VIVALEISURE

H1FY2023

RESULTS PRESENTATION

23 FEBRUARY 2023

/IVALEISURE

ASX VV

H1FY2023 HIGHLIGHTS

VIVA: FULL SPEED AHEAD

AN UNINTERRUPTED HALF YEAR RESULT

VIVALEISURE

- ☑ With H2 FY2022 providing Viva's first six months of uninterrupted trade for several years, H1 FY2023 has continued that momentum and has generated a true result on the performance of the business
- ☑ EBITDA* for H1 FY2023 exceeded all previous results, including all previously recorded full year results
- ☑ EBITDA* margin at 20.7% for the HY exceeded H2 FY2022 by 4.3% demonstrating significant improvement
- ☑ Revenue nearly doubled from H1 FY2022, with the start of CY2023 continuing to show good growth
- ☑ Highest NPAT result ever recorded¹
- Strong Free-Cash-Flow generation now providing the opportunity for on-going selffunded growth
- ✓ Network membership is now[^] over 343,000 and growing organically month on month
 ✓ This represents 2% of the Australian population aged between 15 and 69 years of age
- ☑ No sign of growth slowing due to current inflationary pressures as a result of the *lifestyle* and *non-discretionary spend* nature of our business
- ☑ Reaffirming FY2023 Guidance of \$137-140m Revenue and \$28-30m of EBITDA*

"71% agree that their quality of life would be negatively impacted without a health club membership"

Club Lime member survey conducted by Roy Morgan

OPERATIONAL PROGRESS POSITIONS VIVA FOR GROWTH

VIMLEISURE

H1 FY2023 HIGHLIGHTS

FINANCIAL

OPERATIONAL

Revenue

\$67.4_m

Up 98.3% [HY22: \$34.0m]

EBITDA*

(ex AASB-16)

\$14.0_m

Up \$17.8m [HY22: -\$3.8m]

Members

(Owned Locations)

172,406

Up 30.4% [HY22: 132,190]

Members

(All Locations)

333,423

Up 12.2% [HY22: 297,211]

NPAT*

\$4.2m

Up \$11.4m [HY22: -\$7.2m]

Statutory NPAT

\$1.5_m

Up \$11.9m [HY22: -\$10.4m]

Utilisation

(Owned Locations)

72.7%

Up 15.0% [HY22: 63.2%]

Locations

Owned

All

162

338

[HY22: 132]

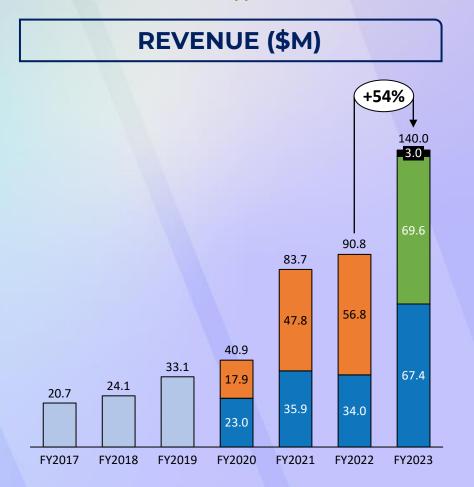
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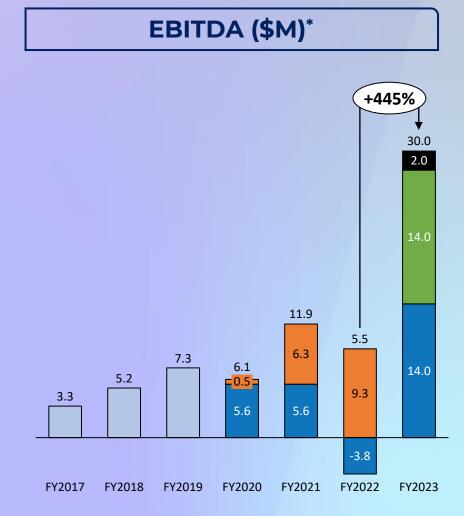
FINANCIAL SNAPSHOT

VIMLEISURE

RECORD HALF-YEAR REVENUE AND EBITDA ACHIEVED

FY2023 Columns include Lower and Upper Guidance which has been reaffirmed







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FINANCIAL RESULTS

H1FY2023 RESULTS REFLECT STRENGTH OF THE BUSINESS

VIMLEISURE

PROFIT & LOSS

| Profit & Loss (\$m) | H1 FY 2023 (ex AASB16) | H1 FY 2022 (ex AASB16) | Variance \$ | Variance % |
|-----------------------------|-------------------------------|---------------------------|----------------|---------------|
| | | | | |
| Revenue | 67.4 | 34.0 | 33.4 | 98.3% |
| Operating Costs | (53.5) | (37.8) | 15.7 | 41.5% |
| EBITDA | 14.0 | (3.8) | 17.8 | nm |
| Depreciation / Amortisation | (6.5) | (5.5) | 1.0 | 17.9% |
| EBIT | 7.5 | (9.3) | 16.8 | nm |
| Finance Costs | (1.4) | (1.0) | 0.4 | 35.3% |
| NPBT | 6.0 | (10.3) | 16.3 | nm |
| Tax | (1.8) | 3.1 | 4.9 | nm |
| NPAT | 4.2 | (7.2) | 11.4 | nm |
| EBITDA Margin | 20.7% | (11.2%) | | nm |

- Near doubling of Revenue over PCP
- EBITDA up \$17.8m over PCP
- EBIT up \$16.8m over PCP
- NPAT up \$11.4m over PCP

Excludes the impacts of AASB-16

EBITDA is Group Adjusted EBITDA less Normalised Rent

nm refers to 'not measurable'

BALANCE SHEET

VIMLEISURE

CONTINUED INVESTMENT IN GROWTH ASPIRATION DESPITE H1-FY2022 COVID IMPACTS

| Balance Sheet (\$m) | H1 FY 2023 | FY 2022 |
|--------------------------------------|------------|---------|
| | | |
| Cash | 8.4 | 10.1 |
| Receivables and other Current Assets | 3.3 | 4.3 |
| P, P & E | 55.2 | 52.0 |
| Right of Use Assets | 217.3 | 224.4 |
| Intangibles | 71.9 | 66.2 |
| Deferred Tax | 76.2 | 77.7 |
| Other assets | 1.8 | 1.6 |
| Total Assets | 434.2 | 436.1 |
| Trade and other Payables | 6.9 | 7.0 |
| Contract Liabilities | 2.3 | 2.6 |
| Leases - Equipment | 18.0 | 19.0 |
| Leases - Rental Properties | 221.4 | 225.5 |
| Borrowings - Senior debt | 20.8 | 20.1 |
| Provisions | 11.4 | 10.6 |
| Current and Deferred Tax | 65.1 | 65.5 |
| Total Liabilities | 345.9 | 350.3 |
| Net Assets | 88.3 | 85.8 |

- Investment in 11 new greenfield sites and acquisitions
- Funded by available cash, debt and a small amount of scrip
- Total debt (Senior Debt and Equipment Finance) balance slightly down
- Leverage (Total Debt to EBITDA) improved over period



VIMLEISURE

PRUDENT CASH MANAGEMENT HAS BEEN A PRIORITY OVER THE YEAR

| Cash Flows (\$m) | H1 FY2023 | H1 FY2022 |
|-------------------------------------|-----------|-----------|
| Opening cash | 10.1 | 17.3 |
| Opening cash | 10.1 | 17.5 |
| Cashflows from Operations | 24.6 | 2.6 |
| Investment in P,P,E and Intangibles | (8.2) | (3.7) |
| Acquisition of Businesses | (4.2) | (9.6) |
| Capital Raisings | - | 11.3 |
| Proceeds/(Repayment) of Debt | 0.7 | 9.9 |
| Lease Prinicpal Reductions | (14.5) | (11.4) |
| Closing cash | 8.4 | 16.4 |

- Investment of \$11.0m in total capex (Greenfields, acquisitions, major works and maintenance)
- Investment in technology projects include the Hub (upgraded technology platform) of \$1.4m which will provide significant returns for FY2024
- The Lease Principal Reductions refers to principal reduction of our Equipment Leases and Rental Leases

QUATERLY P&L

VIMLEISURE

EBITDA MARGIN CONTINUES TO IMPROVE

| Quarterly P&L (\$m) | Q3-FY22 (Mar) | Q4-FY22 (Jun) | 2H FY22 | Q1-FY23 (Sep) | Q2-FY23 (Dec) | H1 FY23 | Half on Half Growth |
|---------------------|------------------|------------------|---------|------------------|------------------|---------|---------------------------|
| Revenue | 26.7 | 30.2 | 56.8 | 33.0 | 34.4 | 67.4 | 18.7% |
| Expenses | 15.2 | 16.4 | 31.6 | 17.8 | 18.0 | 35.7 | 13.1% |
| EBITDA (Statutory) | 11.5 | 13.8 | 25.2 | 15.3 | 16.4 | 31.7 | 26.1% |
| Normalised Rent | 8.1 | 8.6 | 16.7 | 8.8 | 9.1 | 18.0 | 7.5% |
| EBITDA (Pre-AASB16) | 3.4 | 5.1 | 8.5 | 6.4 | 7.2 | 13.7 | 61.2% |
| Adjustments | 0.3 | 0.5 | 0.8 | 0.1 | 0.2 | 0.3 | (59.4%) |
| Normalised EBITDA | 3.7 | 5.6 | 9.3 | 6.5 | 7.4 | 14.0 | 50.2% |
| EBITDA Margin | 13.7% | 18.7% | 16.4% | 19.7% | 21.6% | 20.7% | +430 bps |

- Significant Qtr on Qtr growth for calendar year
 2022 across all metrics
- Operating leverage demonstrated by:
 - Revenue up 18.7% half on half, versus
 - EBITDA up 50.2% half on half
- Improvement on margin to 20.7% despite inflationary pressures



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OPERATIONAL REVIEW

STRONG PIPELINE UNDERPINS ONGOING GROWTH IN LOCATIONS

BOUTIQUE BRANDS TO REMAIN FOCUS FOR FY2023-24

166

Operating Locations

14

New Greenfield locations secured

2

Agreed Acquisitions

All our brands continue to expand into new markets

Now operating in 5 States and Territories throughout Australia Focus of growth is with Viva Leisure's boutique brands which provide higher yielding memberships and a unique opportunity to offer multiple brands across one membership

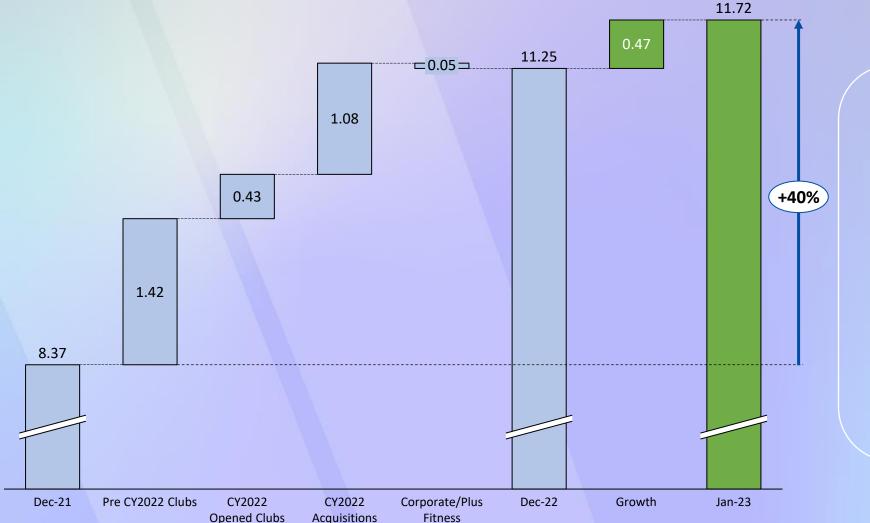
Club Lime health clubs still a priority representing 9 of the 14 locations already secured. Predominantly in NSW, however new locations secured also in ACT, VIC and QLD

Agreed Acquisitions are both health clubs to be rebranded to Club Lime.

REVENE GROWTH (\$M)

VIMLEISURE

40% MONTHLY REVENUE GROWTH [DEC 2021 V JAN 2023]



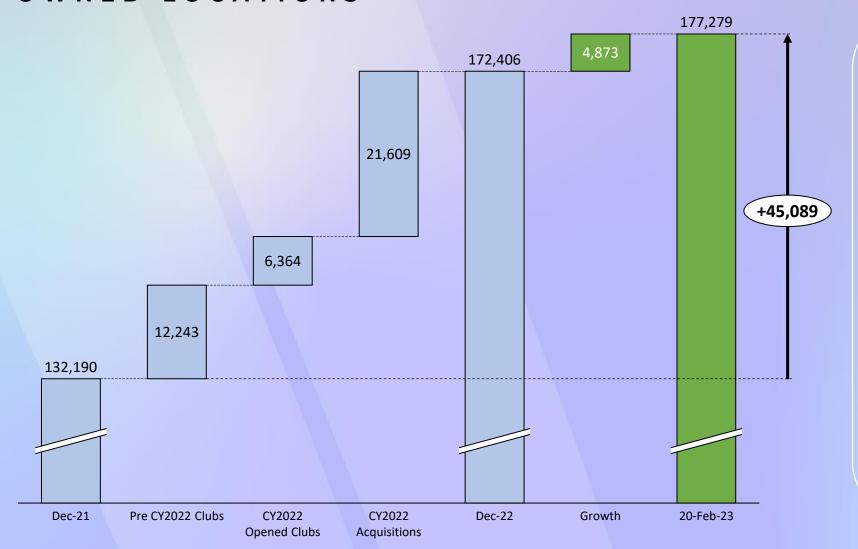
LEGEND

- Pre CY2022 Clubs refers to locations which were operating prior to the CY2022 period commencing
- CY2022 Opened Clubs refers to locations opened during the calendar year
- CY2022 Acquisitions refers to locations acquired during the calendar year
- Corporate/Plus Fitness refers to revenue movement from head office and the Plus Fitness division
- Growth shows strong return of members post-holiday period

MEMBER GROWTH

VIMLEISURE

CONTINUED MEMBER GROWTH IN CORPORATE OWNED LOCATIONS



HIGHLIGHTS

- Membership growth of 33% (>45,000 members) between December 2021 and 20 February 2023
- Membership growth has accelerated in February 2023

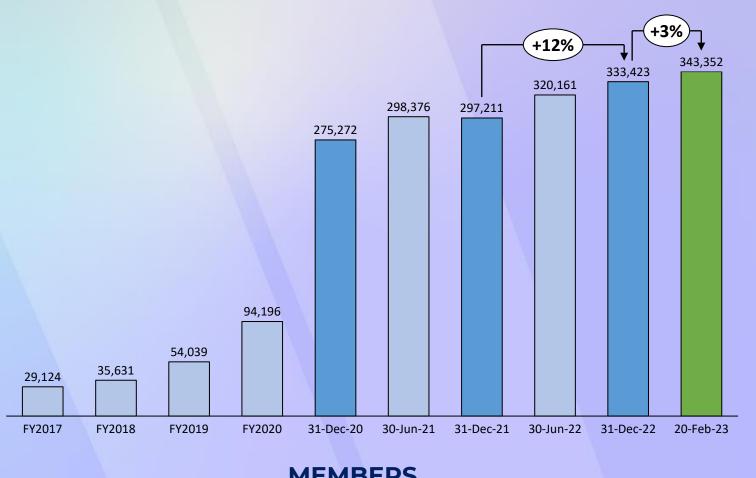
LEGEND

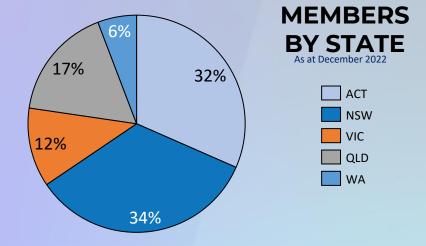
- Pre CY2022 Clubs refers to locations which were operating prior to the CY2022 period commencing
- CY2022 Opened Clubs refers to locations opened during the calendar year
- CY2022/CY2023 Acquisitions refers to locations acquired during that calendar year

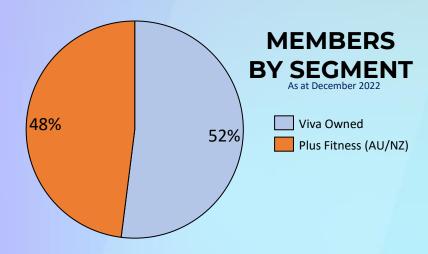
MEMBER BASE **CONTINUES TO GROW**

VIMLEISURE

NOW LARGEST MARKET FOR VIVA N S W





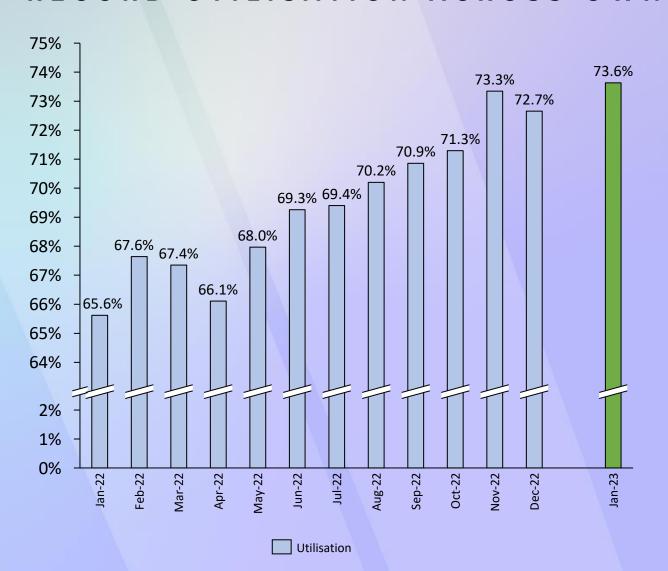


MEMBERS

UTILISATION

VIMLEISURE

RECORD UTILISATION ACROSS OWNED PORTFOLIO



- Utilisation refers to Viva estimated maximum capacity per location:
 - Health Clubs estimate 2.0 members per square metre
 - Hiit Republic & 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 12 months)

GROUP MARGIN



LOCATION EBITDA NOW ABOVE 40% ON AVERAGE

| Group Margin (\$m) | H1 FY2023 | 2H FY2022 | Half on Half Growth |
|------------------------------|---------------|-----------|------------------------|
| Revenue | 67.4 | 56.8 | 18.7% |
| Expenses (Incl Rent) | 38.8 | 34.7 | 11.7% |
| Location EBITDA | 28.6 | 22.2 | 29.2% |
| Location EBITDA Margin | 42.4 % | 39.0% | +340 bps |
| Corporate Costs^ | 14.6 | 12.9 | 13.3% |
| Group EBITDA* | 14.0 | 9.3 | 50.2% |
| Group EBITDA Margin | 20.7% | 16.4% | +430 bps |
| Corporate Costs % of Revenue | 21.6% | 22.7% | -110 bps |

- Significant improvement in Club 'four wall' EBITDA margin
 - Driven largely by utilisation improvements
- Reduction of corporate costs as a percentage of revenue



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BRANDS & SEGMENT UPDATE

VIVA'S EXPANDING PORTFOLIO

VIMLEISURE

TARGETING ALL SEGMENTS

| | \Box | þ | PLUS FITNESS | GROUNDUP | | REBALANCE PILATES & A | AQUATICS |
|---------------------------------|--|---|---------------------------------|---|---------------------------|---|-----------------------|
| | 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-\$25pw | \$39-\$45pw | \$13-\$16pw | \$45-\$75pw | \$20-\$25pw | \$39-\$45pw | Casual Entry |
| Opened or Acquired | Opened | Opened | Acquired | Opened | Opened | Acquired | Opened |
| Corporate Locations | 98 | 27 | 24 | 3 | 2 | 10 | 2 |
| Franchised Locations | | To be franchised in CY2023 | 176 | | | To be franchised late CY2022 | |
| Additional Locations Secured | 9 Greenfield 2 Acquisitions | 1 | ~20 Franchisee | 4 | | | |





- With 98 Club Lime health clubs in Australia, it is the largest non-franchised health club brand in the country.
 - 2 additional locations secured for acquisition, and 9 greenfield locations
- The Viva Leisure Health Club Portfolio includes 122 locations:
 - 98 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)

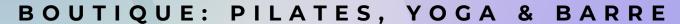
CCLUB**LIME**

Australia's Largest (Non-franchised)
Health club brand

- Achieve >100 locations
- Upgrade ~10 locations to new look and feel
 - Upgrading targets
 ~15% membership
 increase in first 90 days
 post opening
- Improve awareness of brand across Australia as expansion occurs



GROUNDUP





Concept proven, roll-out now in place:

- Yoga, Pilates and Barre 3 studios, 1 location, 1 membership
- Clean, white, natural fit-out
- Three locations now operational operating
- 98% utilisation across portfolio
- Four additional locations secured (ACT and NSW)
- Existing clubs operating at ~60% four-wall EBITDA margin due to high utilisation

- >1,100 members paying >\$50 per week across three existing studios
- Maintain >1x members per square metre ratio
- Open first location outside of the ACT
- Have >5 operating locations by EOFY
- Improve take-up of GroundUp and Club Lime membership offering to increase yield



REBALANCE PILATES & YOGA

BOUTIQUE: PILATES & YOGA



Our new franchised boutique offering

- Yoga and Pilates
- Simple affordable fit-out suitable for franchising
- 10 locations now in portfolio
- New simplified instructor training and coaching process in place at one location which
 is now the most successful location. System being rolled out to other locations.

- Finalise franchising setup and systems
- Sell first franchised location
- Implement new instructor training processes to assist with franchise roll-out
- Have >10 locations operating by EOFY



HIIT REPUBLIC BOUTIQUE: FUNCTIONAL FITNESS

hiit republic

Functional Training brand:

- Functional class based training
- 27 locations open (ACT, NSW, VIC and QLD)
- 1 additional location secured
- Multiple Unique Selling Points (USP's) over competitors including:
 - Affordable (from \$34.90 per week at some locations)
 - Add a full access Club Lime Gym Membership for ~\$5 extra per week
 - Add access to GroundUp Pilates & Yoga
 - 24 hour access outside of scheduled class times train when you want
 - Member roaming between locations
- Simple affordable fit-out suitable for franchising

- Achieve >30 operating locations by EOFY
- Finalise franchising setup and systems
- Sell first franchised location
- 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:

- 15 new Franchise agreements executed
- New corporate branding complete at 23 franchises (~12% of network)
 - Targeting 50 locations to have new design by EOFY
- Viva membership 'hub' system well advanced in anticipation for H2-FY2023 conversion. This will incorporate direct debit via VivaPay and save franchisees transaction fees
- Engagement with the franchisee network continues to be positive with multiple existing franchisees securing additional territories which will open in FY2023
- Viva app based access control system now in 'test' at several franchises before going live in the next few weeks

- Achieve >20% of network operating with new design and look and feel
- Secure locations for ~20 franchisees who have committed to new locations
- Convert to Viva membership management systems
- Implement Viva Pay
- Implement Viva access control systems



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CAPITAL ALLOCATION STRATEGY

CASHFLOW ANALYSIS

INVESTING IN OUR FUTURE

| Cashflow Details (\$m) | H1 FY2023 | | |
|---|-----------|--|--|
| EBITDA (Pre-AASB16) | 14.0 | | |
| Debt and Interest Payments (Ex Property) | (6.6) | | |
| Maintenance CAPEX | (2.0) | | |
| Free Cash Flow (FCF) | 5.4 | | |
| Investment in Greenfields and Site Upgrades* | (4.8) | | |
| Investment in Acquisitions (net of financing) | (1.3) | | |
| Investment in Technology | (1.4) | | |
| Cash Re-Investment for Growth | (7.6) | | |
| Other Cashflow Items | | | |
| Taxation^ | 1.5 | | |
| Deferred Rent Amounts | (0.2) | | |
| Working Capital and Other | (0.8) | | |
| Cash Movement for Period | (1.6) | | |

VIMLEISURE

- Conversion of EBITDA to FCF of 38.7% for the period
- VivaPay will be a high margin business and will add to FCF ~\$200k pm
- Moving forward target of 35+% conversion of EBITDA to FCF (before tax)
- Continuing improvement of margins will also increase FCF

CAPEX ANALYSIS

H1 FY2023

VIMLEISURE

| CAPEX Summary for Period | \$m | % of Revenue |
|-----------------------------------|------------|--------------|
| Now Cita Canav | 7.0 | F 20/ |
| New Site Capex Site Upgrade Capex | 3.6 1.2 | |
| Total Expansionary Capex | 4.8 | 7.1% |
| Technology Capex | 1.4 | 2.0% |
| Maintenance Capex | 2.0 | 2.8% |
| Total Capex | 8.2 | 11.9% |

COMMENTS

- Site Upgrade Capex:
 - Merger of two Shellharbour, NSW locations
 - 3 sites with major upgrades
 - Members increased across the half for these sites by 22.5%, leading to a ROIC of 75% on these upgrades

- 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

CAPITAL ALLOCATION PRINCIPLES

VIMLEISURE

RE-INVESTMENT

Maintenance Capex

Target ~3%

of revenue

Tech Capex

Target ~3%

of revenue

GROWTH

Investment

into greenfield locations & acquisitions

Target

24+ sites pa

From free cash

LEVERAGE

Leverage of

1.5x to 2.0x

(Senior Debt + Equipment Finance)/EBITDA

Debt Facilities

~\$21_m

Undrawn senior facility. Facility limit \$42m

CAPITAL ALLOCATION APPLICATION VIMLEISURE

TARGET MATURE SITE ECONOMICS BY BRAND

| Application of Capital Model | Greenfield Locations | | | Acquisitions [^] | | |
|-------------------------------------|----------------------|---------------|-----------|---------------------------|--------------|--|
| Application of Capital Model | 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% | |

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

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

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

[^]Acquisitions are post synergies

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

CAPITAL ALLOCATION APPLICATION

VIMLEISURE

VIVA NOW HAS A SELF FUNDING MODEL

Based on:

- Targeting the achievement of >\$900k per month of FCF (before tax)
- Application of the Group's capital allocation principles

Target:

 Self-funding roll-out of 24+ sites per annum organically without the need for further capital

Assumptions:

- Self funding roll-out a combination of greenfield locations and acquisitions
- New locations achieve >70% utilisation in first 12 months (ie: considered mature locations)

"67% agree that their Club Lime health club membership is a necessity, not a luxury"

Club Lime member survey conducted by Roy Morgan

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OUTLOOK & STRATEGY

OUTLOOK & STRATEGY

VIVALEISURE

PRIORITISING LIFESTYLE

Viva commissioned Roy Morgan to conduct independent research on Club Lime members, and their priority of health and fitness in an increasing inflationary environment.

The results are now in.

A full copy of the Survey results is available on the Viva Leisure website at: https://vivaleisure.group/RMSurvey2023

"Club Lime has strong overall brand equity, which is reflected in an 81% rate of satisfaction across its membership" "86% agree that their membership is important to their overall wellbeing"

"80% agree that their membership helps them save on future costs associated with aging and illness"

"When considering a range of lifestyle costs, 74% indicated they would maintain spending on their Club Lime membership, the highest of any lifestyle category measured,

66% will cut back on eating out and takeaway, 65% will cut back on new clothes and shoes"

"The top-3 reasons why Club Lime members engage in health and wellness activities are mental wellbeing (71%), achieving a personal fitness goal (59%) and to lose weight (51%)"

"89% of members agree that their Club Lime membership helps reduce their daily stress" "67% agree that their Club Lime health club membership is a necessity, not a luxury"

"71% agree that their quality of life would be negatively impacted without a health club membership"

OUTLOOK & STRATEGY



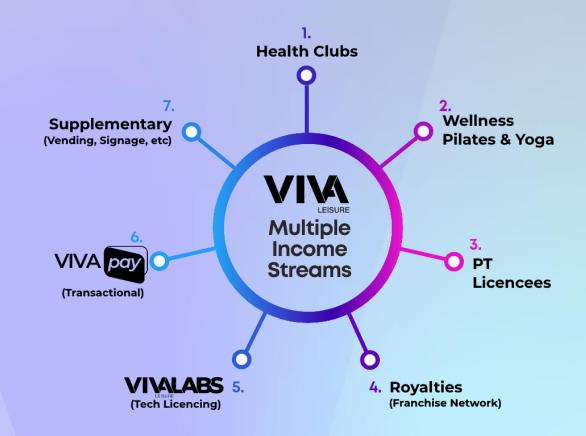
RECOVERY COMPLETE, GROWTH STRATEGY BACK IN PLAY

Strategic Focus for H2-FY23 and beyond:

- Maximising FCF generation from scale and operations built over the past three years since listing
- Maximising multiple income streams of the Group
- Capitalising on the Self Funding organic rollout and acquisitions opportunity now available
- Taking advantage of the brand recognition and marketing opportunities of Club Lime as locations increase above 100
- Growing our tech differentiation even further (ie: recent launch of Club Lime Flex Pass app)
- Revenue optimisation

Consumers are prioritising health and fitness in their daily lives, and Viva is perfectly positioned

More than just a group of health clubs, Viva has created a diverse ecosystem with multiple income streams





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REAFFIRMING GUIDANCE

REAFFIRMING FY2023 GUIDANCE

VIMLEISURE

Guidance

Revenue Range

\$137m to \$140m

FY22: \$90.8m

EBITDA

Range

\$28m to \$30m

FY22: \$5.5m

H1 FY2023 Achieved

Revenue

\$67.4m

48% to 49% of target range

EBITDA

\$14.0_m

46% to 50% of target range

 Despite the impact of inflationary pressures, Viva has experienced solid organic membership growth for the beginning of H2 FY2023

- Management now has visibility on increased utilities costs
- Survey conducted by Roy Morgan on behalf of our Club Lime brand provides confidence to the Board and Management in line with lifestyle nature of the business
- Operating leverage demonstrated by EBITDA up 50.2% half on half with Revenue up 18.7% half on half
- Average Location EBITDA margin for H1 FY2023 now above 40%
- Tech platform (the Hub) and Viva Pay expected to 'go live' in H2 FY2023 which will provide additional upside

FY2023 Guidance is reaffirmed

DRIVERS TO ACHIEVE GUIDANCE



Drivers to achieve Guidance

Corporate Members

Range

173k to 178k

FY22: 159k

Utilisation

Range

71% to 73%

FY22: 69.3%

Corporate Locations

Owned

165 to 170

FY22: 151

H1 FY2023 Achieved

Corporate Members

172.4_k

177.3_k

H1 FY2023

20 Feb 2023

Utilisation

Range

72.7%

73.6%

H1 FY2023

20 Feb 2023

Corporate Locations

Owned

162

166

H1 FY2023

20 Feb 2023

HIGHLIGHTS FOR H1 FY2023

- Traditionally the business operates in a 45% (H1) to 55% (H2) ratio of EBITDA as locations opened and acquisitions contribute for a full HY in H2
- Corporate Members expected to exceed upper end of guidance range by end of Q3 FY2023
- Utilisation upper end of guidance range exceeded in February 2023
- Corporate Locations on target to exceed upper end of guidance by EOFY (2 acquisitions are binding in nearing stages to complete, plus a further 14 greenfield locations secured, some of which will open before EOFY)

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ASX VV

APPENDIX

STATUTORY RECONCILIATION & NORMALISATIONS

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UNDERLYING & AASB16 FOR H1 FY2023

| (¢) | H1 FY2023 | AASB16 | H1 FY2023 | |
|------------------------------------|-----------|--------|--------------|--|
| (\$m) | Statutory | Impact | (pre AASB16) | |
| Revenue | 67.4 | 0.0 | 67.4 | |
| Expenses | (35.5) | (17.9) | (53.4) | |
| EBITDA | 31.9 | (17.9) | 14.0 | |
| Depreciation and Amortisation | (21.2) | 14.6 | (6.6) | |
| EBIT | 10.7 | (3.3) | 7.4 | |
| Finance Costs | (8.1) | 6.7 | (1.4) | |
| Profit Before Tax | 2.6 | 3.4 | 6.0 | |
| Income Tax Expense | (0.8) | | (1.8) | |
| Net Profit After Tax | 1.8 | | 4.2 | |
| Earnings per share (basic - cents) | 1.7 | | 4.7 | |

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-open rents - club openings delayed due to COVID lockdowns | 105 |
| Share based Payments | 119 |
| One off legal costs | 85 |
| Total | 309 |

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