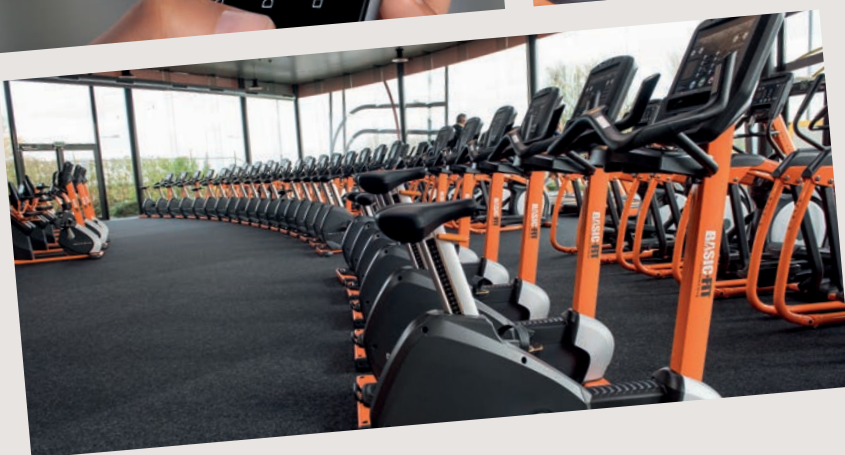
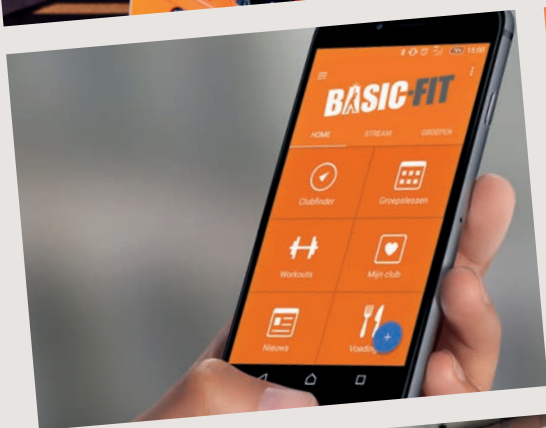


# BASIC-FIT

## PROSPECTUS

May 2016



MORE THAN 350 CLUBS IN EUROPE

TOP QUALITY EQUIPMENT

LIVE AND VIRTUAL CLASSES

TECHNOLOGY DRIVEN OPERATION

CLEAN AND SAFE CLUBS



## Basic-Fit N.V.

(a public company with limited liability (naamloze vennootschap) incorporated under the laws of the Netherlands, with its corporate seat in Hoofddorp, the Netherlands)

### Offering of up to 30,666,667 ordinary shares in the capital of Basic-Fit N.V. (the “Company”) with a nominal value of €0.06 each (the “Ordinary Shares”)

We are offering up to 24,666,667 new Ordinary Shares (the “New Shares”) to raise gross proceeds of approximately €370 million (the “Primary Offering”). In addition, Mito Holdings S.à r.l. (“Mito”), AM Holding B.V. (“AM Holding”) and Miktom Manco B.V. (“Manco”) (together, the “Selling Shareholders”, and each a “Selling Shareholder”) are offering up to 2,000,000 existing Ordinary Shares (the “Existing Shares”) (the “Secondary Offering”, and together with the Primary Offering, the “Offering”), assuming no exercise of the Over-Allotment Option (as defined below). The New Shares, together with the Existing Shares and, unless the context indicates otherwise, the Additional Shares (as defined below), are referred to herein as the “Offer Shares”.

Assuming all New Shares are issued in the Primary Offering, assuming all Existing Shares are sold in the Secondary Offering and assuming no exercise of the Over-Allotment Option (as defined below), the Offering will amount to 26,666,667 Ordinary Shares and the Offer Shares will constitute approximately 48.8% of our issued share capital after completion of the Offering. Assuming all New Shares are issued in the Primary Offering, assuming all Existing Shares are sold in the Secondary Offering and assuming that the Over-Allotment Option (as defined below) is exercised in full, the Offering will amount to 30,666,667 Ordinary Shares and the Offer Shares will constitute approximately 56.1% of our issued share capital after completion of the Offering. See “The Offering”.

The Offering consists of: (i) a public offering to institutional and retail investors in the Netherlands; and (ii) a private placement to certain institutional investors in various other jurisdictions. The Offer Shares are being offered and sold: (i) within the United States of America (the “United States” or “US”), to persons reasonably believed to be qualified institutional buyers (“QIBs”) as defined in Rule 144A (“Rule 144A”) under the US Securities Act of 1933, as amended (the “US Securities Act”), pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable state securities laws; and (ii) outside the United States, in accordance with Regulation S under the US Securities Act (“Regulation S”).

Prior to the Offering, there has been no public market for our Ordinary Shares. Application has been made to list and admit our Ordinary Shares to trading on the regulated market operated by Euronext Amsterdam N.V. (“Euronext Amsterdam”) under the symbol “BFIIT”. Subject to acceleration or extension of the timetable for the Offering, trading, on an ‘as-if-and-when-issued/delivered’ basis, in the Offer Shares on Euronext Amsterdam is expected to commence on or about 10 June 2016 (the “First Trading Date”).

Investing in the Offer Shares involves certain risks. See “Risk Factors” for a description of the risk factors that should be carefully considered before investing in the Offer Shares.

### The price of the Offer Shares (the “Offer Price”) is expected to be in the range of €15.00 and €20.00 (inclusive) per Offer Share (the “Offer Price Range”).

The Offer Price Range is an indicative price range. The Offer Price and the exact number of Offer Shares offered in the Offering will be determined by the Company, Mito and AM Holding, in consultation with the Joint Global Coordinators (as defined below) and the Financial Adviser (as defined below) after the end of the offer period for the Offering (the “Offer Period”) after taking into account the conditions described under “The Offering”. The Offer Period is expected to commence on 31 May 2016 at 9.00 a.m. Central European Summer Time (“CEST”) and is expected to end on 8 June 2016 at 5.30 p.m. CEST for prospective Dutch Retail Investors (as defined below) and on 9 June 2016 at 2.00 p.m. CEST for prospective institutional investors. The Company, Mito and AM Holding, in joint consultation with the Joint Global Coordinators (as defined below) and the Financial Adviser (as defined below), reserve the right to increase or decrease the maximum number of Offer Shares and/or to change the Offer Price Range before the end of the Offer Period. Any change to the top end of the Offer Price Range on the last day of the Offer Period or the setting of the Offer Price above the Offer Price Range will result in the Offer Period being extended by at least two business days; any change to the top end of the Offer Price Range on the day prior to the last day of the Offer Period will result in the Offer Period being extended by at least one business day. In this case, if the Offer Period for Dutch Retail Investors (as defined below) has already closed, the Offer Period for Dutch Retail Investors (as defined below) will be re-opened. Accordingly, all investors, including Dutch Retail Investors (as defined below), will have at least two business days to reconsider their subscriptions. Any change in the maximum number of Offer Shares and/or the Offer Price Range will be announced in a press release published on our website. The Offer Price and the exact number of Offer Shares offered in the Offering will be set out in a pricing statement (the “Pricing Statement”) that will be filed with the Netherlands Authority for the Financial Markets (Stichting Autoriteit Financiële Markten) (the “AFM”) and published in a press release on our website, <http://corporate.basic-fit.com>.

There will be a preferential allocation of Offer Shares to eligible retail investors in the Netherlands (the “Preferential Retail Allocation”). Eligible retail investors in the Netherlands (the “Dutch Retail Investors”), and each a “Dutch Retail Investor” will be allocated the first 250 (or fewer) Offer Shares for which such investor subscribes, provided that if the total number of Offer Shares subscribed for by Dutch Retail Investors under the Preferential Retail Allocation would exceed 10% of the total number of Offer Shares, assuming no exercise of the Over-Allotment Option (as defined below), the preferential allocation to each Dutch Retail Investor may take place *pro rata* to the first 250 (or fewer) Offer Shares for which such investor subscribes. As a result, Dutch Retail Investors may not be allocated all of the first 250 (or fewer) Offer Shares that they subscribe for. The exact number of Offer Shares allocated to Dutch Retail Investors will be determined after the Offer Period has ended. To be eligible for the Preferential Retail Allocation, Dutch Retail Investors must place their subscriptions during the period commencing on 31 May 2016 at 9.00 a.m. CEST and ending on 8 June 2016 at 5.30 p.m. CEST through financial intermediaries.

ABN AMRO Bank N.V. (“ABN AMRO”) and Morgan Stanley & Co. International plc (“Morgan Stanley”) are acting as joint global coordinators for the Offering (the “Joint Global Coordinators”), and, together with Barclays Bank PLC (“Barclays”), Deutsche Bank AG, London Branch (“Deutsche Bank”) and ING Bank N.V. (“ING”), as joint bookrunners for the Offering (the “Joint Bookrunners”). Coöperatieve Rabobank U.A. (“Rabobank”), KBC Securities NV (“KBC”) and NIBC Bank N.V. (“NIBC”) are acting as co-lead managers for the Offering (the “Co-lead Managers”). The Joint Bookrunners and the Co-lead Managers, in their respective capacities, are together also referred to herein as the “Underwriters”. Lazard is acting as the financial adviser for the Offering (the “Financial Adviser”).

The Selling Shareholders have granted the Joint Global Coordinators, on behalf of the Underwriters, an option (the “Over-Allotment Option”), exercisable within 30 calendar days after the First Trading Date, pursuant to which the Joint Global Coordinators, on behalf of the Underwriters, may require the Selling Shareholders to sell at the Offer Price up to 4,000,000 additional existing Ordinary Shares held by them, equalling up to 15% of the total number of Offer Shares (the “Additional Shares”), to cover short positions resulting from any over-allotments made in connection with the Offering or to facilitate stabilisation transactions.

All of the Offer Shares will be delivered through the book-entry systems of the Netherlands Central Institute for Giro Securities Transactions (Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.) trading as Euroclear Nederland (“Euroclear Nederland”).

Subject to acceleration or extension of the timetable for the Offering, payment in Euros for, and delivery of, the Offer Shares (“Settlement”) is expected to take place on 14 June 2016 (the “Settlement Date”). If Settlement does not take place on the Settlement Date as planned or at all, the Offering may be withdrawn, in which case all subscriptions for Offer Shares will be disregarded, any allotments made will be deemed not to have been made, any subscription payments made will be returned without interest or other compensation and transactions in the Offer Shares on Euronext Amsterdam will be annulled. Any dealings in Offer Shares prior to Settlement are at the sole risk of the parties concerned. The Company, the Selling Shareholders, ABN AMRO in its capacity as listing and paying agent (the “Listing and Paying Agent”), the Underwriters, the Financial Adviser and Euronext Amsterdam N.V. do not accept any responsibility or liability towards any person as a result of the withdrawal of the Offering or the (related) annulment of any transactions in Offer Shares.

The Offering is only made in those jurisdictions in which, and only to those persons to whom, offers and sales of the Offer Shares may lawfully be made. The distribution of this document and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves and observe any restrictions. Prospective investors in the Offer Shares should carefully read the restrictions described under “Important Information – Notice to Investors” and “Selling and Transfer Restrictions”. The Company is not taking any action to permit a public offering of the Offer Shares in any jurisdiction outside the Netherlands.

The Offer Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state of the US, and may not be offered or sold within the US unless the Offer Shares are registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available. The Offer Shares are being offered and sold in the US only to persons reasonably believed to be QIBs as defined in Rule 144A, pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act, and outside the US in reliance on Regulation S under the US Securities Act. There will be no public offer of the Offer Shares in the US. Prospective purchasers are hereby notified that the Company and other sellers of the Offer Shares may be relying on an exemption from the registration requirements of Section 5 of the US Securities Act, which may include Rule 144A or Regulation S thereunder.

This prospectus (the “Prospectus”) constitutes a prospectus for purposes of Article 3 of the Directive 2003/71/EC and any amendments thereto, including those resulting from Directive 2010/73/EU (the “Prospectus Directive”) and has been prepared in accordance with Chapter 5.1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) (the “Dutch Financial Supervision Act”) and the rules promulgated thereunder. This Prospectus has been filed with and approved by the AFM.

Joint Global Coordinators and Joint Bookrunners

ABN AMRO

Morgan Stanley

Joint Bookrunners

Barclays

Deutsche Bank

ING

Co-lead Managers

Rabobank

KBC

NIBC

Financial Adviser

Lazard

This Prospectus is dated 30 May 2016 (the “Publication Date”)

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## SUMMARY

Summaries are made up of disclosure requirements known as elements. The elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the elements required to be included in a summary for this type of security and issuer. Because some elements are not required to be addressed, there may be gaps in the numbering sequence of the elements.

Even though such elements may be required to be inserted in the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding such elements. In this case a short description of such elements is included in the summary with the mention of ‘not applicable’.

### Section A – Introduction and Warnings

<b>A.1</b>	<b>General disclaimer regarding the summary</b>	<p>This summary should be read as an introduction to this prospectus (the “<b>Prospectus</b>”) relating to the offering by Basic-Fit N.V. (the “<b>Company</b>”) of up to 30,666,667 ordinary shares with a nominal value of €0.06 each (the “<b>Ordinary Shares</b>”). The Company is offering up to 24,666,667 new Ordinary Shares (the “<b>New Shares</b>”) to raise gross proceeds of approximately €370 million (the “<b>Primary Offering</b>”). In addition, Mito Holdings S.à r.l. (“<b>Mito</b>”), AM Holding B.V. (“<b>AM Holding</b>”) and Miktom Manco B.V. (“<b>Manco</b>”) (together, the “<b>Selling Shareholders</b>”, and each a “<b>Selling Shareholder</b>”) are offering up to 2,000,000 existing Ordinary Shares (the “<b>Existing Shares</b>”) (the “<b>Secondary Offering</b>”, and together with the Primary Offering, the “<b>Offering</b>”), assuming no exercise of the Over-Allotment Option (as defined below). The New Shares, together with the Existing Shares and, unless the context indicates otherwise, the Additional Shares (as defined below), are referred to herein as the “<b>Offer Shares</b>”. Assuming all New Shares are issued in the Primary Offering, assuming all Existing Shares are sold in the Secondary Offering and assuming no exercise of the Over-Allotment Option, the Offering will amount to 26,666,667 Ordinary Shares and the Offer Shares will constitute approximately 48.8% of our issued share capital after completion of the Offering. Assuming all New Shares are issued in the Primary Offering, assuming all Existing Shares are sold in the Secondary Offering and assuming that the Over-Allotment Option is exercised in full, the Offering will amount to 30,666,667 Ordinary Shares and the Offer Shares will constitute approximately 56.1% of our issued share capital after completion of the Offering.</p> <p>Where a claim relating to the information contained in, or incorporated by reference into, this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the European Economic Area (each a “<b>Member State</b>”), have to bear the costs of translating this Prospectus or any documents incorporated by reference therein before the legal proceedings can be initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Offer Shares.</p>
<b>A.2</b>	<b>Consent of the Company</b>	<p>The Company does not consent to the use of this Prospectus for the subsequent resale or final placements of Offer Shares by financial intermediaries.</p>

<b>Section B – Issuer</b>		
<b>B.1</b>	<b>Legal and commercial name</b>	Basic-Fit N.V., a public company with limited liability ( <i>naamloze vennootschap</i> ).
<b>B.2</b>	<b>Domicile, legal form, legislation and country of incorporation</b>	The Company is a public company with limited liability ( <i>naamloze vennootschap</i> ) incorporated under the laws of the Netherlands and is domiciled in the Netherlands. The Company was incorporated in the Netherlands on 12 May 2016. The Company’s statutory seat ( <i>statutaire zetel</i> ) is in Hoofddorp, the Netherlands, and its registered office is at Wegalaan 60, 2132 JC, Hoofddorp, the Netherlands. The Company is registered with the trade register of the Dutch Chamber of Commerce under number 66013577, and its telephone number is + 31 23 890 1750.
<b>B.3</b>	<b>Current operations and principal activities</b>	<p>We are the largest “value-for-money” fitness club operator in Europe measured by number of clubs and operate in some of continental Europe’s most attractive markets. Our clubs are located in the Netherlands, Belgium, Luxembourg, France and Spain. We consider the low-cost or “value-for-money” segment of the fitness market to consist of clubs that offer fitness services against a membership fee of €25.00 or less per month. We aim to offer a “value-for-money”, high-quality fitness experience that appeals to the fitness needs of active people of all ages and genders who care about their personal health and fitness.</p> <p>From 1 January 2014 to 31 March 2016, we increased the number of clubs we operate from 199 to 351, and our membership base from 552,852 to 1,076,752, both organically by opening new clubs and by selectively acquiring existing clubs. We added 13 clubs in the first three months of 2016 and are targeting adding approximately 65 to 75 clubs in total in 2016, and a similar number per year thereafter over the medium-term. We believe that we are well positioned to capture the growth opportunity represented by the low-cost club market in the countries in which we are active.</p> <p>We operate a transparent and straightforward membership model comprising three basic membership forms: Easy, Smart and Flex. Each membership form offers unlimited use of all of our clubs across Europe for a fixed membership fee. The three membership forms vary in their payment terms, annual versus monthly, and in their duration, one-year contracts versus one-month contracts. Our membership fees start at €17.99 per month. As of April 2016, we also offer day-passes in all countries in which we operate, which give one-off access to our clubs.</p> <p>As at 31 March 2016, we employed 2,796 people, representing 1,288 full time employee equivalents (“FTEs”). We operate a low-cost business model and strive to staff our organisation in line with that model. Our clubs are open seven days per week and have extended opening hours, with some clubs open 24 hours per day from Monday up to and including Thursday and some clubs open 24/7. The extended opening hours of our clubs require certain flexibility from our workforce. We strive to achieve this by hiring a combination of full time and part time employees without compromising the continuity in our workforce or our ability to provide a high-level fitness experience to our members. As at 31 March 2016, we have an average of approximately 17% full time and 83% part time employees in the Netherlands, Belgium, Luxembourg, France and Spain. In Luxembourg, all of our employees have full time contracts in line with market practice in Luxembourg.</p>

		<p>We generated €202.2 million in revenue, €60.1 million Adjusted EBITDA (as defined below) and a net loss of €23.0 million in FY 2015 (as defined below), compared to €162.1 million in revenue, €45.9 million Adjusted EBITDA and a net loss of €22.5 million in FY 2014 (as defined below). In Q1 2016 (as defined below), we generated €60.5 million in revenue, €18.1 million Adjusted EBITDA and a net loss of €7.2 million, compared to €47.4 million in revenue, €12.5 million Adjusted EBITDA and a net loss of €5.8 million in Q1 2015 (as defined below).</p> <p>We are active in five countries, and we had 140 clubs in the Netherlands, 145 clubs in Belgium, 8 clubs in Luxembourg, 32 clubs in France and 26 clubs in Spain as at 31 March 2016. Our business is organised and managed on a geographic basis and operates through the following two reportable segments: the Benelux, which accounted for €180.8 million, or 89.4%, of revenue and €64.5 million of Adjusted EBITDA, or 96.6%, in FY 2015, and France and Spain, which accounted for €21.4 million, or 10.6%, of revenue and €2.3 million of Adjusted EBITDA, or 3.4%, in FY 2015.</p>
<p><b>B.4a</b></p>	<p><b>Significant recent trends affecting the Company and industries in which it operates</b></p>	<p>The following factors have contributed significantly to the development of our business and results of operations and are expected to continue to have a significant effect on our businesses and results of operations:</p> <p><b>Membership Base and Revenue per Member</b></p> <p>We derive our revenue primarily from membership fees, which are the amounts paid by our members on either a monthly or annual basis, and registration fees. Total revenue is largely driven by the number of members and the rates they pay for their membership. The rate of increase in the number of our members is affected by various factors, including the total number of our clubs and their respective locations and accessibility, the equipment and our offering, our brand and reputation, and competition in the health and fitness sector. In addition, our number of members 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 or September) being the most active recruitment periods. We have achieved positive net annual membership growth in each of the periods under review due to the maturation of the membership base at our clubs and increase of the number of clubs.</p> <p>In FY 2014, membership dues and registration fees amounted €158.7 million, or 97.9% of our total revenue of €162.1 million for the same period. Membership dues and registration fees increased by 24.4% to €197.5 million in FY 2015, or 97.7% of our total revenue of €202.2 million during that year. Membership fees include the amounts paid by members for add-ons, which are services we offer in addition to stand-alone memberships in return for paying higher dues, such as access to live group lessons, use of the Basic-Fit Pro-App and use of Yanga Sports Water. Add-ons can be purchased individually or combined in a package with a discount. The mix of different membership rates, add-ons and packages that make up our membership base has an impact on our revenue per member.</p> <p>The rates that our members pay for their membership vary, depending on the country in which they enrol, the flexibility they have to cancel the membership contract, the add-ons and/or packages they subscribe for and, in the Netherlands, the frequency of making their payments (monthly versus annually).</p> <p>Our total revenue has also been affected by changes to our pricing model. During the periods under review, we achieved revenue growth by implementing changes to our membership pricing, by introducing flexible membership contracts at higher rates, as well as increasing membership</p>

fees for new memberships and membership prices that varied by country. These changes took effect in the fourth quarter of 2014. Our current pricing model applies to members enrolled after the introduction of these changes, and includes three different price categories: Easy, Smart and Flex.

We have implemented and may in the future implement price increases to membership fees of up to 5% per year for our members. As a result of past and any future pricing changes and limitations on our ability to implement them for existing members (for commercial and other reasons), membership dues may vary among members who enrolled at different points in time.

**Club Roll-out**

Our revenue and results of operations in recent periods have been, and are expected to continue to be, significantly impacted by changes in our membership base. Changes in the number of our clubs, as well as other factors such as club maturity are an important driver for changes in our membership base. Consequently, the number of our clubs has been an important driver for our results of operations in recent periods.

In the periods under review, we have increased the number of our clubs by opening new clubs and by acquiring and converting clubs (or groups of clubs) to the Basic-Fit brand and format. In 2014, we increased our number of clubs by 65, comprising 36 new clubs and 31 acquisitions (acquisition of 27 HealthCity clubs and four small acquisitions). This growth was partially offset by two club closings. In 2015, the number of our clubs increased by 74, resulting from 61 new club openings and 17 acquisitions (three HealthCity clubs and 14 small acquisitions). This increase was partially offset by the closing of four clubs. In the first three months of 2016, the number of our clubs increased by 13, resulting from an equal number of new club openings. We expect to continue to increase the number of clubs, and are targeting adding approximately 65 to 75 clubs in 2016, and a number of clubs in the same range per year thereafter in the medium-term.

The impact of club openings on our results of operations depends on when they commence operations relative to our reporting periods. Initial performance at our clubs depends largely on the number of members that have signed up during the pre-opening period. Based on our historical experience during FY 2014 and FY 2015, we estimate that, on average, newly opened clubs have typically achieved positive Adjusted Club EBITDA (as defined below) upon such clubs reaching approximately 1,500 members, which has historically occurred within four months of opening. On a consolidated basis, our clubs typically reach 1,950 members after approximately six months and 2,900 members after approximately twelve months. We further estimate that, on average, it takes approximately 24 months for a newly opened club to reach maturity of its membership base, which we generally consider to be 3,300 members, 3,500 members, and 3,750 members in the Benelux, Spain and France, respectively.

In addition to opening new clubs, we have in the past and may in the future increase the number of our clubs through acquiring and converting clubs to the Basic-Fit brand and format. On 1 April 2014, we acquired 27 HealthCity clubs (six in the Netherlands, 16 in Belgium and five in Luxembourg), out of which 24 clubs have since been converted to the Basic-Fit brand and format, one club has since been sold and two clubs are still operating as HealthCity clubs, located in Luxembourg, but are included in our results of operations. In 2014, we also acquired four other clubs (not being HealthCity clubs), of which two were located in the

Netherlands and two in Belgium. In 2015, we acquired three HealthCity clubs (all three in the Netherlands). In addition, we acquired 14 other clubs (ten clubs in the Netherlands, one club in Belgium and three clubs in Spain). All clubs we acquired in 2015 (both HealthCity clubs and other clubs) have been converted to the Basic-Fit brand and format. Although we may make acquisitions of clubs or groups of clubs in the future, no such acquisitions are currently pending.

Both opening new clubs and acquiring and converting clubs to the Basic-Fit brand and format require significant investment. From 1 January 2014 until 31 December 2015, our average capital expenditure was €1.0 million in relation to opening a new club and €1.7 million in relation to acquiring and converting a club to the Basic-Fit brand and format. We have determined the average capital expenditure per club as follows. An aggregate amount of €98.7 million in expansion capital expenditure in 2014 and 2015 divided by an aggregate of 97 new clubs opened in 2014 and 2015 constituting an average capital expenditure per newly opened club of €1.0 million in 2014 and 2015. An aggregate amount of €81.0 million in acquisition capital expenditure in 2014 and 2015 divided by an aggregate of 48 clubs acquired and converted to the Basic-Fit brand and format in 2014 and 2015 constituting an average capital expenditure per acquired and converted club of €1.7 million in 2014 and 2015.

#### **Costs of Operating our Business**

In FY 2015, €43.2 million out of a total of €142.2 million (or 30.4%) of our operating costs were fixed, by which we mean that they are independent of the number of memberships at our clubs. These fixed costs comprised property rent. €78.3 million (or 55.1%) of our total operating costs consisted of semi-fixed costs in FY 2015. These semi-fixed costs are costs which are largely, but not fully, independent of the number of memberships at our clubs and comprise personnel, other housing costs and equipment costs. €20.6 million (or 14.5%) of our operating costs in FY 2015 were variable, consisting of marketing costs and other variable costs.

Our ability to change fixed and semi-fixed costs is limited. As new clubs mature and increase their membership base, the fixed costs of operating those clubs are spread over an increasing revenue base, which in our experience typically more than offset the related increase in operating costs and thereby improves our operating leverage.

We operate a low-cost business model and strive to staff our clubs in line with that model. Our clubs are generally staffed by 2.8 member facing FTEs who take on the role of host at their club during their shift. This number excludes functions that in some countries are performed by people who are employed by us and in other countries by people with whom we do not have an employment relationship, such as instructors of live group lessons, cleaners and night security personnel. The role of a host includes acting as a first point of contact for the members and ensuring that the club provides a high level of service and fitness experience to our members. At each club, one of our employees takes on the additional role of a team leader, who, in addition to his or her duties as a host, manages the general affairs of the club. At all times, we aim to have one employee present at each of our clubs.

We also manage staff costs through the use of technology. Our clubs operate a fully automated online enrolment process. Prospective members are not required to interview with club staff before joining. In addition, club entry is automated to allow access to members without any need for intervention by staff, and members can make reservations for live group



		<p>lessons online. These automated systems allow us to reduce our per club staff costs without negatively impacting the enrolment process or ease of use for our members.</p> <p>We manage our exposure to rent increases by negotiating fixed rental uplifts where possible. In addition, we are able to use our advantages of scale to negotiate terms that we believe are favourable, among others when purchasing fitness equipment and when procuring energy, utility and cleaning services.</p> <p><b>Capital Structure</b></p> <p>Our results of operations are impacted by the costs of financing our activities. Throughout the periods under review, we were highly leveraged. As of 31 March 2016, our net debt was €281.6 million and our consolidated equity was negative, amounting to €-30.9 million. The ratio of our net debt to last twelve months Adjusted EBITDA per 31 March 2016 was 4.3x at 31 March 2016. Following the Offering, we expect the ratio of our net debt to last twelve months Adjusted EBITDA per 31 March 2016 to be 2.6x.</p> <p>Our total interest-bearing loans and borrowings at 31 March 2016 amounted to €489.2 million, which included €199.6 million in senior debt, €213.0 million in shareholder loans, €75.5 million in financial lease liabilities and €1.1 million in other loans. All our senior bank debt accrues interest at a variable rate based on the EURIBOR interest rate, plus a margin. Accordingly, changes in the EURIBOR interest rate can affect our financing cost. We manage our cash flow interest rate risk by mostly using floating-to-fixed interest rate swaps.</p> <p>We expect the Offering to impact our capital structure by reducing our overall financial liabilities due to our intention to use the net proceeds of the Primary Offering to reduce our outstanding bank debt and to repay in full our shareholder loans plus accrued interest. After the Offering we expect to have financing under the new facilities to be entered into in connection with the Offering in the aggregate amount of up to €275.0 million.</p> <p><b>Social Developments and Health and Wellness Trends</b></p> <p>Social developments and health and wellness trends, such as increased awareness of healthy lifestyles across various demographics and government initiatives to publicise the health benefits of increased physical activity, have a significant impact on our membership growth and results of operations. While we believe that these trends are likely to continue for the foreseeable future, our membership growth and results of operations can also be impacted by the increase in popularity of alternative forms of fitness (such as outdoor activities, including cycling or running), participation in competitive sports and any other new trends in health and fitness activities.</p>
<b>B.5</b>	<b>Group</b>	<p>From the Settlement Date (as defined below), the Company will be the parent company of a group of operating companies. The principal assets of the Company will be the equity interests it directly and indirectly holds in its operating subsidiaries.</p>
<b>B.6</b>	<b>Shareholders of the Company</b>	<p>The Company (and, prior to completion of the Offering, Miktom Topco B.V. (“<b>Topco</b>”)) and its subsidiaries are also referred to as the “<b>Group</b>”. On the date of this Prospectus, Mito, AM Holding, Manco and Mr Van der Vis, the chairman of the supervisory board of the Company (the “<b>Supervisory Board</b>”) hold the entire share capital of each of Miktom Topco B.V. (the current parent of the Group) and the Company. Prior to Settlement, Mito, AM Holding, Manco and Mr Van der Vis will transfer</p>

the shares they hold in Topco to the Company against the issuance of new Ordinary Shares (the “**Restructuring**”). As a result, the Company will become the parent of the Group, and the Company’s issued and outstanding share capital will consist of 30,000,000 Ordinary Shares.

The table below sets out the number of Ordinary Shares each of Mito, AM Holding, Manco and Mr Van der Vis will hold, including the percentage it represents of the Company’s total issued and outstanding share capital, immediately prior to Settlement following completion of the Restructuring.

	Number of Ordinary Shares	Representing % of total issued and outstanding share capital
Mito <sup>(1)</sup> . . . . .	15,620,033	52.07
AM Holding <sup>(2)</sup> . . . . .	12,825,000	42.75
Manco . . . . .	1,500,000	5.00
Mr Van der Vis <sup>(3)</sup> . . . . .	54,967	0.18
<b>Total</b> . . . . .	<b>30,000,000</b>	<b>100</b>

- (1) Excluding Mito’s indirect shareholding in the Company through its participation in Manco.
- (2) Excluding AM Holding’s indirect shareholding in the Company through its participation in Manco.
- (3) Excluding Mr Van der Vis’s indirect shareholding in the Company through his participation in Manco.

**B.7 Selected key historical financial information**

The Group in its current form was established on 20 December 2013 when Miktom International Holding B.V., a subsidiary of Topco, acquired 100% of the share capital of Basic-Fit International B.V. (the “**Basic-Fit Acquisition**”). Topco was incorporated on 20 November 2013 to act as the holding company of the Group as from the Basic-Fit Acquisition and did not have any operational activities before the Basic-Fit Acquisition. The Company was incorporated on 12 May 2016 to act as the holding company of the Group as from Settlement and does not have any operational activities before Settlement.

This section includes selected consolidated financial information of Topco as at and for the three months ended 31 March 2016 (“**Q1 2016**”) with comparatives for the three months ended 31 March 2015 (“**Q1 2015**”), which has been derived from the unaudited consolidated interim financial statements of Topco for Q1 2016 (the “**Interim Financial Statements**”) as included in this Prospectus beginning on page F-2.

This section also includes selected consolidated financial information of Topco as at and for the years ended 31 December 2015 (“**FY 2015**”), 31 December 2014 (“**FY 2014**”) and 31 December 2013 (“**FY 2013**”). The FY 2013 financial information presents results of operations and cash flow data solely in respect of the formation of Topco and the Basic-Fit Acquisition. It does not present the consolidated results of operations or cash flows of our business for FY 2013 because such 2013 financial information does not include any results of operations or cash flows for any period prior to 20 December 2013, and the results of operations and cash flows of our operating business for the 10-day period from 20 December to 31 December 2013 have been omitted as immaterial. The selected consolidated financial information of Topco for FY 2015, FY 2014 and FY 2013 has been derived from the audited consolidated general purpose financial statements of Topco for FY 2015, FY 2014 and FY 2013 (the “**Annual Financial Statements**”, and together with the Interim Financial Statements, the “**Financial Statements**”), as included in this Prospectus beginning on page F-22.

The selected consolidated financial information of Topco for Q1 2016, Q1 2015, FY 2015, FY 2014 and FY 2013 should be read in conjunction with (i) the Interim Financial Statements and the accompanying notes thereto; and (ii) the Annual Financial Statements, the accompanying notes thereto and the auditor's report thereon. The Interim Financial Statements have been prepared in accordance with International Accounting Standard 34 as adopted by the European Union and have been reviewed by Ernst & Young Accountants LLP ("EY"), our independent auditors. The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") and have been audited by EY.

This section should be read in conjunction with the information contained in "Important Information – Presentation of Financial and Other Information", "Capitalisation and Indebtedness", "Operating and Financial Review", the Interim Financial Statements and the Annual Financial Statements, including the notes thereto, included in this Prospectus and the other financial data appearing elsewhere in this Prospectus.

#### Selected Consolidated Income Statement Data

	<u>Q1 2016</u>	<u>Q1 2015</u>	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>
	(in € thousands, unless otherwise stated)				
<b>Revenue</b> . . . . .	<b>60,504</b>	<b>47,436</b>	<b>202,222</b>	<b>162,069</b>	-
Cost of consumables used . . . . .	(509)	(285)	(1,160)	(876)	-
Employee benefits expenses . . . . .	(11,492)	(9,425)	(39,748)	(32,963)	-
Depreciation, amortisation and impairment charges . . . . .	(15,351)	(11,274)	(47,983)	(40,565)	-
Other operating income . . . . .	79	158	1,779	1,216	-
Other operating expenses . . . . .	(31,562)	(26,167)	(107,407)	(87,480)	(6,483)
<b>Operating profit</b> . . . . .	<b>1,669</b>	<b>443</b>	<b>7,703</b>	<b>1,401</b>	<b>(6,483)</b>
Finance income . . . . .	4	-	-	-	296
Finance cost . . . . .	(10,946)	(8,026)	(37,016)	(28,495)	(670)
<b>Finance costs – net</b> . . . . .	<b>(10,942)</b>	<b>(8,026)</b>	<b>(37,016)</b>	<b>(28,495)</b>	<b>(374)</b>
<b>Profit (loss) before income tax</b> . . . . .	<b>(9,273)</b>	<b>(7,583)</b>	<b>(29,313)</b>	<b>(27,094)</b>	<b>(6,857)</b>
Income tax benefit . . . . .	2,081	1,743	6,348	4,587	(1)
<b>Profit (loss) for the period attributable to our owners</b> . . . . .	<b>(7,192)</b>	<b>(5,840)</b>	<b>(22,965)</b>	<b>(22,507)</b>	<b>(6,858)</b>

<b>Selected Consolidated Balance Sheet Data</b>				
	As of 31 March 2016	As of 31 December 2015	As of 31 December 2014	As of 31 December 2013
(in € thousands, unless otherwise stated)				
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment . . . . .	260,720	247,388	151,855	95,341
Intangible assets . . . . .	289,599	292,347	298,950	259,974
Deferred tax assets . . . . .	16,899	15,083	10,092	5,591
Receivables . . . . .	1,789	2,330	1,604	755
<b>Total non-current assets . . . . .</b>	<b>569,007</b>	<b>557,148</b>	<b>462,501</b>	<b>361,661</b>
<b>Current assets</b>				
Inventories . . . . .	802	791	223	255
Trade and other receivables . . . . .	18,757	12,391	10,515	6,437
Cash and cash equivalents . . . . .	629	12,328	13,255	7,818
<b>Total current assets . . . . .</b>	<b>20,188</b>	<b>25,510</b>	<b>23,993</b>	<b>14,510</b>
<b>Total assets . . . . .</b>	<b>589,195</b>	<b>582,658</b>	<b>486,494</b>	<b>376,171</b>
<b>Equity</b>				
Share capital . . . . .	300	300	300	300
Share premium . . . . .	29,700	29,700	29,700	29,700
Retained earnings . . . . .	(59,522)	(52,330)	(29,365)	(6,858)
Cash flow hedge reserve . . . . .	(1,341)	(1,265)	(1,060)	-
<b>Total equity . . . . .</b>	<b>(30,863)</b>	<b>(23,595)</b>	<b>(425)</b>	<b>23,142</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Borrowings . . . . .	243,413	226,181	168,778	116,154
Long-term loan from shareholder . . . . .	206,996	201,082	179,865	142,595
Derivative financial instruments . . . . .	2,086	1,687	1,414	-
Deferred tax liabilities . . . . .	28,100	28,550	29,658	28,027
Provisions . . . . .	4,814	5,105	6,678	6,128
<b>Total non-current liabilities . . . . .</b>	<b>485,409</b>	<b>462,605</b>	<b>386,393</b>	<b>292,904</b>
<b>Current liabilities</b>				
Trade and other payables . . . . .	94,014	100,826	73,733	43,710
Current income tax liabilities . . . . .	176	40	23	1
Current portion of borrowings . . . . .	32,818	35,091	24,240	14,666
Current portion of loan from shareholder . . . . .	6,000	6,000	-	-
Provisions . . . . .	1,641	1,691	2,530	1,748
<b>Total current liabilities . . . . .</b>	<b>134,649</b>	<b>143,648</b>	<b>100,526</b>	<b>60,125</b>
<b>Total liabilities . . . . .</b>	<b>620,058</b>	<b>606,253</b>	<b>486,919</b>	<b>353,029</b>
<b>Total equity and liabilities . . . . .</b>	<b>589,195</b>	<b>582,658</b>	<b>486,494</b>	<b>376,171</b>

**Selected Consolidated Statements of Cash Flows Data**

	Q1 2016	Q1 2015	FY 2015	FY 2014	FY 2013
(in € thousands, unless otherwise stated)					
Net cash flows from operating activities . . . . .	1,250	7,597	51,916	29,410	(1,934)
Net cash flows from/(used in) investing activities	(20,922)	(15,363)	(77,977)	(72,245)	(263,479)
Net cash flows from/(used in) financing activities	7,135	(6,302)	25,134	48,272	273,231
<b>Net (decrease)/increase in cash and cash equivalents . . . . .</b>	<b>(12,537)</b>	<b>(14,068)</b>	<b>(927)</b>	<b>5,437</b>	<b>7,818</b>
Cash and cash equivalents at 1 January . . . . .	12,328	13,255	13,255	7,818	0
<b>Cash and cash equivalents at 31 March / 31 December (Q1 / FY) . . . . .</b>	<b>(209)</b>	<b>(813)</b>	<b>12,328</b>	<b>13,255</b>	<b>7,818</b>

**Non-IFRS Financial Measures**

The table below presents certain financial measures on a consolidated basis, for Q1 2016, Q1 2015, FY 2015 and FY 2014. These non-IFRS financial measures have not been audited or reviewed and are not recognised measures of financial performance or liquidity under IFRS. Such measures are used by management to monitor the underlying performance of our business and operations. These non-IFRS



financial measures may not be indicative of our historical operating results, nor are such measures meant to be predictive of our future results. We present these non-IFRS financial measures because we consider them an important supplemental measure of our performance and believe that they and similar measures are widely used in the industry in which we operate as a means of evaluating a company's operating performance and liquidity. However, not all companies calculate non-IFRS financial measures in the same manner or on a consistent basis. As a result, these measures may not be comparable to measures used by other companies under the same or similar names. Accordingly, undue reliance should not be placed on the non-IFRS financial measures contained in this Prospectus and they should not be considered as a substitute for operating profit, profit for the year, cash flow, expenses or other financial measures computed in accordance with IFRS. See “*Important Information – Non-IFRS Financial Measures*”.

	<u>Q1 2016</u>	<u>% Change</u>	<u>Q1 2015</u>
Adjusted EBITDA <sup>(1)</sup> (in € millions) . . . . .	18.1	44.8%	12.5
Adjusted EBITDA Margin <sup>(2)</sup> (in % of revenue) . . . . .	29.9%	-	26.4%
Maintenance Capital Expenditure (in € millions) . . . . .	4.3	120.8%	1.9
Cash Flow Post Maintenance Capital Expenditure <sup>(3)</sup> (in € millions)	13.8	30.2%	10.6
Operating Cash Conversion <sup>(4)</sup> (in %) . . . . .	76.2%	-	84.5%
	<u>FY 2015</u>	<u>% Change</u>	<u>FY 2014</u>
LFL Revenue Growth <sup>(5)</sup> (in € millions) . . . . .	-	-	-
Adjusted EBITDA (in € millions) . . . . .	60.1	30.9%	45.9
Adjusted EBITDA Margin (in % of revenue) . . . . .	29.7%	-	28.4%
Maintenance Capital Expenditure (in € millions) . . . . .	9.8	36.2%	13.3
Cash Flow Post Maintenance Capital Expenditure (in € millions) . .	50.3	54.2%	32.6
Operating Cash Conversion (in %) . . . . .	83.7%	-	71.0%
Mature Club Revenue <sup>(6)</sup> (in € million) . . . . .	131.3	-	N/A
Adjusted Club EBITDA <sup>(7)</sup> (in € millions) . . . . .	84.0	-	66.3
Adjusted Mature Club EBITDA <sup>(8)</sup> (in € millions) . . . . .	63.0	-	N/A
Average Adjusted Mature Club EBITDA <sup>(9)</sup> (in € thousands) . . . . .	343	-	N/A
Adjusted Mature Club EBITDA Margin <sup>(10)</sup> (in % of Mature Club Revenue) . . . . .	48.0%	-	N/A
Average Adjusted Club EBITDA <sup>(11)</sup> (in € thousands) . . . . .	279	-	286

- (1) Adjusted EBITDA for a period is defined as Profit (loss) for the period attributed to our owners, before interest, taxes, depreciation and amortisation, and before exceptional expenses. The exceptional expenses mainly relate to pre-opening costs of new clubs, reorganisation costs, other exceptional costs/gains, monitoring fees, legal services and other advisory costs. Total exceptional items for Q1 2016 were expenses of €1.1 million (including €0.2 million pre-opening costs of new clubs). Total exceptional items for Q1 2015 were expenses of €0.8 million. Total exceptional items for FY 2015 were expenses of €4.4 million (including €1.6 million pre-opening costs of new clubs). Total exceptional items for FY 2014 were expenses of €4.0 million. Exceptional items for Q1 2015 and FY 2014 do not include pre-opening costs of new clubs, because we only started including pre-opening costs of new clubs in exceptional items after Q1 2015. For more information on Adjusted EBITDA, see Note 3 to our Annual Financial Statements appearing elsewhere in this Prospectus.
- (2) Adjusted EBITDA Margin for a period is defined as the Adjusted EBITDA for that period as a percentage of the revenue for that period.
- (3) Cash Flow Post Maintenance Capital Expenditure for a period is defined as Adjusted EBITDA for that period minus the Maintenance Capital Expenditure for that period. Maintenance Capital Expenditure is defined as investments in property, plant, equipment related to club maintenance, overhead (including software development) and replacing our fitness equipment.
- (4) Operating Cash Conversion for a period is defined as Cash Flow Post Maintenance Capital Expenditure for that period divided by Adjusted EBITDA for that period.
- (5) LFL Revenue Growth for a year is defined as Revenue Growth for that year, taking into consideration only the clubs which were operational as Basic-Fit clubs for at least 24 months on 1 January of that year.
- (6) Mature Club Revenue for a period is defined as the revenue generated by Mature Clubs during that period. We define “**Mature Clubs**” as clubs that have been operational as a Basic-Fit club for at least 24 months. The number of Mature Clubs at 31 December 2015 was 184.
- (7) Adjusted Club EBITDA for a period is defined as Adjusted EBITDA for that period, before international and local overhead expenses. International and local overhead expenses were €6.8 million and €17.2 million, respectively, in FY 2015 and €3.9 million and €16.4 million, respectively, in FY 2014.
- (8) Adjusted Mature Club EBITDA for a period is defined as Adjusted Club EBITDA for that period, taking into consideration only Mature Clubs.
- (9) Average Adjusted Mature Club EBITDA for a period is defined as Adjusted Club EBITDA for that period, taking into consideration only Mature Clubs, divided by the average number of Mature Clubs during that period. Due to discontinuities in our financial reporting history as a result of the Basic-Fit Acquisition, the average number of Mature Clubs in FY 2015 is assumed to be the same number as at year end: 184.
- (10) Adjusted Mature Club EBITDA Margin is defined as Adjusted Club EBITDA for that period, taking into consideration only Mature Clubs, as a percentage of the Mature Club Revenue for that period.

(11) Average Adjusted Club EBITDA for a period is defined as Adjusted Club EBITDA for that period, divided by the average number of clubs during that period. The average number of clubs was 301 in FY 2015 and 232 in FY 2014.

The following table sets forth the reconciliation of Adjusted EBITDA to Profit (loss) before income tax for each of Q1 2016, Q1 2015, FY 2015 and FY 2014.

	Q1 2016	Q1 2015	FY 2015	FY 2014
	(in € millions)			
<b>Adjusted EBITDA</b> . . . . .	<b>18.1</b>	<b>12.5</b>	<b>60.1</b>	<b>45.9</b>
Depreciation, amortisation and impairment charges . . . . .	(15.4)	(11.3)	(48.0)	(40.6)
Finance costs – net. . . . .	(10.9)	(8.0)	(37.0)	(28.5)
Exceptional items <sup>(1)</sup> . . . . .	(1.1)	(0.8)	(4.4)	(4.0)
<b>Profit before income tax</b> . . . . .	<b>(9.3)</b>	<b>(7.6)</b>	<b>(29.3)</b>	<b>(27.1)</b>

(1) In Q1 2016 and FY 2015, exceptional items consisted of pre-opening costs of new clubs, reorganisation costs, other exceptional costs/gains, monitoring fees, legal services and other advisory costs. In Q1 2015 and FY 2014, exceptional items consisted of reorganisation costs, other exceptional costs/gains, monitoring fees, legal services and other advisory costs.

<b>B.8</b>	<b>Pro forma financial information</b>	Not applicable, no <i>pro forma</i> financial information is included in this Prospectus.
<b>B.9</b>	<b>Profit forecast</b>	Not applicable, the Company has not issued a profit forecast.
<b>B.10</b>	<b>Qualifications in the auditor's report</b>	Not applicable, there are no qualifications.
<b>B.11</b>	<b>Working capital</b>	We believe that our working capital is sufficient for our present requirements, that is for at least the next 12 months following the date of this Prospectus.

### Section C – Securities

<b>C.1</b>	<b>Type of security and security code</b>	Ordinary Shares in registered form. ISIN: NL0011872650 Common Code: 141873032 Symbol: BFIT
<b>C.2</b>	<b>Currency</b>	Our Ordinary Shares are denominated in and will trade in Euro.
<b>C.3</b>	<b>Number of shares issued, nominal value per share</b>	On the date of this Prospectus, the Company's issued and outstanding share capital consists of 750,000 Ordinary Shares. All of the issued and outstanding Ordinary Shares are fully paid.  Prior to Settlement, our current Shareholders (as defined below) will transfer the shares they hold in Topco to the Company against the issuance of new Ordinary Shares. As a result, the Company will become the parent of the Group, and the Company's issued and outstanding share capital will consist of 30,000,000 Ordinary Shares, held by our current Shareholders in the proportion as referred to in B.6.  The nominal value per Ordinary Share is €0.06. On the date of this Prospectus, no Ordinary Shares are held by the Company. All issued Ordinary Shares are subject to, and have been created under, the laws of the Netherlands.

C.4	<b>Rights attached to the securities</b>	<p>Based on Dutch law and our articles of association (as they shall read as of the Settlement Date), the principal rights attached to our Ordinary Shares are:</p> <ul style="list-style-type: none"> <li>● dividend rights;</li> <li>● voting rights; and</li> <li>● pre-emptive rights (<i>voorkeursrechten</i>) to subscribe on a <i>pro rata</i> basis for any issuance of new Ordinary Shares or upon a grant of rights to subscribe for Ordinary Shares, which rights can be, and in practice are, limited or excluded when Ordinary Shares are issued.</li> </ul> <p>Holders of Ordinary Shares (the “<b>Shareholders</b>”, and each a “<b>Shareholder</b>”) are entitled to cast one vote at the general meeting of Shareholders (the “<b>General Meeting</b>”) per Ordinary Share held. The rights of the holders of Offer Shares offered and sold in the Offering will rank <i>pari passu</i> with each other and with all other Shareholders with respect to voting rights and distributions. There are no restrictions on voting rights.</p> <p>Should, for any reason, the Company be dissolved and liquidated, the balance of our remaining equity, if any, after payment of debts and liquidation costs will be distributed to our Shareholders in proportion to the number of Ordinary Shares that each Shareholder owns.</p>
C.5	<b>Restrictions on free transferability of the securities</b>	<p>There are no restrictions on the free transferability of our Ordinary Shares. However, the offer and sale of Offer Shares to persons located or resident in, or who are citizens of, or who have a registered address in countries other than the Netherlands and the transfer of Offer Shares into jurisdictions other than the Netherlands, are subject to specific regulations and restrictions.</p>
C.6	<b>Listing and admission to trading</b>	<p>Application has been made to list and admit all our Ordinary Shares to trading on the regulated market operated by Euronext Amsterdam N.V. (“<b>Euronext Amsterdam</b>”).</p> <p>No application has been made or is currently intended to be made for our Ordinary Shares to be admitted to listing or trading on any other exchange.</p>
C.7	<b>Dividend policy</b>	<p>Given the strong return profile of our new club openings, our primary use of cash for the short to medium term will be investment in roll-out of new clubs. As a result, we do not anticipate paying any dividends in the short to medium term. Capital will be invested with strict financial discipline and applying target return thresholds as outlined in this Prospectus. We expect to introduce dividend payments in the future, although any dividend proposals will be carefully assessed against other uses of cash including an acceleration of the club roll-out, repayment of debt, share buybacks and acquisitions.</p>
<b>Section D – Risks</b>		
D.1	<b>Key risks relating to the Company’s business and industry</b>	<p>The following is a summary of all key risks that relate to our business and industry, our financial matters, capital and corporate structure and our tax position. Investors should read, understand and consider all risk factors, which risk factors are material and should be read in their entirety, in “<i>Risk Factors</i>” beginning on page 49 of this Prospectus before making an investment decision to invest in the Offer Shares.</p>

		<p><b>Risks Relating to our Business</b></p> <ul style="list-style-type: none"> <li>● Our business depends on attracting new members and retaining existing members.</li> <li>● The expansion, refurbishment and maintenance of our estate involves significant capital expenditures.</li> <li>● We may not be able to identify or secure suitable sites, or obtain the requisite permits and planning permissions in a timely manner or at all, for new clubs, and we may not be able to renew our existing leases on commercially acceptable terms.</li> <li>● We may not be able to maintain the value and reputation of our brand.</li> <li>● We rely on technology and may need to adapt to significant and rapid technological change in order to compete successfully, and any material failure, interruption or weakness of our information and automated systems may prevent us from effectively enrolling members, providing member services, and utilising our financial and administrative systems.</li> <li>● The opening of clubs near our existing clubs, by competitors or by us, may negatively impact our average membership levels per club and our results of operations.</li> <li>● If we cannot retain our management team and other key employees, while controlling labour costs, we may not be able to manage our operations successfully and pursue our strategic objectives.</li> <li>● We rely on a limited number of contractors and suppliers for equipment and certain products and services. A loss of any of our contractors or suppliers could negatively affect our business.</li> <li>● We intend to grow our business including by further expanding into the French and Spanish markets, which may have different market conditions and consumer preferences than the Netherlands, Belgium, and Luxembourg, may present management with control and staffing difficulties, and may increase our costs or otherwise negatively affect our financial performance.</li> <li>● Related party transactions, and direct or indirect shareholder interests in other fitness club chains, may create potential conflicts of interest.</li> <li>● We have limited flexibility to adjust the operating costs of our business.</li> <li>● In connection with acquisitions, we may have inadvertently acquired and may in the future inadvertently acquire actual or potential liabilities.</li> <li>● We might be unable to successfully integrate or achieve the expected benefits from any future acquisitions, and undertaking acquisitions increases the risk profile of our business.</li> <li>● We may fail to achieve any or all of the medium-term objectives included in this Prospectus.</li> <li>● We could be subject to material fines and claims related to health and safety risks at our clubs.</li> </ul> <p><b>Risks Relating to our Industry</b></p> <ul style="list-style-type: none"> <li>● We operate in a competitive market with low barriers to entry and if we are unable to compete effectively and consequently are unable to retain our existing members or attract new members, our market</li> </ul>
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		<p>share, revenue and profitability could be materially and adversely impacted.</p> <ul style="list-style-type: none"> <li>● Our success is dependent on the continuing consumer preference for low-cost fitness clubs to fulfil health and fitness needs. We may not be able to anticipate changes in consumer preferences or successfully develop and introduce new or updated services.</li> <li>● We are subject to laws and regulations relating to the health and fitness industry. Changes in these laws and regulations or failure to comply with them could have a negative effect on our business.</li> </ul> <p><b>Risks Relating to Financial Matters and our Capital and Corporate Structure</b></p> <ul style="list-style-type: none"> <li>● Failure to comply with the covenants or other obligations contained in any of our Facilities Agreements could result in an event of default. Any failure to repay or refinance the outstanding debt under any of our Facilities Agreements when due could materially and adversely affect our business.</li> <li>● We have recorded losses in recent periods and may not achieve profitability in the future.</li> <li>● Our inability to raise capital could affect our ability to execute our strategic plans.</li> <li>● Following the Offering, our two largest Shareholders, Mito and AM Holding, will continue to be in a position to exert substantial influence over us. The interests pursued by Mito and AM Holding could differ from the interests of our other Shareholders.</li> <li>● Our consolidated financial statements include significant intangible assets which could be impaired.</li> </ul> <p><b>Risks Relating to our Tax Position</b></p> <ul style="list-style-type: none"> <li>● Changes in tax treaties, laws, rules or interpretations or an adverse outcome of tax audits could have a material adverse effect on us.</li> <li>● Tax rules limiting the deductibility of interest expenses could reduce our net income.</li> <li>● If the transfer pricing arrangements we have among our subsidiaries are determined to be inappropriate, our tax liability may increase.</li> <li>● If the scope of the Dutch VAT exemption of sport services is extended, this may lead to non-deductibility of our input VAT.</li> </ul>
D.3	<p><b>Key risks relating to the Offering and the Ordinary Shares</b></p>	<p>The following is a summary of all key risks that relate to the Offering and our Ordinary Shares. Investors should read, understand and consider all risk factors, which risk factors are material and should be read in their entirety, in “<i>Risk Factors</i>” beginning on page 49 of this Prospectus before making an investment decision to invest in the Offer Shares.</p> <p><b>Risks Relating to the Offering and our Ordinary Shares</b></p> <ul style="list-style-type: none"> <li>● There has been no public market for our Ordinary Shares prior to the Offering and we cannot assure that an active market in our Ordinary Shares will develop.</li> <li>● The price of our Ordinary Shares may be volatile and affected by a number of factors, some of which are beyond our control.</li> <li>● Future sales or the possibility of future sales of a substantial number of our Ordinary Shares could have an adverse effect on the price of our Ordinary Shares and dilute the interests of Shareholders.</li> </ul>

		<ul style="list-style-type: none"> <li>If securities or industry analysts do not publish or cease to publish research reports on our business, or adversely change or make negative recommendations regarding our Ordinary Shares, the market price and trading volume of our Ordinary Shares could decline.</li> </ul>
<b>Section E – the Offering</b>		
<b>E.1</b>	<b>Net proceeds</b>	We will receive proceeds from the issuance and sale of the New Shares only, aimed at raising gross proceeds of approximately €370 million. The costs of the Offering borne by us are estimated at approximately €20 million, including underwriting commissions and certain other expenses. Based on the estimated costs related to the Offering, we estimate that net proceeds to the Company from the sale of the New Shares would amount to approximately €350 million.
<b>E.2a</b>	<b>Reasons for the Offering and use of proceeds</b>	<p>The Offering is expected to enhance our profile, brand recognition and credibility and to further improve our ability to recruit, retain and incentivise our key management and employees. In addition, we believe that the Offering of New Shares will strengthen our financial position by enabling us to refinance a portion of our existing indebtedness and to repay in full our shareholder loans plus accrued interest, which will improve our debt maturity profile, increase our financial flexibility and position the Group for the continued implementation of its growth strategy.</p> <p>The Offering will also provide additional financial flexibility and diversity through access to a wider range of capital-raising options to support the expected on-going roll-out of new clubs or possible future acquisitions. In addition, the Offering will create a market in the Ordinary Shares for existing and future Shareholders and provide the Selling Shareholders with a partial realisation of their investment in the Group.</p> <p>We will receive proceeds from the sale of any New Shares in the Primary Offering only. We expect to use the net proceeds of the Primary Offering (i) to repay approximately €132 million of our existing indebtedness outstanding under our existing banking facilities, which will deleverage and improve our capital structure; and (ii) to repay in full our shareholder loans plus accrued interest amounting to approximately €218 million. We will not receive any proceeds from the sale of any Existing Shares in the Secondary Offering or, if the Over-Allotment Option is exercised, any proceeds from the sale of any Additional Shares, the net proceeds of which will be received by the Selling Shareholders.</p>
<b>E.3</b>	<b>Terms and conditions of the Offering</b>	<p><b>Offer Shares</b></p> <p>We are offering and issuing up to 24,666,667 New Shares aimed at raising gross proceeds of approximately €370 million. The Selling Shareholders are offering and selling up to 2,000,000 Existing Shares, assuming no exercise of the Over-Allotment Option. Assuming all New Shares are issued in the Primary Offering, assuming all Existing Shares are sold in the Secondary Offering and assuming no exercise of the Over-Allotment Option, the Offering will amount to 26,666,667 Ordinary Shares and the Offer Shares will constitute approximately 48.8% of our issued share capital after completion of the Offering. Assuming all New Shares are issued in the Primary Offering, assuming all Existing Shares are sold in the Secondary Offering and assuming that the Over-Allotment Option is exercised in full, the Offering will amount to 30,666,667 Ordinary Shares and the Offer Shares will constitute approximately 56.1% of our issued share capital after completion of the Offering. The Offering consists of (i) a public offering in</p>

the Netherlands to institutional and retail investors; and (ii) a private placement to certain institutional investors in various other jurisdictions.

The Offer Shares are being offered and sold: (i) within the United States of America (the “**United States**” or “**US**”), to persons reasonably believed to be qualified institutional buyers (“**QIBs**”) as defined in Rule 144A (“**Rule 144A**”) under the US Securities Act of 1933, as amended (the “**US Securities Act**”), pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable state securities laws; and (ii) outside the US, in accordance with Regulation S under the US Securities Act (“**Regulation S**”).

The Offering is made only in those jurisdictions where, and only to those persons to whom, offers and sales of the Offer Shares may be lawfully made.

#### **Over-Allotment Option**

The Selling Shareholders have granted the Joint Global Coordinators (as defined below), on behalf of the Underwriters (as defined below), an option (the “**Over-Allotment Option**”), exercisable within 30 calendar days after the first day of trading, on an ‘as-if-and-when-issued/delivered’ basis, in the Offer Shares on Euronext Amsterdam which is expected to commence on or about 10 June 2016 (the “**First Trading Date**”), pursuant to which the Joint Global Coordinators, on behalf of the Underwriters, may require the Selling Shareholders to sell at the Offer Price (as defined below) up to 4,000,000 additional existing Ordinary Shares held by them, equalling up to 15% of the total number of Offer Shares (the “**Additional Shares**”), to cover short positions resulting from any over-allotments made in connection with the Offering or to facilitate stabilisation transactions.

#### **Offer Period**

Subject to acceleration or extension of the timetable for the Offering, prospective investors may subscribe for Offer Shares during the period commencing on 31 May 2016 at 9.00 a.m. Central European Summer Time (“**CEST**”) and ending on 8 June 2016 at 5.30 p.m. CEST for prospective Dutch Retail Investors (as defined below) and on 9 June 2016 at 2.00 p.m. CEST for prospective institutional investors (the “**Offer Period**”).

In the event of an acceleration or extension of the Offer Period, pricing, allocation, admission and first trading of the Offer Shares, as well as payment (in Euros) for and delivery of the Offer Shares, may be advanced or extended accordingly.

#### **Offer Price Range and Number of Offer Shares**

The price of the Offer Shares (the “**Offer Price**”) is expected to be in the range of €15.00 and €20.00 (inclusive) per Offer Share (the “**Offer Price Range**”). The Offer Price Range is an indicative price range and the Offer Price can be set outside the Offer Price Range.

The Offer Price and the exact number of Offer Shares offered in the Offering will be determined by the Company, Mito and AM Holding, in consultation with the Joint Global Coordinators and Lazard (the “**Financial Adviser**”), after the end of the Offer Period on the basis of the bookbuilding process and taking into account economic and market conditions, a qualitative and quantitative assessment of demand for the Offer Shares and other factors deemed appropriate. The Offer Price may be set within, above or below the Offer Price Range.

The Offer Price and the exact number of Offer Shares offered in the Offering will be set out in a pricing statement that will be filed with the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the “AFM”) and published in a press release on our website, <http://corporate.basic-fit.com>.

The Company, Mito and AM Holding, in joint consultation with the Joint Global Coordinators and the Financial Adviser, reserve the right to increase or decrease the maximum number of Offer Shares and/or to change the Offer Price Range before the end of the Offer Period. Any change to the top end of the Offer Price Range on the last day of the Offer Period or the setting of the Offer Price above the Offer Price Range will result in the Offer Period being extended by at least two business days; any change to the top end of the Offer Price Range on the day prior to the last day of the Offer Period will result in the Offer Period being extended by at least one business day. In this case, if the Offer Period for Dutch Retail Investors has already closed, the Offer Period for Dutch Retail Investors will be re-opened. Any change in the maximum number of Offer Shares and/or the Offer Price Range will be announced in a press release on our website.

#### **Allocation**

Allocation of the Offer Shares is expected to take place on the day of the closing of the Offer Period, expected on or about 9 June 2016. Allocations to investors who subscribed for Offer Shares will be made on a systematic basis and the Company, Mito and AM Holding will exercise full discretion, after consultation with the Joint Global Coordinators and the Financial Adviser, as to whether or not and how to allocate the Offer Shares subscribed for. Investors may not be allocated all or any of the Offer Shares which they subscribed for. There is no maximum or minimum number of Offer Shares for which prospective investors may subscribe and multiple subscriptions are permitted. In the event that the Offering is over-subscribed, investors may receive fewer Offer Shares than they subscribed for. The Company, Mito and AM Holding may, in consultation with the Joint Global Coordinators and the Financial Adviser, at their own discretion and without stating the grounds therefor, reject any subscriptions wholly or partly.

There will be a preferential allocation of Offer Shares to eligible retail investors in the Netherlands (the “**Preferential Retail Allocation**”). Eligible retail investors in the Netherlands (the “**Dutch Retail Investors**”, and each a “**Dutch Retail Investor**”) will be allocated the first 250 (or fewer) Offer Shares for which such investor subscribes, provided that if the total number of Offer Shares subscribed for by Dutch Retail Investors under the Preferential Retail Allocation would exceed 10% of the total number of Offer Shares, assuming no exercise of the Over-Allotment Option, the preferential allocation to each Dutch Retail Investor may take place *pro rata* to the first 250 (or fewer) Offer Shares for which such investor subscribes. As a result, Dutch Retail Investors may not be allocated all of the first 250 (or fewer) Offer Shares that they subscribe for. The exact number of Offer Shares allocated to Dutch Retail Investors will be determined after the Offer Period has ended.

To be eligible for the Preferential Retail Allocation, Dutch Retail Investors must place their subscriptions during the period commencing on 31 May 2016 at 9.00 a.m. CEST and ending on 8 June 2016 at 5.30 p.m. CEST through financial intermediaries. Financial intermediaries may, however, apply their own deadlines which may expire before the closing time of the Offer Period. The Retail Coordinator (as defined below) will consolidate all subscriptions submitted by Dutch Retail Investors to financial intermediaries and inform the Joint Bookrunners (as defined below).



For the purpose of the Preferential Retail Allocation, a Dutch Retail Investor is either: (i) a natural person resident in the Netherlands; or (ii) a special investment vehicle having its seat in the Netherlands which is a legal entity established for the express and sole purpose of providing asset management and/or retirement planning services for a natural person.

**Payment**

Payment (in Euros) for the Offer Shares is expected to take place on the Settlement Date, subject to acceleration or extension of the timetable for the Offering. Taxes and expenses, if any, must be borne by the investor. The Offer Price must be paid by the investors in cash upon remittance of their subscription or, alternatively, by authorising their financial intermediary to debit their bank account with such amount on or about the Settlement Date (or earlier in the case of an early closing of the Offer Period and consequent acceleration of pricing, allocation, first trading and payment and delivery).

**Delivery of Offer Shares**

The Offer Shares will be delivered through the book-entry systems of the Netherlands Central Institute for Giro Securities Transactions (*Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.*) trading as Euroclear Nederland.

Subject to acceleration or extension of the timetable for the Offering, payment in Euros for, and delivery of, the Offer Shares (“**Settlement**”) is expected to take place on 14 June 2016 (the “**Settlement Date**”).

If Settlement does not take place on the Settlement Date as planned or at all, the Offering may be withdrawn, in which case all subscriptions for Offer Shares will be disregarded, any allotments made will be deemed not to have been made, any subscription payments made will be returned without interest or other compensation and transactions in the Offer Shares on Euronext Amsterdam will be annulled. Any dealings in Offer Shares prior to Settlement are at the sole risk of the parties concerned.

**Joint Global Coordinators**

ABN AMRO Bank N.V. (“**ABN AMRO**”) and Morgan Stanley & Co. International plc (“**Morgan Stanley**”) are acting as joint global coordinators for the Offering (the “**Joint Global Coordinators**”).

**Joint Bookrunners**

The Joint Global Coordinators are, together with Barclays Bank PLC (“**Barclays**”), Deutsche Bank AG, London Branch (“**Deutsche Bank**”) and ING Bank N.V. (“**ING**”), acting as joint bookrunners for the Offering (the “**Joint Bookrunners**”).

**Co-lead Managers**

Coöperatieve Rabobank U.A. (“**Rabobank**”), KBC Securities NV (“**KBC**”) and NIBC Bank N.V. (“**NIBC**”) are acting as co-lead managers for the Offering (the “**Co-lead Managers**”).

The Joint Bookrunners and the Co-lead Managers, in their respective capacities, are together also referred to herein as the “**Underwriters**”.

**Listing and Paying Agent**

ABN AMRO is the listing and paying agent with respect to the Offer Shares on Euronext Amsterdam (the “**Listing and Paying Agent**”).

**Retail Coordinator**

ABN AMRO is the retail coordinator with respect to the Offering (the “**Retail Coordinator**”).

		<p><b>Stabilisation Agent</b></p> <p>Morgan Stanley, acting as stabilisation agent in the name and on behalf of the Underwriters (the “<b>Stabilisation Agent</b>”), may, but is not obligated to, in its entire discretion, carry out transactions at any time during the period commencing on the First Trading Date and ending no later than 30 calendar days thereafter aimed at stabilising or supporting the market price of the Offer Shares on Euronext Amsterdam.</p> <p><b>Underwriting Agreement – Conditions Precedent</b></p> <p>The underwriting agreement entered into between the Company, Topco, the Selling Shareholders and the Underwriters on or about 30 May 2016 with respect to the offer and sale of the Offer Shares (the “<b>Underwriting Agreement</b>”) provides that the obligations of the Underwriters to procure purchasers for or, failing which, to purchase themselves such number of Offer Shares as set forth in the Pricing Statement, and, if applicable, the Additional Shares, are subject to: (i) the absence of any material adverse change in our business; (ii) receipt of opinions on certain legal matters from counsel; (iii) the approval of this Prospectus by the AFM being in full force and effect; (iv) the admission of the Ordinary Shares to listing on Euronext Amsterdam; (v) the eligibility of the Ordinary Shares for clearance and settlement through the book-entry systems of Euroclear Nederland; (vi) the Restructuring; (vii) receipt by the Underwriters of comfort letters from our independent auditors; and (viii) execution of the pricing agreement among the Company, Topco, the Selling Shareholders and the Underwriters to be signed in connection with the Offering. The Underwriters have the right to waive the satisfaction of any such conditions or part thereof.</p> <p><b>Timetable</b></p> <table border="1"> <thead> <tr> <th><u>Event</u></th> <th><u>Time and Date</u></th> </tr> </thead> <tbody> <tr> <td>Start of Offer Period</td> <td>9.00 a.m. CEST on 31 May 2016</td> </tr> <tr> <td>End of Offer Period for Dutch Retail Investors</td> <td>5.30 p.m. CEST on 8 June 2016</td> </tr> <tr> <td>End of Offer Period for institutional investors</td> <td>2.00 p.m. CEST on 9 June 2016</td> </tr> <tr> <td>Pricing and allocation</td> <td>9 June 2016</td> </tr> <tr> <td>Publication of results of the Offering</td> <td>10 June 2016</td> </tr> <tr> <td>First Trading Date (trading on an “as-if-and-when-issued/delivered” basis)</td> <td>10 June 2016</td> </tr> <tr> <td>Settlement Date (payment and delivery)</td> <td>14 June 2016</td> </tr> </tbody> </table>	<u>Event</u>	<u>Time and Date</u>	Start of Offer Period	9.00 a.m. CEST on 31 May 2016	End of Offer Period for Dutch Retail Investors	5.30 p.m. CEST on 8 June 2016	End of Offer Period for institutional investors	2.00 p.m. CEST on 9 June 2016	Pricing and allocation	9 June 2016	Publication of results of the Offering	10 June 2016	First Trading Date (trading on an “as-if-and-when-issued/delivered” basis)	10 June 2016	Settlement Date (payment and delivery)	14 June 2016
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E.4	<b>Interests material to the Offering</b>	We expect to use the net proceeds of the Primary Offering to repay a portion of our existing indebtedness outstanding under our existing banking facilities, to which some of the Underwriters (directly or through an affiliate) are a party.																
E.5	<b>Lock-up arrangements</b>	<p><b>Company Lock-Up</b></p> <p>Pursuant to the Underwriting Agreement, the Company has agreed with the Underwriters that, for a period of 360 days after the Settlement Date, it will not, except as set forth below, without the prior written consent of the Joint Global Coordinators acting on behalf of the Underwriters (such consent not to be unreasonably withheld or delayed) (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase</p>																

any option or contract to sell, lend or otherwise transfer or dispose of any Ordinary Shares, or any securities convertible into or exercisable or exchangeable for Ordinary Shares, or file any registration statement under the US Securities Act or any similar document with any other securities regulator, stock exchange, or listing authority with respect to any of the foregoing; or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Ordinary Shares of the Company, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Ordinary Shares or other securities, in cash or otherwise; or (iii) publicly announce such an intention to effect any such transaction.

The foregoing does not apply to (i) the issuance and subscription of the New Shares in the Offering; (ii) the issuance or transfer of Ordinary Shares under any employee remuneration, incentive or saving plans of the Company or any of its subsidiaries described in this Prospectus; (iii) accepting a general offer made to all the holders of the issued and allotted Ordinary Shares of the Company on terms which treat all such holders alike and which has become or been declared unconditional in all respects or been recommended for acceptance by the Supervisory Board; and (iv) the acquisition of the Company's shares in accordance with applicable laws and regulations.

#### **Selling Shareholders Lock-Up**

Pursuant to the Underwriting Agreement, each of AM Holding and Mito has agreed with the Underwriters that, for, respectively, a period of 360 days after the Settlement Date and a period of 180 days after the Settlement Date, each will not, except as set forth below, without the prior written consent of the Joint Global Coordinators acting on behalf of the Underwriters (such consent not to be unreasonably withheld or delayed) (i) directly or indirectly, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, lend, cause the Company to issue, or otherwise transfer or dispose of any Ordinary Shares, or any securities convertible into or exercisable or exchangeable for Ordinary Shares, or file any registration statement under the US Securities Act or any similar document with any other securities regulator, stock exchange, or listing authority with respect to any of the foregoing; or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Ordinary Shares of the Company, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Ordinary Shares or other securities, in cash or otherwise; or (iii) publicly announce an intention to effect any such transaction.

The foregoing does not apply to (i) the sale of the Existing Shares and Additional Shares in the Offering; (ii) the entering into of the Share Lending Agreement, if applicable; (iii) any transfer of Ordinary Shares following the acceptance of a full or partial public takeover bid in respect of the Ordinary Shares; (iv) transfers of the Ordinary Shares to any entity within AM Holding's control or Mito's control, as applicable, or under common control with AM Holding or Mito, as applicable, or to one or more persons, whether natural or legal, who are the direct or indirect beneficial owners of AM Holding or Mito, as applicable, at the date of the Underwriting Agreement, provided that such transferee(s) shall first agree in writing for the benefit of the Underwriters to be bound by the same restrictions provided for in the Underwriting Agreement for the remainder of such 360-day period, in the case of AM Holding, or such 180-day period, in the case of Mito; (v) with respect to Mito, transfers of Ordinary

Shares by Mito to (x) any of 3i Group plc, any subsidiary undertaking or any parent undertaking of 3i Group plc and any subsidiary undertakings of that parent undertaking (as each term is defined in the UK Companies Act 2006) (the “**3i Group**”) or (y) any fund, partnership, investment vehicle or other entity (whether corporate or otherwise) established in any jurisdiction and which is managed by an entity in the 3i Group (a “**3i Fund**”) or (z) any company, fund, partnership, investment vehicle or other entity (whether corporate or otherwise) which is controlled by or under common control with Mito or any 3i Funds or members of the 3i Group, provided that such transferee(s) shall first agree in writing for the benefit of the Underwriters to be bound by the same restrictions provided for in the Underwriting Agreement for the remainder of such 180-day period; (vi) any transfer, subscription or exchange in connection with a reorganisation of the Company’s share capital, legal merger, split-up or similar transaction or process, including the Restructuring (as defined below); and/or (vii) a sale of the Ordinary Shares pursuant to any security over such Ordinary Shares existing as of the date of the Underwriting Agreement and disclosed in writing to the Joint Global Coordinators prior to the date of the Underwriting Agreement, provided that the transferees of any such shares pursuant to any enforcement of such security shall first agree in writing for the benefit of the Underwriters to be bound by the same restrictions provided for the remainder of such 360-day period, in the case of AM Holding, or such 180-day period, in the case of Mito.

Manco will not be subject to a lock-up arrangement pursuant to the Underwriting Agreement since Manco will be dissolved following Settlement as a result of which the parties which immediately prior to Settlement hold a stake of 5% in the Company through Manco will hold Ordinary Shares directly. Of these parties, Mito, AM Holding, Mr Van der Aar, Mr Van der Vis and Mr Willemse will be subject to lock-up arrangements as described in this Section E.5 and the remaining 15 employees of the Company who immediately prior to Settlement together indirectly hold less than 2% of the Ordinary Shares will not be subject to a lock-up arrangement.

#### **Management Board and Supervisory Board Lock-Up**

Pursuant to the Underwriting Agreement, each of Mr Van der Aar, Mr Van der Vis and Mr Willemse has agreed with the Underwriters that, for, respectively, a period of 360 days after the Settlement Date, a period of 180 days after the Settlement Date and a period of 180 days after the Settlement Date, each will not, except as set forth below, without the prior written consent of the Joint Global Coordinators acting on behalf of the Underwriters (such consent not to be unreasonably withheld or delayed) (i) directly or indirectly, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, lend, cause the Company to issue, or otherwise transfer or dispose of any Ordinary Shares, or any securities convertible into or exercisable or exchangeable for Ordinary Shares, or file any registration statement under the US Securities Act or any similar document with any other securities regulator, stock exchange, or listing authority with respect to any of the foregoing; or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Ordinary Shares of the Company, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Ordinary Shares or other securities, in cash or otherwise; or (iii) publicly announce an intention to effect any such transaction.

		<p>The foregoing does not apply to (i) the sale of the Existing Shares and Additional Shares in the Offering; (ii) any transfer of Ordinary Shares following the acceptance of a full or partial public takeover bid in respect of the Ordinary Shares; (iii) any transfer, subscription or exchange in connection with a reorganisation of the Company's share capital, legal merger, split-up or similar transaction or process; and/or (iv) a sale of the Ordinary Shares pursuant to any security over such Ordinary Shares existing as of the date of the Underwriting Agreement and disclosed in writing to the Joint Global Coordinators prior to the date of the Underwriting Agreement, provided that the transferees of any such shares pursuant to any enforcement of such security shall first agree in writing for the benefit of the Underwriters to be bound by the same restrictions provided for the remainder of such 360-day period, in the case of Mr Van der Aar, such 180-day period, in the case of Mr Van der Vis, and such 180-day period, in the case of Mr Willemse.</p>
<b>E.6</b>	<b>Dilution</b>	<p>The voting interest of current Shareholders will be diluted as a result of the issuance of the New Shares (excluding the sale of Existing Shares and any Additional Shares). The maximum dilution for current Shareholders pursuant to the issuance of the New Shares would be 45.1%, assuming the issuance of the maximum number of New Shares (which assumes an Offer Price at the low end of the Offer Price Range).</p>
<b>E.7</b>	<b>Estimated expenses charged to the investor by the Company</b>	<p>Not applicable, we will not charge any expenses to investors in relation to the Offering.</p>



## SAMENVATTING

*Dit hoofdstuk bevat een Nederlandse vertaling van de Engelstalige samenvatting van dit prospectus gedateerd 30 mei 2016 (het “**Prospectus**”). In geval van een mogelijke discrepantie in uitleg van begrippen prevaleert de Engelstalige samenvatting van dit Prospectus.*

Samenvattingen zijn opgebouwd uit verschillende informatievereisten die ‘elementen’ worden genoemd. Deze elementen zijn genummerd als Afdelingen A – E (A.1 – E.7).

Deze samenvatting bevat alle elementen die in een samenvatting voor dit type effecten en voor deze uitgevende instelling dienen te worden opgenomen. Omdat sommige elementen niet verplicht opgenomen dienen te worden, is het mogelijk dat de nummering van de elementen niet volledig is.

Hoewel bepaalde elementen verplicht opgenomen dienen te worden in een samenvatting voor dit type effecten en voor deze uitgevende instelling, is het mogelijk dat er geen relevante informatie gegeven kan worden voor bepaalde elementen. In een dergelijk geval wordt een korte omschrijving van het element opgenomen in de samenvatting met de toevoeging ‘niet van toepassing’.

### Afdeling A – Inleiding en waarschuwingen

<b>A.1</b>	<b>Algemene disclaimer betreffende de samenvatting</b>	<p>Deze samenvatting dient te worden gelezen als inleiding op dit prospectus (het “<b>Prospectus</b>”) met betrekking tot de aanbieding door Basic-Fit N.V. (de “<b>Vennootschap</b>”) van maximaal 30.666.667 gewone aandelen met een nominale waarde van €0,06 elk (de “<b>Gewone Aandelen</b>”). De Vennootschap biedt maximaal 24.666.667 nieuwe Gewone Aandelen (de “<b>Nieuwe Aandelen</b>”) aan, gericht op het ophalen van een bruto-opbrengst van ongeveer €370 miljoen (de “<b>Primaire Aanbieding</b>”). Daarnaast bieden Mito Holdings S.à r.l. (“<b>Mito</b>”), AM Holding B.V. (“<b>AM Holding</b>”) en Miktom Manco B.V. (“<b>Manco</b>”) (samen de “<b>Verkopende Aandeelhouders</b>”, en ieder een “<b>Verkopende Aandeelhouder</b>”) maximaal 2.000.000 bestaande Gewone Aandelen (de “<b>Bestaande Aandelen</b>”) (de “<b>Secundaire Aanbieding</b>”, en samen met de Primaire Aanbieding, de “<b>Aanbieding</b>”) aan, ervan uitgaand dat de Overtoeijzingsoptie (zoals hierna gedefinieerd) niet wordt uitgeoefend. De Nieuwe Aandelen, samen met de Bestaande Aandelen en, tenzij uit de context anders blijkt, de Additionele Aandelen (zoals hierna gedefinieerd) worden in dit document de “<b>Aangeboden Aandelen</b>” genoemd. Ervan uitgaand dat alle Nieuwe Aandelen worden uitgegeven in de Primaire Aanbieding, ervan uitgaand dat alle Bestaande Aandelen worden verkocht in de Secundaire Aanbieding en ervan uitgaand dat de Overtoeijzingsoptie niet wordt uitgeoefend, heeft de Aanbieding betrekking op 26.666.667 Gewone Aandelen en omvatten de Aangeboden Aandelen ongeveer 48,8% van ons geplaatste aandelenkapitaal na afronding van de Aanbieding. Ervan uitgaand dat alle Nieuwe Aandelen worden uitgegeven in de Primaire Aanbieding, ervan uitgaand dat alle Bestaande Aandelen worden verkocht in de Secundaire Aanbieding en ervan uitgaand dat de Overtoeijzingsoptie volledig wordt uitgeoefend, heeft de Aanbieding betrekking op 30.666.667 Gewone Aandelen en omvatten de Aangeboden Aandelen ongeveer 56,1% van ons geplaatste aandelenkapitaal na afronding van de Aanbieding.</p> <p>Wanneer een vordering met betrekking tot de informatie in, of informatie opgenomen door middel van verwijzing in, dit Prospectus bij een rechterlijke instantie aanhangig wordt gemaakt, zou de als eiser optredende belegger ingevolge de nationale wetgeving van de lidstaten van de Europese Economische Ruimte (elk een “<b>Lidstaat</b>”), kunnen worden verplicht de kosten te dragen van de vertaling van dit Prospectus of documenten waarnaar wordt verwezen, alvorens de gerechtelijke procedure kan aanvangen.</p>
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		Alleen de personen die deze samenvatting, met inbegrip van een vertaling ervan, hebben ingediend, kunnen wettelijk aansprakelijk worden gesteld indien deze samenvatting, wanneer zij samen met de andere delen van dit Prospectus wordt gelezen, misleidend, onjuist of inconsistent is, of indien zij, wanneer zij samen met de andere delen van dit Prospectus wordt gelezen, niet de kerngegevens bevat om beleggers te helpen wanneer zij overwegen in de Aangeboden Aandelen te investeren.
<b>A.2</b>	<b>Toestemming van de Vennootschap</b>	De Vennootschap verleent geen toestemming voor het gebruik van dit Prospectus voor de verdere wederverkoop of definitieve plaatsing van de Aangeboden Aandelen door financiële tussenpersonen.
<b>Afdeling B – Uitgevende instelling</b>		
<b>B.1</b>	<b>Statutaire en handelsnaam</b>	Basic-Fit N.V., een naamloze vennootschap.
<b>B.2</b>	<b>Vestigingsplaats, rechtsvorm, toepasselijk recht en land van oprichting</b>	De Vennootschap is een naamloze vennootschap, opgericht naar Nederlands recht en gevestigd in Nederland. De Vennootschap is opgericht in Nederland op 12 mei 2016. De statutaire zetel van de Vennootschap is gelegen in Hoofddorp, Nederland, en de Vennootschap is gevestigd op het adres Wegalaan 60, 2132 JC, Hoofddorp, Nederland. De Vennootschap is opgenomen in het Handelsregister van de Kamer van Koophandel onder nummer 66013577, en het telefoonnummer van de Vennootschap is + 31 23 890 1750.
<b>B.3</b>	<b>Huidige werkzaamheden en belangrijkste bedrijfsactiviteiten</b>	<p>Wij zijn de grootste exploitant in Europa van “value-for-money” fitnessclubs gemeten naar het aantal clubs en wij zijn actief in enkele van de meest aantrekkelijke markten op het Europese vasteland. Onze clubs bevinden zich in Nederland, België, Luxemburg, Frankrijk en Spanje. Wij zien het lager geprijste of “value-for-money” segment van de fitnessmarkt als de clubs die fitnessdiensten aanbieden tegen een lidmaatschapsprijs (contributie) van €25,00 of minder per maand. Wij streven ernaar “waar voor je geld”, een fitnesservaring van hoge kwaliteit aan te bieden die tegemoet komt aan de fitnessbehoeften van actieve mensen van alle leeftijden en geslachten die zich bezighouden met hun persoonlijke gezondheid en fitheid.</p> <p>Van 1 januari 2014 tot 31 maart 2016 steeg het aantal clubs dat wij exploiteren van 199 tot 351, waarbij het aantal leden toenam van 552.852 tot 1.076.752; de groei kwam zowel autonoom tot stand door de opening van nieuwe clubs als door de selectieve overname van bestaande clubs. In de eerste drie maanden van 2016 voegden wij dertien clubs toe, en voor het gehele jaar 2016 streven wij naar een stijging met 65 tot 75 clubs, en een vergelijkbaar aantal per jaar daarna op de middellange termijn. Wij denken dat wij goed gepositioneerd zijn om gebruik te maken van de groeikansen in het lager geprijste clubsegment van de markt in de landen waar wij actief zijn.</p> <p>Wij hanteren een transparant en duidelijk lidmaatschapsmodel dat drie vormen van lidmaatschap omvat: Easy, Smart en Flex. Elke lidmaatschapsvorm biedt onbeperkt gebruik van al onze clubs in Europa tegen een vaste contributie. De drie lidmaatschapsvormen verschillen in betalingstermijnen, jaarlijks versus maandelijks, en in hun looptijd, jaarcontracten versus maandcontracten. Onze contributies beginnen bij €17,99 per maand. Sinds april 2016 bieden wij ook dagpassen aan in alle landen waar wij actief zijn, die eenmalig toegang tot onze clubs geven.</p>

		<p>Op 31 maart 2016 hadden wij 2.796 mensen in dienst, overeenkomend met 1.288 fulltime-equivalenten (“FTE’s”). Wij hanteren een bedrijfsmodel met lage tarieven en streven ernaar onze organisatie in te richten in lijn met dat model. Onze clubs zijn zeven dagen per week geopend en hebben ruime openingstijden. Sommige clubs zijn 24 uur per dag open van maandag tot en met donderdag, enkele clubs zijn 24/7 geopend. De ruime openingstijden van onze clubs vragen een zekere flexibiliteit van onze medewerkers. Wij streven ernaar dit te bereiken door het inhuren van zowel fulltime als parttime medewerkers, zonder concessies te doen aan de continuïteit in het personeelsbestand of ons vermogen om onze leden een hoogwaardige fitnesservaring te bieden. Op 31 maart 2016 hadden we gemiddeld ongeveer 17% fulltime en 83% parttime medewerkers in Nederland, België, Luxemburg, Frankrijk en Spanje. In Luxemburg hebben al onze medewerkers fulltime contracten conform de marktpraktijk in dat land.</p> <p>In FY 2015 (zoals hierna gedefinieerd) realiseerden wij €202,2 miljoen omzet, €60,1 miljoen Adjusted EBITDA (zoals hierna gedefinieerd) en een nettoverlies van €23,0 miljoen, vergeleken met €162,1 miljoen omzet, €45,9 miljoen Adjusted EBITDA en een nettoverlies van €22,5 miljoen in FY 2014 (zoals hierna gedefinieerd). In Q1 2016 (zoals hierna gedefinieerd) realiseerden wij €60,5 miljoen omzet, €18,1 miljoen Adjusted EBITDA en een nettoverlies van €7,2 miljoen, vergeleken met €47,4 miljoen omzet, €12,5 miljoen Adjusted EBITDA en een nettoverlies van €5,8 miljoen in Q1 2015 (zoals hierna gedefinieerd).</p> <p>Wij zijn actief in vijf landen, en wij hadden op 31 maart 2016 140 clubs in Nederland, 145 clubs in België, 8 clubs in Luxemburg, 32 clubs in Frankrijk en 26 clubs in Spanje. Onze bedrijfsactiviteiten zijn georganiseerd en worden aangestuurd op geografische basis, waarbij wij werken met de twee volgende te rapporteren segmenten: de Benelux, waar in FY 2015 €180,8 miljoen ofwel 89,4% van de omzet en €64,5 miljoen ofwel 96,6% van de Adjusted EBITDA werd gerealiseerd, en Frankrijk en Spanje, waar in FY 2015 €21,4 miljoen ofwel 10,6% van de omzet werd gerealiseerd en €2,3 miljoen of 3,4% van de Adjusted EBITDA.</p>
<p><b>B.4a</b></p>	<p><b>Belangrijke trends die een effect hebben op de Vennootschap en de sectoren waarin zij werkzaam is</b></p>	<p>De volgende factoren hebben aanzienlijk bijgedragen aan de ontwikkeling van onze bedrijfsactiviteiten en de resultaten van onze bedrijfsvoering, en we verwachten dat zij een aanzienlijk effect op onze bedrijfsactiviteiten en de resultaten van onze bedrijfsvoering zullen blijven uitoefenen:</p> <p><b>Aantal Leden en Opbrengst per Lid</b></p> <p>Wij realiseren onze omzet primair via contributies, zijnde de bedragen die worden betaald door onze leden op maand- of jaarbasis, alsmede inschrijvingskosten. De totale omzet is voornamelijk afhankelijk van het aantal leden en de tarieven die zij betalen voor hun lidmaatschap. Het tempo van de toename van het aantal leden wordt beïnvloed door verschillende factoren, inclusief het totale aantal van onze clubs en hun respectieve locaties en bereikbaarheid, de apparatuur en ons aanbod, onze naam en reputatie en de concurrentie in de gezondheids- en fitnessbranche. Daarnaast fluctueert ons ledenaantal in de loop van het jaar als gevolg van seizoensinvloeden en marketingactiviteiten, waarbij januari en februari en het eind van de zomervakantie (gewoonlijk de tweede helft van augustus of september) de meest actieve periodes van werving zijn. Wij hebben in elk van de perioden waarover gerapporteerd wordt netto een positieve groei van het aantal leden gerealiseerd vanwege de volgroeiing van het ledenbestand in onze clubs en de toename van het aantal clubs.</p> <p>In FY 2014 bedroegen de contributies en de inschrijvingskosten €158,7 miljoen, ofwel 97,9% van onze totale omzet van €162,1 miljoen in deze periode. In FY 2015 stegen de contributies en de inschrijvingskosten met 24,4% tot €197,5 miljoen, ofwel 97,7% van onze totale omzet van</p>

	<p>€202,2 miljoen in dat jaar. Contributies omvatten ook de bedragen die door leden worden betaald voor de extra diensten, diensten die wij aanbieden naast normale lidmaatschappen tegen een hogere vergoeding, zoals deelname aan live groepslessen, gebruik van de Basic-Fit Pro-App en gebruik van Yanga Sports Water. Deze extra diensten kunnen afzonderlijk worden gekocht of gecombineerd in een pakket met korting. Het ledenbestand, waarin de mix van verschillende tarieven voor het lidmaatschap, extra diensten en pakketten is verwerkt, heeft een effect op onze omzet per lid.</p> <p>De tarieven die onze leden betalen voor hun lidmaatschap variëren, afhankelijk van het land waar zij zich inschrijven, de flexibiliteit die zij hebben om hun lidmaatschapscontract op te zeggen, de extra diensten en/of pakketten waar zij zich voor inschrijven en, in Nederland, de frequentie waarmee zij hun betalingen doen (maandelijks versus jaarlijks).</p> <p>Onze totale omzet wordt ook beïnvloed door veranderingen in ons prijsstellingsmodel. Gedurende de perioden waarover gerapporteerd wordt, realiseerden wij omzetgroei door veranderingen door te voeren in de prijzen van het lidmaatschap, door de introductie van flexibele lidmaatschapscontracten tegen hogere tarieven, alsmede de verhoging van contributies voor nieuwe leden en contributies die per land verschillen. Deze veranderingen vonden plaats in het vierde kwartaal van 2014. Ons huidige prijsstellingsmodel is van toepassing op leden die zich hebben ingeschreven na de invoering van deze veranderingen, en omvat drie prijscategorieën: Easy, Smart en Flex.</p> <p>Wij hebben in het verleden prijsstijgingen voor contributies doorgevoerd oplopend tot 5% per jaar en kunnen dat ook in de toekomst doen. Als gevolg van prijsaanpassingen in het verleden en mogelijke toekomstige prijsaanpassingen, en vanwege beperking van onze mogelijkheden om deze door te voeren voor bestaande leden (om commerciële en andere redenen) verschilt de hoogte van de contributie tussen leden die op verschillende tijdstippen lid zijn geworden.</p> <p><b>Opening Nieuwe Clubs</b></p> <p>Onze omzet en operationele resultaten werden in de afgelopen periodes aanzienlijk beïnvloed door veranderingen in ons ledenbestand, en dat zal ook in de toekomst het geval zijn. Veranderingen in het aantal clubs, alsmede andere factoren, zoals de volgroeiing van een club, zijn belangrijke factoren voor veranderingen in ons ledenbestand. Dientengevolge was het aantal clubs een belangrijke factor voor onze operationele resultaten in de afgelopen periodes.</p> <p>In de perioden waarover gerapporteerd wordt, hebben wij het aantal clubs vergroot door de opening van nieuwe clubs en door clubs (of groepen clubs) over te nemen en om te bouwen naar de naam en huisstijl van Basic-Fit. In 2014 steeg het aantal clubs met 65, opgebouwd uit de opening van 36 nieuwe clubs en 31 acquisities (acquisitie van 27 HealthCity clubs en vier kleine overnames). Deze toename werd deels tenietgedaan door de sluiting van twee clubs. In 2015 steeg het aantal clubs met 74, opgebouwd uit de opening van 61 nieuwe clubs en 17 acquisities (drie HealthCity clubs en 14 kleine overnames). Deze stijging werd deels tenietgedaan door de sluiting van vier clubs. In de eerste drie maanden van 2016 steeg het aantal clubs met 13, geheel door de opening van nieuwe clubs. Wij verwachten een voortgaande stijging van het aantal clubs, en voor 2016 streven wij naar een stijging met 65 tot 75 clubs, en een vergelijkbaar aantal per jaar daarna op de middellange termijn.</p> <p>Het effect van de opening van clubs op onze operationele resultaten hangt af van het moment waarop deze hun activiteiten starten in relatie tot de verslagperiodes. De initiële resultaten van onze clubs zijn grotendeels</p>
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afhankelijk van het aantal leden dat zich in de periode voorafgaand aan de opening heeft ingeschreven. Op basis van onze historische ervaring in FY 2014 en FY 2015 schatten wij dat nieuw geopende clubs gemiddeld een positief Adjusted Club EBITDA (zoals hierna gedefinieerd) realiseren wanneer zij ongeveer een ledenaantal van 1.500 bereiken, wat historisch gezien binnen vier maanden gebeurt. Onze clubs bereiken gewoonlijk een ledenaantal van 1.950 na ongeveer zes maanden en een ledenaantal van 2.900 na ongeveer twaalf maanden op geconsolideerde basis. Wij schatten dat het gemiddeld 24 maanden duurt alvorens een nieuw geopende club volgroeid is qua ledenbestand, wat volgens ons neerkomt op 3.300 leden, 3.500 leden en 3.750 leden in respectievelijk de Benelux, Spanje en Frankrijk.

Naast de opening van nieuwe clubs hebben wij in het verleden het aantal clubs vergroot door clubs over te nemen en de overgenomen clubs daarna om te bouwen naar de naam en huisstijl van Basic-Fit, en dat kunnen we ook in de toekomst doen. Op 1 april 2014 namen wij 27 HealthCity clubs over (zes in Nederland, 16 in België en vijf in Luxemburg), waarvan er sindsdien 24 zijn omgebouwd naar de naam en huisstijl van Basic-Fit, één club is sindsdien verkocht en twee clubs in Luxemburg zijn nog actief als HealthCity clubs, maar alle zijn opgenomen in onze operationele resultaten. In 2014 verwierven wij nog vier andere clubs (geen HealthCity clubs), waarvan twee in Nederland en twee in België. In 2015 namen wij drie HealthCity clubs over, alle gevestigd in Nederland. Daarnaast kochten wij 14 andere clubs (tien in Nederland, één in België en drie in Spanje). Alle clubs die wij in 2015 verwierven (zowel HealthCity clubs als andere) zijn omgebouwd naar de naam en huisstijl van Basic-Fit. Hoewel wij in de toekomst clubs of groepen van clubs kunnen overnemen, lopen er momenteel geen besprekingen inzake acquisities.

Zowel de opening van nieuwe clubs als het overnemen en ombouwen van clubs naar de naam en huisstijl van Basic-Fit vergt omvangrijke investeringen. Van 1 januari 2014 tot 31 december 2015 bedroegen onze gemiddelde investeringen €1,0 miljoen voor de opening van een nieuwe club en €1,7 miljoen voor de aankoop en het ombouwen van een club naar de naam en huisstijl van Basic-Fit. We hebben de gemiddelde investering per club als volgt vastgesteld. Een bedrag van €98,7 miljoen voor investeringen voor uitbreiding in 2014 en 2015 gedeeld door het totaal van 97 nieuwe clubs die geopend werden in 2014 en 2015 wat neerkomt op een gemiddelde investering per nieuw geopende club van €1,0 miljoen in 2014 en 2015. Een bedrag van €81,0 miljoen voor investeringen van overnames in 2014 en 2015 gedeeld door het totaal van 48 clubs die overgenomen en omgebouwd werden naar de naam en huisstijl van Basic-Fit in 2014 en 2015 wat neerkomt op een gemiddelde investering per overgenomen en omgebouwde club van €1,7 miljoen in 2014 en 2015.

#### **Operationele Kosten**

In FY 2015 was €43,2 miljoen van in totaal €142,2 miljoen (of 30,4%) van onze bedrijfskosten vast, waarmee wij bedoelen dat zij onafhankelijk zijn van het aantal leden van onze clubs. Deze vaste kosten omvatten huur van vastgoed. €78,3 miljoen (of 55,1%) van onze totale bedrijfskosten bestond in FY 2015 uit semi-vaste kosten. Deze semi-vaste kosten die grotendeels, maar niet geheel onafhankelijk zijn van het aantal leden van onze clubs, omvatten kosten voor medewerkers, huisvestingskosten en kosten voor apparatuur. €20,6 miljoen (of 14,5%) van onze bedrijfskosten in FY 2015 waren variabel, en deze bestonden uit marketing- en overige variabele kosten.

Onze mogelijkheden om de vaste en semi-vaste kosten te veranderen, zijn beperkt. Naarmate clubs groeien en hun ledenbestand toeneemt, kunnen de vaste kosten voor de exploitatie van die clubs worden gespreid over een



	<p>stijgende inkomstenstroom, wat naar onze ervaring gewoonlijk de daarmee samenhangende stijging van de bedrijfskosten meer dan tenietdoet, waardoor ons operationele resultaat verbetert.</p> <p>Wij hanteren een bedrijfsmodel met lage tarieven en streven ernaar in lijn daarmee onze clubs voor wat betreft het aantal medewerkers in te richten. Onze clubs hebben in het algemeen 2,8 FTE's die leden te woord staan, en de functie vervullen van gastheer/gastvrouw bij een club tijdens hun dienst. Dit aantal is exclusief functies zoals instructeurs van live groepslessen, schoonmakers en nachtbewakingspersoneel, welke in sommige landen worden uitgeoefend door mensen die bij ons in dienst zijn en in andere landen door mensen met wie er geen arbeidsrelatie is. De rol van gastheer/gastvrouw omvat het fungeren als eerste contact voor de leden en het ervoor zorgen dat de club een service en fitnesservaring van hoog niveau biedt aan onze leden. Op elke club heeft één van onze medewerkers ook de rol van teamleider die, naast de taken als gastheer/gastvrouw, verantwoordelijk is voor de algemene gang van zaken op de club. Wij streven ernaar dat er te allen tijde ten minste één medewerker aanwezig is op elk van onze clubs.</p> <p>Wij beheersen onze personeelskosten ook door het gebruik van technologie. Onze clubs werken met een volledig geautomatiseerd online inschrijvingsproces. Potentiële leden hoeven geen gesprek te hebben met een clubmedewerker alvorens lid te worden. Verder is de toegang tot de club geautomatiseerd, zodat leden toegang tot de club hebben zonder tussenkomst van een medewerker, en leden kunnen online reserveringen maken voor live groepslessen. Deze geautomatiseerde systemen stellen ons in staat de personeelskosten per club te verminderen zonder negatief effect op het inschrijvingsproces of gebruiksgemak voor onze leden.</p> <p>Wij beheersen het risico van huurverhogingen door, waar mogelijk, te onderhandelen over vaste huurverhogingen. Verder kunnen wij gebruik maken van schaalvoordelen door naar onze mening gunstige voorwaarden te onderhandelen, onder meer bij de aanschaf van fitnessapparatuur en bij de inkoop van energie, nutsdiensten en schoonmaakdiensten.</p> <p><b>Kapitaalstructuur</b></p> <p>De resultaten van onze bedrijfsvoering worden beïnvloed door de financieringskosten van onze bedrijfsactiviteiten. In de perioden waarover gerapporteerd wordt, waren wij met veel vreemd vermogen gefinancierd. Op 31 maart 2016 bedroeg onze nettoschuld €281,6 miljoen, en was het geconsolideerde eigen vermogen €30,9 miljoen negatief. Onze netto schuld was op 31 maart 2016 4,3 maal zo hoog als de Adjusted EBITDA over de laatste twaalf maanden per 31 maart 2016. Na de Aanbieding verwachten wij dat op 31 maart 2016 de verhouding tussen onze netto schuld en de Adjusted EBITDA over de laatste twaalf maanden 2,6 maal bedraagt.</p> <p>Onze totale rentedragende schulden op 31 maart 2016 bedroegen €489,2 miljoen, bestaande uit €199,6 miljoen in de vorm van bevoorrechte of niet-achtergestelde schuld, €213,0 miljoen aan aandeelhoudersleningen, €75,7 miljoen in de vorm van verplichtingen uit hoofde van financiële lease en €1,1 miljoen in de vorm van andere leningen. Al onze senior bankleningen dragen een variabele rente op basis van EURIBOR plus een opslag. Dientengevolge kunnen veranderingen in het EURIBOR-tarief onze financieringskosten beïnvloeden. Wij beheersen ons kasstroomrenterisico vooral door het afsluiten van variabel-naar-vast renteswaps.</p> <p>Wij verwachten dat de Aanbieding effect heeft op onze kapitaalstructuur doordat de algehele financiële verplichtingen worden verminderd als gevolg van onze intentie om de netto-opbrengst van de Primaire Aanbieding te</p>
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		<p>gebruiken om onze uitstaande bankschuld te verlagen en de leningen van onze aandeelhouders geheel af te lossen, inclusief opgebouwde rente. Na de Aanbieding verwachten wij beschikking te hebben over financiering onder de nieuwe faciliteiten die worden aangegaan in het kader van de Aanbieding tot een totaalbedrag van €275,0 miljoen.</p> <p><b>Sociale Ontwikkelingen en Trends in Gezondheid en Wellness</b></p> <p>De sociale ontwikkelingen en de gezondheids- en wellnesstrends, zoals een toenemend bewustzijn van een gezonde leefstijl bij uiteenlopende bevolkingsgroepen, alsmede overheidsinitiatieven die wijzen op de voordelen van meer fysieke activiteiten voor de gezondheid, hebben een aanzienlijk effect op de groei van ons ledenbestand en onze operationele resultaten. Hoewel wij denken dat deze trends de komende tijd waarschijnlijk zullen aanhouden, kunnen de groei van het aantal leden en onze operationele resultaten ook worden beïnvloed door de toenemende populariteit van alternatieve vormen van fitness (zoals activiteiten in de open lucht, waaronder fietsen en hardlopen), deelname aan competitie sporten en andere nieuwe trends in gezondheids- en fitnessactiviteiten.</p>																		
<b>B.5</b>	<b>Groep</b>	<p>Vanaf de Afwikkelingsdatum (zoals hierna gedefinieerd), is de Vennootschap de moedermaatschappij van een groep werkmaatschappijen. De belangrijkste activa van de Vennootschap zijn de aandelenbelangen die direct en indirect worden gehouden in de operationele dochtermaatschappijen.</p>																		
<b>B.6</b>	<b>Aandeelhouders van de Vennootschap</b>	<p>De Vennootschap (en, voor afronding van de Aanbieding, Miktom Topco B.V. (“<b>Topco</b>”)) en haar dochtermaatschappijen, worden ook als de “<b>Groep</b>” aangeduid. Op de datum van dit Prospectus zijn Mito, AM Holding, Manco en de heer Van der Vis, de voorzitter van de raad van commissarissen van de Vennootschap (de “<b>Raad van Commissarissen</b>”), de eigenaren van het gehele aandelenkapitaal van zowel Miktom Topco B.V. (de huidige moedermaatschappij van de Groep) als de Vennootschap. Voor de Afwikkeling dragen Mito, AM Holding, Manco en de heer Van der Vis de aandelen die zij bezitten in Topco over aan de Vennootschap tegen uitgifte van nieuwe Gewone Aandelen (de “<b>Herstructurering</b>”). Dientengevolge wordt de Vennootschap de moedermaatschappij van de Groep, en bestaat het geplaatste en uitstaande aandelenkapitaal van de Vennootschap uit 30.000.000 Gewone Aandelen.</p> <p>Onderstaande tabel geeft het aantal Gewone Aandelen weer dat Mito, AM Holding, Manco en de heer Van der Vis zal houden, inclusief het percentage dat dit vertegenwoordigt van het totale geplaatste en uitstaande aandelenkapitaal van de Vennootschap, onmiddellijk vóór de Afwikkeling en na afronding van de Herstructurering.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center; border-bottom: 1px solid black;">Aantal Gewone Aandelen</th> <th style="width: 20%; text-align: center; border-bottom: 1px solid black;">Vertegenwoordigend % van het totaal geplaatste en uitstaande aandelenkapitaal</th> </tr> </thead> <tbody> <tr> <td>Mito<sup>(1)</sup> . . . . .</td> <td style="text-align: right;">15.620.033</td> <td style="text-align: right;">52,07</td> </tr> <tr> <td>AM Holding<sup>(2)</sup> . . . . .</td> <td style="text-align: right;">12.825.000</td> <td style="text-align: right;">42,75</td> </tr> <tr> <td>Manco . . . . .</td> <td style="text-align: right;">1.500.000</td> <td style="text-align: right;">5,00</td> </tr> <tr> <td>Mr Van der Vis<sup>(3)</sup> . . . . .</td> <td style="text-align: right;">54.967</td> <td style="text-align: right;">0,18</td> </tr> <tr> <td><b>Totaal</b></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;"><b>30.000.000</b></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;"><b>100</b></td> </tr> </tbody> </table> <p>(1) Exclusief het indirecte belang van Mito in de Vennootschap door zijn deelneming in Manco.  (2) Exclusief het indirecte belang van AM Holding in de Vennootschap door zijn deelneming in Manco.  (3) Exclusief het indirecte belang van de heer Van der Vis in de Vennootschap door zijn deelneming in Manco.</p>		Aantal Gewone Aandelen	Vertegenwoordigend % van het totaal geplaatste en uitstaande aandelenkapitaal	Mito <sup>(1)</sup> . . . . .	15.620.033	52,07	AM Holding <sup>(2)</sup> . . . . .	12.825.000	42,75	Manco . . . . .	1.500.000	5,00	Mr Van der Vis <sup>(3)</sup> . . . . .	54.967	0,18	<b>Totaal</b>	<b>30.000.000</b>	<b>100</b>
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<p><b>B.7</b></p>	<p><b>Geselecteerde belangrijke historische financiële informatie</b></p>	<p>De Groep kwam in zijn huidige vorm tot stand op 20 december 2013, toen Miktom International Holding B.V., een dochtermaatschappij van Topco, 100% van het aandelenkapitaal verwierf van Basic-Fit International B.V. (de “<b>Basic-Fit Acquisitie</b>”). Topco is opgericht op 20 november 2013 om op te treden als de houdstermaatschappij van de Groep vanaf het moment van de Basic-Fit Acquisitie en had voor deze acquisitie geen operationele activiteiten. De Vennootschap is opgericht op 12 mei 2016 om op te treden als de houdstermaatschappij van de Groep vanaf de Afwikkeling en heeft geen operationele activiteiten voor de Afwikkeling.</p> <p>Dit hoofdstuk omvat een selectie van financiële informatie van Topco per en voor de drie maanden eindigend op 31 maart 2016 (“<b>Q1 2016</b>”) met vergelijkende cijfers over de drie maanden eindigend op 31 maart 2015 (“<b>Q1 2015</b>”), die afgeleid zijn van het niet-gecontroleerde geconsolideerde financiële overzicht van Topco over Q1 2016 (het “<b>Tussentijdse Financiële Overzicht</b>”), zoals opgenomen in dit Prospectus beginnend op pagina F-2.</p> <p>Dit hoofdstuk omvat ook geconsolideerde financiële informatie van Topco per en voor de jaren eindigend op 31 december 2015 (“<b>FY 2015</b>”), 31 december 2014 (“<b>FY 2014</b>”) en 31 december 2013 (“<b>FY 2013</b>”). De financiële informatie over FY 2013 zet de resultaten van onze bedrijfsvoering en kasstroomgegevens uiteen uitsluitend met betrekking tot de vorming van Topco en de Basic-Fit Acquisitie. Deze informatie betreft niet de geconsolideerde resultaten van onze bedrijfsvoering of kasstromen van onze bedrijfsactiviteiten gedurende FY 2013, aangezien die financiële informatie over 2013 geen resultaten van onze bedrijfsvoering of kasstromen omvat voor enig moment voor 20 december 2013, en de resultaten van onze bedrijfsvoering en kasstromen van onze bedrijfsactiviteiten gedurende de periode van tien dagen van 20 december tot 31 december 2013 zijn weggelaten als immaterieel. De geselecteerde financiële informatie van Topco voor FY 2015, FY 2014 en FY 2013 is afgeleid uit de gecontroleerde geconsolideerde jaarrekeningen voor algemene doeleinden van Topco over FY 2015, FY 2014 en FY 2013 (de “<b>Jaarrekeningen</b>”), en samen met de Tussentijdse Financiële Overzichten, de “<b>Financiële Overzichten</b>”), zoals opgenomen in dit Prospectus beginnend op pagina F-22.</p> <p>De geselecteerde financiële informatie van Topco voor Q1 2016, Q1 2015, FY 2015, FY 2014 en FY 2013 dient te worden gelezen in samenhang met (i) de Tussentijdse Financiële Overzichten en de daarop betrekking hebbende toelichting; en (ii) de Jaarrekeningen, de daarbij behorende toelichting en accountantsverklaring. De Tussentijdse Financiële Overzichten zijn opgesteld in overeenstemming met International Accounting Standard 34, zoals aangenomen door de Europese Unie en zijn beoordeeld door Ernst &amp; Young Accountants LLP (“<b>EY</b>”), onze onafhankelijke accountant. De Jaarrekeningen zijn opgesteld in overeenstemming met de International Financial Accounting Standards (“<b>IFRS</b>”) zoals aangenomen door de Europese Unie en zijn gecontroleerd door EY.</p> <p>Dit hoofdstuk dient te worden gelezen in samenhang met de informatie die is opgenomen in “<i>Important Information – Presentation of Financial and Other Information</i>”, “<i>Capitalisation and Indebtedness</i>”, “<i>Operating and Financial Review</i>”, de Tussentijdse Financiële Overzichten, de Jaarrekeningen, inclusief de toelichting daarop, opgenomen in dit Prospectus en de overige financiële gegevens die elders in dit Prospectus zijn opgenomen.</p>
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**Geselecteerde Geconsolideerde Winst- en Verliesrekening**

	Q1 2016	Q1 2015	FY 2015	FY 2014	FY 2013
	(in duizenden euro's, tenzij anders aangegeven)				
<b>Omzet</b> . . . . .	<b>60.504</b>	<b>47.436</b>	<b>202.222</b>	<b>162.069</b>	-
Kosten verbruiksgoederen . . . . .	(509)	(285)	(1.160)	(876)	-
Kosten beloningen personeel . . . . .	(11.492)	(9.425)	(39.748)	(32.963)	-
Afschrijvingen, amortisaties en impairmentlasten . . . . .	(15.351)	(11.274)	(47.983)	(40.565)	-
Overige bedrijfsopbrengsten . . . . .	79	158	1.779	1.216	-
Overige bedrijfskosten . . . . .	(31.562)	(26.167)	(107.407)	(87.480)	(6.483)
<b>Bedrijfsresultaat</b> . . . . .	<b>1.669</b>	<b>443</b>	<b>7.703</b>	<b>1.401</b>	<b>(6.483)</b>
Financieringsopbrengsten . . . . .	4	-	-	-	296
Financieringskosten . . . . .	(10.946)	(8.026)	(37.016)	(28.495)	(670)
<b>Netto financieringskosten</b> . . . . .	<b>(10.942)</b>	<b>(8.026)</b>	<b>(37.016)</b>	<b>(28.495)</b>	<b>(374)</b>
<b>Winst (verlies) voor belastingen</b> . . . . .	<b>(9.273)</b>	<b>(7.583)</b>	<b>(29.313)</b>	<b>(27.094)</b>	<b>(6.857)</b>
Belastingen . . . . .	2.081	1.743	6.348	4.587	(1)
<b>Nettowinst/(verlies) over de periode toekomend aan onze aandeelhouders</b> . . . . .	<b>(7.192)</b>	<b>(5.840)</b>	<b>(22.965)</b>	<b>(22.507)</b>	<b>(6.858)</b>

**Geselecteerde Geconsolideerde Balans**

	Op 31 maart 2016	Op 31 december 2015	Op 31 december 2014	Op 31 december 2013
	(in duizenden euro's, tenzij anders aangegeven)			
<b>Activa</b>				
<b>Vaste activa</b>				
Materiële vaste activa . . . . .	260.720	247.388	151.855	95.341
Immateriële vaste activa . . . . .	289.599	292.347	298.950	259.974
Belastingvorderingen . . . . .	16.899	15.083	10.092	5.591
Overige vorderingen . . . . .	1.789	2.330	1.604	755
<b>Totaal vaste activa</b> . . . . .	<b>569.007</b>	<b>557.148</b>	<b>462.501</b>	<b>361.661</b>
<b>Vlottende activa</b>				
Voorraden . . . . .	802	791	223	255
Handelsdebiteuren en overige debiteuren . . . . .	18.757	12.391	10.515	6.437
Liquide middelen . . . . .	629	12.328	13.255	7.818
<b>Totaal vlottende activa</b> . . . . .	<b>20.188</b>	<b>25.510</b>	<b>23.993</b>	<b>14.510</b>
<b>Totaal activa</b> . . . . .	<b>589.195</b>	<b>582.658</b>	<b>486.494</b>	<b>376.171</b>
<b>Eigen vermogen</b>				
Aandelenkapitaal . . . . .	300	300	300	300
Agioreserve . . . . .	29.700	29.700	29.700	29.700
Ingehouden winst . . . . .	(59.522)	(52.330)	(29.365)	(6.858)
Cash flow hedge reserve . . . . .	(1.341)	(1.265)	(1.060)	-
<b>Total eigen vermogen</b> . . . . .	<b>(30.863)</b>	<b>(23.595)</b>	<b>(425)</b>	<b>23.142</b>
<b>Passiva</b>				
<b>Langlopende verplichtingen</b>				
Leningen . . . . .	243.413	226.181	168.778	116.154
Langlopende lening van aandeelhouder . . . . .	206.996	201.082	179.865	142.595
Financiële derivaten . . . . .	2.086	1.687	1.414	-
Latente belastingverplichtingen . . . . .	28.100	28.550	29.658	28.027
Voorzieningen . . . . .	4.814	5.105	6.678	6.128
<b>Totaal langlopende verplichtingen</b> . . . . .	<b>485.409</b>	<b>462.605</b>	<b>386.393</b>	<b>292.904</b>
<b>Vlottende passiva</b>				
Handelscrediteuren en overige crediteuren . . . . .	94.014	100.826	73.733	43.710
Te betalen winstbelasting . . . . .	176	40	23	1
Vlottend deel langlopende leningen . . . . .	32.818	35.091	24.240	14.666
Vlottend deel langlopende lening van aandeelhouder . . . . .	6.000	6.000	-	-
Vlottend deel voorzieningen . . . . .	1.641	1.691	2.530	1.748
<b>Totaal vlottende passiva</b> . . . . .	<b>134.649</b>	<b>143.648</b>	<b>100.526</b>	<b>60.125</b>
<b>Total verplichtingen</b> . . . . .	<b>620.058</b>	<b>606.253</b>	<b>486.919</b>	<b>353.029</b>
<b>Total eigen vermogen en passiva</b> . . . . .	<b>589.195</b>	<b>582.658</b>	<b>486.494</b>	<b>376.171</b>

## Geselecteerd Geconsolideerd Kasstroomoverzicht

	Q1 2016	Q1 2015	FY 2015	FY 2014	FY 2013
	(in duizenden euro's, tenzij anders aangegeven)				
Netto kasstroom uit bedrijfsactiviteiten . . . . .	1.250	7.597	51.916	29.410	(1.934)
Netto kasstroom uit/(gebruikt voor) investeringsactiviteiten . . . . .	(20.922)	(15.363)	(77.977)	(72.245)	(263.479)
Netto kasstroom uit/(gebruikt voor) financieringsactiviteiten) . . . . .	7.135	(6.302)	25.134	48.272	273.231
<b>Netto (daling)/stijging liquide middelen . . . . .</b>	<b>(12.537)</b>	<b>(14.068)</b>	<b>(927)</b>	<b>5.437</b>	<b>7.818</b>
Liquide middelen op 1 januari . . . . .	12.328	13.255	13.255	7.818	0
<b>Lidquide middelen op 31 maart / 31 december (Q1 / FY) . . . . .</b>	<b>(209)</b>	<b>(813)</b>	<b>12.328</b>	<b>13.255</b>	<b>7.818</b>

### Non-IFRS Methodes

Onderstaande tabel geeft bepaalde financiële gegevens op geconsolideerde basis voor Q1 2016, Q1 2015, FY 2015 en FY 2014. Deze non-IFRS methodes zijn niet door de accountant gecontroleerd of beoordeeld en zijn geen erkende methodes voor financiële prestaties of liquiditeit onder IFRS. Deze methodes worden door het management gebruikt om de onderliggende prestaties van onze bedrijfsactiviteiten te volgen. Deze non-IFRS methodes zijn mogelijk niet indicatief voor de historische resultaten van onze bedrijfsvoering, noch zijn deze methodes bedoeld als voorspellend voor onze toekomstige resultaten. Wij presenteren deze non-IFRS methodes omdat wij ze als belangrijke aanvullende maatstaven zien van onze prestaties en denken dat deze en soortgelijke methodes veelvuldig worden gebruikt in de branche waarin wij actief zijn als middel om de operationele prestaties van een onderneming en de liquiditeit te evalueren. Niet alle ondernemingen berekenen echter non-IFRS methodes op dezelfde manier of op consistente wijze. Dientengevolge zijn deze methodes mogelijk niet vergelijkbaar met methodes die door andere ondernemingen worden gebruikt onder dezelfde of vergelijkbare namen. Dienovereenkomstig dient geen ongefundeerd vertrouwen te worden gesteld in de non-IFRS methodes in dit Prospectus, en ze mogen niet worden beschouwd als een vervanging voor bedrijfsresultaat, jaarwinst, kasstroom, kosten of andere financiële maatstaven die worden berekend in overeenstemming met IFRS. Zie "Important Information – Non-IFRS Financial Measures".

	Q1 2016	%Verandering	Q1 2015
Adjusted EBITDA <sup>(1)</sup> (in miljoenen euro's) . . . . .	18,1	44,8%	12,5
Adjusted EBITDA-marge <sup>(2)</sup> (in % van de omzet) . . . . .	29,9%	-	26,4%
Investerings in Onderhoud (in miljoenen euro's) . . . . .	4,3	120,8%	1,9
Kasstroom na Investerings in Onderhoud <sup>(3)</sup> (in miljoenen euro's)	13,8	30,2%	10,6
Operationele Kasstroomconversie <sup>(4)</sup> (in %) . . . . .	76,2%	-	84,5%
	FY 2015	%Verandering	FY 2014
Identieke omzetgroei <sup>(5)</sup> (in miljoenen euro's) . . . . .	-	-	-
Adjusted EBITDA (in miljoenen euro's) . . . . .	60,1	30,9%	45,9
Adjusted EBITDA-marge (in % van de omzet) . . . . .	29,7%	-	28,4%
Investerings in Onderhoud (in miljoenen euro's) . . . . .	9,8	36,2%	13,3
Kasstroom na Investerings in Onderhoud (in miljoenen euro's) . .	50,3	54,2%	32,6
Operationele Kasstroomconversie (in %) . . . . .	83,7%	-	71,0%
Omzet Mature Clubs <sup>(6)</sup> (in miljoenen euro's) . . . . .	131,3	-	N/A
Adjusted Club EBITDA <sup>(7)</sup> (in miljoenen euro's) . . . . .	84,0	-	66,3
Adjusted Mature Club EBITDA <sup>(8)</sup> (in miljoenen euro's) . . . . .	63,0	-	N/A
Gemiddeld Adjusted Mature Club EBITDA <sup>(9)</sup> (in duizenden euro's)	343	-	N/A
Adjusted Mature Club EBITDA-marge <sup>(10)</sup> (in % van Omzet Mature Clubs) . . . . .	48,0%	-	N/A
Gemiddeld Adjusted Club EBITDA <sup>(11)</sup> (in duizenden euro's) . . . . .	279	-	286

(1) Adjusted EBITDA over een periode wordt gedefinieerd als Winst (verlies) over de periode toekomend aan onze eigenaren voor rente, belastingen, afschrijvingen en amortisaties en voor buitengewone kosten. De buitengewone kosten hebben vooral betrekking op de kosten voorafgaande aan de opening van nieuwe clubs, reorganisatiekosten, andere incidentele kosten/baten, monitoring vergoedingen, kosten voor juridische dienstverlening en andere advieskosten. De totale buitengewone posten over Q1 2016 waren lasten van €1,1 miljoen (inclusief €0,2 miljoen kosten voorafgaande aan de opening van nieuwe clubs). De totale buitengewone posten over Q1 2015 waren lasten van €0,8 miljoen. De totale buitengewone posten over FY 2015 waren lasten van €4,4 miljoen (inclusief €1,6 miljoen kosten voorafgaande aan de opening van nieuwe clubs). De totale buitengewone posten over FY 2014 waren lasten van €4,0 miljoen. Buitengewone posten voor Q1 2015 en FY 2014 omvatten geen kosten voor de opening van nieuwe clubs, omdat we kosten voor de



opening van nieuwe clubs pas na Q1 2015 zijn gaan behandelen als buitengewone posten. Voor meer informatie over de Adjusted EBITDA zie Noot 3 bij onze Jaarrekening elders in dit Prospectus.

- (2) Adjusted EBITDA-marge voor een periode wordt gedefinieerd als de Adjusted EBITDA voor die periode als een percentage van de omzet in die periode.
- (3) Kasstroom na Investerings in Onderhoud voor een periode wordt gedefinieerd als de Adjusted EBITDA voor die periode min de Investerings in Onderhoud. Investerings in Onderhoud wordt gedefinieerd als investerings in materiële vaste activa met betrekking tot het onderhoud van onze clubs, indirecte kosten (inclusief softwareontwikkeling) en de vervanging van onze fitnessapparatuur.
- (4) Operationele Kasstroomconversie wordt gedefinieerd als Kasstroom na Investerings in Onderhoud voor die periode gedeeld door de Adjusted EBITDA voor die periode.
- (5) Identieke Omzetgroei voor een jaar wordt gedefinieerd als de Omzetgroei voor dat jaar, waarbij alleen die clubs worden meegeteld die op 1 januari van dat jaar ten minste 24 maanden operationeel waren als Basic-Fit clubs. Het aantal Mature Clubs op 31 december 2015 was 184.
- (6) Omzet Mature Clubs voor een periode wordt gedefinieerd als de omzet die in die periode door Mature Clubs is gegenereerd. Wij definiëren "Mature Clubs" als clubs die ten minste 24 maanden operationeel zijn als Basic-Fit club. Het aantal Mature Clubs op 31 december 2015 was 184.
- (7) Adjusted Club EBITDA voor een periode wordt gedefinieerd als de Adjusted EBITDA voor die periode voor internationale en lokale indirecte kosten. Internationale en lokale indirecte kosten bedroegen respectievelijk €6,8 miljoen en €17,2 miljoen in FY 2015 en respectievelijk €3,9 miljoen en €16,4 miljoen in FY 2014.
- (8) Adjusted Mature Club EBITDA voor een periode wordt gedefinieerd als de Adjusted Club EBITDA voor die periode, waarbij alleen Mature Clubs worden meegeteld.
- (9) Gemiddeld Adjusted Mature Club EBITDA voor een periode wordt gedefinieerd als de Adjusted Club EBITDA, waarbij alleen Mature Clubs worden meegeteld, gedeeld door het gemiddelde aantal Mature Clubs gedurende die periode. Door onderbrekingen in onze financiële verslaggeving als gevolg van de Basic-Fit Acquisitie, het gemiddelde aantal Mature Clubs in FY 2015 wordt geschat hetzelfde aantal te zijn als aan het einde van het jaar: 184.
- (10) Adjusted Mature Club EBITDA-marge wordt gedefinieerd als de Adjusted Club EBITDA voor die periode, waarbij alleen Mature Clubs worden meegeteld, als een percentage van de Omzet Mature Clubs voor die periode.
- (11) Gemiddeld Adjusted Club EBITDA voor een periode wordt gedefinieerd als de Adjusted Club EBITDA voor die periode, gedeeld door het gemiddelde aantal clubs gedurende die periode. Het gemiddelde aantal clubs was 301 in FY 2015 en 232 in FY 2014.

De volgende tabel geeft de aansluiting van Adjusted EBITDA op Winst (verlies) voor belasting voor Q1 2016, Q1 2015, FY 2015 en FY 2014.

	Q1 2016	Q1 2015	FY 2015	FY 2014
	(in miljoenen euro's)			
<b>Adjusted EBITDA</b> . . . . .	<b>18,1</b>	<b>12,5</b>	<b>60,1</b>	<b>45,9</b>
Afschrijvingen, amortisaties en impairmentlasten . . .	(15,4)	(11,3)	(48,0)	(40,6)
Netto financieringskosten . . . . .	(10,9)	(8,0)	(37,0)	(28,5)
Buitengewone posten <sup>(1)</sup> . . . . .	(1,1)	(0,8)	(4,4)	(4,0)
<b>Winst voor belasting</b> . . . . .	<b>(9,3)</b>	<b>(7,6)</b>	<b>(29,3)</b>	<b>(27,1)</b>

(1) In Q1 2016 en FY 2015 bestonden de buitengewone posten uit kosten voorafgaande aan de opening van nieuwe clubs, reorganisatiekosten, andere incidentele kosten/baten, monitoring, kosten van juridische dienstverlening en andere advieskosten. In Q1 2015 en FY 2014 bestonden de buitengewone posten uit reorganisatiekosten, andere incidentele kosten/baten, monitoring vergoedingen, kosten van juridische dienstverlening en andere advieskosten.

<b>B.8</b>	<b>Pro forma financiële informatie</b>	Niet van toepassing, er is geen <i>pro forma</i> financiële informatie opgenomen in dit Prospectus.
<b>B.9</b>	<b>Winstprognose</b>	Niet van toepassing, de Vennootschap heeft geen winstprognose gepubliceerd.
<b>B.10</b>	<b>Voorbehouden in de accountantsverklaring</b>	Niet van toepassing, er zijn geen voorbehouden.
<b>B.11</b>	<b>Werkkapitaal</b>	Wij zijn van mening dat ons werkkapitaal voldoende is voor de huidige behoeften, dat wil zeggen gedurende ten minste twaalf maanden na de datum van dit Prospectus.
<b>Afdeling C – Effecten</b>		
<b>C.1</b>	<b>Soort effect en code</b>	Gewone Aandelen op naam. ISIN: NL0011872650 Common Code: 141873032 Symbool: BFIT

C.2	<b>Valuta</b>	Onze Gewone Aandelen hebben een nominale waarde en worden verhandeld in euro's.
C.3	<b>Aantal geplaatste aandelen, nominale waarde per aandeel</b>	<p>Op de datum van dit Prospectus bestaat het geplaatste en uitstaande aandelenkapitaal van de Vennootschap uit 750.000 Gewone Aandelen. Alle geplaatste en uitstaande Gewone Aandelen zijn volgestort.</p> <p>Voor de Afwikkeling dragen onze huidige Aandeelhouders (zoals hierna gedefinieerd) de aandelen die zij bezitten in Topco over aan de Vennootschap tegen uitgifte van nieuwe Gewone Aandelen. Dientengevolge wordt de Vennootschap de moedermaatschappij van de Groep, en bestaat het geplaatste en uitstaande aandelenkapitaal van de Vennootschap uit 30.000.000 Gewone Aandelen, die door onze huidige Aandeelhouders worden gehouden in de verhouding zoals genoemd in B.6.</p> <p>De nominale waarde per Gewoon Aandeel bedraagt €0,06. Op de datum van dit Prospectus worden geen Gewone Aandelen gehouden door de Vennootschap. Alle geplaatste Gewone Aandelen zijn onderworpen aan en gecreëerd naar Nederlands recht.</p>
C.4	<b>Rechten verbonden aan de effecten</b>	<p>Op basis van Nederlands recht en onze statuten (zoals deze zullen luiden op de Afwikkelingsdatum), zijn de belangrijkste rechten die verbonden zijn aan onze Gewone Aandelen:</p> <ul style="list-style-type: none"> <li>• dividendrechten;</li> <li>• stemrechten; en</li> <li>• voorkeursrechten om op <i>pro rata</i> basis in te schrijven op een uitgifte van nieuwe Gewone Aandelen of bij het verlenen van rechten tot het nemen van Gewone Aandelen, welke rechten beperkt of uitgesloten kunnen worden wanneer Gewone Aandelen worden uitgegeven, en dat in de praktijk ook zijn.</li> </ul> <p>Houders van Gewone Aandelen (de “Aandeelhouders”, en ieder een “Aandeelhouder”) hebben het recht één stem uit te brengen tijdens de algemene vergadering van Aandeelhouders (de “Algemene Vergadering”) voor elk Gewoon Aandeel dat zij houden. De rechten van de houders van Aangeboden Aandelen die worden aangeboden en verkocht in de Aanbieding zijn in rangorde gelijkgesteld met elkaar en met alle andere Aandeelhouders met betrekking tot stemrechten en uitkeringen. Er zijn geen beperkingen op de stemrechten.</p> <p>Mocht, om welke reden dan ook, de Vennootschap worden ontbonden en geliquideerd, dan wordt het resterende eigen vermogen, indien aanwezig, na betaling van schulden en liquidatiekosten uitgekeerd aan onze Aandeelhouders in verhouding tot het aantal Gewone Aandelen dat elke Aandeelhouder bezit.</p>
C.5	<b>Beperkingen op vrije overdraagbaarheid van de effecten</b>	<p>Er zijn geen beperkingen op de vrije overdraagbaarheid van onze Gewone Aandelen.</p> <p>Echter, de aanbieding en verkoop van Aangeboden Aandelen aan personen die zich bevinden in, ingezetene zijn van, burgers zijn van of een geregistreerd adres hebben in landen buiten Nederland, alsmede de overdracht van Aangeboden Aandelen naar jurisdicties buiten Nederland zijn onderworpen aan specifieke regels en beperkingen.</p>
C.6	<b>Notering en toelating tot de handel</b>	Er is voor al onze Gewone Aandelen een aanvraag tot notering en toelating tot de handel op de gereguleerde markt van Euronext Amsterdam N.V. (“Euronext Amsterdam”) gedaan.

		Er is geen aanvraag gedaan en die wordt momenteel ook niet overwogen tot notering en toelating tot de handel van onze Gewone Aandelen op enige andere beurs.
C.7	<b>Dividendbeleid</b>	Gelet op het sterke rendementsprofiel van de opening van nieuwe clubs zullen wij op korte tot middellange termijn cashmiddelen primair gebruiken om te investeren in de opening van nieuwe clubs. Als gevolg hiervan verwachten we op korte tot middellange termijn geen dividend uit te keren. Kapitaal zal met strikte financiële discipline worden geïnvesteerd en met toepassing van de rendementsdoelstellingen zoals uiteengezet in het Prospectus. We verwachten in de toekomst dividenduitkeringen te introduceren, hoewel voorstellen voor dividenduitkeringen zorgvuldig zullen worden afgewogen tegen andere wijzen van het aanwenden van cashmiddelen zoals een versnelling van het opening van nieuwe clubs, het aflossen van onze schuld, het terugkopen van aandelen en overnames.
<b>Afdeling D – Risico's</b>		
D.1	<b>Belangrijke risico's met betrekking tot de activiteiten van de Vennootschap en de branche</b>	<p>Het volgende is een samenvatting van alle belangrijke risico's die betrekking hebben op onze bedrijfsactiviteiten en de branche, onze financiële zaken, kapitaal- en ondernemingsstructuur en onze fiscale positie. Beleggers dienen alle risicofactoren te lezen, te begrijpen en te overwegen, welke risico's materieel zijn en in hun geheel gelezen dienen te worden in het hoofdstuk “<i>Risk Factors</i>” beginnend op pagina 49 van dit Prospectus, alvorens een besluit te nemen om te beleggen in de Aangeboden Aandelen.</p> <p><b>Risico's met betrekking tot onze Bedrijfsactiviteiten</b></p> <ul style="list-style-type: none"> <li>● Onze bedrijfsactiviteiten zijn afhankelijk van het aantrekken van nieuwe leden en het behouden van bestaande leden.</li> <li>● De uitbreiding, verbouwing en het onderhoud van onze clubs vereisen omvangrijke investeringen.</li> <li>● Wij zijn mogelijk niet in staat passende locaties te identificeren of te verkrijgen, of op tijd, of helemaal niet, de vereiste vergunningen of bouwvergunningen te verkrijgen voor nieuwe clubs, en wij zijn mogelijk niet in staat onze lopende huurcontracten te vernieuwen of te verlengen tegen commercieel aanvaardbare voorwaarden.</li> <li>● Wij zijn mogelijk niet in staat de waarde en de reputatie van ons merk in stand te houden.</li> <li>● Wij zijn afhankelijk van technologie en zijn mogelijk gedwongen ons aan te passen aan belangrijke en snelle technologische veranderingen om succesvol te kunnen concurreren, en een wezenlijke storing, onderbreking of tekortkoming van onze informatie- en geautomatiseerde systemen kan verhinderen dat wij effectief nieuwe leden kunnen inschrijven, diensten aan leden kunnen verlenen en onze financiële en administratieve systemen kunnen gebruiken.</li> <li>● Het openen van nieuwe clubs in de nabijheid van onze bestaande clubs, door concurrenten of door ons, kan een negatief effect hebben op de gemiddelde ledenaantallen per club en op onze operationele resultaten.</li> <li>● Indien wij ons managementteam en andere medewerkers op sleutelposities niet kunnen behouden en tegelijkertijd onze loonkosten wensen te beheersen, zijn wij mogelijk niet in staat onze bedrijfsactiviteiten met succes te beheren en onze strategische doelstellingen te realiseren.</li> </ul>

		<ul style="list-style-type: none"> <li>● Wij werken met een beperkt aantal aannemers en leveranciers voor apparatuur en bepaalde producten en diensten. Het verlies van een van onze aannemers of leveranciers zou onze bedrijfsactiviteiten negatief kunnen beïnvloeden.</li> <li>● Wij zijn van plan onze bedrijfsactiviteiten uit te breiden, onder andere door verder te groeien op de Franse en Spaanse markt, waar de marktomstandigheden en voorkeuren van de consument mogelijk anders zijn dan in Nederland, België en Luxemburg; waardoor het management geconfronteerd kan worden met beheersings- en personeelsproblemen, en waardoor onze kosten kunnen stijgen of onze financiële resultaten op een andere wijze negatief kunnen worden beïnvloed.</li> <li>● Transacties met verbonden partijen en directe of indirecte aandelenbelangen in andere fitnessclub ketens kunnen potentieel tegenstrijdige belangen opleveren.</li> <li>● Wij hebben een beperkte flexibiliteit om de operationele kosten van onze bedrijfsactiviteiten aan te passen.</li> <li>● Naar aanleiding van acquisities hebben wij mogelijk onbedoeld feitelijke of potentiële verplichtingen op ons genomen en dat kan ook in de toekomst gebeuren.</li> <li>● Wij zijn mogelijk niet in staat om toekomstige acquisities met succes te integreren of de verwachte voordelen te realiseren van toekomstige acquisities, terwijl het uitvoeren van acquisities het risicoprofiel van onze bedrijfsactiviteiten verhoogt.</li> <li>● Wij slagen er mogelijk niet in één of meer van onze doelstellingen op middellange termijn, zoals opgenomen in dit Prospectus, te realiseren.</li> <li>● Wij zouden geconfronteerd kunnen worden met materiële boetes of claims met betrekking tot gezondheids- en veiligheidsrisico's in onze clubs.</li> </ul> <p><b>Risico's met betrekking tot onze Branche</b></p> <ul style="list-style-type: none"> <li>● Wij werken in een concurrerende markt met lage toetredingsdrempels en als wij niet in staat zijn effectief te concurreren en dientengevolge niet in staat zijn onze huidige leden te behouden of nieuwe leden aan te trekken, zouden ons marktaandeel, onze omzet en winstgevendheid materieel en negatief beïnvloed kunnen worden.</li> <li>● Ons succes hangt af van de aanhoudende voorkeur van consumenten voor fitnessclubs met een lage prijs formule om in hun behoeften ten aanzien van gezondheid en fitness te voorzien. Wij zijn mogelijk niet in staat te anticiperen op veranderingen in consumentenvoorkeuren of met succes nieuwe of geactualiseerde diensten te ontwikkelen en te introduceren.</li> <li>● Wij zijn onderworpen aan wet- en regelgeving met betrekking tot de gezondheids- en fitnessbranche. Veranderingen in deze wet- en regelgeving of het niet naleven daarvan, zouden een negatief effect op onze bedrijfsactiviteiten kunnen hebben.</li> </ul> <p><b>Risico's met betrekking tot Financiële Zaken en onze Kapitaal- en Ondernemingsstructuur</b></p> <ul style="list-style-type: none"> <li>● Niet-naleving van de convenanten of andere verplichtingen in een van onze kredietovereenkomsten zou kunnen leiden tot een tekortkoming in de nakoming. Onvermogen om uitstaande schulden af te lossen of te herfinancieren in het kader van een van</li> </ul>
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		<p>onze kredietovereenkomsten wanneer deze opeisbaar zijn, zou onze bedrijfsactiviteiten materieel en negatief kunnen beïnvloeden.</p> <ul style="list-style-type: none"> <li>● Wij hebben in de afgelopen perioden verliezen geleden en worden mogelijk niet winstgevend in de toekomst.</li> <li>● Wanneer wij er niet in slagen kapitaal aan te trekken, zou dat van invloed kunnen zijn op de mogelijkheid om onze strategische plannen uit te voeren.</li> <li>● Na de Aanbieding blijven onze twee grootste Aandeelhouders, Mito en AM Holding, in een positie waarin zij substantiële invloed op ons uit kunnen oefenen. De belangen die Mito en AM Holding nastreven, zouden kunnen afwijken van de belangen van onze andere Aandeelhouders.</li> <li>● Onze geconsolideerde jaarrekening omvat omvangrijke immateriële activa, die aan afschrijvingen onderhevig zouden kunnen zijn.</li> </ul> <p><b>Risico's met betrekking tot onze Fiscale Positie</b></p> <ul style="list-style-type: none"> <li>● Veranderingen in belastingverdragen, wetten, regels of interpretaties of een negatief resultaat van fiscale controles zouden een materieel negatieve invloed op ons kunnen hebben.</li> <li>● Fiscale regels die de aftrekbaarheid van rentelasten beperken, zouden onze nettowinst kunnen verminderen.</li> <li>● Indien wordt vastgesteld dat de afspraken inzake transferprijzen tussen onze dochtermaatschappijen ongepast zijn, kan onze belastingverplichting stijgen.</li> <li>● Indien de omvang van de Nederlandse btw-vrijstelling voor sportdiensten wordt uitgebreid, kan dit ertoe leiden dat de door ons bij inkoop betaalde btw niet meer aftrekbaar is.</li> </ul>
D.3	<p><b>Belangrijke risico's met betrekking tot de Aanbieding en de Gewone Aandelen</b></p>	<p>Het volgende is een samenvatting van alle belangrijke risico's die betrekking hebben op de Aanbieding en onze Gewone Aandelen. Beleggers dienen alle risicofactoren te lezen, te begrijpen en te overwegen, welke risico's materieel zijn en in hun geheel gelezen dienen te worden in het hoofdstuk "<i>Risk Factors</i>" beginnend op pagina 49 van dit Prospectus, alvorens een besluit te nemen om te beleggen in de Aanbieden Aandelen.</p> <p><b>Risico's met betrekking tot de Aanbieding en onze Gewone Aandelen</b></p> <ul style="list-style-type: none"> <li>● Er is geen openbare markt voor onze Gewone Aandelen voorafgaand aan de Aanbieding en wij kunnen niet garanderen dat zich een actieve markt in onze Gewone Aandelen zal ontwikkelen.</li> <li>● De marktprijs van onze Gewone Aandelen kan fluctueren en worden beïnvloed door een aantal factoren waarop wij geen invloed hebben.</li> <li>● Toekomstige verkopen of de mogelijkheid van toekomstige verkopen van een aanzienlijk aantal van onze Gewone Aandelen kunnen een nadelig effect hebben op de marktprijs van onze Gewone Aandelen en de belangen van Aandeelhouders verwateren.</li> <li>● Indien effecten- en branche-analisten geen onderzoeksrapporten over onze bedrijfsactiviteiten publiceren of stoppen met dergelijke publicaties, of hun aanbevelingen in ongunstige zin bijstellen of negatieve aanbevelingen doen met betrekking tot onze Gewone Aandelen, kunnen de marktprijs en het handelsvolume van onze Gewone Aandelen dalen.</li> </ul>



**Afdeling E – de Aanbieding**

<b>E.1</b>	<b>Netto-opbrengst</b>	<p>Wij ontvangen alleen de opbrengst van de uitgifte en verkoop van de Nieuwe Aandelen, gericht op het ophalen van een bruto-opbrengst van ongeveer €370 miljoen. De kosten van de Aanbieding die door ons worden gedragen, worden geschat op ongeveer €20 miljoen, inclusief onderwritingcommissies en bepaalde andere kosten. Op basis van de geschatte kosten die samenhangen met de Aanbieding schatten wij dat de netto-opbrengst voor de Vennootschap van de verkoop van de Nieuwe Aandelen ongeveer €350 miljoen zal bedragen.</p>
<b>E.2a</b>	<b>Redenen voor de Aanbieding en bestemming van de opbrengsten</b>	<p>De Aanbieding zal naar verwachting ons profiel, onze naamsbekendheid en geloofwaardigheid verhogen en ons vermogen om belangrijke managers en medewerkers te werven, te behouden en te stimuleren, verder verbeteren. Verder denken wij dat de Aanbieding van Nieuwe Aandelen onze financiële positie zal versterken doordat wij in staat zijn een deel van onze bestaande schuld te herfinancieren en de leningen van onze aandeelhouders volledig af te lossen inclusief opgebouwde rente, wat het looptijdprofiel van onze schuld zal verbeteren, onze financiële flexibiliteit zal vergroten en de Groep positioneert voor de verdere implementatie van haar groeistrategie.</p> <p>De Aanbieding zal ook extra financiële flexibiliteit en diversiteit opleveren dankzij de toegang tot een bredere reeks mogelijkheden om kapitaal aan te trekken ter ondersteuning van de verwachte voortgaande opening van nieuwe clubs of mogelijke nieuwe acquisities. Daarnaast creëert de Aanbieding een markt voor de Gewone Aandelen voor bestaande en toekomstige Aandeelhouders en zorgt ervoor dat de Verkopende Aandeelhouders hun investering in de Groep deels kunnen realiseren.</p> <p>Wij ontvangen alleen de netto-opbrengst uit de verkoop van de Nieuwe Aandelen in de Primaire Aanbieding. Wij verwachten de netto-opbrengst van de Primaire Aanbieding te gebruiken om (i) ongeveer €132 miljoen van onze uitstaande schuld in het kader van de bestaande bankfaciliteiten af te lossen, wat tot minder leverage en een verbetering van onze kapitaalstructuur zal leiden; en (ii) de leningen van onze aandeelhouders volledig af te lossen inclusief opgebouwde rente wat neerkomt op ongeveer €218 miljoen. Wij zullen geen opbrengsten uit de verkoop van Bestaande Aandelen in de Secundaire Aanbieding ontvangen en evenmin, indien de Overtoewijzingsoptie wordt uitgeoefend, opbrengsten uit de verkoop van Additionele Aandelen; de netto-opbrengst daarvan is bestemd voor de Verkopende Aandeelhouders.</p>
<b>E.3</b>	<b>Voorwaarden van de Aanbieding</b>	<p><b>Aangeboden Aandelen</b></p> <p>Er worden maximaal 24.666.667 Nieuwe Aandelen aangeboden en uitgegeven gericht op het ophalen van een bruto-opbrengst van ongeveer €370 miljoen. De Verkopende Aandeelhouders bieden maximaal aan en verkopen maximaal 2.000.000 Bestaande Aandelen, ervan uitgaand dat de Overtoewijzingsoptie niet wordt uitgeoefend. Ervan uitgaand dat alle Nieuwe Aandelen worden uitgegeven in de Primaire Aanbieding, ervan uitgaand dat alle Bestaande Aandelen worden verkocht in de Secundaire Aanbieding en ervan uitgaand dat de Overtoewijzingsoptie niet wordt uitgeoefend, heeft de Aanbieding betrekking op 26.666.667 Gewone Aandelen en omvatten de Aangeboden Aandelen ongeveer 48,8% van ons geplaatste aandelenkapitaal na afronding van de Aanbieding. Ervan uitgaand dat alle Nieuwe Aandelen worden uitgegeven in de Primaire Aanbieding, ervan uitgaand dat alle Bestaande Aandelen worden verkocht in de Secundaire Aanbieding en ervan uitgaand dat de</p>

Overtoewijzingsoptie volledig wordt uitgeoefend, heeft de Aanbieding betrekking op 30.666.667 Gewone Aandelen en omvatten de Aangeboden Aandelen ongeveer 56,1% van ons geplaatste aandelenkapitaal na afronding van de Aanbieding. De Aanbieding bestaat uit (i) een openbare aanbieding in Nederland aan institutionele en particuliere beleggers; en (ii) een onderhandse plaatsing bij bepaalde institutionele beleggers in diverse andere jurisdicties.

De Aangeboden Aandelen worden aangeboden en verkocht: (i) binnen de Verenigde Staten van Amerika (de “**Verenigde Staten**” of “**VS**”) aan personen van wie in redelijkheid kan worden gemeend dat zij ‘qualified institutional buyers’ (“**QIBs**”) zijn, zoals gedefinieerd in Rule 144A (“**Rule 144A**”) van de US Securities Act van 1933, zoals gewijzigd (de “**US Securities Act**”), ingevolge Rule 144A of een andere vrijstelling van, of in een transactie die niet onderworpen is aan de registratievereisten van de US Securities Act en toepasselijke effectenwetgeving van de staten van de VS; en (ii) buiten de VS, in overeenstemming met Regulation S van de US Securities Act (“**Regulation S**”).

De Aanbieding wordt alleen gedaan in jurisdicties waar, en alleen aan die personen aan wie aanbiedingen en verkopen van de Aangeboden Aandelen wettig mogen worden gedaan.

#### **Overtoewijzingsoptie**

De Verkopende Aandeelhouders hebben de Joint Global Coordinators (zoals hierna gedefinieerd), handelend namens de Underwriters (zoals hierna gedefinieerd), een optie (de “**Overtoewijzingsoptie**”) verleend, die kan worden uitgeoefend binnen 30 kalenderdagen na de eerste handelsdag, op een ‘as-if-and-when-issued/delivered’ basis, in de Aangeboden Aandelen op Euronext Amsterdam, die naar verwachting op of rond 10 juni 2016 zal zijn (de “**Eerste Handelsdag**”), en op grond waarvan de Joint Global Coordinators, handelend namens de Underwriters, van de Verkopende Aandeelhouders kunnen eisen dat zij tegen de Aanbiedingsprijs (zoals hierna gedefinieerd) maximaal 4.000.000 bestaande Gewone Aandelen die door hen worden gehouden, verkopen gelijk aan maximaal 15% van het totaal aantal Aangeboden Aandelen (de “**Additionele Aandelen**”) om short posities te dekken die ontstaan zijn door overtoewijzing in verband met de Aanbieding of om stabilisatietransacties mogelijk te maken.

#### **Aanbiedingsperiode**

Behoudens inkorting of verlenging van het tijdschema voor de Aanbieding kunnen potentiële beleggers inschrijven op Aangeboden Aandelen gedurende een periode die begint op 31 mei 2016 om 9:00 Central European Summer Time (“**CEST**”), en eindigt op 8 juni 2016 om 17:30 CEST voor potentiële Nederlandse Particuliere Beleggers (zoals hierna gedefinieerd) en op 9 juni 2016 om 14:00 CEST voor potentiële institutionele beleggers (de “**Aanbiedingsperiode**”).

In geval van een inkorting of verlenging van de Aanbiedingsperiode mogen de vaststelling van de Aanbiedingsprijs (zoals hierna gedefinieerd), toewijzing, toelating en eerste handel van de Aangeboden Aandelen, alsook betaling (in euro’s) voor en levering van de Aangeboden Aandelen evenredig worden ingekort of verlengd.

#### **Aanbiedingsprijs en Aantal Aangeboden Aandelen**

De prijs van de Aangeboden Aandelen (de “**Aanbiedingsprijs**”) zal naar verwachting liggen tussen €15,00 en €20,00 (inclusief) per Aangeboden Aandeel (de “**Bandbreedte van de Aanbiedingsprijs**”). De Bandbreedte van de Aanbiedingsprijs is een indicatieve bandbreedte en de Aanbiedingsprijs kan vastgesteld worden buiten de Bandbreedte van de Aanbiedingsprijs.

	<p>De Aanbiedingsprijs en het exacte aantal Aangeboden Aandelen dat wordt aangeboden in de Aanbieding zullen worden bepaald door de Vennootschap, Mito en AM Holding in overleg met de Joint Global Coordinators en Lazard (de “<b>Financieel Adviseur</b>”) nadat de Aanbiedingsperiode voorbij is, op basis van de resultaten van het book building proces en met inachtneming van economische en marktfactoren, een kwalitatieve en kwantitatieve beoordeling van de vraag naar de Aangeboden Aandelen en overige toepasselijk geachte factoren. De Aanbiedingsprijs kan worden vastgesteld binnen, boven of onder de Bandbreedte van de Aanbiedingsprijs</p> <p>De Aanbiedingsprijs en het exacte aantal Aangeboden Aandelen dat wordt aangeboden in de Aanbieding zullen worden vermeld in een pricing statement dat wordt ingediend bij de Stichting Autoriteit Financiële Markten (de “<b>AFM</b>”) en zal worden gepubliceerd in een persbericht op onze website <a href="http://corporate.basic-fit.com">http://corporate.basic-fit.com</a>.</p> <p>De Vennootschap, Mito en AM Holding, in gezamenlijk overleg met de Joint Global Coordinators en de Financieel Adviseur, behouden zich het recht voor het maximum aantal Aangeboden Aandelen te verhogen of te verlagen en/of de Bandbreedte van de Aanbiedingsprijs te veranderen voor het eind van de Aanbiedingsperiode. Een verandering aan de bovenkant van de Bandbreedte van de Aanbiedingsprijs op de laatste dag van de Aanbiedingsperiode of het vaststellen van de Aanbiedingsprijs boven de Bandbreedte van de Aanbiedingsprijs zal resulteren in een verlenging van de Aanbiedingsperiode met ten minste twee werkdagen; een verandering aan de bovenkant van de Bandbreedte van de Aanbiedingsprijs op de dag voorafgaand aan de laatste dag van de Aanbiedingsperiode zal resulteren in een verlenging van de Aanbiedingsperiode met ten minste één werkdag. In dit geval, als de Aanbiedingsperiode voor Nederlandse Particuliere Beleggers al gesloten is, zal de Aanbiedingsperiode voor Nederlandse Particuliere Beleggers worden heropend. Een verandering in het maximum aantal Aangeboden Aandelen en/of de Bandbreedte van de Aanbiedingsprijs zal worden bekendgemaakt in een persbericht op onze website.</p> <p><b>Toewijzing</b></p> <p>Toewijzing van de Aangeboden Aandelen vindt naar verwachting plaats op de laatste dag van de Aanbiedingsperiode, naar verwachting op of rond 9 juni 2016. Toewijzing aan beleggers die hebben ingeschreven op Aangeboden Aandelen geschiedt op systematische basis, en de Vennootschap, Mito en AM Holding kunnen volledig naar eigen inzicht, na overleg met de Joint Global Coordinators en de Financieel Adviseur, besluiten in hoeverre Aangeboden Aandelen waarop is ingeschreven wel of niet worden toegewezen. Beleggers krijgen mogelijk niet alle of geen Aangeboden Aandelen toegewezen waarop zij hebben ingeschreven. Er is geen maximum of minimum aantal Aangeboden Aandelen waarop potentiële beleggers kunnen inschrijven en het is toegestaan om meerdere inschrijvingen in te dienen. Ingeval op meer Aangeboden Aandelen wordt ingeschreven dan er worden aangeboden, kunnen beleggers minder Aangeboden Aandelen ontvangen dan waarop zij ingeschreven hebben. De Vennootschap, Mito en AM Holding kunnen, in overleg met de Joint Global Coordinators en de Financieel Adviseur – naar eigen inzicht en zonder opgave van redenen hiervoor – inschrijvingen geheel of gedeeltelijk afwijzen.</p> <p>Er zal een preferente toewijzing plaatsvinden van Aangeboden Aandelen voor in aanmerking komende particuliere beleggers in Nederland (de “<b>Preferente Toewijzing aan Particuliere Beleggers</b>”). Daarvoor in aanmerking komende particuliere beleggers in Nederland (de “<b>Nederlandse Particuliere Beleggers</b>”, en ieder een “<b>Nederlandse</b></p>
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**Particuliere Belegger**”) krijgen de eerste 250 (of minder) Aangeboden Aandelen toegewezen waarop de belegger heeft ingeschreven, voorop gesteld dat indien het totaal aantal Aangeboden Aandelen waarop Nederlandse Particuliere Beleggers in de Preferente Toewijzing aan Particuliere Beleggers hebben ingeschreven meer zou bedragen dan 10% van het totaal aantal Aangeboden Aandelen, ervan uitgaand dat de Overtoewijzingsoptie niet wordt uitgeoefend, dan kan de preferente toewijzing aan iedere Nederlandse Particuliere Belegger *pro rata* plaatsvinden voor de eerste 250 (of minder) Aangeboden Aandelen waarop een dergelijke belegger heeft ingeschreven. Dientengevolge krijgen Nederlandse Particuliere Beleggers mogelijk niet alle van de eerste 250 (of minder) Aangeboden Aandelen toegewezen waarop zij hebben ingeschreven. Het exacte aantal Aangeboden Aandelen dat wordt toegewezen aan Nederlandse Particuliere Beleggers wordt vastgesteld na afloop van de Aanbiedingsperiode.

Om in aanmerking te komen voor de Preferente Toewijzing aan Particuliere Beleggers moeten Nederlandse Particuliere Beleggers hun inschrijving indienen gedurende de periode die begint op 31 mei 2016 om 9:00 CEST en eindigt op 8 juni 2016 om 17:30 CEST via financiële tussenpersonen. Financiële tussenpersonen kunnen echter hun eigen deadlines toepassen, die kunnen eindigen voor de afloop van de Aanbiedingsperiode. De Retail Coordinator (zoals hierna gedefinieerd) bundelt alle inschrijvingen van Nederlandse Particuliere Beleggers die bij financiële tussenpersonen ingediend zijn en stelt de Joint Bookrunners (zoals hierna gedefinieerd) daarvan in kennis.

In het kader van de Preferente Toewijzing aan Particuliere Beleggers is een Nederlandse Particuliere Belegger: (i) een natuurlijk persoon die ingezetene is van Nederland; of (ii) een speciaal beleggingsvehikel dat zijn zetel heeft in Nederland en dat een juridische entiteit is met als uitdrukkelijk en enig doel het leveren van vermogensbeheer en/of pensioenplannings-diensten aan een natuurlijk persoon.

#### **Betaling**

Betaling (in euro's) van de Aangeboden Aandelen vindt naar verwachting plaats op de Afwikkelingsdatum, afhankelijk van inkorting of verlenging van het tijdschema voor de Aanbieding. Mogelijk verschuldigde belastingen en kosten zijn voor rekening van de belegger. De Aanbiedingsprijs dient contant te worden betaald door de beleggers tegen afdracht van hun inschrijving of, als alternatief, door hun financiële tussenpersonen te autoriseren om het bedrag over te maken van hun bankrekening op of voor de Afwikkelingsdatum (of eerder ingeval de Aanbiedingsperiode eerder afloopt en vaststelling van de Aanbiedingsprijs, toewijzing, betaling en levering worden vervroegd en de eerste handel eerder plaatsvindt).

#### **Levering van Aangeboden Aandelen**

De Aangeboden Aandelen worden giraal geleverd met gebruikmaking van de faciliteiten van het Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V., handelend onder de naam Euroclear Nederland.

Afhankelijk van inkorting of verlenging van het tijdschema van de Aanbieding vindt betaling in euro's en levering van de Aangeboden Aandelen (“**Afwikkeling**”) naar verwachting plaats op 14 juni 2016 (de “**Afwikkelingsdatum**”).

Indien de Afwikkeling niet plaatsvindt op de Afwikkelingsdatum of in het geheel niet, kan de Aanbieding worden ingetrokken, in welk geval alle inschrijvingen op Aangeboden Aandelen als niet gedaan worden beschouwd, alle toewijzingen worden geacht niet te hebben

plaatsgevonden, eventueel bij de inschrijving betaalde gelden worden geretourneerd, zonder rente of andere vergoeding, en transacties in de Aangeboden Aandelen op Euronext Amsterdam worden geannuleerd. Alle handel in Aangeboden Aandelen voorafgaand aan de Afwikkeling vindt plaats voor het exclusieve risico van de betrokken partijen.

#### **Joint Global Coordinators**

ABN AMRO Bank N.V. (“**ABN AMRO**”) en Morgan Stanley & Co. International plc (“**Morgan Stanley**”) treden op als joint global coordinators bij de Aanbieding (de “**Joint Global Coordinators**”).

#### **Joint Bookrunners**

De Joint Global Coordinators treden, samen met Barclays Bank PLC (“**Barclays**”), Deutsche Bank AG, London Branch (“**Deutsche Bank**”) en ING Bank N.V. (“**ING**”), op als joint bookrunners bij de Aanbieding (de “**Joint Bookrunners**”).

#### **Co-lead Managers**

Coöperatieve Rabobank U.A. (“**Rabobank**”), KBC Securities NV (“**KBC**”) en NIBC Bank N.V. (“**NIBC**”) treden op als co-lead managers bij de Aanbieding (de “**Co-lead Managers**”).

De Joint Bookrunners en de Co-lead Managers, in hun respectievelijke capaciteiten, worden gezamenlijk ook de “**Underwriters**” genoemd.

#### **Noteringsagent en betaalkantoor**

ABN AMRO treedt op als noteringsagent en betaalkantoor met betrekking tot de Aangeboden Aandelen op Euronext Amsterdam (de “**Noteringsagent en betaalkantoor**”).

#### **Retail Coördinator**

ABN AMRO treedt op als retail coördinator met betrekking tot de Aanbieding (de “**Retail Coördinator**”).

#### **Stabilisatie Agent**

Morgan Stanley, optredend als stabilisatie agent in naam van en namens de Underwriters (de “**Stabilisatie Agent**”), kan, maar is daartoe niet verplicht, naar eigen inzicht op elk moment transacties uitvoeren gedurende de periode die begint op de Eerste Handelsdag en niet later eindigt dan 30 kalenderdagen daarna, met het doel de marktprijs van de Aangeboden Aandelen op Euronext Amsterdam te stabiliseren of te steunen.

#### **Underwriting Overeenkomst – Opschortende Voorwaarden**

De underwriting overeenkomst die aangegaan is tussen de Vennootschap, Topco, de Verkopende Aandeelhouders en de Underwriters op of rond 30 mei 2016 met betrekking tot de aanbieding en verkoop van de Aangeboden Aandelen (de “**Underwriting Overeenkomst**”) bepaalt dat de verplichtingen van de Underwriters om voor kopers te zorgen of, wanneer dit niet lukt, dat aantal van de Aangeboden Aandelen zoals beschreven in het Pricing Statement en, indien van toepassing, de Additionele Aandelen zelf te kopen, onderworpen zijn aan: (i) de afwezigheid van een materiële negatieve verandering in onze bedrijfsactiviteiten; (ii) de ontvangst van opinies inzake bepaalde juridische kwesties van adviseurs; (iii) het volledig van kracht zijn van de goedkeuring van dit Prospectus door de AFM; (iv) de toelating van de Gewone Aandelen tot de notering op Euronext Amsterdam; (v) de geschiktheid van de Gewone Aandelen voor clearing en afwikkeling via het girale systeem van Euroclear Nederland; (vi) de Herstructurering; (vii) ontvangst door de Underwriters van “comfort letters” van onze onafhankelijke accountant; en (viii) uitvoering van het pricing overeenkomst tussen de Vennootschap, Topco, de Verkopende



		<p>Aandeelhouders en de Underwriters dat moet worden getekend in verband met de Aanbieding. De Underwriters hebben het recht af te zien van het voldoen aan dergelijke voorwaarden of een deel ervan.</p> <p><b>Tijdschema</b></p> <table border="1"> <thead> <tr> <th><u>Gebeurtenis</u></th> <th><u>Tijd en datum</u></th> </tr> </thead> <tbody> <tr> <td>Begin van de Aanbiedingsperiode</td> <td>9:00 CEST op 31 mei 2016</td> </tr> <tr> <td>Einde van de Aanbiedingsperiode voor Nederlandse Particuliere Beleggers</td> <td>17:30 CEST op 8 juni 2016</td> </tr> <tr> <td>Einde van de Aanbiedingsperiode voor institutionele beleggers</td> <td>14:00 CEST op 9 juni 2016</td> </tr> <tr> <td>Vaststelling van de Aanbiedingsprijs en toewijzing</td> <td>9 juni 2016</td> </tr> <tr> <td>Publicatie van resultaten van de Aanbieding</td> <td>10 juni 2016</td> </tr> <tr> <td>Eerste Handelsdag (handel op basis van 'as-if-and-when-issued/delivered')</td> <td>10 juni 2016</td> </tr> <tr> <td>Afwikkelingsdatum (betaling en levering)</td> <td>14 juni 2016</td> </tr> </tbody> </table>	<u>Gebeurtenis</u>	<u>Tijd en datum</u>	Begin van de Aanbiedingsperiode	9:00 CEST op 31 mei 2016	Einde van de Aanbiedingsperiode voor Nederlandse Particuliere Beleggers	17:30 CEST op 8 juni 2016	Einde van de Aanbiedingsperiode voor institutionele beleggers	14:00 CEST op 9 juni 2016	Vaststelling van de Aanbiedingsprijs en toewijzing	9 juni 2016	Publicatie van resultaten van de Aanbieding	10 juni 2016	Eerste Handelsdag (handel op basis van 'as-if-and-when-issued/delivered')	10 juni 2016	Afwikkelingsdatum (betaling en levering)	14 juni 2016
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<b>E.4</b>	<b>Materiële belangen bij de Aanbieding</b>	<p>Wij verwachten de netto-opbrengst van de Primaire Aanbieding te gebruiken om een deel van onze uitstaande schuld in het kader van de bestaande bankfaciliteiten af te lossen, waarbij enkele van de Underwriters (direct of via een met hen verbonden onderneming) partij zijn.</p>																
<b>E.5</b>	<b>'Lock-up' afspraken</b>	<p><b>'Lock-up' van de Vennootschap</b></p> <p>Op grond van de Underwriting Overeenkomst heeft de Vennootschap met de Underwriters afgesproken dat zij zich, gedurende een periode van 360 dagen na de Afwikkelingsdatum, met uitzondering van de gevallen zoals hierna beschreven, zonder de voorafgaande schriftelijke toestemming van de Joint Global Coordinators, handelend namens de Underwriters, (welke toestemming niet onredelijk mag worden geweigerd of vertraagd) zal onthouden van (i) het, direct of indirect, uitgeven, aanbieden, verpanden, verkopen, opdracht geven tot verkoop, verkopen of verlenen van enige optie, enig recht, enige warrant of overeenkomst tot aankoop, uitoefenen van enige optie tot verkoop, aankopen van enige optie of overeenkomst tot verkoop of uitlenen of anderszins overdragen of vervreemden van Gewone Aandelen, of effecten die kunnen worden omgewisseld in of die uitoefenbaar of inwisselbaar zijn voor Gewone Aandelen, of het indienen van enig registratie statement onder de US Securities Act of een soortgelijk document bij een andere effectentoezichthouder, beurs of noteringsautoriteit met betrekking tot een of meerdere van voorgaande bepalingen; of (ii) het aangaan van een swap of een andere regeling of transactie die de economische gevolgen van het eigendom van enige Gewone Aandelen van de Vennootschap in zijn geheel of gedeeltelijk, direct of indirect, aan een ander overdraagt, ongeacht of zo'n transactie zoals beschreven in (i) of (ii) hierboven wordt afgewikkeld door levering van Gewone Aandelen of andere effecten, in geld of anderszins; of (iii) het publiekelijk aankondigen van een intentie om een dergelijke transactie te bewerkstelligen.</p> <p>Het voorgaande is niet van toepassing op (i) de uitgifte van en inschrijving op de Nieuwe Aandelen in de Aanbieding; (ii) de uitgifte of overdracht van Gewone Aandelen in het kader van werknemersbezoldiging, incentive of spaarplannen van de Vennootschap of enige van haar</p>																

dochtermaatschappijen beschreven in dit Prospectus; (iii) de aanvaarding van een algemeen aanbod gericht tot alle houders van de uitgegeven en toegewezen Gewone Aandelen van de Vennootschap onder voorwaarden die al deze houders gelijk behandelen en die in alle opzichten onvoorwaardelijk zijn geworden of verklaard of die zijn aanbevolen om te aanvaarden door de Raad van Commissarissen; en (iv) de verwerving van de aandelen van de Vennootschap conform toepasselijke wet- en regelgeving.

#### **‘Lock-up’ van de Verkopende Aandeelhouders**

Op grond van de Underwriting Overeenkomst heeft zowel AM Holding als Mito met de Underwriters afgesproken dat zij zich, gedurende een periode van respectievelijk 360 dagen na de Afwikkelingsdatum en een periode van 180 dagen na de Afwikkelingsdatum, met uitzondering van de gevallen zoals hierna beschreven, zonder de voorafgaande schriftelijke toestemming van de Joint Global Coordinators, handelend namens de Underwriters, (welke toestemming niet onredelijk mag worden geweigerd of vertraagd) zal onthouden van (i) het, direct of indirect, aanbieden, verpanden, verkopen, opdracht geven tot verkoop, verkopen of verlenen van enige optie, enig recht, enige warrant of overeenkomst tot aankoop, uitoefenen van enige optie tot verkoop, aankopen van enige optie of overeenkomst tot verkoop, uitlenen, het bewegen van de Vennootschap tot het uitgeven, of anderszins overdragen of vervreemden van Gewone Aandelen, of effecten die kunnen worden omgewisseld in of die uitoefenbaar of inwisselbaar zijn voor Gewone Aandelen, of het indienen van enig registratie statement onder de US Securities Act of een soortgelijk document bij een andere effectentoezichthouder, beurs of noteringsautoriteit met betrekking tot een of meerdere van voorgaande bepalingen; of (ii) het aangaan van een swap of een andere regeling of transactie die de economische gevolgen van het eigendom van enige Gewone Aandelen van de Vennootschap in zijn geheel of gedeeltelijk, direct of indirect, aan een ander overdraagt, ongeacht of zo'n transactie zoals beschreven in (i) of (ii) hierboven wordt afgewikkeld door levering van Gewone Aandelen of andere effecten, in geld of anderszins; of (iii) het publiekelijk aankondigen van een intentie om een dergelijke transactie te bewerkstelligen.

Het voorgaande is niet van toepassing op (i) de verkoop van Bestaande Aandelen en Additionele Aandelen in de Aanbieding; (ii) het aangaan van de Share Lending Agreement, indien van toepassing; (iii) een overdracht van Gewone Aandelen na de aanvaarding van een volledig of gedeeltelijk openbaar bod met betrekking tot de Gewone Aandelen; (iv) de overdrachten van Gewone Aandelen aan een entiteit waarover AM Holding of Mito, voor zover van toepassing, zeggenschap heeft of een entiteit die onder gezamenlijke zeggenschap met AM Holding of Mito, voor zover van toepassing, staat, of aan een of meer personen, natuurlijk of juridisch, die de directe of indirecte uiteindelijk gerechtigden zijn van AM Holding of Mito, voor zover van toepassing, op de datum van de Underwriting Overeenkomst, voorop gesteld dat die verkrijger(s) er eerst schriftelijk mee instemt/instemmen ten behoeve van de Underwriters aan dezelfde beperkingen te zijn gebonden als waarin de Underwriting Overeenkomst voorziet voor het resterende gedeelte van deze 360-dagen periode, in het geval van AM Holding, of deze 180-dagen periode, in het geval van Mito; (v) met betrekking tot Mito, overdrachten van Gewone Aandelen door Mito aan (x) 3i Group plc, een dochtermaatschappij of moedermaatschappij van 3i Group plc en elke dochtermaatschappij van die moedermaatschappij (zoals elke term is omschreven in de UK Companies Act 2006) (de “**3i Group**”) of (y) een fonds, partnership, beleggingsvehikel, of andere entiteit (een onderneming of anderszins) gevestigd in welke jurisdictie dan ook en die beheerd wordt door een entiteit in de 3i Group (een “**3i Fund**”) of (z) een onderneming, fonds,

partnership, beleggingsvehikel of andere entiteit (een onderneming of anderszins) waarover Mito of een van de 3i Funds of leden van de 3i Group zeggenschap hebben of die onder gezamenlijke zeggenschap staan, voorop gesteld dat die verkrijger(s) er eerst schriftelijk mee instemt/instemmen ten behoeve van de Underwriters aan dezelfde beperkingen te zijn gebonden als waarin de Underwriting Overeenkomst voorziet voor het resterende gedeelte van deze 180-dagen periode; (vi) een overdracht, inschrijving of ruil in verband met een reorganisatie van het aandelenkapitaal van de Vennootschap, juridische fusie, splitsing of vergelijkbare transactie of proces, inclusief de Herstructurering; en/of (vii) een verkoop van de Gewone Aandelen ingevolge een zekerheid op die Gewone Aandelen die bestaat op de datum van de Underwriting Overeenkomst en schriftelijk is gemeld aan de Joint Global Coordinators voor de datum van de Underwriting Overeenkomst, voorop gesteld dat de verkrijgers van die aandelen ingevolge een uitwinning van zekerheidsrechten er eerst schriftelijk mee instemmen ten behoeve van de Underwriters aan dezelfde beperkingen te zijn gebonden voor het resterende gedeelte van deze 360-dagen periode, in het geval van AM Holding, of deze 180-dagen periode, in het geval van Mito.

Manco wordt niet onderworpen aan 'lock-up' afspraken op grond van de Underwriting Overeenkomst, omdat Manco na de Afwikkeling zal worden ontbonden als gevolg waarvan de partijen die onmiddellijk vóór de Afwikkeling een belang van 5% in de Vennootschap via Manco houden rechtstreeks Gewone Aandelen zullen houden. Van deze partijen zullen Mito, AM Holding, de heer Van der Aar, de heer Van der Vis en de heer Willemse onderworpen zijn aan 'lock-up' afspraken zoals beschreven in Afdeling E.5 en de overige 15 werknemers van de Vennootschap die onmiddellijk vóór de Afwikkeling tezamen minder dan 2% van de Gewone Aandelen houden, zullen niet onderworpen worden aan 'lock-up' afspraken.

#### **'Lock-up' Raad van Bestuur en Raad van Commissarissen**

Op grond van de Underwriting Overeenkomst hebben de heer Van der Aar, de heer Van der Vis en de heer Willemse ieder afzonderlijk met de Underwriters afgesproken dat zij zich, afzonderlijk van elkaar, gedurende een periode van respectievelijk 360 dagen na de Afwikkelingsdatum, een periode van 180 dagen na de Afwikkelingsdatum en een periode van 180 dagen na de Afwikkelingsdatum, met uitzondering van de gevallen zoals hierna beschreven, zonder de voorafgaande schriftelijke toestemming van de Joint Global Coordinators, handelend namens de Underwriters, (welke toestemming niet onredelijk mag worden geweigerd of vertraagd) zal onthouden van (i) het, direct of indirect, aanbieden, verpanden, verkopen, opdracht geven tot verkoop, verkopen of verlenen van enige optie, enig recht, enige warrant of overeenkomst tot aankoop, uitoefenen van enige optie tot verkoop, aankopen van enige optie of overeenkomst tot verkoop, uitlenen, het bewegen van de Vennootschap tot het uitgeven, of anderszins overdragen of vervreemden van Gewone Aandelen, of effecten die kunnen worden omgewisseld in of die uitoefenbaar of inwisselbaar zijn voor Gewone Aandelen, of het indienen van enig registratie statement onder de US Securities Act of een soortgelijk document bij een andere effectentoezichthouder, beurs of noteringsautoriteit met betrekking tot een of meerdere van voorgaande bepalingen; of (ii) het aangaan van een swap of een andere regeling of transactie die de economische gevolgen van het eigendom van enige Gewone Aandelen van de Vennootschap in zijn geheel of gedeeltelijk, direct of indirect, aan een ander overdraagt, ongeacht of zo'n transactie zoals beschreven in (i) of (ii) hierboven wordt afgewikkeld door levering van Gewone Aandelen of andere effecten, in geld of anderszins; of (iii) het publiekelijk aankondigen van een intentie om een dergelijke transactie te bewerkstelligen.

		<p>Het voorgaande is niet van toepassing op (i) de verkoop van Bestaande Aandelen en Additionele Aandelen in de Aanbieding; (ii) een overdracht van Gewone Aandelen na de aanvaarding van een volledig of gedeeltelijk openbaar bod met betrekking tot de Gewone Aandelen; (iii) een overdracht, inschrijving of ruil in verband met een reorganisatie van het aandelenkapitaal van de Vennootschap, juridische fusie, splitsing of vergelijkbare transactie of proces; en/of (iv) een verkoop van de Gewone Aandelen ingevolge een zekerheid op die Gewone Aandelen die bestaat op de datum van de Underwriting Overeenkomst en schriftelijk is gemeld aan de Joint Global Coordinators voor de datum van de Underwriting Overeenkomst, voorop gesteld dat de verkrijgers van die aandelen ingevolge een uitwinning van zekerheidsrechten er eerst schriftelijk mee instemmen ten behoeve van de Underwriters aan dezelfde beperkingen te zijn gebonden voor het resterende gedeelte van deze 360-dagen periode, in het geval van de heer Van der Aar, deze 180-dagen periode, in het geval van de heer Van der Vis, en deze 180-dagen periode, in het geval van de heer Willemse.</p>
<b>E.6</b>	<b>Verwatering</b>	<p>Het stemrecht van huidige Aandeelhouders zal als gevolg van de uitgifte van de Nieuwe Aandelen (exclusief de verkoop van Bestaande Aandelen en de Additionele Aandelen) verwateren. De maximale verwatering voor huidige Aandeelhouders ingevolge de uitgifte van de Nieuwe Aandelen is 45,1%, uitgaande van de uitgifte van het maximale aantal Nieuwe Aandelen (wat uitgaat van een Aanbiedingsprijs aan de onderkant van de Bandbreedte van de Aanbiedingsprijs).</p>
<b>E.7</b>	<b>Geschatte kosten door de Vennootschap in rekening gebracht aan de belegger</b>	<p>Niet van toepassing, wij brengen geen kosten aan de belegger in rekening met betrekking tot de Aanbieding.</p>

## RISK FACTORS

*Before investing in the Offer Shares, prospective investors should consider carefully all of the information that is included or incorporated by reference in this Prospectus and should form their own view before making an investment decision with respect to any Offer Shares. In particular, investors should evaluate the uncertainties and risks referred to or described below, which may materially and adversely affect our business, results of operations and financial condition. Furthermore, before making an investment decision with respect to any Offer Shares prospective investors should consult their financial, legal and tax advisers, and consider such an investment decision in light of their personal circumstances. Should any of the following events or circumstances occur, the value of the Offer Shares could fall and an investor might lose part or all of its investment. Although we believe that the risks and uncertainties described below are the material risks and uncertainties concerning our business and the Offer Shares, they are not the only ones we face. Additional risks and uncertainties that are not presently known to us or that we currently deem immaterial may also materially and adversely affect our business, results of operations and financial condition and may cause the market price of the Offer Shares to fall. The risk factors described below are not listed in any order of priority with regard to their significance or probability.*

### **Risks Relating to our Business**

#### ***Our business depends on attracting new members and retaining existing members.***

The performance of our clubs depends on our ability to continuously attract new members and retain existing members, and we cannot be sure that we will be successful in these efforts or that membership levels at our clubs will not materially decline. There are numerous factors that could lead to a decline in existing membership levels or prevent us from increasing membership levels, including competition from other low-cost gym operators and other health and fitness club operators in the locations in which we already operate our clubs or would like to open new clubs; harm to our reputation or brand; failure to deliver high-quality services at a competitive cost; saturation of local health and fitness club markets; an increase in our monthly membership fees; changes in consumer preference away from low-cost fitness offerings to fitness offerings with more amenities and add-on services; the aging or dilapidation of the equipment and facilities offered in our clubs; the increasing popularity of home fitness equipment, fitness apps and other online exercise programmes; and a decline in the public's interest in health and fitness.

Our membership base is subject to natural attrition as a result of existing members cancelling their membership at our clubs, mainly due to non-attendance over an extended period. We find that our members value flexibility in managing their commitment, and we believe that our Flex membership, which allows cancellation on a monthly basis, aligns with their preference. Cancellation of membership is also generally easier to effect at our clubs due to the greater flexibility of our membership plans as compared to our competitors. In the Netherlands, our Easy and Smart membership plans can be cancelled after the first year on a monthly basis. In Belgium, Luxembourg, France and Spain, our Easy membership plan is automatically cancelled after the first year as required by local regulations, and our Smart membership plan can be cancelled after the first year on a monthly basis. In all of the countries in which we operate, our Flex membership plan can be cancelled on a monthly basis. See "*Our Business – Membership and Members – Membership model and pricing*". A decline in existing membership levels as a result of any of the above factors, individually or in aggregate, or a failure to attract new members could materially and adversely affect our business, results of operations and financial condition.

#### ***The expansion, refurbishment and maintenance of our estate involves significant capital expenditures.***

Our expansion strategy is based on adding more clubs to our chain. We add clubs by either opening new clubs or acquiring clubs and converting them to the Basic-Fit brand. We added an aggregate of 65 new clubs in 2014, 74 in 2015 and 13 in the first three months of 2016. In 2014, we initiated a refurbishment programme for our existing clubs in order to bring them to a common standard that is consistent with the Basic-Fit brand and format. We have brought approximately 84% of our clubs to the common Basic-Fit standard per 31 December 2015, and we expect to complete the refurbishment programme with the refurbishment of 55 additional clubs by the end of 2016. We also replace our fitness equipment periodically, with cardio equipment replaced every four to five years and strength training equipment replaced every eight to ten years. Opening new clubs, acquiring and



converting clubs, refurbishing existing clubs on a one-off basis and maintaining fitness and other equipment are all capital intensive, and we require significant capital to finance each of these activities. Our capital expenditures, which to a large extent relate to new club openings, acquisitions and conversions of clubs, club refurbishments and maintenance of our clubs, totalled €120.1 million in FY 2014 (as defined in “*Important Information – Historical Financial Information*”), €135.0 million in FY 2015 (as defined in “*Important Information – Historical Financial Information*”) and €25.9 million in Q1 2016 (as defined in “*Important Information – Historical Financial Information*”), representing 74.0%, 66.7% and 42.8% of our total revenue for the respective periods. See “*Operating and Financial Review – Capital Expenditure*”. In each of FY 2014 and FY 2015, our actual capital expenditure for those periods exceeded the amounts budgeted for capital expenditures for such periods, in large part due to an acceleration of our growth strategy, which resulted in a greater number of clubs added to our network than initially budgeted for and an acceleration of our refurbishment programme. There can be no assurance that we will not in the future again exceed the amounts budgeted for capital expenditures due to reasons or circumstances that are as of the date hereof unforeseen, such as an acceleration of our planned growth strategy, whether through increased new openings or acquisitions of clubs, further refurbishments of, or investments in, our clubs or other reasons or circumstances. See also “*Risk Factors – Risks Relating to Financial Matters and our Capital and Corporate Structure – Our inability to raise capital could affect our ability to execute our strategic plans*”. We intend to add approximately 65 to 75 clubs in total in 2016, and a similar number per year thereafter over the medium-term, which is expected to require significant capital expenditures. Required outlays for any such capital expenditures may be significant and may materially and adversely affect cash flows during the periods when incurred.

***We may not be able to identify or secure suitable sites, or obtain the requisite permits and planning permissions in a timely manner or at all, for new clubs, and we may not be able to renew our existing leases on commercially acceptable terms.***

Our growth strategy contemplates the opening of clubs in the Netherlands, Belgium, Luxembourg (together with the Netherlands and Belgium, the “**Benelux**”), France and Spain. We intend to add approximately 65 to 75 clubs in total in 2016, and a similar number per year thereafter over the medium-term. We lease all of our properties and intend to continue to do so in the future. We employ a site selection strategy that incorporates a number of criteria, such as the presence of transportation links or parking facilities, favourable demographics, site visibility, floor size and layout of the building. We may face significant competition for sites that meet our selection criteria from our competitors, other commercial enterprises such as retailers, leisure and office space operators, and residential operators. In addition, we may require permits or planning consents from local authorities when opening clubs if, for example, a potential club site does not already have the requisite permits or planning consents. We structure our leases for a given site such that it only becomes effective once all the required permits and consents for that site have been granted and are irrevocable. The typical length of time for obtaining permits and consents can vary from six weeks to three months in the Netherlands and Belgium, six to twelve months in France and twelve to 24 months in Spain. In Spain, however, a construction and opening permit can typically be obtained after 15 days, following which we can start building and opening the club. Any inability or delays in receiving such permits or consents could restrict or delay our roll-out plans or increase our roll-out costs.

Furthermore, there can be no assurance that we will be able to renew our existing leases on commercially acceptable terms or at all. By way of example, we may have to terminate the lease for a club in Luxembourg in the course of 2016, in part as a result of the landlord requiring lease rates that are not commercially acceptable to us. If a lease for a club is not renewed, we will have to close or relocate the club. If we need to relocate the club, we could incur significant costs in identifying and securing suitable alternative sites and may be unable to find a suitable site. If clubs are closed, we may be unable to attract members from those clubs to alternative clubs in significant numbers. Such members may cancel their memberships due to, among other reasons, our inability to deliver the services they require in a convenient location for them.

Our ability to negotiate or renegotiate commercially acceptable lease terms for both our new and existing sites may be adversely affected by fluctuations in the property rental market, such as decreases in the number of available sites, increases in market rents or competition for attractive sites. For example, our expansion plans in France may be adversely impacted by difficulties in finding appropriate sites with commercially acceptable lease terms in high-demand locations in Paris or other large cities. As a result, we may be unable to secure new and existing sites at rental prices or on

terms acceptable to us. A failure to identify or secure suitable sites, or obtain the requisite permits and planning permissions in a timely manner or at all, for new clubs, and a failure to renew our existing leases on commercially acceptable terms, could materially and adversely affect our business, results of operations and financial condition.

***We may not be able to maintain the value and reputation of our brand.***

Our success depends in large part upon our ability to maintain and enhance the value of our brand and our members' and the public's connection to our brand. The value and reputation of our brand are increasingly driven by the perception that our clubs offer a consumer experience in which customers receive an attractive value proposition. Maintaining, promoting and positioning our brand will depend largely on an effective marketing effort and our ability to provide consistent, high-value-for-money services. If our brand suffers severe damage as a result of the way we manage our operations or otherwise, our growth strategy, development efforts and prospects could be materially and adversely affected.

For instance, the use of fitness equipment in our clubs inherently poses a health and safety risk to our members. We have in the past recorded, and expect to continue to record in the future, health and safety incidents, including fatalities as a result of heart failure. Such incidents may materially and adversely affect our brand. Furthermore, as a low-cost fitness club operator, we do not provide personalised guidance to our members on how to use such equipment, other than that we offer introductory kick-start sessions with a personal trainer against payment of a fee in those clubs that have personal trainers on the premises. Consequently, there is a meaningful risk that our members may dangerously misuse our fitness equipment. This could create an association of our brand with inadequate fitness guidance and poor exercise technique. Our brand could also be unfavourably affected by a number of additional factors relating to the way we manage our business, such as the perception that we have an excessive focus on costs as a result of price-focussed marketing or as a result of other reasons that can have the potential to erode the value-proposition component of our brand, such as less-than-ideal conditions at one or more of our clubs, including as a result of the age of equipment, lack of cleanliness or overcrowding. Additionally, unsatisfactory consumer service; unreliable club access, payment issues or other issues resulting from a failure of our information technology systems; data breaches; and theft and other incidents at our clubs all pose potential threats to our brand.

The negative impact of any of the above threats to our brand may be magnified by images, videos, and commentary on social media, which, in turn, may attract further attention by our members as well as our competitors. Consumers value readily available information about health and fitness club operators and often act on such information without further investigation and without regard to its accuracy. The harm to our brand in such circumstances may be immediate and afford us no opportunity for redress or correction, and restoring our brand and reputation may be costly and difficult to achieve. Failure to effectively mitigate damage to our brand may diminish our ability to attract and retain members which could materially and adversely affect our business, results of operations and financial condition.

***We rely on technology and may need to adapt to significant and rapid technological change in order to compete successfully, and any material failure, interruption or weakness of our information and automated systems may prevent us from effectively enrolling members, providing member services, and utilising our financial and administrative systems.***

Technology is a key component of our business model and we regard it as crucial to our success. Our member interface is largely automated, including through the use of automated entry gates, registration kiosks, online group exercise reservations, virtual group lessons, our Basic-Fit App and our payment systems. While we seek to offer our members best-in-class technology solutions to ensure a smooth customer experience at our clubs, we operate in an environment that has undergone, and continues to experience, significant and rapid technological change. Specifically, in lieu of personal interactions with a club's staff at its physical premises, we have seen the advancement of online interactions with members and prospective members with respect to registration and communication matters as well as further automation at club premises where technological systems such as registration kiosks and automated entrance gates have replaced traditional service models. To remain competitive, we must continue to maintain, enhance and improve the functionality, capacity, accessibility, reliability and features of our automated member interfaces and other technology

offerings. Any disruption or failure of our automated systems may prevent us from adequately servicing our members and frustrate their experience. Our success will depend, in part, on our ability to develop and license leading technologies; enhance existing platforms and services and create new platforms and services; respond to customer demands, technological advances and emerging industry standards and practices on a cost-effective and timely basis; and continue to engage highly skilled technology suppliers to maintain and develop existing technology and to adapt to and manage emerging technologies. The adoption of new technologies or market practices may require us to devote significant additional resources to improve and adapt our services. Keeping pace with these ever-increasing requirements can be expensive, and we may be unable to make these improvements to our technology infrastructure in a timely manner or at all. If we are unable to anticipate and respond to the demand for new services, products and technologies on a timely and cost-effective basis, or to adapt to and exploit technological advancements and changing standards as successfully as our competitors, we may be unable to compete effectively, which could materially and adversely affect our business, results of operations and financial condition. Furthermore, we may rely on the ability of our customers to have the necessary hardware products (smartphones, tablets, etc.) to support our new product offerings. To the extent our customers are not prepared to invest in or lack the necessary resources or infrastructure, the success of any new initiatives may be compromised.

Our operations additionally depend upon our ability, and the ability of third-party service providers, to protect our computer equipment and systems against damage from physical theft, fire, power loss, telecommunications failure or other catastrophic events, as well as from internal and external security breaches, viruses, denial-of-service attacks and other disruptive problems. Any failure of our systems to, among other things, operate effectively, upgrade or transition to new platforms, expand as we grow, or thwart breaches could result in interruptions to or delays in the operation of our business and the service offering to our members, and reduce efficiency in our operations. In addition, the implementation of technology changes and upgrades to maintain current and integrate new systems, as well as transitions from one service provider to another, may cause service interruptions, transaction processing errors, system conversion delays and operational delays due to the learning curve associated with using a new system, and may cause us to fail to comply with applicable laws. If our information systems, or those of third-party service providers, fail and our or third-party back-up or Information and Communication Technologies continuity plans are not adequate to address such failures, the reputation of our brand and our business, results of operations and financial condition could be materially and adversely affected.

***The opening of clubs near our existing clubs, by competitors or by us, may negatively impact our average membership levels per club and our results of operations.***

Our competitors, including other low-cost gym operators and other health and fitness club operators generally, may open competing facilities near our existing clubs. If we are unable to successfully retain our existing members or attract new members in these areas, our business, results of operations and financial condition may be materially and adversely affected.

In addition, we intend to continue opening clubs in our existing markets as part of our growth strategy. If we open new clubs in close proximity to our existing clubs, those new clubs may compete for members with our existing clubs and attract some members away from our existing clubs, for example, as a result of the new club's closer proximity to such members' residence or place of work, thereby resulting in lower average members per club. Even where there is a risk that opening a new club near one of our existing clubs will result in a decrease in our average members per club, we may still be incentivised to open that new club. In any event, a decrease in our average members per club may materially and adversely affect our average revenue per club and our results of operations.

***If we cannot retain our management team and other key employees, while controlling labour costs, we may not be able to manage our operations successfully and pursue our strategic objectives.***

Our business, future growth and success depend to a large extent on our ability to recruit, retain and motivate high-quality senior management and other personnel with extensive experience and knowledge in the fitness, hospitality and sports industries. Competition for suitably qualified employees is intense and is expected to further intensify. In particular, we are dependent on the continued involvement of Mr Moos, our co-founder and chief executive officer (the "**Chief Executive Officer**" or "**CEO**"), and the loss of Mr Moos from our management team or a significant diminution in his contribution to our business could adversely affect our business, financial condition

or results of operations. In addition, if we were to lose a substantial number of our key employees, we would have to incur significant costs in identifying, hiring, training and retaining replacements for such departing employees.

Salaries and related benefits of our employees are among our most significant costs. As a result, wage, salary and related benefit increases, due to labour shortages or other reasons, can have a significant impact on our operating profits, in particular if we are unable to pass on increased costs to our members. Our future growth and success also depend upon the leadership and performance of the members of our management team, many of whom have significant experience in the fitness, hospitality and sports industries and could be difficult to replace. We may lose members of our management team and be unable to replace such members in a timely manner, which could materially and adversely affect our ability to implement our strategy, and our business, results of operations and financial condition.

***We rely on a limited number of contractors and suppliers for equipment and certain products and services. A loss of any of our contractors or suppliers could negatively affect our business.***

We rely on third-party contractors and suppliers for various aspects of our business, including for the provision and servicing of fitness equipment, member payment processing, certain IT services, and certain marketing functions. The ability of these third-party contractors and suppliers to successfully provide reliable and high-quality services is subject to technical and operational risks that are largely beyond our control. Any disruption to the operations of our contractors and suppliers could impact our ability to service our existing clubs and open new clubs on time or at all. If we lose such contractors and suppliers, or such contractors and suppliers encounter financial hardships unrelated to the demand for our services, we may not be able to identify or enter into agreements with alternative contractors and suppliers on a timely basis and on acceptable terms, if at all. Transitioning to new contractors and suppliers may be time-consuming and expensive and may result in interruptions to our operations. In particular, our business model is highly dependent on Software Society, a third-party IT supplier that supports our GymManager software application, which facilitates our automated member interface (for example, to access our clubs, complete enrolments and effect payments) and provides operational information such as the average number of members visiting a club, enrolment numbers and other club usage data. In addition, our Matrix fitness equipment is currently supplied by Johnson Health Tech. Co., Ltd. and its affiliates, and our Technogym fitness equipment is currently supplied by Technogym S.P.A. and its affiliates. We rely on these vendors for on-going customer support and maintenance. If any of these relationships were terminated or if these suppliers were unable to honour their commitments for any reason, in particular to provide continued IT services with respect to our bespoke GymManager platform, or to service our fitness equipment during the contractual service period, we would need to find suitable alternative suppliers on short notice and may be unable to negotiate equally favourable terms. Any significant increase in the costs of procuring replacement suppliers of critical services or equipment could adversely impact our business, results of operations and financial condition.

***Delayed payment or failure to pay by our members and difficulties negotiating and collecting amounts due from members could have an adverse effect on our business.***

Most of our members pay their membership fees on a monthly basis by direct debit of their bank accounts. There is a risk of such scheduled payments being declined, resulting in such membership fees remaining unpaid. In the ordinary course of our business, we aim to resolve claims for unpaid membership fees by discussion with our members. Following a failure to make a required payment for 120 days, however, we normally refer the claim to a collection agency. Collection costs and write-offs for bad debt constituted 2.4% and 2.7% of our total revenue in FY 2014 and FY 2015, respectively, and 2.7% and 2.2% of our total revenue in Q1 2015 and Q1 2016, respectively. An increase of declined or delinquent payments and difficulties in recovering unpaid membership fees could have an adverse effect on our business, results of operations and financial condition.



***We intend to grow our business including by further expanding into the French and Spanish markets, which may have different market conditions and consumer preferences than the Netherlands, Belgium, and Luxembourg, may present management with control and staffing difficulties, and may increase our costs or otherwise negatively affect our financial performance.***

Our medium-term strategy includes the continuation of our expansion into the French and Spanish markets through the opening of new clubs and the acquisition and conversion of existing clubs. Such markets may have different market conditions, laws and regulations, consumer preferences and discretionary consumer spending habits than the Benelux (the region where we operate most of our clubs and generate most of our revenue, see “*Operating and Financial Review – Overview*”), which may cause clubs in France and Spain to perform differently than our clubs in the Benelux and to fail to deliver the financial performance we expect of them. The expansion of our business may also place significant demands on management’s ability to control such growth and our business operations as well as its ability to locate and hire employees with sufficient qualifications to staff new locations.

Although our low-cost structure is a key element of our business model and we believe it to be an important competitive advantage, some of our costs may increase as we seek to grow. For instance, we may become exposed to new or unidentified liabilities to the extent we acquire and convert existing clubs, and we may incur increased lease costs due to higher lease rates in the locations where we are looking to expand. If we experience such liabilities or cost increases and are unable to offset them by increasing revenue or achieving cost efficiencies, they could materially and adversely affect our business, results of operations and financial condition.

If our new clubs do not achieve the membership levels that we expect them to achieve, the financial performance of our clubs may be materially and negatively affected, resulting in a lower Average Adjusted Club EBITDA. See “*Operating and Financial Review – Key Performance Indicators*”. In addition, during a new club’s start-up period, we experience higher costs, consisting primarily of development and fit-out costs, personnel costs, marketing and related expenses. New clubs have typically generated insufficient revenue for the club to immediately generate an operating profit. As a result, a new club typically generates an operating loss in its first few months of operation and relatively lower margins in its first 24 months of operation. We intend to add approximately 65 to 75 clubs in total in 2016, and a similar number per year thereafter over the medium-term. Lower than expected membership levels, or higher operating losses and lower margins at new clubs would adversely affect our financial performance and prospects. There can be no assurance that our new clubs, on average, will continue to mature at the same rate as our existing clubs. This may result in a longer than expected period of operating losses, lower operating margins or lower Adjusted Club EBITDA at new clubs, which could have a material adverse effect on Average Adjusted Club EBITDA and on our business, results of operations and financial condition.

***Related party transactions, and direct or indirect shareholder interests in other fitness club chains, may create potential conflicts of interest.***

We are party to lease agreements and certain other arrangements which may be considered related party transactions with our Chief Executive Officer, Mr Moos, or with companies of which Mr Moos is a direct or indirect controlling shareholder. Mr Moos, or the relevant company that is our counterparty in these related party transactions, may engage in competing activities and act in multiple capacities, including, for example, where companies controlled by Mr Moos act as the landlords of certain properties that we lease, which could possibly create conflicts of interest. Conflicts may arise in connection with negotiations or re-negotiations on the leases, in which case companies of which Mr Moos is a direct or indirect controlling shareholder, as landlords have an incentive to require higher lease payments. Additionally, Mr Moos has an indirect shareholder interest in HealthCity International B.V. (together with its subsidiaries, “**HealthCity**”), a premium health and fitness club operator, that may present a conflict of interest with respect to Mr Moos’s interest as an indirect shareholder in HealthCity and Mr Moos’s role and fiduciary duty as our CEO, since HealthCity can be perceived to be competing with Basic-Fit and, notwithstanding that each entity operates in separate fitness market segments, HealthCity could in theory benefit from changes in the overall market that are harmful to our business and the segment in which we operate. See “*Management and Employees – Potential Conflicts of Interest and Other Information*” and “*Our Business – Key Strengths – Committed management team with a strong institutional management structure*”.



***We have limited flexibility to adjust the operating costs of our business.***

Our operating costs consist of lease payments, employee expenses, marketing expenses and expenses relating to operating our facilities (including utilities, maintenance, and cleaning). In FY 2015, €43.2 million out of a total of €142.2 million (or 30.4%) of our operating costs were fixed, by which we mean that they are independent of the number of memberships at our clubs. These fixed costs comprised property rent. €78.3 million (or 55.1%) of our total operating costs consisted of semi-fixed costs in FY 2015. These semi-fixed costs are costs which are largely, but not fully, independent of the number of memberships at our clubs and comprise personnel, other housing costs and equipment costs. €20.6 million (or 14.5%) of our operating costs in FY 2015 were variable, consisting of marketing costs and other variable costs. Accordingly, we have limited flexibility to lower our operating costs in the short term, including, for example, in response to changes to the membership levels at our clubs. With a significant proportion of our operating costs being fixed, we have limited tools and flexibility to reduce these costs. Consequently, any improvement of our results of operations would need to be achieved by increasing our membership levels and revenue. Failure to continue to grow our membership levels and revenue could materially and adversely affect our business, results of operations and financial condition.

***If we fail to properly maintain the confidentiality and integrity of our data, including member bank account information, or if we otherwise fail to comply with our obligations pursuant to applicable data protection and other privacy laws, we could be subject to administrative or criminal enforcement and our reputation and business could be materially and adversely affected.***

In the ordinary course of business, we collect, transmit and store member and employee data, including bank account information, dates of birth and other highly sensitive personally identifiable information, in information systems that we maintain and in those maintained by third parties with whom we contract to provide services. Some of this data is sensitive and the integrity and protection of that member and employee data is critical to us. We may, from time to time, fail to ensure that our processing of personal data, cookie use and commercial communication complies in all respects with the requirements of applicable data protection and other applicable privacy legislation. Even if the security measures we have in place comply with applicable laws and rules, our facilities and systems, and those of third-party service providers, may be vulnerable to security breaches, acts of cyber terrorism or sabotage, vandalism or theft, computer viruses, misplaced, corrupted or lost data, programming or human errors or other similar events. Furthermore, the size and complexity of our information systems, and those of our third-party vendors, make such systems potentially vulnerable to security breaches from inadvertent or intentional actions by our employees or vendors, or from attacks by third parties. Since such attacks are increasing in sophistication and change frequently in nature, we and our third-party service providers may be unable to anticipate these attacks or implement adequate preventative measures, and any compromise of our systems, or those of our third-party vendors, may not be discovered promptly. A breach in our data security could reduce consumer confidence in, and demand for, our clubs, which may result in fewer memberships sold or renewed and diminish our ability to attract and retain members.

***In connection with acquisitions, we may have inadvertently acquired and may in the future inadvertently acquire actual or potential liabilities.***

We have completed a number of acquisitions, including the Basic-Fit Acquisition (as defined in “Risk Factors – Our financial statements included in this prospectus do not reflect our operational results for the customary three full financial years”) and the Add-on Acquisition (as defined in “Our Business – Material Agreements”). Both the Basic-Fit Acquisition and the Add-on Acquisition can be considered related party transactions with companies of which our Chief Executive Officer, Mr Moos, is a direct or indirect controlling shareholder. See “Selling Shareholders and Related Party Transactions – Related Party Transactions”. We may continue to expand our business through future acquisitions, which may include acquisitions and conversions of both single fitness clubs and chains of fitness clubs. We may have acquired, and we may continue to acquire, actual or potential liabilities in connection with such acquisitions, including liabilities in respect of tort claims, claims or penalties as a result of breach of applicable laws or regulations, claims for breach of contract, claims for breach of fiduciary duties, employment-related claims or tax liabilities. See “Our Business – Legal and Arbitration Proceedings”. Although acquisition agreements may include indemnities in our favour, these indemnities might not always be enforceable, might expire, might be limited in amount or we

may have disputes with the sellers regarding their enforceability or scope. If any acquired liabilities are not adequately covered by an applicable and enforceable indemnity, keep well, guarantee or similar agreement from a creditworthy counterparty, we will be exposed to these liabilities. Such liabilities, if they materialise, could materially and adversely affect our business, results of operations and financial condition.

***We might be unable to successfully integrate or achieve the expected benefits from any future acquisitions, and undertaking acquisitions increases the risk profile of our business.***

We might not achieve the revenue growth, competitive advantage, increased market share, or other benefits that we expect to achieve from acquisitions, and we cannot guarantee that the integration of any future acquisitions will generate benefits to us that are sufficient to justify the expenses we will incur in completing such acquisitions. Additional risks involved in the integration of future acquisitions include inaccurate assumptions about revenue, costs and liabilities, lack of management control over the newly acquired business, key employee or member losses at the acquired businesses and failures to successfully integrate the information and automated systems of the newly acquired business with those of our existing business. Acquisitions additionally divert management's attention and other resources from running our business. If any of these risks materialise, they may materially and adversely affect our business, results of operations and financial condition.

***We may fail to achieve any or all of the medium-term objectives included in this Prospectus.***

We have set ourselves a number of medium-term objectives. Our ability to achieve these medium-term objectives depends on our ability to successfully execute our strategy and on the accuracy of a number of assumptions involving factors that are substantially or entirely beyond our control and are subject to known and unknown risks, including the risks described in this section "Risk Factors", uncertainties and other factors that may result in us being unable to achieve these objectives. See "Business – Our Strategy" and "Business – Our Strategy – Medium-Term Objectives". In particular, our ability to successfully implement our strategy and achieve our medium-term objectives may be impacted by factors such as general economic and business conditions and competition in our industry, which are outside of our control. If one or more of the assumptions that we have made in setting our medium-term objectives are inaccurate, or if one or more of the risks described in this section were to occur, we may be unable to achieve one or more of our medium-term objectives.

***Our business may be materially and adversely affected by economic conditions and other factors affecting levels of disposable income and consumer confidence in the markets where we operate.***

We currently operate in the Netherlands, Belgium, Luxembourg, France and Spain, which potentially exposes us to adverse developments related to competition, changes in consumer preference and a general deterioration in economic conditions in these countries. As at 31 March 2016, we operated 140 clubs in the Netherlands, 145 clubs in Belgium, 8 clubs in Luxembourg and an aggregate of 58 clubs in France and Spain. In FY 2015, we generated €180.8 million revenue in the Benelux (which was almost entirely driven by our clubs in the Netherlands and Belgium), representing 89.4% of our total revenue in FY 2015. See "Operating and Financial Review – Overview". As such, we are meaningfully dependent upon economic conditions in the Netherlands and Belgium, and unfavourable changes or increased competition in these countries could adversely impact health and fitness club memberships in such markets. Membership of a health and fitness club may be viewed as a non-essential item and, in times of economic uncertainty or recession, members of health and fitness clubs may terminate or suspend their membership. Macroeconomic conditions and uncertainties may also impact our suppliers in ways that would adversely affect our business and results of operations, including supplier closures or increases in costs of equipment or services. Lower levels of future economic growth or any deterioration in the economy of the markets in which we operate could materially and adversely affect our business, results of operations and financial condition.

***We may not be able to maintain the required level of insurance coverage on acceptable terms or at an acceptable cost.***

We may not be able to maintain general liability insurance on acceptable terms in the future or maintain a level of insurance that would provide adequate coverage against potential third party

liability, health and safety and other claims. An increase in the number of claims against health and fitness club operators generally or against us in particular may cause the cost of insurance for the industry as a whole or us in particular to rise, and comprehensive insurance coverage may become more difficult to attain. Any increase in the cost of insurance in the market is likely to impact our business, results of operations and financial condition.

***We could be subject to material fines and claims related to health and safety risks at our clubs.***

Use of our club services and facilities, including our exercise equipment, poses potential health and safety risks, including serious injury or death, to members, guests or employees. For example, water hygiene problems could develop in our washing facilities that may cause a potential health risk to members, guests and employees, or there may be an accident on the club floor involving our fitness equipment. We have in the past recorded, and expect to continue to record in the future, health and safety incidents, including fatalities. Although no such incident has led to a material claim or fine, we may be subject to material claims or fines in the future for any injury or death suffered by someone using our facilities or services. We might not be able to successfully defend such claims, and we may be liable for fines, damages and costs in excess of, or outside the scope of, our insurance coverage. Even with adequate insurance, such claims may cause significant damage to our reputation and may have a material impact on our ability to attract or retain members. Any such fines or claims may materially and adversely affect our business, results of operations and financial condition.

***Our intellectual property rights, including trademarks and trade names, may be infringed, misappropriated or challenged by others.***

We believe that the Basic-Fit brand name and related intellectual property are important to our continued success. We seek to protect our trademarks, trade names, copyrights and other intellectual property by exercising our rights under applicable trademark and copyright laws. If we fail to successfully protect our intellectual property rights for any reason, it could have an adverse effect on our business, results of operations and financial condition. Furthermore, we may from time to time be required to initiate litigation to enforce our trademarks, trade names and other intellectual property. Third parties may also assert that we have infringed, misappropriated or otherwise violated their intellectual property rights, which could lead to litigation against us. Litigation is inherently uncertain and could divert the attention of management, result in substantial costs and diversion of resources and could negatively affect our membership sales and profitability regardless of whether we are able to enforce or defend our rights successfully. If we fail to successfully enforce or defend our intellectual property rights for any reason, or if any third party misappropriates, dilutes or infringes our intellectual property, the value of our brand may be harmed, which could materially and adversely affect our business, results of operations and financial condition.

### **Risks Relating to our Industry**

***We operate in a competitive market with low barriers to entry and if we are unable to compete effectively and consequently are unable to retain our existing members or attract new members, our market share, revenue and profitability could be materially and adversely impacted.***

The health and fitness industry is generally highly competitive. Competition for provision of health and fitness services is highly localised, and we compete with all local health and fitness operators, gyms and sports and leisure centres offering exercise activities in our geographic markets. Competitors, which may be new or existing operators, including companies that have greater resources or greater name or brand recognition than we have, may compete to attract members in our markets. Due to an increasing number of competing low-cost gyms and other health and fitness club operators, we may face increased competition in the low-cost fitness segment, especially if these operators charge lower membership prices than we do. We consider the low-cost or “value-for-money” segment of the fitness market to consist of clubs that offer fitness services for a membership fee of €25.00 or less per month. In addition, competitors may attempt to copy or improve on our business model, or parts thereof, which could erode our competitive position, market share and brand recognition and adversely affect our prospects. There is also a risk that traditional gyms and health and fitness clubs may lower prices or create lower price brand alternatives to more effectively compete with us. We also face competition from operators offering higher pricing with higher levels of service and other amenities. If purchasing power increases in the countries in which we operate, the popularity of our competitors offering higher levels of service and other amenities may increase, and

members may decide to cancel their membership with us. If we cannot respond adequately to these multiple sources and types of competition, our growth strategy as well as our business, results of operations and financial condition could be materially and adversely affected. In response to a changing competitive landscape, we may from time to time make certain pricing, service or sales and marketing decisions that could also materially and adversely affect our business, results of operations and financial condition.

***Our success is dependent on the continuing consumer preference for low-cost fitness clubs to fulfil health and fitness needs. We may not be able to anticipate changes in consumer preferences or successfully develop and introduce new or updated services.***

Our success is dependent on the continuing popularity of low-cost health and fitness club operators in the markets in which we operate. Alternative forms of fitness or venues for fitness are continuously developing and could become popular, and new trends in the type of health and fitness gym that consumers wish to join may continue to grow in popularity in the future. There may be other changes in consumer preferences; for example, a preference for home fitness equipment, team sports and other outdoor fitness activities, fitness apps, online personal training and fitness coaching or other online programmes, or there may be a change in the public's perception of the benefits of exercise. If we are unable to anticipate and adapt to user preferences or industry changes, or if we are unable to adapt our services on a timely basis, we may lose members, which may materially and adversely affect our business, results of operations and financial condition. Our success in maintaining and increasing membership levels depends on our ability to identify and originate trends as well as to anticipate and react to changing consumer demands in a timely manner. All of our services are subject to changing consumer preferences that cannot be predicted with certainty. Consumer preferences could shift rapidly to different types of fitness offerings or away from these types of services altogether, and our future success depends in part on our ability to anticipate and respond to these changes. Failure to anticipate and respond in a timely manner to changing consumer preferences could lead to, among other things, lower membership levels and utilisation rates.

***We are subject to laws and regulations relating to the health and fitness industry. Changes in these laws and regulations or failure to comply with them could have a negative effect on our business.***

We operate a low-cost business model and strive to staff our clubs in line with that model. Our clubs are generally staffed by an average of 2.8 member facing FTEs who take on the role of host at their club during their shift. This number excludes functions which in some countries are performed by people who are employed by us and in other countries by people with whom we do not have an employment relationship, such as instructors of live group lessons (see “*Our Business – Our Clubs and Format*”), cleaners and night security personnel. The role of a host includes acting as a first point of contact for the members and ensuring that the club provides a high level of service and fitness experience to our members. At each club, one of our employees takes on the additional role of a team leader, who, in addition to his or her duties as a host, manages the general affairs of the club. At all times, we aim to have one employee present at each of our clubs. However, our operations and business practices are subject to national, regional and local laws and regulations in the various jurisdictions in which our clubs are located, and it may be difficult to predict the future development of such laws or regulations. If we fail to comply with changes to these laws and regulations, we could suffer fines or other penalties, including regulatory or judicial orders enjoining or curtailing aspects of our operations. If we do comply with changes to applicable laws or regulations requiring us to, for example, increase the number of staff in our clubs, hire staff with additional qualifications or provide additional training or education to our staff, the costs of operating our clubs will increase.

For instance, a European wide set of standards for the fitness industry is being prepared by a workgroup of the European Committee for Standardisation. The standards are expected to cover a range of topics, including the maintenance of buildings and equipment, health and safety, pre-exercise screenings, emergency procedures, levels of staffing and required qualifications of staff. While adoption of, and subsequent compliance with, the standards is expected to be voluntary, we currently expect that we, like most other reputable companies that are active in the fitness industry, will adopt and aim to comply with the rules set out in the standards. Any increased staffing levels at our clubs and increased qualification requirements for our staff resulting from such standards may force us to incur additional costs, which we may not be able to offset the effects of by increasing our pricing in time or at all. Such costs could accordingly materially and adversely affect our business, results of operations and financial condition.



## Risks Relating to Financial Matters and our Capital and Corporate Structure

*Failure to comply with the covenants or other obligations contained in any of our Facilities Agreements could result in an event of default. Any failure to repay or refinance the outstanding debt under any of our Facilities Agreements when due could materially and adversely affect our business.*

We have incurred substantial indebtedness. As of 31 March 2016, our total net debt amounted to €281.6 million. We expect to use the net proceeds of the Primary Offering to partly repay the Existing Facilities (as defined in “*Operating and Financial Review – Indebtedness – Banking Facilities and Loans*”), to repay in full our shareholder loans plus accrued interest, and we intend to refinance the remainder of the Existing Facilities with new loans under the New Facilities Agreement (as defined in “*Operating and Financial Review – Indebtedness – Banking Facilities and Loans*”) and to refinance part of the Financial Lease Liabilities (as defined in “*Operating and Financial Review – Contractual Obligations and Commitments*”) with new loans under the New Facilities Agreement. See “*Reasons for the Offering and Use of Proceeds*” and “*Operating and Financial Review – Indebtedness – Banking Facilities and Loans*”. Following such repayments and the Refinancing (as defined in “*Operating and Financial Review – Indebtedness – Banking Facilities and Loans*”), our total net debt is expected to be €173.5 million. See “*Capitalisation and Indebtedness*”.

Even though we are currently in compliance with all of our covenants under the Existing Facilities Agreements and, upon entering into force, we expect to be compliant with all of our covenants under the New Facilities Agreement (together, the “**Facilities Agreements**”), if there is an event of default under the Facilities Agreements that is not cured or waived in accordance with the terms of the Facilities Agreements, the lenders under the Facilities Agreements could terminate commitments to lend and cause all amounts outstanding with respect to the loans granted under the Facilities Agreements to become due and payable immediately. See “*Operating and Financial Review – Indebtedness – Banking Facilities and Loans*”. Under the New Facilities Agreement, we are obligated to ensure that our leverage ratio, as described below, in respect of the first two Relevant Periods (as defined below) does not exceed 4.00:1, and such ratio steps down to 3.75:1 in the case of the subsequent two Relevant Periods and further down to 3.50:1 in the case of each Relevant Period ending thereafter. Our leverage ratio is defined as the ratio of consolidated total net debt on the last day of the Relevant Period to Consolidated EBITDA (as defined in “*Operating and Financial Review – Indebtedness – Banking Facilities and Loans – New Facilities*”) in respect of such Relevant Period, and a “**Relevant Period**” means a period of 12 months ending on the last day of a financial half year of the Company; provided, that, the first Relevant Period shall not be earlier than 31 December 2016. Additional undertakings under the New Facilities Agreement include a negative pledge over the assets of all members of the Group and certain restrictions on the obligors’ ability to engage in mergers or incur additional debt, each subject to certain baskets and exceptions.

Our assets and cash flow may not be sufficient to fully repay our outstanding debt under the Facilities Agreements when due whether upon an acceleration of the loans granted under the Facilities Agreements or on the maturity date of any of the Facilities Agreements. Upon an acceleration of any of the Facilities Agreements or upon the final maturity date of any of the Facilities Agreements, there can be no assurance that we would be able to refinance the Facilities Agreements or that our assets would be sufficient to repay that indebtedness in full and allow us to continue to make the other payments that we are obliged to make, which would impair our ability to run our business, could result in insolvency proceedings or reorganisation and could result in investors losing all or a significant portion of their investment. In addition, a default under any of the Facilities Agreements could result in a default under our other financing arrangements and could cause or permit lenders under those other financing arrangements to accelerate such financing arrangements, causing the amounts owed under those arrangements to become immediately due and payable.

Furthermore, there is no guarantee that we will continue to be able to meet our debt service obligations under the Facilities Agreements. Any inability to meet our debt payment obligations could result in insolvency proceedings or debt or other restructuring and could result in investors losing all or a significant portion of their investment.



***Our financial statements included in this Prospectus do not reflect our operational results for the customary three full financial years.***

The Group (as defined in “*Important Information – Definitions*”) in its current form was established on 20 December 2013 when Miktom International Holding B.V., a subsidiary of Miktom Topco B.V. (“**Topco**”), acquired 100% of the share capital of Basic-Fit International B.V. (the “**Basic-Fit Acquisition**”). The Company (as defined in “*Important Information – Definitions*”) was incorporated on 12 May 2016 to act as the holding company of the Group as from Settlement and does not have any operational activities before Settlement. Topco, which will be a directly wholly-owned subsidiary of the Company as of the Settlement Date, has been the holding company of the Group since the Basic-Fit Acquisition. Thus, while our audited consolidated financial information for FY 2015 and FY 2014 (as defined in “*Important Information – Historical Financial Information*”) included in this Prospectus reflects the results of operations of the Group for the respective years, Topco’s audited consolidated financial information for FY 2013 (as defined in “*Important Information – Historical Financial Information*”) only includes operational results of Topco and Miktom International Holding B.V. for the period as from the Basic-Fit Acquisition on 20 December 2013 until 31 December 2013. Our audited consolidated financial information for FY 2013 does not present the consolidated results of operations or cash flows of our business for FY 2013 because such 2013 financial information does not include any results of operations or cash flows for any period prior to 20 December 2013, and the results of operations and cash flows of our operating business for the 10-day period from 20 December to 31 December 2013 have been omitted as immaterial. Because our financial statements do not include operational results for our business for the customary three full financial years preceding the Offering, our financial statements may not be comparable to the financial statements of other companies that have presented and published a full three years of financial statements, whether as part of their own securities offerings or otherwise. We cannot predict whether investors will find our Ordinary Shares less attractive because of this presentation. If some investors find our Ordinary Shares less attractive for this reason, there may be a less active trading market for our Ordinary Shares and our share price may be more volatile.

***We have recorded losses in recent periods and may not achieve profitability in the future.***

We reported a consolidated loss for the year under International Financial Reporting Standards as adopted by the European Union (“**IFRS**”) of €7.2 million for Q1 2016, €23.0 million for FY 2015 and €22.5 million for FY 2014. These figures include depreciation, amortisation and impairment charges of €15.4 million in Q1 2016, €48.0 million in FY 2015 and €40.6 million in FY 2014, and finance costs of €10.9 million in Q1 2016, €37.0 million in FY 2015 and €28.5 million in FY 2014. They also reflect income tax benefit in the amount of €2.1 million in Q1 2016, €6.3 million in FY 2015 and €4.6 million in FY 2014. We may continue to incur losses, and may not be profitable in the future including as a result of any of the risks described in this Prospectus materialising. If we do become profitable in future, we may not be able to sustain profitability.

***Our inability to raise capital could affect our ability to execute our strategic plans.***

Growth through opening new clubs is an important element of our strategy. See “*Our Business – Our Strategy*”. In addition, we may from time to time acquire existing clubs and convert them to the Basic-Fit brand and format. We may not generate sufficient cash flow to finance the opening of new clubs at the rate required to implement our strategy or to acquire existing clubs and convert them to the Basic-Fit brand and format. The activities of opening of clubs, acquiring and converting clubs and upgrading existing clubs are capital intensive and we require significant capital to finance these activities. Required outlays for such capital expenditures may be significant and may adversely impact cash flows during the periods when incurred. Our capital expenditures totalled €120.1 million in FY 2014, €135.0 million in FY 2015 and €25.9 million in Q1 2016, representing 74.0%, 66.7% and 42.8% of our total revenue for the respective periods. Consequently, the execution of our growth strategy may require access to external sources of capital, which may not be available to us on acceptable terms, or at all. Limitations on our access to capital, including on our ability to issue additional debt or equity, could result from events or causes beyond our control, and could include, among other factors, decreases in our creditworthiness or profitability, significant increases in interest rates, increases in the risk premium generally required by investors, decreases in the availability of credit or the tightening of terms required by lenders. Any limitations on our ability to secure external capital, continue our existing finance arrangements or refinance existing financing obligations could

limit our liquidity, our financial flexibility or our cash flows and affect our ability to execute our strategic plans, which could materially and adversely affect our business, results of operations and financial condition.

***We rely on our operating subsidiaries to provide us with funds necessary to meet our financial obligations and our ability to pay dividends may be constrained.***

We operate through a holding structure, and the Company is a holding company with no material, direct business operations. Following Settlement, the Company's principal assets will be its direct and indirect equity interests in our operating subsidiaries. As a result, the Company will be dependent on loans, dividends and other payments from these sources to generate the funds necessary to meet our financial obligations, including the payment of dividends. The ability of our subsidiaries to make such distributions and other payments depends on their earnings and may be subject to contractual or statutory limitations, such as limitations potentially imposed by our financing facilities to which our subsidiaries are guarantors or the legal requirement of having distributable profit or distributable reserves. See "*Dividends and Dividend Policy*". As an equity investor in our subsidiaries, the Company's right to receive assets upon a subsidiary's liquidation or reorganisation will be effectively subordinated to the claims of such subsidiary's creditors. To the extent that the Company is recognised as a creditor of a subsidiary, our claims may still be subordinated to any security interest in or other lien on such subsidiary's assets and to any of its debt or other obligations that are senior to the Company's claims.

The payment of future dividends on Ordinary Shares, if any, and the amounts thereof, depends on a number of factors, including, among others, the amount of distributable profits and reserves, our regulatory capital position, capital expenditure and investment plans, revenue, profits, financial conditions, our level of profitability, ratio of debt to equity, any credit ratings, applicable restrictions on the payment of dividends under applicable laws as well as contractual restrictions on the payment of dividends under our Facilities Agreements, compliance with credit covenants, the level of dividends paid by other comparable listed companies, general economic and market conditions, future prospects and such other factors as the Management Board and Supervisory Board may deem relevant from time to time. There can be no assurance that the abovementioned factors will facilitate or allow adherence to our dividend policy, see "*Dividends and Dividend Policy*", or any payment of dividends and, in particular, our ability to pay dividends may be impaired if any of the risks described in this section "*Risk Factors*" were to occur. As a result, our ability to pay dividends in the future may be limited and our dividend policy may change as the Management Board will revisit our dividend policy from time to time.

***Following the Offering, our two largest Shareholders, Mito and AM Holding, will continue to be in a position to exert substantial influence over us. The interests pursued by Mito and AM Holding could differ from the interests of our other Shareholders.***

Mito Holdings S.à r.l. ("**Mito**") and AM Holding B.V. ("**AM Holding**") (together with Miktom Manco B.V. ("**Manco**"), the "**Selling Shareholders**", and each a "**Selling Shareholder**") are expected to continue to be the largest holders of Ordinary Shares and are expected to hold 25.06% and 22.18%, respectively, of our Ordinary Shares immediately following the Offering (assuming full placement of the Offer Shares and full exercise of the Over-Allotment Option, and an Offer Price at the mid-point of the Offer Price Range). Due to their large shareholdings, Mito and AM Holding will be in a position to exert substantial influence in the general meeting of Shareholders (the "**General Meeting**") and, consequently, on matters decided by the General Meeting, including the appointment of members of the Management Board and Supervisory Board, the payment of dividends and any proposed capital increase. In addition, on the date of this Prospectus, one member of the Supervisory Board is affiliated with Mito and one member of the Supervisory Board is affiliated with AM Holding. See "*Selling Shareholders and Related Party Transactions – Related Party Transactions – Relationship Agreement*" for a description of certain arrangements regarding the relationship between us and the Selling Shareholders.

Furthermore, since attendance or representation at the General Meeting is a prerequisite for voting, even if Mito and AM Holding would not otherwise have sufficient votes to pass or block a shareholder resolution on their own, they might, depending on the level of attendance and representation of other holders of Ordinary Shares (any holder of Ordinary Shares, a "**Shareholder**" and together, the "**Shareholders**") at the General Meeting, nonetheless have sufficient votes to block

or pass resolutions at a particular General Meeting without the concurrence of other Shareholders. In any of the above instances, the interests of the Selling Shareholders could deviate from the interests of our other Shareholders. The Selling Shareholders may be able to make certain key decisions without the support of any other Shareholders and may be in a position to significantly influence our operations, proposals for, nominations and appointments of Management Board and Supervisory Board members and changes in our Articles of Association and, more generally, our strategy and growth, particularly with respect to mergers, capital increases, sales of significant assets, purchases of assets and business combinations. The Selling Shareholders may delay, postpone or prevent transactions that might be advantageous for our other Shareholders.

***Our consolidated financial statements include significant intangible assets which could be impaired.***

We carry significant intangible assets on our balance sheet. As of 31 March 2016, the intangible assets on our balance sheet totalled €289.6 million, including customer relationships, brand name, favourable contracts and goodwill in an amount equal to €187.4 million. Please see Note 17 “*Intangible assets*” to the Annual Financial Statements and Note 15 “*Intangible assets*” to the Interim Financial Statements (each as defined in “*Important Information – Historical Financial Information*”). Pursuant to current accounting rules, we are required to assess goodwill for impairment at least annually or more frequently if impairment indicators are present. Impairment indicators include significant underperformance relative to historical or projected future operating results, a significant decline in share price or market capitalisation and negative industry or economic trends. If such events were to occur, the carrying amount of our goodwill may no longer be recoverable and we may be required to record an impairment charge. Other intangible assets, such as brand name and customer relationships, are amortised on a yearly basis. However, if impairment indicators are present, we are required to test such intangible assets for impairment. A significant impairment of our intangible assets could materially and adversely affect our financial condition. In addition, a significant impairment of our intangible assets could reduce our equity to such an extent that we would not be allowed under Dutch law to pay out dividends. See “*Dividends and Dividend Policy – General*”.

**Risks Relating to our Tax Position**

***Changes in tax treaties, laws, rules or interpretations or an adverse outcome of tax audits could have a material adverse effect on us.***

The tax laws and regulations in the Netherlands and other jurisdictions in which we operate may be subject to change, and there may be changes in interpretation and enforcement of such tax laws or regulations (e.g. abolition of the low VAT rate or application of a VAT exemption with respect to our services). As a result, we may face increases in taxes payable if tax rates increase, or if tax laws or regulations are modified in an adverse manner, or if new tax laws or regulations are introduced by the competent authorities with or without retrospective effect. The aforementioned changes or any future audit may require us to pay additional taxes plus accrued interest and penalties. In addition, tax authorities in the Netherlands and other relevant jurisdictions periodically examine us and our subsidiaries. Tax audits typically include a review of interest deductibility, our transfer pricing arrangements, the application of the fiscal unity rules to us, the amount of depreciation or write-downs of our assets that we recognise for tax purposes and the qualification of independent subcontractors for Dutch wage tax purposes. Tax audits for periods not yet reviewed may consequently lead to higher tax assessments. Any additional taxes or other sums that become due could have a material adverse effect on our business, results of operations, cash flow and financial condition. Noteworthy developments include (the implementation of) the Anti-Tax Avoidance Directive (including rules on the limitation of interest deductibility). As the discussions regarding this initiative to reform international taxation is still on-going and the interpretation and implementation of such reform by local governments and local tax authorities is still uncertain, the full impact thereof is still unclear. Another relevant development is the potential change to the acquisition debt rules that has been recently announced by the Dutch Under-Minister of Finance. We can therefore not exclude that those developments may have impact on the structure and could lead to a limitation of the deductibility of interest on our financing. In addition, case law of the European Court of Justice may affect the VAT treatment of our services.

***Tax rules limiting the deductibility of interest expenses could reduce our net income.***

We incur a substantial amount of interest expense under our bank financing facilities and shareholder loans. In addition, some of our subsidiaries obtain intercompany financing and record interest expenses on such financing. The tax deductibility of interest on our bank financing facilities, shareholder loans and intercompany financing may be restricted under the applicable interest deduction limitations in the Netherlands or any other relevant jurisdiction. The rules with respect to interest deduction limitations are often complex and are subject to varying interpretations. Tax authorities typically scrutinise the positions taken by a taxpayer in relation to the deductibility of interest payments, especially with respect to shareholder loans, acquisition debt or debt financing of subsidiaries. The tax authorities in the Netherlands or any other relevant jurisdiction may not agree with the positions taken by us in respect of the deductibility of interest on our bank financing facilities, shareholder loans and inter-company financing. In this respect, we note that the Dutch tax authorities have asked questions regarding the deductibility of the interest on our shareholder loans and certain transaction costs. See “*Legal and Arbitration Proceedings – Tax Matters*”. To the extent the interest expenses on our bank financing facilities, shareholder loans and/or intercompany financing are not deductible, we may incur higher taxable profits and as a result we may have to pay higher taxes. This could have a material adverse effect on our business, results of operations and financial condition.

***If the transfer pricing arrangements we have among our subsidiaries are determined to be inappropriate, our tax liability may increase.***

We have transfer pricing arrangements on the basis of which we determine the pricing as well as terms and conditions for dealings among our subsidiaries in relation to various aspects of our business, in particular with respect to intercompany loans and certain group service functions. The Netherlands’ transfer pricing regulations, as well as regulations applicable in other countries in which we operate, require that any (international) transaction involving associate enterprises are conducted at arm’s length terms. If a tax authority in any jurisdiction reviews any of our tax returns and determines that the prices or other terms we have applied in relation to such arrangements are not in accordance with the relevant transfer pricing rules, or that other income of our affiliates should be taxed in that jurisdiction, such tax authority may make adjustments. We are currently in discussions with the Belgian tax authorities regarding the arm’s length character of certain transactions and payments at the level of Basic-Fit Belgium bvba and HealthCity België N.V. See “*Legal and Arbitration Proceedings – Tax Matters*”. If the relevant tax authority imposes corrections, we may incur additional tax liabilities, including accrued interest and penalties, which could have a material adverse effect on the results of our operations and financial condition.

***If the scope of the Dutch VAT exemption of sport services is extended, this may lead to non-deductibility of our input VAT.***

In accordance with the Dutch implementation of the European VAT Directive, we charge 6% Dutch VAT on the fitness services we provide in the Netherlands. Consequently, we can deduct the input VAT on our expenses in relation to our fitness clubs. According to the European Court of Justice, the VAT exemption for sport services should not only apply to services by non-profit sport organisations (sport clubs) to their members, but also for services to non-members. The Dutch Under-Minister of Finance noted that an extension of the Dutch VAT exemption of sport services is inevitable based on the European VAT Directive and case law of the European Court of Justice. The Dutch Under-Minister also noted that in the short term such an extension is however not to be expected, because the Dutch government sees no possibility within the current government budget. Since a potential extension of the Dutch VAT exemption should in principle relate to services provided by non-profit sport organisations, this should likely not affect us. However, if the scope of the Dutch VAT exemption of sport services would also be extended to sport organisations with a profit motive, this may potentially lead to non-deductibility of our input VAT. This could then have a material adverse effect on the results of our operations and financial condition.



## **Risks Relating to the Offering and our Ordinary Shares**

***There has been no public market for our Ordinary Shares prior to the Offering and we cannot assure that an active market in our Ordinary Shares will develop.***

Prior to the Offering, there has not been a public market for our Ordinary Shares. Application has been made for admission of our Ordinary Shares to listing and trading on the regulated market operated by Euronext Amsterdam N.V. (“**Euronext Amsterdam**”). We cannot predict the extent to which an active market for our Ordinary Shares will develop or be sustained after the completion of the Offering or how the development of such a market might affect the market price for our Ordinary Shares. The Offer Price will be agreed between us and the Selling Shareholders, after consultation with the Joint Global Coordinators and the Financial Adviser, based on a number of factors, including market conditions in effect at the time of the Offering, and may not be indicative of the price at which our Ordinary Shares will trade following completion of the Offering. As a result, the market price of our Ordinary Shares could be subject to significant fluctuation. An illiquid market for our Ordinary Shares may result in lower trading prices and increased volatility, which could adversely affect the value of an investment in our Ordinary Shares, may cause our Ordinary Shares to trade at a discount to the Offer Price and may make it difficult for investors to sell any Ordinary Shares held by them at or above the price paid for such Ordinary Shares or at all.

***We will face additional administrative requirements as a result of the listing.***

Following the listing, we will for the first time be subject to the legal requirements for Dutch public companies admitted to trading on Euronext Amsterdam. These requirements include the production and publication of annual and periodic financial reports and other public disclosures, regular calls with securities and industry analysts and other required disclosures. Our accounting, controlling, legal or other corporate administrative functions may not be capable of responding to these additional requirements without difficulties and inefficiencies, and we may incur significant additional expenditures to improve our central functions and internal controls and/or be exposed to legal, regulatory or civil costs or penalties. Furthermore, the preparation, convening and conduct of General Meetings and our regular communications with Shareholders and potential investors will entail greater expenses. Management will need to devote time to these additional requirements that it could otherwise devote to other aspects of managing our operations, and these additional requirements could also substantially increase time commitments and costs for the accounting, controlling and legal departments and our other administrative functions. Any inability to manage the additional demands placed on us as a result of the listing, as well as the costs resulting therefrom, may harm our business, results of operations and financial condition.

***The price of our Ordinary Shares may be volatile and affected by a number of factors, some of which are beyond our control.***

The stock markets in general have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. Any one of the following factors, among others, may cause a substantial decline in the markets in which we operate: general economic conditions, geopolitical conditions, including war, acts of terrorism and other man-made or natural disasters, financial regulatory reforms, political or regulatory developments in the European Union, the US and other jurisdictions, changes in earnings estimates by stock market analysts and other events and factors beyond our control. These factors, and the factors described elsewhere in this section, could adversely affect the trading price of our Ordinary Shares.

***Shareholders may not be able to participate in future equity offerings with pre-emptive rights.***

We may undertake future equity offerings with or without pre-emptive rights. In case of equity offerings with pre-emptive rights, Shareholders in certain jurisdictions may not be entitled to exercise such rights unless the rights and the related shares are registered or qualified for sale under the relevant legislation or regulatory framework in such jurisdictions. Certain Shareholders outside the Netherlands may not be able to exercise pre-emptive rights unless local securities laws have been complied with. In addition, we may restrict the pre-emptive rights of all Shareholders in connection with certain equity offerings. Shareholders may suffer dilution of their shareholding should they not be permitted to participate in future equity offerings with pre-emptive rights. The General Meeting has authorised the Management Board for a period of 18 months as from the Settlement Date to



restrict or exclude pre-emptive rights in relation to certain issuances of Ordinary Shares. See “*Description of Share Capital and Corporate Governance – Share Capital – Pre-emptive Rights*”.

***Future sales or the possibility of future sales of a substantial number of our Ordinary Shares could have an adverse effect on the price of our Ordinary Shares and dilute the interests of Shareholders.***

We cannot predict whether substantial numbers of our Ordinary Shares will be sold in the open market. Following the completion of the Offering, Mito and AM Holding will continue to be the largest Shareholders and will hold 25.06% and 22.18%, respectively, of our Ordinary Shares immediately following the Offering (assuming full placement of the Offer Shares and full exercise of the Over-Allotment Option, and an Offer Price at the mid-point of the Offer Price Range). Mito and AM Holding, as well as the remaining shareholders of the Company, may reduce their holdings of our Ordinary Shares and sell a substantial number of their Ordinary Shares in the public market, including during the Selling Shareholders Lock-Up Period (as defined in “*Plan of Distribution – Lock-up Arrangements*”) in the event the Joint Global Coordinators waive the selling restrictions applicable to their shares. See “*Plan of Distribution – Lock-up Arrangements*”. In addition, future sales of our Ordinary Shares could be made by other Shareholders or through a capital increase undertaken by us to obtain additional working capital, to fund capital expenditures, acquisitions or for other purposes. A sale of a substantial number of our Ordinary Shares, or the perception that such sale could occur, could adversely affect the market price of our Ordinary Shares, as well as impede our ability to raise capital through an issuance of equity securities in the future. In addition, future sales of Ordinary Shares undertaken by us could dilute the shareholding interests of our Shareholders.

***The ability of Shareholders to bring actions or enforce judgments against us or members of the Management Board and Supervisory Board may be limited.***

The ability of Shareholders in countries other than the Netherlands to bring an action against us may be limited. We are a public company with limited liability incorporated under the laws of the Netherlands. The rights of Shareholders are governed by Dutch law and by our Articles of Association. These rights may differ from the rights of Shareholders in other jurisdictions. It may be difficult for a Shareholder in a country other than the Netherlands to prevail in a claim against us or to enforce liabilities predicated upon the laws of jurisdictions other than the Netherlands.

A Shareholder in a country other than the Netherlands may not be able to enforce a judgment against some or all of the members of the Management Board and Supervisory Board. The members of the Management Board and Supervisory Board are residents of the Netherlands. Consequently, it may not be possible for such Shareholder to effect service of process upon members of the Management Board and Supervisory Board within such Shareholder’s country of residence, or to enforce against members of the Management Board and Supervisory Board judgments of courts of such Shareholder’s country of residence based on civil liabilities under that country’s securities laws. There can be no assurance that a Shareholder will be able to enforce any judgment in civil and commercial matters or any judgments against the members of the Management Board and Supervisory Board who are residents of countries other than those in which the judgment is made. In addition, Dutch and other courts may not impose civil liability on members of the Management Board and Supervisory Board in any original action based solely on foreign securities laws brought against us or members of the Management Board and Supervisory Board in a court of competent jurisdiction in the Netherlands or other countries.

***If securities or industry analysts do not publish or cease to publish research reports on our business, or adversely change or make negative recommendations regarding our Ordinary Shares, the market price and trading volume of our Ordinary Shares could decline.***

Whether there is an active trading market for our Ordinary Shares will be influenced by, among other things, the availability and recommendations of research reports covering our business. If one or more research analysts ceases to cover our business or fails to regularly publish reports on our business, we could lose visibility in the financial markets, which could cause the market price or trading volume of our Ordinary Shares to decline. In addition, if research analysts do not make positive recommendations regarding our Ordinary Shares, or if negative research is published on the industry or geographic markets we serve, the price and trading volume of our Ordinary Shares could decline.

***If closing of the Offering does not take place, purchases of the Offer Shares will be disregarded and Euronext Amsterdam N.V. will annul transactions that have occurred.***

Application has been made to list our Ordinary Shares on Euronext Amsterdam under the symbol 'BFIT'. We expect that our Ordinary Shares will be admitted to listing and that trading in the Offer Shares will commence prior to the Settlement Date on the First Trading Date on an 'as-if-and-when-issued/delivered' basis. The closing of the Offering may not take place on the Settlement Date or at all, if certain conditions or events referred to in the underwriting agreement with respect to the offer and sale of the Offer Shares dated on or about 30 May 2016 among the Company, Topco, the Selling Shareholders and the Underwriters (the "**Underwriting Agreement**") are not satisfied or waived or occur on or prior to such date. See "*Plan of Distribution*". Trading in the Offer Shares before the closing of the Offering will take place subject to the condition that, if closing of the Offering does not take place, the Offering will be withdrawn, in which case all applications for the Offer Shares will be disregarded, any allotments made will be deemed not to have been made, any application payments made will be returned without interest or other compensation and transactions in the Offer Shares on Euronext Amsterdam will be annulled. All dealings in the Offer Shares prior to settlement and delivery are at the sole risk of the parties concerned. We, the Selling Shareholders, the Underwriters, the Listing and Paying Agent and Euronext Amsterdam N.V. do not accept any responsibility or liability for any loss incurred by any person as a result of a withdrawal of the Offering or the related annulment of any transaction on Euronext Amsterdam.

## IMPORTANT INFORMATION

### General

Prospective investors are expressly advised that an investment in our Offer Shares entails certain risks and that they should therefore carefully review the entire contents of this Prospectus. Prospective investors should ensure that they read the whole of this Prospectus and not just rely on key information or information summarised within it. Furthermore, before making an investment decision with respect to our Offer Shares, prospective investors should consult their stock broker, bank manager, lawyer, auditor or other financial, legal and tax adviser and carefully review the risks associated with an investment in our Offer Shares. The contents of this Prospectus should not be construed as legal, business or tax advice. In making an investment decision, prospective investors must rely on their own examination, analysis and enquiry of the Group and the terms of the Offering, including the merits and risks involved, in light of their personal circumstances.

Prospective investors should only rely on the information contained in this Prospectus, the Pricing Statement and any supplement to this Prospectus within the meaning of Section 5:23 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*). Prospective investors should not assume that the information in this Prospectus is accurate as of any date other than the date of this Prospectus. No person is or has been authorised to give any information or to make any representation in connection with the Offering, other than as contained in this Prospectus. If any information or representation not contained in this Prospectus is given or made, the information or representation must not be relied upon as having been authorised by the Company, the members of the Management Board and the Supervisory Board, the Selling Shareholders or the Underwriters, or any of their respective affiliates or representatives.

Pursuant to Section 5:23 of the Dutch Financial Supervision Act, we are obliged to publish a supplement to this Prospectus in the event of a significant new development, material mistake or inaccuracy with respect to the information contained in this Prospectus which is capable of affecting the assessment of the Offer Shares and which arises or is noticed between the date of this Prospectus and the later of the end of the Offer Period and the start of trading of the Offer Shares on Euronext Amsterdam. If a supplement to this Prospectus is published, investors shall have the right to withdraw their subscriptions for Offer Shares made prior to the publication of the supplement. Such withdrawal must be made within the time limits and in the manner set out in such supplement, which time limits shall not be shorter than two business days after publication of the supplement. For the avoidance of doubt, references in this paragraph to any supplement being published by the Company do not include the Pricing Statement.

Without prejudice to any obligation of the Company to publish a supplement to this Prospectus pursuant to the Dutch Financial Supervision Act, neither the delivery of this Prospectus nor any subscription or sale of the Offer Shares pursuant to the Offering shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company and its subsidiaries since the date of this Prospectus or that the information contained herein is correct as at any time subsequent to its date. We do not undertake to update this Prospectus unless pursuant to Section 5:23 of the Dutch Financial Supervision Act and the delivery of this Prospectus at any time after the date hereof will not, under any circumstances, create any implication that there has been no change in our affairs since the date hereof or that the information set forth in this Prospectus is correct as of any time since its date. Prospective investors should therefore not assume that the information in this Prospectus is accurate as of any other date than the Publication Date.

This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the members of the Management Board and the Supervisory Board, the Selling Shareholders, or any of the Underwriters or any of their respective affiliates or representatives that any recipient of this Prospectus should subscribe for or purchase the Offer Shares.

No representation or warranty, express or implied, is made by, or on behalf of, the Underwriters or any of their respective affiliates or representatives, or their respective directors, officers or employees, as to the accuracy, fairness or completeness of information or opinions contained in this Prospectus, or incorporated by reference herein, and nothing in this Prospectus, or incorporated by reference herein, is, or may be relied upon as, a promise or representation by the Underwriters or any of their respective affiliates or representatives, or their respective directors,

officers or employees, as to the past or future. None of the Underwriters, in any of their respective capacities in connection with the Offering, nor any of their respective affiliates or representatives, or their respective directors, officers or employees accepts any responsibility whatsoever for the contents of this Prospectus or for any other statements made or purported to be made by either itself or on its behalf in connection with the Company, the Offering or the Offer Shares. Accordingly, the Underwriters disclaim, to the fullest extent permitted by applicable law, all and any liability, whether arising in tort or contract or which they might otherwise be found to have in respect of this Prospectus and/or any such statement. Although the Underwriters are party to various agreements pertaining to the Offering and each of the Underwriters has or might enter into a financing arrangement with the Company, this should not be considered as a recommendation by any of them to invest in the Offer Shares.

The Underwriters are acting exclusively for the Company and the Selling Shareholders and no one else in connection with the Offering. They will not regard any other person (whether or not a recipient of this Prospectus) as their respective clients in relation to the Offering and will not be responsible to anyone other than the Company and the Selling Shareholders for providing the protections afforded to their respective clients or for giving advice in relation to, respectively, the Offering and the listing of our Ordinary Shares or any transaction or arrangement referred to herein.

In relation to the admission of our Ordinary Shares to trading on Euronext Amsterdam, we have engaged ABN AMRO as Listing and Paying Agent for the Offer Shares. The Listing and Paying Agent's activities consist essentially of filing the application for admission to trading with Euronext Amsterdam N.V. and paying sums due on the Offer Shares.

No representation or warranty, express or implied, is made by, or on behalf of, the Listing and Paying Agent or any of its directors, officers or employees, as to the accuracy, fairness or completeness of information or opinions contained in this Prospectus, or incorporated by reference herein, and nothing in this Prospectus, or incorporated by reference herein, is, or may be relied upon as, a promise or representation by the Listing and Paying Agent or any of its directors, officers or employees, as to the past or future. Neither the Listing and Paying Agent nor any of its directors, officers, agents or employees accepts any responsibility whatsoever for the contents of this Prospectus or for any other statements made or purported to be made by either itself or on its behalf in connection with the Company, the Offering or the Offer Shares. Accordingly, the Listing and Paying Agent disclaims, to the fullest extent permitted by applicable law, all and any liability, whether arising in tort or contract or which it might otherwise be found to have in respect of this Prospectus and/or any such statement.

The Listing and Paying Agent is acting exclusively for the Company and will not regard any other person as its client in relation to the Offering and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for giving advice in relation to the Offering and the listing of our Ordinary Shares or any transaction or arrangement referred to herein.

### **Restrictions on the Offering**

The Offering and the distribution of this Prospectus and any related materials is in certain jurisdictions restricted by law. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. Other than in the Netherlands, no action has been or will be taken in any jurisdiction by us or the Underwriters that would permit a public offering of the Offer Shares or possession or distribution of this Prospectus in any jurisdiction where action for that purpose would be required. This Prospectus may not be used for, or in connection with, and does not constitute, any offer to sell, or an invitation to purchase, any of the Offer Shares offered hereby in any jurisdiction in which such offer or invitation would be unlawful. Neither the Company nor the members of the Management Board and the Supervisory Board, the Selling Shareholders, any of the Underwriters or the Listing and Paying Agent accept any responsibility for any violation by any person, whether or not such person is a prospective purchaser of the Offer Shares, of any of these restrictions.

Each person receiving this Prospectus acknowledges that (i) such person has not relied on the Underwriters or any person affiliated with the Underwriters in connection with any investigation of the accuracy of any information contained in this Prospectus or its investment decision; and (ii) it has relied only on the information contained in this Prospectus, and no person has been authorised to

give any information or to make any representation concerning us or the Offer Shares (other than as contained herein and information given by our duly authorised officers and employees in connection with investors' examination of us and the terms of the Offering) and, if given or made, any such other information or representation should not be relied upon as having been authorised by us or the Underwriters.

### **Responsibility Statement**

This Prospectus is made available by the Company. The Company accepts responsibility for the information contained in this Prospectus. The Company declares that it has taken all reasonable care to ensure that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

### **Potential Conflicts of Interest**

Certain of the Underwriters and the Financial Adviser and/or their respective affiliates have in the past engaged and may in the future, from time to time, engage in commercial banking, investment banking and financial advisory and ancillary activities in the ordinary course of their business with the Company and/or the Selling Shareholders or any parties related to any of them, in respect of which they have received and may in the future receive customary fees and commissions. ABN AMRO, ING, Rabobank, NIBC and KBC (in each case, directly or through an affiliate) have entered into arrangements to act as lenders to the Company under the Existing Facilities Agreements, in respect of which they may in the future receive fees and commissions. ING, Rabobank and KBC (in each case, directly or through an affiliate) have entered into arrangements to act as lenders to the Company in connection with the Financial Lease Liabilities (as defined in "*Operating and Financial Review – Contractual Obligations and Commitments*"), in respect of which they may in the future receive fees and commissions. ABN AMRO, ING, Rabobank, NIBC and KBC (in each case, directly or through an affiliate) have entered into arrangements to act as lenders to the Company under the New Facilities Agreement, in respect of which they may in the future receive fees and commissions. Upon completion of the Offering, we intend to use the net proceeds from the Primary Offering to repay a portion of the existing indebtedness under the Existing Facilities Agreements, to which some of the Underwriters (directly or through an affiliate) are a party, to repay in full the Shareholder Loans plus accrued interest (as defined in "*Operating and Financial Review – Indebtedness – Banking Facilities and Loans – Shareholder Loans*") and to refinance the remainder of the Existing Facilities and part of the Financial Lease Liabilities with new loans under the New Facilities Agreement. As of 31 March 2016, the aggregate amount of the indebtedness outstanding under the Existing Facilities to ABN AMRO, ING, Rabobank, NIBC and KBC (in each case, directly or through an affiliate) amounted to €210.4 million and the aggregate amount of the indebtedness outstanding in connection with the Financial Lease Liabilities to ING, Rabobank and KBC (in each case, directly or through an affiliate) amounted to €37.1 million. Additionally, the Underwriters and/or their respective affiliates may have held and may in the future hold, in the ordinary course of their business, the Company's securities for investment purposes. As a result, these parties may have interests that may not be aligned, or could possibly conflict, with the interests of investors. See "*Plan of Distribution – Potential Conflicts of Interest*".

### **Presentation of Financial and Other Information**

#### ***General***

The Group in its current form was established on 20 December 2013 when Miktom International Holding B.V., a subsidiary of Topco, acquired 100% of the share capital of Basic-Fit International B.V. Topco was incorporated on 20 November 2013 to act as the holding company of the Group as from the Basic-Fit Acquisition and did not have any operational activities before the Basic-Fit Acquisition.

The Company was incorporated on 12 May 2016 as part of the process of preparing the Offering. Before Settlement, the Company will become the holding company of the Group by acquiring the entire share capital of Topco from the current Shareholders against issuance of new Ordinary Shares (the "**Restructuring**"). As a result of the Restructuring, the Company will become the parent of our Group.



### ***Historical Financial Information***

This Prospectus contains selected consolidated financial information of Topco as at and for the three months ended 31 March 2016 (“**Q1 2016**”) with comparatives for the three months ended 31 March 2015 (“**Q1 2015**”), which has been derived from the unaudited consolidated interim financial statements of Topco for Q1 2016 (the “**Interim Financial Statements**”) as included in this Prospectus beginning on page F-2. The selected consolidated financial information of Topco for Q1 2016 and Q1 2015 is herein referred to as “**Interim Financial Information**”. The Interim Financial Statements have been prepared in accordance with International Accounting Standard 34 as adopted by the European Union (“**IAS 34**”) and have been reviewed by Ernst & Young Accountants LLP (“**EY**”), our independent auditors.

This Prospectus contains selected consolidated financial information of Topco as at and for the years ended 31 December 2015 (“**FY 2015**”), 31 December 2014 (“**FY 2014**”) and 31 December 2013 (“**FY 2013**”). The FY 2013 financial information presents results of operations and cash flow data solely in respect of the formation of Topco and the Basic-Fit Acquisition. It does not present the consolidated results of operations or cash flows of our business for FY 2013 because such 2013 financial information does not include any results of operations or cash flows for any period prior to 20 December 2013, and the results of operations and cash flows of our operating business for the 10-day period from 20 December to 31 December 2013 have been omitted as immaterial. The selected consolidated financial information of Topco for FY 2015, FY 2014 and FY 2013 has been derived from the audited consolidated general purpose financial statements of Topco for FY 2015, FY 2014 and FY 2013 (the “**Annual Financial Statements**”, and together with the Interim Financial Statements, the “**Financial Statements**”), as included in this Prospectus beginning on page F-22. The Annual Financial Statements have been prepared in accordance with IFRS and have been audited by EY.

### ***Non-IFRS Financial Measures***

This Prospectus contains certain financial measures including LFL Revenue Growth, Adjusted EBITDA, Adjusted EBITDA Margin, Cash Flow Post Maintenance Capital Expenditure, Operating Cash Conversion, Mature Club Revenue, Adjusted Club EBITDA, Adjusted Mature Club EBITDA, Average Adjusted Mature Club EBITDA, Adjusted Mature Club EBITDA Margin and Average Adjusted Club EBITDA on a consolidated basis, for Q1 2016, Q1 2015, FY 2015 and FY 2014. These non-IFRS financial measures have not been audited or reviewed and are not recognised measures of financial performance or liquidity under IFRS. Such measures are used by management to monitor the underlying performance of our business and operations. These non-IFRS financial measures may not be indicative of our historical operating results, nor are such measures meant to be predictive of our future results. We present these non-IFRS financial measures in this Prospectus because we consider them an important supplemental measure of our performance and believe that they and similar measures are widely used in the industry in which we operate as a means of evaluating a company’s operating performance and liquidity. However, not all companies calculate non-IFRS financial measures in the same manner or on a consistent basis. As a result, these measures may not be comparable to measures used by other companies under the same or similar names. Accordingly, undue reliance should not be placed on the non-IFRS financial measures contained in this Prospectus and they should not be considered as a substitute for operating profit, profit (loss) for the period, cash flow, expenses or other financial measures computed in accordance with IFRS.

We define Adjusted EBITDA for a period as Profit (loss) for the period attributed to our owners, before interest, taxes, depreciation and amortisation, and before exceptional expenses. The exceptional expenses mainly relate to pre-opening costs of new clubs, reorganisation costs, other exceptional costs/gains, monitoring fees, legal services and other advisory costs. Total exceptional items for Q1 2016 were expenses of €1.1 million (including €0.2 million pre-opening costs of new clubs). Total exceptional items for Q1 2015 were expenses of €0.8 million. Total exceptional items for FY 2015 were expenses of €4.4 million (including €1.6 million pre-opening costs of new clubs). Total exceptional items for FY 2014 were expenses of €4.0 million. Exceptional items for Q1 2015 and FY 2014 do not include pre-opening costs of new clubs, because we only started including pre-opening costs of new clubs in exceptional items after Q1 2015. For more information on Adjusted EBITDA, see Note 3 to our Annual Financial Statements, appearing elsewhere in this Prospectus.

We define Adjusted EBITDA Margin for a period as the Adjusted EBITDA for that period as a percentage of the revenue for that period.

We define Cash Flow Post Maintenance Capital Expenditure for a period as Adjusted EBITDA for that period minus the Maintenance Capital Expenditure for that period. Maintenance Capital Expenditure is defined as investments in property, plant, equipment related to club maintenance, overhead (including software development) and replacing our fitness equipment.

We define Operating Cash Conversion for a period as Cash Flow Post Maintenance Capital Expenditure for that period divided by Adjusted EBITDA for that period.

We define LFL Revenue Growth for a year as Revenue Growth for that year, taking into consideration only the clubs which were operational as Basic-Fit clubs for at least 24 months on 1 January of that year.

We define Mature Club Revenue for a period as the revenue generated by Mature Clubs during that period. We define “**Mature Clubs**” as clubs that have been operational as a Basic-Fit club for at least 24 months. The number of Mature Clubs at 31 December 2015 was 184.

We define Adjusted Club EBITDA for a period as Adjusted EBITDA for that period, before international and local overhead expenses. International and local overhead expenses were €6.8 million and €17.2 million, respectively, in FY 2015 and €3.9 million and €16.4 million, respectively, in FY 2014.

We define Adjusted Mature Club EBITDA for a period as Adjusted Club EBITDA for that period, taking into consideration only Mature Clubs.

We define Average Adjusted Mature Club EBITDA for a period as Adjusted Club EBITDA for that period, taking into consideration only Mature Clubs, divided by the average number of Mature Clubs during that period. Due to discontinuities in our financial reporting history as a result of the Basic-Fit Acquisition, the average number of Mature Clubs in FY 2015 is assumed to be the same number as at year end: 184.

We define Adjusted Mature Club EBITDA Margin as Adjusted Club EBITDA for that period as a percentage of Mature Club Revenue for that period.

We define Average Adjusted Club EBITDA for a period as Adjusted Club EBITDA for that period, divided by the average number of clubs during that period. The average number of clubs was 301 in FY 2015 and 232 in FY 2014.

### **Trading updates going forward**

Going forward, we will not report in such detailed level in relation to the first quarter and third quarter of a financial year as we report in this Prospectus with respect to the Interim Financial Information. Instead, we expect to publish trading updates providing an explanation of the important events and transactions that took place during the period between the start of the relevant period and publication of the trading update and their impact on the financial position of the Company. The trading updates are also expected to include a general description of our financial position and performance during that period.

### **Rounding**

Certain figures in this Prospectus, including financial data, have been rounded. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them. In tables, negative amounts are shown between parentheses. Otherwise, negative amounts are shown by “-” or “negative” before the amount.

### **Currency**

In this Prospectus, unless otherwise indicated: all references to the “EU” are to the European Union; all references to “Euro” or “€” are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Community, as amended from time to time; all references to the “United States” or the “US” are to the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia; all references to “USD”, “US dollars” or “\$” are to the lawful currency of the United States.

## Exchange Rates

We publish our consolidated financial statements in Euros. The exchange rates below are provided solely for information and convenience. The tables below show, for the periods indicated, the period end, average, high and low European Central Bank exchange rate expressed as US dollar per €1.00. The European Central Bank exchange rate is a ‘best market’ calculation, in which, at any point in time, the bid rate is equal to the highest bid rate of all contributing bank indications and the ask rate is set to the lowest ask rate offered by these banks. The average rate for a year means the average of the European Central Bank exchange rates on the last day of each month during a year. The average rate for a month, or for any shorter period, means the average of the daily European Central Bank exchange rates during that month, or shorter period, as the case may be. No representation is made that Euros could have been, or could be, converted into US dollars at any particular rate indicated or any other rate.

	<u>Period end</u>	<u>Average rate</u>	<u>High</u>	<u>Low</u>
	USD per €1.00			
<b>Year</b>				
2013 .....	1.3791	1.3281	1.3814	1.2768
2014 .....	1.2141	1.3285	1.3953	1.2141
2015 .....	1.0887	1.1095	1.2043	1.0552
2016 (through 25 May) .....	1.1146	1.1144	1.1569	1.0742

	<u>Period end</u>	<u>Average rate</u>	<u>High</u>	<u>Low</u>
	USD per €1.00			
<b>Month</b>				
December 2015 .....	1.0887	1.0877	1.0990	1.0600
January 2016 .....	1.0920	1.0860	1.0920	1.0742
February 2016 .....	1.0888	1.1093	1.1347	1.0884
March 2016 .....	1.1385	1.1100	1.1385	1.0856
April 2016 .....	1.1403	1.1339	1.1432	1.1252

## Market and Industry Data

All references to market share, market data, industry statistics and industry forecasts in this Prospectus consist of estimates compiled by industry professionals, competitors, organisations or analysts, of publicly available information or of our own assessment of our sales and markets.

This Prospectus contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to our business and markets. Unless otherwise indicated, such information is based on our analysis of a market study we commissioned from OC&C Strategy Consultants Benelux in 2016 (the “**OC&C Market Report**”), the European Health & Fitness Market Report 2015, a joint report by Deloitte and EuropeActive (formerly the European Health and Fitness Association (EHFA)) (the “**EHFM Report**”), and information published by the International Health, Racquet & Sportsclub Association (IHRSA) and the Mulier Institute in the Netherlands. Such information has been accurately reproduced, and, as far as we are aware and are able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information provided inaccurate or misleading.

We understand from OC&C Strategy Consultants Benelux that the OC&C Market Report includes and is based on its consumer survey and internal financial and operational information supplied by, or on behalf of, us, as well as information obtained from (i) data providers, including Bureau van Dijk, *Centraal Bureau voor de Statistiek* (CBS) in the Netherlands, Statistics Belgium (StatBel) in Belgium, *Institut national de la statistique et des études économiques* (Insee) in France, *Instituto Nacional de Estadística* (INE) in Spain, the Statistical Office of the European Commission (Eurostat), the European Central Bank (ECB), the Organisation for Economic Co-operation and Development (OECD), Department of Economic and Social Affairs of the United Nations (ESA); (ii) industry experts, industry associations and country organisations, including the International Health, Racquet & Sportsclub Association (IHRSA), EuropeActive and Deloitte, the Mulier Institute in the Netherlands, Valgo Fitness & Sport management in Spain; and (iii) publicly available information from other sources, such as information publicly released by our competitors.

Industry publications and market studies generally state that their information is obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions. Where third-party information has been sourced in this Prospectus, the source of such information has been identified.

In this Prospectus, we make certain statements regarding our competitive and market position. We believe these statements to be true, based on market data and industry statistics, but we have not independently verified the information. We cannot guarantee that a third party using different methods to assemble, analyse or compute market data or public disclosure from competitors would obtain or generate the same results. In addition, our competitors may define their markets and their own relative positions in these markets differently than we do and may also define various components of their business and operating results in a manner which makes such figures non-comparable with our figures.

### Current Shareholders

The table below sets out the number of Ordinary Shares each of Mito, AM Holding, Manco and Mr Van der Vis will hold, including the percentage it represents of the Company's total issued and outstanding share capital, immediately prior to Settlement following completion of the Restructuring (as described in "*Presentation of Financial and Other Information – General*").

	Number of Ordinary Shares	Representing % of total issued and outstanding share capital
Mito <sup>(1)</sup> .....	15,620,033	52.07
AM Holding <sup>(2)</sup> .....	12,825,000	42.75
Manco .....	1,500,000	5.00
Mr Van der Vis <sup>(3)</sup> .....	54,967	0.18
<b>Total</b> .....	<b>30,000,000</b>	<b>100</b>

(1) Excluding Mito's indirect shareholding in the Company through its participation in Manco.

(2) Excluding AM Holding's indirect shareholding in the Company through its participation in Manco.

(3) Excluding Mr Van der Vis's indirect shareholding in the Company through his participation in Manco.

### NOTICE TO INVESTORS

**EXCEPT AS OTHERWISE SET OUT IN THIS PROSPECTUS, THE OFFERING DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO INVESTORS IN THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN, AND THIS PROSPECTUS SHOULD NOT BE FORWARDED OR TRANSMITTED IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN.**

*Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the shares.*

This Prospectus does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to acquire Offer Shares in any jurisdiction in which such an offer or solicitation is unlawful or would result in the Company becoming subject to public company reporting obligations outside the Netherlands.

The distribution of this Prospectus, and the offer or sale of Offer Shares, is restricted by law in certain jurisdictions. This Prospectus may only be used where it is legal to offer, solicit offers to purchase or sell Offer Shares. Persons who obtain this Prospectus must inform themselves about and observe all such restrictions.

No action has been or will be taken to permit a public offer or sale of Offer Shares, or the possession or distribution of this Prospectus or any other material in relation to the Offering in any jurisdiction outside the Netherlands where action may be required for such purpose. Accordingly, neither this Prospectus nor any advertisement or any other related material may be distributed or

published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

Shareholders who have a registered address in, or who are resident or located in, jurisdictions other than the Netherlands and any person (including, without limitation, agents, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this Prospectus to a jurisdiction outside the Netherlands should read “*Selling and Transfer Restrictions*” in this Prospectus.

## **NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES**

The Offer Shares have not been, and will not be, registered under the US Securities Act or with any securities regulatory authority of any state of the United States, and may not be offered, sold, pledged or otherwise transferred within the United States unless the Offer Shares are registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available. The Offer Shares will only be offered and sold in the United States to persons reasonably believed to be QIBs as defined in Rule 144A, pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. All offers and sales of the Offer Shares outside the United States will be made in compliance with Regulation S under the US Securities Act. Transfers of the Offer Shares will be restricted and each purchaser of the Offer Shares will be deemed to have made acknowledgments, representations and agreements, as described under “*Selling and Transfer Restrictions*”.

In addition, until the end of the 40th calendar day after the commencement of the Offering, an offer or sale of the Offer Shares within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from registration under the US Securities Act.

None of the Company, the Selling Shareholders or the Underwriters accepts any legal responsibility for any violation by any person, whether or not a prospective investor in the Offer Shares, of any of the foregoing restrictions.

**THE OFFER SHARES OFFERED HEREBY HAVE NOT BEEN RECOMMENDED BY ANY US FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF THE RIGHTS OR THE OFFER SHARES OR CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.**

In the United States, this Prospectus is being furnished on a confidential basis solely for the purpose of enabling a prospective purchaser to consider purchasing the particular securities described herein.

The information contained in this Prospectus has been provided by us and the other sources identified herein. Distribution of this Prospectus to any person other than the offeree specified by us and those persons, if any, retained to advise such offeree with respect thereto, is unauthorised, and any disclosure of its contents, without our prior written consent, is prohibited.

This Prospectus is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the securities described herein. Investors agree to the foregoing by accepting delivery of this Prospectus.

For so long as any Ordinary Shares are ‘restricted securities’ within the meaning of Rule 144(a)(3) under the US Securities Act, we will during any period in which we are neither subject to section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the “**US Exchange Act**”), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the US Securities Act. The Company is not currently subject to the periodic reporting requirements of the US Exchange Act.



## NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

This Prospectus is directed at and for distribution in the United Kingdom only to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); or (ii) high net worth entities, and other persons to whom it may be lawfully communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons being together referred to in this paragraph as “**relevant persons**”). In the United Kingdom, this Prospectus is directed only at relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus or any of its contents. Any investment or investment activity to which this Prospectus relates is available only to relevant persons and will be engaged in only with relevant persons.

## NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

This Prospectus has been prepared on the basis that all offers of Offer Shares in any member state of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), other than the Netherlands, will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Offer Shares. Accordingly, any person making or intending to make an offer in a Relevant Member State, other than the Netherlands, of Offer Shares which are the subject of the Offering contemplated in this Prospectus may only do so in circumstances in which no obligation arises for the Company or the Underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Company nor any Underwriter has authorised, nor do they authorise, the making of any offer of Offer Shares in circumstances in which an obligation arises for the Company or any Underwriter to publish a prospectus for such offer.

### **Enforceability of Judgments**

The ability of investors in certain countries other than the Netherlands, in particular the US, to bring an action against the Company may be limited under law. The Company is a public company with limited liability (*naamloze vennootschap*) incorporated in the Netherlands and has its statutory seat (*statutaire zetel*) in Hoofddorp, the Netherlands. All of the members of the Management Board and Supervisory Board named herein are non-residents of the US. All or a substantial proportion of the assets of these individuals are located outside of the US. Our assets are located outside of the US. As a result, it may be impossible or difficult for investors to effect service of process in the US upon such persons or the Company or to enforce against them a judgment obtained in US courts. In addition, there is doubt as to the enforceability, in the Netherlands, of original actions or actions for enforcement based on the federal or state securities laws of the US or judgments of US courts, including judgments based on the civil liability provisions of the US federal or state securities laws. The US and the Netherlands do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Accordingly, a judgment rendered by a court in the US will not be recognised and enforced by the Dutch courts. However, if a person has obtained a final and conclusive judgment for the payment of money rendered by a court in the US which is enforceable in the US and files his claim with the competent Dutch court, the Dutch court will generally uphold and consider as conclusive evidence such foreign judgment insofar as it finds that the foreign judgment (i) has been rendered by a court which has established its jurisdiction on the basis of internationally accepted grounds of jurisdiction; (ii) has not been rendered in violation of elementary principles of fair trial; (iii) is not contrary to the public policy of the Netherlands; and (iv) is not incompatible with (a) a prior judgment of a Dutch court rendered in a dispute between the same parties, or (b) a prior judgment of a foreign court rendered in a dispute between the same parties, concerning the same subject matter and based on the same cause of action, provided that such prior judgment is capable of being recognised in the Netherlands. It is uncertain whether this practice extends to default judgments as well. If a Dutch court upholds and regards as conclusive evidence the final and conclusive judgment, that court generally will render the same judgment without renewed litigation on the merits. However, a Dutch court may deny the recognition and enforcement of punitive damages. Moreover, a Dutch court may reduce the amount of damages granted by a court in the US and recognise damages only to the extent that they are necessary to compensate actual losses or damages.

## Information Regarding Forward-Looking Statements

Certain statements in this Prospectus other than statements of historical fact are forward-looking statements. In particular, this Prospectus contains forward-looking statements under the following headings: “*Risk Factors*”, “*Dividends and Dividend Policy*”, “*Operating and Financial Overview*”, “*Our Industry*” and “*Our Business*”, which are based on our current beliefs and projections and on information currently available to us. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control and all of which are based on our current beliefs and expectations about future events. Forward-looking statements are typically identified by the use of forward-looking terminology such as “believe”, “expect”, “may”, “will”, “seek”, “would”, “could”, “should”, “intend”, “estimate”, “plan”, “assume”, “predict”, “anticipate”, “annualised”, “goal”, “target”, “potential” or “aim” or the negative thereof or other variations thereof or comparable terminology, or by discussions of our strategy, medium-term objectives and future plans that involve risks and uncertainties.

Forward-looking statements involve inherent risks and uncertainties and speak only as of the date they are made. Except as required by applicable law, we do not undertake and we expressly disclaim any duty to update or revise publicly any forward-looking statement in this Prospectus, whether as a result of new information, future events or otherwise. Such forward-looking statements are based on current beliefs, assumptions, expectations, estimates and projections of the members of the Management Board and our management of, public statements made by us, present and future business strategies and the environment in which we will operate in the future. By their nature, they are subject to known and unknown risks and uncertainties, which could cause our actual results and future events to differ materially from those implied or expressed by forward-looking statements. Risks and uncertainties that could cause actual results to vary materially from those anticipated in the forward-looking statements included in this Prospectus include those described under “*Risk Factors*”.

Although we believe the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are based on the opinions, assumptions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors. The following include some but not all of the factors that could cause actual results or events to differ materially from those anticipated results or events: membership growth and retention; costs of expansion and maintenance; ability to identify and secure new sites and maintain existing sites; brand reputation; technological changes; competition; retaining management and key employees; reliance on limited contractors and suppliers; delayed payments and ability to collect amounts due; expansion into markets with different conditions and consumer preferences; related party transactions and conflicts of interest; limited flexibility for operating costs; data security; liabilities acquired through acquisitions; difficulty integrating acquisitions; failure to achieve medium-term objectives; economic conditions; insurance; health and safety risks; intellectual property infringement; competitive market with low barriers to entry; consumer preferences; laws and regulation; two year scope of financial statements; future profitability; inability to raise capital; dividends; shareholder conflicts of interest; impairment of intangible assets; tax law changes and audit outcomes; tax rules on deductibility of interest expenses; transfer pricing arrangements with subsidiaries; scope of Dutch VAT exemption of sport services; public market for shares; share price volatility; pre-emptive rights; effect of future sales on share price and dilution; ability of shareholders to bring actions or enforce judgments; publication of research reports; failure to close the Offering.

Prospective investors are advised to read “*Risk Factors*”, “*Dividends and Dividend Policy*”, “*Selected Consolidated Financial Information*”, “*Operating and Financial Review*”, “*Our Industry*” and “*Our Business*” for a more complete discussion of the factors that could affect our future performance and the industry in which we operate. Should one or more of these risks or uncertainties materialise, or should any of the assumptions underlying the above or other factors prove to be incorrect, our actual results of operations or future financial condition could differ materially from those described herein as currently anticipated, believed, estimated or expected. In light of the risks, uncertainties and assumptions underlying the above factors, the forward-looking events described in this Prospectus may not occur or be realised. Additional risks not known to us or that we do not currently consider material could also cause the forward-looking events discussed in this Prospectus not to occur.

## Definitions

In this Prospectus, the “Company” refers to Basic-Fit N.V., a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of the Netherlands and, where appropriate, its subsidiaries as defined in Section 2:24b of the Dutch Civil Code. “Basic-Fit”, “we”, “our”, “us” and “Group” refer to the Company (and, prior to completion of the Offering, Topco) and its subsidiaries. “Topco” refers to Miktom Topco B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands. “Management Board”, “Supervisory Board” and “General Meeting” refer to, respectively, the management board (*bestuur*), the supervisory board (*raad van commissarissen*) and the general meeting of Shareholders (*algemene vergadering van aandeelhouders*) of the Company.

Certain other terms used in this Prospectus are defined in “*Defined Terms*”.

## Documents incorporated by Reference

Our articles of association, as they shall read as of the Settlement Date (the “**Articles of Association**”), are incorporated by reference into this Prospectus and can be obtained free of charge on our website at <http://corporate.basic-fit.com>.

No other documents or information, including the content of our website (<http://corporate.basic-fit.com>) or of websites accessible from hyperlinks on our website, form part of, or are incorporated by reference into, this Prospectus.

## REASONS FOR THE OFFERING AND USE OF PROCEEDS

### Background and Reasons for the Offering

The Offering is expected to enhance our profile, brand recognition and credibility and to further improve our ability to recruit, retain and incentivise our key management and employees. In addition, we believe that the Offering of New Shares will strengthen our financial position by enabling us to refinance a portion of our existing indebtedness and to repay in full our shareholder loans plus accrued interest, which will improve our debt maturity profile, increase our financial flexibility and position the Group for the continued implementation of its growth strategy.

The Offering will also provide additional financial flexibility and diversity through access to a wider range of capital-raising options to support the expected on-going roll-out of new clubs or possible future acquisitions. In addition, the Offering will create a market in the Ordinary Shares for existing and future Shareholders and provide the Selling Shareholders with a partial realisation of their investment in the Group.

### Use of Proceeds

We will receive proceeds from the sale of any New Shares in the Primary Offering only. We aim to raise approximately €370 million of gross proceeds from the Primary Offering. Our total costs related to the Offering are expected to amount to approximately €20 million, including underwriting commissions of up to €11.1 million and estimated other expenses of approximately €8.9 million. Based on our estimated costs related to the Offering, we estimate that net proceeds to the Company from the sale of the New Shares would amount to approximately €350 million. See also “*The Offering – Fees and Expenses of the Offering and Listing*” and “*Plan of Distribution*”.

We expect to use the net proceeds of the Primary Offering (i) to repay approximately €132 million of our existing indebtedness outstanding under the Existing Facilities Agreements (as defined in “*Operating and Financial Review – Indebtedness – Banking Facilities and Loans – Existing Facilities*”), which will deleverage and improve our capital structure; and (ii) to repay in full the Shareholder Loans plus accrued interest (as defined in “*Operating and Financial Review – Indebtedness – Banking Facilities and Loans – Shareholder Loans*”) amounting to approximately €218 million. Immediately following such repayments and the Refinancing (as defined in “*Operating and Financial Review – Indebtedness – Banking Facilities and Loans*”), the aggregate amount of the indebtedness outstanding under the New Facilities Agreement is expected to amount to €173.5 million.

We will not receive any proceeds from the sale of any Existing Shares in the Secondary Offering or, if the Over-Allotment Option is exercised, any proceeds from the sale of any Additional Shares, the net proceeds of which will be received by the Selling Shareholders.

## **DIVIDENDS AND DIVIDEND POLICY**

### **General**

We may only make distributions on our Ordinary Shares to the extent our shareholders' equity exceeds the sum of (i) the paid-in and called-up part of our issued share capital; and (ii) any reserves required to be maintained by Dutch law and by our Articles of Association. Any final distribution of profits may only be made after the adoption of our standalone (i.e. non-consolidated) annual accounts for the preceding year, which will be used to determine if the distribution of profits is legally permitted. See "*Description of Share Capital and Corporate Governance – Share Capital Dividends and Other Distributions*".

Subject to Dutch law and our Articles of Association, the Management Board, with the approval of the Supervisory Board, may resolve to distribute an interim dividend to the extent our shareholders' equity exceeds the amount of the paid-in and called-up part of our issued share capital plus the reserves that are required to be maintained pursuant to Dutch law and our Articles of Association. For this purpose, the Management Board must prepare an interim statement of assets and liabilities.

### **Dividend Policy**

Given the strong return profile of our new club openings, our primary use of cash for the short to medium term will be investment in roll-out of new clubs. As a result, we do not anticipate paying any dividends in the short to medium term. Capital will be invested with strict financial discipline and applying target return thresholds as outlined in this Prospectus. We expect to introduce dividend payments in the future, although any dividend proposals will be carefully assessed against other uses of cash including an acceleration of the club roll-out, repayment of debt, share buybacks and acquisitions.

Our intentions in relation to dividend payments are subject to a number of assumptions, risks and uncertainties, many of which are beyond our control. Please see "*Risk Factors – We rely on our operating subsidiaries to provide us with funds necessary to meet our financial obligations and our ability to pay dividends may be constrained*" and "*Important Information – Information Regarding Forward-Looking Statements*". Furthermore, our dividend policy is subject to change as the Management Board will revisit our dividend policy from time to time.

### **Dividend Declared on our Ordinary Shares**

Over 2015, 2014 and 2013, no dividends were declared by Topco to the Selling Shareholders.

### **Dividend Ranking of our Ordinary Shares**

All of our Ordinary Shares issued and outstanding on the day following the Settlement Date, including the Offer Shares, will rank equally and will be eligible for any dividend payment that may be declared on our Ordinary Shares in the future.

### **Manner and Time of Dividend Payments**

Payment of any dividend in cash will be made in Euro. Any dividends that are paid to Shareholders through Euroclear Nederland will be automatically credited to the relevant Shareholders' accounts without the need for Shareholders to present documentation proving their ownership of the Ordinary Shares.

### **Taxation of Dividends**

See "*Taxation*" for a discussion of certain aspects of taxation of dividends on our Ordinary Shares.



## CAPITALISATION AND INDEBTEDNESS

The information below should be read together with our consolidated financial statements and the related notes thereto, as well as the information under “*Operating and Financial Review*”. The tables below are prepared for illustrative purposes only and, because of their nature, may not give a true picture of our financial condition following the Offering.

The following tables set out (i) our capitalisation and indebtedness as at 31 March 2016 on an actual basis, and adjustments for (ii) the Restructuring (as defined in “*Important Information – Presentation of Financial and Other Information – General*”); (iii) our receipt of the net proceeds of the Offering; (iv) the effect of the drawdown of the New Facilities (as defined in “*Operating and Financial Review – Indebtedness – Banking Facilities and Loans – New Facilities*”); (v) the partial repayment of the Existing Facilities (as defined in “*Operating and Financial Review – Indebtedness – Banking Facilities and Loans – Existing Facilities*”) and the full repayment of the Shareholder Loans plus accrued interest (as defined in “*Operating and Financial Review – Indebtedness – Banking Facilities and Loans – Shareholder Loans*”); and (vi) our capitalisation and indebtedness as at 31 March 2016, as adjusted to reflect the adjustments described in (ii), (iii), (iv) and (v). Both the adjustment for our receipt of the net proceeds of the Offering and the “As Adjusted” column assume the placement of 21,142,858 New Shares at the mid-point of the Offer Price Range.

### Capitalisation

	Actual	Adjustments	Adjustments	Adjustments	Adjustments	As Adjusted
	As at 31 March 2016 (unaudited)	Restructuring <sup>(2)</sup>	Net proceeds of the Offering <sup>(3)</sup>	Drawdown of New Facilities <sup>(4)</sup>	Repayment of Existing Facilities and Shareholder Loans <sup>(5)</sup>	As at 31 March 2016 (unaudited) <sup>(6)</sup>
	(in € thousands, unless otherwise indicated)					
<b>Total current liabilities</b> . . . . .	39,119	-	-	-	(37,325)	1,794
Guaranteed . . . . .	-	-	-	-	-	-
Secured . . . . .	32,138	-	-	-	(31,148)	990
Unguaranteed/ Unsecured . . . . .	6,981	-	-	-	(6,177)	804
<b>Total non-current liabilities (excluding current portion of long- term debt)</b> . . . . .	452,246	-	-	171,400	(451,322)	172,324
Guaranteed . . . . .	-	-	-	-	-	-
Secured . . . . .	244,910	-	-	-	(244,325)	585
Unguaranteed/ Unsecured . . . . .	207,336	-	-	171,400	(206,997)	168,139
<b>Shareholders' equity</b> . . . . .	(30,863)	45	350,000	-	-	319,182
Share capital . . . . .	300	1,500	1,269	-	-	3,069
Share premium . . . . .	29,700	(29,700)	348,731	-	-	348,731
Retained earnings/Legal reserve . . . . .	(59,522)	28,245	-	-	-	(31,277)
Cash flow hedge reserve	(1,341)	-	-	-	-	(1,341)
<b>Total capitalisation<sup>(1)</sup></b> . . . . .	<b>460,502</b>	<b>45</b>	<b>350,000</b>	<b>171,400</b>	<b>(488,647)</b>	<b>493,000</b>

(1) Actual total capitalisation as at 31 March 2016 is the sum of total outstanding indebtedness under the Existing Facilities, the Shareholder Loans, the Financial Lease Liabilities (as defined in “*Operating and Financial Review – Contractual Obligations and Commitments*”) and the Other Loans as well as the Company’s shareholders’ equity. The total outstanding indebtedness under the Existing Facilities, the Shareholder Loans, the Financial Lease Liabilities and the Other Loans as well as the Company’s shareholders’ equity is presented herein at the principal amounts plus accrued interest of €2.1 million and excludes capitalised finance costs of €4.9 million related to the Existing Facilities.

(2) The Selling Shareholders will immediately prior to the Offering contribute the entire issued and outstanding share capital of Topco to the Company’s shareholders’ equity as a capital contribution. The capital contribution will be accounted for as a capital reorganisation under common control and will be measured at the historical Topco carrying values in accordance with IFRS.

(3) The net proceeds of the Primary Offering equal the gross proceeds of the Primary Offering minus the costs of the Company directly relating to the Primary Offering, which costs include underwriting commissions and other estimated expenses in an aggregate amount of €20.0 million. Other transaction costs indirectly related to the Primary Offering are estimated to be €1.0 million and will be charged to our income statement.

- (4) See “*Operating and Financial Review – Indebtedness – Banking Facilities and Loans – New Facilities*” for a description of the New Facilities. The total outstanding indebtedness under the New Facilities presented herein excludes estimated finance costs of €3.6 million.
- (5) The repayment amounts presented in this column as at 31 March 2016 are the sum of the total outstanding indebtedness under the Existing Facilities and the Shareholder Loans as these amounts are to be repaid on the Settlement Date in full as well as part of the Financial Lease Liabilities. The presented amounts are to be repaid on the Settlement Date with the net proceeds of the Primary Offering and the drawdown of the New Facilities. See “*Reasons for the Offering and Use of Proceeds*” and “*Operating and Financial Review – Indebtedness – Banking Facilities and Loans*”. The actual amounts to be repaid on the expected date of repayment may differ from the amounts shown in the table due to changes in interest accrued or interest payments made thereon from 31 March 2016 up to the expected date of repayment. The capitalised finance fees of €4.9 million in relation to the Existing Facilities as at 31 March 2016 are expected to be €4.6 million upon repayment of the Existing Facilities at Settlement and will be charged to our income statement. An additional prepayment fee of €8.0 million will also be incurred in accordance with the Financial Lease Liabilities and charged to our income statement.
- (6) Actual amounts as at 31 March 2016 as adjusted for the Restructuring, the net proceeds of the Primary Offering, the drawdown of the New Facilities, the full repayment of the Existing Facilities and the Shareholder Loans and the partial repayment of the Financial Lease Liabilities.

## Indebtedness

	Actual	Adjustments	Adjustments	Adjustments	Adjustments	As Adjusted
	As at 31 March 2016 (unaudited)	Restructuring <sup>(2)</sup>	Net proceeds of the Offering <sup>(3)</sup>	Drawdown of New Facilities <sup>(4)</sup>	Repayment of Existing Facilities and Shareholder Loans <sup>(5)</sup>	As at 31 March 2016 (unaudited) <sup>(6)</sup>
(in € thousands, unless otherwise indicated)						
Cash and cash equivalents . . . . .	629	45	350,000	171,400	(488,647)	33,427
<b>Liquidity . . . . .</b>	<b>629</b>	<b>45</b>	<b>350,000</b>	<b>171,400</b>	<b>(488,647)</b>	<b>33,427</b>
Current portion of shareholder loans . . . . .	6,177	-	-	-	(6,117)	-
Current portion of secured bank loans . . . . .	7,524	-	-	-	(7,524)	-
Current portion of finance lease liabilities . . . . .	24,614	-	-	-	(23,624)	990
Current portion of other loans . . . . .	804	-	-	-	-	804
<b>Current financial debt . . . . .</b>	<b>39,119</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(37,325)</b>	<b>1,794</b>
<b>Net current financial indebtedness . . . . .</b>	<b>39,119</b>	<b>(45)</b>	<b>(350,000)</b>	<b>(171,400)</b>	<b>451,322</b>	<b>(31,633)</b>
Non-current portion of shareholder loans . . . . .	206,997	-	-	-	(206,997)	-
Non-current portion of secured bank loans . . . . .	194,030	-	-	-	(194,030)	-
Non-current portion of bank loans . . . . .	-	-	-	171,400	-	171,400
Non-current portion of finance lease liabilities . . . . .	50,880	-	-	-	(50,295)	585
Non-current portion of other loans . . . . .	339	-	-	-	-	339
<b>Non-current financial indebtedness . . . . .</b>	<b>452,246</b>	<b>-</b>	<b>-</b>	<b>171,400</b>	<b>(451,322)</b>	<b>172,324</b>
<b>Net financial indebtedness<sup>(1)</sup> . . . . .</b>	<b>490,736</b>	<b>(45)</b>	<b>(350,000)</b>	<b>-</b>	<b>-</b>	<b>140,691</b>

(1) Net financial indebtedness is defined as total outstanding indebtedness under the Existing Facilities, the Shareholder Loans, the Financial Lease Liabilities and the Other loans, less cash and cash equivalents attributable to the Company. The total outstanding indebtedness under the Existing Facilities, the Shareholder Loans, the Financial Lease Liabilities and the Other loans are presented herein at the principal amounts plus accrued interest of €2.1 million and exclude capitalised finance fees of €4.9 million related to the Existing Facilities.

(2) The Selling Shareholders will immediately prior to the Offering contribute the entire issued and outstanding share capital of Topco to the Company’s shareholders’ equity as a capital contribution. The capital contribution will be accounted for as a capital reorganisation under common control and will be measured at the historical Topco carrying values in accordance with IFRS.

(3) The net proceeds of the Primary Offering equal the gross proceeds of the Primary Offering minus the costs of the Company directly relating to the Primary Offering, which costs include underwriting commissions and other estimated expenses in an

aggregate amount of €20.0 million. Other transaction costs indirectly related to the Primary Offering are estimated to be €1.0 million and will be charged to our income statement.

- (4) See “*Operating and Financial Review – Indebtedness – Banking Facilities and Loans – New Facilities*” for a description of the New Facilities. The total outstanding indebtedness under the New Facilities presented herein excludes estimated finance costs of €3.6 million.
- (5) The repayment amounts presented in this column as at 31 March 2016 are the sum of the total outstanding indebtedness under the Existing Facilities and the Shareholder Loans as these amounts are to be repaid on the Settlement Date in full as well as part of the Financial Lease Liabilities. The presented amounts are to be repaid on the Settlement Date with the net proceeds of the Primary Offering and the drawdown of the New Facilities. See “*Reasons for the Offering and Use of Proceeds*” and “*Operating and Financial Review – Indebtedness – Banking Facilities and Loans*”. The actual amounts to be repaid on the expected date of repayment may differ from the amounts shown in the table due to changes in interest accrued or interest payments made thereon from 31 March 2016 up to the expected date of repayment. The capitalised finance fees of €4.9 million in relation to the Existing Facilities as at 31 March 2016 are expected to be €4.6 million upon repayment of the Existing Facilities at Settlement and will be charged to our income statement. An additional prepayment fee of €8.0 million will also be incurred in accordance with the Financial Lease Liabilities and charged to our income statement.
- (6) Actual amounts as at 31 March 2016 as adjusted for the Restructuring, the net proceeds of the Primary Offering, the drawdown of the New Facilities, the full repayment of the Existing Facilities and the Shareholder Loans and the partial repayment of the Financial Lease Liabilities.

On the date of this Prospectus, we do not have any indirect indebtedness or contingent indebtedness.

## SELECTED CONSOLIDATED FINANCIAL INFORMATION

This section contains (i) selected consolidated financial information of Topco as at and for Q1 2016 with comparatives for Q1 March 2015, which has been derived from the Interim Financial Statements included in this Prospectus beginning on page F-2; and (ii) selected consolidated financial information of Topco as at and for FY 2015, FY 2014 and FY 2013, which has been derived from the Annual Financial Statements included in this Prospectus beginning on page F-22 (together the “Selected Consolidated Financial Information”).

The Selected Consolidated Financial Information does not reflect our operational results for the customary three full financial years. We did not have any operational activities before 20 December 2013, when a subsidiary of Topco acquired 100% of the share capital of Basic-Fit International B.V. As a result, the FY 2013 financial information presents results of operations and cash flow data solely in respect of the formation of Topco and the Basic-Fit Acquisition. It does not present the consolidated results of operations or cash flows of our business for FY 2013 because such 2013 financial information does not include any results of operations or cash flows for any period prior to 20 December 2013, and the results of operations and cash flows of our operating business for the 10-day period from 20 December to 31 December 2013 have been omitted as immaterial.

The Selected Consolidated Financial Information should be read in conjunction with (i) the information contained in “Important Information – Presentation of Financial and Other Information”, “Capitalisation and Indebtedness”, “Operating and Financial Review”; (ii) the Interim Financial Statements and the accompanying notes thereto; and (iii) the Annual Financial Statements, the accompanying notes thereto and the auditor’s report thereon. The Interim Financial Statements have been prepared in accordance with IAS 34 and have been reviewed by EY, our independent auditors. The Annual Financial Statements have been prepared in accordance with IFRS and have been audited by EY.

### Selected Consolidated Income Statement Data

	Q1 2016	Q1 2015	FY 2015	FY 2014	FY 2013
	(in € thousands, unless otherwise stated)				
<b>Revenue</b> . . . . .	<b>60,504</b>	<b>47,436</b>	<b>202,222</b>	<b>162,069</b>	-
Cost of consumables used . . . . .	(509)	(285)	(1,160)	(876)	-
Employee benefits expenses . . . . .	(11,492)	(9,425)	(39,748)	(32,963)	-
Depreciation, amortisation and impairment charges . . . . .	(15,351)	(11,274)	(47,983)	(40,565)	-
Other operating income . . . . .	79	158	1,779	1,216	-
Other operating expenses . . . . .	(31,562)	(26,167)	(107,407)	(87,480)	(6,483)
<b>Operating profit</b> . . . . .	<b>1,669</b>	<b>443</b>	<b>7,703</b>	<b>1,401</b>	<b>(6,483)</b>
Finance income . . . . .	4	-	-	-	296
Finance cost . . . . .	(10,946)	(8,026)	(37,016)	(28,495)	(670)
<b>Finance costs – net</b> . . . . .	<b>(10,942)</b>	<b>(8,026)</b>	<b>(37,016)</b>	<b>(28,495)</b>	<b>(374)</b>
<b>Profit (loss) before income tax</b> . . . . .	<b>(9,273)</b>	<b>(7,583)</b>	<b>(29,313)</b>	<b>(27,094)</b>	<b>(6,857)</b>
Income tax benefit . . . . .	2,081	1,743	6,348	4,587	(1)
<b>Profit (loss) for the period attributable to our owners</b> . . . . .	<b>(7,192)</b>	<b>(5,840)</b>	<b>(22,965)</b>	<b>(22,507)</b>	<b>(6,858)</b>

## Selected Consolidated Balance Sheet Data

	As of 31 March 2016	As of 31 December 2015	As of 31 December 2014	As of 31 December 2013
(in € thousands, unless otherwise stated)				
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment . . . . .	260,720	247,388	151,855	95,341
Intangible assets . . . . .	289,599	292,347	298,950	259,974
Deferred tax assets . . . . .	16,899	15,083	10,092	5,591
Receivables . . . . .	1,789	2,330	1,604	755
<b>Total non-current assets . . . . .</b>	<b>569,007</b>	<b>557,148</b>	<b>462,501</b>	<b>361,661</b>
<b>Current assets</b>				
Inventories . . . . .	802	791	223	255
Trade and other receivables . . . . .	18,757	12,391	10,515	6,437
Cash and cash equivalents . . . . .	629	12,328	13,255	7,818
<b>Total current assets . . . . .</b>	<b>20,188</b>	<b>25,510</b>	<b>23,993</b>	<b>14,510</b>
<b>Total assets . . . . .</b>	<b>589,195</b>	<b>582,658</b>	<b>486,494</b>	<b>376,171</b>
<b>Equity</b>				
Share capital . . . . .	300	300	300	300
Share premium . . . . .	29,700	29,700	29,700	29,700
Retained earnings . . . . .	(59,522)	(52,330)	(29,365)	(6,858)
Cash flow hedge reserve . . . . .	(1,341)	(1,265)	(1,060)	-
<b>Total equity . . . . .</b>	<b>(30,863)</b>	<b>(23,595)</b>	<b>(425)</b>	<b>23,142</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Borrowings . . . . .	243,413	226,181	168,778	116,154
Long-term loan from shareholder . . . . .	206,996	201,082	179,865	142,595
Derivative financial instruments . . . . .	2,086	1,687	1,414	-
Deferred tax liabilities . . . . .	28,100	28,550	29,658	28,027
Provisions . . . . .	4,814	5,105	6,678	6,128
<b>Total non-current liabilities . . . . .</b>	<b>485,409</b>	<b>462,605</b>	<b>386,393</b>	<b>292,904</b>
<b>Current liabilities</b>				
Trade and other payables . . . . .	94,014	100,826	73,733	43,710
Current income tax liabilities . . . . .	176	40	23	1
Current portion of borrowings . . . . .	32,818	35,091	24,240	14,666
Current portion of loan from shareholder . . . . .	6,000	6,000	-	-
Provisions . . . . .	1,641	1,691	2,530	1,748
<b>Total current liabilities . . . . .</b>	<b>134,649</b>	<b>143,648</b>	<b>100,526</b>	<b>60,125</b>
<b>Total liabilities . . . . .</b>	<b>620,058</b>	<b>606,253</b>	<b>486,919</b>	<b>353,029</b>
<b>Total equity and liabilities . . . . .</b>	<b>589,195</b>	<b>582,658</b>	<b>486,494</b>	<b>376,171</b>



## Selected Consolidated Statements of Cash Flows Data

	<u>Q1 2016</u>	<u>Q1 2015</u>	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>
	(in € thousands, unless otherwise stated)				
Net cash flows from operating activities . . . . .	1,250	7,597	51,916	29,410	(1,934)
Net cash flows from/(used in) investing activities . . . . .	(20,922)	(15,363)	(77,977)	(72,245)	(263,479)
Net cash flows from/(used in) financing activities . . . . .	<u>7,135</u>	<u>(6,302)</u>	<u>25,134</u>	<u>48,272</u>	<u>273,231</u>
<b>Net (decrease)/increase in cash and cash equivalents . . . . .</b>	<b>(12,537)</b>	<b>(14,068)</b>	<b>(927)</b>	<b>5,437</b>	<b>7,818</b>
Cash and cash equivalents at 1 January . . . . .	12,328	13,255	13,255	7,818	0
<b>Cash and cash equivalents at 31 March / 31 December (Q1 / FY) . . . . .</b>	<b>(209)</b>	<b>(813)</b>	<b>12,328</b>	<b>13,255</b>	<b>7,818</b>

### Non-IFRS Financial Measures (unaudited)

The table below presents certain financial measures on a consolidated basis, for Q1 2016, Q1 2015, FY 2015 and FY 2014. These non-IFRS financial measures have not been audited or reviewed and are not recognised measures of financial performance or liquidity under IFRS. Such measures are used by management to monitor the underlying performance of our business and operations. These non-IFRS financial measures may not be indicative of our historical operating results, nor are such measures meant to be predictive of our future results. We present these non-IFRS financial measures because we consider them an important supplemental measure of our performance and believe that they and similar measures are widely used in the industry in which we operate as a means of evaluating a company's operating performance and liquidity. However, not all companies calculate non-IFRS financial measures in the same manner or on a consistent basis. As a result, these measures may not be comparable to measures used by other companies under the same or similar names. Accordingly, undue reliance should not be placed on the non-IFRS financial measures contained in this Prospectus and they should not be considered as a substitute for operating profit, profit for the year, cash flow, expenses or other financial measures computed in accordance with IFRS. See "Important Information – Non-IFRS Financial Measures".

	<u>Q1 2016</u>	<u>% Change</u>	<u>Q1 2015</u>
Adjusted EBITDA <sup>(1)</sup> (in € millions) . . . . .	18.1	44.8%	12.5
Adjusted EBITDA Margin <sup>(2)</sup> (in % of revenue) . . . . .	29.9%	-	26.4%
Maintenance Capital Expenditure (in € millions) . . . . .	4.3	120.8%	1.9
Cash Flow Post Maintenance Capital Expenditure <sup>(3)</sup> (in € millions) . . . . .	13.8	30.2%	10.6
Operating Cash Conversion <sup>(4)</sup> (in %) . . . . .	<u>76.2%</u>	-	<u>84.5%</u>
	<u>FY 2015</u>	<u>% Change</u>	<u>FY 2014</u>
LFL Revenue Growth <sup>(5)</sup> (in € millions) . . . . .	-	-	-
Adjusted EBITDA (in € millions) . . . . .	60.1	30.9%	45.9
Adjusted EBITDA Margin (in % of revenue) . . . . .	29.7%	-	28.4%
Maintenance Capital Expenditure (in € millions) . . . . .	9.8	36.2%	13.3
Cash Flow Post Maintenance Capital Expenditure (in € millions) . . . . .	50.3	54.2%	32.6
Operating Cash Conversion (in %) . . . . .	83.7%	-	71.0%
Mature Club Revenue <sup>(6)</sup> (in € million) . . . . .	131.3	-	N/A
Adjusted Club EBITDA <sup>(7)</sup> (in € millions) . . . . .	84.0	-	66.3
Adjusted Mature Club EBITDA <sup>(8)</sup> (in € millions) . . . . .	63.0	-	N/A
Average Adjusted Mature Club EBITDA <sup>(9)</sup> (in € thousands) . . . . .	343	-	N/A
Adjusted Mature Club EBITDA Margin <sup>(10)</sup> (in % of Mature Club Revenue) . . . . .	48.0%	-	N/A
Average Adjusted Club EBITDA <sup>(11)</sup> (in € thousands) . . . . .	279	-	286

- (1) Adjusted EBITDA for a period is defined as Profit (loss) for the period attributed to our owners, before interest, taxes, depreciation and amortisation, and before exceptional expenses. The exceptional expenses mainly relate to pre-opening costs of new clubs, reorganisation costs, other exceptional costs/gains, monitoring fees, legal services and other advisory costs. Total exceptional items for Q1 2016 were expenses of €1.1 million (including €0.2 million pre-opening costs of new clubs). Total exceptional items for Q1 2015 were expenses of €0.8 million. Total exceptional items for FY 2015 were expenses of €4.4 million (including €1.6 million pre-opening costs of new clubs). Total exceptional items for FY 2014 were expenses of €4.0 million. Exceptional items for Q1 2015 and FY 2014 do not include pre-opening costs of new clubs, because we only started including pre-opening costs of new clubs in exceptional items after Q1 2015. For more information on Adjusted EBITDA, see Note 3 to our Annual Financial Statements appearing elsewhere in this Prospectus.
- (2) Adjusted EBITDA Margin for a period is defined as the Adjusted EBITDA for that period as a percentage of the revenue for that period.
- (3) Cash Flow Post Maintenance Capital Expenditure for a period is defined as Adjusted EBITDA for that period minus the Maintenance Capital Expenditure for that period. Maintenance Capital Expenditure is defined as investments in property, plant, equipment related to club maintenance, overhead (including software development) and replacing our fitness equipment.
- (4) Operating Cash Conversion for a period is defined as Cash Flow Post Maintenance Capital Expenditure for that period divided by Adjusted EBITDA for that period.
- (5) LFL Revenue Growth for a year is defined as Revenue Growth for that year, taking into consideration only the clubs which were operational as Basic-Fit clubs for at least 24 months on 1 January of that year.
- (6) Mature Club Revenue for a period is defined as the revenue generated by Mature Clubs during that period. We define “**Mature Clubs**” as clubs that have been operational as a Basic-Fit club for at least 24 months. The number of Mature Clubs at 31 December 2015 was 184.
- (7) Adjusted Club EBITDA for a period is defined as Adjusted EBITDA for that period, before international and local overhead expenses. International and local overhead expenses were €6.8 million and €17.2 million, respectively, in FY 2015 and €3.9 million and €16.4 million, respectively, in FY 2014.
- (8) Adjusted Mature Club EBITDA for a period is defined as Adjusted Club EBITDA for that period, taking into consideration only Mature Clubs.
- (9) Average Adjusted Mature Club EBITDA for a period is defined as Adjusted Club EBITDA for that period, taking into consideration only Mature Clubs, divided by the average number of Mature Clubs during that period. Due to discontinuities in our financial reporting history as a result of the Basic-Fit Acquisition, the average number of Mature Clubs in FY 2015 is assumed to be the same number as at year end: 184.
- (10) Adjusted Mature Club EBITDA Margin is defined as Adjusted Club EBITDA for that period, taking into consideration only Mature Clubs, as a percentage of the Mature Club Revenue for that period.
- (11) Average Adjusted Club EBITDA for a period is defined as Adjusted Club EBITDA for that period, divided by the average number of clubs during that period. The average number of clubs was 301 in FY 2015 and 232 in FY 2014.

The following table sets forth the reconciliation of Adjusted EBITDA to Profit (loss) before income tax for each of Q1 2016, Q1 2015, FY 2015 and FY 2014.

	<u>Q1 2016</u>	<u>Q1 2015</u>	<u>FY 2015</u>	<u>FY 2014</u>
			<b>(in € millions)</b>	
<b>Adjusted EBITDA</b> . . . . .	<b>18.1</b>	<b>12.5</b>	<b>60.1</b>	<b>45.9</b>
Depreciation, amortisation and impairment charges . . . . .	(15.4)	(11.3)	(48.0)	(40.6)
Finance costs – net . . . . .	(10.9)	(8.0)	(37.0)	(28.5)
Exceptional items <sup>(1)</sup> . . . . .	(1.1)	(0.8)	(4.4)	(4.0)
<b>Profit before income tax</b> . . . . .	<b>(9.3)</b>	<b>(7.6)</b>	<b>(29.3)</b>	<b>(27.1)</b>

- (1) In Q1 2016 and FY 2015, exceptional items consisted of pre-opening costs of new clubs, reorganisation costs, other exceptional costs/gains, monitoring fees, legal services and other advisory costs. In Q1 2015 and FY 2014, exceptional items consisted of reorganisation costs, other exceptional costs/gains, monitoring fees, legal services and other advisory costs.

## OPERATING AND FINANCIAL REVIEW

*The following is a discussion of our results of operations and financial condition as at and for Q1 2016, Q1 2015 and FY 2015, FY 2014 and FY 2013. This discussion should be read in conjunction with the selected historical financial information included in “Selected Consolidated Financial Information” as well as with (i) the Interim Financial Statements included elsewhere in this Prospectus which have been reviewed by EY; and (ii) the Annual Financial Statements included elsewhere in this Prospectus which have been audited by EY. The following discussion of our results of operations and financial condition should be read in conjunction with “Important Information – Presentation of Financial and Other Information”, “Our Industry” and “Our Business”. Prospective investors should read the entire Prospectus and not just rely on the information set out below.*

*The financial statements discussed in this section do not reflect our operational results for the customary three full financial years. We did not have any operational activities before 20 December 2013, when a subsidiary of Topco acquired 100% of the share capital of Basic-Fit International B.V. Thus, while the audited consolidated financial information as at and for FY 2015 and FY 2014 included in this Prospectus reflects the results of operations and cash flows of our business for the respective years, Topco’s audited consolidated financial information for FY 2013 does not present the consolidated results of operations or cash flows of our business for FY 2013 because such 2013 financial information does not include any results of operations or cash flows for any period prior to 20 December 2013, and the results of operations and cash flows of our operating business for the 10-day period from 20 December to 31 December 2013 have been omitted as immaterial. Because the financial statements included in this Prospectus do not include operational results for our business for the customary three financial years, the financial statements included in this Prospectus may not be comparable to the financial statements of other companies that have presented and published a full three years of financial statements, whether as part of their own securities offerings or otherwise.*

*The following discussion of our financial condition, results of operations and cash flows contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those that we discuss in these forward-looking statements. Investors should read “Important Information – Information Regarding Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements. Investors should also read “Risk Factors” for a discussion of certain factors that may affect our business, financial condition, results of operations and cash flows.*

### Overview

We are the largest “value-for-money” fitness club operator in Europe measured by number of clubs (Source: Company analysis; OC&C Market Report) and operate in some of continental Europe’s most attractive markets. Our clubs are located in the Netherlands, Belgium, Luxembourg, France and Spain. We consider the low-cost or “value-for-money” segment of the fitness market to consist of clubs that offer fitness services against a membership fee of €25.00 or less per month. We aim to offer a “value-for-money”, high-quality fitness experience that appeals to the fitness needs of active people of all ages and genders who care about their personal health and fitness.

From 1 January 2014 to 31 March 2016, we increased the number of clubs we operate from 199 to 351, and our membership base from 552,852 to 1,076,752, both organically by opening new clubs and by selectively acquiring existing clubs. We added 13 clubs in the first three months of 2016 and are targeting adding approximately 65 to 75 clubs in total in 2016, and a similar number per year thereafter over the medium-term. We believe that we are well positioned to capture the growth opportunity represented by the low-cost club market in the countries in which we are active.

We operate a transparent and straightforward membership model comprising three basic membership forms: Easy, Smart and Flex. Each membership form offers unlimited use of all of our clubs across Europe for a fixed membership fee. The three membership forms vary in their payment terms, annual versus monthly, and in their duration, one-year contracts versus one-month contracts. Our membership fees start at €17.99 per month. As of April 2016, we also offer day-passes in all countries in which we operate, which give one-off access to our clubs.

As at 31 March 2016, we employed 2,796 people, representing 1,288 FTEs. We operate a low-cost business model and strive to staff our organisation in line with that model. Our clubs are open seven days per week and have extended opening hours, with some clubs open 24 hours per day from Monday up to and including Thursday and some clubs open 24/7. The extended opening hours of

our clubs require certain flexibility from our workforce. We strive to achieve this by hiring a combination of full time and part time employees without compromising the continuity in our workforce or our ability to provide a high-level fitness experience to our members. As at 31 March 2016, we have an average of approximately 17% full time and 83% part time employees in the Netherlands, Belgium, Luxembourg, France and Spain. In Luxembourg, all of our employees have full time contracts in line with market practice in Luxembourg.

We generated €202.2 million in revenue, €60.1 million Adjusted EBITDA and a net loss of €23.0 million in FY 2015, compared to €162.1 million in revenue, €45.9 million Adjusted EBITDA and a net loss of €22.5 million in FY 2014. In Q1 2016, we generated €60.5 million in revenue, €18.1 million Adjusted EBITDA and a net loss of €7.2 million, compared to €47.4 million in revenue, €12.5 million Adjusted EBITDA and a net loss of €5.8 million in Q1 2015.

We are active in five countries, and we had 140 clubs in the Netherlands, 145 clubs in Belgium, 8 clubs in Luxembourg, 32 clubs in France and 26 clubs in Spain, as at 31 March 2016. Our business is organised and managed on a geographic basis and operates through the following two reportable segments: the Benelux, which accounted for €180.8 million, or 89.4%, of revenue and €64.5 million of Adjusted EBITDA, or 96.6%, in FY 2015, and France and Spain, which accounted for €21.4 million, or 10.6%, of revenue and €2.3 million of Adjusted EBITDA, or 3.4%, in FY 2015.

### **Basis of Presentation**

The Group in its current form was established on 20 December 2013 when Miktom International Holding B.V. (“**Miktom International**”), a subsidiary of Topco, acquired 100% of the share capital of Basic-Fit International B.V. (in this Prospectus also referred to as the Basic-Fit Acquisition). Topco was incorporated on 20 November 2013 and did not have any operational activities before the Basic-Fit Acquisition.

This Prospectus contains (i) unaudited consolidated interim financial information of Topco as at and for Q1 2016 with comparatives for Q1 2015); and (ii) audited consolidated financial information of Topco as at and for FY 2015, FY 2014 and FY 2013. The FY 2013 financial information presents results of operations and cash flow data solely in respect of the formation of Topco and the Basic-Fit Acquisition. It does not present any results of operations or cash flow information of our business for FY 2013 because such FY 2013 financial information does not include any results of operations or cash flow for any period prior to 20 December 2013, and the results of operations and cash flow of our operating business for the 10-day period from 20 December to 31 December 2013 have been omitted as immaterial.

For further information on the preparation of the financial information included in this Prospectus, see “*Important Information – Presentation of Financial and Other Information*”.

### **Segmentation**

The Management Board has examined our performance on a geographic perspective and has identified five geographic operating segments, the Netherlands, Belgium, Luxemburg, France and Spain. The business activity of all of these operating segments is to operate low budget fitness clubs under one and the same Basic-Fit label. The formula how these clubs are operated is the same in all countries; memberships and membership fees are similar; and the cost structure is similar. Furthermore, all operating segments and their business activities are located in western European EU-member countries. The political and economic environment of these countries is similar and the Euro is used in all countries. The Benelux countries (Belgium, the Netherlands and Luxemburg) have similar profit margins (Adjusted EBITDA). France and Spain also have similar profit margins. However, the profit margins in the Benelux countries are not comparable to France and Spain which are the countries where we expect the fastest growth. In sum, all five of our operating segments have similar economic characteristics and provide a similar nature of services and have a similar type of customer, method for distribution and regulatory environment. Consequently, the operating segments Belgium, the Netherlands and Luxemburg have been aggregated into one reportable segment (Benelux) and the operating segments France and Spain have also been aggregated into one reportable segment (France & Spain) in accordance with IFRS 8. See also Note 3 to the Annual Financial Statements appearing elsewhere in this Prospectus.

## **Key Factors Affecting Our Business and Results of Operations**

The following factors have contributed significantly to the development of our business and results of operations during the periods under review and are reasonably likely to have a material effect on our business and results of operations in the future.

### ***Membership Base and Revenue per Member***

We derive our revenue primarily from membership fees, which are the amounts paid by our members on either a monthly or annual basis, and registration fees. Total revenue is largely driven by the number of members and the rates they pay for their membership. The rate of increase in the number of our members is affected by various factors, including the total number of our clubs and their respective locations and accessibility, the equipment and our offering, our brand and reputation, and competition in the health and fitness sector. In addition, our number of members 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 or September) being the most active recruitment periods. We have achieved positive net annual membership growth in each of the periods under review due to the maturation of the membership base at our clubs and increase of the number of clubs. See “– Club Roll-out” below.

In FY 2014, membership dues and registration fees amounted €158.7 million, or 97.9% of our total revenue of €162.1 million for the same period. Membership dues and registration fees increased a 24.4% to €197.5 million in 2015, or 97.7% of our total revenue of €202.2 million during that year. Membership fees include the amounts paid by members for add-ons, which are services we offer in addition to stand-alone memberships in return for paying higher dues, such as access to live group lessons, use of the Basic-Fit Pro-App and use of Yanga Sports Water. Add-ons can be purchased individually or combined in a package with a discount. The mix of different membership rates, add-ons and packages that make up our membership base has an impact on our revenue per member. See “*Our Business – Membership and Members – Membership Model and Pricing*”.

The rates that our members pay for their membership vary, depending on the country in which they enrol, the flexibility they have to cancel the membership contract, the add-ons and/or packages they subscribe for and, in the Netherlands, the frequency of making their payments (monthly versus annually).

Our total revenue has also been affected by changes to our pricing model. During the periods under review, we achieved revenue growth by implementing changes to our membership pricing, by introducing flexible membership contracts at higher rates, as well as increasing membership fees for new memberships and membership prices that varied by country. These changes took effect in the fourth quarter of 2014. Our current pricing model applies to members enrolled after the introduction of these changes, and includes three different price categories: Easy, Smart and Flex. For more information on these pricing categories, see “*Our Business – Membership and Members – Membership model and pricing*”.

We have implemented and may in the future implement price increases to membership fees of up to 5% per year for our members. As a result of past and any future pricing changes and limitations on our ability to implement them for existing members (for commercial and other reasons), membership dues may vary among members who enrolled at different points in time.

### ***Club Roll-out***

Our revenue and results of operations in recent periods have been, and are expected to continue to be, significantly impacted by changes in our membership base. Changes in the number of our clubs, as well as other factors such as club maturity are an important driver for changes in our membership base. Consequently, the number of our clubs has been an important driver for our results of operations in recent periods.

In the periods under review, we have increased the number of our clubs by opening new clubs and by acquiring and converting clubs (or groups of clubs) to the Basic-Fit brand and format. In 2014, we increased our number of clubs by 65, comprising 36 new clubs and 31 acquisitions (acquisition of 27 HealthCity clubs and 4 small acquisitions). This growth was partially offset by two club closings. In 2015, the number of our clubs increased by 74, resulting from 61 new club openings and 17 acquisitions (three HealthCity clubs and 14 small acquisitions). This increase was partially



offset by the closing of four clubs. In the first three months of 2016, the number of our clubs increased by 13, resulting from an equal number of new club openings. We expect to continue to increase the number of clubs, and are targeting adding approximately 65 to 75 clubs in 2016, and a number of clubs in the same range per year thereafter in the medium-term.

The impact of club openings on our results of operations depends on when they commence operations relative to our reporting periods. Initial performance at our clubs depends largely on the number of members that have signed up during the pre-opening period. Based on our historical experience during FY 2014 and FY 2015, we estimate that, on average, newly opened clubs have typically achieved positive Adjusted Club EBITDA upon such clubs reaching approximately 1,500 members, which has historically occurred within four months of opening. On a consolidated basis, our clubs typically reach 1,950 members after approximately six months and 2,900 members after approximately twelve months. We further estimate that, on average, it takes approximately 24 months for a newly opened club to reach maturity of its membership base, which we generally consider to be 3,300 members, 3,500 members, and 3,750 members in the Benelux, Spain and France, respectively.

In addition to opening new clubs, we have in the past and may in the future increase the number of our clubs through acquiring and converting clubs to the Basic-Fit brand and format. On 1 April 2014, we acquired 27 HealthCity clubs (six in the Netherlands, 16 in Belgium and five in Luxembourg), out of which 24 clubs have since been converted to the Basic-Fit brand and format, one club has since been sold and two clubs are still operating as HealthCity clubs, located in Luxembourg, but are included in our results of operations. In 2014, we also acquired four other clubs (not being HealthCity clubs), of which two were located in the Netherlands and two in Belgium. In 2015, we acquired three HealthCity clubs (all three in the Netherlands). In addition, we acquired 14 other clubs (ten clubs in the Netherlands, one club in Belgium and three clubs in Spain). All clubs we acquired in 2015 (both HealthCity clubs and other clubs) have been converted to the Basic-Fit brand and format. Although we may make acquisitions of clubs or groups of clubs in the future, no such acquisitions are currently pending.

Both opening new clubs and acquiring and converting clubs to the Basic-Fit brand and format require significant investment. From 1 January 2014 until 31 December 2015, our average capital expenditure was €1.0 million in relation to opening a new club and €1.7 million in relation to acquiring and converting a club to the Basic-Fit brand and format. We have determined the average capital expenditure per club as follows. An aggregate amount of €98.7 million in expansion capital expenditure in 2014 and 2015 (see “– *Capital Expenditure*”) divided by an aggregate of 97 new clubs opened in 2014 and 2015 constituting an average capital expenditure per newly opened club of €1.0 million in 2014 and 2015. An aggregate amount of €81.0 million in acquisition capital expenditure in 2014 and 2015 (see “– *Capital Expenditure*”) divided by an aggregate of 48 clubs acquired and converted to the Basic-Fit brand and format in 2014 and 2015 constituting an average capital expenditure per acquired and converted club of €1.7 million in 2014 and 2015.

### ***Costs of Operating our Business***

In FY 2015, €43.2 million out of a total of €142.2 million (or 30.4%) of our operating costs were fixed, by which we mean that they are independent of the number of memberships at our clubs. These fixed costs comprised property rent. €78.3 million (or 55.1%) of our total operating costs, consisted of semi-fixed costs in FY 2015. These semi-fixed costs are costs which are largely, but not fully, independent of the number of memberships at our clubs and comprise personnel, other housing costs and equipment costs. €20.6 million (or 14.5%) of our operating costs in FY 2015 were variable, consisting of marketing costs and other variable costs.

Our ability to change fixed and semi-fixed costs is limited. As new clubs mature and increase their membership base, the fixed costs of operating those clubs are spread over an increasing revenue base, which in our experience typically more than offset the related increase in operating costs and thereby improves our operating leverage.

We operate a low-cost business model and strive to staff our clubs in line with that model. Our clubs are generally staffed by 2.8 member facing FTEs who take on the role of host at their club during their shift. This number excludes functions that in some countries are performed by people who are employed by us and in other countries by people with whom we do not have an employment relationship, such as instructors of live group lessons (see “*Our Business – Our Clubs and Format*”), cleaners and night security personnel. The role of a host includes acting as a first point of contact for

the members and ensuring that the club provides a high level of service and fitness experience to our members. At each club, one of our employees takes on the additional role of a team leader, who, in addition to his or her duties as a host, manages the general affairs of the club. At all times, we aim to have one employee present at each of our clubs.

We also manage staff costs through the use of technology. Our clubs operate a fully automated online enrolment process. Prospective members are not required to interview with club staff before joining. In addition, club entry is automated to allow access to members without any need for intervention by staff, and members can make reservations for live group lessons online. These automated systems allow us to reduce our per club staff costs without negatively impacting the enrolment process or ease of use for our members.

We manage our exposure to rent increases by negotiating fixed rental uplifts where possible. In addition, we are able to use our advantages of scale to negotiate terms that we believe are favourable, among others when purchasing fitness equipment and when procuring energy, utility and cleaning services.

### ***Capital Structure***

Our results of operations are impacted by the costs of financing our activities. Throughout the periods under review, we were highly leveraged. As of 31 March 2016, our net debt was €281.6 million and our consolidated equity was negative, amounting to €-30.9 million. The ratio of our net debt to last twelve months Adjusted EBITDA per 31 March 2016 was 4.3x at 31 March 2016. Following the Offering and Refinancing (as defined in “– *Indebtedness – Banking Facilities and Loans*”), we expect the ratio of our net debt to last twelve months Adjusted EBITDA per 31 March 2016 to be 2.6x. For more information on our net debt, see “– *Indebtedness*”, and for more information on how we calculate Adjusted EBITDA, see “*Important Information – Financial Information – Non-IFRS Financial Measures*”.

Our total interest-bearing loans and borrowings at 31 March 2016 amounted to €489.2 million, which included €199.6 million in senior debt, €213.0 million in Shareholder Loans (as defined below in “– *Indebtedness – Banking Facilities and Loans – Shareholder Loans*”), €75.5 million in Financial Lease Liabilities and €1.1 million in other loans. All our senior bank debt accrues interest at a variable rate based on the EURIBOR interest rate, plus a margin. Accordingly, changes in the EURIBOR interest rate can affect our financing cost. We manage our cash flow interest rate risk by mostly using floating-to-fixed interest rate swaps. See “– *Indebtedness – Banking Facilities and Loans*” for more information on our indebtedness as of the date of this Prospectus and “– *Financial Risk Management – Market Risk*” for more information on our interest rate swaps.

We expect the Offering to impact our capital structure by reducing our overall financial liabilities due to our intention to use the net proceeds of the Primary Offering to reduce our outstanding bank debt and to repay in full our Shareholder Loans plus accrued interest. After the Offering we expect to have financing under the New Facilities (as defined below) in the aggregate amount of up to €275.0 million. See “*Reasons for the Offering and Use of Proceeds*” and “*Capitalisation and Indebtedness*” for more information.

### ***Social Developments and Health and Wellness Trends***

Social developments and health and wellness trends, such as increased awareness of healthy lifestyles across various demographics and government initiatives to publicise the health benefits of increased physical activity, have a significant impact on our membership growth and results of operations. While we believe that these trends are likely to continue for the foreseeable future, our membership growth and results of operations can also be impacted by the increase in popularity of alternative forms of fitness (such as outdoor activities, including cycling or running), participation in competitive sports and any other new trends in health and fitness activities.

### ***Seasonality***

Our business experiences a degree of seasonality in membership enrolment. In the periods under review, there have been peaks in membership enrolment and opening of clubs at the beginning of the year in January and February and at the end of the summer holiday period, which is usually in the second half of August or September. For example, 11.5% of the total new members in 2015 enrolled

in January 2015 and 13.7% of the total new members in 2015 enrolled in September 2015, compared to a monthly average of 8.33%. We believe that these peaks in membership enrolment were mainly the result of consumer behaviour and intensified marketing campaigns during these periods.

Our monthly revenue and profitability have varied and may in the future vary significantly during the year as a consequence of both enrolment and marketing expenses being greatest at the start of the year and in the late summer. Any factors affecting membership enrolment during these peak periods can therefore have a disproportionate impact on our performance in the corresponding reporting period. Furthermore, our capital expenditure has varied and may in the future vary during the year as a consequence of the timing of club openings.

## Key Performance Indicators

We use several financial key performance indicators (revenue, Revenue Growth, LFL (like for like) Revenue Growth, Adjusted EBITDA, Adjusted EBITDA Margin, Cash Flow Post Maintenance Capital Expenditure and Operating Cash Conversion) to track the performance of our business. Except for revenue, none of these indicators is a measure of financial performance or cash flow under IFRS. Nevertheless, we believe that these measures provide an important indication of trends in our financial performance.

There are limitations inherent in non-IFRS financial measures, such as LFL Revenue Growth, Adjusted EBITDA, Adjusted EBITDA Margin, Cash Flow Post Maintenance Capital Expenditure and Operating Cash Conversion, resulting from the fact that they exclude expenses and other items that are required to be included in corresponding measures under IFRS. In analysing our future performance, investors should consider these non-IFRS key performance indicators together with the presentation of our financial condition, results of operations and cash flow under IFRS, rather than as an alternative to IFRS financial measures. See “*Important Information – Presentation of Financial and Other Information – Non-IFRS Financial Measures*” and “*Selected Consolidated Financial Information – Non-IFRS Financial Measures*”.

Except for revenue, the key performance indicators presented below have not been audited or reviewed by any auditor or other expert. The information used to calculate these measures is partly derived from management information systems and our consolidated financial statements. As these terms are defined by our management, they may not be comparable to similar terms used by other companies.

The following tables present revenue, Revenue Growth, Adjusted EBITDA, Adjusted EBITDA Margin, Cash Flow Post Maintenance Capital Expenditure and Operating Cash Conversion for each of Q1 2016, Q1 2015, FY 2015 and FY 2014. LFL Revenue Growth is only presented for FY 2015 and FY 2014. Following the Offering, we will report revenue and Revenue Growth on a quarterly basis, Adjusted EBITDA, Adjusted EBITDA Margin, Cash Flow Post Maintenance Capital Expenditure and Operating Cash Conversion on a semi-annual basis and LFL Revenue Growth on an annual basis.

	Q1 2016	% Change	Q1 2015
Revenue (in € millions) . . . . .	60.5	27.6%	47.4
Revenue Growth <sup>(1)</sup> (in %) . . . . .	27.6%	-	-
Adjusted EBITDA <sup>(2)</sup> (in € millions) . . . . .	18.1	44.8%	12.5
Adjusted EBITDA Margin <sup>(3)</sup> (in % of revenue) . . . . .	29.9%	-	26.4%
Maintenance Capital Expenditure (in € millions) . . . . .	4.3	120.8%	1.9
Cash Flow Post Maintenance Capital Expenditure <sup>(4)</sup> (in € millions) . . . . .	13.8	30.2%	10.6
Operating Cash Conversion <sup>(5)</sup> (in %) . . . . .	76.2%	-	84.5%

(1) Revenue Growth for a period is defined as the percentage change in revenue in that period compared with the respective prior period.

(2) Adjusted EBITDA for a period is defined as Profit (loss) for the period attributed to our owners, before interest, taxes, depreciation and amortisation, and before exceptional expenses. The exceptional expenses mainly relate to pre-opening costs of new clubs, reorganisation costs, other exceptional costs/gains, monitoring fees, legal services and other advisory costs. Total exceptional items for Q1 2016 were expenses of €1.1 million (including €0.2 million pre-opening costs of new clubs). Total exceptional items for Q1 2015 were expenses of €0.8 million. Total exceptional items for FY 2015 were expenses of €4.4 million (including €1.6 million pre-opening costs of new clubs). Total exceptional items for FY 2014 were expenses of €4.0 million. Exceptional items for Q1 2015 and FY 2014 do not include pre-opening costs of new clubs, because we only started including pre-

opening costs of new clubs in exceptional items after Q1 2015. For more information on Adjusted EBITDA, see Note 3 to the Annual Financial Statements appearing elsewhere in this Prospectus.

- (3) Adjusted EBITDA Margin for a period is defined as the Adjusted EBITDA for that period as a percentage of the revenue for that period.
- (4) Cash Flow Post Maintenance Capital Expenditure for a period is defined as Adjusted EBITDA for that period minus the Maintenance Capital Expenditure for that period. Maintenance Capital Expenditure is defined as investments in property, plant, equipment related to club maintenance, overhead (including software development) and replacing our fitness equipment.
- (5) Operating Cash Conversion for a period is defined as Cash Flow Post Maintenance Capital Expenditure for that period divided by Adjusted EBITDA for that period.

	<u>FY 2015</u>	<u>% Change</u>	<u>FY 2014</u>
Revenue (in € millions) . . . . .	202.2	24.7%	162.1
Revenue Growth (in %) . . . . .	24.7%	-	N/A
LFL Revenue Growth <sup>(1)</sup> (in %) . . . . .	-	-	-
Adjusted EBITDA (in € millions) . . . . .	60.1	30.9%	45.9
Adjusted EBITDA Margin (in % of revenue) . . . . .	29.7%	-	28.4%
Maintenance Capital Expenditure (in € millions) . . . . .	9.8	36.2%	13.3
Cash Flow Post Maintenance Capital Expenditure (in € millions)	50.3	54.2%	32.6
Operating Cash Conversion (in %) . . . . .	83.7%	-	71.0%

(1) LFL Revenue Growth for a year is defined as Revenue Growth for that year, taking into consideration only the clubs which were operational as Basic-Fit clubs for at least 24 months on 1 January of that year.

## Description of Key Line Items

### *Revenue*

Our revenue arises from providing membership services and other sources. Providing membership services is our primary source of revenue and consists of fitness club memberships, including registration fees as well as add-on's for live group lessons, subscription to our Basic-Fit Pro-App and Yanga. These items are sold either on a stand-alone basis or combined with memberships in packages.

Other sources of revenue relate to, among others, day passes, third-party services and the sale of nutritional products. Day passes can be purchased on a stand-alone basis by non-members, providing them with access to one of our clubs for one day. Independent third parties who provide services on our premises (for example personal trainers and physiotherapists) pay a monthly fee to us to obtain access to one of our clubs (and in some cases to a private room in that club) and to market their services to the members at that club. Nutritional food and drinks are sold within each of our clubs by a third-party vending machine operator, whereby we receive a percentage of the revenue generated by the vending machines at our clubs.

### *Cost of Consumables Used*

The costs of consumables used comprise costs directly related to the generation of revenue from our business. The majority of costs of consumables used relates to costs of providing Yanga, with the remainder relating to costs of providing membership cards, handling fees relating to new membership enrolment, costs of having personal trainers providing new members with a fitness introduction, per-download fees payable to VirtuaGym.com, the developer of the Basic-Fit App, for each download and costs related to company fitness programmes.

### *Employee Benefits Expenses*

Employee benefits expenses consist mainly of salaries and wages (including severance and redundancy payments), as well as social security contributions and pension costs in relation to our defined contribution plans.

We operate a number of defined contribution pension plans. A defined contribution plan is a post-employment benefit plan under which we pay certain fixed contributions to publicly or privately administered pension insurance plans. Once the fixed contributions have been paid, we have no further payment obligations with respect to the plan. As of 31 March 2016, we did not have any provision on our balance sheet for pensions and retirement liabilities.

### ***Depreciation, Amortisation and Impairment Charges***

Depreciation and amortisation includes depreciation of property, plant and equipment, including property, plant and equipment acquired under financial leases, and amortisation of intangible assets, which include customer relationships, brand name, favourable contracts and other intangible assets. Other intangible assets are mostly software related, resulting from costs associated with maintaining computer software programmes and designing and testing unique software products controlled by us. Impairment charges are impairment losses on property, plant and equipment and on intangible assets. We have recorded various impairment charges in the periods under review. In 2014, we recorded an aggregated €3.0 million of impairment charges, €2.7 million of which consisted of impairment on property, plant and equipment in France. In 2015, we recorded an impairment charge of €0.1 million, resulting from club closings in Belgium and Spain and a reversal of the 2014 impairment charge, which reversal amounted to €2.4 million.

### ***Other Operating Income***

Other operating income consists mainly of our net gains from disposals of clubs, property, plant and equipment, which we calculate as the amount by which the proceeds of any such disposal exceed the book value of that asset, and overhead service charges that we receive from subsidiaries of HealthCity International B.V. in consideration for certain head office functions that we provide to them in relation to HealthCity clubs in France until May 2015. See “*Selling Shareholders and Related Party Transactions*”.

### ***Other Operating Expenses***

Other operating expenses consist of rent expenses, housing expenses, other personnel expenses, selling expenses, write-off of bad debts (including the costs payable to collection agencies), operational lease expenses for equipment (other than car lease expenses), car expenses and overhead and transaction related expenses. Rent expenses consist of the costs of renting our premises (clubs and head offices). Housing expenses consist of expenses relating to utilities, service charges, maintenance, cleaning, insurance and local taxes. Other personnel expenses include expenses payable to third-party service providers, such as our live group lessons providers, employment agencies providing temporary staff when required, and management and monitoring fees payable to Mito. See “*Selling Shareholders and Related Party Transactions*”. Overhead and transaction related expenses consist of expenses relating to head office operations, recruitment and training costs, telephone costs, IT expenses, professional subscriptions, licenses needed to provide fitness services, legal costs and transaction costs and advice costs in relation to acquisitions.

### ***Net Finance Costs***

Net finance costs are calculated as the sum of the finance income and the finance costs.

Finance income includes interest on bank balances and other interest income. Finance costs mainly include interest on Shareholder Loans and external debt and borrowings, as well as, to a lesser extent, interest costs related to financial leases (for example, in relation to financial leases for fitness equipment, narrowcasting and screens for live group lessons) and other interest expenses. Finance income and expenses are recognised using the effective interest method.

### ***Income Tax Benefit or Expense***

The income tax benefit or expense is the tax payable on the relevant period’s taxable income based on the applicable income tax rate for each jurisdiction adjusted for changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where our subsidiaries operate and generate taxable income. We periodically evaluate the positions taken in our tax returns with respect to situations in which the applicable tax regulation is subject to interpretation. We establish provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in our consolidated financial statements.



Deferred tax assets are recognised for unused tax loss carry-forwards to the extent that it is probable that taxable profit will be available against which the losses can be utilised. The recognition of deferred tax assets in respect of our unused tax losses requires the exercise of substantial management judgment. Increases in the amounts of such deferred tax assets have profoundly influenced the amount of our income tax expense in recent periods. See “- *Critical Accounting Policies – Income Taxes*” and Note 15 to the Annual Financial Statements appearing elsewhere in this Prospectus. Our unused tax loss carry-forwards as at 31 December 2015 are estimated at €105.1 million. For €50.0 million of such unused tax loss carry forwards deferred tax assets have been recognised; for the remaining € 55.1M of such loss carry-forwards €0 deferred tax assets have been recognised.

For more information see “*Our Business – Legal and Arbitration Proceedings – Tax Matters*”.

## Current Trading

Overall trading to date since 31 March 2016 is in line with our expectations. Growth in revenue and Adjusted EBITDA is continuing on historical trends.

## Results of Operations

### *Comparison of Results of Operations for Q1 2016 and Q1 2015*

The following discussion sets out our financial performance and certain operating results on the basis of our unaudited consolidated interim financial information for each of Q1 2016 and Q1 2015.

	Q1 2016	Q1 2015
	(in € millions)	
<b>Revenue</b> . . . . .	<b>60.5</b>	<b>47.4</b>
Cost of consumables used . . . . .	(0.5)	(0.3)
Employee benefits expenses . . . . .	(11.5)	(9.4)
Depreciation, amortisation and impairment charges . . . . .	(15.4)	(11.3)
Other operating income . . . . .	0.1	0.2
Other operating expenses . . . . .	(31.6)	(26.2)
<b>Operating profit</b> . . . . .	<b>1.7</b>	<b>0.4</b>
Finance income . . . . .	0.0	-
Finance cost . . . . .	(10.9)	(8.0)
<b>Finance costs – net</b> . . . . .	<b>(10.9)</b>	<b>(8.0)</b>
<b>Profit (loss) before income tax</b> . . . . .	<b>(9.3)</b>	<b>(7.6)</b>
Income tax benefit . . . . .	2.1	1.7
<b>Profit (loss) for the period attributable to our owners</b> . . . . .	<b>(7.2)</b>	<b>(5.8)</b>

### Revenue

Revenue increased by €13.1 million, or 27.6%, to €60.5 million for Q1 2016, from €47.4 million for Q1 2015. This increase was driven largely by the increase in the number of our members by approximately 239.4 thousand, from 837.3 thousand as at the end of Q1 2015 to 1,076.8 thousand as at the end of Q1 2016, as well as an increase in the number of clubs we operate by 76 clubs from Q1 2015 to Q1 2016. Fees from personal trainers, physiotherapists and other third-party service providers at our clubs were largely stable.

### Revenue per Segment

The following table sets forth our revenue per reportable segment for Q1 2016 and Q1 2015.

	Q1 2016	Q1 2015
	(in € millions)	
Benelux . . . . .	52.0	42.8
France and Spain . . . . .	8.5	4.6
<b>Total</b> . . . . .	<b>60.5</b>	<b>47.4</b>

*Benelux:* Revenue in the Benelux increased by €9.2 million, or 22.1% to €52.0 million for Q1 2016, from €42.8 million for Q1 2015. This increase was primarily the result of an increase in the number of our members driven in part by an increase in the number of clubs in Belgium, from 122 as at the end of Q1 2015 to 145 as at the end of Q1 2016, and in the Netherlands from 118 clubs as at the end of Q1 2015 to 140 clubs as at the end of Q1 2016. This increase in the number of members and clubs resulted in revenue growth of 20.2% in Belgium and 24.7% in the Netherlands. We also achieved revenue growth of 6.6% in Luxembourg, which had a smaller impact on the total revenue growth for this segment due to the relatively smaller size of our operations in Luxembourg.

*France and Spain:* Revenue in France and Spain increased by €3.9 million, or 84.8% to €8.5 million for Q1 2016, from €4.6 million for Q1 2015. This increase was primarily the result of the an increase in the number of our members driven in part by an increase in the number of our clubs in France, from 11 as at the end of Q1 2015 to 32 as at the end of Q1 2016, and in Spain from 18 as at the end of Q1 2015 to 26 as at the end of Q1 2016.

This increase in the number of our members and clubs resulted in revenue growth of 149.8% in France and 42.5% in Spain.

#### Cost of Consumables Used

Cost of consumables used increased by €0.2 million, or 66.7%, to €0.5 million (or 0.8% of revenue) for Q1 2016, from €0.3 million (or 0.6% of revenue) for Q1 2015. This increase was primarily the result of an increase in sales and a corresponding increase of purchase costs of Yanga Sports Water, which was not introduced in Belgium until mid-2015, and an increase in the provision of new member fitness introductions, in each case as a result of the increase in the number of our members, as well as increases in company fitness programmes and the cost of sales of our Basic-Fit app payable to the developer of the app.

#### Employee Benefits Expenses

Employee benefits expenses increased by €2.1 million, or 22.3%, to €11.5 million for Q1 2016, from €9.4 million for Q1 2015. This increase was primarily the result of the increase in the number of our clubs by 76 clubs, resulting in an increase in FTEs, and an increase in staff levels at our head office.

As a percentage of revenue, employee benefits expenses decreased from 19.9% in Q1 2015 to 18.4% in Q1 2016, reflecting our operating leverage as the number of our members and clubs grows.

#### Adjusted EBITDA

The following table sets forth the reconciliation of Adjusted EBITDA to Profit (loss) before income tax for each of Q1 2016 and Q1 2015.

	<u>Q1 2016</u>	<u>Q1 2015</u>
	(in € millions)	
<b>Adjusted EBITDA</b> . . . . .	<b>18.1</b>	<b>12.5</b>
Depreciation, amortisation and impairment charges . . . . .	(15.4)	(11.3)
Finance costs – net. . . . .	(10.9)	(8.0)
Exceptional items . . . . .	(1.1)	(0.8)
<b>Profit (loss) before income tax</b> . . . . .	<b>(9.3)</b>	<b>(7.6)</b>

Adjusted EBITDA increased by €5.6 million, or 44.8%, to €18.1 million (or 29.9% of revenue) for Q1 2016, from €12.5 million (or 26.4% of revenue) for Q1 2015.

In Q1 2016, exceptional items consisted of pre-opening costs of new clubs, reorganisation costs, other exceptional costs/gains, monitoring fees, legal services and other advisory costs. In Q1 2015, exceptional items consisted of reorganisation costs, other exceptional costs/gains, monitoring fees, legal services and other advisory costs.

### Adjusted EBITDA per Segment

The following table sets forth our Adjusted EBITDA per reportable segment for Q1 2016 and Q1 2015.

	<u>Q1 2016</u>	<u>Q1 2015</u>
	(in € millions)	
Benelux . . . . .	19.7	14.3
France and Spain . . . . .	1.3	0.1
Other reconciling items <sup>(1)</sup> . . . . .	<u>(2.9)</u>	<u>(1.8)</u>
<b>Total</b> . . . . .	<b><u>18.1</u></b>	<b><u>12.5</u></b>

(1) Other reconciling items represent corporate costs that are not allocated to the reporting segments.

*Benelux:* Adjusted EBITDA in the Benelux increased by €5.4 million, or 37.7% to €19.7 million for Q1 2016, from €14.3 million for Q1 2015. This increase was primarily the result of strong revenue growth across the segment, driven by the increase in the number of our members and clubs in Belgium and the Netherlands, and moderate increases in our cost base at club level in each of Belgium, the Netherlands and Luxembourg.

*France and Spain:* Adjusted EBITDA in France and Spain increased by €1.2 million to €1.3 million for Q1 2016, from €0.1 million for Q1 2015. This increase was primarily the result of revenue growth in France and Spain, driven by the increase in the number of our members and clubs in these countries.

### Depreciation, Amortisation and Impairment Charges

Depreciation, amortisation and impairment charges increased by €4.1 million, or 36.2%, to €15.4 million for Q1 2016, from €11.3 million for Q1 2015. This increase was primarily the result of higher depreciation costs arising from costs relating to our refurbishment programme, which is aimed at bringing all of our clubs to a common Basic-Fit standard, incurred after Q1 2015, and an increase in our inventory of fitness equipment due to the increase in the number of clubs operated in Q1 2016 as compared to Q1 2015, as well as higher amortisation costs resulting from an increase in intangible assets due to acquisitions of new clubs in the period after Q1 2015.

As a percentage of revenue, depreciation, amortisation and impairment charges increased from 23.8% in Q1 2015 to 25.4% in Q1 2016. As in prior periods, depreciation significantly exceeded our maintenance-related capital expenditures in both periods (€11.2 million versus €4.3 million in Q1 2016; €7.6 million versus €1.9 million in Q1 2015).

### Other Operating Income

Other operating income decreased by €0.1 million, or 50.0%, to €0.1 million (or 0.1% of revenue) for Q1 2016, from €0.2 million for Q1 2015 (or 0.3% of revenue). This decrease in other operating income was primarily driven by the fact that we no longer charged subsidiaries of HealthCity International B.V. for certain head office functions in Q1 2016, offset in part by net gains on the disposal of a club in Belgium in 2015, where we continue to charge the buyer for leasing equipment from us.

### Other Operating Expenses

Other operating expenses increased by €5.4 million, or 20.6%, to €31.6 million for Q1 2016, from €26.2 million for Q1 2015. This increase was primarily the result of increases in the number of clubs that we operated and in membership numbers in Q1 2016 as compared to Q1 2015, which were the main factors driving the 24.5% increase in rent expenses, the 25.7% increase in housing expenses, the 28.0% increase in other personnel expenses and the 7.5% increase in selling expenses.

As a percentage of revenue, other operating expenses decreased from 55.2% of revenue in Q1 2015 to 52.2% in Q1 2016, reflecting our operating leverage as the number of our members and clubs grows.

### Operating Profit

As a result of the foregoing factors, our operating profit increased by €1.3 million to €1.7 million for Q1 2016, from €0.4 million (or 0.9% of revenue) for Q1 2015.

## Net Finance Costs

We incurred €4,000 finance income in Q1 2016 and €0 in Q1 2015.

Our finance costs increased by €2.9 million, or 34.6%, to €10.9 million for Q1 2016, from €8.0 million for Q1 2015. This increase was primarily the result of increased interest payments on bank debt and borrowings as a result of higher levels of bank debt in Q1 2016 as compared to Q1 2015 following increases in our Capex/Acquisition Facility of €65.0 million on 14 April 2015 and €82.5 million on 5 February 2016 to fund the roll-out of our growth strategy and the accelerated implementation of our refurbishment programme, as well as increased interest payments on our Shareholder Loans as a result of the compounding of interest thereon.

As a result of the changes in finance income and finance costs, our net finance costs increased by €2.8 million, or 34.6%, to €10.9 million for Q1 2016, from €8.0 million for Q1 2015.

## Result before Income Tax

As a result of the foregoing factors, our loss before income tax increased by €1.6 million, or 20.8%, to €9.3 million for Q1 2016, from €7.6 million for Q1 2015.

## Income Tax Benefit

Income tax benefit increased by €0.4 million, or 23.5%, to €2.1 million for Q1 2016, from €1.7 million for Q1 2015. This increase was primarily the result of an increased loss before income tax for the period resulting in an increase in income tax benefits.

## Results for the Three Months

As a result of the foregoing factors, loss for the period increased by €1.2 million, or 20.0%, to €-7.2 million for Q1 2016, from €-5.8 million for Q1 2015.

## *Comparison of Results of Operations for the FY 2015 and FY 2014*

The following discussion sets out our financial performance and certain operating results on the basis of our audited consolidated financial information for each of FY 2015 and FY 2014.

	<u>FY 2015</u>	<u>FY 2014</u>
	(in € millions)	
<b>Revenue</b> . . . . .	<b>202.2</b>	<b>162.1</b>
Cost of consumables used . . . . .	(1.2)	(0.9)
Employee benefits expenses . . . . .	(39.7)	(33.0)
Depreciation, amortisation and impairment charges . . . . .	(48.0)	(40.6)
Other operating income . . . . .	1.8	1.2
Other operating expenses . . . . .	(107.4)	(87.5)
<b>Operating profit</b> . . . . .	<b>7.7</b>	<b>1.4</b>
Finance income . . . . .	-	-
Finance cost . . . . .	(37.0)	(28.5)
<b>Finance costs – net</b> . . . . .	<b>(37.0)</b>	<b>(28.5)</b>
<b>Profit (loss) before income tax</b> . . . . .	<b>(29.3)</b>	<b>(27.1)</b>
Income tax benefit . . . . .	6.3	4.6
<b>Profit (loss) for the period attributable to our owners</b> . . . . .	<b>(23.0)</b>	<b>(22.5)</b>

## Revenue

Revenue increased by €40.1 million, or 24.7%, to €202.2 million for FY 2015, from €162.1 million for FY 2014. This increase was driven largely by the increase in the number of our members by approximately 164.3 thousand, from 791.5 thousand as at the end of FY 2014 to 955.9 thousand as at the end of FY 2015, reflecting the increase in the number of our clubs by 74 clubs in FY 2015. Fees from personal trainers, physiotherapists and other third-party service providers at our clubs were largely stable.

### Revenue per Segment

The following table sets forth our revenue per reportable segment for FY 2015 and FY 2014.

	<u>FY 2015</u>	<u>FY 2014</u>
	<u>(in € millions)</u>	
Benelux . . . . .	180.8	145.2
France and Spain . . . . .	21.4	16.9
<b>Total</b> . . . . .	<b>202.2</b>	<b>162.1</b>

*Benelux:* Revenue in the Benelux increased by €35.6 million, or 24.5% to €180.8 million for FY 2015, from €145.2 million for FY 2014. This increase was primarily the result of an increase in the number of our members driven in part by an increase in the number of clubs in Belgium, from 118 at the end of FY 2014 to 139 at the end of FY 2015, and in the Netherlands from 114 clubs in FY 2014 to 140 clubs in FY 2015. This increase in the number of members and clubs drove revenue growth of 26.7% in Belgium and 21.2% in the Netherlands. We also achieved revenue growth of 39.0% in Luxembourg, which had a smaller impact on the total revenue growth for this segment due to the relatively smaller size of our operations in Luxembourg.

*France and Spain:* Revenue in France and Spain increased by €4.5 million, or 26.6% to €21.4 million for FY 2015, from €16.9 million for FY 2014. This increase was primarily the result of an increase in the number of our members driven in part by an increase in the number of clubs in France, from 10 in FY 2014 to 25 in FY 2015, and in Spain from 16 in FY 2014 to 26 in FY 2015. This increase in the number of our members and clubs drove revenue growth of 20.1% in France, where the impact of the increase in number of members and clubs was offset in part by the fact that we converted the majority of our clubs in France from HealthCity to the Basic-Fit brand and format only in December 2014, and 32.3% in Spain.

### Adjusted EBITDA

The following table sets forth the reconciliation of Adjusted EBITDA to Profit (loss) before income tax for each of FY 2015 and FY 2014.

	<u>FY 2015</u>	<u>FY 2014</u>
	<u>(in € millions)</u>	
<b>Adjusted EBITDA</b> . . . . .	<b>60.1</b>	<b>45.9</b>
Depreciation, amortisation and impairment charges . . . . .	(48.0)	(40.6)
Finance costs – net . . . . .	(37.0)	(28.5)
Exceptional items . . . . .	(4.4)	(4.0)
<b>Profit (loss) before income tax</b> . . . . .	<b>(29.3)</b>	<b>(27.1)</b>

Adjusted EBITDA increased by €14.2 million, or 30.9%, to €60.1 million (or 29.7% of revenue) for FY 2015, from €45.9 million (or 28.4% of revenue) for FY 2014. In FY 2015, exceptional items consisted of pre-opening costs of new clubs, reorganisation costs, other exceptional costs/gains, monitoring fees, legal services and other advisory costs. In FY 2014, exceptional items consisted of reorganisation costs, other exceptional costs/gains, monitoring fees, legal services and other advisory costs.

### Adjusted EBITDA per Segment

The following table sets forth our Adjusted EBITDA per reportable segment for FY 2015 and FY 2014.

	<u>FY 2015</u>	<u>FY 2014</u>
	<u>(in € millions)</u>	
Benelux . . . . .	64.5	50.3
France and Spain . . . . .	2.3	(0.5)
Other reconciling items <sup>(1)</sup> . . . . .	(6.8)	(3.9)
<b>Total</b> . . . . .	<b>60.1</b>	<b>45.9</b>

(1) Other reconciling items represent corporate costs that are not allocated to the reporting segments.

*Benelux:* Adjusted EBITDA in the Benelux increased by €14.2 million, or 28.2%, to €64.5 million for FY 2015, from €50.3 million for FY 2014. This increase was primarily the result of strong



revenue growth across the segment, driven by the increase in the number of our members and clubs in Belgium and the Netherlands, and moderate increases in our cost base at club level in each of Belgium, the Netherlands and Luxembourg.

*France and Spain:* Adjusted EBITDA in France and Spain increased by €2.8 million to €2.3 million for FY 2015, from €-0.5 million for FY 2014. This increase was primarily the result of revenue growth in France and Spain, driven by the increase in the number of our members and clubs in these countries, along with a decrease in expenses in Spain. Adjusted EBITDA for this segment also benefitted from the closure of two under-performing clubs in Spain in FY 2014.

#### Cost of Consumables Used

Cost of consumables used increased by €0.3 million, or 33.3%, to €1.2 million (or 0.6% of revenue) for FY 2015, from €0.9 million (or 0.5% of revenue) for FY 2014. This increase of the cost of consumables used was primarily the result of an increase in sales and a corresponding increase of purchase costs of Yanga Sports Water, an increase in the provision of new member fitness introductions, in each case as a result of the increase in the number of our members, and increases in company fitness programmes and the cost of sales of our Basic-Fit app payable to the developer of the app.

#### Employee Benefits Expenses

Employee benefits expenses increased by €6.7 million, or 20.3%, to €39.7 million for FY 2015, from €33.0 million for FY 2014. This increase was primarily the result of the increase in the number of our clubs by 74 clubs, resulting in an increase in FTEs, and increases in staff levels at our head office. These increases were offset in part by a decrease in severance payments in FY 2015 due to a higher number of redundancies in FY 2014 as compared to FY 2015 as a consequence of a higher number of club conversions from HealthCity to the Basic-Fit brand and format in FY 2014.

As a percentage of revenue, employee benefits expenses declined from 20.3% in FY 2014 to 19.7% in FY 2015, reflecting our operating leverage as the numbers of memberships and clubs grow.

#### Depreciation, Amortisation and Impairment Charges

Depreciation, amortisation and impairment charges increased by €7.4 million, or 18.3%, to €48.0 million for FY 2015, from €40.6 million for FY 2014. This increase was primarily the result of our refurbishment programme and an increase in our inventory of fitness equipment due to the increase in the number of clubs operated in FY 2015 as compared to FY 2014, and the resulting depreciation and amortisation applied in respect of that fitness equipment. The increase was partially offset by the reversal of an impairment charge in FY 2015, which reversal amounted €2.4 million. The impairment charge was initially recorded in FY 2014 and amounted to €3.0 million.

As a percentage of revenue, depreciation, amortisation and impairment charges declined from 25.0% in FY 2014 to 23.7% in FY 2015, reflecting our operating leverage as the numbers of memberships and clubs grow. Depreciation in both periods significantly exceeded the levels of maintenance-related capital expenditures (€35.3 million versus €9.8 million in FY 2015; €24.0 million versus €13.3 million in FY 2014).

#### Other Operating Income

Other operating income increased by €0.6 million, or 50.0%, to €1.8 million (or 0.9% of revenue) for FY 2015, from €1.2 million (or 0.8% of revenue) for FY 2014. This increase was primarily the result of net gains from the disposal of fitness equipment and one of our fitness clubs in Antwerp, Belgium, partially offset by a decrease in the amounts we received from subsidiaries of HealthCity International B.V. in consideration for certain head office functions that we provided to them in relation to HealthCity clubs in France until May 2015. See “*Selling Shareholders and Related Party Transactions*”.

#### Other Operating Expenses

Other operating expenses increased by €19.9 million, or 22.8%, to €107.4 million for FY 2015, from €87.5 million for FY 2014. This increase was primarily the result of increases in the number of clubs that we operated and in membership numbers in FY 2015 as compared to FY 2014, which were the main factors driving the 29.0% increase in rent expenses, the 22.3% increase in housing expenses, the 55.8% increase in other personnel expenses and the 5.4% increase in selling expenses and the

39.9% increase in write-off of bad debts, including collection agency costs. As a percentage of revenue, write-off of bad debts has been relatively stable (2.7% for FY 2015 and 2.4% for FY 2014).

As a percentage of revenue, other operating expenses declined from 54.0% of revenue in FY 2014 to 53.1% in FY 2015, reflecting our operating leverage as the numbers of memberships and clubs grow.

#### Operating Profit

As a result of the foregoing factors, our operating profit increased by €6.3 million to €7.7 million (or 3.8% of revenue) for FY 2015, from €1.4 million (or 0.9% of revenue) for FY 2014.

#### Net Finance Costs

We incurred €0 finance income in FY 2015 and FY 2014.

Finance costs and net finance costs increased by €8.5 million, or 29.8%, to €37.0 million for FY 2015, from €28.5 million for FY 2014. This increase was primarily driven by interest on Shareholder Loans being expensed for only one-half of FY 2014 compared to the entire period in FY 2015 due to a portion of these Shareholder Loans only being drawn in the second half of FY 2014. The increase in finance costs and net finance costs also reflected increases in financial lease costs due to an increase in fitness equipment and increases in interest payments relating to our external debt due to an increase in amounts borrowed in FY 2015 compared to FY 2014.

#### Result before Income Tax

As a result of the increase in finance costs, our result before income tax decreased by €2.2 million, or 8.1%, to a loss of €29.3 million for FY 2015, from a loss of €27.1 million for FY 2014.

#### Income Tax Benefit or Expense

Income tax benefit increased by €1.7 million, or 37.0%, to €6.3 million for FY 2015, from €4.6 million for FY 2014. This increase was primarily the result of an increase in deferred tax assets recognised mainly in respect of losses carried forward for the previous period.

#### Results for the Year

As a result of the foregoing factors, loss for the period increased by €0.5 million, or 2.3%, to a loss of €23.0 million for FY 2015, from a loss of €22.5 million for FY 2014.

### **Liquidity and Capital Resources**

Our principal sources of liquidity have been cash flow from operating activities and proceeds from loans and borrowings. Our liquidity and capital resource requirements arise primarily from the need to fund our growth strategy consisting of the roll-out of new clubs and the acquisition and converting of existing clubs to the Basic-Fit brand and format, from the need to service our debt, meet working capital requirements and maintain our clubs and, historically, from the capital lay-out arising from our club refurbishment programme, which is aimed at bringing all of our clubs to a common Basic-Fit standard.

Our working capital is composed of inventories, receivables and current liabilities, which consist of trade and other payables, mainly comprising capex-related trade payables, ordinary trade payables, deferred income and other payables (including interest payable). Because members pay their subscription fees in advance, we have benefitted and continue to benefit from a significant negative net working capital position, though the effect is expected to moderate in 2016 due to changes in our level of payables. In view of the moderate seasonality of new memberships (see “*Business – Membership and Members*”), our working capital shows some seasonable effects, but these are mitigated by the monthly payment structure of the bulk of our memberships.

Our objective when managing capital is to safeguard our ability to continue as a going concern in order to provide returns to shareholders and other benefits for our various stakeholders.

We have from time to time experienced constraints on our liquidity and cash resources, typically in periods where we opened or acquired a greater number of new clubs or had greater capital

expenditures as a result of club refurbishments. Historically, we have managed such periods through careful liquidity planning and obtaining additional funding through loans and borrowings.

### *Cash Flow*

The table below summarises our consolidated cash flow for the periods indicated. The table should be read in conjunction with the accompanying notes in the Financial Statements elsewhere in this Prospectus.

	<u>Q1 2016</u>	<u>Q1 2015</u>	<u>FY 2015</u>	<u>FY 2014</u>
	(in € thousands)			
Net cash flow from operating activities . . . . .	1,250	7,597	51,916	29,410
Net cash flow used in investing activities . . . . .	(20,922)	(15,363)	(77,977)	(72,245)
Net cash flow from financing activities . . . . .	7,135	(6,302)	25,134	48,272
Net (decrease)/increase in cash and cash equivalents . . . . .	(12,537)	(14,068)	(927)	5,437
Cash and cash equivalents at the beginning of the period . . . . .	12,328	13,255	13,255	7,818
Cash and cash equivalents at the end of the period	<u>(209)</u>	<u>(813)</u>	<u>12,328</u>	<u>13,255</u>

### *Cash Flow from Operating Activities*

Net cash flow from operating activities consists of operating profit before interest, tax, depreciation and amortisation, adjusted for the cash impact of provisions, change in working capital and interests and taxes paid.

Net cash flow from operating activities amounted to be €1.3 million cash inflow in Q1 2016, a decrease of €6.3 million as compared to net cash flow from operating activities of €7.6 million cash inflow in Q1 2015. This decrease mainly reflected lower levels of cash generated from movements in net working capital, primarily as a result of a decrease in trade and other payables, only partly offset by the increase in our EBITDA.

Net cash flow from operating activities amounted to be €51.9 million cash inflow in FY 2015, an increase of €22.5 million as compared to net cash inflow from operating activities of €29.4 million in FY 2014. This increase primarily reflected an increase in loss for the period attributed to our owners, before interest, taxes, depreciation and amortisation, and before exceptional expenses, in FY 2015 as compared to FY 2014, as well as significantly higher levels of cash generated from movements in net working capital, mainly as a result of an increase in trade and other payables which was mainly attributable to management's efforts with respect to liquidity planning.

### *Cash Flow used in Investing Activities*

Net cash flow used in investing activities mainly consists of initial site investment for new clubs, investment required for the acquisition of existing clubs and subsequent conversion to the Basic-Fit brand and format and capital expenditure on the maintenance and refurbishment of our clubs.

Net cash flow used in investing activities amounted to be €20.9 million cash outflow in Q1 2016, an increase of €5.5 million as compared to net cash flow used in investing activities of €15.4 million cash outflow in Q1 2015. This increase was primarily due to an increase in capital expenditures due to an increase in the number of club openings.

Net cash flow used in investing activities was €78.0 million cash outflow in FY 2015, an increase of €5.7 million as compared to net cash flow used in investing activities of €72.2 million cash outflow in FY 2014. The increase was primarily due to an increase in capital expenditure due to an increase in the number of clubs opened and acquired, and an acceleration of our club refurbishment programme.

### *Cash Flow from Financing Activities*

Net cash flow from financing activities mainly consists of the drawdown and repayment of loans and borrowings under the Existing Facilities and Shareholder Loans and the payment of other financing and transaction costs, but excluding interest payments.

Net cash flow from financing activities amounted to be €7.1 million cash inflow in Q1 2016, an increase of €13.4 million as compared to net cash flow from financing activities of €6.3 million cash outflow in Q1 2015. This development was primarily due to a drawdown of €17.5 million under our Capex/Acquisition Facility in Q1 2016, which was partially offset by repayments of bank loans and financial leases.

Net cash flow from financing activities was €25.1 million cash inflow in FY 2015, a decrease of €23.2 million as compared to net cash flow from financing activities of €48.3 million cash inflow in 2014. This decrease was primarily due to reduced drawdowns of loans in FY 2015 as compared to FY 2014, partially offset by increased repayments of bank loans and financial leases in FY 2015 as compared to FY 2014.

### ***Going-Concern Assumption***

We have recorded net losses under IFRS in recent periods, in the amount of €7.2 million in Q1 2016, €23.0 million in FY 2015 and €22.5 million in FY 2014. The losses of these periods have contributed to the negative shareholders' equity in our consolidated balance sheet of €30.9 million as per 31 March 2016. Our continuity is dependent on positive development of revenues and profits and the key factors impacting our liquidity are the amount of new club openings and the investments related thereto. In case of a shortfall in liquidity, we can implement certain measures to avoid this, including a deceleration or downsizing of the planned growth strategy by reducing, delaying or cancelling part of the planned new club openings in 2016 and 2017 as for most of these investments no material commitments have been provided. Furthermore, cash flows are monitored closely and are discussed within the management team on a monthly basis. Based on the analysis and assessment of options, management has applied judgement and is of the opinion that the financial statements are correctly prepared according to the going concern assumption.

### **Indebtedness**

The following table provides an overview of our borrowings and net debt as at the end of the periods indicated.

	<u>Q1 2016</u>	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>
	(in € thousands)			
Total borrowings . . . . .	489,227	468,354	372,883	273,415
Less: long term Shareholder Loans. . . . .	(206,997)	(201,082)	(179,865)	(142,595)
Less: cash and cash equivalents . . . . .	(629)	(12,328)	(13,255)	(7,818)
<b>Net debt excluding long term Shareholder Loans. .</b>	<b><u>281,601</u></b>	<b><u>254,944</u></b>	<b><u>179,763</u></b>	<b><u>123,002</u></b>

### ***Banking Facilities and Loans***

We intend to refinance all of our existing bank loans and part of the Financial Lease Liabilities (as defined in “– *Contractual Obligations and Commitments*”) in connection with the Offering. We intend to repay and discharge the Existing Facilities (as defined below), using a combination of net proceeds from the Primary Offering and a drawdown under the New Facilities (as defined below) and to repay part of the Financial Lease Liabilities from drawdowns under the New Facilities on the Settlement Date (the “**Refinancing**”). In addition, it is expected that on the Settlement Date, the Shareholder Loans plus accrued interest will be repaid in full from the net proceeds of the Primary Offering and any outstanding commitments under the Shareholder Loans will terminate.

### ***New Facilities***

Certain members of our Group entered into a multicurrency term and revolving facilities agreement on 20 May 2016 between, amongst others, Miktom International, as an original borrower and original guarantor, ABN AMRO and Rabobank, as bookrunning mandated lead arrangers, ING and KBC, as mandated lead arrangers, ABN AMRO, Rabobank, ING, NIBC and KBC, as the original lenders, Rabobank, as agent, and ABN AMRO, as documentation agent (the “**New Facilities Agreement**”).

The New Facilities Agreement governs the new facilities, which consist of (i) a term loan facility A denominated in Euros in an aggregate amount of €95.5 million (the “**New Term Facility A**”); (ii) a term loan facility B denominated in Euros in an aggregate amount of €79.5 million (the “**New Term**

**Facility B**”, and together with the New Term Facility A, each, a “**New Term Facility**”, and collectively, the “**New Term Facilities**”); and (iii) a multicurrency revolving credit facility in an amount of €100.0 million, which may be increased by an additional €75.0 million upon the Company’s written request and subject to the satisfaction of conditions precedent (the “**New Revolving Facility**”, and together with the New Term Facilities, each, a “**New Facility**”, and collectively, the “**New Facilities**”).

The amounts borrowed under the New Term Facility A shall be applied towards the repayment of any existing indebtedness under Facility A and Facility B1 (as these terms are defined below) of the Existing Facilities. The amounts borrowed under the New Term Facility B are available for general corporate purposes, including without limitation the repayment of existing indebtedness (including existing interest rate hedging arrangements and finance leases but excluding any existing indebtedness under Facility A and Facility B1). The amounts borrowed under the New Revolving Facility are available for general corporate purposes, including without limitation the repayment of existing indebtedness (including existing interest rate hedging arrangements and finance leases) together with related fees, costs and expenses, capital expenditure and acquisitions permitted under the New Facilities Agreement. The maturity date of the New Facilities is 20 May 2021. The New Facilities are guaranteed by Miktom International and certain other members of the Group, and are unsecured.

Delivery of a utilisation request under a New Facility is conditional upon satisfaction of the following conditions precedent: delivery of constitutional documents of the Group, copies of board or equivalent body resolutions authorising the execution and delivery of the New Facilities Agreement and such utilisation request and authorising the Company to act as its agent, specimen signatures of each person authorised by the foregoing resolutions, legal opinions from certain legal advisors to the parties to the New Facilities Agreement, officer certificates, financial statements, a structure chart of the Group, shareholder rosters, a global interest rate letter and evidence of “know your customer” compliance, the closing of the Offering, and the forthcoming repayment and cancellation of the facilities provided under the Existing Facilities Agreements and release of all related security.

The interest rate on each loan under the New Facilities Agreement is a percentage rate per annum equal to the aggregate of (a) the applicable margin (as described below), and (b) EURIBOR or, in relation to any loan in a currency other than Euro, LIBOR. EURIBOR and LIBOR rates are set at the beginning of an interest period, which may be selected by a borrower for a period of one, two, three or six months, or any other period agreed upon with the lenders and the agent. The applicable EURIBOR or LIBOR rate for a loan corresponds with the relevant interest period of such loan.

The applicable margin in relation to any loan under the New Term Facilities and New Revolving Facility will be, respectively, the relevant percentage rate per annum set forth below. If no event of default has occurred and is continuing and the leverage ratio in respect of the most recently completed relevant period, as shown by the associated compliance certificate, is within the range set out below, however, the margin for each loan under a New Facility will be the percentage rate per annum set forth below in the column for such facility opposite that range:

	<b>New Term Facilities</b>	<b>New Revolving Facility</b>
<b>Leverage Ratio<sup>(1)</sup></b>	<b>(Margin % p.a.)</b>	
Greater than 3.50:1 . . . . .	2.75%	2.75%
Greater than 3.00:1 and less than or equal to 3.50:1 . . . . .	2.50%	2.50%
Greater than 2.50:1 and less than or equal to 3.00:1 . . . . .	2.25%	2.25%
Greater than 2.00:1 and less than or equal to 2.50:1 . . . . .	2.00%	2.00%
Greater than 1.50:1 and less than or equal to 2.00:1 . . . . .	1.75%	1.75%
Equal to or less than 1.50:1 . . . . .	1.50%	1.50%

(1) Leverage ratio means, in respect of any relevant period, the ratio of consolidated total net debt (as calculated in accordance with the relevant provisions of the financial covenants included in the New Facilities Agreement) on the last day of that relevant period to Consolidated EBITDA in respect of that relevant period. “Consolidated EBITDA” means EBITDA (as calculated pursuant to the terms of the New Facilities Agreement) plus any permitted *pro forma* adjustments under the New Facilities Agreement.

The commitment fee payable in connection with and for the duration of the New Revolving Facility is a rate per annum equal to 35% of the margin then applicable to the New Revolving



Facility on the aggregate available commitments under the New Revolving Facility. No commitment fee is payable in connection with the New Term Facilities.

A “change of control” occurs under the New Facilities Agreement if at any time any person or persons (in each case other than a “relevant shareholder” (as described below) or any person directly or indirectly controlled by any of them (excluding portfolio companies)) acting in concert, directly or indirectly (i) acquires beneficial ownership of more than 50% of the issued and registered voting share capital of the Company; (ii) has the power to cast, or control the casting of, more than 50% of the issued and registered voting share capital of the Company; or (iii) has the power to direct the operating and financial policies of the Company, whether through the ownership of voting capital, by contract or otherwise. For the purposes of the “change of control” mandatory prepayment event under the New Facilities Agreement, “relevant shareholder” means: (i) 3i Group plc, 3i Investments plc, any affiliate of 3i Group plc or 3i Investments plc and any funds managed or advised by 3i Group plc or 3i Investments plc or any such affiliate; (ii) Mr Moos; (iii) Mr van der Vis; (iv) Mr Wilborts; or (v) any person included in the list of shareholders to be delivered as a condition precedent to the utilisation of the New Facilities. In the event that a change of control occurs and the Company and the lenders are unable to agree to the continuance of the New Facilities, each lender is entitled to require by written notice to the agent and the Company that, among other things, and with respect to such lender, (i) all amounts payable under the New Facilities Agreement or any related documents will become due and payable; (ii) the borrowers under the New Facilities Agreement will prepay all loans and/or other utilisations provided by that lender; and (iii) the undrawn commitments under the New Facilities Agreement of that lender will be immediately cancelled.

Mandatory prepayments and cancellation of a given lender’s commitment may also be required in the event it becomes unlawful for such lender to perform any of its obligations under the New Facilities Agreement or to fund or maintain its participation in any loan. A borrower may, upon not less than three business days’ prior written notice, cancel the whole or any part of an available facility, and any such prepayment must be applied *pro rata* to each lender’s participation in such loan.

The New Facilities Agreement contains a negative pledge over the assets of all members of the Group. Such negative pledge is subject to the following baskets and exceptions: (i) any security securing indebtedness the aggregate outstanding principal amount of which does not exceed the greater of €7.0 million and an amount equal to 10% of the Consolidated EBITDA; (ii) any security existing as of the date of the New Facilities Agreement granted in connection with the Existing Facilities Agreement, so long as such security is irrevocably removed or discharged no later than the initial New Facility utilisation date; (iii) sales, leases, or other disposals of any asset (a) by a member of the Group which is not an obligor to another member of the Group; (b) by an obligor to another obligor; or (c) by an obligor to a member of the Group which is not an obligor if the aggregate book value of any such asset does not exceed the aggregate of €7.0 plus the book value of any assets that are disposed of by members of the Group which are not obligors to obligors; (iv) ordinary course or hedging transaction netting or set-off arrangements; (v) securities arising under clause 24 or clause 25 of the general terms and conditions of any member of the Dutch Bankers’ Association, legal proceedings and rental deposits; and (vi) sales, leases, or other disposals required in a Permitted Acquisition. A “Permitted Acquisition” is an acquisition by an obligor under the New Facilities Agreement of a company or any shares or securities or a business or undertaking at any time an event of default under the New Facilities Agreement is not continuing or would occur as a result of such acquisition, or which would be complementary or substantially similar to the business of the Group. The New Facilities Agreement additionally contains the following positive negative undertakings: delivery of certified and accurate financial statements, compliance certificates, shareholder communications and notice of litigation proceedings and default; performing “know your customer” checks; restrictions on the obligors’ ability to engage in mergers or incur additional debt, subject to monetary baskets and operational and intra-Group exceptions.

Under the New Facilities Agreement, we are obligated to ensure that the leverage ratio described above in respect of the Relevant Periods (as defined below) ending 31 December 2016 and 30 June 2017 does not exceed 4.00:1, and such ratio steps down to 3.75:1 in the case of the subsequent two Relevant Periods and further down to 3.50:1 in the case of each Relevant Period ending thereafter. A “Relevant Period” means a period of 12 months ending on the last day of a

financial half year of the Company; provided, that, the first Relevant Period shall not be earlier than 31 December 2016.

The New Facilities Agreement contains representations made by the borrowers and guarantors under the New Facilities Agreement with respect to their status, the obligations assumed by them under the New Facilities Agreement and related finance documents being legal, valid, binding and enforceable, absence of conflict with other obligations, their power and authority to enter into, perform and deliver the New Facilities Agreement and related finance documents, validity and admissibility in evidence of the New Facilities Agreement and related finance documents, deduction of tax, absence of filing or stamp taxes, absence of misleading information, their financial statements, *pari passu* ranking, absence of proceedings, completeness and accurateness of the Group structure chart provided to the lenders, sanctions, anti-corruption, absence of breach of laws, valid choice of governing law and jurisdiction and absence of default.

The New Facilities Agreement additionally sets forth the following as events of default: non-payment of any amounts due under the New Facilities Agreement and related finance documents; breach of financial covenants; breach of other obligations under the New Facilities Agreement and related finance documents; misrepresentation; cross default; and insolvency-related events, in each case subject to materiality thresholds, qualifications and cure periods. Any event of default that, if subject to a remedy period, is not remedied within such period permits the Majority Lenders (as defined in the New Facilities Agreement) to direct the agent to, subject to applicable law (i) cancel the commitments under the New Facilities; and (ii) declare that all or part of the loans and all other amounts accrued or outstanding be immediately due and payable.

#### *Existing Facilities*

Certain companies of our Group entered into a syndicated senior facilities agreement on 29 November 2013 between, amongst others, Miktom International, a subsidiary of Topco, as the parent, original borrower and original guarantor, ABN AMRO, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International and currently renamed Coöperatieve Rabobank U.A.) and ING as mandated lead arrangers and bookrunners and original lenders and ING as agent and security agent (as amended and/or restated on 25 February 2014, 23 May 2014, 14 April 2015, 12 November 2015 and 5 February 2016, the “**Existing Facilities Agreement**”). In February 2014, NIBC and KBC Bank N.V. acceded to the Existing Facilities Agreement as lenders.

The Existing Facilities Agreement governs the senior facilities which consist of a revolving credit facility (the “**Revolving Facility**”), a capex/acquisition facility (the “**Capex/Acquisition Facility**”) and term facilities (the “**Term Facilities**”, and together with the Revolving Facility and the Capex/Acquisition Facility, the “**Existing Facilities**”).

The Revolving Facility, of which the total commitment is €22.5 million, was made available to certain subsidiaries of Topco. The Revolving Facility is available for working capital and general corporate purposes of the Group. The Revolving Facility loans must be repaid or renewed on the last day of the relevant interest period with a final maturity date of 20 December 2019. The Revolving Facility is available for drawdown of new utilisations until the date that is one month before its final maturity date. The amount outstanding under the Revolving Facility was €0.8 million as of 31 March 2016.

The Capex/Acquisition Facility, of which the total commitment is €82.5 million, was made available to certain subsidiaries of Topco. On the original signing date of the Existing Facilities Agreement, the total commitment of the Capex/Acquisition Facility was €15 million, which was subsequently increased to €25.7 million on 27 February 2014, to €45.7 million on 23 May 2014, to €65.0 million on 14 April 2015 and to €82.5 million on 5 February 2016. The Capex/Acquisition Facility is available for permitted acquisitions (and payment of costs and expenses in connection with these permitted acquisitions), permitted capital expenditure and refinancing of indebtedness of entities acquired and restructuring costs in relation to permitted acquisitions. The Capex/Acquisition Facility loans are repayable in scheduled payments with a final maturity date of 20 December 2019. The Capex/Acquisition Facility is available for drawdown of new utilisations until 30 June 2017. The amount outstanding under the Capex/Acquisition Facility was €82.5 million as of 31 March 2016.

The Term Facilities consist of: (i) a term loan A facility (“**Facility A**”) denominated in Euros of which the total commitment was €39.5 million as of 5 February 2016, which was made available in connection with the Basic-Fit Acquisition; (ii) a term loan B1 facility (“**Facility B1**”) denominated in

Euros of which the total commitment was €56.0 million as of 5 February 2016, which was also made available in connection with the Basic-Fit Acquisition; and (iii) a term loan B2 facility (“**Facility B2**”) denominated in Euros of which the total commitment was €25.7 as of 5 February 2016, which was made available for permitted acquisitions (and payment of costs and expenses in connection with these permitted acquisitions), permitted capital expenditure and refinancing of indebtedness of entities acquired and restructuring costs in relation to permitted acquisitions. Facility A is repayable in scheduled payments, from 30 June 2014 until 31 December 2019 and Facility B1 and Facility B2 are repayable by bullet payments on 20 December 2019. The Term Facilities are no longer available for further new drawdowns. The amount outstanding under the Term Facilities was €121.2 million as of 31 March 2016.

#### Maturity Dates of Loans

The following table describes the final maturity dates and outstanding principal of our Existing Facilities as at 31 March 2016:

	<u>Currency</u>	<u>Year of Maturity</u>	<u>Repayment</u>	<u>Principal Outstanding Amount</u> (€ millions)
<b>Existing Facilities</b>				
Facility A . . . . .	EUR	2019	Instalments	39.5
Facility B1 . . . . .	EUR	2020	Bullet	56.0
Facility B2 . . . . .	EUR	2019	Bullet	25.7
Capex/Acquisition Facility . . . . .	EUR	2019	Instalments	82.5
Revolving Facility . . . . .	EUR	2019	Revolving	0.8

Facility A is repayable in the following instalments:

	<u>Instalment</u> (€ millions)
<b>Repayment Date</b>	
30 June 2016 . . . . .	4.0
31 December 2016 . . . . .	4.0
30 June 2017 . . . . .	5.25
31 December 2017 . . . . .	5.25
30 June 2018 . . . . .	5.25
31 December 2018 . . . . .	5.25
30 June 2019 . . . . .	5.25
31 December 2019 . . . . .	5.25
<b>Total . . . . .</b>	<b>39.5</b>

The Capex/Acquisition Facility is repayable in instalments on the following dates, in each case in an aggregate amount equal to the relevant percentages of the Capex/Acquisition Facility Loans outstanding at the end of the availability period for the original Capex/Acquisition Facility, as set forth in the following table.

	<u>Instalment</u>
<b>Repayment Date</b>	
31 December 2017 . . . . .	20%
30 June 2018 . . . . .	20%
31 December 2018 . . . . .	20%
30 June 2019 . . . . .	20%
20 December 2019 . . . . .	20%
<b>Total . . . . .</b>	<b>100%</b>

#### Interest and Fees

The interest rate on each borrowing under the Existing Facilities Agreement is a rate per annum equal to the aggregate of (a) the applicable margin (as described below); (b) EURIBOR in relation to any loan in Euro and in relation to any loan not in Euro, LIBOR; and (c) mandatory costs. EURIBOR and LIBOR rates are set at the beginning of an interest period. Interest periods can be for a period of one, two, three or six months or any other period as agreed between the relevant

borrower and the agent. The applicable EURIBOR or LIBOR rate for a loan corresponds with the relevant interest period of such loan.

Provided that (i) no event of default has occurred and is continuing; and (ii) the leverage ratio as at the end of the most recently ended relevant period is within a range set out below (as shown by the relevant quarterly financial statements (and associated compliance certificate) for that relevant period delivered by Miktom International to the agent), the margin for each loan under a facility will be the percentage per annum rate determined by reference to the leverage ratio as set forth in the column for that facility opposite that range in the following table.

	<u>Facility A</u>	<u>Facility B1</u>	<u>Facility B2</u>	<u>Capex/ Acquisition Facility<sup>(2)</sup></u>	<u>Revolving Facility</u>
<b>Leverage<sup>(1)</sup></b>					<b>(Margin % p.a.)</b>
Greater than 3.75:1 . . . . .	4.25	4.75	4.75	4.25	4.25
3.75:1 or less, but greater than 3.25:1 . . . .	4.00	4.50	4.50	4.00	4.00
3.25:1 or less, but greater than 2.75:1 . . . .	3.75	4.50	4.50	3.75	3.75
2.75:1 or less, but greater than 2.25:1 . . . .	3.50	4.25	4.25	3.50	3.50
2.25:1 or less . . . . .	3.25	4.25	4.25	3.25	3.25

(1) Leverage means, in respect of any relevant period, the ratio of total net debt of the last day of that relevant period to consolidated EBITDA of the Group in respect of that relevant period. A relevant period means each period of twelve months ending on or about 31 December in each year or each period of twelve months ending on or about 31 March, 30 June, 30 September or 31 December in each year.

(2) Each additional capex/acquisition facility shall be available under the same terms as the original Capex/Acquisition Facility other than, among other, the margin. The margin for an additional capex/acquisition facility may be up to 5.25% per annum and must be specified in an additional capex/acquisition facility commitment notice.

The commitment fee for the Revolving Facility is 40% of the applicable margin per annum on that lender's total available commitment under the Revolving Facility for the duration of the availability period applicable to the Revolving Facility. The commitment fee for the Capex/Acquisition Facility is 40% of the applicable margin per annum on that lender's total available commitment under the Capex/Acquisition Facility for the duration of the availability period applicable to the Capex/Acquisition Facility.

Mandatory Prepayment

Mandatory prepayments are required to be made under the Existing Facilities Agreement upon: (i) the occurrence of a Change of Control (as defined in the Existing Facilities Agreement); (ii) the sale of all or substantially all of the assets of the Group to persons who are not members of the Group, whether in a single transaction or a series of related transactions; (iii) an initial public offering ("IPO") resulting in a Change of Control; and (iv) generating excess cash flow (the cash flow generated in a financial year, less certain costs and proceeds; including the repayment of borrowings and certain disposal proceeds, insurance proceeds, claims proceeds and IPO proceeds) for each financial year.

A Change of Control occurs under the Existing Facilities Agreement if (A) prior to a listing (i) AM Holding ceases directly or indirectly to control 21.4% of Miktom International; or (ii) Mito, together with the Independent Shareholder (as defined in the definition of Change of Control in the Existing Facilities Agreement), cease directly or indirectly to have Majority Control (as defined in the definition of Change of Control in the Existing Facilities Agreement) of Miktom International; or (iii) AM Holding and Mito (taken together) cease directly or indirectly to hold at least 50% of all the financial indebtedness made available to Topco, or (B) after a listing (i) Mito and the Independent Shareholder taken together, cease directly or indirectly to own beneficially and have the direct or indirect right to vote more than 30% of the voting share capital of a listed Group entity; or (ii) AM Holding ceases directly or indirectly to control 12.84% of a listed Group entity, or (C) 3i Group plc, 3i Investments plc, or an affiliate or entities managed or advised by either 3i Group plc or 3i Investments plc (each a Sponsor as defined in the Existing Facilities Agreement), cease directly or indirectly to have majority control of Mito; (D) Mr Moos (or any successor) ceases directly or indirectly to have Majority Control of AM Holding; or (E) at any time, any person or group of persons acting in concert (excluding Mito, the sponsor and the Independent Shareholder) gains direct or indirect Majority Control of Miktom International.

If an IPO will not result in a Change of Control, the subsidiaries of the Group that entered into the Existing Facilities Agreement as borrower will be required to prepay the Existing Facilities with a percentage of the net amount of the IPO proceeds as determined by reference to the leverage ratio set forth in the following table, as adjusted on a *pro forma* basis taking into account such IPO and any prepayment required as set out in the Existing Facilities Agreement.

**Leverage**

Higher than 3.00:1 . . . . .	50%
Equal to or less than 3.00:1 but higher than 2.25:1 . . . . .	25%
Equal to or less than 2.25:1. . . . .	<u>0%</u>

Mandatory prepayment with respect to excess cash flow consists of a percentage of the excess cash flow generated during each financial year as determined by reference to the leverage ratio set forth in the following table, as at the end of each financial year and as adjusted on a *pro forma* basis taking into account such prepayment in accordance with the table below at the times and in the order of application as set out in the Existing Facilities Agreement.

**Leverage**

Higher than 3.00:1 . . . . .	50%
Equal to or less than 3.00:1 but higher than 2.25:1 . . . . .	25%
Equal to or less than 2.25:1. . . . .	<u>0%</u>

Mandatory prepayment proceeds will be applied in the order as included in the Existing Facilities Agreement and will be first applied for prepayment of the Facility A Loans, Facility B1 Loans, Facility B2 Loans and the Capex/Acquisition Facility Loans under the Boost Capex/Acquisition Facility and against all Facility A Repayment Instalments *pro rata* (all as defined in the Existing Facilities Agreement).

There will be deducted from the amount required to be applied in prepayment in any financial year: (i) €10 million per annum; (ii) an amount equal to the amount of any voluntary prepayment during the relevant financial year; and (iii) an amount equal to the cash cost of any debt purchase transaction (the cash costs of any purchase by way of assignment or transfer; or any sub-participation and other agreement or arrangement, having an economic effect substantially similar to a sub-participation in respect of any commitment or amount outstanding under the Existing Facilities Agreement during the relevant financial year).

**Guarantees and Security**

The Existing Facilities Agreement is guaranteed by Miktom International, as well as the following Group companies: Topco, Basic-Fit International B.V., Basic-Fit Nederland B.V., Basic-Fit Belgium BVBA, HealthCity België NV, Just Fit NV, Basic-Fit France S.A.S., Basic-Fit Spain, S.A., Basic-Fit Luxembourg S.à r.l. and HealthCity Luxembourg S.A., which are all a party to the Existing Facilities Agreement as guarantors.

The Existing Facilities are secured by, among others, first ranking pledges or security interest agreements (as applicable) over the share capital, the inter-company receivables, insurance receivables, recourse claims and the bank accounts of various Group companies and other first ranking security documents in respect of such companies' material assets and over the rights of Miktom International under the sale and purchase agreement dated 20 November 2013 and over the rights of Basic-Fit International B.V. under the transitional services agreement in each case in connection with the sale and purchase agreement dated 20 November 2013 relating to the sale and the Basic-Fit Acquisition.

**Undertakings**

The Existing Facilities Agreement contains a number of customary undertakings. The undertakings include, among other things, a negative pledge over the assets of the obligors (subject to certain baskets and exceptions, including any security securing indebtedness the aggregate outstanding principal amount of which does not exceed €2.5 million (or its equivalent in other currencies) at any time) as well as restrictions on dividends and share redemptions (subject to certain baskets and exceptions, including but not limited to (i) the payment of dividends or other distributions, or payment of amounts in respect of subordinated debt if in respect of the relevant period prior to such payment and taking into account such payment, the leverage ratio is 2.25:1 or less; and (ii) any



payments by a member of the Group to an investor for corporate finance, M&A and transaction advice actually provided to the Group not exceeding €3 million in aggregate over the life of the Existing Facilities).

Other relevant undertakings create certain restrictions on the obligors' ability, amongst others, to advance loans or credit, effect disposals, engage in mergers, acquisitions or joint ventures, or incur additional debt or to move cash (cash out or cash in) (each subject to certain baskets and exceptions). In relation to the restrictions on acquisitions, each obligor is restricted from acquiring a company or any business or undertaking or from entering into a joint venture. Certain exceptions to this restriction include an acquisition of a company or a business or undertaking or a joint venture which is: (i) an acquisition by a member of the Group of an asset sold, leased, transferred or otherwise disposed of by another member of the Group in circumstances constituting a permitted disposal; (ii) an acquisition of shares or securities pursuant to a permitted share issue; (iii) an acquisition of cash equivalents; (iv) any acquisition of any interest or investment in a joint venture or transfer of assets to a joint venture or loan made to or guarantee given in respect of the obligations of a joint venture if such transaction is permitted under the Existing Facilities Agreement; and (v) any acquisition subject to certain limitations (including a limit of €10 million per annum and an aggregate limit of €30 million over the life of the Existing Facilities), plus various sub-limits reflecting additional equity or permitted debt used to fund such acquisition, and the need to meet certain actual and projected leverage ratio levels).

In relation to the restriction on disposals, the obligor is restricted from entering into a transaction to sell, lease, transfer or otherwise dispose of any asset. Certain exceptions to this restriction include (i) the disposal of assets made by any member of the Group in the ordinary course of trading of the disposing entity; (ii) any sale, lease, license, transfer or other disposal as part of a permitted transaction (a specific permitted transaction is the intra-group reorganisation on a solvent basis in the form of a merger between the Belgian subsidiaries known as Basic-Fit Belgium BVBA and JustFit NV) under the Existing Facilities Agreement; (iii) any disposal on normal commercial terms where the proceeds are either reinvested in replacement assets or applied in prepayment of the Existing Facilities; and (iv) where the net proceeds received by the Group of any disposal does not exceed the amount of €3 million per annum.

### Financial Ratios

The Existing Facilities Agreement requires the Group to maintain specified financial ratios of leverage, interest cover and debt service coverage as set forth below. For past periods, not shown in the below tables, the Group has always been in compliance with the required ratios for leverage, interest cover and debt service coverage under the Existing Facilities Agreement.

Leverage (in summary, being total net debt to consolidated EBITDA of the Group) in respect of the relevant period specified in the first column shall not exceed the corresponding ratio set forth in the second column of the following table.

<u>Relevant Period</u>	<u>Expiring Ratio</u>
30 June 2016 . . . . .	4.63:1
30 September 2016 . . . . .	4.74:1
31 December 2016 . . . . .	4.50:1
31 March 2017 . . . . .	4.37:1
30 June 2017 . . . . .	4.14:1
30 September 2017 . . . . .	3.71:1
31 December 2017 . . . . .	3.44:1
31 March 2018 . . . . .	3.39:1
30 June 2018 . . . . .	3.17:1
30 September 2018 . . . . .	2.83:1
31 December 2018 . . . . .	2.50:1
31 March 2019 . . . . .	2.25:1
30 June 2019 . . . . .	2.00:1
30 September 2019 . . . . .	2.00:1
31 December 2019 and thereafter . . . . .	<u>2.00:1</u>

Interest cover (in summary being the consolidated EBITDA to total net cash interest costs of the Group) in respect of the relevant period specified in the first column shall not be less than the corresponding ratio set forth in the second column of the following table.

<u>Relevant Period</u>	<u>Expiring Ratio</u>
30 June 2016 . . . . .	3.91:1
30 September 2016 . . . . .	4.03:1
31 December 2016 . . . . .	4.16:1
31 March 2017 . . . . .	4.28:1
30 June 2017 . . . . .	4.40:1
30 September 2017 . . . . .	4.75:1
31 December 2017 . . . . .	4.75:1
31 March 2018 . . . . .	4.75:1
30 June 2018 . . . . .	4.75:1
30 September 2018 . . . . .	4.75:1
31 December 2018 . . . . .	4.75:1
31 March 2019 . . . . .	4.75:1
30 June 2019 . . . . .	4.75:1
30 September 2019 . . . . .	4.75:1
31 December 2019 and thereafter . . . . .	<u>4.75:1</u>

The debt service coverage ratio for each relevant period ending on a relevant date set out in the table above will not be less than 1:1.

#### Representations

The Existing Facilities Agreement contains certain customary representations, including but not limited to: the status of the obligors, non-conflict with other obligations, power and authority, authorisations, governing law and enforcement, insolvency, no filing or stamp taxes, no default, good title to assets and legal and beneficial ownership of assets.

#### Events of Defaults

The Existing Facilities Agreement also contains certain customary events of default, including, but not limited to: non-payment of any amounts due under the finance documents, breach of financial covenants, audit qualifications, expropriation to the extent that it gives rise to a material adverse effect (as defined in the Existing Facilities Agreement), and breach of other obligations under the finance documents, misrepresentation, cross default, certain insolvency-related events, commencement of litigation relating to the Transaction Documents (as defined in the Existing Facilities Agreement), and any event or circumstance which has a material adverse change, in each case subject to materiality thresholds, qualifications and cure periods in the Existing Facilities Agreement.

Any event of default or (material) breach of any of the undertakings (including the financial ratios of leverage, interest covers and debt service coverage ratio set out to above) or representations referred to above or any other event of default which, if subject to a remedy period, is not remedied within such period may result in (i) acceleration of the Existing Facilities; (ii) all amounts outstanding under the Existing Facilities Agreement and related documents becoming immediately due and payable; and (iii) the enforcement of any security provided in connection with the Existing Facilities.

#### Shareholder Loans

As of 31 March 2016, we had a total of €213.0 million outstanding under the following shareholder loans and commitments (the “**Shareholder Loans**”):

On 20 December 2013, Topco (as borrower) entered into a loan agreement for an aggregate principal amount of €53.4 million with Mito and Mr Van der Vis, the chairman of the Supervisory Board (as lenders). The final maturity date of the loan is 18 December 2023. The interest on the loan is 13.1% annually.

On 20 December 2013, Topco (as borrower) issued two loan notes for an aggregate amount of €45.0 million to Mito and Mr Van der Vis (as lenders). The final maturity date of the notes is 18 December 2023. The interest on the notes is 10.0% annually.

On 20 December 2013, Topco (as borrower) issued three loan notes for an aggregate amount of €97.1 million to AM Holding and Mr Van der Vis (as lenders). The final maturity date of the notes is 18 December 2023. The interest on the notes is 13.0% annually.

Topco (as borrower) issued a €19.0 million loan note to AM Holding (as lender). The final maturity date of the note is 18 December 2023. The interest on the note is 10.0% annually.

Moos Holding B.V. (a company controlled by our CEO, Mr Moos) (as lender) made available to Basic-Fit International B.V. (as borrower) a loan in an aggregate amount of €6.0 million. The final maturity date of the loan is 31 December 2016. The interest on the loan is 6.0% annually.

Mito and AM Holding (as lenders) have granted a loan commitment for an aggregate amount of €10 million. On the date of this Prospectus, no amount was outstanding under this loan commitment.

#### *Other Loans*

We have six trade finance loans in place with fitness equipment suppliers for an aggregate outstanding amount of €1.1 million as of 31 March 2016.

#### **Working Capital**

We believe that the working capital available to us is sufficient for our present requirements, that is for at least the next twelve months following the date of this Prospectus.

#### **Contractual Obligations and Commitments**

Significant capital expenditure in relation to property, plant and equipment contracted for the end of the reporting period but not recognised as liabilities amounted to €14.9 million on 31 March 2016, compared to €11.8 million at 31 December 2015. This capital expenditure commitment relates to construction and other costs of new club openings (see “*Our Business – Developing New Clubs*”).

As per 31 March 2016, an amount of €5.1 million in aggregate was issued in bank guarantees.

The following table sets forth, the minimum rentals payable under non-cancellable operating leases, such as rental agreements for buildings and cars, including service costs, as at 31 December 2015.

	(in € thousands)
Within one year . . . . .	53,961
After one year but not more than five years . . . . .	189,213
More than five years. . . . .	218,276
<b>Total.</b> . . . . .	<b>461,450</b>

We have finance leases for various items of fitness equipment. The following table sets forth future minimum lease payments under finance leases (the “**Financial Lease Liabilities**”), together with the present value of the net minimum lease payments as at 31 December 2015.

	(in € thousands)
Within one year . . . . .	29,050
After one year but not more than five years . . . . .	54,315
More than five years. . . . .	-
<b>Total.</b> . . . . .	<b>83,365</b>
Future finance charges on finance lease liabilities . . . . .	(8,703)
<b>Present value of finance lease liabilities</b> . . . . .	<b>74,662</b>

As at 31 March 2016, the Financial Lease Liabilities were €75.5 million. See Notes 26 and 29 to the Annual Financial Statements, and Notes 17 and 18 to the Interim Financial Statements, both appearing elsewhere in this Prospectus.

### **Capital Expenditure**

We define capital expenditure as investments in property, plant, equipment and software. We distinguish between the following categories of capital expenditure: (A) expansion capital expenditure, relating to the costs of opening new clubs (B) acquisition capital expenditure, relating to the costs of acquiring and converting clubs to the Basic-Fit brand and format; (C) maintenance capital expenditure, relating to club maintenance, overhead (including software development) and replacing our fitness equipment periodically, with cardio equipment replaced every four to five years and strength training equipment replaced every eight to ten years; and (D) one-off capital expenditure, relating to the refurbishment programme initiated in 2014 for our existing clubs in order to bring them to a common standard that is consistent with the Basic-Fit brand and format. We expect to complete the refurbishment programme with the refurbishment of 55 clubs by the end of 2016.

Our capital expenditures totalled €120.1 million, €135.0 million, €23.1 million and €25.9 million, for FY 2014, FY 2015, Q1 2015 and Q1 2016, respectively, representing 74.0%, 66.7%, 48.8% and 42.8% of our total revenue for FY 2014, FY 2015, Q1 2015 and Q1 2016, respectively. Capital expenditure represents net cash flows used in investing activities of €72.2 million, €78.0 million, €15.4 million and €20.9 million plus capital expenditure payable to our creditors and lease providers and non-cash items of in total €47.9 million, €57.0 million, €7.8 million and €5.0 million for FY 2014, FY 2015, Q1 2015 and Q1 2016, respectively. In FY 2014, FY 2015, Q1 2015 and Q1 2016, €27.1 million, €71.7 million, €13.3 million and €16.7 million, respectively, of our capital expenditure consisted of investments in new clubs (category A), €60.0 million, €21.0 million, €3.5 million and €0.8 million, respectively, of our capital expenditure consisted of acquiring and converting clubs to the Basic-Fit brand and format (category B), €13.3 million, €9.8 million, €1.9 million and €4.3 million, respectively, of our capital expenditure consisted of maintenance capital expenditure (category C) and €19.8 million, €32.5 million, €4.4 million and €4.2 million, respectively, of our capital expenditure consisted of expenses relating to the refurbishment programme for our existing clubs in order to bring them to a common standard that is consistent with the Basic-Fit brand and format (category D). We expect to spend additional capital expenditure in the remainder of 2016 and in 2017, primarily as a result of the targeted annual 65 to 75 club openings (category A), involving an expected average capital expenditure of approximately €1 million per club opening, general maintenance capital expenditure (category C) and the refurbishment of an expected number of 55 clubs as part of our refurbishment programme for existing clubs, involving an expected aggregated capital expenditure for FY 2016 within the range of €8 to 10 million (category D). We expect to finance new club openings from our net cash flow from operating activities and from the amounts made available under the New Facilities. Historically, construction costs constituted approximately two-thirds of our capital expenditures related to the cost of opening new clubs (category A), while cardio and strength equipment constituted approximately one-third of such capital expenditures.

See “*Risk Factors – Risks Relating to our Business – The expansion, refurbishment and maintenance of our estate involve significant capital expenditures*”.

### **Contingent and other Off-Balance Sheet Liabilities**

We are not a party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on our financial condition, results of operations, liquidity, capital expenditure or capital resources, except for certain building leases for periods ranging from one to 20 years and operational leases for vehicles and other equipment (expiring in 2015-2019).

As at 31 December 2015, the minimum rentals payable under non-cancellable operating leases, such as rental agreements for buildings and cars, including service costs, amounted to €461.5 million.

As at 31 December 2015, the minimum lease payments expected to be received in relation to non-cancellable sub-leases of operating leases were €4.5 million.

See “– *Critical Accounting Policies – Anticipated Future Developments*” for more information on anticipated changes to IFRS that will have a significant impact on how we account for our obligations under operating leases.

## Financial Risk Management

### Overview

Our business activities expose us to a variety of financial risks. Our management identifies and evaluates the financial risks based on principles for overall risk management. Our overall risk management program seeks to minimise potential adverse effects on our financial performance. Management is of the opinion that our exposure to financial risks is limited.

### Credit Risk

Credit risk is the risk that a counterpart will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Our credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to outstanding receivables for membership fees or other membership services, which could not be collected upfront.

Our policy is that all members need to pay the membership fees upfront, therefore our credit risk relating to membership fees is limited to those fees which could not be collected upfront. We use several measures to limit our credit risk. The first measure is that access to the services we provide is no longer granted to customers with overdue receivables until these receivables have been fully paid. The second measure is that our collection policy is to use debt collection agencies for all receivables due for more than 120 days. We do not hold collateral as security for the membership receivables. We evaluate the concentration of risk with respect to trade receivables as low, given the number of members and as our members are located in several jurisdictions.

As a result of our prepayment policy, historically we have had limited account receivables' balances that were either past due or impaired.

An ageing analysis of our trade and other receivables that are past due is as follows:

	<u>Balance incl. provision</u>	<u>Overdue &lt; 30 days</u>	<u>Overdue 31-60 days</u>	<u>Overdue 61-90 days</u>	<u>Overdue &gt; 90 days</u>
			(€ thousands)		
Trade receivables at 31 December 2015 .....	<u>7,616</u>	<u>1,433</u>	<u>755</u>	<u>470</u>	<u>4,958</u>

The receivables are assessed collectively to determine whether there is objective evidence that impairment has incurred but has not yet been identified. For these receivables the estimated impairment losses are recognised in a separate provision for impairment, which is based on historical evidence with respect to the collectability in each of the ageing buckets. There are no receivables past due that are not impaired.

We also avoid the concentration of credit risk on our cash and cash equivalents by spreading them over several banks, currently being ABN AMRO, ING, Rabobank and KBC. No collateral is held for the aforementioned liquid assets.

### Liquidity Risk

Liquidity risk includes the risk of a shortage of funds and the risk that we will encounter difficulty in meeting our obligations associated with our financial liabilities.

Our funding strategy is focused on ensuring that we have continuous access to capital. On a monthly basis, our management prepares a cash flow forecast to identify the cash needs for our business in the medium- to long-term period. Additionally, our management monitors the intra-month cash needs by assessing the cash in- and outflows on a daily basis.

Following the Refinancing, we will have a revolving credit facility of €100.0 million with a maturity date of 20 May 2021 which is expected to partially reduce our liquidity risk. See “– *Indebtedness – Banking Facilities and Loans – New Facilities*”.



The table below sets forth our financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities, and net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flow, as at 31 March 2016 and as at 31 December 2015.

31 March 2016							
	Less than 3 months	3 months to 1 year	1-2 years	2-5 years	Over 5 years	Total	Carrying amount
(€ thousands)							
<b>Non-derivatives</b>							
Borrowings (excluding finance leases and capitalised financing fees) . . . . .	6,201	10,703	33,174	186,254	-	236,332	204,505
Finance lease liabilities . . . . .	8,178	22,030	26,815	26,823	-	83,846	75,494
Trade payables . . . . .	46,742	-	-	-	-	46,742	46,742
Other long-term payables . . . . .	411	450	184	205	-	1,250	1,143
Long-term loan from shareholder . . .	-	-	-	-	495,539	495,539	206,997
Loan from key management member	-	6,000	-	-	-	6,000	6,000
<b>Total non-derivatives . . . . .</b>	<b>61,532</b>	<b>39,183</b>	<b>60,173</b>	<b>213,282</b>	<b>495,539</b>	<b>869,709</b>	<b>540,881</b>
<b>Derivatives</b>							
Derivative financial liability (cash outflow) . . . . .	229	535	829	353	-	1,946	2,086
<b>Total Derivatives . . . . .</b>	<b>229</b>	<b>535</b>	<b>829</b>	<b>353</b>	<b>-</b>	<b>1,946</b>	<b>2,086</b>
31 December 2015							
	Less than 3 months	3 months to 1 year	1-2 years	2-5 years	Over 5 years	Total	Carrying amount
(€ thousands)							
<b>Non-derivatives</b>							
Borrowings (excluding finance leases and capitalised financing fees) . . . . .	5,985	14,187	23,298	179,186	665	223,321	189,917
Finance lease liabilities . . . . .	7,337	21,712	25,455	30,527	-	85,031	74,662
Trade payables . . . . .	47,763	-	-	-	-	47,763	47,763
Other long-term payables . . . . .	411	617	235	235	-	1,497	1,351
Long-term loan from shareholder . . .	-	-	-	-	495,539	495,539	201,082
Loan from key management member	-	6,000	-	-	-	6,000	6,000
<b>Total non-derivatives . . . . .</b>	<b>61,496</b>	<b>42,516</b>	<b>48,988</b>	<b>209,948</b>	<b>496,204</b>	<b>859,152</b>	<b>520,775</b>
<b>Derivatives</b>							
Derivative financial liability (cash outflow) . . . . .	209	703	625	270	-	1,807	1,687
<b>Total Derivatives . . . . .</b>	<b>209</b>	<b>703</b>	<b>625</b>	<b>270</b>	<b>-</b>	<b>1,807</b>	<b>1,687</b>

The amounts disclosed in the table are the contractual undiscounted cash flow. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. For interest rate swaps the cash flow has been estimated using forward interest rates applicable at the end of the reporting period.

### Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, market prices for utilities, and interest rates will affect our income or the value of our holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

*Foreign exchange risk:* We operate only in the Euro zone, hence our currency risk is limited due to the fact that all revenue (and almost all expenses) is incurred in Euro. Accordingly, our exposure with regard to fluctuation of foreign currency is insignificant.

*Price risk:* We have limited exposure to price risk. We are mainly exposed to variations in the cost of energy.

*Interest rate risk and cash flow risk:* Our main interest rate risk arises from long-term borrowings with variable rates, which exposes us to cash flow interest rate risk. We manage our cash flow interest

rate risk by mostly using floating-to-fixed interest rate swaps. Under the swap agreements, we agree with the swap counterparty to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

Swaps covered 48.44% (2014: 49.11%; 2013: N/A) of the variable loan principal outstanding on 31 December 2015. The contracts require settlement of net interest receivable or payable every 90 days. The settlement dates coincide with the interest payment dates on the underlying debt and settlement occurs on a net basis.

As at 31 December 2015, we had the variable rate borrowings and interest rate swap contracts outstanding, as set forth in the following table.

	Weighted average interest rate (%)	Balance (€ thousands)	% of total loans
Bank overdrafts and bank loans . . . . .	4.46	189,917	40.55
Interest rate swaps (notional amount) . . . . .		(92,000)	
<b>Net Exposure to cash flow interest rate risk . . . . .</b>		<b>97,917</b>	<b>20.91</b>

In connection with the Refinancing (see “– *Indebtedness – Banking Facilities and Loans*”), we intend to keep all our current interest rate swap contracts in place. Although we have yet to receive final confirmations in this respect from the counterparties of these swap contracts, we expect that no penalty or fine will be due as a result of the Refinancing.

According to interest rate sensitivity analyses performed for FY 2015 and FY 2014 (not for FY 2013 since in our income statement for FY 2013 our operations were not consolidated), the impact on the profit and loss and components of equity due to up or down movements in the interest rates of 100 basis points are as set forth in the following table.

	Impact on post-tax profit		Impact on other components of equity pre-tax profit	
	2015	2014	2015	2014
<b>Interest rate movement</b>				
		(€ thousands)		
Increase by 100 basis points . . . . .	(734)	(575)	2,634	1,796
Decrease by 100 basis points . . . . .	NA*	47	(2,635)	(1,798)

Our receivables are carried at amortised cost. They are not subject to interest rate risk as defined in IFRS 7, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

### Critical Accounting Policies

Except as otherwise indicated, the financial information included in this Prospectus has been prepared and presented in accordance with IFRS. See “*Important Information – Presentation of Financial and Other Information*” and the notes to the Financial Statements contained in this Prospectus.

The preparation of financial statements requires our management to make a number of estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, of revenue and expenses and the disclosure of contingent assets and liabilities. All assumptions, expectations and forecasts used as a basis for certain estimates within our financial statements represent good faith assessments of our future performance for which management believes there is a reasonable basis.

These estimates and assumptions represent our view at the times they are made, and only then. They involve risks, uncertainties and other factors that could cause our actual future results, performance and achievements to differ materially from those forecasted. The estimates and assumptions that may have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

## **Revenue**

With respect to sales of services, revenue is recognised in the accounting period in which the services are rendered. Delivery of fitness club services extends throughout the term of membership. A registration fee is recognised in the month that a new customer signs a membership contract. Membership revenue is recognised on a monthly basis over the contract term. Membership fees collected but not earned are included in deferred revenue. Our promotional offers often contain a discount granting a free period (for example, the current month of sign-up free or the month following sign-up free) or waiving the registration fee (fully or partly) or a combination of these two features. The payments of the relevant member will be based on the applicable promotion, but the monthly revenue is determined for the entire period by taking into consideration discounts granted, which are allocated to the registration fee and membership revenue using relative amounts without discount.

## **Intangible Assets**

### *Goodwill*

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes. Management monitors goodwill on a country basis. Therefore, goodwill has been allocated to the Netherlands, Belgium, France, Spain and Luxembourg.

### *Customer Relationships, Brand Name and Favourable Contracts*

Customer relationships and brand names acquired in a business combination are recognised at fair value at the acquisition date. Separately acquired customer relationships and brand names are shown at historical cost. Customer relationship and brand names have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of customer relationships and brand names over their estimated useful lives. For customer relationships, the estimated useful life is seven to eight years and for brand names it is estimated at 20 years.

Favourable contracts acquired as part of a business combinations are recognised at fair value on the acquisition date for certain contracts whose terms are favourable as compared to current market terms and they are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method. The useful life of these agreements is the contract term, which is 9, 14 and 19 years for Belgium, the Netherlands and Spain, respectively.

### *Other Intangible Assets*

Intangible assets acquired separately are mostly software related and are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the statement of profit or loss when it is incurred.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by us are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;

- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as expenses as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

The useful lives of intangible assets are assessed as either finite or indefinite. We have assessed the remaining useful life to be finite for all recognised intangible assets.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category consistent with the function of the intangible assets.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed five years.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

#### ***Rent-free Period and Pre-opening Period Lease Expenses***

Upon signing a lease agreement with respect to a property for a fitness club, we normally require a period of a few months for adapting and fitting that property before we are ready to open the fitness club. During this period between signing the lease agreement and the club opening, various improvements are made and fixtures are installed which may qualify to be capitalised as plant, property and equipment (if certain criteria, including in IAS 16.7. are met). In most of our lease agreements, we contractually agree with the lessors to provide for a rent-free period corresponding to some or all of this pre-opening period.

We determine our lease payments on a straight-line basis over the lease term, notwithstanding that no lease payments are required to be made during a rent-free period. The aggregate benefit during the rent-free period with respect to a lease is reflected as a reduction to the lease payments over the lease term on a straight-line basis.

Due to the fact that we are unable to use the property during the pre-opening period as a fitness club, we recognise lease payments as an expense only from the period commencing one month prior to the club opening. We recognise the lease payments for the remaining part of the pre-opening period in capital expenditure, as part of our building costs.

#### ***Marketing Contribution***

We have separate agreements in place with both our main suppliers of equipment (Technogym and Matrix) under which we are entitled to a contribution from these suppliers towards our marketing expenses. These contributions are determined between us and the relevant supplier on a monthly basis by evaluating the marketing activities (as described in the agreement with the relevant

supplier) for that month. In each case, we recognise these contributions as reductions against our marketing expenses instead of recognising them as discounts to the purchase price of equipment from the relevant supplier. This is because, in our view, the main purpose of these contributions relates to the relevant supplier's attempt to increase sales of their products to other customers generally, and not to increase their sales of equipment to us specifically.

### ***Income Tax***

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where we are able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

### ***Anticipated Future Developments***

The International Accounting Standards Board has published certain new standards and interpretations that have not yet been endorsed by the European Union and are not yet mandatorily applicable or otherwise adopted by us. Some of these standards are expected to have a significant impact on our consolidated financial statements for future periods. In particular, IFRS 16 Leasing, if and when it becomes mandatory for EU issuers or is otherwise adopted by us, will greatly affect the our accounting for those of our leases that we currently account for as operating leases. These include leases of premises for our clubs as well as company car and photocopier leases. In accordance with currently applicable IFRS, we expense payments made under our operating leases in our consolidated statement of comprehensive income on an as-incurred basis and do not reflect any asset or liability in respect of such leases in our consolidated statement of financial position. Following application by us of new IFRS 16 Leasing (which we expect as of 1 January 2019), we will be required to recognise assets and liabilities in respect of our operating leases on our consolidated statement of financial position. While we currently intend to reflect operating lease expenses as a separate line item on our consolidated statement of comprehensive income following our implementation of new IFRS 16 Leasing, we are currently not otherwise able to estimate the impact of the adoption of new IFRS 16 Leasing on our financial statements.

The International Accounting Standards Board has also published new standards relating to revenue recognition (IFRS 15 Revenue from Contracts with Customers) and the classification, measurement and de-recognition of financial assets and liabilities and hedging (IFRS 9 Financial Instruments). Both of these new standards are expected to become mandatorily applicable to us as from 1 January 2018. While we currently expect that IFRS 9 Financial Instruments will have limited impact on us (deriving mainly from the requirement to provide for doubtful debtors based on expected credit losses), we are currently unable to estimate the impact of the adoption of IFRS 15 Revenue from Contracts with Customers on our consolidated financial statements, though we do expect it to change our policy of recognising joining fee revenues, such that joining fee revenues will be recognised over the life of the subject contract period rather than upon receipt.



## OUR INDUSTRY

We are the largest low-cost or “value-for-money” fitness club operator in Europe measured by number of clubs (Source: Company analysis; OC&C Market Report) and operate in some of the most attractive markets in continental Europe. Our clubs are located in the Netherlands, Belgium, Luxembourg, France and Spain. As at 31 March 2016, we operated 140 clubs in the Netherlands, 145 clubs in Belgium, 8 clubs in Luxembourg, 32 clubs in France and 26 clubs in Spain.

We consider the low-cost or “value-for-money” segment of the fitness market to consist of clubs that offer fitness services against a membership fee of €25.00 or less per month (versus the mid-market and premium segment that offer fitness services against membership fees of between €25.01-50.00 and in excess of €50.00, respectively).

This section describes the characteristics, trends and growth drivers of the European fitness market and of each country where we are active, with the exception of Luxembourg given our relatively small presence, with eight clubs only, combined with its relatively small market size. This section also describes the competitive landscape for each country where we are active.

Unless otherwise indicated, the market information in this section is based on the OC&C Market Report, the EHFMM Report, and information published by the International Health, Racquet & Sportclub Association (“IHRSA”) and the Mulier Institute in the Netherlands.

### The European Fitness Market

According to the IHRSA, the aggregate European fitness market (consisting of 27 countries, including Turkey and Russia) measured by revenue of fitness and health (including wellness) providers amounted to approximately €26.2 billion in 2014, having grown at a 5.3% compound annual growth rate (“CAGR”) over the 2011-2014 period.

We consider the fitness market to consist of the core fitness offering (exercises and classes offered in all fitness clubs) and the non-core services such as “wet facilities” (swimming pools, saunas), member social areas (bars and cafes) and other indoor and outdoor sports activities.

We believe that the overall growth of the European fitness market can be attributed to a number of factors such as demographic developments (including the growth in number of single households and ageing of the population), increase in leisure time, growth of disposable income, increasing consumer awareness, public and government-led initiatives promoting the benefits of a healthy lifestyle (partly due to growing costs of healthcare) and the rising number of fitness clubs throughout Europe, particularly within the low-cost segment of the fitness market.

According to the EHFMM Report, the United Kingdom represents the largest fitness market in Europe (with a total estimated 2015 revenue of approximately €5.6 billion), followed by Germany (estimated €4.8 billion of revenue in 2015), France, Italy and Spain (with estimated 2015 revenue of €2.4 billion, €2.2 billion and €2.1 billion, respectively). The analysis in the EHFMM Report is based on 18 countries (including Turkey and Russia), which according to the EHFMM Report, represent 96.5% of the total European fitness market in 2015, in terms of revenue and 98.2% in terms of number of members. IHRSA and Deloitte-EuropeActive apply different methodologies in analysing the European fitness market.

The penetration rate (calculated as the number of health and fitness club members divided by total population, the “**Penetration Rate**”), in each of the main European countries in 2015 was as follows according to the EHFMM Report:

<u>Country in Europe</u>	<u>Penetration Rate in 2015</u>	<u>Country in Europe</u>	<u>Penetration Rate in 2015</u>
Norway . . . . .	19.4%	Ireland . . . . .	9.5%
Sweden . . . . .	16.7%	Austria . . . . .	8.6%
Netherlands (*) . . . . .	16.4%	Italy . . . . .	8.4%
Denmark . . . . .	15.0%	France (*) . . . . .	7.8%
United Kingdom . . . . .	13.6%	Poland . . . . .	7.3%
Finland . . . . .	12.4%	Portugal . . . . .	7.1%
Germany . . . . .	11.6%	Belgium (*) . . . . .	6.8%
Switzerland . . . . .	11.5%	Turkey . . . . .	2.4%
Spain (*) . . . . .	10.6%	Russia . . . . .	1.9%

(\*) Illustrates the countries in which we are active.

Across Europe, Penetration Rates vary significantly. Among our core markets, the Netherlands has the highest Penetration Rate whereas Belgium is below the average European Penetration Rate of approximately 7.7%. (Source: EHFMM Report.) According to the OC&C Market Report and based on our own analysis, the relatively high share of first time fitness members in those countries indicates that the overall Penetration Rate is increasing.

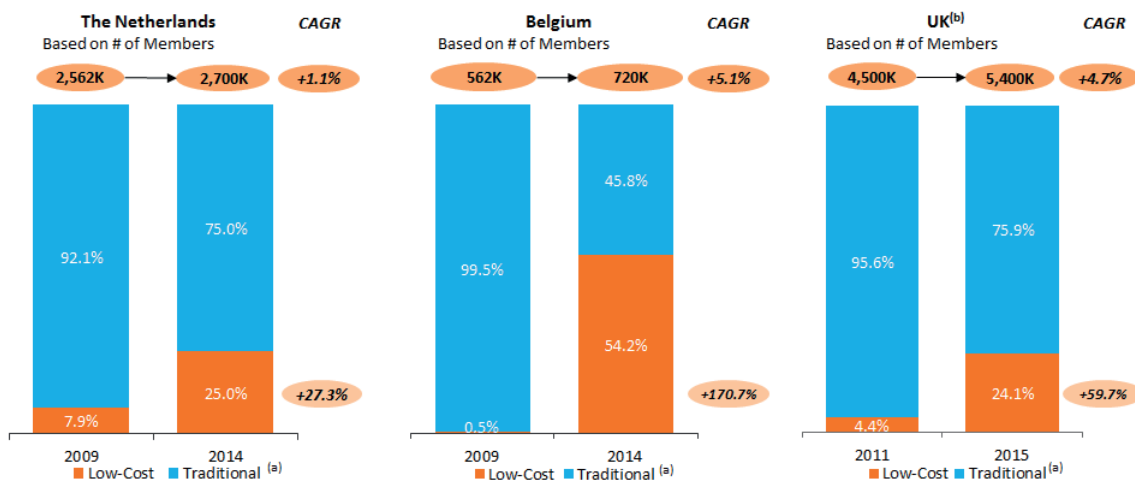
The addressable market for us is driven by both supply and demand factors in the countries where we are active. Supply side factors relate to the availability of fitness clubs in general and low-cost fitness clubs in particular. We believe that opening a club in a given catchment area increases the number of people willing to go to a fitness club in that area. On the demand side, the key factors are population growth, growth of disposable income, increasing consumer awareness about the benefits of a healthy lifestyle, and greater availability of leisure time.

We believe that in Belgium, France and Spain there is a large share of the addressable market that can be activated by removing supply-related barriers.

*Growing European fitness market is being disrupted by the low-cost segment*

As described above, we believe that one of the contributors to the overall growth of the European fitness market is the rising number of health and fitness clubs throughout Europe, particularly within the low-cost segment. We, as the largest low-cost fitness club chain in Europe measured by number of clubs, believe that, by offering flexible, value-for-money membership at lower cost with longer opening hours reflecting modern lifestyles, low-cost operators have taken market share away from traditional operators, which we consider to be mid-market fitness clubs charging monthly membership fees between €25.01 and €50.00 and premium fitness clubs charging monthly membership fees in excess of €50.00. We believe that the low-cost proposition attracts consumers who were not previously fitness club members, and therefore drives overall increase in Penetration Rate levels.

The charts below illustrate the disruptive effect of the low-cost operators on the fitness market. In the Netherlands, Belgium and the United Kingdom the low-cost fitness segment has taken away market share from traditional fitness clubs, but also expanded the market over the 2009-2014 period (for the Netherlands and Belgium) and the 2011-2015 (for the United Kingdom) period:



(Source: OC&C Market Report, EFHM Report, IHRSA, Mulier Institute Fitness.)

(a) Fitness clubs charging monthly membership fees in excess of €25.00 are categorised as “traditional”.

(b) Based on an analysis of the total number of members in the private fitness club market.

The shift in consumer trends towards value-for-money is also prevalent in other industries such as the supermarket industry, where low-cost operators such as Aldi and Lidl have taken market share from incumbent mid or high-end operators. Another example would be the airline industry which was similarly disrupted by low-cost operators such as EasyJet, Ryanair and Flybe.

The key differentiators between traditional and low-cost clubs are pricing, contract terms and the facilities on offer. Traditional clubs often require their members to sign up to a fixed-duration membership contract, which typically includes early termination fees. Traditional clubs are typically larger in size, with a wide range of facilities available, such as wet facilities (swimming pools and saunas), racquet sports facilities (tennis courts and squash courts) and member social areas (bars and cafes). Traditional operators typically have higher operating costs compared to low-cost club operators due to their larger size, higher staff count (for example, many clubs will have a dedicated in-club sales team) and higher maintenance costs (for example, the cleaning and maintenance of wet facilities).

Low-cost clubs generally offer a more focused product for consumers who only want to use and pay for basic fitness equipment (such as cardiovascular machines, resistance training machines and free weights) and fitness studios. Low-cost membership arrangements are typically more flexible than those of traditional operators, with limited term or fully flexible contracts and easy sign-up and cancellation policies. In addition to flexible membership terms, the low-cost fitness segment also offers increased accessibility to fitness clubs with longer opening hours compared to the traditional sector. For example, we offer 24 hour a day access four days a week in approximately 60 of our clubs. In addition, some of our clubs are open 24/7, and we intend to increase the number of clubs that are open 24/7 in the future. This satisfies consumer demand to use health and fitness facilities outside of traditional working hours, which we believe fits in well with modern lifestyles.

### The Netherlands

According to the EFHM Report, the Dutch fitness market measured by revenue amounted to approximately €1,292 million in 2015 versus approximately €1,185 million in 2013, a CAGR of 4.4%, primarily driven by growth in disposable income and increase in the number of fitness clubs.

The low-cost segment in particular has grown strongly in the Netherlands in recent years, with penetration of low-cost fitness club membership increasing from 2.3% in 2012 to an estimated 4.0% in 2014. The Penetration Rate in the Dutch fitness market in 2015 was approximately 16.4%, 0.4% higher than the penetration level in 2014.

The total addressable market in the Netherlands is estimated to be approximately 5.3 million people, of which approximately 2.6 million people are not yet members of a fitness club. (Source: OC&C Market Report.)

### *Belgium*

According to the EHFMM Report, the Belgian fitness market measured by revenue amounted to approximately €319 million in 2015 versus approximately €312 million in 2014, a growth rate of 2.2%, primarily driven by growth in disposable income and the increase in club openings and club membership in the low-cost segment.

Similar to the Netherlands, the low-cost segment has grown strongly in Belgium in recent years, with penetration of low-cost fitness club membership increasing from 0.9% in 2012 to an estimated 3.5% in 2014. The Penetration Rate in the Belgian fitness market in 2015 was approximately 6.8% (up from approximately 5.1% in 2011), below the average of the European fitness market.

The total addressable market in Belgium is estimated to be approximately 3.2 million people, of which approximately 2.5 million people are not yet members of a fitness club. (Source: OC&C Market Report.)

### *France*

According to the EHFMM Report, the French fitness market measured by revenue amounted to approximately €2,393 million in 2015 versus approximately €2,325 million in 2013, a CAGR of 1.5%, primarily driven by growth in disposable income and the increase in club openings, especially in 2014 and 2015 when the number of fitness clubs grew by 5% and 5.5%, respectively.

Although also in France the value-for-money (low-cost) segment has grown strongly in recent years, the penetration of low-cost fitness club membership in 2014 was relatively low at approximately 0.2%, which is partly due to the fragmented nature of the French fitness market, which is characterised by many mid-sized chains and a large number of independent clubs (those not affiliated with any chain). The Penetration Rate in the French fitness market in 2015 was approximately 7.8%, up from 7.4% in 2014.

The total addressable market in France is estimated to be approximately 21.1 million people, of which approximately 16.0 million people are not yet members of a fitness club. (Source: OC&C Market Report.)

### *Spain*

According to the EHFMM Report, the Spanish fitness market measured by revenue amounted to approximately €2,130 million in 2015 versus approximately €2,081 million in 2013, a CAGR of 1.2%, primarily driven by increase in club membership levels, which was partially offset by a decline in average membership fees resulting from an increasing emergence of low-cost operators in the Spanish market.

The Penetration Rate in Spain was approximately 10.6% in 2015, higher than the Penetration Rate over 2009-2012, which was a period of adverse economic conditions in Spain accompanied by high unemployment rates. Similar to France, the low-cost segment has grown strongly in recent years, however, the penetration of low-cost fitness club membership in 2014 was still relatively low at approximately 0.5%, which is partly due to the fragmented nature of the Spanish fitness market.

The total addressable market in Spain is estimated to be approximately 20.0 million people, of which approximately 15.0 million people are not yet members of a fitness club. (Source: OC&C Market Report.)

The key characteristics of the Dutch, Belgian, French and Spanish fitness markets in 2015 are summarised below:

	Netherlands	Belgium	France	Spain
Population (million) . . . . .	16.9	11.3	66.4	46.4
Fitness penetration (in %) . . . . .	16.4	6.8	7.8	10.6
Market value (million) . . . . .	1,292	319	2,393	2,130
Average membership fee (in €). . . . .	37.4	36	41.8	39.5
Total fitness members (million) . . . . .	2.77	0.77	5.20	4.94
Number of fitness clubs. . . . .	1,900	810	3,800	4,350
Average number of members per club . . . . .	1,474	988	1,368	1,126
Market share of leading fitness chains (in %) . . .	26.7	34.0	26.5	7.7

*(Source: EHFM Report.)*

### **Expected growth of the European fitness market**

We believe that the growth of the European fitness market will continue over the next years, driven by on-going favourable demographic and macro-economic developments and secular global trends in health and wellness.

We further believe that the low-cost fitness segment has strongly contributed to the growth of the European fitness market over the last years, and is expected to continue to do so, at the expense of mid-market and premium clubs. This is supported by the findings of the OC&C Market Report, which indicates a total growth potential of more than 900 additional clubs in the countries where we are currently active. More than half of these clubs are in France, and we believe this number could be greater due to further increases in market share of low-cost segment and increasing overall fitness penetration.

### **Competition**

Across Europe, fitness markets are fragmented, with the top ten chains typically accounting for less than 30% of health and fitness clubs. (Source: OC&C Market Report.) Competition for provision of health and fitness services is highly localised with number, size and strength of competitors varying by region. We compete with all local health and fitness operators, gyms, sports and leisure centres offering exercise activities in our geographic markets.



The following table includes a comparison of what we believe are the most comparable low-cost fitness chains in Europe (excluding micro-fitness club formats), ranked by the number of clubs, based on an analysis of publicly available information in the February-March 2016 period (Source: OC&C Market Report and 2015 results presentation of the Gym Group plc):

<u>Fitness chain</u>	<u>Description</u>	<u>Clubs</u>	<u>Countries Present with more than 10 clubs</u>
Basic-Fit (NL)	Largest in number of clubs <sup>(a)</sup>	351	4
l'Orange Bleue (FR)	Franchise operator; positioned between low-budget and medium segments	303	1
CleverFit (GER)	Franchise operator; mainly active in Germany with six locations in the Netherlands and Austria	283	1
Injoy (GER)	Franchise operator; the brand includes four specialty sub-brands	244	2
McFit (GER)	European market leader in membership ranking	239	4
Health and Fitness Nordic (SE)	Largest operator in Scandinavia	203	3
Fitness24Seven (SE)	Clubs open 24/7	169	2
ClubMoving (FR)	Franchise operator, primarily active in France	167	1
Fitness World (DK)	Market leader in Denmark; operates in the upper end of the low-cost segment	162	1
Fitness First (UK)	Also operates in 14 countries outside the EU	157	2
Pure Gym (UK)	Only present in the UK, clubs open 24/7	144	1
Fit for Free (NL)	Positioned in the low-cost segment; second operator in the Netherlands	85	1
The Gym Group (UK)	Only present in the UK; listed since 2015	74	1

(a) Including eight clubs in Luxembourg, of which two HealthCity branded clubs.

#### *The Netherlands*

In the Netherlands we are the largest fitness provider, with 140 clubs, 62 more clubs than our closest competitor Fit for Free, which has 78 clubs in the Netherlands. We believe that the only other low-cost fitness chain in the Netherlands is BigGym, which has 8 clubs. As an illustration of the competitive landscape in the Netherlands, our competitor Fit for Free has clubs in the catchment areas (i.e. within a three or five mile radius from a Basic-Fit club) of approximately 60% to 70% of the Basic-Fit clubs. (Source: Company analysis; OC&C Market Report.)

#### *Belgium*

In Belgium we are the market leader and the only large fitness club chain in the country, with 143 clubs, operating more clubs than all other fitness chain operators combined. We believe that our closest competitor is Jims Fitness, which has 17 clubs. According to the OC&C Market Report, we have a market share of over 50%, while Jims Fitness has a market share of 6% as of 2015, in each case measured in number of memberships. (Source: Company analysis; OC&C Market Report.)

#### *Luxembourg*

We are effectively the only low-cost fitness operator in Luxembourg, with eight clubs, including two HealthCity clubs, since we successfully introduced the low-cost fitness concept in Luxembourg in 2014.

## *France*

In France the competitive landscape is relatively fragmented with many mid-sized chains. (Source: OC&C Market Report.) We are the number nine player in the market by number of clubs (31). However, we believe that we have limited competition in the low-cost segment of the fitness market in France since more than half of clubs in the French market are independent, and most fitness networks operate fewer than 20 clubs. As an illustration of the competitive landscape in France, according to the OC&C Market Report, the top ten fitness operators include only three players with a value-for-money proposition, of which Vita Liberté, a franchise operator of micro-clubs, with a floor surface of 300 to 400m<sup>2</sup>, is the largest. All large fitness club chains in France, including the market leader l'Orange Bleue (301 clubs), operate under a franchising or licensing model. We believe that the largest non-franchise competitor in the low-cost segment of the French fitness market is Neones, which operates 20 clubs. (Source: Company analysis; OC&C Market Report.)

## *Spain*

In Spain the competitive landscape is also highly fragmented, with no large fitness chain operators present and no single chain of fitness clubs operating more than 40 clubs. (Source: OC&C Market Report.) With members of public health facilities currently constituting approximately 30% of the Spanish fitness market, we believe AltaFit, McFit and Viva Gym are our main competitors with similar value-for-money propositions, operating 39, 31 and 18 clubs, respectively, compared to 26 Basic-Fit clubs. (Source: Company analysis; OC&C Market Report.)

See also “*Risk Factors – Risks related to Our Industry – We operate in a competitive market with low barriers to entry and if we are unable to compete effectively, and consequently are unable to retain our existing members or attract new members, our market share, revenue and profitability could be materially and adversely impacted*”.

## OUR BUSINESS

### Overview

We are the largest “value-for-money” fitness club operator in Europe measured by number of clubs (Source: Company analysis; OC&C Market Report) and operate in some of continental Europe’s most attractive markets. Our clubs are located in the Netherlands, Belgium, Luxembourg, France and Spain. We consider the low-cost or “value-for-money” segment of the fitness market to consist of clubs that offer fitness services against a membership fee of €25.00 or less per month. We aim to offer a “value-for-money”, high-quality fitness experience that appeals to the fitness needs of active people of all ages and genders who care about their personal health and fitness.

From 1 January 2014 to 31 March 2016, we increased the number of clubs we operate from 199 to 351, and our membership base from 552,852 to 1,076,752, both organically by opening new clubs and by selectively acquiring existing clubs. We added 13 clubs in the first three months of 2016 and are targeting adding approximately 65 to 75 clubs in total in 2016, and a similar number per year thereafter over the medium-term. We believe that we are well positioned to capture the growth opportunity represented by the low-cost club market in the countries in which we are active.

We operate a transparent and straightforward membership model comprising three basic membership forms: Easy, Smart and Flex. Each membership form offers unlimited use of all of our clubs across Europe for a fixed membership fee. The three membership forms vary in their payment terms, annual versus monthly, and in their duration, one-year contracts versus one-month contracts. Our membership fees start at €17.99 per month. As of April 2016, we also offer day-passes in all countries in which we operate, which give one-off access to our clubs.

As at 31 March 2016, we employed 2,796 people, representing 1,288 FTEs. We operate a low-cost business model and strive to staff our organisation in line with that model. Our clubs are open seven days per week and have extended opening hours, with some clubs open 24 hours per day from Monday up to and including Thursday and some clubs open 24/7. The extended opening hours of our clubs require certain flexibility from our workforce. We strive to achieve this by hiring a combination of full time and part time employees without compromising the continuity in our workforce or our ability to provide a high-level fitness experience to our members. As at 31 March 2016, we have an average of approximately 17% full time and 83% part time employees in the Netherlands, Belgium, Luxembourg, France and Spain. In Luxembourg, all of our employees have full time contracts in line with market practice in Luxembourg.

We generated €202.2 million in revenue, €60.1 million Adjusted EBITDA and a net loss of €23.0 million in FY 2015, compared to €162.1 million in revenue, €45.9 million Adjusted EBITDA and a net loss of €22.5 million in FY 2014. In Q1 2016, we generated €60.5 million in revenue, €18.1 million Adjusted EBITDA and a net loss of €7.2 million, compared to €47.4 million in revenue, €12.5 million Adjusted EBITDA and a net loss of €5.8 million in Q1 2015.

We are active in five countries, and we had 140 clubs in the Netherlands, 145 clubs in Belgium, 8 clubs in Luxembourg, 32 clubs in France and 26 clubs in Spain, as at 31 March 2016. Our business is organised and managed on a geographic basis and operates through the following two reportable segments: the Benelux, which accounted for €180.8 million, or 89.4%, of revenue and €64.5 million of Adjusted EBITDA, or 96.6%, in FY 2015, and France and Spain, which accounted for €21.4 million, or 10.6%, of revenue and €2.3 million of Adjusted EBITDA, or 3.4%, in FY 2015.

### History

The Basic-Fit brand started in 2006 with one club in the Netherlands, expanded to Belgium in 2009 and grew to a total of 28 clubs by the end of 2009. Leisure Group Europe B.V. (“LGE”) indirectly acquired all 28 Basic-Fit clubs, and six clubs that were still to be opened, in 2010 and started operating the acquired Basic-Fit clubs together with its existing HealthCity clubs, which originally operated in the premium segment of the health and fitness market. LGE expanded to Spain and France in 2011 and increased the number of Basic-Fit clubs to 172 by the end of 2013, including through the rebranding of HealthCity clubs into Basic-Fit clubs.

In December 2013, Topco acquired 172 Basic-Fit clubs and 27 HealthCity clubs from LGE. In addition, in April and May 2014, we acquired six HealthCity clubs in the Netherlands, 16 HealthCity clubs in Belgium and five HealthCity clubs in Luxembourg. In the course of 2014, we rebranded 23

of our remaining HealthCity clubs to the Basic-Fit brand and format and added 67 new Basic-Fit clubs, while two clubs were closed. Two of the HealthCity clubs in Luxembourg that were acquired in 2014 have not yet been rebranded to the Basic-Fit brand and format and remain HealthCity clubs on the date of this Prospectus. In 2015, a further 78 clubs were added, while four clubs were closed in 2015. In the first three months of 2016, we added an aggregate of 13 clubs, bringing the total number of Basic-Fit clubs to 351 as at 31 March 2016.

## **Our Key Strengths**

### ***Fitness is a large and growing market that is being driven by the low-cost segment.***

We operate in a large and growing market that has benefitted from an increased focus on individual health and fitness in recent years. As of 2014, the fitness market is estimated to be approximately €26.2 billion in Europe. (Source: OC&C Market Report; IHRSA.) Additionally, with a CAGR (as defined in “*Our Industry – The European Fitness Market*”) of approximately 5.3% over the 2011-2014 period, the European fitness market has significantly outpaced the growth of gross domestic product in Europe over the same period. We see significant headroom for additional growth in the European fitness market in the future. For instance, Penetration Rates in four of the countries in which we operate – the Netherlands, Belgium, France and Spain – range between 6.8-16.4% in 2015, each of which sits below the Penetration Rate in the United States.

We believe that the secular growth in the fitness market is attributable primarily to factors such as an increased individual focus on health and wellness, government initiatives encouraging physical activity in response to the public expense of treating lifestyle diseases and the rise of the low-cost fitness segment. Low-cost fitness clubs have not only driven market expansion but have in fact taken market share from traditional clubs. (Source: OC&C Market Report.) Low-cost fitness clubs in particular have been an important driver of growth, as individuals signing up for a gym membership for the first time generally prefer the value proposition offered by low-cost chains over the offerings of mid-market and premium chains. (Source: OC&C Market Report.) We find that these individuals routinely identify accessibility and low cost as the two most important factors when considering fitness club memberships, and they additionally favour general fitness activities in the gym over alternatives such as swimming, yoga or tennis. (Source: OC&C Market Report.) We believe that our high value-for-money and core fitness offerings align with these priorities and resonate strongly with those entering the fitness market for the first time. For instance, our clubs focus on the key fitness offerings of strength training, cardio equipment, free weights and group classes while foregoing such mid-market and premium offerings as saunas, swimming pools, steam baths, and other indoor sports, which our existing members and a high percentage of the attainable market associate with a suboptimal value-for-money proposition. Given that we are the low-cost fitness market leader specifically and the largest fitness chain in Europe by number of clubs generally, we believe we are uniquely positioned to capture a significant share of the sizeable and expanding European fitness market.

### ***We have a track record of growth, and our business model is proven and scalable.***

We have a track record of growth. From 31 December 2013 up to and including March 2016, we grew from 199 clubs to 351 clubs, representing a CAGR of 29%, and over the same period, we grew from 552,852 members to 1,076,752 members, representing a CAGR of 34%. Additionally, from 2014 to 2015 our revenue grew 24.7%, from €162.1 million to €202.2 million, and our Adjusted EBITDA grew 30.9%, from €45.9 million to €60.1 million.

Our track record evidences the success of our business model. Specifically, our attractive margin profile is demonstrated by our Adjusted Mature Club EBITDA margin of 48.0% in FY 2015 and our established operational leverage and margin expansion potential. Our earnings visibility is supported by, amongst others: (i) our subscription-based model that provides monthly and annual membership fee payments, as applicable, on an upfront basis; (ii) the predictable curve of membership ramp-up at our greenfield clubs from opening to achievement of positive Adjusted EBITDA within four months to realisation of maturity within approximately 24 months; (iii) our pipeline of rolling out new clubs; and (iv) our standardised club format. Finally, our solid cash generation is evidenced by our 2014 and 2015 Operating Cash Conversion rates of 71.0% and 83.7%, respectively, and our investment in our entire chain of clubs within past two years, with 84% of our clubs now up to the common Basic-Fit standard. From 2017, we expect to be able to fund our planned growth from our cash flows from

operating activities. We believe that our record of growth and our business model form a key strength that positions us to continue the growth trajectory that we have established.

***Committed management team with a strong institutional management structure.***

Our management team is led by co-founder and CEO, Mr Moos, a former professional tennis player who opened his first fitness club in 1984 and possesses over 30 years of fitness sector experience, and by CFO, Mr Van der Aar, a former audit partner at BDO Accountants who has over 30 years of experience in the accounting and audit fields. Messrs Moos and Van der Aar are supported by a strong management structure from top to bottom. Each country manager reports directly to the Management Board and is responsible for managing all clubs in his or her country. Our country managers have a combined 31 years of experience in the fitness and leisure sector. Each regional manager reports to a country manager and is responsible for multiple clusters, improving work processes and coaching cluster managers. Each cluster manager reports to a regional manager and is responsible for multiple clubs, while, at the club level, a team leader is responsible for managing the general affairs of a club and reports to a cluster manager. In addition, our legal, finance, IT, marketing, HR support, and related teams are centralised at our corporate headquarters in Hoofddorp, which provides services to all of our markets except Spain where these services are provided by the local headquarters or are outsourced to third parties. Our centralised headquarters furthers our lean staffing model and facilitates our rapid roll-out of new clubs by minimising expansion and acquisition capital expenditure.

***Significant growth- and value-creation opportunity.***

We believe that our business includes levers for future growth, including the maturation of our existing chain, our on-going roll-out of new clubs and further consolidation opportunities in a fragmented market. We have a visible and consistent maturity profile for new openings. Historically our clubs have on average reached a mature membership base, which we generally consider to be 3,300 members, 3,500 members, and 3,750 members in the Benelux, Spain and France, respectively, within 24 months of opening. As at 31 December 2015, we operated 338 clubs of which 184 were Mature Clubs. In FY 2015, Average Adjusted Club EBITDA was €279k and Average Adjusted Mature Club EBITDA was €343k. As of 31 December 2015, 54.0% of our clubs have reached maturity. Accordingly, 46.0% of our clubs have the potential for further member growth and, consequently, increasing our revenue simply by realising their membership growth potential in line with historic performance and without the need for additional material investment or for additional costs. Therefore, we anticipate the maturation of our existing chain to be a notable driver of Adjusted EBITDA growth. In addition, the deleveraging of our business through the repayment of existing indebtedness from the net proceeds of the Primary Offering is expected to meaningfully reduce our net interest costs which we believe will further our efforts to become profitable. See “*Operating and Financial Review – Indebtedness*”.

The planned roll-out of new clubs comprises an additional pillar of our growth- and value-creation opportunity. Our rigorous site selection and new club development procedures identify and assess new sites, develop new clubs and facilitate the acquisition and conversion of existing clubs to the Basic-Fit brand and format. Our acquisition and conversion track record includes the Add-on Acquisition (as defined in “*Our Business – Material Agreements*”), in which we acquired HealthCity clubs in May 2014, as well as our acquisition of JustFit clubs and Fitness First clubs in recent years. When making acquisitions, Basic-Fit is focused on synergy generation and value creation potential, and remains highly disciplined in its approach. Our management team has a strong track record of successfully pursuing and integrating acquisitions. We continuously perform white spot analyses in our markets to identify potential demand that is currently being unmet and develop or new openings pipeline. Combined with the facts that overall Penetration Rates as well as share of low-cost gym format in some of our geographic markets are relatively low and that our clubs in the Netherlands, Belgium, Luxembourg and Spain have historically typically achieved positive Adjusted Club EBITDA within four months of opening (which generally coincides with a club reaching approximately 1,500 members) and our clubs in France have historically typically achieved positive Adjusted Club EBITDA within one month of opening, we see a significant potential area of growth in our continued rollout of new clubs and potential acquisition of existing clubs.



## **Our Strategy**

We believe that all people should have access to the power of fitness. We aim to provide a great “value-for-money” fitness experience that is affordable and easy to access for families and individuals, from novice to athlete. We strive to be the preferred fitness brand by focussing on what really matters to customers and by continuously evolving the member experience.

### ***Further grow our business organically by continuing the roll-out of new clubs***

We believe that there is a growth opportunity for low cost fitness clubs in our geographic markets given the current low Penetration Rate in some of the countries where we operate, most notably in France and Spain. See “*Our Industry – The European Fitness Market*”. White spot analyses have been performed in connection with the OC&C Market Report to assess whether our geographic markets have sufficient potential fitness club members to support additional low-cost fitness clubs. These white spot analyses indicate a total growth potential of approximately 900 additional low-cost fitness clubs in our existing geographic markets, approximately 125 in the Netherlands, approximately 50 in Belgium, approximately 485 in France and approximately 245 in Spain. (Source: OC&C Market Report.) We believe that France and Spain provide particularly attractive opportunities to further grow our business. While France presents a significantly larger growth opportunity based on population, both countries have a relatively low Penetration Rate, an underdeveloped low-cost fitness segment and a fragmented fitness club market with no major fitness chain with comparable proposition to Basic-Fit. We have a track record of successfully adding new clubs to our network and increased the number of clubs we operate from 199 as at 1 January 2014 to 351 as at 31 March 2016, organically by opening new clubs and by selectively acquiring existing clubs. We are targeting adding approximately 65 to 75 clubs in 2016 and a similar number per year thereafter over the medium-term. By performing white spot analyses we seek to identify areas where there is potential demand for our fitness offering that is not met adequately by existing supply in the low-cost health and fitness segment. We have institutionalised site selection and club development procedures in order for country management to identify and assess new sites and develop new clubs through a coordinated approach managed by our planning and control department. We believe that our track record of rolling out new clubs positions us well to capture the growth opportunity represented by the low cost health and fitness club market in our geographic markets.

### ***Leverage “add-on” revenue opportunities and increasing secondary income***

In addition to base membership fees and registration fees, we generate revenue from “Add-ons”. Add-ons are additional services that can be added to a membership against payment. Our Add-ons currently comprise live group sessions, the Basic-Fit Pro App and Yanga, and these revenues are reported as part of our fitness revenue in our Financial Statements. We generated €197.5 million fitness revenue, or 97.7% of total revenue, in FY 2015 and €158.7 million fitness revenue, or 97.9% of total revenue, in FY 2014. The average fitness revenue (or yield) per member per month (excluding VAT) was €18.84 in FY 2015 and €19.68 in FY 2014. The average number of members in FY 2015 and FY 2014 was 873,713 and 672,196, respectively. We generate secondary income, which we report as other revenue, from fees received from personal trainers and physical therapists, who offer their services in our clubs, and from nutritional food and beverage vending machines and day passes in our clubs. Given the outsourced nature of these services, this secondary income generates a high gross margin. See “- *Membership and Members – Membership Model and Pricing*”. In FY 2015, we generated €4.7 million in other revenue, or 2.3% of total revenue. In FY 2014, we generated €3.4 million in other revenue, or 2.1% of total revenue. The average other revenue divided by member per year (including VAT) was €5.43 in FY 2015 and €4.98 in FY 2014. The average number of members in FY 2015 and FY 2014 was 873,713 and 672,196, respectively. This reflects what a member on average generated in other revenue (i.e. revenue generated from personal trainers, physical therapists and food and beverage vending machines) in 2015 and 2014. We believe that the additional services that we offer to our members can act as a competitive differentiator and may in fact increase the total revenue per member per month from our 1.1 million membership base. We are also in the early stages of exploring ways to further grow revenue through (i) monetisation of our membership database through cross-selling and up-selling other health and fitness related products and services; (ii) in-club advertising by third parties; and (iii) expansion of the existing personal training, physical therapy and vending machine offerings at our clubs.

### ***Selectively acquire other fitness clubs***

We have in the past selectively acquired existing fitness clubs and chains of fitness clubs and converted those clubs to the Basic-Fit brand and format. The fitness industry in the geographic markets where we operate is fragmented and offers the potential for consolidation. We believe that acquisitions can provide a way to accelerate our club roll-out strategy. There are no acquisitions actively considered as of the date of this Prospectus, and any acquisition would be on an opportunistic basis with a view to generate revenue and cost synergies as an acquired club or chain of clubs is converted to the Basic-Fit brand and format and benefits from our low-cost operating model and our management's experience of driving membership numbers.

### ***Expansion into other geographic markets***

We are currently active in the Netherlands, Belgium, Luxembourg, France and Spain. We believe that there are a number of other geographic markets in Europe that could provide an attractive opportunity for us to establish a presence in the longer term. If we were to pursue an expansion into such other geographic markets, we would be looking to pursue opportunities in sizeable markets with low levels of fitness penetration or an underdeveloped low-cost fitness segment and where there is a significant price gap between prevailing health and fitness club prices and our price levels. While further geographic diversification is something we will consider in the longer term, we are currently focused on expanding the number of our clubs in our existing markets.

### ***Medium-Term Objectives***

Through pursuing our strategy and assuming normal macro-economic conditions and market circumstances and no material changes to the current regulatory and tax framework of our industry and our business, we aim in the medium-term (i) to add 65 – 75 clubs to our network per year; (ii) to achieve an annual revenue growth of at least 20% with significant operating leverage; (iii) to achieve modest (up to 1%) LFL Revenue Growth; and (iv) to achieve a return on invested capital on Mature Clubs of at least 30% (whereby invested capital means the initial capital expenditure incurred in opening a new club).

We have not defined, and do not intend to define, “medium-term”, and these medium-term objectives should not be read as indicating that we represent or otherwise commit to achieve any of these metrics or objectives for any particular fiscal year or reporting period. These objectives should not be regarded as forecasts or expected results or otherwise as a representation by us or any other person that we will achieve these objectives in any fiscal year or reporting period. Our ability to meet our medium-term objectives is based upon the assumption that we will be successful in executing our strategy and, furthermore, depends on the accuracy of a number of assumptions involving factors that are significantly or entirely beyond our control and are subject to known and unknown risks, uncertainties and other factors that may result in us being unable to achieve these objectives. See “*Risk Factors – We may fail to achieve any or all of the medium-term objectives included in this Prospectus*”.

### **Operational Key Performance Indicators**

We use several operational key performance indicators to track the performance of our business, including number of clubs, number of mature clubs, number of immature clubs, average number of clubs per year, and number of members. Our management believes that these measures provide an important indication of trends in the performance of our business. The table below shows our operational key performance indicators for the periods indicated.

	<u>Q1 2016</u>	<u>Q1 2015</u>	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>
Number of clubs . . . . .	351	275	338	264	199
Number of Mature Clubs <sup>(1)</sup> . . . . .	-	-	184	-	-
Number of Immature Clubs <sup>(2)</sup> . . . . .	-	-	154	264	199
Number of memberships . . . . .	1,076,752	837,303	955,885	791,540	552,852

(1) We define Mature Clubs as clubs that have been operational as a Basic-Fit club for at least 24 months.

(2) We define Immature Clubs as clubs that have been operational as a Basic-Fit club for less than 24 months.

## Our Clubs and Format

From 1 January 2014 to 31 March 2016, we increased the number of clubs we operate from 199 to 351 and our membership base from 552,852 to 1,076,752, by increasing memberships at our existing clubs, opening new clubs and selectively acquiring existing clubs from our competitors. We added 13 clubs in the first three months of 2016, and target adding 65 to 75 clubs in total in 2016, and a similar number per year thereafter over the medium-term.

We aim to offer a “value-for-money”, high-quality, essentials-only fitness experience by providing clean fitness clubs with high-quality fitness equipment and clean showers, dressing rooms and lockers while reducing inessential facilities which require a substantial amount of capital expenditure and staff to operate, such as swimming pools, saunas, tennis or squash areas, day-care facilities and retail and food and beverage areas. We believe that our “value-for-money” fitness offering appeals to the essential fitness needs of active people of all ages and genders who care about their personal health and fitness.

Our clubs are generally located in populous areas, such as city and town centres, or areas which are easily accessible or have a high amount of traffic, such as business parks and shopping centres. Our clubs are typically open from 08.00 a.m. CET (07.00 a.m. CET in the Netherlands) to 10.30 p.m. CET from Monday to Friday and from 09.00 a.m. to 4.00 p.m. CET on Saturdays and Sundays. Approximately 60 of our clubs are open 24 hours four days a week, i.e. from Monday up to and including Thursday, and one of our clubs in the Netherlands and two of our clubs in Belgium are open 24/7. We intend to increase the number of clubs that are open 24/7 in the future. We believe that clubs that are open 24 hours per day are particularly appealing to customers in urban areas where more people tend to have irregular schedules.

We have a standardised club format. Our clubs are designed with the distinctive bright orange, white and grey Basic-Fit colour scheme and outfitted in accordance with our philosophy of offering a “value-for-money”, high-quality, essential fitness experience to our members. The size of our clubs generally ranges between 1,200 m<sup>2</sup> and 2,000 m<sup>2</sup>, and they are uniformly divided into the following exercise areas: cardio training; strength training; stretching and functional; and a free-weight zone. Each of our clubs also has an area where virtual classes and, if offered at the relevant club, live group lessons take place. The uniformity of our club design is aimed at ensuring a consistent member experience and facilitating the easy roll-out of new clubs. Each of our clubs is typically fitted with high-quality fitness equipment supplied by two of the premier fitness equipment suppliers. Our Matrix fitness equipment is currently supplied by Johnson Health Tech. Co., Ltd. and our Technogym fitness equipment is currently supplied by Technogym S.P.A. and its affiliates. See “*Risk Factors – We rely on a limited number of contractors and suppliers for equipment and certain products and services. A loss of any of our contractors or suppliers could negatively affect our business*”. Approximately 60% of the fitness equipment in our clubs is for cardio training, and approximately 40% of the fitness equipment in our clubs is for strength training. Our equipment is replaced on a regular basis: our cardio equipment is generally replaced every four to five years, and our strength equipment generally is replaced every eight to ten years. We have maintenance and repair contracts with our equipment manufacturers in order to minimise disruptions to the service offering to our members. These maintenance and repair contracts include maintenance and repair arrangements with a view to ensuring no equipment is out of order for more than 72 hours. Maintenance and repair contracts for cardio and strength equipment are entered into for a period of four to five years following delivery of the equipment. After four or five years, we typically enter into new maintenance and repair contracts for cardio and strength equipment for the remaining period that the equipment is in use. Towards the end of the life term of the equipment, we purchase and install new cardio and strength equipment, combined with a renewed maintenance and repair contract for another period of four to five years. We have entered into buy-back agreements with the supplier of our Technogym fitness equipment to sell the equipment to the supplier at a pre-agreed price at the discretion of Basic-Fit or sell the equipment to third parties on more favourable terms.

All of our clubs host virtual group lessons for no additional cost, and 209 of our clubs offer live group lessons under supervision of an instructor at an additional cost of €5.99-9.99 per month as of 31 March 2016. The instructors of our live group lessons work on a freelance basis or on a temporary and part time contract, except in Spain where we have long-term employment relationships with the instructors. Each club has a basic food and beverage offering with drinks, food and energy bars available in vending machines. Operating these machines is completely outsourced and we receive a fee contribution from the vendor. We operate a low-cost business model and strive to staff our

clubs in line with that model. Our clubs are generally staffed by an average of 2.8 member facing FTEs who take on the role of host at their club during their shift. This number excludes functions which in some countries are performed by people who are employed by us and in other countries by people with whom we do not have an employment relationship, such as the instructors of our live group lessons, cleaners and night security personnel. The role of a host includes acting as a first point of contact for the members and ensuring that the club provides a high level of service and fitness experience to our members. At each club, one of our employees takes on the additional role of a team leader, who, in addition to his or her duties as a host, manages the general affairs of the club. At all times, we aim to have one employee present at each of our clubs. In addition, self-employed personal trainers are active at approximately 50 per cent of our clubs. In the Netherlands, personal trainers are active in 98, or 70 per cent, of our clubs as of 31 March 2016, and in Belgium personal trainers are active in 73, or 50 per cent, of our clubs as of 31 March 2016. In Luxembourg, personal trainers are active in each of our six Basic-Fit branded clubs as of 31 March 2016. In France, personal trainers are active in 4, or 13 per cent, of our clubs as of 31 March 2016, and in Spain personal trainers are active in 24, or 92 per cent, of our clubs as of 31 March 2016. We aim to offer sessions with personal trainers in approximately 75% of our clubs. These personal trainers offer individual training sessions to our members for a fee determined at their own discretion. We contract the personal trainers on a freelance basis, except in Spain where we have an employment relationship with the personal trainers, and charge them a fee for the use of our facilities and customer base through which they can offer their services. All personal trainers need to be registered as a qualified personal trainer in accordance with standard accepted norms per country. In addition, in 102 of our clubs in the Netherlands, we sublease parts of our premises to physical therapists, who may offer their services to our members. We do not currently have this concept of subleasing parts of our premises to physical therapists in the other countries in which we are active. We believe that these personal trainers and physical therapists, without being on payroll, have a vested interest in overseeing quality and cleanliness of our premises.

**Geographic Coverage**

We are the largest “value-for-money” fitness club operator in Europe measured by number of clubs (Source: Company analysis; OC&C Market Report) and operate in some of continental Europe’s most attractive markets. Our clubs are located in the Netherlands, Belgium, Luxembourg, France and Spain. The following map provides an overview of our clubs and the countries in which we are active, as at 31 March 2016:



(a) Of which two are HealthCity clubs.

Our business operates through two reportable segments: (i) the Benelux; and (ii) France and Spain. The following table shows the number of clubs per country for the periods indicated:

	<u>Q1 2016</u>	<u>Q1 2015</u>	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>
The Netherlands . . . . .	140	118	140	114	94
Belgium . . . . .	145	122	139	118	79
Luxembourg . . . . .	8	6	8	6	0
France . . . . .	32	11	25	10	9
Spain . . . . .	26	18	26	16	17
<b>TOTAL</b> . . . . .	<b>351</b>	<b>275</b>	<b>338</b>	<b>264</b>	<b>199</b>

The following table shows the number of memberships per country for the periods indicated:

	<u>Q1 2016</u>	<u>Q1 2015</u>	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>
The Netherlands . . . . .	444,244	363,282	416,118	352,500	284,308
Belgium . . . . .	446,912	376,503	392,390	356,393	216,684
Luxembourg . . . . .	25,855	17,978	22,198	16,783	0
France . . . . .	89,010	28,615	62,396	21,840	19,489
Spain . . . . .	70,731	50,925	62,783	44,024	32,371
<b>TOTAL</b> . . . . .	<b>1,076,752</b>	<b>837,303</b>	<b>955,885</b>	<b>791,540</b>	<b>552,852</b>

***The Netherlands***

The Netherlands has a mature and fragmented fitness market, with a Penetration Rate of approximately 16% and an aggregate market size of approximately €1.3 billion. We are positioned as the clear leader in the Netherlands as measured by number of clubs, with approximately 80% more clubs than the next largest chain. (Source: OC&C Market Report.) We believe we have a strong market share in the Netherlands due to our strategy of rolling out new clubs and our strong value-for-money proposition.

The table below shows our operational key performance indicators for the Netherlands for the periods indicated.

	<u>Q1 2016</u>	<u>Q1 2015</u>	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>
Number of clubs . . . . .	140	118	140	114	94
Number of members . . . . .	444,244	363,282	416,118	352,500	284,308

***Belgium***

We have a strong position in Belgium with an overall market share of over 50% in member numbers and over eight times as many clubs as the next largest low-cost chain. Belgium is situated as a market with compelling upside, as the Penetration Rate of its 11.2 million residents stands at a relatively low 6.8%. Given our existing standing in Belgium and the sizeable portion of its population yet to be penetrated, we believe there is further growth achievable in Belgium. Based on a Penetration Rate of 8.0% and the low-cost segment capturing 60.0% of such market, there is a basis for an additional 51 low-cost clubs in Belgium. (Source: OC&C Market Report.) In the event the Penetration Rate and low-cost market share further increases to 11.0% and 70.0%, respectively, then we may expect to see an additional 80 low-cost clubs, for an aggregate of 131 new low-cost clubs in the country.

The table below shows our operational key performance indicators for Belgium for the periods indicated.

	<u>Q1 2016</u>	<u>Q1 2015</u>	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>
Number of clubs . . . . .	145	122	139	118	79
Number of members . . . . .	446,912	376,503	392,390	356,393	216,684

***Luxembourg***

As of the date of this Prospectus, we operate 8 clubs in Luxembourg, two of which are operated under the HealthCity brand. Given Luxembourg's relatively small population, we do not expect significant further growth in this country.



The table below shows our operational key performance indicators for Luxembourg for the periods indicated.

	<u>Q1 2016</u>	<u>Q1 2015</u>	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>
Number of clubs. . . . .	8	6	8	6	0
Number of members. . . . .	25,855	17,978	22,198	16,783	0

**France**

France is a sizeable and fragmented market with limited low-cost competition currently. In fact, the low-cost segment currently represents only 4% of the aggregate fitness club market. The French market is characterised by small fitness clubs operated by franchisers, with less than half of all clubs in the country being part of a fitness chain. Although we are already the top low-cost, non-franchise fitness club operator in France based on number of clubs, with a population of 66.4 million people and a Penetration Rate of 7.8% we believe there is substantial opportunity to further enhance our expansion into France and thereby capture market share and drive growth. Based on a Penetration Rate of 8.0% and the low-cost segment capturing 40.0% of such market, there is a basis for an additional 485 low-cost clubs in France. (Source: OC&C Market Report.) In the event the Penetration Rate and low-cost market share further increases to 11.0% and 50.0%, respectively, then we may expect to see an additional 430 low-cost clubs, for an aggregate of 915 new low-cost clubs in the country. We also seek to grow in France by leveraging our local head office and committed operating team, which includes four dedicated expansion and sales managers. To this end, we have in our France pipeline 25 sites with signed leases, approximately half of which are currently under a construction contract and an additional 21 sites with leases currently under negotiation. Our French clubs have historically typically achieved positive Adjusted Club EBITDA within one month of opening.

The table below shows our operational key performance indicators for France for the periods indicated.

	<u>Q1 2016</u>	<u>Q1 2015</u>	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>
Number of clubs. . . . .	32	11	25	10	9
Number of members. . . . .	89,010	28,615	62,396	21,840	19,489

**Spain**

The Spanish fitness club market is highly fragmented, with a relatively small low-cost segment, and without any large fitness chains present. Our expansion into Spain focusses primarily on the highly and densely populated Madrid region due to limited competition from low-cost fitness chains and our ability to quickly build a strong cluster of clubs. Although our current focus in Spain is centered on the Madrid region, we plan to subsequently expand into other attractive Spanish regions. Based on a Penetration Rate of 11.0% and the low-cost segment capturing 30.0% of such market, there is a basis for an additional 245 low-cost clubs in Spain. (Source: OC&C Market Report.) In the event the Penetration Rate and low-cost market share further increases to 15.0% and 50%, respectively, then we may expect to see an additional 727 low-cost clubs, for an aggregate of 972 new low-cost clubs in the country. We additionally believe Spain presents a unique growth opportunity due to the potential roll-up of multiple independent, smaller operators.

The table below shows our operational key performance indicators for Spain for the periods indicated.

	<u>Q1 2016</u>	<u>Q1 2015</u>	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>
Number of clubs. . . . .	26	18	26	16	17
Number of members. . . . .	70,731	50,925	62,783	44,024	32,371

**Developing New Clubs**

We have instituted site selection and new club development procedures to identify and assess new sites and develop new clubs through a coordinated approach managed by our planning and control department. We also have a standardised procedure for acquiring existing fitness clubs and subsequently converting them to the Basic-Fit brand and format.

We perform white spot analyses in all of our markets with the aim of identifying areas where there is potential demand for our fitness offering that is not met adequately by existing supply in the low-cost health and fitness segment. We believe that we can operate a club profitably at a relatively low membership level due to our efficient cost base, and that we are able to open clubs in areas that are not attractive enough for other fitness operators. When we have identified a white spot, we make an analysis of the potential members in that area, and after we have identified an actual location for a club, we calculate the costs of opening and operating a club in that location. If it is decided that the area is suitable for opening a new club, our site selection team starts the search for an appropriate site. We have four site selection teams, one for each of our main markets, who work through real estate brokers to identify suitable sites. We typically seek locations with between 1,200 and 2,000 m<sup>2</sup> of floor space, transport accessibility, parking facilities and good site visibility. Once a suitable site has been selected, our planning and control department makes an analysis of the potential profitability of the new club, taking into account the potential member base and the building and development costs, lease costs and operating costs. If the development of the new club is deemed to be feasible from a financial and operational point of view, the plan for the new club is presented to the relevant country manager and the Management Board for approval. If the plan is approved, our in-house legal team negotiates the contracts for the new site and new club, and our development team will start organising the fit-out of the new club after all required permits are obtained. Obtaining all relevant permits and consents takes six weeks to three months in the Netherlands and Belgium, six to twelve months in France and twelve to 24 months in Spain. In Spain, however, a construction and opening permit can typically be obtained after 15 days, following which we can start building and opening the club. Fitting out a new club usually takes between ten and 16 weeks (depending on the location, size and layout of the new club). Once the fit-out of a new club has been nearly completed, a club team, responsible for managing the general affairs of the new club, will be recruited and appointed by the headquarters of the country in which the club is situated. Following appointment of the club team, pre-opening marketing, including local advertising and flyer campaigns and pre-opening membership sales will commence. Generally, the time period between site identification and the opening of a new club is between three and six months in the Netherlands, between five and eight months in Belgium, between seven and 15 months in France and between five and eight months in Spain. The initial site investment cost to develop and fit-out a new club was on average €1.0 million over 2014 and 2015. One of the on-going objectives of our planning and control department is to further reduce fit-out costs, for example, by employing a more competitive tender process when appointing fit-out contractors and negotiating better terms with our suppliers. In the first three months of 2016, we added an aggregate of 13 clubs. We additionally have in our pipeline an aggregate of 41 sites with signed leases, approximately half of which are currently under a construction contract and an additional 39 sites with leases currently under negotiation.

In addition to selecting sites and developing clubs, we have in the past selectively acquired and we may, from time to time, continue to selectively acquire existing fitness clubs and chains of clubs. Once we have acquired an existing club, we convert it to the Basic-Fit brand and format. We have standardised procedures in place with respect to converting acquired clubs. As part of our conversion procedure, we inform all members of the existing club that the club will be converted to a Basic-Fit club and organise information sessions for employees to inform them about the upcoming conversion of the club to the Basic-Fit brand and format. We start building an IT infrastructure for the club so it can commence operations as Basic-Fit club as soon as possible following acquisition. Another important element of converting clubs is the conversion of the fit-out and design of the acquired club to the Basic-Fit design. Completion of the acquisition of a club to conversion to the Basic-Fit brand takes on average six to twelve weeks in the Netherlands.

We believe that there are opportunities for further club openings in the countries in which we are active, in particular in France, and that our track record of successfully developing and opening new clubs, and acquiring and subsequently converting existing clubs, puts us in a strong position to explore and benefit from those opportunities.

## **Membership and Members**

We believe that one of the main differentiators between us and our competitors is our membership model, which offers unlimited access to high-quality fitness facilities for a low and fixed fee per month. In addition, we offer the “shareable pass” concept, whereby a single membership pass gives all residents who are older than 12 years of the address at which the membership is registered access to all Basic-Fit clubs. In Spain, the membership pass can only be shared among four direct

family members living at the same address at which the membership is registered. Furthermore, some of our clubs in the Benelux are only accessible for women. We offer this “Ladies Only” club format in urban areas where we have experienced a high demand for these clubs. Finally, a single membership gives our members individual access to all our clubs across Europe. Approximately 25% of our members use multiple clubs to exercise, and approximately 56% of the frequent gym members (members who are visiting Basic-Fit at least once a week) use multiple clubs to exercise.

We operate in an industry characterised by high levels of customer turnover, or “churn”. Approximately one-half of our members terminated their contracts with us in each of FY 2014 and FY 2015. See also “*Risk Factors – Our business depends on attracting new members and retaining existing members*”. We have been successful in offsetting the effect of member turnover through our intensive member recruitment efforts and have benefitted from a net inflow of memberships in the periods under review. We strive to make it easy for new members to join. New members can join and pay online through our website, or alternatively through a self-service registration kiosk in each of our clubs, through which membership cards can be received immediately. We believe that these are important factors behind driving our ability to increase our membership base and to retain existing members. In our most mature markets, the Netherlands and Belgium, the average length of stay of a member is higher than the estimated industry average. We estimate that members in the industry stay eight months on average. Members in our Mature Clubs in the Netherlands stay 21 months on average, and members in our Mature Clubs in Belgium stay 16.5 months on average. Since 1 January 2014, we have increased our membership base from 552,852 to 1,076,752 as at 31 March 2016.

**Membership model and pricing**

We operate a transparent and straightforward membership model comprising three basic membership forms, each with a fixed membership fee giving unlimited access to our clubs: Easy, Smart and Flex.

**Easy.** The Easy membership is entered into for a one-year term. It consists of an annual upfront payment of membership fees. In the Netherlands, this membership can be cancelled after the first year on a monthly basis. In Belgium, Luxembourg, France and Spain, this membership is automatically cancelled after the first year. New members pay a one-off registration fee of €19.99. As of 31 March 2016, 16% of our members had Easy memberships.

**Smart.** The Smart membership is entered into for a one-year term. It consists of a monthly payment of membership fees and can be cancelled after the first year on a monthly basis. New members pay a one-off registration fee of €19.99. As of 31 March 2016, 69% of our members had Smart memberships.

**Flex.** The Flex membership is entered into for an indefinite period. It consists of a monthly payment of membership fees and can be cancelled on a monthly basis. New members pay a one-off registration fee of €39.99. As of 31 March 2016, 15% of our members had Flex memberships.

We continuously seek to address customer demands and preferences with respect to our fitness club offerings. In 2015, we introduced the Flex membership upon demand from our members for a more flexible low-cost membership form that can be cancelled on a monthly basis. As of April 2016, we also offer day-passes giving one-off access to our clubs. A day-pass costs €6.99 in the Netherlands and €8.99 in Belgium, Luxembourg, France and Spain.

The table below shows the monthly membership fee for each of our membership forms in each of our five markets:

	<u>Easy<sup>1</sup></u>	<u>Smart<sup>2</sup></u>	<u>Flex<sup>2</sup></u>
The Netherlands. . . . .	€17.99	€19.99	€23.99
Belgium. . . . .	€19.99	€19.99	€23.99
Luxembourg . . . . .	€19.99	€19.99	€23.99
France. . . . .	€19.99	€21.99	€25.99
Spain. . . . .	€19.99	€21.99	€25.99

(1) Annual upfront payment of membership fees.  
(2) Monthly upfront payment of membership fees.

Across the markets in which we are active, on average approximately one-half to two-thirds of our members have switched to our fitness clubs from alternative fitness clubs, while approximately one-quarter to one-half of our members are first-time fitness members. The remainder of our members have rejoined Basic-Fit after previously ending their membership. New members are offered an introductory “kick-start” session with a personal trainer in groups of three to four participants. The session consists of an instruction with respect to the fitness equipment that is available at our clubs and exercises that enable members to meet their personal fitness goals. Kick-start sessions are available in those clubs that have personal trainers on the premises and cost €14.99, of which Basic-Fit receives €3.00 and the personal trainers receive €11.99.

Each membership form can be supplemented with the following add-ons:

**Yanga Sports Water.** The Yanga Sports Water supplement offers unlimited use of the Yanga Sports Water vending machines in our clubs. Yanga is a sugar-free and colourant-free sports drink. The Yanga Sports Water supplement costs €3.99 per month. Our sales of such supplement for FY 2014 and FY 2015 totalled €1.7 million and €2.1 million, respectively. Approximately 79,000, or 6.9% of our members currently subscribe for the supplement, and we aspire to increase the penetration rate to approximately 10% of our members in 2016 and, ultimately, 20% in the long term. Yanga Sports Water is supplied by a third-party provider. As of the date of this Prospectus, Yanga is available in all our clubs in the Benelux. We expect to further roll out Yanga vending machines to our clubs in France by the end of June 2016 and to our clubs in Spain in the second half of 2016.

**Live Group Lessons.** The Live Group Lessons supplement consists of unlimited access to a programme of live group lessons under the supervision of a club instructor. The supplement costs €7.99 per month in the Netherlands, €9.99 per month in Belgium, Luxembourg and France, and €5.99 per month in Spain, where this supplement is especially popular. Live group lessons are currently available at approximately 56% of our clubs. We aim to continue to have live group lessons available in 55-60% of our clubs.

**Basic-Fit Pro-App.** The Basic-Fit Pro-App allows members to create a personal training schedule that fits into their lifestyle, needs and personal goals, and a personal nutrition plan. The Basic-Fit Pro-App costs €3.99 per month, while the Basic-Fit App has more limited applications and is available for free.

Any seasonal special offers and discounts with respect to membership and registration fees are initiated and developed at country level and in order to achieve a coordinated sales approach across the various countries require approval from the Management Board before implementation. Special offers and discounts are generally implemented in January, May and September with a view to maximise enrolments of new memberships at times of peak demand.

## Customer Satisfaction

We believe that customer satisfaction is key to attracting new members and retaining existing members. We have a customer support department at our headquarters in Hoofddorp staffed with 47 FTEs as at 31 March 2016 that handles the interaction with current and potential members in all of our markets except Spain. Our customer support department consists of a call centre and an electronic helpdesk that can be contacted through our website with questions and suggestions concerning our services and clubs. Our customer support department strives to maintain and improve the satisfaction of our members and help with any questions they may have relating to their membership, our services or our clubs. In addition, we are in the process of rolling out a procedure whereby a third-party services provider conducts unannounced site visits to assess the customer experience in our clubs in order to monitor, and where possible improve, the quality of our service offering to our members. We expect that the roll-out of site visits will commence in Q2 2016.

## Marketing

Our marketing strategy is focused on strengthening brand awareness and driving new members to our clubs. The strategy is anchored by our key brand differentiators: a “value-for-money” membership pricing structure, vicinity of our clubs, our large offering of high-quality fitness equipment, extended opening hours seven days per week, access to our clubs across Europe with a single membership, access to our clubs for all residents of the registered address of the pass and day-passes. We are known for our memorable and creative advertising campaigns, which not only drive



membership sales, but also showcase our brand philosophy and innovation in the industry. We use different marketing strategies and promotions to appeal to both women and men in a broad age group, and we use different marketing channels to reach these different groups. See “*Risk Factors – We may not be able to maintain the value and reputation of our brand*”. The acquisition cost per joiner (the net marketing cost divided by the number of joiners) was €18.3 and €14.8 in 2014 and 2015, respectively. The number of joiners in FY 2015 and FY 2014 was 590,564 and 446,604, respectively. We estimate that the member lifetime value, based on an average membership of 18 months, was approximately €360 per member. Our key marketing channels are television, radio, outdoor media and internet. Advertising through such marketing channels has in the past resulted and is expected to continue to result in increasing membership levels. Another important driver of new members joining our clubs is our existing members’ experience, which drives word-of-mouth marketing. We have a centralised marketing department that is responsible for our marketing strategy and the execution of the various marketing work streams. Our marketing department’s key activities focus on international online and offline communication and advertising campaigns, market research, consumer segmentation, member communication and in-club activation. Our net marketing costs were €8.2 million in 2014 and €8.8 million in 2015. Our average net marketing costs per club decreased from €35.3k in 2014 to €29.1k in 2015. We determine our average net marketing costs per club by dividing our net marketing costs in a period (€8.2 million in 2014 and €8.8 million in 2015) by the average number of clubs in that period (232 in 2014 and 301 in 2015). In addition to our centralised marketing strategy, we have localised marketing strategies to attract new members to our clubs. Our local marketing campaigns, including our pre-sales campaigns, focus on advertising in local magazines, on billboards, local radio and social media, on distributing flyers in the area in which we intend to open a new club and on local sponsored online advertisements. Due to our scale in the Benelux, we can market on a national scale. In France and Spain, we are focused on local and regional advertising campaigns. It is expected that our advertising campaigns will be less focused on price as a determining driver for attracting new members. We expect to focus more on the Basic-Fit experience, emphasising quality so that price is less of a key driver. The aim is that the key driver for attracting new members in our advertising campaigns will be the perceived and experienced high-value of Basic-Fit’s fitness offerings.

### **Information Technology and Automation**

We believe that our IT-system capabilities allow us to differentiate our proposition from those of our competitors. IT plays a key role in enabling us to offer a high-quality gym experience with competitive prices and a transparent pricing model. Our IT systems enable effective processing of data relating to our members and the protection of our members’ sensitive and confidential information. We seek to mitigate the risks inherent in the usage of IT systems and the processing and storage of data by network security measures, business and ICT continuity planning, controls, planning and monitoring.

We have a business intelligence system that allows us to monitor member- and add-on statistics on a daily basis. The system is also designed to deliver datasets required for our monthly financial and non-financial reporting. It reports on member characteristics and has the flexibility to create ad-hoc member-level datasets for more in depth analysis. The system has been set-up with GymManager, a software application for the fitness industry. We also use an online, third-party member enrolment system to add members to GymManager. GymManager and the online member enrolment system are software systems that are crucial to operating our business. Our websites are hosted by a third party, and we also rely on third-party vendors for data warehouse support and other related IT functions. For our online enrolment system we use a third-party payment services provider and do not store payment information, other than information required for processing direct debit payments, on any of our own systems. Our third-party providers have historically provided stable IT architecture. We have only experienced limited and scheduled down time to allow for upgrades and maintenance to the respective systems during the periods under review. We believe that these third-party provided systems are scalable to support our growth plans and keep costs low, allowing us to keep the need for internal information technology professionals to a minimum.

Interface with our members is to a large extent performed through technology and IT instead of through personnel. This enables us to reduce the number of FTEs required to operate our clubs. Members can subscribe via our website or use our self-service registration kiosks at our clubs. We have automated gates at the entrance of our clubs that grant access to members upon verification of their membership pass. Members can join virtual group lessons and make online reservations for live



group lessons. We are currently developing an online application, My Basic-Fit, that members can use to manage their profiles. In addition, the Basic-Fit App allows members to prepare a personalised training schedule and track their progress and achievements. We expect to roll out work-out pods and assessment screens in the second half of 2016. Work-out pods give guidance and instructions to our members on how they should use the fitness equipment in our clubs. Assessment screens enable our members to give feedback about our service offering. We believe that our in-club technology enhances the customer's experience by simplifying registration procedures and access to our clubs and by delivering the services they require at any given time during opening hours.

Our information technology and automation strategy is aligned to support our low-cost, high-value business strategy and operating plans. We maintain an on-going comprehensive programme to replace or upgrade key systems, enhance security and optimise their performance. See *“Risk Factors – We rely on information systems for member enrolment, member services and financial and administrative functions, and any material failure, interruption or weakness of such systems may prevent us from effectively operating our business”*.

## **Suppliers**

We engage with a range of suppliers in the operation of our business and maintenance of our facilities, some of which are critical to operating our business. These include the supply and maintenance of fitness equipment, sales and marketing, and IT infrastructure and software. We rely on a limited number of suppliers for these services. We rely on two suppliers for fitness equipment, who supply Matrix and Technogym branded equipment, with which we have entered into supply agreements for the supply of fitness equipment for all of our clubs. These supply agreements not only provide for the supply of fitness equipment, but also require Johnson Health Tech. Co., Ltd. and Technogym S.P.A. and its affiliates to provide maintenance support services on the fitness equipment for a period of four or five years, depending on the equipment, after the installation of the equipment. In addition, these agreements include maintenance and repair arrangements in order to ensure that no equipment is out of order for more than 72 hours. Furthermore, we rely on a limited number of software suppliers. We use Software Society for hosting, developing and maintaining our member management system (GymManager), The Valley for developing our member enrolment system, and First Impression for providing hardware and GymManager for providing software for our self-service registration kiosks and the virtual screens in our clubs. We rely on these suppliers in the operation of our business. We believe that we have longstanding and good relationships with our suppliers and we will seek to continue to optimise these relationships to ensure a consistent service offering to our members across our clubs. See *“Risk Factors – We rely on a limited number of contractors and suppliers for equipment and certain products and services. A loss of any of our contractors or suppliers could negatively affect our business”*.

## **Real Estate**

We do not own any real estate. All of our clubs, our headquarters in the Netherlands and our three local country headquarters in Belgium, France and Spain, respectively, are located on leased premises. After selecting premises that meet our selection criteria for new club openings, we enter into negotiations with the landlords of such premises. In negotiating a lease, we strive to come to a lease contract which is based on our standard template lease contract. Our lease contracts generally have initial terms of 9 or 10 years depending on the various countries and typically provide for renewal options that we may exercise at our discretion. In the Netherlands and Spain, our lease contracts generally provide for renewal options for two additional five-year periods. In Belgium and France, our lease contracts are typically entered into for a period of nine years, which is divided into three three-year periods, with break periods typically arising in the second and third period. Our lease contracts generally may be terminated with a twelve-month notice period, with such right becoming exercisable at various phases of the lease term, depending typically on the country in which the property is located. In addition, our lease contracts usually include the following terms: yearly rental increases in line with the consumer price index, monthly rental payments, 24/7 hour access to the leased premises and a maximum amount equal to three months' rent as a security for our obligations in the form of a bank guarantee or a guarantee issued by other Basic-Fit companies (which does not put constraints on cash flow as a bank guarantee does). In addition, we enter into lease contracts only subject to the condition that we shall have obtained the required permits allowing us to operate a fitness club in the premises. We follow the traditional method of development in the health and

fitness industry, in which the landlord is responsible for the delivery of the shell of the building with the tenant financing and completing the fit-out of the building interior.

## Employees

As at 31 March 2016, we had 2,796 employees representing 1,288 FTEs. The table below shows the number of employees and FTEs per geographical segment for the periods indicated:

	As at 31 March 2016		As at 31 December 2015		As at 31 December 2014		As at 31 December 2013	
	Employees	FTEs	Employees	FTEs	Employees	FTEs	Employees	FTEs
The Netherlands . . . . .	1,516	411	1,510	418	1,380	405	921	250
Belgium . . . . .	614	402	591	415	525	366	497	398
Luxembourg . . . . .	15	15	17	17	31	31	31	30
France . . . . .	181	112	130	79	82	41	-	-
Spain . . . . .	252	150	251	155	136	79	166	109
HQ <sup>(1)</sup> and customer support . . . . .	218	199	212	190	182	162	103	90
<b>TOTAL . . . . .</b>	<b>2,796</b>	<b>1,288</b>	<b>2,711</b>	<b>1,274</b>	<b>2,336</b>	<b>1,085</b>	<b>1,718</b>	<b>876</b>

(1) HQ Hoofddorp and local country HQ.

Our clubs are open seven days per week and have extended opening hours, with some clubs open 24 hours from Monday up to and including Thursday and some clubs open 24/7. The extended opening hours of our clubs require certain flexibility from our workforce. Our workforce comprises a mix of full time and part time employees to achieve the required level of flexibility in our workforce and to provide a high-level fitness experience to our members. Approximately 83% of our employees work part time as at 31 March 2016. Our headquarters and customer support function comprises 199 FTEs. See also “– Customer Satisfaction”.

We have a dedicated human resources department, consisting of 17 FTEs at as 31 March 2016. Our human resources department is responsible for the HR strategy and services to attract, develop, motivate and retain qualified employees. We have a standardised recruitment procedure aimed at optimising the quality of our staff. After a new vacancy in a club or at our headquarters is approved by the responsible regional manager as requested by a cluster manager or team leader, or by a manager at our headquarters as requested by a regional manager, a job advertisement is posted on our website and on websites for various recruitment agencies such as Monsterboard. The job advertisement is also distributed via social media.

## Internal Organisation Structure and Club Staffing

We strive to maintain a lean staffing and organisation structure at our headquarters and our clubs in line with our low-cost business model. Our headquarters in Hoofddorp, which provides services to all of our markets except Spain where these services are provided by the local headquarters or are outsourced to third parties, consists of ten departments: HR, Finance, IT, Marketing, Customer Care, Legal, Fitness, New Business Development, Business Process Management and Purchase and Facilities. These departments are supervised by department managers, who are responsible for managing the general affairs within a department. The department managers report directly to the Management Board.

Our clubs are managed through an organisational structure with four management levels: country manager, regional manager, cluster manager and team leader. At club level, team leaders are responsible for managing the general affairs of one Basic-Fit club and report to the cluster manager. Cluster managers are responsible for multiple clubs and work as team leader at one of those clubs for three days a week. Cluster managers report to the regional manager, who is responsible for multiple clusters and whose tasks include improving work processes and coaching of the cluster managers. Regional managers report to the country manager, who is responsible for managing all Basic-Fit clubs in his/her country, and each country manager reports to the Management Board.

We operate a low-cost business model and strive to staff our clubs in line with that model. Our clubs are generally staffed by an average of 2.8 member facing FTEs who take on the role of host at

their club during their shift. This number excludes functions which in some countries are performed by people who are employed by us and in other countries by people with whom we do not have an employment relationship, such as instructors of live group lessons (see “*Our Business – Our Clubs and Format*”), cleaners and night security personnel. The role of a host includes acting as a first point of contact for the members and ensuring that the club provides a high level of service and fitness experience to our members. At each club, one of our employees takes on the additional role of a team leader, who, in addition to his or her duties as a host, manages the general affairs of the club. At all times, we aim to have one employee present at each of our clubs.

Our clubs have extended opening hours and are open on weekends. Approximately 60 of our clubs are open 24 hours four days a week, i.e. from Monday up to and including Thursday, and one of our clubs in the Netherlands and two of our clubs in Belgium are open 24/7. We intend to increase the number of clubs that are open 24/7 in the future. Our extended opening hours require certain flexibility from our workforce. We strive to achieve this without compromising the continuity in our workforce or our ability to provide a high-level fitness experience to our members by hiring a mix of full time and part time employees. Staff turnover at club level has historically been high (approximately 35% on average in 2015). The high level of staff turnover is mainly due to the large number of part time employees that we have. As at 31 March 2016, we have an average of approximately 17% full time and 83% part time employees in the Netherlands, Belgium, Luxembourg, France and Spain. Part time employees generally have contracts that range from 1 to 20 hours per week. In Luxembourg, all of our employees have full time contracts in line with market practice in Luxembourg.

We are in the process of establishing e-learning courses for our employees. The e-learning courses include instructions with respect to the tasks of our employees, instructions about our key membership systems and our core values. Personal trainers and physical therapists who are providing services in our clubs are self-employed and do not have employment contracts with us. Therefore, they are not considered employees. We monitor terms and conditions and local employment laws regularly in order to confirm they can be contracted on a freelance basis without considering them employees.

## **Health and Safety**

We have adopted health and safety policies to comply with applicable health and safety legislation. We conduct periodic risk assessments and audits, and organise periodic inspections at our clubs, each aimed at ensuring consistent compliance with our health and safety policies. We believe that safeguarding the health and safety of our employees, members and third parties at our clubs is one of the most important tasks in our business. Most of our clubs have continuously recording security cameras. These cameras are installed with a view to optimising the security of our members and staff. First aid-trained personnel are generally present at our clubs, and our clubs are typically supplied with defibrillators. See also “*Risk Factors – We could be subject to material fines and claims related to health and safety risks at our clubs*”.

## **Data Protection**

Data protection laws in the countries in which we operate are implemented from the European Data Protection Directive (the “**Directive**”). The Directive provides for requirements and restrictions to the processing of personal data. The Directive provides for additional restrictions with respect to the processing of sensitive personal data that includes personal data revealing racial or ethnic origin and data concerning health. The Directive distinguishes between data controllers and data processors. The majority of obligations under the Directive in relation to the processing of personal data applies to data controllers, whereas only a limited set of obligations applies to processors directly. A data controller is a person who determines the purposes and means of the processing of personal data (i.e. why and how personal data is processed). A data processor is a person who processes personal data on behalf of the data controller.

Data controllers are obliged to comply with a number of obligations set out in the Directive, some of the most important ones can be summarised as follows:

- personal data must be processed lawfully and in a prudent manner;
- personal data must be collected for specific, explicitly defined and lawful purposes;

- processing of personal data must be based on one of the six processing grounds provided by the Directive, which include, among others: the data subject's unambiguous consent, the necessity of the processing for the performance of a contract with the data subject, the necessity of the processing for compliance with a legal obligation and the necessity of the processing for the purposes of a legitimate interest outweighing the data subject's privacy interest;
- personal data must not be further processed in a way incompatible with the purposes for which the data has been obtained;
- personal data must not be kept longer than necessary; and
- personal data must be protected by appropriate technical and organisational security measures.

Non-compliance with data protection laws in the countries in which we operate may lead to administrative penalties which may be material and may lead to criminal enforcement.

We have adopted policies aimed at ensuring compliance with applicable data protection laws and regularly take legal advice on data protection related matters. We try to ensure that our employees are aware of the obligations under applicable data protection laws. Our policies are designed to restrict employee access to personal data, unless required in an employee's role, ensure that secure methods are used in the collection and transmission of personal data and ensure that we only enter into appropriate data sharing agreements with our suppliers.

A draft amendment to EU data protection legislation is currently being prepared by the EU legislator. If enacted, the amendment is expected to lead to substantial changes to the data protection laws of the countries in which we operate, such as more extensive transparency and accountability obligations, consent requirements and additional rights for data subjects.

## **Regulation**

We have signed the Code of Conduct of the professional association of the fitness industry in Belgium. The Code of Conduct provides a set of rules and regulations for companies that are active in the fitness industry. The rules and regulations relate to – among other things – the manner in which membership fees are presented, the terms of the membership contracts, the termination of membership contracts and the processing of complaints.

A European wide set of standards for the fitness industry is being prepared by a workgroup of the European Committee for Standardisation. The standards are expected to cover a range of topics, including with respect to the maintenance of buildings and equipment, health and safety, pre-exercise screenings, emergency procedures, levels of staffing and required qualifications of staff. It is currently unclear when the standards will be finalised and enter into force. Adoption of, and subsequent compliance with, the standards is expected to be voluntary. However, we currently expect that we, like most other reputable companies that are active in the fitness industry, will adopt and aim to comply with the rules set out in the standards.

## **Insurance**

We maintain a comprehensive insurance programme for our business and operations. Our insurance programme includes employer liability insurance, general liability insurance, property insurance, business inventory insurance, business interruption insurance and insurance against accidents at work. Depending on the subject property's age and size, the age of the property's equipment and the country in which the property sits, including the statutory insurance regime applicable in such country, our building coverage amounts generally range from approximately €0.2-2.5 million, our inventory and equipment coverage amounts generally range from approximately €0.1-0.9 million, and our lost profits coverage amounts generally range from approximately €0.2-1.2 million. We believe that we maintain insurance coverage in a manner customary in the fitness industry. However, we cannot guarantee that we will not incur any losses or be the subject of any claims that are not covered by our insurance policies or that exceed the scope of the relevant insurance coverage.

We provide directors' and officers' liability insurance for all members of the Management Board and Supervisory Board, as well as certain other persons within the Group. See "*Management and*

*Employees – Directors’ Indemnification and Insurance*” for an overview of our directors’ and officers’ insurance.

## **Intellectual Property**

We are the owner of several trademarks, trade names and logos worldwide, including several trademarks for the Basic-Fit brand. We believe that our core intellectual property rights are adequately protected. Trademarks for the words and the word-and-picture combinations used by the Group companies have been registered, or are in the process of registration, in the countries in which they are located.

## **Material Agreements**

In addition to the agreements referred to in “*Operating and Financial Review – Indebtedness – Banking Facilities and Loans*”, “*Selling Shareholders and Related Party Transactions – Related Party Transactions*” and “*Plan of Distribution*”, we have entered into the following agreements within the three years immediately preceding the date of this Prospectus that are material, not in the ordinary course of business, and contain provisions under which we have an obligation or entitlement that is material to us as of the date of this Prospectus.

On 20 November 2013, Miktom International Holding B.V., a subsidiary of Topco, as purchaser and LGE as seller entered into a sale and purchase agreement, which was supplemented by an addendum dated 20 December 2013 and an addendum dated 19 June 2014 providing for the sale and purchase of the entire outstanding share capital of Basic-Fit International B.V. and 27 HealthCity clubs (in this Prospectus also referred to as the Basic-Fit Acquisition).

On 1 April 2014, Basic-Fit Nederland B.V. as purchaser and HealthCity Nederland B.V. as seller entered into an asset sale agreement, providing for the sale and purchase of six HealthCity clubs in the Netherlands. On 23 May 2014, Basic-Fit International B.V. as purchaser and HealthCity International B.V. and HealthCity Nederland B.V. as sellers entered into a sale and purchase agreement, providing for the sale and purchase of the entire outstanding share capital of each of HealthCity Luxembourg S.A. and HealthCity België N.V., together representing 27 HealthCity clubs (the “**Add-on Acquisition**”).

On 1 June 2015, Basic-Fit Nederland B.V. as purchaser and HealthCity Nederland B.V. as seller entered into a sale and purchase agreement providing for the sale and purchase of the assets of three HealthCity clubs in the Netherlands.

## **Legal and Arbitration Proceedings**

Except for the tax matters disclosed below, we are not, and during the twelve months preceding the date of this Prospectus have not been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which we are aware) that may have, or have had in the recent past, significant effects on us and/or our financial position or profitability.

## **Tax Matters**

The Dutch tax authorities have asked questions regarding (i) the application of a specific interest deduction limitation (the anti-base erosion rules) with respect to our shareholder loans; and (ii) the arm’s length character of the interest charged on those shareholder loans. The amount of interest due under the shareholder loans, of which the deductibility can be challenged, amounts to: €0.3 million for 2013; €18.2 million for 2014; €21.2 million for 2015 and €6.0 million for the first quarter 2016. Regarding the first point, we have taken the position -based on advice from our tax advisors- that the anti-base erosion rules should not apply as a result of the application of the specific rebuttal provisions included therein. In particular, we have been advised that in the current situation the anti-base erosion rules should not apply with respect to the loans from Dutch shareholders and as a result the interest payable thereon (€6.7 million for 2014; €8.4 million for 2015; and €2.3 million for the first quarter 2016) should be deductible. With respect to the second point, we believe that we can sufficiently demonstrate the arm’s length character of interest due on the shareholder loans. Furthermore, there is a pending discussion with the Dutch tax authorities on the deductibility of part of the transaction costs, in the amount of €3.8 million, in relation to the Basic-Fit Acquisition. We



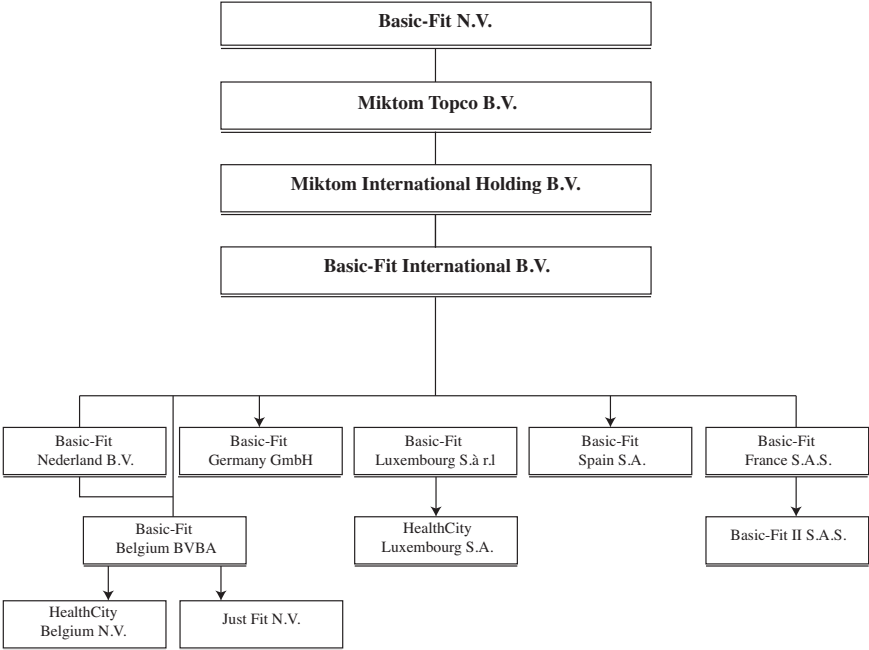
believe we have good arguments that this amount is deductible for Dutch corporate income tax purposes. However, the discussions with the Dutch tax authorities with respect to the above are currently still in an early stage and there can be no assurance that the Dutch tax authorities will agree with our arguments. In the event the Dutch tax authorities would successfully challenge the deductibility of all or part of the interest on our shareholder loans and/or the deductibility of all or part of the transaction costs in relation to the Basic-Fit Acquisition, this would in principle not lead to a direct cash tax payable to the extent such corrections would not exceed the amount of available tax loss carry forwards in the Netherlands, which are at an amount of €32.3 million as at 31 December 2015. Deferred tax assets have been recognised for €25.9 million of the aforementioned €32.3 million Dutch tax loss carry forwards. A use of such tax loss carry forwards to offset a reversal of the deduction of all or part of the interest on our shareholder loans and/or all or part of the transaction costs would lead to a corresponding reduction of Basic-Fit's deferred tax asset resulting in higher future taxes payable. For the remaining €6.4 million of Dutch tax loss carry forwards no deferred tax assets have been recognised, as these tax loss carry forwards are ring-fenced and cannot be used to offset operational profits of the Group. However, these tax loss carry forwards may be used to offset part of the reversal of the deduction of (all or part of the) transaction costs (with a maximum of € 1.7 million).

The Belgian tax authorities have imposed an additional assessment in the amount of €0.8 million following a tax audit regarding the 2012 corporate income tax return of HealthCity België N.V. in connection with, *inter alia*, the interest rate on the inter-company loans payable. BDO Belgium, the tax adviser of HealthCity België N.V. at that time, has filed an appeal against this additional assessment. As a result of the outcome of the 2012 tax audit, the Belgian tax authorities also started a tax audit regarding 2013 and 2014 at the level of HealthCity België N.V. In addition, the Belgian tax authorities have audited the arm's length character of certain transactions at the level of Basic-Fit Belgium bvba and are investigating the payment of interest and/or royalties, cost sharing and the transfer of fitness clubs. The maximum amount of the potential corrections proposed by the Belgian tax authorities at the level of Basic-Fit Belgium bvba amounts to €0.7 million. These corrections would in principle not lead to a direct cash tax payable as result of available tax loss carry forwards. However, this would lead to a corresponding reduction of Basic-Fit Belgium bvba's deferred tax asset. In addition, in the event that the Belgian tax authorities are successful in their claim to deny the deductibility of such amounts at the level of either Basic-Fit Belgium bvba or HealthCity België N.V., there is no assurance that the Dutch tax authorities agree to a corresponding adjustment at the level of Basic-Fit International B.V. or Basic-Fit Nederland B.V. The outcome of any administrative proceedings and any appeal proceedings before the courts on those items remains uncertain.

The Spanish tax authorities have imposed an additional VAT assessment of €0.3 million following a tax audit at the level of Basic-Fit Spain S.A. regarding the years 2009 and 2010 in connection with the procedure applied by Basic-Fit Spain S.A. with respect to the VAT on unpaid membership contributions. This procedure has remained unchanged and hence the Spanish tax authorities may also question this procedure for following years. The Spanish tax authorities are currently able to impose VAT corrections up to and including the first quarter of 2012. Since the VAT risk amounts to €0.1 million per year, the total tax risk up to 31 December 2015 amounts to €0.4 million, excluding any interest and possible fines that the Spanish tax authorities may charge in addition thereto. We have been advised by our tax advisors that although there are formal limitations in Spanish law regarding the right to recover VAT, we have arguments to recover the VAT in respect of unpaid membership contributions. However, the appeal against the additional VAT assessment is still in its early stages and the outcome thereof remains uncertain.

**Group Structure**

The structure chart below sets out the Group structure as of the Settlement Date.



On the date of this Prospectus, our current Shareholders (as listed in “*Important Information – Current Shareholders*”) hold the entire share capital of each of Topco and the Company. The Company was incorporated on 12 May 2016 as part of the process of preparing the Offering. Prior to Settlement, as part of the Restructuring, Mito, AM Holding, Manco and Mr Van der Vis will transfer the shares they hold in Topco to the Company against the issuance of new Ordinary Shares. As a result of the Restructuring, the Company will become the parent of the Group.

## MANAGEMENT AND EMPLOYEES

### General

Set out below is a summary of relevant information concerning the Management Board, Supervisory Board and employees, and a brief summary of certain significant provisions of Dutch corporate law and our Articles of Association.

This summary does not purport to give a complete overview and should be read in conjunction with our Articles of Association and the relevant provisions of Dutch corporate law. This summary does not constitute legal advice regarding these matters and should not be considered as such. The full text of our Articles of Association is available in Dutch and English at our business address during regular business hours. Our Articles of Association are also available in Dutch and English on our website.

### Management Structure

We maintain a two-tier board structure consisting of a Management Board and a Supervisory Board. The Management Board is responsible for our day-to-day management, which includes, among other things, formulating our strategies and policies and setting and achieving our objectives. The Supervisory Board supervises and advises the Management Board. Each member of the Management Board and Supervisory Board owes a duty to us to properly perform the duties assigned to such member and to act in our corporate interest. Under Dutch law, our corporate interest extends to the interests of all our stakeholders, including our Shareholders, creditors, employees and clients.

On the date of this Prospectus, the provisions in the Dutch Civil Code that are referred to as the 'large company regime' (*structuurregime*) do not apply to the Company and are not expected to apply immediately following the Restructuring.

### Management Board

#### *Composition, appointment, dismissal and suspension*

Our Articles of Association provide that the Management Board must consist of two or more members. The number of members of the Management Board shall be determined by the Supervisory Board. Only private individuals (*natuurlijke personen*) may be appointed as members of the Management Board. The chairman of the Management Board shall have the title of chief executive officer (CEO).

The General Meeting appoints the members of the Management Board (i) pursuant to and in accordance with a proposal of the Supervisory Board or (ii) from a binding nomination to be drawn up by the Supervisory Board.

A resolution of the General Meeting to appoint a member of the Management Board pursuant to and in accordance with a proposal by the Supervisory Board can be adopted by an absolute majority of the votes cast irrespective of the capital present or represented at the meeting.

The General Meeting may only overrule the binding nature of a nomination by the Supervisory Board by resolution of the General Meeting adopted with an absolute majority of the votes cast, provided such majority represents at least one-third of our issued share capital. If the General Meeting votes in favour of overruling the binding nature of the nomination with an absolute majority of the votes cast, but this majority does not represent at least one-third of our issued share capital, then a new meeting may be convened at which the resolution can be passed with an absolute majority of the votes cast irrespective of the capital present or represented at the meeting. In the notice convening the new meeting it must be stated, giving the reason therefor, that a resolution may be passed with an absolute majority of the votes cast, irrespective of the part of the capital represented at such meeting. If the binding nature of the nomination is overruled, the Supervisory Board shall draw up a new binding nomination to be voted upon at the next meeting.

If the Supervisory Board has not drawn up a proposal or binding nomination, the General Meeting is free in the appointment, provided that the appointment is subject to and in accordance with the applicable requirements under applicable law, and further provided that such resolution of the General Meeting is adopted with an absolute majority of the votes cast representing at least

one-third of our issued share capital. No second meeting as referred to in section 2:120 paragraph 3 of the Dutch Civil Code can be convened.

Our Articles of Association provide that each member of the Management Board shall be appointed for such period, including an indefinite period, as provided in the relevant proposal, provided, that unless the member of the Management Board has resigned or is removed at an earlier date, or if specified otherwise in the relevant proposal or binding nomination for the appointment, his term of office shall ultimately lapse immediately after the day of the first General Meeting, to be held after the period for which he was last appointed has lapsed. A member of the Management Board may be re-appointed with due observance of the preceding sentence.

Our Articles of Association provide that the General Meeting has the authority to suspend or dismiss a member of the Management Board. Such resolution of the General Meeting requires an absolute majority of the votes cast, which majority must represent at least one-third of our issued share capital. If the General Meeting votes in favour of the suspension or dismissal with an absolute majority of the votes cast, but such majority does not represent at least one-third of our issued share capital, a new meeting may be convened at which the resolution may be passed with an absolute majority of the votes cast, irrespective of the part of the capital represented at such meeting. In the notice convening the new meeting it must be stated, giving the reason therefor, that a resolution may be passed with an absolute majority of the votes cast, irrespective of the part of the capital represented at the meeting. Members of the Management Board may also be suspended by the Supervisory Board at any time. A suspension by the Supervisory Board may, at any time, be discontinued by the General Meeting and automatically lapses if the General Meeting does not resolve to dismiss such member of the Management Board within three months from the date of such suspension.

### ***Decision-making***

The Management Board adopts resolutions by an absolute majority of the votes cast. Blank votes, invalid votes and abstentions shall be considered as not cast. Each member of the Management Board may cast one vote. In the event the Management Board consists of two members and the votes are tied, the proposed resolution is rejected unless the chairman of the Management Board voted in favour of such resolution in which case the Supervisory Board shall decide. In the event the Management Board consists of three or more members and the votes are tied, the chairman of the Management Board shall have a casting vote.

The Management Board Rules (as defined below) comprise a list of clearly defined resolutions of the Management Board that shall be subject to the approval of the Supervisory Board (see “*Selling Shareholders and Related Party Transactions – Related Party Transactions – Relationship Agreement – Supervisory Board Approval Matters*”).

Dutch law provides that resolutions of the Management Board involving major changes in our identity or character are subject to the approval of the General Meeting. Such changes in any event include:

- the transfer of our whole business or practically our whole business to a third party;
- the entry into or termination of a long-term cooperation by us or by any of our subsidiaries with another legal entity or company or as fully liable partner in a limited partnership or a general partnership if such cooperation or the termination of such cooperation is of major significance to us; and
- the acquisition or disposal by us or by any of our subsidiaries of a participating interest in the capital of a company the value of which equals at least one-third of our assets according to our consolidated balance sheet with explanatory notes thereto included in our most recently adopted annual accounts.

### ***Management Board Rules***

In accordance with our Articles of Association, the Management Board has adopted rules governing the Management Board’s decision-making process and working methods (the “**Management Board Rules**”). The Management Board Rules describe the duties, tasks, composition, procedures and decision-making of the Management Board. The Management Board may adopt, in writing, whether or not as part of the Management Board Rules, an internal allocation of duties providing the task

with which each member of the Management Board shall be charged in particular. The resolution to establish such allocation of duties requires the approval of the Supervisory Board. The Management Board Rules are available on our website.

### Members of the Management Board

As of the date of this Prospectus, the Management Board is composed of the following members:

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Member since</u>	<u>Term</u>
René Moos . . . . .	53	Chief Executive Officer	20 November 2013 <sup>(1)</sup>	Indefinite
Hans van der Aar . . .	57	Chief Financial Officer	20 November 2013 <sup>(2)</sup>	Indefinite

(1) Including the period served as CEO of Topco (from 20 November 2013 until the Settlement Date).

(2) Including the period served as CFO of Topco (from 20 November 2013 until the Settlement Date).

Our registered address serves as the business address for the members of the Management Board. See “*Summary – Domicile, legal form, legislation and country of incorporation*”.

**Mr Moos** (born 1963, Dutch) is our Chief Executive Officer (CEO) and Chairman of the Management Board. Following his career as a professional tennis player, Mr Moos opened multiple tennis clubs, where he worked as a tennis teacher. In 1984, he co-founded HealthCity, a premium health and fitness club operator, and was appointed CEO, which position Mr Moos held until 2013. In 2010, HealthCity acquired 32 Basic-Fit clubs and Mr Moos decided to separate HealthCity and Basic-Fit in 2013. Mr Moos had expanded the Basic-Fit club portfolio from the initial 32 clubs to 351 clubs per 31 March 2016. Mr Moos studied at the University of Tennessee in Knoxville, Tennessee, the United States of America.

**Mr Van der Aar** (born 1958, Dutch) is our Chief Financial Officer (CFO) and a member of the Management Board. He has over 30 years of experience in accounting. Mr Van der Aar started his career as an accountant in the audit practice of BDO Accountants Advisors, where he became audit partner in 2000, which position he held until 2011. From 2004 to 2011, Mr Van der Aar also served as general manager for the BDO office in The Hague. Following this period, he was appointed CFO of Leisure Group Europe B.V., which position Mr Van der Aar held until he was appointed CFO of Basic-Fit in 2012. Mr Van der Aar holds a bachelor’s degree in Slavic Languages and Literature from the University of Amsterdam and is a chartered accountant (*Registeraccountant* or *RA* in Dutch).

### Supervisory Board

#### *Composition, appointment, dismissal and suspension*

Our Articles of Association provide that the Supervisory Board must consist of a minimum of three members, which number is to be determined by the Supervisory Board. Only private individuals may be appointed as members of the Supervisory Board.

The General Meeting appoints the members of the Supervisory Board from a binding nomination to be drawn up by the Supervisory Board, with due observance of the profile for the size and the composition of the Supervisory Board as adopted by the Supervisory Board from time to time.

The General Meeting may only overrule the binding nature of such nomination by the Supervisory Board by resolution of the General Meeting adopted with an absolute majority of the votes cast, provided such majority represents at least one-third of our issued share capital. If the General Meeting with an absolute majority of the votes cast votes in favour of overruling the binding nature of the nomination, but this majority does not represent at least one-third of our issued share capital, then a new meeting may be convened at which the resolution may be passed with an absolute majority of the votes cast irrespective of the capital present or represented at such meeting. In the notice convening the new meeting it must be stated, giving the reason therefor, that a resolution may be passed with an absolute majority of the votes cast, irrespective of the part of the capital represented at the meeting. If the binding nature of the nomination is overruled, the Supervisory Board shall draw up a new binding nomination to be voted upon at the next meeting. If the binding nature of a nomination is not overruled and the nomination for a vacancy to be filled exists of one



person, the person nominated by the Supervisory Board is considered to be appointed by the General Meeting.

If the Supervisory Board has not drawn up a binding nomination, the General Meeting is free in the appointment, provided that the appointment is subject to and in accordance with the requirements under applicable law, and further provided that such resolution of the General Meeting is adopted with an absolute majority of the votes cast representing at least one-third of our issued capital. No second meeting as referred to in section 2:120 paragraph 3 of the Dutch Civil Code can be convened.

Our Articles of Association provide that each member of the Supervisory Board shall be appointed for a maximum period of four years, provided that, unless the member of the Supervisory Board has resigned or is removed at an earlier date, or if specified otherwise in the relevant binding nomination for the appointment, his term of office shall ultimately lapse immediately after the day of the first General Meeting, to be held during the fourth year after the year of his appointment. A member of the Supervisory Board's term of office shall lapse in accordance with the rotation schedule drawn up by the Supervisory Board. A member of the Supervisory Board may be re-appointed for additional four year terms.

Our Articles of Association provide that the General Meeting has the authority to suspend or dismiss a member of the Supervisory Board. Under our Articles of Association, a resolution of the General Meeting to suspend or dismiss a member of the Supervisory Board pursuant to and in accordance with a proposal thereto by the Supervisory Board requires an absolute majority of the votes cast. However, such resolution of the General Meeting other than pursuant to and in accordance with a proposal thereto by the Supervisory Board requires an absolute majority of the votes cast, which majority must represent at least one-third of our issued share capital. If the General Meeting votes in favour of the suspension or dismissal with an absolute majority of the votes cast, but such majority does not represent at least one-third of our issued share capital, a new meeting may be convened at which the resolution may be passed with an absolute majority of the votes cast, irrespective of the part of the capital represented at such meeting. In the notice convening the new meeting it must be stated, giving the reason therefor, that a resolution may be passed with an absolute majority of the votes cast, irrespective of the part of the capital represented at the meeting.

### ***Decision-making***

The Supervisory Board shall adopt resolutions by an absolute majority of the votes cast. Blank votes, invalid votes and abstentions shall be considered as not cast. Each member of the Supervisory Board may cast one vote. In the event of a tie of votes, the chairman of the Supervisory Board shall have the casting vote.

### ***Supervisory Board Rules***

In accordance with our Articles of Association, the Supervisory Board has adopted rules governing the Supervisory Board's decision-making process and working methods (the "**Supervisory Board Rules**"). The Supervisory Board Rules describe the duties, tasks, composition, procedures and decision-making of the Supervisory Board. The Supervisory Board Rules are available on our website.

## Members of the Supervisory Board

As of the date of Settlement, the Supervisory Board will be composed of the following members:

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Member since/from</u>	<u>Term</u>
Ronald van der Vis . . .	48	Chairman of the Supervisory Board	20 December 2013 <sup>(1)</sup>	4 years
Pieter de Jong. . . . .	52	Member of the Supervisory Board	20 November 2013 <sup>(2)</sup>	4 years
Hans Willemse . . . . .	48	Member of the Supervisory Board	20 November 2013 <sup>(3)</sup>	4 years
Carin Gorter . . . . .	53	Member of the Supervisory Board	14 June 2016 <sup>(4)</sup>	4 years
Herman Rutgers . . . . .	66	Member of the Supervisory Board	14 June 2016 <sup>(5)</sup>	4 years

(1) Including the period served as member of the supervisory board of Topco (from 20 December 2013 until the Settlement Date).

(2) Including the period served as member of the supervisory board of Topco (from 20 November 2013 until the Settlement Date).

(3) Including the period served as member of the supervisory board of Topco (from 20 November 2013 until the Settlement Date).

(4) Is appointed effective as from Settlement.

(5) Is appointed effective as from Settlement.

Our registered address serves as the business address for all members of the Supervisory Board. See “*Summary – Domicile, legal form, legislation and country of incorporation*”.

**Mr Van der Vis** (born 1967, Dutch) has been Chairman of the Board of Basic-Fit since December 2013. From 2009 until 2013, he worked for Esprit Holdings Limited, a global fashion and lifestyle company listed on the Hong Kong Stock Exchange, where he was Executive Director of the Board & Group CEO. Prior to this, from 1998 to 2009, he worked for Pearle Europe (now Grandvision N.V.), the world’s leading optical retailer, first as CEO Central Europe and from 2004 to 2009 as Group CEO. From 1994 until 1998 he was CEO for Royal Ahrend N.V. in Germany and Czech Republic. He holds a bachelor degree in Business Administration from Nyenrode Business University and received his Master’s degree in Business Administration (MBA with distinction) from the Alliance Manchester Business School in the UK. Mr Van der Vis currently acts as Operating Partner and Industry Advisor. He is Chairman of the Investor Board Pharmacies of Mediq N.V. and serves as a member of the Supervisory Board of two listed companies, Sonova Holding AG and Beter Bed Holding N.V.

**Mr De Jong** (born 1964, Dutch) is partner and managing director of 3i Europe plc Benelux, an affiliate of Mito. Mr De Jong has been a member of the supervisory board of Refresco Group N.V. since May 2010 and a member of the supervisory board of Weener Plastics Holding B.V. since August 2015. Until 2010, Mr De Jong was member of the board of Kneip Communication SA (LUX). Mr De Jong holds a BBA degree from Nyenrode Business University and an MBA in Finance from Georgia State University in Atlanta, Georgia, the United States of America.

**Mr Willemse** (born 1968, Dutch) is managing partner at Craic Capital, a corporate finance boutique for medium-sized companies. Mr Willemse has over 20 years of experience in finance and corporate restructuring. Mr Willemse started his career at ABN AMRO, where he held several positions, mainly in the Financial Restructuring and Recovery department, and worked at Hollandsche-Bank Unie (a former ABN AMRO subsidiary) in the management team and credit committee. In 2008, Mr Willemse founded Craic Capital and since then he has been an advisor to AM Holding and its portfolio companies. With Craic Capital, he has arranged over 50 acquisition, refinancing and restructuring transactions. Mr Willemse holds a Master’s degree in Dutch Civil Law from Leiden University.

**Ms Gorter** (born 1963, Dutch) is an independent banking professional with over 15 years of experience. From 1997 to 2009, Ms Gorter worked for ABN AMRO Bank in various departments. She became executive vice president and head of ABN AMRO’s Group Compliance department and was appointed senior vice president and head of the Group Compliance, Legal and Security department in 2006. Prior to this, from 1994 to 1997, Ms Gorter worked at the Rabobank as senior

vice president of the Derivatives Operations department. She started her career as manager at Moret Ernst & Young in 1987. Ms Gorter is a chartered accountant (*Registeraccountant* or *RA* in Dutch) and holds a Master's degree in Business Economics from the University of Groningen. She is also a member of the supervisory board of TVM Verzekeringen.

**Mr Rutgers** (born 1949, Dutch) is an international executive armed with an extensive experience in managing international businesses, of which the last 20 years have been in the fitness industry. His career spans a wide range of multinational companies: Quaker Oats, Akzo-Organon, Sheaffer Pen, Prince/Benetton Sportsgroup and Brunswick/Life Fitness, where his last position was Executive VP for Global Marketing, Sales and Service based in the company's headquarters in Chicago. In 2001, Mr Rutgers launched his own company, Global Growth Partners. Through this company Mr Rutgers was involved with several organisations as investor, advisor or board member, such as Octane Fitness International (2006-2012) and Health & Fitness Nordic (2007-2014). Currently he is shareholder and board member of Activage in Sweden, board member of EuropeActive (European trade association for the health & fitness industry) and International Ambassador for Reed Exhibitions/FIBO in Germany. He is co-author of the European Health & Fitness Market Report and has contributed to several books on the fitness sector. Mr Rutgers holds a Bachelor's degree in Business Administration from the Hogere Textielschool in Enschede.

### ***Supervisory Board Committees***

The Supervisory Board will have an audit and risk committee (the “**Audit and Risk Committee**”) and a selection, appointment and remuneration committee (the “**Selection, Appointment and Remuneration Committee**”).

The function of these committees is to assist the decision-making of the Supervisory Board.

### ***Audit and Risk Committee***

The Audit and Risk Committee assists the Supervisory Board in monitoring our systems of internal controls, the quality and integrity of our financial reporting process and the content of our financial statements and reports, and in assessing and mitigating our business and financial risks.

The Audit and Risk Committee assists the Supervisory Board by advising on matters, such as the Company's policy on tax planning, the financing of the Company, the compliance by the Company with applicable laws and regulations, the Company's disclosure of financial information, including the Company's accounting principles, the recommendation for the appointment of the Company's external auditor to the General Meeting, the recommendations from the Company's external auditor, and the review of the internal risk management and control systems and IT and business continuity safeguards of the Company.

The roles and responsibilities of the Audit and Risk Committee as well as the composition and the manner in which it discharges its duties are set out in the charter of the Audit and Risk Committee. The Audit and Risk Committee will meet as often as circumstances dictate but in any event at least four times per year.

The members of the Audit and Risk Committee will be: Ms Gorter (chairwoman), Mr Willemse and Mr De Jong.

### ***Selection, Appointment and Remuneration Committee***

The role and responsibility of the Selection, Appointment and Remuneration Committee as well as the composition thereof and the manner in which they discharge their respective duties are set out in the charter of the Selection, Appointment and Remuneration Committee.

The members of the Selection, Appointment and Remuneration Committee will be: Mr Van der Vis (chairman), Mr Willemse and Mr Rutgers.

Within the scope of the remuneration policy adopted by the General Meeting, our Selection, Appointment and Remuneration Committee advises the Supervisory Board on the remuneration of the individual members of the Management Board and monitors our remuneration policy. Our Selection, Appointment and Remuneration Committee will review and recommend policies relating to the compensation of the members of the Management Board.

The duties of the Selection, Appointment and Remuneration Committee with respect to remuneration include:

- drafting a proposal to the Supervisory Board for the remuneration policy to be adopted by the General Meeting pursuant to a proposal thereto by the Supervisory Board;
- drafting a proposal for the remuneration of the individual members of the Management Board, for adoption by the Supervisory Board, which proposal shall deal with (i) remuneration structure; and (ii) the amount of the fixed remuneration, the shares or options to be granted or other variable remuneration components, pension rights, redundancy pay and other forms of compensation to be awarded, as well as the performance criteria and their application; and
- preparing the annual remuneration report as referred to in best practice provision II.2.12 of the Dutch corporate governance code (the “**Dutch Corporate Governance Code**”), which shall contain an account of the manner in which the remuneration policy has been implemented in the previous financial year as well as an overview of the remuneration policy as it is envisaged to be in the upcoming financial years.

Furthermore, the Selection, Appointment and Remuneration Committee advises the Supervisory Board on the selection criteria and appointment procedures for members of the Management Board and the Supervisory Board as well as the proposals for appointments and reappointments and the assessment of the functioning of individual members of the Management Board and Supervisory Board.

The Selection, Appointment and Remuneration Committee focuses on the following aspects of appointment and selection procedures:

- proposing selection criteria and appointment procedures for members of the Management Board and Supervisory Board;
- periodically assessing the size and composition of the Management Board and Supervisory Board, and making a proposal for a composition profile of the Supervisory Board;
- periodically assessing the functioning of individual members of the Management Board and the Supervisory Board, and reporting on this to the Supervisory Board;
- propose or recommend to the Supervisory Board (a) the individuals to be proposed to the General Meeting for appointment and reappointment as member of the Management Board or the Supervisory Board and (b) for the appointment by the Supervisory Board of the members of the committees of the Supervisory Board; and
- supervising the manner in which the Management Board determines and conducts the selection criteria and appointment procedures for senior management.

### **Management Board Remuneration**

The remuneration of the members of the Management Board is determined by the Supervisory Board, with due observance of the remuneration policy as adopted by the General Meeting.

The remuneration policy aims to attract, retain and reward highly qualified executives with the required background, skills and experience. It further aims to align the interests of the Company, our Shareholders and our other stakeholders in the medium and long-term to deliver sustainable performance in line with our strategy.

Pursuant to the remuneration policy, the remuneration of the members of the Management Board will consist of the following fixed and variable components which are discussed in more detail below:

- fixed compensation – annual base salary;
- short-term incentive – annual cash bonus plan;
- long-term incentive plan – conditional performance shares;
- pension allowance and other benefits; and
- severance arrangements.

## ***Remuneration components***

### *Fixed compensation – annual base salary*

The annual base salary of the members of the Management Board is a fixed compensation and is set by the Supervisory Board taking into account a variety of factors including the remuneration levels of management board members of other Netherlands based listed companies. The base salary will be evaluated periodically taking into account the Company's and individual performance, experience, capability and marketability of the Management Board as well as general market developments.

### *Short term incentive – annual cash bonus plan*

The objective of the annual cash bonus plan is to incentivise strong financial and personal performance in line with our strategy and annually defined targets. The members of the Management Board will be entitled to an annual “at target” cash bonus equal to 40% of their annual base salary. The maximum annual cash bonus in case of overachievement is 60% of their annual base salary.

Performance conditions will be set by the Supervisory Board annually. These performance conditions typically include financial as well as qualitative and quantitative non-financial objectives and will be consistent with our strategy. Approximately 70% of the short-term incentive component will be based on financial objectives, such as net revenues, EBITDA and cash flow. The remaining 30% will be based on clearly defined personal objectives. The Supervisory Board may vary the exact percentages and targets from time to time. After the end of each fiscal year, the achievement of the short-term objectives will be formally evaluated and determined by the Supervisory Board.

### *Long-term incentive plan – conditional performance shares*

The purpose of the long-term incentive plan is to align the interests of the Company, our Shareholders and the Management Board for the medium- and long-term, to foster and reward sustainable performance and to provide an incentive for longer term commitment and retention of the Management Board. The members of the Management Board may be eligible to a conditional right to receive performance shares in the Company. The “at target” value of the annual award may amount to up to 60% for the CEO and 50% for the CFO of their annual base salary in the year of award.

For a description of the long-term incentive plan, see “- *Stock and Incentive Plans – Performance Share Plan*”.

### *Pension allowance and other benefits*

The members of the Management Board do not participate in our collective pension scheme, but will receive payment of a comparable (gross) pension allowance with a maximum of 15% of their annual base salary.

The members of the Management Board will be entitled to customary other benefits, such as a company car, and other benefits in line with our existing agreements and practices or as determined by the Supervisory Board.

### *Severance arrangements*

Contractual severance arrangements of the members of the Management Board are compliant with the Code. See “- *Service Agreements, Employment Agreements and Severance Agreements*” for more details.

### ***Adjustments to variable remuneration***

Pursuant to Dutch law, the variable remuneration of members of the Management Board may be adjusted and members of the Management Board may be obliged to repay their variable remuneration (or part thereof) to us if certain circumstances apply. Pursuant to Dutch law, the Supervisory Board may furthermore adjust the variable remuneration of the members of the Management Board (to the extent subject to reaching certain targets and the occurring of certain events) to an appropriate level if payment of the variable remuneration were to be unacceptable according to the criteria of reasonableness and fairness.



In addition Dutch law prescribes that, in case the value of the Ordinary Shares granted by us to a member of the Management Board increases during a period in which a public offer is made on the Ordinary Shares, the remuneration of that member of the Management Board will be reduced by the amount by which the value of the Ordinary Shares granted by us to such member has increased. Similar provisions apply in the situation of an intended legal merger or demerger, or if we intended to enter into certain transactions that are of such significance to us that the Management Board requires the approval of the General Meeting pursuant to Dutch law (transactions that fall within the scope of section 2:107a of the Dutch Civil Code).

#### ***Remuneration of the Management Board***

The total remuneration received by the members of the Management Board (in their capacity of members of the management board of Topco) from the Group for the year ended 31 December 2015 amounted to €781,000.

#### **Supervisory Board Remuneration**

The total remuneration received by the members of the Supervisory Board (in their capacity of members of the supervisory board of Topco) from the Group for the year ended 31 December 2015 amounted to €50,000.

#### **Shareholding Information**

Following the Restructuring and immediately prior to Settlement (i) our CEO, Mr Moos, will indirectly hold 16.0% of the issued and outstanding share capital of the Company through AM Holding and will indirectly control the voting rights of an additional 15.3% of the issued and outstanding share capital of the Company through the interests of certain of his relatives in AM Holding, which positions, taken together, will allow Mr Moos to control the voting of AM Holding's 42.8% of the issued and outstanding share capital of the Company; (ii) our CFO, Mr Van der Aar, will indirectly hold 0.8% of the issued and outstanding share capital of the Company through Manco; (iii) the chairman of the Supervisory Board, Mr Van der Vis, will directly hold 0.2% of the issued and outstanding share capital of the Company and will indirectly hold 2.0% of the issued and outstanding share capital of the Company through Manco; and (iv) Mr Willemse, member of the Supervisory Board, will indirectly hold 0.4% of the issued and outstanding share capital of the Company through Manco. We understand that Mr Moos intends to continue to be a long term shareholder in the Company. See also "*Selling Shareholders and Related Party Transactions – Holdings immediately prior to and after the Offering*".

#### **Service Agreements, Employment Agreements and Severance Agreements**

Each member of the Management Board has entered into a service agreement with the Group. Except as described below, the service agreements of the members of the Management Board do not provide for severance payments in the event of termination.

Our CEO and CFO are entitled to a gross termination fee of six months base salary, if their service agreements are terminated without cause.

The members of the Supervisory Board do not have employment, service or severance agreements with the Group.

#### **Board Conflicts of Interest**

Under Dutch law, a member of the Management Board or the Supervisory Board who has a conflict of interest must abstain from participating in the deliberation and the decision-making process with respect to the relevant matter. If any such member was nevertheless involved in the decision-making process, then such decision may be nullified.

Pursuant to our Articles of Association, if all members of the Management Board have a conflict of interest, the Supervisory Board will have the authority to decide on the matter. If all members of the Supervisory Board have a conflict of interest with the Company, the Supervisory Board will nonetheless have the authority to decide on the matter, irrespective of the conflict of interest.

A member of the Management Board or the Supervisory Board who participates in a decision-making process while having a conflicting interest with respect to the relevant matter may under certain circumstances be held personally liable for any damage suffered by the company as a consequence of the decision.

As a general rule, agreements and transactions entered into by a company based on a decision of its board that are adopted with the participation of a board member who had a conflict of interest with respect to the matter cannot be annulled. However, under certain circumstances, a company may annul such an agreement or transaction if the counterparty misused the relevant conflict of interest. See also “*Operating and Financial Review – Indebtedness – Banking Facilities and Loans – Shareholder Loans*”.

### **Potential Conflicts of Interest and Other Information**

The two members of the Management Board indirectly hold Ordinary Shares. Mr van der Vis, chairman of the Supervisory Board, holds Ordinary Shares directly and indirectly, and Mr Willemse, member of the Supervisory Board, holds Ordinary Shares indirectly. See “– *Shareholding Information*” and “*Selling Shareholders and Related Party Transactions*”. Mr De Jong has been nominated as member of the Supervisory Board by Mito, which nominee holds positions within the corporate group of Mito. Mr Willemse has been nominated as member of the Supervisory Board by AM Holding, which nominee has been an advisor to AM Holding and its portfolio companies, including the Group. Our CEO, Mr Moos, is an indirect shareholder in HealthCity in the Netherlands, Germany and Italy, a chain of fitness clubs that is active in the premium segment of the health and fitness market that can be perceived to be competing with Basic-Fit and, notwithstanding that it operates in a separate fitness market segment, could in theory benefit from changes in the health and fitness market that are harmful to our business and the segment in which we operate. Furthermore, we lease a number of premises for our clubs and our headquarters from companies that are directly or indirectly owned by our CEO, Mr Moos. See also “*Selling Shareholders and Related Party Transactions*”. We are not aware of any other circumstance that may lead to a potential conflict of interest between the private interests or other duties of members of the Management Board and the private interests or other duties of members of the Supervisory Board vis-à-vis our interests. There is no family relationship between any members of the Management Board or the Supervisory Board.

With respect to each of the members of the Management Board and Supervisory Board, we are not aware of (i) any convictions in relation to fraudulent offences in the last five years; (ii) any bankruptcies, receiverships or liquidations of any entities in which such member held any office, directorship or senior management position in the last five years; or (iii) any official public incriminations or sanctions of such member by statutory or regulatory authorities (including designated professional bodies), or disqualifications by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

### **Directors’ Indemnification and Insurance**

Under Dutch law, members of the Management Board and Supervisory Board may be liable to us for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages to us and to third parties for infringement of the Articles of Association or of certain provisions of the Dutch Civil Code. In certain circumstances, they may also incur additional specific civil and criminal liabilities. Members of the Management Board, Supervisory Board and certain other officers of the Company and certain subsidiaries are insured under an insurance policy against damages resulting from their conduct when acting in their capacities as such members or officers.

Our Articles of Association provide for an indemnity for the members of the Management Board and Supervisory Board. To the largest extent permissible by Dutch Law but not in any case an act or failure to act was intentional (*opzettelijk*), intentionally reckless (*bewust roekeloos*) or seriously culpable (*ernstig verwijtbaar*), as established in final judgement by a Dutch court or, in the case of arbitration, by an arbitrator, and without prejudice to an indemnity to which he may otherwise be entitled, every person who is or formerly was a member of the Management Board or a member of the Supervisory Board shall be indemnified out of the assets of the Company against any and all actual or threatened claims, costs, charges, losses and liabilities incurred by such member in

relation to the execution of his duties or the exercise of his powers or any other acts in any such capacities in the Company (or such other position as the indemnified person performs or has performed at the request of the Company) including, without limitation, a liability incurred in defending proceedings.

### **Diversity Policy**

Certain gender diversity requirements under Dutch law for management and supervisory boards expired as per 1 January 2016. However, it is expected that these requirements will be extended until 2020. Pursuant to these requirements, certain large Dutch companies must pursue a policy of having at least 30% of the seats on both the management board and the supervisory board to be held by men and at least 30% of those seats to be held by women, each to the extent these seats are held by natural persons. We currently do not meet the applicable gender diversity targets, but we aim to achieve a well-balanced allocation in the future. In addition, preparations are being made to implement European legislation requiring listed companies to explain their diversity policy in their annual reporting. This legislation is expected to be applicable to annual reports for financial years beginning on or after 1 January 2017.

### **Employees**

As at 31 March 2016, we employed 2,796 people, representing 1,288 FTEs, worldwide. See “*Our Business – Employees*”.

### **Stock and Incentive Plans**

After completion of the Offering, we intend to implement a one-off Retention Share Plan (the “**RSP**”) and a Performance Share Plan (the “**PSP**”). The maximum outstanding dilutive effect of awards made under the RSP and the PSP will not exceed 1% of the outstanding fully diluted capital of the Company.

#### ***Performance Share Plan***

The purpose of the PSP is to foster alignment between management and our Shareholders, and to facilitate management’s focus on the delivery of sustainable performance. Eligible participants will be employees of the Group, including members of the Management Board.

With respect to awards of Ordinary Shares under the PSP to the members of the Management Board, the Selection, Appointment and Remuneration Committee will make a proposal for approval by the Supervisory Board. The ‘at target’ value of the annual award may amount to 60% for the CEO and 50% for the CFO of such officer’s respective gross annual base salary in the year of the award. With respect to awards of Ordinary Shares under the PSP to other Group employees, the members of the Management Board will make a proposal for their direct reports for approval by the Selection, Appointment and Remuneration Committee.

Subject to the participant’s continued employment by the Group and attainment of predetermined performance conditions established by the Supervisory Board on a participant-by-participant basis, awards under the PSP will vest at the conclusion of a three-year period. The performance conditions will generally concern financial targets focused on growth and profitability. When considered appropriate, the Selection, Appointment and Remuneration Committee may apply at its discretion a performance incentive zone between 0% and 150%.

Ordinary Shares that vest and are released to the CEO or the CFO under the PSP are subject to a mandatory two-year holding period, provided that each is permitted to sell a sufficient number of such Ordinary Shares in order to cover any taxes due upon vesting. The CEO and CFO may sell their Ordinary Shares after the additional holding period, subject to applicable insider trading and share ownership requirements.

#### ***Retention Share Plan***

The purpose of the RSP is to promote retention and to ensure alignment with the Company’s interests during the first vesting period of the PSP. The RSP allows the Supervisory Board to award Ordinary Shares at its discretion to selected key employees with individual awards ranging up to a

maximum of 100% of such individual's gross annual base salary. Subject to the participant's continued employment with the Company, awards under the RSP will vest in three equal annual instalments, after which the Ordinary Shares will be released to the participant.

Ordinary Shares awarded under the RSP that vest and are released to the CEO or the CFO are subject to a mandatory two-year holding period, provided that each is permitted to sell a sufficient number of such Ordinary Shares in order to cover any taxes due upon vesting. The CEO and CFO may, taking into account applicable insider trading rules and share ownership requirements, sell their Ordinary Shares after the additional holding period.

Where a given participant's employment terminates, unvested Ordinary Shares awarded under the RSP will be forfeited and lapse without consideration being due.

### **Pension Schemes**

We operate a number of defined contribution pension plans. A defined contribution pension plan is a post-employment benefit plan under which we pay certain fixed contributions to publicly or privately administered pension insurance plans. Once the fixed contributions have been paid, we have no further payment obligations with respect to the plan. As of 31 December 2015, we did not have any provision on our balance sheet for pensions and retirement liabilities.

### **Employee Representation**

Basic-Fit Belgium bvba and Basic-Fit Luxembourg S.à r.l. have established works councils. We are currently in the process of establishing a works council at the level of each of Basic-Fit International B.V., Basic-Fit Nederland B.V. and Basic-Fit France SAS. Works councils at the level of these companies are expected to be established in the second half of 2016.

## SELLING SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

### Selling Shareholders

The table below sets out the number of Ordinary Shares each Selling Shareholder will hold, including the percentage it represents of the Company's total issued and outstanding share capital, immediately prior to Settlement following completion of the Restructuring.

	Number of Ordinary Shares	Representing % of total issued and outstanding share capital
Mito <sup>(1)</sup> .....	15,620,033	52.07
AM Holding <sup>(2)</sup> .....	12,825,000	42.75
Manco <sup>(3)</sup> .....	1,500,000	5.00

(1) Mito is directly or indirectly owned by 3i Group plc, which is listed at the London Stock Exchange, and by various 3i investment entities, which are managed by 3i Investments plc, a subsidiary of 3i Group plc. 3i Investments plc is authorised and regulated in the UK by the Financial Conduct Authority.

(2) AM Holding is controlled by Mr Moos (our CEO).

(3) Manco is directly or indirectly beneficially owned by approximately 20 of our employees and directors, including Mr Van der Aar (our CFO), Mr Van der Vis (chairman of the Supervisory Board) and Mr Willems (member of the Supervisory Board) (see also "Management and Employees – Shareholding Information"), and by Mito (1.4% of Manco's share capital or 0.1% indirectly in the Company's share capital immediately prior to Settlement) and by AM Holding (2.1% of Manco's share capital or 0.1% indirectly in the Company's share capital immediately prior to Settlement).

The business address of Mito is 9, rue Sainte Zithe, L-2763 Luxembourg, Grand Duchy of Luxembourg. The business address of AM Holding is Wegalaan 60, 2132 JC, Hoofddorp, the Netherlands. The business address of Manco is Wegalaan 60, 2132 JC, Hoofddorp, the Netherlands.

### Holdings immediately prior to and after the Offering

*Ordinary Shares owned immediately prior to Settlement and maximum number of Offer Shares to be sold in the Offering, assuming an Offer Price at the mid-point of the Offer Price Range*

	Ordinary Shares owned immediately prior to Settlement		Maximum number of Offer Shares to be sold in the Offering	
	Number	%	Without exercise of the Over- Allotment Option	With full exercise of the Over- Allotment Option
	Number	%	Number	Number
Mito <sup>(1)</sup> .....	15,620,033	52.07	342,857	2,803,115
AM Holding <sup>(2)</sup> .....	12,825,000	42.75	514,285	1,482,598
Manco .....	1,500,000	5.00	857,142	857,142
New public investors .....	n/a	n/a	n/a	n/a

(1) Excluding Mito's 0.1% indirect shareholding in the Company through its participation in Manco.

(2) Excluding AM Holding's 0.1% indirect shareholding in the Company through its participation in Manco.

*Ordinary Shares owned immediately after Settlement, assuming an Offer Price at the mid-point of the Offer Price Range*

	Ordinary Shares owned immediately after Settlement			
	Without exercise of the Over- Allotment Option		With full exercise of the Over-Allotment Option	
	Number	%	Number	%
Mito <sup>(1)</sup> .....	15,277,176	29.87	12,816,918	25.06
AM Holding <sup>(2)</sup> .....	12,310,715	24.07	11,342,402	22.18
Manco .....	642,858	1.26	642,858	1.26
New public investors .....	22,857,144	44.69	26,285,715	51.40

(1) Excluding Mito's 0.1% indirect shareholding in the Company through its participation in Manco.

(2) Excluding AM Holding's 0.1% indirect shareholding in the Company through its participation in Manco.



## **Related Party Transactions**

### *Relationship Agreement*

On or about 27 May 2016, the Company, Mito and AM Holding entered into a relationship agreement (the “**Relationship Agreement**”). The Relationship Agreement contains certain arrangements regarding the relationship between the Company, Mito and AM Holding after the Offering. Below is a summary of the main elements of the Relationship Agreement.

#### *Composition of the Management Board*

Upon Settlement, the Management Board of the Company will consist of two members. The number of members of the Management Board shall be determined by the Supervisory Board in accordance with a proposal to that effect by the Management Board. The Management Board can only resolve to make such proposals in a meeting of the Management Board where at least two members of the Management Board (not including any temporary replacements appointed by the Supervisory Board) are present or represented. So long as Mr Moos is a member of the Management Board (i) he shall be the chairman of the Management Board and have the title of chief executive officer (CEO); and (ii) he shall have the power to represent the Company individually. If the Management Board consists of two members and the CEO has been suspended, the Management Board can only validly adopt resolutions to the extent required to continue to operate the business of the Company in its ordinary course or to the extent required to safeguard the continuity of the business of the Company.

#### *Composition of the Supervisory Board*

Upon Settlement, the Supervisory Board of the Company will consist of five members. The Company, Mito and AM Holding agree that (i) each of Mito and AM Holding will have the right to designate for nomination by the Supervisory Board, and propose replacements for, one Supervisory Board member; and (ii) at least the majority of the Supervisory Board members, including the chairperson, shall qualify as independent within the meaning of the Dutch Corporate Governance Code.

Mr J.C.M. Willemse has been designated as member of the Supervisory Board by AM Holding, and Mr P.A. de Jong has been designated as member of the Supervisory Board by Mito.

Each of Mito’s and AM Holding’s right to designate for nomination, and propose a replacement for, one Supervisory Board member will lapse if the Mito Holdings Group or the AM Holding Group (each as defined in the Relationship Agreement), as applicable, ceases to own or control, directly or indirectly, at least 12.5% of the outstanding share capital of the Company.

One of the independent members of the Supervisory Board will serve as ‘industry expert’ on the Supervisory Board. The proposal of the Selection, Appointment and Remuneration Committee to the Supervisory Board for the ‘industry expert’ to be appointed to the Supervisory Board requires the consent of the member of the Supervisory Board designated for appointment by AM Holding.

#### *Composition of the Supervisory Board Committees*

The Company, Mito and AM Holding agree that (i) the Supervisory Board shall have an Audit and Risk Committee and a Selection, Appointment and Remuneration Committee; (ii) each of the Supervisory Board committees shall consist of at least three members; (iii) each of Mito and AM Holding has the right to have its designated Supervisory Board member on each Supervisory Board committee as long as such Shareholder has the right to designate for nomination a Supervisory Board member pursuant to the Relationship Agreement; and (iv) the chairman of each of the Audit and Risk Committee and the Selection, Appointment and Remuneration Committee shall be a member of the Supervisory Board who qualifies as an independent Supervisory Board member.

#### *Supervisory Board Approval Matters*

The Company, Mito and AM Holding agree that resolutions of the Management Board relating to the following issues will be subject to the prior approval of the Supervisory Board, resolving by simple majority, except where such action has been expressly included in the business plan approved by the Supervisory Board or, unless otherwise noted, the subject of which does not exceed €5.0 million: any of the matters referred to in section 2:164 of the Dutch Civil Code (regardless of

the subject monetary amount); adoption of, and material amendments to or deviations from, the Company's business plan (material means representing a value in excess of €1.0 million); transactions with holders of 10% or more of the Company's share capital; transactions in which there are materially significant conflicts of interest with Management Board members or Supervisory Board members; acquiring, alienating, encumbering, leasing, letting and in any other way obtaining and giving the use or benefit of real estate property, other than real estate transactions within the Group; agreements whereby a Group company is granted credit by a bank, or otherwise lends or borrows money, except for acquiring money under a credit already granted to the Company and any of its subsidiaries by a bank and lending and borrowing within the Group; investments and divestitures of any shares in any company, assets or rights, other than within the Group; entering into arrangements whereby a member of the Group guarantees or agrees to bind itself as security for a debt of a third party; making litigation settlements; initiating legal proceedings, except for those that cannot be delayed; granting remuneration for executive officers of the Company with a monetary value in excess of €150,000 per annum per individual; and all other acts required by applicable legislation or the articles of association of the Company, as amended from time to time.

No other resolutions of the Management Board shall require the approval of the Supervisory Board, unless the chairman of the Management Board consents in writing to the making of such resolutions subject to Supervisory Board approval.

#### *Orderly Market Arrangements*

Each of Mito and AM Holding acknowledges and agrees that it will conduct any transfer in an orderly way and in consultation with the other Shareholder and in a manner otherwise advisable having regard to prevailing market conditions and demand and to any Fully Marketed Offering that is being prepared or is being executed.

#### *Fully Marketed Offering*

The Company agrees to cooperate with Mito and AM Holding to optimise the transfer of Ordinary Shares held by each Shareholder by providing assistance in accordance with market practice in connection with a Fully Marketed Offering of 10% or more of the Ordinary Shares. A “**Fully Marketed Offering**” means an offering of Ordinary Shares by the Mito Holdings Group and/or the AM Holding Group, as applicable, which entails the Company's involvement in the form of a management road show and/or the preparation of a prospectus or offering memorandum. Each of Mito and AM Holding agrees that the Company's obligation to provide such assistance is limited to one Fully Marketed Offering per twelve-month period per such Shareholder. Unless a Fully Marketed Offering involves the issue by the Company of new shares, Mito and AM Holding agree that the selling Shareholder(s) shall bear all reasonable and documented costs and expenses incurred by the Company in connection with any Fully Marketed Offering or other sale and transfer of shares by a Shareholder. Each of Mito and AM Holding further agrees that, if it participates in a Fully Marketed Offering, it will enter into such customary lock-up arrangements (not exceeding 90 days) in respect of its Ordinary Shares as may be requested by the appointed investment bank.

#### *Accelerated Book Build Offerings or Block Trades*

In the event of a sale of (all or part of) the Ordinary Shares held by Mito or AM Holding other than by way of a Fully Marketed Offering, the Company agrees, subject to the restrictions provided under the Dutch Financial Supervision Act, the EU Market Abuse Regulation and other applicable law, to facilitate such sale by providing reasonable access to our management and providing an opportunity to perform a limited due diligence by a *bona fide*, creditworthy potential purchaser of 3% or more of the outstanding share capital of the Company (if and to the extent requested by Mito and/or AM Holding).

#### *Information Sharing*

The Company agrees, to the extent not prohibited by law or regulations, to share certain financial and other information with Mito and AM Holding for tax filing or financial reporting and audit purposes. The Company is not obligated to disclose price sensitive information in relation to the Company or its securities to the extent that such disclosure would violate the Dutch Financial Supervision Act or other applicable law.

The Relationship Agreement contains provisions to the effect that Mito and AM Holding are obliged to treat all information provided to it as confidential subject to certain exceptions as provided for in the Relationship Agreement, and to comply with all applicable laws and regulations in relation to the use of such information.

#### *Relationship between the Parties*

The Company, Mito and AM Holding agree that transactions and agreements between Mito or AM Holding and the Company or any of its subsidiaries will be on terms no less favourable to the Company than those it could obtain at an arm's length and on a customary commercial basis.

The Management Board and the Supervisory Board agree not propose any resolution to the General Meeting which would, if passed, remove, restrict or reduce any of the rights of Mito or AM Holding set out in the Relationship Agreement or which would, if passed, conflict with any provision of the Relationship Agreement. Additionally, each of Mito and AM Holding undertakes that the voting rights on Ordinary Shares directly or indirectly held by the Mito group or the AM Holding group, as applicable, shall not be exercised to procure any amendment to our Articles of Association which would be inconsistent with any of the provisions of the Relationship Agreement. Each of Mito and AM Holding additionally undertakes to vote against any shareholders' resolution which would, if passed, remove, restrict or reduce any of the rights of Mito or AM Holding set out in the Relationship Agreement or which would, if passed, conflict with any provision of the Relationship Agreement.

#### *Termination*

The Relationship Agreement shall terminate with immediate effect in respect of all parties upon the earlier of: the Ordinary Shares ceasing to be listed on Euronext Amsterdam; and the Company being declared bankrupt (*failliet*). Additionally, the rights and obligations of each of Mito and AM Holding shall terminate upon the Mito group or the AM Holding group, respectively, ceasing to own or control, directly or indirectly, more than 5% of the issued and outstanding share capital of the Company.

Each of Mito and AM Holding may terminate the Relationship Agreement in respect of itself with immediate effect by written notice to the Company on or at any time after: (i) the Company passes a resolution for its winding up or a court of competent jurisdiction makes an order for the Company's winding up or dissolution; or (ii) the Company is granted a suspension of payments (*surseance van betaling*).

#### *Governing Law*

The Relationship Agreement is exclusively governed by the laws of the Netherlands and any disputes in connection with the Relationship Agreement will be settled exclusively before the competent courts in Amsterdam, the Netherlands.

#### *Lease Agreements with Related Parties*

We have entered into several lease agreements with companies directly or indirectly controlled by Mr Moos, our CEO.

In the Netherlands, Basic-Fit Nederland B.V., as lessee, has entered into 16 lease agreements with Leisure Fund Netherlands B.V., a company indirectly controlled by Mr Moos, as lessor. Basic-Fit International B.V. has granted guarantees to Leisure Fund Netherlands B.V. guaranteeing the obligations under these lease agreements.

In Belgium, Basic-Fit Belgium bvba, as lessee, has entered into ten lease agreements with several companies directly or indirectly controlled by Mr Moos.

For the current year ending 31 December 2016, the aggregated rent to be paid under these lease agreements is expected to amount to approximately €5.8 million.

#### *Acquisitions of Clubs*

On 20 November 2013, Miktom International Holding B.V., a subsidiary of Topco, as purchaser and LGE as seller entered into a sale and purchase agreement, which was supplemented by an addendum dated 20 December 2013 and an addendum dated 19 June 2014 providing for the sale and

purchase of the entire outstanding share capital of Basic-Fit International B.V. and 27 HealthCity clubs (in this Prospectus also referred to as the Basic-Fit Acquisition).

On 1 April 2014, Basic-Fit Nederland B.V. as purchaser and HealthCity Nederland B.V. as seller entered into an asset sale agreement, providing for the sale and purchase of six HealthCity clubs in the Netherlands. On 23 May 2014, Basic-Fit International B.V. as purchaser and HealthCity International B.V. and HealthCity Nederland B.V. as sellers entered into a sale and purchase agreement, providing for the sale and purchase of the entire outstanding share capital of each of HealthCity Luxembourg S.A. and HealthCity België N.V., together representing 27 HealthCity clubs (in this Prospectus also referred to as the Add-on Acquisition).

On 1 June 2015, Basic-Fit Nederland B.V. as purchaser and HealthCity Nederland B.V. as seller entered into a sale and purchase agreement providing for the sale and purchase of the assets of three HealthCity clubs in the Netherlands.

### ***HealthCity***

In 2015 and 2014, we provided certain administrative and management services to HealthCity from our headquarters in Hoofddorp, the Netherlands. The arrangement was terminated in 2015.

### ***Monitoring Arrangement***

We have a monitoring arrangement in place with Mito, pursuant to which Mito and certain of its affiliated parties provide us with certain monitoring, advisory and consulting services. In connection with the Offering, the parties intend to terminate the monitoring arrangement effective as per Settlement.

### ***Services Arrangement***

Up to Settlement, Mr Van der Vis is entitled to an annual fee for services rendered to the Group which has accrued over the periods under review. AM Holding and Mito have agreed to pay promptly after Settlement the total accrued annual fees to Mr Van der Vis. This services arrangement will terminate as per the Settlement Date.

### ***Other Related Party Transactions***

See “*Operating and Financial Review – Indebtedness – Banking Facilities and Loans – Shareholder Loans*” for a description of the loan agreements that we entered into with certain related parties.

See Note 31 of the Annual Financial Statements and Note 21 of the Interim Financial Information elsewhere in this Prospectus for additional information on related party transactions.

## DESCRIPTION OF SHARE CAPITAL AND CORPORATE GOVERNANCE

### General

The Company was incorporated on 12 May 2016 as a public company with limited liability (*naamloze vennootschap*) under Dutch law and is registered with the trade register of the Dutch Chamber of Commerce under number 66013577. The business address of the Company is Wegalaan 60, 2132 JC, Hoofddorp, the Netherlands, and its telephone number is + 31 23 890 1750. The corporate seat of the Company is in Hoofddorp, the Netherlands.

Set out below is a summary of certain information concerning our share capital and certain significant provisions of Dutch corporate law, and a brief summary of certain provisions of our Articles of Association.

This summary does not purport to give a complete overview and should be read in conjunction with our Articles of Association, or with relevant provisions of Dutch law, and does not constitute legal advice regarding these matters and should not be considered as such. The full text of our Articles of Association is available, in Dutch and English, at our business address in Hoofddorp during regular business hours. Our Articles of Association are available in Dutch and English at our website <http://corporate.basic-fit.com>. See “*General Information – Available Information*”.

### Corporate Objectives

Pursuant to article 3 of our Articles of Association, our corporate objectives are:

- to incorporate, to participate in any way whatsoever in, to manage and to supervise businesses and companies, in particular but not limited to businesses and companies active in the fitness industry in the broadest sense;
- to finance businesses and companies;
- to borrow, to lend and to raise funds, including the issuance of bonds, promissory notes or other securities or evidence of indebtedness, as well as to enter into agreements in connection with the aforementioned activities;
- to render advice and services to businesses and companies with which the Company forms a group and to third parties;
- to grant guarantees, to bind the Company and to pledge its assets and/or provide other security for obligations of businesses and companies with which it forms a group and on behalf of third parties;
- to acquire, alienate, manage and exploit registered property and items of property in general;
- to trade in currencies, securities and items of property in general;
- to develop and trade in patents, trademarks, licenses, know-how and other intellectual and industrial property rights;
- to perform any and all activities of an industrial, financial or commercial nature; and
- to do all that is connected therewith or may be conducive thereto, all to be interpreted in the broadest sense.

### Share Capital

#### *History of Share Capital*

Since the incorporation of the Company, the total amount of issued and outstanding shares amounts to €45,000, divided in 750,000 shares of €0.06 each.

#### *Authorised and Issued Share Capital*

On the date of this Prospectus, our authorised share capital pursuant to our articles of association as currently in force amounts to €225,000 and is divided into 3,750,000 Ordinary Shares,



with a nominal value of €0.06 each. All of our authorised shares will, when issued and outstanding, be created under Dutch law.

On the date of this Prospectus, our issued and outstanding share capital consists of 750,000 Ordinary Shares. Prior to Settlement, as part of the Restructuring, our current Shareholders will transfer the shares they hold in Topco to the Company against the issuance of new Ordinary Shares. Furthermore, the articles of association of the Company as currently in force will be amended as a result of which the authorised share capital of the Company will be increased to 150,000,000 Ordinary Shares, with a nominal value of €0.06 each. As a result of the Restructuring and the amendment to the articles of association of the Company as currently in force, the issued and outstanding share capital of the Company will consist of 30,000,000 Ordinary Shares, with a nominal value of €0.06 each (immediately prior to completion of the Offering).

On the date of this Prospectus, no Ordinary Shares are held by the Company. All issued Ordinary Shares are fully paid-up and are subject to, and have been created under, the laws of the Netherlands.

### ***Shareholders Register***

All of our Ordinary Shares are registered shares, and are only available in the form of an entry in our shareholders register. No share certificates (*aandeelbewijzen*) are or may be issued.

Our shareholders register records the names and addresses of the Shareholders, the number of Ordinary Shares held, the amount paid on each Ordinary Share and the date of registration in the shareholders register. In addition, each transfer or passing of ownership is registered in the shareholders register. The shareholders register also includes the names and addresses of persons and legal entities with a right of pledge (*pandrecht*) or a right of usufruct (*vruchtgebruik*) on Ordinary Shares.

If requested, the Management Board will provide a holder of shares, usufructuary or pledgee of such shares with an extract from the register relating to his title to an Ordinary Share free of charge. If the Ordinary Shares are encumbered with a right of usufruct, the extract will state to whom such rights will fall to. The shareholders register is kept by the Management Board.

Our Ordinary Shares are eligible for entry into, will be entered into, (i) a collective depot (*verzameldepot*) as referred to in the Securities Giro Act (*Wet giraal effectenverkeer*) or (ii) a giro depot (*girodepot*) as referred to in the Securities Giro Act. The intermediary, as defined in the Securities Giro Act, is responsible for the management of the collective depot, and Euroclear Nederland, being the central institute for the purposes of the Securities Giro Act, is responsible for the management of the giro depot. The name and address of the intermediary or the central institute shall be entered in the shareholders register, stating the date on which those shares became part of a collective depot or the giro depot, the date of acknowledgement as well as the paid-up amount on each share.

### ***Issuance of Ordinary Shares and Pre-Emptive Rights***

Under our Articles of Association we may issue Ordinary Shares, or grant rights to subscribe for Ordinary Shares, pursuant to a resolution of the General Meeting pursuant to and in accordance with a proposal thereto of the Management Board that has been approved by the Supervisory Board.

Our Articles of Association provide that, pursuant to and in accordance with a proposal thereto of the Management Board, which has been approved by the Supervisory Board, the General Meeting may designate the Management Board as the corporate body authorised to resolve to issue Ordinary Shares or grant rights to subscribe for Ordinary Shares. Pursuant to the Dutch Civil Code and our Articles of Association, the period of designation may not exceed five years. Such designation may be renewed by a resolution of the General Meeting for a subsequent period of up to five years each time. Unless the resolution determines otherwise, the designation is irrevocable. At the designation, the number of Ordinary Shares which may be issued by the Management Board must be determined. If the Management Board has been designated as the corporate body authorised to resolve to issue Ordinary Shares, the resolution of the Management Board to issue Ordinary Shares is subject to the prior approval of the Supervisory Board.

No resolution of the General Meeting or the Management Board is required for an issuance of Ordinary Shares pursuant to the exercise of a previously granted right to subscribe for Ordinary Shares.

Dutch law and our Articles of Association in most cases give Shareholders pre-emptive rights to subscribe on a *pro rata* basis for any issuance of new Ordinary Shares or upon a grant of rights to subscribe for Ordinary Shares. Exceptions to these pre-emptive rights include the issuance of Ordinary Shares and the grant of rights to subscribe for Ordinary Shares (i) to our employees; (ii) in return for non-cash consideration; or (iii) to persons exercising a previously granted right to subscribe for Ordinary Shares.

Our Articles of Association provide that, pursuant to and in accordance with a proposal thereto by the Management Board, which has been approved by the Supervisory Board, the General Meeting is authorised to restrict or exclude pre-emptive rights to which Shareholders are entitled, or may designate the Management Board as the corporate body authorised to resolve to restrict or exclude pre-emptive rights. Such designation can only be made for a fixed term of no more than five years. Such designation may be renewed by a resolution of the General Meeting for a subsequent period of up to five years each time. Unless the resolution determines otherwise, the designation is irrevocable. A resolution of the General Meeting to restrict or exclude pre-emptive rights or to designate this authority to the Management Board requires a majority of at least two-thirds of the votes cast if less than 50% of our issued share capital is present or represented at the General Meeting. If the Management Board has been designated as the corporate body authorised to restrict or exclude the pre-emptive right, the resolution of the Management Board to restrict or exclude the pre-emptive right is subject to the prior approval of the Supervisory Board.

The General Meeting has designated the Management Board, subject to the approval of the Supervisory Board, for a period of three months following 27 May 2016 as the corporate body authorised to resolve to issue the New Shares, to determine the Offer Price of each New Share and the number of New Shares to be issued and to exclude and/or limit pre-emptive rights relating thereto.

Furthermore, the General Meeting has designated the Management Board, subject to the approval of the Supervisory Board, for a period of five years following 27 May 2016 as the corporate body authorised to resolve to issue shares, and to grant rights to subscribe for shares, up to a maximum of 1% of the fully diluted outstanding share capital, at the time of issue, or at the time of granting rights to subscribe for shares, and to exclude and/or limit pre-emptive rights relating thereto, if the issue or the granting of rights to subscribe for shares takes place in connection with the RSP or the PSP. See also “*Management and Employees – Stock and Incentive Plans*”.

The General Meeting has designated the Management Board, subject to the approval of the Supervisory Board, for a period of 18 months following 27 May 2016 as the corporate body authorised to resolve to issue shares and to grant rights to subscribe for shares up to (i) a maximum of 10% of the issued share capital, at the time of issuance, or at the time of granting rights to subscribe for shares, plus (ii) an additional 10% of the issued share capital, at the time of issuance, or at the time of granting rights to subscribe for shares, if the issuance or the granting of the rights to subscribe for shares takes place in view of a merger or an acquisition, and to exclude or limit pre-emptive rights relating thereto.

See “*Taxation – Taxation in the Netherlands – Dividend Withholding Tax*” for a discussion of certain aspects of taxation of the issuance of our Ordinary Shares.

### ***Repurchase of Ordinary Shares in Our Capital***

We may repurchase fully paid Ordinary Shares at any time for no consideration (*om niet*), or, subject to certain provisions of Dutch law and our Articles of Association, if (i) our shareholders' equity, less the payment required to make the acquisition, does not fall below the sum of the paid-in and called-up part of our issued share capital and any statutory reserves; (ii) we and our subsidiaries would thereafter not hold Ordinary Shares or hold a pledge over our Ordinary Shares with an aggregate nominal value exceeding 50% of our issued share capital; and (iii) the Management Board has been authorised to repurchase Ordinary Shares by the General Meeting. The repurchase of Ordinary Shares is subject to prior approval of the Supervisory Board.

Authorisation from the General Meeting to repurchase Ordinary Shares must specify the number of Ordinary Shares that may be acquired, the manner in which Ordinary Shares may be repurchased and the price range within which Ordinary Shares may be acquired. Such authorisation will be valid for no more than 18 months.

The General Meeting has authorised the Management Board, subject to the approval of the Supervisory Board, for a period of 18 months following 27 May 2016, to repurchase shares, up to a maximum of 10% of the issued share capital, meaning that following the repurchase, the Company (and one or more of its subsidiaries) may never hold more than 10% of the issued share capital in aggregate. The price shall range between €0.01 and the amount equal to 110% of the share price. The share price means: the average of the highest quoted price for each share on the five consecutive trading days immediately preceding the date of repurchase, according to the Official Price List of Euronext Amsterdam.

We may not cast votes on, and are not entitled to dividends paid on, Ordinary Shares held by us, nor will such Ordinary Shares be counted for the purpose of calculating a voting quorum. For the computation of the profit distribution, the Ordinary Shares held by us shall not be included.

See “*Taxation – Taxation in the Netherlands – Dividend Withholding Tax*” for a discussion of certain aspects of taxation of the repurchase of Ordinary Shares.

### ***Reduction of Share Capital***

Under our Articles of Association, pursuant to and in accordance with a proposal from the Management Board that has been approved by the Supervisory Board, the General Meeting may resolve to reduce our issued and outstanding share capital by cancelling our Ordinary Shares, or by amending our Articles of Association to reduce the nominal value of our Ordinary Shares. A resolution to cancel Ordinary Shares may only relate to Ordinary Shares held by the Company itself (or of which we hold depositary receipts). A reduction of the nominal value of our Ordinary Shares, whether without redemption and release from the obligation to pay up the Ordinary Shares or against partial repayment on the Ordinary Shares or upon release from the obligation to pay up the Ordinary Shares, must be made *pro rata* on all Ordinary Shares concerned. This *pro rata* requirement may be waived if all Shareholders concerned so agree.

The decision to reduce our issued share capital requires a majority of at least two-thirds of the votes cast if less than 50% of our issued share capital is present or represented at the General Meeting.

In addition, Dutch law contains detailed provisions regarding the reduction of capital. A resolution to reduce our issued share capital shall not take effect as long as creditors have legal recourse against the resolution.

See “*Taxation – Taxation in the Netherlands – Dividend Withholding Tax*” in this Prospectus for a discussion of certain aspects of taxation of a reduction of share capital.

### ***Dividends and Other Distributions***

We may make distributions to our Shareholders only insofar as our shareholders’ equity exceeds the sum of the paid-in and called-up part of our share capital plus the reserves as required to be maintained by Dutch law or by our Articles of Association. Under our Articles of Association, the Management Board decides which part of any profit will be reserved. See “*Dividends and Dividend Policy*”.

We may make a distribution of dividends to our Shareholders only after the adoption of our statutory annual accounts demonstrating that such distribution is legally permitted. The profit, as this appears from the adopted annual accounts and to the extent not reserved by a decision of the Management Board, shall be at the free disposal of the General Meeting, provided that the General Meeting may only resolve on any reservation of the profits or the distribution of any profits pursuant to and in accordance with a proposal thereto of the Management Board that has been approved by the Supervisory Board. Resolutions of the General Meeting with regard to a distribution at the expense of the Company’s reserves can only be adopted pursuant to and in accordance with a proposal thereto of the Management Board, which proposal has been approved by the Supervisory Board.

The Management Board is permitted, with the approval of the Supervisory Board, to resolve to make interim distributions to our Shareholders, insofar as our shareholders' equity exceeds the amount of the paid-in and called-up part of the share capital increased with the reserves required to be maintained by Dutch law or by our Articles of Association. For this purpose, the Management Board must prepare an interim statement. The General Meeting may also resolve to make interim distributions to our Shareholders, pursuant to and in accordance with a proposal thereto by the Management Board that has been approved by the Supervisory Board.

The Management Board may, with the approval of the Supervisory Board, decide that a distribution on Ordinary Shares shall not be made in cash or not entirely be made in cash but other than in cash, including, but not limited to, in the form of Ordinary Shares, or decide that Shareholders shall be given the option to receive a distribution either in cash or other than in cash. The Management Board shall, with the approval of the Supervisory Board, determine the conditions under which such option can be given to our Shareholders.

Claims to dividends and other distributions not made within five years from the date following the date on which such dividends or distributions became payable will lapse, and any such amounts will be considered to have been forfeited to us (*verjaring*).

See "*Taxation – Taxation in the Netherlands – Dividend Withholding Tax*" for a discussion of certain aspects of taxation of dividends on our Ordinary Shares.

## **General Meetings of Shareholders and Voting Rights**

### ***General Meetings***

The annual General Meeting must be held within six months after the end of each financial year. An extraordinary General Meeting may be convened, whenever our interests so require, by the Supervisory Board or the Management Board. Shareholders representing alone or in aggregate at least one-tenth of our issued and outstanding share capital may, pursuant to the Dutch Civil Code, request that a General Meeting be convened. If no General Meeting has been held within eight weeks of the Shareholders making such request, they may be authorised, upon request, by a District Court in summary proceedings to convene a General Meeting. Within three months of it becoming apparent to the Management Board that our shareholders' equity has decreased to an amount equal to or lower than one-half of the paid-in and called-up part of the share capital, a General Meeting will be held to discuss any requisite measures.

Notice of a General Meeting must be given by at least such number of days prior to the day of the meeting as required by Dutch law, which is currently 42 days. The notice convening any General Meeting must include, among other items, an agenda indicating the place and time of the meeting, the items for discussion and voting, the proceedings for registration including the registration date, as well as any proposals for the agenda. Shareholders representing alone or in aggregate at least 3% of our issued and outstanding share capital may, pursuant to the Dutch Civil Code, request that an item is added to the agenda. Such requests must be made in writing, must either be substantiated or include a proposal for a resolution, and must be received by the Company at least 60 days before the day of the General Meeting.

The General Meeting is chaired by the chairman of the Supervisory Board, or, in his absence, by the vice-chairman of the Supervisory Board. If both are absent, the General Meeting shall be chaired by the chairman of the Management Board. If neither the chairman and vice chairman of the Supervisory Board nor the chairman of the Management Board are present at the General Meeting, the General Meeting shall appoint its own chairman. Members of the Management Board and of the Supervisory Board may attend a General Meeting. In these General Meetings, they have an advisory vote. The chairman of the General Meeting may decide at his discretion to admit other persons to the General Meeting.

Each Shareholder (as well as other persons with voting rights or meeting rights) may attend the General Meeting, may address the General Meeting and, insofar as they have such right, may exercise voting rights *pro rata* to its shareholding, either in person or by proxy. Shareholders may exercise these rights if they are the holders of Ordinary Shares on the registration date, which is currently the 28th day before the day of the meeting, and they or their proxy have notified us of their intention to attend the meeting in writing at the address and by the date specified in the notice of the meeting.

Under our Articles of Association, the Management Board may decide that persons entitled to attend and vote at General Meetings may, within a period prior to the General Meeting to be set by the Management Board, which period cannot start prior to the registration date, cast their vote electronically or by post in a manner to be decided by the Management Board. Votes cast in accordance with the previous sentence are equal to votes cast at the meeting.

### ***Voting Rights***

Each Shareholder may cast one vote in a General Meeting for each Ordinary Share held. Pursuant to Dutch law, no votes may be cast at a General Meeting in respect of Ordinary Shares which are held by the Company. Resolutions of the General Meeting are taken by an absolute majority, except where Dutch law or our Articles of Association provide for a qualified majority.

### **Dutch Corporate Governance Code**

The Dutch Corporate Governance Code, as amended, became effective on 1 January 2009 and finds its statutory basis in Book 2 of the Dutch Civil Code. The Dutch Corporate Governance Code applies to us as we have our registered office in the Netherlands and our Ordinary Shares will be listed on Euronext Amsterdam.

The Dutch Corporate Governance Code is based on a ‘comply or explain’ principle. Accordingly, companies are required to disclose in their management report whether or not they are complying with the various best practice provisions of the Dutch Corporate Governance Code that are addressed to the management board and, if applicable, the supervisory board of the company. If a company deviates from a best practice provision in the Dutch Corporate Governance Code, the reason for such deviation must be properly explained in its management report.

We acknowledge the importance of good corporate governance. We agree with the general approach and with the majority of the provisions of the Dutch Corporate Governance Code. However, considering our interests and the interest of our stakeholders, we deviate from a limited number of best practice provisions.

The best practice provisions of the Dutch Corporate Governance Code we currently do not comply with are the following:

#### *Best practice provision II.1.1 (term of appointment members of the Management Board)*

With respect to one of the members of the Management Board, we do not comply with best practice provision II.1.1, which provides that a member of the management board is appointed for a maximum period of four years. Mr Moos and Mr Van der Aar are both appointed for an indefinite period of time, given the current position of Mr Moos as CEO and co-founder of our business and the current position of Mr Van der Aar as CFO of our business.

#### *Best practice provision III.2.1 (independence of supervisory board members)*

We do not comply with best practice provision III.2.1, which provides that all Supervisory Board members, with the exception of not more than one person, shall be independent within the meaning of best practice provision III.2.2. On the date of this Prospectus, two out of five Supervisory Board members are not independent, because they are affiliated with Mito and AM Holding, respectively.

#### *Principle III.5 and best practice provision III.5.1 (composition and role of three key committees of the Supervisory Board)*

We do not comply with principle III.5, which provides that if the Supervisory Board consists of more than four members, it shall appoint an audit committee, a remuneration committee and a selection and appointment committee. The Supervisory Board has combined the functions and responsibilities of the remuneration committee and the selection and appointment committee in one committee, the Selection, Appointment and Remuneration Committee. We also do not comply with best practice provision III.5.1, which provides that a maximum of one member of each committee may not be independent within the meaning of best practice provision III.2.2.



### *Best practice provision IV.3.1 (meetings and presentations)*

We do not intend to comply with best practice provision IV.3.1. We do not intend to make provisions to enable our shareholders to follow all our meetings with analysts, presentations to analysts, presentations to investors and institutional investors and press conferences in real time.

### **Dissolution and Liquidation**

Under our Articles of Association, we may be dissolved by a resolution of the General Meeting, upon a proposal thereto by the Management Board which has been approved by the Supervisory Board.

In the event of dissolution, our business will be liquidated in accordance with Dutch law and our Articles of Association, and the liquidation shall be arranged by the Management Board, unless the General Meeting appoints other liquidators. During liquidation, the provisions of our Articles of Association will remain in force to the extent possible.

The balance of our remaining equity after payments of debts and liquidation costs will be distributed to holders of Ordinary Shares, in proportion to the number of Ordinary Shares that such Shareholder holds.

See “*Taxation – Taxation in the Netherlands – Dividend Withholding Tax*” for a discussion of certain aspects of taxation of liquidation proceeds.

### **Liability of Management Board and Supervisory Board members**

Under Dutch law, members of the Management Board and Supervisory Board may be liable to us for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages to us and to third parties for infringement of our Articles of Association or of certain provisions of the Dutch Civil Code. In certain circumstances, they may also incur additional specific civil and criminal liabilities. Members of the Management Board and Supervisory Board and certain of our officers are insured under an insurance policy against damages resulting from their conduct when acting in the capacities as such members or officers. Furthermore, our Articles of Association provide for an indemnity for members of the Management Board and Supervisory Board and, at the Management Board’s discretion, certain other officers of the Company. See “*Management and Employees – Directors’ Indemnification and Insurance*”.

### **Financial Information**

We must publish our annual accounts within four months after the end of each financial year and our half-yearly reports within three months after the end of the first six months of each financial year. Within five calendar days after adoption of our annual accounts, we must submit our adopted annual accounts to the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the “**AFM**”). There is no longer an obligation under Dutch law to publish interim management statements or quarterly financial statements.

Our financial year coincides with the calendar year. The Management Board prepares the annual accounts (which must be accompanied by the management report) and makes these available for inspection at our company address. All members of the Management Board and Supervisory Board sign the annual accounts and if a member does not so sign, the reason for this must be stated.

The General Meeting adopts the annual accounts at the annual general meeting of shareholders, in which meeting the discharge of liability of the members of the Management Board in respect of their management and of the members of the Supervisory Board in respect of their supervision thereon during the relevant financial year, insofar as this appears from the annual accounts, shall also be discussed and resolved upon. The annual accounts, the management report and the independent auditor’s report will be available at our corporate office to our Shareholders for review, and published on our website, as from the day of the notice convening the annual general meeting of shareholders.

## **Obligations of Shareholders to Make a Public Offer**

The European Directive 2004/25/EC of 21 April 2004, relating to public takeover bids (the “**Takeover Directive**”) has been implemented in the Dutch Financial Supervision Act. Pursuant to the Dutch Financial Supervision Act, a person who, alone or acting in concert with others, directly or indirectly obtains control of a Dutch public company with limited liability whose shares or depositary receipts for shares are listed on a regulated market is required to make a public offer for all shares and/or depositary receipts for shares of that Dutch company. Such control is deemed present if such person is able to exercise, alone or acting in concert with others, at least 30% of the voting rights in the general meeting of shareholders of that Dutch company. It is not allowed to make a public offer, whether or not obliged or voluntarily, for the shares of that Dutch company unless an offer memorandum which has been approved by the AFM has been published.

## **Squeeze-out Procedures**

Pursuant to Article 2:92a of the Dutch Civil Code, a shareholder who for his own account holds at least 95% of the issued share capital of a Dutch public company with limited liability may initiate proceedings against the minority shareholders jointly for the transfer of their shares to him. The proceedings are held before the Enterprise Chamber and can be instituted by means of a writ of summons served upon each of the minority shareholders in accordance with the provisions of the Dutch Code of Civil Procedure. The Enterprise Chamber may grant the claim for squeeze-out in relation to all minority shareholders and will determine the price to be paid for the shares, if necessary after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value to be paid for the shares of the minority shareholders. Once the order to transfer becomes final before the Enterprise Chamber, the person acquiring the shares shall give written notice of the date and place of payment and the price to the holders of the shares to be acquired whose addresses are known to him. Unless the addresses of all of them are known to the acquiring person, such person is required to publish the same in a Dutch daily newspaper with a national circulation.

In addition, pursuant to Article 2:359c of the Dutch Civil Code, the offeror under a public offer is also entitled to start a squeeze-out procedure if, following the public offer, the offeror holds at least 95% of the outstanding share capital and represents at least 95% of the total voting rights. The claim of a takeover squeeze-out must be filed with the Enterprise Chamber within three months following the expiry of the acceptance period of the public offer. The Enterprise Chamber may grant the claim for a takeover squeeze-out in relation to all minority shareholders and will determine the price to be paid for the shares, if necessary after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value to be paid for the shares of the minority shareholders. In principle, the offer price is considered reasonable if the offer was a mandatory offer or if at least 90% of the shares to which the offer related were received by way of voluntary offer.

Article 2:359d of the Dutch Civil Code entitles those minority shareholders that have not previously tendered their shares under a public offer to transfer their shares to the offeror, provided that the offeror has acquired at least 95% of the outstanding share capital and represents at least 95% of the total voting rights. In regard to price, the same procedure as for takeover squeeze-out proceedings initiated by an offeror applies. This claim must also be filed with the Enterprise Chamber within three months following the expiry of the acceptance period of the public offer.

## **Obligations of Shareholders and Members of the Management Board and Supervisory Board to Disclose Holdings**

### ***General***

Shareholders may be subject to notification obligations under the Dutch Financial Supervision Act. Pursuant to chapter 5.3 of the Dutch Financial Supervision Act, any person who, directly or indirectly, acquires or disposes of an actual or potential capital interest and/or voting rights in the Company must immediately give notice to the AFM of such acquisition or disposal if, as a result of such acquisition or disposal, the percentage of capital interest and/or voting rights held by such person reaches, exceeds or falls below one of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%. In addition, any person whose capital interest and/or voting rights reaches, exceeds or falls below one of the abovementioned thresholds due to a change in our

outstanding share capital or in the votes that can be cast on our Ordinary Shares, as notified to the AFM by the Company, should notify the AFM no later than on the fourth trading day after the AFM has published our notification of the change in our outstanding share capital or in the votes that can be cast on our Ordinary Shares. Furthermore, any person whose capital interest or voting rights reaches, exceeds or falls below one of the abovementioned thresholds due to a change in the composition of his capital interest or voting rights as a result of (i) exercising any option or other right to acquire shares or exchanging shares in depositary receipts for shares; and/or (ii) exercising any right to acquire voting rights, should notify the AFM no later than the fourth trading day after the date on which this person became aware, or should have become aware, of reaching, exceeding or falling below the abovementioned thresholds.

Each person holding an interest in our share capital or voting rights of 3% or more at the time of admission of our Ordinary Shares to trading on Euronext Amsterdam must immediately notify the AFM.

For the purpose of calculating the percentage of capital interest and/or voting rights, the following interests must, among others, be taken into account: (i) shares and/or voting rights directly held (or acquired or disposed of) by any person; (ii) shares and/or voting rights held (or acquired or disposed of) by such person's controlled entities; (iii) voting rights held (or acquired or disposed of) by a third party for such person's account or by a third party with whom such person has concluded an oral or written voting agreement; (iv) voting rights acquired pursuant to an agreement providing for a temporary transfer of voting rights in consideration for a payment; and (v) shares and/or voting rights which such person, or any controlled entity or third party referred to above, may acquire pursuant to any option or other right to acquire shares and/or the attached voting rights.

Special rules apply to the attribution of shares and/or voting rights which are part of the property of a partnership or other form of joint ownership. A holder of a pledge or right of usufruct in respect of shares can also be subject to notification obligations, if such person has, or can acquire, the right to vote on the shares. The acquisition of (conditional) voting rights by a pledgee or beneficial owner may also trigger notification obligations as if the pledgee or beneficial owner were the legal holder of the shares and/or voting rights.

Furthermore, when calculating the percentage of capital interest, a person is also considered to be in possession of shares if (i) such person holds a financial instrument the value of which is (in part) determined by the value of the shares or any distributions associated therewith and which does not entitle such person to acquire any shares; (ii) such person may be obliged to purchase shares on the basis of an option; or (iii) such person has concluded another contract whereby such person acquires an economic interest comparable to that of holding a share.

Under the Dutch Financial Supervision Act, we are required to file a report with the AFM promptly after the date of listing our Ordinary Shares setting out our issued and outstanding share capital and voting rights. Thereafter, we are required to notify the AFM promptly of any change of 1% or more in our issued and outstanding share capital or voting rights since the previous notification. The AFM must be notified of other changes in our issued and outstanding share capital or voting rights within eight days after the end of the quarter in which the change occurred. The AFM will publish all our notifications of our issued and outstanding share capital and voting rights in a public register.

Furthermore, each member of the Management Board and Supervisory Board must immediately give notice to the AFM of all Ordinary Shares and voting rights in us held by him at the time of admission of our shares to listing on Euronext Amsterdam and thereafter of any change in his holding of shares and voting rights in us.

### ***Short Positions***

Each person holding a net short position attaining 0.2% of the issued share capital of a Dutch listed company must report it to the AFM. Each subsequent increase of this position by 0.1% above 0.2% will also have to be reported. Each net short position equal to 0.5% of the issued share capital of a Dutch listed company and any subsequent increase of that position by 0.1% will be made public via the AFM short selling register. To calculate whether a natural person or legal person has a net short position, their short positions and long positions must be set off. A short transaction in a share can only be contracted if a reasonable case can be made that the shares sold can actually be delivered, which requires confirmation of a third party that the shares have been located. There is

also an obligation to notify the AFM of gross short positions. The notification thresholds are the same as the ones that apply in respect of the notification of actual or potential capital interests and/or voting rights, as described above.

The AFM keeps a public register of all notification made pursuant to these disclosure obligations and publishes any notification received.

### **Market Abuse Regime**

The Dutch Financial Supervision Act, implementing the EU Market Abuse Directive 2003/6/EC and related Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, provides for specific rules that intend to prevent market abuse, such as the prohibitions on insider trading, divulging inside information, tipping, and market manipulation (the “**EU Market Abuse Rules**”). We are subject to the EU Market Abuse Rules as implemented in the Dutch Financial Supervision Act, and non-compliance with these rules may lead to criminal fines, administrative fines, imprisonment or other sanctions. As of 3 July 2016, these provisions in the Dutch Financial Supervision Act will be replaced by the EU Market Abuse Regulation (Regulation no. 596/2014).

The EU Market Abuse Rules on market manipulation may restrict our ability to buy back our Ordinary Shares. In certain circumstances, our investors can also be subject to the EU Market Abuse Rules. Pursuant to the Dutch Financial Supervision Act, members of the Management Board and Supervisory Board and any other person who has (co)managerial responsibilities in respect of us and who in that capacity has the authority to make decisions affecting our future developments and business prospects and who may have regular access to inside information relating, directly or indirectly, to us, must notify the AFM of all transactions conducted for his own account with respect to our Ordinary Shares or financial instruments the value of which is (co)determined by the value of our Ordinary Shares. As of 3 July 2016, the obligation to notify the AFM will also apply to transactions with respect to debt instruments.

In addition, certain persons closely associated with members of the Management Board and Supervisory Board or any of the other persons as described above and designated by the Dutch Financial Supervision Act Decree on Market Abuse (*Besluit Marktmisbruik Wft*, the “**Decree**”), must also notify the AFM of any transactions conducted for their own account relating to our Ordinary Shares or financial instruments the value of which is (co)determined by the value of our Ordinary Shares. The Decree applies the foregoing obligation to the following categories of persons: (i) the spouse or any partner considered by national law as equivalent to the spouse; (ii) dependent children; (iii) other relatives who have shared the same household for at least one year at the relevant transaction date; and (iv) any legal person, trust or partnership whose, among other things, managerial responsibilities are discharged by a person referred to under (i), (ii) or (iii) above or by the relevant member of the Management Board and Supervisory Board or any other person who has (co)managerial responsibilities in respect of us as described above. As of 3 July 2016, instead of from the Decree, these rules will follow directly from the EU Market Abuse Regulation (Regulation no. 596/2014).

The notifications to the AFM by members of the Management Board and Supervisory Board must be made immediately and for every change. For all others, these notifications must be made no later than on the fifth business day following the transaction date by means of a standard form. As of 3 July 2016, the notifications must be made no later than on the third business day following the transaction date. These notifications may be postponed until the moment that the value of the transactions performed for that person’s own account, together with the transactions carried out by the persons closely associated with that person, reaches or exceeds an amount of €5,000 in the calendar year in question.

The AFM keeps a public register of all notifications made under the Dutch Financial Supervision Act. Third parties can request to be notified automatically by e-mail of changes to the public register. Such in accordance with the Dutch Financial Supervision Act, we will maintain a list of our insiders and adopt an internal code of conduct relating to the possession of and transactions by members of the Management Board and Supervisory Board and employees in our Ordinary Shares or in financial instruments of which the value is (co)determined by the value of our Ordinary Shares. Our internal code of conduct will be available on our website.

## **Transparency Directive**

On admission of our Ordinary Shares to listing on Euronext Amsterdam, the Company will be a public company with limited liability (*naamloze vennootschap*) incorporated and existing under the laws of the Netherlands. The Netherlands is the home member state of the Company for the purposes of Directive 2004/109/EC (as amended by Directive 2013/50/EU, the “**Transparency Directive**”) as a consequence of which the Company will be subject to certain on-going transparency and disclosure obligations under the Dutch Financial Supervision Act and the Dutch Financial Reporting Supervision Act (*Wet toezicht financiële verslaggeving*).

## **Dutch Financial Reporting Supervision Act**

The Dutch Financial Reporting Supervision Act applies to financial years starting from 1 January 2006. On the basis of the Dutch Financial Reporting Supervision Act, the AFM supervises the application of financial reporting standards by, among others, companies whose corporate seat are in the Netherlands and whose securities are listed on a regulated Dutch or foreign stock exchange. Pursuant to the Dutch Financial Reporting Supervision Act, the AFM has with regard to our annual accounts and half-yearly reports an independent right to (i) request an explanation from us regarding our application of the applicable financial reporting standards; and (ii) recommend to us the making available of further explanations. If we do not comply with such a request or recommendation, the AFM may request that the Enterprise Chamber orders us to (i) provide an explanation of the way we have applied the applicable financial reporting standards to our financial reports; or (ii) prepare our financial reports in accordance with the Enterprise Chamber’s instructions.



## THE OFFERING

### Introduction

We are offering and issuing up to 24,666,667 New Shares to raise gross proceeds of approximately €370 million, and the Selling Shareholders are offering and selling up to 2,000,000 Existing Shares. In addition, the Selling Shareholders have granted the Joint Global Coordinators, on behalf of the Underwriters, the Over-Allotment Option, exercisable within 30 calendar days after the First Trading Date, pursuant to which the Joint Global Coordinators, on behalf of the Underwriters, may require the Selling Shareholders to sell at the Offer Price up to 4,000,000 Additional Shares, equalling up to 15% of the total number of Offer Shares, to cover short positions resulting from any over-allotments made in connection with the Offering or to facilitate stabilisation transactions.

In connection with the Offering, the Stabilisation Agent, on behalf of the Underwriters, may, to the extent permitted by applicable law, over-allot Offer Shares or effect transactions that stabilise or that raise or maintain the market price of our Offer Shares at levels above those which might otherwise prevail in the open market or that prevent or retard a decline in the market price of our Offer Shares. Such stabilisation transactions, if commenced, may be effected on Euronext Amsterdam, in the over-the-counter market or otherwise. The Stabilisation Agent is not required to engage in such stabilisation transactions, and, as such, there is no assurance that such stabilisation transactions will be undertaken. If such stabilisation transactions are undertaken, they may commence as early as the First Trading Date, may be discontinued at any time without prior notice and will end no later than 30 calendar days after the First Trading Date.

The rights of holders of the Offer Shares will rank *pari passu* with each other and all other Ordinary Shares with respect to voting rights and distribution entitlements.

The table below sets out the maximum number of Offer Shares that may be sold in the Offering, assuming no exercise and full exercise of the Over-Allotment Option, including the percentage it represents of the Company's total issued share capital.

	Maximum number of Offer Shares without exercise of the Over- Allotment Option	Representing % of total issued share capital	Maximum number of Offer Shares with full exercise of the Over- Allotment Option	Representing % of total issued share capital
New Shares . . . . .	24,666,667	45.1%	24,666,667	45.1%
Existing Shares . . . . .	2,000,000	3.7%	2,000,000	3.7%
Additional Shares . . . . .	0	0%	4,000,000	7.3%
<b>Total . . . . .</b>	<b>26,666,667</b>	<b>48.8%</b>	<b>30,666,667</b>	<b>56.1%</b>

The Offering consists of: (i) a public offering to institutional and retail investors in the Netherlands; and (ii) a private placement to certain institutional investors in various other jurisdictions. The Offer Shares have not been and will not be registered under the US Securities Act. The Offer Shares are being offered (i) within the United States, to persons reasonably believed to be QIBs as defined in Rule 144A, pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable state securities laws; and (ii) outside the United States, in accordance with Regulation S.

### Timetable

Event	Time and Date
Start of Offer Period	9.00 a.m. CEST on 31 May 2016
End of Offer Period for Dutch Retail Investors	5.30 p.m. CEST on 8 June 2016
End of Offer Period for institutional investors	2.00 p.m. CEST on 9 June 2016
Pricing and Allocation	9 June 2016
Publication of results of the Offering	10 June 2016
First Trading Date (trading on an “as-if-and-when-issued/delivered” basis)	10 June 2016
Settlement Date (payment and delivery)	14 June 2016

Please note that the Company, Mito and AM Holding, together with the Joint Global Coordinators, reserve the right to accelerate or extend the Offer Period. See “– *Acceleration or Extension*” below.

### **Offer Period**

Subject to acceleration or extension of the timetable for the Offering, prospective investors may subscribe for Offer Shares during the period commencing on 31 May 2016 at 9.00 a.m. CEST and ending on 8 June 2016 at 5.30 p.m. CEST for prospective Dutch Retail Investors and on 9 June 2016 at 2.00 p.m. CEST for prospective institutional investors. The Offer Period for retail and institutional investors may be accelerated or extended separately. See “– *Acceleration or Extension*” below. In the event of an acceleration or extension of the Offer Period, pricing, allocation, admission and first trading of the Offer Shares, as well as payment (in Euros) for and delivery of the Offer Shares may be advanced or extended accordingly.

If a significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus that is capable of affecting the assessment of the Offer Shares arises or is noted between the date of this Prospectus and the later of the end of the Offer Period and the start of trading of the Offer Shares on Euronext Amsterdam, a supplement to this Prospectus will be published, the Offer Period will be extended, if so required by the Prospectus Directive or the Dutch Financial Supervision Act, and investors who have already agreed to subscribe for Offer Shares before such supplement is published may withdraw their subscriptions within two business days following the publication of the supplement, provided that the significant new factor, material mistake or inaccuracy, arose or was noted before the end of the Offer Period or the delivery of the Offer Shares. A supplement to this Prospectus shall be subject to approval by the AFM and shall be made public in accordance with the relevant provisions under the Dutch Financial Supervision Act. See also “*Important Information – General*”.

### **Acceleration or Extension**

Any extension of the timetable for the Offering will be published in a press release on our website at least three hours before the end of the original Offer Period, provided that any extension will be for a minimum of one full business day. Any acceleration of the timetable for the Offering will be published in a press release on our website at least three hours before the proposed end of the accelerated Offer Period. In any event, the Offer Period will be at least six business days.

### **Offer Price and Number of Offer Shares**

The Offer Price and the exact number of Offer Shares will be determined on the basis of a book-building process. The Offer Price may be set within, above or below the Offer Price Range. The Offer Price Range is between €15.00 and €20.00 (inclusive) per Offer Share. The Offer Price Range is an indicative price range. The Offer Price and the exact number of Offer Shares offered in the Offering will be determined after the Offer Period has ended by the Company, Mito and AM Holding, in consultation with the Joint Global Coordinators and the Financial Adviser, taking into account market conditions and other factors, including:

- the Offer Price Range;
- a qualitative assessment of demand for the Offer Shares;
- our financial information;
- our history and prospects and the industry in which we compete;
- an assessment of our management, its past and present operations and prospects for, and timing of, our future revenue;
- the present state of our development;
- the above factors in relation to the market valuation of companies engaged in activities similar to ours;
- the economic and market conditions, including those in the debt and equity markets; and
- any other factors deemed appropriate.

The Offer Price and the exact number of Offer Shares offered in the Offering will be set out in the Pricing Statement that will be deposited with the AFM and published in a press release on our website. Printed copies of the Pricing Statement will be made available at our registered office address. The Offer Price Range, which is an indicative price range, may be changed and/or the number of Offer Shares being offered in the Offering may be increased or decreased. See “– *Change of the Offer Price Range or Number of Offer Shares*” below.

### **Change of the Offer Price Range or Number of Offer Shares**

The Offer Price Range is an indicative price range. The Company, Mito and AM Holding, in joint consultation with the Joint Global Coordinators and the Financial Adviser, reserve the right to increase or decrease the maximum number of Offer Shares and/or to change the Offer Price Range before the end of the Offer Period. Any change to the top end of the Offer Price Range on the last day of the Offer Period or the setting of the Offer Price above the Offer Price Range will result in the Offer Period being extended by at least two business days; any change to the top end of the Offer Price Range on the day prior to the last day of the Offer Period will result in the Offer Period being extended by at least one business day. In this case, if the Offer Period for Dutch Retail Investors (as defined below) has already closed, the Offer Period for Dutch Retail Investors will be re-opened. Accordingly, all investors, including Dutch Retail Investors, will have at least two business days to reconsider their subscriptions. Any change in the maximum number of Offer Shares and/or the Offer Price Range will be announced in a press release on our website.

### **Subscription and Allocation**

Eligible retail investors in the Netherlands (the “**Dutch Retail Investors**”, and each a “**Dutch Retail Investor**”) can only subscribe for Offer Shares on a market order (*bestens*) basis. This means that Dutch Retail Investors will be bound to purchase and pay for the Offer Shares indicated in their subscription, to the extent such Offer Shares are allocated to them, at the Offer Price, even if the Offer Price is set above the original Offer Price Range. Dutch Retail Investors can submit their subscription through their own financial intermediary. The financial intermediary will be responsible for collecting subscriptions from Dutch Retail Investors and for submitting their subscriptions to ABN AMRO as the retail coordinator for the Offering (the “**Retail Coordinator**”). The Retail Coordinator will consolidate all subscriptions submitted by Dutch Retail Investors to financial intermediaries and inform the Joint Bookrunners. Dutch Retail Investors are entitled to cancel or amend their subscription, at the financial intermediary where their original subscription was submitted, at any time prior to the end of the Offer Period (if applicable, as accelerated or extended). Such cancellations or amendments may be subject to the terms of the financial intermediary involved. All questions concerning the timeliness, validity and form of instructions to a financial intermediary in relation to the subscription for Offer Shares will be determined by the financial intermediary in accordance with its usual procedures or as otherwise notified to the Dutch Retail Investors. The Company and the Selling Shareholders are not liable for any action or failure to act by a financial intermediary or the Retail Coordinator in connection with any subscription, or purported subscription.

Allocation of the Offer Shares is expected to take place on the day of the closing of the Offer Period, expected to be on 9 June 2016. Allocations to investors who subscribed for Offer Shares will be made on a systematic basis, and the Company, Mito and AM Holding will, after consultation with the Joint Global Coordinators and the Financial Adviser, exercise full discretion as to whether or not and how to allocate the Offer Shares subscribed for. Investors may not be allocated all or any of the Offer Shares which they subscribed for. There is no maximum or minimum number of Offer Shares for which prospective investors may subscribe, and multiple subscriptions are permitted. In the event that the Offering is over-subscribed, investors may receive fewer Offer Shares than they subscribed for. The Company, Mito and AM Holding may, in consultation with the Joint Global Coordinators and the Financial Adviser, at their own discretion and without stating the grounds therefor, reject any subscriptions wholly or partly. Allocation of the Offer Shares to investors will be determined by the Company, Mito and AM Holding in consultation with the Joint Global Coordinators and the Financial Adviser. On the day that allocation occurs, the Joint Global Coordinators, on behalf of the Underwriters, will notify the institutional investors of any allocation of Offer Shares made to them.

Investors participating in the Offering will be deemed to have checked and confirmed that they meet the selling and transfer restrictions described in “*Selling and Transfer Restrictions*”. Each investor should consult its own advisers as to the legal, tax, business, financial and related aspects of a subscription for Offer Shares.

### **Preferential Retail Allocation**

There will be a preferential allocation of Offer Shares to Dutch Retail Investors (the “**Preferential Retail Allocation**”). Each Dutch Retail Investor will be allocated the first 250 (or fewer) Offer Shares for which such investor subscribes. However, if the total number of Offer Shares subscribed for by Dutch Retail Investors under the Preferential Retail Allocation would exceed 10% of the total number of the Offer Shares, assuming no exercise of the Over-Allotment Option, the preferential allocation to each Dutch Retail Investor may be reduced *pro rata* to the first 250 (or fewer) Offer Shares for which such investor subscribes. As a result, Dutch Retail Investors may not be allocated all of the first 250 (or fewer) Offer Shares for which they subscribe. The exact number of Offer Shares allocated to Dutch Retail Investors will be determined after the Offer Period has ended.

The Preferential Retail Allocation will only be made in relation to Offer Shares comprising up to 10% of the total number of Offer Shares, not including the Additional Shares. The Company, Mito and AM Holding, after consultation with the Joint Global Coordinators and the Financial Adviser, have full discretion as to whether or not and how to allocate the remainder of the Offer Shares subscribed for.

For the purpose of the Preferential Retail Allocation, a Dutch Retail Investor is either: (i) a natural person resident in the Netherlands; or (ii) a special investment vehicle having its seat in the Netherlands which is a legal entity established for the express and sole purpose of providing asset management and/or retirement planning services for a natural person.

To be eligible for the Preferential Retail Allocation, Dutch Retail Investors must place their subscriptions during the period commencing on 31 May 2016 at 9.00 a.m. CEST and ending on 8 June 2016 at 5.30 p.m. CEST through financial intermediaries. Financial intermediaries may, however, apply their own deadlines which may expire before the closing time of the Offer Period.

The Retail Coordinator, on behalf of the Underwriters, will communicate to the financial intermediaries the aggregate number of Offer Shares allocated to their respective Dutch Retail Investors. It is up to the financial intermediaries to notify the Dutch Retail Investors of their individual allocations.

### **Listing and Trading**

Prior to the Offering, there has been no public market for our Ordinary Shares. Application has been made to list and admit all our Ordinary Shares to trading on Euronext Amsterdam under the symbol “BFIT”. The ISIN (International Security Identification Number) is NL0011872650 and the common code is 141873032.

Subject to acceleration or extension of the timetable for the Offering, trading in the Offer Shares on Euronext Amsterdam is expected to commence on the First Trading Date. Trading in the Offer Shares before the closing of the Offering will take place on an ‘as-if-and-when-issued/delivered’ basis.

### **Delivery, Clearing and Settlement**

Application has been made for the Ordinary Shares to be accepted for delivery through the book-entry facilities of Euroclear Nederland. Euroclear Nederland is located at Herengracht 459-469, 1017 BS Amsterdam, the Netherlands. Delivery of the Offer Shares is expected to take place on the Settlement Date through the book-entry facilities of Euroclear Nederland, in accordance with its normal settlement procedures applicable to equity securities and against payment (in Euros) for the Offer Shares in immediately available funds.

Subject to acceleration or extension of the timetable for the Offering, the Settlement Date is expected to be on or about 14 June 2016, the second business day following the allocations of the Offer Shares. The closing of the Offering may not take place on the Settlement Date or at all if certain conditions or events referred to in the Underwriting Agreement are not satisfied or waived or occur on or prior to such date. See “*Plan of Distribution – Underwriting Agreement*”.

If Settlement does not take place on the Settlement Date as planned or at all, the Offering may be withdrawn, in which case all subscriptions for Offer Shares will be disregarded, any allotments made will be deemed not to have been made, any subscription payments made will be returned without interest or other compensation and transactions in the Offer Shares on Euronext Amsterdam will be annulled. Any dealings in Offer Shares prior to Settlement are at the sole risk of the parties concerned. Neither the Company, the Selling Shareholders, the Underwriters, the Financial Adviser, the Listing and Paying Agent nor Euronext Amsterdam N.V. accepts any responsibility or liability for any loss incurred by any person as a result of a withdrawal of the Offering or the related annulment of any transactions in Offer Shares on Euronext Amsterdam.

## **Payment**

Payment for the Offer Shares is expected to occur on or about the Settlement Date. The Offer Price must be paid in full in Euro and is exclusive of any taxes and expenses, if any, which must be borne by the investor. Dutch Retail Investors may be charged expenses by their financial intermediary. No expenses will be charged to investors by the Company or the Selling Shareholders. For more information on taxes, see “*Taxation*”. The Offer Price must be paid by the investors in cash upon remittance of their subscription or, alternatively, by authorising their financial intermediary to debit their bank account with such amount on or about the Settlement Date (or earlier in the case of an early closing of the Offer Period and consequent acceleration of pricing, allocation, first trading and payment and delivery).

## **Other**

### ***Voting Rights***

Each Ordinary Share confers the right to cast one vote in the General Meeting, see “*Description of Share Capital and Corporate Governance – General Meetings of Shareholders and Voting Rights*”. All Shareholders have the same voting rights.

### ***Ranking and Dividends***

The Offer Shares will: (i) rank *pari passu* in all respects with all other then-outstanding Ordinary Shares; and (ii) be eligible for any dividends which we may declare on our Ordinary Shares. See “*Description of Share Capital and Corporate Governance*” and “*Dividends and Dividend Policy*”.

### ***Dilution***

The voting interests of the current Shareholders will be diluted as a result of the issuance of the New Shares (excluding, for the avoidance of doubt, the sale of Existing Shares and any Additional Shares). The maximum dilution for the current Shareholders pursuant to the issuance of the New Shares would be 45.1%, assuming the issuance of the maximum number of New Shares (which assumes an Offer Price at the low end of the Offer Price Range).

### ***Joint Global Coordinators***

ABN AMRO and Morgan Stanley are acting as joint global coordinators for the Offering (the “**Joint Global Coordinators**”).

### ***Joint Bookrunners***

The Joint Global Coordinators together with Barclays, Deutsche Bank and ING are acting as joint bookrunners for the Offering (the “**Joint Bookrunners**”).

### ***Co-lead Managers***

Rabobank, KBC and NIBC are acting as co-lead managers for the Offering (the “**Co-lead Managers**”).



### ***Listing and Paying Agent***

ABN AMRO is the Listing and Paying Agent with respect to the Offer Shares on Euronext Amsterdam.

### ***Retail Coordinator***

ABN AMRO is the Retail Coordinator with respect to the Offering.

### ***Stabilisation Agent***

Morgan Stanley is the stabilisation agent (the “**Stabilisation Agent**”) with respect to the Offer Shares on Euronext Amsterdam.

### ***Fees and Expenses of the Offering and Listing***

Our total costs related to the Offering are expected to amount to approximately €20 million, including underwriting commissions of up to €11.1 million and estimated other expenses of approximately €8.9 million. See also “*Reasons for the Offering and Use of Proceeds*” and “*Plan of Distribution*”.

## PLAN OF DISTRIBUTION

The Company, Topco, the Selling Shareholders and the Underwriters named below (the “Underwriters”) entered into an underwriting agreement on or about 30 May 2016 with respect to the offer and sale of the Offer Shares (the “Underwriting Agreement”).

Under the terms of and subject to the conditions set forth in the Underwriting Agreement and the pricing agreement to be signed in connection with the Offering (the “Pricing Agreement”), the Underwriters will severally agree to procure purchasers for or, failing which, to purchase themselves such number of Offer Shares as set forth in the Pricing Statement, and the Company will agree to issue and sell such number of New Shares and the Selling Shareholders will agree to sell such number of Existing Shares as set forth in the Pricing Statement and, upon exercise of the Over-Allotment Option, Additional Shares to purchasers procured by the Underwriters or, failing which, to the Underwriters themselves. The proportion of total Offer Shares which each Underwriter may severally be required to purchase is indicated below.

	<b>Percentage of Total Offer Shares</b>
<b>Underwriter</b>	
ABN AMRO Bank N.V. . . . . .	32.50%
Morgan Stanley & Co. International plc . . . . .	32.50%
Barclays Bank PLC . . . . .	11.00%
Deutsche Bank AG, London Branch . . . . .	11.00%
ING Bank N.V. . . . . .	11.00%
Coöperatieve Rabobank U.A. . . . . .	1.00%
KBC Securities NV . . . . .	0.67%
NIBC Bank N.V. . . . . .	0.33%
<b>Total.</b> . . . . .	<b>100.00%</b>

The Underwriting Agreement provides that the obligations of the Underwriters to procure purchasers for or, failing which, to purchase themselves the number of Offer Shares set forth in the Pricing Statement, are subject to certain closing conditions including: (i) the absence of any material adverse change in our business; (ii) receipt of opinions on certain legal matters from counsel; (iii) the approval of this Prospectus by the AFM being in full force and effect; (iv) the admission of the Ordinary Shares to listing on Euronext Amsterdam; (v) the eligibility of the Ordinary Shares for clearance and settlement through the book-entry systems by Euroclear Nederland; (vi) the Restructuring having been completed; (vii) receipt by the Underwriters of comfort letters from our independent auditors; and (viii) execution of the Pricing Agreement between the Company, Topco, the Selling Shareholders and the Underwriters. The Joint Global Coordinators, acting on behalf of the Underwriters, will have the right to waive the satisfaction of any such conditions or part thereof.

In consideration of the agreement by the Underwriters to procure purchasers for or, failing which, to purchase themselves the number of Offer Shares set forth in the Pricing Statement at the Offer Price and subject to the Offer Shares being sold as provided for in the Underwriting Agreement, the Company and the Selling Shareholders have agreed to pay to the Underwriters a commission of 1.75% of the gross proceeds of the Offering (including, if applicable, any gross proceeds relating to the Additional Shares). In addition, the Underwriting Agreement provides that the Company and the Selling Shareholders may, at their sole discretion, pay a discretionary commission of up to 1.25% of the gross proceeds of the Offering (including, if applicable, any gross proceeds relating to the Additional Shares) (the “Discretionary Fee”). The decision by each of the Company and the Selling Shareholders whether to pay the Discretionary Fee will be determined by each of the Company and the Selling Shareholders in their sole discretion on the basis of, among other things, their perception of each Underwriter’s performance during the preparation for and execution of the Offering, and will occur not later than on the date falling 60 days from the First Trading Date. Certain costs and expenses incurred by the Underwriters in connection with the Offering will be reimbursed by the Company. The Underwriting Agreement provides that the Company will indemnify the Underwriters against certain losses and liabilities arising out of or in connection with the Offering, including liabilities under the US Securities Act and losses and liabilities based upon any actual or alleged breach by the Company of any of its obligations under the

Underwriting Agreement. See also “Reasons for the Offering and Use of Proceeds” and “The Offering – Other – Fees and Expenses of the Offering and Listing”.

The Underwriting Agreement contains standard termination provisions, pursuant to which, until the Settlement Date, the Joint Global Coordinators, acting jointly on behalf of the Underwriters, may elect to terminate their several commitments under the Underwriting Agreement in the event of, among others: (i) any filing made by the Company of information relating to the Offering or any communications with any securities exchange or any other regulatory body in the Netherlands or any other jurisdiction; (ii) the occurrence of anything rendering untrue or misleading in any respect any of the representations and warranties of the Company in the Underwriting Agreement; (iii) if any event occurs or condition exists as a result of which it is necessary to amend or supplement this Prospectus or the Pricing Statement in order that they do not include any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading; (iv) the Joint Global Coordinators, acting in good faith, determine that there has been a material adverse change, or any development likely to give rise to a material adverse change, in the condition (financial, operational or otherwise) or in the earnings, financial and trading position or business affairs of the Group, whether or not arising in the ordinary course of business; (v) there has occurred any material adverse change in the financial markets in the Netherlands, the United Kingdom, the United States, in any other Member State, or the international financial markets, any outbreak of hostilities or escalation thereof or other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions, or currency exchange rates, in each case the effect of which is to make it, in the good-faith judgment of the Joint Global Coordinators, impracticable or inadvisable to market the Offer Shares or enforce contracts for the sale of the Offer Shares; (vi) admission of the Ordinary Shares to listing and trading on Euronext Amsterdam has been withdrawn, or if trading generally on Euronext Amsterdam has been suspended or limited, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices have been required, by Euronext Amsterdam or by such system or by order of the regulatory authorities of the Netherlands or any other governmental or self-regulatory authority, or a material disruption has occurred in commercial banking or shares settlement or clearance services in the Netherlands, the United Kingdom, the United States or in any other Member State; (vii) if a banking moratorium has been declared by the authorities of any of the United Kingdom, the United States, the Netherlands or the State of New York or any other Member State; or (viii) any new law or regulation or any change in existing law or regulation, or any change in the interpretation or application thereof by any court or other competent authority in or affecting the Netherlands, the United Kingdom, any Relevant Member State and/or the United States and which, in the *bona fide* and good-faith judgment of the Joint Global Coordinators, (a) is materially adverse to, or is likely to materially and prejudicially affect, the business or financial or trading position or prospects of the Group, (b) makes, or is likely to make it, impracticable or inadvisable to proceed with the Offering or the delivery of the Offer Shares or (c) is likely to result in the unsuccessful completion of the Offering. If the Underwriters elect to terminate their several commitments under the Underwriting Agreement, the Offering may be cancelled and, if it is cancelled, no Offer Shares will be delivered. All dealings in the Offer Shares prior to Settlement will be at the sole risk of the parties concerned.

The Offering consists of (i) a public offering in the Netherlands to institutional and retail investors; and (ii) a private placement to certain institutional investors in various other jurisdictions. The Offer Shares are being offered: (i) within the US to persons reasonably believed to be QIBs as defined in Rule 144A under the US Securities Act, pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act, and applicable state and other securities laws of the US; and (ii) outside the US, where all offers and sales of the Offer Shares will be made in compliance with Regulation S. The Offer Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state of the US, and may not be offered or sold within the US unless the Offer Shares are registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available. Prospective purchasers are hereby notified that the Company and the Selling Shareholders are relying on an exemption from the registration requirements of Section 5 of the US Securities Act, which may include Rule 144A or Regulation S thereunder.

Any offer or sale of Offer Shares in the United States in reliance on Rule 144A under the US Securities Act, or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act, will be made by broker-dealers who are registered as such under the US Exchange Act. ABN AMRO is not a registered broker-dealer in the United

States, and therefore, to the extent that it intends to effect any offers or sales of Offer Shares in the United States, it will do so through its affiliate, ABN AMRO Securities (USA) LLC, a US registered broker-dealer, pursuant to applicable US securities laws.

Offers and sales of New Shares in the United States will be made by the Underwriters, their affiliates or agents, who are registered US broker-dealers, pursuant to applicable US securities laws.

We are not aware that any of our major Shareholders or members of the Management Board or Supervisory Board intend to subscribe for Ordinary Shares in the Offering.

### **Potential Conflicts of Interest**

The Underwriters are acting exclusively for the Company and the Selling Shareholders (in their selling capacity) and for no one else and will not regard any other person (whether or not a recipient of this Prospectus) as their respective clients in relation to the Offering and will not be responsible to anyone other than to the Company and/or the Selling Shareholders for giving advice in relation to the Offering and for the listing and trading of the Ordinary Shares and/or any other transaction or arrangement referred to in this Prospectus.

Certain of the Underwriters and the Financial Adviser and/or their respective affiliates have in the past engaged and may in the future, from time to time, engage in commercial banking, investment banking and financial advisory and ancillary activities in the ordinary course of their business with the Company and/or the Selling Shareholders or any parties related to any of them, in respect of which they have received and may in the future receive customary fees and commissions. ABN AMRO, ING, Rabobank, NIBC and KBC (in each case, directly or through an affiliate) have entered into arrangements to act as lenders to the Company under the Existing Facilities Agreements, in respect of which they may in the future receive fees and commissions. ING, Rabobank and KBC (in each case, directly or through an affiliate) have entered into arrangements to act as lenders to the Company in connection with the Financial Lease Liabilities, in respect of which they may in the future receive fees and commissions. ABN AMRO, ING, Rabobank, NIBC and KBC (in each case, directly or through an affiliate) have entered into arrangements to act as lenders to the Company under the New Facilities Agreement, in respect of which they may in the future receive fees and commissions.

Upon completion of the Offering, we intend to use the net proceeds from the Primary Offering to repay a portion of the existing indebtedness under the Existing Facilities Agreements, to which some of the Underwriters (directly or through an affiliate) are a party, to repay in full the Shareholder Loans plus accrued interest and to refinance the remainder of the Existing Facilities and part of the Financial Lease Liabilities with new loans under the New Facilities Agreement. As of 31 March 2016, the aggregate amount of the indebtedness outstanding under the Existing Facilities to ABN AMRO, ING, Rabobank, NIBC and KBC (in each case, directly or through an affiliate) amounted to €210.4 million and the aggregate amount of the indebtedness outstanding in connection with the Financial Lease Liabilities to ING, Rabobank and KBC (in each case, directly or through an affiliate) amounted to €37.1 million. Additionally, the Underwriters and/or their respective affiliates may have held and may in the future hold, in the ordinary course of their business, the Company's securities for investment purposes. As a result, these parties may have interests that may not be aligned, or could possibly conflict with, the interests of investors. In respect hereof, the sharing of information is generally restricted for reasons of confidentiality, by internal procedures and by rules and regulations. As a result of these transactions, these parties may have interests that may not be aligned, or could potentially conflict, with the interests of (potential) holders of the Offer Shares, or with our interests.

In connection with the Offering, each of the Underwriters and any of their respective affiliates, acting as an investor for its own account, may take up Offer Shares in the Offering and in that capacity may retain, purchase or sell for its own account such securities and any Offer Shares or related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Offering.

Accordingly, references in this Prospectus to Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to any of the Underwriters or any of their respective affiliates acting in such capacity. None of the Underwriters intends to disclose the extent of any such investment or transactions otherwise than pursuant to any legal or regulatory obligation to do so. In addition, certain of the Underwriters or their affiliates may enter into financing

arrangements (including swaps) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Offer Shares.

As a result of acting in the capacities described above, the Underwriters may have interests that may not be aligned, or could potentially conflict, with investors' and our interests.

### **Lock-up Arrangements**

Pursuant to the Underwriting Agreement, the Company has agreed with the Underwriters that, for a period of 360 days after the Settlement Date, it will not, except as set forth below, without the prior written consent of the Joint Global Coordinators acting on behalf of the Underwriters (such consent not to be unreasonably withheld or delayed) (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, lend or otherwise transfer or dispose of any Ordinary Shares, or any securities convertible into or exercisable or exchangeable for Ordinary Shares, or file any registration statement under the US Securities Act or any similar document with any other securities regulator, stock exchange, or listing authority with respect to any of the foregoing; or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Ordinary Shares of the Company, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Ordinary Shares or other securities, in cash or otherwise; or (iii) publicly announce such an intention to effect any such transaction.

The foregoing does not apply to (i) the issuance and subscription of the New Shares in the Offering; (ii) the issuance or transfer of Ordinary Shares under any employee remuneration, incentive or saving plans of the Company or any of its subsidiaries described in this Prospectus; (iii) accepting a general offer made to all the holders of the issued and allotted Ordinary Shares of the Company on terms which treat all such holders alike and which has become or been declared unconditional in all respects or been recommended for acceptance by the Supervisory Board; and (iv) the acquisition of the Company's shares in accordance with applicable laws and regulations.

Pursuant to the Underwriting Agreement, each of AM Holding and Mito has agreed with the Underwriters that, for, respectively, a period of 360 days after the Settlement Date and a period of 180 days after the Settlement Date (as applicable to each such Shareholder, the "**Selling Shareholders Lock-Up Period**"), each will not, except as set forth below, without the prior written consent of the Joint Global Coordinators acting on behalf of the Underwriters (such consent not to be unreasonably withheld or delayed) (i) directly or indirectly, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, lend, cause the Company to issue, or otherwise transfer or dispose of any Ordinary Shares, or any securities convertible into or exercisable or exchangeable for Ordinary Shares, or file any registration statement under the US Securities Act or any similar document with any other securities regulator, stock exchange, or listing authority with respect to any of the foregoing; or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Ordinary Shares of the Company, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Ordinary Shares or other securities, in cash or otherwise; or (iii) publicly announce an intention to effect any such transaction.

The foregoing does not apply to (i) the sale of the Existing Shares and Additional Shares in the Offering; (ii) the entering into of the Share Lending Agreement, if applicable; (iii) any transfer of Ordinary Shares following the acceptance of a full or partial public takeover bid in respect of the Ordinary Shares; (iv) transfers of the Ordinary Shares to any entity within AM Holding's control or Mito's control, as applicable, or under common control with AM Holding or Mito, as applicable, or to one or more persons, whether natural or legal, who are the direct or indirect beneficial owners of AM Holding or Mito, as applicable, at the date of the Underwriting Agreement, provided that such transferee(s) shall first agree in writing for the benefit of the Underwriters to be bound by the same restrictions provided for in the Underwriting Agreement for the remainder of such 360-day period, in the case of AM Holding, or such 180-day period, in the case of Mito; (v) with respect to Mito, transfers of Ordinary Shares by Mito to (x) any member of the 3i Group or (y) a 3i Fund or (z) any company, fund, partnership, investment vehicle or other entity (whether corporate or otherwise) which is controlled by or under common control with Mito or any 3i Funds or members of the 3i Group, provided that such transferee(s) shall first agree in writing for the benefit of the Underwriters to be



bound by the same restrictions provided for in the Underwriting Agreement for the remainder of such 180-day period; (vi) any transfer, subscription or exchange in connection with a reorganisation of the Company's share capital, legal merger, split-up or similar transaction or process, including the Restructuring; and/or (vii) a sale of the Ordinary Shares pursuant to any security over such Ordinary Shares existing as of the date of the Underwriting Agreement and disclosed in writing to the Joint Global Coordinators prior to the date of the Underwriting Agreement, provided that the transferees of any such shares pursuant to any enforcement of such security shall first agree in writing for the benefit of the Underwriters to be bound by the same restrictions provided for the remainder of such 360-day period, in the case of AM Holding, or such 180-day period, in the case of Mito.

Manco will not be subject to a lock-up arrangement pursuant to the Underwriting Agreement since Manco will be dissolved following Settlement as a result of which the parties which immediately prior to Settlement hold a stake of 5% in the Company through Manco will hold Ordinary Shares directly. Of these parties, Mito, AM Holding, Mr Van der Aar, Mr Van der Vis and Mr Willemse will be subject to lock-up arrangements as described in this paragraph and the remaining 15 employees of the Company who immediately prior to Settlement together indirectly hold less than 2% of the Ordinary Shares will not be subject to a lock-up arrangement.

Pursuant to the Underwriting Agreement, each of Mr Van der Aar, Mr Van der Vis and Mr Willemse has agreed with the Underwriters that, for, respectively, a period of 360 days after the Settlement Date, a period of 180 days after the Settlement Date and a period of 180 days after the Settlement Date, each will not, except as set forth below, without the prior written consent of the Joint Global Coordinators acting on behalf of the Underwriters (such consent not to be unreasonably withheld or delayed) (i) directly or indirectly, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, lend, cause the Company to issue, or otherwise transfer or dispose of any Ordinary Shares, or any securities convertible into or exercisable or exchangeable for Ordinary Shares, or file any registration statement under the US Securities Act or any similar document with any other securities regulator, stock exchange, or listing authority with respect to any of the foregoing; or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Ordinary Shares of the Company, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Ordinary Shares or other securities, in cash or otherwise; or (iii) publicly announce an intention to effect any such transaction.

The foregoing does not apply to (i) the sale of the Existing Shares and Additional Shares in the Offering; (ii) any transfer of Ordinary Shares following the acceptance of a full or partial public takeover bid in respect of the Ordinary Shares; (iii) any transfer, subscription or exchange in connection with a reorganisation of the Company's share capital, legal merger, split-up or similar transaction or process; and/or (iv) a sale of the Ordinary Shares pursuant to any security over such Ordinary Shares existing as of the date of the Underwriting Agreement and disclosed in writing to the Joint Global Coordinators prior to the date of the Underwriting Agreement, provided that the transferees of any such shares pursuant to any enforcement of such security shall first agree in writing for the benefit of the Underwriters to be bound by the same restrictions provided for the remainder of such 360-day period, in the case of Mr Van der Aar, such 180-day period, in the case of Mr Van der Vis, and such 180-day period, in the case of Mr Willemse.

#### **Over-Allotment and Stabilisation**

In connection with the Offering, the Underwriting Agreement provides that Morgan Stanley as Stabilisation Agent, or any of its agents, on behalf of the Underwriters, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Offer Shares or effect other transactions with a view to supporting the market price of the Offer Shares at a higher level than that which might otherwise prevail in the open market. The Stabilisation Agent is not required to enter into such transactions, and such transactions may be effected on any securities market, over-the-counter market, stock exchange (including Euronext Amsterdam) or otherwise and may be undertaken at any time during the period commencing on the First Trading Date and ending no later than 30 calendar days thereafter. The Stabilisation Agent or any of its agents is not obligated to effect stabilising transactions, and there will be no assurance that stabilising transactions will be undertaken. Such stabilising transactions, if commenced, may be discontinued at any time without prior notice. Save as required by law or regulation, neither the Stabilisation Agent nor any of its agents intend to

disclose the extent of any over-allotments made and/or stabilisation transactions under the Offering. The Underwriting Agreement provides that the Stabilisation Agent may, for purposes of the stabilising transactions, over-allot Offer Shares up to a maximum of 15% of the total number of Offer Shares sold in the Offering. The Underwriting Agreement provides that to the extent that the Stabilisation Agent earns any profit directly from stabilising transactions, the Stabilisation Agent will remit the aggregate amount of any such net profits to the Selling Shareholders *pro rata* to the number of the Additional Shares made available by each Selling Shareholder, as applicable (after deduction of documented costs up to 0.1% of the value of Offer Shares traded on the stabilisation account). All losses incurred by the Stabilisation Agent in the course of the stabilising transactions are for the account of and shared *pro rata* by the Underwriters.

In connection with the Over-Allotment Option, up to a maximum of 15% of the total number of Offer Shares have been made available by the Selling Shareholders to the Stabilisation Agent for the account of the Underwriters through a securities loan to be entered into on or around the date of the Pricing Agreement (the “**Share Lending Agreement**”).

None of the Company, the Selling Shareholders or any of the Underwriters makes any representation or prediction as to the direction or the magnitude of any effect that the transactions described above may have on the price of the Offer Shares. In addition, none of the Company, the Selling Shareholders or any of the Underwriters makes any representation that the Stabilisation Agent will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

#### **No Public Offering outside the Netherlands**

No action has been taken or will be taken in any jurisdiction outside of the Netherlands by us or the Underwriters that would permit a public offering of the Offer Shares, or the possession, circulation or distribution of this Prospectus or any other material relating to us or the Offer Shares, in any other country or jurisdiction than the Netherlands where action for that purpose is required.

Accordingly, no Offer Shares may be offered or sold either directly or indirectly, and neither this Prospectus nor any other offering material or advertisements in connection with the Offer Shares may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction. See the selling and transfer restrictions described in “*Selling and Transfer Restrictions*”.

## SELLING AND TRANSFER RESTRICTIONS

No action has been taken or will be taken in any jurisdiction outside of the Netherlands by us or the Underwriters that would permit a public offering of the Offer Shares, or the possession, circulation or distribution of this Prospectus or any other material relating to us or the Offer Shares, in any other country or jurisdiction than the Netherlands where action for that purpose is required.

Accordingly, no Offer Shares may be offered or sold either directly or indirectly, and neither this Prospectus nor any other offering material or advertisements in connection with the Offer Shares may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction.

If an investor receives a copy of this Prospectus, the investor may not treat this Prospectus as constituting an invitation or offer to the investor of the Offer Shares, unless, in the relevant jurisdiction, such an offer could lawfully be made to the investor, or the Offer Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if the investor receives a copy of this Prospectus or any other offering materials or advertisements, the investor should not distribute the same in or into, or send the same to any person in, any jurisdiction where to do so would or might contravene local securities laws or regulations.

If an investor forwards this Prospectus or any other offering materials or advertisements into any such territories (whether under a contractual or legal obligation or otherwise) the investor should draw the recipient's attention to the contents of this section.

Subject to the specific restrictions described below, investors (including, without limitation, any investor's nominees and trustees) wishing to accept, sell or purchase Offer Shares must satisfy themselves as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

Investors that are in any doubt as to whether they are eligible to purchase Offer Shares should consult their professional adviser without delay.

### European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (in this paragraph, each, a "**Relevant Member State**"), no Offer Shares have been offered or will be offered pursuant to the Offering to the public in that Relevant Member State, except (i) in the Netherlands once this Prospectus has been approved by the AFM and published in accordance with the Prospectus Directive and the relevant provisions of the Dutch Financial Supervision Act; and (ii) in that Relevant Member State other than the Netherlands at any time under the following exemptions under the Prospectus Directive:

- (i) to legal entities which are qualified investors as defined in the Prospectus Directive;
- (ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Joint Global Coordinators; or
- (iii) in any other circumstances falling under the scope of Article 3(2) of the Prospectus Directive,

provided that no such offer of Offer Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State.

For the purpose hereof, the expression an 'offer of any shares to the public' in relation to any Offer Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Offering and the Offer Shares to be offered, so as to enable an investor to decide to acquire any Offer Shares, as that definition may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

Each person in a Relevant Member State other than the Netherlands who receives any communication in respect of, or who acquires any Offer Shares under, the Offering contemplated

hereby will be deemed to have represented, warranted and agreed to and with each of the Underwriters, the Selling Shareholders and us that:

- (i) it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and
- (ii) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Offer Shares acquired by it in the Offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or have been acquired in other circumstances falling within Article 3(2) of the Prospectus Directive and the prior consent of the Joint Global Coordinators has been given to the offer or resale; or (ii) where the Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the Prospectus Directive as having been made to such persons.

The Company, the Selling Shareholders, the Underwriters and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Joint Global Coordinators of such fact in writing may, with the prior consent of the Joint Global Coordinators, be permitted to acquire Offer Shares in the Offering.

#### **United Kingdom**

Offers of Offer Shares pursuant to the Offering are only being made to persons in the United Kingdom who are ‘qualified investors’ within the meaning of section 86 of the FSMA or otherwise in circumstances which do not require publication by the Company of a prospectus pursuant to section 85(1) of the FSMA.

This Prospectus is only being distributed to, and is only directed at, and any investment or investment activity to which the Prospectus relates is available only to, and will be engaged in only with (i) persons falling within the definition of ‘investment professionals’ in Article 19(5); or (ii) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2)(a) to (d), of the U.K. Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or other persons to whom such investment or investment activity may lawfully be made available (in this paragraph, together, “**Relevant Persons**”). Persons who are not Relevant Persons should not take any action on the basis of the Prospectus and should not act or rely on it.

Each of the Underwriters has (i) complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offer Shares in, from or otherwise involving the United Kingdom; and (ii) it has only communicated or caused to be communicated and will communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issuance or sale of the Offer Shares only in circumstances in which section 21(1) of the FSMA does not apply to the Company.

#### **United States**

The Offer Shares have not been, and will not be, registered under the US Securities Act or with any securities regulatory authority of any state of the US, and may not be offered or sold within the US unless the Offer Shares are registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available. The Offer Shares are being offered and sold in the US only to persons reasonably believed to be qualified institutional buyers as defined in Rule 144A, pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act, and outside the US in reliance on Regulation S under the US Securities Act. There will be no public offer of the Offer Shares in the US. Prospective purchasers are hereby notified that the Company and other sellers of the Offer Shares may be relying on an exemption from the registration requirements of Section 5 of the US Securities Act, which may include Rule 144A or Regulation S thereunder.

In addition, until the end of the 40th calendar day after commencement of the Offering, an offer or sale of the Offer Shares within the US by a dealer (whether or not participating in the Offering) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the US Securities Act.

The Underwriting Agreement provides that the Underwriters may directly or through their respective United States broker-dealer affiliates arrange for the offer and sale of the Offer Shares within the United States only to persons reasonably believed to be qualified institutional buyers as defined in Rule 144A, pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

Each purchaser of Offer Shares within the United States, by accepting delivery of this Prospectus, will be deemed to have represented, agreed and acknowledged that it has received a copy of this Prospectus and such other information as it deems necessary to make an investment decision and that:

- (i) it is (A) a QIB; (B) acquiring the Offer Shares for its own account or for the account of one or more QIBs with respect to whom it has the authority to make, and does make, the representations and warranties set forth in this paragraph; (C) acquiring the Offer Shares for investment purposes, and not with a view to further distribution of such Offer Shares; and (D) aware, and each beneficial owner of the Offer Shares has been advised, that the sale of the Offer Shares to it is being made in reliance on Rule 144A or in reliance on another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act;
- (ii) it understands and agrees that the Offer Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state, territory or other jurisdiction of the United States and may not be offered, resold, pledged or otherwise transferred, except (A)(1) to a person whom the investor and any person acting on its behalf reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act; (2) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S; (3) pursuant to an exemption from the registration requirements of the US Securities Act provided by Rule 144 thereunder (if available); or (4) pursuant to an effective registration statement under the Securities Act; and (B) in accordance with all applicable securities laws of any state, territory or other jurisdiction of the United States;
- (iii) it acknowledges that the Offer Shares (whether in physical, certificated form or in un-certificated form) are ‘restricted securities’ within the meaning of Rule 144(a)(3) under the US Securities Act, that the Offer Shares are being offered and sold in a transaction not involving any public offering in the United States within the meaning of the US Securities Act and that no representation is made as to the availability of the exemption provided by Rule 144 for resales of Offer Shares;
- (iv) it understands that in the event Offer Shares are held in certificated form, such certificated Offer Shares will bear a legend substantially to the following effect:

**“THE SECURITY EVIDENCED HEREBY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), ANY STATE SECURITIES LAWS IN THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, EXCEPT: (A) TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT, PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER; (B) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT; (C) PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE); OR (D) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE**



**SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR REALES OF THIS SECURITY. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THIS SECURITY MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THIS SECURITY ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK. EACH INVESTOR IN THIS SECURITY IS HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER AND EACH INVESTOR WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY INVESTOR IN THIS SECURITY FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. EACH HOLDER, BY ITS ACCEPTANCE OF THIS SECURITY, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS”;**

- (v) notwithstanding anything to the contrary in the foregoing, it understands that Offer Shares may not be deposited into an unrestricted depositary receipt facility in respect of Offer Shares established or maintained by a depositary bank unless and until such time as such Offer Shares are no longer ‘restricted securities’ within the meaning of Rule 144(a)(3) under the Securities Act;
- (vi) any offer, resale, pledge or other transfer of the Offer Shares made other than in compliance with the above stated restrictions shall not be recognised by the Company;
- (vii) it agrees that it will give to each person to whom it offers, resells, pledges or otherwise transfers Offer Shares notice of any restrictions on transfer of such Offer Shares; and
- (viii) it acknowledges that the Company, the Underwriters and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements deemed to have been made by virtue of its purchase of Offer Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any Offer Shares as a fiduciary or agent for one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account (in which case it hereby makes such acknowledgements, representations and agreements on behalf of such QIBs as well).

Each purchaser of Offer Shares outside the United States will, by accepting delivery of this Prospectus, be deemed to have represented, agreed and acknowledged that it has received a copy of this Prospectus and such other information as it deems necessary to make an investment decision and that:

- (i) it is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations;
- (ii) it acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Offer Shares have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States;
- (iii) it and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares is purchasing the Offer Shares in an offshore transaction meeting the requirements of Regulation S; and
- (iv) the Company, the Underwriters and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and the purchaser agrees that, if any of such acknowledgements, representations or agreements deemed to have been made by virtue of its purchase of Offer Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any Offer Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements,

representations and agreements on behalf of each such account (in which case it hereby makes such acknowledgements, representations and agreements on behalf of such accounts as well).

## **Canada**

The Offer Shares may be sold only to purchasers in the Canadian provinces other than Manitoba and Newfoundland and Labrador purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Offer Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* ("NI 33-105"), the Underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the Offering.

## **Japan**

The Offer Shares offered by this Prospectus have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the "**Financial Instruments and Exchange Law**"). Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (including Japanese corporations), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan (including Japanese corporations) except with the prior approval of the Banks and pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and relevant regulations of Japan.

## TAXATION

### Taxation in the Netherlands

The information set out below is a general summary of certain material Dutch tax consequences in connection with the acquisition, ownership and transfer of Ordinary Shares. This summary does not purport to be a comprehensive or complete description of all the Dutch tax considerations that may be relevant for a particular holder of Ordinary Shares. Holders of Ordinary Shares may be subject to special tax treatment under any applicable law and this summary is not intended to be applicable in respect of all categories of holders of such Ordinary Shares. The summary is based upon the tax laws of the Netherlands as in effect on the date of this Prospectus, including official regulations, rulings and decisions of the Netherlands and its taxing and other authorities available in printed form on or before such date and now in effect, without prejudice to any developments or amendments introduced at a later date and implemented with or without retroactive effect. All of the foregoing is subject to change, which change could apply retroactively and could affect the continuing validity of this summary. All references in this summary to the Netherlands and to Netherlands or Dutch law are to the European part of the Kingdom of the Netherlands and its law, respectively, only.

All references in this summary to the Netherlands and to Netherlands or Dutch law are to the European part of the Kingdom of the Netherlands and its law, respectively, only. In addition, any reference hereafter made to a double taxation convention concluded by the Netherlands includes the Tax Regulation for the Kingdom of the Netherlands (*Belastingregeling voor het Koninkrijk*), the Tax Regulation Netherlands-Curacao (*Belastingregeling Nederland-Curaçao*) and the Tax Regulation for the country of the Netherlands (*Belastingregeling voor het land Nederland*)<sup>1</sup>.

For Dutch tax purposes, a holder of Ordinary Shares may include an individual who, or an entity that, does not have the legal title to the Ordinary Shares, but to whom nevertheless the Ordinary Shares are attributed based either on such individual or entity holding a beneficial interest in the Ordinary Shares or based on specific statutory provisions. These include statutory provisions pursuant to which Ordinary Shares are attributed to an individual who is, or who has directly or indirectly inherited from a person who was, the settlor, grantor or similar originator of a trust, foundation or similar entity that holds Ordinary Shares, such as the separated private assets (*afgezonderd particulier vermogen*) provisions of the Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) and the Netherlands Gift and Inheritance Tax Act 1956 (*Successiewet 1956*).

As this summary is intended as general information only, (prospective) holders of Ordinary Shares should consult their own tax advisors as to the Dutch or other tax consequences of the acquisition, ownership and transfer of Ordinary Shares, including, in particular, the application to their specific situations of the tax considerations discussed below.

The following summary does not address the tax consequences arising in any jurisdiction other than the Netherlands in connection with the acquisition, ownership and transfer of Ordinary Shares.

### **Dividend Withholding Tax**

#### *General*

Dividends paid on Ordinary Shares to a holder of such Ordinary Shares are generally subject to withholding tax of 15% imposed by the Netherlands. Generally, the dividend withholding tax will not be borne by us, but will be withheld by us from the gross dividends paid on the Ordinary Shares. The term 'dividends' for this purpose includes, but is not limited to:

- distributions in cash or in kind, deemed and constructive distributions, regardless of their name and form;
- liquidation proceeds, proceeds of redemption of shares or, generally, consideration for the repurchase of shares by us in excess of the average paid-in capital recognised for Dutch dividend withholding tax purposes;

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<sup>1</sup> The Netherlands has also agreed a Tax Regulation with St. Maarten (*Belastingregeling Nederland-Sint Maarten*) which is expected to enter into force on 1 January 2017.

- the nominal value of shares issued to a shareholder or an increase of the nominal value of shares, as the case may be, to the extent that it does not appear that a contribution to the capital recognised for Dutch dividend withholding tax purposes was made or will be made; and
- a (partial) repayment of paid-in capital (i) not recognised for Dutch dividend withholding tax purposes or (ii) recognised for Dutch dividend withholding tax purposes, if and to the extent that there are net profits (*zuivere winst*), within the meaning of the Dutch Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*), unless the general meeting of shareholders has resolved in advance to make such a repayment and provided that the nominal value of the shares concerned has been reduced by a corresponding amount by way of an amendment of our Articles of Association.

The term “net profits” includes anticipated profits that have yet to be realised.

#### *Holder of Ordinary Shares Resident in the Netherlands*

A holder of Ordinary Shares who is, or who is deemed to be, a resident of the Netherlands can generally credit the withholding tax against his Dutch personal income tax or Dutch corporate income tax liability and is generally entitled to a refund of dividend withholding tax exceeding his aggregate Dutch personal income tax or Dutch corporate income tax liability, provided certain conditions are met, unless such holder of Ordinary Shares is not considered to be the beneficial owner of the dividends.

A holder of Ordinary Shares who is the recipient of dividends (the “**Recipient**”) will not be considered the beneficial owner of these dividends for Dutch dividend withholding tax purposes if:

- as a consequence of a combination of transactions, a person or legal entity other than the Recipient wholly or partly, directly or indirectly, benefits from the dividends;
- such other person or legal entity would:
  - as opposed to the Recipient, not be entitled to an exemption from dividend withholding tax; or
  - in comparison to the Recipient, to a lesser extent be entitled to a credit, reduction or refund of dividend withholding tax; and
- such other person or legal entity has, directly or indirectly, retained or acquired a similar interest in the Ordinary Shares (“**Dividend Stripping**”).

#### *Holder of Ordinary Shares not Resident in the Netherlands*

With respect to a holder of Ordinary Shares, who is not and is not deemed to be a resident of the Netherlands for purposes of Dutch taxation and who is considered to be a resident of a country other than the Netherlands under the provisions of a double taxation convention the Netherlands has concluded with such country, the following may apply. Such holder of Ordinary Shares may, depending on the terms of and subject to compliance with the procedures for claiming benefits under such double taxation convention, be eligible for a full or partial exemption from or a reduction or refund of Dutch dividend withholding tax provided such holder is entitled to the benefits of such double taxation convention.

In addition, an exemption from Dutch dividend withholding tax will generally apply to dividends distributed to certain qualifying entities, provided that the following tests are satisfied:

- (i) the entity is a resident of another EU member state or of a designated state that is a party to the Agreement on the European Economic Area (currently Liechtenstein, Iceland and Norway), according to the tax laws of such state;
- (ii) the entity at the time of the distribution has an interest in us to which the participation exemption as meant in Article 13 of the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*) or to which the participation credit as meant in Article 13aa of the Dutch Corporate Income Tax Act 1969 would have been applicable, had such entity been a tax resident of the Netherlands;

- (iii) the entity does not perform a similar function as an exempt investment institution (*vrijgestelde beleggingsinstelling*) or a fiscal investment institution (*fiscale beleggingsinstelling*), as meant in Articles 6a and 28 of the Dutch Corporate Income Tax Act 1969, respectively; and
- (iv) the entity is, in its state of residence, not considered to be resident outside the Member States of the European Union or the designated states that are party to the Agreement on the European Economic Area under the terms of a double taxation convention concluded with a third state.

The exemption from Dutch dividend withholding tax is not available if pursuant to a provision for the prevention of fraud or abuse included in a double taxation convention between the Netherlands and the country of residence of the non-resident holder of Ordinary Shares, such holder would not be entitled to the reduction of tax on dividends provided for by such convention. Furthermore, the exemption from Dutch dividend withholding tax will only be available to the beneficial owner of the dividend.

Furthermore, certain entities that are resident in (a) another EU member state; (b) a designated state that is a party to the Agreement on the European Economic Area (currently Liechtenstein, Iceland and Norway); or (c) a designated jurisdiction which has an arrangement for the exchange of tax information with the Netherlands, provided that such entity under (c) holds Ordinary Shares as portfolio investment (i.e. such Ordinary Shares are not held with a view to the establishment or maintenance of lasting and direct economic links between such holder of Ordinary Shares and the Company and such Ordinary Shares do not allow such holder of Ordinary Shares to participate effectively in the management or control of the Company) and that are not subject to taxation levied by reference to profits in their state of residence, may be entitled to a refund of Dutch dividend withholding tax, provided:

- (i) such entity, had it been a resident of the Netherlands, would not be subject to corporate income tax in the Netherlands;
- (ii) such entity can be considered to be the beneficial owner of the dividends;
- (iii) such entity does not perform a similar function to that of an exempt investment institution (*vrijgestelde beleggingsinstelling*) or a fiscal investment institution (*fiscale beleggingsinstelling*) as meant in Articles 6a and 28 of the Dutch Corporate Income Tax Act 1969, respectively; and
- (iv) certain administrative conditions are met.

Dividend distributions to a US holder of Ordinary Shares (with an interest of less than 10% of the voting rights in us) are subject to 15% dividend withholding tax, which is equal to the rate such US holder may be entitled to under the Convention Between the Kingdom of the Netherlands and the United States for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, executed in Washington on December 18, 1992, as amended from time to time (the “**Netherlands-US Convention**”). As such, there is no need to claim a refund of the excess of the amount withheld over the tax treaty rate.

On the basis of article 35 of the Netherlands-US Convention, qualifying US pension trusts are under certain conditions entitled to a full exemption from Dutch dividend withholding tax. Such qualifying exempt US pension trusts must provide us form IB 96 USA, along with a valid certificate, for the application of relief at source from dividend withholding tax. If we receive the required documentation prior to the relevant dividend payment date, then we may apply such relief at source. If a qualifying exempt US pension trust fails to satisfy these requirements prior to the payment of a dividend, then such qualifying exempt pension trust may claim a refund of Dutch withholding tax by filing form IB 96 USA with the Dutch tax authorities. On the basis of article 36 of the Netherlands-US Convention, qualifying exempt US organisations are under certain conditions entitled to a full exemption from Dutch dividend withholding tax. Such qualifying exempt US organisations are not entitled to claim relief at source, and instead must claim a refund of Dutch withholding tax by filing form IB 95 USA with the Dutch tax authorities.

The concept of Dividend Stripping, described above, will also be applied to determine whether a holder of Ordinary Shares may be eligible for a full or partial exemption from, reduction or refund of Dutch dividend withholding tax, as described in the preceding paragraphs.



In general, we will be required to remit all amounts withheld as Dutch dividend withholding tax to the Dutch tax authorities. However, in connection with distributions received by us from certain foreign subsidiaries (including a subsidiary resident in Aruba, Curacao, St. Maarten, Bonaire, St. Eustatius or Saba), we may apply, subject to certain conditions, a reduction with respect to the amount of Dutch dividend withholding tax to be remitted to the Dutch tax authorities by the lesser of:

- (i) 3% of the portion of the distribution paid by us that is subject to Dutch dividend withholding tax; and
- (ii) 3% of the dividends and profit distributions, before deduction of foreign withholding taxes, received by us from qualifying foreign subsidiaries in the current calendar year (up to the date of the distribution by us) and the two preceding calendar years, insofar as such dividends and profit distributions have not yet been taken into account for purposes of establishing the above-mentioned deductions.

For purposes of determining the 3% threshold under (i) above, a distribution by us is not taken into account in case the Dutch dividend withholding tax withheld in respect thereof may be fully refunded, unless the recipient of such distribution is a qualifying entity that is not subject to corporate income tax.

Although this reduction reduces the amount of Dutch dividend withholding tax that we are required to pay to the Dutch tax authorities, it does not reduce the amount of tax that we are required to withhold from dividends.

### ***Taxes on Income and Capital Gains***

#### *Excluded Holders of Ordinary Shares*

The description of taxation set out in this section of this Prospectus is not intended for any holder of Ordinary Shares, who or which:

- is an individual and for whom the income or capital gains derived from Ordinary Shares are attributable to employment activities, the income from which is taxable in the Netherlands;
- holds a Substantial Interest or a deemed Substantial Interest in us (as defined and explained below);
- is an entity that is a resident or deemed to be a resident of the Netherlands and that is not subject to or is exempt, in whole or in part, from Dutch corporate income tax;
- is an entity for which the income and/or capital gains derived in respect of the Ordinary Shares are exempt under the participation exemption (*deelnemingsvrijstelling*) or are subject to the participation credit (*deelnemingsverrekening*) as set out in the Dutch Corporate Income Tax Act 1969; or
- is an exempt investment institution (*vrijgestelde beleggingsinstelling*) or a fiscal investment institution (*fiscale beleggingsinstelling*) as meant in Articles 6a and 28 of the Dutch Corporate Income Tax Act 1969, respectively.

Generally, a holder of Ordinary Shares will have a substantial interest in us, or a Substantial Interest, if he holds, alone or, in case a shareholder is an individual, together with his partner (statutorily defined term in Dutch tax law), whether directly or indirectly, the ownership of, or certain other rights over, shares representing 5% or more of our total issued and outstanding capital (or the issued and outstanding capital of any class of shares), or rights to acquire shares, whether or not already issued, that represent at any time 5% or more of our total issued and outstanding capital (or the issued and outstanding capital of any class of shares), or the ownership of certain profit participating certificates that relate to 5% or more of the annual profit or to 5% or more of our liquidation proceeds. A holder of Ordinary Shares will also have a Substantial Interest in us if one of certain relatives of that holder or of his partner has a Substantial Interest in us. If a holder of Ordinary Shares does not have a Substantial Interest, a deemed Substantial Interest will be present if (part of) a Substantial Interest has been disposed of, or is deemed to have been disposed of, without recognising taxable gain.

### *Dutch Resident Individuals*

An individual who is resident or deemed to be resident in the Netherlands for purposes of Dutch taxation (a “**Dutch Resident Individual**”) and who holds Ordinary Shares is subject to Dutch income tax on income or capital gains derived or deemed to be derived from the Ordinary Shares at the progressive rates up to 52% (rates for 2016) if:

- (i) the holder derives profits from an enterprise or deemed enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder), to which enterprise the Ordinary Shares are attributable or deemed to be attributable; or
- (ii) the holder derives income or capital gains from the Ordinary Shares, as the case may be, that are taxable as benefits from ‘miscellaneous activities’ (*resultaat uit overige werkzaamheden*, as defined in the Dutch Income Tax Act 2001), which include the performance of activities with respect to the Ordinary Shares, that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*) and also include benefits resulting from a lucrative interest (*lucratief belang*).

If neither condition (i) nor condition (ii) mentioned above applies, any holder of Ordinary Shares who is a Dutch Resident Individual will be subject to Dutch income tax on a deemed return regardless of the actual income or capital gains derived from the Ordinary Shares. This deemed return on income from savings and investments (*sparen en beleggen*) has been fixed at a rate of 4% of the individual’s yield basis (*rendementsgrondslag*) insofar as this exceeds a certain threshold (*heffingvrij vermogen*). The individual’s yield basis is determined as the fair market value of certain qualifying assets (including, as the case may be, the Ordinary Shares) held by the Dutch Resident Individual less the fair market value of certain qualifying liabilities, both determined on 1 January of the relevant year. The deemed return of 4% will be taxed at a rate of 30% (rate for 2016).

### *Dutch Resident Entities*

An entity that is resident or deemed to be resident in the Netherlands for Dutch corporate income tax purposes (a “**Dutch Resident Entity**”) will generally be subject to Dutch corporate income tax with respect to income and capital gains derived or deemed to be derived from the Ordinary Shares. The Dutch corporate income tax rate is 20% for the first €200,000 of the taxable amount and 25% for the taxable amount exceeding €200,000 (rates for 2016)<sup>2</sup>.

### *Non-Dutch Residents*

A holder of Ordinary Shares who is not, nor deemed to be, a Dutch Resident Individual or a Dutch Resident Entity, (a “**Non-Dutch Resident**”) is generally not subject to Dutch income tax or corporate income tax (other than Dutch dividend withholding tax as described above) with respect to the income and capital gains derived from the Ordinary Shares, provided that:

- such Non-Dutch Resident does not derive profits from an enterprise or deemed enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder) which enterprise is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise, as the case may be, the Ordinary Shares are attributable or deemed attributable;
- in the case of a Non-Dutch Resident who is an individual, such individual does not derive income or capital gains from the Ordinary Shares, as the case may be, that are taxable as benefits from ‘miscellaneous activities performed in the Netherlands’ (*resultaat uit overige werkzaamheden in Nederland*, as meant in the Dutch Income Tax Act 2001), which include the performance of activities in respect of the Ordinary Shares, that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*) and also includes benefits resulting from a lucrative interest (*lucratief belang*);

<sup>2</sup> A law has been enacted, pursuant to which as from 1 January 2017 the taxation of income from savings and investments will be amended and the deemed return will no longer be fixed at 4 percent, but instead a variable return will be applied of between 2.9% and 5.5% depending on the amount of the tax payers’ yield basis. However, at the request of the Dutch Parliament the Dutch Ministry of Finance will also review in the course of 2016 whether the taxation of income from savings and investments can be based on the actual income and/or gains realised instead of a deemed return can be implemented.

- in case such Non-Dutch Resident is an individual, such individual is not entitled to a share in the profits of an enterprise effectively managed in the Netherlands, other than by way of the holding of securities or through an employment relationship, to which enterprise the Ordinary Shares or payments in respect of the Ordinary Shares are attributable; and
- in case such Non-Dutch Resident is an entity, such entity is neither entitled to a share in the profits of an enterprise nor co-entitled to the net worth of such enterprise effectively managed in the Netherlands, other than by way of the holding of securities, to which enterprise the Ordinary Shares, or payments in respect of the Ordinary Shares, as the case may be, are attributable.

### ***Gift and Inheritance Taxes***

#### *Dutch Residents*

Generally, gift taxes (*schenkbelasting*) and inheritance taxes (*erfbelasting*) may arise in the Netherlands with respect to a transfer of the Ordinary Shares by way of a gift by, or, on the death of, a holder of Ordinary Shares who is resident or deemed to be resident in the Netherlands for the purpose of the Netherlands Gift and Inheritance Tax Act 1956 at the time of the gift or his/her death.

#### *Non-Dutch Residents*

No Dutch gift or inheritance taxes will be levied on the transfer of Ordinary Shares by way of gift by or on the death of a holder, who is neither a resident nor deemed to be a resident of the Netherlands for the purpose of the relevant provisions, unless:

- the transfer is construed as an inheritance or bequest or as a gift made by or on behalf of a person who, at the time of the gift or death, is or is deemed to be a resident of the Netherlands for the purpose of the relevant provisions; or
- such holder dies while being a resident or deemed resident of the Netherlands within 180 days after the date of a gift of the Ordinary Shares.

For purposes of the Dutch Gift and Inheritance Tax Act 1956, an individual who is of Dutch nationality will be deemed to be a resident of the Netherlands if he has been a resident of the Netherlands at any time during the ten years preceding the date of the gift or his death. For purposes of Dutch gift tax, an individual will, irrespective of his nationality, be deemed to be a resident of the Netherlands if he has been a resident of the Netherlands at any time during the 12 months preceding the date of the gift. The same twelve-month rule may apply to entities that have transferred their seat of residence out of the Netherlands. Applicable tax treaties may override such deemed residency. For purposes of the Netherlands Gift and Inheritance Tax Act 1956, a gift made under a condition precedent is deemed to be a made at the time the condition precedent is fulfilled and is subject to gift tax if the donor is, or is deemed to be a resident of the Netherlands at that time.

### ***Value Added Tax***

In general, there is no Dutch value added tax (*omzetbelasting*) payable by a holder of Ordinary Shares in respect of the issuance of the Ordinary Shares pursuant to this Offering (other than value added tax on fees payable in respect of services not exempt from Dutch value added tax).

### ***Other Taxes and Duties***

No Dutch registration tax, transfer tax, capital tax, customs duty, stamp duty or any other similar tax or duty will be payable in the Netherlands by a holder of Ordinary Shares in respect of or in connection with the acquisition, ownership or transfer of Ordinary Shares.

### ***Residence***

A holder of Ordinary Shares will not become or be deemed to become a resident of the Netherlands solely by reason of holding these Ordinary Shares.

## Certain United States Federal Income Tax Considerations

This section describes certain US federal income tax consequences of owning Ordinary Shares. It applies to you only if you acquire your Ordinary Shares in this Offering and you hold your Ordinary Shares as capital assets for tax purposes. This section does not apply to you if you are a member of a special class of holders subject to special rules, including:

- a dealer in securities;
- a trader in securities that elects to use a mark-to-market method of accounting for securities holdings;
- a tax-exempt organisation;
- a life insurance company;
- a person liable for alternative minimum tax;
- a person that actually or constructively owns 10% or more of the Company's voting stock;
- a person that holds Ordinary Shares as part of a straddle or a hedging or conversion transaction;
- a person that purchases or sells Ordinary Shares as part of a wash sale for tax purposes; or
- a US holder (as defined below) whose functional currency is not the US dollar.

This section is based on the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations, and published rulings and court decisions, as well as on the Netherlands-US Convention. These laws are subject to change, possibly on a retroactive basis.

If a partnership holds the Ordinary Shares, the US federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding the Ordinary Shares should consult its tax advisor with regard to the US federal income tax treatment of an investment in the Ordinary Shares.

You are a US holder if you are a beneficial owner of Ordinary Shares and you are for US federal income tax purposes:

- a citizen or individual resident of the US;
- a domestic corporation;
- an estate whose income is subject to US federal income tax regardless of its source; or
- a trust if a US court can exercise primary supervision over the trust's administration and one or more US persons are authorised to control all substantial decisions of the trust.

A "non-US holder" is a beneficial owner of Ordinary Shares that is neither a US holder nor a partnership for US federal income tax purposes.

*You should consult your own tax advisor regarding the US federal, state and local and other tax consequences of owning and disposing of Ordinary Shares in your particular circumstances.*

### **US holders**

#### *Dividends*

Under the US federal income tax laws, and subject to the passive foreign investment company, or PFIC, rules discussed below, if you are a US holder, the gross amount of any dividend the Company pays out of its current or accumulated earnings and profits (as determined for US federal income tax purposes) is subject to US federal income taxation. If you are a noncorporate US holder, dividends that constitute qualified dividend income will be taxable to you at the preferential rates applicable to long-term capital gains provided that you hold the Ordinary Shares for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date and meet other holding period requirements. The Company expects that dividends it pays with respect to the Ordinary Shares generally will be qualified dividend income, provided that the Company is eligible for the benefits of the Netherlands-US Convention.

You must include any Dutch tax withheld from the dividend payment in this gross amount even though you do not in fact receive it. The dividend is taxable to you when you receive the dividend, actually or constructively. The dividend will not be eligible for the dividends-received deduction generally allowed to US corporations in respect of dividends received from other US corporations. The amount of the dividend distribution that you must include in your income as a US holder will be the US dollar value of the euro payments made, determined at the spot euro/US dollar rate on the date the dividend distribution is includible in your income, regardless of whether the payment is in fact converted into US dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date you include the dividend payment in income to the date you convert the payment into US dollars will be treated as ordinary income or loss and will not be eligible for the special tax rate applicable to qualified dividend income. The gain or loss generally will be income or loss from sources within the US for foreign tax credit limitation purposes. Distributions in excess of current and accumulated earnings and profits, as determined for US federal income tax purposes, will be treated as a non-taxable return of capital to the extent of your basis in the Ordinary Shares and thereafter as capital gain. However, the Company does not expect to calculate earnings and profits in accordance with US federal income tax principles. Accordingly, you should expect to generally treat distributions the Company makes as dividends.

Subject to applicable limitations, some of which vary depending upon your circumstances, Dutch taxes withheld from dividends on Shares at a rate not exceeding any applicable Netherlands-US Convention rate will be creditable against your US federal income tax liability. As described in *“Taxation in the Netherlands – Withholding Tax”*, upon making a distribution to shareholders, the Company is required to withhold Dutch taxes but may be permitted to retain a portion of the amounts withheld. The amount of Dutch withholding tax that the Company may retain reduces the amount of dividend withholding tax that the Company is required to pay to the Dutch tax authorities but does not reduce the amount of tax the Company is required to withhold from dividends paid to US holders. In these circumstances, it is likely that the portion of dividend withholding tax that the Company is not required to pay to the Dutch tax authorities with respect to dividends distributed to US holders would not qualify as a creditable tax for U.S. foreign tax credit purposes. The rules governing foreign tax credits are complex, and you should consult your tax adviser regarding the creditability of foreign taxes in your particular circumstances. Subject to applicable limitations, in lieu of claiming a foreign tax credit, a US holder may elect to deduct foreign taxes, including any Dutch taxes, in computing its taxable income. An election to deduct foreign taxes instead of claiming foreign tax credits applies to all foreign taxes paid or accrued in the relevant taxable year.

Dividends will generally be income from sources outside the US and will, depending on your circumstances, be either “passive” or “general” income for purposes of computing the foreign tax credit allowable to you.

#### *Capital Gains*

Subject to the PFIC rules discussed below, if you are a US holder and you sell or otherwise dispose of your Ordinary Shares, you will recognise capital gain or loss for US federal income tax purposes equal to the difference between the US dollar value of the amount that you realise and your tax basis, determined in US dollars, in your Ordinary Shares. Capital gain of a noncorporate US holder is generally taxed at preferential rates where the property is held for more than one year. The gain or loss will generally be income or loss from sources within the US for foreign tax credit limitation purposes. The deductibility of capital gains is subject to limitations.

#### *Medicare Tax*

A US holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, is subject to a 3.8% tax on the lesser of (1) the US holder’s “net investment income” (or “undistributed net investment income” in the case of an estate or trust) for the relevant taxable year; and (2) the excess of the US holder’s modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals is between \$125,000 and \$250,000, depending on the individual’s circumstances). A holder’s net investment income generally includes its dividend income and its net gains from the disposition of Ordinary Shares, unless such dividend income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If you are a US holder that is an individual, estate or trust, you are urged to consult your tax advisors regarding the



applicability of the Medicare tax to your income and gains in respect of your investment in the Ordinary Shares.

### ***Non-US holders***

#### ***Dividends***

If you are a non-US holder, dividends paid to you in respect of Ordinary Shares will not be subject to US federal income tax unless the dividends are “effectively connected” with your conduct of a trade or business within the US, and the dividends are attributable to a permanent establishment that you maintain in the US if that is required by an applicable income tax treaty as a condition for subjecting you to US taxation on a net income basis. In such cases you generally will be taxed in the same manner as a US holder. If you are a corporate non-US holder, “effectively connected” dividends may, under certain circumstances, be subject to an additional “branch profits tax” at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

#### ***Capital Gains***

If you are a non-US holder, you will not be subject to US federal income tax on gain recognised on the sale or other disposition of your Ordinary Shares unless:

- the gain is “effectively connected” with your conduct of a trade or business in the US, and the gain is attributable to a permanent establishment that you maintain in the US if that is required by an applicable income tax treaty as a condition for subjecting you to US taxation on a net income basis; or
- you are an individual, you are present in the US for 183 or more days in the taxable year of the sale and certain other conditions exist.

If you are a corporate non-US holder, “effectively connected” gains that you recognise may also, under certain circumstances, be subject to an additional “branch profits tax” at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

### ***PFIC Rules***

The Company believes that the Ordinary Shares should not be treated as stock of a PFIC for US federal income tax purposes, but this conclusion is a factual determination that is made annually and thus may be subject to change.

If the Company were to be treated as a PFIC, gain realised on the sale or other disposition of your Ordinary Shares would in general not be treated as capital gain. Instead, you would be treated as if you had realised such gain and certain “excess distributions” ratably over your holding period for the Ordinary Shares. Amounts allocated to the taxable year of disposition and to years before the Company became a PFIC will be taxed as ordinary income. The amounts allocated to each other taxable year would generally be taxed at the highest tax rate in effect for each such year to which the gain was allocated, together with an interest charge in respect of the tax attributable to each such year. With certain exceptions, your Ordinary Shares will be treated as stock in a PFIC if the Company were a PFIC at any time during your holding period in your Ordinary Shares. Dividends that you receive from the Company will not be eligible for the special tax rates applicable to qualified dividend income if the Company is a PFIC (or is treated as a PFIC with respect to you) either in the taxable year of the distribution or the preceding taxable year, but instead will be taxable at rates applicable to ordinary income. Certain elections may be available that would result in alternative treatments (such as mark-to-market treatment) of the Ordinary Shares. You should consult your tax advisor to determine whether any of these elections would be available and, if so, what the consequences of the alternative treatments would be in your particular circumstances.

You should consult your tax advisor regarding whether the Company is a PFIC and the potential application of the PFIC rules to your ownership of Ordinary Shares for any taxable year.

### ***Information with Respect to Foreign Financial Assets***

Owners of “specified foreign financial assets” with an aggregate value in excess of \$50,000 (and in some circumstances, a higher threshold) may be required to file an information report with respect

to such assets with their tax returns. “Specified foreign financial assets” may include financial accounts maintained by foreign financial institutions, as well as the following, but only if they are held for investment and not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-US persons; (ii) financial instruments and contracts that have non-US issuers or counterparties; and (iii) interests in foreign entities. Holders are urged to consult their tax advisors regarding the application of this reporting requirement to their ownership of the Ordinary Shares.

#### ***Backup Withholding and Information Reporting***

If you are a noncorporate US holder, information reporting requirements, on IRS Form 1099, generally will apply to dividend payments or other taxable distributions made to you within the US, and the payment of proceeds to you from the sale of Ordinary Shares effected at a US office of a broker.

Additionally, backup withholding may apply to such payments if you fail to comply with applicable certification requirements or are notified by the IRS that you have failed to report all interest and dividends required to be shown on your federal income tax returns.

If you are a non-US holder, you are generally exempt from backup withholding and information reporting requirements with respect to dividend payments made to you outside the US by us or another non-US payor. You are also generally exempt from backup withholding and information reporting requirements in respect of dividend payments made within the US and the payment of the proceeds from the sale of Ordinary Shares effected at a US office of a broker, as long as either (i) the payor or broker does not have actual knowledge or reason to know that you are a US person and you have furnished a valid IRS Form W-8 or other documentation upon which the payor or broker may rely to treat the payments as made to a non-US person; or (ii) you otherwise establish an exemption.

Payment of the proceeds from the sale of Ordinary Shares effected at a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, a sale effected at a foreign office of a broker could be subject to information reporting in the same manner as a sale within the US (and in certain cases may be subject to backup withholding as well) if (i) the broker has certain connections to the US; (ii) the proceeds or confirmation are sent to the US; or (iii) the sale has certain other specified connections with the US.

You generally may obtain a refund of any amounts withheld under the backup withholding rules that exceed your income tax liability by filing a refund claim with the IRS.

## INDEPENDENT AUDITORS

The Annual Financial Statements, as included in this Prospectus, have been audited by EY, our independent auditors, as stated in their independent auditor's report appearing herein.

The Interim Financial Statements, as included in this Prospectus, have not been audited. The Interim Financial Statements, as included in this Prospectus, have been reviewed by EY, as stated in their independent auditor's review report appearing herein.

EY is an independent registered accounting firm. The address of EY is Boompjes 258, 3011 XZ, Rotterdam, the Netherlands. The auditor who signs on behalf of EY is a member of the Royal Netherlands Institute of Chartered Accountants (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*).

EY has given, and has not withdrawn, its consent to the inclusion or incorporation by reference of its reports in this Prospectus in the form and context in which they are included. As the Offer Shares have not been and will not be registered under the US Securities Act, EY has not filed and will not file a consent under the US Securities Act.

## GENERAL INFORMATION

### Corporate Resolutions

On 27 May 2016, the General Meeting designated the Management Board, subject to the approval of the Supervisory Board, for a period of three months following such date as the corporate body authorised to resolve to issue the New Shares, to determine the Offer Price of each New Share and the number of New Shares to be issued and to exclude and/or limit pre-emptive rights relating thereto. On 27 May 2016, the Management Board resolved to list our Ordinary Shares on Euronext Amsterdam and to issue such number of Ordinary Shares as necessary to complete the Primary Offering and to exclude the pre-emptive rights to which the current Shareholders may be entitled in connection with the issuance of these Ordinary Shares.

### No Significant Change

There has been no significant change in the financial or trading position of the Group since 31 March 2016.

### Publication of the Results of the Offering

The results of the Offering will be disclosed in a press release published in the Netherlands, which will also be posted on our website, on the Settlement Date.

### Available Information

Subject to any applicable selling and transfer restrictions (see “*Selling and Transfer Restrictions*”), the following documents (or copies thereof) may be obtained free of charge from our website (<http://corporate.basic-fit.com>):

- this Prospectus;
- the Articles of Association; and
- the Financial Statements.

### Provision of Information

We have agreed that, for so long as any of the Ordinary Shares are outstanding and are ‘restricted securities’ within the meaning of Rule 144(a)(3) under the US Securities Act, we will, during any period in which we are neither subject to Section 13 or 15(d) of the US Exchange Act nor exempt from reporting pursuant to Rule 12g3- 2(b) thereunder, provide to any holder or beneficial owner of such restricted Offer Shares or to any prospective purchaser of such restricted Offer Shares designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the US Securities Act.

We are not currently subject to the periodic reporting and other informational requirements of the US Exchange Act.

### No Incorporation of Website

The contents of our website, including any websites accessible from hyperlinks on our website, do not form part of and are not incorporated by reference into this Prospectus.

## DEFINED TERMS

The following list of defined terms is not intended to be an exhaustive list of definitions, but provides a list of the defined terms used in this Prospectus.

<b>Additional Shares</b>	the up to 4,000,000 additional existing Ordinary Shares, equalling up to 15% of the total number of Offer Shares, which the Selling Shareholders may be required to sell pursuant to the Over-Allotment Option
<b>Adjusted Club EBITDA</b>	Adjusted EBITDA for a period before international and local overhead expenses
<b>Adjusted EBITDA</b>	Profit (loss) for a period attributed to our owners, before interest, taxes, depreciation and amortisation, and before exceptional expenses
<b>Adjusted Mature Club EBITDA</b>	Adjusted Club EBITDA for a period, taking into consideration only Mature Clubs
<b>AFM</b>	<i>Stichting Autoriteit Financiële Markten</i> , the Netherlands Authority for the Financial Markets
<b>AM Holding</b>	AM Holding B.V.
<b>Articles of Association</b>	the articles of association ( <i>statuten</i> ) of the Company as they shall read as of the Settlement Date
<b>Audit and Risk Committee</b>	the audit and risk committee of the Supervisory Board
<b>Average Adjusted Mature Club EBITDA</b>	Adjusted Club EBITDA for a period, taking into consideration only Mature Clubs, divided by the average number of Mature Clubs during that period
<b>Capex/Acquisition Facility</b>	the capex/acquisition facility under the Existing Facilities Agreement
<b>Cash Flow Post Maintenance Capital Expenditure</b>	Adjusted EBITDA for a period minus the capital expenditure in relation to club maintenance, overhead (including software development) and replacing our fitness equipment for that period
<b>Co-lead Managers</b>	Coöperatieve Rabobank U.A., KBC Securities NV and NIBC Bank N.V.
<b>Company</b>	Basic-Fit N.V.
<b>Dutch Corporate Governance Code</b>	the Dutch corporate governance code
<b>Dutch Financial Reporting Supervision Act</b>	the Dutch Financial Reporting Supervision Act ( <i>Wet toezicht financiële verslaggeving</i> )
<b>Dutch Financial Supervision Act</b>	the Dutch Financial Supervision Act ( <i>Wet op het financieel toezicht</i> ) and the rules promulgated thereunder
<b>Dutch Resident Entity</b>	an entity that is resident or deemed to be resident in the Netherlands for Dutch corporate income tax purposes
<b>Dutch Resident Individual</b>	an individual who is resident or deemed to be resident in the Netherlands for purposes of Dutch taxation
<b>Dutch Retail Investor</b>	(i) a natural person resident in the Netherlands; or (ii) a special investment vehicle having its seat in the Netherlands which is a legal entity established for the express and sole purpose of providing asset management and/or retirement planning services for a natural person
<b>EU Market Abuse Rules</b>	the EU Market Abuse Directive 2003/6/EC and related Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, providing for specific rules that intend to prevent market abuse, such as the prohibitions on insider trading, divulging inside



	information and tipping, and market manipulation, and the implementation thereof in the Dutch Financial Supervision Act
<b>EURIBOR</b>	Euro Interbank Offered Rate
<b>Euro or €</b>	the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Community, as amended from time to time
<b>Euroclear Nederland</b>	the Netherlands Central Institute for Giro Securities Transactions ( <i>Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.</i> ) trading as Euroclear Nederland
<b>Euronext Amsterdam</b>	the regulated market operated by Euronext Amsterdam N.V.
<b>Existing Facilities</b>	the Revolving Facility, Capex/Acquisition Facility and Term Facilities
<b>Existing Facilities Agreement</b>	the syndicated senior facilities agreement dated 29 November 2013 between, amongst others, Miktom International, a subsidiary of Topco, as the parent, original borrower and original guarantor, ABN AMRO Bank N.V., Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International and currently renamed Coöperatieve Rabobank U.A.) and ING Bank N.V. as mandated lead arrangers and bookrunners and original lenders and ING Bank N.V. as agent and security agent (as amended and/or restated on 25 February 2014, 23 May 2014, 14 April 2015, 12 November 2015 and 5 February 2016
<b>Existing Shares</b>	the up to 2,000,000 existing Ordinary Shares offered by the Selling Shareholders in the Secondary Offering
<b>Facility A</b>	term loan A facility under the Existing Facilities Agreement
<b>Facility B1</b>	term loan B1 facility under the Existing Facilities Agreement
<b>Facility B2</b>	term loan B2 facility under the Existing Facilities Agreement
<b>Financial Adviser</b>	Lazard
<b>FSMA</b>	the UK Financial Services and Markets Act 2000, as amended
<b>FTEs</b>	full time employee equivalents
<b>General Meeting</b>	the general meeting of Shareholders of the Company
<b>Group</b>	the Company (and, prior to completion of the Offering, Topco) and its subsidiaries
<b>IFRS</b>	International Financial Reporting Standards as adopted by the European Union
<b>IPO</b>	initial public offering
<b>Joint Bookrunners</b>	ABN AMRO Bank N.V., Morgan Stanley & Co. International plc, Barclays Bank PLC, Deutsche Bank AG, London Branch and ING Bank N.V.
<b>Joint Global Coordinators</b>	ABN AMRO Bank N.V. and Morgan Stanley & Co. International plc
<b>LFL Revenue Growth</b>	Revenue Growth for a year, taking into consideration only the clubs which were operational as Basic-Fit clubs for at least 24 months on 1 January of that year
<b>Listing and Paying Agent</b>	ABN AMRO Bank N.V.
<b>Management Board</b>	the management board ( <i>bestuur</i> ) of the Company

<b>Management Board Rules</b>	the rules adopted by the Management Board governing the Management Board's principles and best practices
<b>Manco</b>	Miktom Manco B.V.
<b>Mature Club</b>	a club that has been operational as a Basic-Fit club for at least 24 months
<b>Mito</b>	Mito Holdings S.à r.l.
<b>New Shares</b>	the up to 24,666,667 new Ordinary Shares offered by the Company in the Primary Offering
<b>Offer Period</b>	the period during which prospective investors may subscribe for the Offer Shares currently expected to commence on 31 May 2016 at 9.00 a.m. CEST and end on 8 June 2016 at 5.30 p.m. CEST for prospective Dutch Retail Investors and on 9 June 2016 at 2.00 p.m. CEST for prospective institutional investors, subject to acceleration or extension of the timetable for the Offering
<b>Offer Price</b>	price per Offer Share to be determined on the basis of a bookbuilding process
<b>Offer Price Range</b>	the indicative price range for the Offer Shares between €15.00 to €20.00 (inclusive) per Offer Share as of the date of this Prospectus
<b>Offer Shares</b>	the New Shares, the Existing Shares and, unless the context indicates otherwise, the Additional Shares
<b>Offering</b>	the offering of Offer Shares as described in this Prospectus
<b>Operating Cash Conversion</b>	Cash Flow Post Maintenance Capital Expenditure for a period divided by Adjusted EBITDA for that period
<b>Ordinary Shares</b>	the ordinary shares in the capital of the Company with a nominal value of €0.06 each
<b>Over-Allotment Option</b>	an option, exercisable within 30 calendar days after the First Trading Date, pursuant to which the Joint Global Coordinators, on behalf of the Underwriters, may require the Selling Shareholders to sell at the Offer Price up to 4,000,000 Additional Shares, equalling up to 15% of the total number of Offer Shares, to cover short positions resulting from any over-allotments made in connection with the Offering or to facilitate stabilisation transactions
<b>Preferential Retail Allocation</b>	a preferential allocation of Offer Shares to Dutch Retail Investors
<b>Pricing Statement</b>	the pricing statement in which the Offer Price and the exact number of Offer Shares will be set out
<b>Primary Offering</b>	the offering by the Company of the New Shares
<b>Prospectus</b>	this prospectus dated 30 May 2016
<b>Prospectus Directive</b>	Directive 2003/71/EC of the European Union, and any amendments thereto, including Directive 2010/73/EU, including any implementation measure in a member state of the European Economic Area
<b>Publication Date</b>	30 May 2016
<b>QIBs</b>	qualified institutional buyers, as defined in Rule 144A
<b>Recipient</b>	a holder of Ordinary Shares who is the recipient of dividends
<b>Regulation S</b>	Regulation S under the US Securities Act
<b>Relationship Agreement</b>	the relationship agreement dated on or about 27 May 2016 between the Company, Mito and AM Holding

<b>Restructuring</b>	the transfer, prior to Settlement, by the Selling Shareholders of the shares they hold in Topco to the Company against the issuance of new Ordinary Shares
<b>Revenue Growth</b>	the percentage change in revenue in a period compared with the respective prior period
<b>Revolving Facility</b>	the revolving credit facility under the Existing Facilities Agreement
<b>Rule 144A</b>	Rule 144A under the US Securities Act
<b>Secondary Offering</b>	the offering by the Selling Shareholders of the Existing Shares
<b>Selected Consolidated Financial Information</b>	our selected consolidated income statement, consolidated statement of financial position and consolidated statement of cash flows
<b>Selection, Appointment and Remuneration Committee</b>	the selection, appointment and remuneration committee of the Supervisory Board
<b>Selling Shareholders</b>	Mito, AM Holding and Manco
<b>Settlement</b>	payment (in Euros) for, and delivery of, the Offer Shares
<b>Settlement Date</b>	14 June 2016
<b>Shareholder</b>	any holder of Ordinary Shares at any time
<b>Shareholder Loans</b>	our shareholder loans and commitments
<b>Share Lending Agreement</b>	the share lending agreement dated on or about the date of the Pricing Agreement between the Selling Shareholders and the Stabilisation Agent
<b>Stabilisation Agent</b>	Morgan Stanley & Co. International plc
<b>Supervisory Board</b>	the supervisory board ( <i>raad van commissarissen</i> ) of the Company
<b>Supervisory Board Rules</b>	the rules adopted by the Supervisory Board governing the Supervisory Board's principles and best practices
<b>Term Facilities</b>	the term facilities under the Existing Facilities Agreement, being Facility A, Facility B1 and Facility B2
<b>Topco</b>	Miktom Topco B.V.
<b>Underwriters</b>	the Joint Bookrunners and the Co-lead Managers
<b>Underwriting Agreement</b>	the underwriting agreement with respect to the offer and sale of the Offer Shares dated on or about 30 May 2016 among the Company, Topco, the Selling Shareholders and the Underwriters
<b>United States or US</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
<b>USD, US dollars or \$</b>	US dollars, the lawful currency of the United States
<b>US Exchange Act</b>	the US Securities Exchange Act of 1934, as amended
<b>US Securities Act</b>	the US Securities Act of 1933, as amended

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**FINANCIAL INFORMATION**

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**Miktom Topco B.V.**

*Unaudited Interim Condensed Consolidated Financial  
Statements*

*– 31 March 2016*

*Miktom Topco B.V.,  
Hoofddorp*

**BASIC-FIT**



# Miktom Topco B.V.

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# **Miktom Topco B.V.**

**Interim condensed consolidated financial statements**

# Miktom Topco B.V.

## Interim condensed consolidated statement of comprehensive income For the quarter ended 31 March 2016 (In EUR x 1,000)

	Note	unaudited 31 March 2016	unaudited 31 March 2015
Revenue . . . . .	<b>8</b>	60,504	47,436
		<u>60,504</u>	<u>47,436</u>
Cost of consumables used . . . . .		(509)	(285)
Employee benefits expenses . . . . .	<b>9</b>	(11,492)	(9,425)
Depreciation, amortisation and impairment charges . . . . .	<b>10</b>	(15,351)	(11,274)
Other operating income . . . . .	<b>11</b>	79	158
Other operating expenses . . . . .	<b>12</b>	(31,562)	(26,167)
<b>Operating profit . . . . .</b>		<u><b>1,669</b></u>	<u><b>443</b></u>
Finance income . . . . .	<b>13</b>	4	—
Finance costs . . . . .	<b>13</b>	(10,946)	(8,026)
<b>Finance costs – net . . . . .</b>		<u><b>(10,942)</b></u>	<u><b>(8,026)</b></u>
<b>Profit (loss) before income tax . . . . .</b>		<u><b>(9,273)</b></u>	<u><b>(7,583)</b></u>
Income tax benefit . . . . .		2,081	1,743
<b>Profit (loss) for the period (attributable to owners of the Company)</b>		<u><u><b>(7,192)</b></u></u>	<u><u><b>(5,840)</b></u></u>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Cash flow hedges . . . . .		(101)	(11)
Deferred tax on cash flow hedges . . . . .		25	3
<b>Other comprehensive income for the period, net of tax . . . . .</b>		<u><b>(76)</b></u>	<u><b>(8)</b></u>
<b>Total comprehensive income for the period (attributable to owners of the Company) . . . . .</b>		<u><u><b>(7,268)</b></u></u>	<u><u><b>(5,848)</b></u></u>
		<b>Cents</b>	<b>Cents</b>
<b>Earnings per share for profit attributable to the ordinary equity holders of the company:</b>			
Basic earnings per share . . . . .		(23.97)	(19.47)
Diluted earnings per share . . . . .		(23.97)	(19.47)

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

# Miktom Topco B.V.

## Interim condensed consolidated statement of financial position

At 31 March 2016 (In EUR x 1,000)

	Note	unaudited 31 March 2016	31 December 2015
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment . . . . .	14	260,720	247,388
Intangible assets . . . . .	15	289,599	292,347
Deferred tax assets . . . . .		16,899	15,083
Receivables . . . . .		1,789	2,330
<b>Total non-current assets . . . . .</b>		<b>569,007</b>	<b>557,148</b>
<b>Current assets</b>			
Inventories . . . . .		802	791
Trade and other receivables . . . . .		18,757	12,391
Cash and cash equivalents . . . . .		629	12,328
<b>Total current assets . . . . .</b>		<b>20,188</b>	<b>25,510</b>
<b>Total assets . . . . .</b>		<b>589,195</b>	<b>582,658</b>
<b>Equity</b>			
Share capital . . . . .		300	300
Share premium . . . . .		29,700	29,700
Retained earnings . . . . .		(59,522)	(52,330)
Cash flow hedge reserve . . . . .		(1,341)	(1,265)
<b>Total equity . . . . .</b>		<b>(30,863)</b>	<b>(23,595)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings . . . . .	17	243,413	226,181
Long-term loan from shareholder . . . . .	17	206,996	201,082
Derivative financial instruments . . . . .	6	2,086	1,687
Deferred tax liabilities . . . . .		28,100	28,550
Provisions . . . . .		4,814	5,105
<b>Total non-current liabilities . . . . .</b>		<b>485,409</b>	<b>462,605</b>
<b>Current liabilities</b>			
Trade and other payables . . . . .		94,014	100,826
Current income tax liabilities . . . . .		176	40
Current portion of borrowings . . . . .	17	32,818	35,091
Current portion of loan from shareholder . . . . .	17	6,000	6,000
Provisions . . . . .		1,641	1,691
<b>Total current liabilities . . . . .</b>		<b>134,649</b>	<b>143,648</b>
<b>Total liabilities . . . . .</b>		<b>620,058</b>	<b>606,253</b>
<b>Total equity and liabilities . . . . .</b>		<b>589,195</b>	<b>582,658</b>

The above interim condensed consolidated balance sheet should be read in conjunction with the accompanying notes.



# Miktom Topco B.V.

## Interim condensed consolidated statement of changes in equity For the quarter ended 31 March 2016 (In EUR x 1,000)

	Attributable to equity owners of Miktom Topco B.V.				
	Share capital	Share premium	Retained earnings	Cash flow hedge reserve	Total equity
<b>Balance – 1 January 2015</b> . . . . .	<b>300</b>	<b>29,700</b>	<b>(29,365)</b>	<b>(1,060)</b>	<b>(425)</b>
<b>Comprehensive income:</b>					
Profit (loss) for the period . . . . .	—	—	(5,840)	—	(5,840)
Other comprehensive income (loss)	—	—	(8)	—	(8)
<b>Total comprehensive income (loss) for the period</b> . . . . .	<b>—</b>	<b>—</b>	<b>(5,840)</b>	<b>(8)</b>	<b>(5,848)</b>
<b>Balance – 31 March 2015 unaudited</b>	<b>300</b>	<b>29,700</b>	<b>(35,205)</b>	<b>(1,068)</b>	<b>(6,273)</b>
<b>Balance – 1 January 2016</b> . . . . .	<b>300</b>	<b>29,700</b>	<b>(52,330)</b>	<b>(1,265)</b>	<b>(23,595)</b>
<b>Comprehensive income:</b>					
Profit (loss) for the period . . . . .	—	—	(7,192)	—	(7,192)
Other comprehensive income (loss)	—	—	—	(76)	(76)
<b>Total comprehensive income (loss) for the period</b> . . . . .	<b>—</b>	<b>—</b>	<b>(7,192)</b>	<b>(76)</b>	<b>(7,268)</b>
<b>Balance – 31 March 2016 unaudited</b>	<b>300</b>	<b>29,700</b>	<b>(59,522)</b>	<b>(1,341)</b>	<b>(30,863)</b>

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

# Miktom Topco B.V.

## Interim condensed consolidated statement of cash flow For the quarter ended 31 March 2016 (In EUR x 1,000)

	Note	unaudited 31 March 2016	unaudited 31 March 2015
<b>Cash flows from operating activities</b>			
Profit (loss) before income tax . . . . .		(9,273)	(7,583)
<i>Non-cash adjustments to reconcile profit before tax to net cash flows:</i>			
– Depreciation and impairment of property, plant and equipment . . . . .	14	11,229	7,681
– Amortisation and impairment of intangible assets . . . . .	15	4,122	3,593
– Gain on disposal of property, plant and equipment . . . . .	11	(49)	(24)
– Finance costs net . . . . .	13	10,942	8,026
– Movements in provisions . . . . .		(341)	(596)
<i>Working capital adjustments:</i>			
– Decrease/(Increase) in Trade and other receivables . . . . .		(6,365)	(5,391)
– Decrease/(Increase) in Inventories . . . . .		(11)	10
– (Decrease)/Increase in Trade and other payables . . . . .		(4,851)	3,243
<b>Cash generated from operations . . . . .</b>		<b>5,403</b>	<b>8,959</b>
Interest paid . . . . .		(4,131)	(1,361)
Income tax paid . . . . .		(22)	(1)
<b>Net cash flows from operating activities . . . . .</b>		<b>1,250</b>	<b>7,597</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment . . . . .		71	111
Purchase of property, plant and equipment . . . . .	14	(20,158)	(11,388)
Purchase of other intangible assets . . . . .	15	(1,376)	(1,168)
Acquisition of a subsidiary, net of cash acquired . . . . .	20	—	(2,859)
Investments/(Divestments) in other financial fixed assets . . . . .		532	(59)
Repayments of loans granted . . . . .		9	—
<b>Net cash flows used in investing activities . . . . .</b>		<b>(20,922)</b>	<b>(15,363)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings . . . . .	17	17,500	—
Repayments of borrowings . . . . .	17	(9,755)	(6,302)
Financing costs paid . . . . .		(610)	—
<b>Net cash flows from financing activities . . . . .</b>		<b>7,135</b>	<b>(6,302)</b>
<b>Net (decrease)/increase in cash and cash equivalents . . . . .</b>		<b>(12,537)</b>	<b>(14,068)</b>
Cash and cash equivalents at 1 January . . . . .		12,328	13,255
<b>Cash and cash equivalents at 31 March . . . . .</b>		<b>(209)</b>	<b>(813)</b>

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

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## Notes to the interim condensed consolidated interim financial statements

For the quarter ended 31 March 2016 (In EUR x 1,000)

### 1 General information

Miktom Topco B.V. (hereafter “the Company”) and its subsidiaries (together, “the Group”) operates fitness clubs in the Netherlands, Belgium, Spain, Luxemburg and France. Miktom Topco B.V. has its registered office at Daalmeerstraat 24, 2131 HC Hoofddorp (Haarlemmermeer), the Netherlands.

### 2 Basis of preparation

#### 2.1. Statement of compliance

This unaudited interim condensed consolidated financial statements for the quarter ended 31 March 2016 has 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. This unaudited interim condensed consolidated financial statements does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2015.

#### 2.2. Significant accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year and the corresponding interim reporting period, except for the estimation of income taxes, where income tax expense is recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year, and the adoption of new and amended standards as set out below:

##### *New and amended standards adopted*

A number of new or amended standards became applicable for the current reporting period. However, the group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

### 3 Segment information

Total revenues and adjusted EBITDA per reporting segment are as follows:

(in EUR x 1.000)	Quarter ended 31 March 2016 unaudited		
	Benelux	France & Spain	Total
Revenues . . . . .	52,045	8,459	60,504
Adjusted EBITDA . . . . .	19,681	1,321	21,002
Other reconciling items . . . . .			(2,923)
Total adjusted EBITDA . . . . .			18,079
<b>Reconciliation of adjusted EBITDA to profit before tax:</b>			
<b>Adjusted EBITDA</b> . . . . .			<b>18,079</b>
<i>Depreciation, amortisation and impairment charges</i> . . . . .			(15,351)
<i>Finance costs – net</i> . . . . .			(10,942)
<i>Exceptional items</i> . . . . .			(1,059)
<b>Profit before tax</b> . . . . .			<b>(9,273)</b>

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(in EUR x 1.000)	Quarter ended 31 March 2015 unaudited		
	Benelux	France & Spain	Total
Revenues . . . . .	42,790	4,646	47,436
Adjusted EBITDA . . . . .	14,288	62	14,350
Other reconciling items . . . . .			(1,816)
Total adjusted EBITDA . . . . .			12,534
<b>Reconciliation to profit before tax:</b>			
Adjusted EBITDA . . . . .			<b>12,534</b>
Depreciation, amortisation and impairment charges . . . . .			(11,274)
Finance costs – net . . . . .			(8,026)
Exceptional items . . . . .			(817)
<b>Profit before tax . . . . .</b>			<b>(7,583)</b>

## Entity-wide information

The Group operates in five countries. A breakdown of revenues of these countries is presented below. Revenue in the Netherlands, the Group's country of domicile, is EUR 24,167 thousand (2015: EUR 19,378 thousand). There are no customers that comprise 10% or more of revenue in any year presented.

Revenues and non-current assets by country are as follows:

Breakdown of the revenue by country	unaudited Quarter ended 31 March 2016	unaudited Quarter ended 31 March 2015
The Netherlands (country of domicile) . . . . .	24,167	19,378
Belgium . . . . .	25,870	21,529
Luxembourg . . . . .	2,008	1,883
France . . . . .	4,282	1,714
Spain . . . . .	4,177	2,932
<b>Total . . . . .</b>	<b>60,504</b>	<b>47,436</b>

Breakdown of the non-current assets is as follows:	unaudited Quarter ended 31 March 2016	Year ended 31 December 2015
The Netherlands (country of domicile) . . . . .	235,721	237,820
Belgium . . . . .	225,553	222,123
Luxembourg . . . . .	21,326	21,508
France . . . . .	37,876	27,672
Spain . . . . .	29,843	30,612
<b>Total . . . . .</b>	<b>550,319</b>	<b>539,735</b>

The non-current assets by geographical area is given based on the location of the assets and includes only those non-current assets such as property, plant and equipment and intangible assets.

## 4 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 unaudited interim condensed consolidated financial statements do not include all financial risk management information and disclosures in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at 31 December 2015.

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There have been no changes in the risk management department or any risk management policies since the year end.

### 5 Seasonality of operations

Our Member 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 or September) being the most active recruitment periods.

### 6 Fair value estimation

As at 31 March 2016, the Group has 6 (31 December 2015: 5) financial instruments measured at fair value. 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. An explanation of each level follows underneath the table.

31 March 2016 unaudited				
Assets	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Derivatives used for hedging – interest rate swaps	—	—	—	—
<b>Total assets</b> . . . . .	—	—	—	—
<hr/> <hr/>				
Liabilities	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>				
Derivatives used for hedging – interest rate swaps	—	2,086	—	2,086
<b>Total liabilities</b> . . . . .	—	2,086	—	2,086
<hr/> <hr/>				
31 December 2015				
Assets	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Derivatives used for hedging – interest rate swaps	—	—	—	—
<b>Total assets</b> . . . . .	—	—	—	—
<hr/> <hr/>				
Liabilities	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>				
Derivatives used for hedging – interest rate swaps	—	1,687	—	1,687
<b>Total liabilities</b> . . . . .	—	1,687	—	1,687
<hr/> <hr/>				

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 held only 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



## Miktom Topco B.V.

traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques which maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The fair value of the interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves (discounted cash flow model).

### Fair values, including valuation methods and assumptions

- At 31 March 2016 and 31 December 2015 the carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables and short-term borrowings approximated their fair values due to the short-term maturities of these assets and liabilities.
- At 31 March 2016 and 31 December 2015 the fair values of other long-term financial assets (security deposits) are not materially different from the carrying amounts.
- At 31 March 2016 the reasonable approximations of the fair values of the long term borrowings are as follows:

<u>Long term borrowings (incl. short term portion)</u>	<u>unaudited Carrying amount at 31 March 2016*</u>	<u>Carrying amount at 31 December 2015*</u>	<u>unaudited Fair value at 31 March 2016</u>	<u>Fair value at 31 December 2015</u>
Lease Commitments . . . . .	(75,494)	(74,662)	(79,563)	(78,113)
Other Long Term Financing . . . . .	(1,143)	(1,351)	(1,143)	(1,351)
Bank borrowings at variable interest rates . . . . .	(121,167)	(124,917)	(121,167)	(122,935)
Capex/acquistion facilities** . . . . .	(83,338)	(65,000)	(83,338)	(65,410)
Shareholder loans at fixed interest rates . . . . .	(206,997)	(201,082)	(232,470)	(219,057)
<b>Total . . . . .</b>	<b>(488,139)</b>	<b>(467,012)</b>	<b>(517,681)</b>	<b>(486,866)</b>

\* Excluding capitalised finance costs

\*\* Higher due to recent increase in facility of EUR 17.5 million

### 7 Critical accounting estimates and judgments

In preparing these interim condensed consolidated financial statements, 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 applied to the consolidated financial statements for the year ended 31 December 2015.

### 8 Revenue

The Group derives the following types of revenue:

	<u>unaudited 31 March 2016</u>	<u>unaudited 31 March 2015</u>
Fitness revenue . . . . .	59,316	46,587
Other revenues . . . . .	1,188	849
	<u>60,504</u>	<u>47,436</u>

Other revenues mostly relate to revenues from personal trainer services, revenues from sales of energy drinks and nutritional bars, rental income and other revenues.

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## 9 Employee benefits expenses

The employee benefits can be broken out as follows:

	unaudited 31 March 2016	unaudited 31 March 2015
Salaries and wages . . . . .	(9,097)	(7,449)
Social security contributions . . . . .	(2,335)	(1,938)
Pension costs – defined contribution plans . . . . .	(60)	(38)
	<u>(11,492)</u>	<u>(9,425)</u>

## 10 Depreciation, amortisation and impairment charges

	unaudited 31 March 2016	unaudited 31 March 2015
Depreciation of property, plant and equipment . . . . .	(11,229)	(7,646)
Amortisation of other intangible assets . . . . .	(4,122)	(3,593)
Impairment on property, plant and equipment . . . . .	—	(35)
	<u>(15,351)</u>	<u>(11,274)</u>

## 11 Other operating income

	unaudited 31 March 2016	unaudited 31 March 2015
Net gain on disposal of property; plant and equipment . . . . .	49	24
Recharged overhead costs to related parties . . . . .	—	134
Other . . . . .	30	—
	<u>79</u>	<u>158</u>

## 12 Other operating expenses

	unaudited 31 March 2016	unaudited 31 March 2015
Other personnel expenses . . . . .	(3,476)	(2,716)
Rent expenses . . . . .	(12,446)	(9,994)
Housing expenses . . . . .	(7,978)	(6,347)
Selling expenses . . . . .	(3,365)	(3,129)
Write-off of bad debts, incl. collection agency costs . . . . .	(1,340)	(1,282)
Lease equipment (operating lease) . . . . .	(99)	(78)
Car expenses . . . . .	(373)	(358)
Overhead expenses . . . . .	(2,485)	(2,263)
	<u>(31,562)</u>	<u>(26,167)</u>

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## 13 Finance income and costs

	unaudited 31 March 2016	unaudited 31 March 2015
Finance cost:		
– Interest on external debt and borrowings . . . . .	(4,634)	(2,866)
– Interest on shareholder loans . . . . .	(6,005)	(5,155)
– Other interest expenses . . . . .	(307)	(5)
Total finance cost . . . . .	<u>(10,946)</u>	<u>(8,026)</u>
Finance income:		
– Interest on bank balances . . . . .	—	—
– Other interest income . . . . .	4	—
Total finance income . . . . .	<u>4</u>	<u>—</u>
<b>Net finance expenses . . . . .</b>	<b><u>(10,942)</u></b>	<b><u>(8,026)</u></b>

## 14 Property, plant and equipment

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

	unaudited 2016		2015	
	Building improvement	Other fixed assets	Total	Total
<b>At 1 January</b>				
Cost . . . . .	165,932	134,840	300,772	177,618
Accumulated impairments and depreciation . . . . .	(21,859)	(31,525)	(53,384)	(25,763)
<b>Net book value . . . . .</b>	<b><u>144,073</u></b>	<b><u>103,315</u></b>	<b><u>247,388</u></b>	<b><u>151,855</u></b>
<b>Quarter ended 31 March</b>				
<b>Opening net book value . . . . .</b>	<b>144,073</b>	<b>103,315</b>	<b>247,388</b>	<b>151,855</b>
Additions . . . . .	16,096	8,486	24,582	19,203
Accumulated cost of disposals . . . . .	(982)	(182)	(1,164)	(590)
Acquisition of subsidiary . . . . .	—	1,472	—	—
Depreciation for the period . . . . .	(4,119)	(7,110)	(11,229)	(7,646)
Impairment . . . . .	—	(35)	—	—
Depreciation of disposals . . . . .	982	161	1,143	503
<b>Closing net book value . . . . .</b>	<b><u>156,050</u></b>	<b><u>104,670</u></b>	<b><u>260,720</u></b>	<b><u>164,762</u></b>
<b>At 31 March</b>				
Cost . . . . .	181,046	143,144	324,190	197,703
Accumulated impairments and depreciation . . . . .	(24,996)	(38,474)	(63,470)	(32,941)
<b>Closing net book value . . . . .</b>	<b><u>156,050</u></b>	<b><u>104,670</u></b>	<b><u>260,720</u></b>	<b><u>164,762</u></b>

The additions of the first three months of 2016 mainly relate to the opening of 13 new clubs (6 in Belgium and 7 in France). In the first three months of 2015, 11 new clubs were opened (4 in The Netherlands, 4 in Belgium, 2 in Spain and 1 in France).

# Miktom Topco B.V.

## 15 Intangible assets

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

	unaudited 2016				2015	
	Goodwill	Trademark	Customer relationships	Other intangible assets	Total	Total
<b>At 1 January</b>						
Cost . . . . .	187,350	44,918	56,924	31,347	320,539	312,567
Accumulated impairments and amortisation . . . . .	—	(4,492)	(15,371)	(8,329)	(28,192)	(13,617)
<b>Net book value . . . . .</b>	<b>187,350</b>	<b>40,426</b>	<b>41,553</b>	<b>23,018</b>	<b>292,347</b>	<b>298,950</b>
<b>Quarter ended 31 March</b>						
<b>Opening net book value . . . . .</b>	<b>187,350</b>	<b>40,426</b>	<b>41,553</b>	<b>23,018</b>	<b>292,347</b>	<b>298,950</b>
Additions . . . . .	—	—	65	1,309	1,374	1,168
Accumulated cost of disposals	—	—	—	(7)	—	(7)
Acquisition of subsidiary . . . .	—	—	—	—	—	1,542
Amortisation for the period . . .	—	(561)	(2,009)	(1,552)	(4,122)	(3,593)
Depreciation of disposals . . . .	—	—	—	7	7	—
<b>Closing net book value . . . . .</b>	<b>187,350</b>	<b>39,865</b>	<b>39,609</b>	<b>22,775</b>	<b>289,599</b>	<b>298,067</b>
<b>At 31 March</b>						
Cost . . . . .	187,350	44,918	56,989	32,649	321,906	315,277
Accumulated impairments and amortisation . . . . .	—	(5,053)	(17,380)	(9,874)	(32,307)	(17,210)
<b>Net book value . . . . .</b>	<b>187,350</b>	<b>39,865</b>	<b>39,609</b>	<b>22,775</b>	<b>289,599</b>	<b>298,067</b>

## 16 Financial instrument by category

Financial instruments by category comprise the following:

	unaudited 31 March 2016		31 December 2015	
	Derivatives at FVPL	Loans and receivables	Derivatives at FVPL	Loans and receivables
<b>Assets</b>				
Trade and other receivables excluding prepayments . . . . .	—	8,779	—	7,616
Cash and cash equivalents . . . . .	—	629	—	12,328
<b>Total . . . . .</b>	<b>—</b>	<b>9,408</b>	<b>—</b>	<b>19,944</b>

## Miktom Topco B.V.

	unaudited 31 March 2016		31 December 2015	
	Derivatives at FVPL	Other financial liabilities at amortised cost	Derivatives at FVPL	Other financial liabilities at amortised cost
<b>Assets</b>				
Borrowings (excluding finance lease liabilities) . . .	—	199,592	—	185,259
Finance lease liabilities . . . . .	—	75,496	—	74,662
Derivative financial instruments . . . . .	2,086	—	1,687	—
Payables to shareholder . . . . .	—	206,996	—	201,082
Short term loan key management member . . . . .	—	6,000	—	6,000
Other long term payables . . . . .	—	1,143	—	1,351
Trade and other payables excluding non-financial liabilities . . . . .	—	46,742	—	47,763
<b>Total</b> . . . . .	<b>2,086</b>	<b>535,969</b>	<b>1,687</b>	<b>516,117</b>

The carrying amount of the above financial instruments represents the maximum exposure for financial instruments classified as loans and receivables.

### 17 Borrowings

In the first three months of 2016, the Group renegotiated its existing Capex facility to finance capital expenditures. The total available amount under the facility was increased by EUR 17.5 million, which was fully drawn down as at 31 March 2016. The other terms and conditions of the facility remain unchanged as compared to 31 December 2015. Facility fees of EUR 0.6 million were payable to the lender upon signing the new loan agreement. These were debited as transaction cost to the loan account.

The Group's interest-bearing borrowings as at 31 March 2016 and 31 December 2015 are summarised in the following tables:

	unaudited 31 March 2016	31 December 2015
Shareholder loans . . . . .	206,997	201,082
Short term loan from key management member . . . . .	6,000	6,000
Bank borrowings (excluding finance lease . . . . .	204,505	189,917
Finance lease liabilities . . . . .	75,494	74,662
Other liabilities . . . . .	1,143	1,351
<b>Total</b> . . . . .	<b>494,139</b>	<b>473,012</b>
Capitalised finance costs . . . . .	(4,912)	(4,658)
	<b>439,227</b>	<b>468,354</b>
Of which:		
Current(< 1 year) . . . . .	38,817	41,091
Non-current (> 1 year) . . . . .	450,410	427,263



# Miktom Topco B.V.

	unaudited 31 March 2016			31 December 2015		
	Interest rate	Maturity	Amount	Interest rate*	Maturity	Amount
<b>Non-Current Interest-Bearing Loans and Borrowings</b>						
Lease Commitments . . . . .	8.63%	31-10-2020	50,881	8.73%	31-10-2020	50,962
Other Long Term Financing . . . . .	9.19%	31-3-2020	339	9.19%	31-3-2020	409
Senior Debt Loan A . . . . .	4.25%	31-12-2019	31,500	4.25%	31-12-2019	31,500
Senior Debt Loan B1 . . . . .	4.75%	30-12-2020	56,000	4.75%	31-12-2020	56,000
Senior Debt Loan B2 . . . . .	4.50%	31-12-2019	25,667	4.50%	31-12-2019	25,667
Capex/Acquisition facility . . . . .	4.33%	31-12-2019	82,500	4.33%	31-12-2019	65,000
Shareholder Senior Loan (A) . . . . .	10.00%	31-1-2021	55,972	10.00%	31-1-2021	54,614
Shareholder Subordinated Loan (B) . . . . .	13.00%	31-1-2021	128,463	13.00%	31-1-2021	124,446
Shareholder Subordinated Loan (C) . . . . .	10.00%	19-6-2024	22,562	10.00%	19-6-2024	22,022
<b>Total Non-Current Interest-Bearing Loans and Borrowings . . . . .</b>			<b>453,884</b>			<b>430,620</b>
Non-current portion of capitalised finance costs . . . . .			(3,474)			(3,357)
<b>Total carrying value Non-Current Interest-Bearing Loans and Borrowings . . . . .</b>			<b>450,410</b>			<b>427,263</b>
<b>Current Interest-Bearing Loans and Borrowings</b>						
Lease Commitments . . . . .	8.63%	31-3-2017	24,613	8.73%	31-12-2016	23,700
Other Long Term Financing . . . . .	8.02%	30-9-2016	804	8.02%	30-9-2016	942
Bank borrowings . . . . .	4.25%	31-3-2017	8,000	4.25%	31-12-2016	11,750
Revolving Credit Facility . . . . .	3.9%-4.25%	31-12-2019	838	—	—	—
Loan from key management member . . . . .	6.00%	31-12-2016	6,000	6.00%	31-12-2016	6,000
<b>Total Current Interest-Bearing Loans and Borrowings . . . . .</b>			<b>40,255</b>			<b>42,392</b>
Current portion of capitalised finance costs . . . . .			(1,438)			(1,301)
<b>Total carrying value Current Interest-Bearing Loans and Borrowings . . . . .</b>			<b>38,817</b>			<b>41,091</b>
<b>Total carrying value Interest-Bearing Loans and Borrowings . . . . .</b>			<b>489,227</b>			<b>468,354</b>

\* These are the weighted average interest rates

## Miktom Topco B.V.

As at 31 March 2016 and 31 December 2015, the contractual maturities of the group's derivative and non-derivative financial liabilities were as follows:

	unaudited 31 March 2016						
	Less than 3 months	3 months to 1 year	1-2 years	2-5 years	Over 5 years	Total	Carrying amount
<b>Non-derivatives</b>							
<b>Financial liabilities:</b>							
Borrowings (excluding finance leases and capitalised financing costs) . . . . .	6,201	10,703	33,174	186,254	—	236,332	204,505
Finance lease liabilities . . . . .	8,178	22,030	26,815	26,823	—	83,846	75,494
Trade payables . . . . .	46,742	—	—	—	—	46,742	46,742
Other long term payables . . . . .	411	450	184	205	—	1,250	1,143
Long-term loan from shareholder . . . . .	—	—	—	—	495,539	495,539	206,997
Loan from key management member . . . . .	—	6,000	—	—	—	6,000	6,000
<b>Total non-derivatives. . . . .</b>	<b>61,532</b>	<b>39,183</b>	<b>60,173</b>	<b>213,282</b>	<b>495,539</b>	<b>869,709</b>	<b>540,881</b>
Derivative financial liability (Cash outflow). . . . .	229	535	829	353	—	1,946	2,086
<b>Total derivatives. . . . .</b>	<b>229</b>	<b>535</b>	<b>829</b>	<b>353</b>	<b>—</b>	<b>1,946</b>	<b>2,086</b>
<b>31 December 2015</b>							
	Less than 3 months	3 months to 1 year	1-2 years	2-5 years	Over 5 years	Total	Carrying amount
<b>Non-derivatives</b>							
Borrowings (excluding finance leases and capitalised financing costs) . . . . .	5,985	14,187	23,298	179,186	665	223,321	189,917
Finance lease liabilities . . . . .	7,337	21,712	25,455	30,527	—	85,031	74,662
Trade payables . . . . .	47,763	—	—	—	—	47,763	47,763
Other long term payables . . . . .	411	617	235	235	—	1,498	1,351
Long-term loan from shareholder . . . . .	—	—	—	—	495,539	495,539	201,082
Loan from key management member . . . . .	—	6,000	—	—	—	6,000	6,000
<b>Total non-derivatives. . . . .</b>	<b>61,496</b>	<b>42,516</b>	<b>48,988</b>	<b>209,948</b>	<b>496,204</b>	<b>859,152</b>	<b>520,775</b>
Derivative financial liability (Cash outflow). . . . .	209	703	625	270	—	1,807	1,687
<b>Total derivatives. . . . .</b>	<b>209</b>	<b>703</b>	<b>625</b>	<b>270</b>	<b>—</b>	<b>1,807</b>	<b>1,687</b>

### 18 Contingencies and commitments

Except as disclosed otherwise below, there are no material changes to the company's contingencies and commitments during the first three months of 2016, compared to 31 December 2015.

#### Capital commitments

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

	unaudited 31 March 2016	31 December 2015
Property, plant and equipment . . . . .	14,939	11,750

#### Other commitments

An amount of approximately EUR 5.1 million (31 December 2015: EUR 4.9 million) in total was issued in bank guarantees.

# Miktom Topco B.V.

## 19 Cash and cash equivalents

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

	unaudited 31 March 2016	unaudited 31 March 2015
Cash at bank and in hand. . . . .	629	2,783
Bank overdraft. . . . .	(838)	(3,596)
<b>Total cash and cash equivalents . . . . .</b>	<b>(209)</b>	<b>(813)</b>

## 20 Business combinations

### Acquisition 2016

During the first quarter of 2016, the group did not undertake any new acquisitions.

### Acquisition 2015

During the first quarter of 2015, the Group acquired, through an asset deal, 2 fitness clubs in the Netherlands, 1 fitness club in Belgium and 1 fitness club in Spain. As a result of the acquisition, the Group increased its market share in the Netherlands and entered the Spanish market. The total purchase price net of cash was EUR 2.9 million, which was mostly allocated to the acquired customer base and favourable leases of new geographical locations.

The following table summarises the considerations paid for the acquisitions in Q1 2015, the fair value of assets acquired, liabilities assumed at the acquisition date.

	unaudited 31 March 2015
Purchase consideration:	
– Cash paid . . . . .	2,859
<b>Total purchase consideration . . . . .</b>	<b>2,859</b>

### Assets acquired and liabilities assumed

The fair values of assets and liabilities recognised as a result of the acquisition are as follows:

	2015 Fair value recognised on acquisition
<i>Assets</i>	
Property, plant and equipment . . . . .	1,472
Customer relationships . . . . .	697
Favourable lease contracts (included in Other intangible assets) . . . . .	845
Cash and cash equivalents . . . . .	—
<i>Liabilities</i>	
Other liabilities and accrued expenses. . . . .	(155)
<b>Total identifiable net assets acquired at fair value . . . . .</b>	<b>2,859</b>
Goodwill arising on acquisition. . . . .	—
<b>Purchase consideration transferred . . . . .</b>	<b>2,859</b>
Less: cash acquired. . . . .	—
<b>Net outflow of cash – investing activities . . . . .</b>	<b>2,859</b>

# Miktom Topco B.V.

## 21 Related party transactions

Except as disclosed otherwise below, there are no material changes to the company's related parties, related party transactions (including their terms and conditions) and (future) obligations towards related parties, compared to 31 December 2015.

### *Transactions and balances held with related parties*

The table below provides the total amount of transactions that have been entered into with related parties for the relevant period. In addition, the table provides an overview of all balances held with these related parties.

		<u>Sales to related parties</u>	<u>Purchases from related parties</u>	<u>Amounts owed by related parties</u>	<u>Amounts owed to related parties</u>
<b><i>Entity with significant influence over the Group:</i></b>					
Moos Holding B.V.	31 March 2016 unaudited	—	88	—	6,424
	31 December 2015	—	350	—	6,328
3i c.s.	31 March 2016 unaudited	—	100	—	484
	31 December 2015	—	400	—	—
<b><i>Key management personnel of the Group:</i></b>					
Other director's interest	31 March 2016 unaudited	—	1,482	79	282
	31 December 2015	684	6,803	2	2,963

## 22 Events after the reporting period

The loan from the key management member of EUR 6 million has become subordinated in April 2016. No other significant events have occurred since balance sheet date, which would change the financial position of the Group and which would require adjustment of or disclosure in the unaudited interim condensed consolidated financial statements presented.

# **Miktom Topco B.V.**

## **Review report**

To: the management board and supervisory board of Miktom Topco B.V.

### **Introduction**

We have reviewed the accompanying (condensed) consolidated interim financial information of Miktom Topco B.V., Hoofddorp, which comprises the statement of financial position as at 31 March 2016, the statements of comprehensive income, changes in equity, and cash flows for the 3-month period then ended 31 March 2016, and the notes, comprising a summary of the significant accounting policies and other explanatory information.

Management is responsible for the preparation and presentation of this consolidated interim financial information in accordance with IAS 34, Interim Financial Reporting as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Scope**

We conducted our review in accordance with Dutch law including Standard 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Dutch auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying (condensed) consolidated interim financial information for the 3-month period ended 31 March 2016 is not prepared, in all material respects, in accordance with IAS 34, Interim Financial Reporting, as adopted by the European Union.

Rotterdam, 2 May 2016

Ernst & Young Accountants LLP

signed by M. Bangma-Tjaden



**Miktom Topco B.V.**

*General purpose financial statements for the period  
ending 31 December 2013 and the years ended  
31 December 2014 and 2015*

*Miktom Topco B.V.,  
Hoofddorp*

**BASIC-FIT**



# Miktom Topco B.V.

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# Miktom Topco B.V.

## Consolidated statement of comprehensive income

For the period ending 31 December 2013 and the years ended 31 December 2014 and 2015

(In EUR x 1,000)

	Note	2015	2014	2013
Revenue . . . . .	8	202,222	162,069	—
		202,222	162,069	—
Cost of consumables used . . . . .		(1,160)	(876)	—
Employee benefits expenses . . . . .	9	(39,748)	(32,963)	—
Depreciation, amortisation and impairment charges . . . . .	11	(47,983)	(40,565)	—
Other operating income . . . . .	12	1,779	1,216	—
Other operating expenses . . . . .	13	(107,407)	(87,480)	(6,483)
<b>Operating profit . . . . .</b>		<b>7,703</b>	<b>1,401</b>	<b>(6,483)</b>
Finance income . . . . .	14	—	—	296
Finance costs . . . . .	14	(37,016)	(28,495)	(670)
<b>Finance costs – net . . . . .</b>		<b>(37,016)</b>	<b>(28,495)</b>	<b>(374)</b>
<b>Profit (loss) before income tax . . . . .</b>		<b>(29,313)</b>	<b>(27,094)</b>	<b>(6,857)</b>
Income tax benefit . . . . .	15	6,348	4,587	(1)
<b>Profit (loss) for the period attributable to the owners of the company . . . . .</b>		<b>(22,965)</b>	<b>(22,507)</b>	<b>(6,858)</b>
<b>Other comprehensive income / (loss)</b>				
<i>Items that may be reclassified to profit or loss</i>				
Cash flow hedges . . . . .	18	(273)	(1,414)	—
Deferred tax on cash flow hedges . . . . .	15	68	354	—
<b>Other comprehensive loss for the period, net of tax</b>		<b>(205)</b>	<b>(1,060)</b>	<b>—</b>
<b>Total comprehensive loss for the period (attributable to owners of the Company) . . . . .</b>		<b>(23,170)</b>	<b>(23,567)</b>	<b>(6,858)</b>
		Cents	Cents	Cents
<b>Earnings per share for profit attributable to the ordinary equity holders of the company:</b>				
Basic earnings per share . . . . .	25	(76.55)	(75.02)	(85.20)
Diluted earnings per share . . . . .	25	(76.55)	(75.02)	(85.20)

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

# Miktom Topco B.V.

## Consolidated statement of financial position

At 31 December 2013, 31 December 2014 and 31 December 2015

(In EUR x 1,000)

	Note	31 December 2015	31 December 2014	31 December 2013
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment . . . . .	16	247,388	151,855	95,341
Intangible assets . . . . .	17	292,347	298,950	259,974
Deferred tax assets . . . . .	15	15,083	10,092	5,591
Receivables . . . . .	20	2,330	1,604	755
<b>Total non-current assets . . . . .</b>		<b>557,148</b>	<b>462,501</b>	<b>361,661</b>
<b>Current assets</b>				
Inventories . . . . .	21	791	223	255
Trade and other receivables . . . . .	20	12,391	10,515	6,437
Cash and cash equivalents . . . . .	22	12,328	13,255	7,818
<b>Total current assets . . . . .</b>		<b>25,510</b>	<b>23,993</b>	<b>14,510</b>
<b>Total assets . . . . .</b>		<b>582,658</b>	<b>486,494</b>	<b>376,171</b>
<b>Equity . . . . .</b>				
Share capital . . . . .	23	300	300	300
Share premium . . . . .		29,700	29,700	29,700
Retained earnings . . . . .		(52,330)	(29,365)	(6,858)
Cash flow hedge reserve . . . . .		(1,265)	(1,060)	—
<b>Total equity . . . . .</b>		<b>(23,595)</b>	<b>(425)</b>	<b>23,142</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Borrowings . . . . .	26	226,181	168,778	116,154
Long-term loan from shareholder . . . . .	26	201,082	179,865	142,595
Derivative financial instruments . . . . .	18	1,687	1,414	—
Deferred tax liabilities . . . . .	15	28,550	29,658	28,027
Provisions . . . . .	27	5,105	6,678	6,128
<b>Total non-current liabilities . . . . .</b>		<b>462,605</b>	<b>386,393</b>	<b>292,904</b>
<b>Current liabilities</b>				
Trade and other payables . . . . .	28	100,826	73,733	43,710
Current income tax liabilities . . . . .	15	40	23	1
Current portion of borrowings . . . . .	26	35,091	24,240	14,666
Loan from key management member . . . . .	26	6,000	—	—
Provisions . . . . .	27	1,691	2,530	1,748
<b>Total current liabilities . . . . .</b>		<b>143,648</b>	<b>100,526</b>	<b>60,125</b>
<b>Total liabilities . . . . .</b>		<b>606,253</b>	<b>486,919</b>	<b>353,029</b>
<b>Total equity and liabilities . . . . .</b>		<b>582,658</b>	<b>486,494</b>	<b>376,171</b>

The above consolidated balance sheet should be read in conjunction with the accompanying notes.



# Miktom Topco B.V.

## Consolidated statement of changes in equity

For the period ending 31 December 2013 and the years ended 31 December 2014 and 2015

(In EUR x 1,000)

	Attributable to equity owners of Miktom Topco B.V.				
	Share capital	Share premium	Retained earnings	Cash flow hedge reserve	Total equity
<b>Balance – 20 November 2013</b> . . . . .	—	—	—	—	—
<b>Comprehensive income:</b>					
Profit (loss) for the period . . . . .	—	—	(6,858)	—	(6,858)
Other comprehensive income (loss)	—	—	—	—	—
<b>Total comprehensive income (loss) for the period</b> . . . . .	—	—	(6,858)	—	(6,858)
Proceeds from shares issued . . . . .	300	29,700	—	—	30,000
<b>Balance – 31 December 2013</b> . . . . .	<b>300</b>	<b>29,700</b>	<b>(6,858)</b>	<b>—</b>	<b>23,142</b>
<b>Comprehensive income:</b>					
Profit (loss) for the period . . . . .	—	—	(22,507)	—	(22,507)
Other comprehensive income (loss)	—	—	—	(1,060)	(1,060)
<b>Total comprehensive income (loss) for the period</b> . . . . .	—	—	(22,507)	(1,060)	(23,567)
<b>Balance – 31 December 2014</b> . . . . .	<b>300</b>	<b>29,700</b>	<b>(29,365)</b>	<b>(1,060)</b>	<b>(425)</b>
<b>Comprehensive income:</b>					
Profit (loss) for the period . . . . .	—	—	(22,965)	—	(22,965)
Other comprehensive income (loss)	—	—	—	(205)	(205)
<b>Total comprehensive income (loss) for the period</b> . . . . .	—	—	(22,965)	(205)	(23,170)
<b>Balance – 31 December 2015</b> . . . . .	<b>300</b>	<b>29,700</b>	<b>(52,330)</b>	<b>(1,265)</b>	<b>(23,595)</b>

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

# Miktom Topco B.V.

## Consolidated statement of cash flow

For the period ending 31 December 2013 and the years ended 31 December 2014 and 2015

(In EUR x 1,000)

	Note	2015	2014	2013
<b>Cash flows from operating activities</b>				
Profit (loss) before income tax . . . . .		(29,313)	(27,094)	(6,857)
<i>Non-cash adjustments to reconcile profit before tax to net cash flows:</i>				
– Depreciation and impairment of property, plant and equipment . . . . .	16	33,076	26,970	—
– Amortisation and impairment of intangible assets. . .	17	14,907	13,595	—
– Gain on disposal of property, plant and equipment . .	12	(864)	(588)	—
– Gain on disposal of fitness club . . . . .		(745)	—	—
– Finance costs. . . . .	14	37,016	28,495	374
– Movements in provisions . . . . .		(2,412)	(1,517)	—
<i>Working capital adjustments:</i>				
– Increase in Trade and other receivables . . . . .		(1,876)	(1,930)	199
– Increase in Inventories . . . . .		(568)	74	18
– Increase in Trade and other payables. . . . .		15,537	582	4,036
<b>Cash generated from operations . . . . .</b>		<b>64,758</b>	<b>38,588</b>	<b>(2,230)</b>
Interest (paid)/received . . . . .		(12,869)	(9,176)	296
Income tax received . . . . .		27	(1)	—
<b>Net cash flows from operating activities . . . . .</b>		<b>51,916</b>	<b>29,410</b>	<b>(1,934)</b>
<b>Cash flows from investing activities</b>				
Proceeds from sale of property, plant and equipment. .		2,887	3,352	—
Purchase of property, plant and equipment. . . . .	16	(64,916)	(20,036)	—
Purchase of other intangible assets. . . . .	17	(1,539)	(2,224)	—
Acquisition of a subsidiary, net of cash acquired. . . .	30	(13,834)	(52,507)	(263,479)
Investments in other financial fixed assets. . . . .		(575)	(830)	—
<b>Net cash flows used in investing activities . . . . .</b>		<b>(77,977)</b>	<b>(72,245)</b>	<b>(263,479)</b>
<b>Cash flows from financing activities</b>				
Proceeds from issuance of shares . . . . .		—	—	28,700
Proceeds from convertible loan . . . . .		—	—	1,300
Proceeds from borrowings. . . . .	26	51,530	64,667	248,079
Repayments of borrowings . . . . .	26	(25,047)	(15,628)	—
Financing costs paid. . . . .	26	(1,349)	(767)	(4,848)
<b>Net cash flows from financing activities . . . . .</b>		<b>25,134</b>	<b>48,272</b>	<b>273,231</b>
<b>Net (decrease)/increase in cash and cash equivalents . . .</b>		<b>(927)</b>	<b>5,437</b>	<b>7,818</b>
Cash and cash equivalents at 1 January 2015, 2014 and 20 November 2013 . . . . .	22	13,255	7,818	0
<b>Cash and cash equivalents at 31 December . . . . .</b>	22	<b>12,328</b>	<b>13,255</b>	<b>7,818</b>

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

# Miktom Topco B.V.

## Notes to the consolidated financial statements

For the period ending 31 December 2013 and the years ended 31 December 2014 and 2015

(In EUR x 1,000)

### 1 General information

Miktom Topco B.V. (hereafter “the Company”) was incorporated on 20 November 2013 with an initial cash contribution in share capital of EUR 10.

Miktom Topco B.V., through its wholly owned subsidiary Miktom International Holding B.V., acquired the Basic Fit group on 20 December 2013. As from that date Miktom Topco B.V. and its subsidiaries (together, “the Group”) operate fitness clubs in the Netherlands, Belgium, Spain, Luxemburg and France. Miktom Topco B.V. has its registered office at Daalmeerstraat 24, 2131 HC Hoofddorp (Haarlemmermeer), the Netherlands.

The 2013 financial year is the two month period, starting as at 20 November 2013 and ending as at 31 December 2013.

#### Going concern assumption:

We have recorded net losses in recent periods, in the amount of €23.0 million in FY 2015 and €22.5 million in FY 2014. The losses of these periods have contributed to the negative shareholders' equity in our consolidated balance sheet of €23.6 million as per December 2015. The continuity of the Group is dependent on positive development of revenues and profits and the key factor impacting the liquidity of the Group is the amount of new club openings and the investments related thereto. In case of a shortfall in liquidity, the Group can implement certain measures to avoid this, including a deceleration or downsizing of the planned growth strategy by reducing, delaying or cancelling part of the planned new club openings in 2016 and 2017 as for most of these investments no material commitments have been provided. Furthermore, cash flows are monitored closely and on a monthly basis discussed within the management team. Based on the analysis and assessment of options, management applied judgement and is of the opinion the financial statements are correctly prepared according to the going concern assumption.

### 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Basis of preparation

The consolidated financial statements of Miktom Topco B.V. are prepared in accordance with IFRS as adopted by the European Union (EU). The consolidated financial statements are prepared under the historical cost convention, except for the financial assets and liabilities (including derivative instruments) that are measured at fair value.

These consolidated financial statements reflect all of the assets, liabilities, revenue, expenses and cash flows of the Group and its subsidiaries. The Group consists of the following legal entities:

- Miktom International Holding B.V., Hoofddorp (the Netherlands) (100%);
- Basic Fit International B.V., Hoofddorp (the Netherlands) (100% interest of Miktom International Holding B.V.);
- Basic Fit Nederland B.V., Hoofddorp (the Netherlands) (100% interest of Basic Fit International B.V.);
- Basic-Fit Belgium BVBA, Jette (Belgium) (100% interest of Basic Fit International B.V.);
- Just Fit N.V., Jette (Belgium) (100% interest of Basic-Fit Belgium BVBA);
- HealthCity België N.V.<sup>(\*)</sup>, Jette (Belgium) (100% interest of Basic-Fit Belgium BVBA);
- Basic-Fit Spain S.A., Madrid (Spain) (100% interest of Basic Fit International B.V.);
- Basic Fit France S.A., Paris (France) (100% interest of Basic Fit International B.V.);
- Basic Fit II S.A., Paris (France) (100% interest of Basic Fit France S.A.);
- Basic-Fit Germany GMBH, Cologne (Germany) (100% interest of Basic Fit International B.V.);

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- Basic-Fit Luxembourg S.à.r.l., Sandweiler (Luxembourg) (100% interest of Basic Fit International B.V.);
- HealthCity Luxembourg S.A.<sup>(\*)</sup>, Sandweiler (Luxembourg) (100% interest of Basic-Fit Luxembourg S.à.r.l.).

(\*) Newly consolidated companies as of 1 April 2014.

The Group acquired control over the Basic Fit business as at 20 December 2013, as described in note 30. The assets and liabilities of the Basic Fit Business have been included in the consolidated financial statements as at 31 December 2013 and the revenues, expenses and cash flows attributable to the Basic Fit business have been included in the consolidated financial statements as from 1 January 2014.

Basic-Fit Germany GmbH is a dormant company (does not run fitness clubs). Basic-Fit Luxembourg S.à.r.l. and Basic Fit France S.A. are intermediate holding companies (i.e. they do not run fitness clubs or undertake other operations).

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 7.

All amounts in the notes to the consolidated financial statements are stated in euros ('EUR x 1,000'), unless otherwise stated.

### 2.1.1 Changes in accounting policies and disclosures

#### (a) *New standards and interpretations not yet adopted*

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2015 reporting periods and have not been early adopted by the Group. The Group's current status of the assessment of the impact of these new standards and interpretations is set out below.

<u>Nature of change</u>	<u>Impact</u>	<u>Mandatory application date</u>
<i>IFRS 9 Financial Instruments</i>		
IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In July 2014, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard.	At this stage, the Group expects limited impact from the requirement to provide for doubtful debtors based on expected credit losses, but this will be further assessed in more detail over the next twelve months.	Must be applied for financial years commencing on or after 1 January 2018 (subject to EU endorsement).
<i>IFRS 15 Revenue from Contracts with Customers</i>		
The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will	At this stage, the Group is not able to estimate the impact of the new rules on the Group's financial statements. The Group will make more detailed assessments of the impact over the next twelve months.	Mandatory for financial years commencing on or after 1 January 2018 (subject to EU endorsement). The Group expects to apply IFRS 15 as of 1 January 2018.

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Nature of change	Impact	Mandatory application date
recognise transitional adjustments in retained earnings on the date of initial application (eg 1 January 2018), ie without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application.		
<i>IFRS 16 Leasing</i>		
The IASB [has issued] a new standard for the leasing. This will replace IAS 17 which covers leasing. The new standard require companies to bring leases onto the balance sheet.	This new standard will greatly impact the property leases of the Group that are currently accounted for as operational leases. These leases are currently incurred as expenses in the P&L. The new standard will result in the Group having to account for (off-balance) operational leases on-balance by recognising liabilities and assets related to the leased properties. At this stage, the Group is not able to estimate the impact of the new rules on the Group's financial statements. The Group will make more detailed assessments of the impact over the next twelve months.	Mandatory for financial years commencing on or after 1 January 2019 (subject to EU endorsement). The Group expects to apply IFRS 16 as of 1 January 2019.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods.

## 2.2 Principles of consolidation, business combinations

### (a) *Subsidiaries*

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

### (b) *Business combinations and goodwill*

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at the acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Contingent consideration is classified either as equity or a financial liability. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. All contingent consideration (except that which is classified as equity) is measured at fair value with the changes in fair value in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

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Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit ("CGU") and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been aligned with the Group's accounting policies where necessary to ensure consistency with the policies adopted by the Group.

### **2.3 Foreign currency translation**

#### *(a) Functional and presentation currency*

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of each entity is EUR, and the consolidated financial statements are presented in euros which is the Group's presentation currency and equals the functional currency of the Company.

#### *(b) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. The Group rarely has transactions in foreign currencies and gains and losses resulting from the settlement of such transactions are generally recognised in profit or loss.

### **2.4 Property, plant and equipment**

Property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.



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Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

– Building improvements –	5 – 20 years;
– Exercise equipment –	5 – 6 years;
– Other property, plant and equipment –	5 – 10 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within Other operating income in the income statement.

### 2.5 Intangible assets

#### *Goodwill*

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units ("CGU's") for the purpose of impairment testing. The allocation is made to those CGU's or groups of CGU's that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes. Management monitors goodwill on a country basis as access cards of members give access to all clubs in a certain country. Therefore, goodwill has been allocated to the Netherlands, Belgium, France, Spain and Luxembourg.

#### *Customer relationships, brand name and favourable contracts*

Customer relationships and brand names acquired in a business combination are recognised at fair value at the acquisition date. Separately acquired customer relationships and brand names are shown at historical cost. Customer relationship and brand names have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of customer relationships and brand names over their estimated useful lives. For customer relationships, the estimated useful life is 7 to 8 years and for brand names it is estimated at 20 years.

Favourable contracts acquired as part of a business combinations have been recognised at fair value on the acquisition date for certain contracts whose terms are favourable to current market terms and they are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method. The useful life of these agreements is the contract term, which is 9, 14 and 19 years for Belgium, the Netherlands and Spain respectively.

#### *Other intangible assets*

Intangible assets acquired separately are mostly software related and are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the statement of profit or loss when it is incurred.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;

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- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

The useful lives of intangible assets are assessed as either finite or indefinite. The Group has assessed the remaining useful life to be finite for all recognised intangible assets.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category consistent with the function of the intangible assets.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed 5 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

### **2.6 Impairment of non-financial assets**

Besides goodwill described above, other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### **2.7 Financial assets and liabilities**

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

At initial recognition, the Group classifies its financial instruments in the following categories:

- i. Financial assets and liabilities at fair value through profit or loss
- ii. Loans and receivables
- iii. Financial liabilities at amortised cost

The Group does not have any available for sale financial assets.

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### *i. Financial assets and liabilities at fair value through profit or loss:*

Derivatives are classified as fair value through profit and loss unless they are designated as hedges. They are presented as current assets if they are expected to be realised within 12 months after the reporting period or current liabilities if they are due to be settled within 12 months after the reporting period. Derivatives with maturities greater than 12 months after the end of the reporting period are classified as non-current assets or liabilities.

### *ii. Loans and receivables:*

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade and other receivables are classified as 'loans and receivables', and are included in current assets due to their short-term nature, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Loans and receivables are initially recognised at fair value plus transaction costs that are attributable to the acquisition of this financial asset. Subsequently, loans and receivables are measured at amortised cost using the effective interest method less a provision for impairment.

### *iii. Financial liabilities at amortised costs:*

Financial liabilities at amortised cost include trade and other payables and borrowings. Trade and other payables and borrowings are initially recognised at fair value net of directly attributable costs. Subsequently, trade and other payables and borrowings are measured at amortised cost using the effective interest method.

## **2.8 Impairment of financial assets**

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

### *Assets carried at amortised cost*

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but not yet been identified. For these receivables the estimated impairment losses are recognised in a separate provision for impairment. The Group considers that there is evidence of impairment if any of the following indicators are present:

- default or delinquency in payments (more than 90 days overdue)
- significant financial difficulties of the debtor
- probability that the debtor will enter bankruptcy or financial reorganisation

Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash.

Impairment losses are recognised in profit or loss within other expenses. Subsequent recoveries of amounts previously written off are credited against other expenses.

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## 2.9 Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Certain derivative instruments are not designated as a hedged item. Changes in the fair value of any derivative instrument that are not designated as hedged item are recognised immediately in profit or loss and are included in other income, other expenses or finance income/expense depending on the nature of the underlying item.

The Group designates certain derivatives as hedges of a particular risk associated with the cash flows of recognised assets and liabilities. The Group documents at the inception of the hedging transaction the relationship between the hedging instrument and the hedged item, as well as its risk management objective and strategy for undertaking hedge transactions. The Group documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in cash flows of the hedged items.

### *Cash flow hedge*

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in the cash flow hedge reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within finance income or costs.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance costs.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

The fair values of various derivative instruments used for hedging purposes are disclosed in note 18. Movements in the cash flow hedge reserve in other comprehensive income are shown in note 4c. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

## 2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## 2.11 Trade and other receivables

Trade and other receivables include amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 days or less and therefore are all classified as current.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

## 2.12 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities or non-current liabilities.

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### **2.13 Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

### **2.14 Convertible loans**

Convertible loans are separated into liability and equity components based on the terms of the contract. On issuance of the convertible loan, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible loan, based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

### **2.15 Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

The Group does not have any qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Therefore, borrowing costs are not capitalised and are expensed in the period in which they are incurred.

### **2.16 Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### **2.17 Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30



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days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### **2.18 Employee benefits**

Salaries, wages and social security contributions are charged to the income statement based on the terms of employment, where they are due to employees and the tax authorities respectively.

The Group operates a number of defined contribution pension plans. A defined contribution plan is a pension plan under which the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### **2.19 Share-based payments**

Selected managers of the Group, statutory directors and supervisory directors participate indirectly in the share capital of the Company via Miktom Manco B.V. (“Manco”), which holds shares in the Company. The shares in Manco are held by the foundation Stichting Administratiekantoor Miktom (“the STAK”), which has issued Depositary Receipts corresponding to each share in Manco.

This arrangement is classified as an equity-settled share-based payment arrangement. The Company therefore determines the fair value of the share-based payment awards at the grant date and recognises, if applicable, an expense for the services received over the service period with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the awards granted. For this purpose, the Company analyses whether the price paid by an employee is in line with the market price of the underlying shares in the Company. If a positive difference exists between (i) the actual market value of the shares and (ii) the purchase price; this results in a fair value to be reported as an expense under IFRS 2. This analysis is performed at each grant date.

Service conditions and non-market vesting conditions are included in assumptions about the number of awards that are expected to vest. The grant date fair value is recognised as an expense over the vesting period, being the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Company revises its estimates of the number of awards that are expected to vest based on the non-market vesting conditions. The impact of the revision to original estimates, if any, is recognised in the income statement for the period, with a corresponding adjustment to equity.

### **2.20 Revenue recognition**

The Group’s principal sources of revenue are membership services, principally fitness club memberships, including joining fees and add-on’s for drinks, live group lessons and/or an app for mobile phones. Furthermore within the Basic-Fit clubs additional services are provided by external parties (e.g. personal trainers, physiotherapists) who pay a monthly fee to obtain access to the club (in some cases also a private room in the club) and the members. Other revenues also include revenues related to the sale of nutritional products and drinks within the club by a third party. Within this full service vending construction Basic-Fit receives a percentage of the revenue generated by the vending machines. The percentage of revenue is shown as revenues for the Group in its income statement. Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied and services rendered, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group’s activities, as described below.

#### *Sales of services*

The Group provides fitness club services for its customers. For sales of services, revenue is recognised in the accounting period in which the services are rendered. Delivery of fitness club services extends throughout the term of membership. A joining fee is recognised in the month that a new customer signs the membership contract. Membership revenues are recognised on a monthly basis over contract term. Membership fees collected but not earned are included in deferred revenue. The



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promotional offers of Basic-Fit often contain a discount granting a free period (e.g. current month free or next month free) or waiving the joining fee (fully or partly) or a combination of these two. The payments of the member will be based on the applicable promotion, but the monthly revenue is determined for the entire period by taking into consideration the discounts granted which are allocated to the joining fee and membership revenues using relative amounts.

### *Sales of goods*

In the fitness clubs, the Group sells nutritional and other fitness related products such as beverages. Sales of these products are recognised when the products are sold to the customer which is usually in cash or by credit card.

### **2.21 Expenses**

Expenses arising from the Group's business operations are accounted in the year incurred.

### **2.22 Leases**

Leases of property, plant and equipment where the Group, as a lessee, has substantially all of the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are charged to profit or loss on a straight-line basis over the period of the lease, unless such expenses qualify as directly attributable costs related to the construction of new fitness clubs as part of property, plant and equipment.

### **2.23 Finance income and expenses**

Finance income and expenses are recognised using the effective interest method. When a loan or receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

### **2.24 Corporate income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted for changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for unused tax losses, deductible temporary tax differences, and tax credits to the extent that it is probable that taxable profit will be available against which the

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losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### **2.25 Notes to the cash flow statement**

The cash flow statement has been prepared using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows. Interest is classified as operating cash flow and dividends are classified as financing cash flows.

### **3 Segment information**

The chief operating decision maker (“the CODM”), who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Company’s directors (CEO and CFO). The CODM examines the group’s performance on a geographic perspective and have identified five operating segments, being The Netherlands, Belgium, Luxemburg, France and Spain.

The business activity of all of these operating segments is to operate low budget fitness clubs under one and the same Basic-Fit label. The formula how these clubs are operated is the same in all countries; memberships and membership fees are similar; and the cost structure is similar. Furthermore, all operating segments and their business activities are located in western European EU-member countries. The political and economic environment of these countries is similar and the Euro is used in all countries. Also the Benelux countries (Belgium, Netherlands and Luxemburg) generate similar profit margins (Adjusted EBITDA) as is the case for the profit margins realized in France and Spain. Nevertheless the profit margins in the Benelux are not comparable to France and Spain which are the countries where we expect the fastest growth.

Given these similar economic characteristics and the fact that the nature of services, type of customer, method for distribution and regulatory environment are similar, the operating segments Belgium, Netherlands and Luxemburg have been aggregated into one reportable segment (Benelux) and the operating segments France and Spain have also been aggregated into one reportable segment (France & Spain). Other reconciling items represent corporate costs that are not allocated to the operating segments.

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## Segment disclosure

The CODM of Basic-fit primarily uses Adjusted EBITDA as performance measures to monitor operating segment results and performance. Total revenues and adjusted EBITDA per reporting segment are as follows:

Year ended 31 December 2015			
(in EUR x 1.000)	Benelux	France & Spain	Total
Revenues . . . . .	180,817	21,405	202,222
Adjusted EBITDA . . . . .	64,524	2,299	66,823
Other reconciling items . . . . .			(6,766)
Total adjusted EBITDA . . . . .			60,057
<b>Reconciliation of adjusted EBITDA to profit before tax:</b>			
Adjusted EBITDA . . . . .			<b>60,057</b>
Depreciation, amortisation and impairment charges . . . . .			(47,983)
Finance costs – net . . . . .			(37,016)
Exceptional items . . . . .			(4,371)
<b>Profit before tax . . . . .</b>			<b>(29,313)</b>

Year ended 31 December 2014			
(in EUR x 1.000)	Benelux	France & Spain	Total
Revenues . . . . .	145,187	16,882	162,069
Adjusted EBITDA . . . . .	50,334	(450)	49,884
Other reconciling items . . . . .			(3,937)
Total adjusted EBITDA . . . . .			45,947
<b>Reconciliation to profit before tax:</b>			
Adjusted EBITDA . . . . .			<b>45,947</b>
Depreciation, amortisation and impairment charges . . . . .			(40,565)
Finance costs – net . . . . .			(28,495)
Exceptional items . . . . .			(3,981)
<b>Profit before tax . . . . .</b>			<b>(27,094)</b>

Year ended 31 December 2013			
(in EUR x 1.000)	Benelux	France & Spain	Total
Revenues . . . . .	—	—	—
Adjusted EBITDA . . . . .	—	—	—
Other reconciling items . . . . .			—
Total adjusted EBITDA . . . . .			—
<b>Reconciliation to profit before tax:</b>			
Adjusted EBITDA . . . . .			—
Depreciation, amortisation and impairment charges . . . . .			—
Finance costs – net . . . . .			(374)
Exceptional items . . . . .			(6,483)
<b>Profit before tax . . . . .</b>			<b>(6,857)</b>

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## Entity-wide information

The Group operates in five countries. Note 8 contains a breakdown of revenues of these countries as well as those of the Netherlands, the Group's country of domicile. Furthermore, there are no customers that comprise 10% or more of revenue in any year presented.

<u>Breakdown of the non-current assets is as follows:</u>	<u>Year ended 31 December 2015</u>	<u>Year ended 31 December 2014</u>	<u>Year ended 31 December 2013</u>
The Netherlands (country of domicile) . . . . .	237,820	203,033	182,160
Belgium . . . . .	222,123	202,582	147,982
Luxembourg . . . . .	21,508	19,563	—
France . . . . .	27,672	8,401	9,092
Spain . . . . .	30,612	17,226	16,081
<b>Total . . . . .</b>	<b>539,735</b>	<b>450,805</b>	<b>355,315</b>

The non-current assets by geographical area is given based on the location of the assets and includes only those non-current assets such as property, plant and equipment and intangible assets.

## 4 Financial risk management

The Group's activities expose it to a variety of financial risks. Management identifies and evaluates the financial risks based on principles for overall risk management. The Group's overall risk management program seeks to minimize potential adverse effects on the Group's financial performance. Management is of the opinion that the Group's exposure to financial risks is limited.

### (a) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to outstanding receivables for membership fees or other membership services, which could not be collected upfront. The carrying amounts of these financial instruments as disclosed in note 20 represent the Group's maximum credit exposure.

The Group's policy is that all members need to pay the membership fees upfront, therefore credit risk for membership fees is limited to those fees which could not be collected upfront. The first measure to limit credit risk is that access to the services provided by the Group is no longer granted to customers with overdue receivables until the receivables have been fully paid. The second measure is that the Group's collection policy is to use debt collection agencies for all receivables due for more than 120 days. The Group does not hold collateral as security for the membership receivables. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions.

As a result of the Group's prepayment policy, any account receivables' balances are automatically past due. An ageing analysis of the Group's trade and other receivables that are past due is as follows:

<u>Trade Receivables</u>	<u>Balance incl. provision</u>	<u>Overdue &lt; 30 days</u>	<u>Overdue 31-60 days</u>	<u>Overdue 61-90 days</u>	<u>Overdue &gt; 90 days</u>
At 31 December 2015 . . . . .	7,616	1,433	755	470	4,958
At 31 December 2014 . . . . .	7,221	2,497	308	197	4,219
At 31 December 2013 . . . . .	4,215	1,308	241	214	2,452

The receivables consist of member receivables and trade receivables. These receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but not yet identified. For these receivables the estimated impairment losses are recognised in a separate provision for impairment, which is based on historical evidence with respect to the collectability in each of the ageing buckets. For all member receivables past due an impairment provision is formed. An amount of EUR 379 thousand (2014: EUR 861 thousand; 2013: 274 thousand) in trade receivables is not impaired.

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The Group avoids the concentration of credit risk on its cash and cash equivalents by spreading them over the Rabo, KBC, ING and ABN AMRO banks. No collateral is held for the aforementioned liquid assets.

### **(b) Liquidity risk**

The Group's funding strategy is focused on ensuring that it has continuous access to capital. On a monthly basis management prepares a cash flow forecast to identify the cash needs for the medium to long-term period. Additionally, management on a daily basis monitors the intra-month cash needs by assessing the cash in- and outflows.

The liquidity risk is reduced by the uncommitted revolving credit facility of EUR 22.5 million with a maturity date of 20 December 2019. This facility can only be cancelled by the bank upon the receipt of a timely notice after a breach of loan covenants.

The tables below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities, and net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. For interest rate swaps the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

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## Contractual maturities of financial liabilities

31 December 2015

<u>Non-derivatives</u>	<u>Less than 3 months</u>	<u>3 months to 1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>	<u>Total</u>	<u>Carrying amount</u>
Borrowings (excluding finance leases and capitalised financing fees) . . . . .	5,985	14,187	23,298	179,186	665	223,321	189,917
Finance lease liabilities . . . . .	7,337	21,712	25,455	30,527	—	85,031	74,662
Trade payables . . . . .	47,763	—	—	—	—	47,763	47,763
Other long term payables . . . . .	411	617	235	235	—	1,498	1,351
Long-term loan from shareholder . . . . .	—	—	—	—	495,539	495,539	201,082
Loan from key management member . . . . .	—	6,000	—	—	—	6,000	6,000
<b>Total non-derivatives . . . . .</b>	<b>61,496</b>	<b>42,516</b>	<b>48,988</b>	<b>209,948</b>	<b>496,204</b>	<b>859,152</b>	<b>520,775</b>
Derivative financial liability (Cash outflow) . . . . .	209	703	625	270	—	1,807	1,687
<b>Total derivatives . . . . .</b>	<b>209</b>	<b>703</b>	<b>625</b>	<b>270</b>	<b>—</b>	<b>1,807</b>	<b>1,687</b>

31 December 2014

<u>Non-derivatives</u>	<u>Less than 3 months</u>	<u>3 months to 1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>	<u>Total</u>	<u>Carrying amount</u>
Borrowings (excluding finance leases and capitalised financing fees) . . . . .	3,693	11,013	18,193	93,195	59,724	185,818	150,667
Finance lease liabilities . . . . .	4,441	12,602	15,656	16,395	—	49,094	44,809
Trade payables . . . . .	33,827	—	—	—	—	33,827	33,827
Other long term payables . . . . .	200	1,299	746	58	—	2,303	2,170
Long-term loan from shareholder . . . . .	—	—	—	—	495,539	495,539	179,865
<b>Total non-derivatives . . . . .</b>	<b>42,161</b>	<b>24,914</b>	<b>34,595</b>	<b>109,648</b>	<b>555,263</b>	<b>766,581</b>	<b>411,338</b>
<b>Derivatives</b>							
Derivative financial liability (Cash outflow) . . . . .	144	450	737	318	—	1,649	1,414
<b>Total Derivatives . . . . .</b>	<b>144</b>	<b>450</b>	<b>737</b>	<b>318</b>	<b>—</b>	<b>1,649</b>	<b>1,414</b>

31 December 2013

<u>Non-derivatives</u>	<u>Less than 3 months</u>	<u>3 months to 1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>	<u>Total</u>	<u>Carrying amount</u>
Borrowings (excluding finance leases and capitalised financing fees) . . . . .	1,074	6,761	12,326	41,201	72,448	133,810	106,000
Finance lease liabilities . . . . .	2,274	6,991	7,451	9,993	—	26,709	24,283
Trade payables . . . . .	16,231	—	—	—	—	16,231	16,231
Other long term payables . . . . .	599	3,687	762	710	—	5,758	5,384
Long-term loan from shareholder . . . . .	—	—	—	—	446,258	446,258	142,595
<b>Total non-derivatives . . . . .</b>	<b>20,178</b>	<b>17,439</b>	<b>20,539</b>	<b>51,904</b>	<b>518,706</b>	<b>628,766</b>	<b>294,493</b>
<b>Derivatives</b>							
Derivative financial liability . . . . .	—	—	—	—	—	—	—
<b>Total derivatives . . . . .</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

As of 31 December 2015, the Group has EUR 17.6 million in undrawn facilities (2014: EUR 13.3 million; 2013: nil).



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### (c) Market risk

#### (i) Foreign exchange risk

The Group operates only in the Euro zone, hence the currency risk is limited due to the fact that all revenues (and almost all expenses) are incurred in euro. The exposure with regard to fluctuation of foreign currency is therefore insignificant.

#### (ii) Price risk

The Group has limited exposure to price risk. The Group is mainly exposed to the cost of energy.

#### (iii) Interest rate risk and cash flow risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk and an interest rate cap transaction. The Group manages its cash flow interest rate risk by mostly using float-to-fixed interest rate swaps. Under the swap agreements, the Group agrees with another party to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Under the rate cap transaction, the Group agreed with a counterparty to cap the interest rate at 1% for a portion of the forecasted interest rate exposure.

The exposure of the Group's borrowing to interest rate changes and the contractual re-pricing dates of the fixed interest rate borrowings at the end of the reporting period are as follows:

	2015	2014	2013
Variable rate borrowings . . . . .	189,917	150,667	106,000
Fixed interest rate borrowings . . . . .	283,095	226,844	172,262
	<b>473,012</b>	<b>377,511</b>	<b>278,262</b>

### Financial instruments in use by the Group

Swaps currently in place cover approximately 48.44% (2014: 49.11%; 2013: NA) of the variable loan principal outstanding.

The contracts require settlement of net interest receivable or payable every 90 days. The settlement dates coincide with the dates on which interest is payable on the underlying debt and settlement occurs on a net basis.

As at the end of the reporting period, the Group had the following variable rate borrowings and interest rate swap contracts outstanding:

	31 December 2015			31 December 2014			31 December 2013		
	Weighted average interest rate	Balance	% of the total Loans	Weighted average interest rate	Balance	% of the total Loans	Weighted average interest rate	Balance	% of the total Loans
Bank Overdrafts and Bank Loans . . . . .	4.46%	189,917	40.55%	4.55%	150,667	40.41%	4.77%	106,000	38.77%
Interest Rate Swaps (Notional Amount) . .		(92,000)			(74,000)			—	
<b>Net Exposure to Cash flow interest rate risk</b>		<b>97,917</b>	<b>20.91%</b>		<b>76,667</b>	<b>20.56%</b>		<b>106,000</b>	<b>38.77%</b>

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Amounts related to cash flow hedges that are recognised in profit or loss and other comprehensive income are as follows:

	2015	2014	2013
(Loss)/gain recognised in other comprehensive income . . . . .	(274)	(1,414)	—
Gains reclassified from other comprehensive income to profit or loss (finance costs) . . . . .	—	—	—

### Sensitivity analysis

According to interest rate sensitivity analyses performed for the years ending 31 December 2015 and 2014 (not for 2013 since in the income statement 2013 the operations of the basic-fit group were not consolidated), the impact on the profit and loss and components of equity due to up or down movements in the interest rates of 1 % are as follows:

<u>Interest rate movement</u>	<u>Impact on post Tax Profit</u>			<u>Impact on other components of equity pre Tax Profit</u>		
	2015	2014	2013	2015	2014	2013
Increase by 100 basis points . . . . .	(734)	(575)	—	2,634	1,796	—
Decrease by 100 basis points . . . . .	NA*	47	—	(2,635)	(1,798)	—

\* Not applicable as EURIBOR cannot be lower than zero due an interest rate floor on floating loan, therefore there will be no impact to the consolidated statement of comprehensive income if the interest rate decreases by 100 basis points.

The Group's receivables are carried at amortised cost. They are not subject to interest rate risk as defined in IFRS 7, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Management did not identify any other market risks which could have a significant impact on the Group.

## 5 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Group monitors capital on the basis of its net debt position and its debt service coverage ratio. Net debt is calculated as total borrowings (excluding shareholder loans as shown in the consolidated balance sheet) less cash and cash equivalents. The debt service coverage ratio should be a positive amount. This ratio is calculated by deducting the interest payments and debt repayments from the Group's operational cash flow plus amounts drawn under the available capex borrowing facilities less any capital expenditures. For all the periods presented the debt service coverage ratio was positive.

The net debt development at 31 December 2015, at 31 December 2014 and 31 December 2013 was as follows:

	31 December 2015	31 December 2014	31 December 2013
Total borrowings (incl. capitalised finance costs) . . . . .	468,354	372,883	273,415
Less: long term shareholder loans . . . . .	(201,082)	(179,865)	(142,595)
Less: cash and cash equivalents . . . . .	(12,328)	(13,255)	(7,818)
<b>Net debt excluding long term shareholder loans. . . . .</b>	<b>254,944</b>	<b>179,763</b>	<b>123,002</b>

The increase in net debt during 2014 and 2015 resulted primarily from financing investments in new club openings.

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## Loan Covenants

Under the terms of the major borrowing facilities, the Group is required (as from 31 March 2014) to comply with the following financial covenants:

- Its debt service coverage ratio should be more than 1 (2014: 1);
- The ratio of EBITDA to net finance costs should be more than 3.82 (2014: 3.20);
- The ratio of net debt to EBITDA should not be more than 4.92 (2014: 4.30).

The Group has complied with these covenants throughout the reporting period. As at 31 December 2015 the debt service coverage ratio was 1.03 (31 December 2014: 1.36), the ratio of EBITDA to net finance costs was 5.33 (31 December 2014: 5.98) and the ratio of net debt to EBITDA was 3.95 (31 December 2014: 3.36).

In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt.

## 6 Fair value estimation

As at 31 December 2015, the Group has 5 (2014: 3; 2013: -) financial instruments measured at fair value. These instruments relate to interest rate swaps which are designated as hedging instrument in a cash flow hedge relationship. Furthermore there is one rate cap transaction which is not included in a hedge relationship. The derivatives are classified as level 2 valuation in accordance with the fair value hierarchy as described in IFRS 13. An explanation of each level follows underneath the table.

31 December 2015				
Assets	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Derivatives used for hedging – interest rate swaps	—	—	—	—
<b>Total assets</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Liabilities</b>				
<b>Financial liabilities</b>				
Derivatives used for hedging – interest rate swaps	—	1,687	—	1,687
<b>Total liabilities</b>	<b>—</b>	<b>1,687</b>	<b>—</b>	<b>1,687</b>
31 December 2014				
Assets	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Derivatives used for hedging – interest rate swaps	—	—	—	—
<b>Total assets</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Liabilities</b>				
<b>Financial liabilities</b>				
Derivatives used for hedging – interest rate swaps	—	1,414	—	1,414
<b>Total liabilities</b>	<b>—</b>	<b>1,414</b>	<b>—</b>	<b>1,414</b>

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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 data (that is, unobservable inputs)

For all years presented, the Group held only financial instruments which classify as Level 2 fair values. The Group did not hold any Level 1 or Level 3 financial instruments and there were also no transfers between levels during the years. The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques which maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The fair value of the interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves (discounted cash flow model).

### Fair values, including valuation methods and assumptions

- At 31 December 2015, 2014 and 31 December 2013 the carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables and short-term borrowings approximated their fair values due to the short-term maturities of these assets and liabilities.
- At 31 December 2015, 2014 and 31 December 2013 the fair values of other long-term financial assets (security deposits) are not materially different from the carrying amounts.
- At 31 December 2014 and 31 December 2013 the fair values of the long-term borrowings are not materially different from the carrying amounts. At 31 December 2015 the reasonable approximations of the fair values of the long term borrowings are as follows:

	31 December 2015	
	Carrying amount*	Fair value
<b>Long term borrowings (incl. short term portion)</b>		
Lease Commitments . . . . .	(74,662)	(78,113)
Other Long Term Financing . . . . .	(1,351)	(1,351)
Bank borrowings at variable interest rates . . . . .	(124,917)	(122,935)
Capex/acquistion facilities . . . . .	(65,000)	(65,410)
Shareholder loans at fixed interest rates . . . . .	(201,082)	(219,057)
<b>Total</b> . . . . .	<b>(467,012)</b>	<b>(486,866)</b>

\* Excluding capitalised finance costs

## 7 Critical accounting estimates and judgments

The preparation of consolidated financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are considered to be reasonable under the circumstances.

### 7.1 Critical accounting estimates and assumptions

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

#### *Impairment of non-current assets*

The Group determines whether property, plant and equipment are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the relevant cash-generating

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unit (“CGU”). Recoverable amount is the higher of fair value less costs of disposal and value in use. For the purpose of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows, known as cash-generating units.

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters.

### *Estimated impairment of goodwill*

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations.

### *Useful lives*

The useful lives and residual values of the Group assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. Estimated useful economic lives of property, plant and equipment and intangibles are based on management’s judgement and experience. When management identifies that actual useful lives differ materially from the estimates used to calculate depreciation and amortisation, that charge is adjusted prospectively. Due to the significance of capital investment, variations between actual and estimated useful lives could impact operating results both positively and negatively.

The useful life used to amortise intangible assets relates to the expected future performance of the assets acquired and management’s judgement of the period over which economic benefit will be derived from the asset.

Historically changes in useful lives and residual values have not resulted in material changes to the Group’s depreciation or amortisation charge.

### *Deferred tax assets*

The Group is subject to income taxes both in the Netherlands and a number of other jurisdictions. Judgment is required in determining current tax expense, uncertain tax positions, deferred tax assets and deferred tax liabilities; and the extent to which deferred tax assets can be recognised. Estimates are based on forecasted future taxable income and tax planning strategies. Based on these estimates and assumptions, tax losses carry forward, temporary differences and tax credits for which no deferred tax assets are recognised due to uncertainty. Reference is made to note 15.

The utilisation of deferred tax assets is dependent on future taxable profit in excess of the profit arising from the reversal of existing taxable temporary differences. The recognition of deferred tax assets is based on the assessment of whether it is more likely than not that sufficient taxable profit will be available in the future to utilise the reversal of temporary differences and tax losses. Recognition of deferred tax assets involves judgment regarding the future financial performance of the particular legal entity or tax group that has recognised the deferred tax asset.

## **7.2 Critical judgements in applying the entity’s accounting policies**

In the process of applying the Group’s accounting policies, which are described in note 2, management has made the following judgements that have a significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with above).

### *Recognition of provisions*

The Group is subject to a number of matters which could lead to an outflow of economic benefits. In making an assessment as to whether such matters require either provision or disclosure, management is required to consider, amongst other factors, whether a constructive obligation exists at the balance sheet date and whether the resulting risk of an outflow of economic benefits is probable (requiring a provision), less than probable but more than remote (requiring disclosure) or remote (requiring neither provision nor disclosure).

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### *Decommissioning liabilities*

For certain fitness club locations, the Group has a contractual obligation to bring locations back to an agreed-upon state. For such obligations, the Group has not recorded a decommissioning liability. Management judgement is that, based on limited historical experience, the likelihood that the Group will be required to restore a location to its original state is remote. Fitness club locations are often renovated to a better state than its original state and also the duration of a lease contract is usually longer than ten years. As a consequence, very minimal requests for restorations have been made by lessors of locations over the years. Therefore, no decommissioning liabilities have been recognised by the Group.

### **8 Revenue**

The Group derives the following types of revenue:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Fitness revenue. . . . .	197,482	158,719	—
Other revenues. . . . .	4,740	3,350	—
	<u>202,222</u>	<u>162,069</u>	<u>—</u>

Other revenues mostly relate to revenues from personal trainer services, revenues from sales of energy drinks and nutritional bars, rental income and other revenues.

The breakdown of revenues geographically:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
The Netherlands. . . . .	82,970	68,450	—
Belgium. . . . .	90,539	71,481	—
Luxembourg . . . . .	7,308	5,256	—
France. . . . .	9,151	7,619	—
Spain. . . . .	12,254	9,263	—
	<u>202,222</u>	<u>162,069</u>	<u>—</u>

### **9 Employee benefits expenses**

The employee benefits can be broken out as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Salaries and wages . . . . .	(31,040)	(25,632)	—
Social security contributions . . . . .	(8,473)	(7,174)	—
Pension costs – defined contribution plans . . . . .	(235)	(157)	—
	<u>(39,748)</u>	<u>(32,963)</u>	<u>—</u>



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## 10 Average number of employees

During the year 2015, the average number of employees calculated on a full-time-equivalent basis was 1,233 (2014: 1,008; 2013: 0). Of these employees 665 were employed abroad (2014: 585; 2013: 0).

The average numbers of personnel during the period were employed in the following geographies and functional areas:

	2015	2014	2013
Netherlands . . . . .	568	423	—
Belgium . . . . .	427	388	—
Luxembourg . . . . .	20	25	—
France . . . . .	60	58	—
Spain . . . . .	158	114	—
	<b>1,233</b>	<b>1,008</b>	—
Club . . . . .	1,053	882	—
Head office . . . . .	180	126	—
	<b>1,233</b>	<b>1,008</b>	—

For the disclosure of the remuneration of the Group's key management personnel, reference is made to note 31.

## 11 Depreciation, amortisation and impairment charges

	2015	2014	2013
Depreciation of property, plant and equipment . . . . .	(35,337)	(23,971)	—
Amortisation of other intangible assets . . . . .	(14,907)	(13,595)	—
Impairment on property, plant and equipment . . . . .	(125)	(2,999)	—
Reversal of impairment on property, plant and equipment . . . . .	2,386	—	—
	<b>(47,983)</b>	<b>(40,565)</b>	—

## 12 Other operating income

	2015	2014	2013
Net gain on disposal of property, plant and equipmen . . . . .	864	588	—
Net gain on disposal of fitnessclub . . . . .	745	—	—
Recharged overhead costs to related parties . . . . .	170	628	—
	<b>1,779</b>	<b>1,216</b>	—

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## 13 Other operating expenses

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Other personnel expenses . . . . .	(12,570)	(8,066)	—
Rent expenses . . . . .	(44,513)	(34,495)	—
Housing expenses . . . . .	(26,182)	(21,409)	—
Selling expenses . . . . .	(8,956)	(8,500)	—
Write-off of bad debts, incl. collection agency cost . . . . .	(5,422)	(3,877)	—
Lease equipment (operating lease) . . . . .	(396)	(306)	—
Car expenses . . . . .	(1,337)	(1,204)	—
Overhead and transaction related expenses . . . . .	(8,031)	(9,623)	(6,483)
	<u>(107,407)</u>	<u>(87,480)</u>	<u>(6,483)</u>

## 14 Finance income and costs

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Finance cost:			
– Interest on external debt and borrowings . . . . .	(15,526)	(10,107)	(154)
– Interest on shareholder loans . . . . .	(21,217)	(18,270)	(516)
– Other finance costs . . . . .	(273)	(118)	—
Total finance cost . . . . .	<u>(37,016)</u>	<u>(28,495)</u>	<u>(670)</u>
Finance income:			
– Interest on bank balances . . . . .	—	—	—
– Other interest income . . . . .	—	—	296
Total finance income . . . . .	<u>—</u>	<u>—</u>	<u>296</u>
<b>Net finance expenses . . . . .</b>	<b><u>(37,016)</u></b>	<b><u>(28,495)</u></b>	<b><u>(374)</u></b>

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## 15 Income tax expense

### *Income tax expense*

The major components of income tax expense for the years 31 December 2015, 2014 and 2013 are:

#### Consolidated statement of comprehensive income

	2015	2014	2013
<i>Current tax (recognised in profit or loss):</i>			
Current income tax charge . . . . .	(18)	(22)	(1)
Adjustments in respect of current income tax of previous year	—	169	—
	<b>(18)</b>	<b>147</b>	<b>(1)</b>
<i>Deferred income tax:</i>			
Increase in deferred tax assets recognised in Other comprehensive income . . . . .	68	354	—
Increase in deferred tax assets recognised in profit or loss . . . .	4,951	2,657	—
Decrease in deferred tax liabilities recognised in profit or loss. .	1,415	1,783	—
	<b>6,434</b>	<b>4,794</b>	<b>—</b>
<b>Total income tax. . . . .</b>	<b>6,416</b>	<b>4,941</b>	<b>(1)</b>
Income tax benefit reported in the profit or loss section of the consolidated statement of comprehensive income. . . . .	6,348	4,587	(1)
Deferred tax on cash flow hedges reported in the other comprehensive income section of the consolidated statement of comprehensive income . . . . .	68	354	—

The effective income tax rate is calculated as follows:

	2015	2014	2013
Profit (loss) before income tax . . . . .	(29,313)	(27,094)	(6,857)
Income tax benefit . . . . .	6,348	4,587	(1)
<i>Effective income tax rate . . . . .</i>	<i>21.65%</i>	<i>16.93%</i>	<i>-0.02%</i>
<i>Applicable income tax rate. . . . .</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>

The effective income tax amount on the Group's profit before tax differs from the statutory income tax amount that would arise using the applicable statutory income tax rate. This difference is further reconciled below.

#### Amounts recognised directly in equity

All aggregate current and deferred tax arising in the reporting period have been recognised in either the net profit or loss or other comprehensive income. No taxes have been directly debited or credited to equity.

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## Effective income tax reconciliation

	2015	2014	2013
<b>Profit (loss) before income tax expense</b>	<b>(29,313)</b>	<b>(27,094)</b>	<b>(6,857)</b>
<b>At the Dutch applicable income tax rate of 25% (2014: 25%) . . .</b>	<b>(7,328)</b>	<b>(6,774)</b>	<b>(1,714)</b>
Difference in overseas tax rates . . . . .	(308)	(337)	—
Adjustments in respect to current income tax of prior periods .	—	(169)	—
Utilisation of previously unrecognised tax losses . . . . .	(415)	(89)	—
Tax losses for which no deferred tax asset has been recognised	1,459	2,563	610
Correction tax free income . . . . .	(35)	(20)	(1)
<i>Non-deductible expenses for tax purposes</i>			
Mixed expenses . . . . .	258	207	—
Other non-deductible expenses . . . . .	21	32	1,106
<b>At the effective income tax rate of 21.65% (2014: 16.93%; 2013: -0.02%) . . . . .</b>	<b>6,348</b>	<b>4,587</b>	<b>(1)</b>
<i>Income tax benefit reported in the profit or loss section of the consolidated statement of comprehensive income . . . . .</i>	<i>6,348</i>	<i>4,587</i>	<i>(1)</i>

### Deferred taxes

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	31 December 2015	31 December 2014	31 December 2013
<i>Deferred tax assets:</i>			
Deferred tax asset to be recovered after more than 12 months .	14,726	7,339	4,774
Deferred tax asset to be recovered within 12 months . . . . .	357	2,753	817
	<b>15,083</b>	<b>10,092</b>	<b>5,591</b>
<i>Deferred tax liabilities:</i>			
Deferred tax liability to be recovered after more than 12 months	(25,308)	(26,293)	(24,605)
Deferred tax liability to be recovered within 12 months . . . . .	(3,242)	(3,365)	(3,422)
	<b>(28,550)</b>	<b>(29,658)</b>	<b>(28,027)</b>
<b>Deferred tax liabilities net . . . . .</b>	<b>(13,467)</b>	<b>(19,566)</b>	<b>(22,436)</b>

The gross movement on the deferred income tax account is as follows:

	2015	2014	2013
<b>Opening balance as of 1 January</b>	<b>(19,566)</b>	<b>(22,436)</b>	—
Income tax benefit during the period recognised in profit or loss	6,366	4,440	—
Net deferred taxes acquired in business combinations . . . . .	(335)	(1,924)	(22,436)
Deferred tax on cash flow hedges reported in the other comprehensive income section of the consolidated statement of comprehensive income . . . . .	68	354	—
<b>Closing balance as at 31 December . . . . .</b>	<b>(13,467)</b>	<b>(19,566)</b>	<b>(22,436)</b>

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The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Consolidated statement of financial position			Consolidated statement of comprehensive income		
	31 December 2015	31 December 2014	31 December 2013	2015	2014	2013
Losses available for offsetting against future taxable income . . . . .	14,585	7,928	5,092	6,657	1,378	—
Recognition of (in)tangible assets due to PPA . . . . .	(24,621)	(27,470)	(27,425)	3,155	3,062	—
Temporary differences due to IFRS conversion . . . . .	(3,853)	(378)	(103)	(3,446)	0	—
Deferred tax on cash flow hedges reported in the other . . . . .	422	354	—	68	354	—
comprehensive income section of the consolidated statement of comprehensive income						
<b>Deferred tax expense/(income) . . . . .</b>				<b>6,434</b>	<b>4,794</b>	<b>—</b>
<b>Net deferred tax assets/(liabilities) . . . . .</b>	<b>(13,467)</b>	<b>(19,566)</b>	<b>(22,436)</b>			
Reflected in the statement of financial position as follows:						
Deferred tax assets . . . . .	15,083	10,092	5,591			
Deferred tax liabilities . . . . .	(28,550)	(29,658)	(28,027)			
<b>Deferred tax liabilities net . . . . .</b>	<b>(13,467)</b>	<b>(19,566)</b>	<b>(22,436)</b>			

### Tax losses

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

No deferred tax assets have been recognised for gross loss carry-forwards amounting to EUR 55,114 thousand (2014: EUR 50,040 thousand; 2013: EUR 44,323 thousand).

The unrecognised gross amount of tax losses and tax credits expire as follows:

	31 December 2015	31 December 2014	31 December 2013
Within 1 year . . . . .	—	—	—
In the next 2 to 5 years . . . . .	895	683	—
In the next 6 to 9 years . . . . .	10,649	9,341	2,338
After 9 years . . . . .	40,668	38,850	41,985
Never expire . . . . .	2,902	1,166	—
<b>Total . . . . .</b>	<b>55,114</b>	<b>50,040</b>	<b>44,323</b>

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## 16 Property, plant and equipment

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

	Building improvement	Other fixed assets	Total
<b>At 20 November 2013:</b>			
Cost . . . . .	—	—	—
Accumulated impairments and depreciation . . . . .	—	—	—
<b>Net book value . . . . .</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Year ended 31 December 2013</b>			
<b>Opening net book value . . . . .</b>	<b>—</b>	<b>—</b>	<b>—</b>
Acquisition of subsidiary. . . . .	53.929	41.412	95.341
<b>Closing net book value. . . . .</b>	<b>53.929</b>	<b>41.412</b>	<b>95.341</b>
<b>At 31 December 2013</b>			
Cost . . . . .	53.929	41.412	95.341
Accumulated impairments and depreciation . . . . .	—	—	—
<b>Closing net book value. . . . .</b>	<b>53.929</b>	<b>41.412</b>	<b>95.341</b>
<b>Year ended 31 December 2014</b>			
<b>Opening net book value . . . . .</b>	<b>53.929</b>	<b>41.412</b>	<b>95.341</b>
Additions. . . . .	25.737	42.443	68.180
Disposals. . . . .	(972)	(2.999)	(3.971)
Acquisition of subsidiary. . . . .	12.813	5.255	18.068
Depreciation for the year . . . . .	(9.886)	(14.085)	(23.971)
Impairment . . . . .	(2.999)	—	(2.999)
Depreciation of disposals . . . . .	1.022	185	1.207
<b>Closing net book value. . . . .</b>	<b>79.644</b>	<b>72.211</b>	<b>151.855</b>
<b>At 31 December 2014</b>			
Cost . . . . .	91.507	86.111	177.618
Accumulated impairments and depreciation . . . . .	(11.863)	(13.900)	(25.763)
<b>Closing net book value. . . . .</b>	<b>79.644</b>	<b>72.211</b>	<b>151.855</b>
<b>Year ended 31 December 2015</b>			
<b>Opening net book value . . . . .</b>	<b>79.644</b>	<b>72.211</b>	<b>151.855</b>
Additions. . . . .	65.859	53.778	119.637
Accumulated cost of disposals . . . . .	(1.911)	(5.265)	(7.176)
Acquisition of subsidiary. . . . .	8.910	109	9.019
Depreciation for the year . . . . .	(13.393)	(21.944)	(35.337)
Impairment . . . . .	(125)	—	(125)
Reversal on impairment . . . . .	2.386	—	2.386
Transfer from intangibles (cost). . . . .	1.567	107	1.674
Transfer from intangibles (amortisation). . . . .	(244)	(21)	(265)
Depreciation of disposals . . . . .	1.380	4.340	5.720
<b>Closing net book value. . . . .</b>	<b>144.073</b>	<b>103.315</b>	<b>247.388</b>
<b>At 31 December 2015:</b>			
Cost . . . . .	165.932	134.840	300.772
Accumulated impairments and depreciation . . . . .	(21.859)	(31.525)	(53.384)
<b>Closing net book value. . . . .</b>	<b>144.073</b>	<b>103.315</b>	<b>247.388</b>



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In 2014, the impairment loss of EUR 3 million represented the write-down of certain property, plant and equipment following impairment testing procedures. This resulted in a lower recoverable value compared to book value in France (EUR 2,650 thousand). Additionally, certain property, plant and equipment was written down (Spain EUR 300 thousand; other countries EUR 49 thousand). In 2015 the impairment loss of EUR 125 thousand represented the write-down of certain property, plant and equipment in Belgium (EUR 90 thousand) and Spain (EUR 35 thousand).

In 2015 the impairment recognised in France in 2014 was reversed for an amount of EUR 2,386 due to the adjustment of the expected results. This reversal is presented as part of Depreciation, amortisation and impairment charges in the income statement (see note 11).

### *Finance leases*

The Group leases various vehicles and fitness equipment under non-cancellable finance lease agreements. The lease terms are between 1 and 5 years and economic ownership of the assets lies within the Group. The carrying value of property, plant and equipment held under finance leases at 31 December 2015 was EUR 74.7 million (2014: EUR 44.8 million; 31 December 2013: EUR 20.6 million). Additions during the year include EUR 47.8 million (2014: EUR 30.6 million; 2013: nil) of property, plant and equipment held under finance leases.

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## 17 Intangible assets

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

	Goodwill	Trademark	Customer relationships	Other intangible assets	Total
<b>At 20 November 2013</b>					
Cost . . . . .	—	—	—	—	—
Accumulated impairments and amortisation . . . . .	—	—	—	—	—
<b>Net book value . . . . .</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Year ended 31 December 2013</b>					
<b>Opening net book value</b>					
Acquisition of subsidiary . . . . .	150,666	44,918	46,272	18,118	259,974
<b>Closing net book value . . . . .</b>	<b>150,666</b>	<b>44,918</b>	<b>46,272</b>	<b>18,118</b>	<b>259,974</b>
<b>At 31 December 2013</b>					
Cost . . . . .	150,666	44,918	46,272	18,118	259,974
Accumulated impairments and amortisation . . . . .	—	—	—	—	—
<b>Net book value . . . . .</b>	<b>150,666</b>	<b>44,918</b>	<b>46,272</b>	<b>18,118</b>	<b>259,974</b>
<b>Year ended 31 December 2014</b>					
<b>Opening net book value . . . . .</b>					
Additions . . . . .	—	—	—	2,249	2,249
Acquisition of subsidiary . . . . .	36,349	—	8,210	5,785	50,344
Amortisation for the year . . . . .	—	(2,246)	(7,462)	(3,887)	(13,595)
Other . . . . .	—	—	—	(22)	(22)
<b>Closing net book value . . . . .</b>	<b>187,015</b>	<b>42,672</b>	<b>47,020</b>	<b>22,243</b>	<b>298,950</b>
<b>At 31 December 2014</b>					
Cost . . . . .	187,015	44,918	54,482	26,152	312,567
Accumulated impairments and amortisation . . . . .	—	(2,246)	(7,462)	(3,909)	(13,617)
<b>Net book value . . . . .</b>	<b>187,015</b>	<b>42,672</b>	<b>47,020</b>	<b>22,243</b>	<b>298,950</b>
<b>Year ended 31 December 2015</b>					
<b>Opening net book value . . . . .</b>					
Additions . . . . .	—	—	—	2,947	2,947
Accumulated cost of disposals . . . . .	—	—	—	(66)	(66)
Acquisition of subsidiary . . . . .	335	—	2,442	3,988	6,765
Amortisation for the year . . . . .	—	(2,246)	(7,909)	(4,752)	(14,907)
Transfer to tangibles (cost) . . . . .	—	—	—	(1,674)	(1,674)
Transfer to tangibles (amortisation) . . . . .	—	—	—	266	266
Depreciation of disposals . . . . .	—	—	—	66	66
<b>Closing net book value . . . . .</b>	<b>187,350</b>	<b>40,426</b>	<b>41,553</b>	<b>23,018</b>	<b>292,347</b>
<b>At 31 December 2015</b>					
Cost . . . . .	187,350	44,918	56,924	31,347	320,539
Accumulated impairments and amortisation . . . . .	—	(4,492)	(15,371)	(8,329)	(28,192)
<b>Net book value . . . . .</b>	<b>187,350</b>	<b>40,426</b>	<b>41,553</b>	<b>23,018</b>	<b>292,347</b>

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### Impairment tests for goodwill

Goodwill acquired through business combinations is allocated to and monitored on the level of the five CGU's as follows:

	Netherlands	Belgium	France	Spain	Luxembourg	Total
<b>20 November 2013</b>	—	—	—	—	—	—
Acquisitions . . . . .	82,210	65,261	—	3,195	—	150,666
<b>31 December 2013 . . . . .</b>	<b>82,210</b>	<b>65,261</b>	<b>—</b>	<b>3,195</b>	<b>—</b>	<b>150,666</b>
Acquisitions . . . . .	5,590	18,164	—	—	12,595	36,349
<b>31 December 2014 . . . . .</b>	<b>87,800</b>	<b>83,425</b>	<b>—</b>	<b>3,195</b>	<b>12,595</b>	<b>187,015</b>
Acquisitions . . . . .	335	—	—	—	—	335
<b>31 December 2015 . . . . .</b>	<b>88,135</b>	<b>83,425</b>	<b>—</b>	<b>3,195</b>	<b>12,595</b>	<b>187,350</b>

The Group performed its impairment tests as at 31 December 2013, 2014 and 2015 in accordance with the accounting policy stated in note 2.

### Calculation of recoverable amount

The recoverable amount as at 31 December 2013, 2014 and 2015 has been determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a five-year-period. These cash flow projections only include existing clubs and do not consider any new club openings. The pre-tax discount rates applied to the cash flow projections are shown in the table below. Cash flows beyond the five-year period are extrapolated using a terminal growth rate of 0.5% for all operating segments, which is the estimated long-term average growth rate in the industry.

Pre-Tax WACC discount rate	Netherlands	Belgium	France	Spain	Luxembourg
31 December 2013 . . . . .	13.9%	16.4%	16.0%	17.4%	NA
31 December 2014 . . . . .	11.7%	14.0%	13.6%	15.0%	12.3%
31 December 2015 . . . . .	10.2%	12.5%	12.2%	12.8%	10.8%

### Key assumptions used

The calculations of value in use for the operating segments are most sensitive to the following assumptions:

- Terminal Growth rate;
- Discount rates; and
- Growth in membership revenues whilst maintaining relatively stable EBITDA margins

*Terminal growth rate* – The Terminal Growth Rate is based on management's expectations of market development and industry expectations.

*Discount rates* – The Pre-Tax WACC discount rate represents management's market assessment of the risks specific to the operating segments regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The Pre-tax WACC discount rate calculation takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest bearing borrowings the group is obliged to service. Segment specific risks are incorporated by applying individual beta factors.

*Growth in membership revenues whilst maintaining relatively stable EBITDA margins* – The cash flow projections assume a compound annual growth rate of fitness membership revenues over the forecasted budget period of 3.3% for the Netherlands, 2.9% for Belgium, 4.3% for Luxembourg, 5.0% for France and 3.9% for Spain (2014: 3% for the Netherlands, 3.4% for Belgium, 0% for Luxembourg, 1.5% for France and 3.7% for Spain; 2013: 6.6% for the Netherlands, 9.3% for Belgium, NA for

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Luxemburg, -6.8% for France and 7.8% for Spain). The cash flow projections are based on the Company's analyses and the financial budgets approved by management covering a five-year period. These projections only include existing clubs and do not consider any new club openings. The growth rates are based on management's historical experience on membership developments taking into consideration the maturity of existing clubs. After the forecast period the revenues are expected to grow with 0.5% annually. At the same time the cash flow projections assume that Adjusted EBITDA margins over the budget period will remain relatively stable overall compared to historical Adjusted EBITDA margins.

Based on the calculated recoverable amounts significant headroom exists and the sensitivity analysis prepared does not indicate that a reasonably possible change in key assumptions on which the Group has based its determination of the recoverable amounts would result in impairment.

### 18 Financial instruments by category

Financial instruments by category comprise the following:

Assets	31 December 2015		31 December 2014		31 December 2013	
	Derivatives at FVPL	Loans and receivables	Derivatives at FVPL	Loans and receivables	Derivatives at FVPL	Loans and receivables
Trade and other receivables excluding prepayments . . . . .	—	7,616	—	7,221	—	4,215
Cash and cash equivalents . . . . .	—	12,328	—	13,255	—	7,818
<b>Total . . . . .</b>	<b>—</b>	<b>19,944</b>	<b>—</b>	<b>20,476</b>	<b>—</b>	<b>12,033</b>

	31 December 2015		31 December 2014		31 December 2013	
	Derivatives at FVPL	Other financial liabilities at amortised cost	Derivatives at FVPL	Other financial liabilities at amortised cost	Derivatives at FVPL	Other financial liabilities at amortised cost
Borrowings (excluding finance lease liabilities) . . . . .	—	185,259	—	146,039	—	101,153
Finance lease liabilities . . . . .	—	74,662	—	44,809	—	24,283
Derivative financial instruments . .	1,687	—	1,414	—	—	—
Payables to shareholder . . . . .	—	201,082	—	179,865	—	142,595
Short term loan key management member . . . . .	—	6,000	—	—	—	—
Other long term payables . . . . .	—	1,351	—	2,170	—	5,384
Trade and other payables	—	47,763	—	33,827	—	16,231
<b>Total . . . . .</b>	<b>1,687</b>	<b>516,117</b>	<b>1,414</b>	<b>406,710</b>	<b>—</b>	<b>289,646</b>

The carrying amount of the above financial instruments represents the maximum exposure. Reference is made to note 4a for a description of the credit quality of financial assets that are neither past due nor impaired.

### 19 Derivative financial instruments and hedging activities

The Group entered into interest rate swaps with Rabobank, ING Bank and ABN AMRO Bank on 7 January 2014 with a total notional amount of EUR 74 million (reducing to zero in 5 years) in order to hedge interest risks related to the loan with variable interest rate entered into in 2013. The swap is effective from 7 January 2014 with a termination date of 20 December 2018. The contract will swap quarterly interest payments where Miktom Topco will pay a fixed interest of 0.855% and will receive interest based on the 3 Months Euribor. No ineffective portion of these swaps have been recognised in the profit or loss as the swaps were determined as effective.

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On 26 June 2015, the Group entered into interest rate swaps with Rabobank and ING Bank with a total notional amount of EUR 25 million (increases EUR 70 million at year end 2016 and then reduces to zero in 2 years) in order to hedge interest risks related to the loan with variable interest rate entered into in 2015. The swap is effective from 31 December 2015 with a termination date of 31 December 2018. The contract will swap quarterly interest payments where Miktom Topco B.V. will pay a fixed interest of 0.293% and will receive interest based on the 3 Months Euribor. No ineffective portion of these swaps have been recognised in the profit or loss as the swaps were determined as effective.

Additionally, there is one rate cap transaction which is not included in a hedge relationship.

### 20 Receivables

	31 December 2015	31 December 2014	31 December 2013
Member and trade receivables . . . . .	11,951	11,318	7,697
Less: allowance for doubtful accounts . . . . .	(4,335)	(4,097)	(3,482)
Trade receivables – net . . . . .	<b>7,616</b>	<b>7,221</b>	<b>4,215</b>
Security deposit . . . . .	2,180	1,604	755
Loan receivable . . . . .	150	—	—
Taxes and social charges . . . . .	2,434	1,304	1,146
Receivable from shareholders . . . . .	10	10	—
Receivable from related parties . . . . .	—	1	174
Other receivables, prepayments and accrued income . . . . .	2,331	1,979	902
<b>Total receivables . . . . .</b>	<b>14,721</b>	<b>12,119</b>	<b>7,192</b>
Less: non-current portion of security deposits . . . . .	2,180	1,604	755
Less: non-current loan receivable . . . . .	150	—	—
<b>Total non-current portion . . . . .</b>	<b>2,330</b>	<b>1,604</b>	<b>755</b>
<b>Total current portion . . . . .</b>	<b>12,391</b>	<b>10,515</b>	<b>6,437</b>

The fair value of the receivables approximates the book value. No breakdown of the fair values of trade and other receivables has been included as the differences between the book values and the fair values are insignificant.

The receivable from related parties/ shareholders, as disclosed in note 31, bear no interest and no repayment schedule is agreed upon. In respect of securities, no agreements have been made.

The carrying amounts of the Group's trade and other receivables are all denominated in euros.

Movements on the Group provision for impairment of trade receivables are as follows:

	2015	2014	2013
<b>At 1 January 2015, 2014 and 20 November 2013</b>	<b>(4,097)</b>	<b>(3,482)</b>	—
New in consolidation . . . . .	—	(1,351)	(3,482)
Provision for impairment recognised during the year . . . . .	(4,427)	(3,268)	—
Receivables written off during the year as uncollectible . . . . .	4,189	4,004	—
<b>At 31 December . . . . .</b>	<b>(4,335)</b>	<b>(4,097)</b>	<b>(3,482)</b>

The creation and release of provision for impaired receivables have been included in 'other operating expenses' in the income statement (note 13). Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

As described in note 4a regarding credit risk, all accounts receivable balances are automatically past due. The estimated provision for impairment losses is recognised based on historical evidence with respect to the collectability in each of the ageing buckets.

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The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due (The Group does not hold any collateral in relation to these receivables).

### 21 Inventories

The composition of the inventories is as follows:

	31 December 2015	31 December 2014	31 December 2013
Goods for resale. . . . .	791	223	255
Total. . . . .	791	223	255

Goods for resale mainly consist of sports drinks which members with a (paid) “sports drink add-on” can drink in the clubs.

The Group did not write down inventory balances during the year 2015 (2014: nil; 2013: nil).

### 22 Cash and cash equivalents

The composition of cash and cash equivalents is as follows:

	31 December 2015	31 December 2014	31 December 2013
Cash in bank and on hand . . . . .	12,169	13,106	7,713
Cash in transit . . . . .	159	149	105
Total. . . . .	12,328	13,255	7,818

There are no restrictions on the usage of cash.

### 23 Equity

The Company’s authorised capital consist of 30 million shares that have all been issued. The nominal value of these shares is EUR 0.01 per share, hence the total authorised capital amounts to EUR 300 thousand.

The Company was incorporated on 20 November 2013, after the issuance of 450 Class A type shares and 550 Class B type shares for EUR 0.01 per share for a total amount of EUR 1,000. This amount includes a share premium of EUR 990. Subsequently, in December 2013, an additional number of shares (12,824,550 Class A shares, 15,674,450 Class B shares and 1,500,000 Class C shares) were issued for a total amount of approximately EUR 299,99 thousand, including a share premium of EUR 29,699 thousand. This includes 1,297,471 shares related to the convertible loan as per 31 December 2013. This loan should be classified as other reserve in equity in accordance with IAS 32. This loan was converted into B shares in May 2014. These shares are also taken into account in the calculation of the weighted average number of ordinary shares for the earnings per share calculation.

The share premium concerns the income from the issuing of shares in so far as this exceeds the nominal value of the shares (above par income).

The losses of the periods 2015, 2014 and 2013 have been included in retained earnings.

The cash flow hedge reserve is a legal reserve, in accordance with Dutch law, for the fair value movements of the interest rate swaps designated as cash flow hedges for which cash flow hedge accounting is applied in accordance with the accounting policies disclosed in the consolidated financial statements.

### 24 Share-based payments

Selected managers of the Group, statutory directors and supervisory directors (“the participants”) have been given the opportunity to participate indirectly in the share capital of the Company via Miktom Manco B.V. (“Manco”), which holds Class C shares in the Company. The shares in Manco are held by the foundation Stichting Administratiekantoor Miktom (“the STAK”), which has issued Depositary Receipts corresponding to each share in Manco.



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50% of the acquired Depositary Receipts will vest on the first anniversary of the acquisition date and the other 50% of the Depositary Receipts will vest on the second anniversary of the acquisition date. In case of an Exit event, 100% of the Depositary Receipts shall be deemed to have vested.

A participant voluntarily leaving the Group is obliged to offer all Depositary Receipts for a price equal to the price paid at the acquisition date or, if lower, the fair market value. In most cases, a participant will therefore have to be employed by a Group company at the date of an Exit event in order to obtain the market value of the underlying shares.

The Depositary Receipts shall be offered in the following order: (i) to the other Depositary Receipt Holders and/or a new participant; (ii) to the STAK, and (iii) to the other shareholders of the Company. The Company or another Group entity has no obligation to repurchase the Depositary Receipts from a participant or to otherwise settle these awards in cash. Accordingly, this arrangement is classified as an equity-settled share-based payment arrangement.

The movements in the number of Class C shares that the participants have indirectly acquired under the Company's share-based payment arrangement are as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
At January 1 . . . . .	1,467,750	1,483,100	—
Granted. . . . .	—	—	1,483,100
Forfeited . . . . .	(22,400)	(15,350)	—
At 31 December . . . . .	<u>1,445,350</u>	<u>1,467,750</u>	<u>1,483,100</u>
Of which:			
Vested . . . . .	1,445,350	733,875	—
Non-vested . . . . .	—	733,875	1,483,100

The participants that initially invested indirectly in the Company's Class C shares in December 2013, have done so at the same terms and conditions as the other shareholders investing in C shares. As the price paid by the participants was the same as the price paid by the other shareholders, management considers that the amounts paid for the share investments represent the fair value of the Company's C shares at that time.

Given that the participants have paid the estimated fair market value of the underlying Class C shares at each grant date, the fair value of the share-based payment awards is nil. Accordingly, there is no impact on the Group's results or its financial position from the Company's share-based payment arrangement.

### 25 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

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The basic and diluted EPS are as follows:

	2015 Cents	2014 Cents	2013 Cents
<b>Basic earnings per share</b>			
From continuing operations attributable to the ordinary equity holders of the company . . . . .	(76.55)	(75.02)	(85.20)
<b>Total basic earnings per share attributable to the ordinary equity holders of the company . . . . .</b>	<b>(76.55)</b>	<b>(75.02)</b>	<b>(85.20)</b>
<b>Diluted earnings per share*</b>			
From continuing operations attributable to the ordinary equity holders of the company . . . . .	(76.55)	(75.02)	(85.20)
<b>Total diluted earnings per share attributable to the ordinary equity holders of the company . . . . .</b>	<b>(76.55)</b>	<b>(75.02)</b>	<b>(85.20)</b>

\* There are no differences between basic and dilutive earnings per share as there are no dilutive shares

The following table reflects the income and share data used in the basic and diluted EPS computations:

	2015 Thousands	2014 Thousands	2013 Thousands
<b>Basic earnings per share</b>			
Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share:			
From continuing operations . . . . .	(22,965)	(22,507)	(6,858)
	(22,965)	(22,507)	(6,858)
<b>Profit attributable to the ordinary equity holders of the company used in calculating diluted earnings per share . . . . .</b>	<b>(22,965)</b>	<b>(22,507)</b>	<b>(6,858)</b>

The weighted average number of ordinary shares is used as the denominator in calculating basic and diluted earnings per share, as well as a reconciliation of these denominators to each other. The reconciliation below reflects the individual effect of each class of instruments that affects earnings per share.

	2015	2014	2013
Number of weighted average number of ordinary shares used as the denominator in calculating basic earnings per share* . . .	30,000,000	30,000,000	8,049,512
Adjustments for calculation of diluted earnings per share. . . . .	—	—	—
<b>Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share . . . . .</b>	<b>30,000,000</b>	<b>30,000,000</b>	<b>8,049,512</b>

\* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares transactions during the year.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

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## 26 Borrowings

The Group's interest-bearing borrowings are summarised in the following table:

	31 December 2015			31 December 2014			31 December 2013		
	Interest rate*	Maturity	Amount	Interest rate*	Maturity	Amount	Interest rate*	Maturity	Amount
<i>Non-Current Interest-Bearing Loans and Borrowings</i>									
Lease Commitments	8.73%	31-10-2020	50,962	4.95%	31-10-2019	29,689	4.18%	30-11-2018	15,879
Other Long Term Financing	9.19%	31-3-2020	409	6.85%	30-4-2018	1,462	7.25%	30-9-2016	1,295
Senior Debt Loan A	4.25%	31-12-2019	31,500	4.33%	31-12-2019	39,500	4.50%	31-12-2019	47,000
Senior Debt Loan B1	4.75%	31-12-2020	56,000	4.83%	31-12-2020	56,000	5.00%	31-12-2020	56,000
Senior Debt Loan B2	4.50%	31-12-2019	25,667	4.33%	31-12-2019	25,667	NA	NA	—
Capex / acquisition facility	4.33%	31-12-2019	65,000	4.58%	31-12-2019	20,000	NA	NA	—
Shareholder Senior Loan (A)	10.00%	31-1-2021	54,614	10.00%	31-1-2021	49,664	10.00%	31-1-2021	45,136
Shareholder Subordinated Loan (B)	13.00%	31-1-2021	124,446	13.00%	31-1-2021	110,181	13.00%	31-1-2021	97,459
Shareholder Subordinated Loan (C)	10.00%	19-6-2024	22,022	10.00%	19-6-2024	20,020	10.00%	19-6-2024	—
<b>Total Non-Current Interest-Bearing Loans and Borrowings</b>			<b>430,620</b>			<b>352,183</b>			<b>262,769</b>
Non-current portion of capitalised finance costs			(3,357)			(3,540)			(4,020)
<b>Total carrying value of Non-Current Interest-Bearing Loans and Borrowings</b>			<b>427,263</b>			<b>348,643</b>			<b>258,749</b>
<i>Current Interest-Bearing Loans and Borrowings</i>									
Lease Commitments	8.73%	31-12-2016	23,700	4.95%	31-12-2015	15,120	4.18%	31-12-2014	8,404
Other Long Term Financing	8.02%	30-9-2016	942	7.92%	30-11-2015	708	7.25%	31-12-2014	4,089
Bank borrowings	4.25%	31-12-2016	11,750	4.33%	31-12-2015	9,500	4.33%	31-12-2014	3,000
Loan from key management member	6.00%	31-12-2016	6,000	NA	NA	—	NA	NA	—
Capitalised finance costs			—			—			—
<b>Total Current Interest-Bearing Loans and Borrowings</b>			<b>42,392</b>			<b>25,328</b>			<b>15,493</b>
Current portion of capitalised finance costs			(1,301)			(1,088)			(827)
<b>Total carrying value of Current Interest-Bearing Loans and Borrowings</b>			<b>41,091</b>			<b>24,240</b>			<b>14,666</b>
<b>Total Interest-Bearing Loans and Borrowings</b>			<b>468,354</b>			<b>372,883</b>			<b>273,415</b>

\* These are the weighted average interest rates

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

### *Loan from key management member*

This is a short term loan that is due on or before 31 December 2016. The interest of 6% is added to the principal and is paid on the due date.

### *Shareholder Senior Loan (A)*

This senior loan instrument is a long-term loan with no repayment obligations until maturity. This loan will fall due on 18 December 2023 at the latest. The interest of 10% is added to the principal.

### *Shareholder Subordinated Loan (B)*

This subordinated loan note instrument is a long-term loan with no repayment obligations until maturity. This loan will fall due on 18 December 2023 at the latest. The interest of 13% is added to the principal.

### *Shareholder Subordinated Loan (C)*

This subordinated loan note instrument is a long-term loan with no repayment obligations until maturity. This loan will fall due on 19 June 2024 at the latest. The interest of 10% is added to the principal.

### *Bank borrowings (Senior Debt Loans A to C)*

In 2013 Miktom International Holding B.V. and certain of its subsidiaries have contracted a loan and overdraft facility of EUR 138.5 million from ING Bank N.V., ABN AMRO Bank N.V. and Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A. ("Rabobank International"). In May 2014 the original EUR 138.5 million Senior Facilities Agreement was amended and restated to an

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aggregate of EUR 169.2 million and NIBC Bank N.V. and KBC Bank N.V. acceded as Lenders next to the existing Lenders.

In April 2015 the restated Senior Facilities Agreement was amended and restated to an aggregate of EUR 211.2 million. In November 2015 an Amendment Agreement was signed increasing the total commitments from the Lenders to an aggregate of EUR 212.4 million.

The carrying value of the borrowings are presented net of finance costs (2015: EUR 4,658 thousand; 2014: EUR 4,628 thousand; 2013: EUR 4,847 thousand). The financing costs are charged to the income statement based on the effective interest rate method over the period to maturity of the loans. The following security has been provided: pledge on shares, movable property, (intercompany) and (trade) receivables, bank accounts and intellectual property rights of Miktom Topco B.V., Miktom International Holding B.V., Basic Fit International B.V., Basic Fit Nederland B.V., Basic-Fit Belgium BVBA, HealthCity Belgie N.V., Basic Fit Spain S.A. and Basic Fit France S.A.S. (as applicable).

### *Loan covenants*

The applicable loan covenants of the major borrowing facilities are further described in note 5.

### *Lease liabilities*

Lease liabilities are effectively secured as the rights to leased asset revert to the lessor in the event of default.

The present value of finance lease liabilities is further described in note 26. The leased items have been pledged as security for the lease commitments. The rate of interest ranges between about 3.2% and 13%.

### *Other long term financing*

The rate of interest on the other debts is within the range of 4.7% to 9.8%.

### *Short term loan Key management member*

Moos Holding B.V. provided a short term loan of EUR 6 million in December 2015 with an interest rate of 6% and a repayment date of 31 December 2016.

## Miktom Topco B.V.

### 27 Provisions

The composition of the provisions is as follows:

	31 December 2015	31 December 2014	31 December 2013
Unfavourable lease contracts . . . . .	6,635	8,583	7,533
Other provisions . . . . .	161	625	343
	<b>6,796</b>	<b>9,208</b>	<b>7,876</b>
Of which:			
Current portion of provisions (< 1 year)	1,691	2,530	1,748
Non-current portion of provisions (> 1 year) . . . . .	5,105	6,678	6,128
	<b>6,796</b>	<b>9,208</b>	<b>7,876</b>
	<b>Unfavourable lease contracts</b>	<b>Other provisions</b>	<b>Total</b>
<b>20 November 2013</b> . . . . .	—	—	—
Acquisition of subsidiary . . . . .	7,533	343	7,876
<b>31 December 2013</b> . . . . .	<b>7,533</b>	<b>343</b>	<b>7,876</b>
<b>1 January 2014</b> . . . . .	<b>7,533</b>	<b>343</b>	<b>7,876</b>
Additions/newly consolidated . . . . .	2,849	317	3,166
Charged/ (credited) to profit or loss . . . . .	(1,799)	201	(1,598)
Usages . . . . .	—	(236)	(236)
<b>31 December 2014</b> . . . . .	<b>8,583</b>	<b>625</b>	<b>9,208</b>
<b>At 1 January 2015</b> . . . . .	<b>8,583</b>	<b>625</b>	<b>9,208</b>
Additions . . . . .	—	86	86
Charged/ (credited) to profit or loss . . . . .	(1,948)	—	(1,948)
Usages . . . . .	—	(550)	(550)
<b>At 31 December 2015</b> . . . . .	<b>6,635</b>	<b>161</b>	<b>6,796</b>

#### *Unfavourable lease contracts*

Provisions for unfavourable lease contracts were identified as part of the purchase price allocation for the Group's historical acquisitions. The amount of the provision is released to rental expenses on a straight line basis over the remaining lease term.

#### *Other provisions*

These provisions mostly consist of costs associated with the restructuring of operations and is formed if the Group has a constructive or legal obligation.

## Miktom Topco B.V.

### 28 Trade and other payables

The composition of Trade and other payables is as follows:

	31 December 2015	31 December 2014	31 December 2013
Trade payables . . . . .	47,763	33,827	16,231
Deferred revenues . . . . .	24,378	25,316	15,249
Payables to related parties . . . . .	1,897	—	—
Holiday allowance and vacation days accrual . . . . .	2,676	2,261	1,675
Wage tax payable . . . . .	1,954	1,971	621
Pension obligations . . . . .	—	—	24
Interest payable . . . . .	1,894	283	218
Other liabilities and accrued expenses . . . . .	20,264	10,075	9,692
Total . . . . .	100,826	73,733	43,710

All current liabilities fall due in less than one year. The fair value of the current liabilities approximates the book value due to its short term character.

The payables from related parties/ shareholders included in trade payables and other liabilities are disclosed in note 31.

### 29 Contingencies and commitments

#### *Capital commitments*

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

	31 December 2015	31 December 2014	31 December 2013
Property, plant and equipment . . . . .	11,750	9,986	2,365

#### *(Long-term) financial obligations*

Together with its subsidiaries, Miktom Topco B.V. has assumed the following obligations: Building leases for periods ranging from 1 to 20 years and Operating leases for vehicles and other equipment (expiring in 2015-2019). 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 also under non-cancellable operating leases.

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

	31 December 2015	31 December 2014	31 December 2013
Within one year . . . . .	53,961	44,034	29,342
After one year but not more than five years . . . . .	189,213	145,299	94,172
More than five years . . . . .	218,276	176,866	108,759
Total . . . . .	461,450	366,199	232,273

#### *Sub-lease payments*

	31 December 2015	31 December 2014	31 December 2013
Future minimum lease payments expected to be received in relation to non-cancellable sub-leases of operating leases . . .	4,487	3,776	—

The Group does not have any contingent rentals nor sub-lease expenses.



## Miktom Topco B.V.

### *Finance leases*

The Group has finance leases for various items of fitness equipment. The Group's obligations under finance leases are secured by the lessor's title to the leased assets. Future minimum lease payments under finance leases, together with the present value of the net minimum lease payments are as follows:

	31 December 2015	31 December 2014	31 December 2013
Within one year . . . . .	29,050	17,043	9,265
After one year but not more than five years . . . . .	54,315	32,050	17,444
More than five years. . . . .	—	—	—
	<b>83,365</b>	<b>49,093</b>	<b>26,709</b>
Future finance charges on finance lease liabilities. . . . .	(8,703)	(4,285)	(2,426)
<b>Present value of finance lease liabilities . . . . .</b>	<b>74,662</b>	<b>44,808</b>	<b>24,283</b>

### *Other commitments*

An amount of approximately EUR 4.9 million (2014: EUR 4.2 million; 2013: EUR 1.7 million) in total was issued in bank guarantees.

### *Claims*

The Group is involved in a number of legal proceedings that have arisen in the ordinary course of business. Although the outcome of these disputes cannot be predicted with reasonable certainty, management does not expect these pending or threatening legal proceedings to have any materially unfavourable impact on the Group's consolidated financial position or profitability. Accordingly, no legal provisions have been recognised in these consolidated financial statements as it is not probable that an outflow of economic resources will be required. The outcome of legal proceedings, however, can be extremely difficult to predict and the final outcome may be materially different from managements' current expectation.

### *Tax group liability (the Netherlands)*

Basic Fit International B.V. and Basic Fit Nederland B.V. formed a fiscal unity for income tax at year-end 2015. Miktom International B.V. and Miktom Topco B.V. are autonomous taxpayers for income tax. The tax position of these entities is not yet audited and approved by the Dutch tax authorities. The Company has taken a position with regard to the deductibility of interest expenses, which Management believes is in compliance with the Dutch tax regulations. However, the tax and case law with regard to the deductibility of interest is subject to interpretation and the Dutch tax authorities can take the position that the interest is not (fully) deductible. Management believes that they will, more-likely-than-not, be able to sustain their position upon examination by the Dutch tax authorities and ultimately when the highest court in the Netherlands rules on the deductibility.

Basic Fit International B.V. and Basic Fit Nederland B.V. formed a VAT-group with Miktom International Holding B.V. at year-end 2015.

As a result, the companies within a fiscal unity are jointly and severally liable for each other's income tax and VAT debts.

### *Tax group liability (Belgium)*

HealthCity Belgie N.V. and Just Fit N.V. formed a VAT-group with Basic-Fit Belgium BVBA at year-end 2015.

As a result, the companies are jointly and severally liable for each other's VAT debts.

Over the past two years, various clubs in Belgium have been transferred from HealthCity België N.V. to Basic-Fit Belgium BVBA. The transfer was effected using internal calculations based on the interpretation of the companies involved of the relevant tax rules. These calculations and the goodwill arising from the transaction are subject to the consent of the tax authorities. The tax returns declaring these transactions have been filed with the Belgian tax authorities and are subject to their review. The Group considers the risk of the tax authorities not accepting the calculations limited. If

## Miktom Topco B.V.

the tax authorities should nevertheless believe that the acquisition price was too low, the “abnormal or gratuitous advantage”, which is taxable in the hands of Basic-Fit Belgium BVBA, will lead to higher tax deductions for goodwill in the years to come.

### 30 Business combinations

#### *Acquisitions 2013*

On 20 December 2013, the Group acquired 200 fitness clubs operating under the Basic Fit brand from (subsidiaries of) HealthCity International B.V. As a result of the acquisition, the Group gained ownership and control over the fitness clubs in the Netherlands, Belgium and Spain. The goodwill of approx. EUR 150.7 million represents the excess of the consideration transferred after the recognition of newly acquired net identifiable assets totalling EUR 116.9 million, primarily attributable to the acquired property, plant and equipment, brand name, customer relationships and favourable leases of new geographical locations (as shown below).

	<b>31 December 2013</b>
Purchase consideration:	
– Cash paid . . . . .	267,570
<b>Total purchase consideration . . . . .</b>	<b>267,570</b>

#### **Assets acquired and liabilities assumed**

The fair values of assets and liabilities recognised as a result of the acquisition are as follows:

	<b>2013 Fair value recognised on acquisition</b>
<i>Assets</i>	
Property, plant and equipment . . . . .	95,341
Other intangible assets . . . . .	1,380
Deferred tax assets . . . . .	6,177
Other financial fixed assets . . . . .	755
Brand name . . . . .	44,918
Customer relationships . . . . .	46,272
Favourable lease contracts (included in Other intangible assets) . . . . .	13,121
Software . . . . .	3,500
Inventories . . . . .	274
Receivables . . . . .	6,936
Cash and cash equivalents . . . . .	4,091
<i>Liabilities</i>	
Other liabilities and accrued expenses . . . . .	(45,087)
Other provisions . . . . .	(343)
Unfavourable lease contracts (included in Provisions) . . . . .	(7,533)
Debt like items (lease commitments) . . . . .	(24,283)
Deferred income tax liabilities . . . . .	(28,615)
<b>Total identifiable net assets acquired at fair value . . . . .</b>	<b>116,904</b>
Goodwill arising on acquisition . . . . .	150,666
<b>Purchase consideration transferred . . . . .</b>	<b>267,570</b>
Less: cash acquired . . . . .	(4,091)
<b>Net outflow of cash – investing activities . . . . .</b>	<b>263,479</b>

## Miktom Topco B.V.

### Acquisitions 2014

On 1 April 2014, the Group acquired 27 fitness clubs operating under the HealthCity brand from (subsidiaries of) HealthCity International B.V. As a result of the acquisition, the Group increased its market share in the Netherlands and Belgium and entered the Luxembourg market. The goodwill of approx. EUR 36.3 million represents the excess of the consideration transferred after the recognition of newly acquired net identifiable assets totalling EUR 16.5 million, partly attributable to the acquired customer relationships and property, plant and equipment and favourable leases of new geographical locations. Part of the goodwill recognised is expected to be deductible for income tax purposes as 6 Dutch clubs were acquired through an asset deal. Apart from this acquisition the Group acquired 4 more clubs/locations during the year. No goodwill has been recognised for these acquisitions.

	<b>31 December 2014</b>
Purchase consideration:	
– Cash paid . . . . .	52,869
<b>Total purchase consideration . . . . .</b>	<b>52,869</b>

### Assets acquired and liabilities assumed

The fair values of assets and liabilities recognised as a result of the acquisition are as follows:

	<b>2014 Fair value recognised on acquisition</b>
<i>Assets</i>	
Property, plant and equipment . . . . .	18,068
Other intangible assets . . . . .	147
Customer relationships . . . . .	8,210
Favourable lease contracts (included in Other intangible assets) . . . . .	5,638
Inventories and receivables . . . . .	3,387
Cash and cash equivalents . . . . .	362
<i>Liabilities</i>	
Other liabilities and accrued expenses . . . . .	(12,019)
Unfavourable lease contracts (included in Provisions) . . . . .	(2,849)
Debt like items (lease commitments) . . . . .	(1,317)
Deferred income tax assets and liabilities . . . . .	(3,107)
<b>Total identifiable net assets acquired at fair value . . . . .</b>	<b>16,520</b>
Goodwill arising on acquisition . . . . .	36,349
<b>Purchase consideration transferred . . . . .</b>	<b>52,869</b>
Less: cash acquired . . . . .	(362)
<b>Net outflow of cash – investing activities . . . . .</b>	<b>52,507</b>

From the date of acquisition, the revenue and net income of the acquired group for the period 2014 amounts to EUR 20,926 thousand and EUR 2,075 thousand respectively. If the group had been acquired at the beginning of the annual reporting period, the revenue and net income of the acquired group would have been EUR 27,908 thousand and EUR 2,610 thousand respectively.

### Acquisition 2015

During 2015, the Group acquired another 13 fitness clubs in the Netherlands (including 3 fitness clubs operating under the HealthCity brand from HealthCity Nederland B.V.), 1 fitness club in Belgium and 3 fitness clubs in Spain. As a result of the acquisition, the Group increased its market share in the Netherlands and entered the Spanish market. The total purchase price net of cash was

## Miktom Topco B.V.

EUR 13.8 million, which was mostly allocated to the acquired customer relationships and favourable leases of new geographical locations. The excess of the consideration transferred, after the recognition of newly acquired net identifiable assets, represents goodwill amounting to EUR 335 thousand. Of these acquisitions, 15 clubs were acquired through an asset deal, 2 clubs were acquired through a share deal. In relation to this share deal, a deferred tax liability has been recognised for the temporary difference caused by the amortisation of customer relationships and favourable leases of new geographical locations that are not deductible for income tax purposes.

The following table summarises the considerations paid for the acquisitions in 2015, the provisional fair value of assets acquired, liabilities assumed at the acquisition date.

	<b>31 December 2015</b>
Purchase consideration:	
– Cash paid . . . . .	13,955
<b>Total purchase consideration . . . . .</b>	<b>13,955</b>

### Assets acquired and liabilities assumed

The fair values of assets and liabilities recognised as a result of the acquisition are as follows:

	<b>2015 Fair value recognised on acquisition</b>
<i>Assets</i>	
Property, plant and equipment . . . . .	9,019
Customer relationships . . . . .	2,442
Favourable lease contracts (included in Other intangible assets) . . . . .	3,988
Cash and cash equivalents . . . . .	121
<i>Liabilities</i>	
Other liabilities and accrued expenses. . . . .	(1,950)
<b>Total identifiable net assets acquired at fair value . . . . .</b>	<b>13,620</b>
Goodwill arising on acquisition . . . . .	335
<b>Purchase consideration transferred . . . . .</b>	<b>13,955</b>
Less: cash acquired. . . . .	(121)
<b>Net outflow of cash – investing activities . . . . .</b>	<b>13,834</b>

No external acquisition-related costs have been charged to other operating expenses in the consolidated income statement for the year ended 31 December 2015 (2014: EUR 164 thousand).

No trade and other receivables have been identified in the purchase price allocation. Furthermore, none of the amounts of identified assets and liabilities are provisional.

From the date of acquisition, the revenue and net income of the acquired group for the period 2015 amounts to EUR 4,395 thousand and a loss of EUR 270 thousand respectively. If the group had been acquired at the beginning of the annual reporting period, the revenue and net income of the acquired group would have been EUR 7,708 and a loss of EUR 747 thousand respectively.

### 31 Related party transactions

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also, entities which can control the Company or other subsidiaries of the Group are considered a related party. In addition, statutory and supervisory directors and close relatives are regarded as related parties.

## Miktom Topco B.V.

Intercompany transactions are carried out at arm's length.

The following transactions were carried out with related parties:

- Key management compensation;
- Loans to related parties (refer to the note 26);
- Receivables (refer to note 20);

The financial statements include the financial statements of the Group and the subsidiaries listed in the following table:

Name / Principal activities		Country of incorporation	Equity interest %		
			2015	2014	2013
Miktom International Holding B.V. . . . .	Holding	The Netherlands	100%	100%	100%
Basic Fit International B.V. . . . .	Holding	The Netherlands	100%	100%	100%
Basic Fit Nederland B.V. . . . .	Fitness club	The Netherlands	100%	100%	100%
Basic Fit Belgium BVBA . . . . .	Fitness club	Belgium	100%	100%	100%
HealthCity België N.V. . . . .	Fitness club	Belgium	100%	100%	—
Just Fit N.V. . . . .	Fitness club	Belgium	100%	100%	100%
Basic-Fit Luxembourg Sàrl . . . . .	Holding	Luxembourg	100%	100%	100%
HealthCity Luxembourg S.A. . . . .	Fitness club	Luxembourg	100%	100%	—
Basic Fit France S.A. . . . .	Holding	France	100%	100%	100%
Basic Fit II S.A. . . . .	Fitness club	France	100%	100%	100%
Basic-Fit Spain S.A. . . . .	Fitness club	Spain	100%	100%	100%
Basic-Fit Germany GmbH . . . . .	NA	Germany	100%	100%	100%

### *The holding company*

The next senior and the ultimate holding company of Miktom Topco B.V. is 3i Group Plc. which is based and listed in London.

### *Entity with significant influence over the Group*

AM Holding B.V. owns 42.75% of the ordinary shares in Miktom Topco B.V. (2014: 42.75%; 2013: 42.75%)

### *Transactions and balances held with related parties*

The table below provides the total amount of transactions that have been entered into with related parties for the relevant financial year. In addition, the table provides an overview of all balances held with these related parties.

		Sales to related parties	Purchases from related parties	Amounts owed by related parties*	Amounts owed to related parties*
<b><i>Entity with significant influence over the Group:</i></b>					
Moos Holding B.V. . . . .	31 December 2015	—	350	—	6,328
	31 December 2014	—	350	—	35
	31 December 2013	—	—	—	—
3i c.s. . . . .	31 December 2015	—	400	—	—
	31 December 2014	—	1,558	—	—
	31 December 2013	—	1,100	1,400	—
<b><i>Key management personnel of the Group:</i></b>					
Other director's interest . . . . .	31 December 2015	684	6,803	2	2,963
	31 December 2014	853	6,993	85	2,450
	31 December 2013	—	3,682	173	—

\* The amounts are included in trade receivables, current borrowings and trade payables, respectively (see notes 20, 26 and 28).

### *Terms and conditions of transactions with related parties*

The sales to and purchases from related parties are made at terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured, interest free and settled in cash. There have been no guarantees provided or received for any related party

## Miktom Topco B.V.

receivables or payables. For the year ended 31 December 2015, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2014: nil; 2013: nil). This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

### *Business acquisitions from related parties*

The acquisitions of fitness clubs from Health City International, as described in note 30, amounted to EUR 3.8 million in 2015 (2014: EUR 51.4 million; 2013: EUR 267.6 million).

### *Related party rent*

Future related party rent obligations are as follows:

<u>Related Party Rent:</u>	<u>31 December 2015</u>	<u>31 December 2014</u>	<u>31 December 2013</u>
Within one year . . . . .	5,706	5,661	—
After one year but not more than five years . . . . .	21,154	21,402	—
More than five years. . . . .	50,749	55,591	—
<b>Total . . . . .</b>	<b>77,609</b>	<b>82,654</b>	<b>—</b>

### *Compensation of key management personnel of the Group*

Key management includes directors and supervisory directors (executive and non-executive), having authority and responsibility for planning, directing and controlling the activities of the entity. Key management remuneration includes periodically paid remuneration, such as salaries, holiday allowances and social premiums, remuneration to be paid after certain terms, such as pensions, allowances on termination of employment, profit sharing, bonus payment, to the extent that these items were charged to the Group and all subsidiaries of the Group.

The compensation paid or payable to key management for employee services is shown below:

	<u>31 December 2015</u>	<u>31 December 2014</u>	<u>31 December 2013</u>
Current managing directors . . . . .	781	747	—
Current supervisory directors. . . . .	50	25	—
	<b>831</b>	<b>772</b>	<b>—</b>

The composition of key management remuneration is as follows:

	<u>Statutory directors</u>			<u>Supervisory directors</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Periodically paid remuneration. . .	781	747	—	50	25	—
Longterm employee benefits. . . . .	—	—	—	—	—	—
Profit-sharing . . . . .	—	—	—	—	—	—
Share-based payments . . . . .	—	—	—	—	—	—
Termination benefits . . . . .	—	—	—	—	—	—
Bonuses . . . . .	—	—	—	—	—	—
<b>Total . . . . .</b>	<b>781</b>	<b>747</b>	<b>—</b>	<b>50</b>	<b>25</b>	<b>—</b>

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

During 2015, the Management Board members of the Group held (directly or indirectly) 0.75% (2014: 0.75%, 2013: 0.75%) of the Company's ordinary shares and the Supervisory Board members of the Group held 2.18% (2014: 2.18%, 2013: 2.18%) of the Company's ordinary shares.



# Miktom Topco B.V.

## 32 Events after the reporting period

In February 2016, the Company renegotiated and increased the capex facility by EUR 17.5 million. No other events have occurred since balance sheet date, which would change the financial position of the Company and which would require adjustment of or disclosure in the statutory financial statements now presented.

## 33 Authorisation of the financial statements

Hoofddorp, 29 April 2016

Miktom Topco B.V.

Board of directors,

H.J. van der Aar

Board of supervisory directors

R.M. Moos

J.C.M. Willemse

P.A. de Jong

P.C.C.M. Liesker

W.T.C. van der Vis

R.C.P.M. van Goethem

## **Miktom Topco B.V.**

### **34 Independent auditor's report**

We refer to the following page.

# **Miktom Topco B.V.**

## **Independent auditor's report**

To: the management board and supervisory board of Miktom Topco B.V.

We have audited the accompanying general purpose financial statements for the period ending 31 December 2013 and the years ended 31 December 2014 and 2015 of Miktom Topco B.V., Hoofddorp, which comprise the consolidated statement of financial position as at 31 December 2015, 31 December 2014 and 31 December 2013, and the consolidated statements of comprehensive income, changes in equity and cash flows for the period or year then ended, and a summary of significant accounting policies and other explanatory information. The general purpose financial statements have been prepared by management of Miktom Topco B.V. in accordance with International Financial Reporting Standards as adopted by the European Union.

## **Management's responsibility**

Management is responsible for the preparation of these general purpose financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of general purpose financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditor's responsibility**

Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We conducted our audit in accordance with Dutch Law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the general purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the general purpose financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the general purpose financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinion**

In our opinion, the general purpose financial statements of Miktom Topco B.V. for the period ending 31 December 2013 and the years ended 31 December 2014 and 2015 are prepared, in all material respects, in accordance with International Financial Reporting Standards as adopted by the European Union.

## **Restriction on use and distribution**

The general purpose financial statements are prepared to assist Miktom Topco B.V. to comply with the reporting requirements with respect to the prospectus for the initial public offering of shares. As a result, the general purpose financial statements may not be suitable for another purpose. Our opinion is not qualified in this respect.

Rotterdam, 29 April 2016

Ernst & Young Accountants LLP

signed by M. Bangma-Tjaden

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