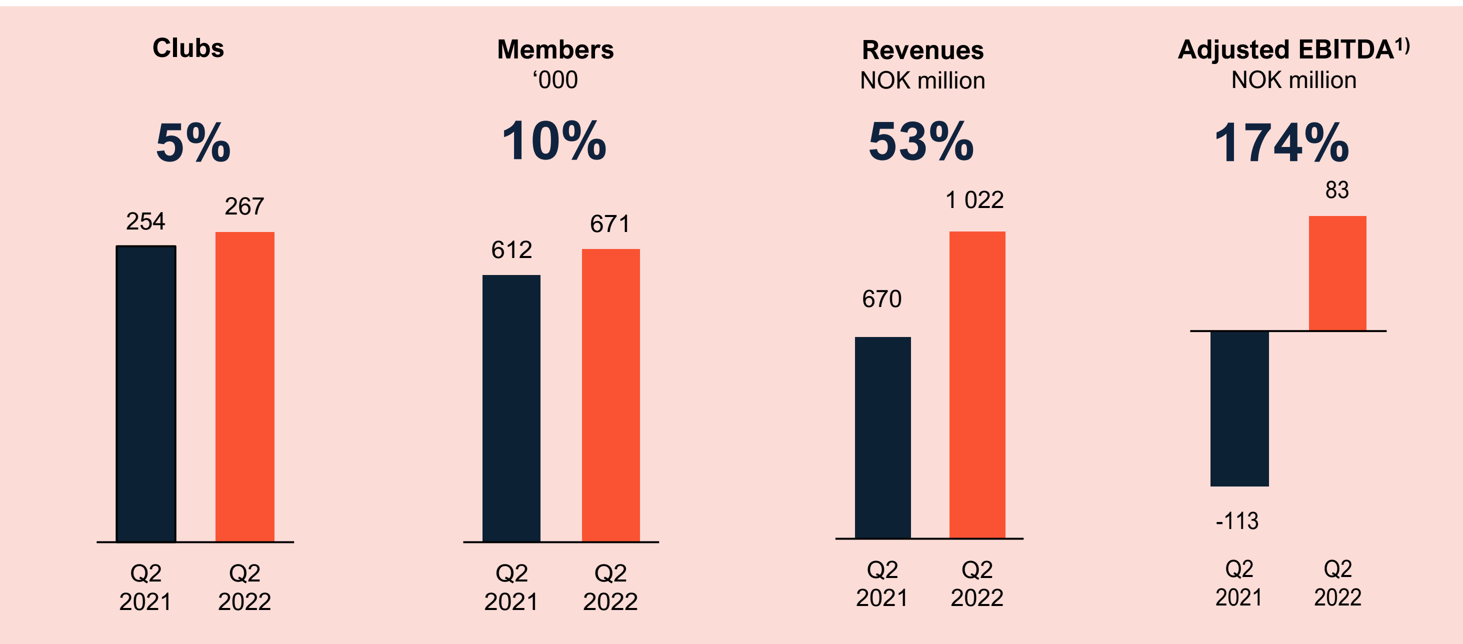
Going forward, we will continue the high club expansion, through delivering on the current strong greenfield pipeline, in addition to pursuing new attractive consolidation opportunities.

We also see a great potential in our current club portfolio and are investing heavily in our existing clubs. We have improved the club layout and design, we use technology and data to improve fitness floor usage and group training scheduling, and we are adding new attractive products to the portfolio. The combination of these initiatives result in higher member capacity in our clubs and improved member experience, demonstrated by a stronger net promoter score (NPS) score than before the pandemic.

I would also like to take the opportunity to wish our members and SATS colleagues a healthy and happy summer. And remember, some activity is better than nothing. So download the Mentra by SATS app and continue your strong habits even if you are far away from a SATS club.

Sondre Gravir

CEO



1) Adjusted EBITDA before impact of IFRS 16. For further information regarding definitions and Alternative Performance Measures, please see Appendix.

HIGHLIGHTS

- *The club portfolio consisted of 267 clubs by the end of Q2 2022, representing a net increase of 13 clubs from the corresponding quarter last year*
- *The member base grew by 10% from Q2 2021 to 671 000 members, being in line with the pre-pandemic quarter of Q2 2019*
- *Total revenues summed up to NOK 1 022 million, up 53% since Q2 2021, which was heavily affected by covid and related restrictions*
- *Tight cost control in an inflationary environment, with an operating expenses CAGR of 1.4% in comparable clubs since Q2 2019*
- *Adjusted EBITDA before impact of IFRS 16 was NOK 83 million in the quarter, up from a negative NOK 113 million in the corresponding quarter last year*
- *The net profit reached NOK 12 million, up from NOK -163 million in Q1 2021*
- *Robust financial position with a cash balance of NOK 245 million and NOK 838 million in total liquidity*
- *The fitness market characteristics and consumer preferences are largely unchanged*
- *The key driver for growth is increasing the number of members per club, through club optimization and member activation initiatives. Expansion strategy focused on delivering current greenfield pipeline, as well as pursuing new attractive consolidation opportunities*

Key Financial Figures and Alternative Performance Measures (APM) [1]

	Q2 2022	Q2 2021	**YTD 2022**	YTD 2021
Amounts in NOK million (unless otherwise stated)				
Membership revenue	806	467	1 581	823
Other revenues	216	203	452	451
Total revenues	1 022	670	2 033	1 275
EBITDA	342	131	630	211
Margin (%)	*34%*	*20%*	*31%*	*17%*
Operating profit	67	-121	81	-296
Profit/loss for the period	12	-163	-44	-384
Earnings per share (NOK)	0.06	-0.95	-0.23	-2.25
Adjusted Country EBITDA before impact of IFRS 16	164	-52	282	-147
Margin (%)	*16%*	*-8%*	*14%*	*-12%*
Adjusted EBITDA before impact of IFRS 16	83	-113	113	-278
Margin (%)	*8%*	*-17%*	*6%*	*-22%*
Maintenance Capex	36	20	54	46
Total Capex	61	43	107	81
Net debt	1 545	1 895	1 545	1 895
Operating cash flow	-66	-195	-156	-320
Clubs	267	254	267	254
Members (‘000)	671	612	671	612
ARPM (NOK/month)	502	369	503	343

1) As defined in Appendix under Alternative Performance Measures

BOARD OF DIRECTORS' REPORT

ANALYSIS OF THE Q2 2022 FINANCIAL STATEMENTS

All financial statements show the period 1 April 2022 to 30 June 2022, compared to the accounts for the period 1 April 2021 to 30 June 2021.

Statement of comprehensive income
Total revenues increased by 53% to NOK 1 022 million in Q2 2022, compared to NOK 670 million in Q2 2021, mainly due to restrictions and closed clubs in Q2 2021. All clubs were open without restrictions throughout the quarter. Revenues in all countries increased in Q2 2022 compared to Q2 2021. After a seasonal decrease in the member base of 1.5% during the quarter, the total member base ended 10% above last year. Reported ARPM increased 36% compared to Q2 2021, mainly driven by significantly lower freeze levels, with club closures affecting Q2 2021.

Total operating expenses increased by 21% to NOK 954 million in Q2 2022, while operating expenses excluding depreciation and amortization increased by 26% to NOK 679 million. The increase in operating expenses is mainly due to the imposed club closures in Norway and Denmark last year, as well as 13 new clubs added to the portfolio.

The operating profit increased from NOK -121 million to NOK 67 million. Operating profit increased in all countries compared to Q2 2021.

Net financial expense in Q2 2022 was NOK 46 million, a decrease of NOK 24 million compared to Q2 2021. The decrease was driven by a higher value adjustment on derivatives and lower unrealized currency effect on loans. Income tax expense in Q2 2022 was NOK 10 million.

Profit before tax was NOK 21 million in Q2 2022, compared to a loss of NOK 190 million in Q2 2021. Profit for the period was NOK 12 million in Q2 2022, compared to a loss of NOK 163 million in Q2 2021, while the total comprehensive loss was NOK 1 million, compared to a loss of NOK 180 million in Q2 2021.

Statement of financial position
Consolidated assets increased by NOK 158 million to NOK 8 424 million in Q2 2022. A significant driver of the increased consolidated assets was the increase in derivative financial instruments and deferred tax assets. Right-of-use assets and intangible assets were the most significant components of consolidated assets, amounting to NOK 4 165 million and NOK 2 576 million, respectively, on 30 June 2022. Non-current assets increased by NOK 127 million, while current assets increased by NOK 31 million. The increase in non-current assets was driven by the increase in deferred tax assets and change in fair value of interest rate swaps compared to Q2 2021. The increase in current assets was primarily driven by other current receivables and cash and cash equivalents, offset by a decrease in prepaid expenses.

Total liabilities decreased from NOK 7 747 million as of 30 June 2021 to NOK 7 382 million as of 30 June 2022, primarily due to decreased borrowings and lease liabilities.

As of 30 June 2022, consolidated equity amounted to NOK 1 042 million, representing an equity ratio of 12%, compared to NOK 519 million and 6% in Q2 2021.

Statement of cash flows
In Q2 2022, consolidated cash and cash equivalents decreased net by NOK 119 million, compared to a decrease of NOK 252 million in Q2 2021.

As of the balance sheet date, the Group had cash and cash equivalents of NOK 245 million, compared to NOK 228 million as of 30 June 2021. In addition, the Group had NOK 593 million available in undrawn amount on the rolling credit facility.

Net cash flow from the Group's operations was NOK 225 million in Q2 2022, compared to NOK 67 million in Q2 2021. The increased cash flow from operations of NOK 159 million was mainly due to improved profit before tax, somewhat offset by changes in net working capital. The net working capital has high seasonal fluctuations, typically being lower in Nov-May and higher in June-Oct. In the quarter, the net working capital effect was negative by NOK 113 million, mainly driven by vacation pay cleared in June and reduction in deferred revenues.

Net cash outflow from investing activities amounted to NOK 60 million in Q2 2022, compared to an outflow of NOK 43 million in Q2 2021.

Net cash outflow from financing was NOK 284 million in Q2 2022, compared to a cash outflow of NOK 275 million in Q2 2021.

Segment development
The following sections of this report review each operating segment. Unless otherwise stated, comments regarding development reflect a comparison between Q2 2022 and Q2 2021.

NORWAY

Norway is the largest operating segment in the Group, with 42% of the consolidated total revenues for the financial year of 2021. SATS Norway had 302 000 members at the end of Q2 2022. SATS is a well-known brand in Norway and the largest operator of fitness clubs.

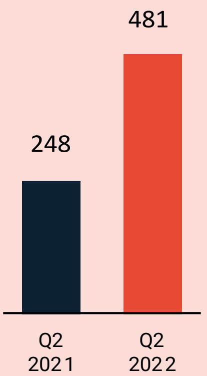
The member base ended 9% higher than last year. The periods of club closures during the pandemic have restrained the sales of new memberships. However, the development in Q2 2022 has been in line with a typical pre-pandemic second quarter. Total revenues amounted to NOK 481 million, representing an increase of 94% compared to the same quarter last year. The main driver for the increase in membership revenues was the higher member base and imposed club closures in Q2 2021.

Country EBITDA increased by NOK 142 million to NOK 114 million, resulting in a quarterly Country EBITDA margin of 24%, 35 p.p. higher than in Q2 2021.

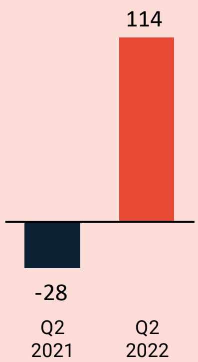
Key Financial figures and Alternative Performance Measures (APM)

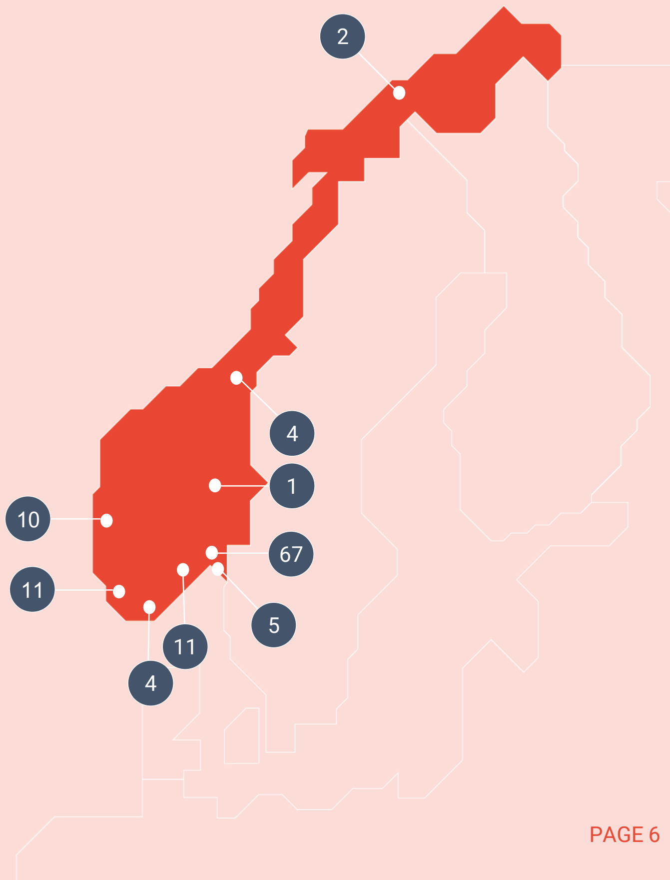
	Q2 2022	Q2 2021	**YTD 2022**	YTD 2021
Amounts in NOK million (unless otherwise stated)				
Membership revenue	379	167	751	243
Other revenues	102	80	212	173
Total revenues	481	248	963	417
EBITDA	178	44	323	20
Margin (%)	*37%*	*18%*	*34%*	*5%*
Operating profit	74	-53	114	-174
Profit/loss for the period	38	-63	50	-178
Adjusted Country EBITDA before impact of IFRS 16	114	-28	195	-120
Margin (%)	*24%*	*-11%*	*20%*	*-29%*
Adjusted EBITDA before impact of IFRS 16	67	-61	100	-188
Margin (%)	*14%*	*-25%*	*10%*	*-45%*
Clubs	115	110	115	110
Members ('000)	302	276	302	276
ARPM (NOK/month)	524	303	531	250

Revenues
NOK million
94%



Country EBITDA[1)]
NOK million
502%





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

SWEDEN

Sweden is the second-largest operating segment in the Group, with 39% of the consolidated 2021 total revenues. SATS Sweden had 228 000 members at the end of Q2 2022. SATS has maintained a strong position in Sweden over many years and is the largest operator of fitness clubs in terms of revenue.

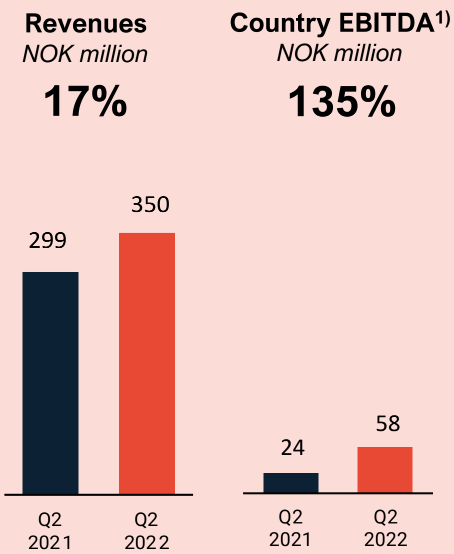
The Q2 2022 outgoing member base was up 10% from the corresponding quarter last year. Total revenues were NOK 350 million in the quarter, representing a 17% increase since Q2 2021, a quarter that was negatively affected by covid-related restrictions and lower mobility in the society.

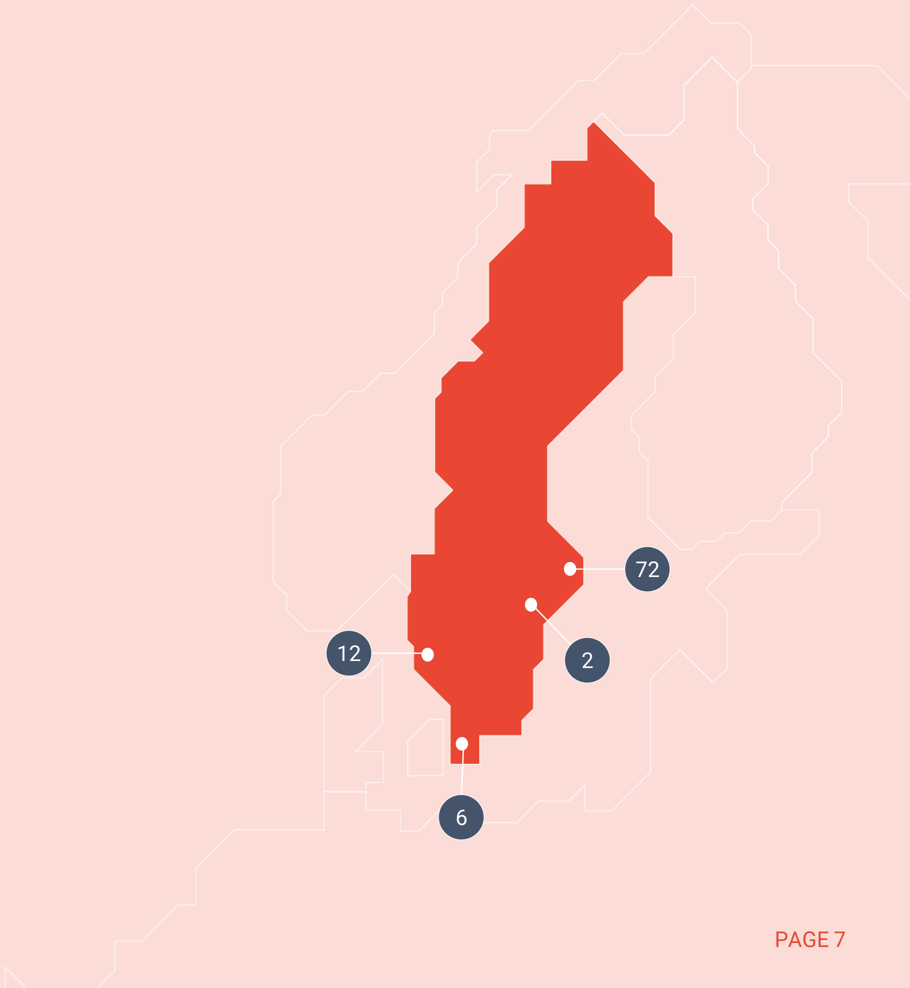
Country EBITDA increased by NOK 33 million to NOK 58 million, resulting in a quarterly Country EBITDA margin of 16%, 8 p.p. up from Q2 2021.

SATS Sweden opened two new clubs in the quarter, both in the Malmö cluster. The club network has grown with eight clubs since Q2 2021.

Key Financial Figures and Alternative Performance Measures (APM)

	Q2 2022	Q2 2021	**YTD 2022**	YTD 2021
Amounts in NOK million (unless otherwise stated)				
Membership revenue	272	221	541	450
Other revenues	78	77	156	155
Total revenues	350	299	697	605
EBITDA	107	81	204	169
Margin (%)	*31%*	*27%*	*29%*	*28%*
Operating profit	18	-4	27	-1
Profit/loss for the period	-1	-16	-3	-16
Adjusted Country EBITDA before impact of IFRS 16	58	24	109	58
Margin (%)	*16%*	*8%*	*16%*	*10%*
Adjusted EBITDA before impact of IFRS 16	18	-1	28	4
Margin (%)	*5%*	*0%*	*4%*	*1%*
Clubs	92	84	92	84
Members ('000)	228	207	228	207
ARPM (NOK/month)	508	482	509	477





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

FINLAND

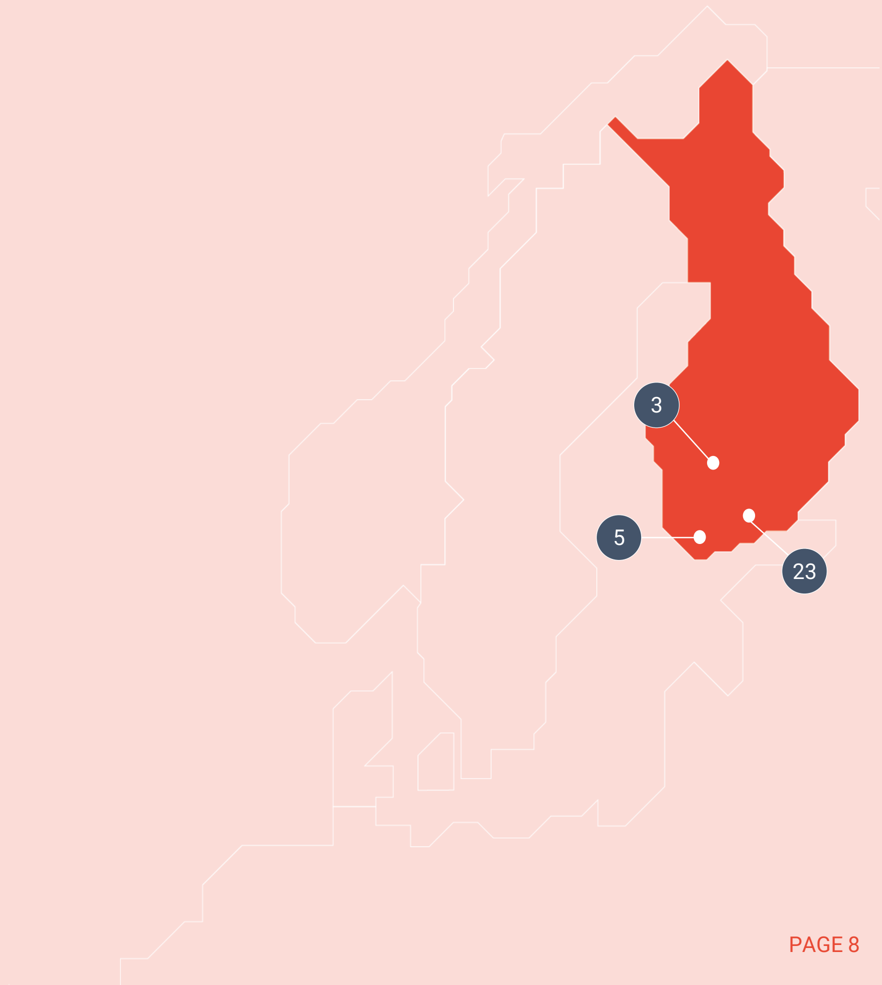
In Finland, the business is operated under the brand ELIXIA, and the Finnish operations constituted 9% of consolidated total revenues in 2021. At the end of Q2 2022, ELIXIA Finland had 63 000 members. The Finnish fitness market is highly fragmented, and ELIXIA is the market leader.

The member base in Finland ended 9% higher than last year, at 63 000 members. Total revenues amounted to NOK 91 million in the quarter, an 82% increase compared to NOK 50 million in the corresponding quarter last year. Revenues in Q2 2021 were significantly impacted by imposed club closures.

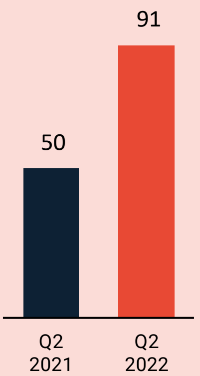
Country EBITDA increased by NOK 25 million to NOK 2 million. Quarterly Country EBITDA margin was 2%, up 49 p.p. compared to Q2 2021.

Key Financial Figures and Alternative Performance Measures (APM)

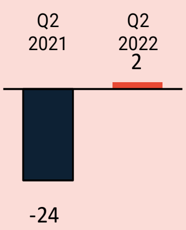
	Q2 2022	Q2 2021	**YTD 2022**	YTD 2021
Amounts in NOK million (unless otherwise stated)				
Membership revenue	73	36	125	88
Other revenues	18	13	49	32
Total revenues	91	50	174	120
EBITDA	24	-3	43	1
Margin (%)	*26%*	*-5%*	*25%*	*1%*
Operating profit	-4	-28	-13	-50
Profit/loss for the period	-10	-33	-24	-61
Adjusted Country EBITDA before impact of IFRS 16	2	-24	-1	-41
Margin (%)	*2%*	*-47%*	*0%*	*-34%*
Adjusted EBITDA before impact of IFRS 16	-3	-28	-11	-50
Margin (%)	*-3%*	*-55%*	*-6%*	*-41%*
Clubs	31	30	31	30
Members ('000)	63	58	63	58
ARPM (NOK/month)	474	285	454	340



Revenues
NOK million
82%



Country EBITDA[1)]
NOK million
108%



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

DENMARK

The Danish operation contributed with 10% of consolidated total revenues in the financial year of 2021. SATS Denmark, with 78 000 members at the end of the quarter, is one of the largest fitness operators in the Greater Copenhagen area.

The member base ended 10% higher than last year, despite a net reduction of one club, as last year was highly impacted by club closures and other restrictions. Total revenues in Denmark increased to NOK 99 million in the quarter, up 35% compared to Q2 2021.

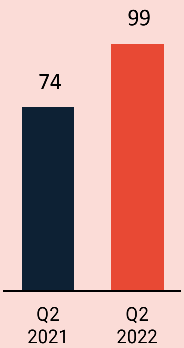
Country EBITDA increased by NOK 15 million to NOK -9 million, resulting in a quarterly Country EBITDA margin of -9%, 24 p.p. up from Q2 2022.

SATS appointed Kim Trier Meyer as Country Manager in Denmark in June 2022.

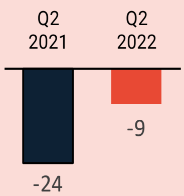
Key Financial Figures and Alternative Performance Measures (APM)

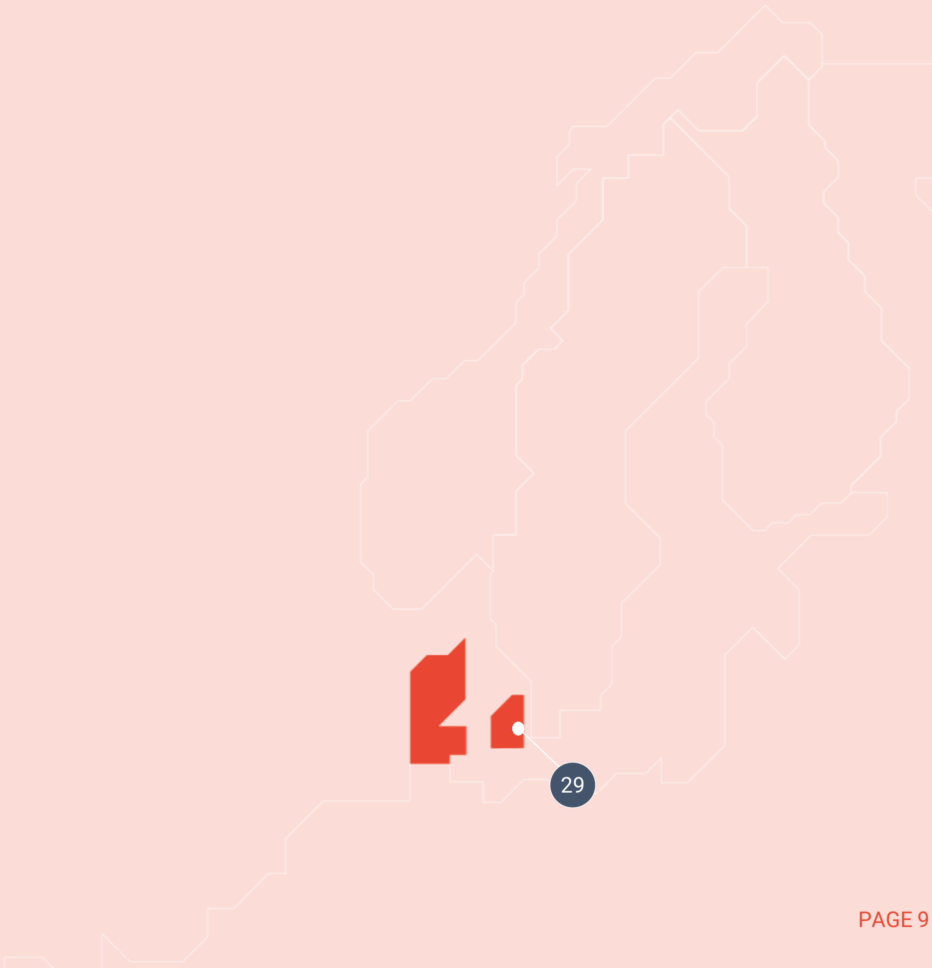
	Q2 2022	Q2 2021	**YTD 2022**	YTD 2021
Amounts in NOK million (unless otherwise stated)				
Membership revenue	82	42	164	42
Other revenues	17	32	34	90
Total revenues	99	74	198	133
EBITDA	17	3	30	10
Margin (%)	*17%*	*4%*	*15%*	*7%*
Operating profit	-19	-33	-41	-63
Profit/loss for the period	-27	-42	-63	-78
Adjusted Country EBITDA before impact of IFRS 16	-9	-24	-21	-44
Margin (%)	*-9%*	*-33%*	*-11%*	*-33%*
Adjusted EBITDA before impact of IFRS 16	-15	-29	-34	-55
Margin (%)	*-15%*	*-40%*	*-17%*	*-41%*
Clubs	29	30	29	30
Members ('000)	78	71	78	71
ARPM (NOK/month)	418	359	437	309

Revenues
NOK million
35%



Country EBITDA[1)]
NOK million
64%





[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 strong global trends, such as political initiatives for health and digitalization, are fueling health and fitness awareness. Fitness clubs, and full-service chains in particular, are at the center 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 are expected to remain low.

SATS believes the megatrend around health and well-being has been strengthened during the pandemic, as people more than ever see the benefits of staying healthy.

The Company will continue to participate in the fitness industry's digitalization as there are exciting opportunities to expand the product offering. SATS is committed to participating in this trend and developing an attractive, high-quality hybrid offering. The Company expects the digital expansion to provide an opportunity to grow faster than only through physical clubs. Mentra by SATS has received impressive reviews and positive user feedback since the commercial launch in late 2021. Supported by the positive reception and expected market trends, the Company sees considerable potential for Mentra by SATS. Ramp-up is expected to develop gradually over time. SATS will continue to strive for a full-service and broad product offering in a hybrid format. The Company will focus on offering a comprehensive and high-quality equipment park, the position as the leading personal training destination in the Nordics, and a range of highly regarded niche concepts. SATS will continue to offer flexible memberships ensuring that SATS is relevant for everyone.

SATS aims to continue to expand through acquisitions, greenfields, and new product launches. 19 new club openings are announced for the remaining of 2022 and 2023, and further openings are expected to be announced.

SHAREHOLDER INFORMATION

SATS ASA's share capital was NOK 431 million as of 30 June 2022, divided into 203 046 142 ordinary shares with a par value of NOK 2.125. All the shares have been fully paid and have equal rights. SATS owned 910 130 treasury shares as of the balance sheet date. The number of shareholders as of 30 June 2022 was 5 815.

FINANCIAL POLICY AND DIVIDEND

The Company has an unsecured revolving credit facility ("RCF") agreement, consisting of a multicurrency revolving credit facility with a maximum principal amount of NOK 2 500 million.

On 15 March 2022, the Company signed a one-year extension of the RCF agreement until September 2025. The adjusted covenants apply to and including 31 December 2023. The adjusted covenants set quarterly minimum levels for liquidity and reported EBITDA, with the latter entering into force from Q1 2023. SATS cannot distribute any dividend during the amendment period and shall comply with the original covenants once the amendment period expires.

RISK AND UNCERTAINTY FACTORS

SATS operates in a broad range of geographical markets in the highly competitive health and fitness industry. In achieving its long-term strategic objectives, SATS is inherently involved in taking risks. Please see the Group's 2021 Annual Report (Board of Directors' Report and Note 22) for a detailed description of the Group's risk factors and risk management policies and procedures.

EVENTS AFTER THE BALANCE SHEET DATE

On 1 July 2022, SATS added a portfolio of seven fitness clubs in the southern part of Norway by acquiring 100% of the shares in Bare Trening Sør AS. The seven clubs are relatively small compared to the average SATS club and fit perfectly into the Fresh Fitness footprint.

There have been no other material events subsequent to the reporting period that might significantly affect the consolidated interim financial statements for the second quarter of 2022.

DISCLAIMER

This report includes forward-looking statements 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, 13 July 2022
The Board of Directors

CONSOLIDATED INCOME STATEMENT

	Notes	**Q2 2022**	Q2 2021	**YTD 2022**	YTD 2021	2021
(Amounts in NOK million)						
Revenue	2	**1 022**	**670**	**2 033**	**1 275**	**3 247**
Operating expenses						
Cost of goods sold		-29	-27	-67	-41	-106
Personnel expenses		-382	-314	-784	-631	-1 399
Other operating expenses		-268	-198	-552	-392	-925
Depreciation and amortization	6, 7, 8	-275	-252	-549	-507	-1 042
Total operating expenses		**-954**	**-791**	**-1 952**	**-1 570**	**-3 472**
Operating profit		**67**	**-121**	**81**	**-296**	**-224**
Interest income		1	0	1	0	0
Finance income		30	17	50	23	54
Interest expense		-71	-73	-142	-145	-284
Finance expense		-7	-14	-22	-38	-68
Net financial items		**-46**	**-70**	**-113**	**-160**	**-298**
Profit/loss before tax		**21**	**-190**	**-32**	**-456**	**-522**
Income tax expense	3	-10	27	-12	72	70
Profit/loss for the period		**12**	**-163**	**-44**	**-384**	**-452**
Profit/loss for the year is attributable to:						
Equity holders of the Group		12	-163	-44	-384	-452
Total allocation		12	**-163**	**-44**	**-384**	**-452**
Earnings per share in NOK						
Basic earnings per share attributable to equity holders of the company	4	0.06	-0.95	-0.23	-2.25	-2.65
Diluted earnings per share attributable to equity holders of the company	4	0.06	-0.95	-0.23	-2.24	-2.65

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Q2 2022	Q2 2021	**YTD 2022**	YTD 2021	2021
(Amounts in NOK million)					
Profit/loss for the period	**12**	**-163**	**-44**	**-384**	**-452**
Other comprehensive income					
Currency translation adjustment - may be reclassified to profit or loss	-12	-17	12	14	36
Other comprehensive income, net of tax	**-12**	**-17**	**12**	**14**	**36**
Total comprehensive income for the period	**-1**	**-180**	**-33**	**-369**	**-416**
Total comprehensive income is attributable to:					
Equity holders of the Group	-1	-180	-33	-369	-416
Total comprehensive income for the period	**-1**	**-180**	**-33**	**-369**	**-416**

CONSOLIDATED BALANCE SHEET

(Amounts in NOK million)	Notes	30.06.2022	30.06.2021	31.12.2021
ASSETS				
Non-current assets				
Intangible assets	6	2 576	2 579	2 569
Right-of-use assets	8	4 165	4 129	4 077
Property, plant and equipment	7	684	683	691
Other non-current receivables		35	37	34
Derivative financial instruments	9	46	0	0
Deferred tax assets	3	213	163	213
Total non-current assets		**7 719**	**7 592**	**7 584**
Current assets				
Inventories		65	50	57
Accounts receivables		92	80	117
Other current receivables		72	46	59
Prepaid expenses and accrued income		231	271	237
Cash and cash equivalents		245	228	281
Total current assets		**705**	**674**	**751**
Total assets		**8 424**	**8 266**	**8 336**
EQUITY				
Share capital		431	365	366
Share premium[1)]		3 056	2 513	2 521
Treasury shares		-17	-17	-17
Other reserves		47	11	34
Retained earnings[1)]		-2 476	-2 353	-2 421
Total equity		**1 042**	**519**	**483**
LIABILITIES				
Non-current liabilities				
Deferred tax liability	3	88	30	72
Borrowings	5	1 780	2 111	2 090
Lease liability	5	3 685	3 725	3 632
Derivative financial instruments	9	0	16	1
Other non-current liabilities		0	4	4
Total non-current liabilities		**5 552**	**5 886**	**5 798**
Current liabilities				
Borrowings	5	11	11	12
Lease liability	5	853	793	820
Contract liability		439	420	487
Trade and other payables		132	102	138
Current tax liabilities		0	11	4
Public fees and charges payable		101	214	225
Other current liabilities		294	309	369
Total current liabilities		**1 829**	**1 861**	**2 055**
Total liabilities		**7 382**	**7 747**	**7 853**
Total equity and liabilities		**8 424**	**8 266**	**8 336**

[1)] A reclassification between Share premium and Retained earnings of NOK 1 500 million is recognized as of 30 June 2021.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Amounts in NOK million)	Share capital	Share premium[1)]	Treasury shares	Other reserves[2)]	Retained earnings[1)]	Total attributable to owners of the Group	Total equity
Equity 1 January 2021	**365**	**2 513**	**-19**	**-4**	**-1 969**	**885**	**885**
Profit/loss for the period					-384	-384	-384
OCI for the period				14		14	14
Total comprehensive income for the period	**0**	**0**	**0**	**14**	**-384**	**-369**	**-369**
Investment program				1		1	1
Proceeds from sale of own shares			2			2	2
Equity 30 June 2021	**365**	**2 513**	**-17**	**11**	**-2 353**	**519**	**519**
Equity 1 January 2022	**366**	**2 521**	**-17**	**34**	**-2 421**	**483**	**483**
Profit/loss for the period					-44	-44	-44
OCI for the period				12		12	12
Total comprehensive income for the period	**0**	**0**	**0**	**12**	**-44**	**-33**	**-33**
Investment program				1		1	1
Share issues and capital increase expenses	65	535			-10	590	590
Equity 30 June 2022	**431**	**3 056**	**-17**	**47**	**-2 476**	**1 042**	**1 042**

[1)] *A reclassification between Share premium and Retained earnings of NOK 1 500 million is recognized as of 30 June 2021*

[2)] *Other reserves consist of currency translation adjustments and share investment program according to IFRS 2.*

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Q2 2022	Q2 2021	YTD 2022	YTD 2021	2021
(Amounts in NOK million)						
Cash flow from operations						
Profit before tax		21	-190	-32	-456	-522
Adjustment for:						
Taxes paid in the period		-4	-2	-26	-25	-32
Gain/loss from disposal or sale of equipment		0	0	0	0	3
Depreciation, amortization and impairment	*6, 7, 8*	275	252	549	507	1 042
Net financial items		46	70	113	160	298
Change in inventory		-3	-2	-8	-2	-9
Change in accounts receivables		15	0	25	41	3
Change in trade payables		-13	0	-6	-17	18
Change in other receivables and accruals		-112	-60	-227	-18	119
Net cash flow from operations		**225**	**67**	**387**	**189**	**920**
Cash flow from investing						
Purchase of property, plant and equipment	*6, 7*	-60	-43	-106	-81	-232
Proceeds from property, plant and equipment		0	0	1	1	1
Acquisition of subsidiary, net of cash acquired		0	0	0	0	-9
Net cash flow from investing		**-60**	**-43**	**-106**	**-81**	**-240**
Cash flow from financing						
Repayments of borrowings	*5*	0	-1	-309	-1	-2
Proceeds from borrowings	*5*	0	0	0	200	200
Installments on lease liabilities	*5*	-212	-196	-422	-391	-800
Paid interests on borrowings	*5*	-26	-35	-62	-58	-109
Interests on lease liabilities	*5*	-47	-48	-94	-98	-187
Proceeds from issues of shares	*4*	0	0	601	0	9
Proceeds from sale of own shares		0	0	0	2	2
Transaction costs from issues of new shares	*4*	0	0	-13	0	0
Other financial items		1	5	2	5	10
Net cash flow from financing		**-284**	**-275**	**-299**	**-342**	**-877**
Net increase/decrease in cash and cash equivalents		**-119**	**-252**	**-17**	**-233**	**-197**
Effect of foreign exchange changes on cash and cash equivalents		-40	-8	-19	5	22
Cash and cash equivalents at the beginning of the period		403	488	281	456	456
Cash and cash equivalents at the end of period		**245**	**228**	**245**	**228**	**281**

NOTES

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. 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 2021 are available at www.satsgroup.com.

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 2021.

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 2021. Because of rounding differences, numbers or percentages may not add up to the sum totals. 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 can affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date 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
The financial position and the performance of the Group was not, other than mentioned above, mainly affected by any events or transactions during the six first months of 2022.

NOTE 2 Segment information

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

The Group's chief operating decision-maker is the Nordic Management Group, consisting of the CEO, country managers and the heads of Group functions. 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 financing and derivatives).

The Nordic Management Group primarily uses EBITDA1), EBITDA before impact of IFRS 161), Adjusted EBITDA before impact of IFRS 161) and Adjusted Country EBITDA before impact of IFRS 161) 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 Q2 2022, Q2 2021, YTD 2022, YTD 2021 and the year ended 31 December 2021 is as follows:

SATS Group	Norway	Sweden	Finland	Denmark	Group functions and other	**Total**
(Amounts in NOK million)						
Q2 2022						
Revenue						
Membership revenue	379	272	73	82	0	806
Other revenues	102	78	18	17	1	216
Total revenues	**481**	**350**	**91**	**99**	**1**	**1 022**
EBITDA1) and EBITDA before impact of IFRS 161) reconcile to profit/loss for the period as follows:						
EBITDA before impact of IFRS 161)	**67**	**18**	**-3**	**-15**	**17**	**83**
Impact of IFRS 16	112	89	27	32	0	259
EBITDA1)	**178**	**107**	**24**	**17**	**17**	**342**
Depreciation and amortization	-105	-89	-28	-35	-18	-275
Operating profit	**74**	**18**	**-4**	**-19**	**-1**	**67**
Net financial items2)	-25	-20	-5	-9	13	-46
Income tax expense	-11	0	0	0	0	-10
Profit/loss for the period	**38**	**-1**	**-10**	**-27**	**11**	**12**
Q2 2021						
Revenue						
Membership revenue	167	221	36	42	0	467
Other revenues	80	77	13	32	0	203
Total revenues	**248**	**299**	**50**	**74**	**0**	**670**
EBITDA1) and EBITDA before impact of IFRS 161) reconcile to profit/loss for the period as follows:						
EBITDA before impact of IFRS 161)	**-61**	**-1**	**-28**	**-29**	**6**	**-113**
Impact of IFRS 16	105	82	25	32	0	244
EBITDA1)	**44**	**81**	**-3**	**3**	**6**	**131**
Depreciation and amortization	-98	-84	-25	-36	-9	-252
Operating profit	**-53**	**-4**	**-28**	**-33**	**-3**	**-121**
Net financial items2)	-27	-19	-5	-9	-9	-70
Income tax expense	18	7	0	0	3	27
Profit/loss for the period	**-63**	**-16**	**-33**	**-42**	**-9**	**-163**

1) For further information about definitions, please see the appendix Alternative Performance Measures.
2) 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)						
YTD 2022						
Revenue						
Membership revenue	751	541	125	164	0	1 581
Other revenues	212	156	49	34	1	452
Total revenues	**963**	**697**	**174**	**198**	**1**	**2 033**
EBITDA[1] and EBITDA before impact of IFRS 16[1] reconcile to profit/loss for the period as follows:						
EBITDA before impact of IFRS 16[1]	**100**	**28**	**-11**	**-34**	**30**	**113**
Impact of IFRS 16	223	175	54	64	0	516
EBITDA[1]	**323**	**204**	**43**	**30**	**30**	**630**
Depreciation and amortization	-210	-177	-56	-71	-35	-549
Operating profit	**114**	**27**	**-13**	**-41**	**-5**	**81**
Net financial items[2]	-50	-32	-11	-22	2	-113
Income tax expense	-14	1	0	0	0	-12
Profit/loss for the period	**50**	**-3**	**-24**	**-63**	**-4**	**-44**
YTD 2021						
Revenue						
Membership revenue	243	450	88	42	0	823
Other revenues	173	155	32	90	0	451
Total revenues	**417**	**605**	**120**	**133**	**0**	**1 275**
EBITDA[1] and EBITDA before impact of IFRS 16[1] reconcile to profit/loss for the period as follows:						
EBITDA before impact of IFRS 16[1]	**-188**	**4**	**-50**	**-55**	**11**	**-278**
Impact of IFRS 16	209	166	50	64	0	489
EBITDA[1]	**20**	**169**	**1**	**10**	**11**	**211**
Depreciation and amortization	-195	-170	-51	-72	-18	-507
Operating profit	**-174**	**-1**	**-50**	**-63**	**-8**	**-296**
Net financial items[2]	-54	-22	-10	-16	-57	-160
Income tax expense	51	7	0	0	14	72
Profit/loss for the period	**-178**	**-16**	**-61**	**-78**	**-51**	**-384**
2021						
Revenue						
Membership revenue	933	961	211	195	0	2 301
Other revenues	432	295	81	138	0	946
Total revenues	**1 366**	**1 256**	**292**	**333**	**0**	**3 247**
EBITDA[1] and EBITDA before impact of IFRS 16[1] reconcile to profit/loss for the period as follows:						
EBITDA before impact of IFRS 16[1]	**-68**	**-2**	**-67**	**-75**	**42**	**-170**
Impact of IFRS 16	421	335	102	129	0	987
EBITDA[1]	**353**	**333**	**35**	**53**	**42**	**818**
Depreciation and amortization	-395	-343	-103	-145	-55	-1 042
Operating profit	**-42**	**-9**	**-68**	**-92**	**-13**	**-224**
Net financial items[2]	-103	-45	-21	-32	-97	-298
Income tax expense	30	13	2	2	23	70
Profit/loss for the year	**-115**	**-41**	**-87**	**-122**	**-87**	**-452**

[1] For further information about definitions, please see the appendix Alternative Performance Measures.
[2] 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

Income tax expense
Standardized tax rates are used for tax reporting purposes for Norway and Sweden for Q2 2022, whereas there are not recognized deferred tax assets in Finland and Denmark due to uncertainty that future taxable profits will be available against the unused tax losses within a reasonable time frame. The actual tax expense is used as basis for the 2021 full-year income tax recognition.

Definitions
In the interim financial statements, Q2 is the reporting period from 1 April to 30 June.

NOTE 4 Earnings per share

Earnings per share are calculated by dividing profit attributable to holders of shares in the parent company by a weighted average number of shares outstanding. Earnings per share after dilution is calculated by dividing profit/loss attributable to holders of shares in the parent company by the average number of shares outstanding, adjusted for the dilution effect of shares from share investment programs delivering matching shares. Dilutive shares are disregarded in the calculation of diluted EPS when profit/loss is negative.

The share investment programs for employees in the SATS ASA Group imply that the company, on the balance sheet date of 30 June 2022, will deliver 525 463 matching shares to employees in 2023 and 107 425 shares in 2024. Allocation of matching shares is further contingent upon the company's performance over time.

As of the balance sheet date of 30 June 2022, the company holds 910 130 treasury shares.

Basic earnings per share attributable to equity holders of the company

(NOK per share)	**Q2 2022**	Q2 2021	**YTD 2022**	YTD 2021	2021
Basic earnings	0.06	-0.95	-0.23	-2.25	-2.65
Total basic earnings per share	**0.06**	**-0.95**	**-0.23**	**-2.25**	**-2.65**
Total number of outstanding shares	202 136 012	170 837 468	190 385 440	170 799 304	170 851 309

Diluted earnings per share attributable to equity holders of the company

(NOK per share)	**Q2 2022**	Q2 2021	**YTD 2022**	YTD 2021	2021
Diluted earnings	0.06	-0.95	-0.23	-2.24	-2.65
Total diluted earnings per share	**0.06**	**-0.95**	**-0.23**	**-2.24**	**-2.65**
Total number of outstanding shares	202 136 012	171 362 931	190 385 440	171 324 767	170 851 309

Reconciliation of earnings used in calculating earnings per share

(Amounts in NOK million)	**Q2 2022**	Q2 2021	**YTD 2022**	YTD 2021	2021
Basic earnings per share					
Profit/loss attributable to equity holders of the Group	12	-163	-44	-384	-452
Profit/loss used in calculating basic earnings per share	**12**	**-163**	**-44**	**-384**	**-452**
Diluted earnings per share					
Profit/loss used in calculating diluted earnings per share	12	-163	-44	-384	-452
Profit/loss used in calculating diluted earnings per share	**12**	**-163**	**-44**	**-384**	**-452**

NOTE 5 Interest-bearing liabilities

Overview of interest-bearing liabilities	30.06.2022	30.06.2021	31.12.2021
(Amounts in NOK million)			
Current			
Bank borrowings	11	11	12
Lease liabilities	853	793	820
Total current interest-bearing liabilities	**864**	**805**	**833**
Non-current			
Bank borrowings	1 780	2 111	2 090
Lease liabilities	3 685	3 725	3 632
Total non-current interest-bearing liabilities	**5 465**	**5 836**	**5 722**
Total interest-bearing liabilities	**6 328**	**6 641**	**6 555**
Total bank borrowings	1 791	2 123	2 103
Cash and cash equivalents	245	228	281
Net debt[1)]	**1 545**	**1 895**	**1 822**

[1)] *For further information regarding Net debt, please see the appendix Alternative Performance Measures.*

The long-term loan facility agreement
The company has an unsecured revolving credit facility (RCF) agreement, consisting of a multicurrency RCF with a maximum principal amount of NOK 2 500 million. At the end of the second quarter, the remaining undrawn credit amounted to approximately NOK 593 million.

Interests on borrowings under the 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 fully mature in September 2025, and no installment payments are due before this time. Interest payable will depend on the principal amount of the facility at any given time. However, based on a draw-down of NOK 1 907 million as of the balance sheet date of 30 June 2022, the annual interest payment is expected to be in the range of NOK 56 to 74 million.

Covenants
The loan facility agreement includes a financial covenant requiring the leverage ratio, Net Debt to EBITDA, not to exceed 4.0x. The facility agreement does not contain any restrictions on dividend payments.

In February 2022, the company signed an addendum to the NOK 2 500 million facility, extending the RCF by one year until September 2025. The addendum also includes adjusted covenants, which will apply to and including 31 December 2023, subject to voluntary cancellation by SATS at any time. The financial covenants set out quarterly minimum levels for liquidity and Adjusted EBITDA. SATS cannot distribute any dividend to the shareholders during the amendment period and shall comply with the original covenants once the amendment period expires.

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 throughout 2021 and 2022.

Payment profile
The following table shows the undiscounted payment profile of the Group's interest-bearing liabilities, based on the remaining period as of 30 June 2022:

Bank borrowings	Total
(Amounts in NOK million)	
Less than 1 year	74
1-2 years	57
2-3 years	56
3-5 years	1 801
More than 5 years	0
Total payments	**1 988**

Lease liabilities	Total
(Amounts in NOK million)	
Less than 1 year	1 022
1-2 years	924
2-3 years	807
3-5 years	1 220
More than 5 years	1 186
Total payments	**5 158**

NOTE 6 Intangible assets

Goodwill	Norway	Sweden	Finland	Denmark	Total goodwill
(Amounts in NOK million)					
At 31 December 2021					
Cost	1 838	215	581	0	2 634
Accumulated impairment	-199	0	-10	0	-209
Net book value	**1 640**	**215**	**571**	**0**	**2 425**
Period ended 30 June 2022					
Opening net book amount	1 640	215	571	0	2 425
Net effect of changes in foreign exchange	0	-2	21	0	18
Net additions/disposals	2	0	0	0	2
Closing net book value	**1 641**	**213**	**591**	**0**	**2 445**
At 30 June 2022					
Cost	1 840	213	601	0	2 654
Accumulated impairment	-199	0	-10	0	-209
Net book value	**1 641**	**213**	**591**	**0**	**2 445**
Useful life	Indefinite	Indefinite	Indefinite		
Amortization method	Not amortized	Not amortized	Not amortized		

Other intangible assets	Trademark	Internally developed software[1]	Customer list	Other	Total other intangible assets
(Amounts in NOK million)					
At 31 December 2021					
Cost	268	420	59	4	751
Accumulated amortization and impairment	-266	-308	-31	-4	-608
Net book value	**2**	**113**	**29**	**0**	**143**
Period ended 30 June 2022					
Opening net book amount	2	113	29	0	143
Effect of changes in foreign exchange cost	0	-4	0	0	-3
Effect of changes in foreign exchange accumulated amortization	0	3	0	0	3
Additions	0	28	2	0	30
Amortization charge	0	-35	-6	0	-42
Closing net book value	**2**	**104**	**25**	**0**	**131**
At 30 June 2022					
Cost	268	444	62	4	778
Accumulated amortization and impairment	-266	-340	-37	-4	-647
Net book value	**2**	**104**	**25**	**0**	**131**
Useful life	10 years	3 years	3 - 7 years	1 - 10 years	
Amortization method	Straight-line	Straight-line	Straight-line	Straight-line	

[1] *Software consists of capitalized development expenditure being an internally generated intangible asset.*

NOTE 7 Property, plant and equipment

Property, plant and equipment	Capitalized leasehold improvements	Fitness equipment	Other fixtures and equipment	**Total tangible fixed assets**
(Amounts in NOK million)				
At 31 December 2021				
Cost	1 421	851	477	2 749
Accumulated depreciation	-991	-651	-416	-2 058
Net book value	**431**	**200**	**61**	**691**
Period ended 30 June 2022				
Opening net book amount	431	200	61	691
Additions	23	38	13	75
Effect of changes in foreign exchange cost	12	5	2	19
Depreciation charge	-45	-26	-15	-85
Effect of changes in foreign exchange accumulated depreciation	-10	-3	-2	-15
Disposals costs	-38	-4	-1	-43
Disposals costs accumulated depreciations	38	4	1	42
Closing net book value	**411**	**213**	**59**	**684**
At 30 June 2022				
Cost	1 418	890	491	2 800
Accumulated depreciation	-1 007	-676	-432	-2 116
Net book value	**411**	**213**	**59**	**684**

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 2021			
Cost	9 659	79	9 737
Accumulated depreciation	-5 113	-57	-5 170
Net book value	**4 546**	**22**	**4 568**
Year ended 31 December 2021			
At 1 January 2021	4 546	22	4 568
Additions/disposals	445	7	452
Effect of changes in foreign exchange cost	-200	-3	-203
Depreciation charge	-792	-13	-805
Effect of changes in foreign exchange accumulated depreciation	64	2	66
Closing net book value	**4 063**	**15**	**4 077**
At 31 December 2021			
Cost	9 904	82	9 986
Accumulated depreciation	-5 841	-68	-5 909
Net book value	**4 063**	**15**	**4 077**
Period ended 30 June 2022			
At 1 January 2022	4 063	15	4 077
Effect of changes in foreign exchange cost	39	2	41
Additions/disposals	486	3	489
Depreciation charge	-417	-5	-422
Effect of changes in foreign exchange accumulated depreciation	-19	-1	-21
Closing net book value	**4 152**	**12**	**4 165**
At 30 June 2022			
Cost	10 429	86	10 516
Accumulated depreciation	-6 277	-74	-6 351
Net book value	**4 152**	**12**	**4 165**
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 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.

Exchange rate – sensitivity analysis
The Group is primarily exposed to changes in the SEK/NOK, EUR/NOK, and DKK/NOK exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from the profit or loss in the Group's foreign subsidiaries, borrowings, intercompany loans, and bank accounts in currencies other than where the legal entity is located. The sensitivity analysis below illustrates the impact of EUR, SEK, and DKK strengthened by 10% against NOK. A 10% weaker NOK against SEK/EUR/DKK results in a negative effect of NOK 23 million on Profit/loss before tax when re-consolidating the last 12 months. Re-consolidating borrowings, intercompany loans, and bank accounts in foreign currency as of 30 June 2022 with a weaker NOK results in a positive effect of NOK 52 million.

Sensitivity analysis

(Amounts in NOK million)	Profit in foreign currency	Borrowings, intercompany loans and bank accounts in foreign currency	**Total**
SEK/NOK exchange rate - increase 10%[1]	-7	45	38
EUR/NOK exchange rate - increase 10%[1]	-5	7	2
DKK/NOK exchange rate - increase 10%[1]	-11	-1	-11
Effect on profit/loss before tax	**-23**	**52**	**28**

[1] *Holding all other variables constant.*

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 recognized at fair value on the date a derivative contract is entered into. They 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 assets 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 the last balance sheet date.

	30.06.2022		30.06.2021		31.12.2021	
Financial instruments - Assets	**Assets measured at amortized cost**	**Fair value through profit and loss**	Assets measured at amortized cost	Fair value through profit and loss	Assets measured at amortized cost	Fair value through profit and loss
(Amounts in NOK million)						
Other non-current receivables	35	0	37	0	34	0
Accounts receivables	92	0	80	0	117	0
Other current receivables	72	0	46	0	59	0
Derivatives	0	46	0	0	0	0
Cash and cash equivalents	245	0	228	0	281	0
Total financial assets	**444**	**46**	**390**	**0**	**491**	**0**

	30.06.2022		30.06.2021		31.12.2021	
Financial instruments - Liabilities	**Liabilities measured at amortized cost**	**Fair value through profit and loss**	Liabilities measured at amortized cost	Fair value through profit and loss	Liabilities measured at amortized cost	Fair value through profit and loss
(Amounts in NOK million)						
Borrowings	1 791	0	2 123	0	2 103	0
Lease liabilities	4 538	0	4 518	0	4 452	0
Trade and other payables	132	0	102	0	138	0
Derivatives	0	0	0	16	0	1
Other current liabilities	294	0	309	0	369	0
Total financial liabilities	**6 754**	**0**	**7 053**	**16**	**7 061**	**1**

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

	30.06.2022	30.06.2021	31.12.2021
(Amounts in NOK million)			
Non-current assets			
Interest rate swap contracts	46	0	0
Total non-current derivative financial instrument assets	**46**	**0**	**0**
Non-current liabilities			
Interest rate swap contracts	0	16	1
Total non-current derivative financial instrument liabilities	**0**	**16**	**1**

Overview of interest swaps per 30 June 2022

Interest rate swaps	Notional in currency million	Maturity	Fixed rate	**Unrealized gain/loss 30.06.2022**
IRS NOK	694	28.10.2026	1.751	37
IRS SEK	200	28.10.2024	0.430	9
Fair value of the Group`s interest rate swaps as of 30 June 2022 in NOK million				**46**

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

NOTE 10 Related parties

The company has only related party transactions with the shareholder Altor, of which the transactions are of no significant character either in Q2 2022, Q2 2021, or full-year 2021. There are no related party balance sheet items as of 30 June 2022, 30 June 2021, or 31 December 2021.

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

NOTE 11 Events after the balance sheet date

On 1 July 2022, SATS added a portfolio of seven fitness clubs in the southern part of Norway by acquiring 100% of the shares in Bare Trening Sør AS. The seven clubs are relatively small compared to the average SATS club and fit perfectly into the Fresh Fitness footprint.

There have been no other material events subsequent to the reporting period that might significantly affect the consolidated interim financial statements for the second quarter of 2022.

NOTE 12 New IFRS standards

New standards adopted by the Group.
No standards or amendments have been adopted by SATS Group for the first time for the financial year beginning on 1 January 2022.

NOTE 13 Critical estimates and judgements

Critical estimates
Preparing financial statements requires using accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Group's accounting policies.

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

The areas involving significant estimates or judgments are a 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.

Estimates and judgments 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 are believed to be reasonable under the circumstances.

Goodwill
Goodwill is recognized at NOK 2 445 million per the balance sheet date. Goodwill is not amortized, but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. The recoverable amount of the cash-generating units (CGUs) is determined based on value-in-use calculations, which require several assumptions. The calculations use cash flow projections based on financial budgets and prognoses approved by management covering five years for all segments. Cash flows beyond the five years are extrapolated using the estimated growth rates stated in Note 11 Intangible assets in the Annual Report for 2021. These growth rates are consistent with forecasts included in economic outlook reports specific to the area in which each CGU operates.

Sensitivity analyses show that no reasonable change in any fundamental assumptions would cause the recoverable amount to be lower than the carrying value. For Finland, sensitivity analyses show that the headroom is limited, and the development will be monitored closely in the coming months.

Deferred tax assets
Deferred tax assets for Denmark and Finland are not recognized in Q2 2022 due to uncertainty that future taxable profits will be available against the unused tax losses within a reasonable time frame.

Lease
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 change in circumstances occurs, affecting this assessment. During the current financial period, there was no material financial effect of revising lease terms to reflect the impact of exercising extension or termination options.

Fair value estimates
The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels 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 specific 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.

RESPONSIBILITY STATEMENT

We confirm that, to the best of our knowledge, the condensed consolidated interim financial statements for the first half of 2022, which have been prepared in accordance with IFRS as adopted by EU and IAS 34 Interim Financial Reporting, give an accurate and fair view of the Company's consolidated assets, liabilities, financial position and results of operations. To the best of our knowledge, the interim report for the first half of 2022 includes a fair review of important events that have occurred during the period and their impact on the condensed financial statements, the principal risks and uncertainties for the remaining half of 2022, and significant related party transactions.

Oslo, 13 July 2022

Hugo Lund Maurstad
Chair of the Board

Rebekka Glasser Herlofsen
Board Member

Martin Tivéus
Board Member

Siren Sundby
Board Member

Søren Rene Kristiansen
Board Member

Sondre Gravir
CEO

APPENDIX

ALTERNATIVE PERFORMANCE MEASURES

The Group reports its financial results in accordance with accounting principles IFRS as issued by the IASB and endorsed by the EU. However, management believes that specific 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 considered a substitute for any IFRS financial measure. Management, the Board of Directors, and the long-term lenders regularly use 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:

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

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

Net debt
Current and non-current borrowings (excluding property lease liabilities recognized 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 a helpful indicator of the Group's indebtedness, financial flexibility, and capital structure because it indicates the level of borrowings after taking into account 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 cash flows.

Maintenance CAPEX
Maintenance capital expenditures are a measure of investments made in the operations and consist of investments in tangible and intangible assets, excluding business combinations (acquisitions) and greenfields. The measure is defined as the sum of purchase of property, plant, and equipment from the Statement of cash flows 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 are a measure of business combinations (acquisitions), investments in greenfields, and digital expansion. The measure is defined as the sum of Acquisition of subsidiary from the Statement of cash flows in addition to investments in greenfields and digital expansion.

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 and working capital.

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

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

TOTAL	Q2 2022	Q2 2021	YTD 2022	YTD 2021	2021
(Amounts in NOK million)					
EBITDA before impact of IFRS 16	**83**	**-113**	**113**	**-278**	**-170**
Adjusted EBITDA before impact of IFRS 16	**83**	**-113**	**113**	**-278**	**-170**
Group overhead and cost allocation	81	62	169	132	301
Adjusted Country EBITDA before impact of IFRS 16	**164**	**-52**	**282**	**-147**	**132**

NORWAY	Q2 2022	Q2 2021	YTD 2022	YTD 2021	2021
(Amounts in NOK million)					
EBITDA before impact of IFRS 16	**67**	**-61**	**100**	**-188**	**-68**
Adjusted EBITDA before impact of IFRS 16	**67**	**-61**	**100**	**-188**	**-68**
Group overhead and cost allocation	-47	-33	-95	-68	-165
Adjusted Country EBITDA before impact of IFRS 16	**114**	**-28**	**195**	**-120**	**97**

SWEDEN	Q2 2022	Q2 2021	YTD 2022	YTD 2021	2021
(Amounts in NOK million)					
EBITDA before impact of IFRS 16	**18**	**-1**	**28**	**4**	**-2**
Adjusted EBITDA before impact of IFRS 16	**18**	**-1**	**28**	**4**	**-2**
Group overhead and cost allocation	-39	-26	-81	-55	-135
Adjusted Country EBITDA before impact of IFRS 16	**58**	**24**	**109**	**58**	**133**

FINLAND	Q2 2022	Q2 2021	YTD 2022	YTD 2021	2021
(Amounts in NOK million)					
EBITDA before impact of IFRS 16	**-3**	**-28**	**-11**	**-50**	**-67**
Adjusted EBITDA before impact of IFRS 16	**-3**	**-28**	**-11**	**-50**	**-67**
Group overhead and cost allocation	-5	-4	-10	-9	-19
Adjusted Country EBITDA before impact of IFRS 16	**2**	**-24**	**-1**	**-41**	**-48**

DENMARK	Q2 2022	Q2 2021	YTD 2022	YTD 2021	2021
(Amounts in NOK million)					
EBITDA before impact of IFRS 16	**-15**	**-29**	**-34**	**-55**	**-75**
Adjusted EBITDA before impact of IFRS 16	**-15**	**-29**	**-34**	**-55**	**-75**
Group overhead and cost allocation	-6	-5	-13	-11	-24
Adjusted Country EBITDA before impact of IFRS 16	**-9**	**-24**	**-21**	**-44**	**-51**

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 at the end of the period divided by the average member base
Average revenue per member (ARPM)	Average revenue per member per month, calculated as total revenue divided by the average member base
Capex: Club portfolio capital expenditures	Maintenance capital expenditures less IT capital expenditures
Capex: Expansion capital expenditures	The sum of investments related to acquisitions, greenfields and digital expansion
Capex: IT capital expenditures	Capital expenditures associated with developing software programs
Capex: Maintenance capital expenditures	Total capital expenditures less expansions 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 commercial functions, IT, finance and administration
Leverage ratio	Net debt divided by last twelve months adjusted EBITDA before impact of IFRS 16
LTM EBITDA	Last twelve months EBITDA adjusted for lease expenses applying IAS 17 Leases
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 at the end of the period, including frozen memberships, excluding free memberships
Net debt	Current and non-current borrowings less cash and cash equivalents
Operating cash flow	Adjusted EBITDA excluding 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

Financial Calendar

11 FEB 2022	Q4 2021 Results
3 MAY 2022	Q1 2022 Results
14 JUL 2022	Q2 2022 Results
28 OCT 2022	Q3 2022 Results
28 OCT 2022	Capital Markets Day

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