

26 November 2024

VIVA LEISURE ACCELERATES GLOBAL EXPANSION WITH NEW PLUS FITNESS FRANCHISE AGREEMENT IN SINGAPORE WITH FURTHER SOUTHEAST ASIA TERRITORIES AGREED

Viva Leisure Limited (“Viva Leisure” or “the Company”) is pleased to announce it has made strong progress in its global growth strategy with significant developments through its 100%-owned subsidiary, Plus Fitness International (PFI).

Expansion into Southeast Asia

PFI has successfully executed an Area Development Agreement (ADA) in **Singapore** with further agreements in **Malaysia and the Philippines** expected to be finalised shortly. In a landmark achievement, PFI has also sold a franchise comprising **five locations in Singapore**.

The ADA partner in Southeast Asia will spearhead efforts to secure additional franchise groups, rapidly expanding our footprint in these dynamic markets. This strategy is both low-cost and low risk for Viva Leisure, leveraging the ADA partner’s regional expertise while offering significant upside as the franchise network grows, generating profitable and scalable revenue streams and enhancing the brand's market presence.

Harry Konstantinou, CEO of Viva Leisure, commented:

“We are genuinely excited about these developments, which represent significant milestones in our global expansion journey. Executing the first Singapore agreement and securing multiple territory sales, together with agreeing to terms for further growth in Southeast Asia not only demonstrates the universal appeal of the Plus Fitness brand but also our strategic focus on profitable and sustainable growth.”

*“We believe the Southeast Asian market is especially receptive to our model, which offers affordable and high-quality fitness solutions that align perfectly with the evolving preferences of consumers. By embracing a **low-cost, low-risk franchise model augmented by our cutting-edge technology**, we are well-positioned to deliver outstanding value to our investors and unparalleled experiences to our members worldwide. The substantial opportunity in Southeast Asia complements the broader narrative of Viva Leisure’s global expansion strategy.”*

Potential market size in Southeast Asia

Viva Leisure believes the market potential for Plus Fitness in Southeast Asia is immense, as a result of low gym penetration rates and evolving consumer interest in fitness and wellness.

- **Low gym penetration rates:**
Gym penetration rates in Singapore, Malaysia, and the Philippines remain substantially below global benchmark:
 - Singapore: below 6%
 - Malaysia: below 2%
 - Philippines: below 1%

This is significantly lower than the 16% penetration rate in Australia, underscoring the untapped opportunities in these markets.

- **Singapore's significant opportunity:**
In Singapore alone, Viva Leisure projects the potential for over 100 locations, driven by increasing urbanisation, rising disposable incomes, and growing health awareness.
- **Wider Southeast Asia Expansion:**
Across the region, the fitness industry is poised for substantial growth, with a younger demographic and increased emphasis on preventive health measures creating favourable conditions for Plus Fitness International.

By strategically aligning with ADA partners and leveraging a proven low-cost franchise model, PFI is well-positioned to capture this growth, meeting the demand for affordable, high-quality fitness solutions in these high-potential markets.

Strategic advantages of the Plus Fitness International Franchise Model

The international expansion of Plus Fitness is underpinned by a **low-cost, low-risk model with high rewards** for Viva Leisure's Plus Fitness wholly owned subsidiary, offering significant benefits including:

- **Scalable growth:** rapid market penetration without substantial capital expenditure.
- **Diversified revenue streams:** increased income through franchise fees, royalties, and technology services.
- **Local market expertise:** franchise partners bring invaluable regional knowledge and networks.
- **Brand strengthening:** enhanced global brand recognition and competitive positioning.
- **Market adaptability:** flexibility to tailor offerings to meet local market needs and consumer preferences.

Leveraging Viva Leisure's core payment and Hub tech to drive further growth

The agreements with our ADA partners include the adoption of our innovative **Hub technology** and **Viva Pay** systems upon availability in their respective regions. This integration not only streamlines operations but also amplifies the growth of Viva Leisure's technology segment, delivering seamless experiences for members and franchisees alike.

Vision for future expansion

Viva Leisure is actively exploring additional opportunities for Master Franchisees and ADAs in new regions. The Company is committed to leveraging its key technological advantages and successful franchise model to drive sustained international growth and deliver exceptional value to shareholders.

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This announcement has been approved for release by the Board of Directors.

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About Viva Leisure:

Viva Leisure is the leading and fastest growing provider of health and fitness clubs across Australia. With a mission to connect more Australians to a healthier lifestyle, Viva operates a portfolio of brands across various fitness categories, offering premium, boutique, flexible, and affordable fitness options.

For further information, please visit:

- <https://www.vivaleisure.group/>
- <https://www.clublime.com.au/>
- <https://www.plus.fitness/>
- <https://groundup.studio/>
- <https://rebalance.studio/>
- <https://hiitrepublic.com.au/>