

Q3 2022

INTERIM REPORT

JULY-SEPTEMBER 2022

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SIGNIFICANT MEMBER GROWTH DESPITE CHALLENGING MACROECONOMIC BACKDROP



RECORD HIGH MEMBER BASE DRIVEN BY STRONG SALES AND LOWER CHURN



STILL NO SIGNS OF WEAKER CONSUMER SENTIMENT



HIGHER MARKETING PUSH THAN USUAL TO SECURE A SOLID RUN RATE OUT OF 2022

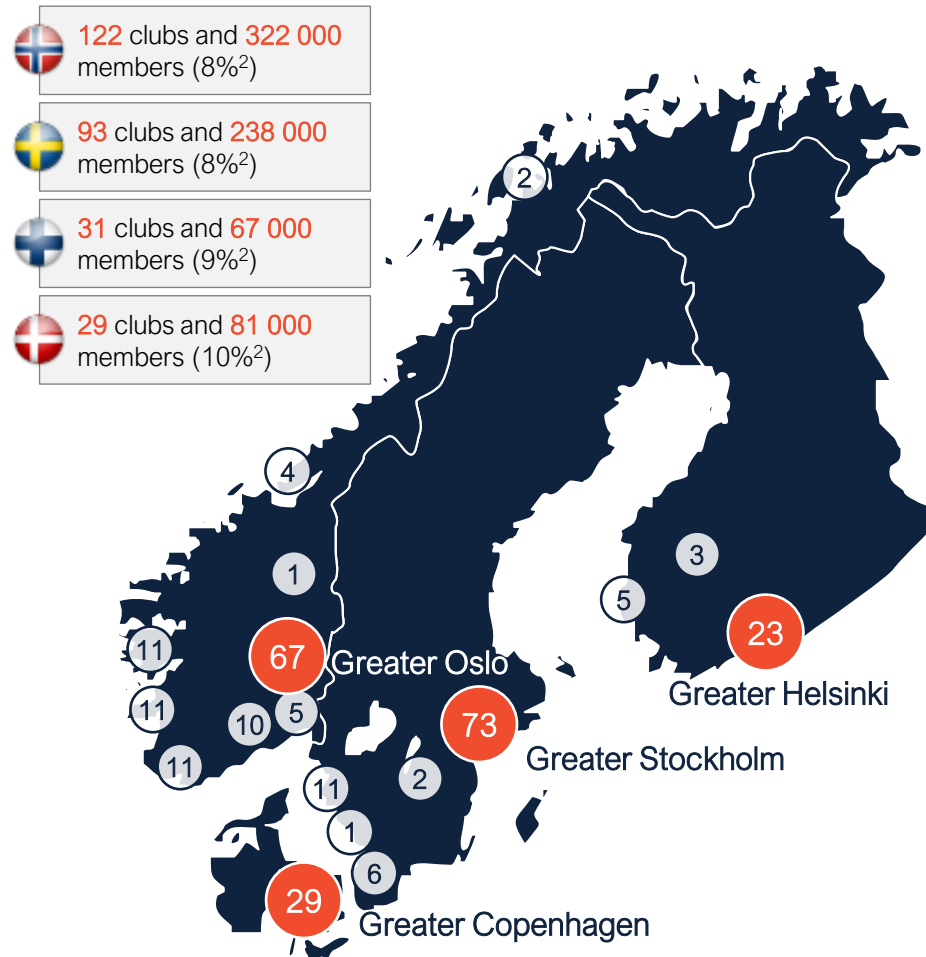


COST BASE IN THE QUARTER AFFECTED BY HIGH INFLATION AND SOARING ENERGY PRICES



VISITS CONTINUE TO EXCEED PRE-PANDEMIC LEVELS DRIVEN BY MEMBER HABITS, NEW PRODUCT LAUNCHES, AND SEVERAL UPGRADED CLUBS DURING 2022

Q3 2022 SUMMARY

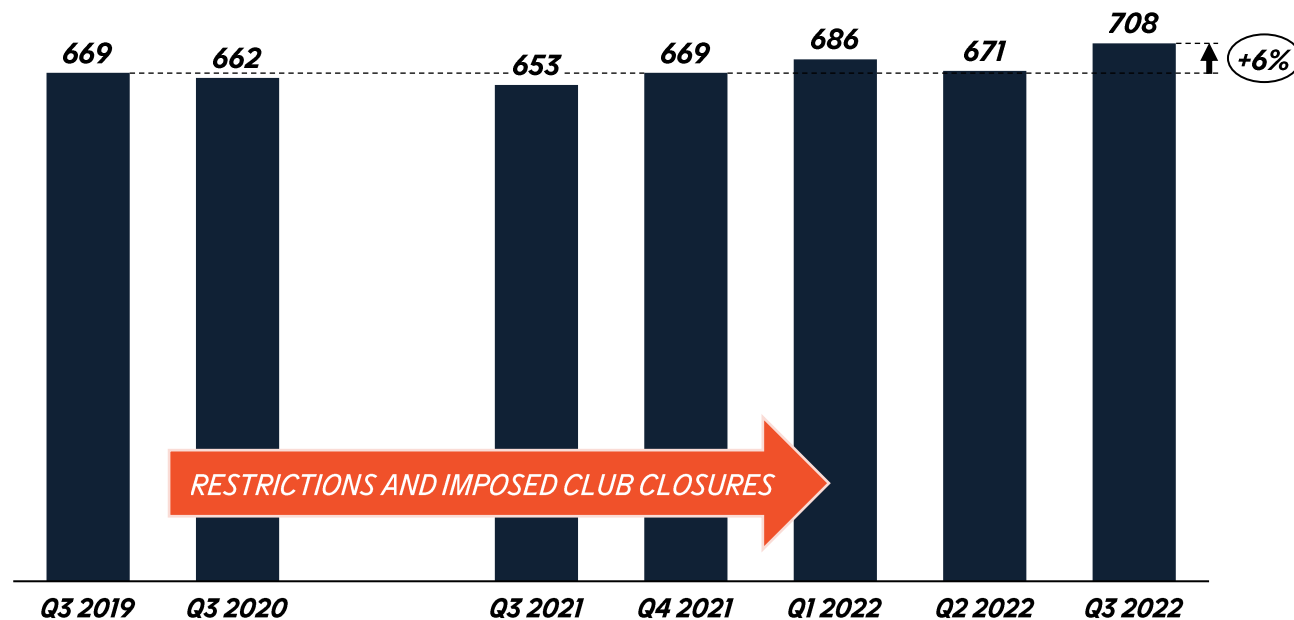


KEY FIGURES	Q3 2022	CHANGE VS Q3 2021
TOTAL REVENUES	967 MNOK	0%
ADJ. EBITDA BEFORE IFRS 16	20 MNOK	-76%
ADJ. EBITDA BEFORE IFRS 16 MARGIN	2%	-6 P.P.

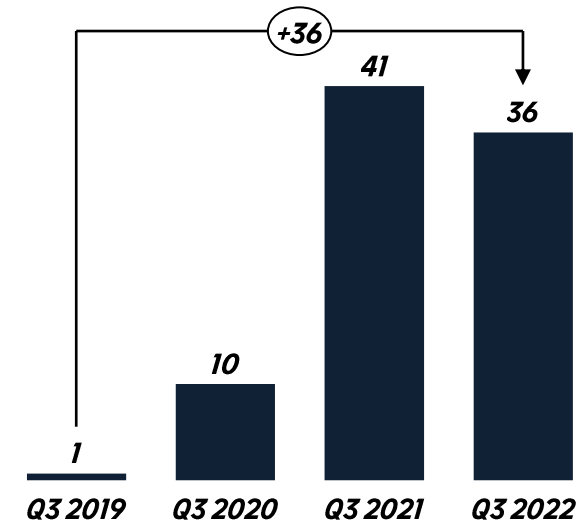
1) Measured by 2021 revenues based on figures from Deloitte EuropeActive EHFMR 2022
 2) Compared to Q3 2021

RECORD HIGH MEMBER BASE, REPRESENTING AN IMPORTANT STEP TOWARD AN IMPROVED RUN-RATE GOING FORWARD

OUTGOING MEMBER BASE ('000)¹



NET GROWTH ('000)



- The third quarter typically starts off slowly during the summer, before kicking off halfway when people return from vacation
- Q3 2021 extraordinary due to covid recovery
- A strong sales has yielded results during the quarter
- Continued positive sales development in October

1) Excl. clubs in the Jylland/Fyn cluster sold in Q2 2020

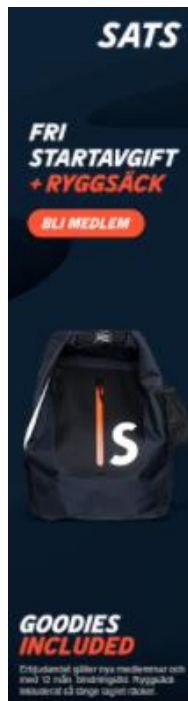
THREE OF THE SIX BEST-EVER SELLING DAYS ACHIEVED IN Q3 2022

STRONG MARKETING PUSH AFTER SUMMER

Strategic campaign focusing on SATS' unique product offering as a one-stop shop for training

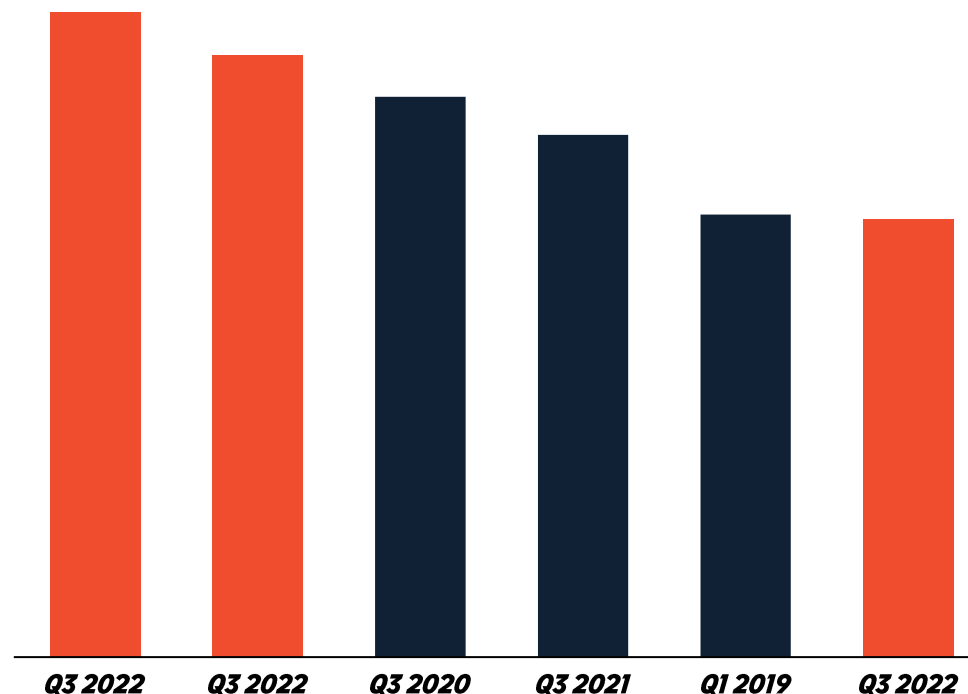


Selected tactical campaigns to boost sales

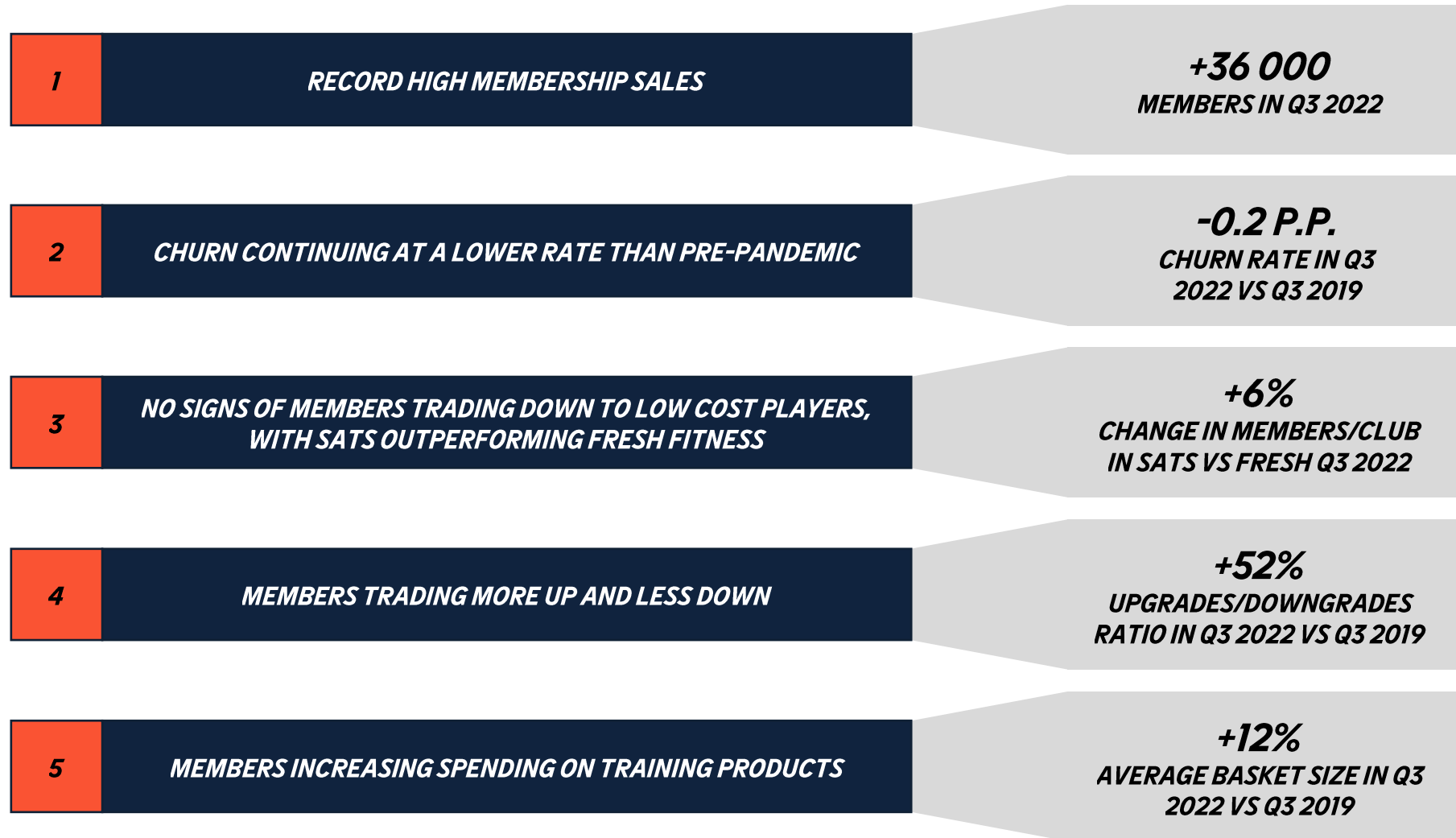


TOP 6 SELLING DAYS LAST 5 YEARS

Daily membership sales



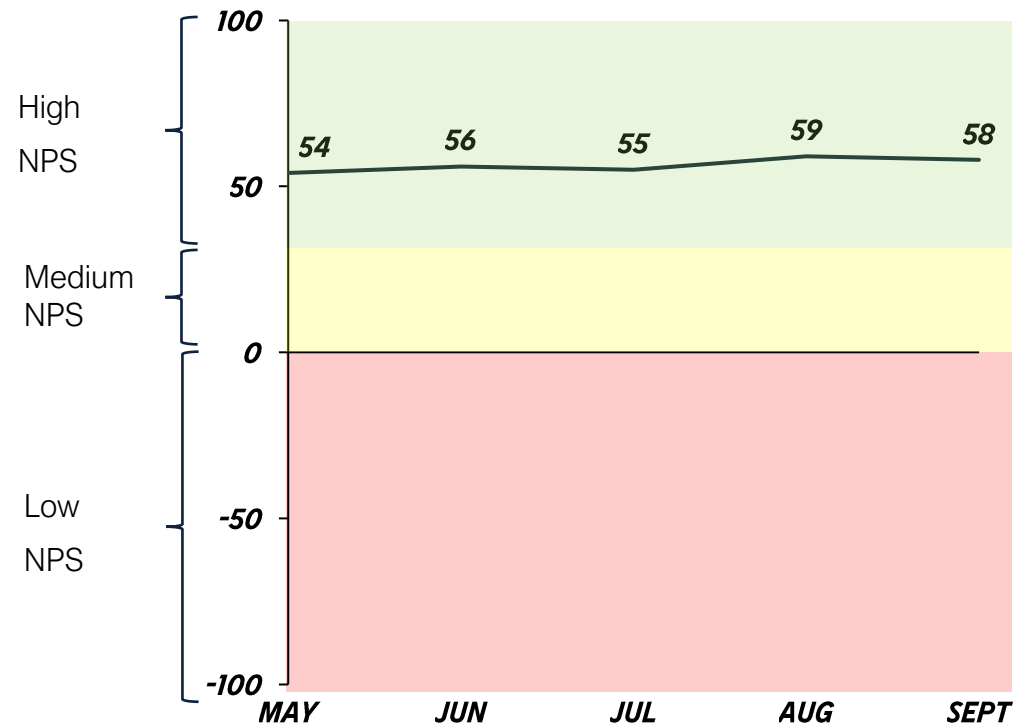
PEOPLE STILL SEEM TO PRIORITIZE THEIR OWN HEALTH – SO FAR, NO EFFECTS OF WEAKENING CONSUMER SENTIMENT



HEALTHIER AND HAPPIER MEMBERS INDICATED BY HIGH MEMBER SATISFACTION AND ACTIVITY LEVELS

HIGH AND STABLE NPS

Net promoter (NPS) score



VISITS CONTINUE TO EXCEED 2019 LEVEL

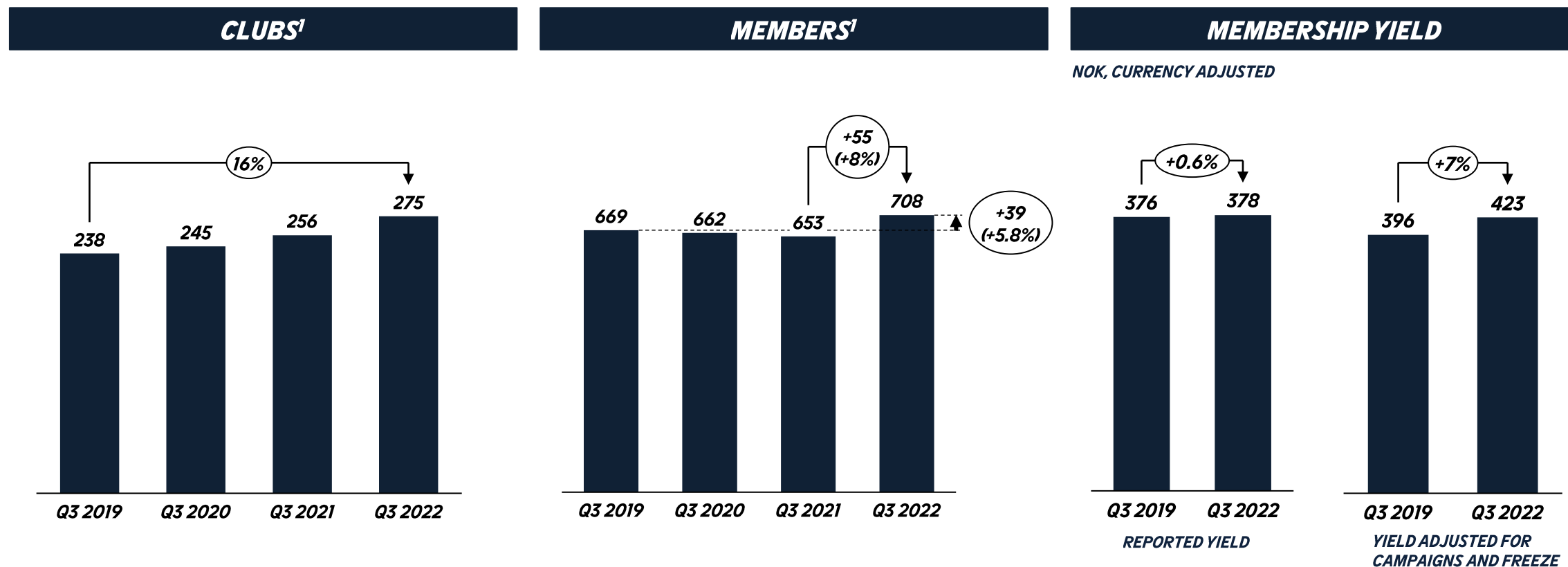
Visits per member



FINANCIAL REVIEW



MEMBER BASE AT AN ALL-TIME HIGH AFTER POSITIVE DEVELOPMENT IN BOTH SALES AND CHURN IN RECENT MONTHS



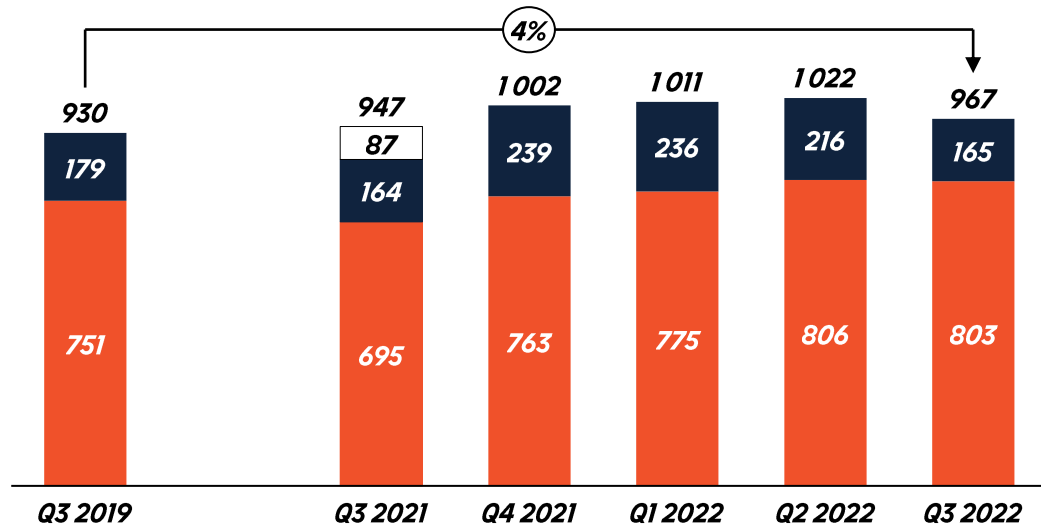
- Member base at an all-time high after positive development in both sales and churn in recent months, further closing the gap for LFL clubs compared to 2019
- However, strong sales numbers come at a cost, and is a result of investing more than usual in marketing, both promotions and campaigns to secure a solid run-rate out of 2022

1) Excl. clubs in the Jylland/Fyn cluster sold in Q2 2020

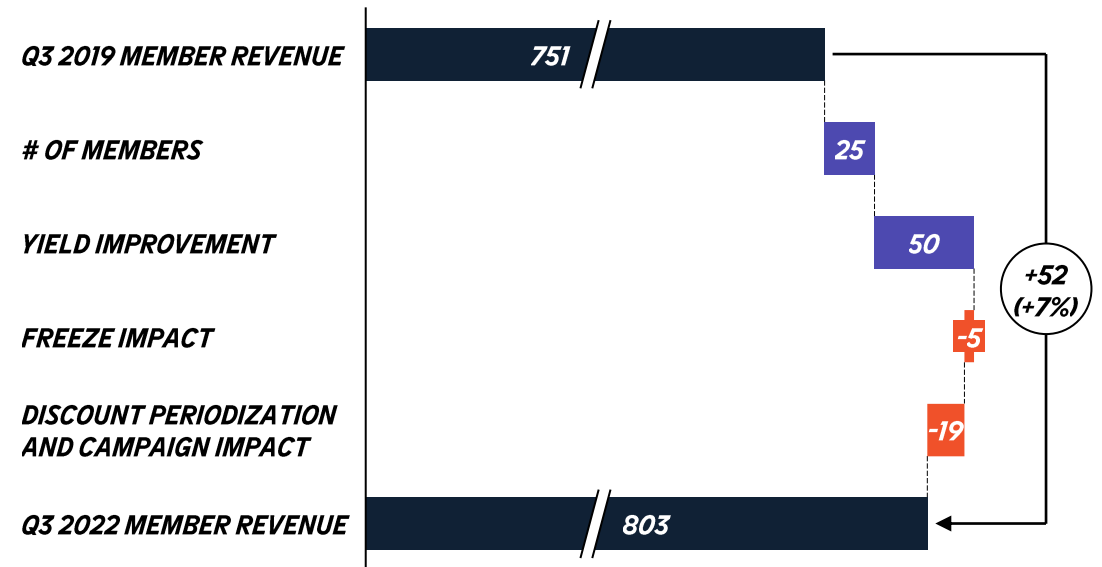
REVENUE INCREASE DRIVEN BY PRICE INITIATIVES, AS WELL AS RECOVERY OF THE MEMBER BASE

TOTAL REVENUES (MNOK)^{1,2}

- GOVERNMENTAL COMPENSATION
- MEMBERSHIP REVENUE
- OTHER REVENUE



MEMBER REVENUE BREAK-DOWN (MNOK)^{1,2}



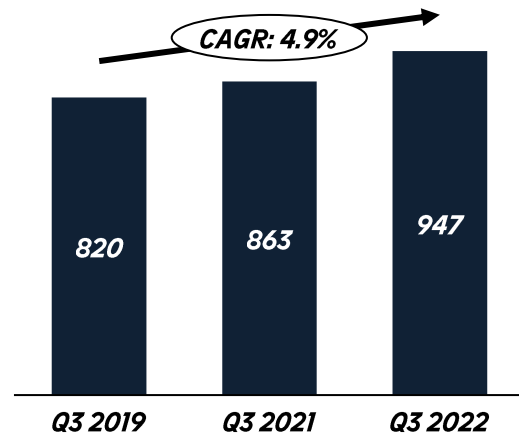
- Member revenue increase of 4% compared to the corresponding quarter of 2019
- Average member base for LFL clubs not yet fully recovered compared to 2019, but yield improvements fully compensate for the gap in volume as revenues now have returned to 2019-level
- Slightly elevated freeze levels and campaign impact from current and previous quarters continue to impact revenues negatively

1) Excl. revenues from the Jylland/Fyn cluster sold in Q2 2020
 2) Constant currency

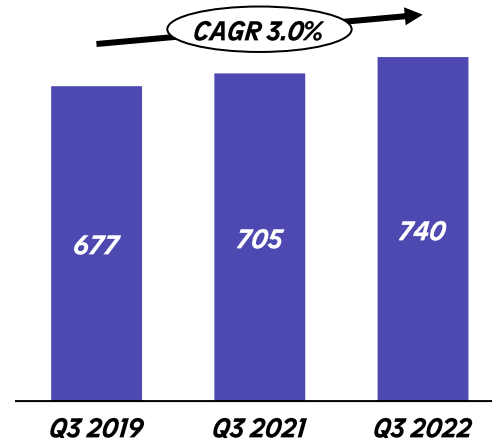
COST DISCIPLINE PARTLY COUNTERACTING INFLATION

OPERATING EXPENSES¹

Total operating expenses incl.
COGS and overhead



Comparable clubs² operating
expenses



- Adding 27 clubs compared to 2019 are the main drivers for the increase
- In addition, energy cost is significantly higher than usual (+88% vs. 2019), amounting to NOK 60 million in the quarter
- In the near-term, the added cost base and inflationary pressure will affect margins
- Aiming to counteract inflation with cost discipline and price increases over time
- Historically, OPEX has increased with inflation, but successful cost-saving efforts partly compensate for the increase
- Increase in operating expenses mainly driven by energy cost prices and rent cost increasing with inflation
- Somewhat higher marketing costs to build member base

1) Before IFRS 16, constant currency

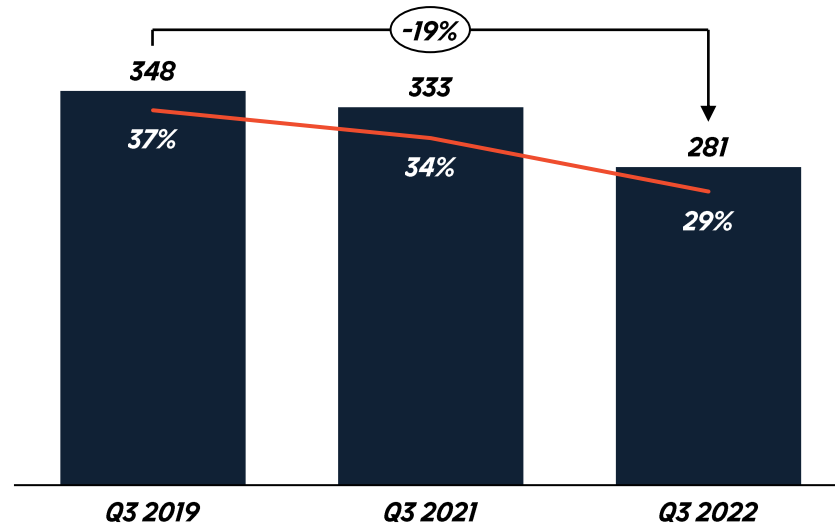
2) Comparable clubs are defined as all clubs open in Q3 2019



EBITDA IMPROVEMENT VS. 2021 BUT LOWER THAN UNDERLYING RUN-RATE DUE TO SHORT TERM CAMPAIGN EFFECTS AND HIGHER ENERGY COST

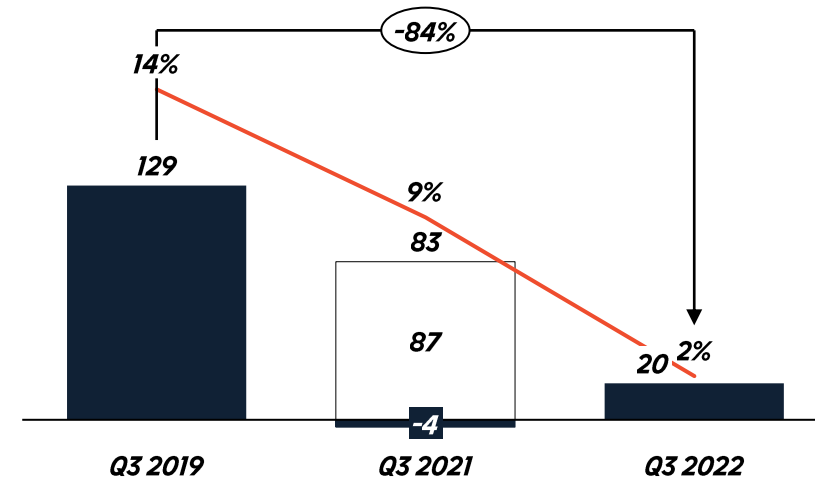
REPORTED EBITDA

■ MNOK — MARGIN



ADJ. EBITDA BEFORE IFRS 16

■ MNOK □ GOVERNMENTAL COMPENSATION — MARGIN

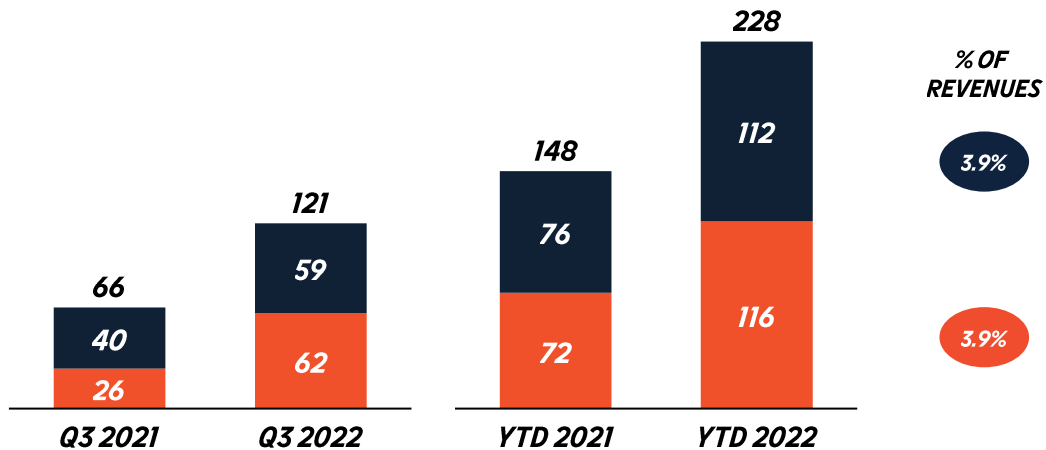


- Adjusted EBITDA of 20 million in the quarter is improved compared to last year when excluding the governmental compensation
- Despite solid revenue improvements, profits are highly affected by increased OPEX, due to a higher share of immature clubs and higher than usual energy cost
- We have invested more than usual in special offers to drive membership sales, which hits EBITDA in the short term
- Increasing the number of members per club is the strongest lever to improve profitability and will be key going forward

UPGRADING AND OPTIMIZING THE CLUB PORTFOLIO

CAPITAL EXPENDITURE (MNOK)

■ EXPANSION ■ MAINTENANCE

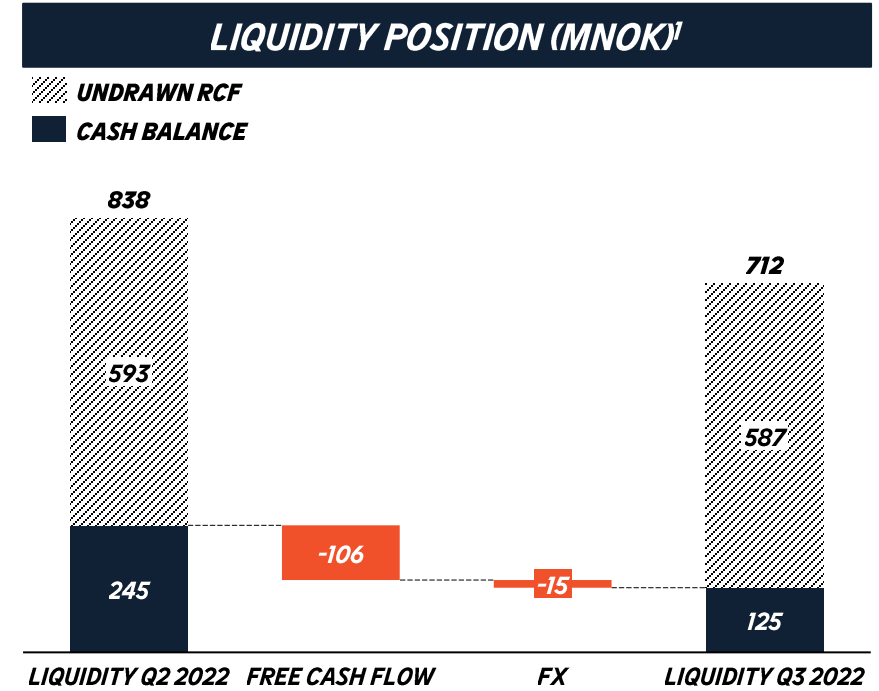
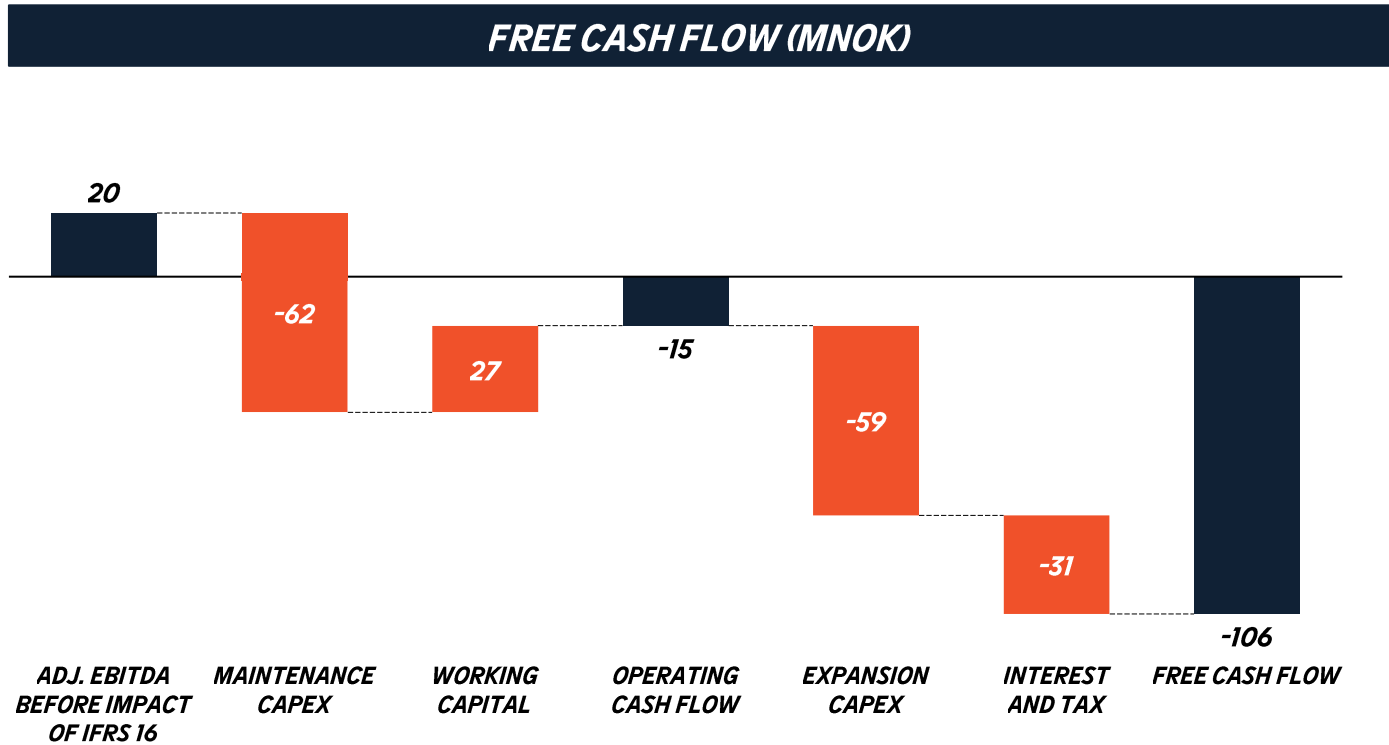


- Increased maintenance CAPEX¹ on the back of:
 - Step-up in equipment upgrades
 - Lifted the quality of the Stockholm cluster
- YTD below historical maintenance capex level of around 5% of revenue
- Expansion CAPEX in the quarter partly driven by the acquisition of seven clubs in the South of Norway
- Expansion CAPEX going forward will reflect the current expansion pipeline, as further additions will be highly selective

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



OVERALL LIQUIDITY IS SUFFICIENT TO HANDLE OPERATIONS, EVEN IN A CURRENTLY MORE CHALLENGING MACRO ENVIRONMENT



- Negative free cash flow driven by an increase in maintenance CAPEX in the quarter, as well as the acquisition of seven new clubs to the portfolio

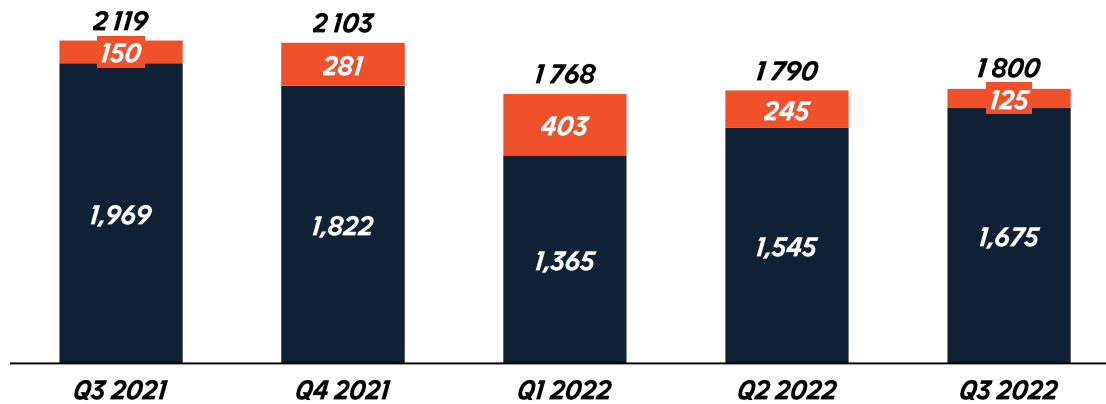
- Overall liquidity, including undrawn liquidity under the RCF, is sufficient to handle current operations, even in a currently more challenging macro environment

1) Liquidity includes cash balance and undrawn revolving credit facility

PRIORITIZING TO REDUCE DEBT IN THE SHORT TERM

BANK BORROWINGS (MNOK)

CASH AND CASH EQUIVALENTS
NET DEBT



- Historically we have shown strong cash generation capabilities and stable cash conversion, resulting in a strong deleveraging profile enabling us to invest in future growth opportunities or return cash to shareholders
- However, the covid-19 period has resulted in significant losses, financed by increase in debt
- In the short term, investments in club expansion will be limited, prioritizing to reduce debt to responsible levels



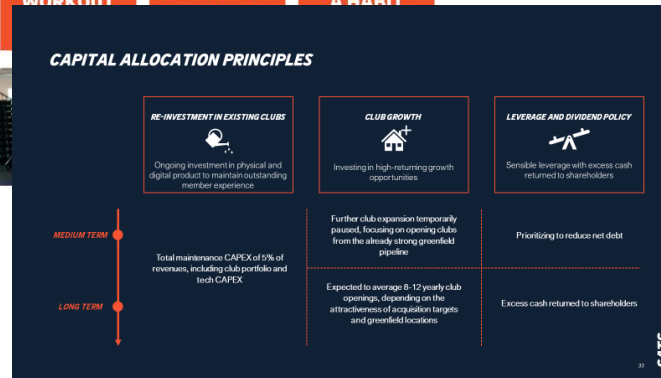
PLEASE SEE THE CAPITAL MARKETS DAY PRESENTATION FOR MORE DETAILS ON THE STATUS AND THE ROAD AHEAD FOR SATS



WE WILL CONTINUE TO BUILD ON THESE STRENGTHS TO HELP MORE MEMBERS SUCCEED WITH THEIR TRAINING



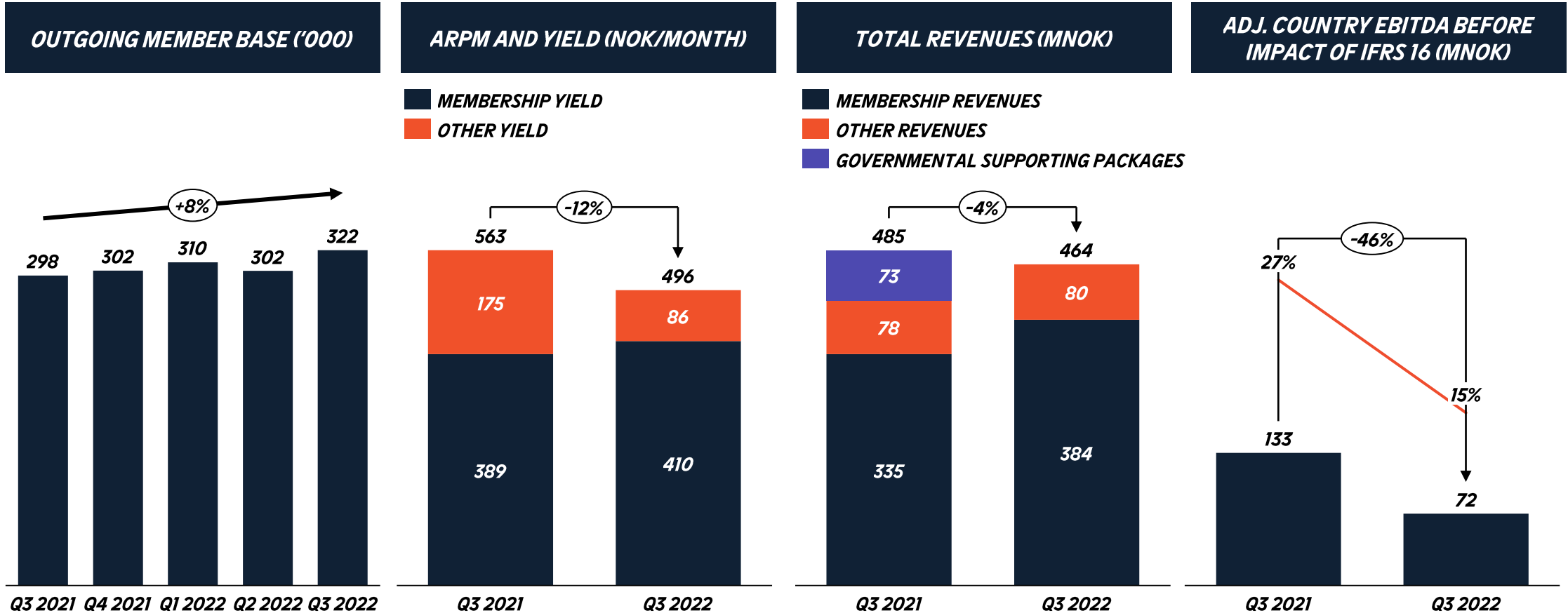
TECHNOLOGY AS A DIFFERENTIATOR FOR OUR MEMBERS



APPENDIX

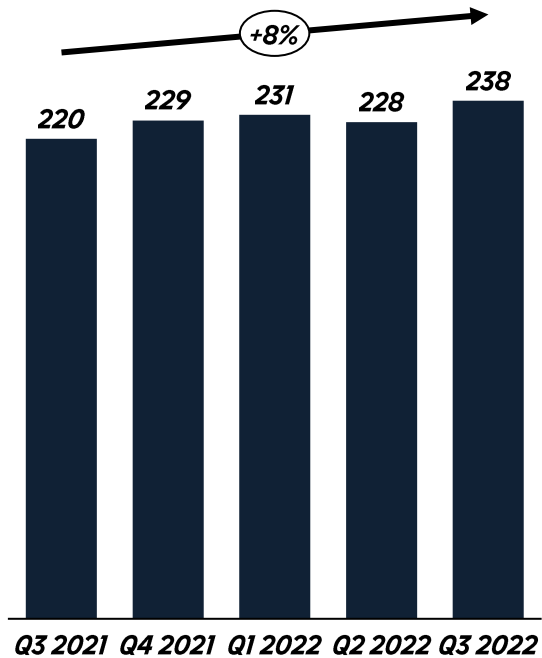


NORWAY

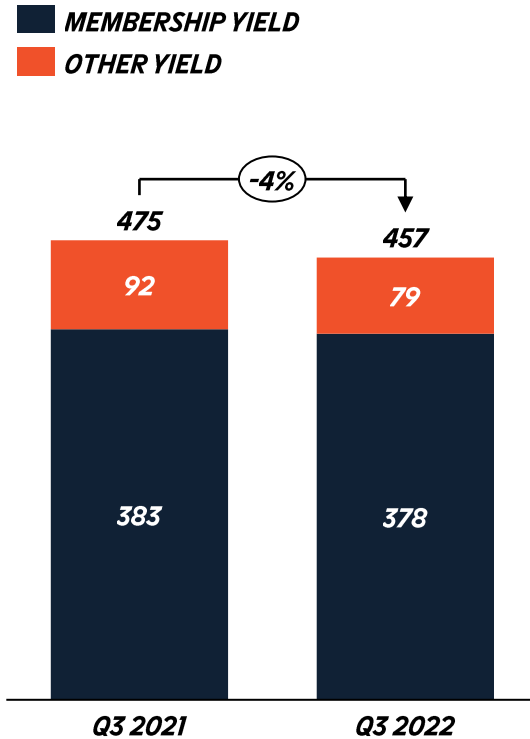


SWEDEN

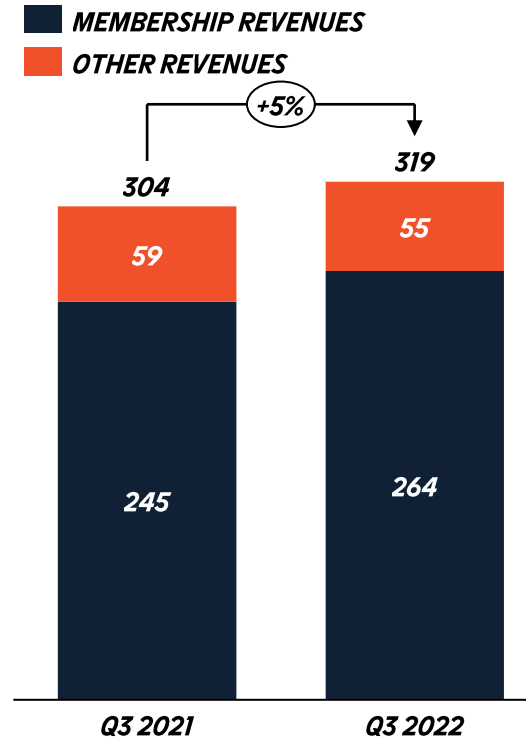
OUTGOING MEMBER BASE ('000)



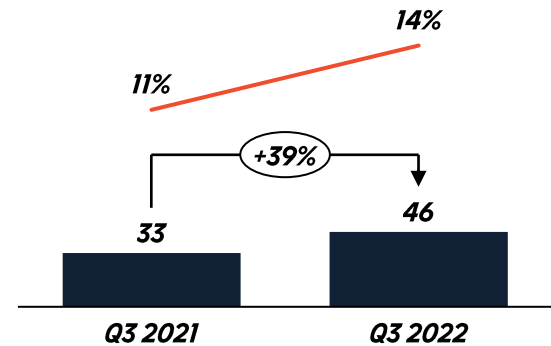
ARPM AND YIELD (NOK/MONTH)



TOTAL REVENUES (MNOK)

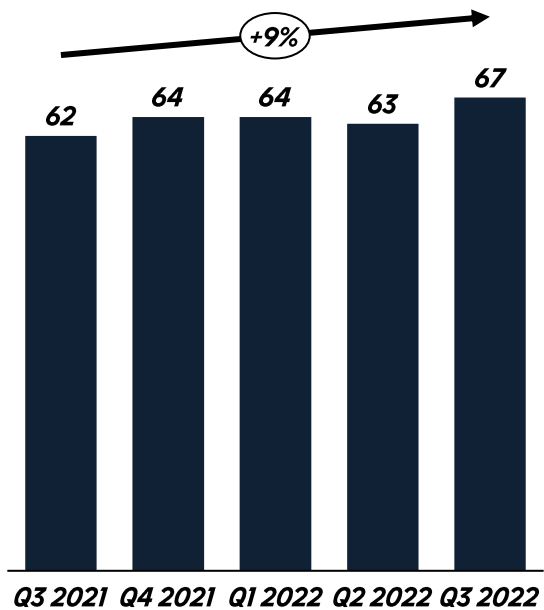


ADJ. COUNTRY EBITDA BEFORE IMPACT OF IFRS 16 (MNOK)



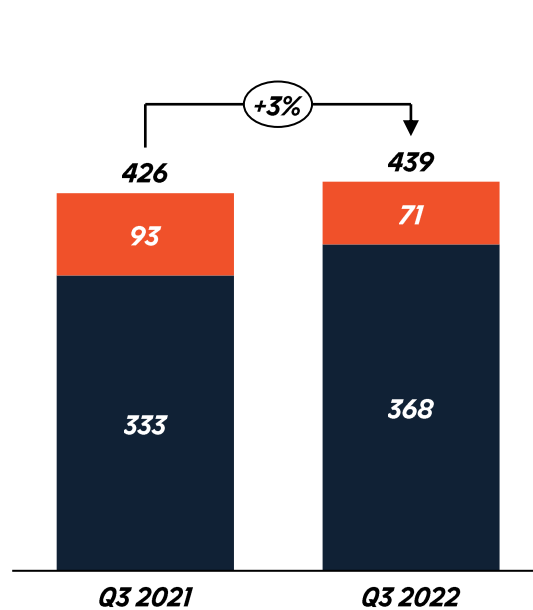
FINLAND

OUTGOING MEMBER BASE ('000)



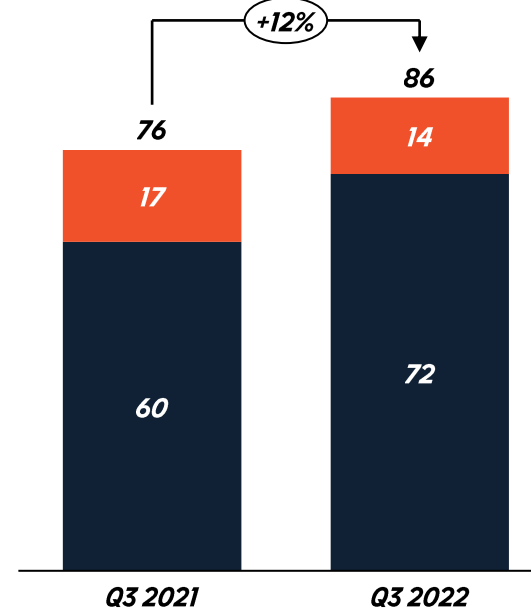
ARPM AND YIELD (NOK/MONTH)

MEMBERSHIP YIELD
OTHER YIELD

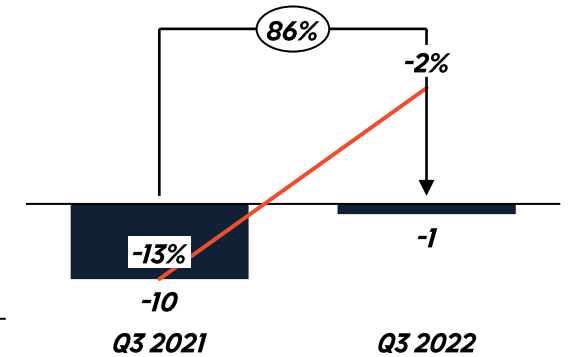


TOTAL REVENUES (MNOK)

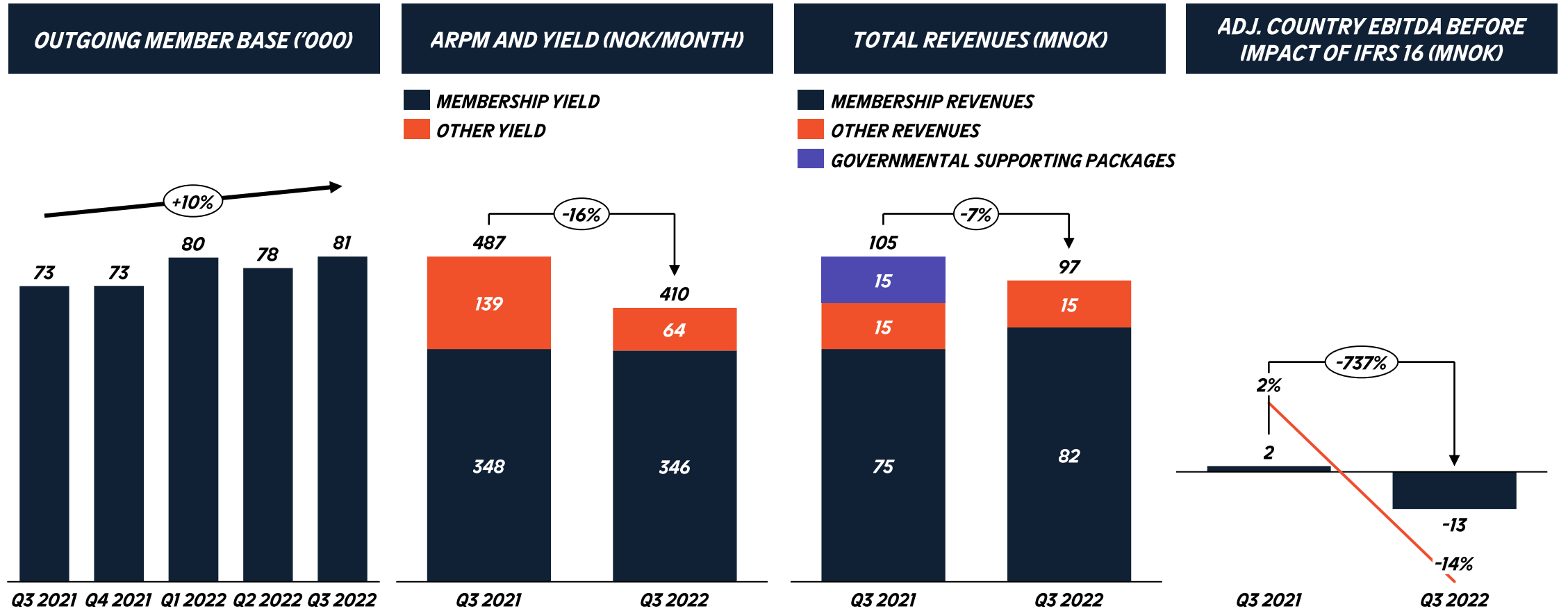
MEMBERSHIP REVENUES
OTHER REVENUES



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



DENMARK



GLOSSARY

TERM	DEFINITION
Adjusted country EBITDA before impact of IFRS 16	Adjusted EBITDA before impact of IFRS 16 less allocation of Group overhead and cost allocations
Adjusted country EBITDA before impact of IFRS 16 margin	Adjusted country EBITDA before impact of IFRS 16 divided by total revenue
Adjusted EBITDA before impact of IFRS 16	EBITDA adjusted for (i) closed clubs; (ii) certain comparability items; and (iii) the impact of implementation of the IFRS 16 lease standard
Adjusted EBITDA before impact of IFRS 16 margin	Adjusted EBITDA before impact of IFRS 16 divided by total revenue
Average number of members per club	Number of clubs at the end of the period divided by the average member base
Average revenue per member (ARPM)	Average revenue per member per month, calculated as total revenue divided by the average member base
Capex: Club portfolio capital expenditures	Maintenance capital expenditures less IT capital expenditures
Capex: Expansion capital expenditures	The sum of investments related to acquisitions and greenfields, as well as CAPEX related to the perfect club initiative and digital expansion
Capex: IT capital expenditures	Capital expenditures associated with developing software programs
Capex: Maintenance capital expenditures	Total capital expenditures less expansion capital expenditures
Capex: Total capital expenditures	The sum of all capital expenditures
Cash conversion	Operating cash flow divided by adjusted EBITDA before impact of IFRS 16
Club	Number of clubs open and trading under the brands 'SATS', 'ELIXIA', 'Fresh Fitness' and 'HiYoga' as of the end of the period

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

SUMMARY TABLE

<i>Amounts in NOK million</i>	Q3 2022	Q3 2021
Number of clubs, EOP	275	256
Outgoing member base ('000s)	708	653
Average number of members per club	2,573	2,551
ARPM (NOK)	468	512
Yield (NOK)	388	377
Reported EBITDA (MNOK)	281	333
Adjusted EBITDA before impact of IFRS 16 (MNOK)	20	83
Adjusted EBITDA before impact of IFRS 16 margin	2%	9%
Adjusted country EBITDA before impact of IFRS 16 (MNOK)	103	158
Adjusted country EBITDA before impact of IFRS 16 margin	11%	16%
Net debt (MNOK)	1,675	1,969
Total capital expenditures (MNOK)	121	66
Expansion capital expenditures (MNOK)	59	40
Maintenance capital expenditures (MNOK)	62	26
IT capital expenditures (MNOK)	9	15
Club portfolio capital expenditures (MNOK)	53	12
Operating cash flow (MNOK)	-15	-13
Leverage ratio	10.5	10.5
Cash conversion	-77%	-16%

REPORTING UNDER IFRS 16

<i>Amounts in NOK million</i>	Reported Q3 2022	Change IFRS 16	Excl. IFRS 16 Q3 2022
Balance sheet items - IFRS 16			
Property, plant and equipment	719	0	719
Right-of use assets	4,179	4,179	0
Deferred tax assets	222	74	147
Prepaid expenses and accrued income	223	-76	299
Total assets	8,431	4,177	4,253
Equity	984	-331	1,316
Non-current lease liability	3,690	3,690	0
Current lease liability	860	860	0
Other current liabilities	331	-41	372
Total liabilities	7,447	4,509	2,938
Profit & loss items - IFRS 16			
Revenue	967	0	967
Cost of goods sold	-33	0	-33
Personnel expenses	-357	0	-357
Other operating expenses	-297	261	-558
Depreciation and amortization	-276	-212	-64
Operating profit	5	49	-44
Net financial items	-59	-48	-11
Profit/loss before tax	-54	1	-55

SATS