Intraware Investments Public Ltd

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

prepared in accordance with

International Financial Reporting Standards (IFRS)

for the period ended 30 June 2021

CONTENTS

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

OF INTRAWARE GROUP FOR THE SIX MONTHS ENDED 30 JUNE, 2021

(in thousand EURO)

	Note	Six months ended 30 June 2021 (unaudited)	Six months ended 30 June 2020 (unaudited)
Revenue		17 645	9 787
Cost of Sales		(11 192)	(6 504)
Gross profit		**6 453**	**3 283**
Selling and marketing expenses		(932)	(587)
Administrative expenses		(2 173)	(2 211)
Other income		1 662	598
Other losses		(602)	(855)
Impairment of goodwill		(103)	(1 326)
Impairment of right-of-use assets		-	(2 031)
Operating income		**4 305**	**(3 129)**
Financial income		47	344
Financial expenses		(1 758)	(2 146)
Profit/(Loss) before tax		**2 594**	**(4 931)**
Income tax expense	2	(23)	375
Profit/(Loss) for the period from continuing operations		**2 571**	**(4 556)**
Net profit/(loss) for the period		**2 571**	**(4 556)**
Net profit/(loss) for the period attributable to:			
Owners of the Group		2 734	(3 886)
Non-controlling interests		(163)	(670)
Total profit/(loss) for the period		**2 571**	**(4 556)**
Basic earnings per share from continuing operations, EURO	5	68,35	(97,15)
Other comprehensive income/(loss) for the period			
Items that may not be reclassified subsequently to profit or loss:			
Foreign currency translation differences		13	(21)
Comprehensive income attributable to:			
Owners of the Group		2 748	(3 904)
Non-controlling interests		(164)	(673)
Total comprehensive income for the period		**2 584**	**(4 577)**

The notes on pages 9 to 20 are an integral part of these consolidated financial statements.

On 29 September 2021 the Board of Directors of Intraware Investments Public Ltd authorized these financial statements for issue.

Director ______________ Myrianthi Petrou

Director ______________ Andreas Christofi

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

OF INTRAWARE GROUP AS AT 30 JUNE, 2021 AND 31 DECEMBER, 2020

(in thousand EURO)

	Note	30 June 2021 (unaudited)	31 December 2020 (audited)
Non-current assets			
Property, plant and equipment		2 844	2 877
Right-of-use assets	4	23 653	18 475
Goodwill	1	3 902	3 811
Other intangible assets		528	716
Investments in associated companies		100	100
Loans granted to shareholders		328	2 286
Capital in partnerships		665	665
Other non-current assets		310	256
Deferred tax assets		736	713
Total non-current assets		**33 066**	**29 899**
Current assets			
Advances paid		6 199	5 316
Inventories		318	271
Other receivables		539	467
Other assets		171	173
Income tax overpayment		120	101
Trade receivables		2 476	1 966
Loans granted to shareholders		3 121	1 016
Loans granted to other parties		7 032	6 339
Financial assets		5 171	4 174
Cash		1 046	1 525
Total current assets		**26 193**	**21 348**
TOTAL ASSETS		**59 259**	**51 247**

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On 29 September 2021 the Board of Directors of Intraware Investments Public Ltd authorized these financial statements for issue.

Director — Myrianthi Petrou

Director — Andreas Christofi

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

OF INTRAWARE GROUP AS AT 30 JUNE, 2021 AND 31 DECEMBER, 2020

(in thousand EURO)

	Note	30 June 2021 (unaudited)	31 December 2020 (audited)
Owners' equity			
Share capital		40	40
Translation reserve		490	477
Additional paid-in capital		222	222
Accumulated profit (loss)		3 082	2 263
Current year profit (loss)		2 734	1 708
Equity attributable to owners of the Group		**6 568**	**4 710**
Non-controlling interest		70	233
TOTAL EQUITY		**6 638**	**4 943**
Non-current liabilities			
Long-term lease liabilities		20 133	15 549
Deferred tax liabilities		107	152
Total non-current liabilities		**20 240**	**15 701**
Current liabilities			
Short-term loans and borrowings		2 830	3 136
Short-term lease liabilities		5 416	5 185
Short-term other payables		4 387	5 127
Other liabilities		666	449
Liabilities to owners		384	385
Deferred revenue		18 698	16 321
Total current liabilities		**32 381**	**30 603**
TOTAL EQUITY AND LIABILITIES		**59 259**	**51 247**

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On 29 September 2021 the Board of Directors of Intraware Investments Public Ltd authorized these financial statements for issue.

Director ______________ Myrianthi Petrou

Director ______________ Andreas Christofi

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
OF INTRAWARE GROUP FOR THE SIX MONTHS ENDED 30 JUNE, 2021

(in thousand EURO)	Share capital	Additional paid-in capital	Translation reserve	Accumulated profit (loss)	Non-controlling interests	Total
As at 1 January 2020 (audited)	**40**	**222**	**(365)**	**6 359**	**918**	**7 174**
Dividends	-	-	-	(757)	-	**(757)**
Profit/(Loss) for the period	-	-	-	(3 886)	-	**(3 886)**
Non-controlling interests	-	-	-	-	(670)	**(670)**
Foreign currency translation differences	-	-	(21)	-	-	**(21)**
As at 30 June 2020 (unaudited)	**40**	**222**	**(386)**	**1 716**	**248**	**1 840**

	Share capital	Additional paid-in capital	Translation reserve	Accumulated profit (loss)	Non-controlling interests	Total
As at 1 January 2021 (audited)	**40**	**222**	**477**	**3 971**	**233**	**4 943**
Dividends	-	-	-	(889)	-	**(889)**
Profit/(Loss) for the period	-	-	-	2 734	-	**2 734**
Non-controlling interests	-	-	-	-	(163)	**(163)**
Foreign currency translation differences	-	-	13	-	-	**13**
As at 30 June 2021 (unaudited)	**40**	**222**	**490**	**5 816**	**70**	**6 638**

The notes on pages 9 to 20 are an integral part of these consolidated financial statements.

On 29 September 2021 the Board of Directors of Intraware Investments Public Ltd authorized these financial statements for issue.

Director ______________ Myrianthi Petrou

Director ______________ Andreas Christofi

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

OF INTRAWARE GROUP FOR THE SIX MONTHS ENDED 30 JUNE, 2021

(in thousand EURO)

	Note	For the six months ended 30 June 2021 (unaudited)	For the six months ended 30 June 2020 (unaudited)
Cash flows from operating activities			
Profit before tax		**2 594**	**(4 931)**
Amortisation of intangible assets		215	332
Depreciation of property, plant and equipment and right-of-use assets		1 700	2 187
Interest expense		1 622	2 113
Interest income		(30)	(4)
Foreign exchange differences (net)		128	33
Long-term lease modification income		(970)	-
Impairment of goodwill		103	1 326
Impairment of right-of-use assets		-	2 031
Other non-cash expenses/(income) net		(92)	643
Operating cash flows before working capital changes		**5 270**	**3 730**
(Increase)/decrease in trade and other receivables		(1 176)	112
(Increase)/decrease in inventories		(47)	23
(Increase)/decrease in other assets		(997)	(167)
Increase/(decrease) in trade and other payables		(585)	545
Increase/(decrease) in deferred revenue		2 376	778
Increase/(decrease) in provisions		59	(24)
Cash generated from operating activities		**4 900**	**4 997**
Income tax paid		(80)	(39)
Interest paid		(1 640)	(2 095)
Net cash from operating activities		**3 180**	**2 863**
Cash flows from investing activities			
Purchase of property, plant and equipment		(36)	(257)
Loans issued		(1 156)	(1 319)
Loans and interest received		791	865
Net cash used in investing activities		**(401)**	**(711)**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
OF INTRAWARE GROUP FOR THE SIX MONTHS ENDED 30 JUNE, 2021
(in thousand EURO)

	Note	Six months ended 30 June 2021 (unaudited)	Six months ended 30 June 2020 (unaudited)
Cash flows from financing activities			
Dividends paid to company's shareholders		(889)	(757)
Proceeds of loans and borrowings		234	-
Repayment of loans and borrowings		(510)	(352)
Lease payments		(1 214)	(1 190)
Net cash from financing activities		**(2 379)**	**(2 299)**
Cash and cash equivalents at the beginning of the period		**1 525**	**2 759**
Increase (decrease) of cash and cash equivalents		400	(146)
Translation differences		(879)	20
Cash and cash equivalents at the end of the period		**1 046**	**2 633**

The notes on pages 9 to 20 are an integral part of these consolidated financial statements.

On 29 September 2021 the Board of Directors of Intraware Investments Public Ltd authorized these financial statements for issue.

Director		Myrianthi Petrou
Director		Andreas Christofi

in thousand EUR, unless otherwise stated

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

General information on the Group

Intraware Investments Public Ltd (the "Company") and its subsidiaries (together with the Company, the "Group") is one of the largest chains of fitness clubs in Russian market of fitness services. Key activities of the Group are fitness clubs services to population, services of management of fitness clubs and additional activities (catering, retail of sport goods).

The subsidiaries are as follows:

#	Name of the subsidiary	Russian City	Ownership interest as at 30.06.2021	Ownership interest as at 31.12.2020
1.	FOK "Altufevo Sport" LLC	Moscow	98%	98%
2.	FOK "AK-Bars" LLC	Kazan	98%	98%
3.	FOK "Volga-Fitnes" LLC	Volgograd	98%	98%
4.	FOK "Zchemchuzhina" LLC	Perm	98%	98%
5.	FOK "Marino" LLC	Moscow	98%	98%
6.	FOK "Monarh" LLC	Moscow	98%	98%
7.	FOK "Nagatinskaia" LLC	Moscow	98%	98%
8.	FOK "Olimp" LLC	Voronezh	98%	98%
9.	FOK "Park Pobedy" LLC	Moscow	98%	98%
10.	FOK "Planeta" LLC	Moscow	98%	98%
11.	FOK "Platinum" LLC	Voronezh	98%	98%
12.	FOK "Rost Fitnes" LLC	Rostov-on-Don	98%	98%
13.	FOK "Sam-Fitnes" LLC	Samara	98%	98%
14.	FOK "Sun-City" LLC	Novosibirsk	98%	98%
15.	FOK "Senator" LLC	Moscow	98%	98%
16.	FOK "Arena" LLC	Kazan	98%	98%
17.	FOK "Fusion" LLC	Moscow	98%	98%
18.	FOK "Chistye Prudy" LLC	Moscow	98%	98%
19.	FOK "Mosfilmovskiy" LLC	Moscow	98%	98%
20.	"RTI-Finance" LLC	Moscow	49%	49%
21.	"Sport Center" LLC	Moscow	0%	0%
22.	FOK "Oktyabrskiy" LLC	Novosibirsk	0%	0%

All above listed subsidiaries are fitness clubs except «Sport Center» LLC which is a management company.

Although the Group has less than 51% of charter capital of «RTI-Finance» LLC, FOK "Oktyabrskiy" LLC and «Sport Center» LLC, the Group has control over these entities through the appointment, based on agreement with existing shareholders, of directors having unlimited and full rights as to the operating, investment and financing activities of the Companies. All significant actions of these entities are executed at the discretion of Company's Governing bodies.

Whilst the Group does not view its business as highly seasonal as defined by IAS 34, Interim Financial Reporting, its financial results are impacted by seasonality through the calendar year.

Since January 2016 the Company is listed on the Cyprus Stock Exchange (Emerging Companies Market).

Economic environment in which the Group operates

The Group's operations are primarily located in the Russian Federation. Consequently, the Group is exposed to the economic and financial markets of the Russian Federation which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in the Russian Federation.

The Russian economy continues to be negatively impacted by ongoing political tension in the region and international sanctions against certain Russian companies and individuals.

On March 11, 2020, the World Health Organization announced a pandemic of the coronavirus disease COVID-19 caused by the coronavirus SARS-CoV-2. Due to its spreading the most significant drop in global financial markets since the 2008 Global Financial Crisis has occurred because of the state of emergency declaration, strict quarantine measures and closure of its borders by many countries in the world. As a result, global recession occurred in 2020 year. Starting from the end of 2020 year Russian and global economy began to recover.

In July 2021, the World Health Organization announced commencement of the third wave of the COVID-19 pandemic with a new dominant strain of the virus (the "delta" strain). Thus, in the current conditions, uncertainty continues to persist regarding the further development of the situation and the potential impact on business activity and market conditions in the second half of 2021, and as a result, on the Group's activities. The Group's management takes all possible measures to minimize the negative influence of the COVID-19 pandemic.

Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements are unaudited and do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2020.

The Group omitted disclosures which would substantially duplicate the information contained in its 2020 audited consolidated financial statements, such as accounting policies and details of accounts which have not changed significantly in amount or composition. Additionally, the Group has provided disclosures where significant events have occurred subsequently to the issuance of its annual consolidated statements of the Group for the year ended December 31, 2020.

Management of the Group believes that the disclosures in these interim condensed consolidated financial statements are adequate to make the presented information not misleading if these interim condensed consolidated financial statements are read in conjunction with the annual consolidated statements of the Group for the year ended December 31, 2020 and the notes related thereto. In the opinion of management, the financial statements reflect all adjustments necessary to present fairly the Group's financial position, financial performance and cash flows for the interim reporting period in accordance with IAS 34, Interim Financial Reporting. Results for the six months ended June 30, 2021 are not necessarily indicative of the results that may be expected for the year ended December 31, 2021.

The consolidated financial statements have been prepared on a historical cost basis except when IFRS require the application of other basis of valuation, in particular, financial instruments that have been measured initially at fair value and then at amortized cost, and identifiable assets and liabilities acquired in the course of a business combination.

The financial statements are presented in thousands of Euros, unless otherwise stated, which is the Company's presentation currency. The functional currency is the currency of the primary economic environment in which a company operates. The Group's functional currency is the national currency of the Russian Federation, the Russian rubles.

The Group has prepared these interim condensed consolidated financial statements based on the going concern assumption.

Significant accounting policies

Significant accounting policies and estimates adopted in the preparation of the interim consolidated financial statements are consistent with those adopted in the preparation of the annual consolidated financial statements for the year ended December 31, 2020, except for the adoption of new standards.

Impact of effective changes in International Financial Reporting Standards

The Group has adopted all new standards, interpretations and amendments, effective from 1 January 2021 and are relevant to the operations of the Group. Below is a list of new standards/interpretations that became effective for the Company from 1 January 2021:

- Interest Rate Benchmark Reform - Phase 2 - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (issues on 27 August 2020 and effective for annual periods beginning on or after January 1, 2021). The amendments complement Interest Benchmark Reform and focus on the effects on financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform. The amendments in this phase 2 relate to:
  - Changes to contractual cash flows: an entity will not have to derecognise or adjust the carrying amount of financial instruments for changes required by the reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate;
  - Hedge accounting: an entity will not have to discontinue its hedge accounting solely because it makes changes required by the reform, if the hedge meets other hedge accounting criteria;
  - Disclosures: an entity will be required to disclose information about new risks arising from the reform and how it manages the transition to alternative benchmark rates.

The Group has reviewed these interpretations and amendments to standards while preparing these financial statements. The interpretations and amendments to standards have no significant impact on the Company's financial statements.

Application of new and revised International Financial Reporting Standards not effective yet

Below is a list of standards/interpretations that have been issued and are not effective for periods starting on 1 January 2021, but will be effective for later periods, the Group didn't choose to apply them earlier:

- Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (issued on September 11, 2014 and effective for annual periods beginning on the date, to be determined by the IASB or after that date). The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business. A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.
- IFRS 17 Insurance Contracts (issued on 18 May 2017 and effective for annual periods beginning on or after 1 January 2023). IFRS 17 replaces IFRS 4. Under this standard, groups of

insurance contracts must be recognized and measured at (i) risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all of the available information about the fulfilment cash flows in a way that is consistent with observable market information; plus (if this value is a liability) or minus (if this value is an asset) (ii) an amount representing the unearned profit in the group of contracts (the contractual service margin). An insurer will recognize the expected profit for providing coverage as the coverage is provided over time and as the risk is freed. If the group of contracts is or becomes unprofitable, the entity will recognize the loss immediately.

- Amendments to IFRS 17 and an amendment to IFRS 4 (issued on 25 June 2020 and effective for annual periods beginning on or after 1 January 2023).
- Classification of Liabilities as Current or Non-current - Amendments to IAS 1 (issued on January 23, 2020 and effective for annual periods beginning on or after January 1, 2022). These limited scope amendments clarify that liabilities are classified as current and non-current depending on the rights existing at the end of the reporting period. Liabilities are long-term if the entity has a significant right at the end of the reporting period to defer settlement by at least 12 months. The guidance no longer contains a requirement that such a right must be unconditional. Management's expectations as to whether it will subsequently exercise its right to defer redemption does not affect the classification of liabilities. The right to defer redemption arises only if the entity meets all applicable conditions at the end of the period. A liability is classified as current if the condition is violated at or before the reporting date, even if at the end of the reporting period an exemption from the obligation to fulfill the condition is received from the creditor. At the same time, a loan is classified as long-term if the condition of the loan agreement is violated only after the reporting date.
- Revenue Prior to Intended Use of the Asset, Onerous Contracts - Cost to Complete the Contract, Reference to the Conceptual Framework for Financial Reporting - Amendments with narrow-scope to IAS 16, IAS 37 and IFRS 3, and Annual Improvements to IFRS 2018-2020 relating to IFRS 1, IFRS 9, IFRS 16 and IAS 41 (issued on 14 May 2020 and effective for the annualized periods beginning on or after 1 January 2022). The amendment to IAS 16 prohibits a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.
- Disclosure of Accounting Policies – Amendments to IAS 1 (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023).
- Definition of Accounting Estimates – Amendments to IAS 8 (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023).
- Covid-19-Related Rent Concessions – Amendments to IFRS 16 (issued on 31 March 2021 and effective for annual periods beginning on or after 1 April 2021).
- Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12 (issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023).

Unless otherwise described above, the new standards, amendments to standards and interpretations are expected to have no impact or to have a non-material impact on the Group's interim consolidated financial statements.

1. Goodwill

In thousand EUR	Net book value as at 31.12.2020	Impairment	Translation differences	Net book value as at 30.06.2021
Goodwill	3 811	(103)	194	3 902
Total	**3 811**	**(103)**	**194**	**3 902**

Management uses 21 operating cash generating units (CGU) for impairment test. The group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a CGU is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budget for the subsequent year approved by management. Cash flows beyond the subsequent years are extrapolated using the estimated growth rates stated below.

The cash flows are discounted at post-tax rate of 13,0% (13,9% for 2020 year impairment test). The rate is derived from the Group's weighted average cost of capital (WACC) calculated by management.

The Group performs its annual impairment test in December and when circumstances indicate the carrying value may be impaired. As at 30 June, 2021 indicators of impairment were observed and the test was performed.

2. Income tax

Income tax in the Statement of Comprehensive Income in profit and losses includes:

Components of income tax expense:

In thousand EURO	6m2021	6m2020
Current income tax (12,5%)	9	19
Deferred income tax (12,5%)	-	(2)
Current income tax	52	19
Deferred income tax	(38)	(412)
Total tax expense	**23**	**(375)**

Tax rate is 12,5% for parent company in Cyprus and 20% for its subsidiaries in Russia.

The deferred tax in Russian subsidiaries as at 30 June 2021 was calculated at the 20% rate.

3. Related parties

Transaction balances and transactions with related parties

Term "related party" is defined in IAS 24 "Related Party Disclosures". Parties are usually considered related if they are under common control, one of them has control, significant influence or joint control over the other in financial or operating decision making. In relations of parties which can be related it is important to take into account substance of relations, but not their legal form.

Turnover and balance disclosures with related parties under transactions performed by the Group in the reporting period are presented in the following tables. Transactions refer to settlement of accounts with related parties in the category "Other related parties" which includes companies under common control of the Group's owner.

Settlement of accounts with related parties:

	Other related parties	
In thousand EURO	30 June 2021	30 June 2020

Loans received for the period	146	152
Interest accrued on loans	8	8

Settlement of account balances with related parties:

	Other related parties	
In thousand EURO	**30 June 2021**	**31 December 2020**
Loans receivable	3 449	3 303
Total assets	**3 449**	**3 303**
Loans payable	1 958	1 823
Other payables	384	385
Total liabilities	**2 342**	**2 208**

Key management personnel expenses (3 employees):

In thousand EURO	**Rewards as at 30 June 2021**	**Rewards as at 30 June 2020**
Short-term rewards to personnel	87	25
Social security contributions	20	7
Total	**108**	**32**

4. Right-of-use assets and lease obligations

The Group mainly leases buildings and other non-residential real estate.

The right-of-use assets:

in thousand EURO	**Buildings**	**Total**
Right-of-use assets as at 01.01.2021	**18 475**	**18 475**
Additions	13 589	13 589
Disposals	(55)	(55)
Modifications	(7 782)	(7 782)
Depreciation	(1 712)	(1 712)
Translation differencies	1 138	1 138
Right-of-use assets as at 30.06.2021	**23 653**	**23 653**

in thousand EURO	**Buildings**	**Total**
Right-of-use assets as at 01.01.2020	**30 670**	**30 670**
Disposals	(165)	(165)
Depreciation	(2 250)	(2 250)
Impairment	(1 973)	(1 973)
Translation differencies	(3 476)	(3 476)
Right-of-use assets as at 30.06.2020	**22 806**	**22 806**

Lease liabilities recognized by the Group are stated below:

in thousand EURO	**30.06.2021**	**31.12.2020**
Long-term lease liabilities	20 133	15 549

in thousand EUR, unless otherwise stated

Short-term lease liabilities	5 416	5 185
Lease liabilities, total	**25 549**	**20 735**

5. Earnings per share

thousand EURO per share	**6m2021**	**6m2020**
Basic earnings per share		
From continuing operations	68,35	(97,15)
From discontinued operations	-	-
Total basic earnings per share	**68,35**	**(97,15)**

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Group has no dilutive securities such as convertible securities, options and warrants on shares and other rights, as well as contractual obligations for shares issue in future.

The following table reflects the income and share data used in the basic EPS computations:

	6m2021	**6m2020**
Profit attributable to ordinary equity holders of the parent:		
Continuing operations	2 734	(3 886)
Discontinued operations	-	-
Profit attributable to ordinary equity holders of the parent for basic earnings	**2 734**	**(3 886)**
Weighted average number of ordinary shares for basic EPS	40 000	40 000

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorization of these financial statements.

6. Operating segments

Management of the Group has chosen to operate each of the fitness clubs by separate legal entities that consolidate all the cash flows that are relevant for that component. Operating segments of the Group are the fitness clubs operated by the Group and correspond to 21 FOK entities and one "Sport-center" management company. All these entities and segments are engaged in similar activities and are all located in Russian Federation.

All the operating segments (fitness clubs) of the Group exhibit similar long-term financial performance as they have similar economic characteristics. Therefore for the purposes of segment information disclosure the Group has aggregated all the operating segments being similar in each of the following respects:

(a) the nature of the products and services;

(b) the nature of the production processes;

(c) the type or class of customer for their products and services;

(d) the methods used to distribute their products or provide their services;

(e) and the nature of the regulatory environment.

The Group has designated the aggregated operating segments in Moscow (12 legal entities or 11 fitness clubs and one management company aggregated to a segment 'Fitness clubs in Moscow') and other regions of Russia (10 legal entities or 10 fitness clubs aggregated to a segment 'Fitness clubs in other regions') as separate reporting segments given that, according to perception of the management, these regions demonstrate different stages of economic development and therefore their economic performance may be different in the future.

Transactions between reportable segments and with other operating segments of the Group (primarily lease) are normally conducted under arm's length basis.

During the reporting period, the method of compilation the financial information in respect of operating segments used by management to make operating decisions has changed. The corresponding items of segment information for the previous reporting period were restated.

Financial information in respect of operating segments for the period ended 30 June 2021:

in thousand EURO	**Fitness clubs in Moscow**	**Fitness clubs in other regions**	**Other minor segments**	**Total segments**
Revenue from club cards sales	5 271	3 344	273	8 887
Revenue from related services and retail	5 524	1 922	(7)	7 439
Other revenue (operating lease and franchising)	589	23	706	1 318
Revenues between operating segments of the Group	1 542	41	2 027	3 610
Elimination of revenues between operating segments of the Group	(1 542)	(41)	(2 027)	(3 610)
Total revenue	**11 384**	**5 289**	**972**	**17 645**
Cost of Sales	(7 221)	(3 355)	(617)	(11 192)
Selling and marketing expenses	(601)	(279)	(51)	(932)
Administrative expenses	(1 402)	(651)	(120)	(2 173)
Other income	1 073	499	92	1 663
Other losses	(455)	(211)	(39)	(705)
Financial income	30	14	3	47
Financial expenses	(1 135)	(527)	(97)	(1 758)
Income tax gains/(expense)	(15)	(7)	(1)	(23)
Expenses between operating segments of the Group	(1 542)	(41)	(2 027)	(3 610)
Elimination of expenses between operating segments of the Group	1 542	41	2 027	3 610
Profit or loss for the segment	**1 659**	**771**	**142**	**2 571**
Other segment information				
Total assets of the reportable segment	38 232	17 762	3 265	59 259
Total liabilities of the reportable segment	33 949	15 773	2 899	52 621

Financial information in respect of operating segments for the period ended 30 June 2020:

in thousand EURO	Fitness clubs in Moscow	Fitness clubs in other regions	Other minor segments	Total segments
Revenue from club cards sales	3 655	1 671	36	5 362
Revenue from related services and retail	3 081	1 148	24	4 253
Other revenue (operating lease and franchising)	37	3	132	173
Revenues between operating segments of the Group	561	17	764	1 342
Elimination of revenues between operating segments of the Group	(561)	(17)	(764)	(1 342)
Total revenue	**6 773**	**2 822**	**192**	**9 787**
Cost of Sales	(4 501)	(1 876)	(128)	(6 504)
Selling and marketing expenses	(407)	(169)	(12)	(587)
Administrative expenses	(1 530)	(638)	(43)	(2 211)
Other income	414	172	12	598
Other losses	(2 915)	(1 215)	(83)	(4 212)
Financial income	238	99	7	344
Financial expenses	(1 485)	(619)	(42)	(2 146)
Income tax gains/(expense)	259	108	7	375
Expenses between operating segments of the Group	(561)	(17)	(764)	(1 342)
Elimination of expenses between operating segments of the Group	561	17	764	1 342
Profit or loss for the segment	**(3 154)**	**(1 314)**	**(90)**	**(4 558)**
Other segment information				
Total assets of the reportable segment	39 978	16 658	1 134	57 770
Total liabilities of the reportable segment	38 704	16 127	1 098	55 930

7. Business combination

The Group didn't acquire subsidiaries during 6 months of 2021 year.

8. Joint venture in the form of joint operation

In accordance with IFRS 11 the club "Ak-Bars" in Kazan was classified by the Group as a joint operation. The club operates in the building and uses equipment owned by the partner in joint venture. The Group has the full right to all assets and bears full responsibility for all liabilities presented in the financial statements. Under the agreement, the Group's share in the financial result of the club is 22%. Therefore, profits and losses in the statement of comprehensive income are presented in the amount of 22%.

9. Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement assumes that the transaction to asset sell or liability transfer occurs:

- either on the main market for the asset or liability;
- or on the most advantageous market for the asset or liability in case of absence of the main market.

Financial assets and liabilities of the Group are not traded on active markets. Therefore the fair value of financial assets and liabilities of the Group are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices that are used in existing transactions on the current market.

Assets and liabilities whose fair value is estimated or disclosed in the financial statements are classified as described below under the fair value hierarchy based on the data of the lowest level input that is significant to the fair value measurement in general:

- Level 1 - quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date (without any adjustment);
- Level 2 - measurement models, which are essential for data fair value assessment of the lowest level of the hierarchy, are directly or indirectly observable on the market;
- Level 3 - measurement models, which are essential for data fair value assessment of the lowest level of the hierarchy, are not observable on the market.

Classifying financial instrument to any of the category of the fair value hierarchy, Group use an appropriate judgment. If observable data that require significant adjustment is used in fair value measurement, the financial instrument needs to be classified to Level 3. The Russian Federation continues to display some characteristics of an emerging market and economic conditions continue to limit the volume of activity in the financial markets. Market quotations may be outdated or reflect distress sale transactions and therefore not represent fair values of financial instruments. Management has used all available market information in estimating the fair value of financial instruments.

The tables below shows the hierarchy of the data sources used for the recognition or disclosure of assets and liabilities fair value of the Group in the reporting period.

(i) Multiple and single estimates of fair value.

Multiple estimates of fair value are estimates required or permitted by IFRS in the statement of financial position at the end of each reporting period. Single estimates of fair value are estimates required or permitted by IFRS in the statement of financial position at the end of the period under certain conditions. As at the reporting date the Group had no financial assets and liabilities that require multiple and single estimates of fair value as at the reporting date.

(ii) Assets and liabilities that are not measured at fair value but disclosed at fair value.

At the Level 2 and Level 3 of the fair value hierarchy its estimation has been performed using method of discounted cash flows. Fair value of unquoted financial instruments with floating interest rate was assumed equal to the book value. The fair value of unquoted instruments with fixed interest rate is based on the method of discounted cash flows using current market interest rates for new instruments with similar credit risk and maturity.

Financial instruments carried at fair value. Cash and cash equivalents are carried at cost which approximates the current fair value.

Financial assets carried at amortized cost. The fair value of floating rate instruments is normally their carrying amount. The estimated fair value of fixed interest rate instruments is based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity. Discount rates used depend on the credit risk of the counterparty.

Financial liabilities carried at amortized cost. Fair values of liabilities are determined using valuation techniques. The estimated fair value of fixed interest rate instruments with stated maturities was estimated based on expected cash flows discounted at current interest rates for instruments with similar credit risk and remaining maturity.

The Group has the following categories of financial instruments:

	Carrying amount		Fair value		Level	Initial data	Valuation method
in thousand EURO	30.06.2021	31.12.2020	30.06.2021	31.12.2020			
Financial assets							
Long-term loans issued	328	2 286	328	2 286	Level 3	Market loan rates	Discounted Cash Flows
Short-term accounts receivable	2 907	1 523	2 907	1 523	Level 3	Market loan rates	Discounted Cash Flows
Short-term loans issued	10 153	7 355	10 153	7 355	Level 3	Market loan rates	Discounted Cash Flows
Trade financial instruments	5 171	4 174	5 171	4 174	Level 1	-	-
Cash	1 046	1 525	1 046	1 525	Level 2	-	-
Total financial assets	**19 604**	**16 863**	**19 604**	**16 863**	**-**	**-**	**-**
Financial liabilities at amortized cost							
Long-term loans and borrowings received	-	-	-	-	Level 3	Market loan rates	Discounted Cash Flows
Long-term accounts payable	(20 133)	(15 549)	(20 133)	(15 549)	Level 3	Market loan rates	Discounted Cash Flows
Short-term loans and borrowings received	(2 830)	(3 136)	(2 830)	(3 136)	Level 3	Market loan rates	Discounted Cash Flows
Short-term accounts payable	(9 890)	(10 128)	(9 890)	(10 128)	Level 3	Market loan rates	Discounted Cash Flows
Total financial liabilities at amortised cost	**(32 853)**	**(28 813)**	**(32 853)**	**(28 813)**	**-**	**-**	**-**

10. Contingencies and Commitments

Group had no other commitments and contingencies as at 30 June 2021, other than those disclosed in the annual consolidated financial statements for the year ended December 31, 2020.

11. Subsequent events

The operational activity of the fitness club FOK "AK Bars" LLC (Kazan) will be terminated after the balance sheet date of these interim condensed consolidated financial statements.

On 29 September 2021 the Board of Directors of Intraware Investments Public Ltd authorized these financial statements for issue.

Director	______________	Myrianthi Petrou
Director	______________	Andreas Christofi