BASIC-FIT PRESS RELEASE
HALF-YEAR RESULTS 2022

Hoofddorp, 29 July 2022

RECORD MEMBERSHIP GROWTH FOR BASIC-FIT

Strong recovery continues with membership base up 45% year-on-year

H1 OPERATIONAL HIGHLIGHTS

- 107 net club openings, growing the network to 1,122 clubs
- Number of memberships increased by 45% year-on-year to 2.92 million (H1 2021: 2.01 million)
- Average number of memberships at mature clubs increased to 3,138 (YE 2021: 2,646)

H1 FINANCIAL HIGHLIGHTS

- Revenue of €355 million (H1 2021: €53 million)
- Underlying EBITDA of €60.2 million (H1 2021: minus €12.5 million)
- Net loss of €28 million (H1 2021: net loss €126 million)
- June 2022 produced first net profit after start of the COVID-19 pandemic
- €181 million available liquidity

OUTLOOK 2022

- Membership growth of 1.3 million to around 3.5 million
- Network expected to grow to around 1,250 clubs
- Revenue of between €800 and €850 million and underlying EBITDA of around €225 million

RENE MOOS, CEO BASIC-FIT:

'In line with our accelerated growth ambitions, we grew our network by a record 107 clubs to 1,122 in the first half of the year. We are on track to grow our network to around 1,250 clubs this year and 2,000 clubs by 2025.

I am very pleased to see the strong growth of our membership base. We are confident that by the end of the year our mature clubs will be back at the average membership level of before the COVID-19 pandemic.

To support the positive momentum of our membership growth, we have been spending more on marketing and will continue to do so in the second half of the year. We now expect to increase our membership base by 1.3 million to around 3.5 million memberships in 2022.

One of the drivers of our strong performance are our attractive membership prices. To cope with today's inflationary environment, we have been successfully increasing the uptake of the Premium membership. In the month of June, over 35% of joiners chose a Premium membership. This compares to 23% of Premium memberships in our base at the start of the year. This will result in a gradual increase of the average yield per membership. We will continue with a further optimisation of our membership structure in the second half of the year to solidify the positive yield development."

KEY FIGURES

(In € millions)

	H1 2022 unaudited	H1 2021 unaudited	CHANGE
Total revenue	**354.6**	**53.0**	**570%**
Club revenue	351.8	52.1	575%
Non-club revenue	2.8	0.8	234%
Club operating costs	**(147.4)**	**(52.5)**	***181%***
Personnel costs	(58.2)	(8.4)	*593%*
Other	(89.2)	(44.1)	*102%*
Club EBITDA	**204.4**	**(0.4)**	
Overhead	**(58.5)**	**(19.8)**	***196%***
EBITDA	**145.9**	**(20.2)**	
D&A	**(155.9)**	**(137.3)**	***14%***
Depreciation and impairment tangibles	(69.6)	(61.0)	*14%*
Amortisation and impairment intangibles	(4.2)	(4.7)	*-10%*
Depreciation right-of-use assets	(82.1)	(71.6)	*15%*
COVID-19 rent credits	**1.1**	**16.9**	***-94%***
EBIT	**(8.9)**	**(140.5)**	***-94%***
Finance costs	(12.2)	(10.6)	*15%*
Interest lease liabilities	(15.9)	(16.6)	*-4%*
Corporation tax	8.9	42.1	*-79%*
Net result	**(28.0)**	**(125.6)**	***-78%***

Underlying key figures			
Club EBITDA	**204.4**	**(0.4)**	
Rent costs (opened clubs)	(90.3)	(63.0)	43%
Exceptional items - clubs	1.5	0.1	1278%
Exceptional items - clubs - COVID-19	4.3	72.0	-94%
Underlying Club EBITDA (opened clubs)	**120.0**	**8.7**	**1273%**
EBITDA	**145.9**	**(20.2)**	
Rent costs clubs and overhead, incl. car leases	(92.1)	(64.6)	43%
Exceptional items - total	2.1	0.3	635%
Exceptional items - total - COVID-19	4.3	72.0	-94%
Underlying EBITDA	**60.2**	**(12.5)**	
Underlying net result*	**(20.6)**	**(65.6)**	**-69%**
Basic underlying result per share (in €)	**(0.31)**	**(1.06)**	**-70%**
Diluted underlying result per share (in €)	**(0.29)**	**(1.06)**	**-73%**

* Adjusted for IFRS 16, purchase price allocation-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

Geographic club split

	H1 2022	FY 2021	H1 2021
Netherlands	224	216	216
Belgium	213	205	205
Luxembourg	10	10	10
France	608	528	492
Spain	67	56	50
Total	**1,122**	**1,015**	**973**

In line with our accelerated club growth strategy, we expanded our network by a record 107 clubs (109 openings and 2 closures) to 1,122 clubs in the first half of 2022. Over the past twelve months we have added 149 clubs to our network (+15% year-on-year). Most of the new clubs that we opened in the first half of the year were located in our growth markets France (80) and Spain (11). Compared to a year ago, we expanded our network in these countries by 116 (+24%) and 17 (+34%) clubs respectively. In the Netherlands and Belgium, we expanded our network by eight clubs each. We now operate 224 clubs in the Netherlands and 213 in Belgium.

Membership development

In millions, end of period	2022	2021	change
Start of the year	2.22	2.00	11%
First quarter	2.63	1.80	46%
Second quarter	2.92	2.01	45%
Third quarter		2.21	
Fourth quarter		2.22	

In the first half of the year, our membership base increased by 700 thousand or 32% to 2.92 million. Compared to the first half of 2021, memberships increased by 45%. The strong performance in the first half of 2022 is broad-based, with both mature and immature clubs growing strongly in all countries.

A club is considered mature when it is at least 24 months old at the start of the calendar year. Because of the pandemic, we temporarily report mature club performance based on the current 503 clubs that were mature before the start of the pandemic in 2020.

Our 503 mature clubs had on average 3,138 memberships at the end of the first half of 2022, compared to 2,646 memberships at the start of the year.

REVENUE

Revenue split

In € millions	H1 2022 unaudited	H1 2021 unaudited	change
Club revenue	351.8	52.1	575%
o.w. Fitness revenue	343.0	50.5	579%
o.w. Other club revenue	8.8	1.6	437%
Non-club revenue	2.8	0.8	234%
Total revenue	**354.6**	**53.0**	**570%**

Totals are based on non-rounded figures

Group revenue increased to €355 million, compared to €53 million in the first half of 2021. The increase in fitness revenue to €343 million (H1 2021: €50.5 million) was the result of all our clubs being open for the entire period (except for the first two weeks in January for our Dutch clubs), in combination with strong membership growth. In the first half of 2021, our clubs were closed for 81% of the time, which resulted in a considerable loss of revenue. The average revenue per member per month was €22.22 (H1 2021: €4.20).

During the last months of the reporting period, we intensified our efforts to promote our Premium membership by adding more benefits to this membership. The Premium membership costs €29.99/4 weeks, compared to the Comfort membership which costs €19.99/4 weeks. We aim to grow the uptake of Premium memberships as this positively influences our average revenue per membership per month. At the end of the first half of 2022, Premium memberships accounted for 26% of our total memberships, compared to 23% at the start of the year. We currently see an uptake of the Premium membership of well over 35%. By adding more benefits to the Premium membership, we expect the uptake to increase further.

Other club revenue increased to €8.8 million (H1 2021: €1.6 million) and includes income from our personal trainer concepts, physiotherapists, day passes, vending and advertising revenue via the screens in our clubs. Non-club revenue increased to €2.8 million (H1 2021: €0.8 million).

Geographic revenue split

In € millions	H1 2022 unaudited	H1 2021 unaudited	change
Benelux	161.4	25.1	544%
France & Spain	193.2	27.9	593%
Total revenue	**354.6**	**53.0**	**570%**

Totals are based on non-rounded figures

Both our geographic segments, the Benelux and France & Spain, recorded strong revenue growth compared to the first half of 2021, thanks to clubs being open for the entire period (except for the first two weeks in January 2022 for our Dutch clubs) and the strong recovery of memberships at mature clubs and strong ingrowth of memberships at new and immature clubs.

UNDERLYING CLUB EBITDA

Underlying Club EBITDA, which is club EBITDA of open clubs excluding exceptional items and adjusted for rent costs, was €120 million (H1 2021: €8.7 million).

Club operating costs (rent, personnel and other) amounted to €238 million (H1 2021: €116 million). The increase in club operating costs is the result of our growing club network and the absence of discounts on rents from our landlords and government support for wages and fixed costs, that we received in H1 2021.

The reported exceptional items of €5.8 million (H1 2021: 72.1 million), relate for €4.3 million (H1 2021: €72.0 million) to COVID-19.

The impact from the general inflationary environment was limited on our club operating costs. We did experience modest rent and wage increases, whilst our utility unit costs were flat thanks to fixed price contracts that we have in place. We have low fixed energy unit prices for the full year 2022 and for a large part of our energy consumption in 2023.

UNDERLYING EBITDA

Underlying EBITDA, which is EBITDA excluding exceptional items and adjusted for rent costs, showed a strong recovery with €60.2 million reported in the period compared to a loss of €12.5 million in H1 2021.

Total overhead expenses increased to €58.5 million (H1 2021: €19.8 million), due to an increase in international overhead to €20.5 million (H1 2021: €10.2 million) and an increase in country overhead to €38.1 million (H1 2021: €9.6 million).

The main driver for the increase in country overhead costs were marketing expenses, which increased by approximately €25 million compared to last year, a period in which clubs were closed for 81% of the time. We also decided to increase our marketing spend as a percentage of revenue as we want to benefit from our strength in our local markets and to end the year with as many members as possible to have a strong start next year. For the full year 2022, we now expect to spend approximately 6% of revenue on marketing, compared to our earlier guidance of 4-5%.

DEPRECIATION & AMORTISATION

Depreciation and impairment of tangibles were €69.6 million, compared to €61.0 million in H1 2021. Depreciation of right-of-use assets increased to €82.1 million from €71.6 million in H1 2021. The increase of both line items was driven by the strong growth of our club network in 2021 and the first half of 2022. Amortisation costs amounted to €4.2 million, compared to €4.7 million in H1 2021.

COVID-19 RENT CREDITS

COVID-19 rent credits in the period amounted to €1.1 million (H1 2021: €16.9 million) and relate to property rent discounts received from our landlords that did not result in amendments of lease contracts. In the event of lease contract amendments, we re-measured right-of-use assets and lease liabilities on our balance sheet. The reported €1.1 million in the period reflects the finalisation of rent negotiations for a number of clubs that were temporarily closed during 2021.

OPERATING RESULT

The operating result (EBIT) came in at a lower loss of €8.9 million compared to last year (H1 2021: loss €140.5 million) when clubs were closed for 81% of the time. The small loss in the period is the result of underutilisation of our network as we lost memberships during 2020 and 2021, as a result of temporary club closures and higher marketing spend.

FINANCING COSTS

Total finance costs came in at €28.1 million in H1 2022, compared to €27.2 million in H1 2021. Finance costs related to borrowings increased by €1.6 million to €12.2 million in H1 2022. The year-on-year increase reflects a higher average level of bank and convertible bond debt than a year ago. Interest rate swap charges and valuation differences resulted in a €2.7 million benefit (H1 2021 €1.0 million benefit).

The interest on lease liabilities was €15.9 million compared to €16.6 million in H1 2021. The decrease is the result of the aging of our club network in combination with rent contract remeasurements that led to the use of lower interest rates than used at the time of the adaptation of IFRS16.

CORPORATE TAX

Corporate tax income was €8.9 million (H1 2021: €42.1 million income), representing an effective tax rate of 24.1% (H1 2021: 25.1%). The tax income is explained by the change in deferred tax assets for carry-forward losses, available for offsetting against future taxable income.

NET RESULT AND UNDERLYING NET RESULT

The net loss for the period was €28.0 million, compared to a net loss of €126 million in H1 2021. In June 2022 we recorded a net profit, showing the recovery trend of profitability. The underlying net loss, which is the reported result adjusted for IFRS 16, PPA-related amortisation, interest rate swaps valuation differences, exceptional items, COVID-19-related exceptional costs, COVID-19 rent credits and the related tax effects, was €20.6 million (H1 2021: €65.6 million).

Reconciliation net result to underlying net result

In € millions	H1 2022	H1 2021
Net result	**(28.0)**	**(125.6)**
IFRS 16 adjustments	5.9	23.6
PPA amortisation	1.5	2.0
Valuation differences IRS	(2.7)	(1.0)
Exceptional items	2.1	0.3
Exceptional items - COVID-19 related	4.3	72.0
COVID-19 rent credits	(1.1)	(16.9)
Tax effects (25%)	(2.5)	(20.0)
Underlying net result	**(20.6)**	**(65.6)**

Totals are based on non-rounded figures

NET DEBT

Net debt (excluding lease liabilities) was €690 million at the end of June 2022, compared to €548 million at year-end 2021. The increase reflects an incurred net loss and our accelerating club openings programme, at a time when our network is quickly recovering from underutilisation. Net debt, including lease liabilities, stood at €2,023 million compared to €1,853 million at the end of 2021.

In 2021, we came to an agreement with our lenders for an amended covenant testing at June 30 2022. The leverage ratio is based on the adjusted EBITDA[1] of the fourth quarter of 2021 as a run rate for the second half-year of 2021 and the adjusted EBITDA of the first half-year of 2022. The net debt/EBITDA ratio on 30 June was below 3.5 times, as agreed with our lenders.

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

Cash and cash equivalents amounted to €41 million on 30 June 2022, compared to €70 million at the end of 2021. Including undrawn facilities, the company had access to cash and cash equivalents of €181 million at the end of June 2022.

WORKING CAPITAL

Working capital was minus €54 million at the end of June 2022 (H1 2021: minus €119 million). The year-on-year decrease is the result of temporary higher inventories and a lower amount of creditors compared to a year ago. In June 2021, we opened a large number of clubs in France and Belgium, after the easing of COVID-19 related restrictions, which led to temporary higher creditors.

CAPITAL EXPENDITURE

The initial capex for the 109 clubs that we opened in the first half of 2022 was €1.16 million per club, compared to €1.17 million in H1 2021. Regardless of the initial capex for a club, we continue to only sign a lease contract for a new club if we expect to achieve a return on invested capital (ROIC) of at least 30% at maturity.

Maintenance capex amounted to €32.5 million in H1 2022 (H1 2021: €13.2 million). The average maintenance costs per club was €30 thousand, compared to €14 thousand in H1 2021. We continuously invest in our clubs to make sure they always look fresh and welcoming. For the full year 2022 and following years we continue to expect an average spend of €55 thousand per club.

Other capex amounted to €4.1 million (H1 2021: €4.1 million). Other capex consists of investments in innovations and software development.

OUTLOOK

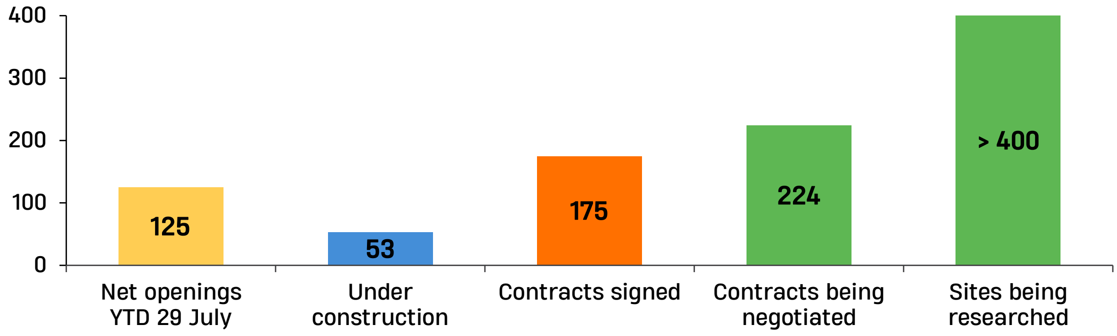
The pace of club openings and the membership development the past half year have been in line with, or ahead of our expectations. The ongoing war in Ukraine and some unfavourable international macro-economic developments did not have a material impact on our expansion or maintenance capex. We have managed to control capex due to longer-term price agreements and as a result of our focus on efficiencies and operational excellence. Increasing operating costs, like rent and wages, are being mitigated by increasing the uptake of the Premium membership, which has a positive effect on the average yield per member.

In the more than 35 years that management have been in the sports/gym business, we have seen membership developments being very resilient in different economic circumstances and even reacting positively in times of recession. We will keep a close eye on current developments and remain confident that we will reach our long-term growth plans and financial targets.

We have a full pipeline and expect to grow our network to around 1,250 clubs by year-end 2022 and we remain on track to reach the 2,000 clubs mark by the end of 2025. We will open our first clubs in Germany in Q4 2022. Depending on the timing of permits received, we will open between five and ten clubs this year in Germany with a further acceleration of openings in the first half of 2023.

We expect to reach full year 2022 revenue of €800 to €850 million. Due to our decision to spend more on marketing, as we see a clear payback in higher membership growth, we now expect to reach an underlying EBITDA of around €225 million for the full year.

Club openings pipeline (# clubs)



Following the positive membership development in the first half of 2022, our strengthened market positions and with the support of successful marketing campaigns, we now expect our membership base to grow by 1.3 million to around 3.5 million memberships in 2022.

- END -

FOR MORE INFORMATION

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

AUDIO WEBCAST HALF-YEAR RESULTS 2022

Date and time: 29 July 2022 at 14.00 CET
Link to webcast (corporate.basic-fit.com/investors/financial-results)

FINANCIAL CALENDAR

Q3 2022 trading update	28 October 2022
FY 2022 results	14 March 2023

ABOUT BASIC-FIT

With 1,140 clubs, Basic-Fit is the largest fitness operator in Europe. The company operates in five countries and has more than 2.9 million memberships. On a daily basis, members can work on improving their health and fitness in our clubs. Basic-Fit operates a straightforward membership model and offers a high-quality, value-for-money fitness experience that appeals to the fitness needs of all people who care about their personal health and fitness. A typical subscription costs €19.99 per four weeks and includes 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
Basic underlying EPS	Underlying net result divided by the weighted average number of shares
Diluted underlying EPS	Underlying net result divided by the weighted average number of diluted shares
Net debt	Total of long- 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 H1 2022 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)

Interim condensed consolidated statement of comprehensive income

Consolidated statement of profit or loss

For the six months ended	Note	30 June 2022 Unaudited	30 June 2021 Unaudited
	Note	€ 000	€ 000
Revenue	5	354,613	52,956
		354,613	52,956
Costs of consumables used	6	(14,267)	(4,788)
Employee benefits expense	7	(70,642)	(20,432)
Depreciation, amortisation and impairment charges	8	(155,873)	(137,282)
COVID-19 rent credit	19	1,091	16,940
Other operating income	9	456	11,496
Other operating expenses	10	(124,248)	(59,385)
Operating result		(8,870)	(140,495)
Finance income	11	1	-
Finance costs	11	(28,079)	(27,207)
Finance costs - net		(28,078)	(27,207)
Result before income tax		(36,948)	(167,702)
Income tax	12	8,900	42,069
Result for the year		(28,048)	(125,633)
Earnings per share (in €):			
Basic	20	(0.42)	(2.02)
Diluted	20	(0.42)	(2.02)

Other comprehensive income

For the six months ended	30 June 2022 Unaudited	30 June 2021 Unaudited
	€ 000	€ 000
Result for the year	(28,048)	(125,633)
Other comprehensive income for the year net of tax	-	-
Total comprehensive income for the year	(28,048)	(125,633)

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 2022 Unaudited € 000	31 December 2021 Audited € 000
Assets			
Non-current assets			
Goodwill	14	203,604	203,604
Other intangible assets	15	41,328	43,643
Property, plant and equipment	16	876,803	837,196
Right-of-use assets	17	1,242,336	1,206,079
Deferred tax assets	12	86,557	76,469
Receivables		7,927	6,780
Total non-current assets		2,458,555	2,373,771
Current assets			
Inventories		56,936	31,712
Income tax receivable		95	187
Trade and other receivables		52,129	72,079
Derivative financial instruments	18	1,055	-
Cash and cash equivalents		40,663	70,104
Total current assets		150,878	174,082
Total assets		2,609,433	2,547,853
Equity			
Share capital		3,960	3,960
Share premium		690,526	690,526
Reserves		49,054	50,657
Retained earnings		(363,040)	(334,561)
Total equity		380,500	410,582
Liabilities			
Non-current liabilities			
Lease liabilities	19	1,138,269	1,109,022
Borrowings	19	659,045	517,729
Derivative financial instruments	18	-	349
Provisions		1,104	846
Total non-current liabilities		1,798,418	1,627,946
Current liabilities			
Trade and other payables		162,839	211,203
Lease liabilities	19	194,822	196,137
Borrowings	19	71,697	100,227
Current income tax liabilities		765	22
Derivative financial instruments	18	-	1,311
Provisions		392	425
Total current liabilities		430,515	509,325
Total liabilities		2,228,933	2,137,271
Total equity and liabilities		2,609,433	2,547,853

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 2022 (in € 000)

	Share capital	Share premium	Treasury shares	Other capital reserves	Equity component of convertible bonds	Retained earnings	Total equity
As at 1 January 2022	3,960	690,526	-	1,937	48,720	(334,561)	410,582
Comprehensive income:							
Result for the period	-	-	-	-	-	(28,048)	(28,048)
Total comprehensive income for the period	-	-	-	-	-	(28,048)	(28,048)
Equity-settled share-based payments (note 21)	-	-	-	(518)	-	-	(518)
Purchase of treasury shares	-	-	(878)	-	-	-	(878)
Exercised share-based payments	-	-	878	(1,085)	-	(431)	(638)
Transactions with owners recognised directly in equity	-	-	-	(1,603)	-	(431)	(2,034)
As at 30 June 2022 (unaudited)	3,960	690,526	-	334	48,720	(363,040)	380,500

For 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:							
Result for the period	-	-	-	-	-	(125,633)	(125,633)
Total comprehensive income for the period	-	-	-	-	-	(125,633)	(125,633)
Issue of ordinary shares	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

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 2022 Unaudited € 000	30 June 2021 Unaudited € 000
Operating activities			
Result before income tax		(36,948)	(167,702)
Non-cash adjustments to reconcile result before income tax to net cash flows:			
Depreciation and impairment of property, plant and equipment and right-of-use assets	8	151,684	132,614
Amortisation and impairment of intangible assets	8	4,189	4,668
COVID-19 rent credit	19	(1,091)	(16,940)
Share-based payment expense	21	(518)	420
Gain on disposal of property, plant and equipment	9	(250)	(233)
Finance income	11	(1)	-
Finance costs	11	28,079	27,207
Movements in provisions		58	72
Working capital adjustments:			
Change in inventories		(25,220)	(2,717)
Change in trade and other receivables		21,307	2,199
Change in trade and other payables		(13,407)	7,361
Cash generated from operations		127,882	(13,051)
Income tax (paid) / received		(487)	79
Net cash flows from operating activities		127,395	(12,972)
Investing activities			
Proceeds from sale of property, plant and equipment		277	198
Purchase of property, plant and equipment		(142,578)	(72,738)
Purchase of other intangible assets		(1,784)	(3,741)
Acquisition of a subsidiary, net of cash acquired	4	(2,152)	-
Repayment of loans granted		6	-
Interest received		1	-
Investments in other financial fixed assets		(1,148)	(108)
Net cash flows used in investing activities		(147,378)	(76,389)
Financing activities			
Proceeds from borrowings		150,000	61,996
Repayments of borrowings		(41,863)	(279,193)
Repayment of lease liability principal		(88,855)	(35,210)
Lease liabilities interest paid		(17,705)	(8,585)
Interest paid		(9,519)	(11,497)
Proceeds from issue of shares	20	-	204,000
Proceeds from issue of convertible bonds	19	-	303,700
Transaction costs of issue of shares		-	(4,186)
Transaction costs related to loans and borrowings		-	(4,783)
Purchase less sale treasury shares and exercised share-based payments		(1,516)	-
Net cash flows from/(used in) financing activities		(9,458)	226,242
Net (decrease)/increase in cash and cash equivalents		(29,441)	136,881
Cash and cash equivalents at 1 January		70,104	70,406
Cash and cash equivalents at 30 June	23	40,663	207,287

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

The interim condensed consolidated financial statements ('interim financial statements') of Basic-Fit N.V. and its subsidiaries for the six months ended 30 June 2022 were authorised for issue in accordance with a resolution of the directors on 28 July 2022. These interim financial statements as at and for the six months ended 30 June 2022 comprise the Company and its subsidiaries (together referred as the 'Group' and individually as 'Group entities').

Basic-Fit N.V. ('the Company') is a limited company, incorporated and domiciled in the Netherlands, which shares are publicly traded. The registered office is located at Wegalaan 60, Hoofddorp.

With 1,122 clubs and 2.9 million members, Basic-Fit is the largest fitness chain in Europe. The Group is active in the Netherlands, Belgium, Luxembourg, France and Spain. In the fourth quarter of 2022, the first Basic-Fit clubs in Germany will open its doors. Basic-Fit aims to provide affordable, innovative and high-quality fitness that is available to everyone, anytime, anywhere and in their own way.

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 2022 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.

In line with the situation as disclosed in the financial statements for the year ended 31 December 2021 (note 2.1 "COVID-19 Impact" and note 2.2 "Basis of preparation – Going concern") and the update as described in note 2.2 of these interim financial statements, 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. 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.

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 2021.

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 the first three months of 2022, the Group recorded a strong increase in memberships of more than 400 thousand. This was achieved whilst the Group was still confronted with COVID-19 related government measures in the countries including two weeks of lockdown in the Netherlands at the beginning of January 2022. During the COVID-19 pandemic, several restrictions were introduced, such as a limitation in the number of members in a club, the obligation to wear a facemask, members had to reserve a timeslot to do their work out and had to show a health pass to enter the clubs. In April 2022, the last government restrictions were lifted and members were free again to enter all clubs without limitations. In the second quarter of 2022, the strong increase in memberships continued, resulting in 2.9 million members at 30 June 2022 (31 December 2021: 2.2 million).

In the first six months of 2022, the Group grew its network by 107 clubs and is on track to grow its network to 1,250 by the end of 2022. Basic-Fit expects to grow the number of memberships by 1.3 million to around 3.5 million in 2022. Basic-Fit is convinced that its products, services and brand proposition continues to deliver unique value-for-money for its members and the many new members to come.

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 2021.

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 2021, except for the adoption of new standards effective as of 1 January 2022. 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 2022, 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 2022 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing these interim financial statements.

3. Segment information

The following tables present revenues and underlying EBITDA information for the Group's operating segments for the six months ended 30 June 2022 and 2021, and include a reconciliation of underlying EBITDA to result before income tax for the Group:

For six months ended 30 June 2022 (unaudited)

	Benelux	France & Spain	Total
Revenue	161,444	193,169	354,613
Underlying EBITDA segments	53,837	27,332	81,169
Other reconciling items			(20,932)
Total underlying EBITDA			60,237
Reconciliation of underlying EBITDA to result before income tax:			
Underlying EBITDA			60,237
Depreciation, amortisation and impairment charges			(155,873)
Finance costs – net			(28,078)
Invoiced rent			93,161
COVID-19 rent credit			1,091
Exceptional items:			
- COVID-19 related costs			(5,397)
- Other exceptional costs and profits			(2,089)
Result before income tax			(36,948)

For six months ended 30 June 2021 (unaudited)

	Benelux	France & Spain	Total
Revenue	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 result before income 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)
Result before income tax			(167,702)

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 €83.9 million (2021: €17.3 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 2022 Unaudited	**31 December 2021 Audited**
The Netherlands (country of domicile)	559,390	560,277
Belgium	406,915	402,022
Luxembourg	34,833	36,299
France	1,212,489	1,167,343
Spain	150,444	124,581
Total	2,364,071	2,290,522

Non-current assets for this purpose consist of property, plant and equipment, right-of-use assets, goodwill and other intangible assets. During the reported periods, the additions amounted to €199 million (Segment Benelux €50 million, Segment France and Spain €149 million) and are directly related to the investments in new club openings.

4. Business combinations

Acquisitions 2022

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

Acquisitions 2021

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

The fair value of the identifiable assets and liabilities of the acquisitions in the first six months of 2022 and 2021 as at the date of acquisition was as follows:

	Six months ended unaudited	
Fair value recognised on acquisition	**30 June 2022**	**30 June 2021**
Assets		
Property, plant and equipment	643	-
Non-current financial assets	5	-
Customer relationships	90	-
Favourable lease contracts	510	-
Inventories and receivables	1,361	-
Cash and cash equivalents	22	-
Liabilities		
Provisions	(165)	-
Deferred income tax assets and liabilities	(79)	-
Accrued expenses and deferred income	(213)	-
Total identifiable net assets acquired at fair value	2,174	-
Goodwill arising on acquisition	-	-
Purchase consideration transferred	2,174	-
Less: cash acquired	(22)	-
Net outflow of cash - investing activities	2,152	-

5. Revenue

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

5.1 Disaggregation of revenue

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

	Six months ended unaudited	
	30 June 2022	**30 June 2021**
Type of goods or service		
Fitness revenue	343,046	50,486
Other revenue	11,567	2,470
Total	354,613	52,956
Geographical markets		
The Netherlands	83,868	17,265
Belgium	71,816	5,712
Luxembourg	5,760	2,094
France	177,475	18,011
Spain	15,694	9,874
Total	354,613	52,956
Timing of revenue recognition		
Products and services transferred over time	320,364	45,117
Products transferred at a point in time	34,249	7,839
Total	354,613	52,956

Other revenue relates to revenue from personal trainer services, day passes, rental income and revenue from sales via the online store and vending machines. The increase in the first six months of 2022 compared to the same period in 2021 is mainly related to the temporary club closures during the first months of 2021 and an increase of B2B-sales via the online store.

5.2 Contract balances

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

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

As at	**30 June 2022 Unaudited**	**31 December 2021 Audited**
Receivables, which are included in 'Trade and other receivables'	25,685	9,417
Deferred revenues, which are included in 'Trade and other payables'	5,177	18,688

The receivables relate to amounts due from customers for services performed in the past period(s), less provision for impairment. Furthermore, receivables include amounts related to timing differences for situations where the revenues recognised exceed the received considerations. The increase in receivables is the result of the strong increase in members during the first six months of 2022, resulting in more member receivables (unpaid membership fees) and more situations that revenues recognised exceed the received considerations.

The contract liabilities relate to the advance consideration received from customers, for which revenue is recognised over time in situations that the received considerations exceeds the revenues recognised. The decrease in deferred revenues resulted from a decreasing number of situations in which the received considerations exceeded the revenues recognised.

5.3 Seasonality of operations

Membership growth varies through the year due to seasonality and marketing activities, with the first quarter of the year and after the summer holidays (usually the second half of August until October) being the most active membership recruitment periods.

6. Cost of consumables used

	Six months ended unaudited	
	30 June 2022	**30 June 2021**
Cost of food and drink	(4,114)	(1,479)
Other cost of sales	(10,153)	(3,309)
Total	(14,267)	(4,788)

During the six months ended 30 June 2022, cost of food and drinks include €30 thousand (2021: €848 thousand) related to stocks whose expiration date has passed.

7. Employee benefits expense

The employee benefits expense can be broken down as follows:

	Six months ended unaudited	
	30 June 2022	**30 June 2021**
Salaries and wages (including share-based payments)	(57,269)	(14,590)
Social security contributions	(12,255)	(5,218)
Pension costs – defined contribution plans	(1,118)	(624)
Total	(70,642)	(20,432)

Salaries and wages and social security contributions include no governement grants (2021: €29.9 million related to salaries and wages and €606 thousand related to social security contributions) as further disclosed in note 13.

8. Depreciation, amortisation and impairment charges

	Six months ended unaudited	
	30 June 2022	**30 June 2021**
Depreciation of property, plant and equipment	(69,614)	(60,867)
Depreciation of right-of-use assets	(82,070)	(71,634)
Amortisation of other intangible assets	(4,189)	(4,668)
Impairment of property, plant and equipment	-	(113)
Total	(155,873)	(137,282)

9. Other operating income

	Six months ended unaudited	
	30 June 2022	**30 June 2021**
Net gain on disposal of property, plant and equipment and right-of-use assets	250	233
Insurance reimbursements	-	76
Government grants	206	11,161
Other operating income	-	26
Total	456	11,496

Government grants are further disclosed in note 13.

10. Other operating expenses

	Six months ended unaudited	
	30 June 2022	**30 June 2021**
Other personnel expenses	(9,737)	(2,626)
Housing expenses	(61,052)	(36,999)
Net marketing expenses	(28,579)	(3,391)
Write-off of bad debts, incl. collection agency costs	(6,063)	(4,327)
Short-term and low-value lease expenses and other lease adjustments	(869)	(396)
Other car expenses	(716)	(389)
Overhead and administrative expenses	(17,232)	(11,257)
Total	(124,248)	(59,385)

11. Finance income and costs

	Six months ended unaudited	
	30 June 2022	30 June 2021
Finance income:		
Other interest income	1	-
Total finance income	1	-
Finance costs:		
Interest on convertible bonds	(6,552)	(464)
Interest on external debt and borrowings	(7,903)	(9,548)
Lease liabilities interest	(15,868)	(16,580)
Valuation difference derivative financial instruments	2,715	962
Other finance costs	(471)	(1,577)
Total finance costs	(28,079)	(27,207)
Total finance costs – net	(28,078)	(27,207)

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 2022	30 June 2021
Consolidated statement of profit or loss		
Current income tax:		
Current income tax charge	(1,261)	-
Adjustments in respect of current income tax of previous year	(6)	46
	(1,267)	46
Deferred income tax:		
Change in deferred tax asset for carry forward losses available for offsetting against future taxable income	9,146	42,547
Changes in other deferred tax assets and liabilities recognised in profit or loss	1,021	(524)
	10,167	42,023
Total income tax	8,900	42,069

The current income tax charge for the six months ended 30 June 2022 includes €974 thousand (2021: nil) related to CVAE tax in France ("Cotisation sur la Valeur Ajoutée des Entreprises"). CVAE is a corporate value added contribution which meets the definition of an income tax as established under IAS 12.

The effective income tax rate is calculated as follows:

	Six months ended unaudited	
	30 June 2022	30 June 2021
Result before income tax	(36,948)	(167,702)
Income tax	8,900	42,069
Effective income tax rate	24.1%	25.1%
Applicable income tax rate	25.8%	25.0%

Amounts recognised directly in equity

In the first six months of 2022, all aggregate current and deferred tax arising in the reporting period has been recognised in the consolidated statement of profit or loss.

In the first six months of 2021, 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. All other current and deferred tax arising in the reporting period has been recognised in the consolidated statement of profit or loss.

Deferred taxes in the interim condensed consolidated statement of financial position

The deferred income tax assets and liabilities on 30 June 2022 and 31 December 2021 can be specified as follows:

	30 June 2022 Unaudited	31 December 2021 Audited
Losses available for offsetting against future taxable income	103,077	93,932
Tax incentives (investment allowance)	764	717
Purchase price allocation	(6,450)	(6,777)
Goodwill amortisation for tax purposes	(12,535)	(11,999)
Convertible bonds	(14,689)	(15,704)
Leases	16,173	15,185
Valuation of property, plant and equipment	468	817
Timing of expense recognition	21	(130)
Derivative financial instruments	(272)	428
Net deferred tax assets/(liabilities)	86,557	76,469

After netting deferred tax assets and deferred tax liabilities within the same tax entity for an amount of €34.9 million (31 December 2021: €35.3 million), these positions are as follows:

	30 June 2022 Unaudited	31 December 2021 Audited
Deferred tax assets	86,557	76,469
Deferred tax liabilities	-	-
Net deferred tax assets (liabilities)	86,557	76,469

Tax losses

On 30 June 2021, Basic-Fit recognised €103.1 million (31 December 2021: €93.9 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 2022 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 disclosed in the 2021 Annual Report are accounted for in accordance with IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance'. For the six months ended 30 June 2022, no compensation was received (2021: €30.5 million, reducing employees benefits expense as disclosed in note 7).

General state aid

Other operating income includes €280 thousand (2021: €361 thousand) related to cost compensation programmes offered by the Belgian Government.

Furthermore, during the six months ended 30 June 2022, Basic-Fit recognised a (negative) correction of €74 thousand related to government grants received in 2021 (2021: €10.8 million, recognised as part of financial rescue packages offered by the French Government in response to the outbreak of the COVID-19 pandemic).

14. Goodwill and impairment testing

During the six months ended June 2022 and June 2021, 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 2021. 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 2022 unaudited				Six months ended
	Trademark	Customer relationships	Other intangible assets	Total	30 June 2021 unaudited
As at 1 January					
Cost	44,918	63,516	32,688	141,122	137,734
Accumulated impairments and amortisation	(17,967)	(61,257)	(18,255)	(97,479)	(89,085)
Net book value	26,951	2,259	14,433	43,643	48,649
Period ended 30 June					
Opening net book value	26,951	2,259	14,433	43,643	48,649
Additions	-	-	1,797	1,797	3,741
Acquired through business combinations	-	90	-	90	-
Cost of disposals	-	-	(4,904)	(4,904)	(6)
Amortisation for the year	(1,110)	(669)	(2,410)	(4,189)	(4,668)
Accumulated depreciation of disposals	-	-	4,891	4,891	6
Closing net book value	25,841	1,680	13,807	41,328	47,722
As at 30 June					
Cost	44,918	63,606	29,581	138,105	141,469
Accumulated impairments and amortisation	(19,077)	(61,926)	(15,774)	(96,777)	(93,747)
Net book value	25,841	1,680	13,807	41,328	47,722

16. Property, plant and equipment

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

	Six months ended 30 June 2022 unaudited				Six months ended
	Land and building	Building improvement	Other fixed assets	Total	30 June 2021 unaudited
As at 1 January					
Cost	2,000	855,360	511,082	1,368,442	1,158,686
Accumulated impairments and depreciation	(550)	(253,943)	(276,753)	(531,246)	(411,571)
Net book value	1,450	601,417	234,329	837,196	747,115
Period ended 30 June					
Opening net book value	1,450	601,417	234,329	837,196	747,115
Additions	-	82,918	28,515	111,433	78,978
Acquired through business combinations	-	568	75	643	-
Cost of disposals	(500)	(13,427)	(33,146)	(47,073)	(3,223)
Depreciation for the year	(12)	(37,361)	(32,241)	(69,614)	(60,867)
Impairment	-	-	-	-	(113)
Accumulated depreciation of disposals	500	11,751	31,967	44,218	3,215
Closing net book value	1,438	645,866	229,499	876,803	765,105
As at 30 June					
Cost	1,500	925,419	506,526	1,433,445	1,234,441
Accumulated impairments and depreciation	(62)	(279,553)	(277,027)	(556,642)	(469,336)
Closing net book value	1,438	645,866	229,499	876,803	765,105

The additions and disposals of the first six months of 2022 mainly relate to the opening of 109 new clubs and the closing of 2 clubs. In the first six months of 2021, 69 new clubs were opened and 1 club was closed.

17. Right-of-use assets

	Six months ended 30 June 2022 unaudited				Six months ended
	Leased buildings	Leased vehicles	Other equipment	Total	30 June 2021 unaudited
As at 1 January	1,202,625	3,244	210	1,206,079	1,104,316
Additions	84,233	-	-	84,233	70,862
Remeasurements	33,519	575	-	34,094	30,214
Depreciation	(80,960)	(1,030)	(80)	(82,070)	(71,634)
As at 30 June	1,239,417	2,789	130	1,242,336	1,133,758

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 2022 and 31 December 2021:

	30 June 2022 Unaudited		31 December 2021 Audited	
Assets	Derivatives at FVPL (*)	Loans and receivables	Derivatives at FVPL	Loans and receivables
Loan receivable (non-current)	-	34	-	40
Derivative financial instruments (current)	1,055	-	-	-
Trade and other receivables excluding prepayments (current)	-	18,572	-	9,417
Total	1,055	18,606	-	9,457

(*) Fair value through profit and loss

Set out below is an overview of financial liabilities held by the Group as at 30 June 2022 and 31 December 2021:

	30 June 2022 Unaudited		31 December 2021 Audited	
Liabilities	Derivatives at FVPL	Other financial liabilities at amortised cost	Derivatives at FVPL	Other financial liabilities at amortised cost
Convertible bonds	-	242,856	-	238,581
Bank borrowings	-	487,886	-	379,375
Lease liabilities	-	1,333,091	-	1,305,159
Derivative financial instruments	-	-	1,660	-
Trade and other payables excluding non-financial liabilities	-	41,532	-	121,433
Total	-	2,105,365	1,660	2,044,548
Total current liabilities	-	308,051	1,311	417,797
Total non-current liabilities	-	1,797,314	349	1,626,751

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 annual financial statements as at 31 December 2021.

Fair value estimation

On 30 June 2022, the Group had five financial instruments measured at fair value (31 December 2021: five). 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

- As at 30 June 2022 and 31 December 2021, the carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables, and short-term borrowings approximated their fair values due to the short-term maturities of these assets and liabilities.
- As at 30 June 2022 and 31 December 2021, the fair values of other long-term financial assets were not materially different from the carrying amounts.
- As at 30 June 2022, the fair values of the long-term bank borrowings (excluding lease liabilities and convertible bonds) were not materially different from the carrying amounts. As at 31 December 2021 the fair values of tthese borrowings amounted to €275 million (carrying amount €279 million).
- As at 30 June 2022 the fair values of the converitble bonds amounted to €219 million (carrying amount €243 million. As at 31 December 2021 the fair value of the convertible bonds was not materially different from the carrying amount.

19. Borrowings

The Group's interest-bearing borrowings as at 30 June 2022 and 31 December 2021 are summarised in the following table:

	30 June 2022 Unaudited	31 December 2021 Audited
Floating rate borrowings		
Bank borrowings	250,000	250,000
Drawn revolving credit facility	150,000	-
GO C-facility	26,667	40,000
Schuldschein	55,000	83,500
Borrowing costs	(1,811)	(2,185)
	479,856	371,315
Fixed rate borrowings and lease liabilities		
Convertible bonds – liability component	242,856	238,581
Schuldschein	8,000	8,000
Lease liabilities	1,333,091	1,305,159
Other bank borrowings	30	60
	1,583,977	1,551,800
	2,063,833	1,923,115
Of which:		
Non-current lease liabilities	1,138,269	1,109,022
Non-current borrowings	659,045	517,729
Current lease liabilities	194,822	196,137
Current borrowings	71,697	100,227

Convertible bonds – liability component

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

	Six months ended 30 June 2022 Unaudited	31 December 2021 Audited
Carrying amount of liability at 1 January	238,581	-
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	6,552	6,902
Interest paid	(2,277)	(2,278)
Carrying amount of liability at 30 June 2022 respectively 31 December 2021	242,856	238,581

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 2022, an amount of €9.7 million (31 December 2021: €9.1 million) of the revolving facility of €300 million (including €100 million from the accordion) had been used for bank guarantees and €150 million had been drawn in cash (31 December 2021: remaining part was not drawn).

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 2022, the remaining debt of €26.7 million (31 December 2021: an amount of €26.7 million) related to repayments within twelve months after the reporting period is classified as current liabilities.

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 2022, the outstanding amount was €63.0 million (31 December 2020: €91.5 million). For an amount of 8.0 million, the interest was fixed at 2.05% during the reported periods and for the remaining part, the interest is variable and based on Euribor plus an average weighted margin of 1.97% (31 December 2021: 1.96%). This loan is unsecured.

Borrowing costs

The carrying value of the borrowings is presented net of finance costs (30 June 2022: €1.8 million; 31 December 2021: €2.2 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

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 2022, as part of its response to COVID-19, Basic-Fit negotiated rent waivers with landlords for a total amount of €1.1 million (2021: €16.9 million). This is recorded as a separate line item in the consolidated statement of profit or loss.

Contractual maturities

As at 30 June 2022 and 31 December 2021, the contractual maturities of the Group's non-derivative financial liabilities were as follows:

30 June 2022 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	308,255	331,033	242,856
Borrowings (*)	64,818	19,000	11,220	429,117	-	524,155	489,697
Lease liabilities	97,973	99,028	195,869	530,060	556,139	1,479,069	1,333,091
Trade payables	41,532	-	-	-	-	41,532	41,532
Total non-derivatives	206,601	120,306	211,644	972,844	864,394	2,375,789	2,107,176

31 December 2021 audited

	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	310,533	333,311	238,581
Borrowings (*)	18,905	92,390	22,298	281,061	-	414,654	381,560
Lease liabilities	104,871	92,790	184,720	508,735	570,758	1,461,874	1,305,159
Trade payables	121,433	-	-	-	-	121,433	121,433
Total non-derivatives	247,487	187,458	211,573	803,463	881,291	2,331,272	2,046,733

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

Loan covenants

In response to the dynamic environment and the uncertainties related to the development of the COVID-19 pandemic, Basic-Fit negotiated with its syndicate banks for an amendment of its covenant testing at 30 June 2022. As a result, 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 at 30 June 2022, the Group complied with these covenants.

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

	June 2022	December 2022
Leverage ratio	≤3:50 : 1.00	≤3:50 : 1.00
Interest cover ratio	≥2:00 : 1.00	≥2:00 : 1.00
Minimal liquidity	€100 million	Not applicable
Dividend allowed	No	Yes (*)
Adjusted EBITDA and Interest calculation as used in leverage ratio and interest cover ratio	(Q4-2021) x 2 plus last six months	Last 12 months

(*) 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 2022 amounted 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.

	Six months ended 30 June 2022 Unaudited	31 December 2021 Audited
As at 1 January	3,960	3,600
Issued ordinary shares	-	360
As at 30 June 2022 respectively 31 December 2021	3,960	3,960

Share premium

The share premium from the proceeds of the issuance of new shares on 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 €1.1 million.

	Six months ended 30 June 2022 Unaudited	31 December 2021 Audited
As at 1 January	690,526	490,025
Issued ordinary shares	-	200,501
As at 30 June 2022 respectively 31 December 2021	690,526	690,526

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' (€64.9 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 was 66.000 million.

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

The number of potential dilutive weighted-average shares not taken in consideration above, due to their antidilutive effect, amounted to 5,991,012 ordinary shares (2021: 430,868). These shares are related to the convertible bonds.

21. Share-based payments

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

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

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

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 2022 Unaudited	**31 December 2021 Audited**
At 1 January	262,576	228,072
Awarded during the year	54,966	35,857
Performance adjustment	(20,087)	-
Exercised during the year	(40,191)	-
Forfeited during the year	(50,893)	(1,353)
As at 30 June 2022 respectively 31 December 2021	206,371	262,576

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

The share-based payment expenses recognised in the first six months of 2022, with a corresponding entry directly in equity, amount to €518 thousand as a profit, due to performance adjustments and forfeitures (2021: €420 thousand costs).

22. Contingencies and commitments

Except as disclosed below, there were no material changes to the Group's contingencies and commitments during the first six months of 2022, compared to 31 December 2021.

Capital commitments

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

	30 June 2022 Unaudited	31 December 2021 Audited
Property, plant and equipment	71,248	56,322

(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 2022 Unaudited	31 December 2021 Audited
Within one year	3,433	4,806
After one year but not more than five years	31,796	43,375
More than five years	46,831	65,647
Total	82,060	113,828

Furthermore, before 30 June 2022 the Group has entered into a number of rental agreements for new locations for a total amount of €39 million (31 December 2021 €28 million), of which approximately €22 million (31 December 2021 €16 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 2022 an amount of approximately €9.7 million in total was issued in bank guarantees (31 December 2021: €9.1 million).

23. Cash and cash equivalents

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

	30 June 2022 Unaudited	30 June 2021 Unaudited
Cash in bank and on hand	40,663	207,287
Cash in transit	-	-
Total	40,663	207,287

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 2021.

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 2022 and 30 June 2021 (both unaudited). In addition, the table provides an overview of all balances held with these related parties as at 30 June 2022 (unaudited) and 31 December 2021 (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	2022	7	3,201	7	588
	2021	11	2,289	-	399

(*) Included in 'trade receivables'

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

25. Events after the reporting period

Subsequent events were evaluated up to 28 July 2022. There are no subsequent events.

Management Board's statement on the interim consolidated financial statements for the six months ended 30 June 2022

We prepared the interim condensed consolidated financial statements for the six months ended 30 June 2022 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 2022, and of the result of our consolidated operations for the first half year of 2022.
- The financial and business review as included in the press release related to the first half year 2022 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, 28 July 2022

Management Board

René Moos – Chief Executive Officer

Hans van der Aar – Chief Financial Officer

Overview risks

In the Directors' Report in our Annual Report 2021 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 2021 (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 2022, our risk assessment policies and the main identified risks as described in the Annual Report 2021 have not changed and we do not have indication this will significantly change the remaining six months of the financial year 2022.