

CONSOLIDATED QUARTERLY REPORT OF THE BENEFIT SYSTEMS GROUP

FOR THE THREE
MONTHS ENDED
MARCH 31TH 2024





TABLE OF CONTENTS

| | |
|--|----|
| SELECTED FINANCIAL DATA | 5 |
| 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE BENEFIT SYSTEMS GROUP..... | 7 |
| 1.1. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION | 7 |
| 1.2. CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS | 9 |
| 1.3. EARNINGS PER ORDINARY SHARE (PLN) | 9 |
| 1.4. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME | 10 |
| 1.5. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY | 11 |
| 1.6. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS | 13 |
| 2. NOTES | 15 |
| 2.1. General information..... | 15 |
| 2.2. Basis of preparation and accounting policies..... | 17 |
| 2.3. Operating segments..... | 18 |
| 2.4. Goodwill and acquisition of control of subsidiaries | 28 |
| 2.5. Intangible assets and property, plant and equipment | 29 |
| 2.6. Leases..... | 31 |
| 2.7. Cash and cash equivalents | 33 |
| 2.8. Share capital | 33 |
| 2.9. Earnings per share | 34 |
| 2.10. Borrowings, other debt instruments | 34 |
| 2.11. Other financial liabilities | 35 |
| 2.12. Finance income and expenses and loss allowances for financial assets | 36 |
| 2.13. Income tax..... | 36 |
| 2.14. Seasonality of operations..... | 37 |
| 2.15. Significant events and transactions in the period | 37 |
| 2.16. Material achievements or failures | 37 |
| 2.17. Outlook..... | 38 |
| 2.18. Incentive Scheme..... | 39 |
| 2.19. Dividend | 40 |
| 2.20. Shareholding structure | 40 |
| 2.21. Shares or other rights to shares held by members of the Management Board or the Supervisory Board..... | 41 |
| 2.22. Non-compliance with debt covenants | 42 |



| | |
|---|----|
| 2.23. Contingent liabilities and information on proceedings pending before a court or administrative authority..... | 42 |
| 2.24. Management Board's position regarding delivery against profit forecasts | 43 |
| 2.25. Related-party transactions executed by the Group on non-arm's length terms | 43 |
| 2.26. Events after the reporting date..... | 43 |
| 3. CONDENSED SEPARATE FINANCIAL STATEMENTS OF BENEFIT SYSTEMS S.A. | 46 |
| Authorisation for issue..... | 51 |



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 złoty, and all amounts are expressed in thousands of Polish złoty (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 złoty. 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 |
|--|--------|-----------------|-----------|-------|
|--|--------|-----------------|-----------|-------|

1 Jan–31 Mar 2024

| | | | | |
|--|------------------|------------------|----------------|------------------|
| Revenue | 581,828 | 219,327 | (47) | 801,108 |
| <i>including from external customers</i> | 581,781 | 219,327 | - | 801,108 |
| <i>including intersegment sales</i> | 47 | - | (47) | - |
| 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 |
|--|--------|-----------------|-----------|-------|
|--|--------|-----------------|-----------|-------|

1 Jan–31 Mar 2023

| | | | | |
|--|------------------|------------------|----------------|------------------|
| Revenue | 435,391 | 189,922 | (2) | 625,311 |
| <i>including from external customers</i> | 435,389 | 189,922 | - | 625,311 |
| <i>including intersegment sales</i> | 2 | - | (2) | - |
| 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 |
|--|--------|-----------------|-----------|-------|
|--|--------|-----------------|-----------|-------|

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 |
|--|--------|-----------------|-----------|-------|
|--|--------|-----------------|-----------|-------|

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 |
|--|-----------------------|-----------------------|
|--|-----------------------|-----------------------|

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 |
|--|------|--------------------------|-------------------------|----------|-------------------------------------|--|-------|
|--|------|--------------------------|-------------------------|----------|-------------------------------------|--|-------|

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 |
|--|------|--------------------------|-------------------------|----------|-------------------------------------|--|-------|
|--|------|--------------------------|-------------------------|----------|-------------------------------------|--|-------|

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 HOLLS 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 HOLLS 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 HOLLS 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 |
| <i>Adjustments:</i> | | |
| 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 | |