MINUTES ANNUAL GENERAL MEETING BASIC-FIT N.V

HELD AT:
FRIDAY 26 APRIL 2024 – 10 A.M.
BASIC-FIT GXR STUDIO AT HOOFDDORP

Approved: 16 juni 2024

AGENDA

1) Opening

2) Report from the Management Board and the Supervisory Board 2023

3) Annual accounts 2023
    - (a) Corporate governance structure and compliance with the Dutch Corporate Governance Code (the "Code") in 2023
    - (b) Remuneration Report financial year 2023(advisory voting item)
    - (c) Adoption of the annual accounts 2023 (voting item)
    - (d) Discharge members of the Management Board (voting item)
    - (e) Discharge members of the Supervisory Board (voting item)
    - (f) Dividend policy

4) Proposal for adoption of the revised Remuneration policy
    - (a) Proposal to adopt the revised remuneration policy for the Management Board (voting item)
    - (b) Proposal to adopt the revised remuneration policy for the Supervisory Board (voting item)

5) Composition of the Supervisory Board
    - (a) Re-appointment Carin Gorter (voting item)

6) Designation of authority to issue shares:
    - (a) Designation of the Management Board to issue shares and/or to grant rights to subscribe for shares (voting item)
    - (b) Designation of the Management Board to restrict or exclude pre-emptive rights upon the issue of shares and/or the granting of rights to subscribe for shares as described under 5(a) (voting item)

7) Authorization of the Management Board to repurchase shares (voting item)

8) Appointment of external auditor:
    - (a) Appointment of Ernst & Young for the financial year 2025 (voting item)
    - (b) Proposal rotation new audit firm and appointment PwC for the financial year 2026 (voting item)

9) Questions and closing

1. OPENING

The Chair opens the meeting and welcomes all attendees, including those joining via webcast. The Chair introduces the members of the Managing Board, the Supervisory Board, the company secretary, the notary, and the external auditor.

The Chair notes that the legal and statutory provisions have been complied with and that the meeting has the power to take legal decisions on all proposals contained in the agenda.

The Chair explains the voting procedure and mentions the number of shares issued and the number of shares present or represented at the meeting.

2. REPORT FROM THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD 2023

The Chair invites Mr. Moos to present the report from the Management Board for the financial year 2023.

Mr. Moos reported on the company's performance in 2023, including:

- A record number of 1402 clubs, a net increase of 202 clubs in one year.
- A 13% increase in membership base to 3.8 million members.
- A 32% increase in revenue to €1.047 billion.
- An underlying EBITDA less rent increase of 28% to €261 million.

The company's growth and expansion were a key focus, with the Management Board reporting a record net increase of 202 clubs in one year, bringing the total number of clubs to 1402. The membership base also increased by 13% to 3.8 million members by the end of 2023, and revenue increased by 32% to €1.047 billion. Despite challenges such as high-cost inflation, the company amended its membership structure to deal with these extra costs, including increasing the price of its entry-level membership for new members and focusing on selling more premium memberships. This had a positive effect on the average revenue per member and contributed to the growth of revenue and underlying EBITDA less rent.

The company also continued its ambitious club rollout path, expanding its network by 202 clubs, in its growth markets of France, Spain, and Germany.

The acquisition of RSG Spain in December 2023 added forty-seven clubs to the company's quickly expanding Spanish network, bringing the total number of clubs in Spain to 199. The company's membership base increased by 13% in 2023, with the best performing countries being Spain and the Benelux countries. In terms of financial performance, total revenue increased by 32% to more than €1 billion, thanks to the combination of membership growth and growth of the average revenue per member.

Despite cost increases in wages, rent, and energy, the company was able to report a 28% higher underlying EBITDA less rent, to €260 million for the full year. The company recorded a small net loss of €2.7 million, compared to a small net loss of €3.7 million in the previous year. However, on an underlying basis, the company reported a net profit of €27.5 million, a 55% increase compared to the profit of €17.8 million in the previous year.

The company's net debt, excluding lease liabilities, increased by just over €100 million, to €804 million.

The company's growth strategy includes exploring franchise opportunities to maximize future growth and returns. The company has a unique technology stack that could be leveraged on a franchise platform, and franchising would enable the company to become active in more countries and on continents other than Europe. The company is currently in the process of determining which of several franchise options it considers most suitable and expects to have a clear view before the end of the year.

In terms of risk management, the company has a data protection and security officer appointed to support and advise the responsible managers and to implement solutions to mitigate cybersecurity risks. In 2024, the company will continue to develop its data governance policies and procedures.
The company also continues to enhance its sustainability strategy, which can further strengthen and support Basic-Fit's long-term strategy and mission. The company contributes to society by helping people to improve their health and fitness, reducing its environmental impact, and promoting strong communities. In addition, the company is making solid progress in being CSRD compliant over 2024.

Looking ahead, the company expects further robust growth of its club network and membership base in 2024. Including the clubs from the RSG Spain acquisition, the company expects to grow its network to 1575 clubs by year-end. The company expects revenue to increase to between €1.2 and €1.25 billion in 2024, and for the full year, it expects underlying EBITDA less rent of between €305 million and €330 million. The profitability in the second half of the year will be higher than in the first half of the year due to the substantial number of club openings in the first half of the year and the further increasing yield per member during the year. The company expects to generate free cash flow before new club openings per share of between €2.60 and €2.95, compared to €2.09 in 2023, representing growth of the free cash flow of between 24% and 41%. The company maintains its 2025 and 2026 free cash flow before new club opening and expects it to be between €3.50 and €4.10 and in 2026 between €4.30 and €5.00 respectively, as provided during its CMD. The company's nearly one thousand mature clubs will have a strong underlying club EBITDA less rent performance, which will result in a return on invested capital well over 30% in 2024.

The Chair invited questions from the attendees. Several shareholders asked questions and made comments on topics such as the company's growth, capital allocation, marketing spend, membership structure, and cybersecurity. The Management Board and the Supervisory Board provided answers and explanations to the questions and comments raised by the shareholders.

- Question from Mr. Keyner (VEB) about growth barriers, financing, franchising and Germany: Mr. Keyner asks four questions: what are the main barriers for Basic-Fit to grow faster than expected, how important is financing and finding locations, why is Germany slower to ramp up than France, and what are the benefits and challenges of franchising?
- Answer: Mr. Van der Aar answers that Basic-Fit is growing fast, but also wants to focus on the quality and returns of existing clubs. Regarding the expansion in Germany, Mr. van der Aar answers that financing and location are not the key hurdles, In Germany it takes more time to build relationships and trust with landlords and authorities.
  Franchising is a way to leverage the systems and brand of Basic-Fit in new markets without investing too much capital.

- Follow-up question from Mr. Keyner (VEB) about organizational structure and equity financing: Mr. Keyner asks if Basic-Fit needs to change its organizational structure to facilitate faster growth, and if it would consider raising equity to accelerate the expansion.
- Answer: Mr. Van der Aar and Mr. Moos answer that Basic-Fit has a simple and scalable business model, with a clear structure of business managers, regional managers, and cluster managers, well suited so support the growth.
  Furthermore, the company is not interested in raising equity at this point.

- Question from Mr. Stevense (SRB) about franchise, equipment lifespan, cannibalization and consumer spending: Mr. Stevense asks four questions: is franchise a necessity due to the net loss and low cash flow of Basic-Fit, how does extending the equipment lifespan from six to twelve years impact the environment and the depreciation, how does the premium membership affect the cannibalization of other memberships, and how does Basic-Fit forecast the consumer spending in the coming years.

- Answer: Mr. Van der Aar, Mr. Moos and Mr. Zekkri answer that franchise is not a necessity but a strategic choice to use the systems and brand of Basic-Fit in new markets. Extending the equipment lifespan has a positive impact on the environment and reduces the depreciation.
  The premium membership has a short-term negative impact on joiner numbers but a long-term positive impact on retention and referrals.
  Consumer spending is not something that Basic-Fit can control but it adapts to the market fluctuations.

- Question from Mr. Van der Niet (Private investor) about buying back shares: Mr. Van der Niet asks why Basic-Fit does not buy back shares at the current price level, which he thinks would generate a high return on capital for the shareholders.
- Answer: Mr. Van der Aar and Mr. Moos answer that Basic-Fit is a growth company that wants to use its cash flow to open new clubs with a high return on invested capital, and that buying back shares is not a priority for now, but it may be considered in the future when the cash flow is higher and the expansion is slower.

- Question from Mr. Rogmans (Add Value Fund) about debt target and subscription prices: Mr. Rogmans asks two questions: why Basic-Fit has a fixed debt target of € 1 billion instead of a relative target based on EBITDA, and how Basic-Fit decides and uses data to determine the optimal subscription prices and whether those vary by regions.
- Answer: Mr. Van der Aar and Mr. Moos answer that Basic-Fit has a debt target of € 1 billion for the midterm, but it may change in the long term when the EBITDA is higher, and the growth is lower.
  Basic-Fit uses external advisors and internal tests to determine the subscription prices. Company has changed them several times in the past and will continue to do so in the future, but company prefers to keep them simple and consistent across regions.

- Question from Mr. Haspels (Private investor) about capital allocation, marketing spend and unique members: Mr. Haspels asks three questions: at what share price would Basic-Fit consider buying back shares over expanding new clubs, how would the marketing spend as a percentage of revenue change if Basic-Fit stopped opening new clubs, and how many unique members visit the clubs on a yearly basis, including the premium members' friends.
- Answer: Mr. Moos and Mr. Van der Aar answer that Basic-Fit does not have a specific share price in mind for buying back shares, but it is more focused on growing the business and the number of clubs.
  The marketing spend as a percentage of revenue would not change much if Basic-Fit stopped opening new clubs, because it is already low

compared to other retail companies.
Basic-Fit has more than two million non-paying visitors on a regular basis, who are potential leads for future memberships.

- Question from Mr. Coppens (Private investor) about dynamic pricing, premium limit and German acquisition: Mr. Coppens asks three questions: does Basic-Fit consider dynamic pricing based on the number of members in a club, does Basic-Fit think about limiting the number of times a premium member can bring a friend, and does Basic-Fit plan to grow in Germany through acquisitions or organic openings.
- Answer: Mr. Moos answers that Basic-Fit is not working with dynamic pricing at this moment because it makes the communication and the membership more complex, and because company believes in having a consistent and simple price across regions. Basic-Fit is considering maximizing the benefits of the premium membership further to avoid cannibalization, but it also sees the benefits of having more referrals and retention.
Basic-Fit is interested in doing an acquisition in Germany, but only if it makes sense financially and strategically. Company is already growing organically in that market.

REPORT OF THE SUPERVISORY BOARD

The Management Board and the Supervisory Board have set out the key features of the corporate governance structure in the management report. The report of the Supervisory Board is included in the management report.

The Chair briefly reiterated the composition and structure of the management and the Supervisory Board and its committees, as well as how often they met during the year.
There are no additional questions related to this topic.

3. ANNUAL ACCOUNTS 2023

3A. CORPORATE GOVERNANCE STRUCTURE AND COMPLIANCE WITH THE DUTCH CORPORATE GOVERNANCE CODE (THE “CODE”) IN 2023

In accordance with the 2022 Code, the main elements of Basic-Fit's corporate governance structure and compliance with the Corporate Governance Code are discussed and accounted for at the Annual General Meeting of 2023. Emphasis is placed on the continuity and growth of Basic-Fit, whereby long-term value creation for the company is realized.

Company deviates from the Code on a few points. In the management report on page 92, Basic-Fit explains why there is a deviation from the code for these specific points.

3B. REMUNERATION REPORT FINANCIAL YEAR 2022 (ADVISORY VOTING ITEM)

The Supervisory Board formulated the key sections of the remuneration policy for the members of the Management Board and the current version of the remuneration policy was subsequently adopted by the General Meeting on 22 April 2020.

Chair gives the floor to the Chair of the Selection, Appointment and Remuneration committee, Mr. Herman Rutgers.

The remuneration policy is entrepreneurial and based on the growth profile of Basic-Fit. The remuneration policy aims at a good balance in the remuneration of the various directors and considers the social context, the corporate governance structure, and the interests of the stakeholders of Basic-Fit. The remuneration policy of Basic-Fit was established with a benchmarking exercise to examine the remuneration packages of directors in similar companies, in terms of growth, international orientation and complexity.

The policy includes fixed and variable components. The report details the base salary, short-term and long-term incentives, and supervisory board compensation of the management board members.

The short-term incentive of the management board members is based on financial and non-financial personal targets, with a maximum bonus of 60% of the base salary. In 2023, both the CEO and the CFO achieved the financial targets of total revenue and underlying EBITDA less rent, as well as some of the personal targets. The CEO received a bonus of 36% and the CFO received a bonus of 38% of their base salary, subject to the approval of the annual accounts.

The long-term incentive of the management board members is granted under the Performance Share Plan (PSP), which is linked to the company's growth and value creation. The vesting of the shares depends on the achievement of performance criteria over a three-year period. Due to the impact of COVID-19, the vesting of the shares under the 2020-2022 PSP was cancelled, and a new grant was awarded under the 2023-2026 PSP. The earliest vesting will take place in 2024, after the General Meeting, for the pro rata granted PSP for the period 2021-2023.

The remuneration of the members of the Supervisory Board consists of a fixed annual remuneration for their role as a member of the Supervisory Board. In addition, the Chair and members of the committees will receive a fixed additional annual fee and Basic-Fit-related travel and accommodation expenses are reimbursed. Basic-Fit does not grant the members of the Supervisory Board variable fees, shares, or options as part of the remuneration package.

The General Meeting of shareholders is invited to give a positive opinion on the remuneration report for 2023, which is included in the management report and published on the company's website. The report reflects the implementation of the remuneration policy and the actual remuneration of the management board and the supervisory board. The shareholders provide a positive advice of the remuneration report 2023.

3C. ADOPTION OF THE ANNUAL ACCOUNTS 2023 (VOTING ITEM)

The Chair invites Carin Gorter, the Chair of the Audit & Risk committee, to give a brief explanation on the annual accounts of 2023.

Ms. Gorter states that the committee comprises of herself and two other colleagues, and that they have discussed various topics such as the internal risk management and control systems, the IT strategy and cyber security, the non-financial information and the corporate sustainability directive, the internal audit plan and the tender process for a new external auditor.

Ms. Gorter says that the financial statements have been prepared by the Management Board and agreed on by the Supervisory Board, and that EY has audited them and issued an unqualified audit report. She also reminds the audience that the auditor can only answer questions related to the audit, the audit statement, and the financial statements.
Ms. Gorter inviter the auditor, Mr. Eimers, to explain their audit on the annual report 2023.

Mr. Eimers, the audit partner at EY, describes the scope, strategy, execution, and conclusion of the audit. He mentions the materiality, the key audit matters, the fraud and going concern assessments, the ESG considerations and the CSRD requirements. He also expresses his appreciation for the cooperation and transparency of the company and its committees.

The Chair thanks Ms. Gorter and Mr. Eimers for their explanations and invites the shareholders to ask questions about the annual accounts and the audit.

Question from VEB about internal audit and external auditor's reaction: Mr. Keyner from VEB asks the external auditor (EY) if they were surprised by any findings of the internal audit report. He also asks the company (Basic-Fit) to share some of the key findings. Mr. Eimers from EY says they had no surprises, and they also meet the internal auditor regularly. Mr. van der Aar from Basic-Fit says they have an internal team and work with Deloitte as the internal auditor, and they have no major findings.

Question from Mr. Stevense, SRB about the reliability of EY: Mr. Stevense asks Mr. Eimers how dependable he is, given that EY is under fire for some cases. Mr. Eimers says he stands as the accountant of Basic-Fit and he has no indication of doing anything wrong. He refers to EY's statement that they are under investigation and will not comment further.

Question from SRB about cybersecurity: Mr. Stevense from SRB asks how Basic-Fit deals with the risk of cybersecurity and if they have any breaches. Mr. Van der Aar from Basic-Fit says they collaborate with an external party (Northwave) to monitor and evaluate the cybersecurity risk, and their systems are very resilient.

Question from SRB about scope three: Mr. Stevense from SRB asks how Basic-Fit manages to get all the data for scope three, which he explains is about the greenhouse gas emissions of their value chain. Mr. Van der Aar from Basic-Fit says they work with Deloitte and EY to comply with all the ESG regulations and sustainability scopes, and they will have limited assurance in next year.

The Chair invited the attendees to vote on the adoption of the annual accounts for the financial year 2023. The annual accounts were adopted by the General Meeting.

3D. DISCHARGE OF THE MANAGEMENT BOARD

The Chair invites the attendees to vote on the discharge of the members of the Management Board for the financial year 2023. The members of the Management Board are granted discharge by the General Meeting for the performance of their duties in the past financial year.

3E. Discharge of the Supervisory Board

The Chair invites the attendees to vote on the discharge of the members of the Supervisory Board for the financial year 2023. The members of the Supervisory Board are granted discharge by the General Meeting for the performance of their duties in the past financial year.

3F. DIVIDEND POLICY

The policy aims to introduce dividend payments in the future, although any dividend proposal will be carefully assessed against other uses of cash. The Management wishes to maintain the current dividend policy.

4. PROPOSAL FOR ADOPTION OF THE REVISED REMUNERATION POLICY

4A. The revised remuneration policy for the Management Board (voting item)

4B. The revised remuneration policy for the Supervisory Board (voting item)

The Chair presents a proposal to adopt a revised remuneration policy for the Management Board and the Supervisory Board as from the financial year 2024.

The Chair invites Mr. Rutgers, the Chair of the Selection, Appointment, and Remuneration committee, to provide further explanation and to discuss the main changes to the remuneration policy.

Mr. Rutgers discusses the remuneration policy for the Management Board and the Supervisory Board and the key highlights of the changes to the policy. The changes are based on the outcome of a benchmark assessment and focus on bringing the remuneration in line with the median of the peer group. This leads to an adjustment of the variable elements of the remuneration of the Management Board. The base salary of the Management Board will not be increased in 2024. The new remuneration policy takes due notice of international developments and market practices regarding executive remuneration. The new remuneration policy will be applicable for a period of four years, being the financial years 2024 up to and including 2027, with retroactive effect to 1 January 2024.

The remuneration of the Supervisory Board is increased in line with the benchmark and the role of Vice-Chair is added.

There are no questions on this topic. The Chair invites the shareholders to vote on the adoption of the revised remuneration policy first for the Management Board and after that for the Supervisory Board. The General Meeting adopts the revised remuneration policy for both the Management Board and the Supervisory Board.

5. COMPOSITION OF THE SUPERVISORY BOARD

5A. RE-APPOINTMENT CARIN GORTER (VOTING ITEM)

The Chair explains the reasons for reappointing Carin Gorter, who has served as a member of the Supervisory Board and the Chair of the Audit & Risk committee since 2016. He highlights her experience and expertise in finance, risk, IT and ESG, and her valuable contribution to the Supervisory Board and its committees.

On request of Mr. Stevense, Ms. Gorter explains why she is available for another two years. Ms. Gorter answers that the company is amid recovery from difficult challenges and in the middle of the preparation and enhancement of diverse topics such as CSRD and cyber security. Ms. Gorter explains that she would be happy to contribute two more years to the supervision hereof.

Mr. Keyner from VEB says he will not vote against Ms. Gorter's reappointment, but he asks the company to start looking for her replacement soon, considering the corporate governance standards. The Chair says he notes the request.

The shareholders voted in favor of reappointing Carin Gorter as a member of the Supervisory Board for a third term of two years.

6. DESIGNATION OF AUTHORITY TO ISSUE SHARES

6A. DESIGNATION OF THE MANAGEMENT BOARD TO ISSUE SHARES AND GRANT RIGHTS

The General Meeting designated the Management Board until October 26th, 2025, to decide, with the approval of the Supervisory Board, to issue shares and/or grant rights to subscribe for shares up to a maximum of 10% of the issued capital.

6B. DESIGNATION OF THE MANAGEMENT BOARD TO RESTRICT OR EXCLUDE PRE-EMPTIVE RIGHTS

The General Meeting also designated the Management Board until October 26th, 2025, to decide, with the approval of the Supervisory Board, to restrict or exclude the pre-emptive rights when issuing shares or granting rights to acquire shares.

7. AUTHORIZATION OF THE MANAGEMENT BOARD TO REPURCHASE SHARES

The General Meeting authorized the Management Board to resolve to repurchase shares on the stock exchange or otherwise for a period of eighteen months until October 26th, 2025, up to a maximum of 10% of the issued share capital, with a limit of 10% of the issued capital for the treasury shares.

8. APPOINTMENT OF THE AUDITOR

8A. APPOINTMENT OF EXTERNAL AUDITOR FOR THE FINANCIAL YEAR 2025

The General Meeting appointed Ernst & Young Accountants LLP as the external auditor of the company for the financial year 2025, based on the advice and recommendation of the Audit & Risk committee and the assessment of the auditor's performance.

8B. Proposal rotation new audit firm and appointment PwC for the financial year 2026

The General Meeting approved the rotation of auditors from the financial year 2026, as required by the European and Dutch legislation, and appointed PricewaterhouseCoopers Accountants as the new auditor for that year. The meeting included an explanation of the selection procedure and the reasons for choosing PwC as the preferred candidate. The selection was based on a tender process, the audit approach, the Audit & Risk committee's recommendation, and the organizational and cultural fit of PwC with company.

9. QUESTIONS AND CLOSING

There were several questions and comments from shareholders, which were addressed by the Management Board and the Supervisory Board.

Mr. Keyner (VEB) asks about the transaction in Spain and why it is different from previous deals: Basic-Fit acquired forty-seven clubs in Spain because they were able to pay a reasonable amount that would allow them to make a return on their investment. The clubs had low rent contracts and did not require much refurbishment to meet Basic-Fit's standards.

Mr. Van der Niet (Private investor) asks two questions: one for Mr. van der Aar about the EBITDA per club and the return on invested capital, and one for Mr. Moos about the drivers of penetration rate in Europe.

Mr. van der Aar explains that the company has a high embedded value in their existing estate. Basic-Fit evaluates the performance of its clubs based on the EBITDA margin and the return on invested capital. Basic-Fit expects to reach an EBITDA margin of around € 460k per mature club in the midterm. Basic-Fit also aims to achieve a 30% return on every club when it is mature. Basic-Fit does not have loss making clubs, and if some clubs take longer to reach maturity, it will focus on them and spend more marketing. He also says that they do not allocate the overhead costs per club, as they are done centrally. Moos says that the main driver of penetration rate is opening more clubs, as people join a gym when it is close. He also says that Europe is behind the US in terms of fitness penetration, and that they attract a lot of new members who have never been in a gym before.

Question about the EBITDA margin and the share price: Mr. van der Aar says that company is confident that they can reach the margins and the EBITDA that they presented at the capital market day in November 2023. Mr. Moos says that he does not understand why the share price is lower now than when company was closed due to COVID, and that he thinks it is a temporary thing. He also says that they are happy being a listed company and that they have a lot of advantages from it.

The Chair thanks everyone for their attendance and participation and closes the meeting.