BASIC-FIT FY '16 RESULTS

BASIC-FIT REPORTS FULL YEAR 2016 RESULTS

Strong growth of results and acceleration of club rollout strategy

FINANCIAL HIGHLIGHTS

- Revenue increased by 28% year-on-year to €259 million
- Adjusted EBITDA grew by 34% year-on-year to €80 million
- Revenue of mature clubs (like-for-like) increased by 5% year-on-year
- Mature club EBITDA margin increased by 134 bps year-on-year to 49.6%
- Adjusted net earnings increased by 61% year-on-year to €14 million (2015: €8.7 million)

OPERATIONAL HIGHLIGHTS

- Number of clubs grew to 419; increase of 81 clubs of which 48 in France
- Total memberships grew to 1.21 million; increase of 27% year-on-year
- Like-for-like memberships grew by 1.3% year-on-year
- Sports water made available in all Basic-Fit clubs
- Strong demand for personal trainers and day passes

MEDIUM-TERM OUTLOOK

- Rollout strategy accelerated; pipeline well filled
- Network is expected to grow by around 100 clubs in 2017 and onwards
- Unchanged target of return on invested capital on mature clubs of at least 30%

René Moos, CEO Basic-Fit:

2016 was the most successful year in the history of Basic-Fit. We grew by a record number of 81 clubs, achieved strong growth of results and had a successful listing on Euronext Amsterdam. And these are just a few of the highlights to underscore what an important year it was for Basic-Fit.

We will increase our investments in innovation in order to further reduce the cost of operations, increase revenue by offering enhanced and new services, and further improve the fitness experience.

In France, Basic-Fit has become the leading non-franchise fitness chain with more than 70 clubs. In the coming years, we will continue to focus on our growth in France to achieve a similar sustainable leading market position as we currently have in the Benelux.

Supported by the strong club openings pipeline, we will accelerate the execution of the club rollout strategy and expect to open around 100 clubs in 2017 and onwards.

FINANCIAL AND BUSINESS REVIEW

Key figures

In € millions	2016	2015	change
Total revenue	**258.6**	**202.2**	**28%**
Fitness revenue	*253.1*	*197.5*	*28%*
Other revenue	*5.5*	*4.7*	*16%*
Operating expenses	(145.7)	(118.2)	23%
Adjusted club EBITDA	**112.9**	**84.0**	**34%**
Total overhead expenses	(32.5)	(23.9)	36%
Adjusted EBITDA	**80.4**	**60.1**	**34%**
Exceptional items	(11.0)	(4.4)	
EBITDA	69.4	55.7	25%
Depreciation & Amortisation	(65.4)	(48.0)	36%
Operating profit	4.0	7.7	-48%
Net result	(32.4)	(23.0)	
Adjusted net earnings*	**14.1**	**8.7**	**61%**
Adjusted EPS*	**0.32**	**0.29**	**11%**

* *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

Revenue increased by 28% to €259 million compared to €202 million in 2015. This growth is mainly the result of higher fitness revenue. The continued expansion of the number of clubs in our network and the addition of new members in our existing clubs continued to be the main drivers of the increase in fitness revenue. Other revenue also contributed to total revenue growth, mainly as a result of higher rent income from personal trainers and higher sales of day passes.

On a like-for-like basis, mature[1] club revenue increased by 5% to €136 million. This increase was mainly the result of higher revenue per member but also due to further membership growth (1.3%).

The average revenue per member per month increased by 3% to €19.46 compared to €18.84 in 2015. This was mainly the result of the positive effects of the add-ons like our sports water subscription which is now available in all our clubs, and the harmonisation of our membership offering, which resulted in price increases, particularly in the Netherlands. This increase was reduced to some extent by promotional activities for both new club openings as well as existing clubs.

All countries showed strong revenue growth compared to 2015. France achieved revenue growth of 173%, which is mainly explained by our expansion strategy which has a strong focus on France.

[1] *A club is deemed mature if at the start of the year it has been open for 24 months or more*

In France, we increased the number of clubs by 48. In the Netherlands we added 8 clubs to the network, in Belgium 20 and in Spain 5. In total, Basic-Fit increased its network by 81 clubs. The total number of memberships at the end of the year was 1.21 million, which is an increase of 27% compared to 2015, which is the largest growth of all major European fitness chains[2].

Geographic revenue split

In € millions	2016	2015	change
Netherlands	100.1	83.0	21%
Belgium	106.2	90.5	17%
Luxembourg	8.2	7.3	12%
France	25.0	9.2	173%
Spain	19.0	12.3	55%
Total revenue	**258.6**	**202.2**	**28%**

Totals and change percentages are based on non-rounded figures

ADJUSTED EBITDA

On a club level, total operating expenses increased to €146 million from €118 million in 2015, which is mainly the result of the growth in the number of clubs. The growth of revenue outpaced the growth of operating expenses and as a result we saw the adjusted club EBITDA margin improve by 213 bps to 43.7%. The mature club EBITDA margin increased by 134 bps to 49.6%.

Overhead expenses increased to €33 million from €24 million. This can mainly be explained by the increase in international overhead costs due to the further professionalisation of the organisation in preparation for the listing and to facilitate continued future growth, including the expansion of our customer support department.

In 2016, adjusted EBITDA increased by 34% to €80 million, from €60 million in 2015. The adjusted EBITDA margin increased by 138 bps to 31.1%.

EXCEPTIONAL ITEMS

Exceptional items in the year totalled €11 million compared to €4.4 million in 2015. This increase was mainly the result of IPO-related costs (€4.9 million IPO-related transaction costs and €3.9 million other exceptional costs).

DEPRECIATION AND AMORTISATION

Depreciation and amortisation increased to €65 million compared to €48 million in 2015. The increase was the result of higher depreciation, due to the large number of clubs that we have added to our network.

During the year, we assessed the useful lives of fitness equipment in line with the accounting

[2] *Basic-Fit had the strongest organic membership growth of the top 10 European fitness club operators according to the EuropeActive/Deloitte European Health & Fitness Market Report 2017*

policy and IAS 16. This review has resulted in longer estimated useful lives, which we have implemented as of 1 October 2016: 8 years for strength fitness equipment and 6 years for cardio and other fitness equipment (previously: 5-6 years for all fitness equipment). As a result of the change in policy the depreciation of fitness equipment was €1.8 million less than if we had followed the previous policy for the full year.

OPERATING RESULT

The operating result was €4.0 million compared to €7.7 million in 2015. This decrease was the result of the significant exceptional costs as a result of the IPO, as well as the increase in depreciation, which increased faster than revenue, as over the last two years we have been opening many new clubs that have yet to mature.

INTEREST AND NET DEBT

The proceeds of the new bank loan and the primary offering of the IPO were used to deleverage and improve our capital structure. At the end of the year the net debt was €206 million, compared to €255 million (excluding €201 million shareholder loan) at the end of 2015, representing a leverage ratio[3] of 2.6. At the end of 2016, we had €44 million in undrawn credit facilities, compared to €18 million at the end of 2015.

The finance expenses were €36 million compared to €37 million in 2015. This stable development was the result of costs (€12 million) relating to the early repayment of prior loans and lease commitments being more than offset by a combination of lower debt and improved facility terms after June 2016. The finance expenses include the interest costs on shareholder loans, 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 weighted average interest rate to be between 2.5% and 3.0% going forward.

TAX

The corporate income tax expense for the year was €0.7 million, compared to a €6.3 million benefit in 2015. In 2016 Basic-Fit reached an agreement with the Dutch and Belgian tax authorities. As described in the IPO prospectus, Basic-Fit was in discussions with the Dutch tax authorities about several tax matters, the main one being the tax deductibility of the interest on shareholder loans. As a result of the agreement, the recognised deferred tax assets were reduced by €9.2 million, resulting in a non-cash tax charge of the same amount.

ADJUSTED NET EARNINGS

The net result in the year was minus €32 million, compared to minus €23 million in 2015. To provide more insight in the underlying profitability of the company we report an adjusted net earnings measure. Adjusted for amortisation, interest on shareholder loans, exceptional items and one-offs and the related tax effects, earnings were €14 million, compared to €8.7 million

[3] Net debt/LTM adjusted EBITDA

in 2015. The transaction costs, representing the main item in exceptional items, were related to the IPO. The pre-opening costs in exceptional items include 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 the one-off non-cash tax charge.

Reconciliation net result to adjusted net earnings

In € millions	**2016**	**2015**
Net result	**(32.4)**	**(23.0)**
Amortisation	**16.7**	**14.9**
Exceptional items	**11.0**	**4.4**
Pre-opening costs	2.2	1.6
Transaction costs	4.9	-
Other exceptional costs	3.9	2.8
Interest on shareholder loans	**10.9**	**21.2**
One-off costs	**21.6**	**-**
Breakage cost related to early repayment	7.8	-
Amortisation of capitalized finance cost	4.6	-
Non-cash tax charge	9.2	-
Tax effects (27% / 22%)	**(13.7)**	**(8.8)**
Adjusted net earnings	**14.1**	**8.7**

Totals are based on non-rounded figures

EQUITY

Total equity at the end of 2016 was €305 million, compared to minus €24 million at the end of 2015. This improvement was the result of the use of proceeds from the IPO.

WORKING CAPITAL

Working capital was €82 million negative compared to €88 million negative at the end of 2015. As a percentage of revenue, working capital was minus 32%, compared to minus 43% in 2015.

CASH FLOW & CAPITAL EXPENDITURE

The cash flow pre-expansion capex, defined as adjusted EBITDA minus maintenance capex, was €66 million, an increase of 31% compared to €50 million in 2015.

Maintenance capex in 2016 was €14 million compared to €9.8 million in the same period last year. On a per-club basis for the full year, maintenance capex was €38 thousand.

Expansion capex was €105 million, compared to €94 million in 2015. The increase is mainly explained by the larger number of clubs opened in 2016. This figure also includes expenses for the expansion of existing clubs and small acquisitions in 2016 (€15 million) and 2015 (€23 million). We will continue to expand successful existing clubs in 2017 when possible, as this is a cost-effective alternative for building a new club near a successful existing one.

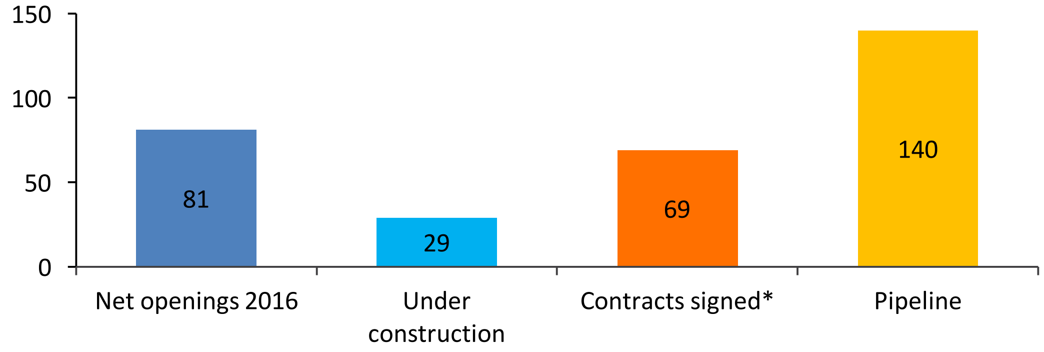
The initial capex per newly-built club was on average €1.1 million.

During the year we finalised the planned refurbishment programme. The related one-off capex was €11 million, compared to €33 million in 2015.

Other capex amounted to €3.5 million and consisted primarily of relocation costs for our international headquarters and our headquarters in Belgium and France, and software development costs.

OUTLOOK

Club openings pipeline (# clubs)



** Contracts signed includes sites for which we are awaiting permit approval*

The pipeline of new clubs is very well filled. At the end of 2016, 29 clubs were under construction and contracts were signed for 69 clubs. These include clubs for which we are awaiting permit approval. In addition, we have a pipeline of 140 clubs for which we are in advanced discussions with the property owners or which are in the research phase. This enables us to accelerate the execution of our club rollout strategy in the medium-term. We now expect our network to grow by around 100 clubs in 2017 and onwards.

The vast majority of club openings will be in France where we have the opportunity to secure a sustainable leading position. We will be opening clubs in clusters in more cities and regions across the country, in line with our strategy. We will increase our marketing spend to support the rollout of new clubs with local advertising in the various regions.

In the medium-term, we expect revenue to grow on average by at least 20% a year, with significant operating leverage. The annual like-for-like revenue growth is expected to be modest.

We will continue to rigidly follow our well defined expansion process in order to maintain the high quality of our network and achieve the targeted return on invested capital[4] on mature

[4] *Mature adjusted club EBITDA divided by the initial capital expenditure incurred in opening a new club*

clubs of at least 30%.

We will increase the level of investment in innovation in order to further reduce the cost of operations, increase revenue by offering enhanced and new services and further improve the fitness experience. This in return will also help to increase the length of stay.

We have secured funding for the accelerated growth plan by increasing the revolving credit facility by €75 million. Given the ample covenant headroom other amendments to the agreement were not required. As a result of the accelerated growth plan and subsequent higher investments, we will not deleverage this year, and expect net debt to be between 2.5 and 3.0 times adjusted EBITDA at the end of 2017.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In € thousands	2016	2015
Revenue	**258,561**	**202,222**
Costs of consumables used	(2,316)	(1,160)
Employee benefits expense	(51,501)	(39,748)
Depreciation, amortisation and impairment charges	(65,356)	(47,983)
Other operating income	780	1,779
Other operating expenses	(136,133)	(107,407)
Operating profit	**4,035**	**7,703**
Finance income	13	-
Finance costs	(35,754)	(37,016)
Finance costs - net	**(35,741)**	**(37,016)**
Profit (loss) before income tax	**(31,706)**	**(29,313)**
Income tax	(667)	6,348
Profit (loss) for the period attributable to the owners of the company	**(32,373)**	**(22,965)**
Other comprehensive income	-	-
Items that may be reclassified to profit or loss		
Cash flow hedges	574	(273)
Deferred tax on cash flow hedges	(144)	68
Other comprehensive income for the period, net of tax	430	(205)
Total comprehensive income for the period (attributable to owners of the Company)	**(31,943)**	**(23,170)**
Earnings per share for profit attributable to the ordinary equity holders of the company:		
Basic earnings per share (in €)	(0.74)	(0.77)
Diluted earnings per share (in €)	(0.74)	(0.77)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In € thousands	31 December 2016	31 December 2015
Assets		
Non-current assets		
Property, plant and equipment	329,290	247,388
Intangible assets	278,846	292,347
Deferred tax assets	4,590	1,113
Receivables	2,062	2,330
Total non-current assets	**614,788**	**543,178**
Current assets		
Inventories	811	791
Trade and other receivables	19,595	12,391
Cash and cash equivalents	17,365	12,328
Total current assets	37,771	25,510
Total assets	**652,559**	**568,688**
Equity		
Share capital	3,280	300
Share premium	358,360	29,700
Other capital reserves	729	-
Retained earnings	(56,457)	(52,330)
Cash flow hedge reserve	(835)	(1,265)
Total equity	**305,077**	**(23,595)**
Liabilities		
Non-current liabilities		
Borrowings	172,711	226,181
Long-term loan from shareholder	-	201,082
Derivative financial instruments	1,367	1,687
Deferred tax liabilities	14,692	14,580
Provisions	4,185	5,105
Total non-current liabilities	**192,955**	**448,635**
Current liabilities		
Trade and other payables	102,465	100,826
Current income tax liabilities	287	40
Current portion of borrowings	50,400	35,091
Loan from key management member	-	6,000
Provisions	1,375	1,691
Total current liabilities	**154,527**	**143,648**
Total liabilities	**347,482**	**592,283**
Total equity and liabilities	**652,559**	**568,688**

CONSOLIDATED STATEMENT OF CASH FLOWS

In € thousands	2016	2015
Cash flows from operating activities		
Profit (loss) before income tax	(31,706)	(29,313)
Non-cash adjustments to reconcile profit before tax to net cash flows:		
- Depreciation and impairment of property, plant and equipment	48,676	33,076
- Amortisation and impairment of intangible assets	16,680	14,907
- Share-based payment expense	729	-
- Gain on disposal of property, plant and equipment	(498)	(864)
- Gain on disposal of fitness club	-	(745)
- Finance costs - net	35,741	37,016
- Movements in provisions	(1,586)	(2,412)
Working capital adjustments:		
- Increase in Inventories	(21)	(568)
- Increase in trade and other receivables	(7,186)	(1,876)
- Increase (decrease) in trade and other payables	(7,085)	15,537
Cash generated from operations	**53,744**	**64,758**
Interest received	13	-
Interest paid	(12,772)	(12,869)
Early repayment fees	(7,780)	-
Income tax (paid) received	(40)	27
Net cash flows from operating activities	**33,165**	**51,916**
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	1,530	2,887
Purchase of property, plant and equipment	(109,235)	(64,916)
Purchase of other intangible assets	(2,361)	(1,539)
Acquisition of a subsidiary, net of cash acquired	(2,338)	(13,834)
Repayment of loans granted	26	-
Disinvestments (Investments) in other financial fixed assets	241	(575)
Net cash flows used in investing activities	**(112,137)**	**(77,977)**
Cash flows from financing activities		
Proceeds from borrowings (previous facility)	17,500	51,530
Proceeds from borrowings (new facility)	225,000	-
Repayments of borrowings	(15,419)	(25,047)
Repayments of borrowings (refinancing)	(494,855)	-
Financing costs paid (previous facility)	(611)	(1,349)
Financing costs paid (new facility)	(3,604)	-
Proceeds of newly issued shares (incorporation of Basic-Fit N.V.)	45	-
IPO-proceeds	370,000	-
Proceeds from share premium	1,500	-
Incremental costs paid directly attributable to IPO	(15,547)	-
Net cash flows from financing activities	**84,009**	**25,134**
Net (decrease)/increase in cash and cash equivalents	**5,037**	**(927)**
Cash and cash equivalents at 1 January	12,328	13,255
Cash and cash equivalents at 31 December	**17,365**	**12,328**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In € thousands	Share capital	Share premium	Other capital reserves	Retained earnings	Cash flow hedge reserve	Total equity
Balance – 1 January 2015	**300**	**29,700**	**-**	**(29,365)**	**(1,060)**	**(425)**
Comprehensive income:						
Profit (loss) for the period	-	-	-	(22,965)	-	(22,965)
Other comprehensive income (loss)	-	-	-	-	(205)	(205)
Total comprehensive income (loss) for the period	**-**	**-**	**-**	**(22,965)**	**(205)**	**(23,170)**
Balance – 31 December 2015	**300**	**29,700**	**-**	**(52,330)**	**(1,265)**	**(23,595)**
Balance – 1 January 2016	**300**	**29,700**	**-**	**(52,330)**	**(1,265)**	**(23,595)**
Comprehensive income:						
Profit (loss) for the period	-	-	-	(32,373)	-	(32,373)
Other comprehensive income (loss)	-	-	-	-	430	430
Total comprehensive income (loss) for the period	**-**	**-**	**-**	**(32,373)**	**430**	**(31,943)**
Issue of ordinary shares	1,525	356,860	-	-	-	358,385
Capital reorganisation under common control	1,455	(29,700)	-	28,245	-	-
Capital contribution	-	1,500	-	-	-	1,500
Share based payments	-	-	729	-	-	729
Transactions with owners recognized directly in equity	2,980	328,660	729	28,245	-	360,615
Balance – 31 December 2016	**3,280**	**358,360**	**729**	**(56,457)**	**(835)**	**305,077**

NOTES TO THE PRESS RELEASE

The consolidated financial statements are presented in millions of euros and all values are rounded to the nearest million unless otherwise stated. Change percentages and totals are calculated before rounding. As a consequence, rounded amounts may not add up to the rounded total in all cases.

This press release contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

The 2016 financial information included in the consolidated statements attached to this press release are derived from the Annual Report 2016. This Annual Report has been authorized for issue. The Annual Report has not yet been published by law and still has to be adopted by the Annual General Meeting on May 16, 2017. In accordance with section 393, Title 9, Book 2 of the Netherlands Civil Code, Ernst & Young Accountants LLP has issued an unqualified auditors' opinion on the Annual Report. The full Annual Report will be available to download on our website (corporate.basic-fit.com) from 24 March 2017.

FOR MORE INFORMATION

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AUDIO WEBCAST FULL YEAR 2016 RESULTS

Date and time: 23 March 2017 at 14.00 CET
corporate.basic-fit.com

Basic-Fit is listed on NYSE Euronext Amsterdam in the Netherlands
ISIN: NL0011872650 Symbol: BFIT

FINANCIAL CALENDAR

Q1 2017 trading update	11 May 2017
AGM	16 May 2017
Half year 2017 results	16 August 2017

ABOUT BASIC-FIT

With 419 clubs, Basic-Fit is the largest fitness operator in Europe. We operate in five countries and in our clubs, more than 1.2 million members can work on improving their health and fitness. Basic-Fit operates a straightforward membership model and offers a high-quality, value-for-money fitness experience that appeals to the fitness needs of all active people who care about their personal health and fitness. A typical subscription costs €19.99 and gives people access to all our clubs in Europe and a pass which can be shared with family members.

FORWARD-LOOKING STATEMENTS / IMPORTANT NOTICE

Some statements in this press release may be considered 'forward-looking statements'. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that may occur in the future. These forward-looking statements involve known and unknown risks, uncertainties and other factors that are outside of our control and impossible to predict and may cause actual results to differ materially from any future results expressed or implied. These forward-looking statements are based on current expectations, estimates, forecasts, analyses and projections about the industry in which we operate and management's beliefs and assumptions about possible future events. You are cautioned not to put undue reliance on these forward-looking statements, which only express views as at the date of this press release and are neither predictions nor guarantees of possible future events or circumstances. We do not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events, except as may be required under applicable securities law.