



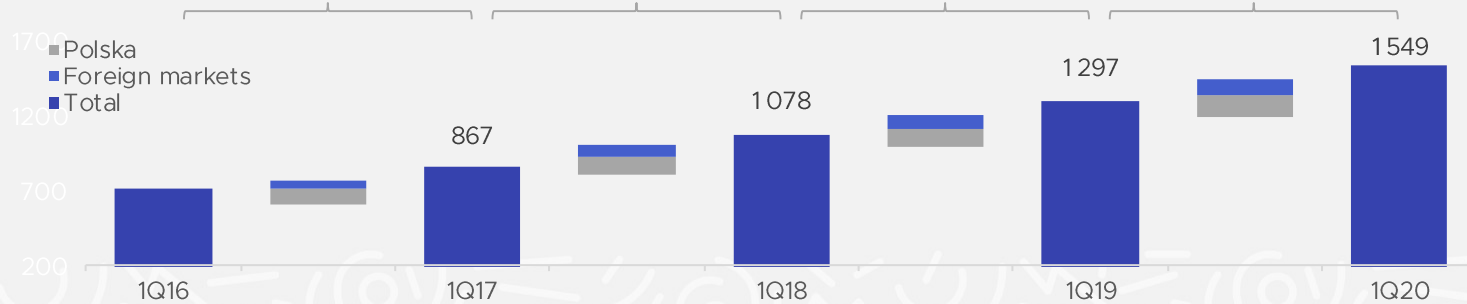
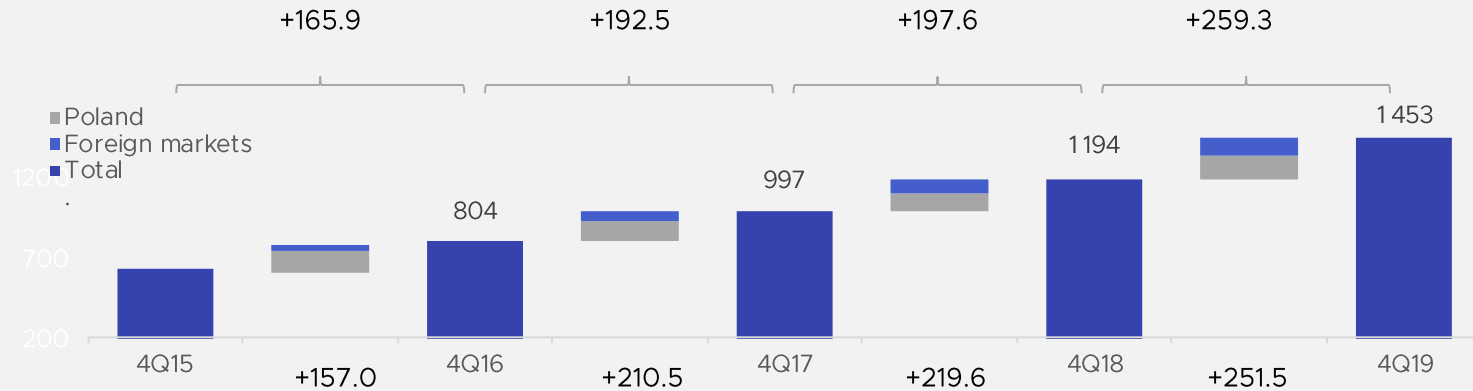
Financial Results of Benefit Systems Group for 2019

2 April 2020



4Q19-1Q20: summary/key events

- Growth in the number of cards at +22% yoy (+259 thousand yoy) in 4Q19 and 19% yoy (+252 thousand yoy) in 1Q20



4Q19-1Q20: summary/key events

- 3 new clubs in Poland (one closure) in 4Q19; 2 new clubs in 1Q20
- 1 new club in Slovakia in 4Q19; 1 new opening in Bulgaria in 1Q20
- Continuation of the optimization activities in fitness clubs
 - Growth in revenues (+35% yoy in 4Q19) in both mature clubs and those opened in 2018.
 - 21% yoy growth in B2C subscriptions
 - Selective price increases of B2C subscriptions
 - Higher revenues from sale of merchandise and services
 - Positive impact of the changes in the incentive scheme for clubs' employees
 - Improvement in marketing expenditures efficiency (internal marketing team, better management of advertising campaigns)
- 2019 EBIT ex-IFRS 16: 153mn – above November forecast (130-140mn) due to:
 - Sports cards volumes in Poland above expectations
 - Higher revenue growth in Polish fitness clubs and optimization effects better than initially expected

4Q19-1Q20: summary/key events

- New debt financing from BNP Paribas
 - 70mn non-revolving loan and 30mn credit line
 - Diversification of sources of financing
- Benefit Partners bonds buyout
 - Series A, B and C buyout in the total amount of 31 mn.
 - The interest: WIBOR 3M + 4,00 – 4,15 pp.
 - Realized from 13 to 30 March 2020
- New 2020-2023 dividend policy
 - At least 50% payout of consolidated net profit
- Deadline for the Antimonopoly proceedings postponed to 29 July 2020

COVID-19 impact on Benefit Systems

- No material impact in 1Q20
 - Negative impact on revenues of cards in foreign markets and fitness clubs
 - Lower costs of visits in March; small decline in card revenues in Poland expected in March
- Negative impact in 2Q20
 - We offer Polish clients April discount or cards suspension for the closure period (then „re-start”). Estimated number of suspended cards in April is 70%.
 - On foreign markets we expect material drop in revenues in 2Q20.
 - Priority – to maintain the client base pre-COVID-19 – as of now we are succeeding
- Expected savings:
 - Rental costs in PL: PLN 6mn/month (thanks to the special regulation, around 50% of rent amounts are shopping malls) – cash savings, 2Q20 PnL impact depending on i.a. IFRS 16 interpretation
 - Variable (direct) costs of clubs in PL: 6-8mn/month; other categories 2-3mn/month (i.a. marketing)
 - Savings in other segments: 5-7mn/month (SG&As, direct costs of foreign clubs)
 - Capex – we stick to absolute minimum
- Liquidity situation:
 - Cash level at 31 December 2019: 72mn, low debt, revolving credit facility available
 - Receivables collections without major disruptions currently. We are negotiating the payment dates of the payables.
 - Available investment credit: 89mn

MultiSport programme: online offer



Video films

Multiple diverse **online classes** available at „Strefa MultiSport”

Live trainings – 3x per day

Exercises with **coaches from your Club**



„Stay healthy with MultiSport”

Webinars and podcasts with experts

Healthy **live cooking**

Meditation

How to deal with **stress, immunity, healthy diet**



Online diet creator

12 diet plans, with which you will improve your body form and strengthen your immune system



Free discount codes and coupons

E-books from **Legimi**

60-day access to **Audioteka** portal

2 month access to **eTutor** language platform



Diet-coaching consultation

Individual **online meetings** with MultiSport dieticians and coaches



Animation for kids

Unique propositions for kids play using home appliances

New materials 2 times per week

4Q19 adj. EBITDA* (excl. IFRS 16) at +39% yoy

(PLN mn)	4Q18	4Q19	yoy	2018	2019	yoy
Sales	336.5	411.7	22%	1 208.8	1 527.4	26%
Gross profit on sales	97.8	114.2	17%	338.0	408.2	21%
SG&A	70.4	82.3	17%	205.1	246.1	20%
adj. EBITDA*	42.6	91.2	114%	176.3	357.9	103%
adj. EBITDA* (excl. IFRS16)	42.6	57.5	35%	176.3	229.8	30%
adj. EBIT*	29.0	29.8	3%	132.0	155.5	18%
adj. EBIT* (excl. IFRS16)	29.0	28.7	-1%	132.0	152.5	16%
Reported Pre-tax	59.5	33.9	-43%	157.4	143.0	-9%
Net profit**	40.9	22.3	-45%	114.6	105.3	-8%

- Growth in sales driven by higher number of cards (+22% yoy), new openings (+23 clubs vs. 4Q18).
- Costs: cards users activity growth in 4Q19; scale growth on foreign markets; Incentive Programme (9.9mn in 4Q19 vs 7.2mn in 4Q18)
- Change in estimation of IFRS 16 impact (MyLease implementation, change of auditor's approach)
- Reported Pre-tax income decrease in 4Q19:
 - One-offs at EBIT level in 4Q18: +21.6mn
 - Earn-outs and one-offs impact: 7mn in 4Q19 (negative); 11mn in 4Q18 (positive)
 - IFRS 16 FX impact in 4Q19: 17mn (positive)
 - IFRS 16 financial costs: 4mn
- Income tax: 11mn in 4Q19 vs 18mn in 4Q18

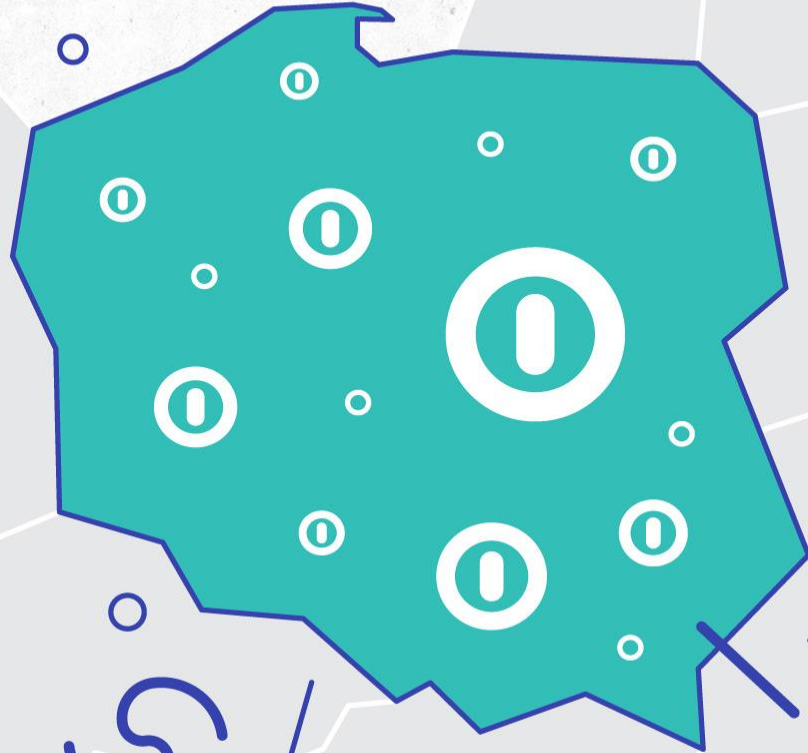
* EBIT and EBITDA for 4Q18 and 2018 adjusted for one-off income of 21.6mn for fair value remeasurements related to M&A transactions

** Net profit attributable to shareholders of the of the parent entity.

Segments: 4Q19

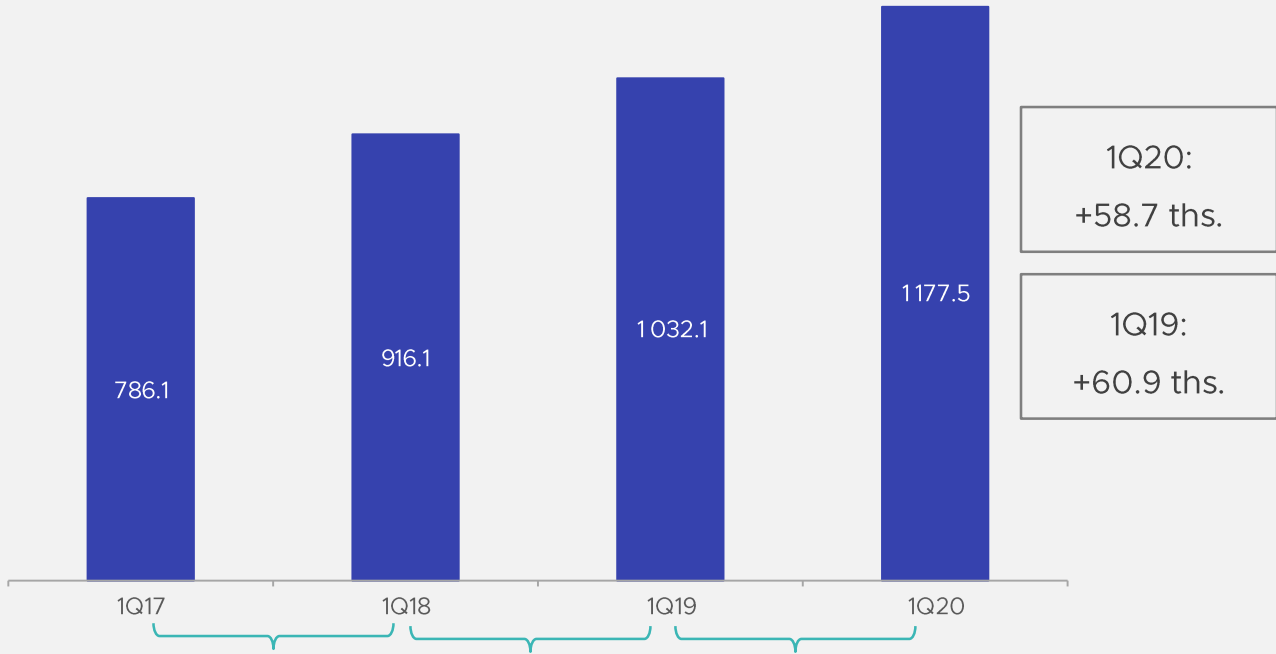
EBIT (PLN mn)	4Q18	4Q19	yoy	4Q19 excl. IFRS16	yoy	
Poland	36.5	44.1	21%	43.1	18%	(+) higher number of cards with growing activity, improvement of LFL revenues in the clubs, double digit revenue growth in clubs opened in 2018.
Foreign markets	-5.1	-7.2	-	-7.3	-	(-) higher SG&A (costs of associates contracts).
Cafeterias	2.5	3.6	43%	3.6	42%	(+) double digit growth of the scale of operations, slightly better gross profitability, lower bonus provisions yoy
Other	-4.9	-10.7	-	-10.7	-	(-) higher valuation of Incentive Programme.
Group EBIT	29.0	29.8	3%	28.6	-1%	

Segment Poland



Sport cards in Poland: number of cards at +14% yoy in 1Q20

Number of cards (ths.)



Growth yoy	+129.9	+116.1	+145.4
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* Estimated number of suspended cards in April: 70%.

Expansion of fitness clubs



Fitness clubs – selected activities in 4Q19 and 2019:

- Revenues:
 - Increase of carnets prices in selected chains (excluding Zdrofit) (ave. PLN +10/month); introduction of quarterly and 12M carnets in selected chains;
 - Targeted advertising campaigns, aimed at customer acquisition and retention, for example Black Friday, member get member, family offer, good start offer;
 - Improvement of bar offer in clubs (i.a. shakes, legal cakes, after-training meals);
 - Improvement of group trainings offer – suitable to the local needs.
- Costs:
 - Optimization of work schedules of trainers/instructors and reception workers in 3Q19-4Q19; process continued in 1Q20.
 - Improvement in marketing expenditures efficiency (internal marketing team, better management of advertising campaigns)
 - Introduction of central investment process.

Poland: revenues +23% yoy in 4Q19

(PLN mn)	4Q18	4Q19	yoy	2018	2019	yoy
Poland	258.5	317.0	23%	970.2	1179.7	22%
Cards	221.9	260.0	17%	846.7	977.1	15%
Clubs	70.8	95.5	35%	247.8	376.1	52%
Eliminations	-34.2	-38.5	n.m.	-124.3	-173.5	n.m.
Number of cards*	971.2	1118.8	15%			
Number of clubs*	144	161	12%			

Growth in revenues in 4Q19:

- Driven by growth in the number of cards (+15% yoy); slightly higher ARPU yoy (favorable client mix, ongoing renegotiations of low-margin contracts)
- +17 clubs vs. 4Q18.
- Partial M&A consolidation in 4Q18; revenue growth in chains acquired in 2018: +7mn
- Improvement in sales of clubs opened in 1H17-2018: +6mn
- Revenues of clubs opened in 2019: +7mn

* Number of cards and clubs at the end of the period

Poland: adj. EBITDA (excl. IFRS 16) in 4Q19 + 43% rdr

(PLN mn)	4Q18	4Q19	yoy	2018	2019	yoy
Revenues	258.5	317.0	23%	970.2	1179.7	22%
Gross profit on sales	78.2	89.0	14%	276.5	325.3	18%
Margin on sales	30.3%	28.1%	-2.2 p.p.	28.5%	27.6%	-0.9 p.p.
SG&As	-39.8	-46.8	18%	-115.2	-143.0	24%
adj. EBITDA	47.5	96.3	103%	192.7	349.1	81%
adj. EBITDA excl. IFRS16	47.5	68.0	43%	192.7	241.3	25%
adj. EBIT	36.5	44.1	21%	157.3	176.4	12%
adj. EBIT excl. IFRS16	36.5	43.1	18%	157.3	174.2	11%

Gross margin in 4Q19:

- Slightly higher activity of cards users: especially favourable calendar effects in 4Q19, Sunday trading ban impact.
- Improvement of LFL revenues in clubs

SG&As growth in 4Q19:

- Driven by growing scale of operations; high comparable base from 4Q18
- Higher amount of variable remuneration (bonuses) (ca. 2.8mn)
- Costs related to Fitness reorganization in PL (ca.1.5mn)

* EBIT and EBITDA for 4Q18 and 2018 adjusted for one-off income of 21.6mn for fair value remeasurements related to M&A transactions



Segment Cafeterias

Cafeterias: good result in 4Q19; growth in the scale of operations is the key goal of the segment

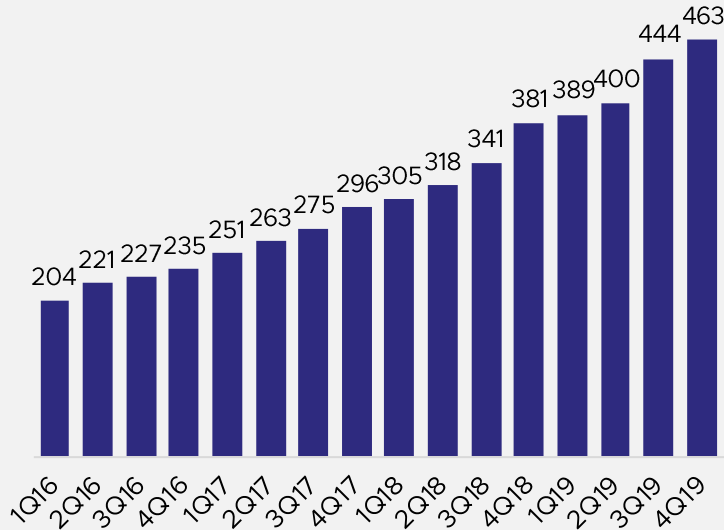
(PLN mn)	4Q18	4Q19	yoy	2018	2019	yoy
Number of users (ths.)	380.8	462.7	22%	380.8	444.3	17%
Turnover	97.5	126.7	30%	199.4	248.5	25%
Gross profit on sales*	4.8	5.9	23%	16.6	16.3	-2%
SG&As	-2.0	-2.6	30%	-10.2	-11.7	14%
EBITDA	2.9	4.9	70%	7.7	9.2	19%
EBIT	2.5	3.6	43%	6.0	4.8	-21%

- Focus on growing number of users and investments in future growth:
 - higher level of employment
 - higher D&A (IT-related capex)
- Higher provisions by ca. 4mn vs. 4Q18; of which ca. 3mn driven by growth in turnover;
- Higher costs of sales teams, customer service, SG&A (operations scale growth) and D&A offset by lower bonuses and mgmt fee in 4Q19
- Small impact of IFRS 16

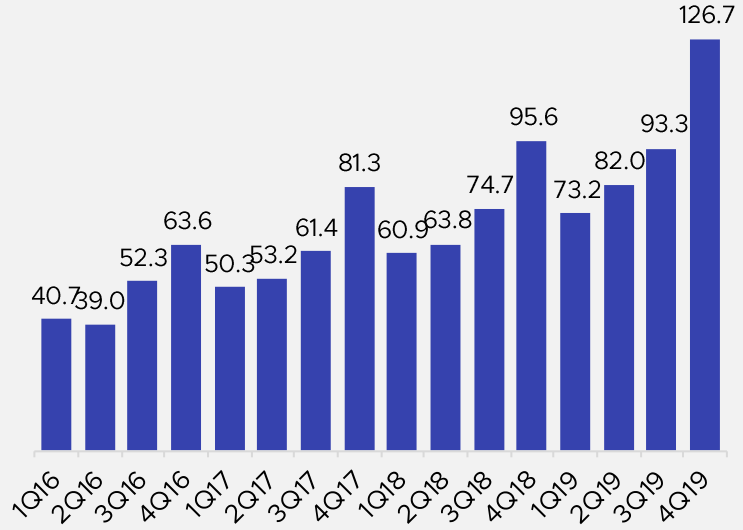
* Revenue and COGS adjustment in 2019 according to IFRS 15; without impact on gross profit level

Cafeterias: growing turnover and number of users

Cafeterias: number of users (ths.)



Cafeterias: turnover (PLN mn)

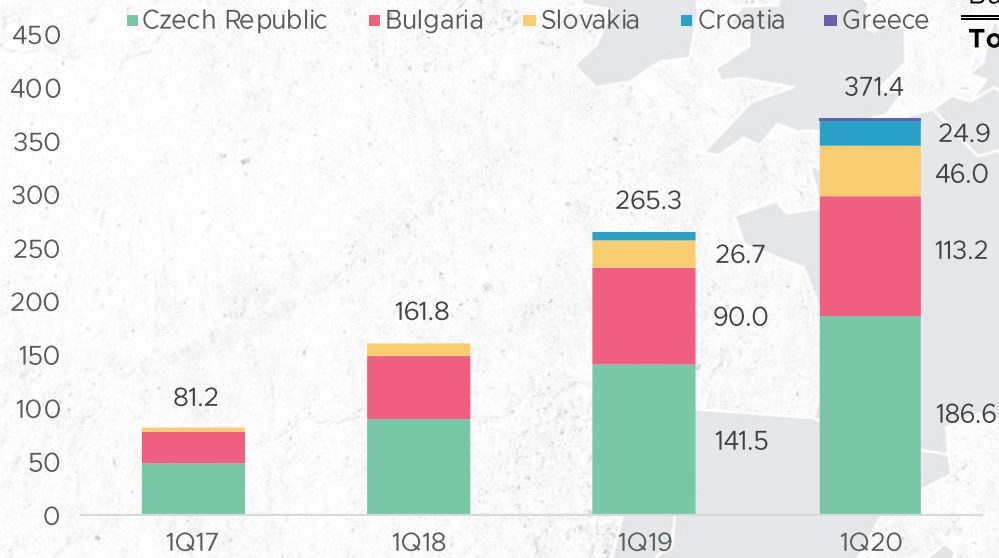


A stylized map of Europe with several regions highlighted in different colors: a green region in the north, a yellow region to its east, a blue region in the west, a red region in the south, and a purple region in the south-east. There are also several blue lightning bolt symbols scattered across the map. A dark blue box with white text is overlaid on the left side of the map.

Segment Foreign

Number of sport cards – foreign markets

Number of clubs	4Q18	3Q19	4Q19	1Q20
Czech Republic	15	15	15	15
Slovakia	0	0	1	1
Bulgaria	3	8	8	9
Total	18	23	24	25



Growth yoy	+80.6	+103.5	+106.1*
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* Due to the closure of sport facilities due to the COVID-19 pandemic, material drop in segment revenues is expected in 2Q20

Foreign segment: revenues +29% yoy

(PLN mn)	4Q18	4Q19	yoy	2018	2019	yoy
Foreign segment	70.0	90.4	29%	218.0	322.8	48%
Cards	53.1	82.2	55%	177.2	287.9	62%
Clubs	12.9	15.5	20%	50.5	59.1	17%
Eliminations	3.9*	-7.3	n.m.	-9.7	-24.1	n.m.
Number of cards**	222.9	334.6	50%			
Number of clubs**	18	24	33%			

** Number of cards and clubs at the end of period.

Revenue growth in 4Q19:

- Increase in the number of active sport cards (+50% yoy)
- 6 new clubs opened during the last 4 quarters (Bulgaria, first club in Slovakia)
- Eliminations: 4Q18 Clubs revenues includes positive 7mn one-off in one of acquired chains (no PnL impact) – presented in Eliminations

Foreign segment: adj. EBIT (excl. IFRS 16) loss in 4Q19 at 7mn

(PLN mn)	4Q18	4Q19	yoy	2018	2019	yoy
Revenues	70.0	90.4	29%	218.0	322.8	48%
Gross profit on sales	13.1	18.6	42%	38.8	61.5	59%
Margin on sales	18.8%	20.6%	+1.8 p.p.	17.8%	19.1%	+1.3 p.p.
SG&As	-18.1	-25.1	39%	-56.1	-77.6	38%
EBITDA	-3.0	3.9	-	-10.1	14.5	-
EBITDA (excl. IFRS 16)	-3.0	-1.7	-	-10.1	-7.1	-
EBIT	-5.1	-7.2	-	-16.8	-17.0	-
EBIT (excl. IFRS 16)	-5.1	-7.3	-	-16.8	-17.8	-

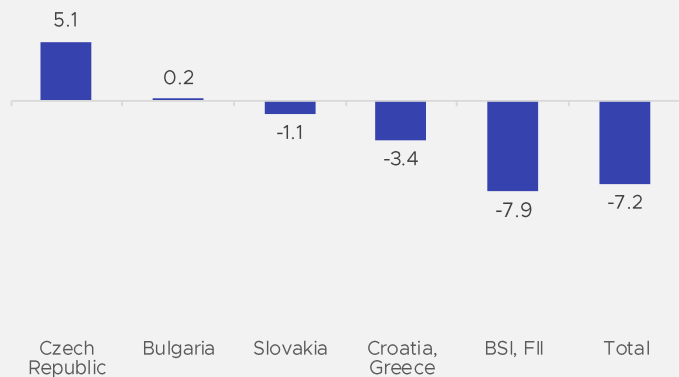
- Slightly higher level of users activity yoy offset by higher ARPU.
- Reveue growth in existing club offset by fixed costs of new locations
- Growth in SG&As:
 - Costs of business development in Greece and Croatia
 - 3.6mn one-off costs of associates contracts
 - HQ costs (Benefit Systems International, Fit Invest International)

Foreign segment results in 4Q19 and 2019

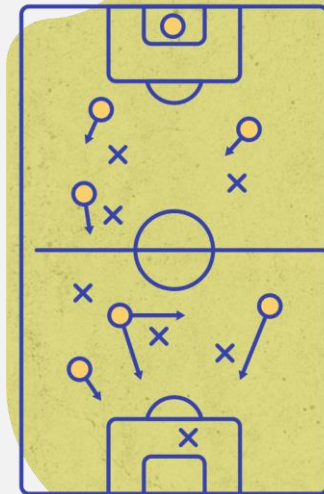
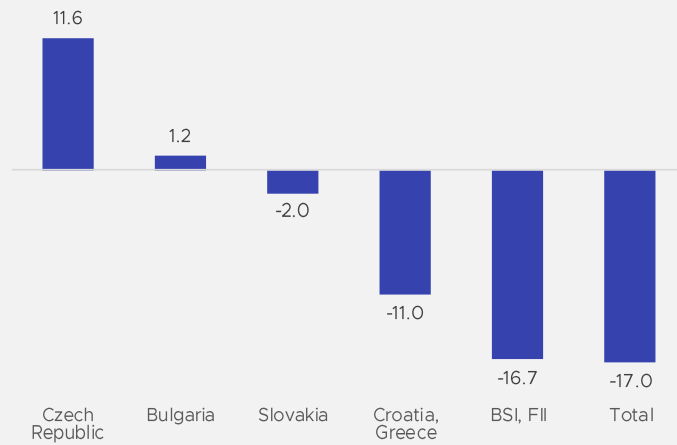
Major investments/costs in 2019/2020:

- Costs incurred on two new markets
- Management Team (Benefit Systems International + Fit Invest International)
- Investments in fitness clubs

4Q19: EBIT (PLN mn)



2019: EBIT (PLN mn)

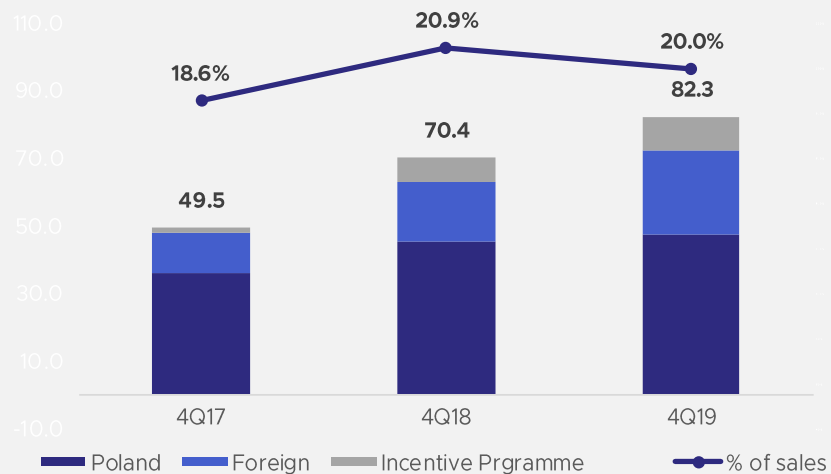


Financial results

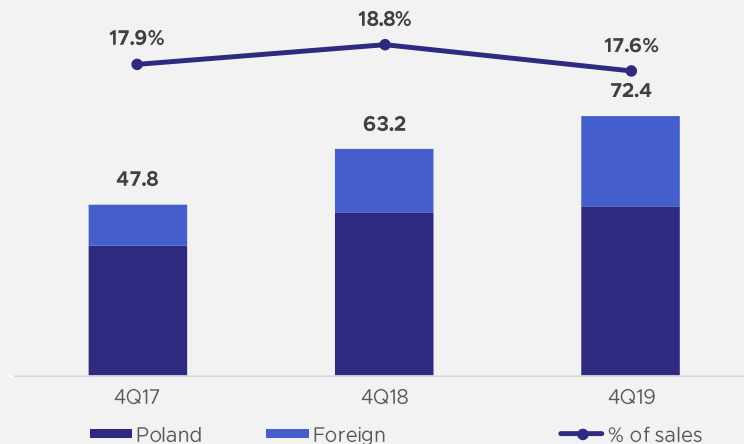


Selling, General & Administrative expenses

SG&As (PLN mn)



SG&As (PLN mn) (excl. Incentive Programme)



*Poland incl. Cafeterias

Operating cash flow in 4Q19 above EBITDA

CASH FLOWS (PLN mn)	2018	2019	4Q18	4Q19
Operating cash flow	140.0	379.9	31.8	118.3
Investing cash flow	-321.6	-152.2	-130.2	-42.2
Financing cash flow	205.0	-231.5	-9.2	-69.6
Change in cash and cash equivalents	23.4	-3.8	-107.6	6.5
Cash and cash equivalents (eop)	75.8	72.1		
Net debt/(net cash)	115.0	105.6		

Operating cash flow in 4Q19:

- Positive IFRS 16 impact (+38mn)
- Change in net working capital (+13mn)

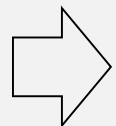
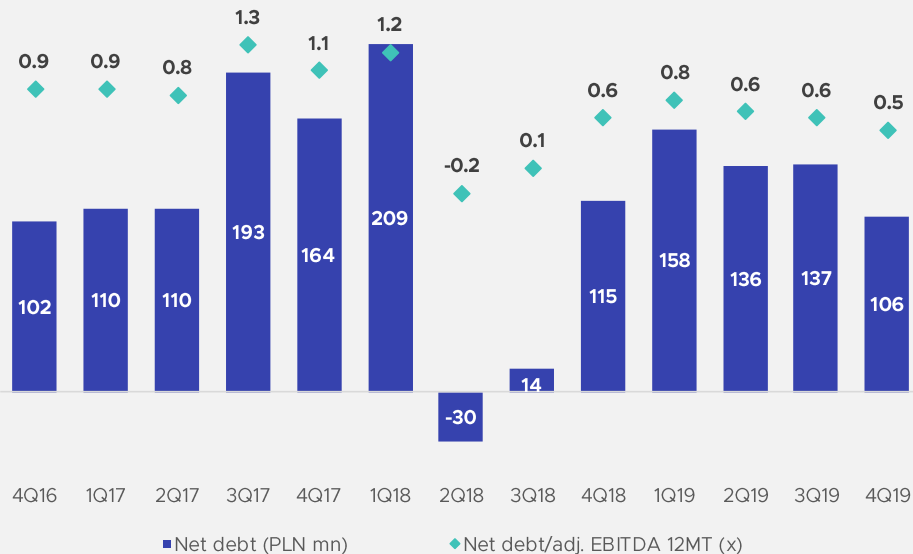
Investing cash flow in 4Q19:

- Poland: new clubs and renovations: 22mn
- Foreign: new clubs and other: 7mn
- Other: 12mn (IT, others)

Investing cash flow in FY2019:

- Poland: new clubs 53mn; renovations: 25mIn
- Foreign: around 20mn (mostly new clubs)
- Intangibles: 22mn
- Acquisition of 3 Platinum clubs and BP: 19mn

Net debt / adj. EBITDA* below 1.0x



- Long-term debt:
 - Bank loans: PLN 104 mn
- Short-term debt:
 - Bank loans : PLN 43 mn
 - Bonds (B. Partners): PLN 30mn
- Cash and equivalents: PLN 72mn

Net debt = bank loans, borrowings, current and non-current lease minus cash (not including IFRS 16 liabilities)
 Adj. EBITDA excl. IFRS 16 D&A

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