



GYM GENERATION 1972

www.olymp1972.com

KEY INFORMATION ABOUT OLYMP S.A.

OLYMP S.A. is a company that manufactures strength machines and distributes its own brands of fitness equipment. More than 40 years of production experience means that the Olymp brand products are characterised by exceptional quality and internationally recognised biomechanics.

Olymp S.A. focuses its operations on strength machines. The Company's brands include OLYMP CLASSIC (the basic fitness equipment brand is a line of durable and reliable fitness devices) and OLYMP NEW GENERATION (a premium brand of fitness equipment, which is distinguished by its modern design, functionality and good quality at an affordable price).

In order to adjust its offer to the requirements set by the market, the Company plans to establish cooperation with Core Health & Fitness. We are fully aware that the equipment created by Core Health & Fitness belongs to the most advanced and innovative in the world. That is why it is a vital part of the offer we make to our customers.

OLYMP S.A. sells its products in the B2C channel and through its own online store. Apart from production, sales and service, the company also offers professional advice on the use of the space in fitness clubs and wide marketing support, which improves the recognition and helps to increase the income of the club. Thus, the rate of return on a given venture is maximized.

OLYMP S.A.'s equipment is delivered to customers in cooperation with specialized forwarding and courier companies or on the Ex Works terms.

OLYMP S.A. plans to supplement its offer with cardio products made by the renowned Core Health & Fitness company, enabling the Company to provide comprehensive outfitting of a given sports centre, which is often a necessary requirement for participating in tendering procedures.



2. BUSINESS MODEL

The company relies on a business model in which it is a supplier of high quality fitness equipment and services together with comprehensive support for its business partners, distributors and customers. It is a partner who closely cooperates with the market. In this way, the Company positions its product offer so as to effectively respond to customers' needs and adjust the most advantageous solutions to the business model of clients and end consumers.

OLYMP S.A. sells its products through a diversified set of distribution channels to B2B customers and to individual customers through its online store.

The Company implements its strategy based on the business model, addressed to customers in three segments of the fitness market.

Fitness Clubs

The club segment is a key element in the company's strategy and currently constitutes the main source of revenues in the Company's sales structure. The B2B business model is addressed to the segment of customers, which are fitness clubs (both existing and newly established). From the point of view of the SWOT analysis, the Company has the biggest experience and competence in this area, which it should use and develop.

Vertical Markets

The B2B Vertical Markets business model is addressed to entities not directly belonging to the fitness industry: hotels and spa centres, gyms, sports and rehabilitation establishments, pro-health, tourism and corporate clients. The B2B Vertical Markets business model is very attractive due to the similarity of the offer and synergies with the B2B Fitness Clubs model.

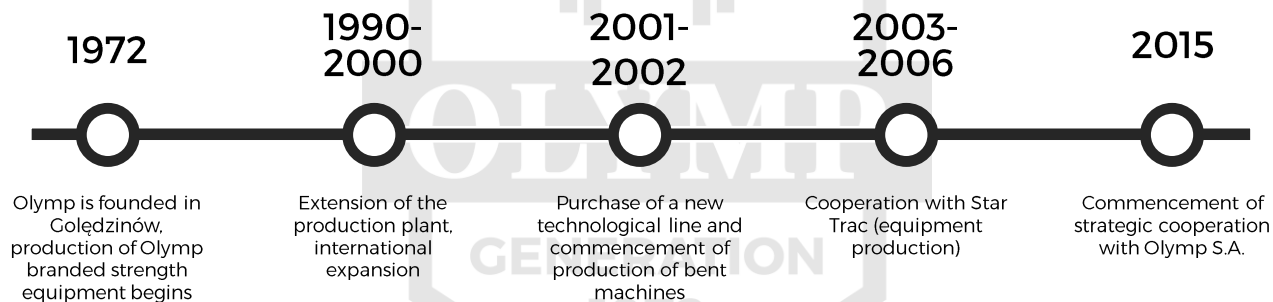
Individual customers

The B2C business model is addressed via the Internet to physically active, health-conscious persons who regularly use the Internet.



The equipment of OLYMP S.A. is designed and developed in Poland. Employees of Olymp S.A. are responsible for designing and defining specifications and functionalities of a given equipment that render it unique. The Company also oversees each of the production stages. The assembly of the equipment is outsourced. The use of assembly services rendered by specialised factories with appropriate facilities and production assets provides Olymp S.A. with access to appropriate production lines, thus guaranteeing production and cost flexibility.

OLYMP BRAND HISTORY



HISTORY OF OLYMP S.A.

31.12.2014

Mega Form (MF) companies

15.02.2017

Trade Cooperation
Agreement MF vs JP

27.03.2019

Company name changed
from Mega Form sp. z o.o. to
OLYMP Sp. z o. o.

30.06.2015

Letter of intent regarding
cooperation with ZPUH Jan
Pańków (JP)

28.02.2019

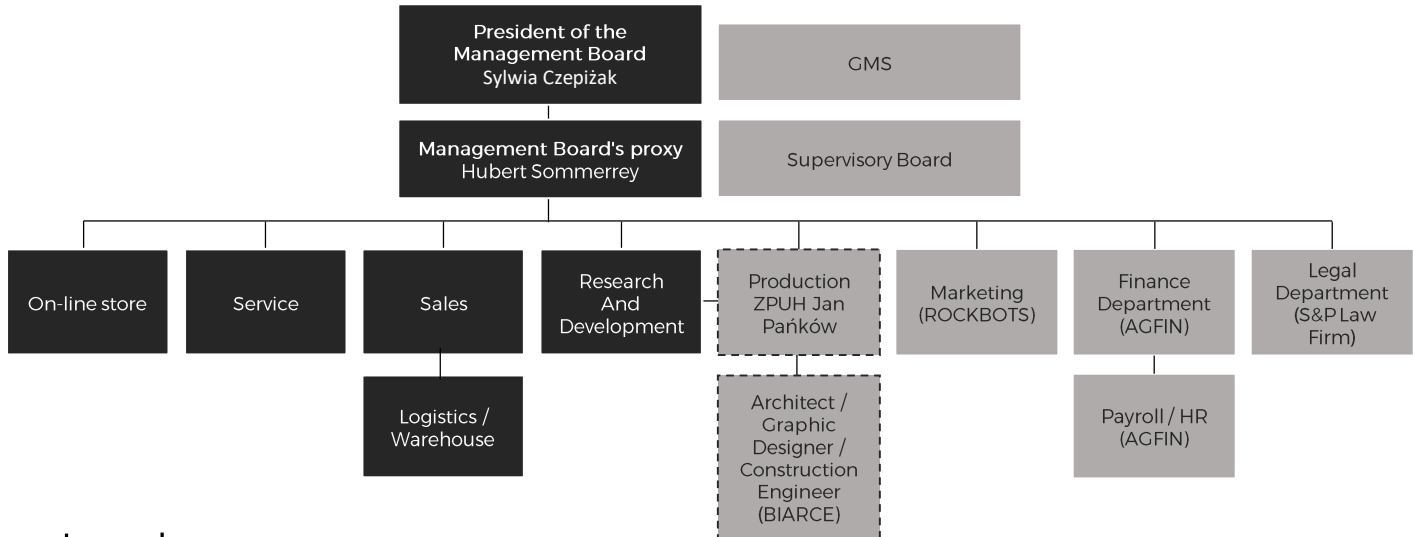
Purchase of the OLYMP
trademark

09.10.2019

Transformation of
OLYMP Sp. z o. o. into
OLYMP S.A.

ORGANISATIONAL STRUCTURE OF OLYMP S.A.

The Company minimises costs by maintaining a low number of employees through the use of outsourcing.



Legenda:



Outsourcing



basic structures



Research and development team members

SALES STRATEGY

The Company relies on a business model in which it is a supplier of high quality fitness equipment and provider of comprehensive support to its business partners/distributors/customers and is a partner closely cooperating with the market. It builds its own B2B and B2C sales network (fitness clubs, sports centres).

The current operations of the Company bear an insignificant degree of risk related to the failure of its customers to repay the monies owed. The Company mitigates the above risk by concluding, whenever possible, contracts with deliveries made on pre-payment terms, including a minimum prepayment of 30% before commencing the order's production and a 100% prepayment before delivery, or by using a documentary letter of credit. Deliveries are made on the Ex-Works, CIF or CFR basis (according to Incoterms 2010), therefore the risk resulting from the transaction is transferred to the counterparty.

With a view to building a competitive advantage in the area of financing support for the sales, the Company's strategy provides for more flexible payment and delivery terms. As a rule, the strategy will be implemented on the basis of financial aid instruments or through commercial institutions, in particular using instruments including factoring and financing of receivables with an insurance function.

Flexibility in this area will allow the Company to offer more convenient terms and conditions when concluding contracts and delivering orders and to increase the volume of sales.

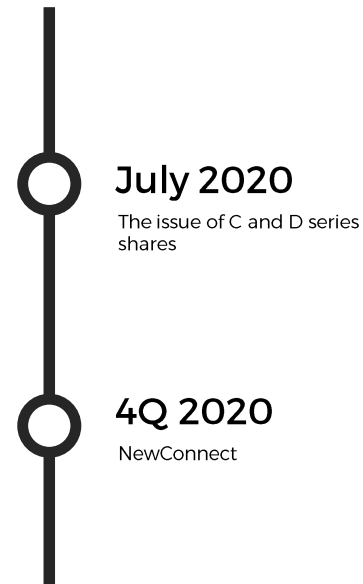


TIMETABLE FOR ACTION

In July 2020, the Company successfully carried out the issue of C and D series shares, thereby raising capital, which will be mostly allocated to research and development.

Currently, the Company is preparing to introduce shares to trading on the NewConnect market. According to the assumed schedule, this is to take place in Q4 2020.

Introduction of C series shares and D series shares to trading in the alternative trading system organised by the Warsaw Stock Exchange took place at the request of the Company.



FINANCIAL INFORMATION

Sales revenues 1,820 kPLN
Long-term liabilities 0.00 PLN

P&L account – figures in PLN	2018	2019
Sales revenues	1 358 462	1 820 129
Operating costs	1 297 531	1 737 095
Profit on sales	60 932	83 034
Other operating revenues	-	123
Other operating costs	11 789	607
Operating profit (EBIT)	50 142	82 550
Gross profit	49 437	84 019
Net profit	49 437	84 019



FINANCIAL INFORMATION

Balance sheet – figures in PLN	2018	2019
Fixed assets	17 181	644 755
Tangible fixed assets	-	-
Current assets	1 111 472,47	1 399 390,92
Inventory	48 646,76	42 165,80
Accounts receivable	961 355,58	1 062 938,67
Short-term investments	101 349,37	264 810,64
Equity	482 123	1 331 764
Long-term liabilities	-	-
Short-term liabilities	614 010	712 382
Balance sheet total	1 128 653	2 044 146

FINANCIAL FORECAST

In the years 2018 and 2019, the Company recorded an increase in its net revenues from sales from an amount of PLN 633,755.24 generated in 2017 to PLN 1,820,129.16 generated in 2019. The net result increased during that period from a loss (218,780.34 PLN) to a profit amounting to PLN 84,019.27.

The positive trend recorded in the years 2018-2019 was continued by Olymp S.A. in Q1 2020, until the second half of March, when the market environment was affected by the consequences of the coronavirus pandemic.

In its forecasts for 2020, Olymp S.A. points to public support in the second quarter of 2020. As gyms and fitness clubs have been opened since June 6th, the Company assumes that the number of orders will increase resulting in an increase of revenues from sales. These forecasts take into account increased competition in the market caused both by a declining demand on the part of customers whose financial situation deteriorated compared with that at the beginning of the year but also by an increased supply of second-hand fitness equipment in the market, due to bankruptcies or permanent reduction of operations of some fitness clubs forcing them to sell their equipment.

Olymp S.A. assumes that these factors are temporary in nature and that they will contribute to an even more dynamic growth of the strength machines market over a long-term horizon.





FINANCIAL FORECAST

	Sales revenues (PLN)	Net result (PLN)
1Q 2020	359 038,50	134 984,80
2Q 2020	229 861,50	-84 711,60
3Q 2020	585 000,00	-9 183,90
4Q 2020	1 865 000,00	249 316,10
2020	3 038 900,00	289 306,10

The forecast has been prepared on the basis of the current portfolio of orders that are planned to be implemented by the end of 2020. The Company estimates that total 2020 revenues will exceed 3 M PLN. Taking into account the seasonality which is a feature of the fitness sector, 61% of revenues have been planned for Q4 2020. Such revenues distribution is also affected by the coronavirus pandemic which influences purchasing decisions of customers.

The portfolio of the Company's orders includes orders from fitness clubs, hotels or sports and recreation centres. The Company also sells fitness equipment maintenance services as well as reaches its customers via its online store.

In 2020, the Company plans to generate a net profit of approximately 289 k PLN, which translates to net profitability of 9.5%. EBITDA is estimated to amount to 373 k PLN which gives EBITDA profitability in excess of 12%.



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