

## Viva Leisure completes despatch of Retail Entitlement Offer Booklet.

12 June 2020

Viva Leisure Limited (ASX: VVA) (“**Viva Leisure**”, or the “**Company**”) confirms that the Retail Entitlement Offer Booklet (“**Retail Offer Booklet**”) and personalised Entitlement and Acceptance form in connection with the fully underwritten 1 for 6 pro rata accelerated non-renounceable entitlement offer (“**Entitlement Offer**”), as announced to ASX on 4 June 2020, was despatched to Eligible Retail Shareholders today.

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

*“We’ve been really pleased with the response from new and existing shareholders who have participated in the Placement and the institutional component of the Entitlement Offer. Investor feedback was overwhelmingly supportive of our strategy and their backing will allow Viva Leisure to capitalise on opportunities as they arise.*”

*“The equity raising has been structured in a way that gives all retail shareholders the best opportunity to participate should they choose to. I encourage eligible shareholders to review the Retail Offer Booklet for details on how they can participate.”*

A letter to Ineligible Retail Shareholders notifying them of the Entitlement Offer and their ineligibility to participate has also been despatched.

A copy of the Retail Offer Booklet, sample Entitlement and Acceptance Form, and the letter to Ineligible Retail Shareholders is attached.

The retail component of the Entitlement Offer (“**Retail Entitlement Offer**”) opens today, Friday 12 June 2020, and is expected to close at 5.00pm (Sydney time) on Tuesday, 23 June 2020. Application monies must be received prior to this time, in accordance with the Retail Offer Booklet and the personalised Entitlement and Acceptance form.

### Shareholder Enquiries

Eligible Retail Shareholders are encouraged to carefully read the Retail Offer Booklet for further details relating to the Retail Entitlement Offer.

Shareholders with questions in relation to the Retail Entitlement Offer may contact the Viva Leisure Offer Information Line on 1300 306 413 (within Australia) or +61 1300 306 413 (outside Australia) between 8:30am and 5:30 pm (AEST) during the retail offer period.

ENDS

**For further information, please contact**

Harry Konstantinou, CEO and Managing Director, +61 2 6163 8011  
[investor.relations@vivaleisure.com.au](mailto:investor.relations@vivaleisure.com.au)

This announcement has been authorised for release to ASX by the Board of Directors of Viva Leisure.

**About Viva Leisure**

Founded in 2004, Viva Leisure currently operates over 79 health clubs (gymnasiums) and aquatic facilities 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.

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

This announcement 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.

**VIVA**  
LEISURE

# RETAIL ENTITLEMENT OFFER

 CLUBLINE

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MITCHELL ACT 2911

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VIVA LEISURE LIMITED

# RETAIL ENTITLEMENT OFFER

Details of a fully underwritten 1 for 6 accelerated pro rata non-renounceable entitlement offer of new ordinary shares in Viva Leisure Limited at an offer price of \$2.20 per New Share.

This offer closes at 5.00pm (AEST) on Tuesday 23 June 2020.

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS**

## IMPORTANT NOTICE

This is an important document which is accompanied by an Entitlement and Acceptance Form. Both documents should be read in their entirety. This Retail Offer Booklet is provided for information purposes only and is not a prospectus, product disclosure statement or other form of disclosure document. This Retail Offer Booklet is dated 12 June 2020. This Retail Offer Booklet does not contain all the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, Shares offered under this Retail Offer Booklet. This Retail Offer Booklet is issued pursuant to section 708AA of the Corporations Act for the offer of shares without disclosure to investors under Part 6D.2 of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84).

If you have any questions please contact your professional adviser or the Company's Information Line on 1300 306 413 (within Australia) or +61 1300 306 413 (from outside Australia) from 8.30am to 5.30pm (AEST) during the retail offer period.

## JURISDICTION

This Retail Offer Booklet, including the Chairman's letter, ASX Offer Announcements and the Investor Presentation reproduced in it and the Entitlement and Acceptance Form, do not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. In particular, this Retail Offer Booklet and anything contained in it does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any "US Persons" (as defined in Regulation S under the US Securities Act of 1933, as amended **(the Securities Act) (U.S. Persons)**). None of this Retail Offer Booklet, the Chairman's letter, the ASX Offer Announcements and Investor Presentation reproduced in it nor, the Entitlement and Acceptance Form may be distributed to or released in the United States. The New Shares (and Additional New Shares) offered in the Entitlement Offer have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The New Shares (and Additional New Shares) may not be offered, or sold, or resold, in the United States or to, or for the account or benefit of, any U.S. Persons, except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and any applicable securities laws of any state or other jurisdiction of the United States. The New Shares (and Additional New Shares) may not be deposited in any existing unrestricted American Depositary Receipt Facility or such future program with respect to the securities of Viva Leisure Limited (Company) that has been or may be established until 40 days following the completion of the Retail Entitlement Offer.

The New Shares (and Additional New Shares) are not being offered or sold in New Zealand other than to existing

Shareholders with registered addresses in New Zealand to whom the offer of New Shares (and Additional New Shares) is being made pursuant to the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016. This document has been prepared in compliance with Australian law and has not been registered, filed or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement or any other disclosure document under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement or any other disclosure document under New Zealand law is required to contain.

## INVESTMENT DECISIONS

The information contained in this Retail Offer Booklet is not intended to be relied on as advice. Before deciding to invest in the Company, potential investors should read the entire Retail Offer Booklet and in particular the technical information and risk factors that could affect the future operations and activities of the Company and consult their professional advisers. The Retail Entitlement Offer contained in this Retail Offer Booklet does not take into account the investment objectives, financial situation and particular needs of any investor.

## RISK FACTORS

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in the investor presentation which accompanies this Retail Offer Booklet. Investors should carefully consider the risk factors that affect the Company specifically and the industry in which it operates.

## FORWARD LOOKING INFORMATION

Forward looking statements, opinions, estimates provided in this Retail Offer Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on the interpretations of current market conditions.

Forward looking statements including forecasts, projections, guidance on future revenues, earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward-looking statements only speak as to the date of this Retail Offer Booklet and the Company assumes no obligation to update such information. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside

the control of the Company and its Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward-looking statements in this Retail Offer Booklet.

**You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and significant volatility, uncertainty and disruption caused by the outbreak of COVID-19.**

You should also refer to the “Disclaimers” and “Key Risks” sections of the investor presentation which accompanies this Retail Offer Booklet. Any decision to invest is made by the investor only.

## SUMMARY OF THE RETAIL ENTITLEMENT OFFER

<b>ISSUE PRICE</b>	\$2.20
<b>YOUR ENTITLEMENT</b>	1 New Share for every 6 Shares held on the Record Date

## KEY DATES (2020)\*

<b>Announcement of the Entitlement Offer</b>	Thursday 4 June 2020
<b>Record Date for eligibility in the Retail Entitlement Offer</b>	7.00pm (AEST) Tuesday 9 June 2020
<b>Retail Offer Booklet, including personalised Entitlement and acceptance form is dispatched to Eligible Retail Shareholders</b>	Friday 12 June 2020
<b>Retail Entitlement Offer opens</b>	Friday 12 June 2020
<b>Issue of New Shares under Institutional Entitlement Offer and Placement</b>	Tuesday 16 June 2020
<b>Retail Entitlement Offer closes</b>	5.00pm (AEST) Tuesday 23 June 2020
<b>Results of Retail Entitlement Offer announced</b>	Thursday 25 June 2020
<b>Issue of New Shares under the Retail Entitlement Offer</b>	Tuesday 30 June 2020
<b>Quotation and normal trading on ASX of New Shares issued under the Retail Entitlement Offer expected to commence on ASX</b>	Wednesday 1 July 2020

\*Dates and times are indicative only and subject to change. All times refer to Australian Eastern Standard Time (AEST).

The Company, in consultation with Ord Minnett Limited (**Underwriter**), reserves the right to vary these dates without prior notice subject to the Corporations Act, Listing Rules and other applicable laws, including extending the Retail Entitlement Offer. Any extension of the Retail Entitlement Offer will have a consequential effect on the issue date of the New Shares. Commencement of quotation of New Shares is subject to approval by ASX.

## ENQUIRIES

For any enquiries in relation to the Retail Entitlement Offer please call the Company's Information Line on 1300 306 413 (within Australia) or +61 1300 306 413 (from outside Australia) from 8.30am to 5.30pm (AEST) during the retail offer period, or contact your stockbroker, accountant or other professional adviser.





VIVA LEISURE LIMITED

# CHAIRMAN'S LETTER

12 June 2020

Dear Shareholder

On behalf of Viva Leisure Limited (**Company**), I am pleased to invite you to participate in the recently announced 1 for 6 fully underwritten accelerated non-renounceable entitlement offer for newly issued ordinary shares in the Company (**New Shares**) at an issue price of \$2.20 per New Share (**Entitlement Offer**). The Entitlement Offer consists of an institutional accelerated component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**).

On 4 June 2020, the Company announced its intention to raise approximately \$25 million through a fully underwritten Entitlement Offer accompanied by a private placement to sophisticated and professional investors (**Capital Raising**).

Upon successful completion of the Capital Raising, the Company will have conducted:

- (a) a placement of New Shares to certain institutional and sophisticated Investors (**Placement**) to raise approximately \$2.9 million; and
- (b) an Entitlement Offer to raise approximately \$22.1 million.

As announced on 5 June 2020, the Company has now raised \$21.5 million under the Institutional Entitlement Offer and Placement. The Company is seeking to raise approximately \$3.5 million through the Retail Entitlement Offer. The Institutional Entitlement Offer and the Retail Entitlement Offer is fully underwritten by Ord Minnett Limited (**Underwriter**).<sup>1</sup>

The net proceeds of the Capital Raising will be used to enhance the Company's overall financial strength by providing balance sheet flexibility in relation to the pursuit of accretive and strategic future acquisition opportunities, accelerate refurbishment of existing locations, accelerate new site roll-outs.

Major shareholders, SHJA Management Pty Ltd (entities associated with Harry Konstantinou and Angelo Konstantinou) and Mera Vale No. 1 Pty Ltd (entities associated with Mark McConnell) are not participating in the Entitlement Offer to provide the opportunity to introduce new institutional shareholders to the Company's share register and further improve liquidity. Both SHJA Management Pty Ltd and Mera Vale No. 1 Pty Ltd remain fully supportive of the Company.

This information booklet (**Retail Offer Booklet**) relates to the Retail Entitlement Offer.

Under the Retail Entitlement Offer, eligible retail shareholders have the opportunity to invest at the price of \$2.20 per New Share, which is the same price as the institutional investors who participated in the Institutional Entitlement Offer and Placement (Entitlement). Your Entitlement is set out in your personalised Entitlement and Acceptance Form that is enclosed with this Retail Offer Booklet.

<sup>1</sup> See Section 6.4 for details of the underwriting arrangements.

If you take up your Entitlement in full, you can also apply for additional shares in excess of your Entitlement to a maximum of 50% of your Entitlement under a 'top-up' facility (refer to section 2 of this Retail Offer Booklet for more information). I encourage you to read the Retail Offer Booklet carefully in deciding whether or not to participate in the Retail Entitlement Offer.

Please note that to participate in the Retail Entitlement Offer you must apply and pay for your New Shares before 5pm (AEST) on Tuesday 23 June 2020. Further information about how to apply for New Shares is set out in Section 4.

The Issue Price of \$2.20 represents a discount of 15.4% to the last traded price on 3 June 2020 (being the last trading day prior before the Entitlement Offer was announced) of \$2.60 per share and a discount of 13.3% to the theoretical ex-rights price ("TERP") of \$2.54.<sup>2</sup> The Issue Price under the Retail Entitlement Offer is the same as under the Institutional Entitlement Offer and Placement.

The Retail Entitlement Offer is non-renounceable and therefore is personal to you. It cannot be traded, transferred, assigned or otherwise dealt with. If you do not take up your Entitlement, it will lapse and you will not receive any New Shares, nor any other benefit, under the Entitlement Offer.

**The Retail Entitlement Offer closes at 5pm (AEST) on Tuesday 23 June 2020.**

If you have any questions about the Retail Entitlement Offer please call the Company's Information Line on 1300 306 413 (within Australia) or +61 1300 306 413 (from outside Australia) from 8.30am to 5.30pm (AEST) during the Retail Entitlement Offer Period.

**Other Information**

This Retail Offer Booklet contains important information, including:

- instructions on how to apply, detailing how to participate in the Retail Entitlement Offer if you choose to do so, and a timetable of key dates; and
- instructions on how to take up all or part of your Entitlement.

A personalised Entitlement and Acceptance Form which details your Entitlement, to be completed in accordance with the instructions contained therein, accompanies this Retail Offer Booklet.

You may also choose to consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

On behalf of the Board of the Company, I encourage you to consider this investment opportunity and thank you for your continued support.

Yours sincerely



**Bruce Glanville**  
**Chairman | Viva Leisure Limited**

<sup>2</sup> TERP includes shares issued under the Placement, Institutional Entitlement Offer and Retail Entitlement Offer. TERP is a theoretical price at which Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Shares will trade immediately after the ex-date for the Entitlement Offer depends on many factors and may not be equal to TERP. TERP has been calculated as: (existing market capitalisation of the Company plus additional equity raised) / total shares on issue following the Entitlement Offer. TERP is calculated by reference to the Company's closing price of \$2.60 on Wednesday 3 June 2020, being the last trading day prior to the Company entering into a trading halt pending the announcement of the Entitlement Offer.

# 1. SUMMARY OF OPTIONS AVAILABLE TO YOU

If you are an Eligible Retail Shareholder (refer to Section 6.2), you may take one of the following actions:

- take up all of your Entitlement, and if you do so, you may also apply for Additional New Shares in excess of your Entitlement up to a maximum of 50% of your Entitlement under the Retail Shortfall Facility;
- take up part of your Entitlement and allow the balance to lapse; or
- do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements.

The Entitlement Offer closes at 5:00pm (AEST) on Tuesday 23 June.

If you are a retail shareholder that is not an Eligible Retail Shareholder (as defined in Section 6.2), you are an **“Ineligible Retail Shareholder”**. Ineligible Retail Shareholders are not entitled to participate in the Retail Entitlement Offer. See Section 6.3 for further details.

OPTIONS AVAILABLE TO YOU	KEY CONSIDERATIONS
<p><b>OPTION 1</b> Take up all of your Entitlement (and you can also apply for Additional New Shares up to a maximum of 50% of your Entitlement)</p>	<p>You may elect to purchase New Shares at the Issue Price (see Section 4 “How to Apply” for instructions on how to take up your Entitlement).</p> <p>The New Shares will rank equally in all respects with Existing Shares.</p> <p>If you take up all of your Entitlement, you may also apply for Additional New Shares in excess of your Entitlement up to a maximum of 50% of your Entitlement under the Retail Shortfall Facility.</p> <p>Additional New Shares will only be available under the Retail Shortfall Facility to the extent that there are Entitlements under the Retail Entitlement Offer that are not taken up by Eligible Retail Shareholders. Applications under the Retail Shortfall Facility will be subject to scale back if Eligible Retail Shareholders apply for more Additional New Shares than available under the Retail Shortfall Facility (see Sections 2 and 4 for further information). There is no guarantee that you will be allocated any Additional New Shares under the Retail Shortfall Facility.</p>
<p><b>OPTION 2</b> Take up part of your Entitlement</p>	<p>If you do not take up your Entitlement in full, those Entitlements not taken up will lapse and you will not receive any payment or value for them. You will not be entitled to apply for Additional New Shares under the Retail Shortfall Facility.</p> <p>If you do not take up your Entitlement in full, you will have your percentage holding in the Company reduced as a result of the Entitlement Offer.</p>
<p><b>OPTION 3</b> Do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements</p>	<p>If you do not take up your Entitlement, you will not be allocated New Shares and your Entitlement will lapse.</p> <p>Your Entitlement to participate in the Entitlement Offer is non-renounceable, which means your Entitlements are non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can they be privately transferred.</p> <p>If you do not take up your Entitlement you will have your percentage holding in the Company reduced as a result of the Entitlement Offer.</p>

## 2. THE RETAIL ENTITLEMENT OFFER

Viva Leisure Limited (**Company**) (ASX Code: VVA) proposes to raise approximately \$22.1 million under the Entitlement Offer through the issue of approximately 10 million New Shares.

The Company has also conducted an institutional placement to certain Institutional Investors which raised approximately \$2.9 million.

The Entitlement Offer has two components:

- the Institutional Entitlement Offer – Eligible Institutional Shareholders were given the opportunity to take up all or part of their Entitlement, and a bookbuild process to sell Entitlements not taken up by Eligible Institutional Shareholders as well as New Shares that otherwise would have been offered to Ineligible Institutional Shareholders was carried out. The Institutional Entitlement Offer raised approximately \$18.6 million; and
- the Retail Entitlement Offer (to which this Retail Offer Booklet relates) – Eligible Retail Shareholders will be given the opportunity to take up all or part of their Entitlement, take up all of their Entitlement and apply for Additional New Shares under the Retail Shortfall Facility, or do nothing in respect of their Entitlement. The Retail Entitlement Offer is expected to raise approximately \$3.5 million.

The Entitlement Offer is fully underwritten by the Underwriter in accordance with the terms of the Underwriting Agreement (see Section 6.4 below).

Eligible Retail Shareholders (as defined in Section 6 below) are being offered the opportunity to subscribe for 1 New Share for every 6 existing Shares in the Company (Existing Shares) held at 7.00pm (AEST) on Tuesday 9 June 2020 (Entitlement), at the issue price of \$2.20 per New Share.

Where fractions arise in the calculation of an Entitlement, they have been rounded up to the next whole number of New Shares.

The Retail Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow rights issues to be offered without a prospectus. As a result, it is important for Eligible Retail Shareholders to read and understand the information on the Company and the Retail Entitlement Offer made publicly available, prior to accepting all or part of their Entitlement or applying for Additional New Shares. In particular, please refer to this Retail Entitlement Offer Booklet, and the Company's other periodic and continuous disclosure announcements to the ASX available at [www.asx.com.au](http://www.asx.com.au).

Your Entitlement is set out in the accompanying personalised Entitlement and Acceptance Form and has been calculated as 1 New Share for every 6 Existing Shares you held as at the Record Date of 7.00pm (AEST) on Tuesday 9 June 2020 rounded up to the nearest whole New Share. If you have more than one holding of Existing Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. New Shares issued pursuant to the Retail Entitlement Offer will be fully paid and rank equally with the Company's existing ordinary shares on issue.

Your Entitlement is non-renounceable. This means that your Entitlements are personal and cannot be traded, transferred, assigned or otherwise dealt with, whether on the ASX or privately. If you do not take up your Entitlement, it will lapse and you will not receive any New Shares under the Retail Entitlement Offer. New Shares of an equivalent number to Entitlement not taken up under the Retail Entitlement Offer will be offered for subscription under the Retail Shortfall Facility. If you choose not to accept your entitlement under the Retail Entitlement Offer, your shareholding in the Company will be diluted.

**Note:** *The Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Existing Shares on behalf of a U.S. Person.*

### **Retail Shortfall Facility**

The Retail Shortfall Facility allows Eligible Retail Shareholders who have subscribed for their Entitlements under the Retail Entitlement Offer to subscribe for Additional New Shares in excess of their Entitlement up to a maximum of 50% of their Entitlement. Any application monies received for more than your full Entitlement will be treated as applying for as many Additional New Shares as it will pay for in full.

Additional New Shares will only be allocated to Eligible Retail Shareholders if available, and subject to the Corporations Act, Listing Rules and other application laws and regulations. If Eligible Retail Shareholders apply for more Additional New Shares than available under the Retail Shortfall Facility, the Company will scale back applications for Additional New Shares in its absolute discretion having regard to the pro rata Entitlement of Eligible Retail Shareholders who apply for Additional New Shares.

The allocation and issue of Additional New Shares is at the sole discretion of the Company. If any Additional New Shares are not allocated under the Retail Shortfall Facility, these Shares will be subscribed for by the Underwriter and/or sub-underwriters subject to the terms of the Underwriting Agreement.

An Eligible Retail Shareholder will not be issued any Additional New Shares under the Retail Shortfall Facility if the issue of the Additional New Shares would cause the Company or the Eligible Retail Shareholder to breach any applicable law or Listing Rule, including section 606 of the Corporations Act.

### **Ineligible Retail Shareholders**

In determining eligibility, pursuant to Listing Rule 7.7.1(a) and section 9A(3) of the Corporations Act, the Company has regard to the legal and regulatory requirements of making offers of securities in certain countries, the number of shareholders in those countries and the number of shares they hold, the value of New Shares to which those shareholders would otherwise be entitled to and the cost of complying with the legal and regulatory requirement in those countries.

The Company has determined, pursuant to Listing Rule 7.7.1(a) and section 9A(3) of the Corporations Act 2001, that it would be unreasonable to make offers under the Retail Entitlement Offer to all shareholders with addresses outside of Australia and New Zealand having regard to the Company's current shareholding and the costs of complying with legal and regulatory requirements in those jurisdictions.

Accordingly, the Retail Entitlement Offer is not being extended to Ineligible Retail Shareholders.

#### **Nominees**

The Retail Entitlement Offer is being made to all shareholders on the register of the Company at 7:00pm (AEST) on Tuesday 9 June 2020 with an address in Australia or New Zealand, and who did not participate in the Institutional Entitlement Offer and were not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer, and that are not in the United States and are neither a U.S. Person nor acting for the account or benefit of a U.S. Person. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Existing Shares.

Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws. Any person in the United States or any person that is or is acting for the account or benefit of a U.S. Person with a holding through a nominee may not participate in the Retail Entitlement Offer and the nominee must not take up any Entitlement or send any materials into the United States or to any person it knows to be a U.S. Person. The Company is not able to advise on foreign laws.

## **3. INSTITUTIONAL ENTITLEMENT OFFER AND BOOKBUILD**

The Institutional Entitlement Offer and Institutional Bookbuild will (on settlement) raise \$18.6 million through the issue of 8.4 million New Shares.

The Institutional Entitlement Offer and Institutional Bookbuild was conducted on Thursday 4 June 2020. Settlement of the Institutional Entitlement Offer and the Institutional Bookbuild is scheduled to occur on Monday 15 June 2020. Shares to be issued under the Institutional Entitlement Offer and Institutional Bookbuild are expected to be allotted on Tuesday 16 June 2020 and commence trading on ASX on Wednesday 17 June 2020.

## 4. HOW TO APPLY

If you wish to take up all or part of your Entitlement, or you wish to apply for Additional New Shares, you must make payment by BPAY® by going online or by contacting your financial institution. The global pandemic of COVID-19 has resulted in government restrictions, and mandated or voluntary closures of certain services, which has resulted in delay of postal and delivery services. The extent of the COVID-19 pandemic and the policy response is evolving rapidly, and given this uncertainty, the Company has determined to limit the payment method in connection with the Retail Entitlement Offer to BPAY® only.

### Payment by BPAY®

To pay by BPAY®, please follow the instructions on your personalised Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

Please note that when payment is made by BPAY®:

- You are taken to have made the declarations on that Entitlement and Acceptance Form
- If you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your application monies; and
- If you do pay for more than your full Entitlement, you are deemed to have applied for as many Additional New Shares as your excess amount will pay for in full (subject to a maximum of 50% of your Entitlement and any scale-back determined by the Company in its absolute discretion).

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than **5.00pm (AEST) on Tuesday 23 June 2020**. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

When making payment by BPAY®, please make sure to use the specific Biller Code and unique Customer Reference Number on the back of your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the Customer Reference Number specific to the Entitlement on that form. If you inadvertently use the same Customer Reference Number for more than one of your Entitlements, you will be deemed to have applied only for New Shares (and Additional New Shares) on the Entitlement to which that Customer Reference Number applies. Please note that a limit may apply on the amount that can be transferred via BPAY®. It is your responsibility to check that the amount you wish to pay via BPAY® will not exceed that limit.

If you have multiple holdings, you will have multiple BPAY® customer reference numbers provided on each of your personalised Entitlement and Acceptance Forms. To ensure you successfully take up your Entitlement in respect of each holding, you must use the customer reference number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of those holdings.

Any application monies received in excess of your final allocation of New Shares (or Additional New Shares) will be refunded (without interest) as soon as practicable after the close of the Retail Entitlement Offer.

Payments by cheque, bank draft, money order or cash will not be accepted. Receipts for payment will not be issued.

### **New Zealand holders**

Eligible Retail Shareholders who are resident in New Zealand and who are unable to pay in accordance with the processes set out above by the Retail Closing Date should contact the Company's Information Line on 1300 306 413 (within Australia) or +61 1300 306 413 (from outside Australia) to make alternative arrangements.

### **Representations, allotment and refunds**

If you take no action, you will not be allocated New Shares and your Entitlement will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable and will not be tradeable or otherwise transferable. Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

By making a payment by BPAY®, you will be deemed to have

- (a) made the Eligible Retail Shareholder declarations set out in section 8 of this Retail Offer Booklet;
- (b) represented that you are an Eligible Retail Shareholder as defined in Section 6.2 below.

If you take up and pay for all or part of your Entitlement before the close of the Retail Entitlement Offer at 5.00pm (AEST) on Tuesday 23 June 2020, you will be issued your New Shares on Tuesday 30 June 2020. If you apply for Additional New Shares then, subject to your application for Additional New Shares not exceeding 50% of your Entitlement and the Company's absolute discretion to scale-back your application for Additional New Shares (in whole or part), you will be issued these Additional New Shares on Tuesday 30 June 2020.

The Company's decision on the number of Additional New Shares to be allocated to you will be final. The Company also reserves the right (in its absolute discretion) to reduce the number of New Shares (and if applicable, Additional New Shares) allocated to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if their claims prove to be overstated or otherwise incorrect or if they fail to provide information to substantiate their claims.

To the extent that there is any shortfall in subscriptions for New Shares and Additional New Shares under the Retail Entitlement Offer, The Company reserves the right to allocate top up Shares or place any shortfall at its discretion within 3 months after the Retail Closing Date and at an issue price not less than the price at which New Shares are offered under the Entitlement Offer.

Cash payments will not be accepted. Receipts for payment will not be issued.

Any application monies received for more than your final allocation of New Shares and Additional New Shares will be refunded to you as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to applicants on any application monies received or refunded.

Applicants with queries on how to complete the Entitlement and Acceptance Form should contact the Company's Information Line on 1300 306 413 (within Australia) or +61 1300 306 413 (from outside Australia) at any time from 8.30am to 5.30pm (AEST) Monday to Friday during the Retail Entitlement Offer period.



# 5. ASX ANNOUNCEMENT AND INVESTOR PRESENTATION

## 5.1 ASX ANNOUNCEMENT PAGE 1

### MARKET ANNOUNCEMENT



#### Viva Leisure announces fully underwritten ~\$25m equity raising to pursue future growth opportunities

4 June 2020

- ~\$25 million fully underwritten equity raising to pursue future growth opportunities
- 10+ locations under negotiation to acquire
- Additional working capital to accelerate refurbishment of existing locations and accelerate new site roll-outs
- Net proceeds expected to be fully deployed within ~six months
- All existing clubs opening or scheduled to open by 21 June 2020
- Re-openings all on track with ~90k members expected end of FY20
- Strong balance sheet, with ~\$30 million cash at bank post equity raising

Viva Leisure Limited (**Viva Leisure**) (ASX:VVA) is pleased to announce that it has launched a fully underwritten \$25 million equity raising to enhance the Company's overall financial strength by providing balance sheet flexibility in relation to pursuing accretive and strategic future acquisition opportunities, accelerate refurbishment of existing locations and accelerate new site roll-outs.

#### Membership / Trading Update

With restrictions in the ACT and Queensland eased over the past week, Viva Leisure now has 63% of its locations open and operating. In addition, Viva Leisure has seen approximately 90% of its ACT and Queensland members re-activating their membership, with the remaining portion of members requesting to remain on suspension until the further easing of restrictions.

Member visits to facilities, which is a metric Viva Leisure uses to monitor the success of locations, is currently trending at over 7,000 per day, which is slightly below half the pre-shutdown visits. This is above management expectations considering facilities have not yet opened in NSW and Victoria.

Viva Leisure expects to have ~90k members at the end of FY20 subject to the easing of restrictions occurring as scheduled. In addition, Viva Leisure has secured an additional 21 greenfield locations bringing the total locations in the portfolio to 100 once these new locations open for trade. This is a significant achievement considering less than 12 months ago, Viva Leisure completed its Initial Public Offering with 29 locations operating.

#### Equity Raising

Viva Leisure has today announced a fully underwritten Equity Raising of ~A\$25 million comprising a Placement and an Entitlement Offer.

The Placement and the Entitlement Offer will result in the issue of ~11.4 million new fully paid ordinary shares in Viva Leisure (**New Shares**), representing approximately ~18.9% of existing Viva Leisure shares on issue. Each New Share issued under the Placement and the Entitlement Offer will rank equally with existing shares on issue.

## MARKET ANNOUNCEMENT



### Placement

The ~\$2.9 million Placement is fully underwritten and will be offered to institutional investors at A\$2.20 per share, representing a 15.4% discount to the last traded price of \$2.60 on Wednesday, 3 June 2020. The Placement is being conducted today, Thursday, 4 June 2020.

### Entitlement Offer

The Entitlement Offer of ~\$22.1 million will consist of a 1-for-6 accelerated pro rata non renounceable entitlement offer, including:

- a fully underwritten institutional entitlement offer to raise ~\$18.7 million (Institutional Entitlement Offer); and
- a fully underwritten retail entitlement offer to raise ~\$3.3 million (Retail Entitlement Offer).

Under the Entitlement Offer, eligible shareholders are invited to subscribe for 1 Viva Leisure share for every 6 shares they hold as at 7.00pm (Sydney time) on Tuesday, 9 June 2020 (the Record Date). All New Shares in the Entitlement Offer will be issued at a price of \$2.20 per New Share which represents:

- A 15.4% discount to the last close price of \$2.60 on Wednesday, 3 June 2020;
- A 13.3% discount to the theoretical ex-rights price (TERP)<sup>1</sup> of \$2.54.

Entitlements cannot be traded on the ASX or transferred. Eligible shareholders who do not take up their entitlement under the Entitlement Offer in full or in part, will not receive any value in respect to those Entitlements not taken up.

Ord Minnett Limited is acting as Sole Lead Manager, Bookrunner and Underwriter to the Equity Raising. The Placement and the Entitlement Offer are fully underwritten.

Viva Leisure's shares will remain in a trading halt pending completion of the Placement and the Institutional Entitlement Offer.

### Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer, which is being conducted today, Thursday, 4 June 2020. Eligible institutional shareholders can choose to take up all, part or none of their entitlements under the Entitlement Offer.

Entitlements not taken up by institutional shareholders cannot be traded on market or transferred. Entitlements not taken up by eligible institutional shareholders, and institutional entitlements that would otherwise have been offered to ineligible institutional shareholders, will be offered to new and existing institutional shareholders concurrently with the Institutional Entitlement Offer.

### Retail Entitlement Offer

<sup>1</sup> Theoretical ex-rights price (TERP) includes the shares issued under the Placement, Institutional Entitlement Offer and the Retail Entitlement Offer. TERP is the theoretical price at which Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Shares trade on ASX immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to the closing price of Viva Leisure's Shares as traded on ASX on Wednesday, 3 June 2020, being the last trading day prior to the announcement of the Entitlement Offer.

## MARKET ANNOUNCEMENT



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, which Viva Leisure expects to lodge with the ASX and dispatch on Friday, 12 June 2020.

#### Major Shareholder Participation

Major shareholders, SHJA Management Pty Ltd (entities associated with Harry Konstantinou and Angelo Konstantinou) and Mera Vale No. 1 Pty Ltd (entities associated with Mark McConnell) are not participating in the Offer to provide flexibility to introduce new institutional shareholders to the Viva Leisure share register and further improve liquidity. Both SHJA Management Pty Ltd and Mera Vale No. 1 Pty Ltd remain fully supportive of the Company.

#### Equity Raising Timetable<sup>2</sup>

Event	Date (2020)
Equity Raising announcement and Placement and Institutional Entitlement Offer opens	Thursday, 4 June
Placement and Institutional Entitlement Offer closes	Thursday, 4 June
Trading in Viva Leisure shares resumes on an ex-entitlement basis	Friday, 5 June
Record date for determining entitlement for the Entitlement Offer	7.00pm Tuesday, 9 June
Despatch of Retail Offer Booklet and Retail Entitlement Offer opens	Friday, 12 June
Settlement of Placement and Institutional Entitlement Offer	Monday, 15 June
Allotment of New Shares issued under the Placement and Institutional Entitlement Offer	Tuesday, 16 June
Normal trading of New Shares issued under the Placement and Institutional Offer	Wednesday, 17 June
Retail Entitlement Offer closing date	Tuesday, 23 June
Allotment of New Shares issued under the Retail Entitlement Offer	Tuesday, 30 June
Normal trading of New Shares issued under the Retail Entitlement Offer	Wednesday, 1 July
Despatch of holding statements	Wednesday, 1 July

<sup>2</sup> All dates and times are indicative and Viva Leisure reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), ASX Listing Rules and other applicable laws. All times and dates are in reference to Sydney, Australia time.

## MARKET ANNOUNCEMENT



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

"Following the recently announced easing of restrictions that allow the reopening of gyms across all geographical territories in which Viva Leisure operates, the equity raising will provide the Company with significant financial flexibility to pursue acquisition opportunities.

There are several accretive and strategic opportunities available to Viva in the short term that management is currently evaluating to further complement the Viva Leisure offering."

### **Additional Details**

Further details of the Offer are set out in the Investor Presentation provided to the ASX today (Investor Presentation). It contains important information including key risks and foreign selling restrictions with respect to the Placement and the Entitlement Offer.

ENDS

### **For further information, please contact:**

Harry Konstantinou, CEO and Managing Director, +61 2 6163 8011  
[investor.relations@vivaleisure.com.au](mailto:investor.relations@vivaleisure.com.au)

This announcement has been authorised for release to ASX by the Board of Directors of Viva Leisure.

## MARKET ANNOUNCEMENT



### 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

## MARKET ANNOUNCEMENT



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.

## 5.2 INVESTOR PRESENTATION

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### Important Notice and Disclaimer

**Important information**

This presentation is dated 4 June 2020 and has been prepared by Viva Leisure Limited ("Viva Leisure") and includes information regarding a fully underwritten accelerated non-renewable pro rata entitlement offer of new fully paid ordinary shares in Viva Leisure ("New Shares") to be made under section 708AA of the Corporations Act 2001 (Cth) ("Corporations Act") ("Entitlement Offer") as notionally modified by the ASIC Corporations (Non-Traditional Rights Issues) Instrument 20/1584 ("ASIC Instrument") and institutional placement of New Shares to institutional investors ("Placement") (the Entitlement Offer and Placement are collectively the "Capital Raising").

The Entitlement Offer will be made available to eligible institutional shareholders of Viva Leisure ("Institutional Entitlement Offer") and eligible retail shareholders of Viva Leisure ("Retail Entitlement Offer").

**Summary information**

This presentation contains summary information about Viva Leisure (and their associated entities) and their activities current as at the date of this presentation. The information contained in this presentation is for information purposes only. The information contained in this presentation is of general background and does not purport to include or summarise all information that an investor should consider when making an investment decision. It should be read in conjunction with Viva Leisure's other periodic and continuous disclosure announcements lodged with the ASX, which are available at [www.vivaleisure.com.au](http://www.vivaleisure.com.au).

This presentation is not and does not contain all of the information which would be required to be disclosed in a prospectus, product disclosure statement or any other offering document under Australian law or any other law (and will not be lodged with ASIC or any foreign regulator).

**Not an offer**

The Placement will be conducted under section 709 of the Corporations Act and will be made available to certain persons whom a prospectus is not required to be given under Chapter 1D of the Corporations Act. The Entitlement Offer will be made under section 708AA of the Corporations Act (as notionally modified by the ASIC Instrument). This presentation is not, and does not constitute, an offer to sell or the solicitation, invitation or recommendation to purchase any securities (including shares in Viva Leisure) or any other financial product and neither this presentation nor any of the information contained herein shall form the basis of any contract or commitment. In particular, this presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. This presentation may not be distributed or released in the United States. The securities referred to in this presentation have not been, and will not be, registered under the US Securities Act of 1933 ("US Securities Act") or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States unless the securities have been registered under the US Securities Act or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable securities laws. The distribution of this presentation in jurisdictions outside Australia may be restricted by law and you should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. By accepting this presentation, you represent and warrant that you are entitled to receive such presentation in accordance with the above restrictions and agree to be bound by the limitations contained herein.

An investment in shares in Viva Leisure is subject to known and unknown risks, some of which are beyond the control of Viva Leisure, including possible loss of income and principal invested. Viva Leisure does not guarantee any particular rate of return or the performance of Viva Leisure, nor does it guarantee any particular tax treatment. Investors should have regard to (amongst other things) the risk factors outlined in this presentation when making their investment decision. See the "Key Risks" section of this presentation for a non-exhaustive list of the risks relating to an investment in Viva Leisure shares.

**Future performance**

This presentation may contain certain "forward-looking statements". Forward-looking statements include those containing words such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan", "consider", "forecast", "aim", "will" and other similar expressions. Any forward-looking statements, opinions and estimates (including forecast financial information) provided in this presentation are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of Viva Leisure. This includes any statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements may include indications, projections, forecasts and guidance on sales, earnings, dividends, distributions and other estimates and statements regarding Viva Leisure's intent, belief or current expectations or projections with respect to business and operations, market conditions, results of operations and financial condition, including, without limitation, forecasted economic indicators, performance metrics outcomes, the potential impact and duration of the COVID-19 pandemic as well as the timetable and outcome of the Capital Raising and the proceeds thereof.

Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. A number of important factors could cause Viva Leisure's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements, including but not limited to, general economic conditions in Australia and worldwide, exchange rates, competition in the markets in which Viva Leisure operates, the inherent regulatory risks in the businesses of Viva Leisure and the duration of the COVID-19 pandemic.

These forward-looking statements reflect Viva Leisure's current views with respect to future events and are subject to change, certain risks, uncertainties, contingencies, projections and assumptions which are beyond Viva Leisure's control, and no assurance can be given that future developments will be in accordance with Viva Leisure's expectations. Readers are cautioned not to place undue reliance on forward-looking statements and except as required by law or regulation, Viva Leisure assumes no obligation to update these forward-looking statements to the maximum extent permitted by law. Viva Leisure and its related bodies corporate, officers, employees, agents and advisers nor any other person referred to in this presentation (the "Limited Parties"):

- disclaim any obligations or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions or as a result of new information, future events or otherwise;



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### Important Notice and Disclaimer (continued)

- do not make any representation or warranty, express or implied, as to the accuracy, reliability, fairness or completeness of such information, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement, and
- accept all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence)

Past performance information (including past share price performance of Viva Leisure) given in this presentation is given for illustrative purposes only and is not necessarily a guide to future performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward-looking statements, forecast financial information or future share price performance. Nothing contained in this presentation nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty, or guarantee as to the past, present or the future performance of Viva Leisure.

You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and significant volatility, uncertainty and disruption caused by the outbreak of COVID-19.

No investment or financial product advice  
The information contained in this presentation does not constitute investment or financial product advice (as taxation, accounting or legal advice), is not a recommendation to acquire Viva Leisure shares and is not intended to be used or relied upon as the basis for making an investment decision. In providing this presentation, Viva Leisure has not considered the investment objectives, financial position or needs of any particular recipient. Each recipient of the presentation should make its own enquiries and investigations regarding any investment and in relation to all information in this presentation (including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of Viva Leisure and the value and the impact that different future outcomes may have on Viva Leisure) and, before making any investment decisions, should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs, and should seek legal, accounting and taxation advice appropriate to their jurisdiction. Neither this presentation nor anything contained in it forms the basis of any contract or commitment and no agreement to subscribe for securities will be entered into on the basis of this presentation. Viva Leisure is not licensed to provide, and this presentation does not constitute the provision of, investment or financial product advice in respect of Viva Leisure shares. Cooling off rights do not apply to the acquisition of Viva Leisure shares pursuant to the Capital Raising.

Financial data  
All dollar values are in Australian dollars (\$) or AUD) unless stated otherwise. All references starting with "FY" refer to the financial year ending 30 June. For example, "FY20" refers to the financial year ending 30 June 2020.

Investors should note that this presentation includes both audited and unaudited financial information for various periods. The presentation also includes pro-forma financial information. Pro-forma adjustments have been made which assume the completion of the Capital Raising (net of transaction costs). With the exception of the audited financial information, investors should note that this information has not been audited and is based on management estimates and not on financial statements prepared in accordance with applicable statutory requirements. Accordingly, investors should treat this information with appropriate caution. Investors should also note that the pro-forma historical balance sheet is for illustrative purposes only and should not be relied upon as, and is not represented as, being indicative of Viva Leisure's future financial condition and/or performance.

Investors should also be aware that certain financial data included in this presentation including TTV, EBITDA, EV, and measures described as "pro-forma", are "non-IFRS financial information" under ASX Regulatory Guide 220 (Disclosing non-IFRS financial information). The non-IFRS financial information financial measures do not have a standardised meaning prescribed by AIFRS and, therefore, may not be comparable to similarly titled measures presented by other companies, nor should they be construed as an alternative to other financial measures determined in accordance with AIFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial measures included in the presentation.

Effect of Rounding  
A number of figures, amounts, percentages, estimates, calculations of value and fractions in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

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Any information in this presentation is made only at the date of this presentation, and opinions expressed reflect Viva Leisure's position at the date of this presentation, and are subject to change. Viva Leisure is under no obligation to update this presentation. No assurance is given by Viva Leisure that the Capital Raising or any other transaction referred to in this presentation will proceed and Viva Leisure reserves its rights to withdraw or vary the transactions described in this presentation without notice.



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### Presenting Today



**Harry Konstantinou**  
Managing Director & Chief Executive Officer



**Kym Gallagher**  
Chief Financial Officer



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## Executive Summary

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### Executive Summary

<p><b>Pre COVID-19</b></p>	<ul style="list-style-type: none"> <li>1H-FY20 results from PCP:           <ul style="list-style-type: none"> <li>Revenue up 52.7%</li> <li>EBITDA up 79.8%</li> <li>NPAT up 121.2%</li> </ul> </li> <li>On track to achieve significant growth in FY20, exceeding 100k members</li> </ul>
<p><b>COVID-19 Impact</b></p>	<ul style="list-style-type: none"> <li>10 week closure in ACT market (50% of VVA's club located) - clubs now open</li> <li>10 week closure in QLD market (13%) – opened 2 June 2020</li> <li>12 week closure in NSW market (30%) – opening 13 June 2020</li> <li>~13 week closure in VIC market (7%) – opening 21 June 2020</li> <li>100% reduction in revenue over the period from April to May 2020</li> </ul>
<p><b>Outlook &amp; Strategy</b></p>	<ul style="list-style-type: none"> <li>Strong balance sheet, with ~\$6m cash at bank, and ~\$30m post Capital Raising</li> <li>Lease incentives in place to assist with recovery</li> <li>Revenue starting to flow with ACT clubs open from 30 May 2020, and QLD clubs from 2 June 2020 with restrictions</li> <li>Acceleration of refurbishments and roll-out of new locations will provide improved facilities and product offering on re-opening</li> </ul>

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### 1H FY20 Performance Highlights

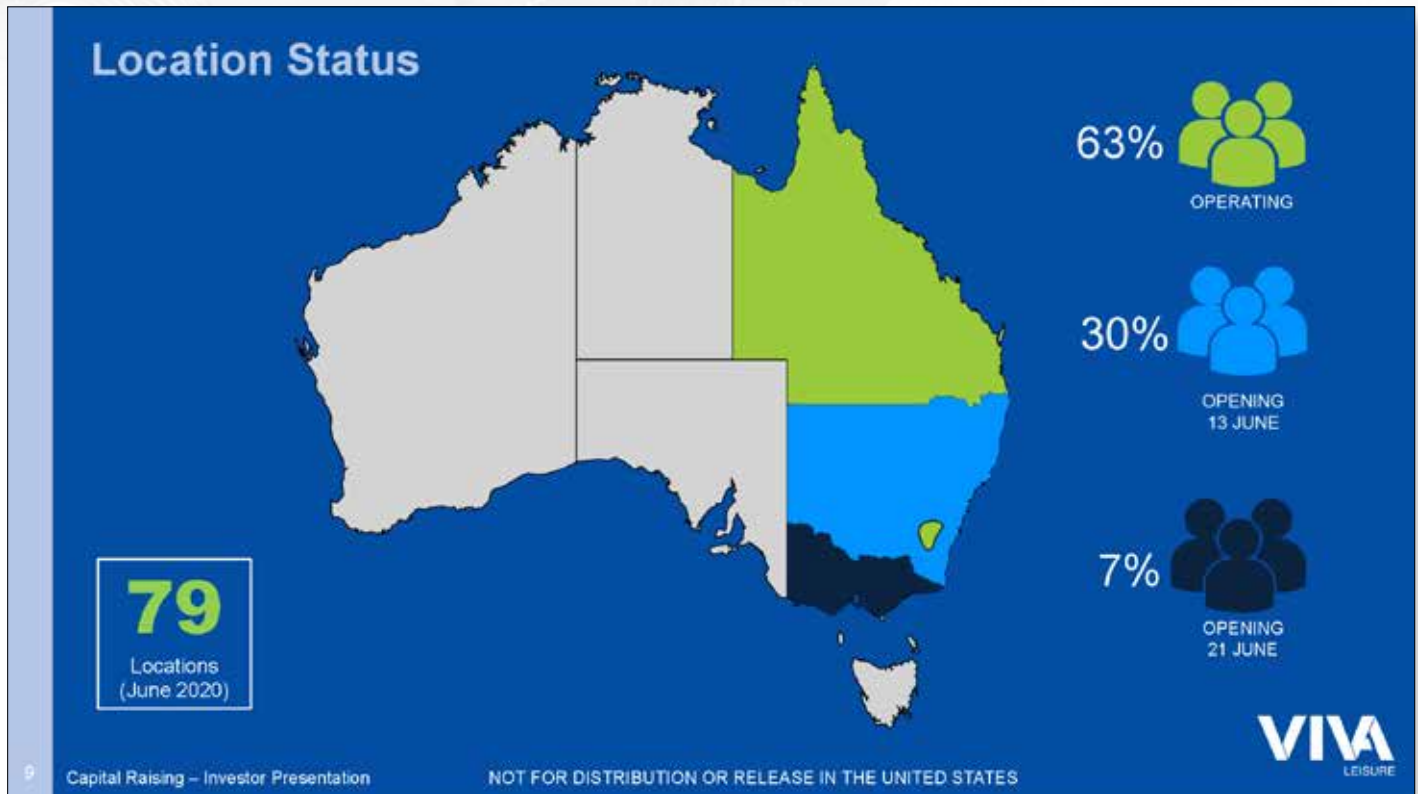
<p>REVENUE</p> <p><b>\$23.0m</b></p> <p>PCP 52.7% ↑</p>	<p>EBITDA*</p> <p><b>\$5.61m</b></p> <p>PCP 79.8% ↑</p>	<p>NPAT*</p> <p><b>\$2.81m</b></p> <p>PCP 121.2% ↑</p>	<p>EBITDA MARGIN*</p> <p><b>24.4%</b></p> <p>PCP 20.7%</p>
<p>MEMBERS</p> <p><b>70,886</b></p> <p>PCP 40,073 ↑</p>	<p>CLUB m2</p> <p><b>49,373</b></p> <p>PCP 26,381 ↑</p>	<p>LOCATIONS<sup>^</sup></p> <p><b>60</b></p> <p>PCP 25 ↑</p>	<p>UTILISATION</p> <p><b>71.0%</b></p> <p>Based on 2 members per square metre</p>

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\* Excluding impacts of AASB16  
 \* Results for HY2019 refer to the same Group under common control  
<sup>^</sup> Opened Locations as at 31 December 2019

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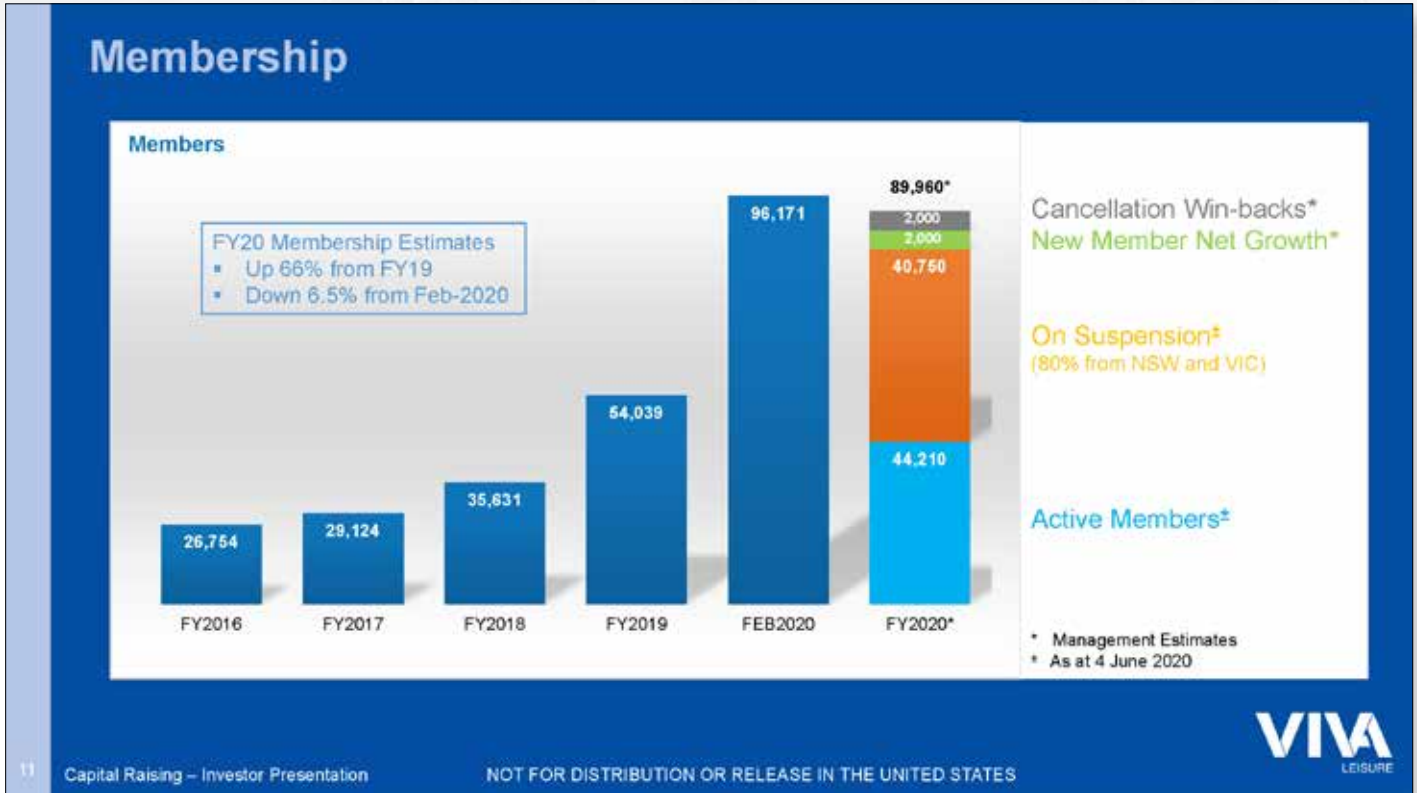


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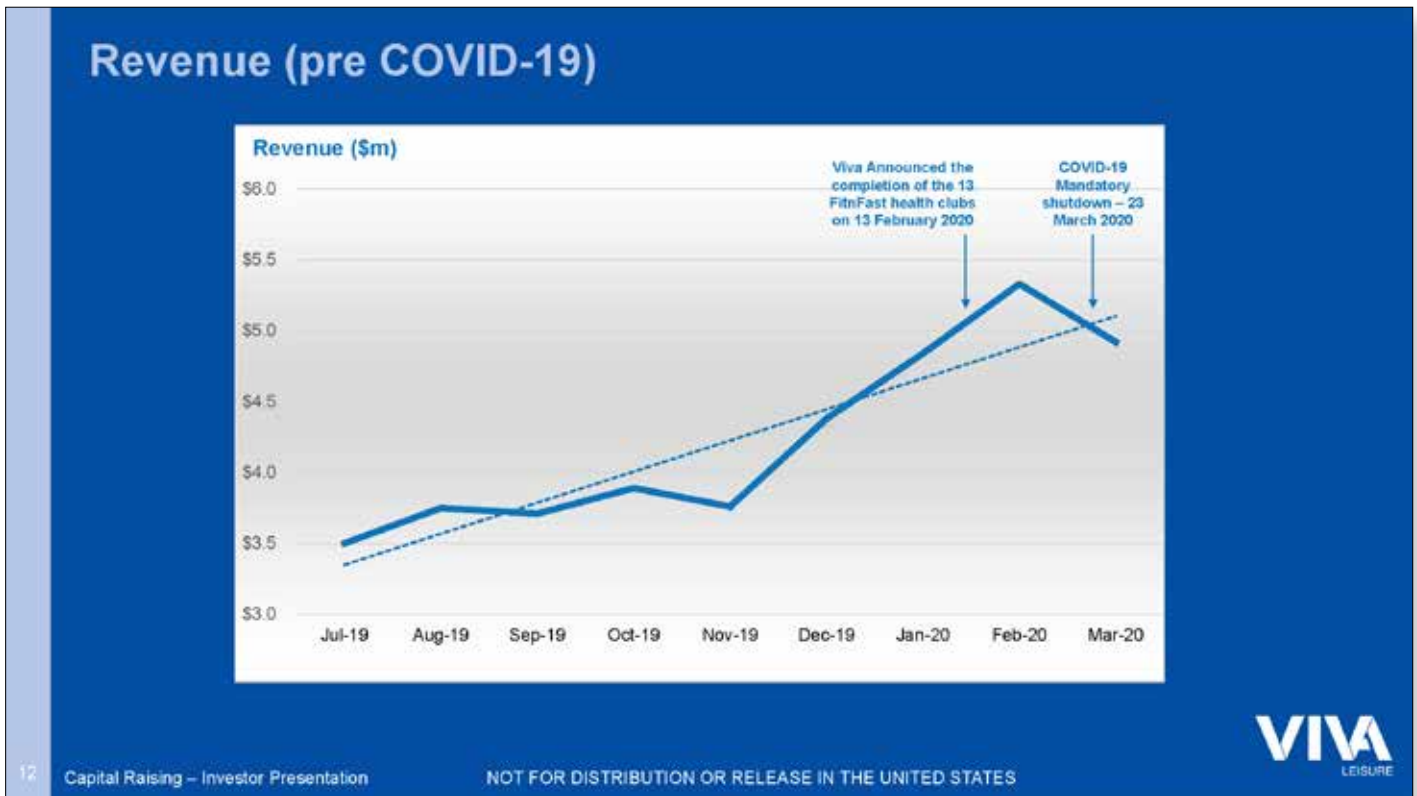


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### Equity Raising Overview

Offer Size & Structure	<ul style="list-style-type: none"> <li>A fully underwritten Equity Raising of approximately \$25.0 million ("Equity Raising" or "Offer") via:                     <ul style="list-style-type: none"> <li>an Institutional Placement of \$2.9 million;</li> <li>a 1 for 6 pro-rata accelerated non-renounceable entitlement offer of approximately \$22.1 million, comprising an Institutional Entitlement Offer of approximately \$18.7 million and a Retail Entitlement Offer<sup>1</sup> of approximately \$3.3 million</li> </ul> </li> <li>Approximately 11.4 million new fully paid ordinary shares in Viva Leisure ("New Shares") to be issued under the Equity Raising, representing approximately 18.9% of existing Viva Leisure shares on issue</li> </ul>
Offer price	<ul style="list-style-type: none"> <li>All shares under the Placement and Entitlement Offer will be issued at a fixed price of \$2.20 per New Share ("Offer Price"). This Offer Price represents a:                     <ul style="list-style-type: none"> <li>15.4% discount to the last traded price of \$2.60 on 3 June 2020</li> <li>13.3% discount to TERP<sup>2</sup> of \$2.54</li> </ul> </li> </ul>
Placement and Institutional Entitlement Offer	<ul style="list-style-type: none"> <li>The Placement and Institutional Entitlement Offer will be conducted by way of a bookbuild process on Thursday 4 June 2020</li> <li>Entitlements under the Institutional Entitlement Offer that are not taken up and entitlements of ineligible institutional shareholders under the Entitlement Offer will be offered for sale in the bookbuild</li> </ul>
Retail Entitlement Offer	<ul style="list-style-type: none"> <li>The Retail Entitlement Offer will open on Friday, 12 June 2020 and closes on Tuesday, 23 June 2020</li> <li>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 a 'top up' facility</li> </ul>
Settlement	<ul style="list-style-type: none"> <li>Settlement of the Placement and Institutional Entitlement Offer expected on 15 June 2020, with the Retail Entitlement Offer expected to settle on 29 June 2020</li> </ul>
Ranking	<ul style="list-style-type: none"> <li>New Shares will rank equally with existing fully paid ordinary shares from their time of issue</li> <li>New Shares issued under the Placement will not be entitled to participate in the Entitlement Offer</li> </ul>
Record Date	<ul style="list-style-type: none"> <li>Entitlement Offer is open to existing Viva Leisure shareholders on the register as at 7.00pm (Sydney, Australia time) on the Record Date of Tuesday, 9 June 2020</li> </ul>

Notes:  
1 The Retail Entitlement Offer is only available to eligible retail shareholders with a registered address in Australia or New Zealand on the Record Date – see the Retail Offer Booklet for further details on eligibility once available.  
2 Theoretical ex-rights price ("TERP") includes the shares issued under the Placement, Institutional Entitlement Offer and the Retail Entitlement Offer. TERP is the theoretical price at which Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Shares trade on ASX immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to the closing price of Viva Leisure's Shares as traded on ASX on 3 June 2020, being the last trading day prior to the announcement of the Offer.

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### Equity Raising Overview (continued)

- Major Shareholder Participation**
  - Major shareholders, SHJA Management Pty Ltd (entities associated with Harry Konstantinou and Angelo Konstantinou) and Mera Vale No. 1 Pty Ltd (entities associated with Mark McConnell) are not participating in the Offer to provide flexibility to introduce new institutional shareholders to the Viva Leisure share register and further improve liquidity
  - Both SHJA Management Pty Ltd and Mera Vale No. 1 Pty Ltd remain fully supportive of the Company
- Director Participation**
  - Non-Executive Director, Susan Forrester is subscribing for her full entitlement in the Retail Entitlement Offer
- Underwriting**
  - The Offer is fully underwritten by Ord Minnett Limited
  - Proceeds of the Offer will be used to enhance Viva Leisure's overall financial strength by providing balance sheet flexibility in relation to pursuing accretive and strategic future acquisition opportunities, accelerate refurbishment of existing locations, accelerate new site roll-outs and pay Offer costs
- Use of Funds**
  - As previously disclosed to the market, Viva Leisure's long-term business strategy includes pursuing acquisition opportunities. Viva Leisure's potential acquisition pipeline is strong, with the recent impact of COVID-19 creating opportunities. At any time, the group is actively considering and evaluating a range of opportunities and holding confidential discussions with potential vendors. However, there can be no assurance that any of these opportunities will eventuate.

Sources	\$m	Uses	\$m
Cash on Hand*	6.0	Working Capital / Liquidity for Potential Acquisition Opportunities	25.4
Available Market Rate Loan	2.0	Acceleration of Fit-outs and Greenfields	6.5
Equity Raising	25.0	Transaction Costs	1.1
<b>Total Sources</b>	<b>33.0</b>	<b>Total Uses</b>	<b>33.0</b>

\*As at 31 May 2020



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### Pro forma Balance Sheet

Balance Sheet (\$'000's)	April 2020*	Transaction	Pro-Forma
<b>Assets</b>			
Cash at Bank and On Hand	9,092	23,900	32,992
Deferred Tax	1,699	303	2,002
Other Assets	228,531	-	228,531
<b>Total Assets</b>	<b>239,322</b>	<b>24,203</b>	<b>263,525</b>
<b>Total Liabilities</b>	<b>195,830</b>	<b>-</b>	<b>195,830</b>
<b>Net Assets</b>	<b>43,492</b>	<b>24,203</b>	<b>67,695</b>
<b>Equity</b>			
Share Capital / Reserves	41,395	24,275	65,670
Total Retained Earnings	2,097	(72)	2,025
<b>Total Equity</b>	<b>43,492</b>	<b>24,203</b>	<b>67,695</b>

\*The April 2020 balance sheet is an unaudited management accounts balance sheet and includes AASB-16 Right of Use Assets and Lease Liabilities



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## Offer Timetable

Event Date	
Equity Raising announcement and Placement and Institutional Entitlement Offer opens	Thursday, 4 June 2020
Placement and Institutional Entitlement Offer closes	Thursday, 4 June 2020
Trading in Viva Leisure shares resumes on an ex-entitlement basis	Friday, 5 June 2020
Record date for determining entitlement for the Entitlement Offer	7.00pm Tuesday, 9 June 2020
Despatch of Retail Offer Booklet and Retail Entitlement Offer opens	Friday, 12 June 2020
Settlement of Placement and Institutional Entitlement Offer	Monday, 15 June 2020
Allotment of New Shares issued under the Placement and Institutional Entitlement Offer	Tuesday, 16 June 2020
Normal trading of New Shares issued under the Placement and Institutional Entitlement Offer	Wednesday, 17 June 2020
Retail Entitlement Offer closing date	Tuesday, 23 June 2020
Allotment of New Shares issued under the Retail Entitlement Offer	Tuesday, 30 June 2020
Normal trading of New Shares issued under the Retail Entitlement Offer	Wednesday, 1 July 2020
Despatch of holding statements	Wednesday, 1 July 2020

Note: 1. All dates and times are indicative and Viva Leisure reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), ASX Listing Rules and other applicable laws. All times and dates are in reference to Sydney, Australia time.

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**5.2 INVESTOR PRESENTATION**


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**CISAC (ACT)**

Before



After




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**WODONGA (VIC)**

Before



After



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**VICTORIA POINT (QLD)**


Before




After



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**Foreign Selling Restrictions**

5.2 INVESTOR PRESENTATION

## Foreign Selling Restrictions

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

**Hong Kong**  
**WARNING:** This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of the document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted the New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

This document may not be reproduced in any form or transmitted to any person other than the person to whom it is addressed.

**New Zealand**  
 This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The New Shares are not being offered to retail investors within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of such financial products is being made in reliance on the FMC Act and the Financial Markets Conduct (Procedural Offers) Exemption Notice 2016. The New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

**Singapore**  
 This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subsection (4) Division 1, Part XII of the Securities and Futures Act, Chapter 289 of Singapore (the SFA), or in otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

The document has been given to you on the basis that you are (i) an existing member of the Company, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are no sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

**United States**  
 This presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The New Shares to be offered and sold in the Offer have not been, and will not be, registered under the U.S. Securities Act 1933, as amended ("U.S. Securities Act"), or the securities laws of any state or other jurisdiction of the United States, and may not be offered and sold to, directly or indirectly, any 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. There will not be a public offer of the New Shares in the United States. This presentation may not be distributed or released in the United States.

**VIVA**  
LEISURE

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## 5.2 INVESTOR PRESENTATION

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### Key Risks

#### Introduction

This section outlines some of the key risks associated with an investment in Viva Leisure shares, together with risks relating specifically to participation in the Offer. This is not an exhaustive list of the relevant risks and the risks set out below are not in order of importance.

Additional risks not presently known to Viva Leisure, or that are not presently considered by Viva Leisure to be material, may also become important factors that adversely affect Viva Leisure. If any of the following risks materialise, Viva Leisure's business, financial condition and financial performance, and the price of its shares may be adversely affected. Investors should note that the occurrence or consequences of some of the risks described in this section are partially or completely outside of the control of Viva Leisure, its directors and senior management.

In deciding whether to participate in the Offer, you should read this presentation in its entirety and carefully consider the risks outlined in this section. You should also read this presentation in conjunction with Viva Leisure's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (ASX), which are available at [www.asx.com.au/ASX:VVA](http://www.asx.com.au/ASX:VVA). You should also have regard to your own investment objectives, financial situation and particular needs, and consider consulting your financial or legal adviser for professional guidance so as to ensure you fully understand the terms of the Offer and the relevant risks.

The risks are categorised as follows:

1. Key Business Risks
2. General Risks, and
3. Offer Risks

References to Viva Leisure in the key risks section of this presentation include Viva Leisure and its related bodies corporate (as defined in the Corporations Act), where the context requires.

#### 1. Key Business Risks

##### 1.1 Effect of COVID-19

The COVID-19 pandemic has had and continues to have an impact on Viva Leisure's business and the health and fitness sectors across Australia. In particular, the Federal government has implemented a mandatory closure of health clubs across Australia to assist with slowing the spread of COVID-19 with individual State and Territory governments responsible for the re-opening of health clubs and the nature of any continuing restrictions. This has materially impacted Viva Leisure's membership and physical attendance rates and its expected financial position and performance.

Viva Leisure has taken careful steps to mitigate the impact of COVID-19 on its business, including by providing alternative at-home workout options for its members, slowing the rate of club refurbishments, rollouts and capital works, including over 50% of total headcount (including casual staff), negotiating rent abatements or other incentives with its landlords, deferring payments on equipment finance leases, establishing a new overdraft facility to provide additional financial support and applying for the Federal government's JobKeeper payment scheme.

Despite these measures, there continues to be considerable uncertainty as to the duration and further impact of COVID-19, including (but not limited to) in relation to government, regulatory or health authority actions, work stoppages, lockdowns, quarantines, and travel restrictions. These restrictions could significantly impact Viva Leisure's ability to operate and manage its business effectively. In particular, it is possible that certain Viva Leisure facilities continue may need to close for a temporary or prolonged period if any team member or staff is suspected to have been infected or identified as a possible source of spreading infection and more generally if government and/or public health policy is updated so as to restrict the ability of health club facilities to operate. The detection of infection at certain of Viva Leisure's health club facilities could also have a material adverse impact on Viva Leisure's reputation and demand for Viva Leisure's offering.

The events relating to COVID-19 have recently resulted in significant market falls and volatility including in the prices of securities trading on the Australian Securities Exchange (ASX) (including the price of Viva Leisure's shares) and on other foreign securities exchanges. There is continued uncertainty as to the further impact of COVID-19 including in relation to governmental action, work stoppages, lockdowns, quarantines, travel restrictions and the impact on the Australian economy and share markets. COVID-19 has already caused job losses in Australia and a meaningful increase in unemployment, especially over a sustained period, could reduce the demand for health and fitness services (see further below in the Macroeconomic and Socioeconomic risk factors).

The impact of some or all of these factors, which are beyond Viva Leisure's control, could cause significant disruption to Viva Leisure's operations and financial performance and result in declines in the market or fair value of assets recorded in the consolidated balance sheet.

In relation to the JobKeeper payment scheme, although Viva Leisure expects it will be eligible to meet the test in relation to its workforce, formal confirmation of the benefits from JobKeeper eligibility has yet to be determined. If Viva Leisure is ineligible for the JobKeeper payment scheme or its entitlement to the subsidies is lower than expected, this could have an adverse impact of Viva Leisure's expected financial position.

While Viva Leisure has commenced good faith negotiations with its landlords in accordance with the National Contract Mandatory Code of Conduct on SME Commercial Leasing and agreed to a deferral of a reduced monthly rental payment with a number of landlords, negotiations remain ongoing with a number of other landlords with certain landlords wishing for health clubs to re-open, so that any arrangement, including deferral amounts can be signed. There is no certainty that Viva Leisure will be able to negotiate favourable outcomes with the remaining landlords. In the event that Viva Leisure is unable to agree on the terms of rent relief with its remaining landlords there is a risk that a dispute may arise which may divert management's attention and resources from Viva Leisure's day to day operations.



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### Key Risks (continued)

#### 1.2 Safety, health and well-being

Health and safety incidents within members and staff could have an adverse impact on Viva Leisure's reputation and business, the most significant risk being a Viva Leisure club based transmission of COVID-19 amongst staff and club members. Viva Leisure prioritises the safety and health of its staff and members but incidents can and do arise when interacting with members in physical exercising environments.

#### 1.3 Membership risk

Viva Leisure's ability to attract and retain members is crucial to the profitability of Viva Leisure. A deterioration in the number of members of Viva Leisure could adversely affect Viva Leisure's business, results of operation or financial condition and performance. In addition to the impact and duration of COVID-19, there are many factors which could affect Viva Leisure's membership levels, including:

- (a) increased competition within the fitness industry;
- (b) specific issues arising at any of Viva Leisure's health clubs which adversely impact the reputation or the perception of Viva Leisure; or
- (c) a deterioration in general economic conditions.

#### 1.4 Changes to the regulatory framework

Viva Leisure is currently required to comply with The Fair Trading (Fitness Industry) Code of Practice 2000 (ACT Fitness Code). The ACT Fitness Code is a mandatory code of practice for fitness centres and fitness industry professionals in the Australian Capital Territory. The National Fitness Industry Code of Practice (National Fitness Code) was released by Fitness Australia on 15 November 2018. The National Fitness Code takes six previous State and Territory codes of practice, the Fitness Australia Business Principles guide, current Australian consumer law and extensive industry consultation to form a consolidated new standard of business operation in the Australian fitness industry. Where there is any conflict or inconsistency between the National Fitness Code and any Commonwealth, State or Territory legislation or regulation, that legislation or regulation will prevail to the extent of that inconsistency or conflict. In this context, Viva Leisure will continue to comply with the relevant Commonwealth, State or Territory legislation or regulation.

There is a risk that regulatory restrictions may become more burdensome in the future. If this occurs, Viva Leisure may be required to dedicate more time and resources to ensuring that it complies with these regulations, which could adversely affect its financial performance and future prospects. For instance, these adverse changes may include changes to accreditation standards, changes to the requirements for operating unstaffed health clubs and changes to the terms and conditions which apply to membership agreements. Failure by Viva Leisure to comply with industry codes may result in compliance orders being issued against Viva Leisure and reputational damage.

#### 1.5 Reputational damage

Viva Leisure's reputation could be adversely impacted if it suffers from any adverse publicity. Examples of adverse publicity include health and safety issues or incidents affecting members, poor maintenance of equipment, potential breaches of the Australian Consumer Law, poor service to members and employment related disputes. Adverse publicity may result in members cancelling their Viva Leisure health club memberships and moving to other fitness industry competitors, reducing Viva Leisure's ability to attract new members or having an adverse effect on Viva Leisure's ability to engage quality fitness trainers. Each of these circumstances could adversely impact Viva Leisure's financial performance and future prospects.

#### 1.6 Increased competition

Viva Leisure operates in a sector with established competitors, including a number of other health club providers with a large number of facilities across multiple jurisdictions in Australia. Viva Leisure may face increased competition from these established competitors and from new entrants in the fitness industry, through:

- (a) competitors undertaking aggressive expansions, marketing campaigns and discounting strategies;
- (b) consolidation of existing competitors;
- (c) existing competitors upgrading facilities; or
- (d) competitors providing its members with novel services, benefits or technology.

An increase in competition could result in, among other things, Viva Leisure experiencing a decline in its ability to attract and retain members, revenue reductions, reduced operating margins and loss of market share. Viva Leisure may also face competition for suitable acquisition opportunities which may reduce the pool of acquisition opportunities available to Viva Leisure or increase seller price expectations. The actions of existing and new competitors could, among other things, affect the establishment and growth of Viva Leisure experiencing lower than anticipated revenue and earnings.

#### 1.7 Acquisition risks

Viva Leisure's long-term business strategy includes pursuing acquisitions. There can be no assurance that Viva Leisure will identify suitable acquisition opportunities at acceptable prices, or successfully execute those opportunities. To the extent that acquisitions are not successfully completed, Viva Leisure will need to consider alternative uses for the proceeds of the Offer or options for returning capital.

In addition, Viva Leisure's past and future acquisitions may be subject to unanticipated risks and liabilities, or may disrupt its operations. There is also a risk that the expected benefit of any acquisition will not be realised due to an inability to successfully integrate any acquired health club. In particular, potential issues may arise from the inability to maintain uniform standards, controls, procedures and policies. These types of integration risks may detract from the expected benefits contemplated by Viva Leisure and affect the financial performance and growth of Viva Leisure or damage the reputation and branding of Viva Leisure. This may divert management's attention and resources from Viva Leisure's day to day operations.

#### 1.8 Debt and financing risk

Viva Leisure is required to comply with financial covenants under its debt facilities, being a gross leverage ratio, debt service coverage ratio and revenue per average member, which are tested by reference to annual, half-yearly and quarterly financials and membership numbers. If Viva Leisure were to breach any of these covenants, the lender could cancel the facilities and declare all outstanding amounts immediately due and payable. If that action were to be taken, there is no certainty that Viva Leisure would have access to sufficient cash to meet its repayment obligations or be able to refinance the existing debt on commercially acceptable terms. In these circumstances, Viva Leisure would need to seek waivers or other forms of accommodation. Alternatively, Viva Leisure would need to procure alternative financing arrangements to refinance the existing facilities.

There is a risk that Viva Leisure's existing lender could withhold its consent to amendment or waiver of any non-compliance or, if such consent were given, that consent may be conditional on increased fees or interest or adverse terms and conditions. Viva Leisure may, in the future, require additional debt or equity capital. There is a risk that Viva Leisure may be unable to access additional debt or equity funding from the capital markets on favourable terms, or at all.



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### Key Risks (continued)

#### 2. General risks

##### 2.1 Macroeconomic and Socioeconomic factors

The performance of Viva Leisure will continue to be influenced by the overall condition of the economy in Australia and any deterioration in employment or economic growth could adversely affect Viva Leisure's business. It is currently expected that the COVID-19 pandemic will have a material adverse impact on the Australian economy and as a result, Viva Leisure's financial performance.

In light of recent Australian and global macroeconomic events, including though not limited to the impact of COVID-19, Australia may experience an economic recession or downturn of uncertain severity and duration which continue to impact on the operating and financial performance and prospects of Viva Leisure and continue to impact Viva Leisure's business and prospects.

As noted above, the macroeconomic consequences of the COVID-19 pandemic on Viva Leisure's business may be significantly mitigated by reducing costs in the short term and federal government support packages.

Other socioeconomic and macroeconomic factors could have a material adverse impact on Viva Leisure's business and financial performance, including unemployment rates, lower household income levels and lower birth rates. A localised deterioration of market conditions in the areas surrounding Viva Leisure's health club facilities may also impact the membership levels. Viva Leisure undertakes detailed data analysis modelling in relation to existing and new health club investments to ensure forecast social and economic drivers are factored into any investment decisions.

##### 2.2 General market and share price risks

There are general risks associated with any investment in the share market. The price of Viva Leisure shares may increase or decrease due to a number of factors. Those factors include fluctuations in domestic or global financial markets and general economic conditions, including interest rates, inflation rates, exchange rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies, legislation or regulation, the removal or inclusion of Viva Leisure from market indices, and the nature of markets in which Viva Leisure operates. These factors may cause the price of Viva Leisure shares to trade below the price at which they are offered under the Offer, notwithstanding Viva Leisure's financial position or performance.

Viva Leisure's share price has fluctuated significantly as a result of COVID-19 and the general economic downturn. Government policy may also have a direct impact on the operations of entities in the health and fitness industry, such as Viva Leisure, which can impact Viva Leisure's share price to a larger extent than the share price of other companies.

##### 2.3 Tax and accounting

Australian accounting standards and tax laws (including GST and stamp duty taxes), or the way they are interpreted, are subject to change from time to time, which may impact Viva Leisure's financial position or performance.

##### 2.4 Dividends

There are a range of factors that determine the payment of dividends on Viva Leisure's shares. These include the profitability of the business, its cash reserves, future capital requirements and obligations under debt facilities. Viva Leisure's Board will determine any future dividend levels based upon Viva Leisure's operating results and financial standing at the time. There is no guarantee that any dividend will be paid by Viva Leisure, or guarantee that future dividends will equal or exceed previous payments.

##### 2.5 Litigation

Legal proceedings and claims may arise from time to time in the ordinary course of Viva Leisure's business and may result in high legal costs, adverse monetary judgments and/or damage to Viva Leisure's reputation which could have an adverse impact on Viva Leisure's financial position or performance and the price of its shares.

##### 2.6 Forward-looking information

The forward-looking statements, opinions and estimates provided in this presentation rely on various contingencies and assumptions. Various factors and risks, both known and unknown, many of which are outside the control of Viva Leisure, may impact upon the performance of Viva Leisure and cause actual performance to vary significantly from expected results. There can be no guarantee that Viva Leisure will achieve its stated objectives or that forward-looking statements or forecasts will provide to be accurate.

##### 2.7 Other risks

For further information in relation to other risks which might affect Viva Leisure, please refer to Viva Leisure's 2019 Annual Report and Viva Leisure's Prospectus dated 14 May 2019.

### 3. Offer Risks

#### 3.1 Equity raising risk

Viva Leisure has entered into an Underwriting Agreement with Ord Minnett Limited ("Lead Manager") ("Underwriting Agreement"), pursuant to which the Lead Manager has agreed to fully underwrite the Offer on the terms and conditions of the Underwriting Agreement.

If certain conditions are not satisfied or certain events occur, the Lead Manager may terminate the Underwriting Agreement. Termination of the Underwriting Agreement would have an adverse impact on the total amount of proceeds that could be raised under the Offer.

The Lead Manager's obligations under the Underwriting Agreement, including to manage and underwrite the Offer, are conditional on certain matters, including the timely delivery of due diligence process sign-offs and other documents.

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### Key Risks (continued)

The events which may trigger termination of the Underwriting Agreement include (but are not limited to) the following:

- (i) Viva Leisure ceases to be admitted to the official list of ASX or the ordinary shares in Viva Leisure are suspended from trading on, or cease to be quoted on, ASX;
- (ii) Viva Leisure indicating that it does not intend to proceed with all or any part of the Offer;
- (iii) there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any governmental agency, which makes it illegal for the Lead Manager to satisfy a material obligation under the Underwriting Agreement, or to market, promote or advise the Offer;
- (iv) Viva Leisure is prevented from advising and issuing the securities the subject of the Offer by virtue of the ASX Listing Rules, applicable law, an order of a court of competent jurisdiction or a government agency;
- (v) a director, the chief executive officer or chief financial officer of Viva Leisure being charged with an indictable offence or fraudulent conduct, a director of Viva Leisure being disqualified from managing a corporation under the Corporations Act or any regulatory body commencing any public action against Viva Leisure or any director, chief executive officer or chief financial officer of Viva Leisure, or publicly announces that it intends to take any such action;
- (vi) there is a change (or a change is announced) in the chief executive officer, chief financial officer or chairman of Viva Leisure, other than one which has already been disclosed to ASX;
- (vii) there is an alteration to Viva Leisure's capital structure without the prior consent of the Lead Manager;
- (viii) the S&P/ASX Small Ordinates Index falls to a level which is 10% or more below the level of that index on the close of trading on the business day before the date of this presentation and closes at or below that level on:
  - (i) at least 2 consecutive business days during any time after the date of this presentation and prior to the settlement of the retail component of the Entitlement Offer; or
  - (ii) at the close of trading on the business day before the settlement of the institutional or retail components of the Entitlement Offer;
- (ix) an application is made by ASIC for an order under Part 0.5 of the Corporations Act in relation to the Offer or the materials of the Offer, or ASIC holds, or gives notice of intention to hold, a hearing, inquiry or investigation in relation to the Offer, the issue of shares under the Offer or any materials of the Offer under the Corporations Act or the Australian Securities and Investments Commission Act 2001 (ASIC) except in circumstances where the existence of the application, hearing, inquiry, investigation or notice has not become public and has been withdrawn by the date which is the earlier of:
  - (i) the business day immediately preceding the settlement of the institutional or retail components of the Entitlement Offer (as applicable); or
  - (ii) the date that is 3 business days after the application, hearing, inquiry, investigation or notice is commenced or received;

- (x) there is an application to a governmental agency (including the Takeovers Panel) for an order, declaration (including of unacceptable circumstances) or other remedy in connection with the Offer (or any part of it), except in circumstances where the application has been withdrawn, discontinued or terminated by the date that is the earlier of:
  - (i) the business day immediately preceding the settlement of the institutional or retail components of the Entitlement Offer (as applicable); or
  - (ii) the date that is 3 business days after the application is commenced or received;
- (xi) ASIC makes a determination under subsection 708A(2) or subsection 708AA(3) of the Corporations Act;
- (xii) in the opinion of the Lead Manager (acting reasonably) Viva Leisure becomes required to give, or gives, in respect of a clearing notice issued in connection with the Offer which is defective, a notice in accordance with subsection 708AA(12) or subsection 708AA(9) of the Corporations Act, as the case may be, to correct that clearing notice;
- (xiii) ASX refuses to grant, or withdraws approval for, official quotation of the new shares to be issued in connection with the Offer;
- (xiv) certain delays in the timetable occur without the prior written consent of the Lead Manager;
- (xv) the information made available by or on behalf of Viva Leisure as part of the due diligence process to the Lead Manager is misleading or deceptive;
- (xvi) a representation or warranty made or given by Viva Leisure under the Underwriting Agreement proves to be, or has been, or becomes, untrue or incorrect or misleading or deceptive;
- (xvii) legal proceedings against Viva Leisure or any of its directors in that capacity is commenced or any regulatory body commences any inquiry or public action against Viva Leisure;
- (xviii) Viva Leisure or any of its directors or officers engages in any fraudulent, misleading or deceptive conduct or activity in connection with the Offer;
- (xix) there is an adverse change, or an event occurs that is likely to give rise to an adverse change, in the business, assets, liabilities, financial position or performance, operations, management, outlook or prospects of Viva Leisure, including as a direct or indirect result of COVID-19;
- (xx) a statement contained in the materials of the Offer is false, misleading or deceptive or a matter required to be included in the materials of the Offer to comply with all applicable laws is omitted from the materials of the Offer;

## 5.2 INVESTOR PRESENTATION

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### Key Risks (continued)

- (i) any expression of belief, expectation or intention, or statement relating to future matters in the materials of the Offer is or becomes incapable of being met or, in the reasonable opinion of the Lead Manager, unlikely to be met in the projected timeframe;
- (v) there is introduced into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a law or any new regulation is made under any law, or a government agency adopts a policy, or there is any official announcement on behalf of the Government of the Commonwealth of Australia or any State or Territory of Australia or a government agency that such a law or regulation will be introduced or policy adopted (as the case may be);
- (e) any of the following occurs:
  - (i) a general moratorium on commercial banking activities in Australia, New Zealand, the United States, Japan, the United Kingdom or the Peoples Republic of China (including Hong Kong) is declared by the relevant central banking authority in any of these countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of these countries;
  - (ii) trading in all securities quoted or listed on the ASX, the London Stock Exchange, the New York Stock Exchange, the Shanghai Stock Exchange, the Hong Kong Stock Exchange or the Tokyo Stock Exchange is suspended or limited in a material respect; or
  - (iii) the occurrence of any other adverse change or disruption to financial, political or economic conditions, currency exchange rates or controls or financial markets in Australia, New Zealand, the United States, Japan, the United Kingdom or the Peoples Republic of China (including Hong Kong) or any change or development involving such a prospective adverse change in any of these markets;
- (k) in respect of any one or more of Australia, New Zealand, the United States, Japan, the United Kingdom or the Peoples Republic of China (including Hong Kong):
  - (i) hostilities not presently existing commence (whether war has been declared or not);
  - (ii) a major escalation in existing hostilities occurs (whether war has been declared or not); or
  - (iii) a national emergency is declared; or
- (y) a major terrorist act is perpetrated anywhere in the world.

The ability of the Lead Manager to terminate the Underwriting Agreement in respect of some events will depend on whether the Lead Manager has reasonable grounds to believe that the event:

- (i) had, or is likely to have, a material adverse effect on the outcome or success of the Offer (or a part of it), the Wiley price at which the shares to be issued under the Offer will trade on ASX, the willingness of investors to subscribe for shares under the Offer or on the ability of the Lead Manager to settle the Offer or any part of it; or
- (ii) has given or could reasonably be expected to give rise to a contravention by, or a liability of, the Lead Manager under any applicable law or regulation.

Viva Leisure also gives certain representations, warranties and undertakings to the Lead Manager and an indemnity to the Lead Manager and its affiliates subject to certain carve-outs.

#### 2.2 Dilution

Shareholders who do not participate in the Placement and/or take up all of their entitlements under the Entitlement Offer, will have their percentage of shareholding in Viva Leisure diluted and will not be exposed to future increases or decreases in Viva Leisure's share price in respect of the new shares which would have been issued to them had they participated in the Placement or taken up their entitlement under the Entitlement Offer. Shareholders may have their investment diluted by future capital raisings by Viva Leisure.

#### 2.3 Entitlement Offer not renounceable

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Accordingly, shareholders who do not take up their entitlement will not receive any value for those entitlements.

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Capital Raising – Investor Presentation

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**VIVA**  
LEISURE

## MARKET ANNOUNCEMENT



### 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

## MARKET ANNOUNCEMENT



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 Viva Leisure 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.

ENDS

### 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

## MARKET ANNOUNCEMENT



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.



## MARKET ANNOUNCEMENT



### **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.

## 6. IMPORTANT INFORMATION

This Retail Offer Booklet (including the Chairman's letter, Investor Presentation and the ASX Offer Announcements reproduced in it) and accompanying personalised Entitlement and Acceptance Form have been prepared by the Company. The information in this Retail Offer Booklet is dated 12 June 2020.

This Retail Offer Booklet should be read in conjunction with the Company's other periodic and continuous disclosure announcements to the ASX available at [www.asx.com.au](http://www.asx.com.au).

No party other than the Company has authorised or caused the issue of the information in this Retail Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Retail Offer Booklet.

### **This information is important and requires your immediate attention.**

You should read the information in this Retail Offer Booklet carefully and in its entirety before deciding whether to invest in New Shares (and Additional New Shares). In particular, you should consider the risk factors outlined in "Disclaimer" and "Key Risks" sections of the Investor Presentation released to ASX on 4 June 2020 which is included in this Retail Offer Booklet, any of which could affect the operating and financial performance of the Company or the value of an investment in the Company.

You should consult your stockbroker, accountant, solicitor or other independent professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

The Company disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares (or Additional New Shares) before the New Shares (and Additional New Shares) are quoted on the official list of ASX or receiving their confirmation of issue, whether on the basis of confirmation of the allocation provided by the Company, the Share Registry or the Underwriter.

### **6.1 THIS DOCUMENT IS NOT A PROSPECTUS**

This Retail Offer Booklet (including the ASX Announcement and Investor Presentation set out in Section 5) is issued by the Company. This Retail Offer Booklet and the Entitlement and Acceptance Form are important documents and require your immediate attention. You should read these documents carefully before deciding whether or not to participate in the Retail Entitlement Offer.

The Retail Entitlement Offer is being made pursuant to the requirements of section 708AA of the Corporations Act as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84). Accordingly, neither this Retail Offer Booklet, nor the Entitlement and Acceptance Form, are required to be lodged or registered with ASIC. No prospectus for the Entitlement Offer will be prepared. These documents do not contain, or purport to contain, all of the information that a prospective investor may require in evaluating the subscription of New Shares. They do not and are not required to contain all of the information which would be required to be disclosed in a prospectus.

## 6.2 ELIGIBLE RETAIL SHAREHOLDERS

The Retail Entitlement Offer in this Retail Offer Booklet contains an offer of New Shares to Eligible Retail Shareholders in Australia or New Zealand and has been prepared in accordance with section 708AA of the Corporations Act as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84).

Eligible Retail Shareholders are those holders of Existing Shares who:

- (a) are registered as holders of Existing Shares as at 7.00pm (AEST) on Tuesday 9 June 2020;
- (b) have a registered address on the Company's share register in Australia or New Zealand;
- (c) are not in the United States and are not "U.S. persons" (as defined under Regulation S under the United States Securities Act of 1933, as amended) (U.S. Persons) or acting for the account or benefit of U.S. Persons;
- (d) were not invited to participate (other than as nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer, and were not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer; and
- (e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer,

### Eligible Retail Shareholders

Retail shareholders who do not satisfy the above criteria are ineligible retail shareholders (Ineligible Retail Shareholders).

## 6.3 INELIGIBLE RETAIL SHAREHOLDERS

The Company has decided that it is unreasonable to make offers under the Retail Entitlement Offer to holders of Existing Shares who have registered addresses outside Australia and New Zealand, having regard to the number of such holders in those places, the number and value of the New Shares which they would be offered and the cost of complying with the relevant legal and regulatory requirements in those places. The Retail Entitlement Offer is not being made in the United States or to, or for the account or benefit of, U.S. Persons.

## 6.4 UNDERWRITING ARRANGEMENTS

The Company has entered into the Underwriting Agreement with the Underwriter. Pursuant to the Underwriting Agreement, the Underwriter has agreed to manage and fully underwrite the Placement and the Entitlement Offer on the terms and conditions of the Underwriting Agreement.

For further detail regarding the key terms of the Underwriting Agreement, please refer to the "Key Risks" section of the investor presentation (See section 5.2 above).

The Underwriter will be paid:

- (a) an underwriting fee of 2.8% of the proceeds of the Institutional Entitlement Offer and Placement and 2.8% of the proceeds of the Retail Entitlement Offer; and
- (b) a management fee of 0.7% of the proceeds of the Institutional Entitlement Offer and Placement and 0.7% of the Retail Entitlement Offer.

The Company may also pay, in its absolute discretion, an incentive fee of up to 0.5% of the proceeds of the Capital Raising to the Underwriter.

The Underwriter will also be reimbursed for certain expenses.

## 6.5 EFFECT OF THE ENTITLEMENT OFFER

If all Entitlements are accepted by shareholders to the full extent, then the Entitlement Offer will not result in any change to the control of the Company (other than to the Ineligible Shareholders whose holdings will be diluted).

If all Entitlements under the Entitlement Offer are not accepted to the full extent, then the shareholding interest of non-participating shareholders will be diluted. As the Company's major shareholders, SHJA Management Pty Ltd (entities associated with Harry Konstantinou and Angelo Konstantinou) and Mera Vale No. 1 Pty Ltd (entities associated with Mark McConnell), are not participating in the Entitlement Offer, no material impact on control is expected to arise from any shareholder taking up their Entitlement under the Entitlement Offer where there is an excess shortfall.

The effect of the Entitlement Offer on the capital structure of the Company, assuming all Shares offered under the Retail Entitlement Offer are issued, is set out below.

FULLY PAID SHARES	NUMBER
Ordinary fully paid shares on issue as at date of Retail Offer Booklet	60,147,170
Ordinary fully paid shares offered pursuant to the Entitlement Offer	10,024,528
<b>Total Shares on issue after completion of the Entitlement Offer</b> (excluding shares issued under the Placement)	70,171,698
Ordinary fully paid shares issued under the Placement	1,339,109
<b>Total Shares on issue after completion of the Entitlement Offer and Placement</b> (including shares issued under the Placement)	71,510,807

FULLY PAID SHARES	NUMBER
Unlisted options on issue as at date of the Offer Document	3,090,000

## 6.6 EFFECT ON CONTROL OF THE COMPANY

Shareholders should note that if they do not participate in the Entitlement Offer, and any shortfall is fully subscribed, their holdings could be diluted by up to approximately 14.29%. In addition, the Company notes that approximately 1,339,109 shares were issued under the Placement, and Shareholders that do not participate in the Entitlement Offer and whom did not participate in the Placement will experience a dilution greater than 14.29%. Examples of how the dilution may impact Shareholders are set out in the table below:

HOLDER	HOLDING AS AT RECORD DATE	% AT RECORD DATE	ENTITLEMENTS UNDER THE OFFER	HOLDINGS IF ENTITLEMENT IS NOT ACCEPTED	% POST OFFER
Shareholder 1	20,000,000	33.25%	3,333,334	20,000,000	27.97%
Shareholder 2	10,000,000	16.63%	1,666,667	10,000,000	13.98%
Shareholder 3	5,000,000	8.31%	833,334	5,000,000	7.00%

HOLDER	HOLDING AS AT RECORD DATE	% AT RECORD DATE	ENTITLEMENTS UNDER THE OFFER	HOLDINGS IF 50% OF ENTITLEMENT IS NOT ACCEPTED	% POST OFFER
Shareholder 1	20,000,000	33.25%	3,333,334	21,666,667	30.30%
Shareholder 2	10,000,000	16.63%	1,666,667	10,833,334	15.15%
Shareholder 3	5,000,000	8.31%	833,334	5,416,667	7.57%

HOLDER	HOLDING AS AT RECORD DATE	% AT RECORD DATE	ENTITLEMENTS UNDER THE OFFER	HOLDINGS IF 100% OF ENTITLEMENT IS NOT ACCEPTED	% POST OFFER
Shareholder 1	20,000,000	33.25%	3,333,334	23,333,334	32.63%
Shareholder 2	10,000,000	16.63%	1,666,667	11,666,667	16.31%
Shareholder 3	5,000,000	8.31%	833,334	5,833,334	8.16%

1. The tables assume that the Entitlement Offer, and any shortfall, is fully subscribed. In the event all Entitlements are not accepted and some or all of the resulting shortfall is not subsequently placed, the dilutionary impact for each Shareholder not accepting their Entitlement would be a lesser percentage.
2. The table assumes that the Company's existing unlisted options, referred to in section 6.5 are not exercised.
3. The table assumes that the maximum raise is achieved under the Placement and that the notional Shareholder does not participate in the Placement.

## **6.7 ALLOCATION POLICY AND SCALE-BACK**

All Eligible Retail Shareholders will be allocated New Shares applied for up to their Entitlement. All applications for Additional New Shares will be allocated at the discretion of the Company. Applicants are not guaranteed to receive any Additional New Shares they subscribe for. The Company reserves the right to allocate to any Applicant a lesser number of Additional New Shares than the Applicant subscribed for, or to decline to issue any Additional New Shares.

In the event of a scale-back, the difference between the application monies received, and the number of Additional New Shares allocated to you multiplied by the offer price of \$2.20 will be refunded following allotment. No interest will be paid on any application monies received and returned.

## **6.8 CONTINUOUS DISCLOSURE**

The Company is a disclosing entity for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations including an obligation under the Listing Rules (subject to certain exceptions) to disclose to ASX any information of which it is or becomes aware concerning the Company and which a reasonable person would expect to have a material effect on the price or the value of shares. All such disclosures are available at [www.asx.com.au](http://www.asx.com.au). You have the opportunity to access any information about the Company which has previously been disclosed to ASX. In particular, please refer to the Company's Annual Report for the year ended 30 June 2019 and Half Year Report for the half year ended 31 December 2019. You should also have regard to any further announcements which may be made by the Company to ASX after the date of this Retail Offer Booklet.

## **6.9 NO ENTITLEMENTS TRADING**

Entitlements are non-renounceable and will not be tradeable on the ASX or otherwise transferable.

## **6.10 NOTICE TO NOMINEES AND CUSTODIANS**

Nominees and custodians which hold Shares as nominees or custodians will have received, or will shortly receive, a letter in respect of the Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to Eligible Institutional Shareholders who were invited to participate in the Institutional Entitlement Offer (whether they accepted their Entitlements or not) and Institutional Shareholders who were treated as Ineligible Institutional Shareholders under the Institutional Entitlement Offer.

The Company is not required to determine whether or not any registered holder of Existing Shares is acting as nominee or the identity or residence of any beneficial owner of Shares. Where any registered holder of Existing Shares is acting as a nominee of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether the indirect participation in the Retail Entitlement Offer is compatible with applicable foreign laws.

The Company is not able to advise on any foreign laws. However any person in the United States or any person that is, or is acting for the account or benefit of, a U.S. Person with a holding through a nominee may not participate in the Retail

Entitlement Offer, and such a nominee must not take up any Entitlement on behalf of such a person or send any material relating to the Entitlement Offer into the United States or to any person that is, or is acting for the account or benefit of, a U.S. Person.

### **6.11 WITHDRAWAL**

The Company reserves the right to withdraw the Retail Entitlement Offer at any time before the issue of New Shares under the Retail Entitlement Offer, in which case the Company will refund any Application Monies received.

### **6.12 TAXATION**

You should be aware that there may be taxation implications associated with participating in the Retail Entitlement Offer and receiving New Shares (and Additional New Shares).

The Company does not consider it appropriate to give shareholders advice regarding the taxation consequences of subscribing for New Shares (and Additional New Shares) under the Retail Entitlement Offer. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares (and Additional New Shares) under this Retail Offer Booklet.

### **6.13 ROUNDING OF ENTITLEMENTS**

Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of New Shares.

### **6.14 RANKING OF NEW SHARES (AND ADDITIONAL NEW SHARES)**

The New Shares (and Additional New Shares) will be issued on a fully paid basis and will rank equally in all respects with Existing Shares. The rights and liabilities attaching to the New Shares (and Additional New Shares) are set out in the Company's constitution, a copy of which is available at [www.asx.com.au](http://www.asx.com.au).

### **6.15 QUOTATION AND TRADING**

The Company will apply to ASX for the official quotation of the New Shares (and Additional New Shares) in accordance with the Listing Rules. Subject to approval being granted, it is expected that New Shares (and Additional New Shares) allotted under the Retail Entitlement Offer will trade on ASX from Wednesday 1 July 2020.

### **6.16 FUTURE PERFORMANCE AND FORWARD-LOOKING STATEMENTS**

Neither the Company nor any other person warrants or guarantees the future performance of the New Shares (and Additional New Shares) or any return on any investment made pursuant to the Entitlement Offer. This Retail Offer

Booklet contains certain “forward-looking statements”. Forward-looking words such as, “expect”, “should”, “could”, “may”, “predict”, “project”, “plan”, “will”, “believe”, “forecast”, “estimate”, “target” and other similar expressions are intended to identify forward-looking statements within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Retail Offer Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements including forecasts, projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward-looking statements only speak as to the date of this Retail Offer Booklet and the Company assumes no obligation to update such information. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and its Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward-looking statements in this Retail Offer Booklet.

**You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and significant volatility, uncertainty and disruption caused by the outbreak of COVID-19.**

## **6.17 PAST PERFORMANCE**

Investors should note that the past share price performance of the Company’s shares provides no guidance as to future share price performance. For further information, please see past announcements released to the ASX.

## **6.18 NO COOLING OFF RIGHTS**

Cooling off rights do not apply to an investment in New Shares (and Additional New Shares). You cannot withdraw your application once it has been accepted.

## **6.19 NOT INVESTMENT OR FINANCIAL PRODUCT ADVICE**

This booklet is not a prospectus under the Corporations Act and has not been lodged with the Australian Securities and Investments Commission. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. The Company is not licensed to provide financial product advice in respect of the New Shares (and Additional New Shares). The Retail Offer Booklet does not purport to contain all the information that you may require to evaluate a possible application for New Shares (and Additional New Shares).

Before deciding whether to apply for New Shares (and Additional New Shares), you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Retail Offer Booklet, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, accountant, solicitor or other independent professional adviser.



## 6.20 GOVERNING LAW

This Retail Offer Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in Victoria, Australia. Each applicant for New Shares (and Additional New Shares) submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

## 6.21 OPTIONHOLDERS

Existing optionholders will not be entitled to participate in the Entitlement Offer unless they:

- (a) have become entitled to exercise their existing options under the terms of their issue and do so, so that they are registered as holders of shares prior to 7.00pm (AEST) on Tuesday 9 June 2020; and
- (b) participate in the Entitlement Offer as a result of being a holder of Existing Shares registered on the register of the Company at 7.00pm (AEST) on Tuesday 9 June 2020.

## 6.22 FOREIGN JURISDICTIONS

This Retail Offer Booklet has been prepared to comply with the requirements of the securities laws of Australia.

The New Shares (and Additional New Shares) under the Retail Entitlement Offer are not being offered or sold to the public within New Zealand other than to existing shareholders with registered addresses in New Zealand to whom the offer of New Shares (and Additional New Shares) is being made pursuant to the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This Retail Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed or approved by any regulatory authority in countries outside Australia. This Retail Offer Booklet is not a product disclosure statement or any other disclosure document under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement or any other disclosure document under New Zealand law is required to contain.

This Retail Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares (and Additional New Shares), or otherwise permit the public offering of the New Shares (and Additional New Shares), in any jurisdiction other than Australia and New Zealand.

The distribution of this Retail Offer Booklet (including an electronic copy) outside Australia and New Zealand is restricted by law. If you come into possession of this Retail Offer Booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

The Entitlements and the New Shares (and Additional New Shares) have not been, nor will be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States, persons who are U.S. persons, or persons who are acting for the account

or benefit of a U.S. Person, and the New Shares (and Additional New Shares) may not be offered, sold or resold in the United States or for the account or benefit of, a U.S. Person, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

## **6.23 DISCLAIMERS**

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Retail Offer Booklet.

Any information or representation that is not in this Retail Offer Booklet may not be relied on as having been authorised by the Company, or its related bodies corporate in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, none of the Company, or any other person, warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Retail Offer Booklet.

This Retail Offer Booklet is issued by, and is the sole responsibility of, the Company.

None of the parties referred to in the Corporate Directory of this Retail Offer Booklet (other than the Company) has:

- (a) authorised or caused the issue of this Retail Offer Booklet;
- (b) made or authorised the making of any statement that is included in this Retail Offer Booklet or any statement on which a statement in this Retail Offer Booklet is based.

In particular, the Underwriter is not responsible for the preparation of, or any information contained in, this Retail Offer Booklet.

To the maximum extent permitted by law, each of the persons referred to in the Corporate Directory of this Retail Offer Booklet (other than the Company) expressly disclaims and takes no responsibility for any statements in or omissions from this Retail Offer Booklet.

The information contained in this Retail Offer Booklet is of general nature and has been prepared by the Company in good faith and with due care but no representation or warranty, express or implied, is provided in relation to the accuracy or completeness of the information. No person is authorised to give any information or make any representation in connection with the Retail Entitlement Offer which is not contained in this Retail Offer Booklet. Any information or representation not so contained may not be relied upon as being authorised by the Company or any person associated with it in connection with the Retail Entitlement Offer.

## **6.24 RISKS**

The Investor Presentation set out in section 5 details important factors and risks that could affect the financial and operating performance of the Company. Please refer to the “Key Risks” set out in the Investor Presentation. You should consider these risk factors carefully in light of your personal circumstances, including financial and taxation issues, before making an investment decision in connection with the Retail Entitlement Offer.

## 6.25 PRIVACY

If you complete an Entitlement and Acceptance Form and apply for New Shares (and Additional New Shares), you will be providing personal information to the Company, its agents, contractors and third party services providers. The Company, its agents, contractors and third party service providers will collect, hold, and use that information to assess your Application, carry out the administration of your Shareholding, service your needs as a Shareholder of the Company and facilitate corporate communications.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, print service providers, mail houses and the Share Registry.

Failure to provide the required personal information may mean that your Application is not able to be processed efficiently, if at all. You may request access to your personal information held by or on behalf of the Company and by the Share Registry. You may also request the correction of your personal information by contacting the Company or the Share Registry using the details in the Corporate Directory at the back of this Retail Offer Booklet.

## 7. GLOSSARY

In this Retail Offer Booklet, the following terms have the following meanings unless the context requires otherwise:

- **\$** or **A\$** or dollars means Australian dollars;
- **Additional New Shares** means New Shares not subscribed for under the Retail Entitlement Offer and offered to Eligible Retail Shareholders under the Retail Shortfall Facility;
- **AEST** means Australian Eastern Standard Time;
- **Applicant** means a person who has delivered an Application;
- **Application** means an application to subscribe for New Shares (and Additional New Shares) under the Retail Entitlement Offer by completing the Entitlement and Acceptance Form and returning it together with the application monies;
- **ASIC** means Australian Securities and Investments Commission;
- **ASIC Instrument 2016/84** means ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84;
- **ASX** means ASX Limited (ABN 98 008 624 691) or the financial products market operated by that entity known as the Australian Securities Exchange;
- **ASX Announcement** means the announcement released to ASX on Thursday 4 June 2020 in connection with the Entitlement Offer, a copy of which is set out in Section 5.1 of this Retail Offer Booklet;
- **Business Day** means a day that is not a Saturday, Sunday or a public holiday in Melbourne, Australia;
- **Company** means Viva Leisure Limited ACN 607 079 792;
- **Corporations Act** means Corporations Act 2001 (Cth);
- **Directors** means the directors of the Company;
- **Eligible Institutional Shareholder** means an Institutional Shareholder:
  - (a) to whom Listing Rule 7.7.1(a) does not apply; and
  - (b) who has successfully received an offer under the Institutional Entitlement Offer (as the Underwriter determines);
- **Eligible Retail Shareholder** has the meaning given to that term in Section 6.2 of this Retail Offer Booklet;
- **Eligible Shareholder** means a person who is an Eligible Institutional Shareholder or an Eligible Retail Shareholder;
- **Entitlement means** the entitlement of an Eligible Shareholder to subscribe for 1 New Share for every 6 Existing Shares held at the Record Date;
- **Entitlement and Acceptance Form** means the Entitlement and Acceptance Form accompanying this Retail Offer Booklet upon which an Application can be made;
- **Entitlement Offer** means the pro rata non-renounceable offer to Eligible Shareholders to subscribe for their Entitlement;
- **Existing Share** means a Share already on issue on the Record Date;
- **GST** means Australian Goods and Services Tax (currently 10%);
- **Ineligible Institutional Shareholder** means an Institutional Shareholder:
  - (a) who has a registered address outside Australia, New Zealand, Hong Kong or Singapore;
  - (b) to whom Listing Rule 7.7.1(a) applies; and
  - (c) who in the absence of Listing Rule 7.7.1(a) would have been an Eligible Institutional Shareholder;
- **Ineligible Retail Shareholder** has the meaning given to that term in Section 6.2 of this Retail Offer Booklet;

- **Ineligible Shareholder** means a person who is an Ineligible Institutional Shareholder or an Ineligible Retail Shareholder;
- **Institutional Bookbuild** means the bookbuild sale process conducted after completion of the Institutional Entitlement Offer, as described in Section 3 of this Offer Booklet;
- **Institutional Entitlement Offer** means the offer of New Shares to Eligible Institutional Shareholders as part of the Entitlement Offer, as described in Section 3 of this Offer Booklet;
- **Institutional Investor** means a person:
  - (a) in Australia, to whom an offer of shares in a company may be made in Australia without a disclosure document (as defined in the Corporations Act) on the basis that such a person is an 'exempt investor' as defined section 9A(5) of the Corporations Act (as inserted by ASIC Instrument 2016/84); or
  - (b) in selected jurisdictions outside Australia, to whom an offer of New Shares may be made without registration, lodgement of a formal disclosure document or other formal filing in accordance with the laws of that foreign jurisdiction (except to the extent to which the Company, at its absolute discretion, is willing to comply with such requirements); Institutional Shareholder means a Shareholder at the Record Date who is an Institutional Investor;
- **Investor Presentation** means the presentation released to ASX on Thursday 4 June 2020 in connection with the Entitlement Offer, a copy of which is set out in Section 5.2;
- **Issue Price** means \$2.20 per New Share;
- **Listing Rules** means the official listing rules of ASX, as amended or replaced from time to time and as waived in respect of the Company by ASX;
- **New Shares** means the Shares offered under the Entitlement Offer;
- **Placement** means the placement of New Shares to certain institutional and sophisticated investors which accompanies the Entitlement Offer;
- **Record Date** means 7pm (AEST) Tuesday 9 June 2020;
- **Retail Closing Date** means the last date for Eligible Retail Shareholders to lodge an Application, being 5pm (AEST) on Tuesday 23 June 2020 (subject to change);
- **Retail Entitlement Offer** means the offer of New Shares to Eligible Retail Shareholders as part of the Entitlement Offer as described in Section 2;
- **Retail Entitlement Offer Period** means the period commencing on the opening date of the Retail Entitlement Offer, as specified in the Indicative Dates on page 2 of this Retail Offer Booklet, and ending on the Retail Closing Date;
- **Retail Offer Booklet** means this booklet dated Friday 12 June 2020;
- **Retail Shortfall Facility** means the offer of Additional New Shares to Eligible Retail Investors that have fully subscribed to the Entitlement Offer, up to a maximum of 50% of their Entitlement, as described in Section 2 of this Retail Offer Booklet;
- **Section** means a section of this Retail Offer Booklet;
- **Share** means a fully paid ordinary share in the Company;
- **Shareholder** means the registered holder of an Existing Share;
- **Shareholding** means the shares held by a Shareholder;
- **Share Registry** means Link Market Services Limited (ABN 54 083 214 537);
- **Underwriter** means Ord Minnett Limited;
- **Underwriting Agreement** means the underwriting agreement dated 4 June 2020 between the Company and the Underwriter, as described in section 6.4;
- **US or United States** means United States of America, its territories and possessions, any state of the United States

and the District of Columbia;

- **US Persons** has the meaning given in Rule 902(k) of Regulation S under the US Securities Act; and
- **US Securities Act** means U.S. Securities Act of 1933, as amended.

## 8. ELIGIBLE SHAREHOLDER DECLARATIONS

By paying any application monies for New Shares via BPAY® under Section 4 of this Retail Offer Booklet, you will be deemed to have made the following declarations to the Company namely, that you:

- (a) acknowledge that you have read this Retail Offer Booklet and the accompanying Entitlement and Acceptance Form in their entirety;
- (b) agree to be bound by the terms of the Retail Entitlement Offer;
- (c) authorise the Company to register you as the holder of the New Shares (and, if applicable, Additional New Shares) allotted to you;
- (d) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (e) declare you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- (f) acknowledge that once the Company receives the Entitlement and Acceptance Form or any payment of application moneys, you may not withdraw it;
- (g) apply for the number of New Shares (and Additional New Shares) for which you have submitted payment of any application moneys, at the Issue Price per New Share;
- (h) agree to be issued the number of New Shares that you apply for;
- (i) acknowledge and accept the allocation policy in Sections 2 and 6.7 if you apply for Additional New Shares;
- (j) authorise the Company, the Underwriter, the Share Registry and their respective officers or agents to do anything on your behalf necessary for the New Shares (and Additional New Shares) to be issued to you;
- (k) declare that you are the current registered holder of Existing Shares as set out in the Entitlement and Acceptance Form and are a resident of Australia or New Zealand;
- (l) acknowledge that the information contained in this Retail Offer Booklet and the Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs, and is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (m) represent and warrant that the law of any other place does not prohibit you from being given this Retail Offer

Booklet and the Entitlement and Acceptance Form, nor does it prohibit you from making an Application for, and being issued, New Shares (and Additional New Shares);

- (n) authorise the Company to correct any errors in your Entitlement and Acceptance Form or any other form provided by you;
- (o) acknowledge the statement of risks in the 'Key Risks' set out in the Investor Presentation, and that investments in the Company are subject to investment risk;
- (p) acknowledge that none of the Company, the Underwriter, their respective related bodies corporate and affiliates and their respective directors, officers, employees, agents, consultants or advisors guarantees the performance of the Company, nor do they guarantee the repayment of capital;
- (q) represent and warrant (for the benefit of the Company, the Underwriter and their respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Institutional Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- (r) represent and warrant that you are not in the United States and are not a US Person and are not acting for the account or benefit of a US Person;
- (s) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is an Eligible Retail Shareholder;
- (t) acknowledge that the Entitlements and the New Shares (and Additional New Shares) have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdictions of the United States and, accordingly, the Entitlements may not be taken up by persons in the United States or by persons who are, or are acting for the account or benefit of a US Person, and the New Shares (and Additional New Shares) may not be offered, sold or resold in the United States or to, or for the account or benefit of, any US Person;
- (u) agree not to send this Retail Offer Booklet, the Entitlement and Acceptance Form or any other material relating to the Entitlement Offer to any person in the United States or that is a US Person or is acting for the account or benefit of a US Person;
- (v) agree that if in the future you decide to sell or otherwise transfer the New Shares (or Additional New Shares) you will only do so in regular way in transactions on ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States or a US Person; and
- (w) agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date.





# VIVA LEISURE LIMITED

# CORPORATE DIRECTORY

## COMPANY

Viva Leisure Limited

Unit 7, First Floor, 141 Firmington Road, Mitchell, ACT 2911

## LEGAL ADVISER

Gadens

Level 25, Bourke Place, 600 Bourke Street, Melbourne, VIC 3000

## UNDERWRITER

Ord Minnett Limited

Level 8, NAB House, 255 George Street, Sydney, NSW 2000

## REGISTRY

Link Market Services Limited

Level 12, 680 George Street, Sydney, NSW 2000

## SHAREHOLDER ENQUIRIES

Telephone: 1300 306 413 (within Australia) or

+61 1300 306 413 (outside Australia)

from 8.30am to 5.30pm (AEST) during the Retail Offer Period.



ACN 607 079 792

All Registry communications to:  
Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia  
Telephone: 1300 306 413  
From outside Australia: +61 1300 306 413  
ASX Code: VVA  
Website: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

**SRN/HIN:**

**Entitlement Number:**

**Number of Eligible Shares held as  
at the Record Date, 7:00pm (AEST)  
on 9 June 2020:**

**Entitlement to New Shares  
(on a 1 New Share for 6 basis):**

**Amount payable on full acceptance  
at A\$2.20 per Share:**

<b>Offer Closes 5.00pm (AEST):</b>	<b>23 June 2020</b>
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## ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 1 New Share for every 6 Existing Shares that you hold on the Record Date, at an Offer Price of A\$2.20 per New Share. You may also take up all of your Entitlement, and if you do so, you may also apply for Additional New Shares in excess of your Entitlement up to a maximum of 50% of your Entitlement under the Retail Shortfall Facility. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

**IMPORTANT:** The Offer is being made under the Retail Offer Booklet dated 12 June 2020. The Retail Offer Booklet contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Retail Offer Booklet. This Entitlement and Acceptance Form should be read in conjunction with the Retail Offer Booklet.

If you do not have a paper copy of the Retail Offer Booklet, you can obtain a paper copy at no charge, by calling the Viva Leisure Limited Offer Information Line on 1300 306 413 (within Australia) or +61 1300 306 413 (from outside Australia).

## PAYMENT OPTION

### PAYING BY BPAY®

If you wish to take up all or part of your Entitlement, or you wish to apply for Additional New Shares, you must make payment by BPAY® by going online or by contacting your financial institution. The global pandemic of COVID-19 has resulted in government restrictions, and mandated or voluntary closures of certain services, which has resulted in delay of postal and delivery services. The extent of the COVID-19 pandemic and the policy response is evolving rapidly, and given this uncertainty, the Company has determined to limit the payment method in connection with the Retail Entitlement Offer to BPAY® only.

If paying by BPAY®, refer to the instructions overleaf. **You do NOT need to return this acceptance form if you elect to make payment by BPAY®.** Payment must be received via BPAY® before 5.00pm (AEST) on 23 June 2020. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry in time. By paying by BPAY® you will be deemed to have completed an Application Form for the number of Shares subject of your application payment.



<b>Billers Code:</b> 325308 <b>Ref:</b>
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### Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: [www.bpay.com.au](http://www.bpay.com.au)  
® Registered to BPAY Pty Ltd ABN 69 079 137 518

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form.

VVA EAC001



## VIVA LEISURE LIMITED

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia and New Zealand. In particular the Entitlement Offer is not being made to any person in the U.S. or to a U.S. person. The Prospectus and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

### ACCEPTANCE OF ENTITLEMENT OFFER

By returning the Entitlement and Acceptance Form with payment to the Registry, or making payment received by BPAY®:

- you represent and warrant that you have read and understood the Prospectus and that you acknowledge the matters, and make the warranties and representations;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of Viva Leisure Limited.

### HOW TO APPLY FOR NEW SHARES

#### 1. IF PAYING BY BPAY® (AVAILABLE TO SHAREHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®: [www.bpay.com.au](http://www.bpay.com.au)

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares you wish to apply for by A\$2.20.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

#### 2. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

**If paying by BPAY® you do not need to complete or return the Entitlement and Acceptance Form.** You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

**If you require further information on how to complete this Entitlement and Acceptance Form, please contact the Viva Leisure Limited Offer Information Line on 1300 306 413 (within Australia) or +61 1300 306 413 (from outside Australia) between 8:30am and 5:30pm (AEST) Monday to Friday.**

**Not for release or distribution in the United States**

12 June 2020

Dear Sir/Madam

**Accelerated non-renounceable pro-rata entitlement offer - Notification to ineligible shareholders**

On Thursday, 4 June 2020, Viva Leisure Limited ACN 607 079 792 ("**Company**" or "**Viva Leisure**") announced that it was conducting a 1 for 6 accelerated non-renounceable pro-rata entitlement offer of new fully paid ordinary shares ("**New Shares**") to existing shareholders ("**Entitlement Offer**") and an institutional placement ("**Placement**") to raise up to approximately A\$25 million, at an issue price of A\$2.20 per share ("**Offer**"). The Entitlement Offer is fully underwritten by Ord Minnett Limited ("**Ord Minnett**").

The net proceeds of the Entitlement Offer and Placement will be used to enhance Viva Leisure's overall financial strength by providing balance sheet flexibility in relation to pursuing accretive and strategic future acquisition opportunities, accelerate refurbishment of existing locations and accelerate new site roll-outs. More detail is provided in Viva Leisure's Investor Presentation lodged with the Australian Securities Exchange ("**ASX**") on Thursday, 4 June 2020.

The Entitlement Offer consists of an institutional and a retail component ("**Institutional Entitlement Offer**" and "**Retail Entitlement Offer**" respectively). The Placement and Institutional Entitlement Offer was underwritten and raised approximately A\$21.5 million and the Retail Entitlement Offer which is also underwritten will raise approximately A\$3.5 million.

The Retail Entitlement Offer is only available to Eligible Shareholders (as defined below). **Eligible Shareholders** are those persons who:

- are registered as holders of existing shares as at 7.00pm (AEST) on Tuesday, 9 June 2020;
- have a registered address on Viva Leisure's share register in Australia or New Zealand at that date;
- are not in the United States and are not "U.S. persons" (as defined under Regulation S under the United States Securities Act of 1933, as amended) (**U.S. Persons**) or acting for the account or benefit of U.S. Persons;
- were not invited to participate (other than as nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer, and were not treated as ineligible institutional shareholders under the Institutional Entitlement Offer; and

are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

As you do not satisfy the criteria above, you are deemed not to be an Eligible Shareholder for the purposes of the Retail Entitlement Offer. Viva Leisure considers it generally unreasonable on this occasion to extend the Retail Entitlement Offer to shareholders with a registered address outside of Australia or New Zealand having regard to the small number of those shareholders, the number of shares they hold, the value of new shares to which those shareholders would otherwise be entitled to and the costs of complying with legal and regulatory requirements in each of those jurisdictions. Accordingly, the Company is unfortunately unable to extend to you the opportunity to participate in the Retail Entitlement Offer. Under the terms of the Retail Entitlement Offer, you are not eligible to apply for new shares and you will not be sent a copy of the offering materials relating to the Retail Entitlement Offer.

**You are not required to do anything in response to this letter.** This letter is to inform you about the Retail Entitlement Offer and is not an offer to issue new shares to you, nor an invitation for you to apply for new shares. Entitlements in respect of new shares you would have been entitled to if you were an Eligible Shareholder will lapse. As the Retail Entitlement Offer is non-renounceable, you will not receive any value for these entitlements.

This letter constitutes the notice that the Company is required to give each ineligible retail shareholder under ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the *Corporations Act 2001* (Cth).

Thank you for your continued support of Viva Leisure and I trust you understand the Company's position on this matter.

If you have any queries regarding the Retail Entitlement Offer, please contact your professional adviser or the Viva Leisure Information Line on 1300 306 413 (within Australia) or (0011) +61 1300 306 413 (from outside Australia) from 8.30am to 5.30pm (AEST) during the Retail Entitlement Offer period. For other questions, you should consult your broker, solicitor, accountant, financial adviser or other professional adviser.

**Yours Sincerely**

A handwritten signature in black ink, appearing to read "H. Konstantinou".

**Harry Konstantinou**  
**Managing Director and Chief Executive Officer**

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.