

CONSOLIDATED QUARTERLY REPORT OF THE BENEFIT SYSTEMS GROUP

FOR THE THREE MONTHS
ENDED MARCH 31ST 2021



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FINANCIAL HIGHLIGHTS

SELECTED FINANCIAL DATA OF THE BENEFIT SYSTEMS GROUP	PLN '000		EUR '000	
	For the period Jan 1– Mar 31 2021	For the period Jan 1– Mar 31 2020	For the period Jan 1– Mar 31 2021	For the period Jan 1– Mar 31 2020
	As at Mar 31 2021	As at Dec 31 2020	As at Mar 31 2021	As at Dec 31 2020
Revenue	98,513	386,080	21,547	87,820
Operating profit/(loss)	(49,367)	42,939	(10,797)	9,767
Profit/(loss) before tax	(56,766)	1,534	(12,416)	349
Net profit/(loss) from continuing operations	(49,793)	1,417	(10,891)	322
Profit/ (loss) attributable to owners of the parent	(48,916)	2,049	(10,699)	466
Net cash from operating activities	31,855	111,899	6,967	25,453
Net cash from investing activities	(10,273)	(13,890)	(2,247)	(3,159)
Net cash from financing activities	(30,420)	21,861	(6,653)	4,973
Net change in cash and cash equivalents	(8,838)	119,870	(1,933)	27,266
Earnings/(loss) per share attributable to owners of the parent (PLN/EUR)	(17.62)	0.75	(3.85)	0.17
Diluted earnings/(loss) per share attributable to owners of the parent (PLN/EUR)	(17.52)	0.74	(3.83)	0.17
	As at Mar 31 2021	As at Dec 31 2020	As at Mar 31 2021	As at Dec 31 2020
Assets	1,920,225	2,044,303	412,039	442,988
Non-current liabilities	935,830	969,436	200,809	210,071
Current liabilities	512,792	551,867	110,034	119,586
Equity attributable to owners of the parent	474,041	524,527	101,719	113,662
Share capital	2,894	2,894	621	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	
	For the period Jan 1– Mar 31 2021	For the period Jan 1– Mar 31 2020	For the period Jan 1– Mar 31 2021	For the period Jan 1– Mar 31 2020
	As at Mar 31 2021	As at Dec 31 2020	As at Mar 31 2021	As at Dec 31 2020
Revenue	72,028	273,035	15,754	62,106
Operating profit/(loss)	(27,675)	39,613	(6,053)	9,011
Profit/(loss) before tax	(33,523)	11,436	(7,332)	2,601
Net profit/(loss) from continuing operations	(26,204)	10,812	(5,731)	2,459
Net cash from operating activities	18,762	89,336	4,104	20,321
Net cash from investing activities	4,102	(94,628)	897	(21,524)
Net cash from financing activities	(33,363)	57,122	(7,297)	12,993
Net change in cash and cash equivalents	(10,499)	51,830	(2,296)	11,790
Earnings/(loss) per share attributable to owners of the parent (PLN/EUR)	(9.44)	3.94	(2.06)	0.90
	As at Mar 31 2021	As at Dec 31 2020	As at Mar 31 2021	As at Dec 31 2020
Assets	1,810,326	1,861,900	388,457	403,463
Non-current liabilities	889,518	926,197	190,871	200,701
Current liabilities	346,017	334,708	74,248	72,529
Equity	574,791	600,995	123,338	130,232
Share capital	2,894	2,894	621	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:

	Mar 31 2021	Dec 31 2020	Mar 31 2020
Statement of financial position – exchange rate at end of period	4.6603	4.6148	-
Statement of profit or loss – average exchange rate for three months	4.5721	-	4.3963

1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE BENEFIT SYSTEMS GROUP

1.1. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Notes	Mar 31 2021	Dec 31 2020
Goodwill		363,330	363,330
Intangible assets		76,812	72,998
Property, plant and equipment		321,159	333,727
Right-of-use assets	2.6	759,134	782,871
Investments in associates	2.1	4,301	4,411
Trade and other receivables		8,129	8,848
Loans and other non-current financial assets		25,199	26,939
Deferred tax assets		34,834	27,649
Non-current assets		1,592,898	1,620,773
Inventories		4,114	4,140
Trade and other receivables		99,188	183,818
Current tax assets		420	3,298
Loans and other current financial assets		8,663	8,494
Cash and cash equivalents		214,942	223,780
Current assets		327,327	423,530
Total current assets		327,327	423,530
Total assets		1,920,225	2,044,303

EQUITY AND LIABILITIES	Notes	Mar 31 2021	Dec 31 2020
<i>Equity attributable to owners of the parent:</i>			
Share capital	2.11	2,894	2,894
Treasury shares (-)		(118,157)	(118,157)
Share premium		272,107	272,107
Translation reserve		(6,132)	(4,562)
Retained earnings		323,329	372,245
Equity attributable to owners of the parent		474,041	524,527
Non-controlling interests		(2,438)	(1,527)
Total equity		471,603	523,000
Employee benefit provisions		379	379
Other provisions		10,767	10,767
Total long-term provisions		11,146	11,146
Trade and other payables		45	24
Deferred tax liability		2,402	2,151
Other financial liabilities		13,529	15,178
Borrowings, other debt instruments		177,183	188,084
Lease liabilities	2.6	731,525	752,853
Non-current liabilities		935,830	969,436
Employee benefit provisions		4,939	3,221
Other provisions		320	77
Total short-term provisions		5,259	3,298
Trade and other payables		185,663	234,719
Current income tax liabilities		10,177	10,570
Other financial liabilities		27,754	29,884
Borrowings, other debt instruments		71,852	73,417
Lease liabilities	2.6	186,243	178,845
Contract liabilities		25,844	21,134
Current liabilities		512,792	551,867
Total current liabilities		512,792	551,867
Total liabilities		1,448,622	1,521,303
Total equity and liabilities		1,920,225	2,044,303

1.2. CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Jan 1– Mar 31 2021	Jan 1– Mar 31 2020
Continuing operations			
Revenue	2.3	98,513	386,080
Revenue from sales of services		98,043	381,370
Revenue from sales of merchandise and materials		470	4,710
Cost of sales	2.3	(116,337)	(291,155)
Cost of services sold		(116,198)	(288,156)
Cost of merchandise and materials sold		(139)	(2,999)
Gross profit /(loss)		(17,824)	94,925
Selling expenses	2.3	(16,285)	(23,905)
Administrative expenses	2.3	(23,751)	(30,372)
Other income		9,614	3,384
Other expenses		(1,121)	(1,093)
Operating profit/(loss)		(49,367)	42,939
Finance income	2.4	2,019	5,875
Finance costs	2.4	(9,259)	(47,944)
Impairment losses on financial assets		(49)	(220)
Share of profit/(loss) of equity-accounted entities (+/-)		(110)	884
Profit/(loss) before tax		(56,766)	1,534
Income tax	2.5	6,973	(117)
Net profit/(loss) from continuing operations		(49,793)	1,417
Net profit/(loss)		(49,793)	1,417
Net profit (loss) attributable to:			
- owners of the parent		(48,916)	2,049
- non-controlling interests		(877)	(632)

EARNINGS/(LOSS) PER ORDINARY SHARE (PLN)

	Notes	Jan 1 – Mar 31 2021	Jan 1 – Mar 31 2020
<i>from continuing operations</i>			
- basic	2.12	(17.62)	0.75
- diluted		(17.52)	0.74
<i>from continuing and discontinued operations</i>			
- basic	2.12	(17.62)	0.75
- diluted		(17.52)	0.74

1.3. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Jan 1– Mar 31 2021	Jan 1– Mar 31 2020
Net profit/(loss)	(49,793)	1,417
<i>Other comprehensive income</i>		
<i>Items not reclassified to profit or loss</i>		
<i>Items reclassified to profit or loss</i>		
- Exchange differences on translation of foreign operations	(1,604)	(1,566)
Comprehensive income	(51,397)	(149)
Comprehensive income attributable to:		
- owners of the parent	(50,486)	596
- non-controlling interests	(911)	(745)

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
Balance as at Jan 1 2021	2,894	(118,157)	272,107	(4,562)	372,245	524,527	(1,527)	523,000
<i>Changes in equity in the period Jan 1 – Mar 31 2021</i>								
Total transactions with owners	0	0	0	0	0	0	0	0
Net profit/(loss) for period	0	0	0	0	(48,916)	(48,916)	(877)	(49,793)
Exchange differences on translation of foreign operations	0	0	0	(1,570)	0	(1,570)	(34)	(1,604)
Total comprehensive income	0	0	0	(1,570)	(48,916)	(50,486)	(911)	(51,397)
Total changes	0	0	0	(1,570)	(48,916)	(50,486)	(911)	(51,397)
Balance as at Mar 31 2021	2,894	(118,157)	272,107	(6,132)	323,329	474,041	(2,438)	471,603

CONTD.

	Share capital	Treasury shares	Share premium	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance as at Jan 1 2020	2,859	(118,157)	272,107	(725)	462,473	618,557	1,703	620,260
<i>Changes in equity in the period Jan 1 – Mar 31 2020</i>								
Valuation of options (share-based payment scheme)	0	0	0	0	766	766	0	766
Changes in Group structure (transactions with non-controlling shareholders)	0	0	0	0	1,098	1,098	(1,434)	(336)
Exercise of options	0	0	0	0	(484)	(484)	0	(484)
Total transactions with owners	0	0	0	0	1,380	1,380	(1,434)	(54)
Net profit/(loss) for period	0	0	0	0	2,049	2,049	(632)	1,417
Exchange differences on translation of foreign operations	0	0	0	(1,453)	0	(1,453)	(113)	(1,566)
Total comprehensive income	0	0	0	(1,453)	2,049	596	(745)	(149)
Total changes	0	0	0	(1,453)	3,429	1,976	(2,179)	(203)
Balance as at Mar 31 2020	2,859	(118,157)	272,107	(2,178)	465,902	620,533	(476)	620,057

1.5. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Jan 1 – Mar 31 2021	Jan 1 – Mar 31 2020
Cash flows from operating activities		
Profit/(loss) before tax	(56,766)	1,534
Adjustments:		
Depreciation and amortisation of non-financial non-current assets	51,405	53,325
Impairment of financial assets	49	(5)
Effect of amendments to lease contracts	(4,185)	1,128
Measurement of liabilities arising from acquisition of shares	(1,612)	(4,011)
Gains/(losses) on sale and value of liquidated non-financial non-current assets	(126)	(16)
Foreign exchange gains/(losses)	3,797	40,769
Interest expense	4,988	6,271
Interest income	(335)	(515)
Cost of share-based payments (Incentive Scheme)	0	924
Share of profit/(loss) of associates	110	(884)
Change in inventories	26	1,462
Change in receivables	88,320	20,859
Change in liabilities	(57,040)	(3,555)
Change in provisions	1,961	477
Other adjustments	1,304	807
Cash flows provided by (used in) operating activities	31,896	118,570
Income tax paid	(41)	(6,671)
Net cash from operating activities	31,855	111,899
Cash flows from investing activities		
Purchase of intangible assets	(6,565)	(6,292)
Purchase of property, plant and equipment	(4,855)	(12,007)
Proceeds from sale of property, plant and equipment	137	323
Repayments of loans	559	3,801
Loans	0	(260)
Interest received	451	545
Net cash from investing activities	(10,273)	(13,890)
Cash flows from financing activities		
Expenditure on transactions with non-controlling parties	0	(30,369)
Redemption of debt securities	0	(30,250)
Proceeds from borrowings	0	131,496
Repayment of borrowings	(13,468)	(10,666)
Payment of lease liabilities	(15,806)	(36,579)
Interest paid	(1,146)	(1,771)
Net cash from financing activities	(30,420)	21,861
Net change in cash and cash equivalents before exchange differences	(8,838)	119,870
Exchange differences	0	0
Net change in cash and cash equivalents	(8,838)	119,870
Cash and cash equivalents at beginning of period	223,780	72,050
Cash and cash equivalents at end of period	214,942	191,920

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 MultiSport sport cards, the Group's leading product, and related products with access to sports networks, including facilities owned by the Group companies in Poland and abroad. The Group offers unique products, such as Cafeteria e-platforms, which allow employees to 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:	
		Mar 31 2021	Dec 31 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. ¹⁾	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. ²⁾	al. 1 Maja 119/121, 90-766 Łódź, Poland	52.50%	52.50%
MyBenefit Sp. z o.o.	ul. Powstańców Śląskich 28/30, 53-333 Wrocław, Poland	100.00%	100.00%
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	Krasno Selo district, 11-13 Yunak str., 1612 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%
Benefit Systems International Sp. z o.o.	ul. Młynarska 8/12, 01-194 Warsaw, Poland	97.20%	97.20%
Benefit Systems D.O.O.	Zagreb (Grad Zagreb) Heinzelova ulica 44, Croatia	95.74%	95.74%
Benefit Systems, storitve, D.O.O.	Trg republike 3, 1000 Ljubljana, Slovenia	92.34%	92.34%
Benefit Systems Bulgaria EOOD	11-13, Yunak Str., floor 1 Sofia 1612, Bulgaria	93.31%	93.31%
MultiSport Benefit S.R.O.	Lomnického 1705/9, 140 00 Praha 4, Czech Republic	93.31%	93.31%
Benefit Systems Slovakia S.R.O.	Ružová dolina 6 Bratislava - mestská časť Ružinov 821 08, Slovakia	95.26%	95.26%

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 were executed with the minority shareholders obligating them to sell their residual interests.

In the interim condensed consolidated financial statements as at March 31st 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 Mar 31 2021	% of total voting rights	Carrying amount Mar 31 2021	Carrying amount Dec 31 2020
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%	4,301	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.	Uniwersytecka St. 13, 40-007 Katowice	20.00%	20.00%	0	0
Total carrying amount				4,301	4,411

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 May 28th 2021.

This consolidated quarterly report of the Benefit Systems Group covers the three months ended March 31st 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 which is typically 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.

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 for 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.

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 prepared 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 segment's 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.

Revenue disclosed in the consolidated statement of profit or loss does not differ from revenue presented for the operating segments, except for unallocated revenue and consolidation eliminations on inter-segment transactions. As of 2020, the segment data is presented down to the level of operating profit as financing decisions are made from the perspective of the Group as a whole.

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.

	Poland	Foreign Markets	Cafeterias	Corporate	Total
<i>for the period Jan 1 – Mar 31 2021</i>					
Revenue	74,626	14,239	10,575	(927)	98,513
<i>including from external customers</i>	74,626	14,239	9,562	86	98,513
<i>including inter-segment sales</i>	0	0	1,013	(1,013)	0
Cost of sales	(87,477)	(24,892)	(5,391)	1,423	(116,337)
<i>including practical expedient under IFRS 16</i>	3,548	586	0	0	4,134
Gross profit	(12,851)	(10,653)	5,184	496	(17,824)
Selling expenses	(10,615)	(4,854)	(895)	79	(16,285)
Administrative expenses	(14,189)	(7,536)	(2,278)	252	(23,751)
Other income and expenses	5,502	2,977	39	(25)	8,493
Operating profit/(loss)	(32,153)	(20,066)	2,050	802	(49,367)
Share of profit of equity-accounted entities	(110)	0	0	0	(110)
Interest expense on lease liabilities	(2,824)	(328)	(31)	14	(3,169)
Depreciation and amortisation	41,876	8,196	1,626	(293)	51,405
EBITDA	9,723	(11,870)	3,676	509	2,038
Segment's assets	1,805,840	231,463	130,314	(247,392)	1,920,225
Segment's liabilities	1,217,423	391,862	86,214	(246,877)	1,448,622
Investments in associates	4,301	0	0	0	4,301

	Poland	Foreign Markets	Cafeterias	Corporate	Total
<i>for the period Jan 1 – Mar 31 2020</i>					
Revenue	299,338	80,826	8,711	(2,795)	386,080
<i>including from external customers</i>	298,583	80,826	6,317	354	386,080
<i>including inter-segment sales</i>	755	0	2,394	(3,149)	0
Cost of sales	(217,276)	(72,789)	(5,724)	4,634	(291,155)
Gross profit	82,062	8,037	2,987	1,839	94,925
Selling expenses	(13,410)	(8,971)	(1,510)	(14)	(23,905)
Administrative expenses	(19,010)	(8,731)	(1,798)	(833)	(30,372)
<i>including the Incentive Scheme</i>	0	0	0	(924)	(924)
Other income and expenses	2,217	18	(2)	58	2,291
Operating profit/(loss)	51,859	(9,647)	(323)	1,050	42,939
Share of profit of equity-accounted entities	400	0	0	484	884
Interest expense on lease liabilities	(3,999)	(417)	(41)	90	(4,367)
Depreciation and amortisation	44,917	8,679	1,334	(1,605)	53,325
EBITDA	96,776	(968)	1,011	(555)	96,264
Segment's assets	2,017,560	282,644	118,328	(256,684)	2,161,848
Segment's liabilities	1,314,880	419,415	73,840	(266,345)	1,541,791
Investments in associates	4,742	0	0	9,710	14,452

	Jan 1– Mar 31 2021	Jan 1– Mar 31 2020
Segments' revenue		
Total revenue of operating segments	99,440	388,875
Unallocated revenue	86	354
Elimination of revenue from inter-segment transactions	(1,013)	(3,149)
Revenue	98,513	386,080
Segments' profit/(loss)		
Segments' operating profit/(loss)	(50,169)	41,889
Elimination of profit/(loss) from inter-segment transactions (IFRS 16)	269	781
Unallocated profit/(loss)	533	269
Operating profit	(49,367)	42,939
Finance income	2,019	5,875
Finance costs	(9,259)	(47,944)
Impairment losses on financial assets	(49)	(220)
Share of profit/(loss) of equity-accounted entities (+/-)	(110)	884
Profit before tax	(56,766)	1,534

	Mar 31 2021	Dec 31 2020
Segments' assets		
Total assets of operating segments	2,167,617	2,292,772
Unallocated assets	0	0
Elimination of inter-segment transactions	(247,392)	(248,469)
Total assets	1,920,225	2,044,303

	Mar 31 2021	Dec 31 2020
Segments' liabilities		
Total liabilities of operating segments	1,695,499	1,769,231
Unallocated liabilities	0	0
Elimination of inter-segment transactions	(246,877)	(247,928)
Total liabilities	1,448,622	1,521,303

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.

	Poland	Foreign Markets	Cafeterias	Corporate	Total
for the period Jan 1 – Mar 31 2021					
Revenue from external customers:	74,626	14,239	9,562	86	98,513
<i>Poland</i>	74,626	27	9,562	86	84,301
<i>Czech Republic</i>	0	94	0	0	94
<i>Bulgaria</i>	0	12,330	0	0	12,330
<i>Other</i>	0	1,788	0	0	1,788
Non-current assets*:	1,285,052	185,121	59,704	(3,040)	1,526,836
<i>Poland</i>	1,285,052	4,320	59,704	(3,040)	1,346,036
<i>Czech Republic</i>	0	112,635	0	0	112,635
<i>Bulgaria</i>	0	57,431	0	0	57,431
<i>Other</i>	0	10,735	0	0	10,735
for the period Jan 1 – Mar 31 2020					
Revenue from external customers:	298,583	80,826	6,317	354	386,080
<i>Poland</i>	298,583	37	6,317	354	305,291
<i>Czech Republic</i>	0	43,858	0	0	43,858
<i>Bulgaria</i>	0	22,582	0	0	22,582
<i>Other</i>	0	14,349	0	0	14,349
Non-current assets*:	1,448,303	189,451	59,064	(1,269)	1,695,549
<i>Poland</i>	1,448,303	4,581	59,064	(1,269)	1,510,679
<i>Czech Republic</i>	0	121,423	0	0	121,423
<i>Bulgaria</i>	0	49,696	0	0	49,696
<i>Other</i>	0	13,751	0	0	13,751

*Excluding financial instruments and deferred tax assets.

Revenue by category:		Jan 1– Mar 31 2021	Jan 1– Mar 31 2020
Sale of sport cards in Poland	B2B	72,273	249,801
Sale of sport cards on foreign markets	B2B	13,402	72,912
Sale of cafeteria benefits	B2B	9,562	6,317
Sale of fitness clubs in Poland	B2B/B2C	551	46,782
Sale of fitness clubs on foreign markets	B2B/B2C	814	7,914
Other settlements	B2B	61	329
Revenue from contracts with customers (IFRS 15)		96,663	384,055
<i>Revenue under IFRS 16</i>		1,850	2,025
Total revenue from sales of services		98,513	386,080

Operating expenses by segment

	Poland	Foreign Markets	Cafeterias	Corporate	Total
<i>for the period Jan 1 – Mar 31 2021</i>					
Depreciation and amortisation	41,876	8,196	1,626	(293)	51,405
<i>including depreciation of right-of-use assets</i>	26,518	4,975	487	(293)	31,688
Employee benefits	18,833	12,471	4,463	0	35,767
Raw materials and consumables used	2,226	803	78	0	3,107
Services	44,983	13,889	2,241	(1,462)	59,651
Taxes and charges	830	34	53	1	918
Other expenses	3,462	1,821	107	0	5,390
Total expenses by nature of expense	112,210	37,214	8,568	(1,754)	156,238
Cost of merchandise and materials sold	71	68	0	0	139
Change in products, work in progress (+/-)	0	0	(4)	0	(4)
Cost of sales, selling expenses and administrative expenses	112,281	37,282	8,564	(1,754)	156,373

	Poland	Foreign Markets	Cafeterias	Corporate	Total
<i>for the period Jan 1 – Mar 31 2020</i>					
Depreciation and amortisation	44,917	8,679	1,334	(1,605)	53,325
<i>including depreciation of right-of-use assets</i>	27,511	5,744	473	(781)	32,947
Employee benefits	41,810	15,587	5,379	924*	63,700
Raw materials and consumables used	7,259	2,183	197	0	9,639
Services	148,275	62,129	1,976	(3,106)	209,274
Taxes and charges	1,312	33	58	0	1,403
Other expenses	3,685	1,871	94	0	5,650
Total expenses by nature of expense	247,258	90,482	9,038	(3,787)	342,991
Cost of merchandise and materials sold	2,438	9	0	0	2,447
Change in products, work in progress (+/-)	0	0	(6)	0	(6)
Cost of sales, selling expenses and administrative expenses	249,696	90,491	9,032	(3,787)	345,432

* Cost of the Incentive Scheme.

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.**

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 436.5 thousand.

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 March 2021, the Group had 157 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 45 facilities. In addition, the parent operates the Atmosfera Multisport club, which organises activities for children and young people.

	Jan 1 – Mar 31 2021	Jan 1 – Mar 31 2020	Change
Revenue	74,626	299,338	(75.1%)
Cost of sales	(87,477)	(217,276)	(59.7%)
Gross profit /(loss)	(12,851)	82,062	-
Selling expenses	(10,615)	(13,410)	(20.8%)
Administrative expenses	(14,189)	(19,010)	(25.4%)
Other income and expenses	5,502	2,217	148.2%
Operating profit/(loss)	(32,153)	51,859	-
Share of profit of equity-accounted entities	(110)	400	-
EBITDA	9,723	96,776	(90.0%)
Gross margin	(17.2%)	27.4%	(44,6p.p.)
<i>Number of sport cards ('000)</i>	436.5	1,177.5	(741.0)
<i>Number of clubs</i>	157	163	(6)

As a result of the continuing restrictions due to the ongoing COVID-19 pandemic, in particular the shutdown of sports facilities throughout the first quarter of 2021, the Poland segment's revenue fell 75.1% year on year. Users of sport cards and fitness club clients took advantage of the option to suspend their membership, and the Group did not charge membership fees.

In order to enhance sales, the Group redirected its efforts to intensive development of its online products, such as the training platform which provides access to a constantly expanding base of online trainings 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 training 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).

The Group applied the COVID-19 practical expedient allowed under IFRS 16 with respect to lease contracts, and as a result recognised a PLN 3.5m positive effect on EBITDA in the Poland segment in the three months ended March 31st 2021.

Other income in the first quarter of 2021 included 5.7m of public aid, such as exemptions from contributions payable to the Social Insurance Institution (ZUS) and wage subsidies.

In the first three months of 2021, the Poland segment recognised PLN 26.5m in depreciation of right-of-use assets and PLN 2.8m in interest expense on lease liabilities.

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. and Fit Invest International Sp. z o.o.

In the first quarter of 2021, the companies that develop the MultiSport programme were based in the following European countries: the Czech Republic (MultiSport Benefit S.R.O.), Bulgaria (Benefit Systems Bulgaria EOOD), Slovakia (Benefit Systems Slovakia S.R.O.), and Croatia (Benefit Systems D.O.O.). Fitness clubs were operated by Beck Box Club Praha S.R.O. and Form Factory S.R.O. in the Czech Republic, Fit Invest Slovakia S.R.O. in Slovakia, and Next Level Fitness EOOD in Bulgaria.

The segment also includes Benefit Systems, storitve, D.O.O. (Slovenia), and BSI Investments Sp. z o.o. (a holding company), which did not engage in any operations in the first quarter of 2021. BSI Investments Sp. z o.o. was established in the second half of 2020 to conduct investment activities in foreign markets on behalf of Benefit Systems International Sp. z o.o.

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

	Jan 1 – Mar 31 2021	Jan 1 – Mar 31 2020	Change
Revenue	14,239	80,826	(82.4%)
Cost of sales	(24,892)	(72,789)	(65.8%)
Gross profit /(loss)	(10,653)	8,037	-
Selling expenses	(4,854)	(8,971)	(45.9%)
Administrative expenses	(7,536)	(8,731)	(13.7%)
Other income and expenses	2,977	18	-
Operating profit/(loss)	(20,066)	(9,647)	108.0%
EBITDA	(11,870)	(968)	1,126.2%
Gross margin	(74.8%)	9.9%	(84,7p.p.)
Number of sport cards	92.2*	371.4	(279.2)
Number of clubs	25	25	0

* Number of cards on markets that were active in the period (Bulgaria, Croatia).

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 (lockdown). 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 regime (one person per 15 square meters), but this had no significant impact on the activity of card users and club members.

When the lockdown was introduced in November 2020, the number of active cards in Bulgaria was 86.9 thousand, and fell to 69.7 thousand after restrictions were lifted in February 2021. In March, the number of active cards increased again, to 78.8 thousand.

In the second half of March 2021, as the number of new COVID-19 cases grew again, the Bulgarian government decided to reintroduce restrictions in selected business sectors, including the fitness business. 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 first half of February, the Croatian government decided to partially lift the restrictions, and the MultiSport Programme was relaunched in Croatia on February 15th 2021. Before the lockdown was introduced in November 2020, 13.7 thousand cards had been active in the Croatian market. In February 2021, after relaunch of the MultiSport programme, the number of active cards was 8.6 thousand. In March, it returned to the pre-lockdown level, and the month was ultimately closed with the number of active cards at 13.5 thousand.

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.

In the three months ended March 31st 2021, the segment's revenue fell by PLN 66.6m year on year, the reason being suspension of fitness clubs' activities throughout the period in the Czech Republic and Slovakia, and for a part of the period in Bulgaria and Croatia. Revenue was further impacted by the lower number of active cards, which shrank by 279.2 thousand year on year.

At the end of the first quarter of 2021, 956 partner locations in Bulgaria and 417 locations in Croatia were active, representing 98% and 88% of the number of active locations in March 2020, respectively. In the Czech Republic and Slovakia, partner locations remained closed. In the first quarter of 2021, there was no increase in the number of contract terminations or bankruptcy cases among the partners.

As at the end of the first quarter of 2021, the Group was engaged in investment projects in the Czech Republic (15 clubs), Bulgaria (nine clubs) and Slovakia (one club). In February 2021, one new club in Bulgaria (Residential) was opened.

The saving measures undertaken in 2020 had an impact on the level of costs generated by the Foreign Markets companies in the three months ended March 31st 2021. At the same time, recruitment of new hires was suspended throughout the lockdown period in the first quarter of 2021.

In addition, companies in the Foreign Markets segment actively used support programmes offered by national governments as well as the European Union to mitigate the negative economic effects of the COVID-19 pandemic. These programmes included:

- rent subsidies,
- wage subsidies,
- waivers of social security contributions.

The total amount of grants recognised in the three months ended March 31st 2021 in the Foreign Markets segment was PLN 3.0m.

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 benefits cover sports, health, travel and culture, and include shopping vouchers that can be used at Polish renowned chain retailers and brand stores. 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.

	Jan 1 – Mar 31 2021	Jan 1 – Mar 31 2020	Change
Revenue	10,575	8,711	21.4%
Cost of sales	(5,391)	(5,724)	(5.8%)
Gross profit /(loss)	5,184	2,987	73.6%
Selling expenses	(895)	(1,510)	(40.7%)
Administrative expenses	(2,278)	(1,798)	26.7%
Other income and expenses	39	(2)	-
Operating profit/(loss)	2,050	(323)	-
EBITDA	3,676	1,011	263.6%
Gross margin	49.0%	34.3%	14,7p.p.
<i>Turnover (million)*</i>	77.0	85.5	(8.5)
<i>Number of users (in thousands)</i>	504.0	482.0	22.0

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

As at the end of the first quarter of 2021, the MyBenefit and MultiKafeteria e-platforms had registered a total of almost 504 thousand users, an increase of 22,000 year on year. However,

the larger number of users did not drive a corresponding increase in revenue from the Cafeteria platforms, as access to cinemas and sports facilities was limited and concerts, performances and other events were cancelled, while no such limitations had been in place throughout most of the first quarter in 2020. In the first quarter of 2021, the MyBenefit customer base grew by 14.

The main areas affected by the pandemic are Sports Cards, Cinema, Tourism, Culture and Recreation. The loss of turnover from those categories was partially offset by a large volume of point redemptions in the Stores category, which was the most popular sales channel in the three months ended March 31st 2021 (generating turnover of PLN 55.4m versus PLN 34.3m in the corresponding period of 2020).

Lower cost of sales relative to the three months ended March 31st 2020 was attributable to savings on own product costs and lower expenditure on maintaining the cafeteria system. 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. The year-on-year drop in selling expenses followed chiefly from lower costs of salaries and wages, employee training and business travel. The increase in administrative expenses was caused by year-on-year growth of personnel costs in that area.

In the three months ended March 31st 2021, the Cafeterias segment recognised close to PLN 0.5m in depreciation of right-of-use assets and PLN 31 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.

	Jan 1 – Mar 31 2021	Jan 1 – Mar 31 2020	Change
Revenue	(927)	(2,795)	(66.8%)
Cost of sales	1,423	4,634	(69.3%)
Gross profit /(loss)	496	1,839	(73.0%)
Selling expenses	79	(14)	-
Administrative expenses	252	(833)	-
<i>including cost of the Incentive Scheme</i>	0	(924)	-
Other income and expenses	(25)	58	-
Operating profit/(loss)	802	1,050	(23.6%)
Share of profit or loss of equity-accounted entities	0	484	-
EBITDA	509	(555)	-

2.4. Finance income and costs

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

	Jan 1– Mar 31 2021	Jan 1– Mar 31 2020
Finance income, including:	2,019	5,875
Interest on loans	325	515
Remeasurement of liabilities arising from acquisition of shares	1,612	4,011
Finance costs, including:	(9,259)	(47,944)
Exchange differences	(3,797)	(40,769)
Interest on borrowings and bonds	(1,765)	(1,470)
Interest expense on lease liabilities	(3,169)	(4,367)
Total finance income and costs	(7,240)	(42,069)

2.5. Income tax

	Jan 1– Mar 31 2021
Current tax	39
Deferred tax	6,934
Total income tax	6,973

In the three months ended March 31st 2021, the effective tax rate was 12%. The increase 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 4.6m). This was partly offset by the recognition of non-taxable income, including chiefly public aid (PLN 0.9m) and measurement of earn-out liabilities (PLN 0.3m).

Tax rates applied by the Group companies:

	Jan 1– Mar 31 2021
Poland	19%
Czech Republic	19%
Slovakia	21%
Bulgaria	10%
Croatia:	18%

2.6. Leases

2.6.1. 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 Jan 1 – Mar 31 2021</i>				
Net carrying amount as at Jan 1 2021	757,623	15,705	9,543	782,871
New lease contracts	3,947	0	216	4,163
Modifications, termination of contracts	2,556	23	(102)	2,477
Depreciation and amortisation	(29,596)	(1,121)	(971)	(31,688)
Exchange differences on translation of foreign operations	1,311	0	0	1,311
Net carrying amount as at Mar 31 2021	735,841	14,607	8,686	759,134

	Property	Fitness equipment	Other	Total
<i>for the period Jan 1 – Mar 31 2020</i>				
Net carrying amount as at Jan 1 2020	860,118	24,968	11,752	896,838
New lease contracts	5,718	0	1,517	7,235
Modifications, termination of contracts	680	(50)	(1,149)	(519)
Depreciation and amortisation	(30,439)	(1,397)	(1,111)	(32,947)
Exchange differences on translation of foreign operations	1,653	0	52	1,705
Net carrying amount as at Mar 31 2020	837,730	23,521	11,061	872,312

The modifications of lease contracts in the three months ended March 31st 2021 were mainly attributable to renegotiation in the first quarter of the year of the terms and conditions of the rental contracts for retail and office space in connection with the COVID-19 pandemic. A change in the asset amount attributable to lease termination relates mainly to early termination of lease contracts in connection with the closure of a fitness club in the first quarter of 2021.

2.6.2. Lease liabilities

Changes in lease liabilities for the three months ended March 31st 2021 and March 31st 2020 are presented below.

	Jan 1– Mar 31 2021
Balance as at Jan 1 2021	931,698
New lease contracts	4,163
Modifications, termination of contracts	(2,966)
Effect of application of COVID-19 practical expedient	(4,134)
Accrued interest	3,169
Exchange differences	5,298
Settlement of liabilities	(20,847)
Exchange differences on translation of foreign operations	1,387
Balance as at Mar 31 2021	917,768
Non-current	731,525
Current	186,243

	Jan 1– Mar 31 2020
Balance as at Jan 1 2020	956,128
New lease contracts	7,235
Modifications, termination of contracts, sales	(1,632)
Accrued interest	4,367
Exchange differences	44,503
Settlement of liabilities	(36,579)
Exchange differences on translation of foreign operations	1,706
Balance as at Mar 31 2020	975,728
Non-current	824,251
Current	151,477

The modifications of lease contracts in the three months ended March 31st 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. Lease termination relates mainly to early termination of lease contracts in connection with the closure of a fitness club in the first quarter of 2021.

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

	Lease payments due in:			
	up to 1 year	1 to 5 years	over 5 years	total
As at Mar 31 2021				
Lease payments	187,271	497,072	279,283	963,626
Finance costs (-)	(1,028)	(20,244)	(24,586)	(45,858)
Present value	186,243	476,828	254,697	917,768

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

The Group is a party to lease contracts for fitness clubs whose leases have not yet commenced; the contracts were not recognised in the measurement of the lease liabilities. The potential future cash outflows under these contracts were estimated at PLN 110,084 thousand as at March 31st 2021 (December 31st 2020: PLN 94,614 thousand).

2.6.3. Lease amounts disclosed in the reporting period

Amounts disclosed in the three months ended March 31st 2021 and March 31st 2020 relating to the lease contracts recognised in the statement of financial position are presented below.

Jan 1– Mar 31 2021	Jan 1– Mar 31 2020
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Amounts disclosed in the consolidated statement of profit or loss

Depreciation of right-of-use assets (recognised in cost of sales, selling expenses and administrative expenses)	(31,688)	(32,947)
Gain/(loss) on amendments to lease contracts (recognised in other income/expenses)	51	(1,128)
Application of COVID-19 practical expedient	4,134	0
Interest expense on lease liabilities (recognised in finance costs)	(3,169)	(4,367)
Exchange differences on lease liabilities denominated in foreign currencies (recognised in finance income/costs)	(5,298)	(44,503)
Total	(35,970)	(82,945)

Amounts disclosed in the consolidated statement of cash flows

Lease payments (recognised in cash flow from financing activities)	(15,806)	(36,579)
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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 175 thousand and PLN 362 thousand in the three months ended March 31st 2021 and March 31st 2020, respectively. The costs included mainly rental of advertising space (PLN 57 thousand and 230 thousand, respectively) and leases of assorted equipment for fitness clubs and offices (PLN 117 thousand and 132 thousand, respectively). In the three months ended March 31st 2021 and March 31st 2020, there were no variable lease payments.

In the first quarter of 2021, in connection with the ongoing COVID-19 pandemic, the Group renegotiated terms of its lease contracts, which had an impact on 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 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); 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 lease 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 three months ended March 31st 2021, is PLN 4,134 thousand.

2.6.4. 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 three months ended March 31st 2021, the Group recognised income from operating sublease of fitness equipment of PLN 1,755 thousand and income from sublease of office space of PLN 95 thousand. In the three months ended March 31st 2020, the amounts were PLN 2,000 thousand and PLN 25 thousand, respectively. These amounts include minimum fixed sublease payments only. In the reporting period, there were no contingent or other payments.

2.7. 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 to, among other things, the Christmas period.

In the first quarter of 2021, the seasonality patterns observed to date could change as a result of the coronavirus pandemic and the temporary closure of fitness clubs and other sports facilities.

2.8. Significant events and transactions in the period

Impact of the COVID-19 pandemic on the Group's business

In the three months ended March 31st 2021, the Group's business was affected by the coronavirus 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 March 2021, the number of active sport cards was 436.5 thousand in the Poland segment, and 92.2 thousand on the foreign markets which were active in March 2021.

The Group is expanding its offering of online products, such as sports, recreational and health exercises online, the training platform and Yes2Move online shop, the new MultiLife card and additional services (advice, diets, city bikes, 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.

Liquidity and debt

As at March 31st 2021, the current and quick liquidity ratios exceeded 0.6, having slightly deteriorated relative to December 31st 2020, when they stood at approximately 0.75.

Despite reporting a net loss on continuing operations, in the first three months of 2021 the Group generated positive cash flows from operating activities of PLN 31.9m. Net cash used in investing activities fell by PLN 3.6m year on year, and net cash from financing activities decreased by PLN 52.3m.

As at March 31st 2021, the Group held approximately PLN 214.9m of available funds in bank accounts and PLN 125m of available and undrawn overdraft facilities.

Following the government's decision, as at the date of issue of these consolidated financial statements sports facilities in Poland were permitted to resume their activities under the sanitary regime. The Group reopened 122 own clubs.

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

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 facility limit was set at PLN 30m and as at the date of this report its full amount was available for drawdown.

In the first quarter of 2021, a range of initiatives were continued to develop the Group's new product, i.e. the MultiLife programme, comprising a package of assorted services promoting holistic development and offering support of top experts. Users of the MultiLife programme currently have access to the Yes2Move training platform, the Diet Creator, online consultations with trainers and dieticians, e-books in Legimi, the English course on the eTutor platform, online store discounts on the Yes2Move platform, the Mindfulness stress management course, the basic yoga video course, and 60 minutes of free city bike by Nextbike ride per day.

The first quarter of 2021 was also a time of intensive preparations undertaken by the Benefit Systems Group to open Zdrofit Healthy Place (Zdrofit Zdrowe Miejsce) medical facilities, helping the clients to return to good health and physical fitness through physiotherapeutic treatment based on exercise (kinesitherapy) as part of physioprophylaxis. Individuals interested in using the services of these facilities who obtain the status of patients will be offered a personalised Exercise Programme prepared by physical therapists based on a questionnaire concerning their health. As patients, they may participate in exercise sessions in newly open medical facilities in keeping with personalised recommendations contained in their Exercise Programme. The overriding objective of Zdrofit Healthy Place is to improve the health of Poles, which is deteriorating mainly due to the pandemic and related restrictions.

In the first quarter of 2021, the report 'Pandemic: a turning point for employee benefit systems' was published after more than a year of various activities undertaken as part of the 'Health Capital' project. The project was carried out in 2020 and 2021 as a joint initiative of the Polish HR Association, the Union of Entrepreneurs and Employers, experts of the Human Capital Institute of the Warsaw School of Economics, as well as a number of partners, including Benefit Systems S.A. acting as the Strategic Partner. The purpose of the project was to raise public awareness of the need for long-term health support provided to employees and their immediate environment. To that end, qualitative and quantitative studies were carried out in 2020, involving employees, management staff and senior decision-makers in HR departments. The findings of these studies have served as a valuable source of market knowledge. According to the 'Health Capital' report, as many as 41% of the decision-makers at Polish companies believe that the promotion of physical activity will be a key driver supporting employees' health in the future, as well as building their physical strength (39%) and mental resilience (42%). According to business executives, increased employee satisfaction (56%) is currently the greatest advantage of the employee benefit systems in place at their companies, followed by image gains (44%) and higher efficiency of the entire organisation (40%) and individual teams (36%). Every tenth corporate decision-maker providing health-enhancing benefits, including those supporting physical activity such as the MultiSport card, has noted long-term improvement in employees' health (9%).

2.10. Outlook

The outlook in 2021 is significantly impacted by the continuing COVID-19 pandemic, mainly due to the temporary curtailment and suspension of sports facility operations, as well as the uncertainty surrounding the imposed restrictions.

The COVID-19 pandemic is affecting the global economy and the economies of the countries where Group companies operate, which also contributes to the falling demand for sport cards among customers. At the same time, it is important to note that the demand for sporting activities among holders of sport cards, as measured by club attendance, even under the stricter sanitary conditions in which the sports clubs operated in the third quarter of 2020, was close to the 2019 levels.

In recent months, the Group has begun to expand the scope of its offering to include services outside the non-pay benefits market and fitness club management market, where it has already established a stable position. In response to the challenges of the prevailing uncertainty, new online services are being developed, including the retail-focused Yes2Move exercise platform, an online store with sports food and accessories, and the MultiLife product offering a range of various online services.

Sports facilities in Poland were reopened again as of May 28th 2021.

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.

2.11. Share capital

As at March 31st 2021, the parent's share capital was 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 shares were paid up in full. All shares confer equal rights to profit distributions and each share carries one vote at the General Meeting, with the proviso that the Company does not exercise voting rights attached to 118,053 treasury shares.

Share capital as at the reporting date is presented below.

	Mar 31 2021	Dec 31 2020
Number of shares	2,894,287	2,894,287
Par value of shares (PLN)	1	1
Share capital (PLN)	2,894,287	2,894,287

2.12. 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.

	Jan 1– Mar 31 2021	Jan 1– Mar 31 2020
Number of shares used as denominator		
Weighted average number of ordinary shares	2,776,234	2,740,789
Dilutive effect of options convertible into shares	16,028	34,757
Diluted weighted average number of ordinary shares	2,792,262	2,775,546
Continuing operations		
Net profit/(loss) from continuing operations attributable to owners of the parent	(48,916)	2,049
Basic earnings/(loss) per share (PLN)	(17.62)	0.75
Diluted earnings/(loss) per share (PLN)	(17.52)	0.74

2.13. Share-based payment schemes

Pursuant to resolutions of the General Meeting, Benefit Systems S.A. has in place an Incentive Scheme (the “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 Scheme, eligible employees receive subscription warrants convertible into shares in the parent. The 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 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 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 Scheme is achieved for a given financial year.

In the three months ended March 31st 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 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).

2.14. 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 April 16th 2020, the Management Board passed a resolution to propose to the Annual General Meeting that the entire profit of PLN 166,342,521.78 disclosed in the parent's financial statements for 2019 be allocated to the parent's statutory reserve funds.

The proposal, positively assessed by the Supervisory Board of the parent, is a one-off departure from Benefit Systems S.A.'s dividend policy for 2020–2023 caused by the economic uncertainty surrounding the COVID-19 epidemic.

On June 10th 2020, the parent's Annual General Meeting resolved to allocate the entire net profit to statutory reserve funds.

2.15. 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 the three months ended Mar 31 2021*			As at the issue date of the full-year report for 2020			Change
	Number of shares	Ownership interest	Voting interest	Number of shares	Ownership interest	Voting interest	
James van Bergh	504,695	17.44%	17.44%	517,195	17.87%	17.87%	(12,500)
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%	-
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%	-
Fundacja Drzewo i Jutro**	239,628	8.28%	8.28%	239,628	8.28%	8.28%	-
Nationale-Nederlanden OFE	159,000	5.49%	5.49%	159,000	5.49%	5.49%	-
Other	954,526	32.98%	32.98%	942,026	32.55%	32.55%	12,500
<i>including Benefit Systems S.A. (treasury shares)</i>	<i>118,053</i>	<i>4.08%</i>	<i>n.a. ***</i>	<i>118,053</i>	<i>4.08%</i>	<i>n.a. ***</i>	-
TOTAL	2,894,287	100.00%	100.00%	2,894,287	100.00%	100.00%	0

*** Based on registrations at the General Meeting on February 3rd 2021.

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

*** The Company does not exercise voting rights in respect of its treasury shares.

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. As at the issue date of these financial statements, the parent held 118,053 non-voting treasury shares.

2.16. 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:

<i>Management Board Member</i>	As at the issue date of the report for the three months ended Mar 31 2021		As at the issue date of the full-year report for 2020		Change
	Number of shares	Ownership interest	Number of shares	Ownership interest	
Bartosz Józefiak	0	0.00%	0	0.00%	-
Adam Radzki	3,020	0.10%	3,020	0.10%	-
Emilia Rogalewicz	0	0.00%	0	0.00%	-
Wojciech Szwarc	290	0.01%	290	0.01%	-
TOTAL	3,310	0.11%	3,310	0.11%	-

Benefits of members of the Management Board in the form of Series G, H and I warrants due as at the date of issue of the report for the three months ended March 31st 2021:

<i>Management Board Member</i>	Series G, H and I warrants granted for 2017-2019	Outstanding Series G, H and I warrants
Bartosz Józefiak	500	0
Adam Radzki	6,750	4,750
Emilia Rogalewicz	8,000	4,000
Wojciech Szwarc	6,400	2,100
TOTAL	21,650	10,850

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

<i>Member of the Supervisory Board</i>	As at the issue date of the report for the three months ended Mar 31 2021		As at the issue date of the full-year report for 2020		Change
	Number of shares	Ownership interest	Number of shares	Ownership interest	
James van Bergh*	504,695	17.44%	517,195	17.87%	(12,500)
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%	-
Total	504,695	17.44%	517,195	17.87%	(12,500)

*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. as a shareholder with a 93.3% equity interest, 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 Q1 2021 report). In addition, a person closely related to the Chairperson of the Supervisory Board is the Chairman of the Supervisory Board of the Drzewo and Jutro Foundation (former name: Benefit Systems Foundation) and holds 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.

2.17. Non-compliance with debt covenants

In the three months ended March 31st 2021, the Group did not breach any of its debt covenants.

2.18. 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.

	Mar 31 2021	Dec 31 2020
<i>Associates</i>		
Guarantees provided / Surety for repayment of liabilities	9,431	9,038
Total contingent liabilities	9,431	9,038

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.

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. 51/2020 of December 28th 2020, with respect to the two remaining allegations (allegation of entering in 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 May 29th 2021 (the deadline has been postponed several times). So far, the President of UOKiK has not presented detailed grounds for the allegations.

2.19. Management Board's position regarding delivery against profit forecasts

The Company has not released any profit forecasts for 2021.

2.20. 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.

2.21. Events after the reporting date

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., whereby it acquired 47.5% of the company's share capital, increasing its equity interest to 100%.

Decision 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 shares to the holders of subscription warrants under the 2021–2025 Incentive Scheme.

Removal and appointment of members of the Management Board of the parent for a new joint term of office

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,

and determined that the Management Board would continue to consist of four members.

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. The facility will be available until September 30th 2021 and 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 and the name of the agreement was changed to multi-facility agreement No. M0005449 of April 2nd 2012.

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 annex also changed the name of the agreement to multi-facility agreement No. K00737/20 of May 27th 2020.

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

3.1. CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION

	Mar 31 2021	Dec 31 2020
Goodwill	246,845	246,845
Intangible assets	43,239	41,237
Property, plant and equipment	204,931	212,276
Right-of-use assets	667,486	691,238
Investments in subsidiaries	63,743	63,743
Investments in associates	2,415	2,415
Trade and other receivables	8,328	8,931
Loans and other non-current financial assets	318,296	327,848
Deferred tax assets	31,801	24,379
Non-current assets	1,587,084	1,618,912
Inventories	3,227	3,244
Trade and other receivables	50,805	60,869
Current tax assets	245	245
Loans and other current financial assets	8,904	8,070
Cash and cash equivalents	160,061	170,560
Current assets	223,242	242,988
Total assets	1,810,326	1,861,900

	Mar 31 2021	Dec 31 2020
Share capital	2,894	2,894
Treasury shares (-)	(118,157)	(118,157)
Share premium	211,521	211,521
Retained earnings	478,533	504,737
Total equity	574,791	600,995
Employee benefit provisions	222	222
Other provisions	10,767	10,767
Trade and other payables	7	10
Other financial liabilities	1,829	3,464
Borrowings, other debt instruments	229,020	241,884
Lease liabilities	647,673	669,850
Non-current liabilities	889,518	926,197
Employee benefit provisions	2,464	1,341
Trade and other payables	81,281	79,973
Current income tax liabilities	9,163	9,102
Other financial liabilities	0	303
Borrowings, other debt instruments	72,146	73,419
Lease liabilities	164,126	158,920
Contract liabilities	16,837	11,650
Current liabilities	346,017	334,708
Total liabilities	1,235,535	1,260,905
Total equity and liabilities	1,810,326	1,861,900

3.2. CONDENSED SEPARATE STATEMENT OF PROFIT OR LOSS

	Jan 1– Mar 31 2021	Jan 1– Mar 31 2020
Continuing operations		
Revenue	72,028	273,035
Revenue from sales of services	72,018	269,490
Revenue from sales of merchandise and materials	10	3,545
Cost of sales	(84,033)	(208,685)
Cost of services sold	(84,006)	(206,014)
Cost of merchandise and materials sold	(27)	(2,671)
Gross profit /(loss)	(12,005)	64,350
Selling expenses	(8,972)	(10,562)
Administrative expenses	(11,398)	(16,682)
Other income	5,887	3,137
Other expenses	(1,187)	(630)
Operating profit/(loss)	(27,675)	39,613
Finance income	3,286	11,834
Finance costs	(9,085)	(39,792)
Impairment losses on financial assets	(49)	(219)
Profit/(loss) before tax	(33,523)	11,436
Income tax	7,319	(624)
Net profit/(loss) from continuing operations	(26,204)	10,812
Net profit/(loss)	(26,204)	10,812

3.3. CONDENSED SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	Jan 1– Mar 31 2021	Jan 1– Mar 31 2020
Net profit/(loss)	(26,204)	10,812
<i>Other comprehensive income</i>	0	0
<i>Items not reclassified to profit or loss</i>	0	0
<i>Items reclassified to profit or loss</i>	0	0
Comprehensive income	(26,204)	10,812

3.4. CONDENSED SEPARATE STATEMENT OF CHANGES IN EQUITY

	Equity				
	Share capital	Treasury shares	Share premium	Retained earnings	Total
Balance as at Jan 1 2021	2,894	(118,157)	211,521	504,737	600,995
Changes in equity in the period Jan 1 – Mar 31 2021					
Total transactions with owners	0	0	0	0	0
Net profit/(loss) for period	0	0	0	(26,204)	(26,204)
Total comprehensive income	0	0	0	(26,204)	(26,204)
Balance as at Mar 31 2021	2,894	(118,157)	211,521	478,533	574,791

	Equity				
	Share capital	Treasury shares	Share premium	Retained earnings	Total
Balance as at Jan 1 2020	2,859	(118,157)	211,521	555,386	651,609
Changes in equity in the period Jan 1 – Mar 31 2020					
Valuation of options (share-based payment scheme)	0	0	0	766	766
Total transactions with owners	0	0	0	766	766
Net profit/(loss) for period	0	0	0	10,812	10,812
Total comprehensive income	0	0	0	10,812	10,812
Balance as at Mar 31 2020	2,859	(118,157)	211,521	566,964	663,187

3.5. CONDENSED SEPARATE STATEMENT OF CASH FLOWS

	Jan 1 – Mar 31 2021	Jan 1 – Mar 31 2020
Cash flows from operating activities		
Profit/(loss) before tax	(33,523)	11,436
Adjustments:		
Depreciation and amortisation of non-financial non-current assets	38,897	39,625
Impairment losses on financial assets	49	94
Effect of amendments to lease contracts	(3,539)	1,397
Measurement of liabilities arising from acquisition of shares	(1,635)	(4,011)
Gains/(losses) on sale and value of liquidated non-financial non-current assets	(140)	(13)
Foreign exchange gains/(losses)	3,682	34,140
Interest expense	5,063	5,532
Interest income	(1,602)	(3,412)
Dividend income	0	(4,254)
Cost of share-based payments (Incentive Scheme)	0	704
Change in inventories	17	1,695
Change in receivables	10,667	(14,025)
Change in liabilities	(6,184)	28,205
Change in provisions	1,123	(707)
Other adjustments	5,928	(1,706)
Income tax paid	(41)	(5,364)
Net cash from operating activities	18,762	89,336
Cash flows from investing activities		
Purchase of intangible assets	(2,909)	(2,448)
Purchase of property, plant and equipment	(4,093)	(4,547)
Proceeds from sale of property, plant and equipment	104	43
Repayments of loans	11,859	3,805
Loans	(1,314)	(92,088)
Interest received	455	607
Net cash from investing activities	4,102	(94,628)
Cash flows from financing activities		
Transactions with non-controlling entities without loss of control	0	(333)
Proceeds from borrowings	4,000	139,498
Repayment of borrowings	(19,468)	(43,502)
Payment of lease liabilities	(16,715)	(31,629)
Interest paid	(1,180)	(6,912)
Net cash from financing activities	(33,363)	57,122
Net change in cash and cash equivalents	(10,499)	51,830
Cash and cash equivalents at beginning of period	170,560	7,238
Cash and cash equivalents at end of period	160,061	59,068

AUTHORISATION FOR ISSUE

This consolidated quarterly report of the Benefit Systems Group for the three months ended March 31st 2021 (including the comparative data) was authorised for issue by the Management Board of the parent on May 28th 2021.

Signatures of Members of the Management Board