



SAATS
Q3 2024

The Group, through our brands and concepts SATS, ELIXIA, Fresh Fitness, SATS Yoga, and SATS Online, is the leading provider of fitness and training services in the Nordics with 273 clubs, 10 000 employees, and 728 000 members.

Everyone is welcome at SATS, and our members have full flexibility to tailor their membership package to address their individual needs. We offer cutting-edge studio facilities for individual training, the broadest selection of group training with superior programming, and highly qualified personal trainers for specialized training and individual coaching. We also have a strong focus on supporting our members through online training and digital tools for when they are not able to physically visit our club facilities. We are also constantly working with trend research and innovation to be the industry's best and most forward-looking fitness chain.

THIS IS SATS

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WORDS FROM THE CEO

"We continue to make people healthier and happier, while at the same time continuing to break visit and profitability records, with record-high EBITDA of NOK 170 million."

At SATS, we are dedicated to continuously improving our product offerings to deliver even greater value to our members. Over the past few years, our investments in our clubs have allowed us to increase prices while still improving member satisfaction. This approach has not only strengthened our financial position but also public health by helping our members to succeed with their training.

We continue to invest in our current club portfolio to improve club quality, capacity, and product offering to our members. During 2024, we are upgrading 76 of our clubs, improving club capacity, while at the same time boosting member experience. We also see that improvements in our group training offering stimulate increased demand. Hence, we are expanding our class schedules, adding more classes, and introducing innovative, in-demand products. This has resulted in an impressive 8 percent increase in group training visits in the third quarter compared to last year. For instance, in the third quarter, we launched a new wellness bundle designed to meet the increasing focus on mental health and stress relief, reinforcing our commitment to a holistic health approach.

The third quarter financial delivery reflects our previous investments in the club portfolio. We have seen a higher member base per square meter, along with a rise in average revenue per member (ARPM), driving increased profitability. EBITDA before IFRS 16 is up 10 percent year-over-year, reaching NOK 170 million, demonstrating the effectiveness of our strategy. Our strong liquidity position of NOK 1.1 billion and a leverage ratio of 1.8x, comfortably within our target range of 1.5x to 2.0x, provide a solid foundation for continued growth.

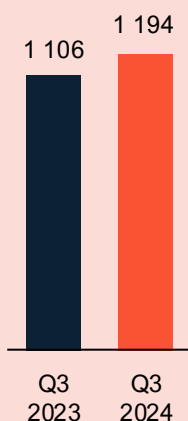
Looking ahead, we stay committed to delivering on our vision of making people healthier and happier. We will continue to invest in creating extraordinary member experiences. A big thank you to the 10 000 SATS employees making this possible. Last but not least, high five to all 728 000 members for taking steps to improve both your mental well-being and overall health. Your efforts not only benefit you personally but also contribute positively to public health.

Sondre Gravir
CEO



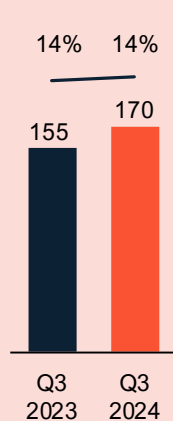

Revenues
NOK million

8%



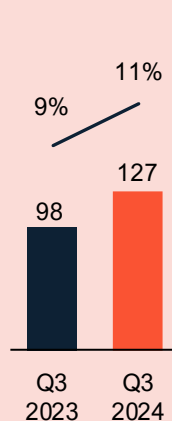
EBITDA¹
NOK million / margin

10%



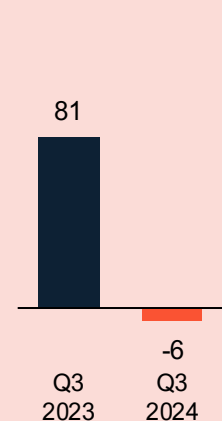
EBIT¹
NOK million / margin

29%



Free cash flow
NOK million

-107%²



1) Before impact of IFRS 16. For further information regarding definitions and Alternative Performance Measures, please see Appendix
2) Free cash flow in Q3 2024 negatively affected by timing of payments related to quarterly rent (NOK 85 million)

HIGHLIGHTS

- The third quarter total revenues increased by 8 percent (5 percent curr. adj.) to NOK 1 194 million
- Club operating cost increased by 7 percent (4 percent curr. adj.), driven by inflation and additional investments in the product offering
- EBITDA before IFRS 16 of NOK 170 million in the quarter, up 10 percent from Q3 2023, resulting in an EBITDA margin of 14 percent
- EBIT before IFRS 16 of NOK 127 million and net profit of NOK 71 million, up 29 and 127 percent, respectively, compared to Q3 2023
- Operating cash flow of NOK 22 million and cash conversion of 13 percent, negatively affected by timing of payments related to quarterly rent (NOK 85 million)
- Continued investments in the product offering, focusing on upgrading the clubs and further enhancing the group training product
- The average revenue per member (ARPM) increased by 8 percent (5 percent curr. adj.) compared to the same quarter last year, mainly driven by successful pricing initiatives during the past year, enabled by continuous investments in the product offering
- During the same period, the member base has been kept relatively stable, however with members per square meter up 2 percent

Key Financial Figures and Alternative Performance Measures (APM)¹

	Q3 2024	Q3 2023	YTD 2024	YTD 2023
<i>Amounts in NOK million (unless otherwise stated)</i>				
Membership revenue	1 023	923	3 113	2 866
Other revenues	170	183	641	641
Total revenues	1 194	1 106	3 754	3 507
EBITDA	471	445	1 467	1 360
<i>Margin (%)</i>	39%	40%	39%	39%
Operating profit	175	156	563	483
Profit for the period	71	31	250	189
Earnings per share (NOK)	0.35	0.15	1.22	0.93
Total overhead costs	-147	-135	-430	-393
EBITDA before impact of IFRS 16	170	155	563	486
<i>Margin (%)</i>	14%	14%	15%	14%
EBIT before impact of IFRS 16	127	98	400	310
<i>Margin (%)</i>	11%	9%	11%	9%
Maintenance Capex	49	22	109	57
Total Capex	57	34	124	86
Net debt	1 229	1 555	1 229	1 555
Operating cash flow	22	139	329	310
Clubs	273	275	273	275
Members ('000)	728	731	728	731
ARPM (NOK/month)	550	510	572	537

1) As defined in Appendix under Alternative Performance Measures

BOARD OF DIRECTORS' REPORT

ANALYSIS OF THE Q3 2024 FINANCIAL STATEMENTS

All financial statements show the period July 1, 2024, to September 30, 2024, compared to the accounts for the period July 1, 2023, to September 30, 2023.

Statement of comprehensive income

Total revenues increased by 8% to NOK 1 194 million in Q3 2024, compared to NOK 1 106 million in Q3 2023, driven by higher membership revenues.

Membership revenues increased in all countries in Q3 2024 compared to Q3 2023. The total member base decreased by 0.4% compared to Q3 2023, with two fewer clubs in the portfolio this quarter than last year. ARPM increased by 8%, as a result of improved product mix and price adjustments in Q4 2023 and Q1 2024.

Total operating expenses increased by 7% to NOK 1 019 million in Q3 2024, while operating expenses excluding depreciation and amortization increased by 9% to NOK 723 million. The increase in operating expenses from last year is mainly due to higher personnel expenses related to investments in product offering and the higher price levels in general. Management has performed a review of the economic useful life for fixed assets, resulting in adjustments to the depreciation periods for a certain group of assets. With effect from January 1, 2024, the depreciation period for fitness equipment has been prolonged from 5-9 years to 7-12 years. As a result of this adjustment, depreciation expenses for the first nine months of 2024 were reduced by NOK 16 million.

The operating profit increased by 12% from NOK 156 million in Q3 2023 to NOK 175 million in Q3 this year.

Net financial items in Q3 2024 was negative NOK 79 million, compared to negative NOK 107 million in Q3 2023. Income tax expense in Q3 2024 was negative by NOK 25 million.

Profit before tax was NOK 96 million in Q3 2024, compared NOK 49 million in Q3 2023. Profit for the period was NOK 71 million in Q3 2024, compared to NOK 31 million in Q3 2023. The total comprehensive income was NOK 49 million, compared to NOK 45 million in Q3 2023.

Statement of financial position

Consolidated assets increased by NOK 68 million to NOK 9 077 million in Q3 2024 compared to Q3 2023. Right-of-use assets and intangible assets were the most significant components of consolidated assets, amounting to NOK 4 679 million and NOK 2 664 million, respectively, on September 30, 2024. Non-current assets increased by NOK 205 million, while current assets decreased by NOK 137 million. The increase in non-current assets was mainly driven by an increase in right-of-use assets. The decrease in current assets was primarily driven by prepaid expenses and accrued income and cash and cash equivalents.

Total liabilities decreased from NOK 7 987 million as of September 30, 2023, to NOK 7 816 million as of September 30, 2024, primarily due to reduced borrowings.

As of September 30, 2024, consolidated equity amounted to NOK 1 262 million, representing an equity ratio of 13.9%, compared to NOK 1 022 million and 11.3% of September 30, 2023.

Statement of cash flows

In Q3 2024, consolidated cash and cash equivalents decreased by NOK 25 million, compared to an increase of NOK 79 million in Q3 2023.

The Group had cash and cash equivalents of NOK 319 million as of September 30, 2024. In addition, the Group had NOK 822 million available in undrawn amount on the revolving credit facility.

Net cash flow from the Group's operations was NOK 366 million in Q3 2024, compared to NOK 439 million in Q3 2023. The decreased cash flow from operations was mainly due to the change in trade payables and other receivables and accruals. The net working capital has high seasonal fluctuations, typically being lower in Nov-May and higher in Jun-Oct. In the quarter, the net working capital effect was negative by NOK 99 million (compared to positive NOK 7 million in Q3 2023), mainly related to timing of quarterly rent payments in Q2 (+85 million) with the opposite impact this quarter.

Net cash outflow from investing activities amounted to NOK 57 million in Q3 2024, compared to an outflow of NOK 34 million in Q3 2023.

Net cash outflow from financing was NOK 334 million in Q3 2024, compared to a cash outflow of NOK 327 million in Q3 2023.

Segment development

The following sections of this report review each operating segment. Unless otherwise stated, comments regarding development reflect a comparison between Q3 2024 and Q3 2023.

NORWAY

Norway is the largest operating segment in the Group, with 45% of the consolidated total revenues YTD 2024. SATS Norway had 329 000 members at the end of the quarter. SATS is a well-known brand in Norway and the largest operator of fitness clubs.

SATS Norway counted 117 clubs by the end of Q3 2024, of which 78 SATS-clubs and 39 Fresh Fitness clubs.

Despite a reduction in the number of clubs the member base has grown by 1% since Q3 last year.

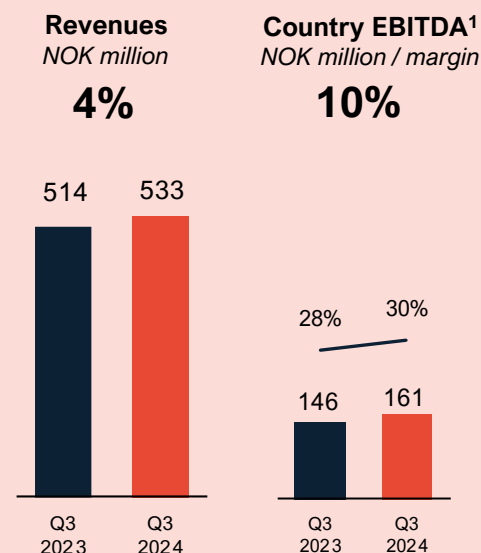
The average revenue per member (ARPM) was NOK 544 in Q3 2024, 2% higher than in Q3 2023. The negative development in personal training and retail was more than offset by increased membership prices.

The price increases in combination with volume growth resulted in a 4% revenue increase to NOK 533 million in the quarter.

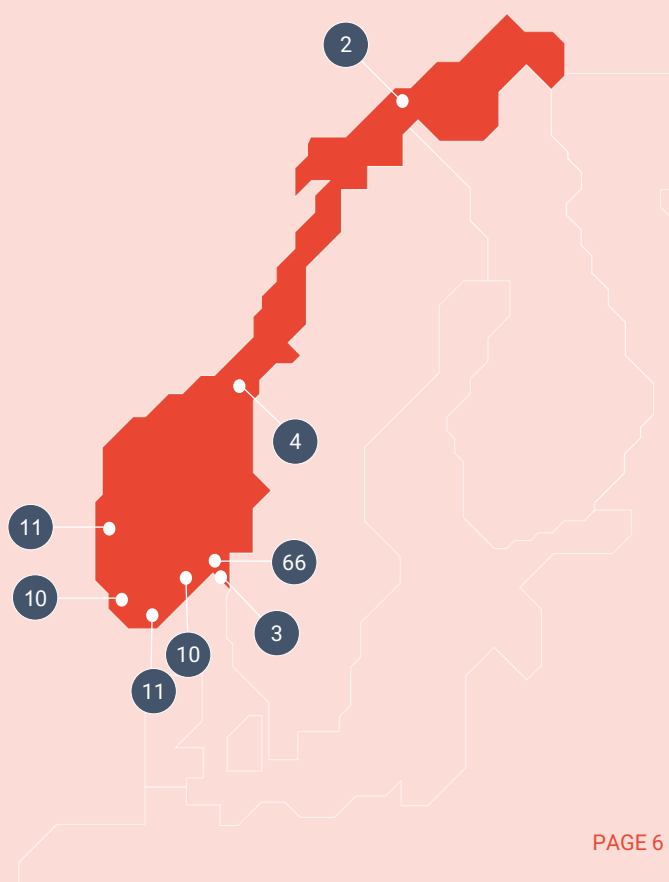
Country EBITDA increased by 10% to NOK 161 million, resulting in a quarterly Country EBITDA margin of 30%, 2 p.p. higher than in Q3 2023.

Key Financial Figures and Alternative Performance Measures (APM)

	Q3 2024	Q3 2023	YTD 2024	YTD 2023
<i>Amounts in NOK million (unless otherwise stated)</i>				
Membership revenue	459	429	1 403	1 317
Other revenues	74	85	277	293
Total revenues	533	514	1 680	1 610
EBITDA	230	222	720	662
Margin (%)	43%	43%	43%	41%
Operating profit	131	117	407	346
Profit/loss for the period	84	74	268	215
Country EBITDA before impact of IFRS 16	161	146	502	431
Margin (%)	30%	28%	30%	27%
EBITDA before impact of IFRS 16	114	103	370	307
Margin (%)	21%	20%	22%	19%
Clubs	117	119	117	119
Members ('000)	329	326	329	326
ARPM (NOK/month)	544	531	570	549



¹⁾ Country EBITDA before impact of IFRS 16



Sweden is the second-largest segment in the Group, with 34% of the total consolidated revenues in Q3 2024. SATS Sweden had 246 000 members at the end of the quarter. SATS has maintained a strong position in Sweden over many years.

SATS Sweden counted 96 clubs by the end of Q3 2024, with the majority of the portfolio in the Stockholm area. SATS opened two new and closed two clubs in Sweden in the quarter, as part of a portfolio optimization.

The member base was down 1% in Q3 2024 compared to the same quarter last year. However, the average revenue per member (ARPM) increased by 12% (5% curr. adj.) to NOK 550, driven by successful price adjustments of both new and existing members.

In sum, total revenues increased by 11% (4% curr. adj.) to NOK 404 million in the quarter, driven by increased membership revenue.

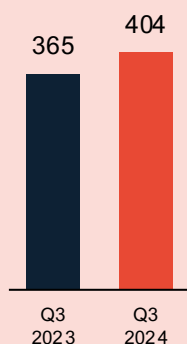
Country EBITDA decreased by 9% (14% curr. adj.) to NOK 75 million, resulting in a quarterly Country EBITDA margin of 19%, 4 p.p. down from Q3 2023.

Key Financial Figures and Alternative Performance Measures (APM)

	Q3 2024	Q3 2023	YTD 2024	YTD 2023
<i>Amounts in NOK million (unless otherwise stated)</i>				
Membership revenue	344	303	1 039	944
Other revenues	60	63	225	230
Total revenues	404	365	1 263	1 175
EBITDA	152	149	462	454
Margin (%)	38%	41%	37%	39%
Operating profit	43	49	132	149
Profit/loss for the period	20	23	54	72
Country EBITDA before impact of IFRS 16	75	83	229	247
Margin (%)	19%	23%	18%	21%
EBITDA before impact of IFRS 16	36	47	117	144
Margin (%)	9%	13%	9%	12%
Clubs	96	95	96	95
Members ('000)	246	250	246	250
ARPM (NOK/month)	550	492	567	529

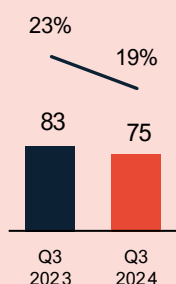
Revenues
NOK million

11%



Country EBITDA¹
NOK million / margin

-9%



¹⁾ Country EBITDA before impact of IFRS 16

FINLAND

In Finland, the business is operated under the brand ELIXIA, and the Finnish operations constituted 10% of consolidated total revenues in Q3 2024. At the end of the quarter, ELIXIA Finland had 70 000 members. The Finnish fitness market is highly fragmented, and ELIXIA is the market leader.

Both the number of clubs and the member base have been relatively stable in Finland the past year. During Q3 2024, one club has been closed.

The Q3 average revenue per member (ARPM) is up 9% (5% curr. adj.) to NOK 560 as a result of successful product improvements and price adjustments.

Total revenues for the quarter increased by 9% (6% curr. adj.) to NOK 118 million, driven equally by membership revenues and other revenues.

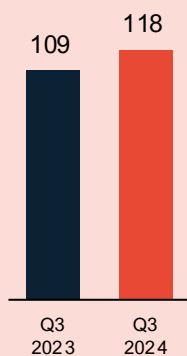
Country EBITDA decreased by 29% (31% curr. adj.) to NOK 11 million in the quarter. Quarterly Country EBITDA margin was consequently 9%, down 5 p.p. from Q3 2023.

Key Financial Figures and Alternative Performance Measures (APM)

	Q3 2024	Q3 2023	YTD 2024	YTD 2023
<i>Amounts in NOK million (unless otherwise stated)</i>				
Membership revenue	101	93	312	288
Other revenues	17	15	57	57
Total revenues	118	109	369	345
EBITDA	39	43	122	129
Margin (%)	33%	40%	33%	37%
Operating profit	2	11	17	32
Profit/loss for the period	-4	5	-2	14
Country EBITDA before impact of IFRS 16	11	16	35	46
Margin (%)	9%	14%	10%	13%
EBITDA before impact of IFRS 16	5	10	18	30
Margin (%)	4%	9%	5%	9%
Clubs	31	32	31	32
Members ('000)	70	71	70	71
ARPM (NOK/month)	560	515	579	544

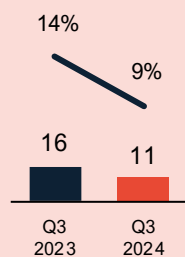
Revenues NOK million

9%



Country EBITDA¹ NOK million / margin

-29%



¹⁾ Country EBITDA before impact of IFRS 16

The Danish operation constituted 12% of consolidated total revenues in Q3 2024. SATS Denmark, with 83 000 members at the end of the quarter, is one of the largest fitness operators in the Greater Copenhagen area, and the number two operator in the Danish fitness club market.

SATS Denmark has 29 clubs in the Copenhagen area, unchanged from Q3 2023. The member base is down 2% the pas year. However, revenue per member (ARPM) increased by 20% in the quarter (16% curr. adj.), reaching NOK 563. The substantial ARPM increase is a result of broader price adjustments than in the other countries in Q4 2023 and Q1 2024.

Total revenues of NOK 139 increased by 19% (15% curr. adj.) compared to the same quarter last year.

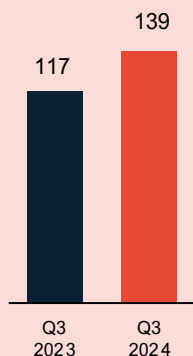
Country EBITDA improved by 186% (184% curr. adj.) to NOK 7 million, resulting in a quarterly Country EBITDA margin of 5%, 12 p.p. higher than in Q3 2023.

Key Financial Figures and Alternative Performance Measures (APM)

	Q3 2024	Q3 2023	YTD 2024	YTD 2023
<i>Amounts in NOK million (unless otherwise stated)</i>				
Membership revenue	120	98	359	317
Other revenues	19	18	81	59
Total revenues	139	117	440	376
EBITDA	34	21	126	96
<i>Margin (%)</i>	25%	18%	29%	25%
Operating profit	0	-19	14	-26
Profit/loss for the period	-18	-38	-41	-77
Country EBITDA before impact of IFRS 16	7	-8	41	7
<i>Margin (%)</i>	5%	-7%	9%	2%
EBITDA before impact of IFRS 16	0	-15	20	-13
<i>Margin (%)</i>	0%	-13%	5%	-3%
Clubs	29	29	29	29
Members ('000)	83	84	83	84
ARPM (NOK/month)	563	470	585	504

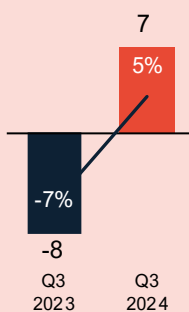
Revenues
NOK million

19%



Country EBITDA¹
NOK million / margin

+186%



¹⁾ Country EBITDA before impact of IFRS 16

BUSINESS AND INDUSTRY OUTLOOK

The heightened societal emphasis on health and well-being, as well as the strong global trends such as political initiatives for health and digitalization, are driving awareness of health and fitness. This is leading to a growing health and wellness sector.

SATS has strengthened the member product offering, which enables volume and ARPM growth, fueling revenue going forward. The company still has unleashed potential in the existing club portfolio, driven by square meter utilization and equipment optimization and increased operational efficiency. This will be a key driver for improved financial performance, accelerated by operating leverage and high drop-through to EBIT. The financial momentum will further strengthen our balance sheet, enabling SATS to execute on the company's ambitions of balanced expansion.

SHAREHOLDER INFORMATION

SATS ASA's share capital was NOK 435 million as at September 30, 2024, divided into 204 694 588 ordinary shares, each with a par value of NOK 2.125. All the shares have been fully paid and have equal rights. SATS owned 234 114 treasury shares as at the balance sheet date. The number of shareholders as at September 30, 2024, was 5 489.

FINANCIAL POLICY AND DIVIDEND

SATS has a conservative approach to leverage, targeting a net debt (current and non-current bank borrowings less cash and cash equivalents) to adjusted EBITDA before impact of IFRS 16 at the lower end of the 1.5x to 2.0x range.

SATS prioritize maintaining a robust balance sheet and strong liquidity position to ensure financial stability and flexibility.

Excess capital will be returned to shareholders, while considering long term financial robustness, growth opportunities and strategic initiatives, aiming to distribute at least 50% of annual net profit as a combination of share buybacks and semi-annual dividends.

RISK AND UNCERTAINTY FACTORS

SATS operates in a broad range of geographical markets in the highly competitive health and fitness industry. In achieving its long-term strategic objectives, SATS is inherently involved in taking risks. Please see the Group's 2023 Annual Report (Board of Directors' Report and Note 25), for a detailed description of the Group's risk factors and risk management policies and procedures.

EVENTS AFTER THE BALANCE SHEET DATE

There have been no material events subsequent to the reporting period that might significantly affect the consolidated interim financial statements for the third quarter of 2024.

DISCLAIMER

This report includes forward-looking statements based on our current expectations and projections about future events. Statements herein regarding future events or prospects, other than statements of historical facts, are forward-looking statements. All such statements are subject to inherent risks and uncertainties, and many factors can lead to actual profit and developments deviating substantially from what has been expressed or implied in such statements. As a result, undue reliance should not be placed on these forward-looking statements.

Oslo, November 4, 2024

The Board of Directors

CONSOLIDATED INCOME STATEMENT

	Notes	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
<i>(Amounts in NOK million)</i>						
Revenue	2	1 194	1 106	3 754	3 507	4 734
Operating expenses						
Cost of goods sold ¹⁾		-33	-31	-103	-102	-137
Personnel expenses ¹⁾		-418	-367	-1 350	-1 201	-1 677
Other operating expenses		-272	-263	-833	-844	-1 136
Depreciation and amortization	6, 7, 8	-296	-289	-904	-876	-1 178
Total operating expenses		-1 019	-950	-3 190	-3 024	-4 127
Operating profit		175	156	563	483	607
Interest income		10	16	30	38	50
Finance income		97	2	106	68	106
Interest expense		-83	-107	-253	-300	-395
Finance expense		-103	-19	-116	-32	-55
Net financial items		-79	-107	-233	-227	-293
Profit before tax		96	49	330	257	313
Income tax expense	3	-25	-18	-80	-68	-89
Profit for the period		71	31	250	189	224
Profit for the year is attributable to:						
Equity holders of the Group		71	31	250	189	224
Total allocation		71	31	250	189	224
Earnings per share in NOK						
Basic earnings per share attributable to equity holders of the company	4	0.35	0.15	1.22	0.93	1.10
Diluted earnings per share attributable to equity holders of the company	4	0.35	0.15	1.22	0.93	1.10

¹⁾ A reclassification between Cost of goods sold and Personnel expenses of NOK 3 million is recognized in Q3 2023 and NOK 12 million in YTD 2023.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
<i>(Amounts in NOK million)</i>					
Profit for the period	71	31	250	189	224
Other comprehensive income					
Currency translation adjustment - may be reclassified to profit or loss	-22	14	-17	-23	-62
Other comprehensive income, net of tax	-22	14	-17	-23	-62
Total comprehensive income for the period	49	45	234	165	162
Total comprehensive income is attributable to:					
Equity holders of the Group	49	45	234	165	162
Total comprehensive income for the period	49	45	234	165	162

CONSOLIDATED BALANCE SHEET

	Notes	September 30 2024	September 30 2023	December 31 2023
<i>(Amounts in NOK million)</i>				
ASSETS				
Non-current assets				
Intangible assets	6	2 664	2 621	2 628
Right-of-use assets	8	4 679	4 423	4 570
Property, plant and equipment	7	682	674	705
Other non-current receivables		58	64	63
Derivative financial instruments	9	30	64	36
Deferred tax assets	3	181	243	178
Total non-current assets		8 294	8 089	8 181
Current assets				
Inventories		55	57	55
Accounts receivables		136	118	136
Other current receivables		101	69	86
Prepaid expenses and accrued income		171	234	237
Derivative financial instruments	9	2	0	6
Cash and cash equivalents		319	442	282
Total current assets		784	920	802
Total assets		9 077	9 009	8 983
EQUITY				
Share capital		435	435	435
Share premium		3 050	3 050	3 050
Treasury shares		-19	-24	-24
Other reserves		-14	37	-1
Retained earnings		-2 190	-2 476	-2 441
Total equity		1 262	1 022	1 020
LIABILITIES				
Non-current liabilities				
Deferred tax liability	3	154	131	78
Borrowings	5	1 547	1 997	1 721
Lease liability	5	4 110	3 878	4 009
Other non-current liabilities		4	0	0
Total non-current liabilities		5 815	6 007	5 808
Current liabilities				
Borrowings	5	14	24	17
Lease liability	5	957	910	929
Contract liability		531	509	548
Trade and other payables		68	116	130
Current tax liabilities		0	0	2
Public fees and charges payable		87	78	115
Other current liabilities		343	342	415
Total current liabilities		2 000	1 980	2 155
Total liabilities		7 816	7 987	7 963
Total equity and liabilities		9 077	9 009	8 983

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Treasury shares	Foreign exchange translation reserve	Share-based payments reserve	Retained earnings	Total attributable to owners of the Group	Total equity
<i>(Amounts in NOK million)</i>								
Equity January 1, 2023	431	3 045	-14	58	6	-2 668	860	860
Profit for the period						189	189	189
OCI for the period				-23			-23	-23
Total comprehensive income for the period	0	0	0	-23	0	189	165	165
Investment program			4		-5	4	3	3
Share issues and capital increase expenses	4	5					8	8
Repurchase of shares			-21				-21	-21
Proceeds from sale of own shares			6				6	6
Equity September 30, 2023	435	3 050	-24	35	2	-2 476	1 022	1 022
Equity January 1, 2024	435	3 050	-24	-3	2	-2 441	1 020	1 020
Profit for the period						250	250	250
OCI for the period				-17			-17	-17
Total comprehensive income for the period	0	0	0	-17	0	250	234	234
Investment program					3		3	3
Proceeds from sale of own shares			5				5	5
Equity September 30, 2024	435	3 050	-19	-20	5	-2 190	1 262	1 262

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
<i>(Amounts in NOK million)</i>						
Cash flow from operations						
Profit before tax		96	49	330	257	313
Adjustment for:						
Taxes paid in the period		-6	-11	-19	-22	-4
Loss from disposal or sale of equipment		0	-1	0	-2	-1
Depreciation, amortization and impairment	6, 7, 8	296	289	904	876	1 178
Net financial items		79	107	233	227	293
Change in inventory		-2	0	-1	-1	2
Change in accounts receivables		-20	-13	0	7	-11
Change in trade payables		-12	23	-61	0	13
Change in other receivables and accruals		-65	-2	-63	-127	-26
Net cash flow from operations		366	439	1 323	1 216	1 758
Cash flow from investing						
Purchase of property, plant and equipment and intangible assets	6, 7	-57	-34	-124	-86	-167
Loan to related parties	10	0	0	0	-6	-6
Proceeds from property, plant and equipment		0	0	1	1	1
Proceeds from loan to related parties	10	0	0	2	0	0
Net cash flow from investing		-57	-34	-122	-92	-172
Cash flow from financing						
Repayments of borrowings	5	-130	0	-332	0	-288
Proceeds from borrowings	5	113	0	113	0	0
Installments on lease liabilities	5	-242	-234	-722	-709	-947
Paid interests on borrowings	5	-11	-34	-42	-95	-123
Interests on lease liabilities	5	-62	-57	-184	-165	-224
Proceeds from issues of shares	4	0	0	0	8	8
Purchase of own shares	4	0	0	0	-21	-21
Proceeds from sale of own shares	4	0	0	5	6	6
Other financial items		-2	-2	0	-1	1
Net cash flow from financing		-334	-327	-1 163	-975	-1 587
Net increase/decrease in cash and cash equivalents		-25	79	39	149	-1
Effect of foreign exchange rate changes on cash and cash equivalents		-4	30	-2	-52	-63
Cash and cash equivalents at the beginning of the period		347	334	282	345	345
Cash and cash equivalents at the end of period		319	442	319	442	282

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTE 1 **General information and basis for preparation**

General information

SATS (the "Group") consists of SATS ASA (the "Company") and its subsidiaries. The accompanying consolidated interim financial statements include the financial statements of SATS ASA and its subsidiaries. The consolidated financial statements of the Group for the year ended December 31, 2023 are available at www.satsgroup.com.

Basis for preparation

These consolidated interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting as adopted by the European Union (the "EU") and additional requirements in the Norwegian Securities Trading Act. This interim financial report does not include all information and disclosures required by International Financial Accounting Standards ("IFRS") for a complete set of annual financial statements. Accordingly, this report should be read in conjunction with the annual report for the year ended December 31, 2023.

These consolidated interim financial statements are unaudited.

The accounting policies applied by the Group in these consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended December 31, 2023. Because of rounding differences, numbers or percentages may not add up to the sum totals. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to or has rights to variable returns from its involvement with the entity and can affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group.

Significant changes in the current reporting period

The financial position and the performance of the Group was not, other than mentioned above, mainly affected by any events or transactions during the nine first months of 2024.

General

The Group's business is primarily the sale of fitness club memberships, personal trainer sessions and retail sales through the fitness clubs' stores and the Group's website. The Group's sales are made primarily from fitness clubs in Norway, Sweden, Finland and Denmark.

The Group's chief operating decision maker is the Nordic Management Group, consisting of the CEO, country managers and the heads of Group functions. The Nordic Management Group is responsible for allocating resources and assessing the performance of the segments.

The Group's performance is reviewed by the Nordic Management Group by geographical area of operations which are identified as Norway, Sweden, Finland and Denmark. The "Group functions and other" column relates to other business activities, such as HQ functions and other unallocated items (mainly financing and derivatives).

The Nordic Management Group primarily uses EBITDA¹⁾, EBITDA before impact of IFRS 16¹⁾ and Country EBITDA before impact of IFRS 16¹⁾ to assess the performance of the operating segments. However, the Nordic Management Group also receives information about the segments' revenue and the consolidated balance sheet of the Group on a monthly basis.

None of the Group's customers amounts to 10% or more of total revenues.

Operating segment information

The segment information provided to the Nordic Management Group for the reportable segments for Q3 2024, Q3 2023, YTD 2024, YTD 2023 and the year ended December 31, 2023 is as follows:

SATS Group	Norway	Sweden	Finland	Denmark	Group functions and other	Total
<i>(Amounts in NOK million)</i>						
Q3 2024						
Revenue						
Membership revenue	459	344	101	120	0	1 023
Other revenues	74	60	17	19	0	170
Total revenues	533	404	118	139	0	1 194

EBITDA¹⁾ and EBITDA before impact of IFRS 16¹⁾ reconcile to profit/loss for the period as follows:

EBITDA before impact of IFRS 16¹⁾	114	36	5	0	15	170
Impact of IFRS 16	116	116	34	35	0	301
EBITDA¹⁾	230	152	39	34	15	471
Depreciation and amortization	-99	-109	-37	-35	-16	-296
Operating profit/loss	131	43	2	0	-1	175
Net financial items ²⁾	-24	-17	-6	-18	-13	-79
Income tax expense	-23	-5	0	0	3	-25
Profit/loss for the period	84	20	-4	-18	-11	71

Q3 2023**Revenue**

Membership revenue	429	303	93	98	0	923
Other revenues	85	63	15	18	1	183
Total revenues	514	365	109	117	1	1 106

EBITDA¹⁾ and EBITDA before impact of IFRS 16¹⁾ reconcile to profit/loss for the period as follows:

EBITDA before impact of IFRS 16¹⁾	103	47	10	-15	10	155
Impact of IFRS 16	119	102	33	36	0	290
EBITDA¹⁾	222	149	43	21	10	445
Depreciation and amortization	-105	-100	-32	-40	-12	-289
Operating profit/loss	117	49	11	-19	-2	156
Net financial items ²⁾	-22	-20	-6	-20	-39	-107
Income tax expense	-21	-6	0	0	9	-18
Profit/loss for the period	74	23	5	-38	-32	31

¹⁾ For further information about definitions, please see the appendix Alternative Performance Measures.

²⁾ Financial income and expenses are allocated to Group functions and other since this type of activity is derived by the central treasury function, which manages the cash position of the Group.

SATS Group	Norway	Sweden	Finland	Denmark	Group functions and other	Total
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(Amounts in NOK million)

YTD 2024

Revenue

Membership revenue	1 403	1 039	312	359	0	3 113
Other revenues	277	225	57	81	1	641
Total revenues	1 680	1 263	369	440	1	3 754

EBITDA¹⁾ and EBITDA before impact of IFRS 16¹⁾ reconcile to profit/loss for the period as follows:

EBITDA before impact of IFRS 16¹⁾	370	117	18	20	38	563
Impact of IFRS 16	349	344	104	106	0	904
EBITDA¹⁾	720	462	122	126	38	1 467
Depreciation and amortization	-313	-329	-105	-113	-45	-904
Operating profit/loss	407	132	17	14	-7	563
Net financial items ²⁾	-65	-65	-19	-55	-29	-233
Income tax expense	-75	-14	0	1	8	-80
Profit/loss for the period	268	54	-2	-41	-29	250

YTD 2023

Revenue

Membership revenue	1 317	944	288	317	0	2 866
Other revenues	293	230	57	59	2	641
Total revenues	1 610	1 175	345	376	2	3 507

EBITDA¹⁾ and EBITDA before impact of IFRS 16¹⁾ reconcile to profit/loss for the period as follows:

EBITDA before impact of IFRS 16¹⁾	307	144	30	-13	19	486
Impact of IFRS 16	356	310	99	109	0	873
EBITDA¹⁾	662	454	129	96	19	1 360
Depreciation and amortization	-316	-305	-97	-121	-37	-876
Operating profit/loss	346	149	32	-26	-18	483
Net financial items ²⁾	-71	-59	-19	-52	-26	-227
Income tax expense	-60	-18	0	1	9	-68
Profit/loss for the period	215	72	14	-77	-35	189

2023

Revenue

Membership revenue	1 763	1 281	390	436	0	3 870
Other revenues	389	315	76	80	3	864
Total revenues	2 153	1 597	466	516	3	4 734

EBITDA¹⁾ and EBITDA before impact of IFRS 16¹⁾ reconcile to profit/loss for the period as follows:

EBITDA before impact of IFRS 16¹⁾	387	185	25	-13	29	614
Impact of IFRS 16	472	420	133	145	0	1 170
EBITDA¹⁾	859	605	159	132	29	1 784
Depreciation and amortization	-421	-412	-132	-161	-52	-1 178
Operating profit/loss	437	193	27	-29	-22	607
Net financial items ²⁾	-93	-76	-25	-69	-31	-293
Income tax expense	-44	-22	0	1	-24	-89
Profit/loss for the year	301	95	3	-98	-77	224

¹⁾ For further information about definitions, please see the appendix Alternative Performance Measures.

²⁾ Financial income and expenses are allocated to Group functions and other since this type of activity is derived by the central treasury function, which manages the cash position of the Group.

NOTE 3 Profit and loss information

Income tax expense

Standardized tax rates are used for tax reporting purposes for Norway and Sweden for Q3 2024, whereas there are not recognized any deferred tax assets in Finland and Denmark due to uncertainty that future taxable profits will be available against the unused tax losses within a reasonable time frame. The actual tax expense is used as basis for the 2023 full-year income tax recognition.

Definitions

In the interim financial statements, Q3 is the reporting period from July 1 to September 30.

NOTE 4 Earnings per share

Earnings per share are calculated by dividing profit attributable to holders of shares in the parent company by a weighted average number of shares outstanding. Earnings per share after dilution is calculated by dividing profit/loss attributable to holders of shares in the parent company by the average number of shares outstanding, adjusted for the dilution effect of shares from share investment programs delivering matching shares. Dilutive shares are disregarded in the calculation of diluted EPS when a loss is reported.

On March 25, 2024, the board of directors resolved to award a total of 12,124 matching shares to two participants as a part of the share investment program implemented in 2020. The value of the matching shares is NOK 15,77 each, representing the trading price of the company's shares at the close of trading on March 22, 2024, with a 13.33% discount to reflect the one-year lock-up obligation.

The share investment programs for employees in the SATS ASA Group imply that the company, on the balance sheet date of September 30, 2024, will deliver 62 727 matching shares to employees in 2024, 126 287 shares in 2025, 723 344 shares in 2026 and 124 072 shares in 2027. Allocation of matching shares is further contingent upon the company's performance over time.

As of the balance sheet date of September 30, 2024, the number of shares issued was 204 694 588 and the company holds 234 114 treasury shares.

Basic earnings per share attributable to equity holders of the company

<i>(NOK per share)</i>	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Basic earnings	0.35	0.15	1.22	0.93	1.10
Total basic earnings per share	0.35	0.15	1.22	0.93	1.10
Weighted average number of outstanding shares	204 460 474	204 024 712	204 414 893	202 775 178	203 103 000

Diluted earnings per share attributable to equity holders of the company

<i>(NOK per share)</i>	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Diluted earnings	0.35	0.15	1.22	0.93	1.10
Total diluted earnings per share	0.35	0.15	1.22	0.93	1.10
Weighted average number of outstanding shares	205 496 904	205 284 706	205 451 323	203 721 629	204 069 165

Reconciliation of earnings used in calculating earnings per share

<i>(Amounts in NOK million)</i>	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Basic earnings per share					
Profit attributable to equity holders of the Group	71	31	250	189	224
Profit used in calculating basic earnings per share	71	31	250	189	224
Diluted earnings per share					
Profit used in calculating diluted earnings per share	71	31	250	189	224
Profit used in calculating diluted earnings per share	71	31	250	189	224

NOTE 5 Interest-bearing liabilities

	September 30 2024	September 30 2023	December 31 2023
Overview of interest-bearing liabilities			
<i>(Amounts in NOK million)</i>			
Current			
Accrued interest cost	14	24	17
Lease liabilities	957	910	929
Total current interest-bearing liabilities	971	934	946
Non-current			
Bank borrowings	1 547	1 997	1 721
Lease liabilities	4 110	3 878	4 009
Total non-current interest-bearing liabilities	5 657	5 875	5 730
Total interest-bearing liabilities	6 628	6 810	6 676
Total bank borrowings	1 547	1 997	1 721
Cash and cash equivalents	319	442	282
Net debt¹⁾	1 229	1 555	1 439

¹⁾ For further information regarding Net debt, please see the appendix Alternative Performance Measures.

The long-term loan facility agreement

The company has, in July 2024, signed a new unsecured revolving credit facility (RCF) agreement, consisting of a multicurrency RCF with a maximum principal amount of NOK 2 500 million. At the end of the third quarter, the remaining undrawn credit amounted to NOK 822 million.

Interests on borrowings under the facility will be paid at an annual interest rate equal to the applicable IBOR plus a margin reliant on the leverage ratio of the Group.

The facility will fully mature in July 2027, with options for extension for up to two one-year terms. No installment payments are due before this time. Interest payable will depend on the principal amount of the facility at any given time. However, based on the current draw-down, IBOR and margin, the interest payment for the next twelve months is expected to be at 73 million before any gains or losses from the swap, please see note 9 for details.

Covenants

The loan facility agreement includes a financial covenant requiring the leverage ratio, Net Debt to EBITDA before IFRS 16, not to exceed 3.5x. The facility agreement does not contain any restrictions on dividend payments.

Compliance with financial borrowing covenants

SATS ASA executes the financing functions within the Group, holds the long-term financing agreement with the Group's long-term lenders, and provides long-term financing to other Group entities. SATS ASA has complied with the financial covenants related to its borrowing facility throughout 2023 and 2024.

Payment profile

The following table shows the undiscounted payment profile of the Group's interest-bearing liabilities, based on the remaining period as of September 30, 2024:

Bank borrowings	Total	Lease liabilities	Total
<i>(Amounts in NOK million)</i>		<i>(Amounts in NOK million)</i>	
Less than 1 year	73	Less than 1 year	1 181
1–2 years	72	1–2 years	1 060
2–3 years	1 618	2–3 years	951
3–5 years	0	3–5 years	1 421
More than 5 years	0	More than 5 years	1 289
Total payments	1 762	Total payments	5 902

NOTE 6 Intangible assets

Goodwill	Norway	Sweden	Finland	Denmark	Total goodwill
<i>(Amounts in NOK million)</i>					
At December 31, 2023					
Cost	1 868	223	652	0	2 744
Accumulated impairment	-199	0	-10	0	-209
Net book value	1 669	223	642	0	2 535
Period ended September 30, 2024					
Opening net book amount	1 669	223	642	0	2 535
Net effect of changes in foreign exchange	0	6	30	0	36
Closing Net book value	1 669	230	672	0	2 571
At September 30, 2024					
Cost	1 868	230	682	0	2 780
Accumulated impairment	-199	0	-10	0	-209
Net book value	1 669	230	672	0	2 571
Useful life	Indefinite	Indefinite	Indefinite	Indefinite	
Amortization method	Not amortized	Not amortized	Not amortized	Not amortized	

Other intangible assets	Trademark	Internally developed software ¹⁾	Customer list	Total other intangible assets
<i>(Amounts in NOK million)</i>				
At December 31, 2023				
Cost		267	72	857
Accumulated amortization and impairment		-266	-56	-764
Net book value		1	15	93
Period ended September 30, 2024				
Opening net book amount		1	15	93
Effect of changes in foreign exchange cost		0	2	18
Effect of changes in foreign exchange accumulated amortization		0	-2	-15
Additions		0	0	50
Amortization charge		0	-7	-53
Closing Net book value		1	9	93
At September 30, 2024				
Cost		267	74	925
Accumulated amortization and impairment		-266	-65	-832
Net book value		1	9	93
Useful life		10 years	3 years	3–7 years
Amortization method		Straight-line	Straight-line	Straight-line

¹⁾ Software consists of capitalized development expenditure being an internally generated intangible asset.

NOTE 7 Property, plant and equipment

Property, plant and equipment <i>(Amounts in NOK million)</i>	Capitalized leasehold improvements	Fitness equipment	Other fixtures and equipment	Total tangible fixed assets
At December 31, 2023				
Cost	1 502	1 013	509	3 024
Accumulated depreciation	-1 091	-773	-455	-2 319
Net book value	411	240	54	705
Period ended September 30, 2024				
Opening net book amount	411	240	54	705
Additions	35	20	19	74
Effect of changes in foreign exchange cost	33	20	9	62
Depreciation charge	-65	-26	-20	-110
Effect of changes in foreign exchange accumulated depreciation	-24	-15	-8	-47
Disposals costs	-304	-14	-70	-387
Disposals costs accumulated depreciations	303	13	69	386
Closing Net book value	389	238	54	682
At September 30, 2024				
Cost	1 267	1 039	467	2 773
Accumulated depreciation	-878	-801	-412	-2 091
Net book value	389	238	55	682
Useful life	10 years	7–12 years	3–7 years	
Depreciation method	Straight-line	Straight-line	Straight-line	

Management has performed a review of the economic useful life for fixed assets, resulting in adjustments to the depreciation periods for a certain group of assets. With effect from January 1, 2024, the depreciation period for fitness equipment has been prolonged from 5-9 years to 7-12 years. As a result of this adjustment, depreciation expenses for the first nine months of 2024 were reduced by NOK 16 million.

NOTE 8 Right of use ("RoU") assets

RoU assets	Premise rental	Other leases	Total RoU assets
<i>(Amounts in NOK million)</i>			
At January 1, 2023			
Cost	10 815	87	10 903
Accumulated depreciation	-6 663	-78	-6 741
Net book value	4 152	9	4 161
Period ended December 31, 2023			
At January 1, 2023	4 152	9	4 161
Effect of changes in foreign exchange cost	298	4	302
Additions/disposals	1 175	5	1 180
Depreciation charge	-933	-8	-940
Effect of changes in foreign exchange accumulated depreciation	-129	-4	-133
Closing Net book value	4 563	7	4 570
At December 31, 2023			
Cost	12 212	97	12 309
Accumulated depreciation	-7 649	-90	-7 739
Net book value	4 563	7	4 570
Period ended September 30, 2024			
At January 1, 2024	4 563	7	4 570
Effect of changes in foreign exchange cost	199	3	202
Additions/disposals	751	0	751
Depreciation charge	-738	-3	-740
Effect of changes in foreign exchange accumulated depreciation	-101	-3	-104
Closing Net book value	4 675	4	4 679
At September 30, 2024			
Cost	13 088	100	13 187
Accumulated depreciation	-8 413	-96	-8 509
Net book value	4 675	4	4 679
Useful life	1–15 years	1–5 years	
Depreciation method	Straight-line	Straight-line	

Overview

Through its activities, the Group will be exposed to different financial risks: market risk, credit risk, and liquidity risk. This note presents information related to the Group's exposure to such risks, the Group's objectives, policies, and procedures for risk management and handling, as well as the Group's management of capital. The interim financial statements do not include all financial risk information and should be read in conjunction with the annual report. There have not been any changes in the Group's risk management policies since year-end. The Group does not apply hedge accounting.

Exchange rate – sensitivity analysis

The Group is primarily exposed to changes in the SEK/NOK, EUR/NOK, and DKK/NOK exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from the profit or loss in the Group's foreign subsidiaries, borrowings, intercompany loans, and bank accounts in currencies other than where the legal entity is located. The sensitivity analysis below illustrates the impact of EUR, SEK, and DKK strengthened by 10% against NOK. A 10% weaker NOK against SEK/EUR/DKK results in a negative effect of NOK 3 million on Profit/loss before tax when consolidating the last twelve months. Reconsolidating borrowings, intercompany loans, and bank accounts in foreign currency as of September 30, 2024 with a weaker NOK results in a positive effect of NOK 45 million.

	Profit/loss in foreign currency	Borrowings, intercompany loans and bank accounts in foreign currency	Total
<i>(Amounts in NOK million)</i>			
SEK/NOK exchange rate - increase 10% ¹⁾	5	40	45
EUR/NOK exchange rate - increase 10% ¹⁾	-1	-4	-6
DKK/NOK exchange rate - increase 10% ¹⁾	-6	10	4
Effect on profit/loss before tax	-3	45	43

¹⁾ Holding all other variables constant.

Financial instruments by category

Derivatives are only used for economic hedging purposes to reduce cash flow risk and not as speculative investments.

Derivatives are classified as held for trading and initially recognized at fair value on the date a derivative contract is entered into. They are subsequently remeasured to their fair value through profit and loss at the end of each reporting period. The fair values are based on observable market prices obtained from external parties and are based on mid-range marked interest rates and prices, excluding margins, at the reporting date. The derivatives are defined as Level 2 in the fair value hierarchy. The derivatives are classified as non-current asset or liability if the maturity date is later than twelve months from the balance sheet date and there is no intention to close the position within twelve months from the balance sheet date. Otherwise they are classified as current asset or liability.

There have been no transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments from the last balance sheet date.

	September 30 2024		September 30 2023		December 31 2023	
Financial instruments - Assets	Assets measured at amortized cost	Fair value through profit and loss	Assets measured at amortized cost	Fair value through profit and loss	Assets measured at amortized cost	Fair value through profit and loss
<i>(Amounts in NOK million)</i>						
Other non-current receivables	58	0	64	0	63	0
Accounts receivables	136	0	118	0	136	0
Other current receivables	101	0	69	0	86	0
Derivatives	0	32	0	64	0	43
Cash and cash equivalents	319	0	442	0	282	0
Total financial assets	614	32	693	64	567	43

	September 30 2024		September 30 2023		December 31 2023	
Financial instruments - Liabilities	Liabilities measured at amortized cost	Fair value through profit and loss	Liabilities measured at amortized cost	Fair value through profit and loss	Liabilities measured at amortized cost	Fair value through profit and loss
<i>(Amounts in NOK million)</i>						
Borrowings	1 561	0	2 021	0	1 738	0
Lease liabilities	5 067	0	4 788	0	4 938	0
Other non-current liabilities	4	0	0	0	0	0
Trade and other payables	68	0	116	0	130	0
Other current liabilities	343	0	342	0	415	0
Total financial liabilities	7 044	0	7 268	0	7 220	0

Financial derivative instruments

The Group has the following derivative financial instruments:

	September 30 2024	September 30 2023	December 31 2023
<i>(Amounts in NOK million)</i>			
Non-current assets			
Interest rate swap contracts	30	64	36
Total non-current derivative financial instrument assets	30	64	36
Current assets			
Interest rate swap contracts	2	0	6
Total current derivative financial instrument assets	2	0	6

Overview of interest rate swaps per September 30, 2024

Interest rate swaps	Notional in currency million	Maturity	Fixed rate	Unrealized gain
IRS NOK	694	28.10.2026	1.751	30
IRS SEK	200	28.10.2024	0.430	2
Fair value of the Group's interest rate swaps as of September 30, 2024 in NOK million				32

Changes in fair value are presented within finance income and finance expense in the income statement.

NOTE 10 Related parties

As of September 30, 2024, total loans issued by SATS ASA to key employees participating in a partly debt-financed share investment program were 16 NOK million. The terms are regulated according to the arm's length principle.

All transactions with related parties are priced at market terms, and there are no special conditions attached to them. Transactions with subsidiaries have been eliminated in consolidated statements and do not represent transactions with related parties.

NOTE 11 Events after the balance sheet date

There have been no material events subsequent to the reporting period that might significantly affect the consolidated interim financial statements for the third quarter of 2024.

NOTE 12 New IFRS standards

New standards adopted by the Group

No standards or amendments have been adopted by SATS Group for the first time for the financial year beginning on January 1, 2024.

NOTE 13 Critical estimates and judgements

Critical estimates

Preparing financial statements requires using accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity and of items more likely to be materially adjusted due to estimates and assumptions turning out to be wrong.

The areas involving significant estimates or judgments are a typical estimation of current tax payable and current tax expense, potential goodwill impairment, estimated useful life of intangible assets, recognition of deferred tax assets for carried forward tax losses, etc.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and are believed to be reasonable under the circumstances.

Goodwill

Goodwill is recognized at NOK 2 571 million per the balance sheet date. Goodwill is not amortized, but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. The recoverable amount of the cash-generating units (CGUs) is determined based on value-in-use calculations, which require several assumptions. The calculations use cash flow projections based on financial budgets and prognoses approved by management covering five years for all segments. Cash flows beyond the five years are extrapolated using the estimated growth rates stated in Note 13 Intangible assets in the Annual Report for 2023. These growth rates are consistent with forecasts included in economic outlook reports specific to the area in which each CGU operates.

Sensitivity analyses show that no reasonable change in any fundamental assumptions would cause the recoverable amount to be lower than the carrying value. For Finland, sensitivity analyses show that the headroom is limited, and the development will be monitored closely.

Deferred tax assets

Deferred tax assets for Denmark and Finland are not recognized in Q3 2024 due to uncertainty that future taxable profits will be available against the unused tax losses within a reasonable time frame.

Lease

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension or termination option related to premise lease contracts. This assessment is reviewed if a significant event or change in circumstances occurs, affecting this assessment. During the current financial period, there was no material financial effect of revising lease terms to reflect the impact of exercising extension or termination options.

Fair value estimates

The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels at the end of the reporting period. Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments;
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves; and
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 except for certain derivative contracts where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

APPENDIX

ALTERNATIVE PERFORMANCE MEASURES

The Group reports its financial results in accordance with accounting principles IFRS as issued by the IASB and endorsed by the EU. However, management believes that specific Alternative Performance Measures (APMs) provide management and other users with additional meaningful financial information that should be considered when assessing the Group's ongoing performance. These APMs are non-IFRS financial measures and should not be considered a substitute for any IFRS financial measure. Management, the Board of Directors, and the long-term lenders regularly use supplemental APMs to understand, manage and evaluate the business and its operations. These APMs are among the factors used in planning for and forecasting future periods, including assessment of financial covenants compliance.

Alternative Performance Measures reflect adjustments based on the following items:

EBITDA

EBITDA is a measure of earnings before deducting net financial items, taxes, amortization, and depreciation charges. The Group has presented this APM because it considers it an important supplemental measure to understand the overall picture of profit generation in the Group's operating activities. Please see the reconciliation to profit or loss before tax in the table below.

EBITDA before impact of IFRS 16

EBITDA before impact of IFRS 16 is a measure of EBITDA adjusted for lease expenses applying IAS 17 Leases, and the Group has presented this APM because it considers it to be an important supplemental measure to understand the underlying profit generation in the Group's operating activities. Please see the reconciliation to profit or loss before tax in the table below.

EBITDA before impact of IFRS 16 margin

EBITDA before impact of IFRS 16 divided by total revenue.

EBIT before impact of IFRS 16

EBIT before impact of IFRS 16 is a measure of EBIT adjusted for lease expenses applying IAS 17 Leases, depreciations and amortization, and the Group has presented this APM because it considers it to be an important supplemental measure to understand the underlying profit generation in the Group's operating activities. Please see the reconciliation to profit or loss before tax in the table below.

EBIT before impact of IFRS 16 margin

EBIT before impact of IFRS 16 divided by total revenue.

Net debt

Current and non-current borrowings (excluding property lease liabilities recognized under IFRS 16) less cash and cash equivalents for the period. Net debt is a non-IFRS financial measure, which the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure. The Group has presented this APM as a helpful indicator of the Group's indebtedness, financial flexibility, and capital structure because it indicates the level of borrowings after taking into account cash and cash equivalents within the Group's business that could be utilized to pay down the outstanding borrowings. Net Debt is also used as part of the assessment for financial covenants compliance. Please see note 5 Interest-bearing liabilities for reconciliation to Total interest-bearing liabilities.

Leverage ratio

Net debt divided by last twelve months EBITDA before impact of IFRS 16.

Capital expenditure

Capital expenses (CAPEX) is a measure of total investments in the period both in the operations and in new business, either through business combinations (acquisitions) or through new club openings (greenfields). Capital expenditures consist of both upgrades and maintenance CAPEX and expansion CAPEX, and the source of CAPEX is the Statement of cash flows.

Upgrades and maintenance CAPEX

Upgrades and maintenance capital expenditures are a measure of investments made in the operations and consist of investments in tangible and intangible assets, excluding business combinations (acquisitions) and greenfields. The measure is defined as the sum of purchase of property, plant, and equipment from the Statement of cash flows less investments in greenfields. Upgrades and maintenance CAPEX can be divided into IT CAPEX and Club portfolio CAPEX where IT CAPEX is investments and development of common software programs used by the whole Group, and Club portfolio CAPEX is physical investments at the clubs.

Expansion CAPEX

Expansion capital expenditures are a measure of business combinations (acquisitions), investments in greenfields, and digital expansion. The measure is defined as the sum of Acquisition of subsidiary from the Statement of cash flows in addition to investments in greenfields and digital expansion.

Operating cash flow

Operating cash flow is a measure of how much cash that is generated by the operations and is used to evaluate SATS's liquidity. The definition is EBITDA excluding IFRS 16 less maintenance CAPEX and working capital.

Cash conversion

Operating cash flow divided by EBITDA before impact of IFRS 16.

Reconciliation of EBITDA before impact of IFRS 16 for the period to Country EBITDA before impact of IFRS 16

TOTAL	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
<i>(Amounts in NOK million)</i>					
EBITDA before impact of IFRS 16	170	155	563	486	614
Extraordinary items	0	0	0	0	0
EBITDA before impact of IFRS 16 excluding extraordinary items	170	155	563	486	614
Group overhead and cost allocation	85	82	244	245	339
Country EBITDA before impact of IFRS 16	255	237	808	731	953

NORWAY	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
<i>(Amounts in NOK million)</i>					
EBITDA before impact of IFRS 16	114	103	370	307	387
EBITDA before impact of IFRS 16 excluding extraordinary items	114	103	370	307	387
Group overhead and cost allocation	-47	-43	-132	-124	-173
Country EBITDA before impact of IFRS 16	161	146	502	431	560

SWEDEN	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
<i>(Amounts in NOK million)</i>					
EBITDA before impact of IFRS 16	36	47	117	144	185
EBITDA before impact of IFRS 16 excluding extraordinary items	36	47	117	144	185
Group overhead and cost allocation	-39	-36	-111	-103	-145
Country EBITDA before impact of IFRS 16	75	83	229	247	330

FINLAND	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
<i>(Amounts in NOK million)</i>					
EBITDA before impact of IFRS 16	5	10	18	30	25
EBITDA before impact of IFRS 16 excluding extraordinary items	5	10	18	30	25
Group overhead and cost allocation	-6	-6	-18	-16	-23
Country EBITDA before impact of IFRS 16	11	16	35	46	48

DENMARK	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
<i>(Amounts in NOK million)</i>					
EBITDA before impact of IFRS 16	0	-15	20	-13	-13
EBITDA before impact of IFRS 16 excluding extraordinary items	0	-15	20	-13	-13
Group overhead and cost allocation	-7	-7	-21	-20	-28
Country EBITDA before impact of IFRS 16	7	-8	41	7	15

DEFINITIONS

Term	Definition
Average number of members per club	Outgoing member base divided by outgoing number of clubs
Average revenue per member (ARPM)	Calculated as monthly total revenue divided by the average member base
Capex: Expansion capital expenditures	The sum of investments related to acquisitions and greenfields, as well as capex related to the perfect club initiative and digital expansion
Capex: Maintenance capital expenditures	Club maintenance and IT capital expenditures
Cash conversion	Operating cash flow divided by EBITDA before impact of IFRS 16
Country EBITDA before impact of IFRS 16	EBITDA before impact of IFRS 16 less allocation of Group overhead and cost allocations
EBITDA	Profit/(loss) before net financial items, income tax expense, depreciation and amortization
EBITDA before impact of IFRS 16	EBITDA adjusted for the impact of implementation of the IFRS 16 lease standard
Group overhead	Consists of group services such as commercial functions, IT, finance and administration
Leverage ratio	Net debt divided by last twelve months EBITDA before impact of IFRS 16
Member base	Number of members, including frozen memberships, excluding free memberships
Operating cash flow	EBITDA before impact of IFRS 16 less maintenance capital expenditures and working capital
Other yield	Calculated as monthly other revenue in the period, divided by the average member base
Total overhead	The sum of country overhead and group overhead
Underlying operating cash flow	Operating cash flow less expansion capital expenditures
Yield	Calculated as monthly member revenue in the period, divided by the average member base

Financial Calendar

12 FEB

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Q4 2023 Results

07 MAY

2024

Q1 2024 Results

27 MAR

2024

Annual Report 2023

APR

2024

Annual General Meeting 2024

21 AUG

2024

Q2 2024 Results

28 OCT

2024

Q3 2024 Results

Investor Relations Contacts

Cecilie Elde
CFO
+47 92 41 41 95
cecilie.elde@sats.no

Stine Klund
Investor Relations
+47 98 69 92 59
stine.klund@sats.no

SATS ASA
Nydalsveien 28
0484 Oslo

Telephone +47 23 30 70 00
www.satsgroup.com