

## Viva Leisure successfully completes institutional placement and institutional component of entitlement offer

5 June 2020

Viva Leisure Limited (**Viva Leisure**) (ASX:VVA) is pleased to announce the successful completion of the placement to institutional and sophisticated investors (**Placement**) and the institutional component of its 1 for 6 accelerated pro rata non-renounceable entitlement offer (**Entitlement Offer**) (together, the **Equity Raising or Offer**) of fully paid ordinary shares in Viva Leisure (**New Shares**) at the offer price of \$2.20 per New Share (**Offer Price**), details of which were announced to ASX on 4 June 2020. The Offer is expected to raise approximately \$25.0 million.

The Placement and the institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) closed on 4 June 2020, raising approximately \$21.5 million at the Offer Price.

The Institutional Entitlement Offer was well supported, with a 100% take-up rate from eligible institutional shareholders (excluding SHJA Management Pty Ltd (entities associated with Harry Konstantinou & Angelo Konstantinou) and Mera Value No.1 Pty Ltd). The Institutional Entitlement Offer raised gross proceeds of approximately \$18.6 million. The Placement received strong demand and raised gross proceeds of approximately \$2.9 million.

New Shares in respect of institutional entitlements not taken up under the Institutional Entitlement Offer and New Shares that would have represented the entitlements of ineligible institutional shareholders were offered and placed to new and existing institutional investors.

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

"We are pleased with the support that Viva Leisure has received regarding the offering from existing and new shareholders.

The success of the equity raising is a clear endorsement of Viva Leisure's long term strategy. It will strengthen our balance sheet and liquidity position, increase our financial flexibility, and ensure that we can pursue accretive and strategic future acquisition opportunities, accelerate refurbishment of existing locations and accelerate new site roll-outs."

Approximately 9.8 million New Shares subscribed for under the Placement and Institutional Entitlement Offer are expected to be settled on Monday, 15 June 2020 and to be allotted on Tuesday, 16 June 2020 and commence trading on the ASX on Wednesday, 17 June 2020. New Shares issued under the Placement and Entitlement Offer will rank equally with existing Viva Leisure shares as at their date of issue.

### Retail Entitlement Offer

Eligible retail shareholders with a registered address in Australia or New Zealand will be invited to participate in the Retail Entitlement Offer. The Retail Entitlement Offer will open on Friday, 12 June 2020 and close at 5.00pm (Sydney time) on Tuesday, 23 June 2020. Eligible retail shareholders who

take up their entitlement in full can also apply for additional shares in excess of their entitlement up to a maximum of 50% of their entitlement under an oversubscription facility.

Further details about the Retail Entitlement Offer will be set out in the retail offer booklet (**Booklet**) (along with a personalised entitlement and acceptance form for eligible retail shareholders), which Viva Leisure expects to lodge with the ASX and dispatch on Friday, 12 June 2020.

The terms and conditions under which eligible retail shareholders may apply for New Shares under the Retail Entitlement Offer are outlined in the Booklet. Copies of the Booklet will be available on the ASX website and at <https://investors.vivaleisure.com.au/investor-centre/> from Friday, 12 June 2020.

## **Retail Investor Enquiries**

For further information in regard to the Retail Entitlement Offer, please do not hesitate to contact the Viva Leisure Retail Entitlement Offer Information Line on 1300 306 413 (from within Australia) or +61 1300 306 413 (from outside Australia) at any time between 8.30am and 5:30pm (Sydney time), Monday to Friday from Friday, 12 June 2020.

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## **Authorised by the Board of Directors of the Company**

### **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 within the Australian Capital Territory, New South Wales, Victoria and Queensland, with the majority operating under the Club Lime brand.

### **Important Information**

This letter is issued by Viva Leisure Limited. This letter is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation, solicitation, advice or recommendation to subscribe for, retain or purchase any entitlements or securities in Viva Leisure Limited in any jurisdiction. This letter does not constitute financial product advice and does not and will not form any part of any contract for the acquisition of entitlements or Viva Leisure Limited ordinary shares.

### **Forward Looking Statements**

This announcement contains certain "forward-looking statements" that are based on management's beliefs, assumptions and expectations and on information currently available to management. Forward-looking statements can be generally identified by the use of forward-looking words such

as, “expect”, “anticipate”, “likely”, “intend”, “should”, “could”, “may”, “predict”, “plan”, “propose”, “will”, “believe”, “forecast”, “estimate”, “target”, “outlook”, “guidance” and other similar expressions within the meaning of securities laws of applicable jurisdictions. Such forward-looking statements include statements regarding the timetable, conduct and outcome of the Equity Raising and the use of proceeds thereof, statements about the plans, objectives and strategies of the management of Viva Leisure, statements about the industry and the markets in which Viva Leisure operates and statements about the future performance of the Viva Leisure business. Indications of, and guidance or outlook on, future earnings or financial position or performance, future earnings and distributions are also forward-looking statements.

You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19. Any such statements, opinions and estimates in this announcement speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only. The forward-looking statements contained in this announcement are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Viva Leisure and its subsidiaries, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Forward-looking statements may also assume the success of the Viva Leisure’s business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond the Viva Leisure’s control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward looking statements may have been prepared or otherwise. Refer to the Key Risks Section of the Investor Presentation for a non-exhaustive summary of certain key business, offer and general risk factors that may affect Viva Leisure and its subsidiaries.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19, the Australian and global economic environment and capital market conditions and other risk factors set out in the Investor Presentation. Investors should consider the forward-looking statements contained in this announcement in light of those risks and disclosures. The forward-looking statements are based on information available to Viva Leisure as at the date of this announcement. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including Viva Leisure or any of its advisers). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Actual operations, results, performance, production targets or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Except as required by law or regulation (including the ASX Listing Rules), Viva Leisure disclaims any obligation or undertaking to update forward-looking statements in this announcement to reflect any changes in expectations in relation to any forward-looking statement or change in events, circumstances or conditions on which any statement is based.

**Not For Distribution Or Release In The United States**

This letter does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any person in the United States or in any other jurisdiction in which such an offer would be illegal. The New Shares have not been, nor will be, registered under the U.S. Securities Act of 1933 as amended (U.S. Securities Act) or under the securities laws of any state or other jurisdiction of the United States. The New Shares may not be issued to, purchased or traded by, or taken up by, any person in the United States or any person acting for the account or benefit of a person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

**Important Notice To Nominees**

Because of legal restrictions, you must not send copies of this letter nor any material relating to the Retail Entitlement Offer to any of your clients (or any other person) acting for the account or benefit of any person in any other jurisdiction outside of Australia and New Zealand. Failure to comply with these restrictions may result in violations of applicable securities laws.