

**CONSOLIDATED QUARTERLY  
REPORT  
OF THE BENEFIT SYSTEMS  
GROUP**

**FOR THE NINE MONTHS  
ENDED SEPTEMBER 30TH 2021**



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## SELECTED FINANCIAL DATA

SELECTED FINANCIAL DATA OF THE BENEFIT SYSTEMS GROUP	PLN '000		EUR '000	
	9 months 2021	9 months 2020	9 months 2021	9 months 2020
Revenue	576,327	860,979	126,429	193,827
Operating profit/(loss)	(41,870)	42,487	(9,185)	9,565
Profit/(loss) before tax	(50,865)	(5,810)	(11,158)	(1,308)
Net profit/(loss) from continuing operations	(48,154)	(18,731)	(10,564)	(4,217)
Profit/ (loss) attributable to owners of the parent	(48,622)	(20,626)	(10,666)	(4,643)
Net cash from operating activities	165,884	234,995	36,390	52,903
Net cash from investing activities	(50,975)	(28,962)	(11,182)	(6,520)
Net cash from financing activities	(35,707)	(106,803)	(7,833)	(24,044)
Net change in cash and cash equivalents	79,202	99,230	17,375	22,339
Earnings/(loss) per share attributable to owners of the parent (PLN/EUR)	(17.30)	(7.53)	(3.79)	(1.69)
Diluted earnings/(loss) per share attributable to owners of the parent (PLN/EUR)	(17.20)	(7.44)	(3.77)	(1.68)
	<b>As at September 30th 2021</b>	<b>As at December 31st 2020</b>	<b>As at September 30th 2021</b>	<b>As at December 31st 2020</b>
Assets	2,026,223	2,044,303	437,355	442,988
Non-current liabilities	815,893	969,436	176,108	210,071
Current liabilities	645,306	551,867	139,288	119,586
Equity attributable to owners of the parent	568,402	524,527	122,688	113,662
Share capital	2,894	2,894	625	627
Number of shares	2,894,287	2,894,287	2,894,287	2,894,287

  

SELECTED FINANCIAL DATA OF BENEFIT SYSTEMS S.A.	PLN '000		EUR '000	
	9 months 2021	9 months 2020	9 months 2021	9 months 2020
Revenue	371,955	534,743	81,596	120,383
Operating profit/(loss)	(30,912)	10,163	(6,781)	2,288
Profit/(loss) before tax	(35,579)	(5,486)	(7,805)	(1,235)
Net profit/(loss) from continuing operations	(28,039)	(8,708)	(6,151)	(1,960)
Net cash from operating activities	88,503	137,352	19,415	30,921
Net cash from investing activities	(25,941)	(67,721)	(5,691)	(15,246)
Net cash from financing activities	(7,859)	297	(1,724)	67
Net change in cash and cash equivalents	54,703	69,928	12,000	15,742
Earnings/(loss) per share attributable to owners of the parent (PLN/EUR)	(9.98)	(3.18)	(2.19)	(0.72)
	<b>As at September 30th 2021</b>	<b>As at December 31st 2020</b>	<b>As at September 30th 2021</b>	<b>As at December 31st 2020</b>
Assets	1,902,266	1,861,900	410,599	403,463
Non-current liabilities	770,718	926,197	166,358	200,701
Current liabilities	466,132	334,708	100,613	72,529
Equity	665,416	600,995	143,628	130,232
Share capital	2,894	2,894	625	627
Number of shares	2,894,287	2,894,287	2,894,287	2,894,287

In the periods covered by these financial statements, the following PLN/EUR exchange rates quoted by the National Bank of Poland were used to convert the key financial data:

	September 30th 2021	December 31st 2020	September 30th 2020
Statement of financial position – exchange rate at end of period	4.6329	4.6148	-
Statement of profit or loss – average exchange rate for nine months	4.5585	-	4.4420

## 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE BENEFIT SYSTEMS GROUP

### 1.1. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Notes	September 30th 2021	December 31st 2020
Goodwill		369,744	363,330
Intangible assets		92,940	72,998
Property, plant and equipment		304,193	333,727
Right-of-use assets	2.7	729,751	782,871
Investments in associates	2.1	5,333	4,411
Trade and other receivables		15,723	8,848
Loans and other non-current financial assets		24,009	26,939
Deferred tax assets		35,870	27,649
<b>Non-current assets</b>		<b>1,577,563</b>	<b>1,620,773</b>
Inventories		4,568	4,140
Trade and other receivables		131,343	183,818
Current tax assets		131	3,298
Loans and other current financial assets		9,636	8,494
Cash and cash equivalents		302,982	223,780
<b>Current assets</b>		<b>448,660</b>	<b>423,530</b>
<b>Total current assets</b>		<b>448,660</b>	<b>423,530</b>
<b>Total assets</b>		<b>2,026,223</b>	<b>2,044,303</b>

<b>EQUITY AND LIABILITIES</b>	Notes	<b>September 30th 2021</b>	<b>December 31st 2020</b>
<i>Equity attributable to owners of the parent:</i>			
Share capital	2.12	2,894	2,894
Treasury shares (-)		0	(118,157)
Share premium		272,107	272,107
Translation reserve		(5,356)	(4,562)
Retained earnings		298,757	372,245
<b>Equity attributable to owners of the parent</b>		<b>568,402</b>	<b>524,527</b>
Non-controlling interests		(3,378)	(1,527)
<b>Total equity</b>		<b>565,024</b>	<b>523,000</b>
<b>Liabilities</b>			
Employee benefit obligations		366	379
Other provisions		10,767	10,767
<b>Total long-term provisions</b>		<b>11,133</b>	<b>11,146</b>
Trade and other payables		524	24
Deferred tax liability		3,040	2,151
Other financial liabilities		14,645	15,178
Borrowings, other debt instruments		87,899	188,084
Lease liabilities	2.7	698,129	752,853
Contract liabilities		523	0
<b>Non-current liabilities</b>		<b>815,893</b>	<b>969,436</b>
<b>Current liabilities</b>			
Employee benefit obligations		4,076	3,221
Other provisions		2	77
<b>Total short-term provisions</b>		<b>4,078</b>	<b>3,298</b>
Trade and other payables		271,681	234,719
Current income tax liabilities		8,126	10,570
Other financial liabilities		14,530	29,884
Borrowings, other debt instruments		135,258	73,417
Lease liabilities	2.7	185,029	178,845
Contract liabilities		26,604	21,134
<b>Current liabilities</b>		<b>645,306</b>	<b>551,867</b>
<b>Total current liabilities</b>		<b>645,306</b>	<b>551,867</b>
<b>Total liabilities</b>		<b>1,461,199</b>	<b>1,521,303</b>
<b>Total equity and liabilities</b>		<b>2,026,223</b>	<b>2,044,303</b>

## 1.2. CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	January 1st to September 30th 2021	July 1st to September 30th 2021	January 1st to September 30th 2020	July 1st to September 30th 2020
<b>Continuing operations</b>					
<b>Revenue</b>	<b>2.3</b>	<b>576,327</b>	<b>297,254</b>	<b>860,979</b>	<b>313,507</b>
Revenue from sales of services		570,130	293,512	850,311	309,140
Revenue from sales of merchandise and materials		6,197	3,742	10,668	4,367
<b>Cost of sales</b>	<b>2.3</b>	<b>(503,992)</b>	<b>(240,915)</b>	<b>(667,724)</b>	<b>(235,606)</b>
Cost of services sold		(500,773)	(239,149)	(662,421)	(234,650)
Cost of merchandise and materials sold		(3,219)	(1,766)	(5,303)	(956)
<b>Gross profit/(loss)</b>		<b>72,335</b>	<b>56,339</b>	<b>193,255</b>	<b>77,901</b>
Selling expenses	2.3	(54,923)	(22,262)	(59,459)	(19,644)
Administrative expenses	2.3	(79,611)	(30,431)	(84,962)	(26,585)
Other income		27,554	5,806	16,945	8,179
Other expenses		(7,225)	(3,220)	(23,292)	(6,430)
<b>Operating profit/(loss)</b>		<b>(41,870)</b>	<b>6,232</b>	<b>42,487</b>	<b>33,421</b>
Finance income	2.4	5,811	(9,368)	9,033	4,995
Finance costs	2.4	(15,685)	(4,666)	(57,009)	(13,973)
Impairment losses on financial assets		(43)	60	(1,320)	(78)
Share of profit/(loss) of equity-accounted entities		922	98	999	195
<b>Profit/(loss) before tax</b>		<b>(50,865)</b>	<b>(7,644)</b>	<b>(5,810)</b>	<b>24,560</b>
Income tax	2.5	2,711	(1,499)	(12,921)	(5,601)
<b>Net profit/(loss) from continuing operations</b>		<b>(48,154)</b>	<b>(9,143)</b>	<b>(18,731)</b>	<b>18,959</b>
<b>Net profit/(loss)</b>		<b>(48,154)</b>	<b>(9,143)</b>	<b>(18,731)</b>	<b>18,959</b>
<b>Net profit (loss) attributable to:</b>					
- owners of the parent		(48,622)	(9,974)	(20,626)	18,135
- non-controlling interests		468	831	1,895	824

### EARNINGS/(LOSS) PER ORDINARY SHARE (PLN)

	Notes	January 1st to September 30th 2021	January 1st to September 30th 2020
<i>from continuing operations</i>			
- basic	2.13	(17.30)	(7.53)
- diluted		(17.20)	(7.44)
<i>from continuing and discontinued operations</i>			
- basic	2.13	(17.30)	(7.53)
- diluted		(17.20)	(7.44)

### 1.3. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	January 1st to September 30th 2021	July 1st to September 30th 2021	January 1st to September 30th 2020	July 1st to September 30th 2020
<b>Net profit/(loss)</b>	<b>(48,154)</b>	<b>(9,143)</b>	<b>(18,731)</b>	<b>37,690</b>
<b>Other comprehensive income</b>	<b>(1,867)</b>	<b>(2,173)</b>	<b>(1,058)</b>	<b>(62)</b>
Items not reclassified to profit or loss	0	0	0	0
Items reclassified to profit or loss	(1,867)	(2,173)	(1,058)	(62)
- <i>Exchange differences on translation of foreign operations</i>	(1,867)	(2,173)	(1,058)	(62)
<b>Comprehensive income</b>	<b>(50,021)</b>	<b>(11,316)</b>	<b>(19,789)</b>	<b>37,628</b>
<b>Comprehensive income attributable to:</b>				
- owners of the parent	(49,416)	(11,530)	(21,688)	18,034
- non-controlling interests	(605)	214	1,899	863

## 1.4. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Treasury shares	Share premium	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
<b>Balance as at January 1st 2021</b>	<b>2,894</b>	<b>(118,157)</b>	<b>272,107</b>	<b>(4,562)</b>	<b>372,245</b>	<b>524,527</b>	<b>(1,527)</b>	<b>523,000</b>
<b><i>Changes in equity in the period January 1st to September 30th 2021</i></b>								
Changes in Group structure (transactions with non-controlling interests)	0	0	0	0	831	831	(789)	<b>42</b>
Sale of treasury shares	0	118,157	0	0	(25,697)	92,460	0	<b>92,460</b>
Dividends	0	0	0	0	0	0	(457)	<b>(457)</b>
<b>Total transactions with owners</b>	<b>0</b>	<b>118,157</b>	<b>0</b>	<b>0</b>	<b>(24,866)</b>	<b>93,291</b>	<b>(1,246)</b>	<b>92,045</b>
Net profit/(loss) for period	0	0	0	0	(48,622)	(48,622)	468	<b>(48,154)</b>
Exchange differences on translation of foreign operations	0	0	0	(794)	0	(794)	(1,073)	<b>(1,867)</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(794)</b>	<b>(48,622)</b>	<b>(49,416)</b>	<b>(605)</b>	<b>(50,021)</b>
Total changes	0	118,157	0	(794)	(73,488)	43,875	(1,851)	42,024
<b>Balance as at September 30th 2021</b>	<b>2,894</b>	<b>0</b>	<b>272,107</b>	<b>(5,356)</b>	<b>298,757</b>	<b>568,402</b>	<b>(3,378)</b>	<b>565,024</b>

CONTD.

	Share capital	Treasury shares	Share premium	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
<b>Balance as at January 1st 2020</b>	<b>2,859</b>	<b>(118,157)</b>	<b>272,107</b>	<b>(725)</b>	<b>462,473</b>	<b>618,557</b>	<b>1,703</b>	<b>620,260</b>
<b><i>Changes in equity in the period January 1st to September 30th 2020</i></b>								
Issue of shares	0	0	0	0	147	147	0	147
Share issue in connection with exercise of options (share-based payment scheme)	0	0	0	0	924	924	0	924
Changes in Group structure (transactions with non-controlling interests)	0	0	0	0	903	903	(1,922)	(1,019)
Provision for acquisition of shares	0	0	0	0	(6,065)	(6,065)	0	(6,065)
Dividends	0	0	0	0	0	0	(645)	(645)
<b>Total transactions with owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(4,091)</b>	<b>(4,091)</b>	<b>(2,567)</b>	<b>(6,658)</b>
Net profit/(loss) for period	0	0	0	0	(20,626)	(20,626)	1,895	(18,731)
Exchange differences on translation of foreign operations	0	0	0	(1,062)	0	(1,062)	4	(1,058)
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,062)</b>	<b>(20,626)</b>	<b>(21,688)</b>	<b>1,899</b>	<b>(19,789)</b>
Total changes	0	0	0	(1,062)	(24,717)	(25,779)	(668)	(26,447)
<b>Balance as at September 30th 2020</b>	<b>2,859</b>	<b>(118,157)</b>	<b>272,107</b>	<b>(1,787)</b>	<b>437,756</b>	<b>592,778</b>	<b>1,035</b>	<b>593,813</b>

## 1.5. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	January 1st to September 30th 2021	January 1st to September 30th 2020
<b>Cash flows from operating activities</b>		
<b>Profit/(loss) before tax</b>	<b>(50,865)</b>	<b>(5,810)</b>
<b>Adjustments:</b>		
Depreciation and amortisation of non-financial non-current assets	153,082	157,864
Change in impairment losses and write-off of assets	18	16,813
Effect of lease modifications	(18,159)	(3,083)
Measurement of liabilities arising from acquisition of shares	(2,871)	(2,816)
Gains/(losses) on sale and value of liquidated non-financial non-current assets	27	(468)
Foreign exchange gains/(losses)	(1,646)	35,479
Interest expense	14,093	14,017
Interest income	(1,215)	(1,911)
Cost of share-based payments (Incentive Scheme)	0	924
Share of profit/(loss) of associates	(922)	(999)
Change in inventories	(250)	1,866
Change in receivables	59,252	16,185
Change in liabilities	20,229	7,991
Change in provisions	767	10,567
Other adjustments	629	3,083
<b>Cash flows provided by (used in) operating activities</b>	<b>172,169</b>	<b>249,702</b>
Income tax paid	(6,285)	(14,707)
<b>Net cash from operating activities</b>	<b>165,884</b>	<b>234,995</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible assets	(25,620)	(15,052)
Proceeds from sale of intangible assets	0	(28)
Purchase of property, plant and equipment	(20,065)	(23,528)
Proceeds from sale of property, plant and equipment	756	2,321
Acquisition of subsidiaries, net of cash acquired	(8,156)	0
Repayments of loans	1,681	10,902
Loans	(92)	(5,078)
Interest received	521	936
Dividends received	0	565
<b>Net cash from investing activities</b>	<b>(50,975)</b>	<b>(28,962)</b>
<b>Cash flows from financing activities</b>		
Net proceeds from issue of shares	13,409	13,662
Sale of treasury shares	92,460	0
Expenditure on transactions with non-controlling interests	(18,933)	(39,369)
Proceeds from transactions with non-controlling interests	246	0
Redemption of debt securities	0	(30,250)
Proceeds from borrowings	0	50,000
Repayment of borrowings	(40,123)	(20,800)
Payment of lease liabilities	(76,869)	(75,808)
Interest paid	(5,440)	(3,593)
Dividends paid	(457)	(645)
<b>Net cash from financing activities</b>	<b>(35,707)</b>	<b>(106,803)</b>

<b>Net change in cash and cash equivalents before exchange differences</b>	<b>79,202</b>	<b>99,230</b>
Exchange differences	0	0
<b>Net change in cash and cash equivalents</b>	<b>79,202</b>	<b>99,230</b>
Cash and cash equivalents at beginning of period	223,780	72,050
<b>Cash and cash equivalents at end of period</b>	<b>302,982</b>	<b>171,280</b>

## 2. NOTES

### 2.1. General information

The parent of the Benefit Systems Group (the "Group") is Benefit Systems S.A. (the "parent"). The Group does not form part of another group.

The parent was established through transformation of a limited liability company into a joint-stock company. The transformation was effected pursuant to Resolution No. 2/2010 of the General Meeting of November 3rd 2010. The parent is entered in the Business Register of the National Court Register maintained by the District Court for the Capital City of Warsaw, 13th Commercial Division, under entry No. KRS 0000370919. The parent's Industry Identification Number (REGON) is 750721670. The shares of the parent are listed on the Warsaw Stock Exchange.

The parent's registered office is located at: Plac Europejski 2, 00-844 Warsaw, Poland. It is also the principal place of business of the Group.

The Benefit Systems Group is a provider of non-pay employee benefit solutions in the area of sports and recreation offered in the form of the MultiSport sport card, the Group's leading product, and related products with access to sports networks, including facilities owned by the Group companies. The network of fitness clubs provides infrastructure support for the sport cards business. Activities based on synergies between the sale of sport cards and infrastructure investments are carried out in Poland and in foreign markets. The Group is present in the Czech Republic, Slovakia, Bulgaria, Croatia and Turkey.

The Group offers unique products, such as Cafeteria e-platforms, which allow employees to flexibly choose non-pay benefits from a set of benefits pre-approved by the employer. The Group is also a provider of cultural and entertainment solutions (including the Cinema Programme, MultiTeatr), which are offered mainly through the Cafeteria channel.

The principal business of the parent according to the Polish Classification of Activities (PKD) is: *Other activities not elsewhere classified (PKD 2007) 9609Z.*

The Benefit Systems Group comprises the parent and the following subsidiaries:

Subsidiary	Principal place of business and country of registration	Group's ownership interest*:	
		September 30th 2021	December 31st 2020
VanityStyle Sp. z o.o.	ul. Skierniewicka 16/20, 01-230 Warsaw, Poland	100.00%	100.00%
Benefit IP Sp. z o.o.	Plac Europejski 2, 00-844 Warsaw, Poland	100.00%	100.00%
Benefit IP Spółka z ograniczoną odpowiedzialnością sp.k.	Plac Europejski 2, 00-844 Warsaw, Poland	100.00%	100.00%
Yes to move Sp. z o.o.	Plac Europejski 2, 00-844 Warsaw, Poland	100.00%	100.00%
MW Legal Sp. z o.o. <sup>1)</sup>	Plac Europejski 2, 00-844 Warsaw, Poland	100.00%	100.00%
Benefit Partners Sp. z o.o.	Plac Europejski 2, 00-844 Warsaw, Poland	100.00%	100.00%
Fit Fabric Sp. z o.o. <sup>2)</sup>	al. 1 Maja 119/121, 90-766 Łódź, Poland	100.00%	52.50%
MyBenefit Sp. z o.o.	ul. Powstańców Śląskich 28/30, 53-333 Wrocław, Poland	100.00%	100.00%
YesIndeed Sp. z o.o. <sup>3)</sup>	ul. Przeskok 2, 00-032 Warsaw, Poland	100.00%	0.00%
Multisport Foundation <sup>4)</sup>	ul. Racjonalizacji 5, 02-673 Warsaw, Poland	100.00%	0.00%
Rehabilitacja i Ortopedia Sp. z o.o. <sup>5)</sup>	ul. Biały Kamień 2, 02-593 Warsaw, Poland	80.00%	0.00%
Benefit Systems International Sp. z o.o.	ul. Młynarska 8/12, 01-194 Warsaw, Poland	97.20%	97.20%
Fit Invest International Sp. z o.o.	ul. Młynarska 8/12, 01-194 Warsaw, Poland	97.20%	97.20%
BSI Investments Sp. z o.o.	ul. Młynarska 8/12, 01-194 Warsaw, Poland	97.20%	97.20%
Fit Invest Slovakia S.R.O.	Ružová dolina 480/6 Bratislava - mestská časť Ružinov 821 08, Slovakia	97.20%	97.20%
Form Factory S.R.O.	Vinohradská 2405/190 Vinohrady, 130 00 Praha 3, Czech Republic	97.20%	97.20%
Next Level Fitness EOOD	Bul. Simeonovsko Shosse 35, 1700 Sofia, Bulgaria	97.20%	97.20%
Beck Box Club Praha S.R.O.	Vinohradská 2405/190 Vinohrady, 130 00 Praha 3, Czech Republic	97.20%	97.20%
MultiSport Benefit S.R.O. <sup>6)</sup>	Lomnického 1705/9, 140 00 Praha 4, Czech Republic	95.26%	93.31%
Benefit Systems Slovakia S.R.O.	Ružová dolina 6 Bratislava - mestská časť Ružinov 821 08, Slovakia	95.26%	95.26%
Benefit Systems Bulgaria EOOD	11-13, Yunak Str., floor 1, 1612 Sofia, Bulgaria	93.31%	93.31%
Benefit Systems D.O.O. <sup>7)</sup>	Zagreb (Grad Zagreb) Heinzelova ulica 44, Croatia	92.34%	95.74%
Benefit Systems, storitve, D.O.O.	Komenskega street 36, 1000 Lublana, Slovenia	92.34%	92.34%
Benefit Systems Spor Hizmetleri Ltd. <sup>8)</sup>	Eski Büyükdere Caddesi No: 7, GŇZ 2000 Plaza, Kat 4. 13. VE 14. Bağımsız Bölümler, Maslak, Sarıyer/ 34398 İstanbul, Turkey	90.40%	0.00%

\* The table presents the Group's indirect ownership interest in its subsidiaries.

1) The company is not consolidated as it does not conduct any business activity.

2) FitFabric Sp. z o.o. has been consolidated since 2018 based on the assumption that the Group exercises full (100%) control, as agreements have been executed with the minority shareholders committing them to sell their residual interests. On May 18th 2021, the parent signed an agreement with the minority shareholders of Fit Fabric Sp. z o.o., whereby it acquired 47.5% of the company's share capital, increasing its equity interest to 100%.

3) On June 17th 2021, the purchase of 100% of shares in YesIndeed Sp. z o.o. was effected, as a result of which Benefit Systems S.A. holds 100% of shares in the company.

4) On August 26th 2021, the Multisport Foundation was registered, with Benefit Systems S.A. as the sole founder.

- 5) On April 26th 2021, Benefit Systems S.A. acquired 80% of shares in Rehabilitacja i Ortopedia Sp. z o.o.  
 6) On September 21st 2020, agreements were signed obliging minority shareholders to dispose of the remaining shares, and therefore, as of that date, the company is consolidated on the assumption that the Group holds a 97.2% equity interest. On April 1st 2021, the sale of 2% of shares in Multisport S.R.O. was effected, as a result of which Benefit Systems International Sp. z o.o. holds 98% of shares in the company.  
 7) On July 13th 2021, Benefit Systems International Sp. z o.o. sold 3.5% of shares in Benefit Systems D.O.O. Following the transaction, Benefit System International Sp. z o.o.'s equity interest in the company fell to 95%.  
 8) On August 16th 2021, Benefit Systems Spor Hizmetleri Ltd of Turkey was registered; 93% of its shares are held by BSI Investments Sp. z o.o.

In the interim condensed consolidated financial statements as at September 30th 2021, the interests in four associates were accounted for using the equity method.

	Principal place of business and country of registration	Equity interest as at September 30th 2021	% of total voting rights	September 30th 2021 Carrying amount	December 31st 2020 Carrying amount
Baltic Fitness Center Sp. z o.o.	ul. Puławska 427, 02-801 Warsaw, Poland	49.95%	49.95%	0	0
Instytut Rozwoju Fitness Sp. z o.o.	ul. Puławska 427, 02-801 Warsaw, Poland	48.10%	48.10%	5,333	4,411
Calypso Fitness S.A.	ul. Puławska 427, 02-801 Warsaw, Poland	33.33%	33.33%	0	0
Get Fit Katowice II Sp. z o.o.	ul. Uniwersytecka 13, 40-007 Katowice	20.00%	20.00%	0	0
<b>Total carrying amount</b>				<b>5,333</b>	<b>4,411</b>

## 2.2. Basis of preparation and accounting policies

### 2.2.1. Basis of preparation

This consolidated quarterly report of the Benefit Systems Group was authorised for issue by the Management Board of the parent on November 9th 2021.

This consolidated quarterly report of the Benefit Systems Group covers the nine months ended September 30th 2021 and has been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*, as endorsed by the European Union, and the requirements laid down in the Regulation of the Minister of Finance on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated March 29th 2018 (consolidated text: Dz. U. of 2018, item 757).

The interim condensed consolidated and separate financial statements have been prepared in a condensed form and do not contain all the information required to be disclosed in full-year consolidated and separate financial statements prepared in accordance with International Financial Reporting Standards (IFRS), as endorsed by the European Union. This report should be read in conjunction with the full-year consolidated and separate financial statements of the Group and the parent for 2020 and with the interim condensed consolidated and separate financial statements of the Group and the parent for the six months to June 30th 2021.

The functional currency of the parent and the presentation currency for data contained in this report is the Polish złoty, and all amounts are expressed in thousands of Polish złoty (unless indicated otherwise).

The interim condensed consolidated and separate financial statements have been prepared on the assumption that the Group and the parent will continue as going concerns in the foreseeable future. As at the date of authorisation of this consolidated quarterly report, no circumstances were identified which would indicate any threat to the Group's and the parent's ability to continue as going concerns.

### 2.2.2. Accounting policies

The interim condensed consolidated and separate financial statements contained in this report have been prepared in accordance with the accounting policies presented in the most recent consolidated and separate financial statements for the year ended December 31st 2020, and in accordance with the policies applied in the same interim period of the previous year, except for the application of the practical expedient provided by the amendment to IFRS 16 in the wake of the COVID-19 pandemic, which was first applied in preparing the consolidated and separate financial statements for the year ended December 31st 2020. The practical expedient gives the lessee the option not to assess whether a rent concession is a lease modification and to account for any change in lease payments resulting from the rent concession the same way it would account for the change if the change were not a lease modification. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only under certain conditions.

The amendment does not affect lessors.

The amendment applies to annual periods beginning on or after June 1st 2020. The Group applied the amendment retrospectively, with no effect the balance of retained earnings as at January 1st 2020.

The interim condensed consolidated and separate financial statements have been prepared on a historical cost basis, except with respect to items measured at fair value, such as a liability arising from contingent payment for acquired shares.

### 2.2.3. Uncertainty of estimates

When preparing the interim condensed consolidated and separate financial statements, the Management Board of the parent is guided by its judgement in making numerous estimates and assumptions that affect the accounting policies applied and the disclosed amounts of assets, liabilities, income and expenses. Actual amounts may differ from the estimates made by the Management Board of the parent.

For information on the estimates and assumptions relevant to the interim condensed consolidated and separate financial statements, see the full-year financial statements of the Group and the parent for 2020.

### 2.2.4. Correction of errors and changes in accounting policies

No corrections of errors or changes in accounting policies were made by the Group in the reporting period.

## 2.3. Operating segments

The Group presents segment information in accordance with IFRS 8 *Operating Segments* for the current reporting period and the comparative period.

The Group presents results by segments reflecting its long-term investment strategy and the business management model, taking into account the nature of its business. The Group presents the following segments:

1. Poland
2. Foreign Markets
3. Cafeterias

The Group generates income and expenses from the above business lines which are reviewed regularly by the operating decision makers and used to make decisions on resources allocated to each segment and to assess the segments' results.

The Group has separate financial information available for each of the segments. The Group applies the same accounting policies for all operating segments. The Group accounts for inter-segment transactions on an arm's-length basis.

The segments' performance is assessed based on operating profit or loss and EBITDA (which is not a standard measure) defined by the Group as operating profit before depreciation and amortisation. In addition, the Group allocates to the operating segments interest on lease liabilities and share of profits (losses) of equity-accounted entities whose business is similar to that of a given segment.

In the reporting period, the Group did not identify any individual customer which would account for more than 10% of the Group's total revenue.

Measurement of the operating segments' results used in the management calculations is consistent with the accounting policies applied in the preparation of the consolidated financial statements.

Reconciliation of the segments' results with the Group's total results in the six months ended September 30th 2021 and in the comparative period is presented below.

	Poland	Foreign Markets	Cafeterias	Corporate	Total
<i>for the period January 1st to September 30th 2021</i>					
<b>Revenue</b>	<b>387,971</b>	<b>158,356</b>	<b>34,209</b>	<b>(4,209)</b>	<b>576,327</b>
<i>including from external customers</i>	387,902	158,356	29,634	435	576,327
<i>including inter-segment sales</i>	69	0	4,575	(4,644)	0
<b>Cost of sales</b>	<b>(355,284)</b>	<b>(138,099)</b>	<b>(16,387)</b>	<b>5,778</b>	<b>(503,992)</b>
<i>including practical expedient under IFRS 16</i>	15,589	1,176	0	0	16,765
<b>Gross profit</b>	<b>32,687</b>	<b>20,257</b>	<b>17,822</b>	<b>1,569</b>	<b>72,335</b>
Selling expenses	(36,962)	(16,920)	(2,152)	1,110	(54,923)
Administrative expenses	(47,348)	(25,060)	(8,190)	987	(79,611)
Other income and expenses	4,937	15,143	203	46	20,329
<b>Operating profit/(loss)</b>	<b>(46,686)</b>	<b>(6,580)</b>	<b>7,683</b>	<b>3,712</b>	<b>(41,870)</b>
Share of profit of equity-accounted entities	922	0	0	0	922
Interest expense on lease liabilities	(7,839)	(959)	(82)	42	(8,838)
Depreciation and amortisation	124,787	24,449	4,818	(972)	153,082
<b>EBITDA</b>	<b>78,101</b>	<b>17,869</b>	<b>12,501</b>	<b>2,740</b>	<b>111,212</b>
Segment's assets	1,860,481	249,452	167,929	(251,639)	2,026,223
Segment's liabilities	1,200,284	403,994	108,161	(251,240)	1,461,199
Investments in associates	5,333	0	0	0	5,333

	Poland	Foreign Markets	Cafeterias	Corporate	Total
<i>for the period January 1st to September 30th 2021</i>					
<b>Revenue</b>	<b>195,970</b>	<b>89,341</b>	<b>13,865</b>	<b>(1,922)</b>	<b>297,254</b>
<i>including from external customers</i>	195,965	89,341	11,653	295	297,254
<i>including inter-segment sales</i>	5	0	2,212	(2,217)	0
<b>Cost of sales</b>	<b>(171,300)</b>	<b>(66,149)</b>	<b>(6,093)</b>	<b>2,627</b>	<b>(240,915)</b>
<i>including practical expedient under IFRS 16</i>	1,462	179	0	0	1,641

<b>Gross profit</b>	<b>24,670</b>	<b>23,192</b>	<b>7,772</b>	<b>705</b>	<b>56,339</b>
Selling expenses	(15,586)	(6,488)	(691)	502	(22,262)
Administrative expenses	(18,812)	(8,998)	(2,869)	248	(30,431)
Other income and expenses	1,542	1,087	(42)	(1)	2,586
<b>Operating profit/(loss)</b>	<b>(8,186)</b>	<b>8,793</b>	<b>4,170</b>	<b>1,454</b>	<b>6,232</b>
Share of profit of equity-accounted entities	98	0	0	0	98
Interest expense on lease liabilities	(2,556)	(313)	(23)	12	(2,881)
Depreciation and amortisation	41,614	8,195	1,584	(334)	51,059
<b>EBITDA</b>	<b>33,428</b>	<b>16,988</b>	<b>5,755</b>	<b>1,120</b>	<b>57,291</b>

	Poland	Foreign Markets	Cafeterias	Corporate	Total
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for the period January 1st to September 30th 2020

<b>Revenue</b>	<b>578,965</b>	<b>262,013</b>	<b>24,988</b>	<b>(4,987)</b>	<b>860,979</b>
<i>including from external customers</i>	577,080	262,013	20,775	1,111	860,979
<i>including inter-segment sales</i>	1,885	0	4,213	(6,098)	0
<b>Cost of sales</b>	<b>(463,287)</b>	<b>(197,253)</b>	<b>(17,686)</b>	<b>10,503</b>	<b>(667,724)</b>
<b>Gross profit</b>	<b>115,678</b>	<b>64,760</b>	<b>7,302</b>	<b>5,515</b>	<b>193,255</b>
Selling expenses	(34,784)	(20,851)	(3,827)	3	(59,459)
Administrative expenses	(54,886)	(25,205)	(4,131)	(740)	(84,962)
<i>including the Incentive Scheme</i>	0	0	0	(924)	(924)
Other income and expenses	(5,281)	1,299	(2,398)	33	(6,347)
<b>Operating profit/(loss)</b>	<b>20,727</b>	<b>20,003</b>	<b>(3,053)</b>	<b>4,811</b>	<b>42,487</b>
Share of profit of equity-accounted entities	0	0	0	999	999
Interest expense on lease liabilities	(9,930)	(1,193)	(121)	199	(11,045)
Depreciation and amortisation	133,432	25,672	4,526	(5,766)	157,864
<b>EBITDA</b>	<b>154,159</b>	<b>45,675</b>	<b>1,472</b>	<b>(955)</b>	<b>200,351</b>
Segment's assets	1,822,069	292,177	128,195	(217,989)	2,024,452
Segment's liabilities	1,198,908	416,572	88,183	(273,024)	1,430,639
Investments in associates	4,342	0	0	9,660	14,002

	Poland	Foreign Markets	Cafeterias	Corporate	Total
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for the period July 1st to September 30th 2020

<b>Revenue</b>	<b>214,623</b>	<b>90,635</b>	<b>9,432</b>	<b>(1,183)</b>	<b>313,507</b>
<i>including from external customers</i>	213,994	90,635	8,421	457	313,507
<i>including inter-segment sales</i>	629	0	1,011	(1,640)	0
<b>Cost of sales</b>	<b>(165,948)</b>	<b>(66,799)</b>	<b>(6,189)</b>	<b>3,331</b>	<b>(235,605)</b>
<b>Gross profit</b>	<b>48,675</b>	<b>23,836</b>	<b>3,243</b>	<b>2,147</b>	<b>77,901</b>
Selling expenses	(12,223)	(6,249)	(1,175)	3	(19,644)
Administrative expenses	(18,130)	(7,259)	(1,182)	(14)	(26,585)
<i>including the Incentive Scheme</i>	0	0	0	0	0
Other income and expenses	(333)	1,946	184	(48)	1,749
<b>Operating profit/(loss)</b>	<b>17,989</b>	<b>12,274</b>	<b>1,071</b>	<b>2,088</b>	<b>33,421</b>
Share of profit of equity-accounted entities	0	0	0	195	195
Interest expense on lease liabilities	(3,217)	(360)	(39)	67	(3,549)
Depreciation and amortisation	43,585	8,084	1,665	(1,984)	51,350

EBITDA	61,574	20,358	2,735	104	84,771
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There is no significant concentration of sales to one or more external customers. In the reporting period of the nine months ended September 30th 2021, the Group did not identify any individual customer which would account for more than 10% of the Group's total revenue.

The unallocated expenses are costs of the Incentive Scheme, support functions and other activities not allocated to any of the identified operating segments. Eliminations of assets mainly include loans and trade receivables.

Reconciliation of total revenue, profit or loss and assets of the operating segments with the corresponding items of the Group's interim condensed consolidated financial statements:

	January 1st to September 30th 2021	July 1st to September 30th 2021	January 1st to September 30th 2020	July 1st to September 30th 2020
<b>Segments' revenue</b>				
Total revenue of operating segments	580,536	299,176	865,966	314,690
Unallocated revenue	435	295	1,111	457
Elimination of revenue from inter-segment transactions	(4,644)	(2,217)	(6,098)	(1,640)
<b>Revenue</b>	<b>576,327</b>	<b>297,254</b>	<b>860,979</b>	<b>313,507</b>
<b>Segments' profit/(loss)</b>				
Segments' operating profit/(loss)	(45,582)	4,775	37,676	31,333
Elimination of profit/(loss) from inter-segment transactions (IFRS 16)	0	(62)	564	502
Unallocated profit/(loss)	3,712	1,519	4,247	1,586
<b>Operating profit</b>	<b>(41,870)</b>	<b>6,232</b>	<b>42,487</b>	<b>33,421</b>
Finance income	5,811	(9,368)	9,033	4,995
Finance costs	(15,685)	(4,666)	(57,009)	(13,973)
Impairment losses on financial assets	(43)	60	(1,320)	(78)
Share of profit/(loss) of equity-accounted entities (+/-)	922	98	999	195
<b>Profit before tax</b>	<b>(50,865)</b>	<b>(7,644)</b>	<b>(5,810)</b>	<b>24,560</b>

	September 30th 2021	December 31st 2020
<b>Segments' assets</b>		
Total assets of operating segments	2,277,862	2,292,772
Unallocated assets	0	0
Elimination of inter-segment transactions	(251,639)	(248,469)
<b>Total assets</b>	<b>2,026,223</b>	<b>2,044,303</b>

	September 30th 2021	December 31st 2020
<b>Segments' liabilities</b>		
Total liabilities of operating segments	1,712,439	1,769,231
Unallocated liabilities	0	0
Elimination of inter-segment transactions	(251,240)	(247,928)

<b>Total liabilities</b>	<b>1,461,199</b>	<b>1,521,303</b>
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	Poland	Foreign Markets	Cafeterias	Corporate	Total
<i>for the period January 1st to September 30th 2021</i>					
<b>Revenue from external customers:</b>	<b>387,902</b>	<b>158,356</b>	<b>29,634</b>	<b>435</b>	<b>576,327</b>
<i>Poland</i>	387,902	158	29,634	435	418,129
<i>Czech Republic</i>	0	63,964	0	0	63,964
<i>Bulgaria</i>	0	63,264	0	0	63,264
<i>Other</i>	0	30,970	0	0	30,970
<b>Non-current assets*:</b>	<b>1,249,622</b>	<b>180,698</b>	<b>74,550</b>	<b>(2,909)</b>	<b>1,501,961</b>
<i>Poland</i>	1,249,622	3,558	74,550	(2,909)	1,324,821
<i>Czech Republic</i>	0	106,058	0	0	106,058
<i>Bulgaria</i>	0	58,087	0	0	58,087
<i>Other</i>	0	12,995	0	0	12,995

*for the period January 1st to September 30th 2020*

	Poland	Foreign Markets	Cafeterias	Corporate	Total
<b>Revenue from external customers:</b>	<b>577,080</b>	<b>262,013</b>	<b>20,775</b>	<b>1,111</b>	<b>860,979</b>
<i>Poland</i>	577,080	142	20,775	1,111	599,108
<i>Czech Republic</i>	0	171,700	0	0	171,700
<i>Bulgaria</i>	0	55,800	0	0	55,800
<i>Other</i>	0	34,371	0	0	34,371
<b>Non-current assets*:</b>	<b>1,338,801</b>	<b>185,618</b>	<b>56,255</b>	<b>2,088</b>	<b>1,582,762</b>
<i>Poland</i>	1,338,801	4,023	56,255	2,088	1,401,167
<i>Czech Republic</i>	0	115,531	0	0	115,531
<i>Bulgaria</i>	0	54,518	0	0	54,518
<i>Other</i>	0	11,546	0	0	11,546

\* Excluding financial instruments and deferred tax assets.

<b>Revenue by category:</b>		<b>January 1st to September 30th 2021</b>	<b>January 1st to September 30th 2020</b>
Sale of sport cards in Poland	B2B	336,820	469,528
Sale of sport cards on foreign markets	B2B	144,440	241,368
Sale of cafeteria benefits	B2B	29,634	20,775
Sale of fitness clubs in Poland	B2B/B2C	45,975	101,823
Sale of fitness clubs on foreign markets	B2B/B2C	10,999	20,645
Other settlements	B2B	460	1,029
<b>Revenue from contracts with customers (IFRS 15)</b>		<b>568,327</b>	<b>855,167</b>
<i>Revenue from IFRS 16</i>		<i>8,000</i>	<i>5,811</i>
<b>Total revenue</b>		<b>576,327</b>	<b>860,979</b>

### 2.3.1. Poland

The Poland segment comprises the sale of sport cards, management of fitness clubs and investments in new clubs on the Polish market. Sport cards are distributed by Benefit Systems S.A. and VanityStyle Sp. z o.o. The companies currently offer the following cards: **MultiSport Plus**, **MultiSport Classic**, **MultiSport Light**, **MultiSport Kids/MultiSport Kids Aqua**,

**MultiSport Student, MultiSport Senior, as well as FitSport and FitProfit.** In addition, Benefit Systems S.A. offers the **MultiLife** product.

Sport cards are one of the most popular non-pay benefits in Poland and, at the same time, they are also among the benefits most preferred by employees. Sport cards are unique because they combine, in a single product, benefits for various market participants; they benefit: employers as an effective tool for incentivising employees, cardholders by providing access to numerous facilities and activities, and sports facility operators by generating additional revenue streams. The market potential remains strong, as many Poles do not practise any sports and employers increasingly appreciate the benefits of their employees staying fit and healthy. At the end of the reporting period, the number of active cards in Poland was 709.3 thousand.

The Benefit Systems Group also invests in fitness clubs to secure access to an adequate base of sports and recreation facilities. As at the end of September 2021, the Group had 155 own clubs in Poland operated by the Fitness Branch, a part of Benefit Systems S.A., and Fit Fabric Sp. z o.o. The Group's facilities operate under the following brands: **Zdrofit, Fabryka Formy, Fitness Academy, My Fitness Place, FitFabric, Step One, S4 and AquaPark Wesolandia.** The Group also held equity interests in companies managing another 41 facilities. In addition, the parent operates the Atmosfera Multisport club, which organises activities for children and young people.

	January 1st to September 30th 2021	January 1st to September 30th 2020	Change
Revenue	387,971	578,965	(33.0%)
Cost of sales	(355,284)	(463,287)	(23.3%)
<b>Gross profit/(loss)</b>	<b>32,687</b>	<b>115,678</b>	<b>(71.7%)</b>
Selling expenses	(36,962)	(34,784)	6.3%
Administrative expenses	(47,348)	(54,886)	(13.7%)
Other income and expenses	4,937	(5,281)	-
<b>Operating profit/(loss)</b>	<b>(46,686)</b>	<b>20,727</b>	-
Share of profit of equity-accounted entities	922	0	-
<b>EBITDA</b>	<b>78,101</b>	<b>154,159</b>	<b>(49.3%)</b>
Gross margin	8.4%	20.0%	(11.6pp)
<i>Number of sport cards ('000)</i>	<i>709.3</i>	<i>766.3</i>	<i>(57.0)</i>
<i>Number of clubs</i>	<i>155</i>	<i>158</i>	<i>(3)</i>

As a result of the continuing restrictions due to the ongoing COVID-19 pandemic, in particular the shutdown of sports facilities until May 28th 2021, the Poland segment's revenue fell 33% year on year.

In order to enhance sales, the Group redirected its efforts to intensive development of its online products, such as the exercise platform which provides access to a constantly expanding base of online and live workouts conducted by qualified trainers, and the Yes2Move online store which offers, among other things, food supplements and dietetic food, fitness accessories and many other articles to support physical exercise and promote a healthy lifestyle. At the beginning of the year, the parent launched MultiLife – a product providing access to online services such as the Diet Creator (Kreator Diety), a language platform, a mindfulness course and online consultations with experts.

As the sports facilities were closed, a significantly lower cost of user visits was recognised in cost of sales. In response to the pandemic, steps were also taken to reduce direct costs of sports facilities as well as selling expenses (including marketing costs) and administrative expenses. Other cost categories that also went down were the cost of services, salaries and wages,

consumption of materials, and the cost of contributions payable to the Social Insurance Institution (ZUS), which were subject to exemption under a governmental public aid programme (anti-crisis shield), amounting to PLN 9.7m.

On May 28th 2021, the Group reopened 121 own clubs. 150 own clubs were opened by the end of September 2021, in accordance with the planned reopening schedule. Steps were taken primarily to restore the customer base as soon as possible and to improve the attractiveness of the fitness clubs' range of services.

In June 2021, measures were launched to promote the MultiSport brand and encourage customers to return to sports facilities with a view to restoring the sport card base. At the same time, activities were initiated as part of the next edition of the MultiSport Summer Game, which encourages sport card holders to collect points through physical activity. September 2021 saw the launch of the *Get Ready! (Przygotuj się!)* campaign, which encourages Poles to exercise regularly to support their body and mind in addressing everyday challenges. The purpose of the campaign is to educate Poles on the positive impact of exercise and sports on the quality of life, health and well-being. The promotional efforts cover new services that focus on improving mental well-being through physical activity. A new addition to the Group's fitness offering is the *Stress Reliever (Antystres)* programme dedicated to people with intensive lifestyles and long-term stress exposure.

In 2021, the Group initiated the Zdrofit Zdrowe Miejsce (ZZM – Zdrofit Healthy Place) project, with 10 clubs providing physical therapy and kinesitherapy services opening (in Warsaw and its vicinity) at the beginning of May, followed by another six (in Kraków, Poznań, Wrocław, and Łódź) in the third quarter of the year. As part of the therapy by movement and exercise (kinesitherapy), Zdrofit Healthy Place patients receive, among other things, individualised Fitness Improvement Programmes prepared for them by physiotherapists.

In the third quarter of 2021, cooperation was initiated with the Marshal Office of the Warsaw Province (Mazovia) in Warsaw, under which medical facilities (Zdrofit Healthy Place clubs) will implement a health policy programme involving physiotherapy treatment for patients with post-COVID-19 symptoms.

In the first nine months of 2021, four fitness clubs owned by Benefit Systems S.A. (one in the My Fitness Place network, one in the S4 network and one in Fit Fabric network) were closed down. The closures had a positive effect of PLN 3.17m on the results for the nine months ended September 30th 2021, as the cost of early termination fees (-PLN 0.58m) was more than offset by the positive effect of termination of lease contracts (+PLN 3.75m). In September 2021, a provision was recognised for the expected early termination of lease contracts for three fitness clubs (-PLN 1.75m).

In September 2021, a new My Fitness Place club was opened in Kraków, in the high-five complex of modern office buildings.

In the first three quarters of 2021, the Poland segment recognised depreciation of right-of-use assets of PLN 79.7m and interest expense on lease liabilities of PLN 7.8m.

The financial result for the first nine months of the year includes the effect of renegotiation and reduction of lease rents of PLN 15.6m.

### 2.3.2. Foreign Markets

The segment consists of companies engaged in the development of the MultiSport programme, companies managing fitness clubs as part of the strategy to support the MultiSport card as the

Group's main product, as well as holding companies: Benefit Systems International Sp. z o.o., Fit Invest International Sp. z o.o. and BSI Investments Sp. z o.o.

In the nine months ended September 30th 2021, operating activities within the segment were carried out through subsidiaries on the following markets:

- Czech Republic – MultiSport programme and fitness clubs;
- Bulgaria – MultiSport programme and fitness clubs;
- Slovakia – MultiSport programme and fitness clubs;
- Croatia – MultiSport programme;
- Turkey – MultiSport programme (launch of operations in the third quarter of 2021).

Benefit Systems International Sp. z o.o. is the parent of the other companies in the segment. All these companies are fully consolidated.

	January 1st to September 30th 2021	January 1st to September 30th 2020	Change
Revenue	158,356	262,013	(39.6%)
Cost of sales	(138,099)	(197,253)	(30.0%)
<b>Gross profit/(loss)</b>	<b>20,257</b>	<b>64,760</b>	<b>(68.7%)</b>
Selling expenses	(16,920)	(20,851)	(18.9%)
Administrative expenses	(25,060)	(25,205)	(0.6%)
Other income and expenses	15,143	1,299	1065.8%
<b>Operating profit/(loss)</b>	<b>(6,580)</b>	<b>20,003</b>	-
<b>EBITDA</b>	<b>17,869</b>	<b>45,675</b>	<b>(60.9%)</b>
Gross margin	12.8%	24.7%	(11.9pp)
Number of sport cards	275.9	290.1	(14.2)
Number of clubs	24	25	(1.0)

At the end of 2020, restrictions were in place across all markets of the segment, preventing customers from using the MultiSport programme, and the fitness companies in the Czech, Slovak and Bulgarian markets from operating the clubs. The situation continued throughout January 2021.

At the end of January 2021, some of the restrictions were lifted on the Bulgarian market, which enabled continuation of the MultiSport programme and reopening of fitness clubs from February 1st 2021. The Group's own clubs and partner locations were reopened under the applicable sanitary protocol (one person per 15 square metres), but this had no significant impact on the activity of cardholders and club members.

When the lockdown was introduced in November 2020, the number of active cards in Bulgaria was 86.9 thousand. After the restrictions were lifted in February 2021, the number stood at 69.7 thousand. In March, the number of active cards increased again, to 78.8 thousand. In the second half of March, as the number of new COVID-19 cases grew again, the Bulgarian government decided to reintroduce restrictions on selected business sectors, including the fitness industry. Lockdown on the Bulgarian market lasted from March 22nd to March 31st 2021, and both the MultiSport programme and the activities of fitness clubs were suspended during that time. In the following months, the incidence of COVID-19 in Bulgaria continued to escalate, prompting the authorities to impose new restrictions, including a cap on the number of fitness club users at 30% of a club's maximum capacity, and a cap on the number of users of group fitness activities of ten people per activity. As at the end of the third quarter, there were 89.5 thousand active cards, up almost 20% year on year.

In the first half of February 2021, the government of Croatia decided to lift some restrictions. As a result, the MultiSport Programme was re-launched in Croatia on February 15th. Before the lockdown was introduced in November 2020, 13.7 thousand cards had been active in the Croatian market. In February 2021, after the re-launch of the MultiSport programme, the number of active cards stood at 8.6 thousand, but it returned to the pre-lockdown level already in March. In the following months, the Croatian government did not impose any new restrictions and the Group saw a steady increase in the number of cards, of approximately several hundred per month, closing the third quarter of 2021 with a total of 15.1 thousand cards (up 20% year on year).

In the Czech and Slovak markets, a 'hard lockdown' was in force throughout the first quarter of 2021, and both the MultiSport programme and the activities of fitness clubs were suspended. Prior to the introduction of the lockdown in December 2020, the number of cards on the Czech and Slovak markets had been 134.8 thousand and 18.4 thousand, respectively.

As the pandemic situation in the country improved, the Slovak government decided to lift the restrictions, enabling the reopening of fitness clubs and re-launch of the MultiSport programme on May 1st 2021. In the following months, in response to the growing number of new COVID-19 infections, the Slovak government introduced further restrictions, including a cap on the number of fitness club users that can be present on a club's premises at any given time. At the end of the third quarter of 2021, the number of cards was 30.8 thousand, down 23% year on year.

In the Czech market, restrictions were lifted, fitness clubs were reopened and the MultiSport programme was re-launched on May 17th 2021. In the third quarter of 2021, no new restrictions were introduced, allowing the Group to report 140.4 thousand cards at the end of September.

As at the end of the third quarter of 2021, cumulative revenue was PLN 103.7m less year on year. The revenue erosion was caused by the restrictions, which led to suspension or limitation of the MultiSport programme and fitness club operations for the duration of the lockdown periods, and by a decrease in the total number of MultiSport cards within the segment by 15.0 thousand relative to September 2020. In addition, the results for the first half of 2020a included a one-off adjustment due to VAT refund in the Czech Republic for 2019, which increased revenue and operating profit for the nine months ended September 30th 2020 by PLN 32.1m and PLN 16.9m, respectively.

As at the end of the third quarter of 2021, 4.2 thousand partner locations were active in the entire segment, down 0.1 thousand on the end of September 2020.

As at the end of the third quarter of 2021, the company was operating own fitness clubs in the Czech Republic (13 clubs), Bulgaria (nine clubs) and Slovakia (two clubs). At the end of the third quarter of 2021, one new club was launched in Slovakia (Stanica Nivy) and there were plans to open one new club on the Czech market (Pankrac) by the end of 2021.

Companies of the Foreign Markets segment actively benefited from support schemes offered by the local governments as well as the European Union to mitigate the adverse economic effects of the COVID-19 pandemic. These schemes included:

- rent subsidies,
- wage subsidies,
- waivers of social security contributions,
- compensation for revenue decrease.

The total amount of grants recognised in the nine months ended September 30th 2021 in the Foreign Markets segment was PLN 15m.

### 2.3.3. Cafeterias

The Cafeterias segment is responsible for developing the MyBenefit and MultiKafeteria non-pay employee benefit platforms, which offer a wide range of products and services, including the Benefit Systems Group's own products. The segment's offering is focused on benefits spanning culture, entertainment, recreation, leisure, as well as domestic and foreign travel. The offering also comprises shopping vouchers that can be used at popular brand store chains in Poland, training courses, and food offering. Benefits are offered by reliable suppliers, and the partner network comprises nearly four thousand entities and is constantly adapted to market and customer needs.

The MyBenefit and MultiKafeteria cafeteria platforms allow users to choose freely from among a range of available benefits, within the limits and budgets set by their employers. Users can select benefits directly from Cafeteria – an online platform featuring individual user accounts. The solution, which gives employers full control of the benefits selected and simple settlement methods, has been taken up by companies from the manufacturing, services and trade industries, as well as public institutions. The Cafeteria platforms are also an important channel for distributing sport cards offered by the Group.

The MultiBilet Cinema Programme is an independent pillar of the Group's culture and entertainment offering, with tickets available to over 200 partner cinemas across Poland (including Cinema City, Helios and Multikino, in addition to a number of local cinemas).

The QlturaProfit vouchers offered by VanityStyle Sp. z o.o. allow their holders to enjoy selected plays, films and exhibitions as part of a cultural offering created by about 55 theatres, 170 cinemas, 50 museums and 25 thematic parks across Poland.

In addition to the Cafeteria platforms and the Cinema Programme, the Group offers MultiTeatr, MultiMuzeum, MultiZoo and BenefitLunch, providing access to numerous theatres, museums, zoos and restaurants.

Starting from 2021, the Cafeterias segment includes the results of YesIndeed Sp. z o.o., a company providing staff activation services in the B2B model.

The services are divided into two categories:

- services for sales departments offered under the YesIndeed brand, and
- services for entire organisations offered under the WannaBuy brand.

The main element of the projects is gamification with tangible and intangible rewards, based on results imported from sales, HR and payroll, and sports systems.

	January 1st to September 30th 2021	January 1st to September 30th 2020	Change
Revenue	34,209	24,988	36.9%
Cost of sales	(16,387)	(17,686)	(7.3%)
<b>Gross profit/(loss)</b>	<b>17,822</b>	<b>7,302</b>	<b>144.1%</b>
Selling expenses	(2,152)	(3,827)	(43.8%)
Administrative expenses	(8,190)	(4,131)	98.3%
Other income and expenses	203	(2,398)	-
<b>Operating profit/(loss)</b>	<b>7,683</b>	<b>(3,053)</b>	-
<b>EBITDA</b>	<b>12,501</b>	<b>1,472</b>	<b>749.0%</b>

Gross margin	52.1%	29.2%	22.9pp
Turnover (million)*	275.4	238.9	36.5
Number of users (in thousands)	552.0	489.6	62.4

\* Based on the value of services provided and settlement of intermediation in payments in the MultiKafeteria, MyBenefit and WannaBuy cafeteria e-platforms.

As at the end of September 2021, the MyBenefit and MultiKafeteria e-platforms combined had almost 512 thousand users, up 22.1 thousand year on year. MyBenefit's customer base grew by 102 year on year.

The increase in the number of users translated into a PLN 31.9m year-on-year increase in turnover generated through and outside of platforms over the period.

As the product offering had been adjusted in the face of the pandemic, the loss of turnover in the categories adversely affected by COVID-19 (sport cards, cinema) was offset by higher sales in the store category (PLN 181.5m in January–September 2021 vs PLN 128.5m in the same period of the year before).

The increase in administrative expenses in 2021 was driven by higher personnel costs and a change in the cost allocation method within the organisation. The year-on-year growth in personnel costs was attributable to the establishment of a new department, tasked mainly with planning, implementing new development directions and enhancing the product mix. The change in the cost allocation method related to the recognition of costs of back-office departments, such as administration, HR and IT, which until 2020 had been allocated to the costs of the departments to which the relevant internal service was provided and, as a result, presented in accordance with the nature of a given department under cost of sales, selling expenses or administrative expenses. Starting from 2021, these costs have been fully charged to administrative expenses.

The year-on-year decrease in cost of sales recorded at the end of September 2021 was largely attributable to lower costs of maintaining the cafeteria system and lower personnel costs, as well as the change in the cost allocation method.

The lower selling expenses reflected mainly the decrease in personnel costs and change in the cost allocation method.

The PLN 0.3m increase in depreciation and amortisation is attributable to capitalisation of expenditure related to the investment programme focusing on the development and upgrade of the cafeteria system and aimed at offering more attractive IT solutions to users.

As at the end of September 2021, the Cafeterias segment recognised close to PLN 1.4m in depreciation of right-of-use assets and PLN 82 thousand in interest expense on lease liabilities.

#### 2.3.4. Corporate

Revenue recognised in the segment primarily includes eliminations of inter-segment transactions, with the most significant item being settlements for the provision of cafeteria platforms as sales channels for sport cards. The Corporate segment also includes income other than from sales of non-pay incentive products, costs of the Incentive Scheme, and elimination of inter-segment costs.

	January 1st to September 30th 2021	January 1st to September 30th 2020	Change
Revenue	(4,209)	(4,987)	(15.6%)
Cost of sales	5,778	10,503	(45.0%)
<b>Gross profit/(loss)</b>	<b>1,569</b>	<b>5,515</b>	<b>(71.5%)</b>
Selling expenses	1,110	3	-
Administrative expenses	987	(740)	-
<i>including cost of the Incentive Scheme</i>	0	(924)	-
Other income and expenses	46	33	39.1%
<b>Operating profit/(loss)</b>	<b>3,712</b>	<b>4,811</b>	<b>(22.8%)</b>
Share of profit or loss of equity-accounted entities	0	999	-
<b>EBITDA</b>	<b>2,740</b>	<b>(955)</b>	-

## 2.4. Finance income and costs

The key items of the Group's finance income and costs are presented below.

	January 1st to September 30th 2021	July 1st to September 30th 2021	January 1st to September 30th 2020	July 1st to September 30th 2020
<b>Finance income, including:</b>	<b>5,811</b>	<b>(9,368)</b>	<b>9,033</b>	<b>4,995</b>
Interest on loans	1,033	298	1,774	543
Remeasurement of liabilities arising from acquisition of shares	2,871	1,069	2,816	2,389
Foreign exchange gains	1,646	(10,608)	0	0
<b>Finance costs, including:</b>	<b>(15,685)</b>	<b>(4,666)</b>	<b>(57,009)</b>	<b>(13,973)</b>
Foreign exchange losses	0	0	(35,479)	(8,799)
Credit and bond costs	(4,770)	(1,507)	(3,837)	(837)
Interest expense on lease liability	(8,838)	(2,881)	(11,044)	(3,548)
<b>Total finance income and costs</b>	<b>(9,874)</b>	<b>(14,034)</b>	<b>(47,976)</b>	<b>(8,978)</b>

In the third quarter of 2021, the Group's finance income was mainly affected by partial reversal of the positive effect of unrealised exchange differences recognised in the six months ended June 30th 2021. Foreign exchange gains recognised by the Group fell from PLN 12.2m to PLN 1.6m, reducing finance income by PLN 10.6m.

## 2.5. Income tax

	January 1st to September 30th 2021
Current tax	(4,371)
Deferred tax	7,082
<b>Total income tax: income tax (expense)/ benefit recognised in profit or loss</b>	<b>2,711</b>

In the nine months ended September 30th 2021, the effective income tax rate was 5%. The change in the effective tax expense was due mainly to the fact that some of the Group companies did not recognise deferred tax assets on tax losses (PLN 5.2m) and deductible temporary

differences (PLN 3m). The effect was partially offset by the recognition of non-taxable income on the measurement of earn-out liability (PLN 0.6m) and the positive effect of an adjustment to taxable income of PLN 1.7m resulting from a change in the royalty rate under a licensing agreement between the parent and its subsidiary Benefit IP Sp. z o.o. sp. k. for the use of trademarks as of January 1st 2020.

Tax rates applied by the Group companies:

	January 1st to September 30th 2021
Poland*	19%
Czech Republic	19%
Slovakia	21%
Bulgaria	10%
Croatia	18%
Turkey	25%

\* Excluding YesIndeed Sp. z o.o., which applies a preferential rate of 9%.

## 2.6. Intangible assets

The balance of the Group's intangible assets grew 27% over the nine months. The change was mainly attributable to expenditures recognised in the Poland and Cafeterias segments. In the Poland segment, the increase of intangible assets was attributable to capitalised expenditure on the digitalisation of services and implementation of advanced tools, e.g. to support customer service. In the Cafeterias segment, the newly recognised intangible assets included mainly capitalised development expense on the cafeteria platform and technology produced by YesIndeed Sp. z o.o., a company acquired this year.

## 2.7. Leases

### 2.7.1. Right-of-use assets

Changes in the carrying amount of the right-of-use assets are presented below.

	Property	Fitness equipment	Other	Total
<i>for the period January 1st to September 30th 2021</i>				
<b>Net carrying amount as at January 1st 2021</b>	<b>757,623</b>	<b>15,705</b>	<b>9,543</b>	<b>782,871</b>
New lease contracts	23,080	0	2,309	25,389
Modifications, termination of contracts	15,341	(753)	(172)	14,416
Depreciation and amortisation	(88,314)	(3,283)	(3,370)	(94,967)
Exchange differences on translation of foreign operations	2,034	0	8	2,042
<b>Net carrying amount as at September 30th 2021</b>	<b>709,764</b>	<b>11,669</b>	<b>8,318</b>	<b>729,751</b>

	Property	Fitness equipment	Other	Total
<b>Net carrying amount as at January 1st 2020</b>	<b>860,118</b>	<b>24,968</b>	<b>11,752</b>	<b>896,838</b>
New lease contracts	23,817	0	3,497	27,314
Modifications, termination of contracts	(28,417)	(2,625)	(2,736)	(33,778)
Depreciation and amortisation	(90,400)	(4,565)	(3,096)	(98,061)
Exchange differences on translation of foreign operations	1,569	0	30	1,599
<b>Net carrying amount as at September 30th 2020</b>	<b>766,687</b>	<b>17,778</b>	<b>9,447</b>	<b>793,912</b>

The lease modifications in the nine months ended September 30th 2021 were chiefly attributable to renegotiation of the terms and conditions of the rental contracts for retail and office space as a result of the COVID-19 pandemic and change of other contractual terms.

### 2.7.2. Lease liabilities

Changes in lease liabilities for the nine months ended September 30th 2021 and September 30th 2020 are presented below.

	January 1st to September 30th 2021
<b>Balance as at January 1st 2021</b>	<b>931,698</b>
New lease contracts	23,819
Modifications, termination of contracts	15,243
Effect of application of COVID-19 practical expedient	(16,765)
Accrued interest	8,838
Exchange differences	739
Settlement of liabilities	(82,563)
Exchange differences on translation of foreign operations	2,149
<b>Balance as at September 30th 2021</b>	<b>883,158</b>
Non-current	698,129
Current	185,029

	January 1st to September 30th 2020
<b>Balance as at January 1st 2020</b>	<b>956,128</b>
New lease contracts	27,314
Modifications, termination of contracts	(36,570)
Accrued interest	11,044
Exchange differences	40,033
Settlement of liabilities	(75,808)
Exchange differences on translation of foreign operations	1,674
<b>Balance as at September 30th 2020</b>	<b>923,815</b>
Non-current	762,522
Current	161,293

The lease modifications in the nine months ended September 30th 2021 were attributable, among other things, to renegotiation of the terms and conditions of the rental contracts for retail and office space in connection with the COVID-19 pandemic and a change to other contractual terms.

Maturities of the lease liabilities as at September 30th 2021 and December 31st 2020 are presented below:

<b>As at September 30th 2021</b>	Lease payments due in:			
	up to 1 year	1 to 5 years	over 5 years	Total
Lease payments	185,955	484,824	252,284	<b>923,063</b>
Finance costs (-)	(926)	(18,584)	(20,395)	<b>(39,905)</b>
Present value	185,029	466,240	231,889	<b>883,158</b>

<b>As at December 31st 2020</b>	Lease payments due in:			
	up to 1 year	1 to 5 years	over 5 years	Total
Lease payments	179,901	502,841	298,557	<b>981,299</b>
Finance costs (-)	(1,056)	(20,628)	(27,917)	<b>(49,601)</b>
Present value	178,845	482,213	270,640	<b>931,698</b>

The Group is a party to lease contracts for fitness clubs whose terms have not yet commenced; the contracts were not recognised in the measurement of lease liabilities. The potential future cash outflows under these contracts were estimated at PLN 98,895 thousand as at September 30th 2021 (December 31st 2020: PLN 94,614 thousand).

### 2.7.3. Lease amounts disclosed in the reporting period

Amounts disclosed in the nine months ended September 30th 2021 and September 30th 2020 relating to the lease contracts recognised in the statement of financial position are presented below.

	January 1st to September 30th 2021	January 1st to September 30th 2020
<b>Amounts disclosed in the consolidated statement of profit or loss</b>		
Depreciation of right-of-use assets (recognised in cost of sales, selling expenses and administrative expenses)	(94,967)	(98,061)
Gain/(loss) on lease modifications (recognised in other income/expenses)	1,394	3,083
Application of COVID-19 practical expedient	16,765	0
Interest expense on lease liabilities (recognised in finance costs)	(8,838)	(11,044)
Exchange differences on lease liabilities denominated in foreign currencies (recognised in finance income/costs)	(739)	(40,033)
<b>Total</b>	<b>(86,385)</b>	<b>(146,055)</b>
<b>Amounts disclosed in the consolidated statement of cash flows</b>		
Lease payments (recognised in cash flow from financing activities)	(76,869)	(75,808)

Costs of short-term lease contracts and leases of low-value assets that are not recognised in the measurement of the lease liabilities and are expensed in the interim consolidated statement of profit or loss stood at PLN 434 thousand and PLN 1.350 thousand in the nine months ended September 30th 2021 and September 30th 2020, respectively. The costs included mainly rental

of advertising space (PLN 107 thousand and 477 thousand, respectively) and leases of assorted equipment for fitness clubs and offices (PLN 327 thousand and 837 thousand, respectively). In the nine months ended September 30th 2021 and September 30th 2020, there were no variable lease payments.

In 2021, in connection with the COVID-19 pandemic, the Group renegotiated terms of the lease contracts, which impacted the amount of lease liabilities. The Group applied the practical expedient introduced by an amendment to IFRS 16 in 2020 in response to the COVID-19 pandemic, whereby rent concessions resulting from the renegotiation of lease contracts are not treated as lease modification, and the effects of remeasurement of lease liabilities are recognised in the statement of profit or loss.

The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2022 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before 30 June 2022 and increased lease payments that extend beyond 30 June 2022); and
- there is no substantive change to other terms and conditions of the lease. As a result, the lease liability is remeasured at an unchanged interest rate and the effect of the remeasurement is recognised in the statement of profit or loss in the core operating activities as a reduction of the respective operating expenses depending on where the costs of the respective lease contract are allocated.

Each lease contract was assessed to determine whether the criteria for applying the practical expedient are met. The practical expedient was applied with respect to rent concessions under property rental contracts (sports clubs, offices) and advertising space rental contracts. The amount of the lease liability remeasurement resulting from the negotiated concessions, recognised in operating profit or loss as a decrease in cost of sales in the nine months ended September 30th 2021, is PLN 16,765 thousand.

#### 2.7.4. Subleases

The Group is a lessor and an intermediate lessor of fitness equipment leased out to facilities which are the Group's partners, as well as office space. The respective contracts were recognised as operating leases. In the nine months ended September 30th 2021, the Group recognised income from operating sublease of fitness equipment of PLN 5,221 thousand and income from sublease of office space of PLN 276 thousand. In the nine months ended September 30th 2020, the amounts were PLN 5,108 thousand and PLN 82 thousand, respectively. These amounts include minimum fixed sublease payments only. In the reporting period, there were no contingent or other payments.

### 2.8. Seasonality of operations

The industry in which the Group operates is subject to seasonal variation. In the third quarter of the calendar year, the activity of holders of sport cards and vouchers tends to be lower than in the first, second and fourth quarters of the year, which affects revenue and profitability of the sport card business and the operation of fitness clubs. On the other hand, seasonality in the Cafeterias segment is reflected in an increase in turnover in the last month of the year due, among other things, to the Christmas period.

In the third quarter of 2021, the seasonality patterns observed to date may have changed as a result of the coronavirus pandemic.

## 2.9. Significant events and transactions in the period

### *COVID-19 pandemic*

In the nine months ended September 30th 2021, the Group's business was affected by the COVID-19 pandemic, and in particular by the temporary government restrictions imposed in the Group's home markets on the operation of sports facilities. The Group's customers and cardholders used the option to suspend sport cards, and the Group did not charge membership fees. Since January 18th 2021, the parent has earned revenue from sales of services relating to active sport cards.

The management of the Group and its subsidiaries took a number of measures to secure and support revenue streams and reduce operating costs. Managing the Group's liquidity is of the highest priority, and the steps taken by the Group include securing access to various sources of financing, monitoring of debt repayments on an ongoing basis, reducing capital expenditure, using public aid instruments, and, where justified, extending payment deadlines and maintaining safe levels of the net debt and liquidity ratios. As at the end of September 2021, the number of active sport cards was 709.3 thousand (up +29.4% on the end of June 2021) in the Poland segment, while in the foreign markets the number of sport cards which were active in September 2021 was 275.9 thousand (up +10.4% on the end of June 2021).

The sports facilities in all markets where the Group operates have been gradually resuming operations since February 2021. Poland was the last market where sports facilities resumed operations (on May 28th 2021).

As at September 30th 2021, the Group held PLN 303m of available funds in bank accounts and had access to PLN 125.5m of available and undrawn overdraft facilities.

In the opinion of the Group, the COVID-19 pandemic has not significantly affected the long-term prospects of the market's potential and the factors supporting the sale of sport cards.

The Group is expanding its offering of online products, such as sports, recreational and health exercises online, the workout platform and Yes2Move online shop, the new MultiLife card and additional services (advice, diets, urban bicycles, special holiday offers), and is continuing to develop the partnership network, which is of strategic importance to the Group. In addition, optimisation measures were taken with a focus on: (i) new customer retention processes and sales of services, implementation of subscription contracts better suited to consumer preferences, (ii) implementation of a new management structure and centralisation of functions across all networks (procurement, administration, back office), and (iii) implementation of restructuring plans at sports clubs with the least potential.

### *Execution of an annex to an agreement with BNP Paribas*

On February 19th 2021, the parent signed an annex to the multi-purpose credit facility agreement with BNP Paribas Bank Polska S.A., extending the facility availability period until February 19th 2023. The available facility limit was set at PLN 30m.

### *Execution of an agreement with the minority shareholders of Fit Fabric Sp. z o.o.*

On May 18th 2021, the parent signed an agreement with the minority shareholders of Fit Fabric Sp. z o.o., as a result of which it acquired 47.5% of the company's share capital, increasing its equity interest to 100%. The deferred portion of the consideration of PLN 4.5m, payable in the fourth quarter of 2021, was disclosed under other current financial liabilities.

### *Decisions on amendments to the Articles of Association of the parent*

On May 19th 2021, the Management Board of the parent was notified that on May 7th 2021 the District Court for the Capital City of Warsaw issued a decision to dismiss the parent's application for the registration of amendments to its Articles of Association in connection with a reduction of the share capital of the parent through the cancellation of treasury shares, based on resolutions passed by the Annual General Meeting on June 10th 2020.

On May 19th 2021, the Management Board of the parent was notified that on May 7th 2021 the District Court for the Capital City of Warsaw issued a decision to register amendments to the parent's Articles of Association adopted by its Extraordinary General Meeting on February 3rd 2021, concerning a change to the conditional share capital of the parent for the purpose of granting the right to acquire Series E and G shares to the holders of subscription warrants under the 2021–2025 Incentive Scheme.

On September 3rd 2021, the Management Board of the parent was notified that on August 31st 2021 the District Court for the Capital City of Warsaw in Warsaw issued a decision to register amendments to the Articles of Association introduced to:

1. bring the Articles of Association into compliance with applicable laws;
2. delete provisions which do not apply to a public company,
3. change the amount of the share capital as a result of the issue of Series E shares in exchange for subscription warrants and their transfer from the conditional share capital to the share capital,
4. make editorial changes.

### *Changes on the Management Board of the parent*

In the period from January 1st to September 30th 2021 the following changes occurred in the composition of the parent's Management Board:

On May 19th 2021, the Supervisory Board of the parent removed, with effect from the end of May 19th 2021, all existing members of the Management Board and appointed, with effect from May 20th 2021, the following persons to serve as members of the parent's Management Board for another four-year joint term of office:

1. Emilia Rogalewicz,
2. Bartosz Józefiak,
3. Adam Radzki,
4. Wojciech Szwarc.

On June 22nd 2021, Adam Radzki resigned as Member of the parent's Management Board with effect from June 23rd 2021.

### *Execution of agreements with Santander Bank Polska*

On May 27th 2021, the PLN 45m multi-purpose and multi-currency credit facility agreement of July 18th 2012 between the parent and Santander Bank Polska was terminated. On May 28th 2021, the parent and Santander Bank Polska executed a PLN 22.5m working capital facility agreement. Proceeds of the facility may be used to finance day-to-day operations. The facility repayment date is May 31st 2023.

On May 28th 2021, an annex to a bank guarantee facility agreement was executed, whereby the facility limit was increased from PLN 60m to PLN 65m.

Also on May 28th 2021, an annex to the guarantee facility agreement was executed. Pursuant to the annex, the parent was granted an overdraft facility of up to PLN 45m, and the guarantee limit was raised from PLN 5m to PLN 10m, with the proviso that the aggregate amount of drawdowns under the overdraft facility and the guarantee facility based on the agreement may not exceed PLN 50m. The facility repayment date is May 31st 2023.

#### *Acquisition of shares in YesIndeed Sp. z o.o.*

On June 17th 2021, a share purchase agreement was signed under which the parent purchased 100% of shares in YesIndeed Sp. z o.o., a company providing staff activation services in the B2B model, for a price of PLN 10.7m. The purchase price consists of PLN 8m, payable upon execution of the agreement, and two deferred payments totalling PLN 2.7m, which will be made subject to the achievement of assumed business objectives by the purchased company.

#### *Coverage of the parent's net loss for 2020*

On June 29th 2021, the parent's Annual General Meeting passed a resolution to cover the net loss of PLN 81.7m for the financial year 2020 from future profits.

#### *Extension of deadline for closing of antitrust proceedings*

On May 31st 2021, the Management Board of the parent received a decision of the President of the Office of Competition and Consumer Protection ("UOKiK"), whereby the antitrust proceedings are expected to be closed on October 29th 2021. The date was postponed again to December 31st 2021 by a decision of the President of UOKiK, received by the company on October 27th 2021.

For detailed information on the proceedings, see Note 2.19 to this report.

#### *Sale (resale) of the parent's treasury shares*

On July 8th 2021, as part of block transactions executed on the regulated market operated by the Warsaw Stock Exchange, the parent sold 118,053 treasury shares, representing approximately 4.08% of the parent's share capital and conferring the right to approximately 4.08% of total voting rights at its General Meeting ("Treasury Shares"), with a total value – being the product of the number of Treasury Shares sold and the sale price of PLN 800 per Treasury Share – of PLN 94,442,400 ("Sale of Treasury Shares").

Following the sale of Treasury Shares, the parent does not hold any of treasury shares.

#### *Notification of exceeding the threshold of 5% of total voting rights at the parent*

On July 13th 2021, the parent received a notification from Aviva Powszechne Towarzystwo Emerytalne Aviva Santander S.A. of Warsaw, to the effect that Aviva Otwarty Fundusz Emerytalny Aviva Santander had exceeded the threshold of 5% of total voting rights at the parent following acquisition of the parent's shares on July 8th 2021.

#### *Execution of annexes to agreements with PKO BP S.A.*

On August 11th 2021, the parent signed an annex to the multi-purpose credit facility agreement with PKO Bank Polski S.A., extending the facility availability period until August 21st 2022. The overdraft facility limit is PLN 50m.

On August 11th 2021, the parent signed an annex to the investment credit facility agreement, introducing uniform definitions of ratios in the bank agreements.

#### *Exercise by eligible persons of rights attached to subscription warrants granted under the incentive scheme*

As at September 30th 2021, the parent received declarations from 31 persons eligible under the 2017–2020 incentive scheme (the "Incentive Scheme") on the acquisition of a total of 39,255 Series E ordinary bearer shares (in exchange for 39,255 Subscription Warrants) in the exercise of rights attached to Series G, Series H and Series I subscription warrants (the "Subscription Warrants") and the eligible persons paid the issue price for the Series E shares (of PLN 491.93

per share) to the parent's account. Rights attached to the Series E shares in the parent will vest upon registration of the shares in the securities accounts of the eligible persons.

## 2.10. Overview of the Company's material achievements or failures in the period

Over the three quarters of 2021, the Group continued its efforts to restore the sport card base in Poland and abroad. Changes taking place in the markets, including various lockdown measures and related restrictions on the fitness industry, accelerated the Group's efforts to diversify its offering in Poland and across the foreign markets. Priority was also given to further technological development, digitalisation of non-pay benefits, and response to the growing health issues faced by Poles.

### **New products fostering mental and physical health**

Based on data concerning the mental condition of Poles during the pandemic (according to the Social Security Institution's data, in 2020 doctors issued more than half a million sick leaves due to severe stress response and adaptation disorders), the Group set to work on a new well-being product. MultiLife combines 12 different services designed to foster mental well-being and work-life balance, including a psychologist's support, a mindfulness course, consultations with dieticians and coaches, a diet creator, a yoga course, access to the Yes2Move.com online exercise platform and to e-books on Legimi.

In the first half of 2021, the first Zdrofit Healthy Place (*Zdrofit Zdrowe Miejsce*) medical facilities commenced their activities, helping clients return to good health and physical fitness under the care of physiotherapists. These facilities address various back pain conditions increasingly affecting Poles, the need to safely return to physical activity after a break or after having suffered an injury, as well as the challenges of regaining fitness and resilience after falling ill with COVID-19. In addition, until December 15th 2021 the Zdrofit Healthy Place facilities will be running a post-COVID-19 physiotherapy programme for convalescents from the Warsaw Province, financed by the local Marshal Office.

### **Reopening of the fitness industry and educational activities focused on health and physical activity**

According to the MultiSport Index Pandemia study, as many as 43% of physically active Poles reduced the frequency of exercise during the lockdown period due mainly to the closure of fitness facilities. From among these people, as many as 74%, 65% and 61% felt the adverse consequences of reduced physical activity on, respectively, their general well-being, health and figure. After nearly 11 months of full lockdown or restricted operations, sports and recreational facilities in Poland were reopened on May 28th 2021. With the reopening of the industry, the MultiSport brand's *On Your Marks (Gotuj się do sportu)* campaign was launched to promote safe return to physical exercise, with the celebrity chef Robert Makłowicz as its ambassador. The campaign supported another edition of the MultiSport Summer Game, a nine-week gamification-based event encouraging participants to discover new sports disciplines at fitness facilities and engage in online exercise.

### **Supporting diversity within the organisation**

In June 2021, the parent, as one of Poland's first public companies, joined the 30% Club Poland initiative to increase the percentage of women in the governing bodies of listed enterprises. One of the key objectives of 30% Club Poland is to achieve at least a 30% share of women on the management and supervisory boards (calculated jointly) of the 140 largest Polish listed companies by 2030. Indirect objectives include achieving a 20% presence of women on the

governing bodies of the companies included in the WIG20, mWIG40 and sWIG80 indices by 2025 and no companies with no women on their governing bodies.

### **Investment in cutting-edge technology solutions**

In June 2021, the Group acquired 100% of shares in YesIndeed Sp. z o.o., which develops comprehensive gamification and incentive systems and offers the WannaBuy cafeteria platform. The companies collaborated in the organisation of two editions of the MultiSport Summer Game. The purpose behind the acquisition of YesIndeed Sp. z o.o. is to expand the Benefit Systems Group's offering with digital solutions and relevant know-how fitting in with the Group's long-term product development strategy.

### **Benefit Systems ranked among best employers**

In 2021, Benefit Systems S.A. received a distinction in the Forbes and Statisty Poland's Best Employers 2021 ranking, joining the select group of Poland's top employers. The ranking was based on opinions polled from 160 thousand professionally active people, surveyed between September and October 2020. In addition, the Company won a distinction from Aviva Investors for model implementation of the Employee Capital Plans project and for achieving a high employee participation rate.

### ***Get Ready! (Przygotuj się!) campaign***

September 2021 saw the launch of the *Get Ready! (Przygotuj się!)* campaign, which encourages Poles to exercise regularly to support their body and mind in addressing everyday challenges. The purpose of the campaign is to educate Poles on the positive impact of exercise and sports on the quality of their lives, health and well-being. *Get Ready!* is a joint initiative of the Zdrofit, Fabryka Formy, Fitness Academy, S4, Fit Fabric, My Fitness Place and Step One network of the Benefit Systems Group's fitness clubs. The promotional efforts cover new services that focus on improving mental well-being through physical activity. A new addition to the Group's fitness offering is the *Stress Reliever (Antystres)* programme dedicated to people with intensive lifestyles and long-term stress exposure.

## **2.11. Outlook**

The outlook in 2021 is significantly impacted by the continuing COVID-19 pandemic, due mainly to the uncertainty surrounding new restrictions that may be imposed.

The COVID-19 pandemic is affecting the global economy and the economies of the countries where Group companies operate, which also contributes to falling demand for sport cards among customers. At the same time, it is important to note that demand for sporting activities among holders of sport cards, as measured by club attendance, is on a par with pre-pandemic levels.

The Group is expanding its offering to include services outside the non-pay benefits and fitness club management markets, where it has already established a stable position. In response to the challenges of the prevailing uncertainty, new online services are being developed for retail customers, including the Yes2Move exercise platform, an online store with sports food and accessories, and the MultiLife product comprising a range of various online services (such as personalised nutrition plans, consultations with dieticians and personal coaches, a language learning platform, multiple expert materials supporting healthy habits and a mindfulness course). The operations of the Poland segment were also expanded to include rehabilitation services.

The Group invariably estimates the long-term potential of the sport card market in Poland at between 1.8 million and 2.2 million units, and sees high growth potential for the MultiSport Programme in foreign markets (currently at a relatively early stage of development). Moreover, the COVID-19 epidemic may, in the long term, increase public awareness of matters related to

health protection and immunity improvement. This in turn may generate demand for physical activity services, which are the Group's main business area.

## 2.12. Share capital

As at September 30th 2021, the parent's share capital amounted to PLN 2,894 thousand (December 31st 2020: PLN 2,894 thousand) and was divided into 2,894,287 shares with a par value of PLN 1 per share. All the shares were paid up in full. All shares participate equally in the distribution of dividends and each share confers the right to one vote at the General Meeting.

Share capital as at the reporting date is presented below.

	September 30th 2021	December 31st 2020
Number of shares	2,894,287	2,894,287
Par value of shares (PLN)	1	1
<b>Share capital (PLN)</b>	<b>2,894,287</b>	<b>2,894,287</b>

## 2.13. Earnings per share

Basic earnings per share are calculated as the quotient of the net profit attributable to owners of the parent divided by the weighted average number of ordinary shares (excluding treasury shares) outstanding during the period.

The calculation of diluted earnings per share takes into account the effect of options convertible into parent shares that have been issued under the Group's incentive schemes. The calculation of earnings per share is presented below.

	January 1st to September 30th 2021	January 1st to September 30th 2020
<b>Number of shares used as denominator</b>		
Weighted average number of ordinary shares	2,810,828	2,740,989
Dilutive effect of options convertible into shares	15,849	30,716
Diluted weighted average number of ordinary shares	2,826,677	2,771,705
<b>Continuing operations</b>		
Net profit/(loss) from continuing operations attributable to owners of the parent	(48,622)	(20,626)
Basic earnings/(loss) per share (PLN)	(17.30)	(7.53)
Diluted earnings/(loss) per share (PLN)	(17.20)	(7.44)

## 2.14. Share-based payment schemes

Pursuant to resolutions of the General Meeting, Benefit Systems S.A. has in place an Incentive Scheme (the "Incentive Scheme") for senior and middle management of the parent and for the Benefit Systems Group subsidiaries with which the parent has entered into relevant agreements. Under the Incentive Scheme, eligible employees receive subscription warrants convertible into shares in the parent. The Incentive Scheme is open to selected employees, both from among senior management and middle management.

On February 3rd 2021, the Supervisory Board resolved to establish an Incentive Scheme for 2021–2025 at the Company. The purpose of the Incentive Scheme is to provide an incentive

system that would promote employee productivity and loyalty, aimed at achieving strong financial performance and a long-term increase in the parent's value. In the 2021–2025 edition of the Incentive Scheme, its participants (up to 149 persons) will be able to acquire up to a total of 125,000 subscription warrants (which, upon conversion into shares, will represent 4.1% of the parent's (post-issue) share capital), entitling them to subscribe for a specific number of shares in the parent in five equal tranches.

The vesting of the warrants will depend on the satisfaction of certain loyalty and effectiveness criteria set out in the Incentive Scheme Rules, and the operation of the Incentive Scheme in a given year will be subject to the mandatory condition that a specified level of consolidated operating profit adjusted for the accounting cost of the Incentive Scheme is achieved for a given financial year.

In the nine months ended September 30th 2021, the parent did not recognise any costs of the Incentive Scheme for 2021. In the corresponding period in 2020, the total cost of the Incentive Scheme charged against Benefit Systems S.A.'s profit or loss was PLN 924 thousand and was related to remeasurement of the second tranche of warrants granted for 2019, with January 9th 2020 as the grant date (the difference between the cost charged in 2019 and the final cost accounted for in 2020).

## 2.15. Dividend

On December 9th 2019, the Management Board of the parent adopted a dividend policy for 2020–2023, under which the Management Board will recommend to the General Meeting payment of dividend of at least 50% of the Group's consolidated net profit for the previous financial year. The Management Board's recommendation will take into account the financial and liquidity position, growth prospects and investment needs of the parent and the Group. The dividend policy is now effective. It has applied starting from the distribution of profit for the financial year ended December 31st 2019. The policy was positively assessed by the Supervisory Board of the parent on December 9th 2019.

On June 29th 2021, the parent's Annual General Meeting passed a resolution to cover the net loss of PLN 81.7m for the financial year 2020 from future profits.

## 2.16. Shareholding structure

The equity and voting interests held in the parent take account of the increase in the parent's share capital made within the limit of its conditional share capital. Series D shares were acquired as part of the conditional share capital by holders of Series D, Series E and Series F subscription warrants granted by the parent in accordance with the terms of the 2014–2016 Incentive Scheme, and Series E shares – by holders of Series G, H and I subscription warrants granted by the parent in accordance with the terms of the 2017–2020 Incentive Scheme.

Shareholder	As at the issue date of the report for nine months ended September 30th 2021			As at the issue date of the report for six month ended June 30th 2021			Change
	Number of shares	Ownership interest	Voting interest	Number of shares	Ownership interest	Voting interest	
James van Bergh*	494,695	17.09%	17.09%	504,695	17.44%	17.44%	(10,000)
Benefit Invest Ltd.*	300,421	10.38%	10.38%	300,421	10.38%	10.38%	-
Invesco Ltd.	288,577	9.97%	9.97%	288,577	9.97%	9.97%	-
Fundacja Drzewo i Jutro*	239,628	8.28%	8.28%	239,628	8.28%	8.28%	-

Marek Kamola	237,440	8.20%	8.20%	237,440	8.20%	8.20%	-
MetLife OFE	210,000	7.26%	7.26%	210,000	7.26%	7.26%	-
Nationale-Nederlanden OFE	159,000	5.49%	5.49%	159,000	5.49%	5.49%	-
Aviva OFE AVIVA Santander	156,789	5.42%	5.42%	156,789	5.42%	5.42%	-
Other	807,737	27.91%	27.91%	797,737	27.56%	27.56%	10,000
<b>TOTAL</b>	<b>2,894,287</b>	<b>100.00%</b>	<b>100.00%</b>	<b>2,894,287</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0</b>

\* Related individuals and/or entities as described in 'Related-party transactions' in the Group's full-year consolidated financial statements for 2020.

The amount of the parent's share capital is PLN 2,894,287. Number of shares comprising the share capital: 2,894,287, including 2,204,842 Series A shares; 200,000 Series B shares; 150,000 Series C shares; 120,000 Series D shares; 35,445 Series E shares, and 184,000 Series F shares. The shares of all series have a par value of PLN 1.00 per share. The total number of voting rights carried by all outstanding shares is 2,894,287. The equity interests held by individual shareholders in Benefit Systems S.A. are equal to their respective voting interests in the Company.

## 2.17. Shares or other rights to shares held by members of the Management Board or the Supervisory Board

The holdings of shares or other rights to shares (options) in Benefit Systems S.A. by members of its Management Board and Supervisory Board as at the issue date of these financial statements were as follows:

	As at the issue date of the report for nine months ended September 30th 2021		As at the issue date of the report for six month ended June 30th 2021		Change
	Number of shares	Ownership interest	Number of shares	Ownership interest	
Bartosz Józefiak	0	0.00%	0	0.00%	-
Emilia Rogalewicz	4,000	0.14%	0	0.00%	4,000
Wojciech Szwarc	2,370	0.08%	270	0.01%	2,100
<b>TOTAL</b>	<b>6,370</b>	<b>0.22%</b>	<b>270</b>	<b>0.01%</b>	<b>6,100</b>

The increase in the number of shares held by members of the Management Board relative to the date of issue of the report for the six months ended June 30th 2021 resulted from the exercise of rights attached to subscription warrants granted under the Incentive Scheme. As at the date of issue of this report, the shares were not yet admitted to trading on the WSE.

Shares held by members of the Supervisory Board of Benefit Systems S.A.:

Member of the Supervisory Board	As at the issue date of the report for nine months ended September 30th 2021		As at the issue date of the report for six month ended June 30th 2021		Change
	Number of shares	Ownership interest	Number of shares	Ownership interest	
James van Bergh*	494,695	17.09%	504,695	17.44%	(10,000)
Marcin Marczuk	0	0.00%	0	0.00%	-
Artur Osuchowski	0	0.00%	0	0.00%	-
Michael Sanderson	0	0.00%	0	0.00%	-

Michael Rohde Pedersen	0	0.00%	0	0.00%	-
<b>Total</b>	<b>494,695</b>	<b>17.09%</b>	<b>504,695</b>	<b>17.44%</b>	<b>(10,000)</b>

\*Direct interest; additionally, a person closely related to the Chairman of the Supervisory Board (within the meaning of Art. 160.2.1 of the Act on Trading in Financial Instruments) controls Benefit Invest Ltd. and that company holds 300,421 shares in Benefit Systems S.A., representing 10.38% of its share capital and the same percentage of total voting rights (as at the issue date of the report for the third quarter of 2021). In addition, a person closely related to the Chairman of the Supervisory Board is the Chairperson of the Supervisory Board of the Drzewo i Jutro Foundation, holding 8.28% of Benefit Systems S.A. share capital.

Members of the parent's Management Board and Supervisory Board do not hold any shares in the subsidiaries.

## 2.18. Non-compliance with debt covenants

Under some of its credit facility agreements, the parent agreed to maintain the debt service coverage ratio (DSCR) of not less than 1.2. The parent received letters from the Banks which are parties to these agreements, informing the parent that they waived their rights to verify compliance with the debt service coverage ratio (DSCR) covenant as at June 30th 2021 and September 30th 2021.

## 2.19. Contingent liabilities and information on proceedings pending before a court or administrative authority

Contingent liabilities under sureties as at the end of each reporting period are presented below.

	September 30th 2021	December 31st 2020
<b>Associates</b>		
Guarantees provided / Surety for repayment of liabilities	9,481	9,038
<b>Total contingent liabilities</b>	<b>9,481</b>	<b>9,038</b>

Pending proceedings before administrative authorities

### *Antitrust proceedings against Benefit Systems S.A.*

The antitrust proceedings against Benefit Systems S.A. (and other entities) were initiated by the President of the Office of Competition and Consumer Protection (the "President of UOKiK") on June 22nd 2018 in connection with the suspicion of certain activities potentially restricting competition on the domestic market of sports and recreational services packages or on the domestic market of fitness clubs or local fitness clubs (the "Proceedings").

On January 4th 2021, the Company received a decision of the President of UOKiK (the "Decision") concerning one of the three alleged breaches in respect of which the Procedure was initiated.

The President of UOKiK recognised the Company's participation in a market-sharing agreement between 2012 and 2017 as a practice restricting competition in the domestic market for the provision of fitness services in clubs, which constitutes an infringement of Article 6(1)(3) of the Act on Competition and Consumer Protection and Article 101(1)(c) of the Treaty on the Functioning of the European Union.

The President of UOKiK imposed fines on the parties to the Proceedings, including: on the Company in the amount of PLN 26,915,218.36 (taking into account the succession resulting from the merger of the Company with those of its subsidiaries which are also named in the Proceedings) and on its subsidiary (Yes to Move sp. z o.o., formerly: Fitness Academy sp. z o.o.) in the amount of PLN 1,748.74. Guided by, among other things, an analysis of well-known cases involving competition-restricting practices, where courts have often decided to significantly reduce fines imposed on businesses (in some cases by as much as 60-90%), and by the opinion of

lawyers, the Company recognised a provision for the fine of PLN 10.8m in 2020. In the absence of any new circumstances affecting the case, the provision remained unchanged as at September 30th 2021.

The Company does not agree with the Decision and has therefore filed an appeal against the Decision within the period prescribed by law.

Pursuant to the decision of the President of UOKiK, as announced by the Company in Current Report No. 38/2021 of October 27th 2021, with respect to the two remaining allegations (allegation of entering into exclusivity arrangements with fitness clubs and allegation of concerted practices to restrict competition in the market for sports and recreation package services), the proceedings should be concluded on December 31st 2021 (the date has been postponed several times). So far, the President of UOKiK has not presented detailed grounds for the allegations.

## 2.20. Management Board's position regarding delivery against profit forecasts

The Company has not released any profit forecasts for 2021.

## 2.21. Related-party transactions executed by the Group on non-arm's length terms

In the reporting period, the Benefit Systems Group did not enter into any related-party transactions that individually or jointly would be significant and would be concluded on non-arm's length terms.

## 2.22. Events after the reporting date

### *Plan to merge Benefit Systems S.A. with MyBenefit Sp. z o.o.*

On October 22nd 2021, a plan of merger of Benefit Systems S.A. (as the acquirer) with MyBenefit Sp. z o.o. (as the acquiree) was agreed. The acquirer holds 100% of shares in the acquiree's share capital. The plan of merger provides for the acquisition of the acquiree by the acquirer under Art. 492.1.1 of the Commercial Companies Code, i.e. through transfer of all the acquiree's assets to the acquirer.

### *Acquisition of 100% of shares in Focusly Sp. z o.o.*

On November 3rd 2021, Benefit Systems S.A. acquired 100% of shares in Focusly Sp. z o.o., a subsidiary of the Daftcode technology group. The purpose of the acquisition was to gain know-how in the strongly developing mental health segment and to strengthen the MultiLife programme with a mobile application, supporting the mental condition of employees.

### *Acquisition of 88.23% of shares in Total Fitness Sp. z o.o.*

On November 4th 2021, an agreement was signed whereby the parent purchased 88.23% of shares in Total Fitness Sp. z o.o. and agreed to acquire the remaining 11.77% of the company's share capital, for a total price of no less than PLN 75m and no more than PLN 85m. The actual price will depend on the EBITDA and net debt levels reported by Total Fitness Sp. z o.o. for 2022 or 2023, calculated in accordance with the provisions of the agreement. The price for the company shares purchased under the agreement will be paid in the following instalments:

- (i) the first instalment of PLN 50m was paid on November 4th 2021,
- (ii) the second instalment of PLN 20m will be paid by January 3rd 2022 or April 1st 2022, depending on the fulfilment of conditions set forth in the agreement,

(iii) the third instalment of PLN 5m will be paid on April 3rd 2023 or April 1st 2024, depending on the fulfilment of conditions set forth in the agreement.

Any necessary revision of the sale price (depending on the company's EBITDA and net debt levels for 2022 or 2023) will be made on April 3rd 2023 or April 1st 2024.

### 3. CONDENSED SEPARATE FINANCIAL STATEMENTS OF BENEFIT SYSTEMS S.A.

#### 3.1. CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION

<b>ASSETS</b>	<b>September 30th 2021</b>	<b>December 31st 2020</b>
Goodwill	246,845	246,845
Intangible assets	51,006	41,237
Property, plant and equipment	192,274	212,276
Right-of-use assets	645,883	691,238
Investments in subsidiaries	91,802	63,743
Investments in associates	2,415	2,415
Trade and other receivables	5,455	8,931
Loans and other non-current financial assets	320,282	327,848
Deferred tax assets	32,049	24,379
<b>Non-current assets</b>	<b>1,588,011</b>	<b>1,618,912</b>
Inventories	2,737	3,244
Trade and other receivables	74,167	60,869
Current tax assets	0	245
Loans and other current financial assets	12,088	8,070
Cash and cash equivalents	225,263	170,560
<b>Current assets</b>	<b>314,255</b>	<b>242,988</b>
<b>Total assets</b>	<b>1,902,266</b>	<b>1,861,900</b>

<b>EQUITY AND LIABILITIES</b>	<b>September 30th 2021</b>	<b>December 31st 2020</b>
Share capital	2,894	2,894
Treasury shares (-)	0	(118,157)
Share premium	211,521	211,521
Retained earnings	451,001	504,737
<b>Total equity</b>	<b>665,416</b>	<b>600,995</b>
Employee benefit provisions	222	222
Other provisions	10,767	10,767
Trade and other payables	2	10
Other financial liabilities	2,945	3,464
Borrowings, other debt instruments	138,592	241,884
Lease liabilities	617,825	669,850
Contract liabilities	365	0
<b>Non-current liabilities</b>	<b>770,718</b>	<b>926,197</b>

Employee benefit provisions	1,779	1,341
Trade and other payables	126,237	79,973
Current income tax liabilities	5,032	9,102
Other financial liabilities	4,500	303
Borrowings, other debt instruments	135,531	73,419
Lease liabilities	170,851	158,920
Contract liabilities	22,202	11,650
<b>Current liabilities</b>	<b>466,132</b>	<b>334,708</b>
<b>Total liabilities</b>	<b>1,236,850</b>	<b>1,260,905</b>
<b>Total equity and liabilities</b>	<b>1,902,266</b>	<b>1,861,900</b>

### 3.2. CONDENSED SEPARATE STATEMENT OF PROFIT OR LOSS

	January 1st to September 30th 2021	July 1st to September 30th 2021	January 1st to September 30th 2020	July 1st to September 30th 2020
<b>Continuing operations</b>				
<b>Revenue</b>	<b>371,955</b>	<b>188,098</b>	<b>534,743</b>	<b>195,713</b>
Revenue from sales of services	368,780	185,665	528,234	193,190
Revenue from sales of merchandise and materials	3,175	2,433	6,509	2,523
<b>Cost of sales</b>	<b>(329,267)</b>	<b>(163,463)</b>	<b>(444,368)</b>	<b>(159,762)</b>
Cost of services sold	(327,631)	(162,223)	(440,641)	(159,479)
Cost of merchandise and materials sold	(1,636)	(1,240)	(3,727)	(283)
<b>Gross profit/(loss)</b>	<b>42,688</b>	<b>24,635</b>	<b>90,375</b>	<b>35,951</b>
Selling expenses	(31,090)	(13,537)	(27,846)	(10,118)
Administrative expenses	(43,273)	(19,241)	(46,980)	(15,155)
Other income	6,994	391	11,954	5,284
Other expenses	(6,231)	(2,624)	(17,340)	(5,572)
<b>Operating profit/(loss)</b>	<b>(30,912)</b>	<b>(10,376)</b>	<b>10,163</b>	<b>10,390</b>
Finance income	11,125	(4,930)	43,096	29,126
Finance costs	(15,747)	(5,368)	(51,175)	(11,195)
Impairment losses on financial assets	(45)	(1)	(7,570)	(8)
<b>Profit/(loss) before tax</b>	<b>(35,579)</b>	<b>(20,675)</b>	<b>(5,486)</b>	<b>28,313</b>
Income tax	7,540	2,055	(3,222)	(570)
<b>Net profit/(loss) from continuing operations</b>	<b>(28,039)</b>	<b>(18,620)</b>	<b>(8,708)</b>	<b>27,743</b>
<b>Net profit/(loss)</b>	<b>(28,039)</b>	<b>(18,620)</b>	<b>(8,708)</b>	<b>27,743</b>

### 3.3. CONDENSED SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	January 1st to September 30th 2021	July 1st to September 30th 2021	January 1st to September 30th 2020	July 1st to September 30th 2020
<b>Net profit/(loss)</b>	<b>(28,039)</b>	<b>(18,620)</b>	<b>(8,708)</b>	<b>27,743</b>
<b>Other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Items not reclassified to profit or loss</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Items reclassified to profit or loss</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Comprehensive income</b>	<b>(28,039)</b>	<b>(18,620)</b>	<b>(8,708)</b>	<b>27,743</b>

### 3.4. CONDENSED SEPARATE STATEMENT OF CHANGES IN EQUITY

	Equity				
	Share capital	Treasury shares	Share premium	Retained earnings	Total
<b>Balance as at January 1st 2021</b>	<b>2,894</b>	<b>(118,157)</b>	<b>211,521</b>	<b>504,737</b>	<b>600,995</b>
<b><i>Changes in equity in the period January 1st to September 30th 2021</i></b>					
Sale of treasury shares	0	118,157	0	(25,697)	<b>92,460</b>
<b>Total transactions with owners</b>	<b>0</b>	<b>118,157</b>	<b>0</b>	<b>(25,697)</b>	<b>92,460</b>
Net profit/(loss) for period	0	0	0	(28,039)	<b>(28,039)</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(28,039)</b>	<b>(28,039)</b>
<b>Balance as at September 30th 2021</b>	<b>2,894</b>	<b>0</b>	<b>211,521</b>	<b>451,001</b>	<b>665,416</b>

	Equity				
	Share capital	Treasury shares	Share premium	Retained earnings	Total
<b>Balance as at January 1st 2020</b>	<b>2,859</b>	<b>(118,157)</b>	<b>211,521</b>	<b>555,386</b>	<b>651,609</b>
<b><i>Changes in equity in the period January 1st to September 30th 2020</i></b>					
Issue of shares	0	0	0	147	<b>147</b>
Share issue in connection with exercise of options (share-based payment scheme)	0	0	0	923	<b>923</b>
<b>Total transactions with owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,070</b>	<b>1,070</b>
Net profit/(loss) for period	0	0	0	(8,708)	<b>(8,708)</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(8,708)</b>	<b>(8,708)</b>

Balance as at September 30th 2020	2,859	(118,157)	211,521	547,748	643,971
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### 3.5. CONDENSED SEPARATE STATEMENT OF CASH FLOWS

	January 1st to September 30th 2021	January 1st to September 30th 2020
<b>Cash flows from operating activities</b>		
<b>Profit/(loss) before tax</b>	<b>(35,579)</b>	<b>(5,486)</b>
<b>Adjustments:</b>		
Depreciation and amortisation of non-financial non-current assets	115,955	117,902
Impairment losses on financial assets	187	13,842
Effect of lease modifications	(14,462)	3,092
Measurement of liabilities arising from acquisition of shares	(2,935)	4,579
Gains/(losses) on sale and value of liquidated non-financial non-current assets	(196)	(1,136)
Foreign exchange gains/(losses)	(228)	30,565
Interest expense	14,757	14,840
Interest income	(5,487)	(10,412)
Dividend income	(2,475)	(27,973)
Cost of share-based payments (Incentive Scheme)	0	860
Change in inventories	507	2,065
Change in receivables	(14,569)	(20,010)
Change in liabilities	37,463	21,678
Change in provisions	438	1,675
Other adjustments	(744)	(3,092)
Income tax paid	(4,129)	(5,637)
<b>Net cash from operating activities</b>	<b>88,503</b>	<b>137,352</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible assets	(14,863)	(6,970)
Purchase of property, plant and equipment	(11,669)	(23,566)
Proceeds from sale of property, plant and equipment	104	838
Acquisition of subsidiaries, net of cash acquired	(16,307)	0
Repayments of loans	16,081	30,434
Loans	(7,595)	(99,388)
Interest received	1,834	3,368
Dividends received	6,474	27,563
<b>Net cash from investing activities</b>	<b>(25,941)</b>	<b>(67,721)</b>
<b>Cash flows from financing activities</b>		
Net proceeds from issue of shares	13,409	13,662
Share buyback	92,460	0
Transactions with non-controlling interests without loss of control	0	(2,533)
Proceeds from borrowings	4,000	124,000
Repayment of borrowings	(48,218)	(58,571)
Payment of lease liabilities	(64,079)	(67,327)
Interest paid	(5,431)	(8,934)
<b>Net cash from financing activities</b>	<b>(7,859)</b>	<b>297</b>
<b>Net change in cash and cash equivalents</b>	<b>54,703</b>	<b>69,928</b>

ALL AMOUNTS ARE EXPRESSED IN THOUSANDS OF POLISH ZLOTY (UNLESS INDICATED OTHERWISE)



Cash and cash equivalents at beginning of period	170,560	7,238
<b>Cash and cash equivalents at end of period</b>	<b>225,263</b>	<b>77,166</b>

## AUTHORISATION FOR ISSUE

The consolidated quarterly report of the Benefit Systems Group for the nine months ended September 30th 2021 (including the comparative information) was authorised for issue by the Management Board of the parent on November 9th 2021.

Signatures of Members of the Management Board