BASIC-FIT PRESS RELEASE
HALF-YEAR 2023 RESULTS

Hoofddorp, 25 July 2023

BASIC-FIT REPORTS STRONG GROWTH IN CLUBS, MEMBERS AND FINANCIAL RESULTS

Underlying EBITDA increased by 83% to €110 million

H1 2023 OPERATIONAL HIGHLIGHTS

- 103 net club openings, expanding the network to 1,303 clubs (up 181 clubs vs. H1 2022)
- Memberships increased by 686,000 year-on-year to 3.61 million (H1 2022: 2.92 million)
- Average number of memberships in our 888 mature clubs increased to 3,301 (H1 2022: 3,138 for 503 clubs)
- Premium membership penetration rate increased to 41% (H1 2022: 26%)
- Average revenue per member increased to €23.13 (H1 2022: €22.22)

H1 2023 FINANCIAL HIGHLIGHTS

- Revenue increased by 41% to €500 million (H1 2022: €355 million)
- Underlying EBITDA increased by 83% to €110 million (H1 2022: €60.2 million)
- Underlying net result of €2.4 million (H1 2022: loss of €20.6 million)
- Bank financing successfully amended and extended to June 2027

OUTLOOK 2023

- Revenue of at least €1 billion reiterated
- Substantially higher underlying EBITDA in H2 2023 compared to H1 2023
- Gradual increase of the average revenue per member per month to at least €23.50 (LTM)
- Club network expected to increase by at least 200 clubs reiterated
- Total number of memberships to grow to at least 3.8 million
- ROIC of mature clubs of well over 30% reiterated

RENE MOOS, CEO BASIC-FIT:

"In the first half of 2023 we were able to show strong growth in the number of clubs, memberships and underlying EBITDA compared to the first half of the recovery year 2022. The membership development was particularly strong considering the normalised churn level and the high Premium membership take-up rate of more than 55%. Of our base 41% is now a Premium member.

The year started with elevated operating costs, particularly wages, rent and energy costs. As a result of the adjusted membership structure for new members and an increasing uptake of the premium membership, the average revenue per member per month is increasing and will continue to increase this year and in 2024. This will help us mitigate the inflationary pressures and achieve our ROIC target of well over 30%.

By the end of the first half, we were able to sign more favourable energy contracts for France for both 2024 and 2025. Based on these much lower prices and taking into account the fixed prices for part of our consumption in our other countries, we expect the average energy bill per club will drop from approximately €55 thousand per club in 2023 to approximately €35 thousand per club in 2024 and 2025. "

BUSINESS AND FINANCIAL REVIEW

Key figures (In € millions, unaudited)	**H1 2023**	**H1 2022**	**Change**
Total revenue	**500.4**	**354.6**	**41%**
of which club revenue	496.5	351.8	41%
of which non-club revenue	3.9	2.8	39%
Club personnel costs	(76.3)	(58.2)	*31%*
Other club operating costs	(133.6)	(89.2)	*50%*
Club EBITDA	**286.6**	**204.4**	***40%***
Overhead	(69.6)	(58.5)	*19%*
EBITDA	**217.0**	**145.9**	***49%***
Depreciation and impairment tangibles	(84.4)	(69.6)	*21%*
Amortisation and impairment intangibles	(4.4)	(4.2)	*6%*
Depreciation right-of-use assets	(96.5)	(82.1)	*18%*
COVID-19 rent credits	0.4	1.1	*-65%*
Operating profit	**32.1**	**(8.9)**	
Finance costs	(19.8)	(12.2)	*62%*
Interest lease liabilities	(19.5)	(15.9)	*23%*
Corporation tax	1.0	8.9	*-88%*
Net result	**(6.1)**	**(28.0)**	***-78%***

Underlying key figures

Club EBITDA	**286.6**	**204.4**	**40%**
Rent costs (opened clubs)	(107.6)	(90.3)	19%
Exceptional items - clubs	2.2	5.8	-63%
Underlying Club EBITDA (opened clubs)	**181.2**	**120.0**	**51%**
EBITDA	**217.0**	**145.9**	**49%**
Rent costs clubs and overhead, incl. car leases	(109.6)	(92.1)	19%
Exceptional items - total	2.9	6.4	-55%
Underlying EBITDA	**110.3**	**60.2**	**83%**
Underlying net result*	**2.4**	**(20.6)**	
Basic underlying net result per share (in €)	**0.04**	**-0.31**	
Diluted underlying net result per share (in €)	**0.04**	**-0.31**	

Totals are based on non-rounded figures.

* Adjusted for IFRS 16, purchase price allocation-related amortisation, IRS valuation differences, exceptional items, one-offs and the related tax effects.

CLUB NETWORK AND MEMBERSHIP DEVELOPMENT

Geographic club split

	H1 2023	**FY 2022**	**H1 2022**
Netherlands	235	231	224
Belgium	222	219	213
Luxembourg	10	10	10
France	718	647	608
Spain	112	90	67
Germany	6	3	-
Total	**1,303**	**1,200**	**1,122**

In the first half of 2023 we expanded our network by 103 clubs (108 openings and 5 closures) to 1,303 clubs. In the last 12 months, we expanded our network by 181 clubs or 16%.

Our growth markets France and Spain accounted for the vast majority of club openings in the first half of 2023, with respectively 71 and 22 net openings. In the last 12 months, our French and Spanish club networks increased by 110 clubs (+ 18% year-on-year) and 45 clubs (+ 67% year-on-year) respectively. In the Benelux region we added 7 clubs to our network in the first half of 2023; 4 in the Netherlands and 3 in Belgium.

In our new market Germany, we continued the gradual rollout with the opening of 3 clubs in the first half of 2023. Keeping our long-term growth plans in mind, we expect the pace of openings to gradually accelerate. For the next 18 months, we have a pipeline of around 65 signed contracts.

Membership development

In millions, end of period	2023	2022	change
Start of the year	3.35	2.22	51%
First quarter	3.60	2.63	37%
Second quarter	3.61	2.92	23%
Third quarter		3.15	
Fourth quarter		3.35	

Totals are based on non-rounded figures

In the first half of the year, we increased our membership base by more than 250 thousand to 3.61 million. Compared to a year ago, our membership base increased by 686 thousand or 23%.

Membership growth in the first half of the year was broad-based, with all countries showing solid performances. We did witness, however, some volatility in our joiner numbers in France amid periods of turmoil with protests, strikes and civil unrest during the first half of the year, amongst others related to the Government's pension reform plans.

During the first half of the year the Comfort membership was reintroduced for joiners in all our markets except for Germany. The new Comfort membership, with a price of €24.99/4wks, replaced the Basic membership with a price of €19.99/4wks. The Comfort membership allows members to access all our clubs in a country compared to a single club access with the Basic membership.

A club is considered mature when it is at least 24 months old at the start of the calendar year. Our 888 mature clubs ended the first half of the year with an average of 3,301 memberships (H1 2022: 3,138 memberships with 503 mature clubs). The 888 mature clubs include the 2018, 2019 and 2020 cohorts, that were impacted by the COVID-19 related government measures during the important ingrowth period.

REVENUE

Revenue split

In € millions	H1 2023 unaudited	H1 2022 unaudited	change
Club revenue	496.5	351.8	41%
of which fitness revenue	483.1	343.0	41%
of which other club revenue	13.4	8.8	53%
Non-club revenue	3.9	2.8	39%
Total revenue	**500.4**	**354.6**	**41%**

Totals are based on non-rounded figures

Group revenue increased by 41% to €500 million in the first half of 2023 (H1 2022: €355 million). Fitness revenue includes income from our different memberships, as well as from add-ons like sportswater and personal online coach. Fitness revenue increased by 41% to €483 million (H1 2022: €343 million) thanks to strong membership growth in combination with a higher average revenue per member per month of €23.13 (H1 2022: €22.22).

Within our membership base, we aim to increase the percentage of higher-priced Premium memberships (€29.99/4 weeks) as this has a positive impact on our average revenue per member per month. From the second quarter of 2022 onwards, we have intensified our efforts to promote our Premium membership and since the second half of 2022 this has resulted in an uninterrupted Premium membership uptake (by joiners) of over 50%. Further structure changes implemented during the first half of 2023 have led to a further increase in the take-up rate to more than 55%. In the first half of 2023 we reintroduced the Comfort membership in all countries except for Germany, at the expense of the Basic membership for a price of €24.99/4wks. The new Comfort membership gives access to all clubs in a country while the discontinued Basic membership (at €19.99/4wks) gave single club access.

At the end of June 2023, Premium memberships accounted for 41% of our total memberships, compared to 34% at the start of 2023 and 26% at the end of June 2022. With the continued strong take-up of the Premium membership, we expect the Premium membership penetration rate to increase to more than 45% by year-end 2023.

Other club revenue increased to €13.4 million (H1 2022: €8.8 million) and includes income from our personal trainer concepts, physiotherapists, day passes, vending and advertising revenue via the screens in our clubs. All of the aforementioned sources of revenue contributed to the strong increase in revenue in the first half.

Non-club revenue, which includes sales from our webshop and NXT Level nutritional products to retailers, increased by 39% to €3.9 million (H1 2022: €2.8 million).

Geographic revenue split

In € millions	H1 2023 unaudited	H1 2022 unaudited	change
Benelux	230.5	161.4	43%
France, Spain & Germany	269.9	193.2	40%
Total revenue	**500.4**	**354.6**	**41%**

Totals are based on non-rounded figures

Both the Benelux segment as well as our growth segment, consisting of our growth markets France, Spain and Germany, recorded strong revenue growth compared to the first half of 2022.

UNDERLYING CLUB EBITDA

Underlying Club EBITDA, which is club EBITDA adjusted for exceptional items and minus invoiced rent costs of opened clubs, increased by 51% to €181 million (H1 2022: €120 million). The year-on-year increase was largely driven by our clubs, which had a much better starting point in terms of average number of memberships per club than in the same period in 2022.

Club operating costs (rent opened clubs, personnel and other club operating costs) amounted to €318 million (H1 2022: €238 million). The increase in club operating costs is the result of our growing club network as well as the impact of the general inflationary environment, with higher rent and personnel costs due to indexation and average energy costs per club (included in Other club operating costs) which were about double the amount of last year.

In December 2022, we announced that considering the energy price developments during 2022 and the outlook for 2023, we had signed a fixed unit price contract for 100% of our electricity consumption in France for 2023. Combined with the energy contracts already in place in other countries, this means that about 75% of our expected energy consumption in 2023 has a fixed price. Based on like for like energy consumption and the then prevailing energy market prices, we guided for an average energy bill per club of around €55 thousand in 2023 compared to around €25 thousand historically.

The underlying club EBITDA has been adjusted for exceptional items for a total of €2.2 million (H1 2022: €5.8 million).

UNDERLYING EBITDA

Underlying EBITDA, which is EBITDA adjusted for exceptional items and minus invoiced rent costs, increased by 83% to €110 million, compared to €60.2 million in H1 2022.
Overhead expenses increased by 19% to €69.6 million (H1 2022: €58.5 million). The increase in Overhead expenses reflects our growing organisation, including our expansion into Germany, and higher rent and personnel costs due to inflation. Marketing expenses were around 6% of revenue.

We continue to invest in our IT capabilities, remote facility capabilities and in our successful Basic-Fit member app, which is already used in two-thirds of all club visits. Compared to a year ago, we employ more people in areas such as legal, marketing and sustainability. A new development has been the creation of an energy department.

The underlying EBITDA has been adjusted for exceptional items for a total of €2.9 million (H1 2022: €6.4 million).

DEPRECIATION & AMORTISATION

Depreciation and impairment of tangibles amounted to €84 million, compared to €70 million in H1 2022. Depreciation of right-of-use assets increased to €96 million from €82 million in H1 2022. The increase of both line items was driven by the strong growth of our club network over the past twelve months. Amortisation and impairment of intangibles amounted to €4.4 million (H1 2022: €4.2 million).

COVID-19 RENT CREDITS

COVID-19 rent credits in the period amounted to €0.4 million (H1 2022: €1.1 million) and relate to property rent discounts received from our landlords that did not result in the amendment of lease contracts. The reported €0.4 million in the period reflects the finalisation of rent negotiations for a limited number of clubs that were temporarily closed in 2021.

OPERATING PROFIT

Operating profit (EBIT) came in at €32.1 million, compared to a loss of €8.9 million in H1 2022. The impact on our performance from the inflationary environment was mitigated by having on average more memberships in our clubs, in combination with a higher average revenue per member per month.

FINANCING COSTS

Finance costs amounted to €19.8 million, compared to €12.2 million in H1 2022. The year-on-year increase reflects a higher average level of bank debt and higher interest rates than in the previous year and a non-cash interest rate swap charge of €1.4 million versus a non-cash €2.7 million benefit in H1 2022.

The interest on lease liabilities was €19.5 million, compared to €15.9 million in H1 2022. The increase reflects our fast growing club network.

CORPORATE TAX

Corporate tax income was €1.0 million in the first half of 2023 (H1 2022: €8.9 million income), representing an effective tax rate of 14% (H1 2022: 24%). The tax income is explained by the change in deferred tax assets for carry-forward losses, available for offsetting against future taxable income.

NET RESULT AND UNDERLYING NET RESULT

The net loss for the period was €6.1 million, compared to a net loss of €28.0 million in H1 2022. The underlying net profit for the period, which is the reported net income adjusted for IFRS 16, PPA-related amortisation, interest rate swaps valuation differences, exceptional items, COVID-19 rent credits and the related tax effects, was €2.4 million (H1 2022: €20.6 million loss).

Reconciliation net result to underlying net result

In € millions, unaudited	H1 2023	H1 2022
Net result	**(6.1)**	**(28.0)**
IFRS 16 adjustments	6.3	5.9
PPA amortisation	1.3	1.5
Valuation differences IRS	1.4	(2.7)
Exceptional items	2.9	6.4
COVID-19 rent credits	(0.4)	(1.1)
Tax effects (25.8%*)	(3.0)	(2.5)
Underlying net result	**2.4**	**(20.6)**

Totals are based on non-rounded figures. * 25.0% tax effect used for H1 2022

NET DEBT AND LIQUIDITY

Net debt (excluding lease liabilities) was €767 million at the end of June 2023, compared to €694 million at year-end 2022. The increase reflects the large number of club openings, which we were not yet able to finance entirely from our strong cash generation in the first half of the year.

Net debt including lease liabilities was €2,290 million, compared to €2,175 million at year-end 2022.

The net debt/adjusted EBITDA[1] leverage ratio was at 2.57 on 30 June 2023 (FY 2022: 2.92). Including undrawn facilities, the company had access to cash and cash equivalents of €138 million at the end of June 2023.

In June 2023, we announced that we successfully completed an amend and extend of our existing term and revolving facilities agreement. The new agreement consists of a €250 million term loan and a €400 million revolving facility, totalling €650 million. This is an increase of €50 million compared to the total committed facilities before the agreement was amended and extended. In addition to the term loan and revolving facilities, the agreement includes a new uncommitted revolving facility accordion of up to €150 million. The maturities of both the term and revolving credit facilities have been extended to June 2027, with the option to request further extensions by one year in each of the coming two years to ultimately 2029.

[1] Adjusted EBITDA under the bank covenants is defined as the underlying EBITDA adjusted for permitted pro forma adjustments, which are capped at 15% of the total adjusted EBITDA.

WORKING CAPITAL

Working capital was €168 million negative at the end of June 2023 (H1 2022: €54 million negative). As a percentage of rolling 12 month revenue, working capital was 18%, which is comparable to the pre-COVID period.

CAPITAL EXPENDITURE

The initial average capex for the 108 clubs that we opened in H1 2023 was €1.21 million per club (H1 2022: €1.16 million). Regardless of the initial capex for a club, we continue to only sign a lease contract for a new club if we expect to achieve a return on invested capital (ROIC) of at least 30% at maturity.

The average maintenance cost per club was €19 thousand, (H1 2022: €30 thousand). In the medium term, we continue to expect an average spend of around €55 thousand per club per year.

Other capex amounted to €6.9 million (H1 2022: €4.1 million). Other capex consists of investments in innovations and software development.

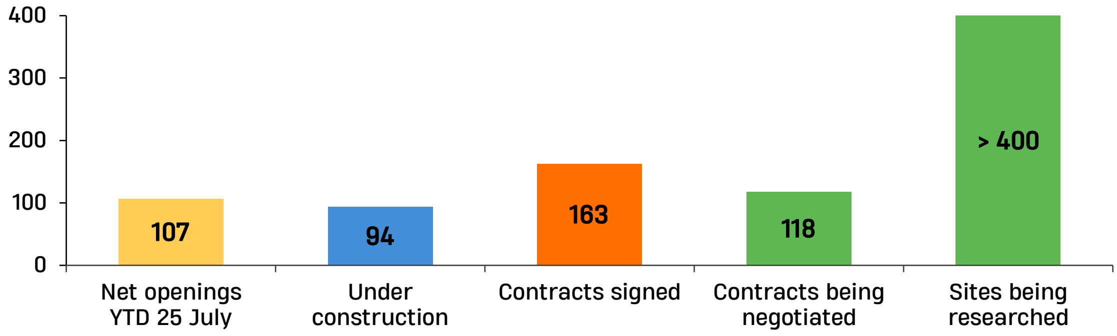
OUTLOOK

On the back of the positive membership and yield developments year to date, we reiterate our revenue guidance of at least €1 billion and a ROIC of our mature clubs of well over 30% in 2023. We expect a further gradual increase in the average revenue per member per month to €23.50 over 2023, following the membership structure changes in the past twelve months and the increase in uptake of the Premium membership to more than 55% the past months. This, together with the higher number of mature clubs, will help to mitigate the impact of cost inflation and should result in a considerably higher underlying EBITDA in the second half of 2023 compared to the first half of 2023.

We do not expect cost inflation to subside in the remainder of 2023, with wages indexed at the start of the year and rent costs being adjusted through ongoing indexation. Also average energy costs, which are included in Other club operating costs, are expected to grow from €25 thousand in 2022 to approximately €55 thousand in 2023. For 2024 and 2025 though, we expect these average energy costs per club to drop to around €35 thousand, thanks to more favourable energy contracts for France for both 2024 and 2025.

We will continue to execute our accelerated club opening plans and expect to grow our network by at least 200 clubs this year, which is in line with our longer-term target to open between 200 and 300 clubs a year. We plan to open most clubs in France and Spain in 2023 and we will continue to build momentum in Germany with contracts signed for 65 new clubs for development within the next 18 months.

Club openings pipeline (# clubs)



- END -

FOR MORE INFORMATION

Basic-Fit Investor Relations

investor.relations@basic-fit.com

Basic-Fit is listed on Euronext Amsterdam in the Netherlands

ISIN: NL0011872650 Symbol: BFIT

AUDIO WEBCAST HALF YEAR RESULTS 2023

Date and time: 25 July 2023 at 14.00 CET

Link to webcast (corporate.basic-fit.com/investors/financial-results)

FINANCIAL CALENDAR

Q3 2023 trading update	20 October 2023
Capital Markets Day	09 November 2023

ABOUT BASIC-FIT

With more than 1,300 clubs, Basic-Fit is the largest fitness operator in Europe. The company operates in six countries and has more than 3.6 million memberships. On a daily basis, members can work on improving their health and fitness in our clubs. 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 people who care about their personal health and fitness.

NOTES TO THE PRESS RELEASE

The financials 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.

ALTERNATIVE PERFORMANCE MEASURES

The financial information in this report includes non-IFRS financial measures and ratios (e.g. underlying club EBITDA, underlying EBITDA, exceptional items, underlying net result and net debt) that are not recognised as measures of financial performance or liquidity under IFRS. In addition, Basic-Fit discloses certain other operational data, such as the number of clubs, number of members and number of countries in which Basic-Fit is present. The non-IFRS financial measures presented are measures used by management to monitor the underlying performance of the business and operations and, have therefore not been audited or reviewed. Furthermore, they may not be indicative of the historical operating results, nor are they meant to be predictive of future results. These non-IFRS measures are presented because they are considered important supplementary measurements of Basic-Fit's performance, and we believe that these and similar measures are widely used in the industry in which Basic-Fit operates as a way to evaluate a company's operating performance and liquidity. Not all companies calculate non-IFRS financial measures in the same manner or on a consistent basis. As a result, these measures and ratios may not be comparable to measures used by other companies under the same or similar names.

Term	Definition
Club EBITDA	EBITDA before overhead costs and net result from non-club revenue (webshop and NXT Level)
Club EBITDA margin	Club EBITDA as a percentage of club revenue
Underlying club EBITDA	Club EBITDA adjusted for exceptional items and minus invoiced rent costs of opened clubs
Underlying club EBITDA margin	Underlying club EBITDA as a percentage of club revenue
EBITDA	Profit (loss) before interest, taxes, depreciation, amortisation and COVID-19 rent credit
EBITDA margin	EBITDA as a percentage of total revenue
Underlying EBITDA	EBITDA adjusted for exceptional items and minus invoiced rent costs
Underlying EBITDA margin	Underlying EBITDA as a percentage of total revenue
EBIT	Profit (loss) before interest and taxes
Underlying net result	Net result adjusted for IFRS16, PPA amortisation, IRS valuation differences, exceptional items, one-offs and the releated tax effects
Basic underlying EPS	Underlying net result divided by the weighted average number of shares
Diluted underlying EPS	Underlying net result divided by the weighted average number of diluted shares
Net debt	Total of long-term and short-term borrowings and IFRS16 lease liabilities, less cash and cash equivalents
Net debt (excl. lease liabilties)	Total of long-term and short-term borrowings, less cash and cash equivalents
ROIC	Underlying mature club EBITDA as a percentage of the initial investment to build a club
Mature club	Club that has been open for 24 months or more at the start of the year
Mature club revenue	Revenue of mature clubs
Mature club underlying EBITDA	Underlying EBITDA of mature clubs
Mature club underlying EBITDA margin	Underlying EBITDA of mature clubs as a percentage of mature club revenue
Expansion capex	Total costs of newly built clubs, acquisitions, existing club enlargements and cost for clubs that are not yet open
Initial capex newly built club	Total costs newly built clubs divided by the number of newly built clubs
Maintenance capex	Total club maintenance costs
Average maintenance costs per club	Total maintenance capex divided by the average number of clubs

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.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Interim condensed consolidated statement of comprehensive income

Consolidated statement of profit or loss

For the six months ended	Note	30 June 2023 Unaudited	30 June 2022 Unaudited
		€ 000	€ 000
Revenue	5	500,420	354,613
		500,420	**354,613**
Costs of consumables used	6	(17,788)	(14,267)
Employee benefits expense	7	(90,038)	(70,642)
Depreciation, amortisation and impairment charges	8	(185,306)	(155,873)
COVID-19 rent credits	19	380	1,091
Other operating income	9	287	456
Other operating expenses	10	(175,869)	(124,248)
Operating profit/(loss)		**32,086**	**(8,870)**
Finance income	11	1	1
Finance costs	11	(39,243)	(28,079)
Finance costs – net		**(39,242)**	**(28,078)**
Profit/(loss) before income tax		**(7,156)**	**(36,948)**
Income tax	12	1,036	8,900
Profit/(loss) for the year		**(6,120)**	**(28,048)**
Attributable to equity holders of the parent:			
Basic earnings per share (in €)	20	(0.09)	(0.42)
Diluted earnings per share (in €)	20	(0.09)	(0.42)

Consolidated statement of other comprehensive income

For the six months ended	30 June 2023 Unaudited	30 June 2022 Unaudited
	€ 000	€ 000
Profit/(loss) for the year	(6,120)	(28,048)
Other comprehensive income for the year net of tax	-	-
Total comprehensive income/(loss) for the year	(6,120)	(28,048)

Interim condensed consolidated statement of financial position

	Note	30 June 2023 Unaudited	31 December 2022 Audited
		€ 000	€ 000
Assets			
Non-current assets			
Goodwill	14	204,843	204,843
Other intangible assets	15	44,241	42,575
Property, plant and equipment	16	1,088,793	989,559
Right-of-use assets	17	1,429,996	1,382,361
Deferred tax assets	12	82,096	78,744
Derivative financial instruments	18	77	-
Receivables		9,568	8,941
Total non-current assets		**2,859,614**	**2,707,023**
Current assets			
Inventories		23,716	20,893
Income tax receivable		151	128
Trade and other receivables		87,839	76,804
Derivative financial instruments	18	570	2,045
Cash and cash equivalents		44,293	43,510
Total current assets		**156,569**	**143,380**
Total assets		**3,016,183**	**2,850,403**
Equity			
Share capital		3,960	3,960
Share premium		690,526	690,526
Reserves		50,210	49,600
Retained earnings		(345,069)	(338,691)
Total equity	20	**399,627**	**405,395**
Liabilities			
Non-current liabilities			
Lease liabilities	17	1,303,079	1,265,086
Borrowings	19	810,947	723,778
Provisions		1,479	1,285
Total non-current liabilities		**2,115,505**	**1,990,149**
Current liabilities			
Trade and other payables		279,136	222,816
Lease liabilities	17	220,370	216,453
Borrowings	19	-	13,333
Current income tax liabilities		1,049	1,862
Provisions		496	395
Total current liabilities		**501,051**	**454,859**
Total liabilities		**2,616,556**	**2,445,008**
Total equity and liabilities		**3,016,183**	**2,850,403**

Interim condensed consolidated statement of changes in equity

For six months ended 30 June 2023 (in € 000)

	Attributed to equity holders of the parent						
	Share capital	**Share premium**	**Treasury shares**	**Equity settled share-based payments reserve**	**Equity component of convertible bonds**	**Retained earnings**	**Total equity**
As at 1 January 2023	3,960	690,526	-	880	48,720	(338,691)	405,395
Comprehensive income:							
Result for the period	-	-	-	-	-	(6,120)	(6,120)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**(6,120)**	**(6,120)**
Purchase of treasury shares	-	-	(221)	-	-	-	(221)
Exercised share-based payments[1]	-	-	221	(183)	-	(258)	(220)
Equity-settled share-based payments[1]	-	-	-	793	-		793
Transactions with owners recognised directly in equity	**-**	**-**	**-**	**610**	**-**	**(258)**	**352**
As at 30 June 2023 (unaudited)	**3,960**	**690,526**	**-**	**1,490**	**48,720**	**(345,069)**	**399,627**

1 Note 21 Share-based payments

For six months ended 30 June 2022 (in € 000)

	Attributed to equity holders of the parent						
	Share capital	**Share premium**	**Treasury shares**	**Equity settled share-based payments reserve**	**Equity component of convertible bonds**	**Retained earnings**	**Total equity**
As at 1 January 2022	3,960	690,526	-	1,937	48,720	(334,561)	410,582
Comprehensive income:							
Result for the period	-	-	-	-	-	(28,048)	(28,048)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**(28,048)**	**(28,048)**
Purchase of treasury shares	-	-	(878)	-	-	-	(878)
Exercised share-based payments[1]	-	-	878	(1,085)	-	(431)	(638)
Equity-settled share-based payments[1]	-	-	-	(518)	-	-	(518)
Transactions with owners recognised directly in equity	**-**	**-**	**-**	**(1,603)**	**-**	**(431)**	**(2,034)**
As at 30 June 2022 (unaudited)	**3,960**	**690,526**	**-**	**334**	**48,720**	**(363,040)**	**380,500**

1 Note 21 Share-based payments

Interim condensed consolidated statement of cash flow

For the six months ended	Note	30 June 2023 Unaudited	30 June 2022 Unaudited
		€ 000	€ 000
Operating activities			
Profit/(loss) before income tax		(7,156)	(36,948)
Non-cash adjustments to reconcile profit before tax to net cash flows:			
Depreciation and impairment of property, plant and equipment and right-of-use assets	8	180,869	151,684
Amortisation and impairment of intangible assets	8	4,437	4,189
COVID-19 rent credits	19	(380)	(1,091)
Share-based payment expense	21	793	(518)
Gain on disposal of property, plant and equipment	9	(164)	(250)
Adjustments for finance income	11	(1)	(1)
Adjustments for finance costs	11	39,243	28,079
Movements in provisions		296	58
Working capital adjustments:			
Change in inventories[1]		(2,823)	(25,220)
Change in trade and other receivables[2]		10,370	21,307
Change in trade and other payables[3]		(2,716)	(13,407)
Cash generated from operations		**222,768**	**127,882**
Income tax (paid) received		(3,151)	(487)
Net cash flows from operating activities		**219,617**	**127,395**
Investing activities			
Proceeds from sale of property, plant and equipment		195	277
Purchase of property, plant and equipment		(146,510)	(142,578)
Purchase of other intangible assets		(6,102)	(1,784)
Acquisition of business combinations, net of cash acquired		-	(2,152)
Repayment of loans granted		6	6
Interest received		1	1
Investments in other financial fixed assets (security deposits)[1]		(634)	(1,148)
Net cash flows used in investing activities		**(153,044)**	**(147,378)**
Financing activities			
Proceeds from borrowings		85,000	150,000
Repayments of borrowings		(13,333)	(41,863)
Repayment of lease liability principal		(100,224)	(88,855)
Lease liabilities interest paid		(22,129)	(17,705)
Interest paid (excluding lease liabilities interest)		(14,663)	(9,519)
Purchase less sale treasury shares and exercised share-based payments		(441)	(1,516)
Net cash flows from/(used in) financing activities		**(65,790)**	**(9,458)**
Net (decrease)/increase in cash and cash equivalents		**783**	**(29,441)**
Cash and cash equivalents at 1 January		43,510	70,104
Cash and cash equivalents at 30 June	23	**44,293**	**40,663**

1 Excluding changes as a result of acquisition of business combinations
2 Excluding changes as a result of acquisition of business combinations and netting payables and receivables
3 Excluding changes as a result of acquisition of business combinations, netting payables and receivables and changes in payables related to investing activities

INDEX

Notes to the interim condensed consolidated financial statements

1 Corporate information

The unaudited interim condensed consolidated financial statements ('interim financial statements') of Basic-Fit N.V. and its subsidiaries for the six months ended 30 June 2023 were authorised for issue in accordance with a resolution of the directors on 24 July 2023. These interim financial statements as at and for the six months ended 30 June 2023 comprise the financial information of the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities').

Basic-Fit N.V. ('the Company') is a company incorporated in the Netherlands and whose shares are publicly traded. The Company's registered office is at Wegalaan 60, Hoofddorp, the Netherlands. The Company is domiciled in the Netherlands and registered at the Chamber of Commerce in Amsterdam under trade registration number 66013577.

With 1,303 clubs and more than 3.6 million members, Basic-Fit is the largest fitness chain in Europe. The Group is active in the Netherlands, Belgium, Luxembourg, France, Spain and Germany. It is Basic-Fit's mission to make fitness accessible to everyone and to get people to love their fitness habits.

2 Basis of preparation and changes to the Group's accounting policies

2.1 Basis of preparation and statement of compliance

The interim condensed consolidated financial statements for the six months ended 30 June 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standard Board (IASB) and as adopted by the European Union.

The Group has prepared the interim financial statements on the basis that it will continue to operate as a going concern. The Management Board considers that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2022.

The interim financial statements are presented in euros and all values are rounded to the nearest thousand ('€ x 1,000'), except when otherwise indicated.

2.2 Critical accounting estimates and judgements

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements for the year ended 31 December 2022.

2.3 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had no impact on the Group's interim condensed consolidated financial statements, but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

To the extent relevant, all other IFRS standards and interpretations including amendments that were in issue and effective from 1 January 2023, have been adopted by the group from 1 January 2023. These standards and interpretations had no material impact for the Group.

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing these interim financial statements.

3 Segment information

The following tables present revenues and underlying EBITDA information for the Group's operating segments for the six months ended 30 June 2023 and 2022, and include a reconciliation of underlying EBITDA to result before income tax for the Group:

For six months ended 30 June 2023	**Benelux**	**France, Spain & Germany**	**Total**
Revenues	230,487	269,933	500,420
Underlying EBITDA segments	97,872	42,000	139,872
Other reconciling items			(29,614)
Total underlying EBITDA			**110,258**
Reconciliation of underlying EBITDA to profit/(loss) before tax:			
Underlying EBITDA			110,258
Depreciation, amortisation and impairment charges			(185,306)
Finance costs – net			(39,242)
Invoiced rent			110,011
COVID-19 rent credits			380
Exceptional items			(3,257)
Profit/(loss) before tax			**(7,156)**

For six months ended 30 June 2022	**Benelux**	**France, Spain & Germany**	**Total**
Revenues	161,444	193,169	354,613
Underlying EBITDA segments	53,837	27,332	81,169
Other reconciling items			(20,932)
Total underlying EBITDA			**60,237**
Reconciliation of underlying EBITDA to profit/(loss) before tax:			
Underlying EBITDA			60,237
Depreciation, amortisation and impairment charges			(155,873)
Finance costs – net			(28,078)
Invoiced rent			93,161
COVID-19 rent credits			1,091
Exceptional items:			
- COVID-19 related costs			(5,397)
- Other exceptional costs and profits			(2,089)
Profit/(loss) before tax			**(36,948)**

Other reconciling items represent corporate costs that are not allocated to operating segments.

Entity-wide information

The Group operates in six countries. Note 5 Revenue contains a breakdown of revenues of these countries. Revenue in the first six months of the year in the Netherlands, the Group's country of domicile, is €120.7 million (2022: €83.9 million). There are no customers that account for 10% or more of revenue in any period presented.

Breakdown of non-current intangible and tangible assets

	30 June 2023	31 December 2022
The Netherlands (country of domicile)	612,327	620,619
Belgium	418,735	426,417
Luxembourg	36,551	37,746
France	1,392,222	1,300,976
Spain	279,413	218,304
Germany	28,625	15,276
Total	**2,767,873**	**2,619,338**

Non-current assets for this purpose consist of property, plant and equipment, right-of-use assets, goodwill and other intangible assets. During the six months ended 30 June 2023, the additions amounted to €294 million (Segment Benelux €28 million, Segment France, Spain and Germany €266 million). During the six months ended 30 June 2022, the additions amounted to €199 million (Segment Benelux €50 million, Segment France, Spain and Germany €149 million). The additions in both periods are directly related to the investments in new club openings.

4 Business combinations

Acquisitions 2023

There were no acquisitions during the first six months of 2023.

Acquisitions 2022

During the first six months of 2022 the Group acquired two fitness clubs. The purchase price net of cash was €2.2 million, which was mostly allocated to property, plant and equipment, customer relationships, favorable lease contracts and receivables. There was no excess of the consideration transferred, after the recognition of newly acquired net identifiable assets. As a result no goodwill was recognised.

The fair value of the identifiable assets and liabilities of the acquisitions in the first six months of 2023 and 2022 as at the date of acquisition was as follows:

	Six months ended	
Fair value recognised on acquisition	**30 June 2023**	**30 June 2022**
Assets		
Property, plant and equipment	-	643
Customer relationships	-	90
Favourable lease contract (right-of-use assets)	-	510
Non-current financial assets	-	5
Inventories and receivables	-	1,361
Cash and cash equivalents	-	22
Liabilities		
Other provisions	-	(165)
Accrued expenses and deferred income	-	(213)
Deferred income tax assets and liabilities	-	(79)
Total identifiable net assets acquired at fair value	**-**	**2,174**
Goodwill arising on acquisition	-	-
Purchase consideration transferred	**-**	**2,174**
Less: cash acquired	-	(22)
Net outflow of cash – investing activities	**-**	**2,152**

5 Revenue

The Group's operations and main revenue streams are those described in the last annual financial statements. The Group's revenue is primarily derived from contracts with customers.

5.1 Disaggregation of revenue

In the following table, revenue is disaggregated by revenue type, by country and based on timing of revenue recognition:

	Six months ended	
	30 June 2023	**30 June 2022**
Type of goods or service		
Fitness membership revenue	483,113	343,046
Other club revenue	13,406	8,763
Other non-club revenue	3,901	2,804
Total	**500,420**	**354,613**
Geographical markets		
The Netherlands	120,738	83,868
Belgium	101,963	71,816
Luxembourg	7,786	5,760
France	243,149	177,475
Spain	26,460	15,694
Germany	324	-
Total	**500,420**	**354,613**
Timing of revenue recognition		
Products and services recognised over time	460,144	320,364
Products and services recognised at a point in time	40,276	34,249
Total	**500,420**	**354,613**

The increase in Fitness membership revenue and Other club revenue mainly relates to the growth in clubs and memberships in the past year.

Other club revenue includes income from our personal trainer concept, physiotherapists, day passes, vending and advertising revenue via the screens in our clubs.

Other non-club revenue includes sales from our webshop and NXT Level nutritional products to retailers.

5.2 Contract balances

Basic-Fit receives considerations before revenues are recognised (e.g. collected membership fees for future periods), but also recognises revenues before considerations are received (e.g. access to the clubs during a “free” period). A combination of timing differences between receipts and revenue recognition per member is possible. In case the revenues recognised exceed the received considerations, this is recognised as part of receivables. In the event that the received considerations exceed the revenues recognised, this is recognised as deferred revenues.

The following table provides information about receivables and deferred revenues from contracts with customers:

As at	**30 June 2023**	**31 December 2022**
Receivables, included in 'Trade and other receivables'	36,754	35,646
Deferred revenues, included in 'Trade and other payables'	26,895	17,435

The receivables relate to amounts due from customers for services performed in the past period(s), less any provision for impairment. Furthermore, receivables include amounts related to timing differences for situations where the revenues recognised exceed the received considerations.

Deferred revenues relate to the advance consideration received from customers, for which revenue is recognised over time in situations where the received considerations exceed the revenues recognised. The increase in deferred revenues in the first six months of 2023 resulted from an increasing number of situations in which the received considerations exceeded the revenues recognised.

5.3 Seasonality of operations

Membership growth varies throughout the year due to seasonality and marketing activities, with the first quarter of the year and after the summer holidays (usually the second half of August until and including October) being the periods that most new members subscribe.

6 Cost of consumables used

	Six months ended	
	30 June 2023	**30 June 2022**
Cost of food and drink	(6,983)	(4,114)
Other cost of sales	(10,805)	(10,153)
Total	**(17,788)**	**(14,267)**

7 Employee benefits expense

The employee benefits expense can be broken down as follows:

	Six months ended	
	30 June 2023	30 June 2022
Salaries and wages (including share-based payments)	(74,081)	(57,269)
Social security contributions	(14,613)	(12,255)
Pension costs – defined contribution plans	(1,344)	(1,118)
Total	**(90,038)**	**(70,642)**

8 Depreciation, amortisation and impairment charges

	Six months ended	
	30 June 2023	30 June 2022
Depreciation of property, plant and equipment	(84,393)	(69,614)
Depreciation of right-of-use assets	(96,476)	(82,070)
Amortisation of other intangible assets	(4,437)	(4,189)
Total	**(185,306)**	**(155,873)**

9 Other operating income

	Six months ended	
	30 June 2023	30 June 2022
Net gain on disposal of property, plant and equipment and right-of-use assets	164	250
Insurance reimbursements	123	-
Government grants	-	206
Total	**287**	**456**

Government grants are further disclosed in note 13.

10 Other operating expenses

	Six months ended	
	30 June 2023	**30 June 2022**
Other personnel expenses	(15,620)	(9,737)
Housing expenses	(93,381)	(61,052)
Net marketing expenses	(28,744)	(28,579)
Write-off of bad debts, incl. collection agency costs	(14,988)	(6,063)
Short-term and low-value lease expenses and other lease adjustments[1]	(1,428)	(869)
Other car expenses	(956)	(716)
Overhead and administrative expenses	(20,752)	(17,232)
Total	**(175,869)**	**(124,248)**

1 Related to buildings, parkings, company cars and other equipment

The higher housing expenses can be explained by the strong increase in energy costs.

11 Finance income and costs

	Six months ended	
	30 June 2023	**30 June 2022**
Finance income:		
Other interest income	1	1
Total finance income	**1**	**1**
Finance costs:		
Interest on convertible bonds	(6,790)	(6,552)
Interest on external debt and borrowings	(11,425)	(7,903)
Lease liabilities interest	(19,464)	(15,868)
Valuation difference derivative financial instruments	(1,398)	2,715
Other finance costs	(166)	(471)
Total finance costs	**(39,243)**	**(28,079)**
Total finance costs – net	**(39,242)**	**(28,078)**

12 Income tax

Income tax in the interim condensed consolidated statement of comprehensive income

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings for each tax jurisdiction and applied individually to the interim period pre-tax income of each jurisdiction. The major components of the income tax expense in the interim condensed consolidated statement of comprehensive income are:

	Six months ended	
	30 June 2023	**30 June 2022**
Current income tax:		
Current income tax charge	(2,243)	(1,261)
Adjustments in respect of current income tax of previous year	(73)	(6)
	(2,316)	**(1,267)**
Deferred income tax:		
Change in deferred tax asset for carry-forward losses available for offsetting against future taxable income	1,205	9,146
Changes in other deferred tax assets and liabilities recognised in profit or loss	2,147	1,021
	3,352	**10,167**
Total income tax	**1,036**	**8,900**

The current income tax charge for the six months ended 30 June 2023 includes €708 thousand (2022: €974 thousand) related to CVAE tax in France ("Cotisation sur la Valeur Ajoutée des Entreprises"). CVAE is a corporate value added contribution which meets the definition of an income tax as established under IAS 12.

The effective income tax rate is calculated as follows:

	Six months ended	
	30 June 2023	**30 June 2022**
Result before income tax	(7,156)	(36,948)
Income tax	1,036	8,900
Effective income tax rate	**14.5%**	**24.1%**
Applicable income tax rate	25.8%	25.8%

Amounts recognised directly in equity

In both reporting periods, all aggregate current and deferred tax arising in the reporting period has been recognised in the consolidated statement of profit or loss. No current and deferred tax arising in the reporting period has been recognised in equity.

Deferred taxes in the interim condensed consolidated statement of financial position

The deferred income tax assets and liabilities on 30 June 2023 and 31 December 2022 can be specified as follows:

	30 June 2023	31 December 2022
Losses available for offsetting against future taxable income	95,295	94,090
Tax incentives (investment allowance)	832	779
Purchase price allocation	(5,806)	(6,106)
Goodwill amortisation for tax purposes	(13,810)	(13,327)
Leases	18,164	17,085
Convertible bonds	(12,568)	(13,644)
Valuation of property, plant and equipment	(46)	241
Timing of expense recognition	202	154
Derivative financial instruments	(167)	(528)
Net deferred tax assets/(liabilities)	**82,096**	**78,744**

After netting deferred tax assets and deferred tax liabilities within the same tax entity for an amount of €33.5 million (31 December 2022: €34.7 million), these positions are as follows:

	30 June 2023	31 December 2022
Deferred tax assets	82,096	78,744
Deferred tax liabilities	-	-
Net deferred tax assets (liabilities)	**82,096**	**78,744**

Tax losses

On 30 June 2023, Basic-Fit recognised €95.3 million (31 December 2022: €94.1 million) deferred tax assets for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. In evaluating whether it is probable that sufficient taxable income will be generated to realise the benefit of these deferred income tax assets, the Group considered all available evidence, including forecasts, business plans and appropriate tax planning measures. The Group took into account examples of positive evidence to support an assertion that it is probable that taxable profits will be available. Conversely, examples of negative evidence that may indicate that it is not probable that future taxable profits will be available are not applicable to Basic-Fit. These examples of positive and negative evidence are described in more detail in note 3.9 of the financial statements for the year ended 31 December 2022 and are also applicable for the situation at 30 June 2023.

Based on the budget for 2023 and later years, and with reference to the assumptions and significant judgements as described above, it is considered more likely than not that the Group entities are able to offset the loss carry-forwards in the coming years. In assessing whether it is probable that sufficient future taxable profits will be available, it is considered that the entities have a track record of positive results in the past years. Furthermore it is noted that most of the losses are due to an identifiable and exceptional event, namely the COVID-19 pandemic.

13 Government grants

General state aid

During the six months ended 30 June 2023, no government grants were received.

During the six months ended 30 June 2022, Other operating income includes €280 thousand related to cost compensation programmes offered by the Belgian Government. Furthermore, during this period, Basic-Fit recognised a (negative) correction of €74 thousand related to government grants received in 2021 (recognised as part of financial rescue packages offered by the French Government in response to the outbreak of the COVID-19 pandemic).

14 Goodwill and impairment testing

During the six months ended June 2023 and June 2022, there were no changes in goodwill.

Impairment testing

The Group performs its annual impairment test in December and in addition when circumstances indicate the carrying value may be impaired. The Group's impairment test for goodwill, intangible assets with indefinite lives and tangible assets is based on fair value less costs of disposal (FVLCD) calculations. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual consolidated financial statements for the year ended 31 December 2022. As disclosed in those financial statements, there was significant headroom for all CGUs and the sensitivity analysis did not indicate that a reasonably possible change in the key assumptions on which the Group has based its determination of the recoverable amounts would result in impairment.

There is no indication to perform an impairment test in relation to these interim financial statements and no impairment charge was recorded in the reported periods.

15 Other intangible assets

The movement in intangible assets during the periods was as follows:

	Six months ended 30 June 2023				Six months ended
	Trademark	Customer relationships	Other intangible assets	Total	30 June 2022
As at 1 January					
Cost	44,918	63,809	31,521	140,248	141,122
Accumulated impairments and amortisation	(20,213)	(62,576)	(14,884)	(97,673)	(97,479)
Net book value	**24,705**	**1,233**	**16,637**	**42,575**	**43,643**
Period ended 30 June					
Opening net book value	24,705	1,233	16,637	42,575	43,643
Additions	-	-	6,103	6,103	1,797
Acquired through business combinations	-	-	-	-	90
Cost of disposals	-	-	-	-	(4,904)
Amortisation for the year	(1,123)	(362)	(2,952)	(4,437)	(4,189)
Accumulated depreciation of disposals	-	-	-	-	4,891
Closing net book value	**23,582**	**871**	**19,788**	**44,241**	**41,328**
As at 30 June					
Cost	44,918	63,809	37,624	146,351	138,105
Accumulated impairments and amortisation	(21,336)	(62,938)	(17,836)	(102,110)	(96,777)
Net book value	**23,582**	**871**	**19,788**	**44,241**	**41,328**

16 Property, plant and equipment

The movement in property, plant and equipment during the periods was as follows:

	Six months ended 30 June 2023				Six months ended
	Land and building	Building improvement	Other fixed assets	Total	30 June 2022
As at 1 January					
Cost	2,000	1,040,000	583,846	1,625,846	1,368,442
Accumulated impairments and depreciation	(575)	(322,513)	(313,199)	(636,287)	(531,246)
Net book value	**1,425**	**717,487**	**270,647**	**989,559**	**837,196**
Period ended 30 June					
Opening net book value	1,425	717,487	270,647	989,559	837,196
Additions	-	122,417	61,267	183,684	111,433
Acquired through business combinations	-	-	-	-	643
Cost of disposals	-	(737)	(2,119)	(2,856)	(47,073)
Depreciation for the year	(12)	(47,227)	(37,154)	(84,393)	(69,614)
Accumulated depreciation of disposals	-	699	2,100	2,799	44,218
Closing net book value	**1,413**	**792,639**	**294,741**	**1,088,793**	**876,803**
As at 30 June					
Cost	2,000	1,161,680	642,994	1,806,674	1,433,445
Accumulated impairments and depreciation	(587)	(369,041)	(348,253)	(717,881)	(556,642)
Closing net book value	**1,413**	**792,639**	**294,741**	**1,088,793**	**876,803**

The additions and disposals of the first six months of 2023 mainly relate to the opening of 108 new clubs and the closure of 5 clubs. In the first six months of 2022, 109 new clubs were opened and 2 clubs were closed.

17 Right-of-use assets

	Six months ended 30 June 2023				Six months ended
	Leased buildings	Leased vehicles	Other equipment	Total	30 June 2022
As at 1 January	1,379,568	2,659	134	1,382,361	1,206,079
Additions	102,757	-	-	102,757	84,233
Remeasurements	39,645	1,828	-	41,473	34,094
Disposals	(114)	-	(5)	(119)	-
Depreciation for the year	(95,232)	(1,207)	(37)	(96,476)	(82,070)
As at 30 June	**1,426,624**	**3,280**	**92**	**1,429,996**	**1,242,336**

18 Financial assets and liabilities

Set out below is an overview of financial assets, other than cash and short-term deposits, held by the Group as at 30 June 2023 and 31 December 2022:

	30 June 2023		31 December 2022	
Financial assets	Derivatives at FVPL[1]	Loans and receivables	Derivatives at FVPL[1]	Loans and receivables
Loan receivable (non-current)	-	23	-	29
Derivative financial instruments (non-current and current)	647	-	2,045	-
Trade and other receivables excluding prepayments (current)	-	36,754	-	35,646
Total	**647**	**36,777**	**2,045**	**35,675**
Total non-current financial assets	77	23	-	29
Total current financial assets	570	36,754	2,045	35,646

1 Fair value through profit and loss

Set out below is an overview of financial liabilities held by the Group as at 30 June 2023 and 31 December 2022:

	30 June 2023		31 December 2022	
Financial liabilities	Derivatives at FVPL	Other financial liabilities at amortised cost	Derivatives at FVPL	Other financial liabilities at amortised cost
Convertible bonds	-	251,760	-	247,248
Bank borrowings	-	559,187	-	489,863
Lease liabilities	-	1,523,449	-	1,481,539
Trade payables excluding non-financial liabilities	-	113,226	-	149,167
Total	**-**	**2,447,622**	**-**	**2,367,817**
Total non-current financial liabilities	-	2,114,026	-	1,988,864
Total current financial liabilities	-	333,596	-	378,953

Financial risk management

The Group's activities expose the Group to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, price risk, interest rate risk and cash flow risk). The interim financial statements do not include all financial risk management information and should be read in conjunction with the Group's annual financial statements as at 31 December 2022.

The interest rate swaps that were in place at 31 December 2022, expired in May 2023. In March 2023, prior to expiration of these interest rate swaps, the Group decided to hedge part of its interest rate risk using a new interest rate swap with a notional amount of €50 million. In order to optimise the Group's interest rate structure, a swaption was written simultaneously, to reduce financing costs in the short to medium term. This combination of instruments effectively convert the company's variable rate debt into a fixed rate debt, providing stability in interest payments and mitigating the impact of interest rate fluctuations. The financial instruments are held at fair value with no hedge accounting applied.

The new interest rate swap economically hedges €50 million of the Group's total borrowings floating rate. The floating rate is exchanged for a 2.385% fixed rate. The interest rate swap matures June 2025.

The fair value of these new financial instruments per 30 June 2023 are categorised below. The sensitivity analysis is post-tax and the impact on the Group's equity is nil.

Derivative	Notional	Fixed rate	Maturity date	Fair value	Increase by 200 bps	Decrease by 200 bps
Interest rate swap	50,000	2.385%	June 2025	1,268	1,258	(1,320)
Swaption	50,000	2.385%	June 2025[1]	(621)	435	(1,506)

1 When exercised, the swaption extends the interest rate swap to June 2028

Fair value estimation

On 30 June 2023, the Group had two financial instruments measured at fair value (31 December 2022: five). These instruments relate to interest rate swaps which are designated as a hedging instrument in a cash flow hedge relationship. The derivatives are classified as Level 2 valuation in accordance with the fair value hierarchy as described in IFRS 13.

The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

For all periods presented, the Group only held financial instruments which classify as Level 2 fair values. The Group did not hold any Level 1 or Level 3 financial instruments and there were also no transfers between levels during the years. The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques which maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. The fair value of the interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves (discounted cash flow model).

Fair values, including valuation methods and assumptions

- As at 30 June 2023 and 31 December 2022, the carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables, and short-term borrowings approximated their fair values due to the short-term maturities of these assets and liabilities.
- As at 30 June 2023 and 31 December 2022, the fair values of other long-term financial assets were not materially different from the carrying amounts.
- As at 30 June 2023 and 31 December 2022, the fair values of the long-term bank borrowings (excluding lease liabilities and convertible bonds) were not materially different from the carrying amounts.
- As at 30 June 2023 the fair values of the converitble bonds amounted to €236 million (carrying amount €252 million). As at 31 December 2022, the fair values of the convertible bonds amounted to €224 million (carrying amount €247 million).

19 Borrowings

The Group's interest-bearing borrowings as at 30 June 2023 and 31 December 2022 are summarised in the following table:

	30 June 2023	31 December 2022
Floating rate borrowings		
Bank borrowings	250,000	250,000
Drawn revolving credit facility	295,000	210,000
GO-C facility	-	13,333
Schuldschein	10,000	10,000
Borrowing costs	(3,813)	(1,470)
	551,187	**481,863**
Fixed rate borrowings and lease liabilities		
Convertible bonds – liability component	251,760	247,248
Schuldschein	8,000	8,000
Lease liabilities	1,523,449	1,481,539
	1,783,209	**1,736,787**
	2,334,396	**2,218,650**
Of which:		
Non-current lease liabilities	1,303,079	1,265,086
Non-current borrowings	810,947	723,778
Current lease liabilities	220,370	216,453
Current borrowings	-	13,333

Convertible bonds – liability component

On 17 June 2021, the Company issued convertible bonds due June 2028 at 100% of their nominal value in an aggregate principal amount of €303.7 million. The convertible bonds have an interest rate of 1.50% payable semi-annually in arrears in equal instalments on 17 June and 17 December each year. The convertible bonds have a maturity of seven years and a denomination of €100,000 each. The bonds are convertible into ordinary shares of the Company at the option of the bondholders during the conversion period ending on the earlier of 7 business days prior to the maturity date or any relevant redemption date. The initial conversion price is set at €50.625, and will be subject to adjustment in certain circumstances in line with market practice.

The Company will have the option to redeem all, but not some only, of the convertible bonds for the time being outstanding at their principal amount together with accrued interest, at any time on or after 8 July 2025 provided that the volume-weighted average price of a Basic-Fit share on Euronext Amsterdam shall have exceeded 130% of the conversion price on each of not less than 20 trading days in any period of 30 consecutive trading days. Any outstanding convertible bonds are also redeemable at any time after settlement date if at least 85% of the issued bonds have been converted, settled or redeemed.

Convertible bondholders will be entitled to require an early redemption of their convertible bonds at their principal amount, together with accrued but unpaid interest, on 17 June 2026 or in case of a change of control as defined in the terms and conditions.

	Six months ended	
	30 June 2023	**2022**
Carrying amount of liability at 1 January	247,248	238,581
Accrued interest	6,790	13,222
Interest paid	(2,278)	(4,555)
Carrying amount of liability at 30 June 2023 respectively 31 December 2022	**251,760**	**247,248**

Bank borrowings: senior debt loans and drawn revolving credit facility (RCF)

In June 2023, the Group successfully completed an amend and extend of its existing facilities agreement, which is recognised as a modification with a prospective adjustment of the effective interest rate to reflect the new market rate and without recognising a modification gain or loss. Citibank was added as a new member of the syndicate, that already included Rabobank, ABN AMRO, ING Bank, BNP Paribas and KBC Bank.

The amended and extended facilities agreement consists of a €250 million term loan and a €400 million revolving facility, totalling €650 million. In addition to the term loan and revolving facilities, the agreement includes a new uncommitted revolving facility accordion of up to €150 million.

The maturities of both the term and revolving credit facilities have been extended to June 2027, with the option to request further extensions by one year in 2024 and 2025 to ultimately 2029. The margins in the ratchet on both facilities haven been increased by 25 basis points, reflecting the current lending environment.

As at 30 June 2023, an amount of €10.9 million (31 December 2022: €10.1 million) of the revolving facility of €400 million (31 December 2022: €320 million) had been used for bank guarantees and €295 million (31 December 2022: €210 million) had been drawn in cash.

The interest is variable and based on 3 month Euribor plus a margin that depends on certain leverage covenants (Euribor plus margin were 5.80% as at 30 June 2023 and 4.40% as at 31 December 2022). The term loan and RCF are unsecured.

GO-C facility

In May 2020, the Company entered into a €60 million GO-C facility agreement, repayable quarterly in a straight line over two years, after an initial one-year grace period. The last repayment was made in May 2023.

Schuldschein

In October 2019, Basic-Fit completed a Schuldschein issuance. As at 30 June 2023, the outstanding amount was €18 million (31 December 2022: €18 million). The outstanding amount has a maturity until October 2024. For an amount of €8 million, at 30 June 2023, the interest is fixed at 1.55% (31 December 2022: 1.55%) and for the remaining part, the interest is variable and based on Euribor plus an average weighted margin of 4.83% (31 December 2022: 3.45%). This loan is unsecured.

Borrowing costs

The carrying value of the borrowings is presented net of finance costs (30 June 2023: €3.8 million; 31 December 2022: €1.5 million). The finance costs are charged to the income statement based on the effective interest rate method over the period to maturity of the loans. The increase in the carrying value of the borrowing costs relates to the refinancing in June 2023.

Lease liabilities

The Group recognises lease liabilities to make lease payments regarding the right to use the underlying assets. For the six months ended 30 June 2023, as part of its response to COVID-19, Basic-Fit negotiated rent waivers with landlords for a total amount of €0.4 million (2022: €1.1 million). This is recorded as a separate line item in the consolidated statement of profit or loss.

Contractual maturities

As at 30 June 2023 and 31 December 2022, the contractual maturities of the Group's non-derivative financial liabilities were as follows:

	30 June 2023						
	Less than 6 months	**6 months to 1 year**	**1-2 years**	**2-5 years**	**Over 5 years**	**Total**	**Carrying amount**
Non-derivatives							
Convertible bonds	2,278	2,278	4,555	317,367	-	326,478	251,760
Borrowings[1]	16,196	16,072	50,027	608,324	-	690,619	563,000
Lease liabilities	106,534	117,130	232,132	625,504	625,651	1,706,951	1,523,449
Trade payables	113,226	-	-	-	-	113,226	113,226
Total non-derivatives	**238,234**	**135,480**	**286,714**	**1,551,195**	**625,651**	**2,837,274**	**2,451,435**

1 Excluding capitalised financing costs

	31 December 2022						
	Less than 6 months	**6 months to 1 year**	**1-2 years**	**2-5 years**	**Over 5 years**	**Total**	**Carrying amount**
Non-derivatives							
Convertible bonds	2,278	2,278	4,555	13,666	305,978	328,755	247,248
Borrowings[1]	24,094	10,625	39,126	470,423		544,268	491,333
Lease liabilities	110,643	108,425	216,354	596,115	618,350	1,649,887	1,481,539
Trade payables	149,167	-	-	-	-	149,167	149,167
Total non-derivatives	**286,182**	**121,328**	**260,035**	**1,080,204**	**924,328**	**2,672,077**	**2,369,287**

1 Excluding capitalised financing costs

Loan covenants

Under the terms of the current facilities, the Group is required to comply at any relevant period with certain financial covenants as defined in the facilities agreement (until the expiration date of the agreement):
- The leverage ratio should not be more than 3.50
- The interest cover ratio should be more than 2.00

As at 30 June, the Group complied with these covenants. The leverage ratio was 2.6 and the interest cover ratio was 12.7.

20 Earnings per share

The weighted average number of shares used for calculating the basic and diluted earnings per share for the six months ended 30 June 2023 and 30 June 2022 was 66.0 million.

The number of potential dilutive weighted-average shares not taken in consideration above, due to their antidilutive effect, amounted to 5,991,012 ordinary shares in both periods reported. These shares are related to the convertible bonds.

21 Share-based payments

The Company has equity-settled share-based payment plans for members of the Management Board and certain employees as part of their remuneration. Performance shares are awarded on an annual basis under the long-term incentive plan (LTIP) and will vest three years after the award date, subject to continued employment and based on achievement of a target revenue growth per annum and a target net debt / EBITDA ratio over the three-year performance period. Linear vesting applies between threshold (50%), target (100%) and maximum (150%) vesting levels.

Due to the NOW regulations and other government support measures during the COVID-19 period, no bonus could be paid over the years 2020 and 2021. The Supervisory Board and Management Board have exercised their discretionary competence and decided in 2022 that the LTIP 2018 (covering the year 2020) would vest on a pro rata basis, but that the overperformance for the years 2018 and 2019 would be ignored. As a result, LTIP 2018, which originally should have vested in June 2021, now vested in June 2022 based on 66.67% 'at target' performance basis, not considering threshold performance or overperformance.

LTIP 2019, which originally should have vested in May 2022, did not vest as targets were not met and the Supervisory Board and Management Board did not exercise their discretionary competence. As a result, the granted shares forfeited.

LTIP 2020, which originally should have vested in May 2023, also did not vest as two years were affected by NOW limitations and the targets for 2020 and 2021 were not met. As a result, the granted shares forfeited for the Leadership team. However, the Management Board exercised their discretionary competence in May 2023 and decided that the LTIP 2020 (covering the years 2020-2022) would vest on a pro rata basis for other participants for the year 2022 only and in a limited form. It was considered that targets were only partially achieved for the year 2022, and not for 2020 and 2021. As a result, LTIP 2020 vested in May 2023 based on 25% of the initial award and only for a small group of participants not being part of the Leadership team. This led to a vesting of 11,932 shares.

Unvested awards do not entitle the participant to any share ownership rights, such as the right to receive dividends and voting rights. When a particular participant's employment is terminated, unvested awards will be forfeited.

Ordinary shares released to the members of the Management Board after vesting of awards are subject to a mandatory holding period of five years from the award date, provided that a sufficient number of such ordinary shares can be sold to cover any taxes due upon vesting.

Details of the number of share awards outstanding are as follows:

	Six months ended 30 June 2023	2022
As at 1 January	201,119	262,576
Awarded during the year	65,676	54,966
Performance adjustment	-	(20,087)
Exercised during the year	(11,932)	(40,191)
Forfeited during the year	(101,008)	(56,145)
As at 30 June 2023 respectively 31 December 2022	**153,855**	**201,119**

The fair value of the performance shares awarded in 2023 and 2022 has been determined with reference to the share price of the Company's ordinary shares at the date of grant. Since dividends are not expected during the vesting period, the weighted average fair value of the performance shares awarded in 2023 is equal to share price at the date of grant of €34.16 (2022: €37.60).

The share-based payment expenses recognised in the first six months of 2023, with a corresponding entry directly in equity, amount to €793 thousand (2022: €518 thousand as a profit, due to performance adjustments and forfeitures).

22 Contingencies and commitments

Except as disclosed below, there were no material changes to the Group's contingencies and commitments during the first six months of 2023, compared to 31 December 2022.

Capital commitments

Significant capital expenditure contracted for the end of the reporting period but not recognised as liability is as follows:

	30 June 2023	31 December 2022
Property, plant and equipment	105,908	94,630

(Long-term) financial obligations

The Group entered into several lease agreements for which the low-value or short-term exemption option of IFRS 16 will be used and several agreements that do not (or not yet) meet the definition of a lease. Future payment obligations under these agreements are as follows:

	30 June 2023	31 December 2022
Within one year	6,283	10,842
After one year but not more than five years	99,963	111,547
More than five years	155,776	157,803
Total	**262,022**	**280,192**

These commitments mainly include lease agreements for new clubs that are not effective yet and that can be dissolved on the basis of resolutive conditions, for example if the required permits are not obtained or if the builiding is not delivered by the lessor in the condition as agreed.

No discount factor is used in determining these commitments.

Other commitments

As per 30 June 2023 an amount of approximately €10.9 million in total was issued in bank guarantees (31 December 2022: €10.1 million).

23 Cash and cash equivalents

For the purpose of the interim condensed consolidated statement of cash flow, cash and cash equivalents are comprised of the following:

	30 June 2023	31 December 2022	30 June 2022
Cash at bank and in hand	44,293	43,510	40,663
Bank overdraft	-	-	-
Total	**44,293**	**43,510**	**40,663**

24 Related party transactions

Except as disclosed otherwise and below, there are no material changes to the Group's related parties, related party transactions (including their terms and conditions) and (future) obligations towards related parties, compared to 31 December 2022.

Transactions and balances held with related parties

The table below provides the total amount of transactions that have been entered into with related parties during the six months ended 30 June 2023 and 30 June 2022. In addition, the table provides an overview of all balances held with these related parties as at 30 June 2023 and 31 December 2022. These amounts are mainly related to lease contracts. Remuneration of Management Board members and other key management personnel is not included in the following overview:

	Six months ended	
	30 June 2023	30 June 2022
Sales to related parties	-	7
Purchases from related parties	3,521	3,201

	30 June 2023	31 December 2022
Amounts owed by related parties[1]	-	7
Amounts owed to related parties[2]	1,754	588

1 Included in trade receivables
2 Included in lease liabilities and trade and other payables

25 Events after the reporting period

Subsequent events were evaluated up to 24 July 2023. There are no subsequent events.

Management Board's statement on the interim consolidated financial statements for the six months ended 30 June 2023

We prepared the interim condensed consolidated financial statements for the six months ended 30 June 2023 of Basic-Fit N.V. and the undertakings included in the consolidation taken as a whole in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Dutch disclosure requirements for half-yearly financial reports.

To the best of our knowledge:

- The interim financial statements prepared in accordance with IAS 34, "Interim Financial Reporting", give a true and fair view of the assets, liabilities and financial position at 30 June 2023, and of the result of our consolidated operations for the first half year of 2023.
- The financial and business review as included in the press release related to the first half year of 2023 includes a fair review of the information required pursuant to section 5:25d, subsections 8 and 9 of the Dutch Act on Financial Supervision.

Hoofddorp, 24 July 2023

Management Board

René Moos – Chief Executive Officer

Hans van der Aar – Chief Financial Officer

Overview risks

In the Directors' Report in our Annual Report 2022 we set out an overview of our primary strategic, operational, compliance and financial risks. Financial risks are also described in more detail in the notes to the Consolidated Financial Statements 2022 (Note 6.4).

Risk management policies of the Group are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

In the first six months of 2023, our risk assessment policies and the main identified risks as described in the Annual Report 2022 have not changed and we do not have any indication this will significantly change during the remaining six months of the financial year 2023.