

Viva Leisure achieves new membership milestone, completes acquisition, and secures additional acquisitions

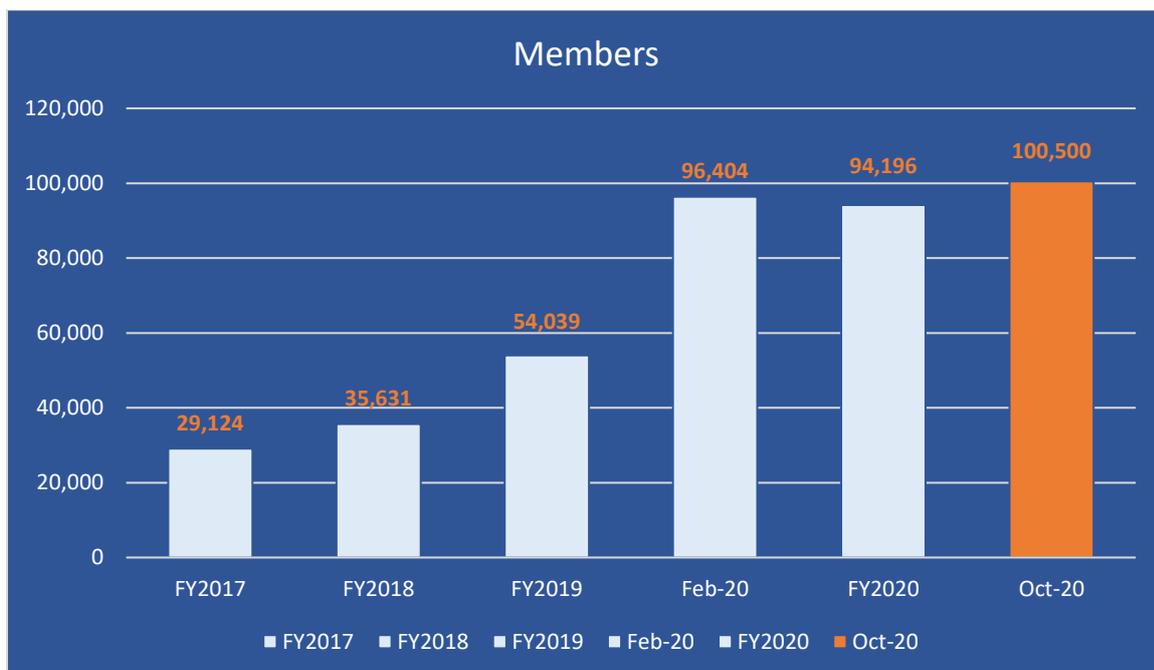
19 October 2020

- Viva Leisure membership swells to over 100,000 for the first time
- ACT, NSW and QLD locations all with net growth
- VIC locations remain closed
- 86 locations open, with up to 10 additional locations opening before end of calendar year
- Member visits continuing to grow with peak days above 23,000 visits per day
- Plus Fitness update
- Acquisitions Update

Viva Leisure Limited (**Viva Leisure**) (ASX:VVA) wishes to update the market on its trading status.

Viva Leisure achieves significant membership milestone

Viva Leisure is pleased to announce it has achieved the significant membership milestone of 100,000 members. This includes members from Victoria who are unable to access facilities and some members in NSW who are on suspension awaiting the return of 24/7 access. Despite suspended members having the opportunity to cancel their memberships at any time, they remain committed to returning to our facilities.



The 100,000 membership milestone excludes the Plus Fitness network of members which remains at approximately 175,000, bringing the total membership (direct and network) to 275,000 members.

ACT, NSW and QLD Locations

All open locations are trending well and contributing net growth each month as restrictions have been lifted.

ACT and QLD are operating without any significant restrictions on trade.

NSW is still operating with “gym marshals” which introduces additional operating costs and reduced hours. However, a significant portion of the NSW suspended members (who are awaiting 24/7 access to resume) are scheduled to be re-activated this month.

Victoria

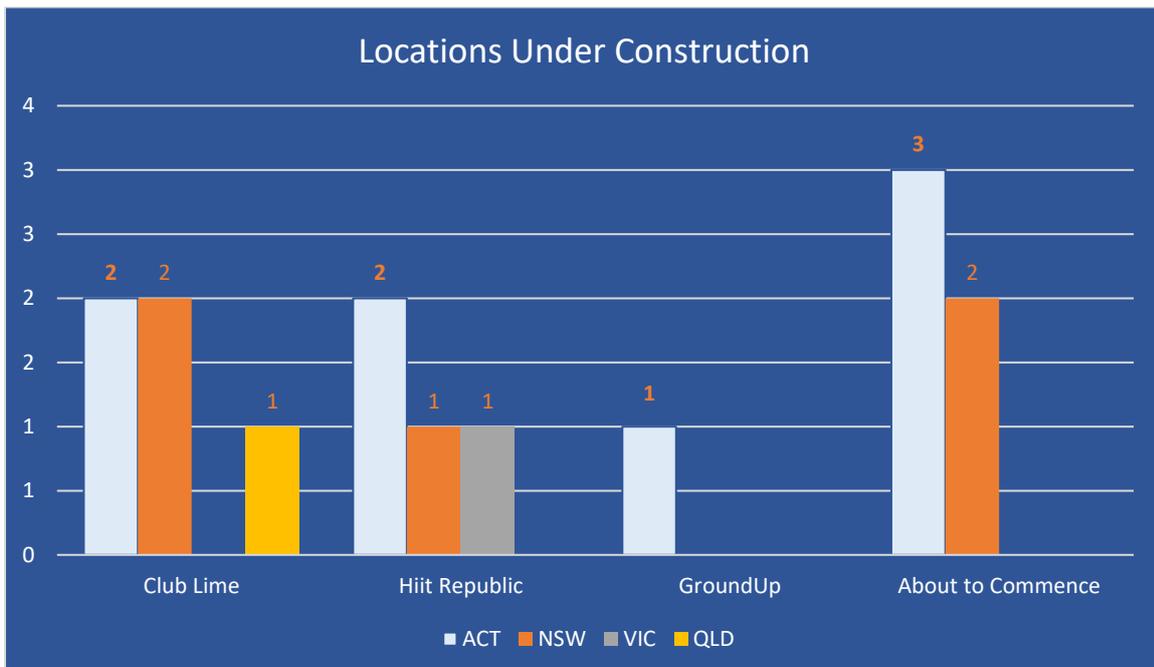
All Victorian locations remain closed as per Government mandate.

Victorian locations for Viva Leisure represent 9% of our clubs, and only 6% of our membership base.

Locations

There are currently 86 locations in the portfolio. Of these, 8 remain closed in Victoria.

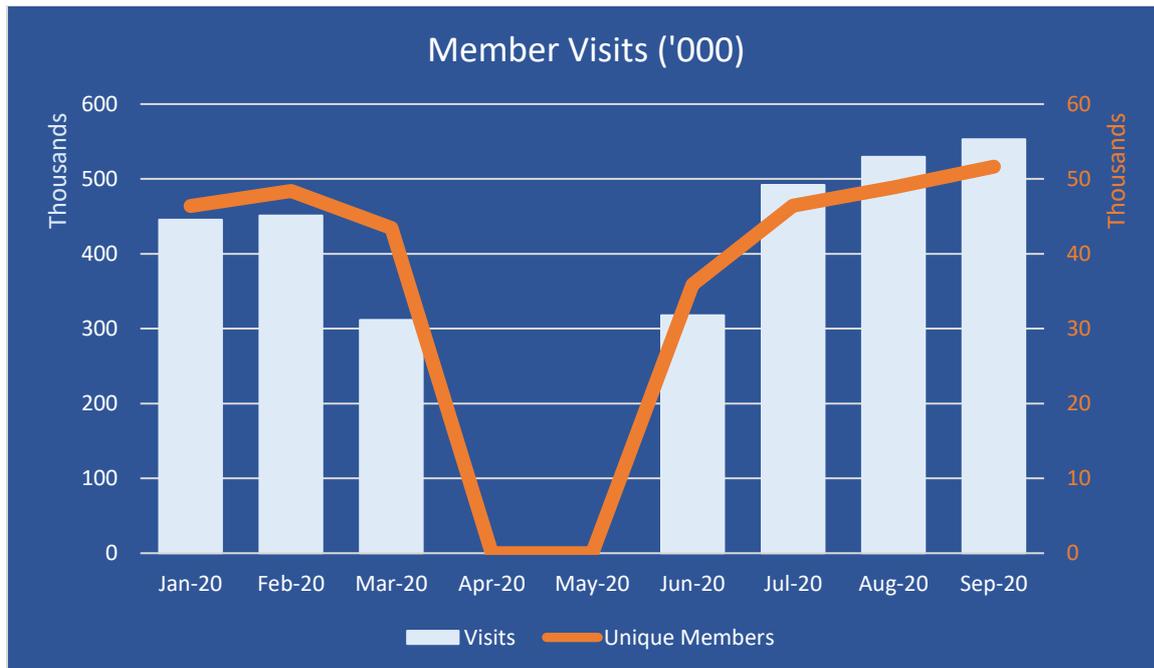
A total of 10 locations are currently under development, and a further 5 locations are scheduled to commence fit-out before the end of the calendar year.



The above chart represents Viva Leisure owned and operated locations, including two Plus Fitness franchised locations which Viva Leisure has secured.

Member Visits

Member visits which represent a strong indication on the performance of the business and individual facilities are trending extremely well, with visits in September reaching a new milestone of 552,871 visits. The September 2020 totals exceed the pre COVID-19 totals.



Unique members represent the number of individual members who visited during the period (in thousands). Previously this was calculated on a per-club basis (accumulated unique member visits per club), however this chart now calculates it on an overall membership basis, ignoring members who visit multiple locations.

Plus Fitness Update

The Plus Fitness business is continuing to perform well with two locations opened (Penrith and Crows Nest) since the acquisition settled and a further 16 locations scheduled to open in FY21.

In addition, Viva Leisure:

- has agreed to terms and has a signed Heads of Agreement for the acquisition of a Plus Fitness franchise in QLD;
- is in final stages of negotiation on a further two franchisee acquisitions to convert the locations to Corporate owned facilities;
- has commenced initial due diligence on a further 15 locations (no offers have yet been made); and
- has secured two franchise territories (in the ACT and NSW) to open its first greenfield locations. These are anticipated to open in Q3-FY21.

Acquisitions Update

In early October, Viva Leisure acquired the business of FitHQ Campbelltown, which added approximately 1,500 new members. The intention is to rebrand the club to Club Lime and refit with new equipment. The acquisition multiple was less than 1x historic normalised EBITDA pre-synergies.

A further two Heads of Agreement (both in NSW) have been issued for three additional locations, which if completed will add a further 2,200 members and significant opportunity for growth. Both of these acquisitions, if complete, have been negotiated at less than 2.5x historic normalised EBITDA, pre-synergies.

The current pandemic situation has opened up additional acquisition opportunities for Viva Leisure of smaller single or multi-club operators.

Viva Leisure's CEO and Managing Director, Harry Konstantinou said:

"As we eagerly wait to re-open our doors in Victoria, the rest of our locations around the country are currently performing positively. September saw the largest amount of new member signups in our history, and October is currently trending to beat that figure."

"In February 2020, prior to the pandemic, each of our clubs averaged 6,015 member visits per month, and this has increased to 6,428 visits per month per club in September, a significant increase which is building a strong platform for continued growth as members and the general community understand the benefits of a healthy body and mind."

ENDS

This announcement has been approved for release by the Board.

For further information, please contact:

Harry Konstantinou, CEO and Managing Director, +61 2 6163 8011
investor.relations@vivaleisure.com.au

About Viva Leisure:

Founded in 2004, Viva Leisure operates health clubs (gymnasiums) within the health and leisure industry. Viva Leisure's mission is to connect health and fitness to as many people as possible and aims to provide its members with affordable, accessible and awesome facilities.

Viva Leisure offers customers several different membership options and a range of different types of facilities from big-box fitness facilities to boutique fitness facilities. The Company currently operates 86 health clubs within the Australian Capital Territory, New South Wales, Victoria and Queensland, together with the master franchise for the Plus Fitness group of approximately 200 clubs.