BASIC-FIT
PRESS RELEASE
HALF YEAR RESULTS 2018

BASIC-FIT CONTINUES STRONG GROWTH WITH SOLID MARGINS

Club openings pipeline strengthens further; at least 100 club openings in 2018

H1 FINANCIAL HIGHLIGHTS

- Revenue increased by 22% to €190 million (H1 2017: €156 million)
- Adjusted club EBITDA margin remains strong at 43.2% (H1 2017: 43.3%)
- Adjusted EBITDA increased by 24% to €56.7 million (H1 2017: €45.5 million)
- Net earnings increased by 173% to €6.1 million (H1 2017: €2.2 million)
- Adjusted net earnings[1] increased by 23% to €12.7 million (H1 2017: €10.3 million)

H1 OPERATIONAL HIGHLIGHTS

- 44 net club openings in the period, growing network to 565 clubs (521 clubs at FY 2017 and 466 clubs at H1 2017)
- Total number of memberships increased by 148 thousand in the period to 1.67 million (1.52 million at FY 2017 and 1.36 million at H1 2017)
- Introduction of the DUO membership to support yield and length of stay
- Other revenue increased by 48% to €4.9 million

OUTLOOK 2018

- The club openings pipeline continues to strengthen further with over 300 clubs in the different stages of the pipeline
- We expect to open at least 100 new clubs in 2018

Rene Moos, CEO Basic-Fit:

We had a strong first half of the year in which we increased the number of members by 23% and revenue by 22% year on year. We continued to diligently execute our ambitious growth strategy and with 32 new clubs in the second quarter of which 14 in June, club openings were back-end loaded. We expect to benefit from the ramp-up of memberships at these new clubs and adjusted EBITDA growth to remain robust in the second half of the year.

At the end of the period we introduced a new type of membership called DUO, which allows a member to bring someone else to the club to work out together. We expect that this will support the average revenue per member and increases the average length of stay as working out together is more fun and motivates members to keep on exercising and stay a member longer.

Note: Adjusted (club) EBITDA, adjusted net earnings and leverage ratio are non-GAAP measures (see page 7)

[1] Net earnings before amortisation, exceptional items and one-offs and the related tax effects (25%).

With France being at the core of our growth strategy, our new club openings pipeline continues to grow with mainly French clubs. At the same time, we are consolidating our leading market position in the Netherlands and Belgium where we will increase the number of club openings to further benefit from operating leverage. We continue on our strong growth path and for this year expect to open at least 100 clubs.

FINANCIAL AND BUSINESS REVIEW

Key figures

In € millions	H1 2018	H1 2017	change
Revenue	**189.6**	**156.0**	**22%**
Operating expenses	(107.7)	(88.5)	22%
Adjusted club EBITDA	**82.0**	**67.5**	**21%**
Total overhead expenses	(25.3)	(21.9)	15%
Adjusted EBITDA	**56.7**	**45.5**	**24%**
Exceptional items	(0.3)	(2.2)	-85%
EBITDA	**56.3**	**43.3**	**30%**
Depreciation & Amortisation	(43.0)	(35.5)	21%
Operating profit	**13.3**	**7.8**	**71%**
Finance cost	(4.8)	(3.6)	**31%**
Income tax	(2.5)	(2.0)	**27%**
Net result	**6.1**	**2.2**	**173%**
Adjusted net earnings*	**12.7**	**10.3**	***23%***
Adjusted EPS	**0.23**	**0.19**	**23%**

** Before amortisation, exceptional items and one-offs and the related tax effects (25%)*
Totals are based on non-rounded figures

On 1 January 2018, IFRS 15 came into effect. As explained at the announcement of our full year results, this impacts the timing of revenue recognition. In the period, this resulted in a €0.4 million decrease for both revenue and adjusted EBITDA. Excluding IFRS 15, revenue would have been €190 million and adjusted EBITDA €57.1 million.

CLUB AND MEMBERSHIP DEVELOPMENT

In the first half of the year we opened 45 clubs and merged two clubs resulting in 44 net additions to our network (H1 2017: 47 net club openings). At the end of the period we operated 565 clubs compared to 466 clubs a year ago; an increase of 99 clubs.

Club development

	Q2 '18	Q1 '18	Q4 '17	Q3 '17	Q2 '17
Netherlands	154	153	152	151	149
Belgium	168	167	167	165	163
Luxemburg	10	9	9	9	8
France	200	171	160	135	114
Spain	33	33	33	33	32
Total # clubs	**565**	**533**	**521**	**493**	**466**

The total number of memberships in the first half of the year increased to 1.67 million compared to 1.52 million at the end of 2017 and 1.36 million a year ago. This represents an increase of 148 thousand and 308 thousand memberships respectively. The membership growth could have been stronger if not for the timing of club openings and the long warm weather period in the Benelux in May and June.

REVENUE

In the first half of the year, revenue increased by 22% to €190 million compared to €156 million in H1 2017.

Fitness revenue increased by 21% to €185 million as a result of the ramp up of memberships at our existing clubs and the new club openings. Other revenue increased by 48% to €4.9 million as we continue to sell more day-passes, have higher sales from our vending machines and higher income from our personal trainer concept, which is now also being rolled out in France.

Geographic revenue split

Unaudited - In € millions	H1 2018	H1 2017	change
Netherlands	58.7	55.2	6%
Belgium	60.7	58.9	3%
Luxemburg	4.8	4.5	7%
France	54.2	26.4	105%
Spain	11.2	10.9	2%
Total revenue	**189.6**	**156.0**	**22%**

Totals are based on non-rounded figures

All countries showed revenue growth compared to H1 2017. In France, we delivered revenue growth of 105% due to the continued large number of club openings and the memberships ramp-up at immature clubs.

The average yield per member per month decreased by three percent to €19.26 compared to €19.76 in H1 2017. Excluding the impact of IFRS 15 the yield in the first half of the year would have been €19.30. The €0.46 decrease is the result of the larger part of France in the mix with its high VAT rate which was partly compensated by the higher up-take of add-on services and the introduction of the DUO membership in France.

ADJUSTED CLUB EBITDA AND ADJUSTED EBITDA

Adjusted club EBITDA increased by 21% to €82.0 million, representing a stable adjusted club EBITDA margin of 43.2% (H1 2017: 43.3%).

Total operating expenses on a club level increased in line with revenue to €108 million from €88.5 million in H1 2017.

Adjusted EBITDA increased by 24% to €56.7 million compared to €45.5 million in H1 2017. The adjusted EBITDA margin increased to 29.9% compared to 29.2% in the same period last year, as a

result of operating leverage on country overhead. Total overhead expenses increased by 15% to €25.3 million compared to €21.9 million in H1 2017. Marketing spend accounted for €0.4 million of the increase. We continue to expect that marketing spend will increase by around €3.0 million in 2018 compared to 2017 to support the growth and build the brand in France.

EBITDA AND EXCEPTIONAL ITEMS

Total EBITDA of the group increased by 30% to €56.3 million compared to €43.3 million in H1 2017.

Exceptional items mainly comprise of non-cash pre-opening costs and costs related to the retention share plan awarded to key people after the IPO. Exceptional items totalled €0.3 million compared to €2.2 million in H1 2017. In the first half of this year this was largely compensated by a one-off insurance benefit related to the temporary closure of one of our clubs in France.

DEPRECIATION

Depreciation costs were €35.3 million, an increase of 27% compared to the first half of 2017. As a percentage of revenue this was 19%. This relative high number is partly explained by the late opening of clubs in the period, and foremost by €1.1 million in impairments, mainly as a result of the temporary closure of the French club (€0.8 million which we treat as a one-off). Excluding the impairments, depreciation was 18% of revenue.

INTEREST AND NET DEBT

The finance expenses in the first half of the year increased to €4.8 million compared to €3.6 million in H1 2017, as a result of the higher debt. At the end of the period our net debt was €301 million compared to €282 million at the end of 2017 and €248 million at the end of H1 2017. The increase is the result of the large number of club openings. The leverage ratio[2] at the end of the period was 2.7, a small improvement compared to the 2.8 times adjusted EBITDA at the end of the first half and full year 2017.

In June, Basic-Fit successfully completed an amend and extend of its existing facilities agreement, taking advantage of current favourable market conditions. The facilities agreement now consists of a €250 million term loan and a €200 million revolving facility, increasing the aggregate amount by €100 million. As a result of the amendment, the maturities of both the term and revolving credit facilities have been extended to June 2023. In addition, Basic-Fit was able to reduce the margin on both facilities, reflecting Basic-Fit's strong financial performance over the past years.

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[2] Net debt/LTM adjusted EBITDA.

BASIC-FIT

CORPORATE TAX

In the first half of the year, corporate tax expenses amounted to €2.5 million (H1 2017: €2.0 million) representing an effective tax rate of 29% compared to 47% in H1 2017. Of the €2.5 million, €0.4 million relates to non-deductible expenses including share-based payments.

ADJUSTED NET EARNINGS

The net profit in the first half of the year was €6.1 million compared to a profit of €2.2 million in H1 2017, an increase of 173%. Adjusted for amortisation, exceptional items and one offs and the related tax effects, net earnings increased by 23% to €12.7 million compared to €10.3 million in H1 2017.

Reconciliation net result to adjusted net earnings

In € millions	H1 2018	H1 2017
Net result	**6.1**	**2.2**
Amortisation	**7.7**	**7.6**
Exceptional items	**0.3**	**2.2**
Pre-opening costs	0.6	0.9
Other exceptional costs	(0.2)	1.3
One-off costs	**0.8**	**0.0**
One-off impairments	0.8	0.0
Related tax effects (25%)	**(2.2)**	**(2.5)**
One-off tax benefit / charge	**0.0**	**0.7**
Adjusted net earnings	**12.7**	**10.3**

Totals are based on non-rounded figures

WORKING CAPITAL

Working capital at the end of the period was €90.0 million negative compared to €80.1 million negative at the end of 2017. As a percentage of revenue working capital remained stable at minus 25%, in line with our guidance.

CASH FLOW & CAPITAL EXPENDITURE

The cash flow pre-expansion capex, defined as adjusted EBITDA minus maintenance capex, was €46.3 million, an increase of 41% compared to €32.9 million in H1 2017.

Maintenance capex in H1 2018 was €10.4 million compared to €12.6 million in H1 2017. This translates into an average of €19 thousand maintenance costs per club (H1 2017: €28 thousand). The decline year on year is related to the planning to do most of the maintenance in the second half of the year. We continue to expect maintenance capex of around €55 thousand per club for the full year.

Expansion capex in the period was €53.6 million compared to €59.6 million in H1 2017. The decrease is largely explained by the fewer gross club openings – 45 clubs in H1 2018 compared to 51 clubs in H1 2017. Expansion capex includes the expenses for the expansion of existing clubs, expenses for yet to open clubs and acquired clubs totalling €4.8 million (H1 2017: €5.3

million). On the 44 clubs that we built ourselves, we spent €48.8 million, which is on average €1.1 million per club (H1 2017: €1.1 million).

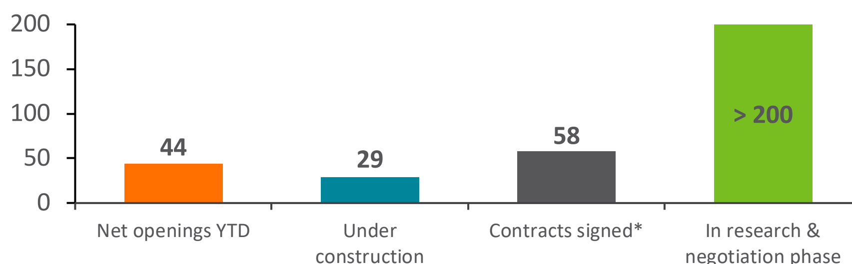
Other capex was €2.0 million compared to €1.9 million in H1 2017. Other capex mainly consisted of investments in innovations and software development.

MATURE CLUB DEVELOPMENT

At the start of the year we had 327 mature clubs that were 24 months old or older. These mature clubs showed a stable membership development in the first half of the year with 3,285 memberships on average per club, compared to 3,282 at the start of the year. In the period the mature clubs achieved revenue of €129 million and adjusted club EBITDA of €63.7 million, which represents a margin of 49.5% (H1 2017: 48.0%). The 61 clubs that we built in 2015 and which became mature in 2018, showed a ROIC[3] of 35%, well above the targeted 30%.

OUTLOOK

Club openings pipeline (# clubs)



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

We continue to fill the new club openings pipeline, including with sites for clubs to be opened after 2018. The pipeline mainly consists of French sites, in line with our expansion strategy. More recently we have also been adding an increasing number of Dutch and Belgium sites to the pipeline as we see increased opportunities to grow in these markets and further benefit from operating leverage.

At the end of the period we had over 300 clubs in the different stages of the pipeline: 29 clubs under construction, 58 clubs for which contracts are signed and over 200 clubs that are in the research or negotiation phase.

Supported by the well-filled pipeline we are confident we can open at least 100 clubs in 2018, of which around 80 in France and more than 20 clubs in the other countries of operations.

We will continue to rigidly follow our well-defined expansion process to secure the high quality of our network and to maintain a return on invested capital on mature clubs of at least 30%.

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[3] LTM adjusted club EBITDA divided by the initial investments

FOR MORE INFORMATION

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AUDIO WEBCAST HALF YEAR 2018 RESULTS

Date and time: 2 August 2018 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 trading update	31 October 2018
FY 2018 results	6 March 2019

ABOUT BASIC-FIT

With 565 clubs, Basic-Fit is the largest fitness operator in Europe. We operate in five countries and in our clubs, more than 1.6 million people work on improving their fitness. Basic-Fit operates a straightforward membership model and offers a high-quality, value-for-money fitness experience that appeals to the fitness needs of all active people who care about their personal health and fitness. A typical subscription costs €19.99 a month and gives people access to all our clubs in Europe and a pass which can be shared with family members.

NOTES TO THE PRESS RELEASE

The interim results are unaudited and 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.

NON-IFRS FINANCIAL MEASURES

The financial information in this report includes non-IFRS financial measures and ratios (e.g. club EBITDA, adjusted EBITDA, exceptional items, adjusted net earnings and net debt) which are not recognised measures of financial performance or liquidity under IFRS. In addition, certain other operational data, such as the number of clubs, number of members and number of countries in which Basic-Fit is present, are disclosed. 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 measures 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
Adjusted club EBITDA	Profit (loss) before overhead, interest, taxes, depreciation and amortisation, and before exceptional expenses
Adjusted club EBITDA margin	Adjusted club EBITDA divided by revenue
Adjusted EBITDA	Profit (loss) before interest, taxes, depreciation and amortisation, and before exceptional expenses
Adjusted EBITDA margin	Adjusted EBITDA divided by revenue
EBITDA	Profit (loss) before interest, taxes, depreciation and amortisation
EBITDA margin	EBITDA divided by revenue
EBIT	Earnings before interest and taxes
Adjusted net earnings	Net earnings adjusted for amortisation, exceptional items and the releated tax effects
Adjusted EPS	Adjusted earnings divided by the weighted average number of diluted shares

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
- Interim condensed consolidated statement of financial position
- Interim condensed consolidated statement of changes in equity
- Interim condensed consolidated statement of cash flow
- Notes to the interim condensed consolidated financial statements
- Management Board's statement on the interim consolidated financial statements for the six months ended 30 June 2018
- Overview risks

BASIC-FIT

Interim condensed consolidated statement of comprehensive income

Consolidated statement of profit or loss

(In € x 1,000)	Note	30 June 2018 Unaudited	30 June 2017 Unaudited (*)
Revenue	5	189,643	155,974
		189,643	155,974
Costs of consumables used		(2,933)	(2,010)
Employee benefits expense	6	(33,986)	(29,585)
Depreciation, amortisation and impairment charges	7	(42,956)	(35,467)
Other operating income	8	1,332	169
Other operating expenses	9	(97,750)	(81,259)
Operating profit		**13,350**	**7,822**
Finance income		62	5
Finance costs		(4,824)	(3,632)
Finance costs - net	10	**(4,762)**	**(3,627)**
Profit before income tax		8,588	4,195
Income tax	11	(2,504)	(1,967)
Profit for the period		**6,084**	**2,228**
Earnings per share for profit attributable to ordinary equity holders of the company:			
Basic earnings per share (in €)	17	0.11	0.04
Diluted earnings per share (in €)	17	0.11	0.04

(in € x 1,000)	Note	30 June 2018 Unaudited	30 June 2017 Unaudited
Profit for the period		**6,084**	**2,228**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Cash flow hedges		245	333
Deferred tax on cash flow hedges	11	(61)	(83)
Other comprehensive income for the period net of tax		**184**	**250**
Total comprehensive income for the period		**6,268**	**2,478**

(*) The Group has applied IFRS 15 and IFRS 9 as of 1 January 2018. Under the transition methods chosen, comparative information has not been restated. See Note 2.3.

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

BASIC-FIT

Interim condensed consolidated statement of financial position

(In € x 1,000)	Note	30 June 2018 Unaudited	31 December 2017 Audited (*)
Assets			
Non-current assets			
Property, plant and equipment	12	452,644	424,420
Intangible assets	13	264,533	269,723
Deferred tax assets	11	8,388	6,264
Receivables		3,039	2,645
Total non-current assets		**728,604**	**703,052**
Current assets			
Inventories		1,429	1,226
Current income tax receivables		90	-
Trade and other receivables		18,962	25,654
Cash and cash equivalents		8,958	13,033
Total current assets		**29,439**	**39,913**
Total assets		**758,043**	**742,965**
Equity			
Share capital		3,280	3,280
Share premium		358,360	358,360
Treasury shares		(666)	-
Other capital reserves		2,055	1,344
Retained earnings		(47,866)	(45,313)
Cash flow hedge reserve		(176)	(360)
Total equity		**314,987**	**317,311**
Liabilities			
Non-current liabilities			
Borrowings	15	309,967	294,568
Derivative financial instruments	14	715	325
Deferred tax liabilities	11	16,931	16,756
Other non-current liabilities		15,236	13,110
Provisions		2,962	3,592
Total non-current liabilities		**345,811**	**328,351**
Current liabilities			
Trade and other payables		95,169	93,913
Current income tax liabilities		362	1,721
Current portion of borrowings	15	2	20
Derivative financial instruments		427	567
Provisions		1,285	1,082
Total current liabilities		**97,245**	**97,303**
Total liabilities		**443,056**	**425,654**
Total equity and liabilities		**758,043**	**742,965**

(*) The Group has applied IFRS 15 and IFRS 9 as of 1 January 2018. Under the transition methods chosen, comparative information has not been restated. See Note 2.3.

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.

(In € x 1,000)	Share capital	Share premium	Treasury shares	Other capital reserves	Retained earnings	Cash flow hedge reserve	Total equity
Balance – 1 January 2017	**3,280**	**358,360**	**-**	**729**	**(56,457)**	**(835)**	**305,077**
Comprehensive income:							
Profit (loss) for the period	-	-	-	-	2,228	-	2,228
Other comprehensive income (loss)	-	-	-	-	-	250	250
Total comprehensive income (loss) for the period	-	-	-	-	2,228	250	2,478
Purchase of treasury shares	-	-	(869)	-	-	-	(869)
Equity settled share-based payments	-	-	-	844	-	-	844
Transactions recognised directly in equity	-	-	(869)	844	-	-	(25)
Balance – 30 June 2017 (unaudited)	**3,280**	**358,360**	**(869)**	**1,573**	**(54,229)**	**(585)**	**307,530**
Balance – 1 January 2018 (*)	**3,280**	**358,360**	**-**	**1,344**	**(45,313)**	**(360)**	**317,311**
Adjustment on initial application of IFRS 15 (net of tax)	-	-	-	-	(8,637)	-	(8,637)
Adjusted balance at 1 January 2018	**3,280**	**358,360**	**-**	**1,344**	**(53,950)**	**(360)**	**308,674**
Comprehensive income:							
Profit (loss) for the period	-	-	-	-	6,084	-	6,084
Other comprehensive income (loss)	-	-	-	-	-	184	184
Total comprehensive income (loss) for the period	-	-	-	-	6,084	184	6,268
Transactions with owners in their capacity as owners:							
Purchase of treasury shares	-	-	(666)	-	-	-	(666)
Equity settled share-based payments	-	-	-	711	-	-	711
Transactions recognised directly in equity	-	-	(666)	711	-	-	45
Balance – 30 June 2018 (unaudited)	**3,280**	**358,360**	**(666)**	**2,055**	**(47,866)**	**(176)**	**314,987**

(*) The Group has applied IFRS 15 and IFRS 9 as of 1 January 2018. Under the transition methods chosen, comparative information has not been restated. See Note 2.3.

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

Interim condensed consolidated statement of cash flow

(In € x 1,000)	Note	30 June 2018 Unaudited	30 June 2017 Unaudited (*)
Cash flows from operating activities			
Profit before income tax		8,588	4,195
Non-cash adjustments to reconcile profit before tax to net cash flows:			
Depreciation and impairment of property, plant and equipment	12	35,291	27,820
Amortisation and impairment of intangible assets	13	7,665	7,647
Share-based payment expense	16	711	844
Gain on disposal of property, plant and equipment		(55)	(87)
Finance income	10	(62)	(5)
Finance expense	10	4,824	3,632
Movements in provisions		(427)	(629)
Working capital adjustments:			
Increase in inventories		(203)	(30)
Decrease (increase) in trade and other receivables		6,692	(380)
(Decrease) increase in trade and other payables		(4,086)	5,237
Cash generated from operations		**58,938**	**48,244**
Interest received		62	5
Interest paid		(4,264)	(3,588)
Income tax paid		(2,717)	-
Net cash flows from operating activities		**52,019**	**44,661**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		56	199
Purchase of property, plant and equipment	12	(67,319)	(83,577)
Purchase of other intangible assets	13	(2,332)	(649)
Acquisitions, net of cash acquired	4	(425)	(1,364)
Repayment of loans granted		14	13
Disinvestments (investments) in other financial fixed assets		(408)	(472)
Net cash flows used in investing activities		**(70,414)**	**(85,850)**
Cash flows from financing activities			
Proceeds from borrowings		15,003	42,761
Repayments of borrowings		(17)	(966)
Financing costs paid		-	(375)
Purchase of treasury shares		(666)	(869)
Net cash flows from financing activities		**14,320**	**40,551**
Net increase (decrease) in cash and cash equivalents		**(4,075)**	**(638)**
Cash and cash equivalents at 1 January	19	13,033	17,365
Cash and cash equivalents at 30 June	19	**8,958**	**16,727**

(*) The Group has applied IFRS 15 and IFRS 9 as of 1 January 2018. Under the transition methods chosen, comparative information has not been restated. See Note 2.3.

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

BASIC-FIT

Notes to the interim condensed consolidated financial statements

1 Corporate information

Basic-Fit N.V. (the 'Company') is a company domiciled in the Netherlands. The address of the Company's registered office is Wegalaan 60, Hoofddorp, the Netherlands. The Company is registered under trade registration number of 66013577 in the Chamber of Commerce in Amsterdam.

The interim condensed consolidated financial statements of the Company for the period 1 January 2018 to 30 June 2018 comprise the Company and its subsidiaries (together referred as the 'Group' and individually as 'Group entities').

With 565 clubs and more than 1.6 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 aims to make fitness easy, affordable and fun, and give its members unbeatable value.

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

2.1 Basis of preparation and statement of compliance

The interim consolidated financial statements for the six months ended 30 June 2018 have been prepared in accordance with Accounting Standard IAS 34 interim financial reporting as issued by the International Accounting Standard Board (IASB) and as adopted by the European Union.

The interim consolidated financial statements do not include all the notes and all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's financial statements as at 31 December 2017. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements for the year ended 31 December 2017.

This is the first set of Group's financial statements where IFRS 15 and IFRS 9 have been applied. Changes to significant accounting policies are described in Note 2.3.

The interim consolidated financial statements of Basic-Fit N.V. as at and for the six months ended 30 June 2018 have not been audited or reviewed. The interim consolidated financial statements were authorised for publication in a Management Board meeting on 1 August 2018.

All financial information presented in euro has been rounded to the nearest thousand ('€ x 1,000'), unless otherwise indicated.

2.2 Critical accounting estimates and judgements

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements for the year ended 31 December 2017, except for any new significant judgements and key sources of estimation uncertainty related to the application of IFRS 15 and IFRS 9, which are disclosed in note 2.3.

BASIC-FIT

2.3 Changes in significant accounting policies

Except where stated otherwise, the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2017. The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2018.

The Group has initially adopted IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments* from 1 January 2018. A number of other new standards are effective from 1 January 2018 but they do not have a material effect on the Group's financial statements.

IFRS 15 Revenue from Contracts with Customers

The effect of initially applying IFRS 15 is mainly attributed to the following:

- revenues from joining fees are no longer recognised as revenue in the month that a new membership contract is signed, but on a monthly basis over the contract period for year-contracts and over the expected duration of the membership ('average length of stay') for 'Flex contracts' (contracts which can be cancelled every months); and
- discounts (promotions) related to year-contracts are recognised over the contract period instead of over the 'average length of stay'.

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations.

The Group has adopted IFRS 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 January 2018). Accordingly, the information presented for 2017 has not been restated – i.e. it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations.

The following table summarises the impact, net of tax, of the transition to IFRS 15 on retained earnings on 1 January 2018:

Retained earnings	**Impact IFRS 15 on 1 January 2018**
Increase in deferred revenues	(11,884)
Related tax effect (deferred tax)	3,247
Impact on retained earnings	(8,637)

The following table summarises the impacts of adopting IFRS 15 on the Group's interim statement of profit or loss for the six months ended 30 June 2018 for each of the affected line items:

Six months ended 30 June 2018	**As reported**	**Adjustments**	**Without adoption of IFRS 15**
Revenue	189,643	427	190,070
Operating costs	(176,293)	-	(176,293)
Operating profit	13,350	427	13,777
Finance costs - net	(4,762)	-	(4,762)
Profit (loss) before income tax	8,588	427	9,015
Income tax	(2,504)	(128)	(2,632)
Profit (loss) for the period attributable to the owners of the company	**6,084**	**299**	**6,383**
Earnings per share for profit attributable to ordinary equity holders of the company:			
Basic earnings per share (in €)	0.11	0.01	0.12
Diluted earnings per share (in €)	0.11	0.01	0.12

The adjustments of €427 thousand can be allocated to the "Benelux" segment for an amount of (€192) thousand and to the segment "France & Spain" for an amount of €619 thousand.

The adoption of IFRS 15 had no impact on other comprehensive income.

The following table summarises the impacts of adopting IFRS 15 on the Group's interim statement of financial position as at 30 June 2018:

30 June 2018	As reported	Adjustments	Without adoption of IFRS 15
Assets			
Non-current assets			
Deferred tax assets	8,388	(1,504)	6,884
Other non-current assets	720,216	-	720,216
Total non-current assets	728,604	(1,504)	727,100
Total current assets	29,439	-	29,439
Total assets	**758,043**	**(1,504)**	**756,539**
Equity			
Retained earnings	(47,866)	8,936	(38,930)
Other equity components	362,853	-	362,853
Total equity	314,987	8,936	323,923
Liabilities			
Non-current liabilities			
Deferred tax liabilities	16,931	1,871	18,802
Other non-current liabilities	328,880	-	328,880
Total non-current liabilities	345,811	1,871	347,682
Current liabilities			
Trade and other payables (including deferred revenues)	95,169	(12,311)	82,858
Other non-current liabilities	2,076	-	2,076
Total current liabilities	97,245	(12,311)	84,934
Total liabilities	443,056	(10,440)	432,616
Total equity and liabilities	**758,043**	**(1,504)**	**756,539**

The impact of IFRS 15 on the Group's interim statement of cash flow for the six months ended 30 June 2018 is limited to a shift within net cash flows from operating activities, where higher profit before income tax without adoption of IFRS 15 (€427 thousand) is offset by a lower change in working capital (deferred revenues) for the same amount. There was no impact of IFRS 15 on net cash flows from investing and financing activities, nor on total net cash flows.

The details of the new significant accounting policies and the nature of the changes to previous accounting policies in relation to the Group's various revenue streams are set out below:

Revenue stream	***Impact***
Joining fees	IFRS 15 does not consider the joining fee as a separate performance obligation as the Group does not provide goods or services in return. As a result, in case of one-year contracts ('Smart' and 'Easy'), joining fees will no longer be recognised as revenue in the month that a new membership contract is signed, but on a monthly basis over the contract period. For 'Flex' contracts (which can be cancelled every month) the joining fee will be spread out over the 'average length of stay' instead of the contract period (which is one month) because the joining fee creates a material right in case of these contract types. The difference between the joining fees charged and the joining fees recognised as revenue is recorded as deferred revenue.

Revenue stream	*Impact*
Membership fee and add-on fees	None
Discounts (free period / no joining fee)	Based on IFRS 15, discounts on membership fees and add-on fees can no longer be recognised over a longer period (the 'average length of stay') than the one-year contract period as the discounts do not give an incentive or material right for the member to prolong the contract. For Flex contracts the discount will still be allocated to the 'average length of stay', instead of the contract period (which is one month), in line with the joining fee.
Day passes	None
Personal trainer revenue (personal trainer services) and rental income	None
Revenues from sales from vending machines and other revenues	None

IFRS 9 Financial Instruments

IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, and introduces new rules for hedge accounting and a new impairment model for financial assets.

IFRS 9 had no material impact on the consolidated balance sheet at 1 January 2018 and 30 June 2018, nor on the consolidated statement of comprehensive income for the first six months ended 30 June 2018. Furthermore, it is expected that IFRS 9 will have no material impact the consolidated balance 31 December 2018, nor on the consolidated statement of comprehensive income for the full year 2018.

2.4 New standards and interpretations not yet adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2018. Earlier application is permitted, however, the Group has not done so in the preparation of the condensed consolidated interim financial statements.

The Group has the following updates on information provided in the 2017 annual financial statements about standards that were issued but not yet effective, and which may have a significant impact on the Group's consolidated financial statements.

IFRS 16 Leasing

IFRS 16 replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

The Group has completed an initial assessment of the potential impact on its consolidated financial statements but has not yet fully completed its detailed assessment. The actual impact of applying IFRS 16 on the financial statements in the period of initial application will depend on future economic conditions, including the Group's borrowing rate on 1 January 2019, the composition of the Group's lease portfolio on that date, the Group's latest assessment of whether it will

exercise any lease renewal options and the extent to which the Group chooses to use practical expedients and recognition exemptions.

IFRS 16 is expected to have a significant impact on the following types of arrangements entered into by the Group:

- Properties: the Group has strategically elected not to purchase, but rather lease the properties in which the clubs are located. Given these leases have historically been accounted for as operating leases, they will now be recognised in the Group's statement of financial position for the first time. On 30 June 2018, the undiscounted value of future instalments, which are currently disclosed as commitments within these financial statements (€897 million), includes approximately €146 million for clubs which are not open yet.
- Motor vehicles: similarly to properties, the Group leases a number of motor vehicles for the use of its staff. The Group currently has a fleet of vehicle leases, the undiscounted value of future instalments for which are currently disclosed as commitments within these financial statements (€3 million).

The Group is in a finalizing stage of the process of collecting the required lease data and the implementation process of an IFRS 16 software solution. Currently, the Group is investigating the practical application of the new standard including, but not limited, to issues such as:

- Determination of rates for the purpose of discounting lease obligations to present value;
- Establishing lease terms in which the arrangement contains an extension / termination option;
- Treatment of lease and non-lease components; and
- Impact on management reporting and budget process.

The Group is currently assessing the full impact of IFRS 16, and as such is not in a position to quantify its impact. Related to the aforementioned arrangements, the Group will recognise a right-of-use asset and a corresponding liability in respect of these leases. Some of the commitments may be covered by the exception for short-term and low-value leases. EBITDA will increase significantly due to lease payments from operating leases, previously being recognised in operating profit being replaced by depreciation and interest expenses which are excluded from EBITDA. The change will have a less significant impact on Earnings before tax. Based on the current portfolio of leases, the negative impact on Earnings before tax is expected to decrease over time, depending on future economic conditions, including the Group's borrowing rate and the growth of the company.

BASIC-FIT

3 Segment information

The following tables present revenues and adjusted EBITDA information for the Group's operating segments for the six months ended 30 June 2018 and 2017 respectively, and include a reconciliation of adjusted EBITDA to profit before tax for the Group:

Six months ended 30 June 2018 (unaudited)

	Benelux	**France & Spain**	**Total**
Revenues	124,204	65,439	189,643
Adjusted EBITDA	51,385	15,298	66,683
Other reconciling items			(10,031)
Total Adjusted EBITDA			56,652
Reconciliation of adjusted EBITDA to profit before tax:			
Adjusted EBITDA			**56,652**
Depreciation, amortisation and impairment charges			(42,956)
Finance costs – net			(4,762)
Exceptional items:			
- Pre-opening costs new clubs			(552)
- Other exceptional costs and profits			206
Profit (loss) before tax			**8,588**

Six months ended 30 June 2017 (unaudited)

	Benelux	**France & Spain**	**Total**
Revenues	118,595	37,379	155,974
Adjusted EBITDA	46,748	6,967	53,715
Other reconciling items			(8,192)
Total Adjusted EBITDA			45,523
Reconciliation of adjusted EBITDA to profit before tax:			
Adjusted EBITDA			**45,523**
Depreciation, amortisation and impairment charges			(35,467)
Finance costs – net			(3,627)
Exceptional items:			
- Pre-opening costs new clubs			(947)
- Other exceptional costs and profits			(1,287)
Profit (loss) before tax			**4,195**

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 €58,666 thousand (2017: €55,229 thousand). Furthermore, there are no customers that account for 10% or more of revenue in any period presented.

Breakdown of non-current assets is as follows:	30 June 2018 Unaudited	31 December 2017 Audited
The Netherlands (country of domicile)	224,128	231,701
Belgium	223,316	229,083
Luxembourg	21,892	21,425
France	214,167	176,399
Spain	33,674	35,535
Total	**717,177**	**694,143**

4 Business combinations

Acquisitions 2018
During the first six months of 2018, the Group acquired one fitness club through an asset deal. The purchase price net of cash was €425 thousand, which was provisionally allocated to leasehold improvements and the acquired customer relationships. 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 2017
During the first six months of 2017 the Group acquired two fitness clubs. The total purchase price net of cash was €1,364 thousand, which was mostly allocated to leasehold improvements and the acquired customer relationships. There was no excess of the consideration transferred, after the recognition of newly acquired net identifiable assets. As a result no goodwill was recognised. Both acquisitions were acquired through asset deals.

The fair value of the identifiable assets and liabilities of the acquisitions in the first six months of 2018 and 2017 as at the date of acquisition was as follows:

Fair value recognised on acquisition	Six months ended 30 June 2018	Six months ended 30 June 2017
Assets		
Property, plant and equipment	282	940
Customer relationships	143	506
Favourable lease contracts (included in other intangible assets)	-	65
Liabilities		
Other liabilities and accrued expenses	-	(147)
Total identifiable net assets acquired at fair value	**425**	**1,364**
Goodwill arising on acquisition	-	-
Purchase consideration transferred	**425**	**1,364**
Less: cash acquired	-	-
Net outflow of cash - investing activities	**425**	**1,364**

BASIC-FIT

5 Revenue

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

The nature and effect of applying IFRS 15 on the Group's interim financial statements are disclosed in note 2.3.

5.1 Disaggregation of revenue

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

	Six months ended 30 June 2018	Six months ended 30 June 2017 (*)
Type of goods or service		
Fitness revenue	184,738	152,652
Other revenue	4,905	3,322
Total	**189,643**	**155,974**
Geographical markets		
The Netherlands	58,666	55,229
Belgium	60,733	58,868
Luxembourg	4,805	4,498
France	54,246	26,445
Spain	11,193	10,934
Total	**189,643**	**155,974**
Timing of revenue recognition		
Products and services transferred over time	187,637	154,710
Products transferred at a point in time	2,006	1,264
Total	**189,643**	**155,974**

(*) The Group has applied IFRS 15 as of 1 January 2018. Under the transition methods chosen, comparative information is not restated. Reference is made to note 2.3.

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

5.2 Contract balances

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

	30 June 2018	1 January 2018 (*)
Receivables, which are included in 'Trade and other receivables'	10,208	11,441
Contract liabilities, which are included in 'Trade and other payables'	31,696	37,854

(*) The Group recognised the cumulative effect of applying IFRS 15 as an adjustment to the opening balance at 1 January 2018.

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.

BASIC-FIT

6 Employee benefits expense

The employee benefits can be broken down as follows:

	Six months ended 30 June 2018	Six months ended 30 June 2017
Salaries and wages	(27,617)	(23,955)
Social security contributions	(5,833)	(5,270)
Pension costs – defined contribution plans	(536)	(360)
Total	**(33,986)**	**(29,585)**

7 Depreciation, amortisation and impairment charges

	Six months ended 30 June 2018	Six months ended 30 June 2017
Depreciation of property, plant and equipment	(34,198)	(27,535)
Amortisation of other intangible assets	(7,665)	(7,647)
Impairment on property, plant and equipment	(1,093)	(285)
Total	**(42,956)**	**(35,467)**

8 Other operating income

	Six months ended 30 June 2018	Six months ended 30 June 2017
Net gain on disposal of property, plant and equipment	55	87
Insurance reimbursements	876	-
Other operating income	401	82
Total	**1,332**	**169**

9 Other operating expenses

	Six months ended 30 June 2018	Six months ended 30 June 2017
Other personnel expenses	(8,208)	(7,048)
Rental expenses	(40,430)	(32,516)
Housing expenses	(26,245)	(21,523)
Marketing expenses	(8,156)	(7,673)
Write-off of bad debts, incl. collection agency costs	(4,412)	(4,483)
Lease equipment (operating lease)	(235)	(246)
Car expenses	(934)	(836)
Overhead and administrative expenses	(9,130)	(6,934)
Total	**(97,750)**	**(81,259)**

Marketing expenses are recognised net of received marketing contributions as described in note 2.22 of the annual financial statements 2017.

BASIC-FIT

10 Finance income and costs

	Six months ended 30 June 2018	Six months ended 30 June 2017
Finance costs:		
Interest on external debt and borrowings	(4,824)	(3,632)
Total finance costs	**(4,824)**	**(3,632)**
Finance income:		
Other interest income	62	5
Total finance income	**62**	**5**
Finance costs - net	**(4,762)**	**(3,627)**

11 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 30 June 2018	Six months ended 30 June 2017
Consolidated statement of profit or loss		
Current income tax:		
Current income tax charge	(1,268)	-
	(1,268)	**-**
Deferred income tax:		
Release deferred tax asset related to IFRS 15 impact (equity impact opening balance recognised in fiscal result 2018)	(3,247)	-
Change in deferred tax asset for carry forward losses available for offsetting against future taxable income	2,001	(2,012)
Changes in other deferred tax assets and liabilities recognised in profit or loss	10	45
	(1,236)	(1,967)
Total income tax	**(2,504)**	**(1,967)**
Consolidated statement of other comprehensive income		
Deferred tax related to items recognised in OCI during the year		
Deferred tax on cash flow hedges	**(61)**	**(83)**

The effective income tax rate is calculated as follows:

	Six months ended 30 June 2018	Six months ended 30 June 2017
Profit (loss) before income tax	8,588	4,195
Income tax	(2,504)	(1,967)
Effective income tax rate	*29.2%*	*46.9%*
Applicable income tax rate	*25.0%*	*25.0%*

The effective income tax rate over the six months ended 30 June 2018 of 29.2% includes 4.8% related to non tax deductible expenses, of which 2.1% share-based payments expenses.

BASIC-FIT

Amounts recognised directly in equity

All aggregate current and deferred tax arising in the reporting periods have been recognised in either the net profit or loss, or other comprehensive income. As a result of the adoption of IFRS 15, an amount of €3.2 million has been directly credited to equity on 1 January 2018 (transition date). Reference is made to note 2.3.

Deferred taxes in the interim condensed consolidated statement of financial position

The deferred income tax assets and liabilities on 30 June 2018 and 31 December 2017 can be specified as follows:

Deferred tax assets and liabilities relating to:	30 June 2018	31 December 2017
Losses available for offsetting against future taxable income	11,918	9,917
Purchase price allocation	(14,971)	(16,589)
Temporary differences in the valuation of assets and liabilities	(5,490)	(3,881)
Cash flow hedges reported in the other comprehensive income section of the consolidated statement of comprehensive income	-	61
Total deferred tax assets and liabilities before offsetting	**(8,543)**	**(10,492)**

After netting deferred tax assets and deferred tax liabilities within the same tax entity for an amount of €5.2 million (31 December 2017: €6.1 million), these positions are as follows:

	30 June 2018	31 December 2017
Deferred tax assets	8,388	6,264
Deferred tax liabilities	(16,931)	(16,756)
Deferred tax liabilities net	**(8,543)**	**(10,492)**

12 Property, plant and equipment

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

	Six months ended 30 June 2018			Six months ended 30 June 2017
	Building improvement	Other fixed assets	Total	Total
At 1 January				
Cost	362,958	214,943	577,901	426,741
Accumulated impairments and depreciation	(67,911)	(85,570)	(153,481)	(97,451)
Net book value	**295,047**	**129,373**	**424,420**	**329,290**
Period ended 30 June				
Opening net book value	**295,047**	**129,373**	**424,420**	**329,290**
Additions	42,241	20,993	63,234	72,037
Cost of disposals	(899)	(501)	(1,400)	(1,857)
Acquisition of subsidiary	282	-	282	940
Depreciation	(16,915)	(17,283)	(34,198)	(27,535)
Impairment	(744)	(349)	(1,093)	(285)
Accumulated depreciation of disposals	898	501	1,399	1,745
Closing net book value	**319,910**	**132,734**	**452,644**	**374,335**
At 30 June				
Cost	404,582	235,435	640,017	497,861
Accumulated impairments and depreciation	(84,672)	(102,701)	(187,373)	(123,526)
Closing net book value	**319,910**	**132,734**	**452,644**	**374,335**

The additions and disposals of the first six months of 2018 mainly relate to the opening of 45 new clubs and the closing of 1 club. In the first six months of 2017, 51 new clubs were opened and 4 clubs were closed. The impairment losses in both periods represent the write-down of building improvement related to the closing of the aforementioned clubs.

Finance leases
On 30 June 2018, the Group did not hold any equipment under finance lease (31 December 2017: €4 thousand).

13 Intangible assets

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

	Six months ended 30 June 2018					Six months ended 30 June 2017
	Goodwill	Trademark	Customer relationships	Other intangible assets	Total	Total
At 1 January						
Cost	187,351	44,918	58,355	39,297	329,921	323,678
Accumulated impairments and amortisation	-	(8,984)	(31,730)	(19,484)	(60,198)	(44,832)
Net book value	**187,351**	**35,934**	**26,625**	**19,813**	**269,723**	**278,846**
Period ended 30 June						
Opening net book value	**187,351**	**35,934**	**26,625**	**19,813**	**269,723**	**278,846**
Additions	-	-	-	2,332	2,332	649
Cost of disposals	-	-	-	(131)	(131)	(13)
Acquisition of subsidiary	-	-	143	-	143	571
Amortisation	-	(1,123)	(4,168)	(2,374)	(7,665)	(7,647)
Accumulated depreciation of disposals	-	-	-	131	131	13
Closing net book value	**187,351**	**34,811**	**22,600**	**19,771**	**264,533**	**272,419**
At 30 June						
Cost	187,351	44,918	58,498	41,498	332,265	324,885
Accumulated impairments and amortisation	-	(10,107)	(35,898)	(21,727)	(67,732)	(52,466)
Net book value	**187,351**	**34,811**	**22,600**	**19,771**	**264,533**	**272,419**

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 and intangible assets with indefinite lives is based on value-in-use 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 2017. There is no indication to perform an impairment test in relation to these interim financial statements.

14 Financial assets and financial 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 2018 and 31 December 2017:

Assets	Derivatives at FVPL (*)	30 June 2018 Loans and receivables at amortised costs	Derivatives at FVPL	30 June 2017 Loans and receivables at amortised costs
Loan receivable	-	83	-	97
Trade and other receivables excluding prepayments	-	10,208	-	11,441
Total	**-**	**10,291**	**-**	**11,538**

(*) Fair value through profit and loss

Total current		**10,236**		**11,455**
Total non-current		**55**		**83**

Set out below is an overview of financial liabilities held by the Group as at 30 June 2018 and 31 December 2017:

Liabilities	Derivatives at FVPL	30 June 2018 Other financial liabilities at amortised costs	Derivatives at FVPL	30 June 2017 Other financial liabilities at amortised costs
Borrowings (excluding finance lease liabilities)	-	309,967	-	294,568
Finance lease liabilities	-	-	-	4
Derivative financial instruments	1,142	-	892	-
Other long-term payables	-	2	-	16
Trade and other payables excluding non-financial liabilities	-	30,108	-	39,345
Total	**1,142**	**340,077**	**892**	**333,933**
Total current	**427**	**30,110**	**567**	**39,365**
Total non-current	**715**	**309,967**	**325**	**294,568**

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and price risk), credit risk and liquidity risk. The interim condensed financial statements do not include all financial risk management information and should be read in conjunction with the Group's 2017 annual financial statements as at 31 December 2017. There have been no changes in the risk management department or any risk management policies since year end.

Fair value estimation

On 30 June 2018, the Group had nine financial instruments measured at fair value (31 December 2017: ten). 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

- On 30 June 2018 and 31 December 2017, 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.
- On 30 June 2018 and 31 December 2017, the fair values of other long-term financial assets (security deposits) were not materially different from the carrying amounts.
- On 30 June 2018 and 31 December 2017, the fair values of long-term borrowings were not materially different from the carrying amounts.

15 Borrowings

The Group's interest-bearing borrowings as at 30 June 2018 and 31 December 2017 are summarised in the following table:

	30 June 2018			31 December 2017		
	Interest rate*	Maturity	Amount	Interest rate*	Maturity	Amount
Non-current interest-bearing loans and borrowings						
Bank borrowings (**)	1.7%	June 2023	250,000	2.0%	May 2021	175,000
Drawn revolving credit facility (**)	1.7%	(***)	62,500	2.0%	(***)	122,497
Total non-current interest-bearing loans and borrowings			**312,500**			**297,497**
Borrowing costs			(2,533)			(2,929)
Total carrying value of non-current interest-bearing loans and borrowings			**309,967**			**294,568**
Current interest-bearing loans and borrowings						
Lease commitments	-	-	-	8.7%	Dec 2017	4
Other long-term financing	8.0%	Aug 2018	2	6.0%	Dec 2017	16
Total carrying value of current interest-bearing loans and borrowings			**2**			**20**
Total interest-bearing loans and borrowings			**309,969**			**294,588**

** These are the weighted average interest rates*

*** Variable interest rates*

**** Drawn on a 3-month basis*

The repayments of the total current interest-bearing loans and borrowings due within 12 months of the reporting date are presented as current liabilities.

BASIC-FIT

Bank borrowings (senior debt loan) and drawn revolving credit facility

In June 2016, the Group closed a new multicurrency term and revolving facilities agreement of €275.0 million in total (€175.0 million term facility and €100.0 million revolving credit facility) for a period of five years and against an interest rate of applicable Euribor plus a margin, depending on the leverage ratio and unsecured. To support the accelerated roll out of clubs, the revolving credit facility was increased by €75.0 million to €175.0 million in March 2017. In June 2018, the Group successfully completed an amend and extend of its existing facilities agreement. As of the end of June 2018, the facilities agreement consists of a €250.0 million term loan and a €200.0 million revolving facility. As a result of the amendment, the maturities of both the term and revolving credit facilities have been extended to June 2023 and the margins on both facilities were reduced.

On 30 June 2018, €69.3 million of the €200.0 million revolving facility was drawn of which €6.8 million for bank guarantees.

The carrying value of the borrowings are presented net of finance costs (June 2018: €2,533 thousand; December 2017: €2,929 thousand). The finance costs are charged to the income statement based on the effective interest rate method over the period to maturity of the loans. The amount at 30 June 2018 does not yet include the finance costs related to the latest amendment of €1,457 thousand, which was paid on 2 July 2018.

As at 30 June 2018 and 31 December 2017, the contractual maturities of the Group's derivative and non-derivative financial liabilities were as follows:

30 June 2018	Less than 3 months	3 months to 1 year	1-2 years	2-5 years	Over 5 years	Total	Carrying amount
Non-derivatives							
Borrowings (excluding finance leases and capitalised financing costs)	1,501	4,497	5,998	330,490	-	342,486	312,500
Trade payables	30,108	-	-	-	-	30,108	30,108
Other long-term payables	2	-	-	-	-	2	2
Total non-derivatives	**31,611**	**4,497**	**5,998**	**330,490**	**-**	**372,596**	**342,610**
Derivative financial liability	227	582	387	(51)	-	1,145	1,142
Total derivatives	**227**	**582**	**387**	**(51)**	**-**	**1,145**	**1,142**

31 December 2017	Less than 3 months	3 months to 1 year	1-2 years	2-5 years	Over 5 years	Total	Carrying amount
Non-derivatives							
Borrowings (excluding finance leases and capitalised financing costs)	1,488	4,462	5,950	305,760	-	317,660	297,497
Finance lease liabilities	1	3	-	-	-	4	4
Trade payables	39,345	-	-	-	-	39,345	39,345
Other long-term payables	9	9	-	-	-	18	16
Total non-derivatives	**40,843**	**4,474**	**5,950**	**305,760**	**-**	**357,027**	**336,862**
Derivative financial liability	236	758	336	(448)	-	882	892
Total derivatives	**236**	**758**	**336**	**(448)**	**-**	**882**	**892**

BASIC-FIT

16 Share-based payments

Following the listing on Euronext Amsterdam, the Company has implemented three equity-settled share-based payment plans. In 2016, awards were made to eligible selected employees under the one-off Retention Share Plan. As from 2017, performance shares are awarded on an annual basis under the new long-term incentive plan ('LTIP').

Subject to the participant's continued employment with the Group, the awards made in 2016 under the Retention Share Plan will vest in three equal annual instalments, after which the ordinary shares will be released to the participant. The performance shares awarded in 2017 respectively 2018 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 3-year performance period 2017-2019 respectively 2018-2020. Linear vesting applies between threshold (50%), target (100%) and maximum (150%) vesting levels.

Where a given participant's employment terminates, 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 board member is permitted to sell a sufficient number of such ordinary shares in order to cover any taxes due upon vesting.

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

	2018	2017
At January 1	188,573	145,674
Awarded during the year	67,867	109,006
Exercised during the year	-	(48,542)
Forfeited during the year	-	(17,565)
At 30 June and 31 December respectively	256,440	188,573

The fair value of the performance shares awarded in 2018 and 2017 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 2018 respectively 2017 is equal to share price at the date of grant of €27.00 (2016: €15.52).

The share-based payment expenses recognised in the first six months of 2018, with a corresponding entry directly in equity, amount to €711 thousand (first six months of 2017: €844 thousand).

17 Earnings per share

For the six months ended 30 June 2018, the weighted number of shares to calculate the earnings per share has been determined using 54.67 million shares less 24 thousand treasury shares purchased during June 2018, resulting in 54.67 million.

For the six months ended 30 June 2017, the weighted number of shares to calculate the earnings per share has been determined using 54.67 million shares less 55 thousand treasury shares purchased during June 2017, resulting in 54.66 million.

18 Contingencies and commitments

Except as disclosed otherwise below, there are no material changes to the Group's contingencies and commitments during the first six months of 2018, compared to 31 December 2017.

Capital commitments

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

	30 June 2018	31 December 2017
Property, plant and equipment	32,613	31,604

(Long-term) financial obligations

The Group has assumed the following obligations: Building leases for periods ranging from one to 20 years and operating leases for vehicles and other equipment (expiring in 2018-2023). The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated. Excess building space is sub-let to third parties.

Future minimum rentals payable under non-cancellable operating leases, such as rental agreements for buildings and cars (including service costs) are as follows:

	30 June 2018	31 December 2017
Within one year	96,179	83,183
After one year but not more than five years	390,460	336,172
More than five years	413,572	368,953
Total	900,208	788,308

Furthermore, before 30 June 2018 the Group has entered into several rental agreements for new locations for a total amount of €96 million (of which approximately €52 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 the operating lease commitments.

Other commitments

As per 30 June 2018 an amount of approximately €6.8 million in total was issued in bank guarantees (31 December 2017: €6.7 million).

19 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 2018	30 June 2017
Cash in bank and on hand	8,958	16,727
Bank overdraft	-	-
Total	8,958	16,727

20 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 2017.

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 2018 and 30 June 2017. In addition, the table provides an overview of all balances held with these related parties as at 30 June 2018 and 31 December 2017.

		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	2018	-	3,078	-	32
	2017	-	3,062	-	1,082

21 Events after the reporting period

Subsequent events were evaluated up to 1 August 2018. There are no subsequent events.

BASIC-FIT

Management Board's statement on the interim consolidated financial statements for the six months ended 30 June 2018

We have prepared the interim condensed consolidated financial statements for the six months ended 30 June 2018 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 financial statements in this Interim Financial Report 2018 give a true and fair view of our assets and liabilities, financial position at 30 June 2018, and of the result of our consolidated operations for the first half year of 2018.
- The financial and business review as included in the press release related to the first half year 2018 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, 1 August 2018

Management Board

René Moos – Chief Executive Officer

Hans van der Aar – Chief Financial Officer

Overview risks

In the Directors' Report in our Annual Report 2017 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 2017 (Note 5).

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 2018 our risk assessment policies and the main identified risks as described in the Annual Report 2017 have not changed and we do not have any indication this will significantly change the remaining six months of the financial year 2018.