

**INTERIM CONDENSED
CONSOLIDATED FINANCIAL
STATEMENTS OF THE BENEFIT
SYSTEMS GROUP**

FOR THE SIX MONTHS ENDED
JUNE 30TH 2022



TABLE OF CONTENTS

| | |
|--|-----------|
| 1. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION | 3 |
| 2. CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS | 5 |
| 3. CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME | 6 |
| 4. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY | 7 |
| 5. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS | 9 |
| 6. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS | 10 |
| 6.1. GENERAL INFORMATION | 10 |
| 6.2. BASIS OF PREPARATION AND ACCOUNTING POLICIES..... | 12 |
| 6.3. SIGNIFICANT EVENTS AND TRANSACTIONS | 13 |
| 6.4. SEASONALITY OF OPERATIONS | 14 |
| 6.5. OPERATING SEGMENTS | 14 |
| 6.6. ACQUISITIONS AND CHANGE IN NON-CONTROLLING INTERESTS | 18 |
| 6.7. GOODWILL | 19 |
| 6.8. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS..... | 20 |
| 6.9. LEASES | 20 |
| 6.10. LOANS | 23 |
| 6.11. EFFECTIVE TAX RATE | 24 |
| 6.12. SHARE CAPITAL..... | 24 |
| 6.13. EMPLOYEE BENEFIT OBLIGATIONS AND PROVISIONS | 24 |
| 6.14. BORROWINGS, OTHER DEBT INSTRUMENTS | 25 |
| 6.15. ISSUE AND REDEMPTION OF DEBT SECURITIES | 25 |
| 6.16. OTHER INCOME AND EXPENSES..... | 25 |
| 6.17. FINANCE INCOME AND COSTS | 27 |
| 6.18. EARNINGS /(LOSS) PER SHARE AND COVERAGE OF LOSS FOR 2021..... | 27 |
| 6.19. DISCONTINUED OPERATIONS | 27 |
| 6.20. RELATED-PARTY TRANSACTIONS..... | 28 |
| 6.21. PROVISIONS AND CONTINGENT LIABILITIES | 29 |
| 6.22. FINANCIAL INSTRUMENTS | 30 |
| 6.23. RISK ARISING FROM FINANCIAL INSTRUMENTS | 32 |
| 6.24. NON-COMPLIANCE WITH DEBT COVENANTS | 36 |
| 6.25. EVENTS AFTER THE REPORTING DATE | 36 |
| AUTHORISATION FOR ISSUE | 36 |

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE BENEFIT SYSTEMS GROUP

1. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| ASSETS | Notes | June 30th 2022 (unaudited) | December 31st 2021 |
|--|-------|-------------------------------|--------------------|
| Goodwill | 6.7 | 461,047 | 446,395 |
| Intangible assets | 6.8 | 114,218 | 101,324 |
| Property, plant and equipment | 6.8 | 301,774 | 327,277 |
| Right-of-use assets | 6.9 | 777,529 | 786,453 |
| Investments in associates | 6.1 | 5,540 | 5,367 |
| Trade and other receivables | | 10,399 | 10,212 |
| Loans and other non-current financial assets | 6.9 | 11,577 | 20,617 |
| Deferred tax assets | | 28,337 | 30,312 |
| Non-current assets | | 1,710,421 | 1,727,957 |
| Inventories | | 5,902 | 4,377 |
| Trade and other receivables | | 167,012 | 193,423 |
| Current tax assets | | 488 | 491 |
| Loans and other current financial assets | 6.10 | 6,471 | 1,535 |
| Cash and cash equivalents | | 112,160 | 253,015 |
| Current assets | | 292,033 | 452,841 |
| Total current assets | | 292,033 | 452,841 |
| Total assets | | 2,002,454 | 2,180,798 |

EQUITY AND LIABILITIES

| | Notes | June 30th 2022 (unaudited) | December 31st 2021 |
|---|-------|-------------------------------|-----------------------|
| <i>Equity attributable to owners of the parent:</i> | | | |
| Share capital | 6.12 | 2,934 | 2,934 |
| Share premium | | 291,378 | 291,378 |
| Translation reserve | | (9,540) | (7,416) |
| Retained earnings | | 351,999 | 316,851 |
| Equity attributable to owners of the parent | | 636,771 | 603,747 |
| Non-controlling interests | 6.6 | (2,825) | (2,070) |
| Total equity | | 633,946 | 601,677 |
| | | | |
| Employee benefit provisions | 6.13 | 219 | 270 |
| Other provisions | 6.21 | 10,767 | 10,767 |
| Total long-term provisions | | 10,986 | 11,037 |
| Trade and other payables | | 1,323 | 2,279 |
| Deferred tax liability | | 3,628 | 3,063 |
| Other financial liabilities | 6.22 | 26,604 | 38,394 |
| Borrowings, other debt instruments | 6.14 | 71,497 | 91,443 |
| Lease liabilities | 6.9 | 743,507 | 748,500 |
| Contract liabilities | | 0 | 107 |
| Non-current liabilities | | 857,545 | 894,823 |
| | | | |
| Employee benefit provisions | 6.13 | 5,114 | 2,701 |
| Other provisions | | 309 | 5 |
| Total short-term provisions | | 5,423 | 2,706 |
| Trade and other payables | | 270,333 | 321,537 |
| Current income tax liabilities | | 2,736 | 2,858 |
| Other financial liabilities | 6.22 | 18,217 | 25,502 |
| Borrowings, other debt instruments | 6.14 | 30,835 | 130,492 |
| Lease liabilities | 6.9 | 167,933 | 188,335 |
| Contract liabilities | | 15,486 | 12,868 |
| Current liabilities | | 505,540 | 681,592 |
| Total current liabilities and provisions | | 510,963 | 684,298 |
| Total liabilities | | 1,368,508 | 1,579,121 |
| Total equity and liabilities | | 2,002,454 | 2,180,798 |

2. CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

| | Notes | January 1st – June 30th 2022 (unaudited) | April 1st – June 30th 2022 (unaudited) | January 1st – June 30th 2021 (unaudited) | April 1st – June 30th 2021 (unaudited) |
|---|-------|--|--|--|--|
| Continuing operations | | | | | |
| Revenue | 6.5 | 861,439 | 459,605 | 279,073 | 180,560 |
| Revenue from sales of services | | 849,267 | 453,350 | 276,618 | 178,575 |
| Revenue from sales of merchandise and materials | | 12,172 | 6,255 | 2,455 | 1,985 |
| Cost of sales | | (665,023) | (340,114) | (263,077) | (146,740) |
| Cost of services sold | | (657,458) | (335,768) | (261,624) | (145,426) |
| Cost of merchandise and materials sold | | (7,565) | (4,346) | (1,453) | (1,314) |
| Gross profit/(loss) | | 196,416 | 119,491 | 15,996 | 33,820 |
| Selling expenses | | (60,416) | (32,496) | (32,661) | (16,376) |
| Administrative expenses | | (65,160) | (34,523) | (49,180) | (25,429) |
| Other income | 6.16 | 4,034 | 2,674 | 21,748 | 12,134 |
| Other expenses | 6.16 | (5,223) | (4,818) | (4,005) | (2,884) |
| Operating profit/(loss) | | 69,651 | 50,328 | (48,102) | 1,265 |
| Finance income | 6.17 | 1,887 | 1,509 | 15,179 | 13,183 |
| Finance costs | 6.17 | (20,432) | (11,827) | (11,019) | (1,783) |
| Impairment losses on financial assets | | (878) | (70) | (103) | (54) |
| Share of profit/(loss) of equity-accounted entities (+/-) | | 173 | 277 | 824 | 934 |
| Profit/(loss) before tax | | 50,401 | 40,217 | (43,221) | 13,545 |
| Income tax | 6.11 | (10,248) | (8,190) | 4,210 | (2,763) |
| Net profit/(loss) from continuing operations | | 40,153 | 32,027 | (39,011) | 10,782 |
| Net profit/(loss) | | 40,153 | 32,027 | (39,011) | 10,782 |
| Net profit/(loss) attributable to: | | | | | |
| - owners of the parent | | 39,706 | 31,606 | (38,648) | 10,268 |
| - non-controlling interests | | 447 | 421 | (363) | 514 |

EARNINGS/(LOSS) PER ORDINARY SHARE (PLN)

| | Notes | January 1st – June 30th 2022 (unaudited) | January 1st – June 30th 2021 |
|--|-------|--|------------------------------|
| <i>from continuing operations</i> | | | |
| - basic | 6.18 | 13.54 | (13.92) |
| - diluted | 6.18 | 13.54 | (13.84) |
| <i>from continuing and discontinued operations</i> | | | |
| - basic | 6.18 | 13.54 | (13.92) |
| - diluted | 6.18 | 13.54 | (13.84) |

3. CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | January 1st – June 30th 2022 (unaudited) | April 1st – June 30th 2022 (unaudited) | January 1st – June 30th 2021 (unaudited) | April 1st – June 30th 2021 (unaudited) |
|---|---|---|---|---|
| Net profit/(loss) | 40,153 | 32,027 | (39,011) | 10,782 |
| Other comprehensive income | (2,213) | (390) | 306 | 1,910 |
| Items not reclassified to profit or loss | 0 | 0 | 0 | 0 |
| Items reclassified to profit or loss | (2,213) | (390) | 306 | 1,910 |
| - Exchange differences on translation of foreign operations | (2,213) | (390) | 306 | 1,910 |
| Comprehensive income | 37,940 | 31,637 | (38,705) | 12,692 |
| Comprehensive income attributable to: | | | | |
| - owners of the parent | 37,582 | 31,219 | (37,886) | 12,600 |
| - non-controlling interests | 358 | 418 | (819) | 92 |

4. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Share capital | Share premium | Translation reserve | Retained earnings | Total | Non-controlling interests | Total equity |
|--|---------------|----------------|---------------------|-------------------|----------------|---------------------------|----------------|
| Balance as at January 1st 2022 | 2,934 | 291,378 | (7,416) | 316,851 | 603,747 | (2,070) | 601,677 |
| <i>Changes in equity in the period January 1st–June 30th 2022 (unaudited)</i> | | | | | | | |
| Changes in Group structure (transactions with non-controlling interests) | | | | (5,776) | (5,776) | 105 | (5,671) |
| Measurement of liabilities under put options granted to non-controlling interests | | | | 286 | 286 | (286) | 0 |
| Dividends | | | | 932 | 932 | (932) | 0 |
| Total transactions with owners | 0 | 0 | 0 | (4,558) | (4,558) | (1,113) | (5,671) |
| Net profit/(loss) for period | 0 | 0 | 0 | 39,706 | 39,706 | 447 | 40,153 |
| Exchange differences on translation of foreign operations | 0 | 0 | (2,124) | 0 | (2,124) | (89) | (2,213) |
| Total comprehensive income | 0 | 0 | (2,124) | 39,706 | 37,582 | 358 | 37,940 |
| Total changes | 0 | 0 | (2,124) | 35,148 | 33,024 | (755) | 32,269 |
| Balance as at June 30th 2022 | 2,934 | 291,378 | (9,540) | 351,999 | 636,771 | (2,825) | 633,946 |

CONTD.

| | Share capital | Treasury shares | Share premium | Translation reserve | Retained earnings | Total | Non-controlling interests | Total equity |
|---|---------------|------------------|----------------|---------------------|-------------------|-----------------|---------------------------|-----------------|
| Balance as at January 1st 2021 | 2,894 | (118,157) | 272,107 | (4,562) | 372,245 | 524,527 | (1,527) | 523,000 |
| <i>Changes in equity in the period January 1st–June 30th 2021 (unaudited)</i> | | | | | | | | |
| Increase in shares in subsidiary due to acquisition of non-controlling interest without change of control | 0 | 0 | 0 | 0 | (204) | (204) | 0 | (204) |
| Total transactions with owners | 0 | 0 | 0 | 0 | (204) | (204) | 0 | (204) |
| Net profit/(loss) for period | 0 | 0 | 0 | 0 | (38,648) | (38,648) | (363) | (39,011) |
| Exchange differences on translation of foreign operations | 0 | 0 | 0 | 762 | 0 | 762 | (456) | 306 |
| Total comprehensive income | 0 | 0 | 0 | 762 | (38,648) | (37,886) | (819) | (38,705) |
| Total changes | 0 | 0 | 0 | 762 | (38,852) | (38,090) | (819) | (38,909) |
| Balance as at June 30th 2021 | 2,894 | (118,157) | 272,107 | (3,800) | 333,393 | 486,437 | (2,346) | 484,091 |

5. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | Notes | January 1st – June 30th 2022 (unaudited) | January 1st – June 30th 2021 (unaudited) |
|---|-------|---|---|
| Cash flows from operating activities | | | |
| Profit(loss) before tax | | 50,401 | (43,221) |
| Adjustments: | | | |
| Depreciation and amortisation | | 112,208 | 102,023 |
| Change in impairment losses and write-off of assets | | 1,519 | (113) |
| Effect of lease modifications | 6.9.3 | (5,333) | (15,085) |
| Measurement of liabilities arising from acquisition of shares | 6.17 | (62) | (1,802) |
| (Gains)/losses on sale and value of liquidated non-financial non-current assets | | 2,241 | (58) |
| Foreign exchange gains/(losses) | 6.17 | 6,981 | (12,254) |
| Interest expense | 6.17 | 12,016 | 9,329 |
| Interest income | 6.17 | (1,820) | (838) |
| Share of profit/(loss) of associates | | (173) | (824) |
| Change in inventories | | (1,525) | 582 |
| Change in receivables | | 30,479 | 73,610 |
| Change in liabilities | | (39,390) | (7,702) |
| Change in provisions | | 2,666 | 2,454 |
| Other adjustments | | (1,136) | 11 |
| Cash flows provided by (used in) operating activities | | 169,072 | 106,112 |
| Income tax paid | | (6,730) | (18,045) |
| Net cash from operating activities | | 162,342 | 88,067 |
| Cash flows from investing activities | | | |
| Purchase of intangible assets | | (23,061) | (15,287) |
| Purchase of property, plant and equipment | | (28,569) | (9,853) |
| Proceeds from sale of property, plant and equipment | | 0 | 599 |
| Acquisition of subsidiaries, net of cash acquired | | (33,240) | (8,156) |
| Repayments of loans | 6.10 | 273 | 570 |
| Loans | 6.10 | (399) | (45) |
| Interest received | 6.10 | 277 | 455 |
| Net cash from investing activities | | (84,719) | (31,717) |
| Cash flows from financing activities | | | |
| Expenditure on transactions with non-controlling interests | 6.6.2 | (4,842) | (10,467) |
| Redemption of debt securities | | (100,000) | 0 |
| Proceeds from borrowings | | 51,983 | 0 |
| Repayment of borrowings | | (70,834) | (26,937) |
| Payment of lease liabilities | 6.9 | (86,789) | (40,127) |
| Interest paid | | (7,651) | (4,213) |
| Dividends paid | | (345) | 0 |
| Net cash from financing activities | | (218,478) | (81,744) |
| Net change in cash and cash equivalents before exchange differences | | (140,855) | (25,394) |
| Net change in cash and cash equivalents | | (140,855) | (25,394) |
| Cash and cash equivalents at beginning of period | | 253,015 | 223,780 |
| Cash and cash equivalents at end of period | | 112,160 | 198,386 |

6. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6.1. General information

The parent of the Benefit Systems Group (the “Group”) is Benefit Systems S.A. (the “parent”). Benefit Systems S.A. is the Group’s ultimate reporting entity.

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. In the reporting period, the identification data of the reporting entity did not change. 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 classified elsewhere (PKD 2007) 9609Z*.

These interim condensed consolidated financial statements include the parent and the following subsidiaries:

| Subsidiary | Principal place of business and country of registration | Group’s ownership interest*: | |
|--|---|------------------------------|--------------------|
| | | June 30th 2022 | December 31st 2021 |
| YesIndeed Sp. z o.o. | ul. Przeskok 2, 00-032 Warsaw, Poland | 100.00% | 100.00% |
| VanityStyle Sp. z o.o. | ul. Skierniewicka 16/20, 01-230 Warsaw, Poland | 100.00% | 100.00% |
| Focusly Sp. z o.o. | ul. Skierniewicka 16/20, 01-230 Warsaw, Poland | 100.00% | 100.00% |
| Lunching.pl Sp. z o.o. ¹⁾ | ul. Fabryczna 20A, 31-553 Kraków, Poland | 73.97% | 0.00% |
| 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% |
| Benefit Partners Sp. z o.o. | Plac Europejski 2, 00-844 Warsaw, Poland | 100.00% | 100.00% |
| Fit Fabric Sp. z o.o. | Plac Europejski 2, 00-844 Warsaw, Poland | 100.00% | 100.00% |
| Total Fitness Sp. z o.o. ²⁾ | Aleja Bohaterów Września 9, 02-389 Warsaw, Poland | 88.23% | 88.23% |

| | | | |
|--|--|---------|---------|
| Zdrowe Miejsce Sp. z o.o. | ul. Odyńca 71, 02-644 Warsaw, Poland | 80.00% | 80.00% |
| Yes to Move Sp. z o.o. | Plac Europejski 2, 00-844 Warsaw, Poland | 100.00% | 100.00% |
| 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% |
| Form Factory 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. ³⁾ | Lomnického 1705/9, 140 00 Praha 4, Czech Republic | 97.20% | 95.26% |
| 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. | Zagreb (Grad Zagreb) Heinzelova ulica 44, Croatia | 94.28% | 94.28% |
| Benefit Systems, storitve, D.O.O. | Komenskega street 36, 1000 Lublana, Slovenia | 92.34% | 92.34% |
| Benefit Systems Spor Hizmetleri Ltd | Eski Büyükdere Caddesi No: 7, GİZ 2000 Plaza, Kat 4. 13. VE 14. Bağımsız Bölümler, Maslak, Sarıyer/ 34398 İstanbul, Turkey | 90.40% | 90.40% |
| Multisport Foundation | ul. Racjonalizacji 5, 02-673 Warsaw, Poland | 100.00% | 100.00% |
| MW Legal Sp. z o.o. ⁴⁾ | Plac Europejski 2, 00-844 Warsaw, Poland | 100.00% | 100.00% |

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

1) On April 13th 2022, the parent acquired a 75% stake in Lunching.pl Sp. z o.o. On May 23rd 2022, an increase in the share capital of Lunching.pl Sp. z o.o. was registered, following which the parent's interest in the company was 73.97% as at June 30th 2022. The company has been consolidated since the acquisition date based on the assumption that the Group exercises full (100%) control in view of the options included in the share purchase agreement.

2) Total Fitness Sp. z o.o. has been consolidated since the acquisition date based on the assumption that the Group exercises full (100%) control in view of the options included in the share purchase agreement.

3) On January 11th 2022, the sale of 2% of shares in Multisport Benefit S.R.O. was effected, as a result of which Benefit Systems International Sp. z o.o. holds 100% of shares in the company.

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

There are no material non-controlling interests in companies in which the Group holds fewer than 100% of shares.

In the interim condensed consolidated financial statements prepared as at June 30th 2022, the interests in four associates were accounted for using the equity method.

| | Principal place of business and country of registration | Equity interest as at June 30th 2022 | % of total voting rights | Carrying amount as at June 30th 2022 | Carrying amount as at December 31st 2021 |
|-------------------------------------|---|--------------------------------------|--------------------------|--------------------------------------|--|
| 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% | 5,540 | 5,367 |

| | | | | | |
|--------------------------------|---|--------|--------|--------------|--------------|
| 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, Poland | 20.00% | 20.00% | 0 | 0 |
| Total carrying amount | | | | 5,540 | 5,367 |

6.2. Basis of preparation and accounting policies

6.2.1. Basis of preparation

These interim condensed consolidated financial statements were authorised for issue by the Parent's Management Board on August 16th 2022.

These interim condensed consolidated financial statements of the Group cover the period of six months ended June 30th 2022 and have 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).

These interim condensed consolidated have been prepared in a condensed form and do not contain all the information which is typically disclosed in full-year consolidated financial statements of the Group prepared in accordance with International Financial Reporting Standards (IFRS), as endorsed by the European Union. These interim condensed consolidated financial statements should be read in conjunction with the Group's full-year consolidated financial statements for 2021.

The functional currency of the parent and the presentation currency of these interim condensed consolidated financial statements is the Polish złoty, and all amounts are expressed in thousands of Polish złoty (unless indicated otherwise).

The interim condensed consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern in the foreseeable future. As at the date of authorisation of these interim condensed consolidated financial statements, no circumstances have been identified which would indicate any threat to the Group's or the Parent's ability to continue as a going concern.

6.2.2. Accounting policies

These interim condensed consolidated financial statements have been prepared in accordance with the accounting policies presented in the Group's most recent consolidated financial statements for the year ended December 31st 2021, and in accordance with the policies applied in the same interim period of the previous year.

These interim condensed consolidated financial statements have been prepared on a historical cost basis, except with respect to items measured at fair value.

6.2.3. New and amended standards applied by the Group as of January 1st 2022

No new standards and interpretations have been published since the date of issue of the Consolidated Financial Statements for the year ended December 31st 2021, prepared in accordance with International Financial Reporting Standards as endorsed by the European Union.

6.2.4. Uncertainty of estimates

When preparing these interim condensed consolidated 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 estimates and assumptions which are material to the interim condensed consolidated financial statements, see the Group's full-year consolidated financial statements for 2021, as well as the following notes to these interim condensed consolidated financial statements: 6.6 Acquisitions and change in non-controlling interests, 6.7 Goodwill, 6.9 Leases, 6.21 Provisions and contingent liabilities, 6.22 Financial instruments, and 6.23.1 Credit risk.

6.2.5. Presentation adjustment and change of accounting policies

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

6.3. Significant events and transactions

Information on the impact of the armed conflict in Ukraine on the Group's operations

On February 24th 2022, Russia began a military invasion of Ukraine. The Group does not hold any assets in Ukraine or Russia, nor does it operate in any of these countries or provide services to entities located there. As at the date of the interim condensed consolidated financial statements, there was no noticeable effect of the war on the Group's operations. The Management Board does not rule out the risk of a material adverse effect of the ongoing conflict on the Group's trading partners. However, since there is no concentration of sales to or receivables from a single trading partner, other entities' potential liquidity problems should not have any significant effect on the Group's financial condition.

Although the armed conflict in Ukraine has not had any material effect on the Group's day-to-day operations, in a longer run it may harm the economies of the countries where the Group operates through, inter alia, higher prices of fuels, raw materials and energy, further inflation increase or the weakening of the local currencies, which may hamper the demand for the services and products offered by the Group and lead to higher operating expenses.

Redemption of Series A and Series B bonds

On April 7th 2022, 50,000 Series A bonds issued by the Parent, with a total nominal value of PLN 50m, were redeemed when due.

On March 24th 2022, a meeting of holders of Series B ordinary bearer bonds issued by Benefit Systems S.A. (the "Bonds") (the "Bondholders Meeting") was held. Resolution No. 3/03/2022 of the Bondholders Meeting amended the terms and conditions of the Bonds to allow the Company to redeem the Bonds early, on April 7th or 14th 2022.

On April 14th 2022, 50,000 Series B bonds with a total nominal value of PLN 50m were redeemed early.

Execution of a financing agreement with the European Bank for Reconstruction and Development and Santander Bank Polska S.A.

On April 1st 2022, the Parent and some of its subsidiaries signed a long-term financing agreement (the "Agreement") with the European Bank for Reconstruction and Development

(“EBRD”) and Santander Bank Polska S.A. (“Santander”) (jointly: the “Banks”) for PLN 205m (the “Financing”). The Financing amount may be additionally increased by no more than PLN 35m.

Under the Agreement, the Banks grant the Company Financing which may be used to cover capital expenditure on the organic growth of the Group, development of the MultiLife platform, acquisitions, environmental projects, refinancing of the Company’s existing debt under bank borrowings in Poland, and general corporate objectives.

Acquisition of shares in Lunching.pl Sp. z o.o.

On April 13th 2022, Benefit Systems S.A. signed an agreement to purchase 75% of shares in Lunching.pl Sp. z o.o. for PLN 12.6m, payable upon execution of the agreement. Subsequently, the Company paid PLN 0.75m to increase the latter’s share capital and, as a result, acquired 73.97% of shares in the acquiree. The company has been consolidated since the acquisition date based on the assumption that the Group exercises full (100%) control in view of the options included in the share purchase agreement. For a provisional accounting for the acquisition of the company, see Note 6.6.1. The acquired company owns the platform and application for ordering food with delivery to the workplace. Lunching is a solution designed to facilitate the organisation of meals for employee teams by employers in a financing model of their choice. The new project will expand the Group’s offering in the growing segment of the non-pay benefit market, i.e., co-financing of meals and supporting healthy eating habits of employees. Moreover, the acquisition of shares in Lunching.pl will significantly increase the Group’s competence in healthy nutrition and co-financing of meals for employees. Knowledge and experience in this area will be used, among others, to develop and enhance the offering of the MultiLife programme.

Agreements signed with PKO BP S.A.

On May 5th 2022, agreements were signed between PKO BP S.A. and Benefit Systems S.A. Pursuant to the agreements, the PLN 50m multi-purpose credit facility agreement of August 22nd 2017 and the PLN 100m investment facility agreement of March 19th 2018 were terminated. The multi-purpose credit facility agreement was terminated with effect from May 5th 2022. The investment facility agreement was terminated with effect from May 13th 2022. The outstanding balance of PLN 37m was repaid in full on the same day.

Coverage of the parent's net loss for 2021

On June 29th 2022, the parent’s Annual General Meeting passed a resolution to cover the net loss of PLN 15.6m for the financial year 2021 from future profits.

6.4. 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 fitness club carnets 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 of sales in the Cafeterias segment is reflected in an increase in revenues in the last month of the year, partly attributable to the Christmas period.

6.5. 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

In the financial statements for the previous years, the Group presented the Cafeterias segment in addition to the Poland and Foreign Markets segments. In view of the ongoing product integration process and the resulting organisational transition reflected in the merger of Benefit Systems S.A. and MyBenefit Sp. z o.o., the framework based on which the Group's Management Board assesses the Group's business performance and makes decisions on allocation of resources has been redefined. As a result, the Group has decided to include Cafeterias in the Poland segment.

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 a non-IFRS 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 in the results of equity-accounted companies whose business is similar to that of a given segment.

Reconciliation of the segments' results to the Group's total results in the six months ended June 30th 2022 and in the comparative period is presented below.

| | Poland | Foreign Markets | Corporate | Total |
|---|------------------|------------------|----------------|------------------|
| for the period January 1st – June 30th 2022 | | | | |
| Revenue | 621,254 | 240,244 | (59) | 861,439 |
| <i>including from external customers</i> | 621,195 | 240,244 | 0 | 861,439 |
| <i>including inter-segment sales</i> | 59 | 0 | (59) | 0 |
| Cost of sales | (470,139) | (194,884) | 0 | (665,023) |
| <i>including practical expedient under IFRS 16</i> | 4,691 | 264 | 0 | 4,955 |
| Gross profit | 151,115 | 45,360 | (59) | 196,416 |
| Selling expenses | (42,320) | (18,096) | 0 | (60,416) |
| Administrative expenses | (43,093) | (20,471) | (1,596) | (65,160) |
| Other income and expenses | (2,092) | 1,021 | (118) | (1,189) |
| Operating profit/(loss) | 63,610 | 7,814 | (1,773) | 69,651 |
| Share of profit/(loss) of equity-accounted entities | 173 | 0 | 0 | 173 |
| Interest expense on lease liabilities | (4,970) | (924) | 0 | (5,894) |
| Depreciation and amortisation | 93,495 | 18,713 | 0 | 112,208 |
| EBITDA | 157,105 | 26,527 | (1,773) | 181,859 |
| as at June 30th 2022 | | | | |
| Segment's assets | 1,972,080 | 275,459 | (245,085) | 2,002,454 |
| Segment's liabilities | 1,174,410 | 439,348 | (245,250) | 1,368,508 |
| Investments in associates | 5,540 | 0 | 0 | 5,540 |

| | Poland Restated* | Foreign Markets | Corporate Restated* | Total |
|--|------------------|-----------------|---------------------|-------|
|--|------------------|-----------------|---------------------|-------|

for the period January 1st – June 30th 2021

| | | | | |
|---|------------------|-----------------|-------------|------------------|
| Revenue | 210,103 | 69,015 | (45) | 279,073 |
| <i>including from external customers</i> | 210,058 | 69,015 | 0 | 279,073 |
| <i>including inter-segment sales</i> | 45 | 0 | (45) | 0 |
| Cost of sales | (191,127) | (71,950) | 0 | (263,077) |
| <i>including practical expedient under IFRS 16</i> | 14,127 | 997 | 0 | 15,124 |
| Gross profit | 18,976 | (2,935) | (45) | 15,996 |
| Selling expenses | (22,229) | (10,432) | 0 | (32,661) |
| Administrative expenses | (33,336) | (16,062) | 218 | (49,180) |
| Other income and expenses | 3,640 | 14,056 | 47 | 17,743 |
| Operating profit/(loss) | (32,948) | (15,373) | 219 | (48,102) |
| Share of profit/(loss) of equity-accounted entities | 824 | 0 | 0 | 824 |
| Interest expense on lease liabilities | (5,311) | (646) | 0 | (5,957) |
| Depreciation and amortisation | 85,769 | 16,254 | 0 | 102,023 |
| EBITDA | 52,821 | 881 | 219 | 53,921 |

as at June 30th 2021

| | | | | |
|---------------------------|-----------|---------|-----------|------------------|
| Segment's assets | 1,924,623 | 232,438 | (246,745) | 1,910,316 |
| Segment's liabilities | 1,285,915 | 386,545 | (246,235) | 1,426,225 |
| Investments in associates | 5,235 | 0 | 0 | 5,235 |

* The restatement reflects the combination of the Poland and Cafeterias segments.

There is no significant concentration of sales to one or more external customers. In the reporting period of the six months ended June 30th 2022, 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 by the operating segments, except for consolidation eliminations on intersegment transactions.

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

| | January 1st – June 30th 2022 | January 1st – June 30th 2021 restated* |
|--|------------------------------|--|
|--|------------------------------|--|

Segments' revenue

| | | |
|--|----------------|----------------|
| Total revenue of operating segments | 861,498 | 279,118 |
| Unallocated revenue | 0 | 0 |
| Elimination of revenue from inter-segment transactions | (59) | (45) |
| Revenue | 861,439 | 279,073 |

Segments' profit/(loss)

| | | |
|--|---------------|-----------------|
| Segments' operating profit/(loss) | 71,424 | (48,321) |
| Elimination of profit/(loss) from inter-segment transactions (IFRS 16) | 0 | 0 |
| Unallocated profit/(loss) | (1,773) | 219 |
| Operating profit | 69,651 | (48,102) |
| Finance income | 1,887 | 15,179 |

| | | |
|---|---------------|-----------------|
| Finance costs (-) | (20,432) | (11,019) |
| Impairment losses on financial assets | (878) | (103) |
| Share of profit/(loss) of equity-accounted entities | 173 | 824 |
| Profit/(loss) before tax | 50,401 | (43,221) |

| | |
|-----------------------|-----------------------|
| June 30th 2022 | June 30th 2021 |
|-----------------------|-----------------------|

Segments' assets

| | | |
|---|------------------|------------------|
| Total assets of operating segments | 2,247,540 | 2,157,061 |
| Unallocated assets | 0 | 0 |
| Elimination of intragroup balances and transactions | (245,086) | (246,745) |
| Total assets | 2,002,454 | 1,910,316 |

| | |
|-----------------------|-----------------------|
| June 30th 2022 | June 30th 2021 |
|-----------------------|-----------------------|

Segments' liabilities

| | | |
|---|------------------|------------------|
| Total liabilities of operating segments | 1,613,759 | 1,672,460 |
| Unallocated liabilities | 0 | 0 |
| Elimination of intragroup balances and transactions | (245,251) | (246,234) |
| Total liabilities | 1,368,508 | 1,426,225 |

Eliminations of assets and liabilities include primarily inter-segment loans and trade receivables arising from inter-segment transactions.

The table below presents the segments' revenue from external customers and non-current assets by country.

| | Poland | Foreign Markets | Corporate | Total |
|---|------------------|-----------------|-----------|------------------|
| January 1st – June 30th 2022 | | | | |
| Revenue from external customers: | 621,254 | 240,244 | 0 | 861,498 |
| <i>Poland</i> | 621,254 | 98 | 0 | 621,352 |
| <i>Czech Republic</i> | 0 | 139,792 | 0 | 139,792 |
| <i>Bulgaria</i> | 0 | 63,890 | 0 | 63,890 |
| <i>Other</i> | 0 | 36,464 | 0 | 36,464 |
| June 30th 2022 | | | | |
| Non-current assets*: | 1,460,072 | 200,036 | 0 | 1,660,108 |
| <i>Poland</i> | 1,460,072 | 4,582 | 0 | 1,464,654 |
| <i>Czech Republic</i> | 0 | 116,573 | 0 | 116,573 |
| <i>Bulgaria</i> | 0 | 55,058 | 0 | 55,058 |
| <i>Other</i> | 0 | 23,823 | 0 | 23,823 |

* Excluding financial instruments and deferred tax assets.

| | Poland Restated** | Foreign Markets | Corporate Restated** | Total |
|---|-------------------|-----------------|----------------------|----------------|
| January 1st – June 30th 2021 | | | | |
| Revenue from external customers: | 210,058 | 69,015 | 0 | 279,073 |
| <i>Poland</i> | 210,058 | 73 | 0 | 210,131 |
| <i>Czech Republic</i> | 0 | 21,520 | 0 | 21,520 |
| <i>Bulgaria</i> | 0 | 36,871 | 0 | 36,871 |
| <i>Other</i> | 0 | 10,551 | 0 | 10,551 |
| June 30th 2021 | | | | |

| | | | | |
|-----------------------------|------------------|----------------|----------------|------------------|
| Non-current assets*: | 1,336,616 | 175,891 | (3,223) | 1,509,284 |
| <i>Poland</i> | <i>1,336,616</i> | <i>3,879</i> | <i>(3,223)</i> | <i>1,337,272</i> |
| <i>Czech Republic</i> | <i>0</i> | <i>104,563</i> | <i>0</i> | <i>104,563</i> |
| <i>Bulgaria</i> | <i>0</i> | <i>56,304</i> | <i>0</i> | <i>56,304</i> |
| <i>Other</i> | <i>0</i> | <i>11,145</i> | <i>0</i> | <i>11,145</i> |

* Excluding financial instruments and deferred tax assets.

** The restatement reflects the combination of the Poland and Cafeterias segments.

| | | January 1st – June 30th 2022 | January 1st – June 30th 2021 |
|--|---------|---------------------------------|---------------------------------|
| Revenue by category: | | | |
| Sale of sport cards in Poland | B2B | 483,808 | 177,302 |
| Sale of sport cards on foreign markets | B2B | 218,645 | 64,406 |
| Sale of cafeteria benefits | B2B | 20,694 | 17,981 |
| Sale of fitness clubs in Poland | B2B/B2C | 113,909 | 11,034 |
| Sale of fitness clubs on foreign markets | B2C | 21,517 | 4,536 |
| Other settlements | B2B | 599 | 155 |
| Revenue from contracts with customers (IFRS 15) | | 859,172 | 275,414 |
| <i>Revenue from IFRS 16</i> | | <i>2,267</i> | <i>3,659</i> |
| Total revenue | | 861,439 | 279,073 |

6.6. Acquisitions and change in non-controlling interests

6.6.1. Acquisitions in the six months ended June 30th 2022

On April 13th 2022, Benefit Systems S.A. signed an agreement to purchase 75% of shares in Lunching.pl Sp. z o.o. for PLN 12.6m, payable upon execution of the agreement. Subsequently, the Company paid PLN 0.75m to increase the latter's share capital and, as a result, acquired 73.97% of shares in the acquiree. The company has been consolidated since the acquisition date based on the assumption that the Group exercises full (100%) control in view of the options included in the share purchase agreement.

The total purchase price of all shares in the company will be calculated in accordance with the applicable provisions of the agreement, depending on Lunching.pl Sp. z o.o.'s revenue and EBITDA. The price of the remaining 26.03% ownership interest will be settled in accordance with the terms of the options granted under the agreement in 2023-2026.

As at the date of acquisition of control, according to the Company's best estimates of the fulfilment of the conditions set forth in the share purchase agreement, the fair value of the total purchase price is PLN 18.5m (the nominal value before discounting is PLN 19.3m). Therefore, other current financial liabilities of PLN 1.8m and other non-current financial liabilities of PLN 3.3m were recognised in the consolidated financial statements as at the acquisition date.

To provisionally account for the acquisition of the company, the Group allocated the PLN 3m excess of the price over the acquired net assets to intangible assets, and PLN 14.7m was allocated to goodwill.

By the date of these consolidated financial statements, the acquisition price allocation process for the transaction described above had not been completed by the Group; in particular, the amount of future payments which are a component of the purchase price of the company is based on estimates concerning future results of the acquiree. Therefore, goodwill recognised on the acquisition of the company may change in the 12 months from the acquisition date. The

provisional amounts of identified assets and liabilities of the acquiree, recognised in the consolidated financial statements as at April 13th 2022, i.e. the acquisition date, are as follows:

| | |
|--|---------------|
| Purchase price | 18,468 |
| Net assets acquired: | |
| Intangible assets | 3,084 |
| Right-of-use assets | 41 |
| Current trade and other receivables | 1,492 |
| Cash | 1,134 |
| Non-current borrowings, other debt instruments | (407) |
| Current trade and other payables | (1,420) |
| Current borrowings, other debt instruments | (67) |
| Current lease liabilities | (41) |
| Total net assets | 3,816 |
| Goodwill | 14,652 |

Lunching.pl Sp. z o.o. owns the platform and application for ordering food with delivery to the workplace. Lunching is a solution designed to facilitate the organisation of meals for employee teams by employers in a financing model of their choice. The new project will expand the Group's offering in the growing segment of the non-pay benefit market, i.e., co-financing of meals and supporting healthy eating habits of employees. Moreover, the acquisition of shares in Lunching.pl will significantly increase the Group's competence in healthy nutrition and co-financing of meals for employees. Knowledge and experience in this area will be used, among others, to develop and enhance the offering of the MultiLife programme.

The goodwill arising from accounting for the transaction results from synergies expected to be derived from merging the company's operations with the Group's business and represents the value of assets that could not be recognised separately in accordance with IAS 38 (mainly the market potential due to access to the Parent's sales channels as well as employees and their expertise). The goodwill was allocated to cash generating units in the Poland segment.

6.6.2. Change in non-controlling interests

On January 11th 2022, the sale of 2% of shares in Multisport Benefit S.R.O. was effected, as a result of which Benefit Systems International Sp. z o.o. holds 100% of shares in the company.

6.7. Goodwill

The changes in goodwill in the reporting periods are presented below.

| | January 1st – June 30th 2022 | January 1st – June 30th 2021 |
|--|---------------------------------|---------------------------------|
| Gross carrying amount | | |
| Balance at beginning of period | 446,395 | 363,330 |
| Acquisitions and business combinations | 14,652 | 6,414 |
| Gross carrying amount at end of period | 461,047 | 369,744 |
| Impairment losses | | |
| Accumulated impairment losses at end of period | 0 | 0 |
| Goodwill – carrying amount at end of period | 461,047 | 369,744 |

Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the business combination, provided that the cash-generating units are not larger than the

operating segments. The Group identifies cash-generating units for sales of sport cards and operation of fitness clubs at country level, given the complementary nature of these two business lines.

Goodwill presented in the assets was allocated in accordance with the policies described above to the following cash-generating units:

| | June 30th 2022 | December 31st 2021 |
|-----------------------|----------------|--------------------|
| Poland | 432,318 | 417,666 |
| Czech Republic | 28,340 | 28,340 |
| Bulgaria | 389 | 389 |
| Total goodwill | 461,047 | 446,395 |

As at the reporting date, no indications of impairment were identified for any of the cash-generating units.

6.8. Property, plant and equipment and intangible assets

As at June 30th 2022, the carrying amount of property, plant and equipment was PLN 301.8m. The PLN 25.5m decrease in property, plant and equipment relative to the end of 2021 was mainly attributable to depreciation charges. Capital expenditure in the first half of 2022, of PLN 23.9m, was mainly related to investments in new and existing fitness clubs, a portion of which, amounting to PLN 7.7m, was settled with the lessors.

As at June 30th 2022, the carrying amount of intangible assets was PLN 114.2m, up by PLN 12.9m on December 31st 2021. The increase, partly offset by amortisation of PLN 10.6m, was mainly attributable to PLN 17.5m in expenditure incurred to develop, integrate and optimise business and sales systems, online platforms for customers, and the ERP system as well as to the recognition of intangible assets upon the acquisition of Lunching.pl Sp. z o.o. (the carrying amount of the acquired software was estimated at PLN 1.7m, and that of the acquired customer relations at PLN 1.3m).

6.9. Leases

6.9.1. 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 – June 30th 2022</i> | | | | |
| Net carrying amount as at January 1st 2022 | 769,351 | 8,825 | 8,277 | 786,453 |
| New lease contracts | 50,808 | 0 | 1,486 | 52,294 |
| Modifications, termination of contracts | 4,052 | 856 | 436 | 5,344 |
| Depreciation and amortisation | (64,888) | (1,839) | (1,853) | (68,580) |
| Exchange differences on translation of foreign operations | 2,146 | 0 | (128) | 2,018 |
| Net carrying amount as at June 30th 2022 | 761,469 | 7,842 | 8,218 | 777,529 |

| Property | Fitness equipment | Other | Total |
|----------|-------------------|-------|-------|
|----------|-------------------|-------|-------|

for the period January 1st – June 30th 2021

| | 757,623 | 15,705 | 9,543 | 782,871 |
|---|----------------|---------------|--------------|----------------|
| Net carrying amount as at January 1st 2021 | | | | |
| New lease contracts | 4,293 | 0 | 1,889 | 6,182 |
| Modifications, termination of contracts | 13,231 | (12) | (75) | 13,144 |
| Depreciation and amortisation | (58,871) | (2,705) | (2,381) | (63,957) |
| Exchange differences on translation of foreign operations | (179) | 0 | (18) | (197) |
| Net carrying amount as at June 30th 2021 | 716,097 | 12,988 | 8,958 | 738,043 |

The modifications of lease contracts in the six months ended June 30th 2022 were mainly attributable to renegotiation of the terms and conditions of the rental contracts for retail and office space and change of other contractual terms.

6.9.2. Lease liabilities

Changes in lease liabilities for the six months ended June 30th 2022 are presented below.

| | January 1st – June 30th 2022 | January 1st – June 30th 2021 |
|---|------------------------------|------------------------------|
| Balance at beginning of period | 936,835 | 931,698 |
| New lease contracts | 46,125 | 6,182 |
| Modifications, termination of contracts | 2,522 | 10,634 |
| Effect of application of COVID-19 practical expedient | (4,955) | (15,124) |
| Accrued interest | 5,894 | 5,957 |
| Exchange differences | 9,586 | (12,769) |
| Settlement of liabilities | (86,789) | (44,447) |
| Exchange differences on translation of foreign operations | 2,222 | (188) |
| Balance at end of period | 911,440 | 881,942 |
| Non-current | 743,507 | 697,826 |
| Current | 167,933 | 184,116 |

The modifications of lease contracts in the six months ended June 30th 2022 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 June 30th 2022 and December 31st 2021 are presented below:

| As at June 30th 2022 | Lease payments due in: | | | |
|-----------------------------|------------------------|--------------|--------------|----------|
| | up to 1 year | 1 to 5 years | over 5 years | total |
| Lease payments | 168,995 | 534,311 | 251,535 | 954,841 |
| Finance costs (-) | (1,062) | (20,951) | (21,388) | (43,401) |
| Present value | 167,933 | 513,360 | 230,147 | 911,440 |

| As at December 31st 2021 | Lease payments due in: | | | |
|---------------------------------|------------------------|--------------|--------------|-------|
| | up to 1 year | 1 to 5 years | over 5 years | total |

| | | | | |
|-------------------|---------|----------|----------|----------|
| Lease payments | 189,504 | 521,015 | 267,912 | 978,431 |
| Finance costs (-) | (1,169) | (19,115) | (21,312) | (41,596) |
| Present value | 188,335 | 501,900 | 246,600 | 936,835 |

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 118,553 thousand as at June 30th 2022 (December 31st 2021: PLN 99,710 thousand).

6.9.3. Lease amounts disclosed in the reporting period

Amounts disclosed in the six months ended June 30th 2022 and 2021 relating to the lease contracts recognised in the statement of financial position are presented below.

| January 1st – June 30th 2022 | January 1st – June 30th 2021 |
|---------------------------------|---------------------------------|
|---------------------------------|---------------------------------|

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) | (68,580) | (63,957) |
| Gain/(loss) on lease modifications (recognised in other income/expenses) | 378 | (39) |
| Application of the COVID-19 practical expedient (recognised in cost of sales) | 4,955 | 15,124 |
| Interest expense on lease liabilities (recognised in finance costs) | (5,894) | (5,957) |
| Exchange differences on lease liabilities denominated in foreign currencies (recognised in finance income/costs) | (9,586) | 12,769 |
| Total | (78,727) | (42,060) |

Amounts disclosed in the consolidated statement of cash flows

| | | |
|--|----------|----------|
| Lease payments (recognised in cash flow from financing activities) | (86,789) | (40,127) |
|--|----------|----------|

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 264 thousand and PLN 475 thousand in the six months ended June 30th 2022 and June 30th 2021, respectively. The costs included mainly rental of advertising space (PLN 69 thousand and 58 thousand, respectively) and leases of assorted equipment for fitness clubs and offices (PLN 195 thousand and 418 thousand, respectively). In the six months ended June 30th 2022 and June 30th 2021, there were no variable lease payments.

In the first half of 2022, efforts were underway to renegotiate the Group's rental contracts in connection with the COVID-19 pandemic, 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 June 30th 2022 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before June 30th 2022 and increased lease payments that extend beyond June 30th 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 six months ended June 30th 2022, is PLN 4,955 thousand.

6.9.4. Subleases

The Group is an intermediate lessor with respect to fitness equipment leased to facilities which are the Group's partners, and with respect to office space. The sublease contracts were recognised as operating leases.

In the interim consolidated statement of profit or loss for the six months ended June 30th 2022, the Group recognised income from leases of fitness equipment under an operating sublease of PLN 1,958 thousand and income from sublease of office space of PLN 309 thousand. In the six months ended June 30th 2021, the amounts were PLN 3,460 thousand and PLN 198 thousand, respectively. These amounts include minimum fixed sublease payments only. In the reporting period, there were no contingent or other payments.

6.10. Loans

Loans account for the largest part of 'Loans and other financial assets' in the Group's statement of financial position. The table below presents the breakdown of the loans into long-term and short-term loans.

| | June 30th 2022 | December 31st 2021 |
|--------------------|----------------|--------------------|
| Long-term loans | 11,481 | 20,522 |
| Short-term loans | 6,437 | 1,376 |
| Total loans | 17,918 | 21,898 |

Changes in the carrying amount of the loans, including impairment losses, are presented below.

| | January 1st – June 30th 2022 | January 1st – June 30th 2021 |
|---|------------------------------|------------------------------|
| Gross carrying amount | | |
| Balance at beginning of period | 66,604 | 73,028 |
| Loans advanced in period | 399 | 45 |
| Interest accrued at the effective interest rate | 1,523 | 735 |
| Payment of principal and interest (-) | (550) | (1,025) |

| | | |
|--|---------|---------|
| Other changes (offsets, net exchange differences on translation) | (4,475) | (1,678) |
| Gross carrying amount at end of period | 63,502 | 71,105 |

Impairment losses

| | | |
|--|---------------|---------------|
| Balance at beginning of period | 44,706 | 37,793 |
| Impairment losses expensed in period | 878 | 44 |
| Accumulated impairment losses at end of period | 45,584 | 37,837 |
| Carrying amount at end of period | 17,918 | 33,268 |

6.11. Effective tax rate

In the six months ended June 30th 2022, the Group's effective income tax rate was 20.3%, i.e. close to that paid by the Parent.

6.12. Share capital

In the first six months of 2022, there were no changes in the parent's share capital.

As at June 30th 2022, the Parent's share capital amounted to PLN 2,934 thousand (December 31st 2021: PLN 2,934 thousand) and was divided into 2,933,542 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.

The share capital was as follows:

| | January 1st – June 30th 2022 | January 1st – June 30th 2021 |
|--|------------------------------|------------------------------|
| Shares issued and fully paid up: | | |
| Number of shares at beginning of period | 2,933,542 | 2,894,287 |
| Changes in the number of shares | 0 | 0 |
| Number of shares at end of period | 2,933,542 | 2,894,287 |

6.13. Employee benefit obligations and provisions

The amounts of employee benefit obligations and provisions are presented below.

| <i>Employee benefits:</i> | Current liabilities and provisions | | Non-current liabilities and provisions | |
|--|------------------------------------|--------------------|--|--------------------|
| | June 30th 2022 | December 31st 2021 | June 30th 2022 | December 31st 2021 |
| Salaries and wages payable | 8,377 | 8,070 | 0 | 0 |
| Social security contributions payable | 7,969 | 17,552 | 0 | 0 |
| Provisions for bonuses, commissions and other | 15,883 | 21,450 | 0 | 0 |
| Provisions for retirement gratuity benefits | 37 | 9 | 219 | 270 |
| Provision for accrued holiday entitlements | 5,077 | 2,692 | 0 | 0 |
| Total employee benefit obligations and provisions | 37,343 | 49,773 | 219 | 270 |

Wages and social security contributions payable, provisions for bonuses, commissions and others items are disclosed under trade and other payables. Provisions for retirement severance payments and accrued holiday entitlements are included in employee benefit provisions.

6.14. Borrowings, other debt instruments

The table below presents information about borrowings and other debt instruments.

| | Currency | Interest rate | Maturity | Carrying amount PLN '000 | Current liabilities | Non-current liabilities |
|---|----------|-----------------------------|----------------|-----------------------------|---------------------|----------------------------|
| As at June 30th 2022 | | | | | | |
| Investment/syndicated credit facility | PLN | Variable, 3M WIBOR + margin | Apr 1 2027 | 88,887 | 18,739 | 70,148 |
| Working capital facility | PLN | Variable, 1M WIBOR + margin | May 31 2023 | 11,717 | 11,717 | 0 |
| Overdraft facilities | PLN | Variable | - | 3 | 3 | 0 |
| Other loans | PLN | - | Jun 23 2023 | 259 | 259 | 0 |
| Other loans | PLN | - | Mar 1 2025 | 992 | 61 | 931 |
| Other loans | PLN | - | - | 474 | 56 | 418 |
| Total borrowings, other debt instruments at June 30th 2022 | | | | 102,332 | 30,835 | 71,497 |
| As at December 31st 2021 | | | | | | |
| Investment credit facility | PLN | Variable, 1M WIBOR + margin | Mar 18 2023 | 42,701 | 17,080 | 25,621 |
| Investment credit facility | PLN | Variable, 1M WIBOR + margin | May 31 2022 | 13,750 | 13,750 | 0 |
| Working capital facility | PLN | Variable, 1M WIBOR + margin | May 31 2023 | 18,214 | 12,857 | 5,357 |
| Investment credit facility | PLN | Variable, 1M WIBOR + margin | June 30th 2022 | 33,696 | 33,696 | 0 |
| Overdraft facilities | PLN | Variable | - | 3 | 3 | 0 |
| Investment credit facility | PLN | Variable, 1M WIBOR + margin | Jun 28 2024 | 4,051 | 1,275 | 2,776 |
| Working capital facility | PLN | Variable, 1M WIBOR + margin | Jun 28 2024 | 938 | 0 | 938 |
| Series A Notes | PLN | Variable, 6M WIBOR + margin | Apr 8 2022 | 49,905 | 49,905 | 0 |
| Series B Notes | PLN | Variable, 6M WIBOR + margin | Oct 8 2024 | 49,905 | 359 | 49,546 |
| Other loans | PLN | - | Jun 6 2026 | 8,772 | 1,567 | 7,205 |
| Total borrowings, other debt instruments at December 31st 2021 | | | | 221,935 | 130,492 | 91,443 |

6.15. Issue and redemption of debt securities

On March 24th 2022, a meeting of holders of Series B ordinary bearer bonds issued by Benefit Systems S.A. (the "Bonds") (the "Bondholders Meeting") was held. Resolution No. 3/03/2022 of the Bondholders Meeting amended the terms and conditions of the Bonds to allow the Company to redeem the Bonds early, on April 7th or 14th 2022.

On April 7th 2022, 50,000 Series A bonds issued by the Parent, with a total nominal value of PLN 50m, were redeemed when due.

On April 14th 2022, 50,000 Series B bonds with a total nominal value of PLN 50m were redeemed early.

6.16. Other income and expenses

Other income and expenses are as follows:

| Other income | January 1st – June 30th 2022 | January 1st – June 30th 2021 |
|--|---|---|
| Gain on disposal of non-financial non-current assets | 0 | 379 |
| Gain/(loss) on change in lease contracts | 378 | 0 |
| Reversal of impairment losses on non-financial receivables | 0 | 283 |
| Reversal of unused provisions | 0 | 226 |
| Compensation and penalties received | 400 | 449 |
| Grants | 10 | 17,145 |
| Other | 3,246 | 3,266 |
| Total other income | 4,034 | 21,748 |

| Other expenses | January 1st – June 30th 2022 | January 1st – June 30th 2021 |
|--|---|---|
| Loss on disposal of non-financial non-current assets | 1,178 | 0 |
| Impairment loss on financial receivables | 628 | 169 |
| Impairment losses on non-financial receivables | 32 | 5 |
| Flat-rate consideration for early termination of lease contract | 0 | 1,546 |
| Liquidation of and impairment losses on property, plant and equipment and on intangible assets | 1,063 | 437 |
| Compensation and penalties paid | 653 | (24) |
| Other | 1,669 | 1,921 |
| Total other expenses | 5,223 | 4,005 |

In the first six months of 2022, the Group recognised other income of PLN 4.0m and other expenses of PLN 5.2m, which translated into net other loss of PLN 1.2m.

In the comparative period, the Group's net other income included mainly PLN 17.1m in grants received by Group companies under governmental emergency financial assistance schemes in connection with the COVID-19 pandemic, including PLN 13.6m received by the Foreign Markets segment and PLN 3.5m by the Poland segment.

6.17. Finance income and costs

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

| | January 1st – June 30th 2022 | January 1st – June 30th 2021 |
|--|---------------------------------|---------------------------------|
| Finance income, including: | 1,887 | 15,179 |
| <i>Interest on loans</i> | 1,523 | 735 |
| <i>Remeasurement of liabilities arising from acquisition of shares</i> | 62 | 1,802 |
| <i>Foreign exchange gains</i> | 0 | 12,254 |
| Finance costs, including: | (20,432) | (11,019) |
| <i>Foreign exchange losses</i> | (6,981) | 0 |
| <i>Credit and bond costs</i> | (6,180) | (3,263) |
| <i>Interest expense on lease liabilities</i> | (5,894) | (5,957) |
| Total finance income and costs | (18,545) | 4,160 |

6.18. Earnings /(loss) per share and coverage of loss for 2021

6.18.1. Earnings/(loss) 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 – June 30th 2022 | January 1st – June 30th 2021 |
|---|---------------------------------|---------------------------------|
| Number of shares used as denominator | | |
| Weighted average number of ordinary shares | 2,933,542 | 2,776,234 |
| Dilutive effect of options convertible into shares | 0 | 16,698 |
| Diluted weighted average number of ordinary shares | 2,933,542 | 2,792,932 |
| Continuing operations | | |
| Net profit/(loss) from continuing operations attributable to owners of the parent | 39,706 | (38,648) |
| Basic earnings/(loss) per share (PLN) | 13.54 | (13.92) |
| Diluted earnings/(loss) per share (PLN) | 13.54 | (13.84) |

6.18.2. Coverage of loss for 2021

On June 29th 2022, the Parent's Annual General Meeting passed a resolution to cover the net loss of PLN 15.6m for the financial year 2021 from future profits.

6.19. Discontinued operations

No operations were discontinued in 2022.

6.20. Related-party transactions

Related-party transactions which have been recognised in the Group's interim condensed consolidated financial statements (i.e. which were not eliminated in consolidation) are presented below.

| | Revenue | |
|-----------------------|------------------------------|------------------------------|
| | January 1st – June 30th 2022 | January 1st – June 30th 2021 |
| Sales to: | | |
| Associate | 4,786 | 3,438 |
| Other related parties | 26 | 17 |
| Total | 4,811 | 3,455 |

| | Receivables | |
|-----------------------|----------------|--------------------|
| | June 30th 2022 | December 31st 2021 |
| Sales to: | | |
| Associate | 12,941 | 7,593 |
| Other related parties | 0 | 4 |
| Total | 12,941 | 7,597 |

| | Purchase (costs, assets) | |
|------------------------|------------------------------|------------------------------|
| | January 1st – June 30th 2022 | January 1st – June 30th 2021 |
| Purchases from: | | |
| Associate | 7,182 | 183 |
| Other related parties | 0 | 0 |
| Total | 7,182 | 183 |

The low costs of transactions with associates related to the settlements of MultiSport card visits in the first half of 2021 were attributable to the fitness club lockdown period.

| | Liabilities | |
|------------------------|----------------|--------------------|
| | June 30th 2022 | December 31st 2021 |
| Purchases from: | | |
| Associate | 270 | 50 |
| Other related parties | 0 | 0 |
| Total | 270 | 50 |

| | January 1st – June 30th 2022 | | | January 1st – June 30th 2021 | | |
|------------------|------------------------------|--------------------|----------------|------------------------------|--------------------|----------------|
| | Granted in the period | Cumulative balance | Finance income | Granted in the period | Cumulative balance | Finance income |
| Loans to: | | | | | | |
| Associate | 0 | 944 | 0 | 0 | 944 | 4 |
| Total | 0 | 944 | 0 | 0 | 944 | 4 |

Sales to associates include mainly income from lease of fitness equipment by Benefit Systems Sp. z o.o., while expenses are related to settlements of visits by holders of sport cards to the associates' clubs.

Transactions with key management personnel

The Group's key management personnel includes members of the Management Board of the parent.

Total amount of the remuneration and other benefits paid to members of the Management Board of the parent:

| | At the parent | | At subsidiaries and associates | | Total |
|---|---------------|----------------|--------------------------------|----------------|-------|
| | Remuneration | Other benefits | Remuneration | Other benefits | |
| January 1st – June 30th 2022 | | | | | |
| Members of the Management Board of Benefit Systems S.A. | 915 | 28 | 0 | 0 | 943 |
| January 1st – June 30th 2021 | | | | | |
| Members of the Management Board of Benefit Systems S.A. | 990 | 31 | 0 | 0 | 1,021 |

6.21. Provisions and contingent liabilities

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

| | June 30th 2022 | December 31st 2021 |
|---|----------------|--------------------|
| Associates | | |
| Guarantees provided / Surety for repayment of liabilities | 8,210 | 7,752 |
| Total contingent liabilities | 8,210 | 7,752 |

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 June 30th 2022.

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

With respect to the two other alleged breaches (alleged concerted practices with respect to exclusive cooperation arrangements with fitness clubs, and alleged concerted practices to restrict competition in the market for sports and recreation package services), the proceedings were closed following the issue, on December 7th 2021, of a decision by the President of UOKiK ("Decision 2") under Art. 12.1 of the Act on Competition and Consumer Protection of February 16th 2007. By Decision 2, the President of UOKiK did not impose any fine on the Company and obliged the Company to take certain measures described in Note 34.1 to the consolidated financial statements of the Group for 2021.

6.22. Financial instruments

The amounts of financial assets presented in the interim condensed consolidated statement of financial position relate to the following categories of financial instruments specified in IFRS 9:

- financial assets measured at amortised cost,
- assets outside the scope of IFRS 9.

The Group does not hold:

- financial assets at fair value through profit or loss,
- equity instruments designated upon initial recognition as measured at fair value through other comprehensive income,
- financial assets at fair value through other comprehensive income,
- financial instruments designated as hedging instruments.

The table below does not include those categories of financial assets which the Group did not recognise as at June 30th 2022:

| | Note | Categories of financial instruments in accordance with IFRS 9 Financial assets at amortised cost | Non-financial assets outside the scope of IFRS 9 | Total |
|---|------|---|--|----------------|
| As at June 30th 2022 | | | | |
| Non-current assets: | | | | |
| Trade and other receivables | | 8,817 | 1,582 | 10,399 |
| Loans and other non-current financial assets | | 11,577 | 0 | 11,577 |
| Current assets: | | | | |
| Trade and other receivables | | 123,221 | 43,791 | 167,012 |
| Loans and other current financial assets | 6.9 | 6,471 | 0 | 6,471 |
| Cash and cash equivalents | | 112,160 | 0 | 112,160 |
| Total financial and non-financial assets | | 262,246 | 45,373 | 307,619 |

As at December 31st 2021

| | | | | |
|--|--|--------|-------|--------|
| Non-current assets: | | | | |
| Trade and other receivables | | 8,583 | 1,629 | 10,212 |
| Loans and other non-current financial assets | | 20,617 | 0 | 20,617 |
| Current assets: | | | | |
| | | 0 | 0 | 0 |

| | | | | |
|---|-----|----------------|---------------|----------------|
| Trade and other receivables | | 153,365 | 40,058 | 193,423 |
| Loans and other current financial assets | 6.9 | 1,376 | 159 | 1,535 |
| Cash and cash equivalents | | 253,015 | 0 | 253,015 |
| Total financial and non-financial assets | | 436,956 | 41,846 | 478,802 |

The amounts of financial liabilities presented in the interim condensed consolidated statement of financial position relate to the following categories of financial instruments specified in IFRS 9:

- financial liabilities measured at amortised cost,
- financial liabilities at fair value through profit or loss – designated as such on initial recognition or subsequently,
- liabilities outside the scope of IFRS 9 (non-IFRS 9).

The table below does not include those categories of financial liabilities which the Group did not recognise as at June 30th 2022. The table below also presents liabilities other than financial instruments.

| Note | Categories of financial instruments Financial liabilities at amortised cost | Categories of financial instruments Financial liabilities at fair value through profit or loss designated as such on initial recognition or subsequently | Categories of financial instruments outside the scope of IFRS 9 | Non-financial liabilities outside the scope of IFRS 9 | Total |
|------|--|---|---|---|-------|
|------|--|---|---|---|-------|

As at June 30th 2022

| | | | | | | |
|--|------|----------------|---------------|----------------|----------------|------------------|
| Non-current liabilities: | | | | | | |
| Borrowings, other debt instruments | 6.14 | 71,497 | 0 | 0 | 0 | 71,497 |
| Lease liabilities | 6.9 | 0 | 0 | 743,507 | 0 | 743,507 |
| Other financial liabilities | | 955 | 26,604 | 0 | 368 | 27,927 |
| Current liabilities: | | | | | | |
| Trade and other payables | | 65,372 | 0 | 0 | 223,183 | 288,555 |
| Borrowings, other debt instruments | 6.14 | 30,835 | 0 | 0 | 0 | 30,835 |
| Lease liabilities | 6.9 | 0 | 0 | 167,933 | 0 | 167,933 |
| Other financial liabilities | | 0 | 18,217 | 0 | 0 | 18,217 |
| Total financial and non-financial liabilities | | 168,659 | 44,821 | 911,440 | 223,551 | 1,348,471 |

As at December 31st 2021

| | | | | | | |
|------------------------------------|--|---------|--------|---------|---------|---------|
| Non-current liabilities: | | | | | | |
| Borrowings, other debt instruments | | 91,443 | 0 | 0 | 0 | 91,443 |
| Lease liabilities | | 0 | 0 | 748,500 | 0 | 748,500 |
| Other financial liabilities | | 1,614 | 38,394 | 0 | 772 | 40,780 |
| Current liabilities: | | | | | | |
| Trade and other payables | | 126,577 | 0 | 0 | 210,686 | 337,263 |
| Borrowings, other debt instruments | | 130,492 | 0 | 0 | 0 | 130,492 |
| Lease liabilities | | 0 | 0 | 188,335 | 0 | 188,335 |
| Other financial liabilities | | 0 | 25,502 | 0 | 0 | 25,502 |

| | | | | | | |
|--|--|----------------|---------------|----------------|----------------|------------------|
| Total financial and non-financial liabilities | | 350,126 | 63,896 | 936,835 | 211,458 | 1,562,315 |
|--|--|----------------|---------------|----------------|----------------|------------------|

Other financial liabilities disclosed in the Group's statement of financial position include mainly liabilities under the options to purchase minority interests in companies of the Foreign Markets segment. This item also includes liabilities under contingent consideration for acquired shares in subsidiaries. The individual liabilities are presented in the following tables:

| | Note | June 30th 2022 | December 31st 2021 |
|--|-------|-------------------|-----------------------|
| Benefit Systems International Sp. z o.o. | | 13,604 | 13,604 |
| Benefit Systems Bulgaria EOOD | | 6,081 | 6,081 |
| Benefit Systems d.o.o. (Croatia) | | 1,455 | 1,455 |
| Benefit Systems Slovakia S.R.O. | | 1,027 | 1,027 |
| Liability arising from acquisition of shares in YesIndeed Sp. z o.o. | | 1,065 | 2,663 |
| Liability arising from acquisition of shares in Total Fitness Sp. z o.o. | | 0 | 13,503 |
| Liability arising from acquisition of shares in Lunching.pl Sp. z o.o. | 6.6.1 | 3,372 | 0 |
| Liability arising from acquisition of Fabryka Formy Sp. z o.o. | | 0 | 61 |
| Other non-current financial liabilities | | 26,604 | 38,394 |

| | | June 30th 2022 | December 31st 2021 |
|--|-------|-------------------|-----------------------|
| Liability arising from acquisition of shares in Fit Fabric Sp. z o.o. | | 0 | 3,000 |
| Liability arising from acquisition of shares in YesIndeed Sp. z o.o. | | 1,598 | 0 |
| Liability arising from acquisition of shares in Total Fitness Sp. z o.o. | | 13,759 | 15,889 |
| Liability arising from acquisition of shares in Focusly Sp. z o.o. | | 1,030 | 2,000 |
| Liability arising from acquisition of shares in Lunching.pl Sp. z o.o. | 6.6.1 | 1,830 | 0 |
| MultiSport Benefit SRO | | 0 | 4,613 |
| Other current financial liabilities | | 18,217 | 25,502 |

6.23. Risk arising from financial instruments

6.23.1. Credit risk

The Group's maximum exposure to credit risk is determined by the carrying amounts of financial assets and off-balance-sheet liabilities presented in the table below.

| | June 30th 2022 | December 31st 2021 |
|---|----------------|--------------------|
| Loans | 17,918 | 21,898 |
| Trade receivables and other financial receivables | 132,038 | 161,948 |
| Cash and cash equivalents | 112,160 | 253,015 |
| Contingent liabilities under guarantees and sureties issued | 8,210 | 9,152 |
| Total credit risk exposure | 270,326 | 446,013 |

The Group continuously monitors clients' and creditors' outstanding payments by analysing the credit risk for individual items or for entire asset classes (arising from e.g. industry, region

or structure of the customer base). In addition, as part of its credit risk management, the Group enters into transactions with trading partners with proven credibility.

Trade receivables and other financial receivables presented in the table above do not include non-financial receivables, such as taxes and social security contributions receivable, pre-paid costs, prepayments and advances, or purchased cafeteria codes.

Financial receivables and loans, by stage of impairment, are presented below.

The Group applies a 3-stage classification of financial assets for impairment purposes, described in section *Impairment losses on financial assets* of Note 3 to the Consolidated Financial Statements of the Benefit Systems Group for 2021.

| Balance as at June 30th 2022 | Measurement at amortised cost (stage of impairment) | | | |
|-------------------------------------|--|----------------|-----------------|-----------------|
| | Stage 1 | Stage 2 | Stage 3 | Total |
| Gross carrying amount | 225,770 | 2,563 | 78,754 | 307,087 |
| Trade receivables | 96,659 | 0 | 34,467 | 131,126 |
| Loans | 16,652 | 2,563 | 44,287 | 63,502 |
| Cash | 112,459 | 0 | 0 | 112,459 |
| Impairment losses (IFRS 9) | (5,252) | (641) | (66,035) | (71,928) |
| Trade receivables | (4,297) | 0 | (21,748) | (26,045) |
| Loans | (656) | (641) | (44,287) | (45,584) |
| Cash | (299) | 0 | 0 | (299) |
| Net carrying amount (IFRS 9) | 220,518 | 1,922 | 12,719 | 235,159 |

| Balance as at December 31st 2021 | Measurement at amortised cost (stage of impairment) | | | |
|---|--|----------------|-----------------|-----------------|
| | Stage 1 | Stage 2 | Stage 3 | Total |
| Gross carrying amount | 411,770 | 3,653 | 73,141 | 488,564 |
| Trade receivables | 138,901 | 0 | 29,745 | 168,646 |
| Loans | 19,555 | 3,653 | 43,396 | 66,604 |
| Cash | 253,314 | 0 | 0 | 253,314 |
| Impairment losses (IFRS 9) | (3,524) | (913) | (64,235) | (68,672) |
| Trade receivables | (2,828) | 0 | (20,839) | (23,667) |
| Loans | (397) | (913) | (43,396) | (44,706) |
| Cash | (299) | 0 | 0 | (299) |
| Net carrying amount (IFRS 9) | 408,246 | 2,740 | 8,906 | 419,892 |

In the opinion of the Management Board of the parent, the above financial assets, which are not past due, can be considered as assets of good credit quality. Therefore, the Group did not demand any security or other credit enhancements.

The aging structure and past due information for the Group's receivables as the most significant category of assets exposed to credit risk are presented below.

| June 30th 2022 | | December 31st 2021 | |
|----------------|----------|--------------------|----------|
| Not past due | Past due | Not past due | Past due |

Short-term receivables:

| | | | | |
|--|---------------|---------------|----------------|---------------|
| Trade receivables | 63,518 | 67,608 | 111,083 | 57,563 |
| Impairment losses on trade receivables (-) | (1,879) | (24,166) | (7,416) | (16,251) |
| Net trade receivables | 61,639 | 43,442 | 103,667 | 41,312 |
| Other net financial receivables | 5,355 | 0 | 8,901 | 0 |
| Impairment loss on other receivables (-) | 0 | 0 | (515) | 0 |
| Other net financial receivables | 5,355 | 0 | 8,386 | 0 |
| Financial receivables | 66,994 | 43,442 | 112,053 | 41,312 |

| June 30th 2022 | December 31st 2021 |
|-------------------|--------------------|
| Trade receivables | Trade receivables |

Short-term receivables past due (net):

| | | |
|---|---------------|---------------|
| less than 1 month | 16,679 | 23,621 |
| 1 to 6 months | 13,762 | 10,707 |
| 6 to 12 months | 6,619 | 4,767 |
| more than one year | 6,382 | 2,217 |
| Net past due financial receivables | 43,442 | 41,312 |

With respect to trade receivables, the Group is not exposed to credit risk of a single major trading partner or a group of partners with similar characteristics. Based on historical past due trends, net past due financial receivables do not show a significant deterioration in quality as a large portion of them fall within the range of less than one month and in the case of past due receivables from the other ranges appropriate collection measures have been taken.

The credit risk of cash and cash equivalents, market securities and derivative financial instruments is considered immaterial due to the high credibility of the counterparties (primarily banks).

6.23.2. Currency risks

Most of the Parent's transactions are executed in PLN. Foreign exchange transactions are EUR-, CZK-, and HRK-denominated loans to consolidated entities of the Benefit Systems Group, which are eliminated on consolidation. Costs of leasing/renting office space and sports facilities are denominated in EUR and disclosed under lease liabilities, which amounted to EUR 121,873 thousand (PLN 570,439 thousand) as at June 30th 2022 and EUR 128,503 thousand (PLN 591,038 thousand) as at December 31st 2021.

Sensitivity of net profit/(loss) as at June 30th 2022 to potential +/-10% movements in currency exchange rates relative to the closing rates as at the reporting date is presented below.

| | Exchange rate movements | Effect on profit/(loss): |
|---------------------------------|-------------------------|--------------------------|
| As at June 30th 2022 | | |
| Exchange rate increase | 10% | (57,481) |
| Exchange rate decrease | -10% | 57,481 |
| As at December 31st 2021 | | |
| Exchange rate increase | 10% | (58,889) |
| Exchange rate decrease | -10% | 58,889 |

The Group's exposure to other currencies in connection with its operations outside of Poland is not material. No effect on other comprehensive income.

6.23.3. Liquidity risk

The Group's financial liabilities other than derivative instruments as at the reporting date are presented below.

| | Short-term: | | Long-term: | | | Total cash flows before discounting |
|---|-------------------|-------------------|-----------------|-----------------|-----------------|---|
| | up to 6 months | 6 to 12 months | 1 to 3 years | 3 to 5 years | over 5 years | |
| As at June 30th 2022 | | | | | | |
| Bank borrowings | 15,767 | 14,692 | 37,314 | 32,834 | 0 | 100,607 |
| Loans | 188 | 188 | 1,349 | 0 | 0 | 1,725 |
| Lease liabilities | 91,312 | 76,621 | 279,888 | 233,472 | 230,147 | 911,440 |
| Trade payables | 55,558 | 0 | 0 | 0 | 0 | 55,558 |
| Purchase of non-current assets | 9,814 | 0 | 0 | 0 | 0 | 9,814 |
| Total exposure to liquidity risk | 172,639 | 91,501 | 318,551 | 266,306 | 230,147 | 1,079,144 |
| As at December 31st 2021 | | | | | | |
| Bank borrowings | 63,054 | 15,607 | 34,691 | 0 | 0 | 113,352 |
| Loans | 0 | 1,567 | 7,205 | 0 | 0 | 8,772 |
| Debt securities | 50,264 | 0 | 49,547 | 0 | 0 | 99,811 |
| Lease liabilities | 106,213 | 82,122 | 273,105 | 228,795 | 246,600 | 936,835 |
| Trade payables | 126,577 | 0 | 0 | 0 | 0 | 126,577 |
| Total exposure to liquidity risk | 346,108 | 99,296 | 364,548 | 228,795 | 246,600 | 1,285,347 |

The table presents liabilities at amounts disclosed in the consolidated statement of financial position. The above amounts do not include future interest payments and any payments under sureties issued.

As at June 30th 2022, the Group also had available PLN 45m overdraft facility limits and an option to draw up to PLN 115m in funds under a long-term financing facility agreement with the syndicate of the European Bank for Reconstruction and Development and Santander Bank Polska S.A. (for details, see Current Report No. 13/2022).

6.23.4. Interest rate risk

The management of interest rate risk focuses on minimising the fluctuations in interest cash flows from financial assets and liabilities bearing variable rates of interest. The Group is exposed to interest rate risk in connection with the following categories of variable-rate financial assets and liabilities:

- loans,
- borrowings.

The analysis does not take into account cash in bank accounts as the asset's exposure to the currency risk is estimated as low – currently, interest rates on bank deposits are very low.

Sensitivity of net profit/(loss) as at June 30th 2022 to potential +/-1pp movements in the interest rates is presented below.

| | Interest rate movements | Effect on profit/(loss): | |
|------------------------|-------------------------|------------------------------|------------------------------|
| | | January 1st – June 30th 2022 | January 1st – June 30th 2021 |
| Interest rate increase | 1pp | (422) | (1,010) |
| Interest decrease | -1pp | 422 | 1,010 |

No effect on other comprehensive income.

6.24. Non-compliance with debt covenants

In the six months ended June 30th 2022, the Group did not breach any of its debt covenants.

6.25. Events after the reporting date

No material events occurred after the reporting date.

AUTHORISATION FOR ISSUE

These interim condensed consolidated financial statements for the six months ended June 30th 2022 (including the comparative information) were authorised for issue by the Management Board of the parent on August 16th 2022.

Signatures of all Members of the Management Board

| Date | Full name | Position | Signature |
|------------------|-------------------|--------------------------------|-----------|
| August 16th 2022 | Bartosz Józefiak | Member of the Management Board | |
| August 16th 2022 | Emilia Rogalewicz | Member of the Management Board | |
| August 16th 2022 | Wojciech Szwarc | Member of the Management Board | |

Signature of the person responsible for preparing the interim condensed consolidated financial statements

| Date | Full name | Position | Signature |
|------------------|-----------------|------------------|-----------|
| August 16th 2022 | Katarzyna Beuch | Finance Director | |