

CONSOLIDATED QUARTERLY REPORT FOR BENEFITS SYSTEMS GROUP

PREPARED FOR THE 9
MONTH PERIOD ENDED
30TH SEPTEMBER, 2017



Table of contents

1. SELECTED FINANCIAL DATA FOR BENEFIT SYSTEMS GROUP	4
2. FACTORS CONTRIBUTING TO THE GROWTH OF BENEFIT SYSTEMS GROUP AND THE MARKET ENVIRONMENT	5
3. BASIC INFORMATION ABOUT BENEFIT SYSTEMS GROUP	7
3.1. GENERAL INFORMATION AND COMPOSITION OF BENEFIT SYSTEMS GROUP	7
3.2. STATEMENT OF PROFIT	12
3.3. PROSPECTS	12
4. FINANCIAL RESULTS FOR THE FIRST 9 MONTHS OF 2017 BY OPERATING SEGMENTS OF BENEFIT SYSTEMS GROUP	13
4.1. INTRODUCTION	13
4.2. INFORMATION ABOUT OPERATING SEGMENTS	15
4.2.1. SPORTS CARDS SEGMENT	15
4.2.2. FITNESS SEGMENT	17
4.2.3. FOREIGN SEGMENT	19
4.2.4. CAFETERIA SEGMENT	20
4.2.5. OTHER ACTIVITIES AND ARRANGEMENTS	22
4.3. OTHER FINANCIAL DATA	22
4.4. SELECTED FINANCIAL INDICATORS	26
5. ADDITIONAL INFORMATION	28
5.1. SIGNIFICANT EVENTS IN THE GROUP DURING THE REPORTING PERIOD	28
5.2. SIGNIFICANT EVENTS IN THE GROUP AFTER THE BALANCE SHEET DATE	35
5.3. COMPOSITION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD	36
5.4. SHARES OR OTHER RIGHTS TO THEM IN THE POSSESSION OF MEMBERS OF THE MANAGEMENT BOARD OR SUPERVISORY BOARD	37
5.5. SHAREHOLDERS	38
5.6. DIVIDEND	39
5.7. INCENTIVE PROGRAMME	39
5.8. POSITION OF THE MANAGEMENT BOARD REGARDING THE IMPLEMENTATION OF FINANCIAL FORECASTS	41
5.9. SEASONAL NATURE OF THE BUSINESS	41

5.10.	CHANGES IN CONTINGENT LIABILITIES	41
5.11.	SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES	41
5.12.	INFORMATION ABOUT PROCEEDINGS INSTITUTED BEFORE A COURT OR ADMINISTRATIVE AUTHORITY	41
6.	CONSOLIDATED FINANCIAL STATEMENTS FOR BENEFIT SYSTEMS GROUP AS AT 30TH SEPTEMBER, 2017 AND FOR THE 9 MONTH PERIOD ENDED 30TH SEPTEMBER, 2017	43
6.1.	SELECTED FINANCIAL DATA FOR BENEFIT SYSTEMS GROUP	43
6.2.	CONSOLIDATED INCOME STATEMENT	44
6.3.	CONSOLIDATED STATEMENT OF FINANCIAL POSITION	47
6.4.	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	49
6.5.	CONSOLIDATED STATEMENT OF CASH FLOWS	52
7.	CONDENSED FINANCIAL STATEMENTS OF BENEFIT SYSTEMS S.A. PREPARED FOR 30TH SEPTEMBER, 2017, AND FOR THE 9 MONTHS PERIOD ENDING 30TH SEPTEMBER, 2017	53
7.1.	SELECTED FINANCIAL DATA OF BENEFIT SYSTEMS S.A.	53
7.2.	STATEMENT OF PROFIT	55
7.3.	STATEMENT OF FINANCIAL POSITION	56
7.4.	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	58
7.5.	STATEMENT OF CASH FLOWS	60

1. SELECTED FINANCIAL DATA FOR BENEFIT SYSTEMS GROUP

Table 1: Selected financial data for Benefit Systems Group

In thousands of PLN	3 rd quarter of 2017	3 rd quarter of 2016	3 quarters of 2017	3 quarters of 2016
Sales revenues	240,400	183,663	698	540,028
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	51,083	40,526	114	84,427
Operating profit increased by depreciation and amortisation (EBITDA) excluding the Incentive Programme	52,797	42	119	90,046
Operating profit (EBIT)	42,426	34,672	89,714	67,385
Profit before tax	42,237	34,178	88,181	67,588
Net profit attributable to shareholders of the parent company	32,870	27,170	70,103	53,240
Net profit	32,548	25,881	68,875	50,885
Net cash from operating activities	51,050	38,985	105,295	80,555
Net cash from investment activities	(88,894)	(15,819)	(151,416)	(42,608)
Net cash from financing activities	36,989	(79,215)	27,244	(3,226)
Total net cash flow	(855)	(56,049)	(18,877)	34,721
Net income per share attributable to shareholders of the parent company (in PLN per share)	12.63	10.62	26.94	20.81

In thousands of PLN	As of 30 th September, 2017	As of 31 st December, 2016
Non-current assets	469,825	391,798
Current assets	254,628	198,842
Total assets	724,453	590,640
Non-current liabilities	156,814	236,349
Current liabilities	347,575	176,607
Equity	220,064	177,684
Equity attributable to shareholders of the parent company	204,629	160,433
Share capital	2,675	2,600
Number of ordinary shares	2,674,842	2,599,642
Diluted number of ordinary shares	2,608,756	2,627,406
Book value per share attributable to shareholders of the parent company (in PLN per share)	76.50	61.71
Book value per share attributable to shareholders of the parent company (diluted, in PLN per share)	78.44	61.06

All data in the report (unless otherwise stated) covers the period January - September, 2017 and the comparative data presents the same period of 2016. The data for the three quarters of 2017 has been restated - see the Condensed Consolidated Financial Statements of Benefit Systems Group for the six month period ended 30th June, 2017. All figures are presented in thousands of zloty, unless stated otherwise.

2. FACTORS CONTRIBUTING TO THE GROWTH OF BENEFIT SYSTEMS GROUP AND THE MARKET ENVIRONMENT

Benefit Systems Group operates on the sports card market and specialises in providing employers with innovative and modern solutions with respect to non-monetary employee benefits in the area of sports, recreation, culture and entertainment, as well as tailor made cafeteria programmes. Its products assist in promoting an active and healthy lifestyle. The company's unique business model consists of building and maintaining a balanced relationship with customers (companies) and Partners (sports facilities, fitness clubs, restaurants, etc.), which ultimately results in offering high quality services to MultiSport card users.

The key elements of Benefit Systems Group's growth were primarily the stable increase in the number of sports cards in Poland and abroad, as well as the further increased growth of its sports and leisure infrastructure for users of sports cards, among others, from investments in fitness clubs in Poland and abroad.

Benefit Systems Group operates in 4 segments:

- **Sports Cards** - offering access to a wide range of nearly 4000 sports and leisure facilities. There were 808,000 active cards in Poland at the end of the third quarter of 2017.
- **Fitness segment** - created from companies with sports clubs throughout Poland, in which Benefit Systems Group has equity investments. These clubs extend and enhance the offer of sports activities for users of the MultiSport Programme.
- **Foreign segment** - responsible for sales of sports cards on foreign markets. Sales of cards in the Czech Republic, Slovakia and Bulgaria totalled 105,600 at the end of the third quarter.
- **Cafeteria Segment** - a modern distribution channel for additional non-monetary employee benefits in the area of culture, tourism and sports cards.

A market, which hitherto favoured employers, is changing into a market favouring employees, which is strongly influenced by the ever lower level of unemployment (6.9%, i.e. only 1.1 million professionally active Poles remain unemployed), as well as improving working conditions. These changes motivate employers to constantly improve employment conditions, and results in, among others, an increasing number of employees receiving non-monetary benefits. As shown by the research "Non-monetary benefits in the eyes of employees in 2017" (source: <https://wynagrodzenia.pl>), as many as 74% of respondents declared that in 2017 employees were entitled to additional benefits at their workplaces (this result is affected by, among others, the company's origin, its size and industry as well as the management level). According to a report by Sedlak&Sedlak, as many as 60% of people employed in regular positions receive non-monetary benefits, and in the case of employees at director and/or management board level this percentage is 83%. Additionally, from internal analyses of Benefit Systems S.A. it appears that small and medium-sized enterprises are increasingly offering benefits which, just like large players in the marketplace, are competing for talent, both among future employees and current employees.

An important area for any employer should be the health of its employees. According to the Ministry of Sport and Tourism, if every second physically inactive person started to exercise, the costs of sickness absenteeism would decrease by 6 billion PLN.

One of the key elements contributing to improving health and preventing diseases of the modern world among employees is their constant physical activity. Currently, more than 12 thousand companies and institutions in Poland are helping employees to maintain well-being and physical fitness by offering them the MultiSport Programme. Benefit Systems Group endeavours to introduce various solutions promoting activity - during the summer holidays, these were additional activities and outdoor sports, such as rope parks and outdoor swimming pools, and currently, among others, access to a platform supporting healthy eating habits.

3. BASIC INFORMATION ABOUT BENEFIT SYSTEMS GROUP

3.1. GENERAL INFORMATION AND COMPOSITION OF BENEFIT SYSTEMS GROUP

Benefit Systems Group is comprised of Benefit Systems S.A., responsible for the sale of MultiSport cards, as well as entities operating on the non-monetary employee benefits market and in the sports industry. Currently, nearly 12,000 companies and institutions employing over 2.5 million employees are customers of the Group.

Benefit Systems S.A. has been listed on the Warsaw Stock Exchange since April, 2011. The Group's flagship product is the MultiSport programme, which provides access to almost 4000 of the best and most popular sports facilities in approximately 650 towns and cities throughout Poland. The Group also offers other sports cards, for example, the FitProfit card. In total there are over 808,000 users in Poland and 105,600 users abroad of the Group's sports products. The MultiSport programme is one of the most popular non-monetary employee benefits in Poland, enabling a holder to lead an active, and thus a healthy lifestyle.

Benefit Systems Group also offers the MyBenefit and MultiKafeteria cafeteria platforms, which give employees a choice of any non-wage employee benefits from a list accepted by their employer. Cafeteria systems include the Group's own products, such as the MultiBilet cultural and entertainment programme, allowing users to watch their favourite films in hundreds of cinemas throughout Poland, the MultiTeatr programme offering tickets to the most popular theatrical performances, and the BenefitLunch programme with its dining offer for employees.

One of the Group's strategic goals is to invest in the fitness market, aimed at ensuring the appropriate infrastructure for the growing number of MultiSport card users. According to the Company's research, half of all cards issued go to completely new users. This means that each year tens of thousands of new people go to fitness clubs and other sports facilities. Thanks to its investments in companies with fitness clubs, the Group guarantees that users of sports cards can benefit from with modern, well-equipped clubs that offer a wide range of professional services.

The potential of the MultiSport programme is also used to support foreign expansion. Since 2011, the Group has operated on the Czech market, and since 2015 also in Slovakia and Bulgaria.

SUBSIDIARIES AND ASSOCIATES

COMPANIES IN THE SPORTS CARD SEGMENT

Benefit Systems S.A. is responsible for the sale of MultiSport cards. Since 2011, it has been listed on the main floor of the Warsaw Stock Exchange.

FitSport Polska Sp. z o.o. offers sports cards to small and medium-sized enterprises and is also a distributor of products from Benefit Systems S.A.

VanityStyle Sp. z o.o. specialises in providing sport and recreation solutions. The company provides large and medium-sized businesses with FitProfit and FitSport cards that have similar characteristics to the products of Benefit Systems S.A., but with a narrower range of services offered, fewer partners and, in principle, a product positioned as less expensive. The Prestige card, providing access to the most prestigious locations and sports facilities of the highest standard, was also added in 2012 to the basic

products and services offered by Vanity Style Sp. z o.o. Furthermore, the company has enhanced the sports cards offered with a programme for access to cinema chains, called Bilet CinemaProfit.

COMPANIES IN THE FITNESS SEGMENT

Fit Invest Sp. z o.o. is the entity responsible for managing the investments by Benefit Systems Group in the Fitness segment. The company holds shares in Fabryka Formy S.A. and Calypso Fitness S.A., as well as shares in Fitness Academy Sp. z o.o. SKA, Benefit Partners Sp. z o.o., Zdrofit Sp. z o.o., Zdrofit Sport Sp. z o.o., Baltic Fitness Center Sp. z o.o., Instytut Rozwoju Fitness Sp. z o.o., Tiger Sp. z o.o., Fit Fabric Sp. z o.o., Fitness Place Sp. z o.o., Fitness Place S.R.O., The One Gym S.R.O., Fit Invest Bulgaria EOOD, Wesolandia Sp. z o.o. and Beck Box Club Praha S.R.O.

Fitness Academy Spółka z ograniczoną odpowiedzialnością SKA operates a network of sixteen fitness clubs

in Wrocław, Katowice and Kraków. The general partner in the company is Fitness Academy Sp. z o.o. The company is the sole shareholder in the companies AM Classic Sp. z o.o. and Jupiter Sport Sp. z o.o.

Fabryka Formy S.A. operates a network of nineteen fitness clubs, including five in Poznań and its surroundings. The company is the sole shareholder in the company Fitness za Rogiem Sp. z o.o. (3 clubs) and the Czech company The One Gym S.R.O. (formerly Form Factory S.R.O.).

Zdrofit Sp. z o.o. operates a network of sixteen fitness clubs in Warsaw.

Fitness Place Sp. z o.o., Fitness Place S.R.O. and **Fit Invest Bulgaria EOOD** are companies responsible for investments in fitness clubs, including the purchase of existing clubs and the opening of new facilities in Poland, the Czech Republic and Bulgaria respectively. Fitness Place Sp. z o.o. operates thirteen clubs, including

nine clubs, which the company acquired under a conditional agreement in July, 2017. Fitness Place S.R.O. operates 3 clubs, and Fit Invest Bulgaria EOOD operates 2 clubs.

Wesolandia Sp. z o.o. is the owner of the Aquapark Wesolandia leisure complex, consisting of, among others, a swimming pool, fitness club and tennis court, located in Warsaw - Wesoła.

Tiger Sp. z o.o. operates nine fitness clubs in Gdańsk and its surroundings.

Beck Box Club Praha S.R.O. operates six fitness clubs in Prague.

COMPANIES FROM THE FOREIGN SEGMENT

Benefit Systems International Sp. z o.o. is the entity through which Benefit Systems Group conducts operations abroad. Benefit Systems International Sp. z o.o. is the owner of the Group's shares in foreign companies: MultiSport Benefit S.R.O. (the Czech Republic), Benefit Systems Slovakia S.R.O. (Slovakia) and Benefit Systems Bulgaria EOOD (Bulgaria), which are responsible for the sale of sports cards in these countries.

COMPANIES IN THE CAFETERIA SEGMENT

MyBenefit Sp. z o.o. develops and sells products (through its special cafeteria platform) that can be used by companies to motivate and reward employees. Currently, the company has in its portfolio a cafeteria system tailored to the needs of customers, including among others, gift cards for retail chains, cinema or cultural programmes, tourism vouchers and a recreation funding system.

MultiBenefit Sp. z o.o. conducts activities related to non-monetary employee benefits, including, among others: MultiKafeteria, MultiBilet, MultiTeatr and BenefitLunch.

OTHER COMPANIES

Benefit IP Spółka z ograniczoną odpowiedzialnością sp.k. manages the marketing activities of Benefit Systems Group and all trademarks and industrial property rights owned by the companies of the Benefit Systems Group (granting licenses for the use of trademarks) in order to implement the centralized management of marketing activities and industrial property in the Group. The general partner and minority shareholder of the company is Benefit IP Sp. z o.o.

The share in the total number of votes held by the Group in subsidiaries is equal to the Group's holding in the capital of these entities.

Table 2: Table of subsidiaries

Operating segment	Name of the subsidiary	Registered office of the subsidiary	The Group's share in the equity	
			30/09/2017	30/09/2016
SPORTS CARD SEGMENT	VanityStyle Sp. z o.o.	ul. Jasna 24 00-054 Warsaw	100.00%	100.00%
	FitSport Polska Sp. z o.o.	Plac Europejski 2 00-844 Warsaw	100.00%	100.00%
	Benefit IP Sp. z o.o.	Plac Europejski 2 00-844 Warsaw	100.00%	100.00%
	Benefit IP Spółka z ograniczoną odpowiedzialnością sp. k.	Plac Europejski 2 00-844 Warsaw	100.00%	100.00%
FITNESS SEGMENT	Fit Invest Sp. z o.o.	Plac Europejski 3 00-844 Warsaw	100.00%	100.00%
	Fitness Academy Sp. z o.o.	Plac Europejski 2 00-844 Warsaw	100.00%	100.00%
	Fitness Academy Spółka z ograniczoną odpowiedzialnością SKA	ul. Powstańców Śląskich 95 53-332 Wrocław	100.00%	100.00%
	AM Classic Sp. z o.o.	Plac Dominikański 3 53-209 Wrocław	100.00%	100.00%
	Jupiter Sport Sp. z o.o.	ul. Żegiestowska 11 50-542 Wrocław	100.00%	100.00%
	Fitness Place S.R.O.	Plzeňská 233/8 150 00 Praha 5	100.00%	-
	Fit Invest Bulgaria EOOD	8 Tsar Kaloyan Sofia 1000	100.00%	-
	Fitness Place Sp. z o.o.	Plac Europejski 3 00-844 Warsaw	100.00%	-
	Wesolandia Sp. z o.o.	ul. Wspólna 4 05-075 Warsaw-Wesoła	100.00%	-
	Beck Box Club Praha S.R.O.	Vinohradská 2405/190 Vinohrady, 130 00 Praha 3	100.00%	-
	Fabryka Formy S.A.	ul. Skrajna 1 62-080 Sierosław	66.06%	66.06%
	Fitness za Rogiem Sp. z o.o.	ul. Skrajna 1 62-080 Sierosław	66.06%	66.06%

Operating segment	Name of the subsidiary	Registered office of the subsidiary	The Group's share in the equity	
			30/09/2017	30/09/2016
	The One Gym S.R.O.*	Mánesova 881/27 Vinohrady, 120 00 Praha 2	66.06%	66.06%
	Zdrofit Sp. z o.o.	ul. Mangalia 4 02-758 Warsaw	55.03%	28.38%
	Tiger Sp. z o.o.**	Aleja Grunwaldzka 82 80-244 Gdańsk	30.00%	30.00%
FOREIGN SEGMENT	Benefit Systems International Sp. z o.o.	Plac Europejski 2 00-844 Warsaw	100.00%	100.00%
	Benefit Systems Bulgaria EOOD	8-10, Korab Planina Sofia 1407	100.00%	100.00%
	Benefit Systems Slovakia S.R.O.	Ruzova dolina 6 821 08 Bratislava	83.00%	93.00%
	MultiSport Benefit S.R.O.	Zeleny Pruh 95/97 140 00 Praha 4	74.00%	74.00%
CAFETERIA SEGMENT	MyBenefit Sp. z o.o.	ul. Powstańców Śląskich 28/30, 53-333 Wrocław	100.00%	100.00%
	MultiBenefit Sp. z o.o.	Plac Europejski 2 00-844 Warsaw	100.00%	100.00%

* The One Gym S. R. O. company. was formed as a result of the transformation of Form Factory S.R.O.

** The Group's share in the equity amounts to 30%, however, due to the options held to purchase the remaining 70% of non-controlling interests with effect from 22nd June, 2016, the company is consolidated using the full method, assuming a 100% share by the Group in the equity of this company.

Table 3: Table of associates and other entities

Operating segment	Name of associate	Registered office of the associate	The Group's share in the equity	
			30/09/2017	30/09/2016
FITNESS SEGMENT	Baltic Fitness Center Sp. z o.o.	ul. Puławska 427 02-801 Warsaw	49.95%	49.95%
	Instytut Rozwoju Fitness Sp. z o.o.	ul. Puławska 427 02-801 Warsaw	48.10%	48.10%
	Benefit Partners Sp. z o.o.	Plac Europejski 2 00-844 Warsaw	47.51%	100.00%
	Calypso Fitness S.A.	ul. Puławska 427 02-801 Warsaw	33.33%	33.33%
	Fit Fabric Sp. z o.o.	ul. 1go Maja 119/121 90-766 Łódź	30.00%	-
	Zdrofit Sport Sp. z o.o.	ul. Mangalia 4 02-758 Warsaw	26.69%	26.69%
	Get Fit Katowice II Sp. z o.o.	ul. Uniwersytecka 13 40-007 Katowice	20.00%	20.00%

INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR BENEFITS SYSTEMS GROUP
 PREPARED FOR THE 9 MONTH PERIOD ENDED 30th SEPTEMBER, 2017

Operating segment	Name of associate	Registered office of the associate	The Group's share in the equity	
			30/09/2017	30/09/2016
OTHER COMPANIES	LangMedia Sp. z o.o.	ul. Skwierzyńska 25/3 53-521 Wrocław	37.00%	37.00%
	X-code Sp. z o.o.	ul. Kludyny 21/4 01-684 Warsaw	31.15%	46.15%

3.2. STATEMENT OF PROFIT

Table 4: Statement of profit for Benefit Systems Group

In thousands of PLN	3 quarters of 2017	3 quarters of 2016	Change
Sales revenues	698,043	540,028	29.3%
Revenues from services rendered	693,647	534,557	29.8%
Revenues from sales of goods and materials	4,396	5,471	(19.6%)
Costs of sales	(508,290)	(399,938)	27.1%
Cost of services rendered	(505,438)	(394,847)	28.0%
Cost of goods and materials sold	(2,852)	(5,091)	(44.0%)
Gross profit on sales	189	140,090	35.5%
Selling expenses	(40,338)	(28,947)	39.4%
General and administrative expenses	(57,566)	(42,014)	37.0%
Other operating income	4,354	1,826	138.4%
Other operating costs	(6,489)	(3,570)	81.8%
Operating profit	89,714	67,385	33.1%
Financial income	2,536	2,028	25.0%
Financial costs	(5,722)	(3,597)	59.1%
Share of profits of the associates accounted for using the equity method	1,653	1,772	(6.7%)
Profit before tax	88,181	67,588	30.5%
Income tax charge	(19,306)	(16,703)	15.6%
Net profit from continuing operations	68,875	50,885	35.4%
<i>Gross margin on sales (%)</i>	<i>27.2%</i>	<i>25.9%</i>	<i>1.3 p.p.</i>

3.3. PROSPECTS

Benefit Systems Group does not publish its annual budget or short-term financial forecasts. In the Group's assessment, the current financial position supports implementation of investment projects using its own resources and externally available funding.

4. FINANCIAL RESULTS FOR THE FIRST 9 MONTHS OF 2017 BY OPERATING SEGMENT OF BENEFIT SYSTEMS GROUP

4.1. INTRODUCTION

Commencing from 2014, Benefit Systems Group presents its results based on operating segments. The results presented in the report are compared to historical data. Based on the thresholds defined in IFRS 8, Benefit Systems Group has an obligation to separately disclose only the results of the "Sports Card" and "Fitness" segments (a minimum of 10% of the Group's revenues). However, the Group has chosen to present all the defined segments due to the fact that the results of these segments are approaching the thresholds defined in IFRS 8 and there is a likelihood that the threshold will be exceeded in the following reporting periods. The presentation of all operating segments also increases the transparency of data and improves the quality of information.

Since 2015, the operations of Benefit Systems Group have been divided into the following operating segments: Sports cards, Fitness clubs, Foreign, Cafeteria, and Other activities and arrangements (Arrangements).

"Other activities and arrangements" includes activities related to management, administration and the strategic activities of the Group. It includes items that are not allocated to other operating segments and exclude intercompany transactions.

Segment revenue includes both sales to external customers and intersegment sales or transfers which can be directly allocated to an identified segment. Segment costs are the costs related to sales to external customers and costs of intersegment transactions. They result from the operating costs of the segment and can be directly attributed to it, together with a proportionate share of the Group's costs. The costs of an operating segment do not include the costs of income tax. The segment result is determined at the level of gross profit.

Table 5: Selected financial data for operating segments for the period of 9 months of 2017

In thousands of PLN	Sports cards	Fitness	Foreign	Cafeteria	Arrangements	Total
Sales revenues	536,661	123,475	62,115	49,914	(74,122)	698,043
Costs of sales	(399,010)	(104,293)	(48,695)	(34,012)	77,720	(508,290)
Gross profit on sales	137,651	19,182	13,420	15,902	3,598	189,753
Selling expenses	(21,001)	(9,087)	(8,038)	(2,266)	54	(40,338)
General and administrative expenses	(19,909)	(16,575)	(8,561)	(4,900)	(7,621)	(57,566)
<i>including the Incentive Programme</i>	0	0	0	0	(5,142)	(5,142)
Other operating income and expenses	(679)	(1,075)	58	(116)	(323)	(2,135)
Operating profit (loss)	96,062	(7,555)	(3,121)	8,620	(4,292)	89,714
Financial incomes and expenses	0	(6,719)	(424)	(175)	4,132	(3,186)

In thousands of PLN	Sports cards	Fitness	Foreign	Cafeteria	Arrangements	Total
Share of profits of associates accounted for using the equity method	0	1,787	0	0	(134)	1,653
Gross profit (loss)	96,062	(12,487)	(3,545)	8,445	(294)	88,181
EBITDA	102,283	8,334	(2,905)	9,617	(3,097)	114,232
Segment assets	531,072	412,433	30,283	83,395	(332,730)	724,453

Table 6: Reconciliation of the total value of revenues, income and assets of operating segments with similar items of the consolidated financial statements of the Group for the period of the first 9 months of 2017.

In thousands of PLN	3 quarters of 2017	3 quarters of 2016
Segment revenue		
Total revenue of operating segments	772,165	562,837
Excluding revenue from intersegment transactions	(74,122)	(22,809)
Sales revenues	698,043	540,028
Segment results		
Operating result of segments	94,006	72,806
Exclusion of result from intersegment transactions	(4,292)	(5,421)
Operating profit	89,714	67,385
Financial incomes and expenses	(3,186)	(1,569)
Share in profit or loss of entities accounted for using the equity method (+/-)	1,653	1,772
Profit before tax	88,181	67,588
In thousands of PLN	As of 30th September, 2017	As of 31st December, 2016
Total assets of operating segments	1,057,183	776,477
Exclusion of intersegment transactions	(332,730)	(185,837)
Total assets	724,453	590,640

In the period covered by the consolidated financial statements, revenues from sales attributed to the Arrangements segment primarily include exclusions of intersegment transactions. The costs are associated with management and administration activities, strategic activities within the Group and the cost of the Incentive Programme, support functions and other activities not allocated to separate operating segments.

4.2. INFORMATION ABOUT OPERATING SEGMENTS

4.2.1. SPORTS CARDS SEGMENT

The **Sports card** segment includes sports cards that are offered on the Polish market, distributed by: Benefit Systems S.A., FitSport Polska Sp. z o.o. and VanityStyle Sp. z o.o. Currently the following cards are available:

MultiSport Plus - This card allows the unlimited use of nearly 4000 sports and recreational facilities throughout Poland, providing access to over 25 different sports;

MultiSport Classic - This card can be used once a day at nearly 2000 sports facilities providing access to almost 25 different sports;

MultiActive - This card provides access to over 1700 sports facilities and over 20 different sports up to the prepaid limit stored on the card;

MultiSport Plus Kids/MultiActive Kids - These cards give children access to activities such as martial arts, dance classes, and entrance to swimming pools, adventure playgrounds, salt caves or ice rinks;

MultiSport Plus Dziecko/MultiActive Dziecko - Allows entry to selected swimming pools honouring these types of cards;

FitSport – This card gives access to many sports services, such as fitness, gym, sauna, and swimming pools within the specified limit of permitted entrances - 8 entrances per month;

FitProfit - This card allows the use of services from facilities cooperating with VanityStyle Sp. z o.o, i.e. with more than 3300 facilities in 530 towns and cities in Poland.

Sports cards are one of the most popular benefits in Poland, which are increasingly expected by potential employees. In addition, a healthy lifestyle is becoming increasingly popular among Poles. Consequently, both for employees and their families, physical fitness is synonymous with health care. It also contributes to their greater satisfaction from life and, consequently, greater engagement and efficiency at work.

At the end of the third quarter of 2017, the Group recorded an increase in the number of sports cards in Poland

to 808,000. The achievement of this result stems from the Group's effective use of its market potential and the close cooperation between the various teams in the Customer Relations Department, which was developed during the reorganisation in 2016.

In the third quarter of 2017, a holiday campaign was conducted, during which MultiSport card users were able to use city bikes, 58 outdoor swimming pools, 24 adventure parks and 17 trampoline parks all over Poland throughout the summer. In July and August, training sessions were also held at the Legia Stadium in Warsaw, as well as outdoor activities conducted by certified coaches. For the first time active sports cards users were also offered an additional benefit in the form of free tickets to cinemas and museums - a total of 2 tickets to the cinema and 2 to a museum per user each month during the summer. The additional activities introduced by the Group in the MultiSport Programme proved very popular among users and a breakdown can be found at the following address: www.kartamultisport.pl. These actions influence the year-round activity of users, especially during the summer period, which significantly prevented the seasonal decrease of active sports cards observed in previous years.

Table 7: Selected financial data from the Sports Card segment

In thousands of PLN	3 quarters of 2017	3 quarters of 2016	Change
Sales revenues	536,661	455,375	17.9%
Costs of sales	(399,010)	(336,589)	18.5%
Gross profit on sales	137	118,786	15.9%
Selling expenses	(21,001)	(17,079)	23.0%
General and administrative expenses	(19,909)	(17,318)	15.0%
Other operating income and expenses	(679)	(354)	91.8%
Operating profit	96,062	84,035	14.3%
EBITDA	102,283	88,757	15.3%
<i>Gross margin on sales</i>	25.6%	26.1%	(0.5 p.p.)
<i>Number of sports cards (in thousands)</i>	808.0	689.6	118.4

Revenues for the Sports Cards segment year-on-year increased by 81.3 million PLN. Gross margin in the comparable period increased by 18.9 million PLN. Both increases are a consequence of the continuing growth in active sports cards. Their number at the end of the third quarter of 2017 was 118,400 higher than in the corresponding period of the previous year. The lower percentage increase in gross profit on sales as compared to the percentage increase in sales revenue is a result of the provision for own cost of sales at the amount of 8.0 million PLN due to settlements between the Sports Cards and Fitness segments, as well as a further increase in the share of limited cards in the Group's portfolio. The gross percentage margin on sales decreased by 0.5 p.p. as a result of the cost of tickets to cinemas and museums in the holiday campaign (18.9 million PLN) disclosed in the third quarter of 2017.

The increase in selling expenses by 23.0% is related to the increase in the Group's scale of operations, including

an increase in employment and an increase in commissions from sports card sales. The percentage share of these expenses in the segment's revenues increased only by 0.2 percentage points, thereby continuing the trend from the end of the first half of 2017. General and administrative expenses increased by 2.6 million PLN, but their share in the segment's revenues remained at the same level as last year. The nominal increase in these costs results to a large extent from the increased scale of the Group's operations (which translated into an increased number of positions supporting this segment), as well as from extensive market research conducted by the parent company. In addition, the costs of legal services also increased, mainly as a result of assisting the Office for Consumer Protection and Competition in their explanatory activities (details in point 5.12 of this report).

The most significant items of other operating income and expenses were: costs of write-downs for deactivated sports cards (0.35 million PLN) and write-downs for bad debts (0.2 million PLN).

The results of the Sports Cards segment are affected by the seasonal activity of card users, such as MultiSport Plus and FitSport. This phenomenon may additionally be dependent on weather conditions (especially in the summer) or the number of free days in a given year.

4.2.2. FITNESS SEGMENT

The Fitness segment is made up of associates and subsidiaries operating on the fitness market. These include companies operating fitness clubs and fitness and leisure facilities, companies managing investments in fitness clubs and a company responsible for the lease of fitness equipment - detailed information on these is included in section entitled *Important information about Benefit Systems Group*. The investment activities carried out in the Fitness segment relate to sports facilities to support the MultiSport Programme. It is estimated that the Polish fitness market consists of approximately 2500 fitness clubs.

The Fitness segment is fully complementary to the Sports Cards segment and the newly opened clubs guarantee an increase in floor area, thereby enhancing the attractiveness and variety of the offer for current and future sports card users. The growth from acquisitions ensures that MultiSport card users have access to clubs in different locations, as well as a proper standard for these clubs.

At the beginning of July, 2017, an investment agreement was executed for the acquisition of 6 facilities belonging to Beck Box Club Praha S.R.O. in the Czech Republic. Growth outside Poland is aimed primarily at maintaining and enhancing the offer of MultiSport cards available to users in these countries to make them more attractive. As at the date of publication of this report, there were 11 investment clubs in foreign markets. Detailed data on investment fitness clubs is presented in the tables below:

Table 8: Number of fitness clubs in the Group in Poland

Company	The Group's share in the equity at the end of the 3 rd quarter of 2017	The number of fitness clubs		
		30/09/2017	30/09/2016	Change
Subsidiaries				
Fitness Academy	100.00%	16	12	4
My Fitness Place*	100.00%	13	0	13
Wesolandia	100.00%	1	0	1
Fabryka Formy**	66.06%	22	19	3
Zdrofit	55.03%	16	11	5
Tiger	30.00%	9	7	2
Associates				
Calypso Fitness	33.33%	44	37	7
Fit Fabric***	30.00%	8	7	1
Tiger	30.00%	9	7	2
Get Fit II Katowice	20.00%	1	1	0
Fitness Club S4****	0.00%	15	15	0
Total	-	145	109	36

* Contingent agreements for the purchase of 13 clubs by Fitness Place Sp. z o.o. signed in July and August, 2017.

** Including 19 clubs belonging to Fabryka Formy S.A., 3 clubs belonging to Fitness za Rogiem Sp. z o.o.

*** A conditional agreement for the purchase of 7 clubs, which as of 30th September, 2016, has not entered into force.

**** A conditional agreement, which as of 30th September, 2017, has not entered into force.

Table 9: Number of fitness clubs located abroad in the Group

Company	The Group's share in the equity at the end of the 3 rd quarter of 2017	The number of fitness clubs		
		30/09/2017	30/09/2016	Change
Fitness Place S.R.O.	100.00%	3	-	3
Fit Invest Bulgaria	100.00%	2	-	2
Beck Box Club	100.00%	6	-	6
The One Gym S.R.O.*	66.06%	0	-	1
Total	-	11	0	11

* Formerly Form Factory S.R.O.

In the third quarter of 2017, four new fitness clubs were opened: one each for Zdrofit, Tiger Gym, Form Factory and Calypso Fitness. As of 30th September, 2017, the investment fitness clubs in Poland operated a total of 130 clubs with an area of over 194,000 m² (without including clubs acquired under conditional agreements - S4 company). Compared to the third quarter of 2016, the investment base of fitness clubs in Poland increased by 28 facilities.

The Fitness segment includes the results of the following fully consolidated subsidiaries: Fit Invest Sp. z o.o., Fitness Place Sp. z o.o., Fitness Academy Spółka z ograniczoną odpowiedzialnością SKA, AM Classic Sp. z o.o., Jupiter Sport Sp. z o.o., Fabryka Formy S.A., Fitness za Rogiem Sp. z o.o., Zdrofit Sp. z o.o., Wesolandia Sp. z o.o., Tiger Sp. z o.o., Fit Invest EOOD, Fitness Place S.R.O. and The One Gym S.R.O. The results of other companies in the Fitness segment are consolidated using the equity method.

Table 10: Selected financial data for the Fitness Segment

In thousands of PLN	3 quarters of 2017	3 quarters of 2016	Change
Sales revenues	123,475	54,658	125.9%
Costs of sales	(104,293)	(49,524)	110.6%
Gross profit on sales	19,182	5,134	273.6%
Selling expenses	(9,087)	(8,516)	6.7%
General and administrative expenses	(16,575)	(5,416)	206.0%
Other operating income and expenses	(1,075)	(1,526)	(29.6%)
Loss from operations	(7,555)	(10,324)	(26.8%)
Financial incomes and expenses	(6,719)	(3,179)	111.4%
Share of profits of associates accounted for using the equity method	1,787	1,343	33.1%
Loss before tax	(12,487)	(12,160)	2.7%
EBITDA	8,334	649	1
Gross margin on sales	15.5%	9.4%	6.1 p.p.
Number of clubs *	141	102	39

* In Poland and abroad, excluding conditional agreements (S4).

Sales revenues from the Fitness segment increased in comparison to the same period of 2016 by 125.9%, mainly due to the increase in the number of investment clubs in subsidiaries. Their number increased by 28 clubs in Poland. At the same time, 11 foreign clubs were acquired (9 clubs in the Czech Republic and 2 in Bulgaria). Additionally, the results for 3 quarters of 2017 included newly formed companies, which generated revenues of 8.9 million PLN. Since December, 2016, the consolidation method for Zdrofit Sp. z o.o. has also changed to the full method (the earlier consolidation method was the equity method). Revenues generated by this company in the 3 quarters of 2017 amounted to 24.6 million PLN. The increase in revenues in the third quarter of 2017 was also influenced by the establishment of a revenue reserve of 8.0 million PLN relating to settlements between the Sports Card segment and the Fitness segment.

The significant increase in general and administrative expenses is a result of the dynamic growth of the Fitness segment. In the first months of their operations, new fitness clubs generate high costs, while revenues remain relatively low. The percentage share of general and administrative costs in revenues decreases with clubs reaching maturity and gaining regular customers. In the 3 quarters of 2017, general and administrative costs of newly established companies totalled 2.7 million PLN, with costs resulting from the change in the method of consolidation for Zdrofit Sp. z o. o. (+1.5 million PLN).

The increase in losses before tax on the whole segment is a result of the dynamic growth of the fitness network: investments in new locations in Poland and abroad and development of administrative support, enabling dynamic expansion and providing sports cards users with a rich sports offer.

4.2.3. FOREIGN SEGMENT

The Foreign segment includes all activities of Benefit Systems Group undertaken outside the Polish market. Benefit Systems International Sp. z o.o. is responsible for the Group's foreign expansion and supervises the development of the MultiSport Programme on the Czech, Slovak and Bulgarian markets. At the end of the third quarter of 2017, 105,600 MultiSport cards were active on foreign markets, which is an increase of 60,400 cards over the period of the last 12 months.

The period in question was characterised by high a rate of growth in sales in all three markets. In the Czech Republic, 62,100 cards were active at the end of the third quarter of 2017, which means an 80% increase in the number of cards compared to the end of September, 2016. This result was influenced by increasing the number and effectiveness of sales and customer service teams, as well as activities involving customers, including those promoting healthy and active lifestyles. The increase in the number of cards is also a consequence of the growing number of partner establishments that honour Multisport cards.

At the end of the third quarter of 2017, Bulgaria had 37,700 active MultiSport cards (a change of 27,800 cards year-on-year), while Slovakia had 5,900 MultiSport cards (a change of 4,400 cards year-on-year), which in total represents an almost fourfold increase compared to the number of active cards at the end of September, 2016. Both Benefit Systems Slovakia S.R.O. and Benefit Systems Bulgaria EOOD maintain a high rate of growth in card sales while simultaneously constantly developing their network of partner facilities in their capital cities, as well as in smaller towns and cities. During this period, the number of partner institutions increased by almost 55%.

Table 11: Selected financial data from the Foreign segment

In thousands of PLN	3 quarters of 2017	3 quarters of 2016	Change
Sales revenues	62,115	27,134	128.9%
Costs of sales	(48,695)	(20,294)	139.9%
Gross profit on sales	13,420	6,840	96.2%
Selling expenses	(8,038)	(1,644)	388.9%
General and administrative expenses	(8,561)	(6,145)	39.3%
Other operating income and expenses	58	134	(56.7%)
Loss from operations	(3,121)	(815)	282.9%
Financial incomes and expenses	(424)	(152)	178.9%
Loss before tax	(3,545)	(967)	(266.6%)
EBITDA	(2,905)	(719)	304.0%
<i>Gross margin on sales</i>	21.6%	25.2%	(3.6 p.p.)
<i>Number of sports cards (in thousands)</i>	105.6	45.2	60.4

* The Foreign segment includes the results of: Benefit Systems International Sp. z o.o., MultiSport Benefit S.R.O, Benefit Systems Bulgaria EOOD and Benefit Systems Slovakia S.R.O., fully consolidated.

The largest foreign market remains the Czech market, which generates approximately 60% of the segment's total revenues (as at the end of September, 2016, it accounted for almost 85%). However, a significant increase in the share of the Bulgarian and Slovak markets can be seen. The increase in the cost of sales is related to an increase in the number of active cards compared to the same period of 2016, which in turn results in an increase in the costs of using partner facilities. The decrease in gross margin from sales is a result of the increased activity of users in Bulgaria, which is a normal trend at this stage of development, and the increased number of test cards provided to users.

In the comparable periods of 2017 and 2016, the costs of sales and general and administrative costs are increasing. This increase, especially in the cost of sales, is caused by the continuation in the intensive development of sales structures in the past period, as well as structures ensuring the proper level of quality in serving the growing number of customers and the related need to almost double employment in the segment. This applies both to the new markets and the most developed Czech market. The result of these activities is an increase in pre-tax losses and EBITDA for the entire Foreign segment.

4.2.4. CAFETERIA SEGMENT

The Cafeteria segment is responsible for the development of the MyBenefit and MultiKafeteria platforms, which offer a wide range of products and services, including the Group's own products in the area of culture and entertainment.

The MyBenefit and MultiKafeteria cafeteria platforms give employees the choice of any non-monetary benefits within a budget specified by the employer, as well as the scope of these benefits. The benefits can be selected using an internet platform, which is accessible only by authorised personnel. The programme offers cafeteria products and services in the area of sport, health, tourism, culture and shopping vouchers, which can be used at the retail chains of famous brands in Poland.

The Cinema Programme is the main pillar of the cultural and entertainment programme offered by the Group, in which tickets are available to over 200 partner cinemas throughout Poland (including Cinema City, Helios and Multikino).

MultiTeatr is a selected offer of vouchers for hundreds of theatrical performances. The programme includes popular theatres in major Polish towns and cities.

BenefitLunch offers a subscription or pass access for lunch in nearly 600 premises in dozens of Polish towns and cities.

MultiMuzeum gives access to 18 museums and art galleries for selected exhibitions - the owner of MultiMuzeum voucher decides where, when and which exhibition they want to go.

Table 12: Selected financial data of the Cafeteria segment

In thousands of PLN	3 quarters of 2017	3 quarters of 2016	Change
Sales revenues	49,914	25,670	94.4%
Costs of sales	(34,012)	(17,907)	89.9%
Gross profit on sales	15,902	7,763	104.8%
Selling expenses	(2,266)	(2,303)	(1.6%)
General and administrative expenses	(4,900)	(5,504)	(11.0%)
Other operating income and expenses	(116)	(45)	157.8%
Operating profit (loss)	8,620	(89)	-
Financial incomes and expenses	(175)	(84)	108.3%
Share of profits of associates accounted for using the equity method	0	145	-
Gross profit (loss)	8,445	(28)	-
EBITDA	9,617	597	1
<i>Gross margin on sales</i>	<i>31.9%</i>	<i>30.2%</i>	<i>1.7 p.p.</i>
<i>Turnover (in millions of PLN) *</i>	<i>164.9</i>	<i>132.0</i>	<i>32.9</i>
<i>Number of users (in thousands)</i>	<i>275</i>	<i>227</i>	<i>48</i>

* On the basis of notes, invoices and bills from the MultiKafeteria and MyBenefit cafeteria platforms.

In the first three quarters of 2017, the MyBenefit and MultiKafeteria cafeteria platforms were used by more than 275,000 users, which is an increase of 48,000 users compared to the same period in 2016. Significant growth in the Segment's revenues in this period was due to, among other things, the sale of tickets to cinemas and museums under the "MultiSport na lato" campaign (18.9 million PLN). The impact of this campaign on the segment's gross profit amounted to 5.6 million PLN. Other increases are related to the development of the MyBenefit platform (an increase in the number of users by 50,000) as well as the development of the Group's own products. Lower general and administrative costs for the segment are, among other things, the result of structural changes in MultiBenefit carried out in 2016. General and administrative expenses of the segment include provisions for the cost of supplementary remuneration under the contracts for the sale of shares in MyBenefit Sp. z o. o. amounting to 0.9 million PLN in the three quarters of 2017 and 1.4 million PLN in the corresponding period of 2016.

4.2.5. OTHER ACTIVITIES AND ARRANGEMENTS

Other activities and arrangements include revenues other than from the sale of non-monetary incentive products and indirect costs that are not allocated to these revenues. Revenues primarily include the elimination of transactions between segments. The costs are associated with management and administration activities, strategic activities in the Group and the cost of the Incentive Programme, support functions and other activities not allocated to separate operating segments.

Table 13: Other activities and agreements

In thousands of PLN	3 quarters of 2017	3 quarters of 2016	Change
Sales revenues	(74,122)	(22,809)	225.0%
Costs of sales	77,720	24,376	218.8%
Gross profit on sales	3,598	1,567	129.6%
Selling expenses	54	595	(90.9%)
General and administrative expenses	(7,621)	(7,629)	(0.1%)
<i>including the cost of the Incentive Programme</i>	<i>(5,142)</i>	<i>(5,619)</i>	<i>(8.5%)</i>
Other operating income and expenses	(323)	46	(702.2%)
Loss from operations	(4,292)	(5,421)	(20.8%)
Financial incomes and expenses	4,132	1,845	124.0%
Share of profits of associates accounted for using the equity method	(134)	285	147.0%
Loss before tax	(294)	(3,291)	91.1%
EBITDA	(3,097)	(4,857)	(36.2%)

The growing number of investment clubs in subsidiaries and the increase in the number of sports cards have a direct impact on the increase in the value of sales revenues and cost of sales from mutual transactions between the Fitness and Sports Cards segments. Gross profit from sales reflects income from the Group's marketing activities, and other income not allocated to operating segments. It is also a result of the consolidation exclusions for the amortisation of trademarks owned by Benefit Intellectual Property. The decrease in costs of the Incentive Programme is caused by a lower annual number of campaigns and the higher price of including campaigns in the Programme for 2017-2020.

Other operating activities include, among others, donations made as part of the Group's charitable activities, as well as the result from the sale of fixed assets. The increase in income from financing activities is, among other things, the result of financing granted to subsidiaries included in the Fitness segment.

The negative result on shares in entities measured by the equity method is the result of the transaction for the sale of shares in X-Code.

4.3. OTHER FINANCIAL DATA

Table 14: Financial income and expenses for Benefit Systems Group

In thousands of PLN	3 quarters of 2017	3 quarters of 2016	Change
Financial income	2,536	2,028	25.0%
Financial costs	(5,722)	(3,597)	59.1%
Share of profits (loss) of associates accounted for using the equity method (+/-)	1,653	1,772	(6.7%)

The Group's financial results in the three quarters of 2017 were influenced primarily by the costs connected with the issue of two series of bonds (including interest expenses), an increase in the credit line and financial lease liabilities (leaseback for fitness equipment). Financial income, which was higher by 0.5 million PLN than in the previous year, was mainly generated from loans granted to associates and strategic partners of the Group.

On the reporting date the parent company, Benefit Systems S.A., granted loans to the balance sheet total of 355.1 million PLN (30th September, 2016: 182.8 million PLN), out of which the subsidiaries received a total of 285.6 million PLN. This financial support is directed mainly at investments in entities operating in the fitness industry (90.0%), including within the framework of the loan programme for Partners (3.0%), and to a lesser extent (5.3%) at providing ongoing liquidity in subsidiaries outside the fitness segment. Almost 84.0% of this pool were long-term loans.

All loan agreements were concluded on conditions that do not deviate from market conditions with a variable interest rate depending on WIBOR 3M or WIBOR 1M. This reduces the lender's risk in the event of an unfavourable change in interest rates.

On the reporting date, the parent company had debt from 3-year bonds issued at the amount of 121.0 million PLN plus interest, loans from related parties of 35.2 million PLN, an overdraft facility in its current account of 84.0 million PLN and 23.3 million PLN due to finance leases. The increase in financial expenses is mainly interest on the bonds to the amount of 2.9 million PLN, the cost of finance leases for fitness equipment to the amount of 0.8 million PLN and foreign exchange differences of 0.3 million PLN. In addition, this item does not include interest on loans from related parties (1.0 million PLN), write-down for loans granted (0.5 million PLN), the loss on the sale of investments (0.4 million PLN) or valuation of loans using adjusted purchase price (1.3 million PLN).

The result of associates measured under the equity method decreased by 119,000 PLN compared to the same period. This position includes the results of the companies: Calypso Fitness S.A. (728,000 PLN), Instytut Rozwoju Fitness Sp. z o.o. (1,031,000 PLN) and LangMedia Sp. z o.o. (209,000 PLN) and the share in the profits of the company X-Code Sp. z o.o. (-344,000 PLN). The result for the first three quarters of 2017 also includes the results of companies not valued by equity method in the comparable period, i.e. Fit Fabric Sp. z o.o. (206,000 PLN) and Benefit Partners Sp. z o.o. fully consolidated by 15th May, 2017 (-169,000 PLN). At the same time, this item does not take into account the result of Zdrofit Sp. z o. o. z o. o., valued with the equity method in the first half of 2016, and consolidated with the full method in 2017 (433,000 PLN).

Table 15: Statement of financial position for Benefit Systems Group

In thousands of PLN	As at 30/09/2017	As at 31/12/2016	Change	As at 30/09/2016
Non-current assets	469,825	391,798	19.9%	340,047
<i>Share in balance sheet total</i>	64.9%	66.3%	(1.4 p.p.)	66.2%
Current assets	254,628	198,842	28.1%	173,601
<i>Share in balance sheet total</i>	35.1%	33.7%	1.4 p.p.	33.8%
Total assets	724,453	590,640	22.7%	513,648
Capital equity of the shareholders in the parent company	204,629	160,433	27.5%	128,886
<i>Share in balance sheet total</i>	28.3%	27.2%	1.1 p.p.	25.1%
Non-controlling interests	15,435	17,251	(10.5%)	3,641
<i>Share in balance sheet total</i>	2.1%	2.9%	(0.8 p.p.)	0.7%
Long-term provisions and liabilities	156,814	236,349	(33.7%)	237,131
<i>Share in balance sheet total</i>	21.6%	40.0%	(18.4 p.p.)	46.2%
Short-term provisions and liabilities	347,575	176,607	96.8%	143,990
<i>Share in balance sheet total</i>	48.0%	29.9%	18.1 p.p.	28.0%
Total liabilities	724,453	590,640	22.7%	513,648

Non-current assets

The non-current assets of Benefit Systems Group increased by 78.0 million PLN compared to December, 2016. The biggest increase was recorded in property, plant and equipment, i.e. an increase of 32.1 million PLN, mainly as a result of the full consolidation of the new subsidiaries and the purchase of fitness equipment by subsidiaries. There was also an increase in the value of deferred income tax assets, i.e. an increase of 5.5 million PLN, and long-term receivables from loans granted increased by 9.2 million PLN (an increase of 13.7 million year-on-year). This amount consists mainly of loans granted to Benefit Partners Sp. z o.o., not excluded from consolidation as at 30th September, 2017, due to the change in the type of affiliation of this company in the Group from a subsidiary to an affiliated company in May, 2017. In addition, in the discussed period of 2017, the Group acquired shares in Wesolandia Sp. z o.o. and Beck Box Club S.R.O. and assets in Holmes Place in the Czech Republic - the recognized goodwill amounted to 3.4 million PLN, 11.2 million PLN and 3.8 million PLN, respectively. The increase also relates to investments in associates at the amount of 7.5 million PLN, including: acquisition of Fit Fabric Sp. z o.o. of 3.6 million PLN, a change in the consolidation method for Benefit Partners Sp. z o.o. due to the loss of control of 2.6 million PLN and a share in the result of associates of 1.6 million PLN.

Current assets

Total current assets increased by 55.8 million PLN compared to the end of 2016. Trade receivables increased by 26.9 million PLN, including trade receivables resulting from full consolidation of new companies (6.0 million PLN), and other receivables increased by 41.6 million PLN from the deposit paid under the agreement for the acquisition of shares in the Holmes Place network in the Czech Republic by Fitness Place Sp. z o.o. In the reporting period, the balance sheet value of loans extended increased by

6.4 million PLN, mainly as a result of the Multisport partner loan programme (4.6 million PLN). Inventory levels decreased by 8.5 million PLN, of which 5.2 million PLN was in the parent company, mainly as a result of transferring fitness equipment to Partners for leasing.

At the same time, the level of cash in the Group decreased by 18.9 million PLN (for the three quarters of 2016: 58.7 million PLN). Short-term prepayments increased by 8.4 million PLN, of which 3.2 million PLN were uninvoiced sports card settlements in the parent company.

Long-term provisions and liabilities

Total long-term liabilities in the three quarters of 2017 fell compared to the end of 2016 by 79.5 million PLN, mainly as a result of the reclassification of the liability for the series A bonds issued by the parent company as a short-term liability (-50.0 million PLN). Long-term prepayments and accruals increased (8.2 million PLN), including grants received by Fitness Academy Spółka z ograniczoną odpowiedzialnością SKA at the amount of 4.5 million PLN and settlements for fit-outs and rental holidays in Zdrofit Sp. z o.o. of 3.7 million PLN. The provision for deferred income tax increased by 2.5 million PLN. Financial lease liabilities decreased (-9.6 million PLN), mainly as a result of not including in the consolidation process Benefit Partners Sp. z o.o. (leaseback for sports equipment) and other liabilities by the amount of 29.1 million PLN, of which 25.1 million PLN is the reclassification of the liability arising from the put option to short-term liabilities. In addition, the parent company repaid the liability resulting from the acquisition of shares in the subsidiary company MyBenefit Sp. z o.o. (4.0 million PLN).

Short-term provisions and liabilities

In the three quarters of 2017, short-term liabilities increased by 171.0 million PLN. It is mainly related to the reclassification of liabilities under the series A bond issue as short-term liabilities (50.0 million PLN), the increase in other liabilities of 23.9 million PLN (including reclassification of the put option as short-term liabilities), and the increase in short-term prepayments of 12.9 million PLN, which include provisions for the costs of the Sports Card segment. Additionally, as a result of an increase in the current account overdraft facility, the Group's short-term from loans and borrowings increased by 134.0 million PLN.

However, in the discussed period, employee benefit liabilities decreased by 2.0 million PLN (non-monetary benefits for employees) and leasing liabilities decreased by 1.6 million PLN.

Table 16: Cash flow statement for Benefit Systems Group

In thousands of PLN	3 quarters of 2017	3 quarters of 2016	Change
Net cash from operating activities	105,295	80,555	30.7%
Net cash from investment activities	(151,416)	(42,608)	255.4%
Net cash from financing activities	27,244	(3,226)	(944.5%)
Net cash flow, total	(18,877)	34,721	(154.4%)
Cash and cash equivalents at end of period	46,318	58,698	(21.1%)

As at 30th September, 2017, the Group had 46.3 million PLN in cash. This was mainly accumulated in the accounts of the parent company Benefit Systems S.A. (3.5 million PLN) and the subsidiaries MyBenefit Sp. z o.o. (20.0 million PLN), the Czech company MultiSport Benefit S.R.O. (5.6 million PLN), Fitness Place Sp. z o.o. (2.1 million PLN) and MultiBenefit Sp. z o.o. (1.9 million PLN). Benefit Systems Group is not and

was not involved in currency options or other hedging or speculative derivatives in the three quarters of 2017.

On the date of this report, taking into account the cash position and available credit lines, the Group does not anticipate any liquidity problems in connection with the implementation of its investment plans (including capital investments).

Operating activities

As at 30th September, 2017, cash flows from operating activities amounted to 105.3 million PLN and were higher by 24.7 million PLN compared to the three quarters of 2016, which was influenced by, among others, a net profit higher by 20.6 million PLN, as well as positive adjustments of 8.1 million PLN, of which 7.5 million PLN is depreciation and positive changes in working capital of 6.7 million PLN. At the same time, the income tax paid was higher by 10.6 million PLN than in the corresponding period.

Investment activities

Net cash flow from investment activities amounted to -151.4 million PLN. It was composed of, among others, the following expenditure on the purchase of fixed assets (mainly the purchase of fitness equipment), acquisition of an organised part of the enterprise in the form of fitness clubs (-59.1 million PLN) and expenditure related to the opening of new clubs (-23.3 million PLN). The Group also incurred expenses on the acquisition of shares in the following subsidiaries: Wesolandia Sp. z o.o. (-5.1 million PLN) and Beck Box Club S.R.O. (-11.3 million PLN), as well as payment of the next instalment for shares in MyBenefit Sp. z o.o. (-9.9 million PLN).

In addition, the Group incurred expenses related to the acquisition of the associate Fit Fabric Sp. z o.o. (-3.6 million PLN), an increase in capital in Benefit Partners Sp. z o.o. (-2.1 million PLN) and an advance payment for investments in the clubs of Fitness Club S4 (-7.0 million PLN). Expenditure on the purchase of intangible assets amounted to -9.4 million PLN (mainly costs related to software). In 2017, the Group granted loans to the amount of 14.2 million PLN, mainly to associates and partners of the Multisport programme.

Proceeds from investing activities comprised mainly repayments of loans received together with interest (4.7 million PLN), proceeds from the sale of shares in associates (0.5 million PLN) and sales of fitness equipment under lease agreements (0.4 million PLN).

Financing activities

As at 30th September, 2017, cash flows from financing activities amounted to 27.2 million PLN and were 30.5 million PLN higher than in the corresponding period of 2016, mainly due to an increase in the overdraft facility. In the period in question, the revenues from this item amounted to a total of 84.5 million PLN. Additionally, net cash flows from financing activities were significantly affected by the payment of a dividend in the form of the buyback of shares by the parent company in September, 2017 (-42.5 million PLN), and the repayment of finance lease liabilities at the amount of 7.5 million PLN, interest paid at the amount of 3.9 million PLN and repayment of loans and borrowings at the amount of 3.0 million PLN.

4.4. SELECTED FINANCIAL INDICATORS

Table 17: Financial indicators of Benefit Systems Group

Profitability ratios	3 quarters of 2017	3 quarters of 2016	Change
Gross return on sales	27.2%	25.9%	1.3 p.p.
EBITDA	16.4%	15.6%	0.8 p.p.
Return on operations (EBIT)	12.9%	12.5%	0.4 p.p.
Gross profitability	12.5%	12.4%	0.1 p.p.
Net profitability	9.8%	9.4%	0.4 p.p.
Return on equity (ROE)	0.31	0.38	(0.07)
Return on assets (ROA)	0.095	0.099	(0.004)

Liquidity ratios	3 quarters of 2017	3 quarters of 2016	Change
Current liquidity	0.73	1.21	(0.48)
Quick ratio	0.67	1.10	(0.43)

The profitability assessment was carried out on the basis of the following indicators defined below:

- *gross profitability on sales: gross profit from sales / revenues from sales,*
- *profitability on EBITDA: EBITDA / revenues from sales,*
- *profitability from operations: operating profit (EBIT) / revenues from sales,*
- *gross profitability: gross profit / (operating income + financial income + extraordinary profits),*
- *net profitability: net profit / (operating income + financial income + extraordinary profits),*
- *return on equity (ROE): net profit / equity (end of period),*
- *return on assets (ROA): net profit / total assets (end of period),*
- *current ratio: current assets / current liabilities,*
- *quick ratio: (current assets - inventory - short-term prepayments) / current liabilities.*

5. ADDITIONAL INFORMATION

5.1. SIGNIFICANT EVENTS IN THE GROUP DURING THE REPORTING PERIOD

Loan agreements within Benefit Systems Group

In the three quarters of 2017, two loan agreements were concluded between Benefit Systems S.A. and Fitness Academy Limited Spółka z ograniczoną odpowiedzialnością SKA (the Borrower) for the total amount of 7.0 million PLN, as a result of which the total value of loan agreements concluded between these companies in the period of 12 months was 62.7 million PLN. The interest rate on the loans is variable and was set at market conditions. The loans are intended to enable the Borrower to finance its day-to-day operations.

In the discussed period, loan agreements were concluded between Benefit Systems S.A. and Fit Invest Sp. z o.o. (the Borrower) for a total amount of 42.1 million PLN, with the longest repayment term until 1st November, 2023. After concluding the last loan agreement, the total value of the loan agreements concluded between Benefit Systems S.A. and Fit Invest Sp. z o.o. in the last 12 months was 53.6 million PLN. All loan amounts will be disbursed in accordance with the provisions of the individual agreements (in tranches or once only). The interest rate on the loans is variable and was set at market conditions. The loan agreements do not contain any suspending or terminating conditions, nor do they provide for contractual penalties, and the remaining conditions do not differ from those commonly applied in such agreements. Loans granted to Fit Invest Sp. z o.o. shall enable the company to finance its investment activities.

In the three quarters of 2017, loan agreements were concluded between Benefit Systems S.A. and Fitness Place Sp. z o.o. (the Borrower) for the amount of 56.5 million PLN, as a result of which the total value of loan agreements concluded between these companies in the period of 12 months reached 57.75 million PLN. The loan amounts will be disbursed in tranches as required by the Borrower. The interest rate on the loans is variable and was set at market conditions. The loans are intended to enable the Borrower to finance day-to-day activities, including those related to the investment activity in the fitness area.

Conclusion of an annex to an investment agreement and the acquisition of shares in Fit Fabric Sp. z o.o.

On 12th January, 2017, the Issuer's subsidiaries: Fabryka Formy S.A. and Fit Invest Sp. z o.o. concluded an annex to the investment agreement, dated 30th June, 2016, with Marcin Warzycki, Katarzyna Zgierska, Tomasz Nowiński and Grzegorz Zgierski, relating to the investment in Fit Fabric Sp. z o.o. On the basis of the annex Fabryka Formy S.A. transferred all the rights and duties held by it arising from the agreement with Fit Invest Sp. z o.o., as a consequence of which on 12th January, 2017, sale agreements were concluded between Fit Invest Sp. z o.o. and Marcin Wawrzycki, Katarzyna Zgierska and Tomasz Nowiński, for the shares in Fit Fabric Sp. z o.o. under the conditions indicated in current report No. 23/2016. Additionally, from 2020 Fit Invest Sp. z o.o. shall be entitled to acquire the remaining shares in the share capital of Fit Fabric Sp. z o.o., on the terms and conditions referred to in the Issuer's current report No. 23/2016.

Conclusion of an annex to an investment agreement relating to Fabryka Formy S.A.

On 27th April, 2017, an annex was signed between Benefit Systems S.A. and Mr Ireneusz Sęk, a shareholder of Fabryka Formy S.A., regarding the investment agreement of 16th March, 2012. In accordance with the annex, the scope of investment support related to the further development of the network of clubs belonging to Fabryka Formy S.A. was updated as follows:

- granting sureties with a total value not exceeding 10 million PLN (previously: 15 million PLN);
- granting loans to a total value not exceeding 46.5 million PLN (previously: 41.5 million PLN);
- conclusion of lease agreements for fitness equipment with a total value not exceeding 21.5 million PLN (unchanged).

The remaining significant provisions of the investment agreement remain unchanged. Simultaneously, together with the annex concluded, the Issuer concluded an annex to the loan agreement with Fabryka Formy S.A., taking into account the aforementioned provisions. The source of financing the investment is the Issuer's own funds and loans. The purpose of the changes introduced is to implement the plans of Fabryka Formy S.A. to open further clubs.

Conclusion of an annex to the conditional agreement establishing an obligation to purchase shares in Calypso Fitness S.A.

On 14th June, 2017, Benefit Systems S.A. and the Issuer's subsidiary: Fit Invest Sp. z o.o. concluded an annex with Glastonbury Ventures Limited (Ltd) and Mr Mikołaj Nawacki to the conditional agreement establishing an obligation to sell shares in Calypso Fitness S.A. The agreement relates to the purchase of a block of 79,471 shares in Calypso Fitness S.A. with its registered office in Warsaw from the Seller, i.e. the purchase of 26,898 shares conferring the right to 16.957% of the share capital and the right to the same number of votes at the General Meeting of Shareholders by Fit Invest Sp. z o.o. and the acquisition of 52,573 shares conferring the right to 33.143% of the share capital and the right to the same number of votes at the General Meeting of Shareholders by the Issuer.

On the basis of the annex, the agreement was extended until 31st December, 2017, and there was a change in the amount and principles for paying the purchase price for the shares of Calypso Fitness S.A. The suspending condition for the Agreement is the final decision of the President of the Office of Competition and Consumer Protection granting consent for the concentration.

Conclusion of understandings on agreements for the sale of shares in MyBenefit sp. z o.o.

On 20th March, 2017, Benefit Systems S.A. concluded an understanding with Mr Witold Szlachta and Mr Łukasz Bartoszewicz amending the agreements for the sale of shares in MyBenefit Sp. z o.o. with its registered office in Wrocław. Under the understandings, certain terms and conditions of bonus payments were modified, which the company informed of in current report No. 17/2015 of 3rd April, 2015, and in current report No. 40/2015 dated 9th December, 2015. As a consequence of the above arrangements, the remaining part of the bonus will be payable by the parent company in 2017. The maximum total amount of the bonus has remained unchanged. Simultaneously with the signing of the understandings, Mr Witold Szlachta and Mr Łukasz Bartoszewicz resigned from their positions in the Management Board of MyBenefit Sp. z o.o. with effect from 30th June, 2017. These changes are a manifestation of the strategy consistently pursued by Benefit Systems Group to develop the cafeteria platform segment.

Conclusion of a preliminary sale agreement for Fitness Club S4 Spółka z ograniczoną odpowiedzialnością sp.k.

On 22nd August, 2017, an understanding was concluded between Fit Invest Sp. z o.o. and Fitness Club S4 Sp. z o.o. (the Company), B.J.Kowalczyk, R.Woźniak and U.Borawska-Kowalczyk, on the basis of which on 22nd August, 2017, on the understanding of the parties, the investment agreement concluded between these entities on 22nd June, 2016, relating to the Company was terminated in the light of its failure to meet the condition precedent contained therein by the deadline specified in the agreement.

At the same time, on 22nd August, 2017, Fit Invest Sp. z o.o. and the Company concluded a preliminary sale agreement for the Company. Under this agreement, Fitness Club S4 Sp. z o.o. and Fit Invest Sp. z o.o. undertook to conclude a promised sale agreement for the Company's enterprise in the form of a network of fitness clubs, consisting of 15 fitness clubs located mostly in Warsaw, by 30th July, 2018, for a total price not exceeding 23,827,684.40 PLN. The preliminary agreement sets out a number of conditions precedent for the conclusion of the promised sale agreement for the Company's enterprise. The parties have agreed that the promised contract may be concluded by another entity than Fit Invest Sp. z o.o., belonging to the Fit Invest Group.

Conclusion of agreements concerning the purchase of fitness clubs belonging to Platinum Wellness Sp. z o.o.

On 20th July, 2017, the Issuer's subsidiaries, i.e. Fitness Place Sp. z o.o. with its registered office in Warsaw ("the Buyer") and Fit Invest Sp. z o.o. with its registered office in Warsaw ("the Buyer's Guarantor") concluded a conditional agreement for the sale of organised parts of the company with the company Platinum Wellness Sp. z o.o. with its registered office in Kraków (the "Seller"). Based on the agreement, Fitness Place Sp. z o.o. will acquire 9 fitness clubs, including:

- five fitness clubs in the Małopolskie Voivodeship operating under the "Fitness Platinum" brand;
- four fitness clubs in the Silesian and Opolskie Voivodeships operating under the "Smart Gym" brand;

for a total price not exceeding 38,568,124.91 PLN. The contract sets out a number of conditions precedent with regard to the effectiveness of transferring the fitness clubs to the Buyer. Under the agreement, the Buyer's Guarantor granted a surety for all the Buyer's liabilities under this agreement up to the amount of 38,568,124.91 PLN.

Subsequently, on 23rd August, 2017, the aforementioned entities concluded another preliminary conditional agreement for the sale of organised parts of the enterprise. On the basis of this agreement, the Buyer and Seller undertook to conclude, by 31st December, 2019, a promised sale agreement for the organised parts of the Seller's enterprise consisting of three fitness clubs located in the Małopolskie Voivodeship for a total price not exceeding 14,013,000.00 PLN. In connection with the acquisition of the organised parts of the enterprise referred to above, the Buyer shall take over the liabilities directly related to the business activity of these organised parts of the enterprise in the total amount not exceeding 600,000.00 PLN. The agreement sets forth a number of conditions precedent for the conclusion of the promised sale agreement for the organised parts of the Seller's enterprise, wherein these have been reserved for the Buyer, and therefore it has the right to enter into the final agreement also in the event of the non-performance of certain precedent conditions. In addition, in accordance with the agreement, the

Buyer's Guarantor granted a surety for all the Buyer's obligations under the agreement up to the amount of 14,013,000.00 PLN.

The purpose of purchasing fitness clubs is to provide a suitable training base for MultiSport sports card users, a flagship product of the Benefit Systems Group.

Conclusion of a significant agreement

On 15th March, 2017, the parent company signed an agreement with Poczta Polska S.A., in which Poczta Polska employees (and their families) will have access to sports and leisure services. The contract was signed as a result of a tender under a public procurement contract. The maximum remuneration of the parent company for the execution of the contract will amount to 28,127,804.04 PLN gross. The agreement was concluded for the period from 10/04/2017 to 09/01/2019. The agreement is a continuation of the previous contract with Poczta Polska S.A.

Consent of the Issuer to change the Conditions of Issue for series B bonds

On 9th February, 2017, a Meeting of Bondholders was held at the Issuer's registered office for the series B bonds issued by the Issuer, which adopted a resolution to change the terms of the issue of series B bonds consisting of the adoption of new wording for the definition of Financial Debt contained in the issue terms and conditions and to the extent necessary to grant the bondholders additional remuneration. The Issuer, acting in accordance with article 67, paragraph 2 of the act dated 15th January, 2015 on bonds (Journal of Law from 2015, item 238), agreed to change the Issue Terms and Conditions.

Conclusion of an annex to the loan agreement with Bank Zachodni WBK S.A.

On 26th April, 2017, the Management Board of Benefit Systems S.A. received from Bank Zachodni WBK S.A. an annex to the agreement for a multi-purpose and multi-currency credit line, which takes into account a change of the credit repayment date to 30th April, 2018, and the Bank's obligation to issue a guarantee, based on the Company's order/instruction, for up to 6 million PLN (within the credit line granted up to 41.0 million PLN) during the period of availability until 30th April, 2018, for the following types of payments: payment of rent, commercial payments, proper execution of trade agreements; expiring no later than 2 years after the date the Bank's obligation arises.

Conclusion of an investment loan agreement with Bank Zachodni WBK S.A.

On 27th June, 2017, the parent company received an agreement from Bank Zachodni WBK S.A. for investment credit. Interest at WIBOR 1M plus the bank's margin will be charged on the amount of credit used. The loan will be repaid in 25 instalments payable on the last day of each calendar month, wherein:

- 1) 24 equal instalments of 1.25 million PLN shall be payable from 30th June, 2018,
- 2) the last, 25th instalment of 30 million PLN shall be payable on 27th June, 2020.

The loan repayment is secured by collateral:

- a) a blank promissory note issued by the parent company together with a promissory note declaration,
- b) a statement made by the parent company on submission to enforcement pursuant to article 777, § 1, point 5) of the Code for Civil Proceedings up to the amount of 90 million PLN, wherein, the Bank will be able to apply for a declaration of enforceability for the notary deed by 27th June, 2025.

In all other aspects, the contract contains provisions typical of such contracts.

Conclusion of a multi-purpose credit limit agreement with Powszechna Kasa Oszczędności Bank Polski S.A.

On 22nd August, 2017, Benefit Systems S.A. and Powszechna Kasa Oszczędności Bank Polski S.A. with its registered office in Warsaw (the Bank) concluded an agreement for a multi-purpose credit limit. The subject of the agreement is granting the parent company a sublimit for an overdraft up to 50 million PLN, which may be used by the parent company to finance current liabilities resulting from its business activity. Interest at WIBOR 1M plus the bank's margin will be charged on the amount of credit used. The overdraft limit is granted for the period from 22nd August, 2017 to 22nd August, 2020.

The loan repayment is secured by collateral:

- a) a blank promissory note issued by the parent company together with a promissory note declaration,
- b) a statement made by the parent company on submission to enforcement pursuant to article 777, § 1, point 5) of the Code of Civil Proceedings up to the amount of 75 million PLN, wherein, the Bank will be able to apply for a declaration of enforceability for the notary deed up to 21st August, 2025.

In all other aspects, the contract contains provisions typical of such contracts.

Appointment of members of the Management Board for Benefit Systems S.A. for a new joint term

On 10th May, 2017, in connection with the expiry on 11th June, 2017, of the current term of office of the joint Management Board of the parent company, the Supervisory Board of the parent company determined that, starting from 11th June, 2017, the next term of office of the joint Management Board of the parent company shall consist of three members.

At the same time, the Supervisory Board appointed:

- Mr Arkadiusz Hanszke,
- Mr Adam Kędzierski, and
- Ms Izabela Walczewska-Schneyder,

to perform the functions of members of the Management Board of the parent company for the next joint term of office.

Changes in the Management Board of Benefit Systems S.A. and Benefit Systems International Sp. z o.o.

On 10th August, 2017 the Supervisory Board of Benefit Systems S.A. accepted changes in the composition of the Management Board of Benefit Systems S.A. Three new members were added to the Management Board of the parent company:

- Grzegorz Haftarczyk, who will oversee the Fitness Segment,
- Adam Radzki, managing the Analysis Division and Project Management Office, and
- Emilia Rogalewicz responsible for sales and relations with Clients and Partners.

At the same time, in connection with the plans for dynamic development on foreign markets, on 10th August, 2017, Adam Kędzierski resigned from his position as a member of the Management Board of Benefit Systems S.A. and was appointed President of Benefit Systems International Sp. z o.o., a 100% subsidiary of the parent company, and will be responsible for the Group's development on foreign markets.

Appointment of the Audit Committee by the Supervisory Board of Benefit Systems S.A.

On 13th July, 2017, the Supervisory Board of Benefit Systems S.A. appointed an Audit Committee with the following composition:

- Mr Marcin Marczuk - Chairman of the Audit Committee,
- Mr James Van Bergh - Member of the Audit Committee,
- Mr Artur Osuchowski - Member of the Audit Committee.

Hitherto, the tasks of the Audit Committee were performed by the Supervisory Board of the parent company. The composition of the Audit Committee takes into account the independence criteria and other requirements specified in article 129, paragraphs 1, 3, 5 and 6 of the act dated 11th May, 2017, on statutory auditors, audit firms and public supervision (Journal of Laws of 2017, item 1089).

Proposal for the distribution of the parent company's net profit for 2016

On 10th May, 2017, in connection with the parent company's shareholder profit distribution policy for the years 2016-2019, the Management Board of the parent company adopted a resolution on the proposal submitted to the Ordinary General Meeting of Shareholders to allocate the profit disclosed in the financial statements of the parent company for 2016 in the amount of 72.3 million PLN in total to the reserve capital of the parent company and to recommend to the Ordinary General Meeting of Shareholders that the amount of 42.5 million PLN be allocated on buying back the parent company's own shares. At the same time, the Management Board of the parent company states that on 10th May, 2017, the Supervisory Board of the parent company issued a positive opinion on the above mentioned motion from the parent company's Management Board regarding the distribution of the parent company's profit for 2016.

Implementation of the Incentive Programme

On 19th July, 2017, the Management Board of the parent company, based on a resolution of the Supervisory Board of the parent company, allocated 40,000 series F warrants to entitled persons giving their holders the right to take up series D ordinary bearer shares in the parent company. Subscription warrants are issued on the terms and for the purpose of implementing the Incentive Programme, whose assumptions were adopted on the basis of the aforementioned resolutions. The warrants were issued free of charge and entitle the holders to take up series D shares of the parent company from 1st September to 30th September, 2017, at the issue price specified in resolution No. 20/31.05.2012 of the company's Ordinary General Meeting of Shareholders on 31st May, 2012, as amended by Resolution No. 23/25.06.2014 of the Ordinary General Meeting of Shareholders of the parent company of 25th June, 2014.

Admission and introduction of series D shares for trading

On 30th March, 2017, the Management Board of Benefit Systems S.A. received information that on 3rd April, 2017, that registration will be made with the National Depository for Securities of 14,700 series D shares in the parent company under the ISIN code: PLBNFTS00018. The registration of series D shares relates to the shares issued by the parent company in accordance with the principles of the Incentive Programme for the years 2014-2016, specified in the resolutions of the General Meeting of Shareholders for the company.

Acquisition of series D shares of the parent company in exchange for series D, E and F subscription warrants

On 1st-4th September, 2017, the persons entitled to convert 75,200 series D subscription warrants (9,900 warrants), series E (25,300 warrants) and series F (40,000 warrants) into series D shares of the parent company, under the conditional increase of the parent company's capital connected with the Incentive Programme for the years 2014-2016, subscribed to 75,200 series D shares of the parent company. In connection with the above, the share capital of the parent company was increased from 2,599,642.00 PLN to 2,674,842.00 PLN and divided into:

- a) 2,204,842 series A shares with a nominal value of 1.00 PLN each,
- b) 200,000 series B shares with a nominal value of 1.00 PLN each,
- c) 150,000 series C shares with a nominal value of 1.00 PLN each,
- d) 120,000 series D shares with a nominal value of 1.00 PLN each,

constituting in total (after subscription of series D shares to securities accounts of Eligible Persons) 2,674,842 votes at the General Meeting of the parent company.

As a result of the acquisition of series D shares in the parent company, the subscription warrants of series D, E and F held by persons holding D series shares have expired. The rights from series D shares in the parent company will arise when the shares are registered in the securities accounts of the Eligible Persons. The issue of D series shares in exchange for series D, E and F warrants was carried out in accordance with the Programme's rules set out in the resolutions of the General Meeting of Shareholders for the parent company, which the parent company reported in its current reports.

Conditional registration of 75,200 series D shares in the National Depository for Securities

On 21st September, 2017, the Management Board of the National Depository for Securities passed resolution No. 623/17 to register with the National Depository for Securities 75,200 series D ordinary bearer shares of the parent company, with a nominal value of 1.00 PLN each, under the ISIN code: PLBNFTS00018.

Registration by the Court of Registration of amendments to the Statute of the parent company

On 20th September, 2017, the parent company received a decision from the District Court for the Capital City of Warsaw, 12th Commercial Division of the National Court Register, on the registration by the Court of amendments to the provisions of the parent company's Statute (§ 26, paragraph 3, letter e.):

"e. giving consent, at the request of the Management Board of the parent company, to transactions involving the sale or acquisition of shares or other property or incurring a liability, if the value of the transaction exceeds 10% of the parent company's equity (based on the recently published annual consolidated financial statements)."

Announcement of the offer to purchase shares and acquisition of own shares by Benefit Systems S.A. - profit distribution

On 12th September, 2017, the Management Board of Benefit Systems S.A. announced an offer by the parent company to purchase no more than 35,350 shares of the parent company, and the offered purchase price of one share of the parent company was 1,200.00 PLN. The parent company allocated up to 42,500,000.00 PLN for the acquisition of shares under the offer. The sales offers were accepted up to 22nd September, 2017, and the settlement took place on 29th September, 2017.

On 29th September, 2017, Benefit Systems S.A. purchased a total of 35,350 of its own shares, with a nominal value of 1.00 PLN each, which in total constitute 1.32% of the share capital of the parent company and together correspond to 35,350 votes at the General Meeting of Shareholders for the parent company. The purchase price was 1,200.00 PLN per purchased share and 42,420,000.00 PLN for all the purchased shares. Before the settlement of the offer, the parent company held 84,730 of its own shares. After the settlement of the offer, the parent company holds 120,080 of its own shares with a nominal value of 1.00 PLN per share, which together constitute 4.49% of the share capital of the parent company and jointly correspond to 120,080 votes at the General Meeting of Shareholders for the parent company, which constitutes 4.49% of votes at the General Meeting of Shareholders for the parent company. According to the law, the parent company does not exercise any rights attached to its own shares.

Notice of a reduction of the shareholding below 10% in the total number of votes

On 17th May, 2017, Benefit Systems S.A. received from MetLife PTE S.A. a notification under article 69, paragraph 1 of the act dated 29th July, 2005 on public offering, conditions governing the introduction of financial instruments to organised trading, and public companies (Journal of Laws No. 05.184.1539, as amended), stating that the fund managed by MetLife Otwarty Fundusz Emerytalny ("OFE") has reduced its holding in the company to below 10% of the votes in the parent company. The decrease in the shareholding was caused by the sale of the parent company's shares on 15th May, 2017. Currently OFE holds 253,891 shares in the parent company, which constitute 9.77% of the share capital of the parent company and correspond to 253,891 votes at the General Meeting of Shareholders for the parent company, giving 9.77% of the total votes at the General Meeting of Shareholders for the parent company.

On 6th September, 2017, the parent company received a notification from Mr Marek Kamola, that 260,000 shares held by him as a result of the increase in the share capital of the parent company (as a result of payment of D series shares by entitled persons) constitute less than 10% of the total number of votes - currently it is 9.72% of the share capital of the parent company.

5.2. SIGNIFICANT EVENTS IN THE GROUP AFTER THE BALANCE SHEET DATE

Admission and introduction to trading of 75,200 D series shares to the Warsaw Stock Exchange S.A.

On 4th October, 2017, the Management Board of the Warsaw Stock Exchange accepted and introduced into ordinary trading on the parallel market 75,200 series D ordinary bearer shares of the parent company (registration under ISIN code: PLBNFTS00018) with a nominal value of 1.00 PLN each.

The issue of series D shares introduced and accepted for exchange trading was conducted in accordance with the Incentive Programme rules for the years 2014-2016, set forth in the resolutions of the General Meeting of Shareholders for the parent company, which the parent company informed about in its current reports.

Loan agreements within Benefit Systems Group

On 23rd October, 2017, a loan agreement was concluded between Benefit Systems S.A. and Fitness Place Sp. z o.o. with its registered office in Warsaw ("the Borrower"), which is a 100% indirect subsidiary in relation to the Issuer, for the amount of 2 million PLN, as a result of which the total value of loan

agreements concluded between the Issuer and the Borrower over the last 12 months reached 59.75 million PLN.

The amount of the loan will be paid in tranches, according to the Borrower's requirements. The interest rate on the loan is variable and was set according to market terms. The loan is to be repaid by 31st December, 2020. The loan is intended to enable the Borrower to finance current operations.

Fulfilment of the conditions of the conditional contract for the sale of organised parts of an enterprise in the form of fitness clubs owned by Platinum Wellness Sp. z o.o.

On 27th October, 2017, the Management Board of Benefit Systems S.A. informed that due to the fact that all the precedent conditions have been satisfied as specified in the conditional sale agreement for organised parts of an enterprise in the form of fitness clubs belonging to Platinum Wellness Sp. z o.o., concluded on 20th July, 2017, between the Issuer's subsidiary companies, i.e. Fitness Place Sp. z o.o. with its registered office Warsaw, as the buyer ("the Buyer"), Fit Invest Sp. z o.o. with its registered office in Warsaw, as the Buyer's guarantor ("the Buyer's Guarantor") and Platinum Wellness Sp. z o.o. as the seller, the sale price of 38,568,124.91 PLN was paid by the Buyer within the time limit stipulated by the parties in the agreement and the Buyer has effectively purchased 9 fitness clubs in the form of:

- five fitness clubs in the Małopolskie Voivodeship operating under the brand name of "Fitness Platinum", and
- four fitness clubs in the Silesian and Opole Voivodeships operating under the brand name of "Smart Gym".

At the same time, the Issuer states that due to the Buyer's payment of the sale price, the surety granted by the Buyer's Guarantor in relation to the Buyer's liability has expired.

5.3. COMPOSITION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

The parent company's Management Board comprises five members on the date of the report:

- Grzegorz Haftarczyk - Member of the Management Board,
- Arkadiusz Hanszke - Member of the Management Board,
- Adam Radzki - Member of the Management Board,
- Emilia Rogalewicz - Member of the Management Board,
- Izabela Walczewska-Schneyder – Member of the Management Board.

The parent company's Supervisory Board comprises five members on the date of the report:

- James Van Bergh - Chairman of the Supervisory Board,
- Przemysław Gacek - Deputy Chairman of the Supervisory Board,
- Marcin Marczuk - Member of the Supervisory Board,
- Artur Osuchowski - Member of the Supervisory Board,
- Michael Sanderson - Member of the Supervisory Board.

5.4. SHARES OR OTHER RIGHTS TO THEM IN THE POSSESSION OF MEMBERS OF THE MANAGEMENT BOARD OR SUPERVISORY BOARD

Ownership of shares in Benefit Systems S.A. or other rights to them by Members of the Management Board and Members of the Supervisory Board on the date of the report's submission, is as follows:

Table 18: Shares held by members of the Management Board of Benefit Systems S.A.

Management Board	Status on the date of submitting the interim report for the 3 quarters of 2017		Status on the date of submitting the interim report for the first half of 2017		Change in status
	Number of shares	Percentage of share capital	Number of shares	Percentage of share capital	
Grzegorz Haftarczyk	1,563	0.058%	1,063	0.041%	0.017 p.p.
Arkadiusz Hanszke	0	0.000%	0	0.000%	0 p.p.
Adam Radzki	3,077	0.115%	277	0.011%	0.104 p.p.
Emilia Rogalewicz	1,081	0.041%	81	0.003%	0.038 p.p.
Izabela Walczewska-Schneyder	6,088	0.228%	1	0.043%	0.185 p.p.
Total	11,809	0.442%	2,526	0.098%	0.344 p.p.

Table 19: Benefits for Members of the Management Board in the form of due and potentially due subscription warrants according to the ownership status at the end of the third quarter of 2017

Member of the Management Board	Initial number of conditionally granted G series warrants for 2017	Value of warrants* (1000s PLN)
Grzegorz Haftarczyk	100	36
Arkadiusz Hanszke	600	214
Adam Radzki	100	36
Emilia Rogalewicz	100	36
Izabela Walczewska-Schneyder	600	214
Total	1,500	536

*The value of the benefits from the subscription warrants granted is the difference between the exercise price and the share price on the valuation date. The valuation of series G warrants was based on the prices and conditions for the pool of warrants from 2017 (357.17 PLN).

Table 20: Shares held by members of the Supervisory Board of Benefit Systems S.A.

Supervisory Board	Status on the date of submitting the interim report for the 3 quarters of 2017		Status on the date of submitting the interim report for the first half of 2017		Change in status
	Number of shares	Percentage of share capital	Number of shares	Percentage of share capital	
James van Bergh*	586,285	21.92%	595,396	23.67%	(1.75 p.p.)

Supervisory Board	Status on the date of submitting the interim report for the 3 quarters of 2017		Status on the date of submitting the interim report for the first half of 2017		Change in status
	Number of shares	Percentage of share capital	Number of shares	Percentage of share capital	
Przemysław Gacek	0	0.00%	0	0.00%	0
Marcin Marczuk	0	0.00%	0	0.00%	0
Artur Osuchowski	0	0.00%	0	0.00%	0
Michael Sanderson	0	0.00%	0	0.00%	0
Total	586,285	21.92%	595,396	23.67%	(1.75 p.p.)

* Direct share; additionally a person close to the Chairman of the Supervisory Board (within the meaning of article 160, paragraph 2, point 1 of the act on trading) controls Benefit Invest Ltd. as a shareholder with a holding of 93.3%, where this company holds shares in Benefit Systems S.A. totalling 572,606, representing 21.41% of the share capital and 22.41% of the total number of votes (as at the date of the submission of the report for the three quarters of 2017).

The members of the Management Board and Supervisory Board of the parent company do not hold interests in subsidiaries.

5.5. SHAREHOLDERS

The percentage of the parent company's share capital and voting rights takes into account the parent company's share capital increase made under the conditional capital issuance. Series D shares were acquired as part of the conditional share capital issuance by the holders of subscription warrants for series D, E and F, granted by the parent company in accordance with the provisions of the Incentive Programme for the years 2014-2016.

Table 21: Shareholder structure

Shareholder	Status on the date of submitting the report for the three quarters of 2017		Status on the date of submitting the interim report for the first half of 2017		Change
	Number of shares	Share in the total number of votes at a General Meeting of Shareholders	Number of shares	Share in the total number of votes at a General Meeting of Shareholders	
James Van Bergh	586,285	22.95%	595,396	23.67%	(0.72 p.p)
Benefit Invest Ltd.	571,606	22.37%	581,504	23.12%	(0.75 p.p)
Marek Kamola	260,000	10.18%	262,830	10.45%	(0.51 p.p)
MetLife DFE	253,891	9.94%	253,891	10.10%	(0.16 p.p)
Nationale-Nederlanden	245,000	9.59%	245,000	9.74%	(0.15 p.p)
Others	758,060	24.97%	661,021	22.92%	2.05 p.p
<i>Including Benefit Systems S.A. (Own shares)</i>	<i>120,080</i>	<i>-</i>	<i>84,730</i>	<i>-</i>	<i>-</i>
Total	2,674,842	100.00%	2,599,642	100.00%	-

The parent company's share capital amounts to 2,674,842 PLN. The number of shares in the share capital is as follows: 2,674,842 shares, including 2,204,842 shares of series A, 200,000 shares of series B, 150,000 shares of series C and 120,000 shares of series D. The shares of all series have a nominal value of 1 PLN each. The total number of votes resulting from all the shares issued amounts to 2,674,842, wherein as at the date of publishing this report the parent company held 120,080 of its own shares, for which it cannot exercise voting rights. Therefore, the share in the share capital of Benefit Systems S.A. of individual shareholders is not equal to their participation in the total number of votes at the General Meeting of Shareholders.

5.6. DIVIDEND

On 10th February, 2016, the Management Board for the parent company adopted its Shareholder Profit Distribution Policy for the years 2016 to 2019, which was subsequently approved by the Supervisory Board and Annual General Meeting of the parent company. In each year of the Profit Distribution Policy the buyback of shares will be carried out for at least 50% of the net profit of the parent company for the previous financial year. The policy takes into account the financial situation and investment requirements of the parent company and Group's companies, including those related to the implementation of investment agreements, as well as the demand for liquid cash with companies. The Profit Distribution Policy is in force and applied commencing with the distribution of net profit of the parent company for the year ended 31st December, 2015, and constitutes a continuation of the Dividend Policy of 25th September, 2012.

On 10th May, 2017, the Supervisory Board of the parent company gave its approval to the Management Board's motion, sent to the Ordinary General Meeting of Shareholders, for the proposed allocation of profit reported in the financial statements for the parent company for 2016 in the amount of 72.27 million PLN in total to the reserve capital of the parent company and to recommend to the Ordinary General Meeting of Shareholders that the amount of 42.5 million PLN be allocated on buying back the parent company's own shares. On 20th June, 2017, the Annual General Meeting of the parent company adopted a resolution regarding the allocation of net profit for 2016. Given the plans of the parent company's Management Board regarding the share buyback, in accordance with the Profit Distribution Policy for the years 2016-2019, it was decided to allocate the net profit of 72.27 million PLN entirely to supplementary capital.

As part of the share buyback conducted in September of 2017 in accordance with the dividend policy, Benefit Systems S.A. spent 42.42 million PLN on the acquisition of a total of 35,350 of its own shares.

5.7. INCENTIVE PROGRAMME

On the basis of resolutions of the General Meeting of Shareholders, an Incentive Programme (hereinafter the Programme or IP) functions at Benefit Systems S.A., which is aimed at the senior and middle management of the company and the subsidiaries of Benefit Systems Group, with which the parent company has entered into appropriate agreements. Under this Programme, eligible employees subscription warrants, which are convertible into shares of the parent company.

The specified employees, both among senior executives and employees from middle management, can participate in the Incentive Programme. An obligatory condition for starting the incentive programme in a given year is the attainment of a specific level of EBITDA adjusted for the book cost of the programme attributable to the financial year.

On 31st May, 2012, the Incentive Programme was adopted for the years 2014-2016 in which a total of 99 employees participate and in which it was planned to issue up to 120,000 shares of a new issue of series D.

On the basis of the resolution of the Supervisory Board dated 12th July, 2015, the parent company allotted 40,000 subscription warrants from series D for the year 2014 which entitle their holders to subscribe to ordinary bearer shares from series D shares. On the basis of the resolution of the Supervisory Board dated 20th July, 2016, the parent company's Management Board allotted 40,000 subscription warrants from series E for the year 2015 which entitle their holders to subscribe to ordinary bearer shares from series D shares. On 19th July, 2017, the Management Board of the parent company, based on a resolution of the Supervisory Board of the parent company, allocated 40,000 series F warrants to entitled persons giving their holders the right to take up series D ordinary bearer shares in the parent company.

On 1st September, 2016, in accordance with the rules in effect for the Incentive Programme for the years 2014-2016, 30,100 series D warrants were converted into series D shares and then on 27th September, 2016, 14,700 series E warrants were converted into series D shares, and on 1st-4th September, 2017, 75,200 series E warrants were converted into D series shares. As a result of the acquisition of series D shares in the parent company, these subscription warrants of series D, E and F held by persons holding D shares have expired.

On 10th February, 2016, the Supervisory Board of the parent company adopted a proposal for the next edition of the Incentive Programme for the period 2017-2020. The aim of the programme is to create an incentive system that will promote efficient and loyal work aimed at achieving high financial results and a long-term increase in the value of the parent company. During the Incentive Programme for the period 2017-2020, its participants (at most 149 people) will be able to receive a maximum of 100,000 subscription warrants (which after conversion into shares will represent 3.91% of the share capital of the parent company), which will give an entitlement to subscribe to the specific number of shares of the parent company in four equal tranches. The options granted may be exercised by 30th September, 2021.

The assumptions of the Incentive Programme for the period 2017-2020 were adopted in the form of a resolution

at the Annual General Meeting on 15th June, 2016. The thresholds are presented in the table below:

Table 22: Performance thresholds for the Incentive Scheme

	Share in the maximum number of warrants for the year		Level of adjusted gross profit (in millions of PLN)			
			2017	2018	2019	2020
Thresholds in millions of PLN - adjusted gross profit (excluding Incentive Programme expenditures)	100%	25,000	90	105	120	140
	75%	18,750	85	97.5	110	130
	50%	12,500	80	91	106	121

The Programme's evaluation for 2017 was based on the following assumptions:

Table 23: Valuation of options - Incentive Programme

Valuation of the Incentive Programme - Black and Scholes model	
Data	2017

X (t) - quotation of shares at the valuation date (PLN)	849.1
P - option exercise price (PLN)	491.93
r - risk-free rate for PLN	1.50%
T - date of expiration	2017-12-31
t - current day (for pricing)	2017-02-15
Sigma - daily variation	31.48%

According to the above date, 9,375 series G subscription warrants were issued on 15th February, 2017. The maximum cost of the annual Programme is 9,141,000 PLN.

5.8. POSITION OF THE MANAGEMENT BOARD REGARDING THE IMPLEMENTATION OF FINANCIAL FORECASTS

Benefit Systems Group has not published any forecasts for the third quarter of 2017.

5.9. SEASONAL NATURE OF THE BUSINESS

A characteristic feature of the industry in which the Group operates is the seasonal activity of sports cardholders. Traditionally, in the third quarter of the calendar year (the third quarter of the financial year for the Group) the activity of cardholders is lower than in the first, second and fourth quarters of the financial year. The activity of card users may be additionally dependent on the weather (especially in the summer season) or the statutory holidays in a given year.

5.10. CHANGES IN CONTINGENT LIABILITIES

Table 24: Contingent liabilities

In thousands of PLN	Status on the date of submitting the report for the three quarters of 2017	Status on the date of submitting the report for the first half of 2017	Change in status
Sureties and guarantees	24,777	18,014	6,763

These contingent liabilities constitute the implementation of the provisions of investment agreements – their main subject matter are lease payments for fitness equipment and rental guarantees. The increase in value of guarantees in the third quarter of 2017 results from the increase in the number of guarantees granted and the introduction of new subsidiaries to the list of customers (Fitness Place S.R.O., Fitness Place Sp. z o.o., Fitness Place Sp. z o.o., Beck Box Club S.R.O.), and thus new guarantees. In addition, the weakening of the zloty in relation to the euro also contributed to the increase in value of guarantees.

5.11. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

In the reporting period, Benefit Systems Group did not conclude transactions with related entities, which either individually or together could be considered significant or were concluded on other than market terms.

5.12. INFORMATION ABOUT PROCEEDINGS INSTITUTED BEFORE A COURT OR ADMINISTRATIVE AUTHORITY

In reference to the information provided by the parent company in the Management Board's Report regarding the publication of the Annual Report for 2016 and for interim reports for the 1st and 2nd quarter

of 2017, relating to the on-going investigation conducted by the Office of Competition and Consumer Protection, the Management Board for Benefit Systems S.A. informs that two proceedings conducted by the Office of Competition and Consumer Protection are still pending: the concentration proceedings related to the application of Benefit Systems S.A. concerning acquisition of a majority of shares in Calypso Capital Group and explanatory actions related to the preservation of competition law. The Management Board of Benefit Systems S.A. has evaluated a number of legal analyses which conclude that there is a risk of the current investigation turning into proceedings against the parent company.

The parent company is cooperating closely with the Office for Competition and Consumer Protection and provides all the necessary material and information without any delays. According to good practice, we will successively inform the market about new elements in the proceedings.

6. CONSOLIDATED FINANCIAL STATEMENTS FOR BENEFIT SYSTEMS GROUP AS AT 30TH SEPTEMBER, 2017 AND FOR THE 9 MONTH PERIOD ENDED 30TH SEPTEMBER, 2017

6.1. SELECTED FINANCIAL DATA FOR BENEFIT SYSTEMS GROUP

Table 25: Selected financial data for Benefit Systems Group

	3 quarters of 2017 In thousands of PLN	3 quarters of 2016 In thousands of PLN	3 quarters of 2017 In thousands of EUR	3 quarters of 2016 In thousands of EUR
Sales revenues	698,043	540,028	163,991	123,610
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	114,232	84,427	26,836	19,325
Operating profit	89,714	67,385	21,076	15,424
Profit before tax	88,181	67,588	20,716	15,471
Net profit	68,875	50,885	16,181	11,647
Net profit attributable to shareholders of the parent company	70,103	53,240	16,469	12,186
Net cash from operating activities	105,295	80,555	24,737	18,439
Net cash from investment activities	(151,416)	(42,608)	(35,572)	(9,753)
Net cash from financial activities	27,244	(3,226)	6,400	(738)
Net change in cash and cash equivalents	(18,877)	34,721	(4,435)	7,948
Weighted average number of ordinary shares	2,601,846	2,558,189	2,601,846	2,558,189
Diluted weighted average number of ordinary shares	2,608,756	2,678,862	2,608,756	2,678,862
Earnings per ordinary share attributable to shareholders of the parent company (in PLN/EUR)	26.94	20.81	6.33	4.76
Diluted earnings per ordinary share attributable to shareholders of the parent company (in PLN/EUR)	26.87	19.87	6.31	4.55

	As at 30/09/2017 In thousands of PLN	As at 31/12/2016 In thousands of PLN	As at 30/09/2017 In thousands of EUR	As at 31/12/2016 In thousands of EUR
Non-current assets	469,825	391,798	109,031	88,562
Current assets	254,628	198,842	59,091	44,946
Total assets	724,453	590,640	168,122	133,508

	As at 30/09/2017 In thousands of PLN	As at 31/12/2016 In thousands of PLN	As at 30/09/2017 In thousands of EUR	As at 31/12/2016 In thousands of EUR
Non-current liabilities	156,814	236,349	36,391	53,424
Current liabilities	347,575	176,607	80,661	39,920
Equity	220,064	177,684	51,070	40,164
Equity attributable to the shareholders of the parent company	204,629	160,433	47,488	36,264
Share capital	2,675	2,600	621	588
Number of ordinary shares	2,674,842	2,599,642	2,674,842	2,599,642
Book value per share attributable to shareholders of the parent company (in PLN/EUR per share)	76.50	61.71	17.75	13.95

In the periods covered by the financial statements, the following average exchange rates for the zloty against the euro, established by the National Bank of Poland, were adopted for the conversion of selected financial data:

- the exchange rate in effect for the last day of the reporting period: 30/09/2017 4.3091 PLN/EUR, 31/12/2016 4.4240 PLN/EUR, 30/09/2016 4.3120 PLN/EUR
- the average exchange rate in the period, calculated as the arithmetic mean of exchange rates applicable on the last day of each month in the period: 01/01 - 30/09/2017 4.2566 PLN/EUR, 01/01 - 30/09/2016 4.3688 PLN/EUR.

The highest rate applicable in each period was as follows:

- 01/01 - 30/09/2017: 4.3308 PLN/EUR
- 01/01 - 30/09/2016: 4.4405 PLN/EUR.

The lowest rate applicable in each period was as follows:

- 01/01 - 30/09/2017: 4.1737 PLN/EUR
- 01/01 - 30/09/2016: 4.2684 PLN/EUR.

6.2. CONSOLIDATED INCOME STATEMENT

Table 26: Consolidated income statement

In thousands of PLN	3 rd quarter of 2017	3 rd quarter of 2016	Change	3 quarters of 2017	3 quarters of 2016
Sales revenues	240,400	183,663	30.9%	698,043	540,028
Revenues from sales of services	238,645	181,468	31.5%	693,647	534,557
Revenues from sales of goods and materials	1,755	2,195	(20,0%)	4,396	5,471
Costs of sales	(166,690)	(124,233)	34.2%	(508,290)	(399,938)
Cost of services rendered	(165,558)	(122,309)	35.4%	(505,438)	(394,847)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR BENEFITS SYSTEMS GROUP
PREPARED FOR THE 9 MONTH PERIOD ENDED 30th SEPTEMBER, 2017

In thousands of PLN	3 rd quarter of 2017	3 rd quarter of 2016	Change	3 quarters of 2017	3 quarters of 2016
Cost of goods and materials sold	(1,132)	(1,924)	(41,2%)	(2,852)	(5,091)
Gross profit on sales	73	59,430	24.0%	189,753	140,090
Selling expenses	(12,191)	(9,198)	32.5%	(40,338)	(28,947)
General and administrative expenses	(18,668)	(14,426)	29.4%	(57,566)	(42,014)
Other operating income	1,365	236	478.4%	4,354	1,826
Other operating costs	(1,790)	(1,370)	30.7%	(6,489)	(3,570)
Operating profit	42,426	34,672	22.4%	89,714	67,385
Financial income	948	269	252.4%	2,536	2,028
Financial costs	(1,005)	(1,154)	(12,9%)	(5,722)	(3,597)
Share of profits (loss) of associates accounted for using the equity method (+/-)	(132)	391	-	1,653	1,772
Profit before tax	42,237	34,178	23.6%	88,181	67,588
Income tax charge	(9,689)	(8,297)	16.8%	(19,306)	(16,703)
Net profit from continuing operations	32,548	25,881	25.8%	68,875	50,885
Net profit	32,548	25,881	25.8%	68,875	50,885
Net profit attributable to:					
- shareholders of the parent company	32,870	27,170	21.0%	70,103	53,240
- non-controlling interests	(322)	(1,289)	(75,0%)	(1,228)	(2,355)

Table 27: Net income per ordinary share (PLN)

	As at 30/09/2017	As at 30/09/2016	As at 31/12/2016
From continuing operations			
- basic	26.94	20.81	31.35
- diluted	26.87	19.87	30.65

Table 28: Consolidated statement of other comprehensive income

INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR BENEFITS SYSTEMS GROUP
 PREPARED FOR THE 9 MONTH PERIOD ENDED 30th SEPTEMBER, 2017

In thousands of PLN	3 quarters of 2017	3 quarters of 2016	4 quarters of 2016
Net profit	68,875	50,885	75,593
<i>Other comprehensive income</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Items not transferred to the financial result</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Items transferred to the financial result</i>	<i>0</i>	<i>0</i>	<i>0</i>
Comprehensive income	68,875	50,885	75,593
Total comprehensive income attributable to:			
- shareholders of the parent company	70,103	53,240	80,519
- non-controlling interests	(1,228)	(2,355)	(4,926)

6.3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Table 26: Consolidated statement of financial position - Assets

In thousands of PLN	As at 30/09/2017	As at 31/12/2016	As at 30/09/2016
Non-current assets			
Goodwill	165,238	146,252	114,837
Intangible assets	20,260	17,064	12,610
Property, plant and equipment	179,958	147,823	128,280
Investments in associates	35,211	27,696	30,944
Loans and receivables	51,996	42,747	38,315
Other long-term financial assets	931	431	430
Long-term prepayments	1,625	702	782
Deferred tax assets	14,606	9,083	13,849
Non-current assets	469,825	391,798	340,047
Current assets			
Inventories	4	12	8,471
Trade and other receivables	163	95,267	82,058
Income tax receivable	280	402	13
Loans	21,821	15,431	17,056
Other short-term financial assets	187	242	0
Accruals	17,107	8,668	7,305
Cash and cash equivalents	46,318	65,195	58,698
Fixed assets classified as held for sale	750	750	0
Current assets	254,628	198,842	173,601
Total assets	724,453	590,640	513,648

Table 30: Consolidated statement of financial position - Liabilities

In thousands of PLN	As at 30/09/2017	As at 31/12/2016	As at 30/09/2016
Equity			
<i>Equity attributable to shareholders of the parent company:</i>			
Share capital	2,675	2	2
Own shares	(100,094)	(57,594)	(57,574)
Exchange differences from consolidation	77	(131)	(56)
Share premium	56	51,444	47,077
Reserve capital	(50,951)	(50,951)	(50,931)
Other capital	216	131,347	131,376
Retained earnings:	80,318	83,718	56,394

INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR BENEFITS SYSTEMS GROUP
PREPARED FOR THE 9 MONTH PERIOD ENDED 30th SEPTEMBER, 2017

In thousands of PLN	As at 30/09/2017	As at 31/12/2016	As at 30/09/2016
- accumulated earnings for the previous reporting periods	10,215	3,199	3,154
- net profit attributable to shareholders of the parent company	70,103	80,519	53,240
Equity attributable to shareholders of the parent Company	204,629	160,433	128,886
Non-controlling interests	15,435	17,251	3,641
Equity	220,064	177,684	132,527
Liabilities			
Non-current liabilities			
Interest-bearing bank loans, borrowings and debt securities	74,219	125,777	127,735
Finance lease liabilities	17,762	27,355	25,946
Other liabilities	47,328	76,411	76,476
Deferred tax liabilities	8,420	5,907	5,993
Liabilities to employees and provisions for employee benefits	0	0	10
Long-term prepayments	9,085	899	971
Non-current liabilities	156,814	236,349	237,131
Current liabilities			
Trade payables and other liabilities	98,862	74,984	53,578
Income tax payable	15,093	14,220	13,784
Interest-bearing bank loans, borrowings and debt securities	138,145	4,093	3,166
Finance lease liabilities	8,788	10,397	10,491
Liabilities to employees and provisions for employee benefits	9,577	11,619	5,657
Other short-term provisions	5,549	2,637	4,184
Accruals	71,561	58,657	53,130
Current liabilities	347,575	176,607	143,990
Total liabilities	504,389	412,956	381,121
Total liabilities	724,453	590,640	513,648

6.4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Table 31: Consolidated statement of changes in equity

In thousands of PLN	Share capital	Own shares	Exchange differences from consolidation	Share premium	Reserve capital	Other capital	Retained earnings	Total	Non-controlling interests	Total equity
Balance as at 01/01/2017	2,600	(57,594)	(131)	51,444	(50,951)	131,347	83,718	160,433	17,251	177,684
Changes in equity in the period from 01/01 to 30/09/2017										
Shares' issuance	75	0	0	0	0	11,243	0	11,318	0	11,318
Valuation of options (share-based payment programme)	0	0	0	5,142	0	0	0	5,142	0	5,142
Share buyback	0	(42,500)	0	0	(42,500)	42,500	0	(42,500)	0	(42,500)
Transfer of supplementary capital to reserve capital	0	0	0	0	42,500	(42,500)	0	0	0	0
Change in the structure of the group (transactions with non-controlling interests)	0	0	0	0	0	0	281	281	(281)	0
Exchange differences from consolidation	0	0	208	0	0	0	0	208	0	208
Dividends	0	0	0	0	0	0	(356)	(356)	(307)	(663)
Transfer of net profit to capital	0	0	0	0	0	73,428	(73,428)	0	0	0
Total transactions with owners	75	(42,500)	208	5,142	0	84,671	(73,503)	(25,907)	(588)	(26,495)
Net profit (loss) for the period 01/01-30/09/2017	0	0	0	0	0	0	70,103	70,103	(1,228)	68,875
Total comprehensive income	0	0	0	0	0	0	70,103	70,103	(1,228)	68,875
Balance as at 30/09/2017	2,675	(100,094)	77	56,586	(50,951)	216,018	80,318	204,629	15,435	220,064

INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR BENEFITS SYSTEMS GROUP
PREPARED FOR THE 9 MONTH PERIOD ENDED 30th SEPTEMBER, 2017

In thousands of PLN	Share capital	Own shares	Exchange differences from consolidation	Share premium	Reserve capital	Other capital	Retained earnings	Total	Non-controlling interests	Total equity
Balance as at 01/01/2016	2,555	0	(38)	41,458	5,400	48,956	60,718	159,049	5,703	164,752
<i>Changes in equity in the period from 01/01 to 31/12/2016</i>										
Shares' issuance	45	0	0	0	0	6,698	0	6,743	0	6,743
Valuation of options (share-based payment programme)	0	0	0	9,986	0	0	0	9,986	0	9,986
Share buyback	0	(57,594)	0	0	(57,594)	57,594	0	(57,594)	0	(57,594)
Transfer of supplementary capital to reserve capital	0	0	0	0	37,000	(37,000)	0	0	0	0
Change in the structure of the group (transactions with non-controlling interests)	0	0	0	0	0	0	(2,420)	(2,420)	16,474	14,054
Exchange differences from consolidation	0	0	(93)	0	0	0	0	(93)	0	(93)
Put option	0	0	0	0	(35,757)	0	0	(35,757)	0	(35,757)
Transfer of net profit to capital	0	0	0	0	0	55,099	(55,099)	0	0	0
Total transactions with owners	45	(57,594)	(93)	9,986	(56,351)	82,391	(57,519)	(79,135)	16,477	(62,661)
Net profit (loss) for the period from 01/01 to 31/12/2016	0	0	0	0	0	0	80,519	80,519	(4,926)	75,593
Total comprehensive income	0	0	0	0	0	0	80,519	80,519	(4,926)	75,593
Balance as at 31/12/2016	2,600	(57,594)	(131)	51,444	(50,951)	131,347	83,718	160,433	17,251	177,684

INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR BENEFITS SYSTEMS GROUP
PREPARED FOR THE 9 MONTH PERIOD ENDED 30th SEPTEMBER, 2017

In thousands of PLN	Share capital	Own shares	Exchange differences from consolidation	Share premium	Reserve capital	Other capital	Retained earnings	Total	Non-controlling interests	Total equity
Balance as at 01/01/2016	2,555	0	(38)	41,458	5,400	48,956	60,718	159,049	5,703	164,752
<i>Changes in equity in the period from 01/01 to 30/09/2016</i>										
Shares' issuance	45	0	0	0	0	6,698	0	6,743	0	6,743
Valuation of options (share-based payment programme)	0	0	0	5,619	0	0	0	5,619	0	5,619
Share buyback	0	(57,574)	0	0	(57,574)	57,574	0	(57,574)	0	(57,574)
Transfer of supplementary capital to reserve capital	0	0	0	0	37,000	(37,000)	0	0	0	0
Change in the structure of the group (transactions with non-controlling interests)	0	0	0	0	0	0	(2,416)	(2,416)	293	(2,123)
Exchange differences from consolidation	0	0	(18)	0	0	0	0	(18)	0	(18)
Put option	0	0	0	0	(35,757)	0	0	(35,757)	0	(35,757)
Transfer of net profit to capital	0	0	0	0	0	55,148	(55,148)	0	0	0
Total transactions with owners	45	(57,574)	(18)	5,619	(56,331)	82,420	(57,564)	(83,403)	293	(83,110)
Net profit for the period 01/01-31/09/2016	0	0	0	0	0	0	53,240	53,240	(2,355)	50,885
Total comprehensive income	0	0	0	0	0	0	53,240	53,240	(2,355)	50,885
Balance as at 30/09/2016	2,600	(57,574)	(56)	47,077	(50,931)	131,376	56,394	128,886	3,641	132,527

6.5. CONSOLIDATED STATEMENT OF CASH FLOWS

Table 32: Consolidated statement of cash flows

In thousands of PLN	From 01/01 to 30/09/2017	From 01/01 to 30/09/2016	From 01/01 to 31/12/2016
<i>Cash flows from operating activities</i>			
Profit before tax	88,181	67,588	98,839
Total adjustments	31,323	23,220	29,257
Changes in working capital	6,002	(679)	4,354
Interest paid on operating activities	0	0	0
Income tax paid	(20,211)	(9,574)	(11,839)
Net cash from operating activities	105,295	80,555	120,611
<i>Cash flows from investment activities</i>			
Expenditures on the acquisition of intangible assets	(9,413)	(5,498)	(10,091)
Proceeds from the sale of property, plant, equipment	0	0	88
Expenditure on the acquisition of property, plant and equipment	(93,752)	(18,856)	(29,930)
Proceeds from the sale of property, plant, equipment	418	6,382	8,004
Net expenses on acquisition of subsidiaries	(26,815)	(5,333)	(13,961)
Loans collected	4,058	1,116	2,792
Loans granted	(14,179)	(13,525)	(18,888)
Expenditure on the acquisition of other financial assets	(12,928)	(8,124)	(8,177)
Proceeds from the sale of other financial assets	520	294	294
Interest received	675	460	649
Dividends received	0	476	477
Net cash from investment activities	(151,416)	(42,608)	(68,743)
<i>Cash flows from financing activities</i>			
Net proceeds from share issuance	0	7,620	7,615
Share buyback	(42,500)	(57,574)	(57,594)
Proceeds from the issue of debt securities	0	70,000	70,000
Proceeds from loans and borrowings	84,478	1,078	1,352
Repayment of borrowings	(2,960)	(12,113)	(12,595)
Repayment of finance leases	(7,538)	(8,487)	(11,740)
Interest paid	(3,929)	(3,750)	(6,123)
Dividends paid	(307)	0	(1,565)
Net cash from financial activities	27,244	(3,226)	(10,650)
Net change in cash and cash equivalents	(18,877)	34,721	41,218
Cash and cash equivalents at beginning of period	65,195	23,977	23,977
Cash and cash equivalents at end of period	46,318	58,698	65,195

7. CONDENSED FINANCIAL STATEMENTS OF BENEFIT SYSTEMS S.A. PREPARED FOR 30TH SEPTEMBER, 2017, AND FOR THE 9 MONTHS PERIOD ENDING 30TH SEPTEMBER, 2017

7.1. SELECTED FINANCIAL DATA OF BENEFIT SYSTEMS S.A.

Table 33: Selected financial data of Benefit Systems S.A.

	3 quarters of 2017 In thousands of PLN	3 quarters of 2016 In thousands of PLN	3 quarters of 2017 In thousands of EUR	3 quarters of 2016 In thousands of EUR
Sales revenues	490,774	414,184	115,297	94,805
Operating profit	61,915	53,957	14,546	12,351
Profit before tax	91,676	65,740	21,537	15,048
Net profit	74,168	51,059	17,424	11,687
Net cash from operating activities	57,156	63,286	13,428	14,486
Net cash from investment activities	(130,084)	(49,524)	(30,561)	(11,336)
Net cash from financial activities	43,997	10,327	10,336	2,364
Net change in cash and cash equivalents	(28,931)	24,089	(6,797)	5,514
Weighted average number of ordinary shares	2,601,846	2,558,189	2,601,846	2,558,189
Diluted weighted average number of ordinary shares	2,608,756	2,678,862	2,608,756	2,678,862
Earnings per ordinary share (in PLN/EUR)	28.51	19.96	6.70	4.57
Diluted earnings per ordinary share (in PLN/EUR)	28.43	19.06	6.68	4.36

	As at 30/09/2017 In thousands of PLN	As at 31/12/2016 In thousands of PLN	As at 30/09/2017 In thousands of EUR	As at 31/12/2016 In thousands of EUR
Non-current assets	487,019	331,156	113,021	74,854
Current assets	141,976	154,930	32,948	35,020
Total assets	628,995	486,086	145,969	109,875
Non-current liabilities	125,388	169,974	29,098	38,421
Current liabilities	255,243	115,876	59,233	26,193
Equity	248,364	200,236	57,637	45,261
Share capital	2,675	2,600	621	588
Number of ordinary shares	2,674,842	2,599,642	2,674,842	2,599,642
Book value per share (in PLN/EUR per share)	92.85	77.02	21.55	17.41

In the periods covered by the financial statements, the following average exchange rates for the zloty against the euro, established by the National Bank of Poland, were adopted for the conversion of selected financial data:

- the exchange rate in effect for the last day of the reporting period: 30/09/2017 4.3091 PLN/EUR, 31/12/2016 4.4240 PLN/EUR, 30/09/2016 4.3120 PLN/EUR
- the average exchange rate in the period, calculated as the arithmetic mean of exchange rates applicable on the last day of each month in the period: 01/01 - 30/09/2017 4.2566 PLN/EUR; 01/01 - 30/09/2016 4.3688 PLN/EUR.

The highest rate applicable in each period was as follows:

- 01/01 - 30/09/2017: 4.3308 PLN/EUR,
- 01/01 - 30/09/2016: 4.4405 PLN/EUR.

The lowest rate applicable in each period was as follows:

- 01/01 - 30/09/2017: 4.1737 PLN/EUR,
- 01/01 - 30/09/2016: 4.2684 PLN/EUR.

7.2. STATEMENT OF PROFIT

Table 34: Statement of profit for Benefit Systems S.A.

In thousands of PLN	3 rd quarter of 2017	3 rd quarter of 2016	Change	3 quarters of 2017	3 quarters of 2016
Sales revenues	165,407	139,069	18.9%	490,774	414,184
Revenues from sales of services	165,407	139,069	18.9%	490,774	414,184
Costs of sales	(127,061)	(95,101)	33.6%	(385,422)	(321,668)
Cost of services rendered	(127,061)	(95,101)	33.6%	(385,422)	(321,668)
Gross profit on sales	38,346	43,968	(12,8%)	105,352	92,516
Selling expenses	(6,140)	(4,415)	39.1%	(19,149)	(14,935)
General and administrative expenses	(6,667)	(7,544)	(11,6%)	(24,069)	(23,310)
Other operating income	2,417	1,572	53.8%	6,730	4,673
Other operating costs	(2,310)	(1,637)	41.1%	(6,949)	(4,987)
Operating profit	25,646	31,944	(19,7%)	61,915	53,957
Financial income	8,153	6,467	26.1%	37,063	16,483
Financial costs	(1,314)	(1,606)	(18,2%)	(7,302)	(4,700)
Profit before tax	32,485	36,805	(11,7%)	91,676	65,740
Income tax charge	(6,922)	(7,729)	(10,4%)	(17,508)	(14,681)
Net profit from continuing operations	25,563	29,076	(12,1%)	74,168	51,059
Net profit	25,563	29,076	(12,1%)	74,168	51,059

Table 35: Net income per ordinary share (PLN)

	As at 30/09/2017	As at 30/09/2016	As at 31/12/2016
From continuing operations			
- basic	28.51	19.96	27.40
- diluted	28.43	19.06	26.79

Table 36: Statement of other comprehensive income

In thousands of PLN	3 quarters of 2017	3 quarters of 2016	4 quarters of 2016
Net profit	74,168	51,059	70,390
Other comprehensive income	0	0	0
Items not transferred to the financial result	0	0	0
Items transferred to the financial result	0	0	0
Comprehensive income	74,168	51,059	70,390

7.3. STATEMENT OF FINANCIAL POSITION

Table 37: Statement of financial position of Benefit Systems S.A. - Assets

In thousands of PLN	As at 30/09/2017	As at 31/12/2016	As at 30/09/2016
Non-current assets			
Intangible assets	12,619	10,200	7,501
Property, plant and equipment	53,547	47,440	36,439
Investments in subsidiaries	107,221	107,221	107,220
Investments in associates	5,815	6,621	6,622
Loans and receivables	298,942	151,644	150,507
Deferred tax assets	8,875	8,030	11,507.00
Non-current assets	487,019	331,156	319,796
Current assets			
Inventories	592	7,878	5,805
Trade and other receivables	73,528	52,822	46,578
Loans	56,379	55,607	32,914
Accruals	7,927	6,142	3,408
Cash and cash equivalents	3,550	32,481	26,062
Current assets	141,976	154,930	114,767
Total assets	628,995	486,086	434,563

Table 38: Statement of financial position of Benefit Systems S.A. - Liabilities

In thousands of PLN	As at 30/09/2017	As at 31/12/2016	As at 30/09/2016
Equity			
Share capital	2,675	2,600	2,600
Own shares	(100,094)	(57,594)	(57,574)
Reserve capital	9,906	9,906	9,926
Other capital	265,457	176,804	172,417
Retained earnings:	70,420	68,520	49,189
- accumulated earnings (losses) for the previous reporting periods	(3,748)	(1,870)	(1,870)
- net profit	74,168	70,390	51,059
Equity	248,364	200,236	176,558
Liabilities			
Non-current liabilities			
Interest-bearing bank loans, borrowings and debt securities	99,566	137,813	126,923
Finance lease liabilities	16,861	20,275	17,903
Other liabilities	0	4,248	4,248

In thousands of PLN	As at 30/09/2017	As at 31/12/2016	As at 30/09/2016
Deferred tax liabilities	8,961	7,638	7,336
Non-current liabilities	125,388	169,974	156,410
<i>Current liabilities</i>			
Trade payables and other liabilities	27,617	33,248	20,190
Income tax payable	12,441	12,457	12,584
Interest-bearing bank loans, borrowings and debt securities	140,658	5,975	12,621
Finance lease liabilities	6,459	5,935	5,249
Liabilities to employees and provisions for employee benefits	4,808	6,858	2,841
Accruals	63,260	51,403	48,110
Current liabilities	255,243	115,876	101,595
Total liabilities	380,631	285,850	258,005
Total liabilities	628,995	486,086	434,563

7.4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Table 39: Statement of changes in equity of Benefit Systems S.A.

In thousands of PLN	Share capital	Own shares	Reserve capital	Other capital	Retained earnings	Total
Balance as at 01/01/2017	2,600	(57,594)	9,906	176,804	68,520	200,236
<i>Changes in equity in the period from 01/01 to 30/09/2017</i>						
Shares' issuance	75	0	0	11,243	0	11,318
Valuation of options (share-based payment programme)	0	0	0	5,142	0	5,142
Share buyback	0	(42,500)	(42,500)	42,500	0	(42,500)
Reposting of capital	0	0	42,500	(42,500)	0	0
Transfer of net profit to capital	0	0	0	72,268	(72,268)	0
Total transactions with owners	75	(42,500)	0	88,653	(72,268)	(26,040)
Net profit for the period from 01/01 to 30/09/2017	0	0	0	0	74,168	74,168
Total comprehensive income	0	0	0	0	74,168	74,168
Balance as at 30/09/2017	2,675	(100,094)	9,906	265,457	70,420	248,364

In thousands of PLN	Share capital	Own shares	Reserve capital	Other capital	Retained earnings	Total equity
Balance as at 01/01/2016	2,555	0	30,500	85,444	52,212	170,711
<i>Changes in equity in the period from 01/01 to 31/12/2016</i>						
Shares' issuance	45	0	0	6,698	0	6,743
Valuation of options (share-based payment programme)	0	0	0	9,986	0	9,986
Share buyback	0	(57,594)	(57,594)	57,594	0	(57,594)
Reposting of capital	0	0	37,000	(37,000)	0	0
Transfer of net profit to capital	0	0	0	54,082	(54,082)	0
Total transactions with owners	45	(57,594)	(20,594)	91,360	(54,082)	(40,865)
Net profit for the period 01/01 to 31/12/2016	0	0	0	0	70,390	70,390
Total comprehensive income	0	0	0	0	70,390	70,390
Balance as at 31/12/2016	2,600	(57,594)	9,906	176,804	68,520	200,236

In thousands of PLN	Share capital	Own shares	Reserve capital	Other capital	Retained earnings	Total equity
Balance as at 01/01/2016	2,555	0	30,500	85,444	52,212	170,711
<i>Changes in equity in the period from 01/01 to 30/09/2016</i>						
Shares' issuance	45	0	0	6,698	0	6,743
Valuation of options (share-based payment programme)	0	0	0	5,619	0	5,619
Share buyback	0	(57,574)	(57,574)	57,574	0	(57,574)
Reposting of capital	0	0	37,000	(37,000)	0	0
Transfer of net profit to capital	0	0	0	54,082	(54,082)	0
Total transactions with owners	45	(57,574)	(20,574)	86,973	(54,082)	(45,212)
Net profit for the period 01/01-31/09/2016	0	0	0	0	51,059	51,059
Total comprehensive income	0	0	0	0	51,059	51,059
Balance as at 30/09/2016	2,600	(57,574)	9,926	172,417	49,189	176,558

7.5. STATEMENT OF CASH FLOWS

Table 40: Cash flows for Benefit Systems S.A.

In thousands of PLN	3 quarters of 2017	3 quarters of 2016	4 quarters of 2016
<i>Cash flows from operating activities</i>			
Profit before tax	91,676	65,740	90,469
Total adjustments	(13,165)	(456)	4,672
Changes in working capital	(4,308)	5,335	8,526
Income tax paid	(17,047)	(7,333)	(9,079)
Net cash from operating activities	57,156	63,286	94,588
<i>Cash flows from investment activities</i>			
Expenditures on the acquisition of intangible assets	(5,052)	(3,569)	(7,377)
Expenditure on the acquisition of property, plant and equipment	(1,600)	(5,176)	(5,494)
Proceeds from the sale of property, plant, equipment	336	7,757	7,900
Net expenses on acquisition of subsidiaries	(9,884)	(2,436)	(2,436)
Loans collected	7,286	2,791	3,809
Loans granted	(150,218)	(59,840)	(83,383)
Expenditure on the acquisition of other financial assets	0	(1,555)	(1,555)
Proceeds from the sale of other financial assets	400	145	145
Interest received	1,353	2,883	3,069
Dividends received	27,295	9,476	9,476
Net cash from investment activities	(130,084)	(49,524)	(75,846)
<i>Cash flows from financing activities</i>			
Net proceeds from share issuance	0	6,743	6,743
Share buyback	(42,500)	(57,574)	(57,594)
Proceeds from the issue of debt securities	0	70,000	70,000
Proceeds from loans and borrowings	97,161	3,600	8,600
Repayment of borrowings	(2,600)	(7,833)	(7,833)
Repayment of finance leases	(4,553)	(2,925)	(4,301)
Interest paid	(3,511)	(1,684)	(3,849)
Net cash from financial activities	43,997	10,327	11,766
Net change in cash and cash equivalents	(28,931)	24,089	30,508
Cash and cash equivalents at beginning of period	32,481	1,973	1,973
Cash and cash equivalents at end of period	3,550	26,062	32,481

Date	Forename and surname	Position	Signature
7 th November, 2017	Grzegorz Haftarczyk	Member of the Management Board	
7 th November, 2017	Arkadiusz Hanszke	Member of the Management Board	
7 th November, 2017	Adam Radzki	Member of the Management Board	
7 th November, 2017	Emilia Rogalewicz	Member of the Management Board	
7 th November, 2017	Izabela Walczewska-Schneyder	Member of the Management Board	