

Independent auditor's report

To: the shareholders and supervisory board of Basic-Fit N.V.

Report on the audit of the financial statements 2023 included in the annual report

Our opinion

We have audited the financial statements 2023 of Basic-Fit N.V. (the Company), based in Hoofddorp, the Netherlands.

The financial statements comprise the consolidated and company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of Basic-Fit N.V. as at 31 December 2023 and of its result and its cash flows for 2023 in accordance with International Financial Reporting Standards as adopted in the European Union (EU-IFRSs) and with Part 9 of Book 2 of the Dutch Civil Code
- The accompanying company financial statements give a true and fair view of the financial position of Basic-Fit N.V. as at 31 December 2023 and of its result for 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code

The consolidated financial statements comprise:

- The consolidated statement of financial position as at 31 December 2023
- The following statements for 2023: the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows
- The notes comprising material accounting policy information and other explanatory information

The company financial statements comprise:

- The company balance sheet as at 31 December 2023
- The company statement of profit and loss for 2023
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of Basic-Fit N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our understanding of the business

Basic-Fit N.V. operates in the value-for-money fitness market and has clubs in a number of European countries. The group is structured in components and we tailored our group audit approach accordingly. We paid specific attention in our audit to a number of areas driven by the operations of the group and our risk assessment. We refer to the key audit matters for further details.

We determined materiality and identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Materiality

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| Materiality | €8.0 million (2022: €6.0 million) |
| Benchmark applied | Approximately 0.8% of consolidated revenue (2022: approximately 0.8% of consolidated revenue) |
| Explanation | <p>We used revenues as the basis for the materiality, as it is one of the most important measures of the Company's performance.</p> <p>We considered a general interest of the users of the financial statements in the realized and potential growth of the Company, measured in number of clubs, number of members and resulting revenues.</p> <p>Also, revenue is the main source of cash (in)flow, another focus area for many users of the financial statements. This benchmark is consistent with prior years.</p> |

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the supervisory board that misstatements in excess of € 400.000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Basic-Fit N.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements.

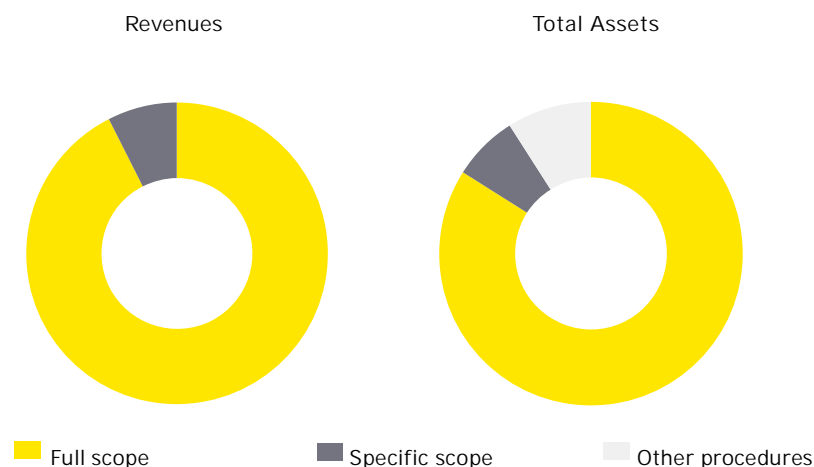
Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

Our group audit mainly focused on significant group entities. We selected Basic-Fit N.V., Basic Fit Nederland B.V., Basic-Fit Belgium B.V. and Basic Fit II S.A. as significant entities based on their size and/or their risk profile. We selected HealthCity België N.V. as significant entity for statutory obligations. We performed full scope procedures with respect to these entities. This means that an audit has been performed on the complete set of financial information. Furthermore we selected Basic Fit International B.V., Basic-Fit Spain S.A. and Basic-Fit Germany GmbH as specific scope entities, based on the size and risk profile and performed specific scope procedures with respect to these entities. This means that an audit has been performed on specific accounts of the financial information.

We have:

- performed audit procedures ourselves at group entities Basic-Fit N.V., Basic Fit Nederland B.V., Basic-Fit Belgium B.V., Basic Fit II S.A., HealthCity België N.V., Basic Fit International B.V., Basic-Fit Spain S.A. and Basic-Fit Germany GmbH
- used the work of other EY network auditors for the audit of employee expenses and local taxes for the group entities Basic-Fit Belgium B.V., Basic Fit II S.A. and HealthCity België N.V.
- performed other procedures at other group entities

In total these procedures represent 100% of revenues and 91% of the group's total assets.



By performing the procedures mentioned above at components of the group, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the consolidated financial statements.

Teaming and use of specialists

We ensured that the audit teams both at group and at component levels included the appropriate skills and competences which are needed for the audit of a listed client in the fitness industry. We included specialists in the areas of IT audit, forensics, corporate governance, sustainability and income tax and have made use of our own experts in the areas of valuations of the right-of-use assets, lease liabilities, goodwill and derivatives.

Our focus on climate-related risks and the energy transition

Climate change and the energy transition are high on the public agenda. Issues such as CO2 reduction impact financial reporting, as these issues entail risks for the business operation, the valuation of assets and provisions or the sustainability of the business model and access to financial markets of companies with a larger CO2 footprint. Management reported in the section "Non-financial information" of the management board report how the Company is addressing climate-related and environmental risks and summarized Basic-Fit N.V.'s commitments and obligations. Further information is included in Note 2.3 in the financial statements.

As part of our audit of the financial statements, we evaluated the extent to which climate-related risks and the effects of the energy transition and the Company's commitments and (constructive) obligations, are taken into account in estimates and significant assumptions as well as in the design of relevant internal control measures. Furthermore, we read the management board report and considered whether there is any material inconsistency between the non-financial information in section "Non-financial information" and the financial statements.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the Company and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the outcomes. We refer to section "Risk management and control systems" of the management board report for management's (fraud) risk assessment and section "Risk and control framework" of the supervisory board report in which the supervisory board reflects on this (fraud) risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We addressed the risks related to management override of controls, as this risk is present in all companies. For these risks we have performed procedures, among other things to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in Note 2.1 to the financial statements. We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties.

When identifying and assessing fraud risks we presumed that there are risks of fraud in revenue recognition. We identified specific fraud risks on "Revenue recognition - Overstatement of fitness revenues as a result of manual journal entries" which is set out as a key audit matter. We also identified a fraud risk on "Over- or under-valuing of fitness equipment due to incorrect recognition of agreements with the sole supplier of fitness equipment" as management is in a unique position to make (price) agreements with their preferred supplier, which could impact both the capitalized expenditures and operational expenses to manage the EBITDA and other performance measures. We designed and performed our audit procedures relating to valuation of fitness equipment responsive to this fraud risk. Specifically we checked material transactions with this supplier existing mostly out of purchases of fitness equipment. We evaluated whether a business rationale exists for these transactions and if the agreed upon prices are at arms' length. Furthermore we verified whether (formalized) agreements are the basis for the transactions.

We considered available information and made enquiries of relevant executives, directors, internal audit, legal, compliance, human resources and the supervisory board.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the management board, reading minutes, inspection of internal audit and compliance reports, the incident register and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected lawyers' letters and we have been informed by management that there was no correspondence with regulatory authorities. We remained alert to any indication of (suspected) non-compliance throughout the audit. Finally we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

As disclosed in section Going concern in Note 2.2 to the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, management made a specific assessment of the Company's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with management exercising professional judgment and maintaining professional skepticism.

We considered whether management's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Based on our procedures performed, we did not identify material uncertainties about going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated our key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters discussed.

In comparison with previous year, the nature of our key audit matters did not change.

Revenue recognition - Overstatement of fitness revenues as a result of manual journal entries

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| Risk | <p>Recorded revenues are an important performance indicator to stakeholders. Management could have the incentive to accelerate revenue recognition as management's variable remuneration depends amongst others on total revenue targets. Therefore we presumed that there are risks of fraud in revenue recognition.</p> <p>Because revenue recognition and the accounting for accrued – and deferred revenues comprise different components, estimations and recognition elements, we consider this topic a key audit matter.</p> <p>These revenues are disclosed in Note 3.2 in the financial statements.</p> |
| Our audit approach | <p>Our audit strategy included an assessment of the appropriateness of the Company's revenue recognition policies in general, understanding of the internal control environment, data analytics procedures on revenues and receivables and substantive procedures relating to contractual terms and conditions and the appropriate accounting thereof.</p> <p>Amongst others we have performed substantive analytical procedures on revenues and data analytics procedures with respect to sources of revenue and the correlation between revenue, accounts receivable and cash receipts. We audited the full revenue reconciliation, including the reported revenues in the membership administration, the revenue recorded in the financial administration, the movements in the membership debtors and the subsequent cash receipts. We have specifically assessed the accuracy, completeness and proper cut-off of revenues that have been accrued as at 31 December 2023 by recalculation of accrued revenues based on member data and we performed detailed testing on manual entries recorded in the financial administration and the consolidation tool via journal entry testing. Furthermore, we focused on the adequacy of the Company's disclosures in respect of IFRS 15.</p> |
| Key observations | <p>We did not identify any material misstatements in the revenue recorded in the year, either due to fraud or error. Furthermore we deem the disclosure notes to be adequate.</p> |

Completeness of right-of-use assets and lease liabilities

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| Risk | <p>IFRS 16 requires management to perform calculations for all existing leases including consideration of individual lease terms. Because of the significant number of new lease contracts in light of ongoing club openings, and the amounts involved, we consider this topic a key audit matter.</p> <p>We note that the right-of-use assets amount to €1,534 million (2022: €1,382 million) and the lease liabilities € 1,649 million (2022: €1,482 million) as per 31 December 2023. These accounts are disclosed in Note 4.4 in the financial statements.</p> |
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Completeness of right-of-use assets and lease liabilities

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| Our audit approach | <p>Our audit strategy included an assessment of the appropriateness of the Company's IFRS 16 policies, understanding of the internal control environment and substantive procedures relating to contractual terms and conditions and the appropriate accounting thereof.</p> <p>We tested the completeness of the population of lease contracts used for the IFRS 16 calculations by reconciling the rental agreements to outgoing lease payments on the suspense account as well as the member administration by club (i.e. we verified that for each club generating income a property rent contract is recorded in both the right-of-use assets and lease liabilities). On a sample basis we tested lease contracts for clubs planned, but not open yet and assessed lease contracts entered into in both 2023 and early 2024 for potential cut-off errors. Furthermore, we focused on the adequacy of the Company's disclosures in respect of IFRS 16.</p> |
| Key observations | <p>We did not identify material omissions in the lease contracts used as a basis for the IFRS 16 calculations. Furthermore we deem the disclosure notes to be adequate.</p> |

Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code and as required by Sections 2:135b and 2:145 sub-section 2 of the Dutch Civil Code for the remuneration report.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 and Section 2:135b sub-Section 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code. The management board and the supervisory board are responsible for ensuring that the remuneration report is drawn up and published in accordance with Sections 2:135b and 2:145 sub-section 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were engaged by the supervisory board as auditor of Basic-Fit N.V. on 16 November 2015, as of the audit for the year 2015 and have operated as statutory auditor ever since that date.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

European Single Electronic Reporting Format (ESEF)

Basic-Fit N.V. has prepared the annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion the annual report prepared in the XHTML format, including the (partially) marked-up consolidated financial statements as included in the reporting package by Basic-Fit N.V., complies in all material respects with the RTS on ESEF.

Management is responsible for preparing the annual report, including the financial statements, in accordance with the RTS on ESEF, whereby management combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N, "Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument" (assurance engagements relating to compliance with criteria for digital reporting). Our examination included amongst others:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
 - Obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files, has been prepared in accordance with the technical specifications as included in the RTS on ESEF
 - Examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF

Description of responsibilities regarding the financial statements

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRSs and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The Information in support of our opinion section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

Our audit further included among others:

- Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee of the supervisory board in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the supervisory board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Rotterdam, 13 March 2024

Ernst & Young Accountants LLP

signed by P.W.A. Eimers