

VIVALEISURE

FY2023 FULL YEAR

RESULTS PRESENTATION

11 AUGUST 2023

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FY2023 HIGHLIGHTS

VIVA LEISURE REPORTS RECORD PROFITS; GROWTH SURGES

VIVA LEISURE

- Revenue increased by 55.4% to \$141.2 million, driven primarily by strong organic growth
- Record EBITDA* surges 429.2% to \$29.2 million, reflecting improved margins and operational efficiency
- EBITDA* margin inline with H1-FY2023, maintained at 20.7%, despite high inflationary pressures, and up from 6.1% or 1460 bps over PCP
- NPAT (pre-AASB16) increased by \$14.3 million to \$8.8 million, a significant turnaround from a loss in PCP illustrating the agility and recurring revenue nature of the business
- Corporate Membership increased 14% to 181,950, and network membership up 7.2% to 343,325
- Utilisation increased from 69.3% to 72.7% (an increase of 340 bps) in corporate locations, indicating strong demand and customer satisfaction
- Enhanced network coverage and scale – corporate locations increasing to 171 (+20); all locations (incl. franchises) increasing to 346 locations (+12)
- LFL membership increased by 8,014 members (5.0%) highlighting the continued maturation of locations
- Free cash flow before tax was \$12.3 million for FY2023 (up 28% between H1-FY2023 and H2-FY2023), providing the opportunity for on-going self-funded growth as highlighted in the H1-FY2023 results presentation
- Strategic review of assets completed identifying opportunities to optimise performance, increase utilisation and improve margins

Viva Leisure Achieves 51% Revenue 4-Year CAGR and 69% EBITDA 4-Year CAGR, Demonstrating the Economies and Benefits of Scale.

FY2023 GUIDANCE MILESTONES ACHIEVED

FINANCIAL

Revenue

FY2023

\$141.2m

Guidance \$137m to 140m

EBITDA*

FY2023

\$29.2m

Guidance: \$28m to 30m

KEY DRIVERS

Corporate Members

181,950

Guidance: 173k to 178k

Corporate Locations

Owned

171

Guidance: 165 to 170

Utilisation

72.7%

Guidance: 71% to 73%

Average Revenue

Per Member Per Week

\$15.59

Guidance: \$15.25 to \$15.45

HIGHLIGHTS

- Guidance issued in October 2022 achieved
- Result demonstrates the resilience of the business
- The Company has achieved record levels of memberships, revenue and locations
- Lifestyle nature of business evidenced by result

OPERATIONAL PROGRESS POSITIONS VIVA FOR GROWTH

VIVA LEISURE

FY2023 HIGHLIGHTS

FINANCIAL

Revenue

\$141.2m

Up 55.4% [FY22: \$90.8m]

EBITDA*

(ex AASB-16)

\$29.2m

Up 429.2% [FY22: \$5.5m]

NPAT*

\$8.8m

Up \$14.3m [FY22: (\$5.5m)]

Statutory NPAT

\$3.4m

Up \$15.5m [FY22: \$(12.1m)]

OPERATIONAL

Members

(Owned Locations)

181,950

Up 14% [FY22: 159,546]

Members

(All Locations)

343,325

Up 7.2% [FY22: 320,161]

Utilisation

(Owned Locations)

72.7%

Up 340bps [FY22: 69.3%]

Locations

Owned

171

[FY22: 151]

All

346

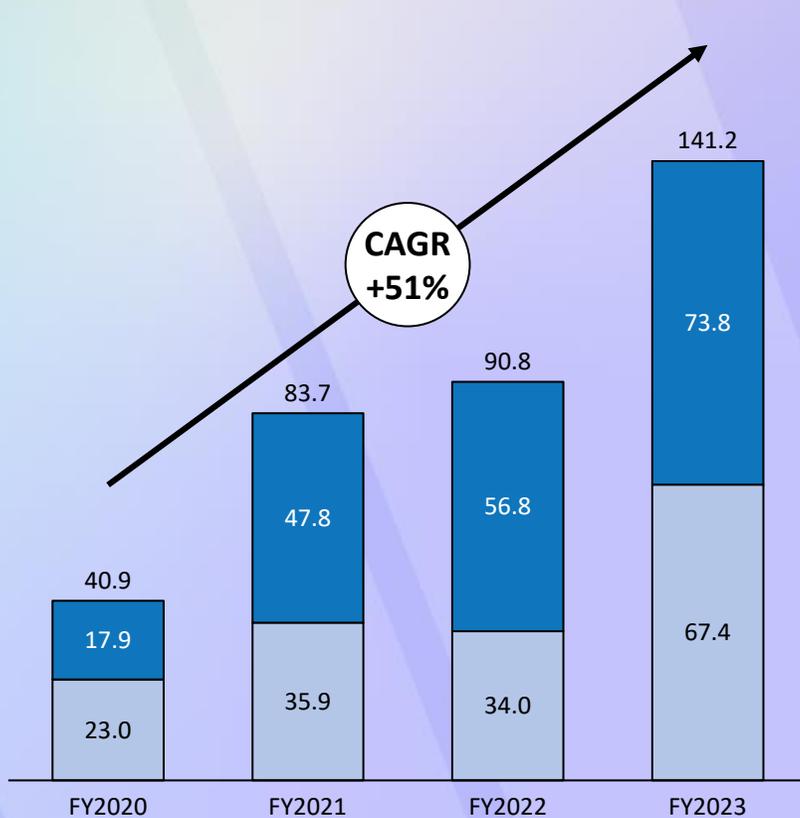
[FY22: 334]

FINANCIAL SNAPSHOT

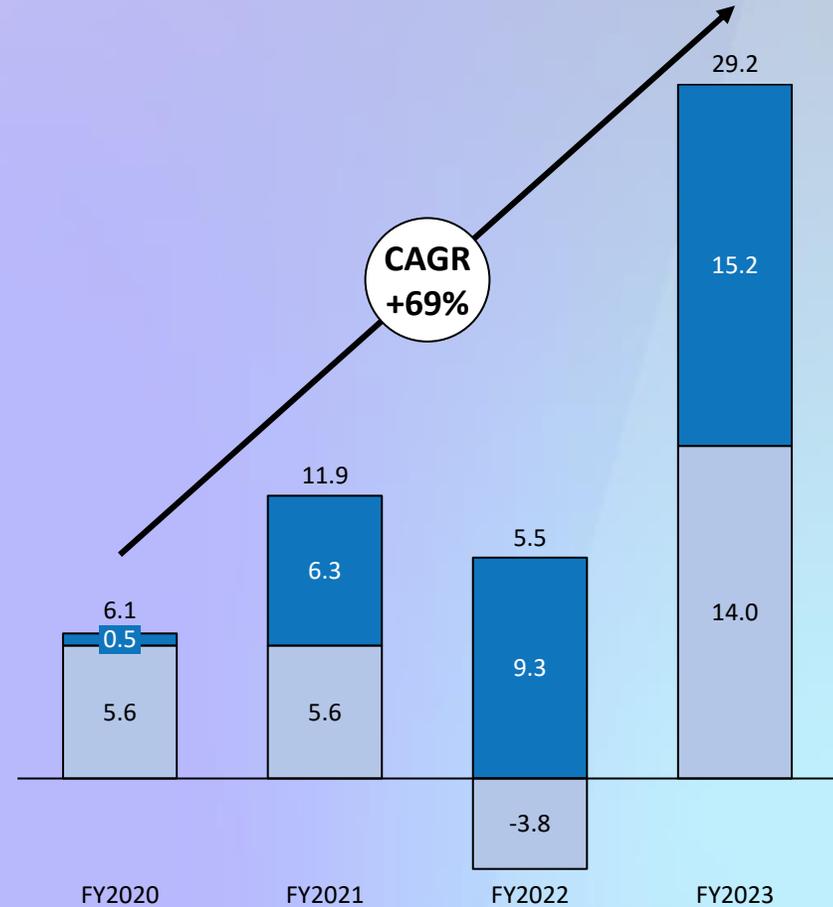
RECORD REVENUE AND EBITDA ACHIEVED

FY2020 REPRESENTS FIRST FULL YEAR AS LISTED COMPANY

REVENUE (\$M)



EBITDA (\$M)



JUNE 2023 RUN RATES

VIVA LEISURE

Annual#
Revenue Run Rate

\$156.4m

PCP \$124.5m

Monthly#
Revenue Run Rate

\$12.9m

PCP \$10.2m

Daily#
Revenue Run Rate

\$428,375

PCP \$341,138

Average Revenue#
Per Member Per Week

\$15.59

PCP \$14.59

LFL Membership+
Jun 2022 v Jun 2023

+5.0%

System-wide Sales*
Annual Revenue Run Rate

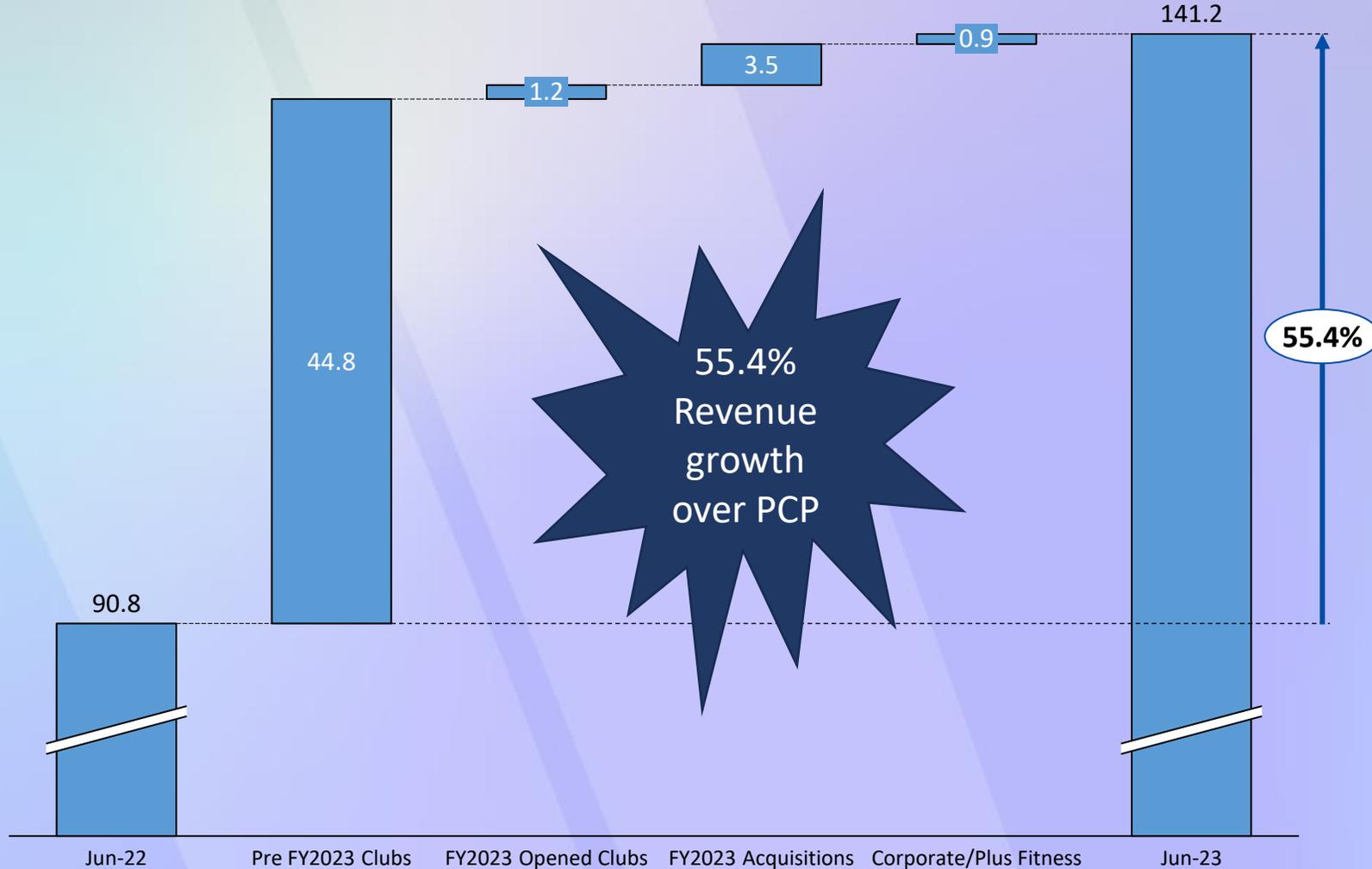
**\$107.6m PLUS
FITNESS**

PCP \$95.5m

FINANCIAL RESULTS

REVENUE GROWTH (\$M)

MONTHLY REVENUE GROWTH
[JUNE 2022 V JUNE 2023]

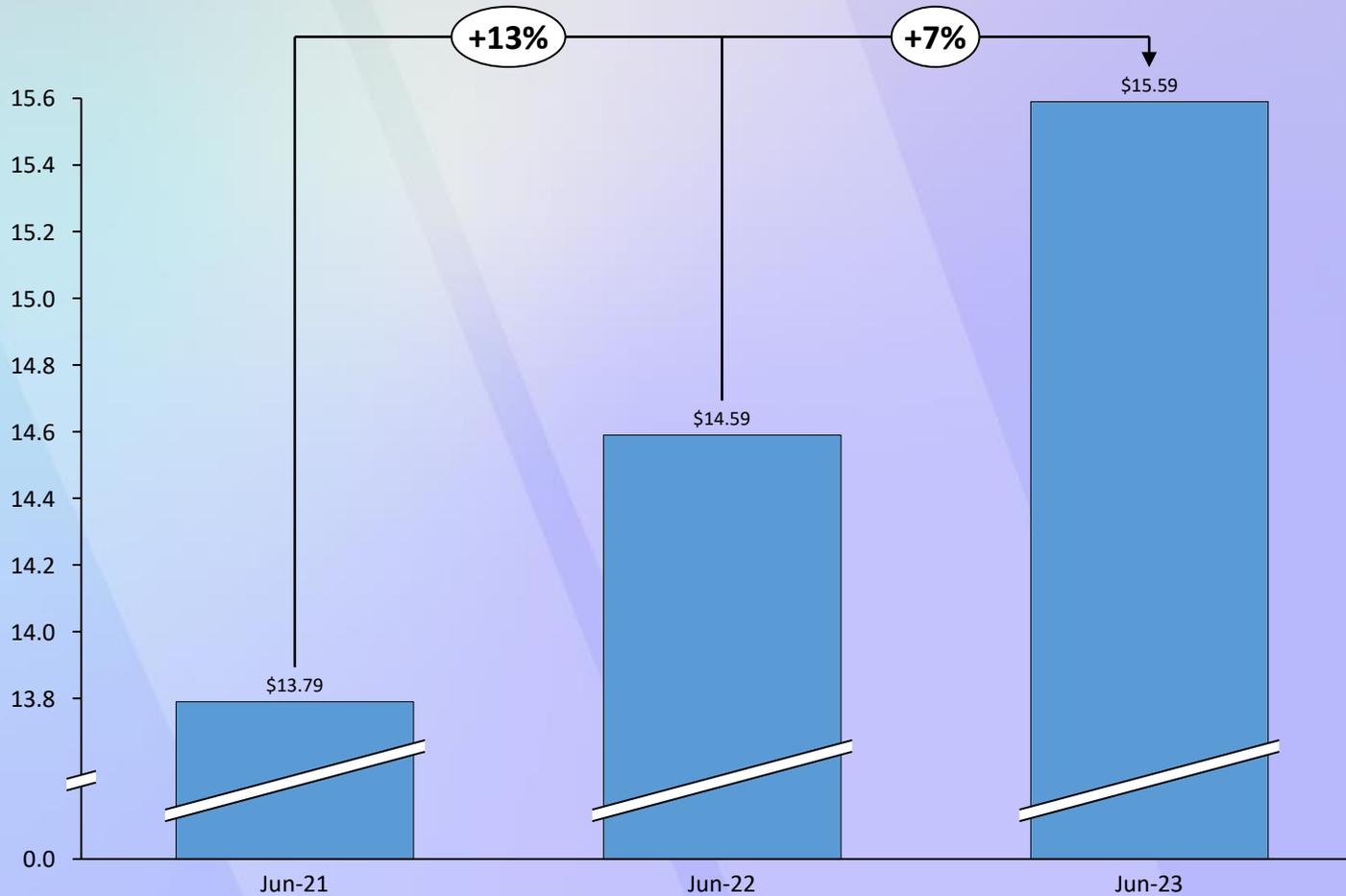


LEGEND

- **Pre FY2023 Clubs** refers to locations which were operating prior to the FY2023 period commencing
- **FY2023 Opened Clubs** refers to locations opened during the financial year
- **FY2023 Acquisitions** refers to locations acquired during the financial year
- **Corporate/Plus Fitness** refers to revenue movement from head office and the Plus Fitness division

AVERAGE REVENUE PER MEMBER PER WEEK (\$)

CONTINUES TO INCREASE EACH MONTH

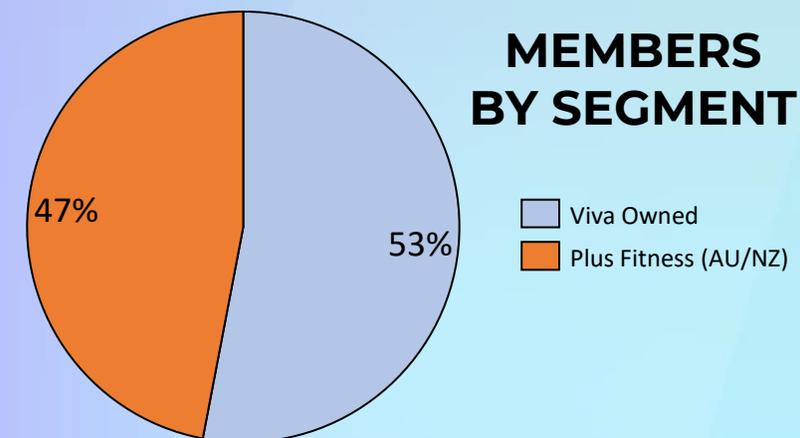
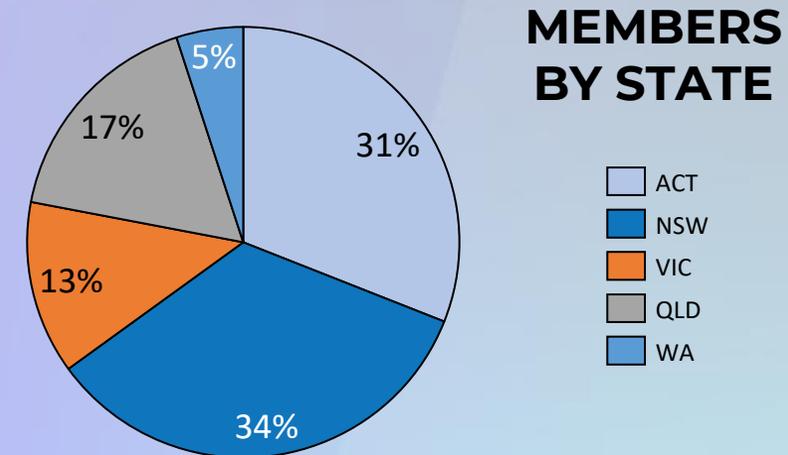
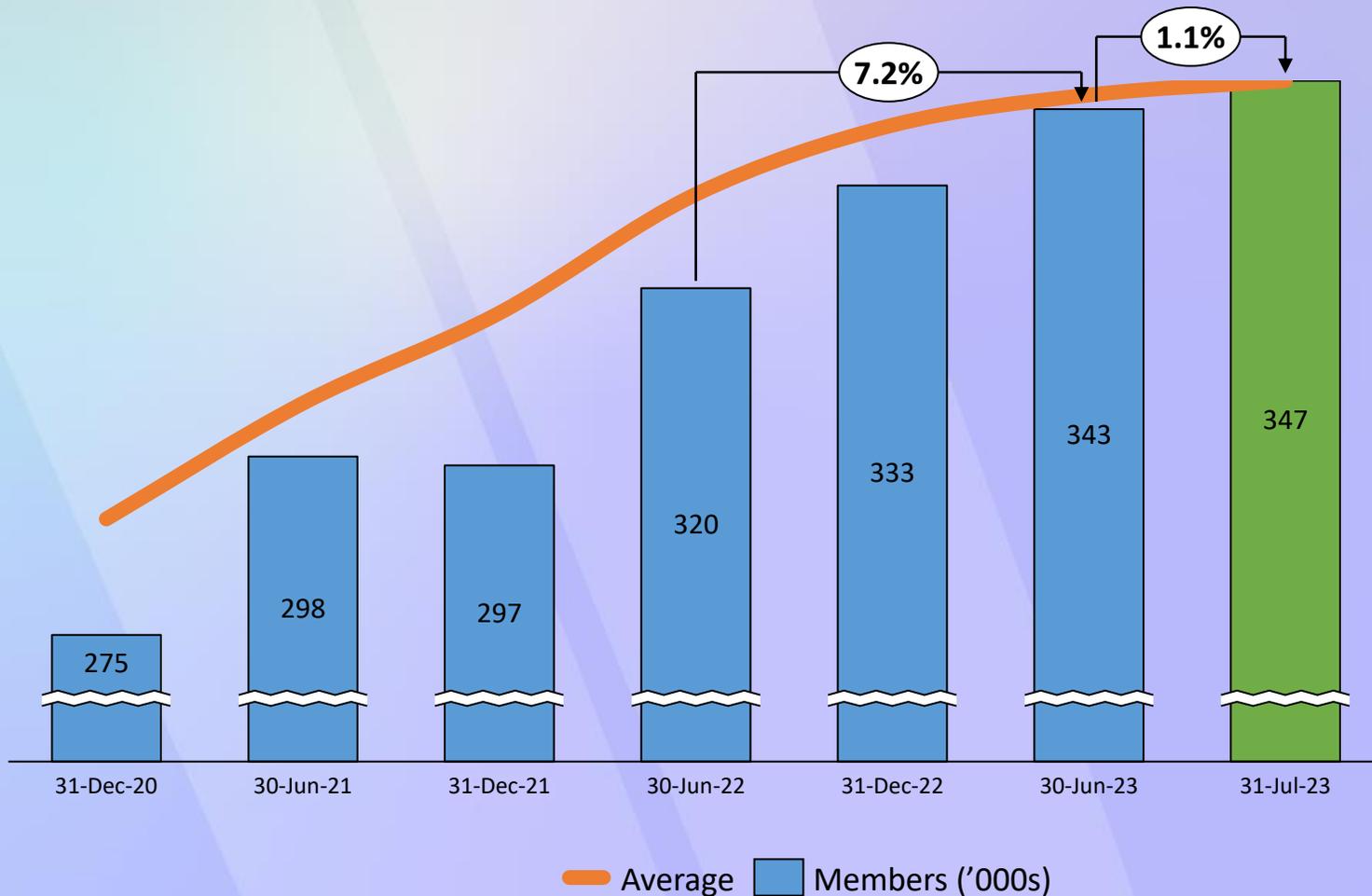


HIGHLIGHTS

- 7% increase in average weekly rate over previous year
- 13% increase in yield over June 2021
- Weekly rate expected to continue to improve during FY2024
- ARPM is shown excluding GST

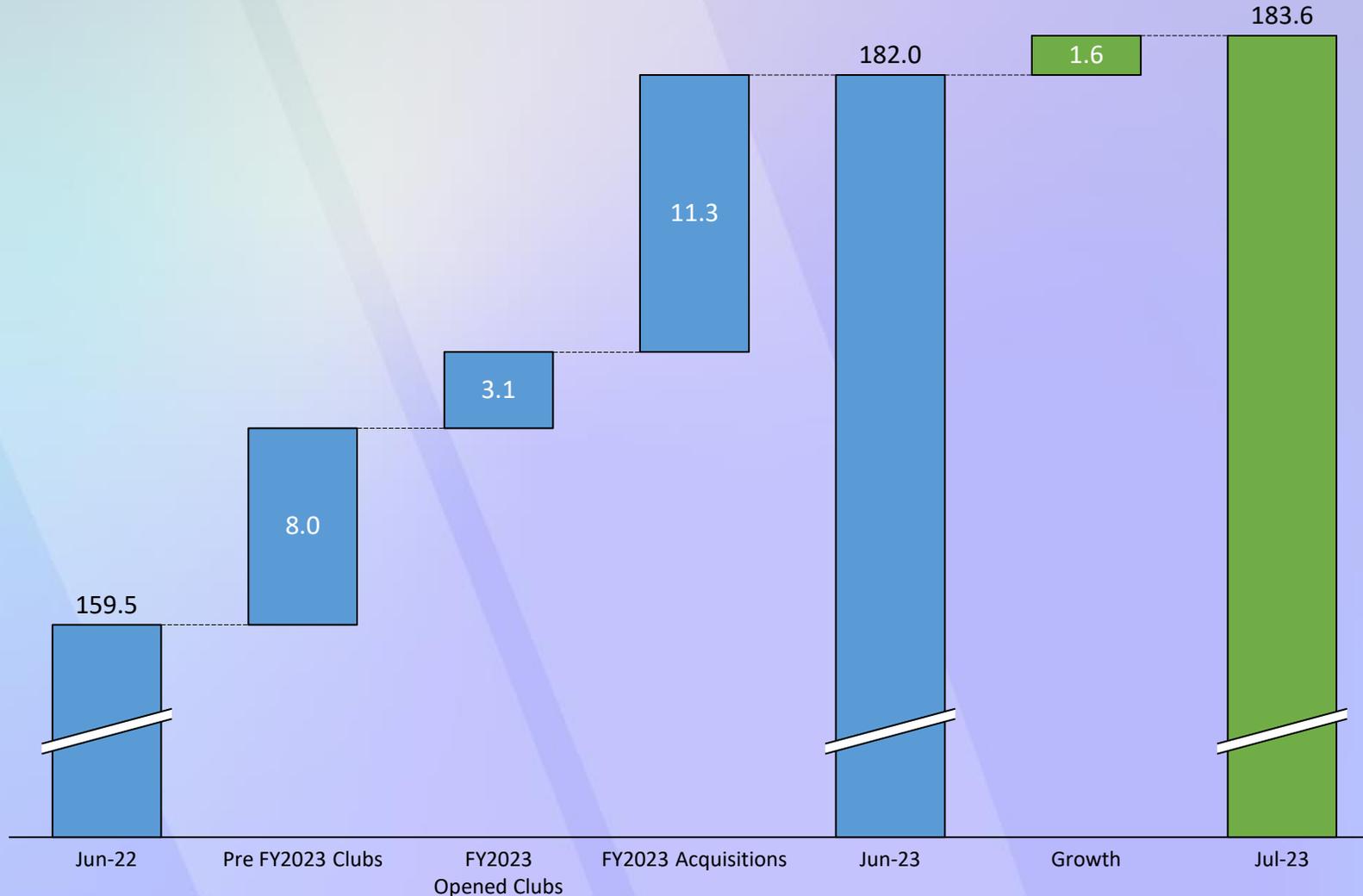
MEMBER BASE CONTINUES TO GROW

INCLUDES CORPORATE & FRANCHISE NETWORK MEMBERS



MEMBER GROWTH

MEMBER GROWTH IN CORPORATE OWNED LOCATIONS CONTINUES

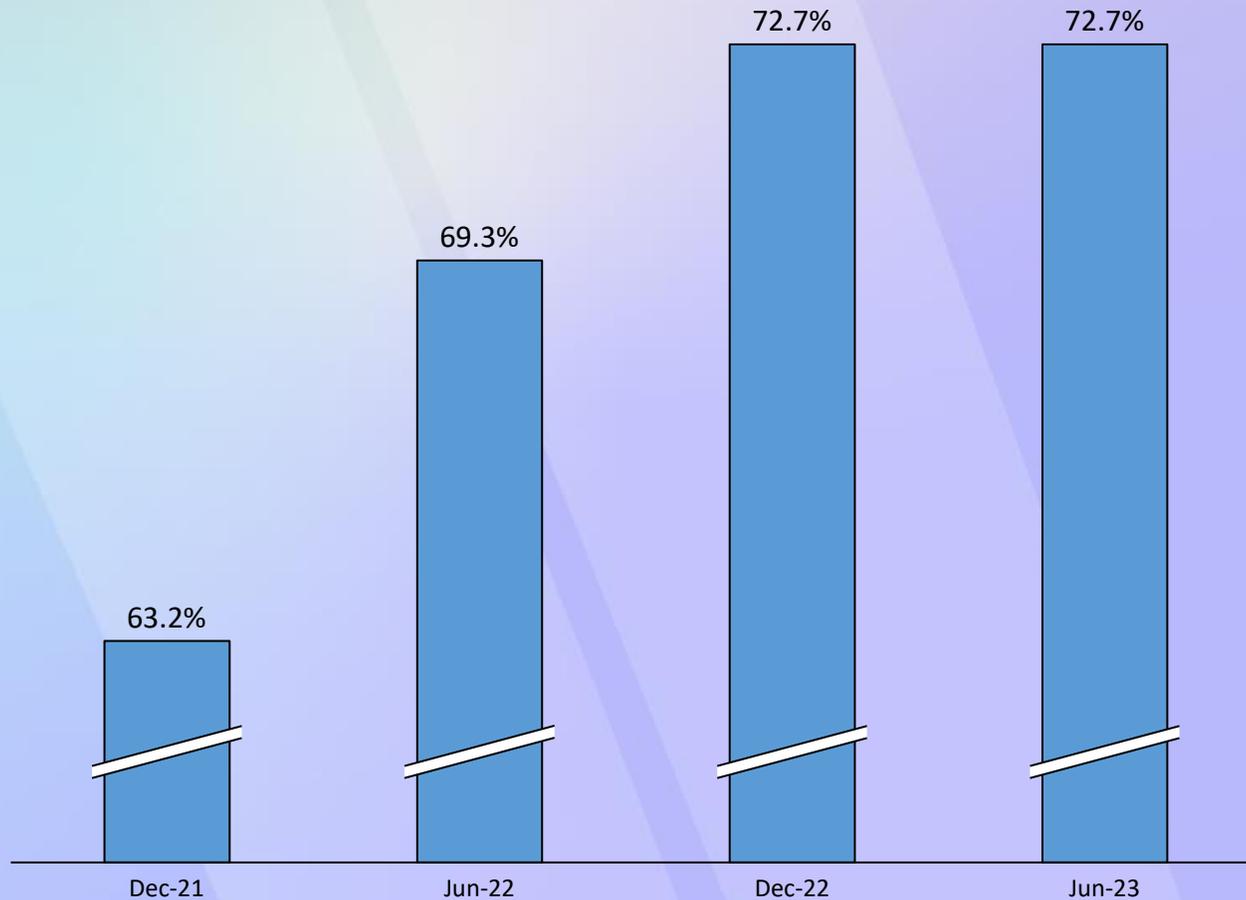


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UTILISATION

RECORD UTILISATION ACROSS OWNED PORTFOLIO



HIGHLIGHTS

- June 2023 achieved record portfolio utilisation however was brought back slightly with multiple club openings in the month
- Utilisation refers to Viva estimated maximum capacity per location:
 - Health Clubs estimate 2.0 members per square metre
 - Boutiques at 1.0 member per square metre
- Improving utilisation rates across the portfolio drives increased margin due to limited additional costs to add new member to an already operating location
- Utilisation decreases as new locations open, and increases as locations add new members
- Long term target is 75-80% average utilisation per location once a location becomes mature (ie: older than 24 months)

RESULTS REFLECT STRONG GROWTH

PROFIT & LOSS

	FY2023 (ex AASB16)	FY2022 (ex AASB16)	Variance \$	Variance %
Revenue	141.2	90.8	50.4	55.4
Operating Costs	(112.0)	(85.3)	(26.7)	31.2
EBITDA	29.2	5.5	23.7	429.2
Depreciation / Amortisation	(13.8)	(11.3)	(2.6)	22.9
EBIT	15.4	(5.8)	21.2	nm
Finance Costs	(2.8)	(2.1)	(0.7)	31.2
NPBT	12.6	(7.9)	20.5	nm
Tax	(3.8)	2.4	(6.1)	nm
NPAT	8.8	(5.5)	14.3	nm
EBITDA Margin	20.7%	6.1%		+14.60

HIGHLIGHTS

- Revenue growth derived mainly from organic growth
- EBITDA margin maintained at H1-FY2023 level of 20.7% despite economic headwinds
- Swing from loss to significant profit at NPAT line

- Excludes the impacts of AASB-16
- EBITDA is Group Adjusted EBITDA less Normalised Rent
- nm refers to 'not measurable'

BALANCE SHEET

CONTINUED INVESTMENT IN GROWTH

VIVALEISURE

(\$m)	FY2023	FY2022
Cash	6.8	10.1
Receivables and other Current Assets	4.4	4.3
P, P & E	60.0	52.0
Right of Use Assets	222.9	224.4
Intangibles	74.8	66.2
Deferred Tax	77.7	77.7
Other assets	1.8	1.6
Total Assets	448.4	436.1
Trade and other Payables	9.3	7.0
Contract Liabilities	3.5	2.6
Leases - Equipment	18.3	19.0
Leases - Rental Properties	228.5	225.5
Borrowings - Senior debt	19.4	20.1
Provisions	11.9	10.6
Current and Deferred Tax	67.5	65.5
Total Liabilities	358.4	350.3
Net Assets	90.0	85.8

HIGHLIGHTS

- Significant re-investment in our portfolio and new Greenfield sites
- Reduction in Senior Debt and Equipment Finance of ~\$1.4 million
- Net Debt to EBITDA now ~1.05x providing significant headroom if required

CASH FLOWS

REINVESTMENT IN THE BUSINESS HAS BEEN THE FOCUS OVER THE YEAR

(\$m)	FY2023	FY2022
Opening cash	10.1	17.3
Cashflows from Operations	53.1	27.9
Investment in P,P,E and Intangibles	(19.2)	(12.3)
Acquisition of Businesses	(6.8)	(19.5)
Proceeds from Issue of Shares	0.9	11.3
Share Buy Back	(0.4)	-
Proceeds/(Repayment) of Debt	(0.7)	10.1
Lease Principal Reductions	(30.2)	(24.7)
Closing cash	6.8	10.1

HIGHLIGHTS

- 90% improvement in cash flows from operations
- Large investment in acquisitions, refurbishments and greenfield sites, as well as investment in technology
- Reduction in total debt
- Share buyback undertaken

GROUP MARGIN

LOCATION EBITDA ABOVE 40% ON AVERAGE

VIVALEISURE

Group Margin (\$m)	H1 FY2023	H2 FY2023	FY2023 TOTAL	Half on Half Growth
Revenue	67.4	73.8	141.2	9.5%
Expenses (Incl Rent)	38.8	43.0	81.8	10.8%
Location EBITDA	28.6	30.8	59.4	7.7%
Location EBITDA Margin	42.4%	41.8%	42.0%	-60 bps
Corporate Costs [^]	14.6	15.6	30.2	6.8%
Group EBITDA*	14.0	15.2	29.2	8.6%
Group EBITDA Margin	20.7%	20.7%	20.7%	-
Corporate Costs % of Revenue	21.6%	21.1%	21.4%	-50 bps

HIGHLIGHTS

- Location EBITDA margin maintained above 40%
- Reduction of corporate costs as a percentage of revenue
- Group EBITDA margin consistent and expected to increase as maturation of sites and utilisation increases for H2 FY2023 opened locations

CAPITAL ALLOCATION STRATEGY

CASHFLOW ANALYSIS

INVESTING IN OUR FUTURE

VIVALEISURE

Cashflow Details (\$m)	FY2023
EBITDA (Pre-AASB16)	29.2
Debt and Interest Payments (Ex Property)	(13.6)
Sale of Property Plant and Equipment	0.4
Maintenance CAPEX	(3.7)
Free Cash Flow (FCF) before Tax	12.3
Investment in Greenfields and Site Upgrades*	(12.7)
Investment in Acquisitions (net of financing)	(1.9)
Investment in Technology	(3.2)
Cash Re-Investment for Growth	(17.8)
<i>Other Cashflow Items</i>	
Taxation [^]	1.5
Deferred Rent Amounts	(0.2)
Share Buy Back	(0.4)
Working Capital and Other	1.4
Cash Movement for Period	(3.2)

HIGHLIGHTS

- Conversion of EBITDA to FCF of 42.1% (up from 38.7%) for H1-FY2023
- Moving forward target of 35+% conversion of EBITDA to FCF (before tax)
- Continuing improvement of margins will also increase FCF

CAPEX ANALYSIS

FY2023

VIVALEISURE

CAPEX Summary for Period	\$m	% of Revenue
New Site Capex	7.1	5.0%
Site Upgrade Capex	5.6	4.0%
Total Expansionary Capex	12.7	9.0%
Technology Capex	3.2	2.3%
Maintenance Capex	3.7	2.6%
Total Capex	19.6	13.9%

COMMENTS

- New site capex is Greenfield sites
- Site upgrade capex is for significant one-off works of existing clubs identified to offer upside opportunity
- Technology capex was predominantly for the Hub and Viva Pay technologies

RE-INVESTMENT

Maintenance Capex

Target ~3%
of revenue

Tech Capex

Target ~3%
of revenue

GROWTH

Investment

into
greenfield locations &
acquisitions

Target

24+ sites pa

LEVERAGE

Leverage of

1.5x to 2.0x
(Senior Debt + Equipment
Finance)/EBITDA

Debt Facilities

~\$17m
Undrawn senior facility.
With limit being amortised

BUSINESS STRATEGY & OUTLOOK

STRATEGIC REVIEW

Viva's primary objective is to provide an improving return to shareholders

This is achieved over the short and long-term by:

Capitalising on our tech

Commercialising our in-house developed technology platforms, billing services and unique apps to the market which creates a significant income opportunity.

Delivering exceptional service and products

Anticipating the needs of our customers and delivering competitive and market leading service and products

Our Team

Looking after our team members who in turn look after our customers and members in a safe, fulfilling and interesting environment

Diversifying our income streams

Providing more than just an income stream from recurring memberships. Thinking outside the square.

Portfolio of Brands

Regularly reviewing our portfolio of brands and offerings to make sure they suit our expanding membership base.

"If you can't measure it, you can't manage it"

Peter Drucker

STRATEGIC REVIEW FOCUS

FY2023 REVIEW PROVIDED LEARNINGS TO TAKE INTO FY2024 AND BEYOND

KEY FOCUS POINTS AND CONSIDERATIONS

Property Leases

Upcoming 5 year property leases provide for a decision point (renewing, closing or moving to new premises)

hiit republic

A scarcity of instructors in some regions, and a shift in group training post COVID has created under-performing hiit republic locations

Group Fitness Studios

A shift in member usage patterns at certain locations highlights under-utilised group fitness studios which can be repurposed

Optimising performance

Conversion of under-performing locations to alternate brand within group allows opportunity to pivot quickly

Plus Fitness

Upgrading of corporate owned Plus Fitness locations to new design is showing positive results

Over utilisation

Possible extension of Club Lime locations operating at high utilisation by converting adjacent brands where possible

A shift in usage patterns away from group class participation into individual training and an increase awareness on the importance of recovery and wellness, together with upcoming lease renewals provided the catalyst to conduct the strategic review.

STRATEGIC REVIEW FOCUS

FY2023 REVIEW PROVIDED LEARNINGS ON OPTIMISING ROI FOR INDIVIDUAL CLUBS

Locations Upgraded	Cash Cost	Member Increase	Member Growth %	Pre Upgrade EBITDA	30 June 2023 Run-rate EBITDA	ROIC ¹	Target ROIC ¹
21 (16 during H2-FY2023)	\$5.6m	4,212	11.9%	\$5.67m	\$8.13m	43.4%	70-75%

What we learned:

- Significant upside, average ~12% increase in membership after several weeks, target of 20-25% increase
- No additional costs (other than CAPEX) to the business (ie: increasing utilisation)
- Reduction in churn across all upgraded locations (pre 6.1% down to 4.5%)
- Cost savings from removal of group fitness in underutilised locations
- Further upside to come as locations mature

Benefits

- Utilisation increases with more floor space available
- Higher yield as upgraded locations can charge more
- Significant membership growth, previously ~15% after 90 days, now forecasting between to 20-25%

¹ ROIC based on actual as at 30 June 2023, and Target ROIC is after 12 months post location upgrades completed

ACCELERATING THE UPGRADE AND REFURBISHMENT PROGRAMS

- Club Lime brand provides best upside and opportunity now that it has scale (>100 locations)
- Simpler to operate with lower reliance on certified and qualified staff to teach classes

OPTIONS FOR CONSIDERATION

Renew

Renew the lease (if applicable), and upgrade to achieve optimum performance

Merge

If adjacent to an over-trading Club Lime location or a Club Lime location which can benefit more than existing brand

Relocate

Relocate brand to another more suitable location

Repurpose

From one brand to another within the Viva Leisure portfolio. Pivot opportunity.

Reconfigure

Example: Removing group fitness, adding new workout areas

Exit

At lease expiry or earlier if possible, as upcoming lease expiries provide a decision point

ACCELERATING THE UPGRADE AND REFURBISHMENT PROGRAMS

Management expects the FY2024 program to be as follows:

Locations identified	Cash Cost	12 Month Member Increase Target	12 Month Member Growth %	Pre Upgrade EBITDA	Post Upgrade EBITDA ¹	Target ROIC
27	\$7.5m	5,200	19.4%	\$5.95m	\$11.95m	80%

Included in this program for FY2024 will see locations close in Q1-FY2024 with all three leases not going to be renewed.

- One Plus Fitness corporate location and
- Two Rebalance locations

In addition for Q1-FY2024, we expect that a number of hiit republic locations will either:

- Close
- Merge with Club Lime
- Be repurposed

These closures will have a positive impact on EBITDA for the group

Benefits

- Increased average location EBITDA from \$220k to \$442k expected per club (Based on current location averages)
- All to be completed in FY2024, with immediate incremental benefit, and full benefit to be seen in FY2025
- Able to be funded with existing cash reserves, bank facilities available and possible new fit-out finance facilities being considered

PROJECTS BEING DELIVERED IN FY2024

Project	Potential Annual Contribution (\$m)	Expected Commencement date
Digital Signage	0.3	Q3-FY2024
Viva Hub	1.2	Q3-FY2024
Viva Pay	2.4	Q3-FY2024
FY2024 Upgrade Program	6.0	Throughout FY2024

COMMENTS

- Financial contributions expected to range across FY2024, with full contribution's expected in FY2025

STRONG PIPELINE UNDERPINS ONGOING GROWTH IN LOCATIONS

VIVA LEISURE

HEALTH CLUBS AND UPGRADES TO FOCUS IN FY2024

171

Operating Locations

20-27

Scheduled for Upgrades

FY2024 will focus on upgrading high performing existing health club portfolio earlier than expected.

Previously upgraded locations seeing significant growth

11

New Greenfield locations secured

Focus of growth is with Viva Leisure's Club Lime health club brand which has seen significant growth in membership

Expanding the GroundUp and Rebalance networks to be the second greenfield locations focus

12

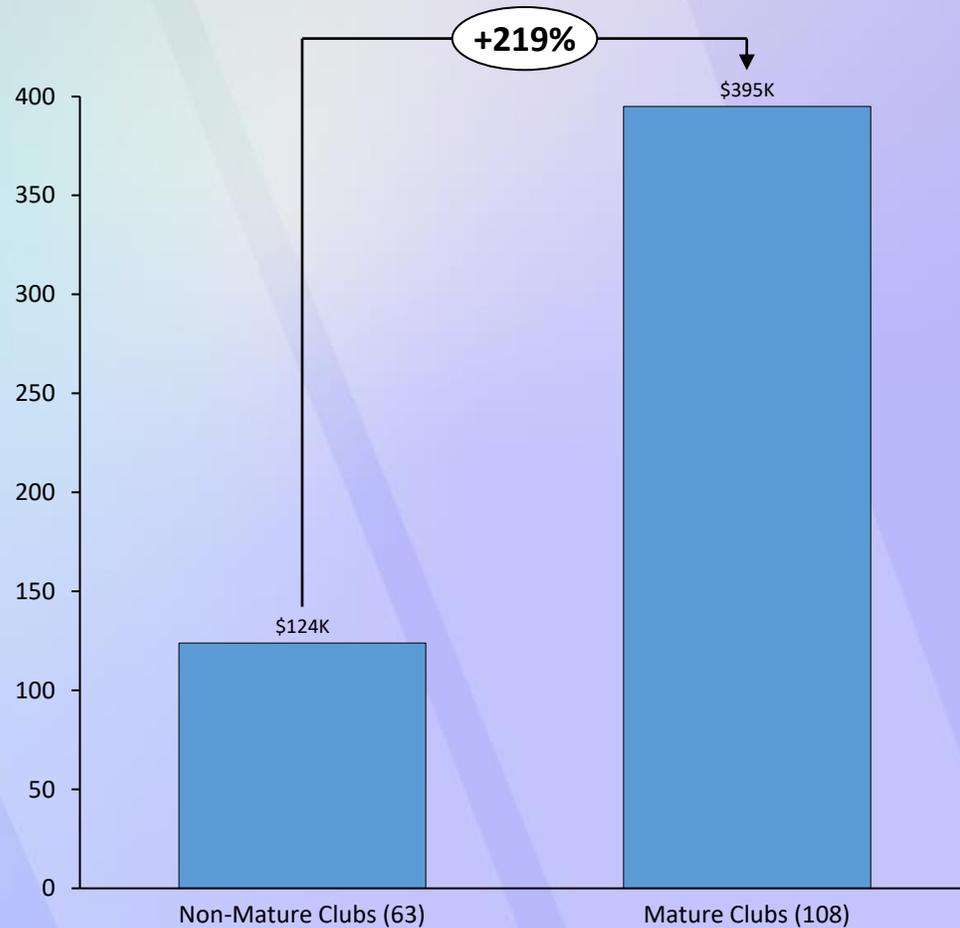
Under negotiation for lease or to acquire

New acquisition opportunities continue to be presented to management

New Leases under negotiation across all brands

GROWTH FROM MATURING NETWORK **VIVA** LEISURE

SIGNIFICANT UPSIDE AS CLUBS MATURE



Average Location Club EBITDA

HIGHLIGHTS

- EBITDA listed is location EBITDA, including all direct costs at a club (rent, electricity, wages, etc), but excluding group corporate overheads and other costs (ie: group marketing)
- Viva's underlying EBITDA will increase as Clubs achieve maturation
- A club is considered mature at 24 months of opening, with a target of > 70% utilisation
- Includes entire portfolio including Club Lime. Plus Fitness (Corporate Owned), Hiit Republic, GroundUp and Rebalance locations

NON-MEMBERSHIP REVENUE

HIGHLY PROFITABLE AND GROWING

VIVA LEISURE

NON-MEMBERSHIP REVENUE

Franchise Income

~\$7.5m

per annum

Vending Machines

~\$1.8m

per annum

Personal Training Licence Fees

~\$3.3m

per annum

Corporate Memberships

~\$3.0m

per annum

VIVA LABS

Viva Labs* Licencing Fees

~\$1.2m

per annum

Flex Pass

~\$0.4m

per annum

Viva Pay Processing Fees*

~\$2.4m

per annum

Digital Signage*

~\$0.3m

per annum

~\$20 million annual revenue from non-membership sources

Additional upside expected from other opportunities currently being considered

BRANDS & SEGMENT UPDATE

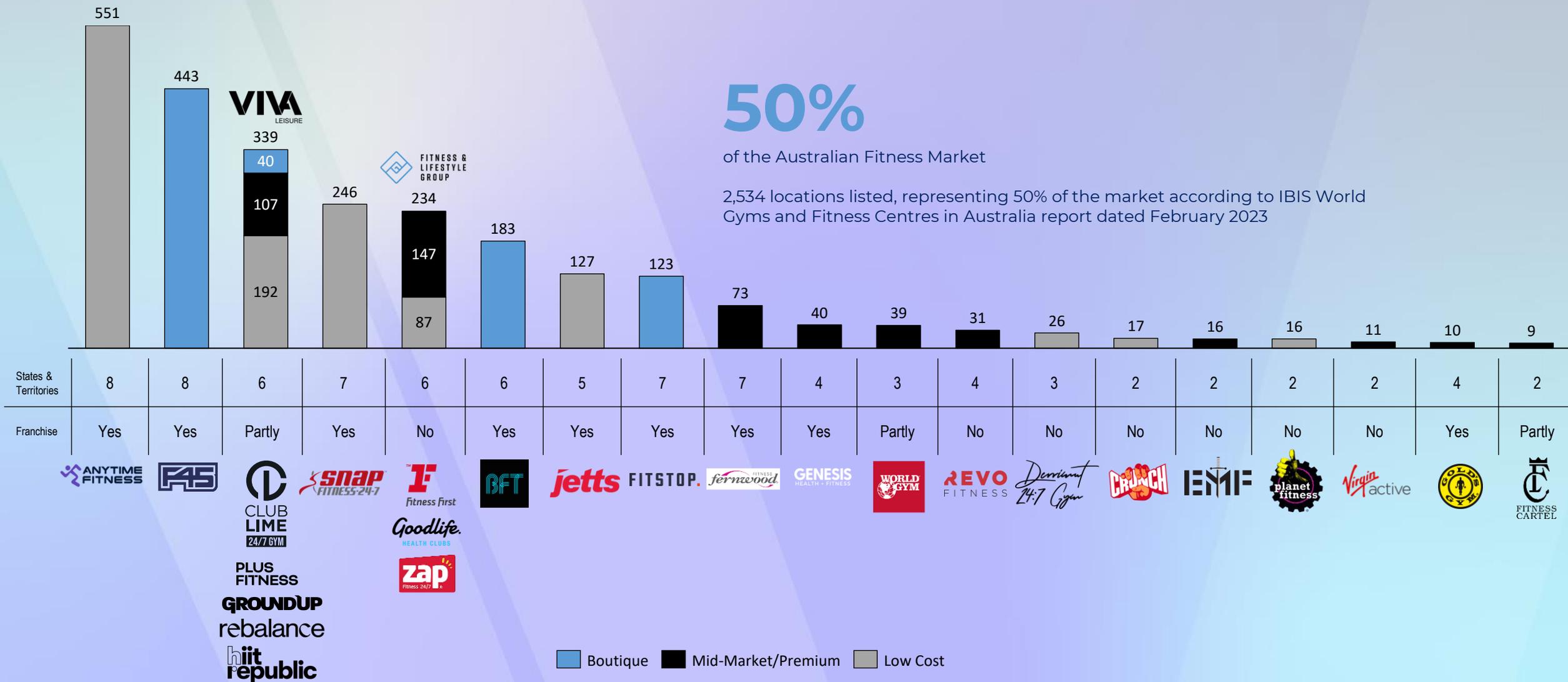
COMPETITIVE LANDSCAPE

SIGNIFICANT OPERATOR IN THE MARKET

50%

of the Australian Fitness Market

2,534 locations listed, representing 50% of the market according to IBIS World Gyms and Fitness Centres in Australia report dated February 2023



■ Boutique
 ■ Mid-Market/Premium
 ■ Low Cost

Franchise "Partly" means the operator has Corporate owned locations and franchised locations

Source: Company Websites and Gapmaps.com as at 30 June 2023.

Logos © Copyright their respective rights holders

Australian locations only

VIVA'S EXPANDING PORTFOLIO

VIVALEISURE

TARGETING ALL SEGMENTS

			PLUS FITNESS	GROUNDUP		 rebalance	
	Club Lime	Hiit Republic	Plus Fitness	GroundUp	Psycle Life	Rebalance Pilates & Yoga	Club Lime Aquatics
Segment	Health Clubs	Boutique	Health Clubs	Boutique	Boutique	Boutique	Aquatics
Target Market	High quality facilities, mid market price point	High quality facilities, mid market price point	Low cost, low service market	High quality facilities, high price point	Cycling – Niche market	Medium quality facilities, med market price point	Aquatics
Target Price Point	\$12-\$27pw	\$44-\$56pw	\$13-\$19pw	\$54-\$76pw	\$22-\$27pw	\$44-\$55pw	Casual Entry
Opened or Acquired	Opened	Opened	Acquired	Opened	Opened	Acquired	Opened
Corporate Locations	103	27	24	3	2	10	2
Franchised Locations			167 (AU) 2 (NZ) 5 (IN)				
Additional Locations Secured	7	-	14 Franchisee	4			

- With **103 Club Lime** health clubs in Australia, it is the largest non-franchised health club brand in the country
- The Viva Leisure **Health Club** Portfolio includes **127 locations**:
 - 103 x Club Lime branded (including Club Lime Ladies Only)
 - 24 x Plus Fitness corporate owned locations
- In addition, there are 4 Club Lime sub-brand locations, including:
 - Club Lime Psycle Life (x2)
 - Club Lime Aquatics (x2)
- Two locations opened in June 2023
 - **Dickson (ACT)**
 - Opened 6 June 2023
 - Currently >57% utilisation (>750 members)
 - Cashflow Breakeven ~500 members
 - **Gladesville (NSW)**
 - Opened 20 June 2023
 - Currently at >42% utilisation (>900 members)
 - Cashflow Breakeven ~600 members

FY2024 GOALS

- Grow network to between 110-120 Club Lime locations
- Upgrade 15-20 locations to new look and feel
 - Upgrading targets ~15% membership increase in first 90 days post opening
- Continue to improve awareness of brand across Australia as expansion occurs

Our latest boutique offering

- Yoga, Pilates and Barre with one membership
- Clean, white, natural fit-out
- Three locations now operating at combined ~105% utilisation (ie: over-trading)
- Four additional locations secured
- First location outside ACT secured, and about to commence fit-out
- Key Statistics as at 8 August 2023
 - Belconnen 568 active members (~113% utilisation) at \$54.40 pw average
 - Yarralumla 365 active members (~113% utilisation) at \$54.08 pw average
 - Gungahlin 237 active members (79% utilisation) at \$55.14 pw average

FY2024 GOALS

- Open four additional studios already secured
 - Including first location outside of the ACT
- Maintain average utilization across portfolio > 100%
- Improve take-up of joint GroundUp and Club Lime membership offering to increase yield

REBALANCE PILATES & YOGA

BOUTIQUE: PILATES & YOGA

rebalance

Our new franchised boutique offering

- Yoga and Pilates
- Simple affordable fit-out suitable for franchising
- Lower weekly cost, smaller footprint locations than GroundUp
- New look and feel and branding being rolled-out across corporate network
- **Now available to purchase a franchise**

FY2024 GOALS

- Sell first franchised location
- Continue to improve on the new instructor training processes to assist with franchise roll-out
- Have >15 locations operating by EOFY (both Corporate and Franchised)



Functional Training brand:

- Functional class based training
- 27 locations open (ACT, NSW, VIC and QLD)
- Multiple Unique Selling Points (USP's) over competitors including:
 - Affordable (from \$44.90 per week at most locations)
 - Add a full access Club Lime Gym Membership for \$5-10 extra per week
 - Add access to GroundUp Pilates & Yoga for additional fee
 - 24 hour access outside of scheduled class times – train when you want
 - Member roaming between locations
- Simple affordable fit-out suitable for franchising

FY2024 GOALS

- Focus on existing network to improve utilisation
- Look to exit or reconfigure under-performing locations (mostly in regional areas)
- Improve member take-up of higher yielding joint membership (including either Club Lime and/or GroundUp)

PLUS FITNESS

LOW COST, LOW SERVICE HEALTH CLUB FRANCHISE OFFERING

PLUS FITNESS

Update:

- Roll-out of new design going well, 52 locations currently operating with new design (~27% of AU portfolio). A further 39 existing locations expected to be upgraded in FY2024
- Currently ~14 new territories in the pipeline
 - 6 scheduled to open by 31 Dec 2023
 - 5 waiting for Development Approval
 - 3 locations being negotiated for lease by Franchisee
- Targeting 205-207 locations by 30 June 2024, with >50% operating in the new design
- Best performing clubs month after month are refurbished and upgraded clubs
- 5 new franchisee agreements secured in June and July
- Franchisee network showing confidence in future

FY2024 GOALS

- Achieve >50% of network operating with new design and look and feel
- Secure locations for new franchisees who have committed to new territories
- Convert to Viva membership management systems
- Implement Viva Pay
- Implement Viva access control systems (ie: app access)



APPENDIX

STATUTORY RECONCILIATION & NORMALISATIONS

UNDERLYING & AASB16 FOR FY2023

VIVALEISURE

(\$m)	FY2023	AASB16	FY2023
	Statutory	Impact	(pre AASB16)
Revenue	141.2	0.0	141.2
Expenses	(75.7)	(36.3)	(\$112.0)
EBITDA	65.5	(36.3)	29.2
Depreciation and Amortisation	(44.2)	30.4	(13.8)
EBIT	21.4	(5.9)	15.4
Finance Costs	(16.3)	13.5	(2.8)
Profit Before Tax	5.1	7.5	12.6
Income Tax Expense	(1.7)		(3.8)
Net Profit After Tax	3.4		8.8
Earnings per share (basic - cents)	3.8		9.8

COMMENTS

- Rent expense excludes deferred rent of prior periods
- Removal of amortisation of Right of Use Asset
- Removal of finance charges against rental liabilities

Normalisations	('000s)
Pre-opening rents	240
Options Expensing	341
One off legal costs	86
Rebalance Franchise & Viva Pay Setup Costs	180
Obsolete Stock Adjustment Plus due to rebrand	166
Total	1,013

CAPITAL ALLOCATION APPLICATION

VIVALEISURE

TARGET MATURE SITE ECONOMICS BY BRAND

Application of Capital Model	Greenfield Locations			Acquisitions [^]	
	Club Lime	Hiit Republic	Ground Up	Independent	Plus Fitness
Club Size (m2)	700	250	350	700	400
Revenue (\$)	775,000	365,000	635,000	775,000	400,000
Expenses (\$)	405,000	255,000	360,000	405,000	250,000
EBITDA (\$)	370,000	110,000	275,000	370,000	150,000
Margin (%)	47.7%	30.1%	43.3%	47.7%	37.5%
Breakeven Members¹ (#)	510	120	140	510	370
Cash Invested (\$)	450,000	225,000	350,000	435,000	135,000
Debt or Lease Finance Invested (\$)	450,000	225,000	225,000	775,000	315,000
Initial Capital Invested (\$)	900,000	450,000	575,000	1,210,000	450,000
Return on Invested Capital (ROIC)*	41.1%	24.4%	47.8%	30.6%	33.3%
Return on Cash Invested*	82.2%	48.9%	78.6%	85.0%	111.1%

COMMENTS

- Acquisitions assume a 3.0x multiple acquisitions price, with independent clubs (assumed to be the same financial metrics as a Club Lime post synergies), requiring an estimated \$100k in fit-out costs to re-brand
- Acquisitions provide immediate cashflow, whereas Greenfield sites take up to 12 months to open and a further 12-18 months to reach target maturity
- Ground Up location metrics assume higher yielding membership by being located near a Club Lime as per current locations

*Returns are immediate for Acquisitions, but after 12 months for Greenfields.

[^]Acquisitions are post synergies

Above table assumes 70% utilisation, which we aim to achieve in the first 12 months of opening

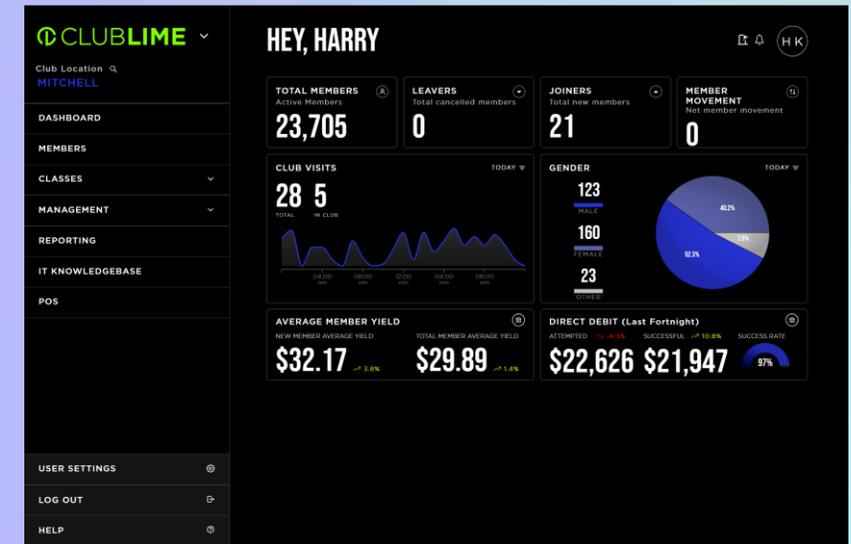
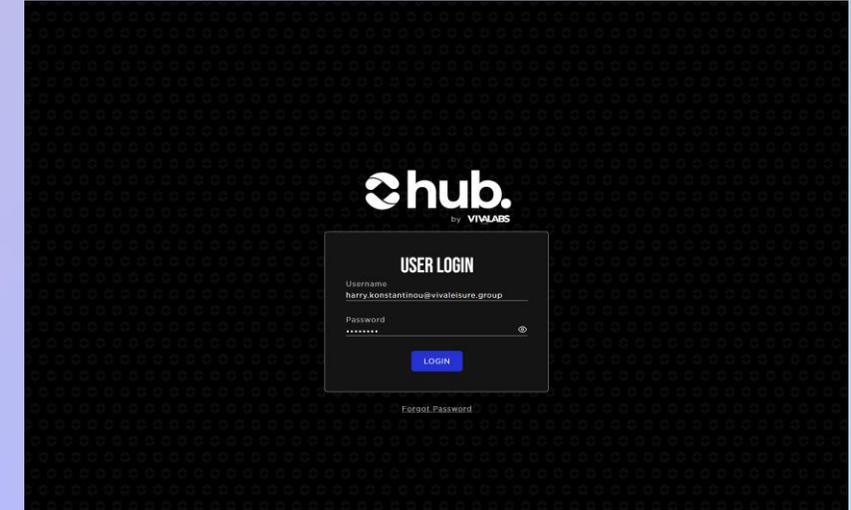
¹Assuming average rental of new locations is the same as existing locations

TECHNOLOGY UPDATE

THE HUB AND VIVA PAY

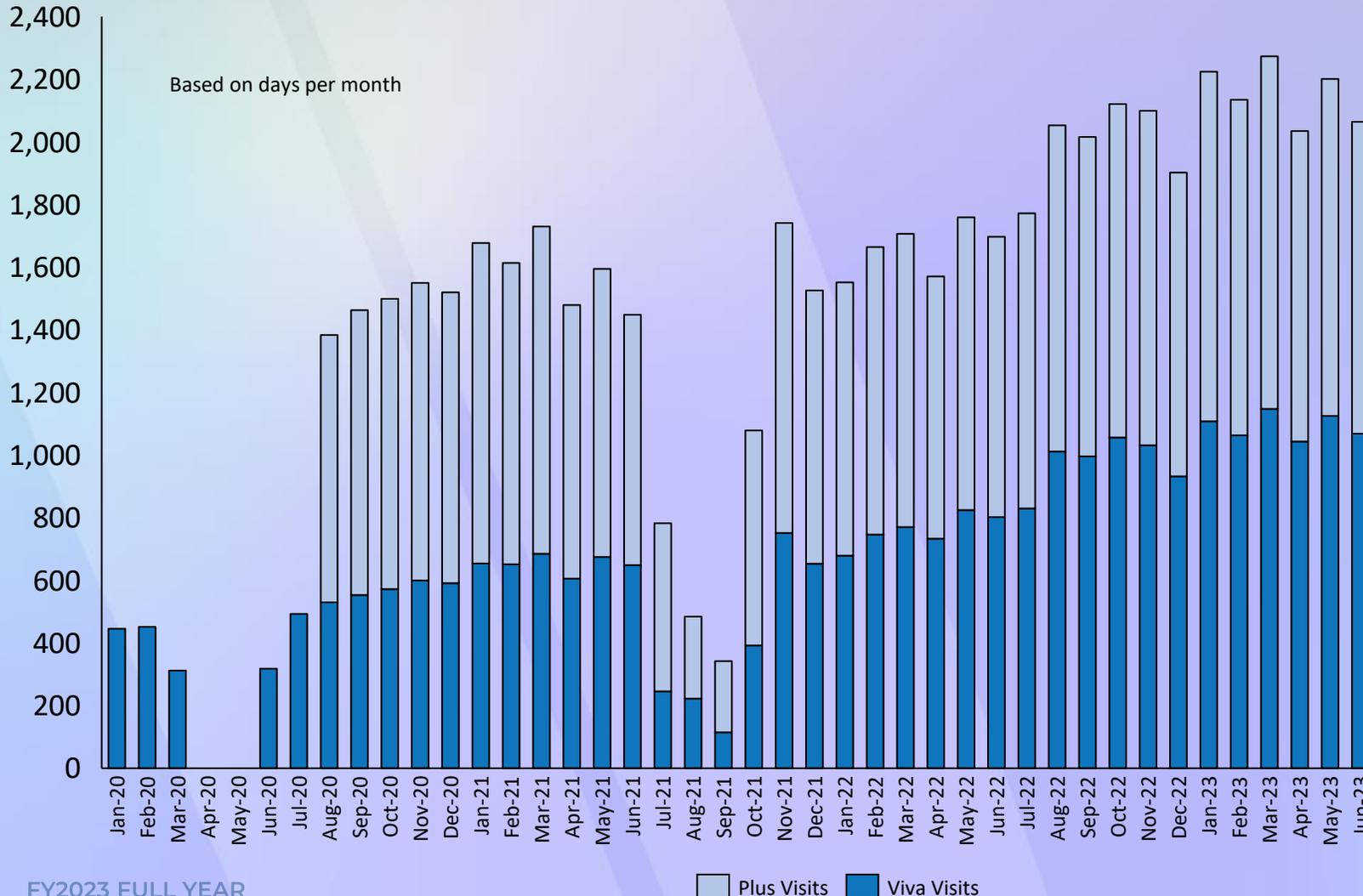
Largest investment in IT upgrade nearing go-live:

- Franchisee and Viva team training on the Hub now underway
- **Ready to go live**, finalising data transfer from existing Plus Fitness membership and direct debit provider
- Door access control hardware deployment has commenced
- Plus Fitness MemberID App designed and ready for release to App-Store



MEMBER VISITS ('000)

VISITATIONS CONTINUE TO INCREASE HIGHLIGHTING THE LIFESTYLE NATURE OF INDUSTRY



HIGHLIGHTS

- ~2.1 million visits to facilities in June 2023 (30 days), was 1.7 million visits in June 2022
- >25 million member visits per year across the entire network
- March 2023 recorded 2.27 million visits
- Average of 2.08 million visits per month for the entire year

One member visit every
1.2 seconds
 for the month of June 2023

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