

Viva Leisure bi-monthly performance and trading update.

6 October 2021

Viva Leisure Limited (**Viva Leisure**) (ASX:VVA) wishes to update the market on its trading performance with its latest bi-monthly update presentation, the current impacts of COVID lockdowns, and balance sheet position.

Bi-Monthly Reporting Presentation

This, the third bi-monthly trading update presentation has been designed to provide shareholders with key relevant data in relation to the different segments that the business operates.

The bi-monthly report includes unaudited management results for the months of July and August 2021. Key take-outs from the report include:

- 97% of the Membership has been retained as at end of August 2021, resulting in a Net Member Movement (NMM) of negative 9,110 members when compared to the membership as at FY2021;
 - 79% of the decline has occurred from the Plus Fitness franchised locations, which reduced by 7,181 members over the period (this shortfall is in part due to two clubs being acquired by Viva from franchisees over this period);
 - Viva owned clubs have maintained strong membership retention during this reporting period, despite the shutdowns being faced by the Company;
- Total Membership as of 31 August 2021 was 289,266 members;
- With all States and Territories being affected by the lockdowns during the period, revenue has dropped 53% to \$3.9m for August 2021;
 - Revenue is expected to return to pre lockdown levels within a month of re-opening all locations;
- 310 locations total across the network;
 - 118 corporate owned locations, of which 26 (22%) are currently permitted to be open and trading;
- Clear pathway to re-open announced by all States and Territory Governments;

Locations in Lockdown

Viva Leisure currently has 92 corporate owned locations not operating due to COVID-19 lockdown restrictions in the ACT (48), NSW (30) and Victoria (14). This represents 77% of all Viva Leisure corporate owned locations.

For July 2021, 28% of locations were closed, and 72% were permitted to operate. This reversed in August 2021 where 65% of locations were closed, and 35% of locations permitted to operate.

Roadmap to Re-opening

All State and Territories have announced their respective pathways and roadmaps to re-opening. Whilst dates are subject to change, the current information available suggests:

- QLD will continue to remain open;
- NSW will re-open for gyms to operate with restrictions from 11 October 2021;
- ACT will re-open for gyms (no classes and no hiit republic) to operate with restrictions from 15 October 2021;
- ACT will re-open for gyms and hiit republic locations to operate with reduced restrictions from 29 October 2021;
- VIC is expected to re-open for gyms to operate in the first week of November 2021.

Balance Sheet

Following the successful share issue in August 2021, and with controlled cash management during the lockdown, the Company had approximately \$17 million of cash at bank available for use as of 30 September 2021, excluding ~\$4m of cash deposits used to secure bank guarantee commitments.

ENDS

This announcement has been approved for release by the Board.

For further information, please contact:

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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 118 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.