

CONSOLIDATED QUARTERLY REPORT OF THE BENEFIT SYSTEMS GROUP

FOR THE THREE
MONTHS ENDED
MARCH 31TH 2024





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SELECTED FINANCIAL DATA

SELECTED FINANCIAL DATA OF BENEFIT SYSTEMS GROUP	PLN '000		EUR '000	
	1 Jan–31 Mar 2024	1 Jan–31 Mar 2023	1 Jan–31 Mar 2024	1 Jan–31 Mar 2023
Revenue	801,108	625,311	185,394	133,032
Operating profit	123,034	65,734	28,473	13,985
Profit before tax	117,720	64,734	27,243	13,772
Net profit from continuing operations	93,076	53,527	21,540	11,388
Net profit attributable to owners of the parent	92,118	52,372	21,318	11,142
Net cash from operating activities	244,756	177,101	56,642	37,677
Net cash from investing activities	(49,950)	(39,583)	(11,560)	(8,421)
Net cash from financing activities	(67,441)	(55,647)	(15,607)	(11,839)
Net change in cash and cash equivalents	127,365	81,871	29,475	17,418
Earnings per share attributable to owners of the parent (PLN/EUR)	31.20	17.85	7.22	3.80
Diluted earnings per share attributable to owners of the parent (PLN/EUR)	31.12	17.84	7.20	3.80
	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023
Total assets	2,947,530	2,800,423	685,329	644,072
Non-current liabilities	1,022,374	989,847	237,712	227,656
Current liabilities	815,540	812,246	189,621	186,809
Equity attributable to owners of the parent	1,108,269	996,758	257,683	229,245
Share capital	2,958	2,934	688	675
Number of shares	2,958,292	2,933,542	2,958,292	2,933,542



SELECTED FINANCIAL DATA OF BENEFIT SYSTEMS S.A.	PLN '000		EUR '000	
	1 Jan–31 Mar 2024	1 Jan–31 Mar 2023	1 Jan–31 Mar 2024	1 Jan–31 Mar 2023
	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023
Revenue	540,230	408,365	125,021	86,878
Operating profit	87,110	48,557	20,159	10,330
Profit before tax	92,255	52,878	21,350	11,250
Net profit from continuing operations	73,931	43,328	17,109	9,218
Net cash from operating activities	199,843	151,048	46,248	32,135
Net cash from investing activities	(44,815)	(9,298)	(10,371)	(1,978)
Net cash from financing activities	(43,105)	(56,717)	(9,975)	(12,066)
Net change in cash and cash equivalents	113,416	85,033	26,247	18,090
Earnings per share attributable to owners of the parent (PLN/EUR)	25.04	14.77	5.79	3.14
Diluted earnings per share attributable to owners of the parent (PLN/EUR)	24.98	14.76	5.78	3.14
Total assets	2,418,711	2,320,182	562,373	533,620
Non-current liabilities	651,224	631,231	151,416	145,177
Current liabilities	620,507	621,986	144,274	143,051
Equity	1,146,980	1,066,966	266,684	245,392
Share capital	2,958	2,934	688	675
Number of shares	2,958,292	2,933,542	2,958,292	2,933,542

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:

	31 Mar 2024	31 Dec 2023	31 Mar 2023
Data as at – exchange rate as at	4.3009	4.3480	4.6755
Data for period – average exchange rate for 3 months	4.3211	-	4.7005



1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE BENEFIT SYSTEMS GROUP

1.1. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Notes	31 Mar 2024	31 Dec 2023
Goodwill	2.4	575,066	573,267
Intangible assets	2.5	136,627	138,691
Property, plant and equipment	2.5	349,376	333,266
Right-of-use assets	2.6	1,056,898	1,010,323
Investments in associates	2.1	3,292	3,097
Trade and other receivables		13,356	11,303
Loans and other non-current financial assets		8,361	6,848
Deferred tax assets		29,707	21,844
Non-current assets		2,172,683	2,098,639
Inventories		8,665	8,226
Trade and other receivables		201,546	256,403
Current tax assets		9	10
Loans and other current financial assets		3,258	3,141
Cash and cash equivalents	2.7	561,369	434,004
Current assets		774,847	701,784
Total current assets		774,847	701,784
Total assets		2,947,530	2,800,423



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – CONT.

EQUITY AND LIABILITIES	Notes	31 Mar 2024	31 Dec 2023
<i>Equity attributable to owners of the parent:</i>			
Share capital	2.8	2,958	2,934
Treasury shares (-)		-	
Share premium		309,965	291,378
Exchange differences on translation of foreign operations		(5,912)	(6,199)
Retained earnings		801,258	708,645
Equity attributable to owners of the parent		1,108,269	996,758
Non-controlling interests		1,347	1,572
Total equity		1,109,616	998,330
Employee benefit provisions		580	384
Total long-term provisions		580	384
Trade and other payables		6,126	4
Deferred tax liability		1,972	1,815
Other financial liabilities	2.11	83,154	83,788
Borrowings, other debt instruments	2.10	37,189	41,866
Lease liabilities	2.6	893,353	861,990
Non-current liabilities		1,022,374	989,847
Employee benefit provisions		6,108	3,302
Other provisions		10,840	10,767
Total short-term provisions		16,948	14,069
Trade and other payables		414,965	443,741
Current income tax liabilities	2.13	114,791	90,900
Other financial liabilities	2.11	9,802	16,483
Borrowings, other debt instruments	2.10	18,645	18,663
Lease liabilities	2.6	208,574	200,487
Contract liabilities		31,815	27,903
Current liabilities		815,540	812,246
Total current liabilities		815,540	812,246
Total liabilities		1,837,914	1,802,093
Total equity and liabilities		2,947,530	2,800,423



1.2. CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	1 Jan– 31 Mar 2024	1 Jan– 31 Mar 2023
Continuing operations			
Revenue	2.3	801,108	625,311
Revenue from sales of services		789,762	615,828
Revenue from sales of merchandise and materials		11,346	9,483
Cost of sales	2.3	(562,807)	(479,610)
Cost of services sold		(556,860)	(474,343)
Cost of merchandise and materials sold		(5,947)	(5,267)
Gross profit		238,301	145,701
Selling expenses	2.3	(45,964)	(39,946)
Administrative expenses	2.3	(69,921)	(38,569)
Other income		3,951	1,475
Other expenses		(3,333)	(2,927)
Operating profit		123,034	65,734
Finance income	2.12	6,237	6,150
Finance costs	2.12	(11,828)	(9,755)
Loss allowances for financial assets	2.12	82	2,457
Share of profit/(loss) of equity-accounted entities	2.1	195	148
Profit before tax		117,720	64,734
Income tax	2.13	(24,644)	(11,207)
Net profit from continuing operations		93,076	53,527
Net profit		93,076	53,527
Net profit attributable to:			
- owners of the parent		92,118	52,372
- non-controlling interests		958	1,155

1.3. EARNINGS PER ORDINARY SHARE (PLN)

	1 Jan– 31 Mar 2024	1 Jan– 31 Mar 2023
Earnings per share		
Basic earnings per share from continuing operations	31.20	17.85
Basic earnings per share from discontinued operations	-	-
Earnings per share	31.20	17.85
Diluted earnings per share from continuing operations	31.12	17.84
Diluted earnings per share from discontinued operations	-	-
Diluted earnings per share	31.12	17.84



1.4. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1 Jan– 31 Mar 2024	1 Jan– 31 Mar 2023
Net profit	93,076	53,527
Other comprehensive income	377	(722)
<i>Items not reclassified to profit or loss</i>	-	-
<i>Items reclassified to profit or loss</i>	377	(722)
- Exchange differences on translation of foreign operations	377	(722)
Comprehensive income	93,453	52,805
Comprehensive income attributable to:		
- owners of the parent	92,405	51,652
- non-controlling interests	1,048	1,153



1.5. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital	Treasury shares	Share premium	Exchange differences on translation of foreign operations	Retained earnings	Total	Non-controlling interests	Total equity
Balance as at 1 Jan 2024		2,934	-	291,378	(6,199)	708,645	996,758	1,572	998,330
Changes in equity in the period from 1 January to 31 March 2024									
Share issue in connection with exercise of options (incentive scheme)	2.8	24	-	18,587	-	-	18,611	-	18,611
Cost of equity-settled share-based payment plan	2.18	-	-	-	-	7,560	7,560	-	7,560
Increase in shares in subsidiary due to acquisition of non-controlling interest without change of control	2.15	-	-	-	-	(7,065)	(7,065)	(65)	(7,130)
Dividends		-	-	-	-	-	-	(1,208)	(1,208)
Total transactions with owners		24	-	18,587	-	495	19,106	(1,273)	17,833
Net profit for the period 1 Jan–31 Mar 2024		-	-	-	-	92,118	92,118	958	93,076
Exchange differences on translation of foreign operations		-	-	-	287	-	287	90	377
Total comprehensive income		-	-	-	287	92,118	92,405	1,048	93,453
Total changes		24	-	18,587	287	92,613	111,511	(225)	111,286
Balance as at 31 Mar 2024		2,958		309,965	(5,912)	801,258	1,108,269	1,347	1,109,616



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – CONT.

	Notes	Share capital	Treasury shares	Share premium	Exchange differences on translation of foreign operations	Retained earnings	Total	Non-controlling interests	Total equity
Balance as at 1 Jan 2023		2,934	-	291,378	(10,361)	443,082	727,033	(1,617)	725,416
Changes in equity in the period from 1 January to 31 March 2023									
Cost of equity-settled share-based payment plan		-	-	-	-	1,255	1,255	-	1,255
Total transactions with owners		-	-	-	-	1,255	1,255	-	1,255
Net profit for the period 1 Jan–31 Mar 2023		-	-	-	-	52,372	52,372	1,155	53,527
Exchange differences on translation of foreign operations		-	-	-	(720)	-	(720)	(2)	(722)
Total comprehensive income		-	-	-	(720)	52,372	51,652	1,153	52,805
Total changes		-	-	-	(720)	53,627	52,907	1,153	54,060
Balance as at 31 Mar 2023		2,934	-	291,378	(11,081)	496,709	779,940	(464)	779,476



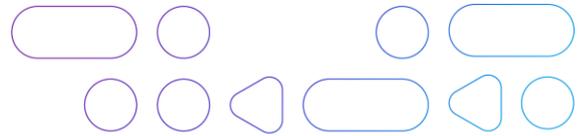
1.6. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	1 Jan– 31 Mar 2024	1 Jan– 31 Mar 2023
Cash flows from operating activities			
Profit before tax		117,720	64,734
Adjustments:			
Depreciation and amortisation of non-current non-financial assets	2.5, 2.6	81,140	63,377
Measurement of liabilities arising from acquisition of shares	2.11	107	304
Change in impairment losses and write-off of assets	2.12	1,808	(2,383)
Effect of lease modifications	2.6	154	(23)
(Gains)/losses on sale and value of liquidated non-current non-financial assets		39	(99)
Foreign exchange gains/(losses)	2.12	(1,632)	(4,163)
Interest expense	2.12	11,534	9,032
Interest income	2.12	(4,579)	(1,987)
Cost of share-based payments (incentive scheme)	2.18	7,560	1,255
Share of profit/(loss) of associates	2.1	(195)	(148)
Change in inventories		(439)	(1,089)
Change in receivables		48,285	63,575
Change in liabilities		(11,749)	(9,250)
Change in provisions		3,075	(290)
Other adjustments		-	224
Cash flows provided by/(used in) operating activities		252,828	183,069
Income tax paid		(8,072)	(5,968)
Net cash from operating activities		244,756	177,101
Cash flows from investing activities			
Purchase of intangible assets		(11,241)	(8,689)
Purchase of property, plant and equipment		(31,821)	(21,039)
Proceeds from sale of property, plant and equipment		-	585
Acquisition of subsidiaries	2.4, 2.11, 2.26	(11,868)	(13,135)
Repayments of loans		3,549	1,415
Loans		(2,758)	(530)
Interest received		4,189	1,810
Net cash from investing activities		(49,950)	(39,583)



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS – CONT.

	Notes	1 Jan– 31 Mar 2024	1 Jan– 31 Mar 2023
<i>Cash flows from financing activities</i>			
Expenditure on transactions with non-controlling interests	2.15	(7,130)	-
Repayment of borrowings	2.10	(4,695)	(7,952)
Payment of lease liabilities	2.6	(54,240)	(45,276)
Payments of interest		(1,376)	(2,419)
Net cash from financing activities		(67,441)	(55,647)
Net change in cash and cash equivalents before exchange differences		127,365	81,871
Exchange differences		-	-
Net change in cash and cash equivalents		127,365	81,871
Cash and cash equivalents at beginning of period		434,004	218,327
Cash and cash equivalents at end of period		561,369	300,198



2. NOTES

2.1. General information

2.1.1. About the Parent

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

The Parent was established through the 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 3 November 2010 (entry in the National Court Register maintained by the District Court for the city of Warsaw, 12th Commercial Division, under No. KRS 0000370919, on 19 November 2010). 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 Parent’s country of registration in the National Court Register is Poland.

The Group is a provider of non-pay employee benefit solutions in the area of sports and recreation (including the MultiSport Plus, MultiSport Kids, MultiSport Senior, and FitProfit membership cards). The Group also manages fitness clubs within its own network through the Fitness Branch. The fitness club networks owned by the Group provide support and a competitive edge in the area of sport cards. The Group’s business relies on synergies between the sale of sport cards and its fitness club infrastructure both in Poland and internationally. Apart from Poland, the Group operates in the Czech Republic, Slovakia, Bulgaria, Croatia, and Turkey.

The Group also offers the MyBenefit online cafeteria platform, which allows employees of business customers to choose from a variety of non-pay benefits approved by their employer. Moreover, the Group offers solutions in the realm of culture and entertainment, such as the Cinema Programme and MultiTeatr, primarily accessible through the cafeteria platform.

Furthermore, within the MyBenefit cafeteria platform, tools are being developed to engage employees in activities conducted through gamification, an innovative and engaging incentive method based on elements of game mechanics.

The Group is also developing MultiLife, an online accessible product focused on promoting employee well-being, particularly in the areas of mental health, personal development, healthy eating, and physical activity. MultiLife currently combines more than a dozen services such as psychologist’s support, mindfulness course, consultations with dieticians and coaches, diet creator, yoga course, access to the Yes2Move online exercise platform, preventive medical examination package, e-books on Legimi, and Leanovatica, a streaming learning service.

The Group’s products and services are primarily used by company employees (users), who receive them from their employers (the Group’s B2B customers) as non-pay benefits. Customers are also individuals buying a pass or paying for one-off visits to fitness clubs belonging to the Group (B2C customers).

The principal business of the Parent according to the Polish Classification of Activities (PKD) is: Operation of sports facilities (PKD 2007) 93.11.Z.

2.1.2. Entities included in the consolidated financial statements

These interim consolidated financial statements cover the Parent and the following subsidiaries.



No.	Subsidiary	Principal place of business and country of registration	Group's ownership interest*	
			31 Mar 2024	31 Dec 2023
1	VanityStyle Sp. z o.o.	Warsaw, Poland	100.00%	100.00%
2	Lunching.pl Sp. z o.o. ¹⁾	Kraków, Poland	100.00%	87.63%
3	Yes to Move Sp. z o.o.	Warsaw, Poland	100.00%	100.00%
4	Total Fitness Sp. z o.o. ²⁾	Warsaw, Poland	100.00%	100.00%
5	FIT 1 Sp. z o.o. ³⁾	Warsaw, Poland	100.00%	100.00%
6	FIT 2 Sp. z o.o. ³⁾	Warsaw, Poland	100.00%	100.00%
7	Sport Operator Sp. z o.o. ³⁾	Warsaw, Poland	100.00%	100.00%
8	FIT 3 Sp. z o.o. ³⁾	Warsaw, Poland	100.00%	100.00%
9	Concept Self Investment Sp. z o.o. ³⁾	Warsaw, Poland	100.00%	100.00%
10	FIT 4 Sp. z o.o. ³⁾	Warsaw, Poland	100.00%	100.00%
11	Fit and More Sp. z o.o. ³⁾	Warsaw, Poland	100.00%	100.00%
12	Saturn Fitness Group Sp. z o.o. ²⁾	Warsaw, Poland	100.00%	100.00%
13	Manufaktura Zdrowia Sp. z o.o. ³⁾	Zabierzów, Poland	100.00%	100.00%
14	Gravitan Warszawa Sp. z o.o. ⁴⁾	Warsaw, Poland	-	100.00%
15	Zdrowe Miejsce Sp. z o.o.	Warsaw, Poland	80.00%	80.00%
16	Investment Gear 9 Sp. z o.o.	Warsaw, Poland	100.00%	100.00%
17	Investment Gear 10 Sp. z o.o.	Warsaw, Poland	100.00%	100.00%
18	Active Sport i Rekreacja Sp. z o.o.	Zawiercie, Poland	100.00%	100.00%
19	Interfit Club 1.0 Sp. z o.o.	Gliwice, Poland	75.00%	75.00%
20	Interfit Club 4.0 Sp. z o.o.	Gliwice, Poland	75.00%	75.00%
21	Interfit Club 5.0 Sp. z o.o.	Gliwice, Poland	75.00%	75.00%
22	Interfit Consulting Sp. z o.o. Sp. k.	Gliwice, Poland	75.00%	75.00%
23	Benefit Systems International S.A. ⁵⁾	Warsaw, Poland	98.06%	97.60%
24	Fit Invest International Sp. z o.o. ⁵⁾	Warsaw, Poland	98.06%	97.60%
25	BSI Investments Sp. z o.o. ⁵⁾	Warsaw, Poland	92.57%	92.13%
26	FII Investments Sp. z o.o. ⁵⁾	Warsaw, Poland	98.06%	97.60%
27	Form Factory Slovakia S.R.O. ⁵⁾	Bratislava, Slovakia	98.06%	97.60%
28	Form Factory S.R.O. ⁵⁾	Prague, Czech Republic	98.99%	98.75%
29	Next Level Fitness EOOD ⁵⁾	Sofia, Bulgaria	98.06%	97.60%
30	MultiSport Benefit S.R.O. ⁵⁾	Prague, Czech Republic	98.06%	97.60%
31	Benefit Systems Spor Hizmetleri Ltd ⁵⁾	Istanbul, Turkey	92.57%	92.13%
32	Fit Invest Spor Hizmetleri Ltd ⁵⁾	Istanbul, Turkey	98.06%	97.60%
33	Benefit Systems Slovakia S.R.O. ⁵⁾	Bratislava, Slovakia	96.10%	95.65%
34	Benefit Systems D.O.O. ⁵⁾	Zagreb, Croatia	95.12%	94.67%
35	Fit Invest D.O.O. ⁵⁾	Zagreb, Croatia	98.06%	97.60%
36	Benefit Systems Bulgaria EOOD ⁵⁾	Sofia, Bulgaria	94.14%	93.70%
37	Benefit Systems, storitve, D.O.O. ⁵⁾	Ljubljana, Slovenia	93.16%	92.72%
38	MultiSport Foundation	Warsaw, Poland	100.00%	100.00%
39	MW Legal 24 Sp. z o.o. ⁶⁾	Warsaw, Poland	100.00%	100.00%

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



- 1) On 29 November 2023, the Extraordinary General Meeting passed a resolution to increase the share capital of Lunning.pl Sp. z o.o., following which the Parent's interest in the company would rise to 88.49%. The share capital increase was registered with the National Court Register on 16 April 2024. On 4 March 2024, the Parent acquired for PLN 4.1 million the residual shares in Lunning.pl Sp. z o.o., raising its equity interest in the company to 100%. Since the date of acquisition of 73.97% of Lunning.pl shares (13 April 2022), the company has been consolidated based on the assumption that the Group exercises full (100%) control in view of the options included in the share purchase agreement. On 19 April 2024, Benefit Systems S.A. signed agreements regarding its shareholding in Lunning.pl Sp. z o.o. (Note 2.26).
- 2) A plan of merger of Benefit Systems S.A. (as the acquirer) with Total Fitness Sp. z o.o. and Saturn Fitness Group Sp. z o.o. (as the acquirees) was agreed on 22 March 2024. The merger was registered on 10 May 2024.
- 3) A plan of merger of Benefit Systems S.A. (as the acquirer) with FIT 1 Sp. z o.o., FIT 2 Sp. z o.o., FIT 3 Sp. z o.o., FIT 4 Sp. z o.o., Sport Operator Sp. z o.o., Concept Self Investment Sp. z o.o., Fit and More Sp. z o.o. and Manufaktura Zdrowia Sp. z o.o. (as the acquirees) was agreed on 22 February 2024. The merger was registered on 2 April 2024.
- 4) The merger of Benefit Systems S.A. (as the acquirer) with Gravitan Warszawa Sp. z o.o. (as the acquiree) was registered on 29 February 2024.
- 5) On 12 January 2024, the Parent Benefit Systems S.A. acquired 0.46% of shares in subsidiary Benefit Systems International S.A. from minority shareholders for PLN 7.1 million. As Benefit Systems International S.A. holds equity interests in each company within the Foreign Markets segment, the acquisition by the Parent of shares in Benefit Systems International S.A. has had an effect on the Group's equity interests in the segment companies.
- 6) The company is not consolidated as it does not conduct any business activity.

The Group's voting interests in its subsidiaries are equal to its equity interests in the subsidiaries. The Parent and the consolidated entities were incorporated for an indefinite period.

In these consolidated financial statements as at 31 March 2024, the interests in three associates are accounted for using the equity method.

	Principal place of business and country of registration	Equity interest as at 31 Mar 2024	% of total voting rights as at 31 Mar 2024	Carrying amount measured using equity method	
				31 Mar 2024	31 Dec 2023
Institut Rozwoju Fitness Sp. z o.o.	Warsaw, Poland	48.10%	48.10%	3,292	3,097
Calypso Fitness S.A.	Warsaw, Poland	33.33%	33.33%	-	-
Get Fit Katowice II Sp. z o.o.	Katowice, Poland	20.00%	20.00%	-	-
Total carrying amount				3,292	3,097

2.2. Basis of preparation and accounting policies

2.2.1. Basis of accounting

This consolidated quarterly report of the Benefit Systems Group was authorised for issue by the Management Board of the Parent on 15 May 2024.

This consolidated quarterly report of the Benefit Systems Group covers the three months ended 31 March 2024 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 29 March 2018 (consolidated text: Dz.U. of 2018, item 757).

These interim condensed consolidated and separate financial statements have been prepared in a condensed form and do not contain all the information required to be disclosed in full-year consolidated and separate financial statements prepared in accordance with International Financial Reporting Standards (IFRS), as endorsed by the European Union. Therefore, this report should be read in conjunction with the full-year consolidated and separate financial statements of the Group and the Parent for 2023.

The functional currency of the Parent and the presentation currency of this report is the Polish zloty, and all amounts are expressed in thousands of Polish zloty (unless indicated otherwise). The currency of the primary economic environment in which the Company operates, i.e., in which it generates and expends cash, is the Polish zloty. For consolidation purposes, the financial statements of foreign operations are translated into the Polish currency in accordance with the accounting policies presented below.



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

2.2.2. Accounting policies

The interim condensed consolidated and separate financial statements contained in this report have been prepared in accordance with the accounting policies presented in the most recent consolidated and separate financial statements for the year ended 31 December 2023, and in accordance with the policies applied in the same interim period of the previous year.

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

2.2.3. Estimation uncertainty

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

For information on the estimates and assumptions relevant to the interim condensed consolidated and separate financial statements, see the full-year financial statements of the Group and the Parent for 2023.

2.2.4. Presentation adjustment and change of accounting policies

No corrections of presentation, 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

The Group generates income and expenses from the above business lines which are reviewed regularly 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 intersegment 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 in the results of equity-accounted companies whose business is similar to that of a given segment.

Operating segments include the following activities:

- The Poland segment comprises sales of sport cards, investing in and managing fitness clubs in Poland, and provision of non-pay incentive solutions through the cafeteria platform offering users a broad selection of products.



- The Foreign Markets segment comprises the Benefit Systems Group's sales of sport cards and management of fitness clubs outside Poland.
- The Corporate segment encompasses intersegment eliminations. Other income and expenses are related to support functions and other activities not allocated to the operating segments. These include subleasing of space, marketing activities, the operations of the MultiSport Foundation, and expenses related to the Incentive Scheme. Eliminations of assets and liabilities include primarily intersegment loans and trade receivables arising from intersegment transactions.

Revenue disclosed in the interim condensed consolidated statement of profit or loss does not differ from revenue presented by the operating segments, except for revenue not allocated to any of the segments and consolidation eliminations on intersegment transactions.

There is no significant concentration of sales to one or more external customers. In the reporting period ended 31 March 2024, the Group did not identify any individual customer which would account for more than 10% of the Group's total revenue.

The segment data are 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, except for the costs of the Incentive Scheme in the Poland segment, which are presented in the Corporate segment.

Reconciliation of the segments' results to the Group's total results in the three months ended 31 March 2024 and in the comparative period is presented below.



	Poland	Foreign Markets	Corporate	Total
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1 Jan–31 Mar 2024

Revenue	581,828	219,327	(47)	801,108
<i>including from external customers</i>	<i>581,781</i>	<i>219,327</i>	<i>-</i>	<i>801,108</i>
<i>including intersegment sales</i>	<i>47</i>	<i>-</i>	<i>(47)</i>	<i>-</i>
Cost of sales	(401,802)	(161,024)	19	(562,807)
Gross profit/(loss)	180,026	58,303	(28)	238,301
Selling expenses	(31,968)	(14,002)	6	(45,964)
Administrative expenses	(43,038)	(19,367)	(7,516)	(69,921)
Other income and expenses	(2,174)	421	2,371	618
Operating profit/(loss)	102,846	25,355	(5,167)	123,034
Share of profit of equity-accounted entities	195	-	-	195
Interest expense on lease liabilities	(8,983)	(1,120)	-	(10,103)
Depreciation and amortisation	70,297	10,843	-	81,140
EBITDA*	173,143	36,198	(5,167)	204,174

31 Mar 2024

Segment's assets	2,697,560	430,792	(180,822)	2,947,530
Segment's liabilities	1,512,367	510,319	(184,772)	1,837,914
Investments in associates	3,292	-	-	3,292

* The Group calculates EBITDA as operating profit plus depreciation and amortisation.

	Poland	Foreign Markets	Corporate	Total
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1 Jan–31 Mar 2023

Revenue	435,391	189,922	(2)	625,311
<i>including from external customers</i>	<i>435,389</i>	<i>189,922</i>	<i>-</i>	<i>625,311</i>
<i>including intersegment sales</i>	<i>2</i>	<i>-</i>	<i>(2)</i>	<i>-</i>
Cost of sales	(329,244)	(150,366)	-	(479,610)
Gross profit/(loss)	106,147	39,556	(2)	145,701
Selling expenses	(28,276)	(11,670)	-	(39,946)
Administrative expenses	(25,521)	(11,883)	(1,165)	(38,569)
Other income and expenses	(1,651)	380	(181)	(1,452)
Operating profit/(loss)	50,699	16,383	(1,348)	65,734
Share of profit of equity-accounted entities	148	-	-	148
Interest expense on lease liabilities	(5,530)	(1,024)	-	(6,554)
Depreciation and amortisation	53,571	9,806	-	63,377
EBITDA*	104,270	26,189	(1,348)	129,111

31 Mar 2023

Segment's assets	2,294,598	314,385	(230,762)	2,378,221
Segment's liabilities	1,356,230	473,378	(230,862)	1,598,745
Investments in associates	2,583	-	-	2,583

* The Group calculates EBITDA as operating profit plus depreciation and amortisation.



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

	1 Jan– 31 Mar 2024	1 Jan– 31 Mar 2023
Segments' revenue		
Total revenue of operating segments	801,155	625,313
Elimination of revenue from intersegment transactions	(47)	(2)
Revenue	801,108	625,311
Segments' profit/(loss)		
Segments' operating profit/(loss)	128,201	67,082
Unallocated profit/(loss)	(5,167)	(1,348)
Operating profit	123,034	65,734
Finance income	6,237	6,150
Finance costs (-)	(11,828)	(9,755)
Impairment losses on financial assets	82	2,457
Share of profit/(loss) of equity-accounted entities	195	148
Profit before tax	117,720	64,734

	31 Mar 2024	31 Dec 2023
Segments' assets		
Total assets of operating segments	3,128,352	2,983,978
Unallocated assets	3,931	1,536
Elimination of intragroup balances and transactions	(184,753)	(185,091)
Total assets	2,947,530	2,800,423

	31 Mar 2024	31 Dec 2023
Segments' liabilities		
Total liabilities of operating segments	2,022,686	1,986,898
Unallocated liabilities	28	37
Elimination of intragroup balances and transactions	(184,800)	(184,842)
Total liabilities	1,837,914	1,802,093

Eliminations of assets and liabilities include primarily intersegment loans and trade receivables arising from intersegment transactions.

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



	Poland	Foreign Markets	Corporate	Total
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1 Jan–31 Mar 2024

Revenue from external customers:	581,781	219,327	-	801,108
<i>Poland</i>	581,781	103	-	581,884
<i>Czech Republic</i>	-	124,251	-	124,251
<i>Bulgaria</i>	-	53,199	-	53,199
<i>Other</i>	-	41,774	-	41,774

31 Mar 2024

Non-current assets*:	1,880,811	240,429	19	2,121,259
<i>Poland</i>	1,880,811	2,445	19	1,883,275
<i>Czech Republic</i>	-	143,228	-	143,228
<i>Bulgaria</i>	-	63,555	-	63,555
<i>Other</i>	-	31,201	-	31,201

* Excluding financial instruments and deferred tax assets

	Poland	Foreign Markets	Corporate	Total
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1 Jan–31 Mar 2023

Revenue from external customers:	435,389	189,922	-	625,311
<i>Poland</i>	435,389	74	-	435,463
<i>Czech Republic</i>	-	108,930	-	108,930
<i>Bulgaria</i>	-	47,652	-	47,652
<i>Other</i>	-	33,266	-	33,266

31 Mar 2023

Non-current assets*:	1,641,259	217,172	-	1,858,431
<i>Poland</i>	1,641,259	2,984	-	1,644,243
<i>Czech Republic</i>	-	138,141	-	138,141
<i>Bulgaria</i>	-	52,713	-	52,713
<i>Other</i>	-	23,334	-	23,334

* Excluding financial instruments and deferred tax assets.

	1 Jan– 31 Mar 2024	1 Jan– 31 Mar 2023
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Revenue by category:

Sale of sport cards in Poland	B2B	452,830	342,019
Sale of sport cards on foreign markets	B2B	204,137	176,886
Sale of cafeteria benefits	B2B	11,357	12,201
Sale of fitness clubs in Poland	B2B/B2C	114,614	78,909
Sale of fitness clubs on foreign markets	B2C	15,108	12,986
Other settlements	B2B	2,291	1,284
Revenue from contracts with customers (IFRS 15)		800,337	624,285
<i>Revenue from IFRS 16</i>		771	1,026
Total revenue		801,108	625,311



As part of revenue from contracts with customers, the Group accounts for revenue from sale of sport cards in Poland and abroad, as well as sales of fitness clubs in Poland and abroad, excluding revenue from sale of merchandise at clubs, which amounted to PLN 11.3 million in the three months ended 31 March 2024 and PLN 9.5 million in the three months ended 31 March 2023. Revenue from sales of cafeteria benefits and merchandise at fitness clubs is recognised at the transaction date.

Operating expenses by segment:

	Poland	Foreign Markets	Corporate	Total
1 Jan–31 Mar 2024				
Depreciation and amortisation	70,297	10,843	-	81,140
<i>including depreciation of right-of-use assets</i>	40,679	6,732	-	47,411
Employee benefits	84,117	29,138	7,560	120,815
Raw materials and consumables used	14,515	3,864	-	18,379
Services	291,641	147,298	(69)	438,870
Taxes and charges	1,360	66	-	1,426
Other expenses	9,717	2,398	-	12,115
Total expenses by nature of expense	471,647	193,607	7,491	672,745
Cost of merchandise and materials sold	5,161	786	-	5,947
Cost of sales, selling expenses and administrative expenses	476,808	194,393	7,491	678,692

	Poland	Foreign Markets	Corporate	Total
1 Jan–31 Mar 2023				
Depreciation and amortisation	53,571	9,806	-	63,377
<i>including depreciation of right-of-use assets</i>	32,123	6,248	-	38,371
Employee benefits	56,729	21,170	1,255	79,154
Raw materials and consumables used	13,855	4,852	-	18,707
Services	246,282	135,521	(90)	381,713
Taxes and charges	1,091	45	-	1,136
Other expenses	7,205	1,566	-	8,771
Total expenses by nature of expense	378,733	172,960	1,165	552,858
Cost of merchandise and materials sold	4,308	959	-	5,267
Cost of sales, selling expenses and administrative expenses	383,041	173,919	1,165	558,126

The largest items of services were the costs of visits by sport cardholders at MultiSport partner facilities, IT expenses, legal fees, marketing expenses, and advisory service costs.

2.3.1. Poland segment

The Poland segment's scope of operations includes non-pay benefits, such as sport cards and the MyBenefit cafeteria platform, management of fitness clubs, and investment in new clubs on the Polish market. The Group also creates online products in areas related to employee well-being as part of its MultiLife platform.

Sport cards are distributed by Benefit Systems S.A. and VanityStyle Sp. z o.o. Currently the following cards are available: 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. According to the MultiSport Index 2023 survey, 72% of employees now state that post-pandemic sport cards have become more important for mental and physical health. Additionally, 68% believe that a MultiSport membership card should be an integral part of a basic workplace benefits package. At the end of the reporting period, the number of active cards in Poland was 1,508.8 thousand.

The Group is investing in the development of MyBenefit, its proprietary cafeteria platform offering a wide range of products and services, including the Benefit Systems Group's own products. The platform offers a wide range of benefits including sports and health, culture, entertainment, recreation, as well as domestic and international 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 approximately 1,900 entities and is constantly adapted to market and customer needs.

MyBenefit allows employees 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 the cafeteria 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 MyBenefit platform is also an important channel for distributing sport cards offered by the Group.

At the same time, new features are being developed within the MyBenefit platform, making it a comprehensive tool for managing employer-employee processes. From the level of MyBenefit, companies can implement gamification and reward systems. They can also handle intranet, employee applications as well as surveys and quizzes.

The Parent is consistently expanding the MultiLife product, which provides access to online services such as language platform, e-books and audiobooks, diet creator, yoga course, mindfulness course, and consultations with experts. MultiLife is an online platform that provides holistic support in caring for employee well-being in four areas: growth, nutrition, health, and psychology.

The Benefit Systems Group also invests in fitness clubs to secure access to an adequate base of sports and recreation facilities. As at the end of March 2024, the Group had 224 own clubs in Poland operated by the Fitness Branch within Benefit Systems S.A. and by Total Fitness Sp. z o.o., Sport Operator Sp. z o.o., FIT 1 Sp. z o.o., FIT 2 Sp. z o.o., FIT 3 Sp. z o.o., Saturn Fitness Group Sp. z o.o., FIT 4 Sp. z o.o., Fit and More Sp. z o.o. Concept Self Investment Sp. z o.o., Manufaktura Zdrowia Sp. z o.o., Active Sport i Rekreacja Sp. z o.o., Interfit Club 1.0 Sp. z o.o., Interfit Club 4.0 Sp. z o.o., Interfit Club 5.0 Sp. z o.o. and Interfit Consulting Sp. z o.o. Sp.k. The Group's facilities operate under the brands: Zdrofit, Fabryka Formy, Fitness Academy, My Fitness Place, FitFabric, Step One, Total Fitness, Saturn Fitness, Gravitan, Max-Gym, Active Fitness Club, Interfit Club and Aquapark Wesolandia. The Group also held interests in companies managing an additional 15 facilities as at 31 March 2024.

The Group is also developing its online products, such as the exercise platform which provides access to a constantly expanding base of online and live workouts conducted by qualified trainers, and the Yes2Move online store which offers, among other things, food supplements and dietetic food, fitness accessories and many other items to support physical exercise and promote healthy lifestyles.

Selected financial data of the Poland segment for the three months ended 31 March 2024 and 31 March 2023:


Poland segment

	1 Jan–31 Mar 2024	1 Jan–31 Mar 2023	Change
Revenue	581,828	435,391	33.6%
Cost of sales	(401,802)	(329,244)	22.0%
Gross profit	180,026	106,147	69.6%
Selling expenses	(31,968)	(28,276)	13.1%
Administrative expenses	(43,038)	(25,521)	68.6%
Other income and expenses	(2,174)	(1,651)	31.7%
Operating profit	102,846	50,699	102.9%
Share of profit of equity-accounted entities	195	148	31.8%
EBITDA*	173,143	104,270	66.1%
Gross margin	30.9%	24.4%	6.5pp
<i>Number of sport cards ('000)</i>	<i>1,508.8</i>	<i>1,309.1</i>	15.3%
<i>Number of B2C passes ('000)</i>	<i>258.4</i>	<i>191.3</i>	35.1%
<i>Number of clubs</i>	<i>224</i>	<i>185</i>	21.1%
<i>Cafeterias sales (PLN million)**</i>	<i>108.2</i>	<i>90.2</i>	20.0%
<i>Number of Cafeterias users ('000)</i>	<i>722.9</i>	<i>653.1</i>	10.7%

* The Group calculates EBITDA as operating profit plus depreciation and amortisation.

** Excluding sales of sport cards

Revenue of the Poland segment rose by 33.6% year on year, mainly on the back of an increase in the number of sport cards to 1,508.8 thousand as at the reporting date (vs 1,309.1 thousand in the comparative period) and higher fitness club sales.

On 1 February 2024, the Group acquired Active Point Fit & Gym, a fitness club located in Tychy, which was then integrated into the Fabryka Formy network.

In February 2024, the Company opened four new clubs: two My Fitness Place outlets in Kraków, the Fit Fabric club in Łódź, and the Zdrofit Fort Wola club in Warsaw.

On 8 March 2024, the Company launched its first boutique club Studio Zdrofit, located in the Wilanów district of Warsaw. The new fitness club boasts state-of-the-art technologies, including artificial intelligence solutions.

Consequently, the Group's fitness club count in Poland was 224 as at 31 March 2024, with the number of own fitness clubs reaching 226 as at the issue date of this report.

In addition to the Group's own sports facilities, customers of the MultiSport programme enjoy access to a network of partner facilities, totalling approximately 4.9 thousand as at 31 March 2024.

In the three months to 31 March 2024, the Poland segment recognised depreciation of right-of-use assets of PLN 40.7 million and interest expense on lease liabilities of PLN 9.0 million.

2.3.2. Foreign Markets segment

The segment consists of companies engaged in the development of the MultiSport Programme, companies managing fitness clubs in foreign markets as part of the strategy to support the MultiSport card as the Group's main product, as well as holding companies: Benefit Systems International S.A., Fit Invest International Sp. z o.o., BSI Investments Sp. z o.o., and FII Investments Sp. z o.o.

Benefit Systems International S.A. is the parent of the other companies in the segment.



In the three months ended 31 March 2024, the following segment companies were engaged in the rollout of the MultiSport programme: MultiSport Benefit S.R.O. in the Czech Republic; Benefit Systems Bulgaria EOOD in Bulgaria; Benefit Systems Slovakia S.R.O. in Slovakia; Benefit Systems D.O.O. in Croatia; and Benefit Systems Spor Hizmetleri Ltd in Turkey. Fitness clubs were operated by Form Factory S.R.O. in the Czech Republic, Form Factory Slovakia S.R.O. in Slovakia, Next Level Fitness EOOD in Bulgaria, and Fit Invest D.O.O. (registered on 24 October 2023) in Croatia. Registered in 2023, FII Investments Sp. z o.o. will be responsible for the rollout of a fitness club network in Turkey through its subsidiary Fit Invest Spor Hizmetleri Ltd. The segment also includes Benefit Systems storitve, D.O.O. (Slovenia).

Selected financial data of the Foreign Markets segment for the three months ended 31 March 2024 and 31 March 2023:

Foreign Markets segment	1 Jan–31 Mar 2024	1 Jan–31 Mar 2023	Change
Revenue	219,327	189,922	15.5%
Cost of sales	(161,024)	(150,366)	7.1%
Gross profit	58,303	39,556	47.4%
Selling expenses	(14,002)	(11,670)	20.0%
Administrative expenses	(19,367)	(11,883)	63.0%
Other income and expenses	421	380	10.8%
Operating profit	25,355	16,383	54.8%
EBITDA	36,198	26,189	38.2%
Gross margin	26.6%	20.8%	5.8pp
Number of sport cards ('000)	487.8	462.1	5.6%
Number of B2C passes ('000)	21.0	17.0	23.5%
Number of clubs	31	25	24.0%

* The Group calculates EBITDA as operating profit plus depreciation and amortisation.

As at 31 March 2024, the number of cards was 487.8 thousand, marking an increase of 25.7 thousand cards compared with 31 March 2023. The most significant growth was reported for the Slovak market, with an addition of nearly 11 thousand cards, followed by the Croatian market with an increase of 6.8 thousand cards. The Turkish market saw a rise of 4.7 thousand cards, while the Czech Republic experienced a growth of 2.7 thousand cards. The number of cards in the Bulgarian market remained largely unchanged.

In the three months to 31 March 2024, the number of cards fell by 1.4% on December 2023.

Number of active sport cards* in Foreign Markets countries ('000):

Country	31 Mar 2024	31 Mar 2023	% change
Czech Republic	231.8	229.1	1%
Bulgaria	142.2	141.7	0%
Slovakia	62.0	51.0	22%
Croatia	44.6	37.8	18%
Turkey	7.2	2.5	188%
Total	487.8	462.1	6%

* Weighted average number of cards in the last month of the period.

In parallel to the sales activities, the Foreign Markets segment companies improved the experience for MultiSport customers by developing the partnership network and monitoring the quality of cooperation with partners within the existing network. As at the end of March 2024, the MultiSport partner network comprised a total of 4,862 facilities,



up by 557 year on year. The most substantial year-on-year growth, both in absolute numbers and percentage terms, occurred in Turkey, the Group's newest market.

Numbers of partner facilities in Foreign Markets countries:

Country	31 Mar 2024	31 Mar 2023	% change
Czech Republic	1,974	1,817	9%
Bulgaria	899	879	2%
Slovakia	881	791	11%
Croatia	452	412	10%
Turkey	656	406	62%
Total	4,862	4,305	13%

In the three months to 31 March 2024, companies within the Foreign Markets segment prioritised seeking out new locations for fitness clubs, and on carrying out conversion work at contracted sites. While the number of own outlets in the segment remained steady compared with December 2023, it increased by 6 locations compared with March 2023, with 3 in Bulgaria, 2 in the Czech Republic, and 1 in Croatia.

Numbers of own fitness clubs in Foreign Markets countries

Country	31 Mar 2024	31 Mar 2023	% change
Czech Republic	17	15	13%
Bulgaria	12	9	33%
Slovakia	1	1	0%
Croatia	1	-	-
Total	31	25	24%

In the three months to 31 March 2024, revenue grew by 15.5% year on year, with operating profit rising 54.8%, to PLN 25.4 million.

In the period, the Foreign Markets segment recognised depreciation of right-of-use assets of PLN 6.7 million and interest expense on lease liabilities of PLN 1.1 million.

2.3.3. Corporate

	1 Jan–31 Mar 2024	1 Jan–31 Mar 2023	Change
Revenue	(47)	(2)	2,250.0%
Cost of sales	19	-	-
Gross profit/(loss)	(28)	(2)	1,300.0%
Selling expenses	6	-	-
Administrative expenses	(7,516)	(1,165)	545.2%
<i>including cost of the Incentive Scheme</i>	<i>(7,560)</i>	<i>(1,255)</i>	<i>502.4%</i>
Other income and expenses	2,371	(181)	-
Operating profit	(5,167)	(1,348)	283.3%
EBITDA*	(5,167)	(1,348)	283.3%

* The Group calculates EBITDA as operating profit plus depreciation and amortisation.



The income and expenses reported in the Corporate segment consisted of intersegment eliminations. The administrative expenses recorded in the Corporate segment encompass the costs associated with the Incentive Scheme, totalling PLN 7.6 million (Note 2.18). The largest item of other income and expenses during reporting period was a PLN 2.7 million grant for the MultiSport Foundation.

2.4. Goodwill and acquisition of control of subsidiaries

As at 31 March 2024, goodwill was PLN 575.1 million. The change in goodwill reported in the three months to 31 March 2024 was PLN 1.8 million and was attributed to the acquisition of Active Point Fit & Gym ("Active Point").

Active Point acquisition

On 1 February 2024, the Parent signed an agreement to acquire Active Point Fit & Gym, a fitness club located in Tychy, Poland, for PLN 3.1 million. The club became part of the Fabryka Formy network.

The acquisition was settled by paying PLN 2.8 million in cash on the agreement date and offsetting mutual receivables of PLN 0.3 million.

Upon acquisition of control, the fair value of the total purchase price amounted to PLN 3.1 million.

As part of the provisional accounting for the acquisition, as at the acquisition date the Group allocated the excess of the purchase price over net assets to goodwill in the amount of PLN 1.8 million. The goodwill was allocated to cash generating units in the Poland segment. It stems from expected synergies from the ongoing strategy to build a competitive advantage for its flagship product, sport cards, through selective investments in sports facilities in prime locations in Poland.

As at the date of these consolidated financial statements, the Group had not completed the purchase price allocation process. Work was still in progress to review, identify, and measure the fair value of the assets and liabilities acquired. This included verifying the data provided by the seller (operating and financial data, forecasts, and budgets) against the actual performance of the club since its acquisition. Therefore, the goodwill recognised on acquisition of the Active Point fitness club may change within 12 months from the acquisition date.

Acquisition	Active Point
Acquisition date	1 Feb 2024
Purchase price as at acquisition date, including:	3,087
<i>cash</i>	2,787
<i>settlement of claims against a loan granted</i>	300
Net assets acquired, including:	1,288
Intangible assets	528
Property, plant and equipment	730
Right-of-use assets	2,079
Other property, plant and equipment	30
Non-current lease liabilities	(1,717)
Current lease liabilities	(362)
Goodwill as at acquisition date	1,799



2.5. Intangible assets and property, plant and equipment

2.5.1. Intangible assets

The carrying amounts of intangible assets and changes in these amounts during the three months ended 31 March 2024 are as follows:

	Trademarks	Patents and licences	Software	Completed development work	Other intangible assets	Intangible assets under development	Total
31 Mar 2024							
Gross carrying amount	14,923	10,121	8,695	170,961	42,862	18,105	265,667
Accumulated amortisation and impairment	(3,278)	(6,473)	(8,388)	(83,312)	(27,589)	-	(129,040)
Net carrying amount	11,645	3,648	307	87,649	15,273	18,105	136,627
31 Dec 2023							
Gross carrying amount	14,410	9,712	8,678	162,492	42,674	16,146	254,112
Accumulated amortisation and impairment	(1,699)	(5,650)	(8,353)	(73,578)	(26,141)	-	(115,421)
Net carrying amount	12,711	4,062	325	88,914	16,533	16,146	138,691

	Trademarks	Patents and licences	Software	Completed development work	Other intangible assets	Intangible assets under development	Total
1 Jan–31 Mar 2024							
Carrying amount as at 1 Jan 2024	12,711	4,062	325	88,914	16,533	16,146	138,691
Business combinations	513	-	-	-	15	-	528
Increase (purchase, construction)	-	409	-	-	194	10,638	11,241
Decrease (disposal, liquidation) (-)	-	-	-	-	(8)	(173)	(181)
Other movements (reclassification, transfers, etc.)	-	-	22	8,470	-	(8,492)	-
Impairment losses (+/-)	(513)	-	-	-	(8)	-	(521)
Amortisation (-)	(1,066)	(823)	(35)	(9,735)	(1,440)	-	(13,099)
Net exchange differences (+/-)	-	-	(5)	-	(13)	(14)	(32)
Carrying amount as at 31 Mar 2024	11,645	3,648	307	87,649	15,273	18,105	136,627

As at 31 March 2024, the carrying amount of intangible assets was PLN 136.6 million, marking a decrease of PLN 2.1 million on 31 December 2023. The change in intangible assets, offset by the recognition of PLN 13.1 million in amortisation charge, resulted mainly from expenditure on development, integration and optimisation of business and sales systems and online platforms for customers. Key initiatives included the rollout of the Cafeteria systems, further enhancements to the MultiLife online platform and mobile app, progress on implementing a new ERP system, automation and synchronisation in MultiSport card management, and automation and optimisation in customer service.



2.5.2. Property, plant and equipment

The carrying amounts of property, plant and equipment and changes in these amounts during the three months ended 31 March 2024 are as follows:

	Land	Buildings and structures	Machinery and equipment	Vehicles	Other property, plant and equipment	Property, plant and equipment under construction	Total
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31 Mar 2024

Gross carrying amount	721	398,123	75,816	644	258,788	42,064	776,156
Accumulated depreciation and impairment	-	(216,560)	(56,341)	(209)	(153,670)	-	(426,780)
Net carrying amount	721	181,563	19,475	435	105,118	42,064	349,376

31 Dec 2023

Gross carrying amount	721	399,209	73,316	687	235,505	24,516	733,954
Accumulated depreciation and impairment	-	(212,737)	(54,574)	(191)	(133,186)	-	(400,688)
Net carrying amount	721	186,472	18,742	496	102,319	24,516	333,266

	Land	Buildings and structures	Machinery and equipment	Vehicles	Other property, plant and equipment	Property, plant and equipment under construction	Total
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1 Jan–31 Mar 2024

Carrying amount as at 1 Jan 2024	721	186,472	18,742	496	102,319	24,516	333,266
Business combinations	-	381	22	-	327	-	730
Increase (purchase, construction)	-	1,967	3,505	-	10,800	21,636	37,908
Decrease (disposal, liquidation) (-)	-	-	(78)	-	(5)	(2)	(85)
Other movements (reclassification, transfers)	-	3,390	451	-	201	(3,948)	94
Impairment losses (+/-)	-	-	-	-	-	-	-
Depreciation (-)	-	(9,341)	(2,753)	(26)	(8,510)	-	(20,630)
Net exchange differences (+/-)	-	(1,306)	(414)	(35)	(14)	(138)	(1,907)
Carrying amount as at 31 Mar 2024	721	181,563	19,475	435	105,118	42,064	349,376

As at 31 March 2024, the carrying amount of property, plant and equipment was PLN 349.4 million. The PLN 16.1 million increase in property, plant and equipment relative to the end of 2023 was mainly attributable to investments totalling PLN 37.9 million in new and existing fitness clubs. The increase was partially offset by a depreciation charge of PLN 20.6 million. In the three months ended 31 March 2024, the Group acquired Active Point, which increased the carrying amount of property, plant and equipment by PLN 0.7 million (Note 2.4). The Group reported foreign exchange losses on the translation of foreign operations of PLN 1.9 million. Other property, plant and equipment include primarily fitness equipment and fitness club fittings.

The Company does not use borrowings to finance construction of property, plant and equipment.



2.6. Leases

2.6.1. Right-of-use assets

	Property	Fitness equipment	Other	Total
1 Jan–31 Mar 2024				
Net carrying amount as at 1 Jan 2024	990,181	9,437	10,705	1,010,323
New lease contracts	39,239	-	1,771	41,010
Business combinations	2,079	-	-	2,079
Modifications, termination of contracts	53,611	16	(104)	53,523
Depreciation and amortisation	(45,803)	(266)	(1,342)	(47,411)
Exchange differences on translation of foreign operations	(2,696)	-	70	(2,626)
Net carrying amount as at 31 Mar 2024	1,036,611	9,187	11,100	1,056,898

	Property	Fitness equipment	Other	Total
1 Jan–31 Mar 2023				
Net carrying amount as at 1 Jan 2023	813,805	10,766	9,605	834,176
New lease contracts	31,722	-	688	32,410
Business combinations	49,120	-	-	49,120
Modifications, termination of contracts	57,804	2,451	157	60,412
Depreciation and amortisation	(36,715)	(243)	(1,399)	(38,357)
Exchange differences on translation of foreign operations	1,433	-	12	1,445
Net carrying amount as at 31 Mar 2023	917,169	12,974	9,063	939,206

In the three months ended 31 March 2024, lease contract modifications were mainly attributable to the indexation of rental rates and extensions of lease periods for fitness clubs.

2.6.2. Lease liabilities

	1 Jan– 31 Mar 2024	1 Jan– 31 Mar 2023
Balance at beginning of period	1,062,477	954,595
New lease contracts	36,925	24,134
Business combinations	2,079	49,120
Modifications, termination of contracts	53,503	56,948
Accrued interest	10,103	6,554
Exchange differences	(5,942)	(2,897)
Settlement of liabilities	(54,240)	(45,276)
Exchange differences on translation of foreign operations	(2,978)	1,492
Balance at end of period	1,101,927	1,044,670
Non-current	893,353	855,882
Current	208,574	188,788



Maturities of the lease liabilities as at 31 March 2024 and 31 December 2023 are presented below.

	Lease payments due in:			
	up to 1 year	1 to 5 years	over 5 years	Total
31 Mar 2024				
Lease payments	211,855	737,954	301,407	1,251,216
Finance costs (-)	(3,281)	(68,231)	(77,777)	(149,289)
Present value	208,574	669,723	223,630	1,101,927

	Lease payments due in:			
	up to 1 year	1 to 5 years	over 5 years	Total
31 Dec 2023				
Lease payments	206,716	704,210	287,246	1,198,172
Finance costs (-)	(6,229)	(60,326)	(69,140)	(135,695)
Present value	200,487	643,884	218,106	1,062,477

As at 31 March 2024, the Group was a party lease contracts for fitness clubs whose leases 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 90,697 thousand (31 December 2023: PLN 62,741 thousand).

2.6.3. Lease amounts disclosed in the reporting period

	1 Jan– 31 Mar 2024	1 Jan– 31 Mar 2023
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)	(47,411)	(38,357)
Gain/(loss) on lease modifications (recognised in other income/expenses)	(154)	23
Interest expense on lease liabilities (recognised in finance costs)	(10,103)	(6,554)
Exchange differences on lease liabilities denominated in foreign currencies (recognised in finance income/costs)	5,942	2,897
Total	(51,726)	(41,991)
Amounts disclosed in the consolidated statement of cash flows		
Lease payments (recognised in cash flow from financing activities)	(54,240)	(45,276)

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 486 thousand and PLN 463 thousand in the three months ended 31 March 2024 and 31 March 2023, respectively. The costs included mainly rental of advertising space (PLN 385 thousand and 298 thousand, respectively) and leases of assorted equipment for fitness clubs and offices (PLN 101 thousand and 165 thousand, respectively). There were no variable lease payments in the three months ended 31 March 2024 and 31 March 2023.

2.6.4. Subleases

The Group is an intermediate lessor and a lessor with respect to fitness equipment leased to facilities which are the Group's partners, and with respect to retail and office space which is subleased. The respective contracts were recognised as operating leases. In the three months ended 31 March 2024, the Group recognised income from subleasing retail and office space of PLN 427 thousand and income from renting fitness equipment of PLN 17 thousand in the consolidated statement of profit or loss. In the three months ended 31 March 2023, the amounts were PLN 246 thousand and PLN 780 thousand, respectively. In the three months to 31 March 2024, the Group



recognised rental income from advertising space totalling PLN 326 thousand. These amounts include minimum fixed sublease/lease payments only. In the reporting period, there were no contingent or other payments.

2.7. Cash and cash equivalents

As at 31 March 2024, cash stood at PLN 561.4 million. The PLN 127.4 million increase in cash relative to the end of 2023 was mainly driven by cash provided by operating activities, totalling PLN 244.8 million, which was allocated predominantly to investments in new and existing fitness clubs (PLN 31.8 million), the development of business and sales systems and online platforms for customers (PLN 11.2 million), acquisitions (PLN 11.9 million), and current lease payments (PLN 54.2 million). During the three months ended 31 March 2024, the Group repaid PLN 4.7 million in borrowings.

In the condensed consolidated statement of cash flows, the decrease in receivables was PLN 48.3 million, while in the condensed consolidated statement of financial position the decrease in trade and other receivables was PLN 52.8 million. The difference was mainly attributable to advance payments for future acquisitions of subsidiaries of PLN 2.4 million and repayments of loans advanced to employees under the Incentive Scheme of PLN 3.5 million.

In the condensed consolidated statement of cash flows, there is a decrease in liabilities of PLN 11.7 million, while in the condensed consolidated statement of financial position the decrease in trade payables, other payables and contract liabilities is PLN 18.7 million. The difference was due primarily to the settlement of the obligation to deliver shares under the Incentive Scheme of PLN 18.6 million, non-cash offsets of trade payables to partners with loans advanced to partners of PLN 1.1 million, a PLN 6.3 million increase in liabilities under purchases of non-financial non-current assets, and repayments of other financial liabilities of PLN 0.7 million.

2.8. Share capital

As at 31 March 2024, the Parent's share capital amounted to PLN 2,958 thousand (31 December 2023: PLN 2,934 thousand) and comprised 2,958 thousand 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 amount of the share capital may not be distributed.

	1 Jan– 31 Mar 2024	1 Jan– 31 Mar 2023
Number of shares at beginning of period	2,933,542	2,933,542
Share issue in connection with exercise of options (Incentive Scheme)	24,750	-
Number of shares at end of period	2,958,292	2,933,542

On 23 January 2024, the Parent issued 24,750 series G shares in connection with the exercise by eligible persons of their rights under series L subscription warrants granted as part of the 2021-2025 Incentive Scheme (Note 2.18). In accordance with the terms of the Incentive Scheme, the share price was PLN 752.01 per share. The Company received payments for the subscription for shares of PLN 18.6 million in the fourth quarter of 2023.

The Parent's shares were not held by any subsidiaries or associates.



2.9. 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.

When calculating both basic and diluted earnings/(loss) per share, the Group applies the amount of net profit/(loss) attributable to owners of the Parent in the numerator.

The calculation of diluted earnings per share takes into account the effect of options convertible into Parent shares that have been issued under the ongoing incentive schemes (Note 2.18).

The calculation of basic and diluted earnings per share is presented below.

	1 Jan– 31 Mar 2024	1 Jan– 31 Mar 2023
Number of shares used as denominator		
Weighted average number of ordinary shares	2,952,037	2,933,542
Dilutive effect of options convertible into shares	8,033	2,058
Diluted weighted average number of ordinary shares	2,960,070	2,935,600
Continuing operations		
Net profit from continued operations attributable to shareholders of the Parent	92,118	52,372
Basic earnings per share (PLN)	31.20	17.85
Diluted earnings per share (PLN)	31.12	17.84

2.10. Borrowings, other debt instruments

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

31 Mar 2024	Carrying amount	Non-current liabilities	Current liabilities
Bank borrowings	55,834	37,189	18,645
Non-bank borrowings	-	-	-
Total borrowings, other debt instruments	55,834	37,189	18,645

31 Dec 2023	Carrying amount	Non-current liabilities	Current liabilities
Bank borrowings	60,529	41,866	18,663
Non-bank borrowings	-	-	-
Total borrowings, other debt instruments	60,529	41,866	18,663

During the three months ended 31 March 2024, the Group repaid PLN 4.7 million in bank borrowings.



2.11. Other financial liabilities

Financial liabilities disclosed in the Group's statement of financial position include liabilities under the options to purchase minority interests and 'phantom shares' in companies of the Foreign Markets segment and liabilities related to acquisition of shares in subsidiaries.

	31 Mar 2024	31 Dec 2023
Liability arising from acquisition of shares in Interfit Club 1.0 Sp. z o.o., Interfit Club 4.0 Sp. z o.o., Interfit Club 5.0 Sp. z o.o., Interfit Consulting Sp. z o.o. Sp.k.	5,529	5,421
Benefit Systems International S.A.	56,283	56,283
Benefit Systems Bulgaria EOOD	7,074	7,074
Benefit Systems Slovakia S.R.O.	4,407	4,407
Benefit Systems D.O.O (Croatia)	5,018	5,018
Benefit Systems Spor Hizmetleri Ltd (Turkey)	3,116	3,116
Other	1,727	2,469
Total other non-current financial liabilities	83,154	83,788

	31 Mar 2024	31 Dec 2023
Benefit Systems Bulgaria EOOD	8,361	8,361
Liability arising from acquisition of shares in Lunching.pl Sp. z o.o.	1,441	4,092
Liability arising from acquisition of shares in FIT 4 Sp. z o.o. and Fit and More Sp. z o.o.	-	4,030
Total other current financial liabilities	9,802	16,483

Lunching.pl Sp. z o.o.

On 4 March 2024, the Parent acquired for PLN 4.1 million the residual shares in Lunching.pl Sp. z o.o., raising its equity interest in the company to 100%. A portion of this amount, of PLN 2.7 million, was paid on 4 March 2024, the second tranche of PLN 0.4 million was paid on 3 April 2024, and the remainder of PLN 1 million is to be paid in July 2024.

FIT 4 Sp. z o.o. and Fit and More Sp. z o.o.

On 30 November 2023, the Parent acquired shares in FIT 4 Sp. z o.o. and Fit and More Sp. z o.o., which are controlled by Cal Capital Sp. z o.o. ("CC") and Camaro Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych ("Camaro"), respectively (Calypso Fitness S.A. shareholders). Of the amount outstanding as of 31 December 2023, the liability to Camaro in the amount of PLN 0.8 million was paid on 30 January 2024. The liability to CC in the amount of PLN 3.2 million was settled through payment, on 19 January 2024, of PLN 0.5 million to CC's account, and PLN 2.7 million was transferred on CC's behalf as CC's donation to the MultiSport Foundation.



2.12. Finance income and expenses and loss allowances for financial assets

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

<i>Finance income</i>	1 Jan– 31 Mar 2024	1 Jan– 31 Mar 2023
Interest on investments	4,331	1,630
Interest on loans and receivables	248	357
Foreign exchange gains	1,632	4,163
Other finance income	26	-
Total finance income	6,237	6,150

<i>Finance costs</i>	1 Jan– 31 Mar 2024	1 Jan– 31 Mar 2023
Interest on lease liabilities	10,103	6,554
Interest on overdraft and investment credit facilities	1,376	2,419
Interest on loans	-	5
Interest on trade and other payables	55	54
Fair-value measurement of other financial liabilities	107	304
Other finance costs	187	419
Total finance costs	11,828	9,755

<i>Loss allowances for financial assets</i>	1 Jan– 31 Mar 2024	1 Jan– 31 Mar 2023
Reversal (+) of impairment losses on financial assets – loans	82	2,457
Total loss allowances for financial assets	82	2,457

In the three months ended 31 March 2024, the following had a material bearing on the Group's finance income and costs: interest received on bank deposits, unrealised foreign exchange gains recognised on the measurement of lease liabilities, and interest expense on bank borrowings and lease liabilities.

2.13. Income tax

In the three months ended 31 March 2024, the Group's effective tax rate was 21%, close to the effective tax rate of the Parent.

The Group did not recognise a deferred tax asset of PLN 3.6 million on tax losses at some of the Group companies due to the low probability of the companies generating taxable income against which the losses could be settled.

As at the end of March 2024, the current income tax liability stood at PLN 114.8 million, representing a PLN 23.9 million increase compared with the end of 2023. The increase was driven by:

- application by the Parent of the simplified method of income tax payment in 2023 (advance payments of one-twelfth of the tax payable for 2021). On 2 April 2024, the Parent paid tax of PLN 80.8 million for 2023;
- application by the Parent of the simplified method of income tax payment in 2024 (advance payments of one-twelfth of the tax payable for 2022). The due date for payment of the tax liability for 2024 is 31 March 2025.



2.14. 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 passes tends to be lower than in the first, second and fourth quarters of the year, which affects revenue, costs 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.

2.15. Significant events and transactions in the period

Transactions with minority shareholders

On 12 January 2024, the Parent Benefit Systems S.A. acquired 0.46% of shares in subsidiary Benefit Systems International S.A. from minority shareholders for PLN 7.1 million.

Increase of the Parent's share capital in connection with the implementation of the Incentive Scheme

On 23 January 2024, the Parent issued 24,750 series G shares in connection with the exercise by eligible persons of their rights under series L subscription warrants granted as part of the 2021-2025 Incentive Scheme (Note 2.18).

As a result, following the issuance of the shares, the Parent's share capital amounts to PLN 2,958,292 and is divided into 2,958,292 ordinary bearer shares with a nominal value of PLN 1 of the following series: 2,204,842 series A shares; 200,000 series B shares; 150,000 series C shares; 120,000 series D shares; 74,700 series E shares; 184,000 series F shares; 24,750 series G shares.

The total number of voting rights carried by all outstanding Parent shares is 2,958,292.

After the issuance of the shares, the amount of the conditional share capital increase stipulated in the Parent's Articles of Association for the purposes of the Incentive Scheme fell from PLN 125,000 (equivalent to 125,000 shares with a nominal value of PLN 1 per share) to PLN 100,250.

Acquisition of a business in the form of Active Point Fit & Gym fitness club

On 1 February 2024, the Parent acquired Active Point Fit & Gym, a fitness club located in Tychy, Poland, for PLN 3.1m (Note 2.4). The club was integrated into the Fabryka Formy network.

Merger of Benefit Systems S.A. with Gravitan Warszawa Sp. z o.o.

The merger of Benefit Systems S.A. (as the acquirer) with Gravitan Warszawa Sp. z o.o. (as the acquiree) was registered with the National Court Register on 29 February 2024. Following the merger, Gravitan Warszawa Sp. z o.o. ceased to exist, and Benefit Systems S.A. assumed the rights and obligations of the acquiree.

Purchase of residual shares in Lunching.pl Sp. z o.o.

On 4 March 2024, the Parent acquired for PLN 4.1 million the residual shares in Lunching.pl Sp. z o.o., raising its equity interest in the company to 100%. A portion of this amount, of PLN 2.7 million, was paid on 4 March 2024, the second tranche of PLN 0.4 million was paid on 3 April 2024, and the remainder of PLN 1 million is to be paid in July 2024.

2.16. Material achievements or failures

Close to two million membership cards in Poland and abroad

As at 31 March 2024, there were 1,996.6 thousand holders of sport cards offered by the Benefit Systems Group, including 1,508.8 thousand in Poland and 487.8 thousand in foreign markets. This marks an increase of 77.3 thousand sport cards compared with the end of 2023. The Company continues to see consistently high interest in its sports offerings from both employers and employees across all markets of operation.



Awards and accolades

Benefit Systems S.A. ranked first in the 'Success 2023' category in the 25th Listed Company of the Year 2023 ranking compiled by *Puls Biznesu*. The ranking table showcases leading companies listed on the Warsaw Stock Exchange, selected through a survey conducted among 100 stock analysts, investment advisers, and managers. Benefit Systems S.A. achieved the third position in the WIG30 investor relations ranking, as evaluated by stock exchange analysts, investment advisers, and managers in a survey organised by *Gazeta Giełdy i Inwestorów Parkiet*. Furthermore, the Company received a nomination for the mWIG40 Company of the Year award in the Bulls and Bears 2023 ranking.

New fitness club openings

In February 2024, the 58th Zdrofit club in Warsaw opened its doors in Fort Wola. Spanning 1,600 m², the facility features eight distinct areas: fitness, cycling, strength training machines, cardio, functional training, stretching, personal training, and wellness. Its 200 m² fitness room ranks among the largest in this part of Warsaw.

In February 2024, the My Fitness Place club network expanded with the addition of two facilities in Kraków, each occupying approximately 800 m². In the same month, the Fit Fabric fitness club opened in the Galeria Retkińska shopping mall in Łódź, with an area of over 1,300 m².

In March 2024, the Company opened its first boutique club, Studio Zdrofit, in the Wilanów district of Warsaw. This innovative concept club incorporates cutting-edge technologies in training, such as artificial intelligence, alongside unique group class formats and comprehensive training support.

This led to an increase in Benefit Systems S.A.'s own fitness club count in Poland to 224 by 31 March 2024 and to 226 as at the issue date of this report.

As at 31 March 2024, the Group operated 31 fitness clubs in foreign markets, a number that expanded to 35 by the issue date of this report.

ZaczyNAJ

In 2024, anyone starting training at the Group's clubs, whether with a B2C membership or a MultiSport card, can use the onboarding ZaczyNAJ bundle. The package helps new customers get familiar with the club's offerings and set their training goals. It includes two sessions with a personal trainer and a 10-week training plan.

MultiSport Foundation

In March 2024, an educational event was hosted as part of the minicity initiative at Centrum Praskie Koneser in Warsaw, highlighting the inspirational narrative 'How the Best Play', which promotes sports for people with disabilities. The story was distributed to schools and educational institutions and is also available for free download in both ebook and audiobook formats. It comes with educational resources for teachers to facilitate special lessons and discussions with children. The publication includes a therapeutic storytelling script, which can also serve as valuable material for parents. The project was developed through collaboration between the MultiSport Foundation and the Zaczytani.org Foundation, with Jan Mela as its ambassador.

2.17. Outlook

The Group invariably sees high long-term growth potential for the MultiSport programme in Poland and foreign markets. Public awareness of health protection and immune system strengthening has increased as a result of the COVID-19 pandemic. This has led to a rise in user activity and the popularity of sport cards. Both in Poland and in foreign markets, the Group has observed other trends that support further development of the sport card market. These trends include low unemployment rates coupled with a strong labour market, and an increased tendency to use sports products among the younger generations at the beginning of their professional careers.

According to the Group's estimates, the long-term potential of the sport card market ranges from 2.5 to 2.8 million cards in Poland and from 1.7 to 1.9 million cards abroad (Czech Republic, Bulgaria, Slovakia, and Croatia).



The outlook for the coming periods is significantly affected by the economic situation in the countries where the Group operates, including continuing high prices of energy, raw materials and fuels, inflation pressure, regulatory changes, slowing business activity in certain industries leading to increased unemployment, or depreciation of local currencies, which, in turn, may increase operating costs and hamper the demand for the services and products offered by the Group. On the other hand, according to the European Commission's forecasts, in 2024 and 2025, the Group's main markets are expected to experience a decline in inflation, a gradual acceleration in GDP growth, and a decrease or no significant increase in the unemployment rate. This may drive demand for the Group's services and products and reduce upward pressure on operating costs.

2.18. Incentive Scheme

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

On 3 February 2021, the Supervisory Board resolved to establish an Incentive Scheme for 2021–2025 at the Parent. The purpose of the Incentive Scheme is to provide an incentive system that would promote employee productivity and loyalty, aimed at achieving strong financial performance and a long-term increase in the Parent's value. In the 2021–2025 edition of the Incentive Scheme, its participants (up to 149 persons) will be able to acquire up to a total of 125,000 subscription warrants (which, upon conversion into shares, will represent up to 4.1% of the Parent's (post-issue) share capital), entitling them to subscribe for a specific number of shares in the Parent in five equal tranches.

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

By decision of the General Meeting, the warrants not granted for 2021 may increase the number of warrants for 2023 (up to 12,500 Series K1 warrants) and 2025 (up to 12,500 Series K2 warrants). Series K1 Warrants will be granted in a number representing 50%, 75% and 100% of the maximum number of Series K1 Warrants only if the cumulative consolidated adjusted operating profit (net of the costs of the Incentive Scheme) exceeds the sum of the thresholds for 2021-2023, i.e., PLN 400 million, PLN 460 million and PLN 515 million, respectively. In the case of Series K2, the warrants will be granted if cumulative consolidated adjusted operating profit (net of the costs of the Incentive Scheme) for 2021-2025 exceeds the sum of the thresholds for that period (PLN 825 million, PLN 920 million and PLN 1,010 million), in a number representing, respectively, 50%, 75% and 100% of the maximum number of Series K2 warrants.

Following the achievement of 100% of the threshold for the condition relating to adjusted consolidated operating profit of the Group for 2023, 25,000 Series Ł subscription warrants were granted to senior management (including the Management Board of the Parent) on 18 March 2024. Following the achievement of 100% of the threshold for the condition relating to adjusted consolidated operating profit of the Group for 2021–2023, 12,500 Series K1 subscription warrants were granted on 18 March 2024. The fair value of the subscription warrants granted to the employees was estimated as at the grant date using the Black-Scholes model.

Valuation of Incentive Scheme options – Black-Scholes model	
Data	Series K1 and Ł warrants
X (t) – share price at the valuation date (PLN)	2,500.00
P – option exercise price (PLN)	752.01
r – risk-free rate for PLN	5.18%
T – expiry date	31 December 2025
t – current day (for pricing purposes)	18 March 2024
Sigma – daily variability	27.58%

The estimated total cost of the tranche for 2021 and 2023 granted on 18 March 2024 amounted to PLN 68.0 million, with PLN 7.6 million recognised by the Group in profit or loss for the reporting period. In 2023, the Group incurred



costs of PLN 6.3 million for the 2022 tranche of the Scheme, with PLN 1.3 million recorded in the three months to 31 March 2023.

The final verification to confirm whether the conditions for granting subscription warrants to eligible individuals (excluding Management Board members) have been met will be decided by the Management Board within 30 days of the Annual General Meeting approving the Group's consolidated financial statements for 2023. For Management Board members, this verification will be decided by the Supervisory Board.

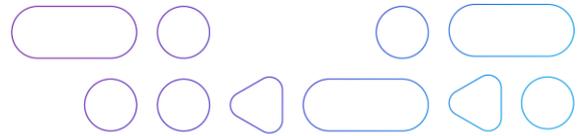
2.19. Dividend

On 15 December 2022, the Management Board of the Parent adopted a dividend policy for 2023-2025, under which the Management Board will recommend to the General Meeting payment of dividend of at least 60% of the Group's consolidated net profit for the previous financial year, less any unrealised foreign exchange gains or losses for the same period. 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 effective and applies as of the distribution of profit for the financial year ended 31 December 2022. The policy was positively assessed by the Supervisory Board of the Parent on 15 December 2022. The Management Board of the Parent also resolved to disapply the Dividend Policy for 2020–2023.

By the date of this report, the Parent's Management Board did not resolve to recommend a dividend payment from the profit for the financial year 2023.

2.20. 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, 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, and Series G shares – by holders of Series L subscription warrants granted by the Parent in accordance with the terms of the 2021–2025 Incentive Scheme.



Shareholder	As at the issue date of the report for the three months ended 31 March 2024			As at the issue date of the report for 2023			Change
	Number of shares	Ownership interest	Voting interest	Number of shares	Ownership interest	Voting interest	
Benefit Invest 1 Company*	453,691	15.34%	15.34%	453,691	15.34%	15.34%	-
Fundacja Drzewo i Jutro*	208,497	7.05%	7.05%	208,497	7.05%	7.05%	-
Benefit Invest Ltd.*	30,421	1.03%	1.03%	50,421	1.70%	1.70%	(20,000)
Nationale-Nederlanden PTE	320,182	10.82%	10.82%	320,182	10.82%	10.82%	-
Allianz OFE	276,290	9.34%	9.34%	276,290	9.34%	9.34%	-
Marek Kamola	233,500	7.89%	7.89%	233,500	7.89%	7.89%	-
Generali OFE	220,673	7.46%	7.46%	230,255	7.78%	7.78%	(9,582)
Other	1,215,038	41.07%	41.07%	1,185,456	40.07%	40.07%	29,582
TOTAL	2,958,292	100.00%	100.00%	2,958,292	100.00%	100.00%	-

* Related individuals and/or entities as described in Note 28 'Related-party transactions' in the Group's consolidated financial statements for 2023.

As at the issue date of the report for the three months ended 31 March 2024, the Company's share capital amounted to PLN 2,958,292. Number of shares comprising the share capital: 2,958,292 shares, including 2,204,842 Series A shares, 200,000 Series B shares, 150,000 Series C shares, 120,000 Series D shares, 74,700 Series E shares, 184,000 Series F shares, and 24,750 Series G shares. The shares of all series have a par value of PLN 1 per share. The total number of voting rights carried by all outstanding shares is 2,958,292. The equity interests held by individual shareholders in Benefit Systems S.A. are equal to their respective voting interests in the Company.

2.21. 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 (subscription warrants) in Benefit Systems S.A. by members of the Management Board and the Supervisory Board of the Parent as at the issue date of this Report were as follows:

Management Board Member	As at the issue date of the report for the three months ended 31 March 2024		As at the issue date of the report for 2023		Change
	Number of shares	Ownership interest	Number of shares	Ownership interest	
Marcin Fojudzki	-	-	-	-	-
Emilia Rogalewicz	4,000	0.14%	5,200	0.18%	(1,200)
Wojciech Szwarc	3,300	0.11%	4,300	0.15%	(1,000)
Total	7,300	0.25%	9,500	0.32%	(2,200)



Warrants held by Members of the Management Board as at the issue date of the report for the three months ended 31 March 2024:

<i>Management Board Member</i>	Series K1 Warrants granted for 2021	Series Ł Warrants granted for 2023	Outstanding Series K1 and Ł warrants
Marcin Fojudzki	-	250	250
Emilia Rogalewicz	1,850	3,500	5,350
Wojciech Szwarc	1,350	2,500	3,850
Total	3,200	6,250	9,450

The exercise price of the options granted as at the issue date of the report for the three months ended 31 March 2024 is PLN 752.01.

Members of the Supervisory Board of Benefit Systems S.A. do not hold any Company shares. A company controlled by the Chair of the Supervisory Board holds 453,691 shares in Benefit Systems S.A., representing 15.34% of its share capital. Furthermore, a person closely related to the Chairman of the Supervisory Board (within the meaning of Art. 160.2.1 of the Act on Trading in Financial Instruments) controls Benefit Invest Ltd. and that company holds 30,421 shares in Benefit Systems S.A., representing 1.03% of its share capital and the same percentage of total voting rights (as at the issue date of the report for the three months ended 31 March 2024). In addition, a person closely related to the Chair of the Supervisory Board is the Chair of the Supervisory Board of the Drzewo i Jutro Foundation, holding 7.05% of Benefit Systems S.A. share capital (see Note 2.20).

2.22. Non-compliance with debt covenants

In the three months to 31 March 2024, there were no breaches of credit covenants at the Group.

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

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

	31 Mar 2024	31 Dec 2023
Guarantees provided / Surety for payment of liabilities to:		
Associates	2,442	2,421
Total contingent liabilities	2,442	2,421

The guarantees provided to associates secure the payment of rent for fitness clubs.

Antitrust proceedings against Benefit Systems S.A.

On 22 June 2018, the President of the Office of Competition and Consumer Protection (the "President of UOKiK") initiated antitrust proceedings against Benefit Systems S.A. (and other entities) regarding allegations of forming a market-sharing cartel in the fitness club market, engaging in concerted practices related to exclusive cooperation arrangements with fitness clubs, and participating in concerted practices to limit competition in the market for sports and recreation package services (the "Proceedings").

On 4 January 2021, the Parent received a decision from the President of UOKiK (the "Decision") concerning one of the three alleged breaches for 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 Art. 6.1.3 of the Act on Competition and Consumer Protection and Art. 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 10.8 million in 2020.

The Parent did not agree with the Decision and filed an appeal against the Decision within the period prescribed by law.

On 21 August 2023, the Polish Court of Competition and Consumer Protection (the “Court”) dismissed the Parent’s appeal against the Decision. The Court’s judgment is not final. The Parent disagrees with the judgment and has filed an appeal within the prescribed time frame. Following legal advice, as at 31 March 2024, the Parent maintained the provision at an unchanged amount.

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 7 December 2021, of a decision by the President of UOKiK (“Decision 2”) under Art. 12.1 of the Act on Competition and Consumer Protection of 16 February 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 2022, which were fully implemented by the Parent by the prescribed deadline.

2.24. Management Board’s position regarding delivery against profit forecasts

The Benefit Systems Group and the Parent have not released any profit forecasts for 2024.

2.25. Related-party transactions executed by the Group on non-arm’s length terms

In the reporting period, the 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.

2.26. Events after the reporting date

Acquisition of 100% of shares in H.O.L.S. D.O.O. of Croatia

On 2 April 2024, Fit Invest d.o.o. completed the acquisition of 100% of shares in H.O.L.S. D.O.O. (“HOLS”). The acquisition price comprises: (i) EUR 2.5 million paid on 2 April 2024; (ii) EUR 2.5 million to be paid within 14 days from the date of share sale registration; and (iii) an amount determined as per the agreement (EUR 0.3 million increased by settlements of revenue from MultiSport membership cards and decreased by liabilities specified in the agreement), to be calculated and paid by 30 June 2024.

According to Fit Invest D.O.O.’s best estimate of the latter amount, the fair value of the total acquisition price as at the date of acquisition of control is EUR 5.02 million.

Following the HOLS acquisition, three fitness clubs located in Zagreb, Croatia, and one fitness club under construction were integrated into the Group’s foreign fitness club portfolio. The acquired facilities operated under the OrlandoFit brand. After the acquisition, they were rebranded and now operate under The Fitness brand.

Goodwill resulting from the HOLS acquisition will be allocated to the Croatia cash-generating unit and assigned to the Foreign Markets operating segment. As at the date of this consolidated quarterly report, the acquisition price allocation process had not been completed, with work under way to review, identify and measure the fair value of the assets and liabilities acquired. Therefore, as at the date of this report, it is not possible to reliably estimate the goodwill arising from the HOLS acquisition.



Merger of Benefit Systems S.A. with FIT 1 Sp. z o.o., FIT 2 Sp. z o.o., FIT 3 Sp. z o.o., FIT 4 Sp. z o.o., FIT and More Sp. z o.o., Concept Self Investment Sp. z o.o., Sport Operator Sp. z o.o., and Manufaktura Zdrowia Sp. z o.o.

The merger of Benefit Systems S.A. (as the acquirer) with FIT 1 Sp. z o.o., FIT 2 Sp. z o.o., FIT 3 Sp. z o.o., FIT 4 Sp. z o.o., FIT and More Sp. z o.o., Concept Self Investment Sp. z o.o., Sport Operator Sp. z o.o., and Manufaktura Zdrowia Sp. z o.o. (as the acquirees) was registered on 2 April 2024. As a result of the merger, the acquirees ceased to exist, and Benefit Systems S.A. assumed the rights and obligations of the merged companies.

Agreements to acquire and subscribe for shares in SmartLunch S.A. in exchange for shares in Lunching.pl Sp. z o.o.

On 19 April 2024, the Parent and SmartLunch S.A. ("SmartLunch") signed an investment agreement, shareholder agreement and share sale agreement (collectively referred to as the "Agreements"), outlining the terms and conditions for the Parent's investment in SmartLunch.

Under the Agreements, Benefit Systems S.A. will:

- Acquire 34,269 Series A ordinary registered shares in SmartLunch from the selling shareholders for a total price of PLN 6.5 million
- Subscribe for 168,889 new Series B ordinary registered shares in SmartLunch, to be paid for with a cash contribution of PLN 32.0 million
- Subscribe for 109,778 new Series B ordinary registered shares in SmartLunch, to be paid for with a non-cash contribution comprising 100% of the shares in Lunching.pl Sp. z o.o.'s share capital held by Benefit Systems S.A. and a PLN 0.6 million loan advanced to Lunching.pl Sp. z o.o. by Benefit Systems S.A. as at 31 March 2024,

with the proviso that the acquisition and subscription for the SmartLunch shares will occur upon the registration of the new Series B shares by the competent registry court and upon the registration of the Parent as the buyer of Series A shares in the SmartLunch shareholders' register.

On 19 April 2024, the Parent made the following payments:

- PLN 27 million was paid to a notary's deposit account as a portion of the price for the shares (PLN 3 million) and a portion of the cash contribution for new shares (PLN 24 million)
- PLN 11.5 million was transferred to the bank accounts of the selling shareholders and SmartLunch as the remaining portion of the price for the shares (PLN 3.5 million) and the remaining portion of the cash contribution for new shares (PLN 8 million).

As a result of the Agreements and following registration by the competent registry court of the increase in SmartLunch's share capital resulting from the issue of new Series B shares and entry in the shareholder register, the Parent will hold 312,936 SmartLunch shares, representing 18.53% of the total share capital and conferring 18.53% of the voting rights at the General Meeting. LF Akcelerator Sp. z o.o. will remain the main shareholder with 39.26% of the share capital, representing 39.26% of the voting rights at SmartLunch's General Meeting.

The Agreements grant Benefit Systems S.A. the pre-emptive right to acquire the remaining SmartLunch shares from the other shareholders in the coming years.

The Agreements include security provisions and other standard terms.

The estimated value of the SmartLunch shares acquired and subscribed for by the Parent is PLN 59.3 million.

SmartLunch specialises in comprehensive corporate nutrition services, including canteen management, employee catering, lunch card and restorative meal sales, and vending machine operation. The investment in SmartLunch aims to strengthen Benefit Systems' position in the employee food benefits market.



As at 31 March 2024, the carrying amount of Lunching Sp. z o.o.'s net assets, as disclosed in the Benefit Systems Group's condensed consolidated financial statements, amounted to PLN 0.8 million, with goodwill recognised on the acquisition totalling PLN 14.6 million.

Acquisition of shares in Good Luck Club GLC Sp. z o.o.

On 29 April 2024, the Parent acquired 100% of shares in Good Luck Club GLC Sp. z o.o. ("Good Luck"). The transaction involved acquiring four fitness clubs located in Gdańsk (one club), Pruszcz Gdański (two clubs), and Banino (one club).

The total acquisition price was PLN 27.7 million. In the three months to 31 March 2024, the Company paid a PLN 2.4 million advance to the seller, with the balance of PLN 25.3 million paid on 29 April 2024 as follows: PLN 22.5 million was paid to the seller's bank account, PLN 2 million was paid to a notary's deposit account as security for the club in Banino and PLN 0.8 million was paid to a notary's deposit account as security for the renovation of the club in Pruszcz Gdański. The ownership of the shares was transferred on 29 April 2024.

The share price may be adjusted by: (i) reducing it by PLN 5.5 million if the fitness club is not handed over to Good Luck, and by PLN 0.8m if the renovation of the fitness club is not completed within the time limit specified in the agreement, (ii) by reducing or increasing it by an amount of up to PLN 0.1 million, calculated in accordance with contractual provisions (Good Luck's revenue from the sale of passes and MultiSport membership card services accounted for on an accrual basis).

The goodwill from the acquisition of Good Luck will be allocated to a cash generating unit and assigned to the Poland operating segment. As at the date of this consolidated quarterly report, the acquisition price allocation process had not been completed, with work under way to review, identify and measure the fair value of the assets and liabilities acquired. Therefore, as at the date of this report, it is not possible to reliably estimate the goodwill from the acquisition of Good Luck Club GLC Sp. z o.o.

Merger of Benefit Systems S.A. with Total Fitness Sp. z o.o. and Saturn Fitness Group Sp. z o.o.

The merger of Benefit Systems S.A. (as the acquirer) with Total Fitness Sp. z o.o. and Saturn Fitness Group Sp. z o.o. (as the acquirees) was registered on 10 May 2024. Following the merger, Total Fitness Sp. z o.o. and Saturn Fitness Group Sp. z o.o. ceased to exist, and Benefit Systems S.A. assumed the rights and obligations of the merged companies.



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

3.1. CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION

	31 Mar 2024	31 Dec 2023
Goodwill	283,133	281,225
Intangible assets	112,743	113,961
Property, plant and equipment	234,912	219,651
Right-of-use assets	711,239	670,960
Investments in subsidiaries	257,436	272,819
Investments in associates	2,415	2,415
Trade and other receivables	3,452	3,367
Loans and other non-current financial assets	243,231	239,939
Deferred tax assets	20,688	15,021
Non-current assets	1,869,249	1,819,358
Inventories	5,547	5,102
Trade and other receivables	142,970	208,320
Current tax assets	-	-
Loans and other current financial assets	3,256	3,130
Cash and cash equivalents	397,689	284,273
Current assets	549,462	500,825
Total assets	2,418,711	2,320,183



CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION – CONT.

	31 Mar 2024	31 Dec 2023
Share capital	2,958	2,934
Share premium	249,379	230,792
Retained earnings	894,643	833,240
Total equity	1,146,980	1,066,966

Employee benefit provisions	351	351
Other financial liabilities	5,528	5,421
Borrowings, other debt instruments	37,189	41,866
Lease liabilities	608,156	583,593
Non-current liabilities	651,224	631,231

Employee benefit provisions	3,891	2,098
Other provisions	10,767	10,767
Trade and other payables	321,726	349,286
Current income tax liabilities	98,530	78,831
Other financial liabilities	1,442	8,122
Borrowings, other debt instruments	18,575	18,591
Lease liabilities	143,041	135,654
Contract liabilities	22,535	18,637
Current liabilities	620,507	621,986
Total liabilities	1,271,731	1,253,217
Total equity and liabilities	2,418,711	2,320,183



3.2. CONDENSED SEPARATE STATEMENT OF PROFIT OR LOSS

	31 Jan– 31 Mar 2024	31 Jan– 31 Mar 2023
<i>Continuing operations</i>		
Revenue	540,230	408,365
Revenue from sales of services	531,476	401,235
Revenue from sales of merchandise and materials	8,754	7,130
Cost of sales	(377,096)	(309,014)
Cost of services sold	(372,069)	(305,053)
Cost of merchandise and materials sold	(5,027)	(3,961)
Gross profit	163,134	99,351
Selling expenses	(27,860)	(24,999)
Administrative expenses	(46,148)	(23,997)
Other income	824	608
Other expenses	(2,840)	(2,406)
Operating profit	87,110	48,557
Finance income	12,902	10,065
Finance costs	(7,826)	(8,247)
Loss allowances for financial assets	69	2,503
Profit before tax	92,255	52,878
Income tax	(18,324)	(9,550)
Net profit from continuing operations	73,931	43,328

3.3. CONDENSED SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	1 Jan– 31 Mar 2024	1 Jan– 31 Mar 2023
Net profit	73,931	43,328
Other comprehensive income	-	-
Items not reclassified to profit or loss	-	-
Items reclassified to profit or loss	-	-
Total comprehensive income	73,931	43,328



3.4. CONDENSED SEPARATE STATEMENT OF CHANGES IN EQUITY

	Share capital	Treasury shares	Share premium	Retained earnings	Total
Balance as at 1 Jan 2024	2,934	-	230,792	833,240	1,066,966
Share issue in connection with exercise of options (incentive scheme)	24	-	18,587	-	18,611
Cost of equity-settled share-based payment plan	-	-	-	7,560	7,560
Merger reserve	-	-	-	(20,088)	(20,088)
Total transactions with owners	24	-	18,587	(12,528)	6,083
Net profit for the period	-	-	-	73,931	73,931
Total comprehensive income	-	-	-	73,931	73,931
Balance as at 31 Mar 2024	2,958	-	249,379	894,643	1,146,980

	Share capital	Treasury shares	Share premium	Retained earnings	Total
Balance as at 1 Jan 2023	2,934	-	230,792	616,140	849,866
Cost of equity-settled share-based payment plan	-	-	-	1,255	1,255
Total transactions with owners	-	-	-	1,255	1,255
Net profit for the period	-	-	-	43,328	43,328
Total comprehensive income	-	-	-	43,328	43,328
Balance as at 31 Mar 2023	2,934	-	230,792	660,723	894,449



3.5. CONDENSED SEPARATE STATEMENT OF CASH FLOWS

	1 Jan– 31 Mar 2024	1 Jan– 31 Mar 2023
<i>Cash flows from operating activities</i>		
Profit before tax	92,255	52,878
Adjustments:		
Depreciation and amortisation of non-financial non-current assets	57,974	49,879
Measurement of liabilities arising from acquisition of shares	107	259
Change in impairment losses and write-off of assets	1,961	(2,422)
Effect of lease modifications	47	6
(Gains)/losses on sale and value of liquidated non-current non-financial assets	(17)	(154)
Foreign exchange gains/(losses)	(3,939)	(2,557)
Interest expense	7,647	7,951
Interest income	(8,963)	(7,508)
Cost of share-based payments (incentive scheme)	7,399	1,205
Change in inventories	(414)	(679)
Change in receivables	63,178	52,574
Change in liabilities	(14,794)	3,876
Change in provisions	1,793	-
Other adjustments	(35)	5
Cash flows provided by (used in) operating activities	204,199	155,313
Income tax paid	(4,356)	(4,265)
Net cash from operating activities	199,843	151,048
<i>Cash flows from investing activities</i>		
Purchase of intangible assets	(9,648)	(7,377)
Purchase of property, plant and equipment	(21,867)	(13,407)
Proceeds from sale of property, plant and equipment	32	816
Acquisition of subsidiaries	(18,997)	(16,650)
Repayments of loans	4,752	37,104
Loans	(2,778)	(12,660)
Interest received	3,691	2,876
Net cash from investing activities	(44,815)	(9,298)
<i>Cash flows from financing activities</i>		
Repayment of borrowings	(4,693)	(7,879)
Payment of lease liabilities	(37,036)	(46,419)
Payments of interest	(1,376)	(2,419)
Net cash from financing activities	(43,105)	(56,717)
Cash from business combinations	1,493	-
Net change in cash and cash equivalents	113,416	85,033
Cash and cash equivalents at beginning of period	284,273	143,396
Cash and cash equivalents at end of period	397,689	228,429



Authorisation for issue

This consolidated quarterly report of the Benefit Systems Group for the three months ended 31 March 2024 (including the comparative data) was authorised for issue by the Management Board of the Parent on 15 May 2024.

Signatures of all Members of the Management Board

Date	Full name	Position	Signature
15 May 2024	Marcin Fojudzki	Member of the Management Board	
15 May 2024	Emilia Rogalewicz	Member of the Management Board	
15 May 2024	Wojciech Szwarc	Member of the Management Board	

Signature of the person responsible for preparation of the financial statements

Date	Full name	Position	Signature
15 May 2024	Katarzyna Beuch	Finance Director	