

The logo consists of a green triangle pointing downwards, followed by the word "ACTIC" in a bold, green, sans-serif font.

ACTIC

Q2

**Six-month report
1 January–30 June 2019**

Actic Group AB

“Continued adjustment with clear targets in sight”

Six-month report 2019

“The work on running the operational restructuring for long-term profitable growth has characterised the second quarter. This has resulted in restructuring costs totalling almost SEK 12 million, including organisational changes and support costs. The operating profit (EBIT) for the quarter of SEK -1.5 million is highly unsatisfactory”

-Anders Carlbark, CEO

Second quarter – April to June 2019

- Net sales declined to SEK 238.0 million (239.5), negative growth of 1%, of which negative 4% was organic.
- EBIT amounted to negative SEK 1.5 million (20.7), corresponding to a margin of negative 0.6% (pos: 8.7).
- Net loss for the period was SEK 10.4 million (profit: 5.6).
- Earnings per share before and after dilution amounted to negative SEK 0.66 (pos: 0.35).
- Opening of new clubs in Mora and Södertälje.

First six months – January to June 2019

- Net sales rose to SEK 490.7 million (483.7), up 1%, of which negative 2% was organic.
- EBIT amounted to SEK 12.0 million (41.8), corresponding to a margin of 2.4% (8.6).
- Net loss for the period was SEK 10.3 million (profit: 11.6).
- Earnings per share before and after dilution amounted to negative SEK 0.65 (pos: 0.73).
- Transfer of operations in Asker Treningscenter, Oslo, on 1 January.
- Opening of new club in Leksand and closure of one club in central Oslo.

Key financial data

Figures in SEK million	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Rolling 12 months	Jan-Dec 2018
Net sales	238.0	239.5	490.7	483.7	948.2	941.2
EBITDA	55.5	73.9	126.0	149.2	261.9	285.0
EBITDA, %	23.3	30.9	25.7	30.8	27.6	30.3
EBIT	-1.5	20.7	12.0	41.8	41.4	71.1
Operating margin, EBIT, %	-0.6	8.7	2.4	8.6	4.4	7.6
Net profit/loss for the period	-10.4	5.6	-10.3	11.6	-2.1	19.8
Earnings per share before and after dilution, SEK	-0.66	0.35	-0.65	0.73	-0.13	1.25
Cash flow from operating activities	45.6	40.4	89.2	119.1	219.1	249.0
Cash flow for the period	-8.9	-11.9	-66.0	-1.4	-0.3	64.4
Average number of shares before and after dilution	15,896,936	15,896,936	15,896,936	15,896,936	15,896,936	15,896,936
Equity/assets ratio, %	26.2	29.5	26.2	29.5	26.2	28.3
Total ARPM, SEK	352	350	363	353	355	346

For definitions of key financial data, see page 17.

Clubs and members

Figures in SEK million	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Rolling 12 months	Jan-Dec 2018
Number of clubs at the end of the period	182	180	182	180	182	177
Number of members at the end of the period	222,606	223,907	222,606	223,907	222,606	220,355
Average number of members during the period	226,140	228,275	226,033	229,208	222,991	226,610

	Openings last 12 months	Openings last 24 months	Mature clubs	Total clubs
Nordics	4	2	151	157
Germany	0	4	21	25

Continued adjustment with clear targets in sight

With our goal of increasing the Group's profitability by SEK 40-50 million annually, we are continuing to work on the conceptualisation of our offering and the streamlining of operations. In addition, under-performing clubs are monitored and wherever the profitability targets are not achieved in the long term, these clubs are closed or divested, generating an earnings effect of SEK 12-15 million annually.

Conceptualisation for increased profitability

For several years, Actic has established and acquired individual clubs or gym chains to build clusters, which has led to a leading position in several local markets. To capitalise on economies of scale and create long-term profitable growth, a distinct conceptualisation of the offering is necessary, where support and operation are made more efficient and the customer offering is strengthened.

To increase profitability at our clubs during the second half of the year we will implement updated efficiency targets for staffing, where the levels are prepared based on our best clubs, where we have a good balance between a value-creating customer experience and strong results.

As announced earlier, we are monitoring some ten clubs that are not profitable and about a further 25 clubs that do not meet the internal profitability target. We have established an action plan for each club based on the above-mentioned concept. If unprofitable clubs do not reach their targets within nine months, they will be divested or closed. The effect of this work will generate an earnings improvement in the range of SEK 12-15 million on an annual basis.

The plan to increase the organisation's profitability is being implemented successively, with the goal of costs being reduced in the range of SEK 40-50 million on an annual basis, with full impact from the first quarter of 2020, excluding the earnings improvement described of SEK 12-15 million on an annual basis.

Unsatisfactory quarterly results

Despite the acquisition of Asker at the beginning of the year, revenue during the quarter decreased by approximately SEK 2 million. This is explained by the divestment of the Finnish operation and the closure of Högdalen, but also by reduced PT revenues. The operating profit (EBIT) for the quarter of SEK -1.5 million is highly unsatisfactory and represents a decrease of SEK 22.2 million compared with the previous year. The costs increase in total with some SEK 20 million, which can be related to the restructuring work to about SEK 12 million. The remaining SEK 8 million is related to, among other things, to higher marketing and premises costs, but also to higher rental costs, resulting in higher depreciation of rights-of-use. The restructuring costs will be



phased out during the second half of the year, while our efficiency work will gradually yield results and new staffing efficiency targets will be implemented in order to reduce staff costs.

Strengthened Group management

During the quarter, Sofia Brandberg was recruited as new Chief Marketing Officer. Her experience of leadership and driving business-oriented change in combination with data-driven marketing will be key factors in strengthening our customer relationships and building Actic's brand in training and health. Sofia will take up her new post in September 2019.

Recruitment has also been carried out for a newly established position in Group Management as Head of Expansion. The service aims, among other things, to take advantage of the establishment opportunities that arise when increased e-commerce and reduced supply of physical stores give us new opportunities for exciting locations and better rental agreements. Recruitment is expected to be completed in the third quarter.

In summary, my focus is, together with our organisation, to carry out our operational restructuring work and thereby build on our long-term plan for profitable growth.

Solna, August 2019

Anders Carlbark
CEO

Financial development

Net sales and EBIT

Net sales in the quarter amounted to SEK 238.0 million (239.5), representing growth of negative 1%. Acquisitions contributed SEK 9.9 million, while organic growth at fixed exchange rates was negative at 4%, which was partly attributable to the closure of Högdalen in 2018 and lower PT revenues. The membership base totalled 222,606 (223,907) at the end of the period. The decline in the number of members is attributable to the divested Finnish facilities and the terminated contracts in Högdalen and Oslo. These activities reduced the membership base by slightly more than 8,000 members, while the acquisition of Asker Treningscenter added nearly 5,000 new members. Currency effects impacted net sales positively by SEK 0.9 million and divested operations had a negative effect of SEK 3.6 million. Average revenue per member and month (ARPM) increased 1% to SEK 352 (350).

The operating profit (EBIT) for the quarter of SEK -1.5 million (20.7) is highly unsatisfactory and represents a decrease of SEK 22.2 million. The EBIT margin was -0.6 percent (8.7). Personnel costs increased by approximately SEK 7 million, partly related to restructuring measures. Other external costs increased by approximately SEK 9 million, mainly due to costs for consultants, marketing and premises costs. Rents have increased by index and partly as an effect of the Asker acquisition, which gives increased depreciation of rights-of-use of about SEK 4 million.

Costs for the quarter increased by a total of SEK 20 million, of which SEK 12 million can be related to the restructuring work. Phase-out of the restructuring costs takes place during the second half of the year.

Net sales in the first half of the year amounted to SEK 490.7 million (483.7), representing growth of 1%. Acquisitions contributed SEK 20.4 million, while organic growth at fixed exchange rates was negative 2%. Currency effects impacted net sales positively by SEK 2.7 million and divested operations had a negative effect of SEK 7.3 million. Average revenue per member and month (ARPM) increased 3% to SEK 363 (353).

EBIT amounted to SEK 12.0 million (41.8), corresponding to an EBIT margin of 2.4% (8.6). Earnings were charged with adjustment costs totalling SEK 18 million.

Financial income and expenses - first six months

Financial expenses amounted to negative SEK 24.1 million (neg: 23.9) and financial income totalled SEK 0.1 million (0.0). The financial expenses were attributable to interest expenses for loan financing and lease liabilities. See also the table on page 6.

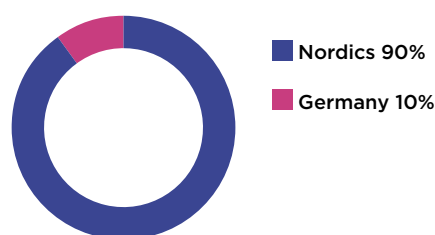
Tax - first six months

The earnings impact of tax for the period was positive and amounted to SEK 3.1 million (expense: 3.1).

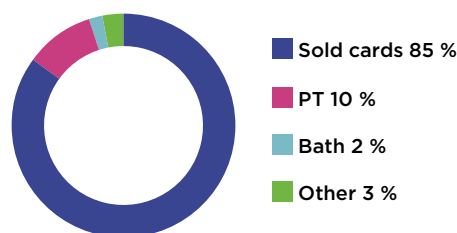
Consolidated profit/loss - first six months

Consolidated loss amounted to SEK 10.3 million (profit: 11.6), corresponding to earnings per share before and after dilution of negative SEK 0.65 (pos: 0.73).

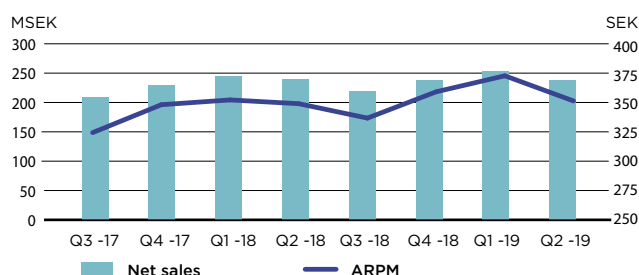
NET SALES PER OPERATING SEGMENT, Q2



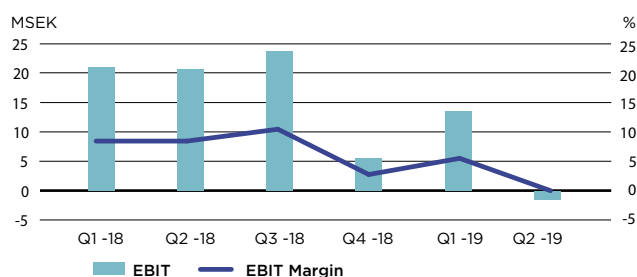
NET SALES PER CATEGORY, Q2



NET SALES & ARPM



EBIT & EBIT MARGIN



OPERATING SEGMENTS

Actic conducts operations in two operating segments. Actic's largest operating segment is the Nordics, which comprises its operations in Sweden and Norway. The operation has gradually expanded since 1981. The Nordics are home to just over 750

swimming halls and Actic conducts operations in approximately 100 of these. Actic's second operating segment comprises Germany and Austria, where the company primarily operates Gym & Swim clubs.

Revenues per operating segment, SEK 000s

	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Nordics					
Gym	180,465	178,786	365,470	359,784	702,011
PT	24,953	29,080	55,901	58,044	106,490
Swim	4,175	5,541	12,091	14,406	28,305
Other sales	5,789	6,349	12,640	13,942	25,294
Total net sales	215,381	219,756	446,103	446,176	862,101
Other operating income	7,480	7,625	16,128	15,875	32,426
Total operating income	222,861	227,381	462,231	462,052	894,527
Germany					
Gym	21,405	18,436	42,110	35,056	74,174
PT	5	13	11	39	56
Swim	91	83	201	197	321
Other sales	1,132	1,173	2,308	2,241	4,545
Total net sales	22,634	19,706	44,629	37,533	79,095
Other operating income	105	322	501	634	1,288
Total operating income	22,739	20,027	45,131	38,167	80,383
Group incl Group-wide revenues					
Gym	201,870	197,223	407,580	394,840	776,184
PT	24,958	29,093	55,912	58,083	106,546
Swim	4,266	5,624	12,293	14,603	28,626
Other sales	6,921	7,522	14,948	16,183	29,839
Total net sales	238,015	239,462	490,732	483,709	941,196
Other operating income	7,585	7,946	16,629	16,509	33,714
Total operating income	245,601	247,408	507,362	500,218	974,910

Nordics operating segment

Net sales in the second quarter amounted to SEK 215.4 million (219.8), corresponding to a decrease of SEK 4.4 million or 2%. The decrease is mainly related to reduced PT income, divestment of the Finnish operation and closure of Högdalen 2018, partly offset by the Asker acquisition. EBIT declined to SEK 11.9 million (32.3), or by SEK 20.4 million, corresponding to a margin of 5.5% (14.7). Apart from the lower sales, earnings were primarily impacted by adjustment costs of SEK 10 million and higher rents, resulting in higher depreciation of rights-of-use. Net sales in the first half of the year amounted to

SEK 446.1 million (446.2). EBIT declined to SEK 38.3 million (63.9), or by SEK 25.6 million, corresponding to a margin of 8.6% (14.3). Earnings were primarily impacted by adjustment costs of SEK 12 million, increased marketing costs of SEK 3 million and higher rents, resulting in higher depreciation of rights-of-use of SEK 7 million.

Average revenue per member and month (ARPM) increased 3% to SEK 367 (356) in the first six months. Average revenue increased mainly as a result of a higher proportion of sales of gym cards at full price.

At the end of the period, there were 157 clubs, two more than in the preceding report period.

EBITDA and reconciliation with the Group's earnings before tax, SEK 000s

Nordics	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
EBITDA	63,475	80,252	141,508	161,288	306,265
Amortisation of intangible fixed assets	-6,935	-7,497	-14,222	-15,871	-28,293
Depreciation of tangible fixed assets	-6,654	-6,618	-13,661	-13,449	-29,094
Depreciation right-of-use assets	-37,982	-33,823	-75,286	-67,990	-134,159
EBIT	11,904	32,314	38,339	63,978	114,719
Germany	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
EBITDA	2,894	2,780	6,168	3,849	8,003
Amortisation of intangible fixed assets	-855	-889	-1,717	-1,723	-5,022
Depreciation of tangible fixed assets	-2,673	-2,733	-5,314	-5,152	-10,652
Depreciation right-of-use assets	-1,927	-1,656	-3,818	-3,222	-6,666
EBIT	-2,561	-2,499	-4,681	-6,248	-14,337
Shared Group					
EBITDA	-10,864	-9,090	-21,647	-15,978	-29,287
Total Group	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
EBITDA	55,505	73,942	126,028	149,159	284,981
Amortisation of intangible fixed assets	-7,790	-8,387	-15,939	-17,595	-33,315
Depreciation of tangible fixed assets	-9,327	-9,351	-18,975	-18,601	-39,746
Depreciation right-of-use assets	-39,909	-35,479	-79,105	-71,212	-140,825
EBIT	-1,521	20,726	12,010	41,752	71,095
Financial income	30	-143	58	42	102
Financial expenses	-12,090	-11,834	-24,079	-23,930	-42,568
<i>Of which interest expenses lease liabilities</i>	<i>-8,346</i>	<i>-7,742</i>	<i>-16,801</i>	<i>-15,778</i>	<i>-30,149</i>
Profit/loss before tax	-13,581	8,748	-12,011	17,864	28,630

German operating segment

Net sales in the second quarter amounted to SEK 22.6 million (19.7), corresponding to growth of 15%. EBIT was negative at SEK 2.6 million (neg: 2.5).

Net sales in the first half of the year amounted to SEK 44.6 million (37.5), corresponding to growth of 19%. EBIT was negative at SEK 4.7 million (neg: 6.2).

The earnings improvement is attributable to the clubs newly opened during the preceding year achieving a higher degree of maturity. The membership base increased 8% to 23,908 members at the end of the period and the average revenue per member (ARPM) increased 5% to SEK 316 (301) per month during the period. At the close of the period, there were 25 clubs, with no change since the preceding report.

Shared Group expenses

The cost increase for the Group's shared functions was mainly related to consulting expenses for adjustments in the finance function.

CASH FLOW, CASH AND CASH EQUIVALENTS

Cash flow from operating activities amounted to SEK 89.2 million (119.1). Cash flow from investing activities for the quarter amounted to negative SEK 58.7 million (neg. 23.8), with the increase mainly related to the acquisition of Asker Treningssenter in Norway. Cash funds amounted to SEK 64.7 million (65.3) at the end of the period. Available unutilised loans amounted to SEK 77 million at the end of the period, compared with SEK 62 million on 31 December 2018.

EQUITY AND LIABILITIES

The equity/assets ratio was 26.2% at the end of the period, compared with 28.3% at 31 December 2018. Interest-bearing liabilities amounted to SEK 1,390 million at the end of the period compared with SEK 1,221 million at 31 December 2018. Net debt of SEK 1,326 million in relation to adjusted EBITDA for the most recent 12-month period gave a ratio of 5.1, compared with 3.8 for full-year 2018.

INVESTMENTS

During the period, the company invested SEK 14.9 million in tangible fixed assets, with most of the amount earmarked for newly opened clubs and the upgrade of existing clubs. SEK 11.0 million was invested in intangible fixed assets, while SEK 32.8 million of the investments pertained to the acquisition of Asker Treningscenter.

PERSONNEL

The number of full-time equivalent employees during the period totalled 802, compared with 800 for full-year 2018.

PARENT COMPANY

Net loss for the period was SEK 5.1 million (loss: 3.9). Equity at the end of the period totalled SEK 812.9 million, compared with SEK 825.7 million at 31 December 2018.

EVENTS AFTER THE END OF THE PERIOD

There are no significant events to report.

SEASONAL VARIATIONS

Actic's operations are subject to seasonal variations related to the level of activity at the clubs, which is highest in the first quarter of the year. After activity levels at the clubs decline at the end of the second quarter, member flows and activities at the clubs increase again after the summer months at the end of the third quarter.

MATERIAL RISKS AND UNCERTAINTIES

Actic is exposed to a number of business and financial risks. The company's business risks can be divided into three categories: strategic, operational and legal risks. Among other factors, the company's financial risks are attributable to exchange rates, interest rates, liquidity and credit granting. Risk management within the Actic Group aims to identify, control and reduce these risks. This is accomplished through an assessment of risk probability and the potential impact on the Group. The company's risk assessment is unchanged compared with the risk scenario presented on pages 87-88 of the 2018 Annual Report. The Parent Company's risks and uncertainties are indirectly the same as those of the Group.

OUTLOOK

Actic does not publish forecasts.

The Board of Directors and the President and CEO affirm that this six-month report provides a true and fair view of the Group's and the Parent Company's operations, position and earnings, and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Solna, 22 August 2019

Göran Carlson

Chairman of the Board

Stefan Charette

Board member

Therese Hillman

Board member

Trine Lise Marsdal

Board member

Fredrik Söderberg

Board member

Viktor Linnell

Board member

Anders Carlbark

President and CEO

The information in this interim report is of the type that Actic Group AB (publ) is required to disclose according to the Securities Market Act. The information was submitted for publication on Thursday, 22 August at 7:45 a.m. (CEST).

This report has not been audited by the company's auditors.

Condensed consolidated income statement

SEK 000s	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Net sales	238,015	239,462	490,732	483,709	941,196
Other operating income	7,585	7,946	16,629	16,509	33,714
Total revenue	245,601	247,408	507,362	500,218	974,910
Goods for resale	-2,430	-3,064	-4,830	-5,606	-11,326
Other external costs	-84,573	-74,963	-176,350	-152,456	-311,078
Personnel costs	-102,838	-95,265	-199,623	-192,734	-366,878
Depreciation of fixed assets	-57,026	-53,216	-114,018	-107,408	-213,886
Other operating expenses	-255	-173	-529	-263	-648
EBIT	-1,521	20,726	12,010	41,752	71,094
Financial income	30	-143	58	42	102
Financial expenses	-12,090	-11,834	-24,079	-23,930	-42,568
Profit/loss before tax	-13,581	8,748	-12,011	17,864	28,629
Tax	3,142	-3,126	1,675	-6,291	-8,814
Net profit/loss for the period	-10,439	5,622	-10,335	11,572	19,815
of which, attributable to Parent Company shareholders	-10,439	5,622	-10,335	11,572	19,815
Earnings per share					
before dilution (SEK)	-0.66	0.35	-0.65	0.73	1.25
after dilution (SEK)	-0.66	0.35	-0.65	0.73	1.25
Number of shares	15,896,936	15,896,936	15,896,936	15,896,936	15,896,936

Consolidated statement of comprehensive income

SEK 000s	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Net profit/loss for the period	-10,439	5,622	-10,335	11,572	19,815
Other comprehensive income					
Items that have been transferred or may be transferred to net profit for the year					
Translation differences for the period on translation of foreign operations	3,059	7,785	13,081	20,348	4,982
Total other comprehensive income	3,059	7,785	13,081	20,348	4,982
Comprehensive income for the period	-7,380	13,407	2,746	31,920	24,797

Condensed consolidated financial position

SEK 000s	2019-06-30	2018-06-30	2018-12-31
Assets			
Intangible fixed assets	892,671	874,505	854,784
Tangible fixed assets	285,004	286,029	280,311
Right-of-use assets	907,812	712,286	727,591
Deferred tax assets	7,488	6,355	6,770
Total fixed assets	2,092,975	1,879,175	1,869,456
Other current assets	70,622	77,735	82,593
Cash and cash equivalents	64,670	65,337	130,580
Total current assets	135,292	143,073	213,174
Total assets	2,228,267	2,022,263	2,082,629
Equity and liabilities			
Total equity	584,128	596,230	589,108
Equity attributable to Parent Company shareholders	584,128	596,230	589,108
Non-current interest-bearing liabilities	1,227,919	1,038,480	1,056,540
Deferred tax liabilities	20,693	21,312	22,274
Total non-current liabilities	1,248,612	1,059,793	1,078,813
Current interest-bearing liabilities	162,328	135,435	164,932
Other current liabilities	233,199	230,806	249,776
Total current liabilities	395,527	366,241	414,708
Total liabilities	1,644,139	1,426,034	1,493,521
Total equity and liabilities	2,228,267	2,022,263	2,082,629

Consolidated statement of changes in equity, condensed

SEK 000s	Equity attributable to Parent Company shareholders				
	Share capital	Other capital contributed	Translation reserve	Retained profits including net profit/loss for the period	Total equity
Opening equity, 1 Jan 2018	753	639,686	-11,131	-23,670	605,638
Adjustment for retrospective application of IFRS 16, after tax			202	-33,582	-33,380
Adjusted shareholders' equity, 1 Jan 2018	753	639,686	-10,929	-57,252	572,258
Comprehensive income for the period					
Net profit for the period				11,572	11,572
Other comprehensive income for the period			20,348		20,348
Comprehensive income for the period	-	-	20,348	11,572	31,920
Transactions with the Group's shareholders					
Dividends paid				-7,948	-7,948
Total contributions from and value transfer to shareholders	-	-	-	-7,948	-7,948
Closing equity, 30 June 2018	753	639,686	9,419	-53,628	596,230
Comprehensive income for the period					
Net profit for the period				8,244	8,244
Other comprehensive income for the period			-15,366		-15,366
Comprehensive income for the period	-	-	-15,366	8,244	-7,122
Transactions with the Group's shareholders					
Reclassification of issue expenses		-239		239	-
Total contributions from and value transfer to shareholders	-	-239	-	239	-
Closing equity, 31 Dec 2018	753	639,447	-5,947	-45,145	589,108
Opening equity, 1 Jan 2019	753	639,447	-5,947	-45,145	589,108
Comprehensive income for the period					
Net profit for the period				-10,335	-10,335
Other comprehensive income for the period			13,081		13,081
Comprehensive income for the period	-	-	13,081	-10,335	2,746
Transactions with the Group's shareholders					
Dividends paid				-7,948	-7,948
Warrants issued		222			222
Total contributions from and value transfer to shareholders	-	222	-	-7,948	-7,726
Closing equity, 30 June 2019	753	639,669	7,134	-63,428	584,128

Condensed consolidated statement of cash flows

SEK 000s	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Operating activities					
Profit/loss before tax	-13,581	8,748	-12,011	17,864	28,630
Adjustments for non-cash items	57,206	52,686	114,410	107,408	214,224
Income tax paid	-3,779	-2,971	-8,417	-7,735	-11,052
Cash flow from operating activities before changes in working capital	39,846	58,464	93,982	117,537	231,801
Cash flow from changes in working capital					
Increase (-)/Decrease (+) in inventory	372	1,069	-448	1,485	2,478
Increase (-)/Decrease (+) in operating receivables	18,652	5,867	11,703	10,398	7,873
Increase (+)/Decrease (-) in operating liabilities	-13,314	-24,969	-15,993	-10,313	6,845
Cash flow from operating activities	45,555	40,432	89,244	119,106	248,997
Investing activities					
Acquisition of tangible fixed assets	-5,079	-8,342	-14,914	-18,739	-37,253
Investment contributions received	-	-	-	-	135
Acquisition of intangible fixed assets	-7,062	-2,321	-11,037	-5,038	-12,219
Acquisition of subsidiaries/operations, net liquidity effect	3,307	-	-32,769	-	-
Divestment of subsidiaries, net liquidity effect	-	-	-	-	1,032
Cash flow from investing activities	-8,835	-10,662	-58,719	-23,777	-48,304
Financing activities					
Loans raised	-	-	-	-	30,000
Repayment of debt	-	-	-15,000	-20,000	-20,000
Repayment of leasing debt	-37,885	-33,756	-73,799	-68,735	-138,383
Warrants issued	222	-	222	-	-
Dividends paid to Parent Company shareholders	-7,948	-7,948	-7,948	-7,948	-7,948
Cash flow from financing activities	-45,611	-41,705	-96,526	-96,683	-136,331
Cash flow for the period	-8,891	-11,936	-66,000	-1,354	64,362
Cash and cash equivalents at the beginning of the period	73,523	77,168	130,580	66,078	66,078
Exchange-rate difference in cash and cash equivalents	38	105	90	613	141
Cash and cash equivalents at the end of the period	64,670	65,337	64,670	65,337	130,580

Parent Company condensed income statement

SEK 000s	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Net sales	1,890	858	2,623	1,491	4,014
Personnel costs	-3,220	-1,735	-4,643	-2,682	-7,420
Other operating expenses	-1,665	-1,743	-4,233	-3,609	-5,025
Amortisation and impairment of intangible fixed assets	-6	-6	-13	-13	-26
EBIT	-3,002	-2,626	-6,267	-4,813	-8,457
Financial net	-1	-94	-236	-179	-387
Appropriations	-	-	-	-	8,728
Profit/loss before tax	-3,003	-2,721	-6,502	-4,992	-116
Tax	637	593	1,394	1,087	-
Net profit/loss for the period	-2,365	-2,128	-5,109	-3,905	-116

Net profit/loss for the period corresponds to comprehensive income for the period for the Parent Company

Parent Company's condensed balance sheet

SEK 000s	30 Jun 2019	30 Jun 2018	31 Dec 2018
Financial fixed assets	794,803	794,803	794,803
Intangible fixed assets	459	98	157
Total fixed assets	795,261	794,900	794,960
Total current receivables	19,330	46,525	32,319
Total current assets	19,330	46,525	32,319
Total assets	814,591	841,425	827,279
Restricted equity	753	753	753
Non-restricted equity	812,186	821,143	824,932
Total equity	812,940	821,896	825,685
Total current liabilities	1,651	19,529	1,594
Total equity and liabilities	814,591	841,425	827,279

Quarterly data

Amount in SEK, Group	2019 Q2	2019 Q1	2018 Q4	2018 Q3	2018 Q2	2018 Q1
Net sales	238.0	252.7	238.2	219.3	239.5	244.2
EBITDA	55.5	70.5	60.3	75.5	73.9	75.2
EBITDA, margin	23.3%	27.9%	25.3%	34.4%	30.9%	30.8%
EBIT	-1.5	13.5	5.6	23.7	20.7	21.0
EBIT, margin	-0.6%	5.4%	2.4%	10.8%	8.7%	8.6%
Net profit/loss for the period	-10.4	0.1	-0.1	8.4	5.6	6.0
Cash flow from operating activities	45.6	43.7	66.3	63.6	40.4	78.7
Total ARPM, SEK	352	374	360	334	350	353

Notes to the financial statements

NOTE 1 REPORTING UNITS

The Parent company Actic Group AB is a Swedish public limited-liability company, with corporate registration number 556895-3409. This consolidated six-month report for the period ending 30 June 2019 encompasses the company and its subsidiaries, collectively referred to as the Group.

NOTE 2 ACCOUNTING POLICIES

This six-month report was prepared in accordance with IAS 34 Interim Financial Reporting together with the applicable provisions in the Annual Accounts Act. The Parent Company's six-month report was prepared pursuant to Chapter 9 of the Annual Accounts Act, Six-month Reports. In addition to the financial statements and the accompanying notes, other sections of the six-month report also contain disclosures in accordance with IAS 34.16A.

For both the Group and the Parent Company, the same accounting policies and estimation basis have been applied as in the most recent Annual Report, with the exception of the amended accounting policies described below.

The new and amended IFRS standard (IFRS 16) applies for the 2019 financial year. IFRS 16 replaces all previously issued standards and interpretations that relate to accounting for leases. For lessees, the classification of operating and financial leases is ending and is being replaced by a model in which all leases are recognised as assets or liabilities in the statement of financial position, with amortisation and interest expenses recognised in profit or loss.

In 2018, the Group conducted an analysis of the effects that an application of IFRS 16 entails. It is primarily the three categories of earlier operating leases that are affected. The Group's rental leases have the most impact, since the Group leases premises for all of its activities, apart from two clubs, and that the leases largely comprise long rental terms. The second category is vehicles, which comprise a considerably smaller part of the leases in terms of value. Finally, the Group has leasehold contracts for its two buildings, which are also affected by IFRS 16.

The Group's leases for rental of premises are of differing character. There are fixed-rent leases and leases with sales-based rent. The latter category may also have a guaranteed minimum level. In the calculation of assets and liabilities according to

IFRS 16, only the fixed or guaranteed minimum rent was taken into account for rental leases.

In addition to the earlier operating leases above, the Group leases a large proportion of the equipment in the clubs. For this latter category, the rules for financial leasing according to IFRS 17 are already applied. For this category, the transition to IFRS 16 entails no difference for the Group other than a reclassification from tangible fixed assets to right-of-use assets.

On transition to IFRS 16, the Group has chosen to apply the full retrospective approach. In brief, this entails that all leases, besides agreements with lower value or shorter than 12 months, have been calculated in accordance with IFRS 16 from the time that the Group entered into the leases. This occurred at the earliest on 31 August 2012, when the current Group structure was established in conjunction with the Parent Company's acquisition of the business from the former owner. The accumulated effect of this restatement on 31 December 2017 was recognised as an adjustment against equity on 1 January 2018. Accordingly, comparative figures for earlier periods in 2018 were prepared for comparability with 2019.

At the start of each lease, the lease liability was measured at the present value of the remaining lease payments, less the Group's incremental borrowing rate when the lease was entered. In the cases for which the interest rate is known, this rate has been applied. Right-of-use assets are initially measured at an amount corresponding to the lease liability.

For leases formerly classified as financial leases according to IAS 17, the value of right-of-use assets and the lease liability are set at the same amount as calculated in accordance with IAS 17. The value of these right-of-use leases amounted to SEK 56.5 million (53.8) at the end of 2018 and 2017, respectively, and are not included in the table below, nor are their lease liabilities.

IFRS 16 effects on the balance sheet

SEK million	1 Jan 2018	31 Dec 2018
Right-of-use assets	681.2	671.1
Deferred tax assets	9.1	9.3
Prepaid lease expenses	-16.5	-17.2
	673.8	663.2
Equity	-33.4	-36.8
Lease liabilities	707.2	700.0
	673.8	663.2

IFRS 16 effects on the income statement

SEK million	Jan-Jun 2018	Jan-Dec 2018
Other operating expenses	79.2	143.2
Depreciation	-67.0	-118.9
Interest expenses	-15.2	-27.8
Deferred tax	0.5	0.2
	-2.5	-3.3

NOTE 3 ESTIMATES AND JUDGEMENTS

In the preparation of an interim report, management is required to make judgments and estimates as well as assumptions that impact the application of the accounting policies and the amounts recognised with respect to assets, liabilities, revenue and expenses. The actual outcome may deviate from these estimates and judgments. The company's critical judgments and sources of uncertainty in estimates are the same as those reported in the most recent Annual Report.

NOTE 4 TRANSACTIONS WITH RELATED PARTIES

The nature and scope of the company's transactions with related parties has not changed materially compared with the information disclosed in the 2018 Annual Report.

NOTE 5 ACQUISITION OF ASKER TRENINGSSENTER AS

In November 2018, Actic announced that an agreement had been signed with Asker Treningssenter AS to take over its three clubs in Asker, Norway, through acquisition of assets and liabilities. The transfer took place on 1 January 2019. The final purchase consideration amounted to SEK 32.8 million.

The acquisition contributed SEK 20.4 million in net sales and SEK 2.2 million in EBIT during the first half of 2019.

The table below of the acquired business's net assets is final.

SEK 000s**The acquired business's net assets at the acquisition date:**

Customer relationships	5,511
Tangible fixed assets	5,473
Right-of-use assets	161,759
Lease liabilities	-161,759
Other operating receivables	535
Other operating expenses	-5,889
Net identifiable assets and liabilities	5,630
Merger goodwill	27,139
Consideration paid	32,769

Goodwill

The goodwill value mainly includes cost synergies, since the acquired operations will be able to utilise Actic's existing support functions instead of conducting its own administration. Actic also expects the acquisition to generate purchasing synergies, since the acquired operations will be able to utilise the central purchasing agreements in place within the Actic Group. The acquisition is also expected to generate revenue synergies by strengthening the loyalty of the company's members, since Actic is able to offer a stronger product range in the region. All of the recognised goodwill of SEK 27 million is expected to be tax-deductible.

Intangible fixed assets

Other identified intangible fixed assets comprise customer relationships. The useful life of these amounts to two years.

Right-of-use assets

Right-of-use assets and corresponding lease liabilities pertain mainly to leases for premises, but also to a lesser extent to leases taken over for equipment for the clubs.

NOTE 6 ISSUE OF WARRANTS

In accordance with a resolution of the Annual General Meeting, Actic Group AB issued 780,000 warrants with a term of three years and an exercise price of SEK 34 per share to the subsidiary Actic AB. Subsequently, 555,000 warrants were acquired by senior executives. All senior executives fully exercised their acquisition possibilities.

NOTE 7 ALTERNATIVE PERFORMANCE MEASURES

To increase the understanding of the development of the operations and the financial status of Actic Group, Actic presents some alternative performance measures in addition to the conventional financial ratios established by IFRS. However, these alternative performance measures should not be considered as a substitute for the financial information presented in the financial statements in accordance with IFRS. The reconciliations presented in the tables below are to be read together with the definitions on page 17.

Net debt and net debt ratio

SEK 000s	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Rolling 12 mths	Full-year 2018
Non-current interest-bearing liabilities	1,227,919	1,038,480	1,227,919	1,038,480	1,227,919	1,056,540
Current interest-bearing liabilities	162,328	135,435	162,328	135,435	162,328	164,932
Total interest-bearing liabilities	1,390,247	1,173,916	1,390,247	1,173,916	1,390,247	1,221,471
- Cash and cash equivalents	-64,670	-65,337	-64,670	-65,337	-64,670	-130,580
Net debt	1,325,576	1,108,579	1,325,576	1,108,579	1,325,576	1,090,891
EBITDA	55,505	73,942	126,028	149,159	261,850	284,981
Net debt and net debt ratio, multiple	-	-	-	-	5.1	3.8

Growth

SEK 000s	Apr-Jun 2019	Growth %	Jan-Jun 2019	Growth %
Net sales	238,015	-0.6%	490,732	1.5%
Acquired businesses	9,869	4.1%	20,368	4.2%
Divested operations	-3,574	-1.5%	-7,272	-1.5%
Currency effect	890	0.4%	2,736	0.6%
Exchange-rate adjusted, organic growth	-8,631	-3.6%	-8,809	-1.8%
Total growth	-1,447	-0.6%	7,023	1.5%

Financial calendar

Interim report Jan-Sep 2019
Year-end report 2019

6 November
20 February 2020

Overall strategy

Actic's overall strategy can be summarised as follows:

- Refine existing clubs and strengthen the product and service offering.
- Continued expansion of the offering through new establishments.
- Participate actively in the consolidation of the industry through acquisitions

Acquired clubs are to contribute positively to the Group's earnings from day one, while new establishments are expected to achieve break-even after 12 months and full profitability after 24 months.

Glossary

Full-service clubs Clubs where both the fitness club and the swimming facility are operated by Actic's own personnel.

Gym & Swim clubs Clubs where the fitness club is operated by Actic and the swimming facility is operated by an external partner.

HIT High-intensity training is a strength training method. The method is focused on short, high-intensity exercise. HIT prioritises high intensity and few repetitions with the aim of developing muscles as efficiently as possible.

In-house clubs Clubs where the fitness facility is operated by external personnel.

Cluster Geographic area with several Actic clubs located in close proximity to one another, forming a cluster.

PT Personal training.

Stand-alone clubs Clubs that exclusively operate fitness facilities

Financial objectives

Actic adopted the following financial objectives ahead of the IPO in April 2017:

Growth — Average yearly organic growth of at least 5%, with additional growth from acquisitions.

Profitability – EBITDA margin of more than 20% in the medium term.

Capital structure – Net debt/adjusted EBITDA ratio below 3.0.

Dividend policy – A dividend rate of 30% to 50% of annual net profit/loss.

As a result of the new accounting policies in conjunction with the introduction of IFRS 16 and the fact that the work to update the strategic plan is in progress, the financial objectives will be revised going forward.

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Financial definitions

EBITDA, EBITA and ARPM do not comprise performance metrics calculated pursuant to IFRS. Accordingly, they should not be considered as alternatives to net profit/loss or EBIT as indicators of performance, or as alternatives to operating cash flow as metrics of liquidity. EBITDA, EBIT and ARPM are used by the management for making operational decisions. Moreover, EBITDA, EBIT and ARPM do not comprise metrics intended for the use of investors. EBITDA, EBIT and ARPM which are presented in this report may not be comparable with similarly named metrics reported by other companies due to differences in calculation methods.

PERFORMANCE METRICS NOT DEFINED PURSUANT TO IFRS

	Description	Reason for using the metric
EBITDA	Operating profit before impairment, depreciation and amortisation of tangible and intangible fixed assets, as well as rights-of-use assets.	EBITDA provides an overview of the profitability generated through operations.
EBIT margin	Adjusted EBITA divided by net sales.	The EBIT margin is a useful metric for measuring the company's value creation through operations.
Organic growth	Change in net sales adjusted for currency effects, acquisitions and disposals compared with the year-earlier period.	The metric is used to follow underlying sales growth driven by volume, product offering and price changes for similar products between different periods.
Net debt	Interest-bearing debt less cash and cash equivalents.	Provides an indication of the company's level of debt and financial risk.
Net debt / EBITDA	Net debt at the end of the period divided by adjusted EBITDA based on the rolling twelve-month value.	Provides an indication of the company's level of debt and financial risk.
Average revenue per member (ARPM)	Net sales during the period divided by the average number of members during the period. The average number of members is based on the number of members at the end of each month during the period. The average revenue per member pertains to the average revenue on a monthly basis.	Provides an indication of the company's level of sales relative to the customer base.
Number of clubs	Number of clubs at the end of the period	Provides an indication of the company's size in the market.
Number of members	Number of members at the end of the period.	Provides an indication of the company's size in the market.
Average number of full-time employees	The average number of employees is calculated as the total of the average number of full-time positions during the period on a monthly basis and the accumulated hours worked for the period for hourly contract employees converted to full-time positions	Provides an indication of the total number of FTEs employed to run the company.
Working capital	Inventories, accounts receivable, prepaid expenses and accrued income and other receivables less accounts payable, tax liabilities, other liabilities, and accrued expenses and deferred income.	Provides an indication of the amount of working capital tied up in operations.
Equity/assets ratio	Equity as a percentage of total assets.	Provides an indication of the proportion of assets financed through equity. Equity in relation to other liabilities describes long-term payment capacity.

Actic in brief

Actic was founded in 1981 and began its international expansion in 1995. Actic is now one of the leading players in the staffed gym market in the Nordics. Actic has 182 clubs with just over 222,000 members in four countries. Its main markets are Sweden, Norway and Germany.

Actic has a unique business model whereby the majority of its clubs have access to swimming facilities, which is included in the membership fee paid by Actic's members.

Actic uses a well-established exercise method known as high-intensity training (HIT) and offers its members personal training programmes including follow-up sessions with trained instructors. Together with swimming, this differentiates Actic in the market.

The training offering is broad, with strength training, with group classes and functional training, and personal training (PT), which attracts a broad target group and is building successful clusters in the Nordics and Germany.

Actic's vision is to contribute to a healthier society by attracting broader target groups and thereby expanding the market. Actic's employees play an active role in the local community as a way of contributing to a healthier society.

Actic, which has its head office in Solna in Stockholm, had approximately 800 full-time equivalent employees and sales of SEK 941 million in 2018. The Group is led by CEO Anders Carlbark.





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