BASIC-FIT
PRESS RELEASE
HALF YEAR RESULTS 2021

# BASIC-FIT REPORTS STRONG MEMBERSHIP DEVELOPMENT AFTER REOPENING

*Financial results adversely affected by COVID-19-related government measures*

## H1 FINANCIAL HIGHLIGHTS[1]

- Clubs closed for 81% of the time, significantly impacting results
- Revenue decreased to €53.0 million (H1 2020: €182.5 million)
- Underlying EBITDA of minus €12.5 million (H1 2020: €62.2 million)
- Successful equity raise in April (€204 million) and convertible bond issue in June (€304 million)
- €497 million available liquidity at end of period

## H1 OPERATIONAL HIGHLIGHTS

- Clubs reopened in the Netherlands on 19 May (211 clubs) and in France and Belgium (640 clubs) on 9 June
- Record numbers of joiners after reopening with below average number of leavers
- Total number of memberships of 2.01 million (FY 2020: 2.00 million) compared to 1.75 million before reopening
- Total number of clubs increased by 68 in H1 2021 to 973 clubs (up 142 or 17% year on year)

## OUTLOOK

- Ample available liquidity allows for recommencement of execution of growth strategy
- Net new club openings of approximately 105 to 1,010 in 2021
- Acceleration of club rollout in 2022, which will bring us close to our target of 1,250 clubs by the end of 2022
- Club opening expectations are based on the assumption that there will be no new significant COVID-19 related government measures

**Rene Moos, CEO Basic-Fit:**

*The first half of the year was defined by COVID-19 related government measures. For 81% of the period we could not welcome our members to our clubs resulting in a significant loss of revenue.*

*In the weeks after reopening, many members quickly came back to our clubs and we saw our membership base increase by more than 250,000 in this short time period. This shows that fitness fulfils a real need and that people are eager to be active again and work on their health and fitness.*

*As a result of the successful equity raise in April and convertible bond issue in June, we ended the period with a comfortable available liquidity position of just below €500 million. We also came to an agreement with our banks for an amended covenant testing at both year-end 2021 and June 2022.*

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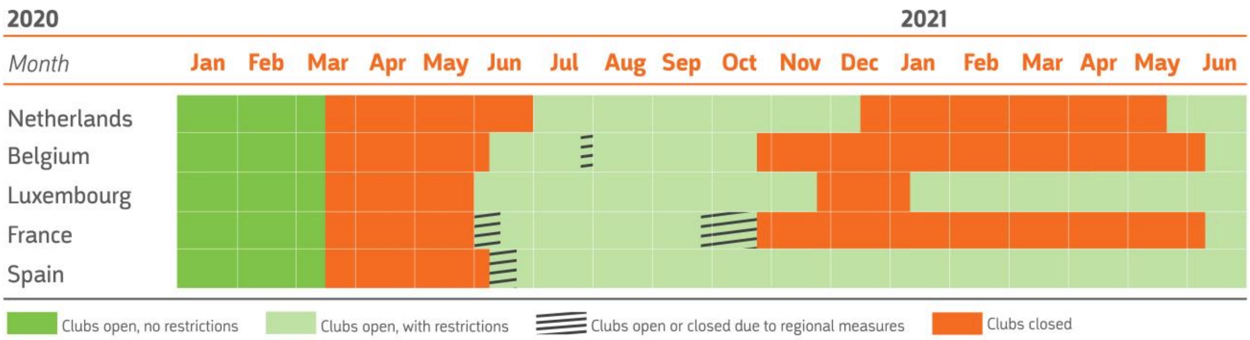
[1] Full IFRS reporting is provided in the condensed consolidated interim financial statements and notes to these statements

*The current comfortable financial position and the positive membership developments after reopening encouraged us to recommence the execution of our growth strategy. Our club openings pipeline remains strong and we expect to open a large number of clubs in the next 18 months, which should bring us close to the targeted 1,250 clubs at the end of 2022.*

*We continue to keep a close eye on the development of COVID-19 and potential subsequent government measures. Nearly all new property lease contracts include a pandemic clause, providing us with the flexibility to adjust the timing or pace of club openings in case new club closures would occur. It is currently not clear how the latest government measures in France could potentially impact the demand for fitness. We have large clubs and all our clubs are equipped with optimised ventilation systems and we maintain strict hygiene protocols to ensure that our staff and members have a safe place to work and work out in.*

## FINANCIAL AND BUSINESS REVIEW

***COVID-19 related temporary club closures***




The year started with all our clubs in the Netherlands, Belgium and France being temporary closed. This was a continuation of COVID-19 related government measures in these countries that were implemented during the last months of 2020. We reopened our Dutch clubs on 19 May and our Belgian and French clubs on 9 June. When our clubs in the Netherlands, Belgium and France reopened, we had to respect restrictions like a maximum number of visitors per square meter and social distancing. Since reopening, restrictions have been relaxed which means our members can do their workouts again during their favourite time of the day, visit their live group lessons and use the showers. In Spain our clubs remained open whilst our clubs in Luxembourg only had to close for a couple of weeks. In these countries we could stay open when abiding to strict government measures.

| KEY FIGURES (In € millions) | H1 2021 unaudited | H1 2020 unaudited |
|---|---|---|
| **Total revenue** | **53.0** | **182.5** |
| Club revenue | 52.1 | 181.7 |
| Non-club revenue | 0.8 | 0.8 |
| **Club operating costs** | **(52.5)** | **(85.2)** |
| Personnel costs | (8.4) | (22.1) |
| Other | (44.1) | (63.2) |
| **Club EBITDA** | **(0.4)** | **96.5** |
| **Overhead** | **(19.8)** | **(26.6)** |
| **EBITDA** | **(20.2)** | **69.9** |
| **D&A** | **(137.3)** | **(125.1)** |
| Depreciation and impairment tangibles | (61.0) | (55.2) |
| Amortisation and impairment intangibles | (4.7) | (7.8) |
| Depreciation right-of-use assets | (71.6) | (62.1) |
| **COVID-19 rent credits** | **16.9** | **8.6** |
| **EBIT** | **(140.5)** | **(46.6)** |
| Finance costs | (10.6) | (6.8) |
| Interest lease liabilities | (16.6) | (14.0) |
| Corporation tax | 42.1 | 15.4 |
| **Net result** | **(125.6)** | **(51.9)** |

| UNDERLYING KEY FIGURES | | |
|---|---|---|
| **Club EBITDA** | **(0.4)** | **96.5** |
| Rent costs (opened clubs) | (63.0) | (54.3) |
| Exceptional items - clubs | 72.1 | 49.4 |
| **Underlying Club EBITDA (opened clubs)** | **8.7** | **91.5** |
| **EBITDA** | **(20.2)** | **69.9** |
| Rent costs clubs and overhead, incl. car leases | (64.6) | (57.1) |
| Exceptional items - total | 72.2 | 49.4 |
| **Underlying EBITDA** | **(12.5)** | **62.2** |
| **Underlying net result*** | **(65.6)** | **(2.7)** |
| **Basic Underlying result per share (in €)** | **(1.06)** | **(0.05)** |
| **Diluted Underlying result per share (in €)** | **(1.06)** | **(0.05)** |

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

Totals are based on non-rounded figures.

## CLUB NETWORK AND MEMBERSHIP DEVELOPMENT

***Club development***

| | H1 2021 | FY 2020 | H1 2020 |
|---|---|---|---|
| Netherlands | 216 | 211 | 202 |
| Belgium | 205 | 193 | 188 |
| Luxembourg | 10 | 10 | 10 |
| France | 492 | 447 | 393 |
| Spain | 50 | 44 | 38 |
| **Total** | **973** | **905** | **831** |

In the first half of 2021, we expanded our network by 68 clubs (69 openings and 1 closure) to 973 clubs. Over the past twelve months we have added 142 club to our network (+17% year on year). We expanded our French network to 492 clubs, an increase of 45 clubs since the start of the year and 99 clubs or 25% over the past twelve months. In the Netherlands, we now operate 216 clubs, an increase of 14 clubs over the past twelve months. In Belgium and Spain, we increased our network by 17 and 12 clubs respectively over the past twelve months.

At the end of the period, we had 2.01 million memberships, which means that in a matter of several weeks we regained the memberships that we lost during the five months that our clubs were closed this year. Before the rebound in memberships started in the second half of May, we reached a low point of 1.75 million members. After the reopening of our clubs in Belgium and France on 9 June, we experienced record joiner growth rates for the group. We also benefitted from lower than usual churn rates since reopening.

A club is considered mature when it is at least 24 months old at the start of the year. Our 617 mature clubs had on average 2,540 members at the end of June. In the three to six weeks our Benelux and French clubs were open again, we recorded a recovery of 250 members per mature club. At the end of 2020 and June 2020 our mature clubs had on average 2,695 and 3,078 members.

## REVENUE

In the first half of the year, revenue was €53.0 million compared to €182.5 million in H1 2020. The decline in revenue was entirely due to COVID-19 related government measures in our geographies. On average our clubs were closed for 81% of the time compared to 49% of the time in the first half of 2020.

Other club revenue was €1.6 million compared to €3.3 million in H1 2020 due to a longer period of temporary club closures. Other club revenue includes income from our personal trainer concepts, physiotherapists, day passes, vending and advertising revenue via the screens in our clubs. Non-club revenue of €0.8 million was slightly higher compared to last year.

***Revenue split***

| *In € millions* | **H1 2021**<br>unaudited | **H1 2020**<br>unaudited | **change** |
|---|---|---|---|
| Total club revenue | 52.1 | 181.7 | -71% |
| o.w. Fitness revenue | 50.5 | 178.4 | -72% |
| o.w. Other club revenue | 1.6 | 3.3 | -51% |
| Non-club revenue | 0.8 | 0.8 | 5% |
| **Total revenue** | **53.0** | **182.5** | **-71%** |

*Totals are based on non-rounded figures*

During periods clubs were closed in the first half, all memberships related to these clubs were frozen. When clubs reopened, members who were entitled for compensation for fees paid while clubs were closed in H2 2020, were not charged for the period that corresponded with the amount of compensation. In essence this meant that existing Dutch members were not charged in May 2021 and Belgian and French members were not charged in June 2021. As from July onwards, all members in all countries will start to pay their usual fees again.

***Geographic revenue split***

| *In € millions* | **H1 2021** unaudited | **H1 2020** unaudited | **change** |
|---|---|---|---|
| Benelux | 25.1 | 92.3 | -73% |
| France & Spain | 27.9 | 90.2 | -69% |
| **Total revenue** | **53.0** | **182.5** | **-71%** |

*Totals are based on non-rounded figures*

In the first half of 2021, the Benelux segment recorded a revenue of €25.1 million (H1 2020: €92.3 million). Revenue in the France & Spain segment amounted to €27.9 million (H1 2020: 90.2 million). The revenue decline in both segments fully reflects the longer period of temporary club closures in our three largest countries in the first half of 2021 compared to the first half of 2020.

## CLUB EBITDA AND UNDERLYING CLUB EBITDA

Club EBITDA was minus €0.4 million, compared to €96.5 million in H1 2020. The loss recorded in the first half of 2021 is entirely the result of the long period our clubs were closed in the Benelux and France. The clubs combined in these countries accounted for approximately 95% of our clubs.

While on average we had more clubs in our network, total club operating expenses decreased to €52.5 million from €85.2 million in H1 2020. Personnel costs decreased to €8.4 million from €22.1 million in H1 2020. Other club costs decreased to €44.1 million from €63.2 million in H1 2020.

The reduction in costs was the result of cost-saving measures initiated after the COVID-19 outbreak in 2020 and government support schemes during the periods our clubs were temporarily closed. The government wage support schemes amounted to €30.5 million in the period (H1 2020: €16.2 million). The reduction in other club costs is explained by lower costs for sports water, lower maintenance costs and a one-off benefit of €11.2 million as a result of compensation received for fixed costs from the French and Belgian governments.

Underlying club EBITDA of opened clubs, which is club EBITDA of open clubs excluding exceptional items and adjusted for rent costs, was €8.7 million, compared to €91.5 million in H1 2020. The exceptional costs of €72.1 million include personnel, housing and other costs to the extent that we did not receive government compensation during the time that clubs were closed, as well as an IFRS 16 rent adjustment related to the rent costs of €63 million, which is the H1 2021 amount net of the COVID-19 rent credit of €16.9 million.

## EBITDA AND UNDERLYING EBITDA

EBITDA was minus €20.2 million compared to a profit of €69.9 million in H1 2020. Overhead costs decreased to €19.8 million from 26.6 million in H1 2020. The decrease can be attributed to a higher amount of government support schemes for head office personnel costs and lower marketing spend.

Underlying EBITDA, which is EBITDA excluding exceptional items and adjusted for rent costs, came in at a loss of €12.5 million, compared to a profit of €62.2 million in H1 2020.

## DEPRECIATION & AMORTISATION

Depreciation and impairment of tangibles were €61.0 million in H1 2021, compared to €55.1 million in H1 2020. Depreciation of right-of-use assets increased by 15% to €71.6 million from €62.1 million in H1 2020. The increase of both line items was driven by the growth of our club network.

Amortisation amounted to €4.7 million, compared to €7.8 million in H1 2020. In H1 2021, €2.0 million (H1 2020: €5.4 million) was related to the purchase price allocation at the time that Basic-Fit was partly acquired by 3i Investments Plc.

## COVID-19 RENT CREDIT

COVID-19 rent credits in the period amounted to €16.9 million (H1 2020: €8.6 million) and included property rent discounts received from our landlords that did not result in amendments to lease contracts. In the event of lease contract amendments, we remeasured right-of-use assets and lease liabilities in our balance sheet.

## OPERATING RESULT

The operating result (EBIT) was minus €140.5 million, compared to minus €46.6 million in the first half of 2020. The operating result fully reflects the loss of revenue due to temporary club closures. While we continued our efforts to reduce costs, such as personnel costs, marketing expenses and rent discounts and negotiated fixed cost compensation from governments, the savings realised and the government support schemes received were not enough to compensate for the loss of revenue.

## FINANCE COSTS

Total finance costs were €27.2 million, compared to €20.8 million in the first half of 2020. Finance costs related to borrowings increased by €3.8 million to €10.6 million in H1 2021. This increase reflects higher average borrowings during the period and a fee related to the bridge facility we temporarily had in place. Interest rate swap charges and valuation differences were a gain of €1.0 million compared to €0.6 million negative in H1 20. The interest on lease liabilities increased to €16.6 million in H1 2021 from €14.0 million in H1 2020 as a result of the club openings during 2020 and 2021.

## CORPORATE TAX

In H1 2021, we recorded corporate tax income of €42.1 million (H1 2020: €15.4 million income), representing an effective tax rate (ETR) of 25% (1H 20: 23%). The tax income is mainly 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 underlying loss for the period was €65.6 million (H1 2020: underlying net loss of €2.7 million). On a reported basis the net loss amounted to €125.6 million in H1 2021, compared to a net loss of €51.9 million in H1 2020. IFRS 16 adjustments and COVID-19 related exceptional items largely explain the difference between underlying and reported net loss.

***Reconciliation of net result to underlying net result***

| *In € millions* | **H1 2021** unaudited | **H1 2020** unaudited |
|---|---|---|
| **Net result** | **(125.6)** | **(51.9)** |
| IFRS 16 adjustments | 23.6 | 18.9 |
| PPA amortisation | 2.0 | 5.4 |
| Valuation differences IRS | (1.0) | 0.6 |
| Exceptional items | 0.3 | 0.1 |
| COVID-19 related exceptional costs | 72.0 | 49.3 |
| COVID-19 rent credits | (16.9) | (8.6) |
| Tax effects (25%) | (20.0) | (16.4) |
| **Underlying net result** | **(65.6)** | **(2.7)** |

*Totals are based on non-rounded figures*

## NET DEBT

Net debt (excl. lease liabilities) was €420 million at the end of June 2021, compared to €399 million at the end of June 2020 and €539 million at the end of December 2020. The decrease compared to year end 2020 is mainly explained by the net proceeds from the capital raise (€204 million gross proceeds) and convertible bond issue (€304 million[2]). The combined proceeds more than offset incurred operating losses during periods that our clubs were closed and capital expenditure related to new club openings.

Following the equity raise in April, we repaid the drawn part of the bridge facility and cancelled it. We also reached an agreement with syndicate banks to increase the revolving facility by €60 million.

As a result of the earlier communicated covenant waiver and relaxation there was no covenant test in June 2021.

In the period we came to an agreement with the syndicate banks for an amended covenant testing at both year-end 2021 and June 2022. The covenant ratios for these periods will be calculated based on the Q4 2021 adjusted EBITDA[3] to be used as a run rate for full year 2021 adjusted EBITDA and second half 2021 adjusted EBITDA respectively.

The IFRS net debt, including lease liabilities, was €1,665 million compared to €1,455 million at the end of June 2020 and €1,727 million at the end of December 2020.

Cash and cash equivalents stood at €207 million at the end of June 2021, compared to €70 million at the end of 2020. Including undrawn facilities, the company had access to cash and cash equivalents of €497 million at the end of June 2021 (€90 million end of 2020).

[2] €65 million was accounted for as equity at the end of June 2021

[3] 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

Net working capital was €119 million negative at the end of the period compared to €108 million negative at the end of June 2020 and €107 million at the end of December 2020.

## CAPITAL EXPENDITURE

The initial capex for the 69 clubs that we opened in the first half of 2021 was €1.17 million per club compared to €1.23 million in H1 2020. Regardless of the initial capex for a club, we continue to only sign a lease contract for a new club when we expect to achieve a return on invested capital (ROIC) of at least 30% at maturity.

Maintenance capex was €13.2 million in H1 2021, compared to €17.8 million in H1 2020. The average maintenance costs per club was €14 thousand, compared to €22 thousand in H1 2020. We decided to use the period that clubs were temporary closed to further roll out the installation of our smart camera system in more clubs and to make some other changes.

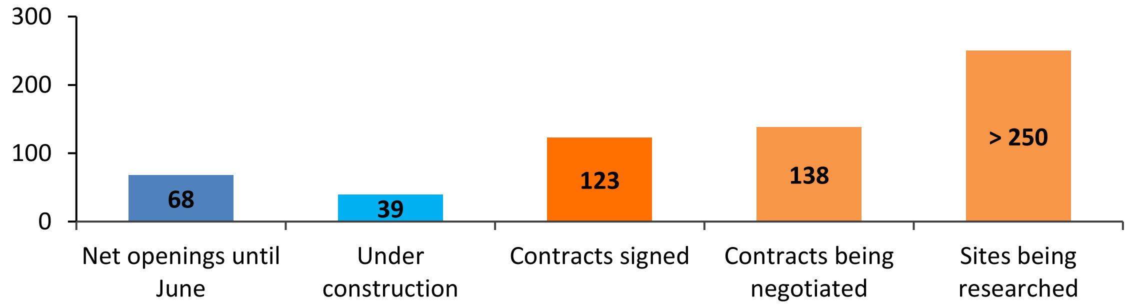
Other capex amounted to €4.1 million (H1 2020: €6.9 million). Other capex consists of investments in innovations and software development.

## OUTLOOK

Following the positive membership development after reopening of all our clubs we have recommenced the execution of our growth strategy. In June we opened net 68 clubs. Clubs that were largely already under construction at the time of the club closures at the end of 2020. Assuming we will not be confronted with significant COVID-19 related government measures in the second half of 2021, we expect to increase our club network by around 105 clubs to 1,010 clubs. We are also preparing the organisation to further accelerate the pace of club openings which should bring us close to the target 1,250 clubs by the end of 2022.

We continue to keep a close eye on the development of COVID-19 and potential subsequent government measures. It is currently not clear how the new government measures in France impact the demand for fitness. Nearly all property lease contracts for new clubs that we sign have a pandemic clause, which provides us with additional flexibility with regard to the timing and pace of club openings if we would be confronted with new club closures due to COVID-19.

*Club openings pipeline (# clubs)*




We intend to provide the market with a comprehensive update of our strategy and further insights of the trends we are witnessing after reopening at our Capital Markets Day on 4 November.

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## FOR MORE INFORMATION

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## AUDIO WEBCAST HALF YEAR RESULTS 2021

Date and time: 23 July 2021 at 14.00 CET
corporate.basic-fit.com
Basic-Fit is listed on Euronext Amsterdam in the Netherlands
ISIN: NL0011872650 Symbol: BFIT

## FINANCIAL CALENDAR

| | |
|---|---|
| Q3 2021 trading update | 27 October 2021 |
| Capital Markets Day | 04 November 2021 |
| FY 2021 results | 09 March 2022 |

## ABOUT BASIC-FIT

With 973 clubs, Basic-Fit is the largest fitness operator in Europe. We operate in five countries and more than 2 million 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 active people who care about their personal health and fitness. A typical subscription costs €19.99 per four weeks and gives people access to all our clubs in Europe plus all the benefits of the Basic-Fit App.

## 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 |
| Underlying EPS | Underlying net result divided by the weighted average number of shares |
| Net debt | Total of long- and short-term borrowings and IFRS16 lease liabilities, less cash and cash equivalents |
| Net debt (excl. lease liabilties) | Total of long- 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 maintencance costs |
| Average maintenance costs per club | Total maintencance capex divided by the average number of clubs |

## PRESENTATION

All reported data is unaudited.

## 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.

# Condensed consolidated interim financial statements (unaudited)

## Index

# Interim condensed consolidated statement of comprehensive income

## Consolidated statement of profit or loss

| *For the six months ended* | Note | 30 June 2021 Unaudited | 30 June 2020 Unaudited |
|---|---|---|---|
| | | € 000 | € 000 |
| Revenue | 5 | 52,956 | 182,503 |
| | | **52,956** | **182,503** |
| Costs of consumables used | 6 | (4,788) | (7,592) |
| Employee benefits expense | 7 | (20,432) | (34,829) |
| Depreciation, amortisation and impairment charges | 8 | (137,282) | (125,060) |
| COVID-19 rent credit | 18 | 16,940 | 8,616 |
| Other operating income | 9 | 11,496 | 1,080 |
| Other operating expenses | 10 | (59,385) | (71,279) |
| **Operating profit** | | **(140,495)** | **(46,561)** |
| Finance income | 11 | - | 59 |
| Finance costs | 11 | (27,207) | (20,830) |
| **Finance costs - net** | | **(27,207)** | **(20,771)** |
| Profit (loss) before income tax | | (167,702) | (67,332) |
| Income tax | 12 | 42,069 | 15,388 |
| **Profit (loss) for the year** | | **(125,633)** | **(51,944)** |

**Earnings per share for profit (loss) attributable to the ordinary equity holders of the company:**

| | | | |
|---|---|---|---|
| Basic earnings per share (in €) | 20 | (2.02) | (0.94) |
| Diluted earnings per share (in €) | 20 | (2.02) | (0.94) |

## Other comprehensive income

| *For the six months ended* | 30 June 2021 Unaudited | 30 June 2020 Unaudited |
|---|---|---|
| | € 000 | € 000 |
| **Profit (loss) for the year** | **(125,633)** | **(51,944)** |
| **Other comprehensive income for the year net of tax** | - | - |
| **Total comprehensive income for the year** | **(125,633)** | **(51,944)** |

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

# Interim condensed consolidated statement of financial position

| | Note | 30 June 2021 Unaudited € 000 | 31 December 2020 Audited € 000 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Goodwill | 14 | 203,604 | 203,604 |
| Other intangible assets | 15 | 47,722 | 48,649 |
| Property, plant and equipment | 16 | 765,105 | 747,115 |
| Right-of-use assets | 17 | 1,133,758 | 1,104,316 |
| Deferred tax assets | 12 | 66,226 | 45,530 |
| Receivables | | 6,041 | 5,933 |
| **Total non-current assets** | | **2,222,456** | **2,155,147** |
| **Current assets** | | | |
| Inventories | | 10,863 | 8,147 |
| Income tax receivable | | 930 | 966 |
| Trade and other receivables | | 40,746 | 42,944 |
| Cash and cash equivalents | | 207,287 | 70,406 |
| **Total current assets** | | **259,826** | **122,463** |
| **Total assets** | | **2,482,282** | **2,277,610** |
| **Equity** | | | |
| Share capital | | 3,960 | 3,600 |
| Share premium | | 690,526 | 490,025 |
| Reserves | | 50,730 | 1,590 |
| Retained earnings | | (310,146) | (184,513) |
| **Total equity** | | **435,070** | **310,702** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Lease liabilities | 19 | 1,040,859 | 1,013,496 |
| Borrowings | 19 | 557,405 | 546,259 |
| Derivative financial instruments | 18 | 1,394 | 2,111 |
| Deferred tax liabilities | 12 | - | 6,134 |
| Provisions | | 932 | 824 |
| **Total non-current liabilities** | | **1,600,590** | **1,568,824** |
| **Current liabilities** | | | |
| Trade and other payables | | 170,790 | 158,504 |
| Lease liabilities | 19 | 204,037 | 174,167 |
| Borrowings | 19 | 69,727 | 63,060 |
| Current income tax liabilities | | 3 | 7 |
| Derivative financial instruments | 18 | 1,100 | 1,345 |
| Provisions | | 965 | 1,001 |
| **Total current liabilities** | | **446,622** | **398,084** |
| **Total liabilities** | | **2,047,212** | **1,966,908** |
| **Total equity and liabilities** | | **2,482,282** | **2,277,610** |

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

# Interim condensed consolidated statement of changes in equity

Attributable to equity owners of Basic-Fit N.V.

**For the six months ended 30 June 2021 (in € 000)**

| | Share capital | Share premium | Treasury shares | Other capital reserves | Equity component of convertible bonds | Retained earnings | Total equity |
|---|---|---|---|---|---|---|---|
| **As at 1 January 2021** | **3,600** | **490,025** | **-** | **1,590** | **-** | **(184,513)** | **310,702** |
| **Comprehensive income:** | | | | | | | |
| Profit (loss) for the period | - | - | - | - | - | (125,633) | (125,633) |
| **Total comprehensive income for the period** | **-** | **-** | **-** | **-** | **-** | **(125,633)** | **(125,633)** |
| Issue of ordinary shares (note 20) | 360 | 203,640 | - | - | - | - | 204,000 |
| Issue of convertible bonds (note 19/20) (*) | - | - | - | - | 48,720 | - | 48,720 |
| Transaction costs - net of tax | - | (3,139) | - | - | - | - | (3,139) |
| Equity-settled share-based payments | - | - | - | 420 | - | - | 420 |
| **Transactions with owners recognised directly in equity** | **360** | **200,501** | **-** | **420** | **48,720** | **-** | **250,001** |
| **As at 30 June 2021 (unaudited)** | **3,960** | **690,526** | **-** | **2,010** | **48,720** | **(310,146)** | **435,070** |

*(*) €64,960 thousand classified as equity less €16,240 thousand deferred tax related to convertible bonds*

**For six months ended 30 June 2020 (in € 000)**

| | Share capital | Share premium | Treasury shares | Other capital reserves | Equity component of convertible bonds | Retained earnings | Total equity |
|---|---|---|---|---|---|---|---|
| **As at 1 January 2020** | **3,280** | **358,360** | **-** | **3,240** | **-** | **(58,394)** | **306,486** |
| **Comprehensive income:** | | | | | | | |
| Profit (loss) for the period | - | - | - | - | - | (51,944) | (51,944) |
| **Total comprehensive income for the period** | **-** | **-** | **-** | **-** | **-** | **(51,944)** | **(51,944)** |
| Issue of ordinary shares | 320 | 133,013 | - | - | - | - | 133,333 |
| Transaction costs - net of tax | - | (1,041) | - | - | - | - | (1,041) |
| Equity-settled share-based payments | - | - | - | 917 | - | - | 917 |
| Purchase of treasury shares | - | - | (1,435) | - | - | - | (1,435) |
| Exercised share-based payments | - | - | 1,435 | (1,817) | - | (930) | (1,312) |
| **Transactions with owners recognised directly in equity** | **320** | **131,972** | **-** | **(900)** | **-** | **(930)** | **130,462** |
| **As at 30 June 2020 (unaudited)** | **3,600** | **490,332** | **-** | **2,340** | **-** | **(111,268)** | **385,004** |

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

# Interim condensed consolidated statement of cash flow

| *For the six months ended* | Note | 30 June 2021 Unaudited € 000 | 30 June 2020 Unaudited € 000 |
|---|---|---|---|
| **Operating activities** | | | |
| Profit (loss) before income tax | | (167,702) | (67,332) |
| *Non-cash adjustments to reconcile profit (loss) before tax to net cash flows:* | | | |
| Depreciation and impairment of property, plant and equipment and right-of-use assets | 8 | 132,614 | 117,283 |
| Amortisation and impairment of intangible assets | 8 | 4,668 | 7,777 |
| COVID-19 rent credit | 19 | (16,940) | (8,616) |
| Share-based payment expense | 21 | 420 | 917 |
| Gain on disposal of property, plant and equipment | 9 | (233) | (768) |
| Finance income | 11 | - | (59) |
| Finance costs | 11 | 27,207 | 20,830 |
| Movements in provisions | | 72 | (73) |
| *Working capital adjustments:* | | | |
| Increase in inventories | | (2,717) | (201) |
| Change in trade and other receivables | | 2,199 | (14,798) |
| Increase in trade and other payables | | 7,361 | 29,647 |
| **Cash generated from operations** | | **(13,051)** | **84,607** |
| Interest received | | - | 59 |
| Interest paid | | (20,082) | (15,631) |
| Income tax received | | 79 | 3,409 |
| **Net cash flows from operating activities** | | **(33,054)** | **72,444** |
| **Investing activities** | | | |
| Proceeds from sale of property, plant and equipment | | 198 | 493 |
| Purchase of property, plant and equipment | | (72,738) | (101,739) |
| Purchase of other intangible assets | | (3,741) | (7,310) |
| Acquisition of a subsidiary, net of cash acquired | 4 | - | (400) |
| Repayment of loans granted | | - | 13 |
| Investments in other financial fixed assets | | (108) | (583) |
| **Net cash flows used in investing activities** | | **(76,389)** | **(109,526)** |
| **Financing activities** | | | |
| Proceeds from borrowings | | 61,996 | 75,000 |
| Repayments of borrowings | | (279,193) | (5,015) |
| Lease payments | | (35,210) | (39,110) |
| Proceeds from issue of shares | 20 | 204,000 | 133,333 |
| Proceeds from issue of convertible bonds | 19 | 303,700 | - |
| Transaction costs of issue of shares | 20 | (4,186) | (1,388) |
| Transaction costs related to loans and borrowings | | (4,783) | - |
| Purchase less sale treasury shares and exercised share-based payments | | - | (2,748) |
| **Net cash flows from/(used in) financing activities** | | **246,324** | **160,072** |
| **Net (decrease)/increase in cash and cash equivalents** | | **136,881** | **122,990** |
| Cash and cash equivalents at 1 January | | 70,406 | 66,487 |
| **Cash and cash equivalents at 30 June** | 23 | **207,287** | **189,477** |

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the interim condensed consolidated financial statements

## Index

## 1. Corporate information

Basic-Fit N.V. (the 'Company') is a company domiciled in the Netherlands. These interim condensed consolidated financial statements ('interim financial statements') as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (together referred as the 'Group' and individually as 'Group entities').

With 973 clubs and 2.0 million members, Basic-Fit is the largest fitness chain in Europe. The Group is active in five countries: the Netherlands, Belgium, Luxembourg, France and Spain. Basic-Fit operates a straightforward membership model, offering uncomplicated, essential and effective fitness experiences that are both affordable and easy to access for everyone. Building on a longstanding expertise, Basic-Fit combines a flexible low-cost membership model with high-quality fitness equipment and technology, virtual and live group lessons and usage of the Basic-Fit app.

The interim financial statements of Basic-Fit N.V. and its subsidiaries for the six months ended 30 June 2021 have not been audited or reviewed. The interim consolidated financial statements were authorised for publication in a Management Board and Supervisory Board meeting on 22 July 2021.

## 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 2021 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 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 judgment 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. For more information, reference is made to note 2.2.

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 2020.

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 COVID-19 update

In line with the situation as disclosed in the financial statements for the year ended 31 December 2020 (note 2.1 "COVID-19 Impact" and note 2.2 "Basis of preparation – Going concern") and the update as described below, the Management Board continues to adopt the going concern basis in the preparation of these interim financial statements and concludes that the situation does not involve material uncertainties that may cast significant doubt about the Group's ability to continue as a going concern.

At the date of the publication of the Annual Report 2020, all 850 clubs in the Netherlands, Belgium and France were closed due to government measures. The clubs in Spain (45) and Luxembourg (10) were open but with restrictions. As membership fees are not charged during club closures, cash and revenues were significantly impacted in 2020 and during the first months of 2021.

After the publication of the 2020 Annual Report on 9 March 2021, Basic-Fit continued its mitigating actions to reduce costs, optimise the Group's cash flows and preserve liquidity. These actions included cost and capital expenditure reductions, renegotiation of rent discounts and application for government support. In the meantime, membership fees were still only charged in countries were members had access to the clubs (at first only Spain, followed later by Luxembourg).

On 23 April 2021, Basic-Fit raised €204 million through an accelerated bookbuild offering of 6,000,000 new ordinary shares. Additionally, in June 2021 Basic-Fit successfully raised €303.7 million through an offering of senior unsecured convertible bonds with a maturity of 7 years. The net proceeds of both offerings will be used for general corporate and refinancing purposes and to provide the Company with the financial flexibility to accelerate the execution of its growth strategy. Including undrawn facilities, the Company had access to cash and cash equivalents of €497 million at the end of June 2021 (€90 million end of 2020).

Basic-Fit came to an agreement with its syndicate banks for an amendment of its covenant testing at 31 December 2021 and 30 June 2022. As a result, the leverage ratio and interest cover ratio at 31 December 2021 will be calculated based on EBITDA and interest as reported in the fourth quarter of 2021, multiplied by four. Furthermore, the leverage ratio and interest cover ratio at 30 June 2022 will be calculated based on EBITDA and interest as reported in the fourth quarter of 2021, multiplied by two plus EBITDA and interest as reported in the six months ended 30 June 2022.

As of 19 May 2021, Basic-Fit was allowed by the Dutch Government to welcome its members again in its Dutch clubs. As of 9 June 2021, also members in the Belgian and French clubs were welcomed. At the moment of the reopening of clubs in these countries, there were still restrictions applicable, mainly related to the maximum number of members that can work out at the same time. Restrictions have already been relaxed by the governments since the reopening, with the exception of the introduction of a mandatory health pass to enter the clubs in France as from the 21st of July.

Basic-Fit has seen strong momentum in its membership base after the reopening of the clubs. Members were keen to get back to their fitness routines and numerous new members were welcomed. After an initial period in which members were compensated for fees paid in 2020 related to periods that clubs were closed, Basic-Fit restarted the collection process of membership fees.

Encouraged by the strong membership developments, Basic-Fit has restarted its club rollout plans, resulting in 68 club openings in June 2021. Basic-Fit currently expects to realise a net growth of around 105 clubs in 2021, bringing the total number of clubs to approximately 1010.

Basic-Fit believes that the fitness industry can have a positive contribution in battling COVID-19. By offering a safe workout environment Basic-Fit enables people to work on their fitness and strengthen their immune system. Basic-Fit has introduced a number of measures to make sure members can work out and employees can work in a safe environment. Amongst others, the already high standard cleaning protocols were increased since the first lockdown. Basic-Fit offers ample availability of cleaning stations in the club so people can clean their equipment before and after their workout. In addition, Basic-Fit has optimised the ventilation in the clubs to make sure that there is no recirculation of air and ample inflow of fresh air. With an online reservation system, Basic-Fit is able to manage the flow of people to its clubs and the number of people in any club at any given time. This in combination with clear signage in the club assures that social distancing can be maintained.

**2.3 Critical accounting estimates and judgments**

In preparing these interim financial statements, management has made judgments 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 judgments 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 2020.

**2.4 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 2020, except for the adoption of new standards effective as of 1 January 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2021, but do not have an impact on the interim condensed consolidated financial statements of the Group.

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2021 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.

**Compound financial instruments**

In June 2021, Basic-Fit successfully raised €303.7 million through an offering of convertible bonds. The accounting policy for compound financial instruments is described below.

Compound financial instruments issued by the Group comprise convertible bonds denominated in euro that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognised in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

## 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 2021 and 2020, and include a reconciliation of underlying EBITDA to profit (loss) before tax for the Group:

*For six months ended 30 June 2021 (unaudited)*

| | Benelux | France & Spain | Total |
|---|---|---|---|
| **Revenues** | **25,071** | **27,885** | **52,956** |
| Underlying EBITDA segments | 30 | (1,778) | (1,748) |
| Other reconciling items | | | (10,738) |
| Total underlying EBITDA | | | (12,486) |

**Reconciliation of underlying EBITDA to profit (loss) before tax:**

| | |
|---|---|
| **Underlying EBITDA** | (12,486) |
| *Depreciation, amortisation and impairment charges* | (137,282) |
| *Finance costs – net* | (27,207) |
| *Invoiced rent* | 81,522 |
| *COVID-19 rent credit* | 16,940 |
| *Exceptional items:* | |
| *- COVID-19 related costs* | (88,905) |
| *- Other exceptional costs and profits* | (284) |
| **Profit (loss) before tax** | **(167,702)** |

*For six months ended 30 June 2020 (unaudited)*

| | Benelux | France & Spain | Total |
|---|---|---|---|
| **Revenues** | **92,264** | **90,239** | **182,503** |
| Underlying EBITDA segments | 44,940 | 29,808 | 74,748 |
| Other reconciling items | | | (12,532) |
| Total underlying EBITDA | | | 62,216 |

**Reconciliation of underlying EBITDA to profit (loss) before tax:**

| | |
|---|---|
| **Underlying EBITDA** | 62,216 |
| *Depreciation, amortisation and impairment charges* | (125,060) |
| *Finance costs – net* | (20,771) |
| *Invoiced rent* | 65,667 |
| *COVID-19 rent credit* | 8,616 |
| *Exceptional items:* | |
| *- COVID-19 related costs* | (57,925) |
| *- Other exceptional costs and profits* | (75) |
| **Profit (loss) before tax** | **(67,332)** |

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

### Entity-wide information

The Group operates in five countries. Note 5 contains a breakdown of revenues of these countries. Revenue in the Netherlands, the Group's country of domicile, is €17.3 million (2020: €40.4 million). Furthermore, 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 2021 Unaudited | 31 December 2020 Audited |
|---|---|---|
| The Netherlands (country of domicile) | 538,618 | 550,389 |
| Belgium | 399,847 | 383,535 |
| Luxembourg | 34,717 | 36,019 |
| France | 1,069,647 | 1,040,436 |
| Spain | 107,360 | 93,305 |
| **Total** | **2,150,189** | **2,103,684** |

Non-current assets for this purpose consist of property, plant and equipment, right-of-use assets, goodwill and other intangible assets. The additions to non-current assets (Segment Benelux €41 million, Segment France and Spain €113 million) are directly related to the investments in new club openings.

## 4. Business combinations

### *Acquisitions 2021*

There were no acquisitions during the first six months of 2021.

### *Acquisitions 2020*

During the first six months of 2020 the Group acquired one fitness club through an asset deal. The purchase price net of cash was €400 thousand, which was mostly allocated to property, plant and equipment, customer relationships, leased assets and related lease liabilities. 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 2021 and 2020 as at the date of acquisition was as follows:

| | Six months ended (unaudited) | |
|---|---|---|
| *Fair value recognised on acquisition* | 30 June 2021 | 30 June 2020 |
| **Assets** | | |
| Property, plant and equipment | - | 277 |
| Right-of-use assets | - | 1,099 |
| Customer relationships | - | 148 |
| **Liabilities** | | |
| Lease liabilities | - | (1,099) |
| Accrued expenses and deferred income | - | (25) |
| **Total identifiable net assets acquired at fair value** | **-** | **400** |
| Goodwill arising on acquisition | - | - |
| **Purchase consideration transferred** | **-** | **400** |
| Less: cash acquired | - | - |
| **Net outflow of cash - investing activities** | **-** | **400** |

## 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 (unaudited) | |
|---|---|---|
| | **30 June 2021** | **30 June 2020** |
| **Type of goods or service** | | |
| Fitness revenue | 50,486 | 178,394 |
| Other revenue | 2,470 | 4,109 |
| **Total** | **52,956** | **182,503** |
| | | |
| **Geographical markets** | | |
| The Netherlands | 17,265 | 40,386 |
| Belgium | 5,712 | 47,968 |
| Luxembourg | 2,094 | 3,910 |
| France | 18,011 | 83,547 |
| Spain | 9,874 | 6,692 |
| **Total** | **52,956** | **182,503** |
| | | |
| **Timing of revenue recognition** | | |
| Products and services transferred over time | 45,117 | 172,864 |
| Products transferred at a point in time | 7,839 | 9,639 |
| **Total** | **52,956** | **182,503** |

Other revenue relates to revenue from personal trainer services, day passes, rental income and revenue from sales via the online store and vending machines.

### 5.2 Contract balances

The following table provides information about receivables and contract liabilities from contracts with customers:

| *As at* | **30 June 2021 Unaudited** | **31 December 2020 Audited** |
|---|---|---|
| Receivables, which are included in 'Trade and other receivables' | 5,380 | 16,022 |
| Deferred revenues, which are included in 'Trade and other payables' | 33,468 | 46,570 |

The receivables relate to amounts due from customers for services performed in the past period(s), less provision for impairment. The contract liabilities primarily relate to the advance consideration received from customers, for which revenue is recognised over time.

### 5.3 Seasonality of operations

Membership growth varies through the year due to seasonality and marketing activities, with January/February and the end of the summer holidays (usually the second half of August and September) being the most active membership recruitment periods.

## 6. Cost of consumables used

| | Six months ended (unaudited) | |
|---|---|---|
| | 30 June 2021 | 30 June 2020 |
| Cost of food and drink | (1,479) | (2,398) |
| Other cost of sales | (3,309) | (5,194) |
| **Total** | **(4,788)** | **(7,592)** |

During the six months ended 30 June 2021, cost of food and drinks include €848 thousand related to stocks whose expiration date has passed as a direct consequence of the forced club closures. There were no inventory write-downs recognised during the six months ended 30 June 2020.

## 7. Employee benefits expense

The employee benefits expense can be broken down as follows:

| | Six months ended (unaudited) | |
|---|---|---|
| | 30 June 2021 | 30 June 2020 |
| Salaries and wages (including share-based payments) | (14,590) | (26,583) |
| Social security contributions | (5,218) | (7,590) |
| Pension costs – defined contribution plans | (624) | (656) |
| **Total** | **(20,432)** | **(34,829)** |

Salaries and wages and social security contributions include €29.9 million (2020: €16.2 million) respectively €606 thousand (2020: nil) in government grants received as further disclosed in note 13.

## 8. Depreciation, amortisation and impairment charges

| | Six months ended (unaudited) | |
|---|---|---|
| | 30 June 2021 | 30 June 2020 |
| Depreciation of property, plant and equipment | (60,867) | (55,305) |
| Depreciation of right-of-use assets | (71,634) | (61,978) |
| Amortisation of other intangible assets | (4,668) | (7,777) |
| Impairment of property, plant and equipment | (113) | - |
| **Total** | **(137,282)** | **(125,060)** |

## 9. Other operating income

| | Six months ended (unaudited) | |
|---|---|---|
| | 30 June 2021 | 30 June 2020 |
| Net gain on disposal of property, plant and equipment and right-of-use assets | 233 | 768 |
| Insurance reimbursements | 76 | 306 |
| Government grants | 11,161 | - |
| Other operating income | 26 | 6 |
| **Total** | **11,496** | **1,080** |

Government grants are further disclosed in note 13.

## 10. Other operation expenses

| | Six months ended (unaudited) | |
|---|---|---|
| | 30 June 2021 | 30 June 2020 |
| Other personnel expenses | (2,626) | (6,680) |
| Housing expenses | (36,999) | (36,951) |
| Net marketing expenses | (3,391) | (8,525) |
| Write-off of bad debts, incl. collection agency costs | (4,327) | (5,299) |
| Short-term and low-value lease expenses and other lease adjustments | (396) | (819) |
| Other car expenses | (389) | (475) |
| Overhead and administrative expenses | (11,257) | (12,530) |
| **Total** | **(59,385)** | **(71,279)** |

## 11. Finance income and costs

| | Six months ended (unaudited) | |
|---|---|---|
| | 30 June 2021 | 30 June 2020 |
| **Finance income:** | | |
| Other interest income | - | 59 |
| **Total finance income** | **-** | **59** |
| | | |
| **Finance costs:** | | |
| Interest on convertible bonds | (464) | - |
| Interest on external debt and borrowings | (9,548) | (5,802) |
| Lease liabilities interest | (16,580) | (14,006) |
| Valuation difference derivative financial instruments | 962 | (629) |
| Other finance costs | (1,577) | (393) |
| **Total finance costs** | **(27,207)** | **(20,830)** |
| | | |
| **Total finance costs - net** | **(27,207)** | **(20,771)** |

## 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. The major components of the income tax expense in the interim condensed consolidated statement of comprehensive income are:

| | Six months ended (unaudited) | |
|---|---|---|
| *Consolidated statement of comprehensive income* | 30 June 2021 | 30 June 2020 |
| | | |
| **Consolidated statement of profit or loss** | | |
| **Current income tax:** | | |
| Current income tax charge | - | (1,661) |
| Adjustments in respect of current income tax of previous year | 46 | 3,548 |
| | **46** | **1,887** |
| **Deferred income tax:** | | |
| Change in deferred tax asset for carry forward losses available for offsetting against future taxable income | 42,547 | 11,840 |
| Changes in other deferred tax assets and liabilities recognised in profit or loss | (524) | 1,661 |
| | **42,023** | **13,501** |
| **Total income tax** | **42,069** | **15,388** |

The current income tax charge for the six months ended 30 June 2021 includes no charge (2020: €1.3 million) 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. As the taxable base was negative in the six months ended 30 June 2021, the charge was nil.

The effective income tax rate is calculated as follows:

| | Six months ended (unaudited) | |
|---|---|---|
| | 30 June 2021 | 30 June 2020 |
| Profit (loss) before income tax expense | (167,702) | (67,332) |
| **Income tax** | **42,069** | **15,388** |
| Effective income tax rate | 25.1% | 22.9% |
| Applicable income tax rate | 25.0% | 25.0% |

***Amounts recognised directly in equity***

All aggregate current and deferred tax arising in the reporting periods have been recognised in the net profit or loss. Furthermore, an amount of €16.2 million in deferred taxes relating to the issue of convertible bonds has been directly debited to equity and an amount of €1.0 million in deferred taxes relating to incremental costs directly attributable to the newly issued shares has been directly credited to equity.

***Deferred taxes in the interim condensed consolidated statement of financial position***

The deferred income tax assets and liabilities on 30 June 2021 and 31 December 2020 can be specified as follows:

| | 30 June 2021 Unaudited | 31 December 2020 Audited |
|---|---|---|
| Losses available for offsetting against future taxable income | 85,457 | 41,864 |
| Tax incentives (investment allowance) | 705 | 646 |
| Purchase price allocation | (7,141) | (7,623) |
| Goodwill amortisation for tax purposes | (10,971) | (10,111) |
| Convertible bonds | (17,320) | - |
| Leases | 13,873 | 12,632 |
| Valuation of property, plant and equipment | 957 | 1,149 |
| Timing of expense recognition | 42 | (25) |
| Derivative financial instruments | 624 | 864 |
| **Net deferred tax assets/(liabilities)** | **66,226** | **39,396** |

After netting deferred tax assets and deferred tax liabilities within the same tax entity for an amount of €35.8 million (31 December 2020: €12.0 million), these positions are as follows:

| | 30 June 2021 Unaudited | 31 December 2020 Audited |
|---|---|---|
| Deferred tax assets | 66,226 | 45,530 |
| Deferred tax liabilities | - | (6,134) |
| **Net deferred tax assets (liabilities)** | **66,226** | **39,396** |

***Tax losses***

At 30 June 2021, Basic-Fit recognised €85.5 million (31 December 2020: €41.9 million) deferred tax assets for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. Significant management judgment 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.

Based on the budget for 2021 and later years, and with reference to the assumptions and significant judgments 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

### *Wage subsidy programmes*

Wage subsidy programmes as introduced by the governments in the Netherlands, Belgium and France and as disclosed in the 2020 Annual Report were continued in 2021 for the period that Basic-Fit was forced to keep its fitness clubs closed. These programmes are accounted for in accordance with IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance' and reduced salaries and wages, as disclosed in note 7 'Employee benefits expense', by €30.5 million in the six months ended 30 June 2021 (2020: €16.2 million).

### *General state aid France and Belgium*

The French Government offers financial rescue packages in response to the outbreak of the COVID-19 pandemic. This support is recognised as other operating income (note 9 'Other operating income') and amounts to €10.8 million in the six months ended 30 June 2021 (2020: nil).

Furthermore, other operating income includes €361 thousand (2020: nil) related to cost compensation programmes offered by the Belgian Government.

## 14. Goodwill and impairment testing

During the six months ended June 2021 and June 2020, there was no movement 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 2020. 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.

## 15. Intangible assets

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

| | Six months ended 30 June 2021 (unaudited) | | | | Six months ended |
|---|---|---|---|---|---|
| | Trademark | Customer relationships | Other intangible assets | Total | 30 June 2020 (unaudited) |
| **As at 1 January** | | | | | |
| Cost | 44,918 | 63,516 | 29,300 | 137,734 | 127,511 |
| Accumulated impairments and amortisation | (15,722) | (58,927) | (14,436) | (89,085) | (73,331) |
| **Net book value** | **29,196** | **4,589** | **14,864** | **48,649** | **54,180** |
| **Period ended 30 June** | | | | | |
| **Opening net book value** | 29,196 | 4,589 | 14,864 | 48,649 | 54,180 |
| Additions | - | - | 3,741 | 3,741 | 6,387 |
| Acquired through business combinations | - | - | - | - | 148 |
| Cost of disposals | - | - | (6) | (6) | (2) |
| Amortisation for the year | (1,122) | (1,241) | (2,305) | (4,668) | (7,777) |
| Accumulated depreciation of disposals | - | - | 6 | 6 | 2 |
| **Closing net book value** | **28,074** | **3,348** | **16,300** | **47,722** | **52,938** |
| **As at 30 June** | | | | | |
| Cost | 44,918 | 63,516 | 33,035 | 141,469 | 134,044 |
| Accumulated impairments and amortisation | (16,844) | (60,168) | (16,735) | (93,747) | (81,106) |
| **Net book value** | **28,074** | **3,348** | **16,300** | **47,722** | **52,938** |

## 16. Property, plant and equipment

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

| | Six months ended 30 June 2021 (unaudited) | | | | Six months ended |
|---|---|---|---|---|---|
| | Land and building | Building improvement | Other fixed assets | Total | 30 June 2020 (unaudited) |
| **As at 1 January** | | | | | |
| Cost | 2,000 | 735,113 | 421,573 | 1,158,686 | 968,849 |
| Accumulated impairments and depreciation | (500) | (202,292) | (208,779) | (411,571) | (306,736) |
| **Net book value** | **1,500** | **532,821** | **212,794** | **747,115** | **662,113** |
| **Period ended 30 June** | | | | | |
| **Opening net book value** | 1,500 | 532,821 | 212,794 | 747,115 | 662,113 |
| Additions | - | 53,923 | 25,055 | 78,978 | 85,591 |
| Acquired through business combinations | - | - | - | - | 277 |
| Cost of disposals | - | (2,412) | (811) | (3,223) | (2,676) |
| Depreciation for the year | (25) | (33,414) | (27,428) | (60,867) | (55,305) |
| Impairment | - | (113) | - | (113) | - |
| Accumulated depreciation of disposals | - | 2,415 | 800 | 3,215 | 2,665 |
| **Closing net book value** | **1,475** | **553,220** | **210,410** | **765,105** | **692,665** |
| **As at 30 June** | | | | | |
| Cost | 2,000 | 786,624 | 445,817 | 1,234,441 | 1,052,041 |
| Accumulated impairments and depreciation | (525) | (233,404) | (235,407) | (469,336) | (359,376) |
| **Closing net book value** | **1,475** | **553,220** | **210,410** | **765,105** | **692,665** |

The additions and disposals of the first six months of 2021 mainly relate to the opening of 69 new clubs and the closing of 1 club. In the first six months of 2020, 47 new clubs were opened.

## 17. Right-of-use assets

| | Six months ended 30 June 2021 (unaudited) | | | | Six months ended |
|---|---|---|---|---|---|
| | Leased buildings | Leased vehicles | Other equipment | Total | 30 June 2020 (unaudited) |
| **As at 1 January** | 1,100,412 | 3,462 | 442 | 1,104,316 | 950,261 |
| Additions | 70,862 | - | - | 70,862 | 80,490 |
| Remeasurements | 29,483 | 731 | - | 30,214 | 14,635 |
| Depreciation | (70,595) | (923) | (116) | (71,634) | (61,978) |
| **As at 30 June** | **1,130,162** | **3,270** | **326** | **1,133,758** | **983,408** |

## 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 2021 and 31 December 2020:

| | 30 June 2021 Unaudited | | 31 December 2020 Audited | |
|---|---|---|---|---|
| **Assets** | Derivatives at FVPL (*) | Loans and receivables | Derivatives at FVPL | Loans and receivables |
| Loan receivable (non-current) | - | 119 | - | 119 |
| Trade and other receivables excluding prepayments (current) | - | 5,380 | - | 16,022 |
| **Total** | **-** | **5,499** | **-** | **16,141** |

*(*) Fair value through profit and loss*

Set out below is an overview of financial liabilities held by the Group as at 30 June 2021 and 31 December 2020:

| | 30 June 2021 Unaudited | | 31 December 2020 Audited | |
|---|---|---|---|---|
| **Liabilities** | Derivatives at FVPL | Other financial liabilities at amortised cost | Derivatives at FVPL | Other financial liabilities at amortised cost |
| Convertible bonds | - | 234,421 | - | - |
| Bank borrowings | - | 392,711 | - | 609,319 |
| Lease liabilities | - | 1,244,896 | - | 1,187,663 |
| Derivative financial instruments | 2,494 | - | 3,456 | - |
| Trade and other payables excluding non-financial liabilities | - | 77,176 | - | 70,096 |
| **Total** | **2,494** | **1,949,204** | **3,456** | **1,867,078** |
| | | | | |
| Total current liabilities | 1,100 | 350,940 | 1,345 | 307,323 |
| Total non-current liabilities | 1,394 | 1,598,264 | 2,111 | 1,559,755 |

### *Financial risk management*

The Group's activities expose the Group to a variety of financial risks: market risk (including currency risk and price risk), credit risk and liquidity risk. The interim financial statements do not include all financial risk management information and should be read in conjunction with the Group's 2020 annual financial statements as at 31 December 2020. Furthermore, reference is made to chapter "Risk overview" for an update of the risk profile of the Group following the impact of the COVID-19 pandemic.

### *Fair value estimation*

On 30 June 2021, the Group had five financial instruments measured at fair value (31 December 2020: nine). These instruments relate to interest rate swaps which are designated as 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***

- At 30 June 2021 and 31 December 2020, 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.
- At 30 June 2021 and 31 December 2020, the fair values of other long-term financial assets were not materially different from the carrying amounts.
- At 30 June 2021 the fair value of the convertible bonds was not materially different from the carrying amount.
- At 30 June 2021 the fair values of the long-term bank borrowings (excluding lease liabilities) amounted to €317 million (carrying amount €323 million). At 31 December 2020 the fair values of the long-term borrowings amounted to €536 million (carrying amount €546 million).

## 19. Borrowings

The Group's interest-bearing borrowings as at 30 June 2021 and 31 December 2020 are summarised in the following table:

| | 30 June 2021 Unaudited | 31 December 2020 Audited |
|---|---|---|
| **Floating rate borrowings** | | |
| Convertible bonds – liability component | 234,421 | - |
| Bank borrowings | 250,000 | 250,000 |
| Drawn revolving credit facility | - | 210,500 |
| GO C-facility | 53,334 | 60,000 |
| Schuldschein | 83,500 | 83,500 |
| Borrowing costs | (2,213) | (2,801) |
| | **619,042** | **601,199** |
| **Fixed rate borrowings and lease liabilities** | | |
| Schuldschein | 8,000 | 8,000 |
| Lease liabilities | 1,244,896 | 1,187,663 |
| Other bank borrowings | 90 | 120 |
| | **1,252,986** | **1,195,783** |
| | | |
| | **1,872,028** | **1,796,982** |
| Of which: | | |
| **Non-current lease liabilities** | 1,040,859 | 1,013,496 |
| **Non-current borrowings** | 557,405 | 546,259 |
| **Current lease liabilities** | 204,037 | 174,167 |
| **Current borrowings** | 69,727 | 63,060 |

**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, commencing on 17 December 2021. 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 was set at €50.625, (35% premium over the reference share price) 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 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 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 bonds are also redeemable at any time after settlement date if at least 85% of the issued bonds have been converted, settled or redeemed.

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.

| | |
|---|---|
| Proceeds from issue of convertible notes | 303,700 |
| Transaction costs | (4,783) |
| **Net proceeds** | **298,917** |
| Amount classified as equity (net of transaction costs of €1.0 million) | (64,960) |
| **Amount classified as liability (net of transaction costs of €3.8 million)** | **233,957** |
| Accrued interest | 464 |
| **Carrying amount of liability at 30 June 2021** | **234,421** |

**Bank borrowings: senior debt loans and drawn revolving credit facility (RCF)**
The multicurrency term and revolving facilities agreement consists of a €250 million term loan and a €200 million revolving credit facility. The agreement includes an additional €150 million accordion facility of which at the date of publication of these interim financial statements €100 million is available to be drawn. Basic-Fit can request the syndicated banks to make the remaining €50 million available under the terms of the senior facility agreement, but that amount is not yet committed.
As at 30 June 2021, an amount of €9.4 million (31 December 2020: €9.8 million) of the revolving facility of €300 million (including €100 million from the accordion) had been used for bank guarantees and the remaining part was not drawn (31 December 2020: €210.5 million drawn in cash).

The interest is variable and based on Euribor plus a margin that depends on certain leverage covenants (currently 2.45%). The term loan and RCF are unsecured. In July 2021, the term loan and revolving credit facility agreement were extended with one year to June 2025.

**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 interest is variable and based on Euribor plus a margin that depends on certain leverage covenants (currently 2.71%). As part of the GO-C regulation, the Dutch State (Staat der Nederlanden) guarantees 80% of the loan for the benefit of the lenders. Furthermore, as part of the GO-C regulation, the Company is not allowed to pay any dividends until the loan has been fully repaid. The loan is recognised on the basis of IFRS 9 as the interest is a market-rate as that is required by the GO-C regulation. Therefore, IAS 20 related to accounting for government grants is not applicable. As at 30 June 2021, an amount of €26.7 million (31 December 2020: €20 million) related to repayments within twelve months after the reporting period is classified as current

liabilities.

**Bridge facility**

In February 2021, Basic-Fit successfully secured a €150 million bridge facility. In March and April 2021, Basic-Fit drew €60 million in total of this facility. In May 2021, the facility was repaid with (part of) the proceeds of the equity raise and cancelled.

**Schuldschein**

In October 2019, Basic-Fit completed a Schuldschein issuance in euro-denominated tranches with maturities of three and five years. As at 30 June 2021, the outstanding amount was €91.5 million (31 December 2020: €91.5 million). For an amount of 8.0 million, the interest is fixed at 2.05% (31 December 2020: 1.80%) and for the remaining part, the interest is variable and based on Euribor plus an average weighted margin of 1.96% (31 December 2020: 1.72%). This loan is unsecured. As at 30 June 2021, an amount of €43 million (31 December 2020: €43 million) is temporarily presented as part of current liabilities as at that date, no formal agreement had been reached with the lenders with respect to a potential breach of the loan covenants.

**Borrowing costs**

The carrying value of the borrowings is presented net of finance costs (30 June 2021: €2.2 million; 31 December 2020: €2.8 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.

**Other bank borrowings**

In October 2019, as part of an acquisition, Basic-Fit took over a bank debt with a remaining value of €195 thousand. This loan is repayable in quarterly instalments of €15 thousand. The interest rate is fixed at 1.90%.

**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 2021, as part of its response to COVID-19, Basic-Fit negotiated rent waivers with landlords for a total amount of €16.9 million (2020: €8.6 million). This is recorded as a separate line item in the consolidated statement of profit or loss.

### *Contractual maturities*

As at 30 June 2021 and 31 December 2020, the contractual maturities of the Group's non-derivative financial liabilities were as follows:

| | 30 June 2021 (unaudited) | | | | | | |
|---|---|---|---|---|---|---|---|
| | **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 | 13,667 | 312,811 | 335,589 | 234,421 |
| Borrowings (*) / (**) | 19,257 | 18,911 | 110,196 | 285,559 | - | 433,923 | 394,924 |
| Lease liabilities | 119,905 | 86,651 | 173,105 | 476,975 | 552,094 | 1,408,730 | 1,244,896 |
| Trade payables | 77,176 | - | - | - | - | 77,176 | 77,176 |
| **Total non-derivatives** | **218,616** | **107,840** | **287,856** | **776,201** | **864,905** | **2,255,418** | **1,951,417** |

| | 31 December 2020 (audited) | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Less than 6 months** | **6 months to 1 year** | **1-2 years** | **2-5 years** | **Over 5 years** | **Total** | **Carrying amount** |
| **Non-derivatives** | | | | | | | |
| Borrowings (*) / (**) | 14,033 | 20,556 | 114,724 | 511,229 | - | 660,542 | 612,120 |
| Lease liabilities | 93,985 | 82,727 | 164,862 | 459,133 | 556,570 | 1,357,277 | 1,187,663 |
| Trade payables | 70,096 | - | - | - | - | 70,096 | 70,096 |
| **Total non-derivatives** | **178,114** | **103,283** | **279,586** | **970,362** | **556,570** | **2,087,915** | **1,869,879** |

*(*) Excluding lease liabilities, convertible bonds and capitalised financing costs*

*(**) The Schuldschein loans are disclosed based on their original maturities, while in the statement of financial position, these are partly recognised as current (€43 million)*

### *Loan covenants*

In response to the dynamic environment and the uncertainties related to the development of the COVID-19 pandemic, in December 2020, Basic-Fit negotiated a covenant waiver for its semi-annual testing of leverage and interest cover ratios at year end 2020 and June 2021.

Basic-Fit came to an agreement with its syndicate banks for an amendment of its covenant testing at 31 December 2021 and 30 June 2022. As a result, the leverage ratio and interest cover ratio at 31 December 2021 will be calculated based on EBITDA and interest as reported in the fourth quarter of 2021, multiplied by four. Furthermore, the leverage ratio and interest cover ratio at 30 June 2022 will be calculated based on EBITDA and interest as reported in the fourth quarter of 2021, multiplied by two plus EBITDA and interest as reported in the six months ended 30 June 2022.

Under the updated terms, the Group is expected to comply with the following covenants and agreements:

| | **December 2021** | **June 2022** | **December 2022** |
|---|---|---|---|
| Leverage ratio | ≤4:50 : 1.00 | ≤3:50 : 1.00 | ≤3:50 : 1.00 |
| Interest cover ratio | ≥2:00 : 1.00 | ≥2:00 : 1.00 | ≥2:00 : 1.00 |
| Minimal liquidity | €100 million | €100 million | Not applicable |
| Dividend allowed | No | No | Yes (*) |

*(*) The Company is not allowed to pay any dividends until the GO-C facility has been fully repaid*

## 20. Equity

### *Share capital*

The subscribed capital as at 30 June 2021 amounts to €3.96 million and is divided into 66,000,000 shares fully paid-up with a par value per share of €0.06.

In April 2021, the Company issued 6,000,000 ordinary shares at a price of €34.00 per share resulting in an increase in total equity value of €204 million. Of this amount, €203.6 million is recorded in the share premium reserve and €360 thousand in the share capital.

In June 2020, the Company issued 5,333,333 ordinary shares at a price of €25.00 per share resulting in an increase in total equity value of €133.3 million. Of this amount, €133 million is recorded in the share premium reserve and €320 thousand in the share capital.

| | Six months ended 30 June 2021 Unaudited | 31 December 2020 Audited |
|---|---|---|
| **As at 1 January** | 3,600 | 3,280 |
| Issued ordinary shares | 360 | 320 |
| **As at 30 June 2021 respectively 31 December 2020** | **3,960** | **3,600** |

### *Share premium*

The share premium from the proceeds of the issuance of new shares in April 2021 of €203.6 million is recorded less incremental costs qualified to be directly attributable to the newly issued shares of €4.2 million, net of the related tax impact of €1.0 million.

The share premium from the proceeds of the issuance of new shares in June 2020 of €133.0 million is recorded less incremental costs qualified to be directly attributable to the newly issued shares of €1.4 million, net of the related tax impact of €347 thousand.

| | Six months ended 30 June 2021 Unaudited | 31 December 2020 Audited |
|---|---|---|
| **As at 1 January** | 490,025 | 358,360 |
| Issued ordinary shares | 200,501 | 131,665 |
| **As at 30 June 2021 respectively 31 December 2020** | **690,526** | **490,025** |

### *Equity component of convertible bonds*

The reserve for convertible bonds of €48.7 million comprises the amount allocated to the equity component as disclosed in note 19 'Borrowings' (€65.0 million), net of tax (€16.2 million) and relates to the convertible bonds issued by the Group in June 2021.

### *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 2021 is 62.122 million.
The weighted average number of shares used for calculating the basic and diluted earnings per share for the six months ended 30 June 2020 is 55.195 million.

The number of potential dilutive weighted-average shares not taken in consideration above, due to their antidilutive effect, amount to 430,868 ordinary shares (2020: nil). 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. As from 2017, performance shares are awarded on an annual basis under the long-term incentive plan (LTIP).

The performance shares awarded in 2018, 2019 and 2020 under the LTIP 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 debt / EBITDA ratio over the three-year performance period 2018-2020, 2019-2021 and 2020-2022 respectively. Linear vesting applies between threshold (50%), target (100%) and maximum (150%) vesting levels. In direct response to the impact of COVID-19 on Basic-Fit, the Management Board has decided not to award new performance shares during the six months ended 30 June 2021 and that for any share plan that includes the years 2020 and 2021, no bonuses will be paid over the results for the years 2020 and 2021. The decision if the shares granted for 2018-2020 will be able to vest for the pro rata part of the shares for the years 2018 and 2019 will be made in 2022, and depends on the situation and recovery of the Company at that moment. As a result, no vesting of the share plan 2018-2020 can and will take place in 2021.

When a particular participant's employment is terminated, unvested awards will be forfeited. The unvested awards do not entitle the participant to any share ownership rights, such as the right to receive dividends and voting rights. 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 2021 Unaudited** | **31 December 2020 Audited** |
|---|---|---|
| At 1 January | 228,072 | 211,827 |
| Awarded during the year | - | 120,589 |
| Performance adjustment | - | 23,427 |
| Exercised during the year | - | (117,125) |
| Forfeited during the year | - | (10,646) |
| **As at 30 June 2021 respectively 31 December 2020** | **228,072** | **228,072** |

The fair value of the performance shares awarded 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 2020 is equal to share price at the date of grant of €15.33.

The share-based payment expenses recognised in the first six months of 2021, with a corresponding entry directly in equity, amount to €421 thousand (first six months of 2020: €917 thousand).

## 22. Contingencies and commitments

Except as disclosed otherwise below, there were no material changes to the Group's contingencies and commitments during the first six months of 2021, compared to 31 December 2020.

### *Capital commitments*

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

| | 30 June 2021<br>Unaudited | 31 December 2020<br>Audited |
|---|---|---|
| Property, plant and equipment | 27,742 | 36,686 |

### *(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 2021<br>Unaudited | 31 December 2020<br>Audited |
|---|---|---|
| Within one year | 7,278 | 6,491 |
| After one year but not more than five years | 50,996 | 51,098 |
| More than five years | 80,222 | 82,285 |
| **Total** | **138,496** | **139,874** |

Furthermore, before 30 June 2021 the Group has entered into a number of rental agreements for new locations for a total amount of €61 million (31 December 2020 €109 million), of which approximately €34 million (31 December 2020 €61 million) expires after more than five years). These agreements can be dissolved on the basis of resolutive conditions, for example if the required permits are not obtained.

No discount factor is used in determining these commitments.

### *Other commitments*

As per 30 June 2021 an amount of approximately €9.4 million in total was issued in bank guarantees (31 December 2020: €9.8 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 2021<br>Unaudited | 30 June 2020<br>Unaudited |
|---|---|---|
| Cash in bank and on hand | 207,287 | 189,477 |
| Cash in transit | - | - |
| **Total** | **207,287** | **189,477** |

## 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 2020.

### *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 2021 and 30 June 2020 (both unaudited). In addition, the table provides an overview of all balances held with these related parties as at 30 June 2021 (unaudited) and 31 December 2020 (audited). 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:

| | | Sales to related parties | Purchases from related parties | Amounts owed by related parties (*) | Amounts owed to related parties (**) |
|---|---|---|---|---|---|
| **Management Board of the Group:** | | | | | |
| Other director's interest | 2021 | 11 | 2,289 | 9 | 4,217 |
| | 2020 | - | 1,979 | - | 1,618 |

*(*) Included in 'trade receivables'*
*(**) Included in 'lease liabilities' and 'trade and other payables'*

In response to COVID-19, the Group received €0.6 million rent discount in the six months ended 30 June 2021 (2020: €1.6 million) from related parties.

## 25. Events after the reporting period

Subsequent events were evaluated up to 22 July 2021. There are no subsequent events.

# Management Board's statement on the interim consolidated financial statements for the six months ended 30 June 2021

We have prepared the interim condensed consolidated financial statements for the six months ended 30 June 2021 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 2021, and of the profit of our consolidated operations for the first half year of 2021.
- The financial and business review as included in the press release related to the first half year 2021 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, 22 July 2021

Management Board

René Moos – Chief Executive Officer

Hans van der Aar – Chief Financial Officer

# Overview risks

In the Directors' Report in our Annual Report 2020 we set out an overview of our primary strategic, operational, legal and compliance and financial risks. Financial risks are also described in more detail in the notes to the Consolidated Financial Statements 2020 (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 2021, our risk assessment policies and the main identified risks as described in the Annual Report 2020 have not changed and we do not have indication this will significantly change the remaining six months of the financial year 2021. However, as a result of the vaccination policies in our area of activity, the pandemic has reached a new phase with less restrictions. All clubs in all countries have reopened its doors in June 2021. Furthermore, the liquidity position of Basic-Fit has been strengthened further with a 10% share issue on 22 April 2021 and a Convertible Bond Issue on 17 June 2021.