Sporty

Consolidated financial statements 1st Quarter 2025

CEO STATEMENT Q1 2025 SPORTY

In February 2025, the Group consolidated its four brands Family Sports Club, Aktiv365, Aktiv Trening, and Sporty 24 under a new unified brand: Sporty. This new brand encompasses 76 fitness clubs, spanning from Finnsnes in the north to Arendal in the south of Norway. With three additional clubs recently joining the group (not yet included in the Q1 reporting), Sporty now boasts nearly 120,000 members across its fully owned clubs, making it the second-largest fitness chain in Norway. This development aligns closely with the owners' strategy of contributing to a "healthier Norway".

We are pleased to report that strong growth has continued into the first quarter of the year, with revenues increasing by 39% to MNOK 142.6. This impressive performance is primarily driven by a significant expansion in our membership base, which has grown by more than 40,000 members (50%), rising from 79,600 at the end of Q1 2024 to 120,000 members (including the three newly added clubs).

A major contributor to this growth is the Sporty24 chain, acquired in the fall of 2024, which has added approximately 24,000 members to our total.

Cost synergies and the positive impact of the group's sales strategy on the acquired fitness chains are contributing meaningfully to performance. Combined with our ongoing efforts to achieve Sporty's goal of having "Norway's most satisfied members," these factors are positively influencing our financial results. As a result, non-normalized EBITDA (IFRS, excluding IFRS 16) has increased from MNOK 17.3 to MNOK 31.9 in Q1 2025—an 84% growth compared to the same period last year.

During Q1, the group incurred extraordinary costs totaling MNOK 5.1, related to rebranding, external services for IFRS conversion, the bond issue, and ongoing M&A activities. Adjusting for these one-off expenses, the normalized EBITDA for the quarter amounts to MNOK 37.0.

Additionally, the group successfully completed a refinancing through the issuance of a Senior Secured Bond of MNOK 600. A portion of these funds is earmarked to support the group's continued expansion through acquisitions and greenfield developments.

The group is currently evaluating several new greenfield locations and is in the final stages of negotiations with multiple acquisition targets. Together, these initiatives will reinforce our regional clusters, expand our presence into new markets, and—most importantly—significantly enhance our earning potential.

Trygve Hagen
CEO

Financial highlights

Highlights

- Number of clubs increases from 49 in Q1 2024 to 76 in Q1 2025.
- Number of members increases with 40 000 compared to 1Q 2024.
- Revenue in the quarter increases by MNOK 40.3 (39%*).
- EBITDA (ex IFRS 16) increases 84%, while normalized EBITDA (ex IFRS 16) increases 114%.

1 st quarter January - March 2025

- Four new clubs have joined the group this year. Farmand (Tønsberg) in January and recently, Rakkestad, Sarpsborg and Sande.
- The membership base increases from 79 600 at the end of Q1 2024 to 120 000 at the end of Q1 2025, of which 24 000 members are related to the Sporty-24 chain acquired in august 2024.
- Revenue increases from MNOK 102.4 in Q1 20224 to MNOK 142.6 in Q1 2025.
- The EBITDA (ex IFRS 16) increases from MNOK 17.3 in 1Q 2024 to MNOK 31,9 in 1Q 2025 while normalized EBITDA at MNOK 65.8 is up 59%.
- Cash flow from operating activities increases with MNOK 37.6 to MNOK 80.5 in Q1 2025 as a result of improved earnings and increase in contract liabilities.

Financial highlights SPORTY Q1 2025

TNOK	Q1 2025*	Q1 2024	Year-end 2024	LTM Q1 2025*	Proforma LTM Q1 2025**
Revenue	142,645	102,388	440,661	480,918	510,490
EBITDA (IFRS)	**60,683**	**40,430**	**170,175**	**190,428**	**206,172**
Margin (%)	43 %	39 %	39 %	40 %	40 %
EBITDA ex IFRS 16	**31,873**	**17,286**	**70,083**	**84,670**	**94,893**
Margin (%)	22 %	17 %	16 %	18 %	19 %
EBIT (operating profit)	**22,809**	**11,841**	**48,366**	**59,334**	**67,853**
EBIT ex IFRS 16 (operating profit)	**18,461**	**8,481**	**34,039**	**44,019**	50,373
Operating cash flow	**80,470**	**37,556**	**203,409**	**246,323**	**245,515**
NIBD/EBITDA (ex IFRS 16)					**3.92**

** Not included Rakkestad, Sarpsborg and Sande*

*** Not included Rakkestad, Sarpsborg, Sande and Farmand*

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in NOK 1,000	**Q1 2025**	**Q1 2024**	**2024**
Revenue	142,645	102,388	440,661
Total revenue	**142,645**	**102,388**	**440,661**
Cost of materials	2,982	2,088	7,371
Personnel expenses	42,664	34,085	145,461
Depreciation and amortization expenses	37,231	27,255	119,234
Other operating expenses	36,316	25,785	117,654
Total operating expenses	**119,193**	**89,213**	**389,720**
Operating profit/(loss)	**23,453**	**13,175**	**50,941**
Financial income	257	430	509
Financial expenses	-22,328	-8,926	-46,519
Net financial income/(loss)	**-22,071**	**-8,496**	**-46,010**
Profit/(loss) before income tax	**1,382**	**4,679**	**4,931**
Income tax expense/(benefit)	304	1,029	-1,181
Profit/(loss) for the period	**1,078**	**3,650**	**6,112**
Other comprehensive income/(loss) for the period	—	—	—
Total comprehensive income for the period	**1,078**	**3,650**	**6,112**
Profit/(loss) for period year is attributable to:			
Equity holders of the company	1,078	3,481	5,438
Non controlling interest		169	674
Total comprehensive income for the period	**1,078**	**3,650**	**6,112**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in NOK 1,000	Note	As at Q1 2025	As at Q1 2024	2024
Assets				
Non-current assets				
Goodwill		387,573	291,676	380,194
Other intangible assets		19,178	17,414	21,537
Deferred tax assets		35,514	37,529	35,487
Right-of-use assets		507,828	430,332	471,071
Property, plant and equipment		95,236	67,058	90,386
Other non-current receivables		—	3,312	—
Total non-current assets		**1,045,328**	**847,320**	**998,675**
Current assets				
Inventories		954	942	811
Trade receivables		24,247	18,202	20,424
Other current receivables		8,918	5,400	9,772
Cash and cash equivalents	5	200,699	26,793	21,979
Total current assets		**234,818**	**51,336**	**52,986**
Total assets		**1,280,146**	**898,657**	**1,051,661**

	Note	As at Q1 2025	As at Q1 2024	2024
Amounts in NOK 1,000				
Equity and liabilities				
Equity				
Share capital		3,155	3,155	3,155
Share premium		172,262	192,262	172,262
Retained earnings	2	-203,504	43,510	45,418
Non-controlling interest		—	3,305	—
Total equity		**-28,086**	**242,232**	**220,836**
Non-current liabilities				
Interest bearing debt	6	—	60,460	98,854
Lease liabilities		432,585	359,281	395,584
Other non-current liabilities	6	584,417	3,574	1,100
Total non-current liabilities		**1,017,002**	**423,316**	**495,721**
Current liabilities				
Current interest bearing debt	6	—	42,284	37,892
Lease liabilities (current portion)		114,842	88,686	115,840
Trade payables		16,869	12,713	21,997
Contract liabilities		77,258	45,554	65,687
Other current liabilities		54,887	29,474	39,418
Deferred considerations		27,374	14,397	54,270
Total current liabilities		**291,229**	**233,109**	**335,104**
Total liabilities		**1,308,232**	**656,424**	**830,825**
Total equity and liabilities		**1,280,146**	**898,657**	**1,051,661**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Changes in equity	Note	Share capital	Share premium	Retained earnings	Non-controlling interest	Total equity
Amounts in NOK 1,000						
Balance at 1 January 2024		**3,155**	**192,262**	**40,060**	**5,673**	**241,150**
Profit/(loss) for the period				3,481	169	3,650
Acquisition of non-controlling interest				(32)	(2,537)	(2,569)
Balance at 31 March 2024		**3,155**	**192,262**	**43,509**	**3,305**	**242,232**
Balance at 1 January 2025		**3,155**	**172,262**	**45,418**	**—**	**220,835**
Profit/(loss) for the period				1,078		1,078
Effect of restructuring	2			(250,000)		(250,000)
Balance at 31 March 2025		**3,155**	**172,262**	**(203,504)**	**—**	**(28,087)**

CONSOLIDATED STATEMENT OF CASH FLOWS

	Q1 2025	Q1 2024	2024
Amounts in NOK 1,000			
Cash flows from operating activities			
Profit/(loss) before income tax	1,381	4,679	4,931
Adjustments for:			
Taxes paid	–		(639)
Depreciation and amortization	37,231	27,255	119,234
Profit/loss from sale of gym equipment			(760)
Change in inventories	(143)	–	131
Change in trade and other receivables	(3,822)	(1,934)	(4,156)
Change in trade payables	(4,670)	(2,929)	448
Other items	28,166	1,989	40,918
Net interest expense	22,328	8,496	43,302
Net cash inflow/(outflow) from operating activities	**80,470**	**37,556**	**203,409**
Cash flows from investing activities			
Payment for property, plant, and equipment	(8,285)	(4,758)	(30,626)
Proceeds from sale of property, plant and equipment	–	–	760
Net cash inflow/(outflow) from investing activities	(272,954)	–	(68,016)
Interest received	–	–	506
Net cash inflow/(outflow) from investing activities	**(281,239)**	**(4,758)**	**(97,376)**
Cash flows from financial activities			
Proceeds from borrowings	584,417	–	78,282
Net change in overdraft facility	–	(19,803)	(20,048)
Repayment of borrowings	(135,772)	(6,255)	(40,307)
Proceeds from/(repayment) of other borrowings	–	–	1,985
Payments of deferred considerations	(25,932)	–	(12,249)
Payments of dividends/group contribution	–	–	(20,550)
Purchase of shares from minority interests	–	(1,284)	(4,504)
Repayments of lease liabilities	(28,734)	(19,113)	(73,338)
Paid interest	(14,490)	(8,528)	(42,305)
Net cash inflow/(outflow) from financial activities	**379,488**	**(54,982)**	**(133,033)**
Net increase/(decrease) in cash and cash equivalents	**178,720**	**(22,185)**	**(26,999)**
Cash and cash equivalents as of 1 January	21,979	48,978	48,978
Cash and cash equivalents as of 31 December	**200,699**	**26,793**	**21,979**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 | BASIS OF PREPARATION

General Information

Sporty Group (“the Group”) comprises Sporty Group AS (“the Company”) and its subsidiaries. The consolidated interim financial statements include the financial statements of Sporty Group AS and its subsidiaries. The Group’s consolidated financial statements for the year ending31 December 2024 are available on our website.

Basis for Preparation

The consolidated interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union (EU), along with additional requirements outlined in the Norwegian Securities Trading Act. This interim report does not provide all the information and disclosures required for a complete set of annual financial statements under International Financial Reporting Standards (IFRS) Accounting Standards. Therefore, it should be read in conjunction with the Group’s annual report for the year ending 31 December 2024.

These interim financial statements are unaudited. The accounting policies applied are consistent with those used in the Group’s consolidated financial statements for the year ending 31 December 2024. Subsidiaries are entities (including structured entities) over which the Group has control. Control is established when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to influence those returns through its power to direct the entity’s activities. Subsidiaries are fully consolidated from the date control is obtained. The Group accounts for business combinations using the acquisition method.

NOTE 2 | EFFECTS OF RESTRUCTURING

Sporty Group AS is a newly incorporated company without business activities that acquired all the shares in Sporty Holding AS in February 2025, and thereby became the new parent of Sporty Holding AS. The acquisition was settled by issuing shares in Sporty Group AS and paying NOK 250 million to the previous direct owners of Sporty Holding AS. The owners of Sporty Group AS are primarily the same as the previous direct owners of Sporty Holding AS.

Due to the structure of the transaction, for the consolidated financial statements, Sporty Group AS cannot be the acquirer, and this is not a business combination. Consequently, in the consolidated financial statements, Sporty Group AS cannot recognize the assets and liabilities of the Sporty Holding AS group at fair values. Instead it must continue with the carrying values and history of Sporty Holding AS group.

The effect for accounting purposes is consequently a reduction of the carrying amount of the consolidated equity of the Sporty Group AS by the NOK 250 million paid to the previous direct owners of Sporty Holding AS (continuity difference). Due to this technical accounting treatment, the Group reports a negative equity as of 31 March 2025.

NOTE 3 | BUSINESS COMBINATIONS

Accounting policy

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity; and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

2025

During the first quarter of 2025 The Group entered into four different agreements to acquire 100% of the shares in Farmand Treningssenter AS (02.01.2025), Family Sports Club Rakkestad AS (13.03.2025), Sande Trening AS (21.03.2025) and Inactivity AS (31.03.2025).

The transactions are accounted for as a business combinations under IFRS 3 "Business combinations" and the Purchase Price Allocation ("PPA") has been recognized, separate from goodwill, the identifiable assets and the liabilities assumed.

Farmand Treningssenter AS:

Consideration transferred - Acquisition of Farmand Treningssenter AS	**Fair value**
Cash payment	500.0
Total consideration	**500.0**

Assets and liabilities recognized as a result of the acquisition are as follows	Fair value
Non-current assets	273
Current assets (excl. cash and equivalents)	114
Cash and equivalents	337
Deferred tax liability	(1)
Non-current liabilities	
Current liabilities (excl. debt to credit institutions)	(433)
Book value of equity at closing date	**290**
Goodwill	**210**
Net assets acquired	**500**

The contribution from the acquisition to the Group's result Q1 2025	Actual
Operating revenue	845
EBITDA	138
Profit (loss) for the period	**138**

Family Sports Club Rakkestad AS:

Consideration transferred - Acquisition of Family Sports Club Rakkestad AS	Fair value
Cash payment	7,500.0
Total consideration	**7,500.0**

Assets and liabilities recognized as a result of the acquisition are as follows	Fair value
Non-current assets	1,199
Current assets (excl. cash and equivalents)	701
Cash and equivalents	2,762
Deferred tax asset	116
Debt to credit institutions	(1,601)
Current liabilities (excl. debt to credit institutions)	(1,032)
Book value of equity at closing date	**2,145**
Identified adjustments to fair value (customer relations)	1,769
Goodwill	**3,868**
Deferred tax	(281)
Net assets acquired	**7,500**

The contribution from the acquisition to the Group's result Q1 2025	Actual
Operating revenue	517
EBITDA	-4
Profit (loss) for the period	**3**

Sande Trening AS:

Consideration transferred - Acquisition of Sande Trening AS	Fair value
Cash payment	5,323
Total consideration	**5,323**

Assets and liabilities recognized as a result of the acquisition are as follows	Fair value
Non-current assets	849
Current assets (excl. cash and equivalents)	184
Cash and equivalents	495
Current liabilities (excl. debt to credit institutions)	(796)
Book value of equity at closing date	**732**
Identified adjustments to fair value (customer relations)	1,157
Goodwill	**3,618**
Deferred tax	(184)
Net assets acquired	**5,323**

The contribution from the acquisition to the Group's result Q1 2025	Actual
Operating revenue	239
EBITDA	-4
Profit (loss) for the period	**-4**

Inactivity AS:

Consideration transferred - Acquisition of Inactivity AS	Fair value
Cash payment	6,900
Total consideration	**6,900**

Assets and liabilities recognized as a result of the acquisition are as follows	Fair value
Non-current assets	124
Current assets (excl. cash and equivalents)	916
Cash and equivalents	1,148
Current liabilities (excl. debt to credit institutions)	(3,383)
Book value of equity at closing date	**(1,195)**
Goodwill	**8,094**
Net assets acquired	**6,900**

The contribution from the acquisition to the Group's result Q1 2025	Actual
Operating revenue	0
EBITDA	0
Profit (loss) for the period	**0**

NOTE 4 | EXTRAORDINARY ITEMS

The Group has incurred extraordinary costs in Q1 2025 and Q1 2024 that management considers to be outside of normal operations. These costs are related to the rebranding campaign in Q1 2025 (NOK 3 000 thousand), M&A activities and bond listing process (NOK 1 220 thousand), as well as consultant fees in Q1 2025 and Q1 2024 (NOK 900 thousand in Q1 2025 and NOK 1 060 thousand in Q1 2024). This results in the following adjusted EBITDA:

Statement of profit or loss	**Q1 2025**	**Q1 2024**
Amounts in NOK 1,000		
Revenue	142,645	102,388
Total revenue	**142,645**	**102,388**
Cost of materials	2,982	2,088
Personnel expenses	42,664	34,085
Other operating expenses	36,316	25,785
EBITDA	**60,683**	**40,430**
Extraordinary items		
Items related to rebranding	3,000	–
Items related to bond listing & M&A	1,220	–
Normalization of consultant fees	900	1,060
Adjusted EBITDA	**65,803**	**41,490**

In addition, management considers the cash EBITDA (EBITDAC) as an APM that is relevant for the Group. The EBITDAC is based on the normal EBITDA adjusted for IFRS 16 effects as well as deferred revenue related to administration fees. The EBITDAC is presented below.

Statement of profit or loss	**Q1 2025**	**Q1 2024**	**2024**
Amounts in NOK 1,000			
Revenue	148,971	108,155	452,813
Total revenue	**148,971**	**108,155**	**452,813**
Cost of materials	2,982	2,088	7,371
Personnel expenses	42,664	34,085	145,461
Other operating expenses	65,126	48,929	217,746
EBITDAC	**38,199**	**23,053**	**82,235**

NOTE 5 | CASH AND CASH EQUIVALENTS

As of 31 March 2025, the Group has NOK 127 000 thousand restricted in escrow accounts. This cash is restricted to M&A activities.

NOTE 6 | BORROWINGS

Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognized in profit or loss as other income or financial expense.

Borrowings are classified as current liabilities unless the Group has a right to defer settlement of the liability for at least twelve months after the reporting period.

CURRENT AND NON-CURRENT BORROWINGS

Borrowings at period end	**31 March 2025**	**31 March 2024**	**31 December 2024**
Amounts in NOK 1,000			
Current			
Bank borrowings	–	42,039	37,892
Overdraft facility	–	245	–
Total current borrowings	–	42,284	37,892
Non-current			
Bond loan	586,168	–	–
Bank borrowings	–	60,460	98,854
Total non-current borrowings	586,168	60,460	98,854

The fair value of the interest-bearing liabilities is considered to be equal to the book value according to the amortized cost as shown above.

The bond loan facility agreement

The Group has in February 2025 issued a secured bond amounting to NOK 600 million. The bond matures in full in February 2028. The bond has an interest rate of 7% + 3 month NIBOR per annum and interest is paid every three months.

When the bond was issued, the Group repaid NOK 128.7 million of its interest bearing debt that was recognized as at 31 December 2024.

The bond facility is dependent on a financial covenant of Net interest-bearing debt (NIBD) to EBITDA not exceeding (i) 5.00 for any relevant period ending in the period from the issue date to (and including) the interest payment date falling in February 2026; (ii) 4.50 for any relevant period ending in the period from the interest payment date falling in February 2026 to (and including) the interest payment date falling in February 2027; and

(iii) 4.00 for any relevant period ending in the period from the interest payment date falling in February 2027 to (but excluding) the maturity date in February 2028. NIBD is calculated as interest-bearing debt minus cash (excluding cash held for tax withholding). Both NIBD and EBITDA in the covenant requirement are excluding effects from IFRS 16. The Group was in compliance with the financial covenant requirements as at 31 March 2025.

NOTE 7 | RELATED PARTIES

The following table presents an overview of transactions with related parties. Remuneration to executive staff and the Board of Directors are. not included in the following overview:

TRANSACTIONS WITH OTHER RELATED PARTIES

Related party Dag Weining Herseth Lee (member of the Board) has invoiced NOK 100 thousand in consulting fees in Q1 2025 (Q1 2024: NOK 75 thousand).

BALANCES WITH OTHER RELATED PARTIES

The following table shows the outstanding balances the Group had to related parties. Negative amounts translate to liabilities.

Balance sheet items	**31 March 2025**	**31 March 2024**	**31 December 2024**
Amounts in NOK 1,000			
Norsk Treningshelse AS	(242)	(2,901)	(242)
Styrke Holding AS	—	(3,156)	—
Esuk Holding AS	(2,726)	(11,512)	(2,726)
Total liabilities to related parties	**(2,968)**	**(17,569)**	**(2,968)**

NOTE 8 | Segment information

Q1 2025 Segments	**Fitness club**	**Group functions**	**Total**
Amounts in NOK 1,000			
Membership revenue	142,645	–	142,645
Total revenue	**142,645**	**–**	**142,645**
Reconciliation of EBITDA and EBITDA before impact of IFRS to profit/loss for the period:			
EBITDA before impact of IFRS 16	**40,728**	**(8,855)**	**31,873**
Impact of IFRS 16	28,810		28,810
EBITDA	**69,538**	**(8,855)**	**60,683**
Depreciation and amortization	37,231		37,231
Operating profit/loss	**32,308**	**(8,855)**	**23,453**
Net financial items	(23,554)	1,484	(22,071)
Income tax expense	304		304
Profit/loss for the period	**8,450**	**(7,372)**	**1,078**

Q1 2024 Segments	**Fitness club**	**Group functions**	**Total**
Amounts in NOK 1,000			
Membership revenue	102,388		102,388
Total revenue	**102,388**	**–**	**102,388**
Reconciliation of EBITDA and EBITDA before impact of IFRS to profit/loss for the period:			
EBITDA before impact of IFRS 16	**24,644**	**(7,357)**	**17,286**
Impact of IFRS 16	23,144	–	23,144
EBITDA	**47,788**	**(7,357)**	**40,430**
Depreciation and amortization	27,255	–	
Operating profit/loss	**20,532**	**(7,357)**	**13,175**
Net financial items	(8,162)	(334)	(8,496)
Income tax expense	1,029	–	1,029
Profit/loss for the period	**11,341**	**(7,691)**	**3,650**

2024 Segments	**Fitness club**	**Group functions**	**Total**
Amounts in NOK 1,000			
Membership revenue	440,661	–	440,661
Total revenue	**440,661**	**–**	**440,661**
Reconciliation of EBITDA and EBITDA before impact of IFRS to profit/loss for the period:			
EBITDA before impact of IFRS 16	**115,910**	**(45,826)**	**70,083**
Impact of IFRS 16	100,092	–	
EBITDA	**216,001**	**(45,826)**	**170,175**
Depreciation and amortization	119,234	–	
Operating profit/loss	**96,767**	**(45,826)**	**50,941**
Net financial items	(36,695)	(9,315)	(46,010)
Income tax expense	(1,181)	–	(1,181)
Profit/loss for the period	**61,253**	**(55,141)**	**6,112**

NOTE 9 | EVENTS AFTER THE REPORTING PERIOD

There have been no other material events subsequent to the reporting period that might significantly affect the consolidated financial statements for the first quarter of 2025.

NOTE 10 | New IFRS standards

No standards or amendments have been adopted by Sporty Group for the first time for the financial year beginning on 1 January 2025.

APPENDIX

Alternative performance measures

The Group reports its financial results in accordance with IFRS Accounting Standards as issued by the IASB and endorsed by the EU. However, management believes that specific Alternative Performance Measures (APMs) provide management and other users of the consolidated financial statements 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.

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.

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, depreciation 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.

EBIT before impact of IFRS 16 margin

EBIT before impact of IFRS 16 divided by total revenue.

Cash EBITDA

Cash EBITDA is based on the normal EBITDA adjusted for IFRS 16 effects as well as deferred revenue related to administration fees. 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.

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.

Leverage ratio

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