

STRATEGIC INVESTMENT



INVESTOR PRESENTATION

10 DECEMBER 2024

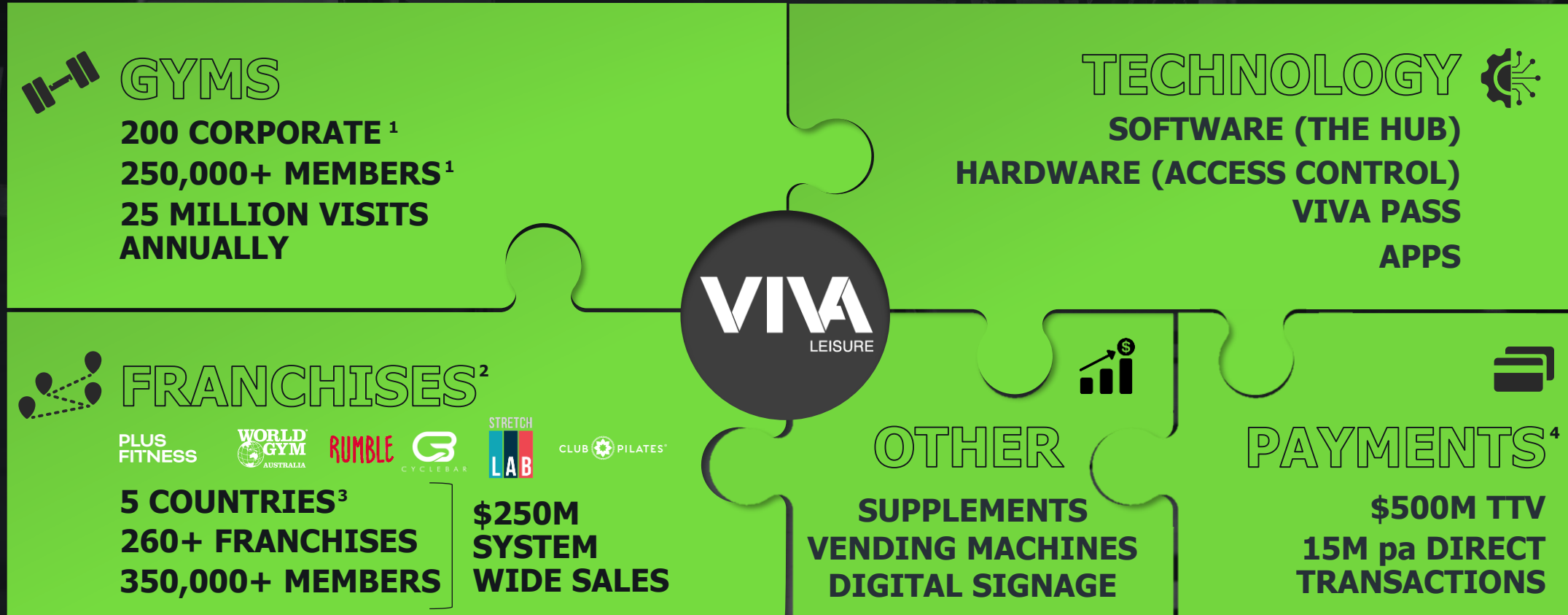


VIVA

LEISURE

VIVA TODAY....

NOT JUST A GYM... CONNECTING FRANCHISING, PAYMENTS, TECHNOLOGY SOLUTIONS AND LEVERAGING INTO OTHER REVENUE AT SCALE



¹ Post completion of the agreed 3 World Gym franchise club acquisitions

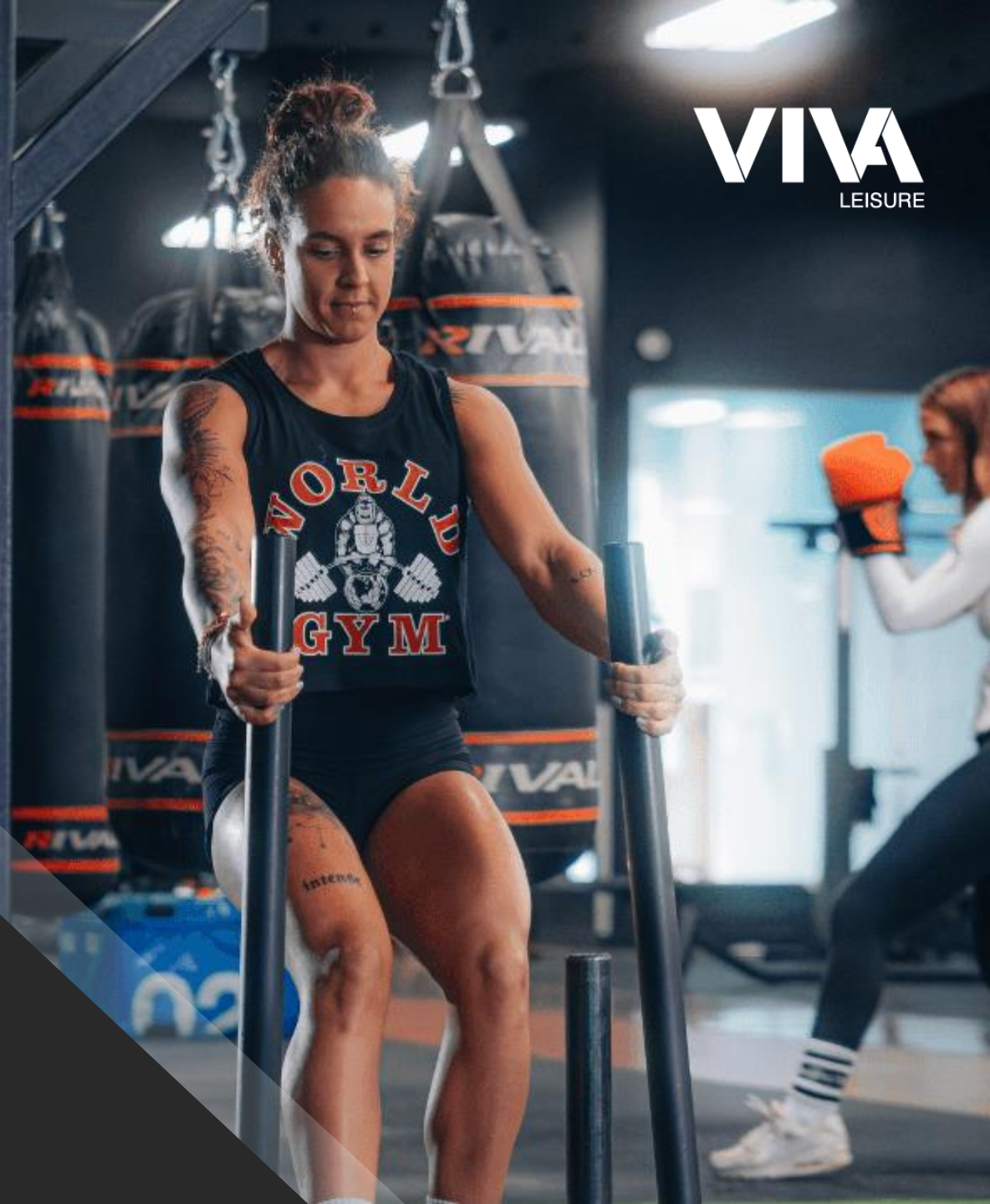
² World Gym, Rumble, Cycle Bar, Stretch Labs and Club Pilates are © Copyright their respective licence holders and used under licence by Boutique Fitness Studios and World Gym Australia of which Viva is a shareholder

³ Australia, New Zealand and India operating. Licences granted in Singapore and Philippines

⁴ Post migration of World Gym direct debits in 2027

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**EXECUTIVE
SUMMARY**

EXECUTIVE SUMMARY



Viva Leisure (Viva) has entered a binding agreement for a strategic investment of 25% in World Gym Australia (WGA) together with the 100% acquisition of three (3) World Gym locations, and the establishment of a joint venture with the founders for the roll-out of more corporate owned locations on a 50:50 basis



The Investment of ~\$16.7 million at a blended multiple of 4.1x EBITDA will be funded from existing cash reserves, bank facilities and up to \$1 million of VVA scrip



WGA is the Australian Master Franchisee of the World Gym franchise brand



The investment will provide Viva with a significant strategic interest in WGA post completion of the transaction



The investment also includes an option at Viva's discretion to acquire the remaining share of the WGA business within 36 months



Will contribute up to an additional ~\$12.5 million (from the Clubs) in revenues and ~\$4m in EBITDA (for the investment)



The WGA founders are staying on and will retain the remaining 75% not being acquired by Viva, with a mandate and incentive with the call option to continue to drive the business



The investment will further diversify the Viva business, while taking advantage of the strong growth trajectory WGA is achieving.



The investment includes provisions for Viva technology to be implemented across the WGA network in the future, including Viva Pay and The Hub. Viva also sees an opportunity for the inclusion of the WGA locations into the Viva Pass product that is currently under development and will be launched in H2-FY2025



Completion is expected before the end of February 2025

“THE INVESTMENT INTO THE WORLD GYM BRAND EXPANDS VIVA'S NETWORK TO OVER 450 LOCATIONS WHILE STRENGTHENING OUR REACH INTO THE BIG-BOX CLUB SEGMENT AND SIMULTANEOUSLY INTRODUCING A NEW MARKET FOR VIVA PAY AND OTHER VIVA TECHNOLOGIES.”

***HARRY KONSTANTINOU,
CEO & MANAGING
DIRECTOR***

HIGHLIGHTS



WGA is a significant player in the big-box fitness space within Australia, operating under licence of the global brand, World Gym International LLC



47 locations open, with an additional 13 location licences sold



Forecasted for 10 locations to open over the next 12 months



Consistent with Viva's focus on replicating its successful growth strategies across all segments of the fitness market



Economically compelling by acquiring a strategic shareholding with the option to acquire the remaining Master Franchisee business at a later date



As part of the investment, Viva will secure a position on the WGA Board



Significant synergy opportunities, and learning opportunities from the WGA franchise network generating over \$26 million annually with in-club merchandise, supplements and other retail sales



Contracted Viva Pay and The Hub implementation to occur in time, adding approximately **\$140 million per annum** in system-wide sales across the existing WGA network once fully integrated



Viva has a proven track record of successfully integrating a franchise acquisition and extracting synergies with its Plus Fitness brand



Provides a pipeline of club acquisition opportunities



Fully funded with existing cash, banking facilities and a small component of VVA script



Further growth opportunity with the establishment of a Joint-Venture (50:50) with the founders to roll-out new World Gym locations



Q4-FY2025
FORECAST
RUN RATES

Q4-FY2025 FORECAST RUN RATES

Based on information currently available and barring any unforeseen events.

Forecasts are subject to completion of World Gym acquisition in Q3-FY2025.

Revenue Forecast

Q4-FY2025

>\$56m

Q4-FY2025 Annualised

>\$224m

FY2024 Actual Revenue

\$163.6m

EBITDA* Forecast

Q4-FY2025

>\$12.5m

Q4-FY2025 Annualised

>\$50m

FY2024 Actual EBITDA

\$35.4m

*Normalised EBITDA, excluding impacts of AASB16



**STRATEGIC
RATIONALE**

**BUILDING AUSTRALIA'S
LARGEST AND MOST
DIVERSIFIED FITNESS
NETWORK AND COMMUNITY**

464 OPEN LOCATIONS

20 SECURED CORPORATE LOCATIONS

99 SECURED FRANCHISE LOCATIONS



583

Corporate & Network Locations Open or Opening Soon



587,000

Corporate & Network Members today

STRATEGIC RATIONALE

INVESTING INTO FUTURE EARNINGS

VIVALEISURE

IMMEDIATE

Locations

Supports plan to grow into new territories and markets, expanding Viva's footprint into the big box health club market

Revenue

Opportunity to realise further revenue growth (for Viva) and operating synergies (for WGA)

Retail Knowledge

Will provide Viva with additional retail knowledge to be deployed across its existing network with WGA franchise locations selling >\$26 million retail annually

Highly complementary

Highly complementary fit in terms of geography and customer demographic, providing opportunity for future cross promotion

Founders remaining

Founders staying on to continue to drive the business and grow value knowing Viva has call option for remaining 75% of business

Helping set future direction

Viva has secured a Board position to assist with setting the future direction and goals

FUTURE

Viva Pay

Contracted arrangement for the introduction of Viva Pay to the network with an anticipated commencement in early 2027

Viva Technology

Viva technology such as door control, app access, multi-brand access, digital signage, to be deployed across network

Pipeline of Acquisitions

Viva's part ownership of WGA will provide it with a pipeline of future acquisitions similar to the Plus Fitness arrangement

The Hub

The Hub to be implemented as the core member management platform throughout the network

Viva Pass

The WGA franchise network will join Viva Pass once launched and provide further revenue upside for franchisees and Viva, and more options for Members

Supp Society

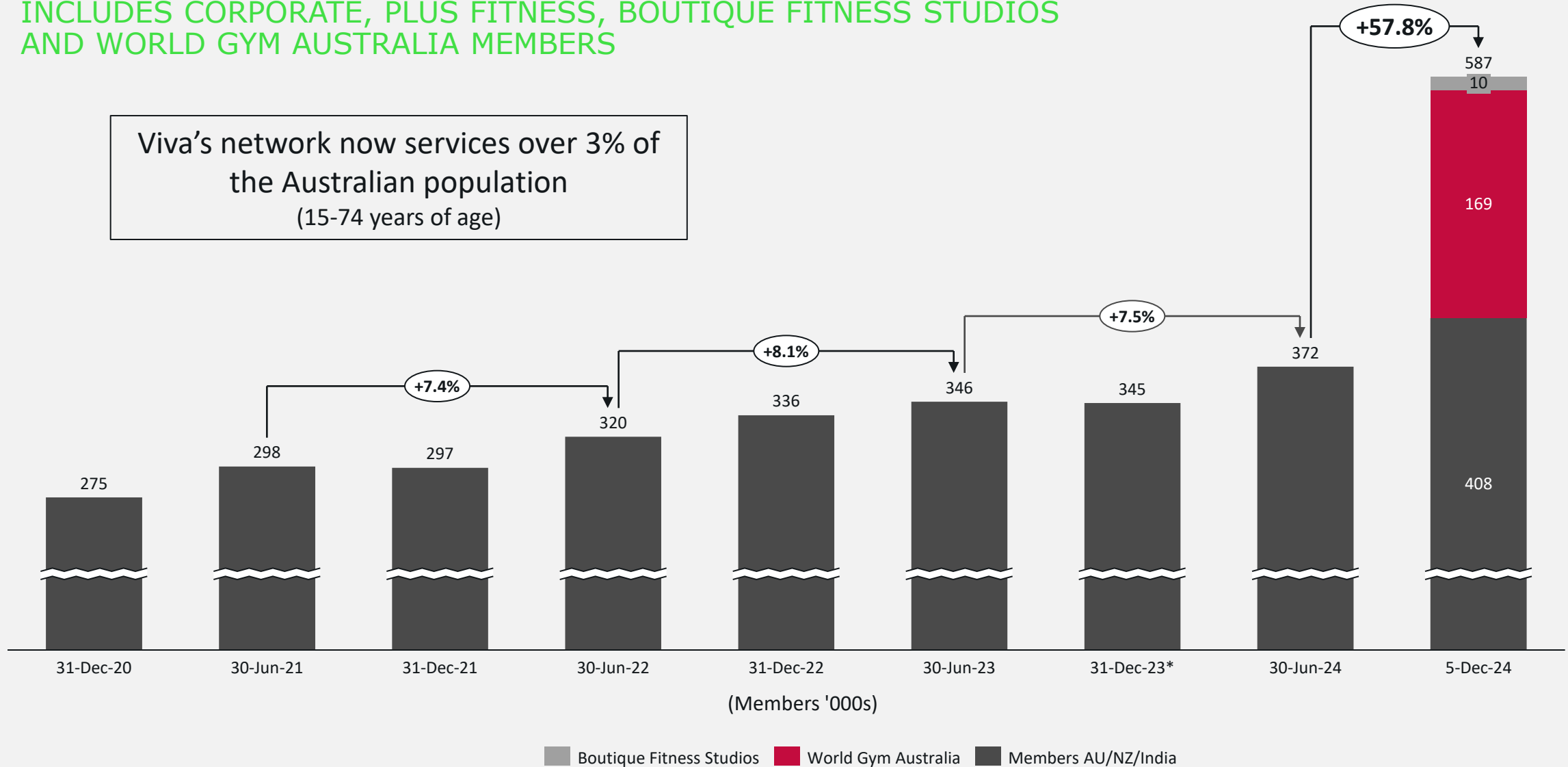
Provides another low-cost avenue to promote the recently launched Supp Society across an expanded network

NETWORK MEMBER BASE CONTINUES TO GROW

INCLUDES CORPORATE, PLUS FITNESS, BOUTIQUE FITNESS STUDIOS AND WORLD GYM AUSTRALIA MEMBERS

VIVALEISURE

Viva's network now services over 3% of the Australian population (15-74 years of age)

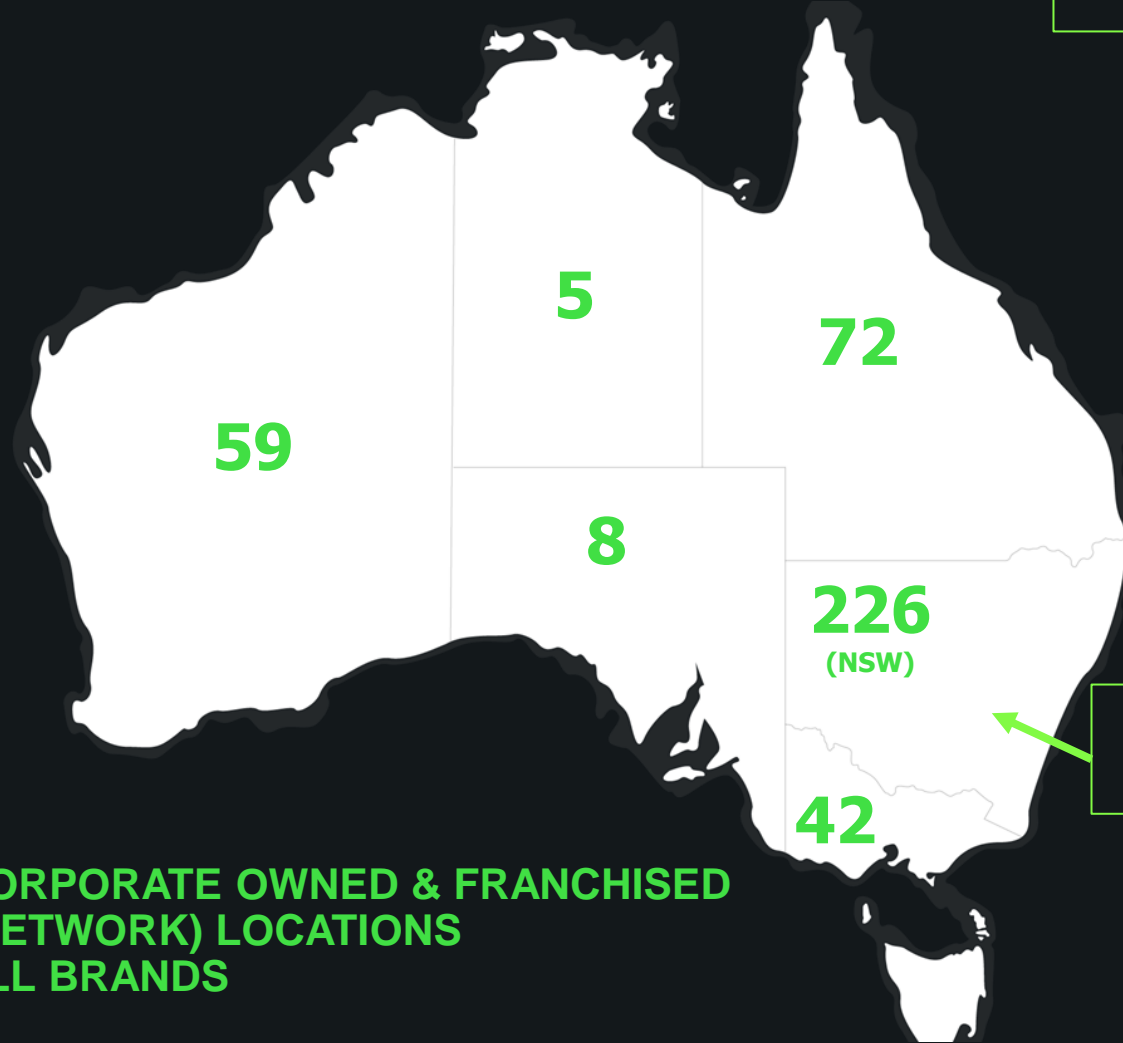


COVERING AUSTRALIA

THE VIVA NETWORK

VIVALEISURE

464
Corporate & Network
Locations



State	Viva Corporate	Plus Fitness Franchisees	BFS Franchisees	WGA Franchisees	Total
ACT	51	-	1	-	52
NSW	54	133	24	15	226
VIC	32	6	3	1	42
QLD	33	6	11	22	72
NT	4	-	-	1	5
SA	-	5	3	-	8
WA	23	16	12	8	59
Total	197	166	54	47	464

**CORPORATE OWNED & FRANCHISED
(NETWORK) LOCATIONS
ALL BRANDS**

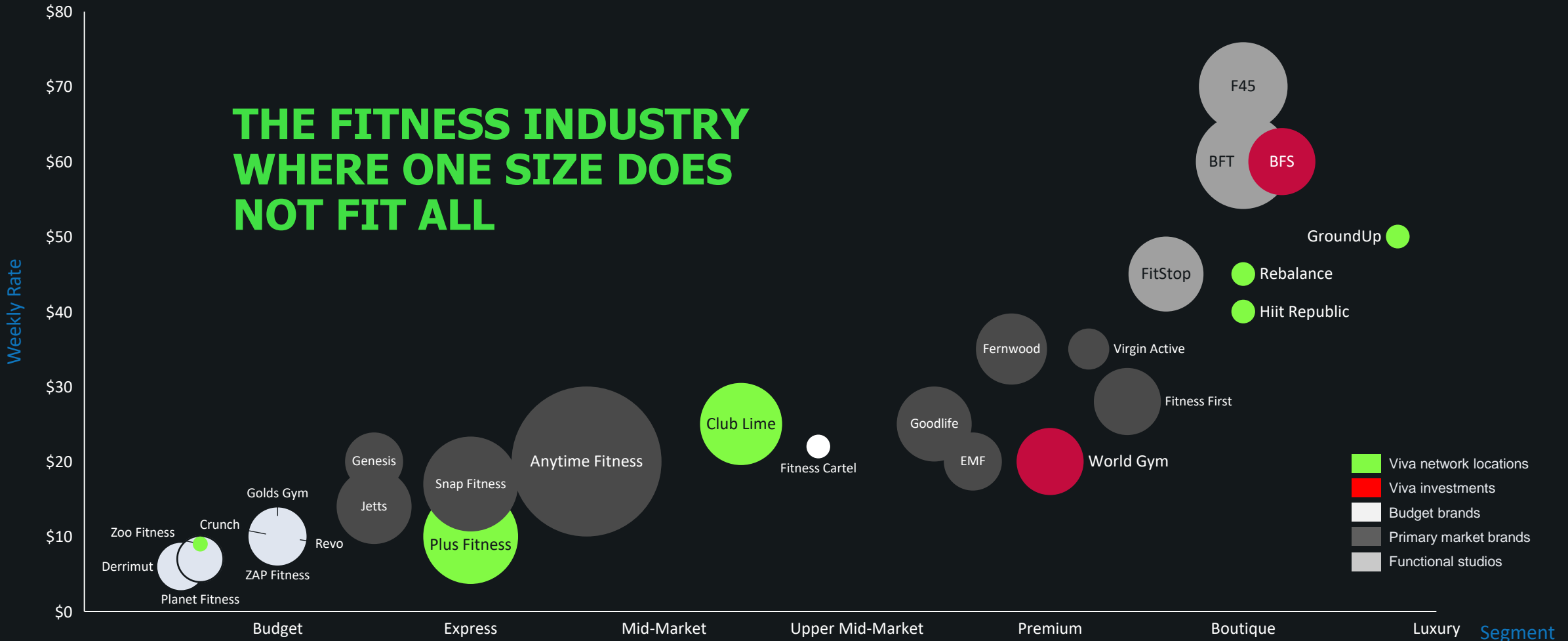
Franchisees columns include only third-party Franchisees.
Viva Corporate includes 33 Corporate owned Plus Fitness locations
Viva has agreed to acquire 3 WGA franchise locations (not included in Viva Corporate until settlement)

BRANDS AND MARKETS

VIVA NOW A SIGNIFICANT PLAYER IN ALL MARKET SEGMENTS

Australian locations only
As at 7 December 2024

Management opinion on target segments and price point ranges

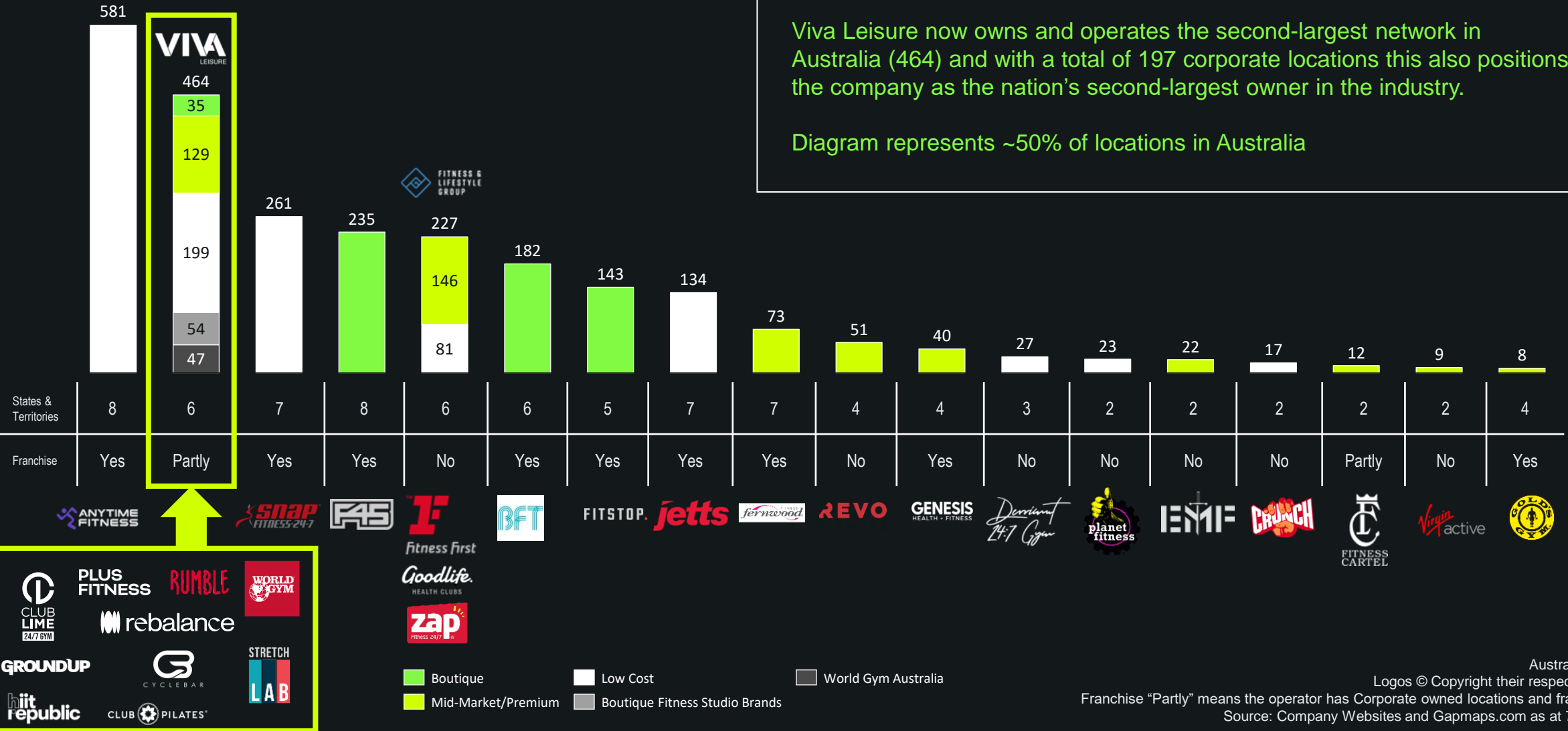


COMPETITIVE LANDSCAPE

SIGNIFICANT OPERATOR IN THE MARKET

Viva Leisure now owns and operates the second-largest network in Australia (464) and with a total of 197 corporate locations this also positions the company as the nation's second-largest owner in the industry.

Diagram represents ~50% of locations in Australia



Australian locations only
 Logos © Copyright their respective rights holders
 Franchise "Partly" means the operator has Corporate owned locations and franchised locations
 Source: Company Websites and Gapmaps.com as at 7 December 2024.

THE VIVA FRANCHISE NETWORK

A GROWING NETWORK FOR PAYMENTS, SOFTWARE, ACCESS CONTROL, DIGITAL SIGNAGE AND MORE

Brand	Country	Open Locations	Additional Sold Locations	Total
Plus Fitness ¹	Australia	199	27	226
	New Zealand	2	-	2
	India	8	3	11
	Singapore	-	5	5
	Philippines	-	-	-
BFS ²	Australia	54	59	113
World Gym ³	Australia	47	13	60
Total	5	310	107	417

The Franchise Advantage

- Low risk, high reward
- Low capital investment required
- Significant pipeline (>100 locations) sold and not yet opened
- Diversified solution across multiple fitness segments
- Viva **technology and payments solutions** already deployed or will be deployed across the entire network
- Franchise network provides a pipeline of acquisitions for Viva. Viva owns 33 of the 199 open Plus Fitness locations
- The World Gym acquisition increases the available pipeline
- \$500 million Total Transaction Volume (TTV) for Viva Pay once BFS and World Gym transitions

1 Plus Fitness is wholly owned by Viva Leisure

2 Viva Leisure holds a 34% ownership in BFS, the Australian Master Franchisee of Club Pilates, Rumble, Stretch Lab and Cycle Bar

3 Viva Leisure will hold a 25% ownership in World Gym Australia's Master Franchisee post completion of transaction



TECHNOLOGY
VIVA LABS

hub.

The Hub will be deployed across the World Gym network, providing Franchisee benefits, and licencing fees to Viva

VIVAPAY

Viva Pay will be deployed to provide a better experience and reduced processing fees for Franchisees, adding >\$114 million in direct debit processing transaction volume

FLEXAPP

Flex App will provide 24hr non-member casual access into World Gym locations, generating additional revenue for Franchisees

VIVAPASS

Viva Pass will help join the entire Viva network of brands together, with first launch scheduled for Q3-FY2025

DIGITALACCESS

Viva Access Control door control boards will be deployed to provide FOB free app-based access, including Digital Wallet passes

DIGITALSIGNAGE

Viva Digital Signage network expansion

¹ Anticipated date of commencement early 2027



OVERVIEW



“

**WITH SOME BASIC SKILLS,
AMBITION AND PERSISTENCE,
THERE IS LITTLE LIMIT TO
WHAT YOU CAN ACHIEVE,
AND BY TRYING YOU CAN
OFTEN SURPRISE YOURSELF.**

FOUNDER JOE GOLD

”



WELCOME TO WORLD GYM

VIVALEISURE

The iconic World Gym® brand was founded in 1976 by Joe Gold during the glory days of Muscle Beach in Venice, CA when serious fitness collided with the world of Hollywood celebrities.

Since then, World Gym has evolved into an internationally recognized brand that has captured the imagination of fitness lovers around the globe. World Gym is dedicated to creating ultimate workout destinations. With its headquarters located in sunny southern California, World Gym currently has over 230 franchised locations on 6 continents and in 17 countries, including Australia, Brazil, Canada, Egypt, India, Mexico, Russia, Taiwan, and the United States.



WORLD GYM: BUILDING LEGENDS SINCE 1976



2006

World Gym
Australia
agreement
executed



2008

First World Gym in
Australia opens



2015

10th World Gym
in Australia
opens



2017

20th World Gym
in Australia
opens



2020

30th World Gym
in Australia
opens



2022

100,000
Members milestone
achieved



2024

47 World Gym
locations open



2024

~170,000
Members milestone
achieved



TRANSACTION SUMMARY

TRANSACTION SUMMARY

ACQUISITION STRENGTHENS AND DIVERSIFIES VIVA'S POSITION IN THE BIG-BOX SEGMENT

Transaction Overview	<p>Viva Leisure (Viva) has entered into a binding agreement for a strategic investment in World Gym Australia (WGA)</p> <ul style="list-style-type: none">▪ WGA is the Master Franchisee in Australia for the World Gym franchise▪ The value of the investment is approximately \$16.7 million for 25% of the Master Franchisee and three (3) World Gym locations in Queensland▪ Viva is purchasing its 25% shareholding from the two existing shareholders who will retain 75% ownership of WGA
Future Acquisition	<ul style="list-style-type: none">▪ Viva has a call option to acquire 100% of the business within 36 months at its discretion▪ Viva will also have options to acquire locations from franchisees who may wish to exit, creating a pipeline of acquisitions similar to the arrangement it has with Plus Fitness
Joint Venture	<ul style="list-style-type: none">▪ Viva and the remaining WGA shareholders have agreed to enter into a Joint Venture ("JV") to establish new World Gym Greenfield locations. The terms of the JV are:<ul style="list-style-type: none">▪ Each party will own 50:50 of the JV entity▪ Each party will contribute equity equally to the Joint Venture▪ Should either party not wish to contribute, the other party may open the location outside of the JV▪ Each JV (or non-JV) location will pay the same fees as any third-party franchisee
Acquisition Metrics	<ul style="list-style-type: none">▪ The WGA investment together with the three club locations being acquired (World Gym Stafford, World Gym Coomera and World Gym Underwood, all in QLD) were acquired at a blended acquisition multiple of 4.1x EBITDA

TRANSACTION SUMMARY (CONTINUED..)

ACQUISITION STRENGTHENS AND DIVERSIFIES VIVA'S POSITION IN THE BIG-BOX SEGMENT

Funding	<ul style="list-style-type: none">▪ The investment is fully funded from existing cash reserves, available bank facilities, and \$1 million of VVA scrip▪ The acquisition is Viva's second largest acquisition after the Plus Fitness acquisition in August 2020 (\$18 million)
Financial Impacts	<ul style="list-style-type: none">▪ WGA (of which Viva will be a 25% shareholder) will pay out a minimum of 80% of its profit each year as part of the agreed shareholder agreement.▪ The total contribution from Viva's 25% shareholding dividend in WGA and the three 100% owned locations is expected to be ~\$4 million per annum▪ Viva is expected to derive additional revenue from the implementation of Viva technologies in the near term such as The Hub, Viva Pass, Flex Pass, as well as take advantage of the \$140 million in system wide sales for Viva Pay once implemented
Other Benefits	<ul style="list-style-type: none">▪ Potential rollout of other technologies across the WGA network including Digital advertising to a further ~170,000 members within the existing WGA network▪ Additional scale economies in areas like equipment purchasing▪ Implement WGA's retail distribution philosophies, with potential expansion of supply chains/infrastructure/systems to our existing portfolio of clubs▪ Potential back-office synergies for duplicated processes

WORLD GYM AUSTRALIA SUMMARY

ONE OF THE WORLDS MOST ICONIC FITNESS BRANDS

Overview of WGA	<ul style="list-style-type: none">▪ WGA was granted its licence from World Gym International LLC in 2006 and opened its first location in 2008▪ WGA as master franchisor currently has 47 locations open in Australia▪ There are a further 13 sold licences/territories▪ Approximately 10 new locations are expected to open during CY25
Members	<ul style="list-style-type: none">▪ There are approximately 170,000 members across the open locations, an average of 3,615 members per location
Systemwide Sales	<ul style="list-style-type: none">▪ The WGA network will generate system-wide sales of approximately \$140+ million per annum over the next 12 months▪ \$114 million of recurring membership sales, with the balance being retail sales (Merchandise, Supplements, etc)
Strategic Rationale	<ul style="list-style-type: none">▪ Well located big-box club portfolio, complimentary to Viva's existing network and product offering<ul style="list-style-type: none">▪ potential cross-sell opportunity in future with Viva Pass or equivalent product▪ Highly complementary fit in terms of geography and customer demographic▪ Opportunity for Viva to expand its tech and introduce additional revenue opportunities▪ Founders staying on, with a mandate and incentive with the call option to continue to drive the business
World Gym International LLC (WGI)	<ul style="list-style-type: none">▪ World Gym International LLC was recently acquired by World Fitness Services Ltd (WFS)▪ WFS is the largest World Gym Master Franchisee, owning and operating 130 locations in Taiwan▪ WFS is publicly listed on the Taiwan Stock Exchange (TSE:WFS)▪ World Gym internationally operates with over 230+ locations in 17 countries worldwide▪ Australia is the second largest World Gym network in the world

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