BASIC-FIT H1 '16 RESULTS

BASIC-FIT REPORTS STRONG REVENUE GROWTH WITH SIGNIFICANT OPERATING LEVERAGE

H1 FINANCIAL HIGHLIGHTS

- Revenue grew by 29% year on year to €124 million
- Adjusted EBITDA grew year on year by 39% to €37 million
- Adjusted EBITDA margin of 30% (H1 2015: 28%)
- Adjusted net earnings[1] of €3.5 million (H1 2015: €3.1 million)
- Significantly reduced net debt to €176 million and a leverage ratio of 2.5 (YE 2015: €255 million; 4.2 times net debt/LTM adjusted EBITDA)

H1 OPERATIONAL HIGHLIGHTS

- Number of clubs grew to 368; increase of 30 clubs in H1 2016, of which 19 in France
- Total memberships grew to 1.116 million; increase of 28% year on year
- Strong demand for personal trainers and day passes; other revenue up 33%
- Sports water being made available in all countries; now sold in 92% of our clubs

OUTLOOK

- For the medium term we reiterate our guidance of over 20% revenue growth with significant operating leverage
- For full year 2016 we expect to report revenue of around €260 million and adjusted EBITDA of at least €80 million
- We are confident to open between 65 and 75 clubs this year

Rene Moos, CEO Basic-Fit:

Basic-Fit had a strong first half of the year in which we continued to deliver substantial growth of our business and further improved our operating margins.

After the successful IPO in June, the simultaneous deleveraging and with the new credit facilities in place we have substantially improved our capital structure. This will enable us to continue to execute our growth strategy and further deleverage going forward.

In the first half of the year we added 30 clubs to our network and in July and August-to-date we opened an additional 13 clubs. With the strong pipeline of clubs under construction we are confident to deliver on the club opening target of between 65-75 clubs this year. These clubs will contribute to our medium term target to achieve a return on invested capital on mature clubs of at least 30%.

Note: Adjusted club EBITDA, adjusted EBITDA, net adjusted earnings and leverage ratio are not a measure of financial performance under IFRS. We apply adjusted EBITDA and adjusted net earnings to exclude the effects of certain exceptional items and one-offs that are not indicative of our underlying performance. The adjustments relate primarily to non-cash pre-opening costs and one-off charges linked to the refinancing and the listing of the company.

[1] Net earnings adjusted for amortisation, interest on shareholder loans, exceptional items and one-offs and the related tax effects.

FINANCIAL AND BUSINESS REVIEW

Key figures

Unaudited - in € millions	**H1 '16**	**H1 '15**	**change**
Total revenue	**123.8**	**96.1**	**29%**
Fitness revenue	*121.3*	*94.2*	*29%*
Other revenue	*2.5*	*1.9*	*33%*
Operating expenses	**(70.1)**	**(56.1)**	**25%**
Adjusted club EBITDA	**53.6**	**40.0**	**34%**
Total overhead expenses	(16.5)	(13.3)	24%
Adjusted EBITDA	**37.2**	**26.7**	**39%**
Exceptional items	(6.9)	(1.9)	
EBITDA	30.2	24.8	22%
Depreciation & Amortisation	(31.6)	(23.3)	
Operating profit	(1.3)	1.5	
Net result	(26.1)	(12.1)	
Adjusted net earnings*	**3.5**	**3.1**	**13%**
Adjusted EPS*	**0.11**	**0.10**	**4%**

* *Before amortisation, interest on shareholder loans, exceptional items and one-offs and the related tax effects*
Totals and change percentages are based on non-rounded figures

REVENUE

In the first half of 2016, revenue grew by 29% to €124 million compared to €96 million in the same period last year. The growth is mainly the result of higher fitness revenue. Other revenue contributed as well (up 29% and 33% respectively). The continued expansion of the number of clubs in our network and the addition of members in our existing clubs continued to be the main drivers for the increase of fitness revenue. The increase of other revenue was mainly the result of higher demand for and increased availability of personal trainers and higher sales of day passes.

Geographic revenue and clubs split

Unaudited - revenue in € millions	**H1 2016**		**H1 2015**	
	Clubs	**Revenue**	**Clubs**	**Revenue**
Netherlands	140	48.9	128	39.3
Belgium	148	52.2	129	43.7
Luxembourg	8	4.1	6	3.7
France	44	9.4	12	3.7
Spain	28	9.2	19	5.7
Total	**368**	**123.8**	**294**	**96.1**

Totals are based on non-rounded figures

All countries showed strong revenue growth compared to H1 2015. In France we have delivered revenue growth of 156%, which is mainly explained by our expansion strategy which has a strong focus on France. In France we increased the number of clubs by 32 compared to a year ago. In Belgium, the Netherlands, Spain and Luxembourg we added 19, 12, 9 and 2 clubs respectively to the network.

The rollout of add-on products went well in the period and contributed positively to the average fitness revenue per member per month which increased by 3% to €19.51 compared to €18.90 in the first half of 2015. We continued to make sports water available in more clubs in more countries. At the end of the period, 92% of our clubs sell sports water, which is 94 clubs more than at the end of H1 2015. We introduced the sports water in France in May and after close of the half year also in Spain. Our LIVE GX classes, which are complementing our virtual group classes, have also been made available in more clubs and currently we offer these classes in nearly 60% of our clubs.

OPERATING RESULT

On a club level, total operating expenses increased to €70 million in H1 2016 from €56 million in H1 2015, which is mainly the result of the growth in the number of clubs; the average operating expenses per club were reduced by one percent. The growth of revenue outpaced the growth of operating expenses and as a result we saw the adjusted club EBITDA margin improve further by 170 bps to 43%.

Overhead expenses increased to €17 million from €13 million. This is mainly explained by the increase of international overhead costs due to the further professionalisation of the organisation in the context of the recent listing on Euronext Amsterdam.

In H1 2016, adjusted EBITDA increased by 39% to €37 million from €27 million in H1 2015. The adjusted EBITDA margin increased by 220 bps to 30%, showing the operational leverage of our business model.

EXCEPTIONAL ITEMS

In the period exceptional items totalled €6.9 million compared to €1.9 million in the first half of 2015. The increase is mainly the result of the expenses related to the IPO (€4.9 million).

INTEREST AND NET DEBT

In June we entered into a new facilities agreement with significantly improved terms and used the bank loan and the proceeds of the Primary Offering in the IPO to deleverage and improve our capital structure. We repaid the outstanding senior facilities, the majority of our financial leases and we repaid in full our shareholder loans. At the end of the period our net debt was €176 million compared to €255 million (excluding shareholder loan) at the end of last year, representing a leverage ratio[2] of 2.5.

The finance expenses in the first half of the years were €32 million compared to €17 million in the same period in 2015. The increase is mainly the result of costs (€12 million) related to the early repayment of prior loans and lease commitments. The finance expenses include the

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[2] Net debt/LTM adjusted EBITDA

interest costs on shareholder loans of €11 million in H1 2016 and €10 million in H1 2015, which we will no longer incur under the current capital structure.

As a result of both the reduced debt and interest rates, we expect the interest expenses to be significantly lower going forward. The weighted average interest rate is expected to be between 2.5% and 3.0% going forward.

ADJUSTED NET EARNINGS

The net result in the first half of the year was minus €26 million compared to minus €12 million in H1 2015. Adjusted for amortisation, interest on shareholder loans, exceptional items and one-offs and the related tax effects earnings were €3.5 million in H1 2016 compared to €3.1 million in H1 2015. The transaction costs, representing the main item in exceptional items, are related to the IPO. The pre-opening costs in exceptional items are mainly non-cash lease costs incurred ahead of opening a club. The one-off costs are linked to the refinancing and early repayment of our financial leases and are included in interest expenses in the P&L.

Reconciliation net result to adjusted net earnings

Unaudited - in € millions	**H1 '16**	**H1 '15**
Net result	**(26.1)**	**(12.1)**
Amortisation	**8.1**	**7.3**
Exceptional items	**6.9**	**1.9**
Pre-opening costs	0.7	0.1
Transaction costs	4.9	-
Other exceptional costs	1.4	1.8
Interest on shareholder loans	**10.9**	**10.4**
One-off costs	**12.4**	**-**
Breakage cost related to early repayment	7.8	-
Amortisation of capitalized finance cost	4.6	-
Tax effects (23%)	**(8.8)**	**(4.5)**
Adjusted net earnings	**3.5**	**3.1**

Totals are based on non-rounded figures

EQUITY

Total equity at the end of the period was €310 million compared to minus €24 million at the end of 2015. The improvement is the result of the use of proceeds of the IPO.

On 10 June, Basic-Fit became listed on Euronext Amsterdam. The expenses related to the IPO totalled €20 million, which is in line with the estimated amount in the prospectus. Of the amount, €15 million is booked against equity and the remaining €4.9 million runs through the profit and loss account in exceptional items (see also Exceptional Items above).

WORKING CAPITAL

Working capital at the end of the period was €74 million negative compared to €88 million negative at the end of 2015. As a percentage of (LTM) revenue, working capital increased to minus 32% from minus 43%. When adjusted for IPO related effects, working capital was €62 million negative or minus 27% of LTM revenue. This is within the targeted range of between minus 25% and minus 30%.

CAPITAL EXPENDITURE

Maintenance capex in H1 2016 was €7.3 million compared to €7.2 million in the same period last year. Maintenance capex will be front loaded this year and on a per club basis, we expect it to be around €35 thousand this year.

Expansion capex in the period was €41 million compared to €38 million in the same period last year. The increase is mainly explained by €8.4 million of prepaid expenses for the relatively large number of clubs that were opened soon after close of the H1 period. In addition, the expansion capex includes the expenses (€2.7 million) for an acquired club and the conversion of a previously acquired club. In 2015, we spent €3.9 million on clubs that were opened in 2016. On the 30 clubs that we built and opened in the first half of the year, we spent on average €1.09 million per club. The size of the clubs that we opened the past six months was on average 15% bigger than the average of our existing network.

One-off capex was €11 million compared to €10 million last year. We have now finalised the planned refurbishment programme and no further one-off capex in this programme is expected.

Other capex amounted to €2.2 million and consisted primarily of relocation costs for our international headquarters and headquarters in Belgium and France (€1.7 million). €0.5 million related to software development costs.

CASH FLOW

The cash generated from operations in the period was €11 million compared to €13 million in the same period last year. This is mainly explained by the change in trade and other payables as we aim to reduce our negative working capital.

Net cash flows from operating activities were minus €6.1 million compared to €7.0 million in H1 2015. The €13 million decrease is mainly explained by the higher interest expenses (€3.4 million) and (€7.8 million) early repayments fees. As mentioned in the interest and net debt paragraph, we have a new facility in place with improved terms and the early repayment fees are a one-off item.

The net cash outflow from investing activities was €52 million compared to €37 million in the same period last year. The €13 million increase is explained by higher capex, of which €9 million is the result of a change to no longer use financial leases and creditors to purchase equipment.

The net cash flow from financing activities were €43 million compared to €16 million in the same period last year. The increase is the result of the proceeds of the IPO and the refinancing.

OUTLOOK

With the 43 clubs that we added to the network year to date (30 in H1 2016 and 13 in July and August-to-date) and the strong pipeline, we are confident to open between 65 and 75 clubs in 2016. We expect to report revenue of around €260 million and adjusted EBITDA of at least €80 million for the full year.

For the medium term we reiterate our guidance of over 20% revenue growth with significant operating leverage.

FOR MORE INFORMATION

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FINANCIAL CALENDAR

Trading update:	27 October 2016
Full year 2016 results:	23 March 2017

WARNING ABOUT FORWARD-LOOKING STATEMENTS

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In EUR x 1,000	**30 June 2016 Unaudited**	**30 June 2015 Unaudited**
Revenue	**123,760**	**96,089**
Cost of consumables used	(1,102)	(584)
Employee benefits expenses	(24,490)	(18,876)
Depreciation, amortisation and impairment charges	(31,557)	(23,346)
Other operating income	240	224
Other operating expenses	(68,185)	(52,056)
Operating profit	**(1,334)**	**1,451**
Finance income	7	-
Finance costs	(32,475)	(17,110)
Finance costs - net	**(32,468)**	**(17,110)**
Profit (loss) before income tax	**(33,802)**	**(15,659)**
Income tax benefit	7,735	3,606
Profit (loss) for the period (attributable to owners of the Company)	**(26,067)**	**(12,053)**
Other comprehensive income		
Items that may be reclassified to profit or loss		
Cash flow hedges	125	161
Deferred tax on cash flow hedges	(31)	(40)
Other comprehensive income for the period, net of tax	**94**	**121**
Total comprehensive income (loss) for the period (attributable to owners of the Company)	**(25,973)**	**(11,932)**
Earnings per share for profit attributable to the ordinary equity holders of the company:		
Basic earnings per share (in Eurocents)	(79.62)	(40.18)
Diluted earnings per share (in Eurocents)	(79.62)	(40.18)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In EUR x 1,000	30 June 2016 Unaudited	31 December 2015 Audited
Assets		
Non-current assets		
Property, plant and equipment	283,224	247,388
Intangible assets	286,306	292,347
Deferred tax assets	25,781	15,083
Receivables	1,721	2,330
Total non-current assets	**597,032**	**557,148**
Current assets		
Inventories	729	791
Trade and other receivables	22,556	12,391
Cash and cash equivalents	490	12,328
Total current assets	**23,775**	**25,510**
Total assets	**620,807**	**582,658**
Equity		
Share capital	3,280	300
Share premium	358,460	29,700
Retained earnings	(50,152)	(52,330)
Cash flow hedge reserve	(1,171)	(1,265)
Total equity	**310,417**	**(23,595)**
Liabilities		
Non-current liabilities		
Borrowings	172,459	226,181
Long-term loans from shareholders	-	201,082
Derivative financial intruments	2,050	1,687
Deferred tax liabilities	27,555	28,550
Provisions	4,532	5,105
Total non-current liabilities	**206,596**	**462,605**
Current liabilities		
Trade and other payables	97,708	100,826
Current income tax liabilities	163	40
Current portion of borrowings	4,457	35,091
Current portion of loans from shareholders	-	6,000
Provisions	1,466	1,691
Total current liabilities	**103,794**	**143,648**
Total liabilities	**310,390**	**606,253**
Total equity and liabilities	**620,807**	**582,658**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

In EUR x 1,000	**30 June 2016 Unaudited**	**30 June 2015 Unaudited**
Cash flows from operating activities		
Profit (loss) before income tax	-33,802	-15,659
Non-cash adjustments to reconcile profit before tax to net cash flows:		
- Depreciation and impairment of property, plant and equipment	23,423	16,033
- Amortisation and impairment of intangible assets	8,134	7,314
- Gain on disposal of property, plant and equipment	-194	-54
- Finance income	-7	-
- Finance expenses	32,475	17,110
- Movements in provisions, pensions and government grants	-798	-1,174
Working capital adjustments:		
- Trade and other receivables	-10,165	-8,741
- Inventories	62	-77
- Trade and other payables	-7,744	-1,451
Cash generated from operations	**11,384**	**13,301**
Interest paid	-9,690	-6,295
Early repayment fees	-7,780	-
Income taxes (paid) received	-10	-1
Net cash inflow from operating activities	**-6,096**	**7,005**
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	794	162
Purchase of property, plant and equipment	-50,603	-28,987
Purchase of other intangible assets	-1,550	-1,411
Payment for acquisition of subsidiary, net of cash acquired	-1,358	-6,609
Repayment of loans granted	13	-
Investments in other financial fixed assets	595	-60
Net cash (outflow) flow from investing activities	**-52,109**	**-36,905**
Cash flows from financing activities		
Proceeds from borrowings (previous facility)	17,500	32,700
Proceeds from borrowings (new facility)	175,000	-
Repayments of borrowings	-14,611	-15,476
Repayments of borrowings (refinancing)	-494,855	-
Financing costs paid (previous facility)	-611	-1,108
Financing costs paid (new facility)	-3,590	-
Proceeds of newly issued shares (incorporation Basic-Fit N.V.)	45	-
IPO proceeds	370,000	-
Proceeds from share premium	1,500	-
Incremental costs paid directly attributable to IPO	-7,359	-
Net cash flow (outflow) from financing activities	**43,019**	**16,116**
Net (decrease)/increase in cash and cash equivalents and bank overdrafts	**-15,186**	**-13,784**
Cash and cash equivalents at 1 January	12,328	13,255
Cash and cash equivalents at 30 June	**-2,858**	**-529**