



**Extended Consolidated  
Quarterly Report  
for the period  
from 1 January to 31 March 2021**

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**Additional information  
to the quarterly report**



## 1. Additional information to the quarterly report

### 1.1 Financial highlights

#### Consolidated financials of Selena Group

	PLN '000		EUR '000	
	from 01.01.2021 to 31.03.2021	from 01.01.2020 to 31.03.2020	from 01.01.2021 to 31.03.2021	from 01.01.2020 to 31.03.2020
Revenue from contracts with customers	349,473	282,714	76,436	64,307
Operating profit	19,760	9,144	4,322	2,080
Profit before tax	21,595	5,411	4,723	1,231
Net profit	17,450	5,209	3,817	1,185
Profit after tax attributable to controlling interests	17,480	5,180	3,823	1,178
Comprehensive income	20,388	-255	4,459	-58
Comprehensive income attributable to shareholders of the parent	20,373	-335	4,456	-76
Net cash flows from operating activities	-9,526	-5,450	-2,084	-1,240
Net cash flows from investing activities	-8,100	-7,097	-1,772	-1,614
Net cash flows from financing activities	41,713	15,460	9,123	3,517
Number of shares	22,834,000	22,834,000	22,834,000	22,834,000
Earnings per ordinary share (PLN/share; EUR/share)	0.77	0.23	0.17	0.05

	As at 31.03.2021	As at 31.12.2020	As at 31.03.2021	As at 31.12.2020
Total assets	1,043,091	925,981	223,825	200,655
Long-term liabilities	44,403	46,917	9,528	10,167
Short-term liabilities	454,636	355,400	97,555	77,013
Equity	544,052	523,664	116,742	113,475
Registered capital	1,142	1,142	245	247

#### Financial data of the Parent Company

	PLN '000		EUR '000	
	from 01.01.2021 to 31.03.2021	from 01.01.2020 to 31.03.2020	from 01.01.2021 to 31.03.2021	from 01.01.2020 to 31.03.2020
Revenue from contracts with customers	188,227	156,153	41,169	35,519
Operating profit (loss)	-11,840	5,256	-2,590	1,196
Profit (loss) before tax	-5,574	10,673	-1,219	2,428
Profit (loss) after tax	-5,932	8,273	-1,297	1,882
Comprehensive income	-5,932	8,273	-1,297	1,882
Net cash flows from operating activities	-26,679	16,077	-5,835	3,657
Net cash flows from investing activities	-4,662	-5,274	-1,020	-1,200
Net cash flows from financing activities	34,386	3,508	7,521	798
Number of shares	22,834,000	22,834,000	22,834,000	22,834,000
Earnings per ordinary share (PLN/share) /EUR/share)	-0.26	0.36	-0.06	0.08

	As at 31.03.2021	As at 31.12.2020	As at 31.03.2021	As at 31.12.2020
Total assets	662,367	605,117	142,130	131,125
Liabilities	240,269	177,087	51,557	38,374
Equity	422,098	428,030	90,573	92,752
Registered capital	1,142	1,142	245	247

## 1.2 Group structure

The Group structure and changes in it made in Q1 2021 and after the balance sheet date were presented in Note 2.1.2 of this report.

## 1.3 Significant developments in the reporting period

### 1.3.1 Development of R&D operations

The Group's R&D activity is carried out chiefly by Selena Labs Sp. z o.o. and through the labs in China, Romania, Turkey, Spain and Italy. In Q1 2021, Selena Labs worked on development of new products and technologies in all product groups.

Selena launched on global markets the WINS system, the first system solution for professionals in the history of the Selena Group. In the area of waterproofing, further work was carried out on modification of COOL-R, the highly-reflective waterproofing roof coating, to expand the range of its use in various temperature and humidity conditions. That work resulted in a new implementation. Development efforts also concerned other product groups, including the Biomotive project.

Selena Group is committed to environmental protection, including Green Deal issues. For this reason, its research and development activities focus on creating environmentally friendly products. Research in the area of new raw materials, innovative products and applications is guided not only by the company's sustainability policy, but is also determined by legislative changes in chemical regulations. Selena Group puts a high premium on cooperation with network partners and adapting its product portfolio to their requirements, often going beyond the minimum requirements imposed by chemical regulations. There is also an ongoing production technology optimisation process taking place at all the Group's manufacturing plants.

### 1.3.2 Other significant events

In response to the pandemic situation resulting from the spread of the SARS-CoV-2 coronavirus and the COVID-19 disease, the Parent Company's Management Board is monitoring situation on an ongoing basis, tracking health and state authorities' recommendations both in Poland and in countries where Selena Group companies are located.

As a result of operations of a dedicated Response Team, the following measures were designed and implemented to minimise the risk of contagion among employees and counterparties (inter alia):

- Developing the "Procedure for responding to suspected cases of COVID-19 in Selena Group", updated based on current guidelines from the Chief Sanitary Inspectorate (GIS);
- Introducing a hybrid model of work – involving rotational presence of selected employees on the company's premises with other team members working from home;
- Establishing rules for maintaining physical distance and using face masks;
- Limiting the number of meetings, and domestic and foreign business trips;
- Providing hand sanitisers and additional personal protection equipment for employees of Selena Group;
- Providing disinfectants and ensuring additional daily disinfection of common areas;
- Implementing a health monitoring procedure (temperature checks) for Selena Group employees.

So far, there have been no major disruptions in the supply of raw materials or production materials. Likewise, no major risks have been identified relating to employee absenteeism.

Due to the present situation, Selena Group continues its activities in the area of remote sales, and the production of hand sanitisers.

In Q1 2021, Selena Group reported a 23.6% increase in revenue from contracts with customers compared to the same period last year. The impact of the pandemic on Selena Group's activities in the following years will depend on the macroeconomic effects in Poland and in the countries where the subsidiaries operate. At present, the Management Board of Selena FM S.A. does not have full financial data that would enable it to make forecasts as to the impact of the situation on the Company's financial position in the long term.

## 1.4 Group performance drivers

### Financial performance

The tables below show selected items of the consolidated income statement for the 3 months ended 31 March 2021 and 31 March 2020, respectively, as well as selected financial ratios.

Figures in PLN thousand	from 01.01.2021 to 31.03.2021	from 01.01.2020 to 31.03.2020	Change	Change %
Revenue from contracts with customers	349,473	282,714	66,759	23.6%
Cost of sales	245,368	192,141	53,227	27.7%
Gross profit	104,105	90,573	13,532	14.9%
Selling and marketing costs	58,118	52,166	5,952	11.4%
General and administrative expenses	27,895	27,572	323	1.2%
Other operating income (loss)	2,207	316	1,891	598.4%
Impairment of non-financial fixed assets	0	1,542	-1,542	-
Impairment of financial assets	539	465	74	15.9%
EBITDA (operating profit + depreciation + amortisation)	30,278	18,787	11,492	61.2%
Operating profit (EBIT)	19,760	9,144	10,616	116.1%
Net financial income (loss)	1,835	-3,733	5,568	-
Profit before tax	21,595	5,411	16,184	299.1%
Net profit	17,450	5,209	12,241	235.0%
Other net comprehensive income	2,938	-5,464	8,402	-
Total comprehensive income	20,388	-255	20,643	-

	from 01.01.2021 to 31.03.2021	from 01.01.2020 to 31.03.2020	Change change in p.p.
Gross profit margin	29.8%	32.0%	-2.2
Selling costs/ Revenue from contracts with customers	16.6%	18.5%	-1.9
General and administrative expenses/ Revenue from contracts with customers	8.0%	9.8%	-1.8
EBITDA margin %	8.7%	6.6%	2.1
Operating profit margin (EBIT %)	5.7%	3.2%	2.5
Net profit margin	5.0%	1.8%	3.2

*EBIT% – operating profit/ revenue from contracts with customers*

*EBITDA% – EBITDA / revenue from contracts with customers*

### Revenue from contracts with customers

During the period of three months of 2021, consolidated revenue from contracts with customers amounted to PLN 349.5 million, up PLN 23.6% (PLN 66.8 million) on the corresponding period of the previous year.

The revenue increase was significantly driven by an increase in organic growth of sales in all segments.

The Group's revenue from sales is presented with a split into three reporting (geographic) segments: The European Union (including Poland), Eastern Europe and Asia (including Russia and China), and North and South

America (including USA and Brazil). In Q1 2021, the sales structure by segments has not changed significantly compared with the same period last year. European Union remains the key segment. In Q1 2021, the segment generated 68% (vs 67% in the same period of 2020) of sales revenues of Selena Group (with Poland achieving a 35% share in the Group's sales). The Eastern Europe and Asia reporting segment recorded a decrease in its share in the Group's sales (from 26% to 24%). The North and South America segment achieved an 8% contribution to the Group's sales.

Segment	Segment's share in the Group's revenues		Revenue change
	from 01.01.2021 to 31.03.2021	from 01.01.2020 to 31.03.2020	2021 / 2020
European Union, including:	68%	67%	27%
<i>Poland</i>	35%	37%	19%
<i>Other countries</i>	33%	30%	36%
Eastern Europe and Asia	24%	26%	13%
N&S America	8%	7%	32%

### Gross profit

For the three months of 2021, Selena Group generated gross profit of PLN 104.1 million, i.e. PLN 13.5 million more year-on-year.

Gross profit margin was 29.8%, down 2.2 p.p. year-on-year. This decline resulted from a pronounced increase in raw material prices in 2021. The Group is constantly increasing its sales of innovative high-margin products.

### Selling costs and general and administrative expenses

**Selling costs** over the three months of 2021 were PLN 58.1 million, up PLN 6.0 million (11.4%) year-on-year. The increase is attributable to a growth in revenue from contracts with customers and continuation of investments in sales structures.

Over the three months of 2021, **general and administrative expenses** were PLN 27.9 million. They increased by PLN 0.3 million year-on-year.

The ratio of selling, general and administrative expenses to sales was 24.6% in Q1 2021, down 3.7 p.p. YoY.

### Other operating income (loss)

The **result on other operations** was positive at PLN 1.7 million, taking into account the impairment loss on financial and non-financial assets. This line was significantly affected by the impairment allowances for:

- receivables less reversed allowances (PLN 0.5 million).

The result on other operations was positively influenced by subsidies received (PLN 2.1 million).

## Operating profit (loss)

During the three months of 2021, Selena Group generated operating profit of PLN 19.8 million vs PLN 9.1 million in the same period of the previous year, up 116.1% year-on-year. The higher operating profit was mainly achieved on the back of an increase in revenue from with customers.

## Profit (loss) after tax

In the first quarter of 2021, Selena Group achieved net profit of PLN 17.5 million compared with PLN 5.2 million posted in the corresponding period of 2020. The Group's net result was primarily influenced by the net financial income, including by valuation of open currency positions (trading settlements and loans received/granted) and interest expense. The positive balance of FX differences was PLN 2.3 million vs the negative balance of PLN 2.9 million in Q1 2020. The cost of interest on loans and leases totalled PLN 0.8 million (after reduction by the achieved interest income from bank deposits) compared with PLN 0.9 million incurred in the corresponding period of 2020.

For the three months of 2021, the income tax charge was PLN 4.1 million.

For the three months of 2021, EBITDA was PLN 30.3 million (including depreciation: PLN 10.5 million), which was by PLN 11.5 million higher year-on-year.

## Asset and financial position

The table below shows selected figures of the consolidated balance sheet as at 31 March 2021 and 31 December 2020.

Figures in PLN thousand	As at 31.03.2021	As at 31.12.2020	Change	Change %
<b>Non-current assets</b>	<b>334,684</b>	<b>372,801</b>	<b>-38,117</b>	<b>-10%</b>
Property, plant and equipment	244,284	243,303	981	0%
Intangible assets	48,053	48,888	-835	-2%
Other long-term assets	42,347	80,610	-38,263	-47%
<b>Current assets</b>	<b>708,407</b>	<b>553,180</b>	<b>155,227</b>	<b>28%</b>
Inventories	226,623	192,670	33,953	18%
Trade receivables	293,864	251,907	41,957	17%
Cash and cash equivalents	79,049	55,004	24,045	44%
Other current assets	108,871	53,599	55,272	103%
<b>Equity</b>	<b>544,052</b>	<b>523,664</b>	<b>20,388</b>	<b>4%</b>
<b>Liabilities</b>	<b>499,039</b>	<b>402,317</b>	<b>96,722</b>	<b>24%</b>
Bank and other loans	97,984	49,752	48,232	97%
Trade liabilities	225,115	187,337	37,778	20%
Other liabilities	175,940	165,228	10,712	6%
	As at 31.03.2021	As at 31.12.2020		
Current ratio*	1.6	1.6		
Quick ratio**	1.1	1.0		

\*Current ratio – current assets / current liabilities

\*\*Quick ratio – current assets less stocks / current liabilities



As at 31 March 2021, the Group's asset position, with an increase in total assets of PLN 117.1 million vs. 31 December 2020, was affected by seasonality, resulting in an increase in net current assets (inventories, and trade receivables and liabilities).

As at 31 March 2021, the current and quick liquidity ratios (1.6 and 1.1 respectively) point to the Group's ability to meet its obligations in a timely manner.

## Debt

Figures in PLN thousand	As at 31.03.2021	As at 31.12.2020
Bank and other loans	97,984	49,752
Lease liabilities	30,416	32,454
Liabilities on account of prepaid trade receivables	1	226
Less cash and cash equivalents	-79,049	-55,004
<b>Net debt</b>	<b>49,352</b>	<b>27,428</b>
Equity attributable to the shareholders of the parent	543,165	522,792
<b>Equity and net debt</b>	<b>592,517</b>	<b>550,220</b>
Gearing (net debt / equity + net debt)	8%	5%
Debt ratio (interest-bearing debt/ total assets)	12%	9%
Net debt / EBITDA*	0.28	0.17

\* debt as at the balance sheet date; EBITDA for the last 4 quarters

As at the balance sheet date, the debt on bank and other loans increased vs 31 December 2020 to PLN 97.9 million. At the same time, cash and cash equivalents rose by PLN 24.0 million compared to 31 December 2020. The net debt to EBITDA ratio (bank covenant) increased to 0.28. As at 31 March 2021, the debt ratio amounted to 12% and was 3 p.p. higher than at the end of 2020.

The key goal of the Group's capital management is to maintain good credit rating and safe capital ratios to facilitate the Group's operations and increase value for shareholders.

The Parent Company manages its capital structure, and modifies it in response to the current needs and changes to the economic conditions. To maintain or change the capital structure, the Parent Company may use the following instruments:

- dividend paid to shareholders;
- issue of new stock;
- loan taking or repayment.

As part of capital management, the Management Board of the Parent Company monitors the debt level by means of the gearing ratio, which is calculated as net debt to total equity + net debt.

Net debt includes bank and other loans, lease liabilities and prepaid trade receivables, less cash and cash equivalents. Equity includes the equity attributable to the shareholders of the Parent.

## Cash flows

The tables below show selected items of the consolidated statement of cash flows for the three months ended 31 March 2021 and 31 March 2020, respectively.

Figures in PLN thousand	from 01.01.2021 to 31.03.2021	from 01.01.2020 to 31.03.2020	Change
Net cash flows from operating activities	-9,526	-5,450	-4,076
Net cash flows from investing activities	-8,100	-7,097	-1,003
Net cash flows from financing activities	41,713	15,460	26,253
<b>Change in cash and cash equivalents:</b>	<b>24,087</b>	<b>2,913</b>	<b>21,174</b>

In Q1 2021, net cash flows were PLN 24.1 million.

Operating cash flows were PLN 9.5 million, down PLN 4.1 million on the corresponding period of 2020. Changes in net current assets were as follows: receivables (PLN -61.4 million), inventories (PLN -34.0 million) and liabilities (PLN -49.1 million). The change of PLN -46.2 million in net current assets in the first quarter of 2021 (compared to the change of PLN -16.5 million in Q1 2020) was mainly caused by an increase in the prices of raw materials and the prices of products sold.

Net cash flows from investing activities were negative at PLN -8.1 million and investment expenses were up PLN 1.0 million year-on-year.

In Q1 2021, net cash inflows from financing activity were PLN 41.7 million. This figure was mainly affected by the bank loans (PLN 54.3 million) obtained to fund working capital requirements and investments, repayment of bank and other loans (PLN -7.7 million), lease payments (PLN -4.3 million) and interest paid (PLN -0.6 million).

## 1.5 Seasonality of business

The building materials industry in which Selena Group operates is characterised by seasonality of sales. Lower activity is observed in the winter and early spring months, while in the subsequent quarters sales increase to usually peak in the third quarter. Looking at the figures for 2019–2020, one may conclude that sales in individual quarters have the following contribution to the total annual sales: Q1 – 20%, Q2 - 25%, Q3 - 30%, Q4 - 25%. Seasonal fluctuations of sales are primarily affected by the weather and fluctuations in sales in the individual geographies where the Group operates.

## 1.6 Delivery of forecasts

The Selena Group did not publish any performance forecast for Q1 2021.

## 1.7 Issue, redemption or repayment of non-equity and equity instruments

In the period covered by this report, Selena FM S.A. did not issue, redeem or repay any non-equity or equity securities.

On 30 April 2021, the Company's Management Board decided to recommend to the Annual General Meeting of the Company creating a capital reserve of PLN 75 million for the acquisition of the Company's own shares and authorising the Management Board carry out the share buyback programme by 27 May 2024. Pursuant to the Management Board's proposal, the Company's own shares would be purchased for the purpose of:

- cancellation of the Company's own shares;
- resale of the Company's own shares;

- conversion into stocks or shares in the course of the Company's acquisitions or restructuring;
- establishing security for liabilities incurred by the Company, in particular as pledge, registered pledge, financial pledge or transfer of title;
- other disposal permitted by law to be carried out by the Company's Management Board taking into account business needs arising from the business and subject to the approval of the Supervisory Board

The Company's Management Board recommended that the purchase should cover maximum three million own shares of the Company, and that the purchase price should not be lower than PLN 11 and not higher than PLN 25 per share.

On 7 May 2021, the Company's Supervisory Board issued a positive opinion on the Management Board's recommendation to the Company's Annual General Meeting regarding authorisation to be given to the Management Board to carry out the share buyback programme on the above-mentioned rules.

## 1.8 Profit distribution for 2020

On 30 April 2021, the Annual General Meeting of Selena FM S.A. adopted a resolution to distribute the Company's net profit for 2020 of PLN 75,379,472.95 as follows: PLN 75,000,000.00 to create a capital reserve for the purchase of the Company's own shares; the remainder of PLN 379,472.95 to be transferred entirely to the Company's supplementary capital.

On 7 May 2021, the Company's Supervisory Board issued a positive opinion on the Management Board's recommendation to the Company's Annual General Meeting regarding distribution of the profit for 2020.

## 1.9 Shareholders of the parent

The table below shows the stake in the share capital and the voting power of the major shareholders.

Shareholder	Share type	Number of shares acquired	Share in registered capital	Number of votes	Share in votes at the General Meeting
Syrius Investments S.a.r.l.*	Registered preference shares	4,000,000	17.52%	8,000,000	29.81%
	Bearer shares	13,813,000	60.49%	13,813,000	51.48%
Quercus Towarzystwo Funduszy Inwestycyjnych S.A. **	Bearer shares	1,313,352	5.75%	1,313,352	4.89%

\* entity controlled by Krzysztof Domarecki

\*\* as at 14 May 2021, based on data from KDPW

## 1.10 Shareholdings by executive and non-executive directors

The Company's executive and non-executive directors did not hold any shares of the Company as at the date of publication of this report.

## 1.11 Litigations

At the date of approval of this report, no company from Selena Group was a party to any court proceedings where the claim value would exceed 10% of the Parent Company's equity.

Other significant court disputes were described in the consolidated financial statements of Selena FM Group for 2020 (Note 8.1). No significant changes in the description of litigations occurred in the period until approval of this report.

## 1.12 Guarantees given

Either the Parent Company or any members of Selena Group did not give to third parties any guarantees whose value would exceed 10% of the Parent's equity.

Group companies provide cross-guarantees to each other in connections with jointly incurred bank debt, and as part of commercial transactions. These are intragroup transactions. Such guarantees given to the subsidiaries by Selena FM S.A. were described in detail in Note 7.1 of the unconsolidated financial statements of Selena FM S.A. for 2020. As at 31 March 2021, the result of the valuation of these guarantees according to IFRS 9 is immaterial.

## 1.13 Factors that will affect financial performance in the next quarter

The key factors that in the Management Board's opinion may affect the Group's performance in the following periods are described below.

**The macroeconomic situation in Poland and world-wide.** The updated forecast of the International Monetary Fund (IMF) published in April 2021 shows that in 2020 the global economy's GDP fell by 3.3%. 2021 is expected to see a global recovery at 6.0%. Most importantly, highly developed countries are to experience a GDP growth of 5.1% in 2021 (vs a decline of 4.7% in 2020). The GDP of developing markets is projected to grow by 6.7% (vs a decline of 2.2% in 2020). For Selena Group's main markets, GDP growth is forecast to grow compared with 2020. Importantly, European Union countries are to achieve a growth of 4.4% in 2021 (vs -6.1% in 2020). For the USA, the IMF forecasts an increase of 6.4% in 2021 (-3.5% in 2020), an increase of 8.4% for China (+2.3% in 2020) and an increase of 3.8% for Russia. (-3.1% in 2020). For Poland, the publication points to a relatively low GDP decline of 2.7% in 2020, and a rebound of 4.5% in 2021.

**Availability of financing.** According to the results of the PENGAB banking business sentiment index published by the Polish Banks Association, in March this year, based on 6-month forecasts, the market sentiment improved: 57% of bankers point to an increase, 37% to stabilisation, and only 6% to a decrease in housing loans.

**Situation in the construction sector.** Demand in the construction chemicals market is and will be influenced by the situation in the residential construction segment, where these materials are used to the highest degree. Data published by the Central Statistics Office (GUS) for the 3 months of 2021 point to a growth of 7.4% in house completions year-on-year. At the same time, the number of construction permits increased by 42.0%, while the number of commenced housing investments fell by 21.2%. A pronounced growth is noted in relation to 2020 (permits issued and new projects), when these ratios were much lower due to the start of the Covid-19 pandemic.

**FX rates.** According to the currency forecasts consensus of Thomson Reuters as of May 2021, the coming months may see moderate changes in the EUR/PLN rate. At the end of the year, the expected EUR/PLN exchange rate is 4.47. Towards the year-end, the following currency rates are expected for the Group's main markets: EUR/RUB 87.98; EUR/CZK 25.51; EUR/HUF 356.20; EUR/RON 4.94; EUR/UAH 34.24 and EUR/TRY 10.63. Major fluctuations in exchange rates have an impact on currency risk.

**Commodity prices.** In 2021, there is a sustained upward trend in raw material prices for most product groups, mainly due to the availability of raw materials (production problems of suppliers, disruptions in the supply chain). The increase in raw material costs also affects the price levels of construction chemicals in all markets. The impact on increased raw material prices on product prices may adversely affect demand. And if product prices are not increased, margins might be reduced.

**Credit risk.** Selena Group sells products with a deferred payment date, which causes a risk of non-payment for the products and services supplied to buyers. In order to minimise credit risk, Group companies monitor their trade receivables on an ongoing basis and operate a policy of approving credit limits. An increasing number of Group companies insure a portion of their trade receivables. The Group companies do not see any material increase in overdue receivables.

### 1.14 Other significant information

This report presents information which might have a significant impact on the assessment of Selena's employment, asset or financial position, and which is key to assessment of its ability to meet its obligations.





# Condensed consolidated financial statements

## 2. Condensed consolidated financial statements

### CONSOLIDATED INCOME STATEMENT

Figures in PLN thousand	Note	from 01.01.2021 to 31.03.2021	from 01.01.2020 to 31.03.2020
<b>Continued operations</b>			
Revenue from the sale of products		317,959	265,018
Revenue from the sale of goods and raw materials		30,544	17,278
Revenue from the sale of services		970	418
<b>Revenue from contracts with customers</b>	2.2	<b>349,473</b>	<b>282,714</b>
Cost of sales		245,368	192,141
<b>Gross profit</b>		<b>104,105</b>	<b>90,573</b>
Selling and marketing costs		58,118	52,166
General and administrative expenses		27,895	27,572
Other operating income	2.3.1	2,891	1,052
Other operating costs	2.3.1	684	736
Impairment of non-financial fixed assets		0	1,542
Impairment of financial assets	2.3.1, 2.6.2	539	465
<b>Operating profit</b>		<b>19,760</b>	<b>9,144</b>
Financial income	2.3.2	4,981	5,988
Financial costs	2.3.2	3,146	9,721
<b>Profit before tax</b>		<b>21,595</b>	<b>5,411</b>
Income tax	2.4	4,145	202
<b>Net profit for the financial year</b>		<b>17,450</b>	<b>5,209</b>
<b>Net profit attributable to:</b>			
– shareholders of the parent		17,480	5,180
– non-controlling interests		-30	29
<b>Earnings per share attributable to the shareholders of the parent</b>			
		(PLN/share)	(PLN/share)
– basic		0.77	0.23
– diluted		0.77	0.23

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Figures in PLN thousand	from 01.01.2021 to 31.03.2021	from 01.01.2020 to 31.03.2020
<b>Profit after tax</b>	<b>17,450</b>	<b>5,209</b>
<b>Other comprehensive income not subject to reclassification to profit or loss</b>		
FX differences arising on translation of the foreign associate	-486	-7,333
FX differences on measurement of investments in the net assets of the foreign associate	3,757	3,379
Income tax	-333	-1,510
<b>Other comprehensive income subject to reclassification to profit or loss:</b>	<b>2,938</b>	<b>-5,464</b>
<b>Other comprehensive income for the period, after tax</b>	<b>2,938</b>	<b>-5,464</b>
<b>Total comprehensive income</b>	<b>20,388</b>	<b>-255</b>
<b>Attributable to:</b>		
– shareholders of the parent	20,373	-335
– non-controlling interests	15	80

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

Figures in PLN thousand	Note	As at 31.03.2021	As at 31.12.2020
<b>ASSETS</b>			
Property, plant and equipment		244,284	243,303
Intangible assets		48,053	48,888
Investments accounted for using the equity method		6,324	6,174
Deferred tax assets		24,051	23,817
Other long-term non-financial assets		7,904	7,523
Other long-term financial assets	2.5.1	4,068	43,096
<b>Total non-current assets</b>		<b>334,684</b>	<b>372,801</b>
Inventories	2.5.2	226,623	192,670
Other short-term non-financial assets		53,591	36,393
Trade receivables	2.5.1	293,864	251,907
CIT claimed		4,061	4,661
Other short-term financial assets	2.5.1	51,219	12,545
Cash and cash equivalents	2.6.2	79,049	55,004
<b>Total current assets</b>		<b>708,407</b>	<b>553,180</b>
<b>TOTAL ASSETS</b>		<b>1,043,091</b>	<b>925,981</b>
<b>LIABILITIES AND EQUITY</b>			
Registered capital		1,142	1,142
FX differences arising on translation of the foreign associate		-40,262	-43,155
Supplementary capital		659,787	659,758
Other reserves		9,633	9,633
Retained profit/ loss carried forward		-87,135	-104,586
<b>Equity attributable to the shareholders of the parent</b>		<b>543,165</b>	<b>522,792</b>
Non-controlling interests		887	872
<b>Total equity</b>		<b>544,052</b>	<b>523,664</b>
Long-term portion of bank and other loans	2.5.1	13,003	14,107
Long term lease liabilities		16,929	19,062
Other long term financial liabilities	2.5.1	263	115
Deferred tax liability		3,830	3,784
Other long term non-financial liabilities		2,308	1,411
Long-term portion	2.5.2	8,070	8,438
<b>Non-current liabilities</b>		<b>44,403</b>	<b>46,917</b>
Trade liabilities	2.5.1	225,115	187,337
Obligations to return remuneration		23,362	24,151
Short-term portion of bank and other loans	2.5.1	84,981	35,645
Short-term lease liabilities		13,487	13,392
Other short term financial liabilities	2.5.1	2,628	4,862
CIT tax payable		19,878	15,688
Other short term non-financial liabilities		62,272	50,767
Short-term provisions	2.5.2	22,913	23,558
<b>Current liabilities</b>		<b>454,636</b>	<b>355,400</b>
<b>Total liabilities</b>		<b>499,039</b>	<b>402,317</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,043,091</b>	<b>925,981</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

Figures in PLN thousand	from 01.01.2021 to 31.03.2021	from 01.01.2020 to 31.03.2020
<b>Cash flows from operating activities</b>		
<b>Profit (loss) before tax</b>	<b>21,595</b>	<b>5,411</b>
Depreciation/ amortisation	10,518	9,644
FX gains (losses)	3,529	-4,062
Interest and dividends	279	926
Profit/ (loss) on investing activities	-221	-161
Change in the balance of receivables	-61,359	-31,483
Change in the balance of inventories	-33,954	-31,055
Change in the balance of liabilities	49,080	46,001
Change in the balance of provisions	-1,013	579
CIT paid	-241	-2,197
Other	2,261	947
<b>Net cash flows from operating activities</b>	<b>-9,526</b>	<b>-5,450</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment, and intangible assets	-7,622	-7,381
Inflows from sale of tangible and intangible assets	118	284
Outflow on account of loans granted	-1,000	0
Dividends and interest received	404	0
<b>Net cash flows from investing activities</b>	<b>-8,100</b>	<b>-7,097</b>
<b>Cash flows from financing activities</b>		
Inflows from bank/ other loans received	54,264	53,931
Repayment of bank and other loans	-7,683	-34,265
Repayment of lease liabilities	-4,271	-3,337
Interest paid	-597	-869
<b>Net cash flows from financing activities</b>	<b>41,713</b>	<b>15,460</b>
<b>Net increase in cash and cash equivalents</b>	<b>24,087</b>	<b>2,913</b>
Change in cash and cash equivalents, including:	24,045	3,043
Net FX differences	-42	130
Cash and cash equivalents at the beginning of the period*	55,004	85,653
Cash and cash equivalents at the end of the period*	79,049	88,696

\*including restricted cash:

as at 31 March 2021: PLN 0.05m

as at 31 March 2020: PLN 0.05m

## STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

### FOR 3 MONTHS ENDED 31 MARCH 2021

Figures in PLN thousand	Equity attributable to the shareholders of the parent						Total equity	Equity attributable to non-controlling interests	Aggregate equity
	Registered capital	Supplementary capital	FX differences arising on translation of the foreign affiliate	Other reserves	Retained profit/ (loss carried forward):				
					from previous years	from the current period			
As at 1 January 2021	1,142	659,758	-43,155	9,633	-104,586	0	522,792	872	523,664
Profit for the financial year	0	0	0	0	0	17,480	17,480	-30	17,450
Other net comprehensive income for the period	0	0	2,893	0	0	0	2,893	45	2,938
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>2,893</b>	<b>0</b>	<b>0</b>	<b>17,480</b>	<b>20,373</b>	<b>15</b>	<b>20,388</b>
Transfer of profit to the supplementary capital	0	29	0	0	-29	0	0	0	0
<b>As at 31 March 2021</b>	<b>1,142</b>	<b>659,787</b>	<b>-40,262</b>	<b>9,633</b>	<b>-104,615</b>	<b>17,480</b>	<b>543,165</b>	<b>887</b>	<b>544,052</b>

### FOR 3 MONTHS ENDED 31 MARCH 2020

Figures in PLN thousand	Equity attributable to the shareholders of the parent						Total equity	Equity attributable to non-controlling interests	Aggregate equity
	Registered capital	Supplementary capital	FX differences arising on translation of the foreign affiliate	Other reserves	Retained profit/ (loss carried forward):				
					from previous years	from the current period			
As at 1 January 2020	1,142	608,648	-31,396	9,633	-129,712	0	458,315	727	459,042
Profit for the financial year	0	0	0	0	0	5,180	5,180	29	5,209
Other net comprehensive income for the period	0	0	-5,515	0	0	0	-5,515	51	-5,464
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>-5,515</b>	<b>0</b>	<b>0</b>	<b>5,180</b>	<b>-335</b>	<b>80</b>	<b>-255</b>
Transfer of profit to the supplementary capital	0	28	0	0	-28	0	0	0	0
<b>As at 31 March 2020</b>	<b>1,142</b>	<b>608,676</b>	<b>-36,911</b>	<b>9,633</b>	<b>-129,740</b>	<b>5,180</b>	<b>457,980</b>	<b>807</b>	<b>458,787</b>



## 2.1 General information

### 2.1.1 Characteristics of the Parent Company

#### Parent Company

The parent of the Group is Selena FM S.A. The Company was established and registered in 1993 as a limited liability company under the name Przedsiębiorstwo Budownictwa Mieszkaniowego. In 2006, the Extraordinary General Meeting of Shareholders of the Parent Company approved the name change to Selena FM. In 2007, the Company was transformed into a joint stock company. On 18 April 2008, Selena FM S.A. debuted on the Warsaw Stock Exchange and has been a listed entity since that date.

Its duration is indefinite (it is a going concern). The Company's registered office is at Strzegomska 2-4, 53-611 Wrocław, Poland. The Company operates in Poland.

The Company is entered in the business register of the National Court Register kept by the District Court for Wrocław-Fabryczna, VI Commercial Division of the National Court Register, after transformation, under KRS no. 0000292032 (previous KRS no. 0000129819). The Company was assigned the statistical number REGON 890226440.

The Parent Company's core business includes:

- distribution of the Group's products to foreign markets and to the domestic market;
- providing subsidiaries with advice on strategic management, finance management, sales strategy as well as bookkeeping services.

Selena FM S.A. and Selena FM S.A. Group ("Selena Group") are controlled by Krzysztof Domarecki.

#### Management Board of the Parent Company

As at 31 December 2020, the Parent Company's Management Board was composed of:

- Krzysztof Domarecki – Chief Executive Officer;
- Dariusz Ciesielski – Chief Commercial Officer, Vice President;
- Christian Dölle – Chief Marketing Officer, Vice President;
- Jacek Michalak – Chief Financial Officer;
- Marek Tomanek – Chief Operating Officer.

On 30 November 2020, Dariusz Ciesielski resigned from the Parent Company's Management Board and from the role of the Chief Commercial Officer effective from 31 December 2020.

On 30 November 2020, the Parent Company's Supervisory Board adopted a resolution appointing, as of 1 January 2021 Sławomir Majchrowski to the Company's Supervisory Board, entrusting him with the role of Chief Commercial Office and Vice President of the Management Board.

As at 1 January 2021, the Company's Management Board was composed of:

- Krzysztof Domarecki – Chief Executive Officer;
- Christian Dölle – Chief Marketing Officer, Vice President;
- Sławomir Majchrowski – Chief Commercial Officer, Vice President;
- Jacek Michalak – Chief Financial Officer;
- Marek Tomanek – Chief Operating Officer.

On 16 February 2021, Krzysztof Domarecki resigned from the Parent Company's Management Board and from the role of CEO effective from 1 March 2021.

On 16 February 2021, the Parent Company's Supervisory Board adopted a resolution appointing Jacek Michalak to the Parent Company's Management Board as Chief Executive Officer. The appointment became effective as of 1 March 2021.

As at 31 March 2021, the Parent Company's Management Board was composed of:

- Jacek Michalak – CEO;
- Christian Dölle – Chief Marketing Officer, Vice President;
- Sławomir Majchrowski – Chief Commercial Officer, Vice President;
- Marek Tomanek – Chief Operating Officer.

On 19 April 2021, Marek Tomanek resigned from the Parent Company's Management Board and from the role of the COO effective from 30 April 2021. On 22 April 2021, the Company's Supervisory Board adopted a resolution appointing Roman Dziuba to the Company's Management Board as Chief Operating Officer (COO). The appointment became effective as of 1 May 2021.

In the period from 1 May 2021 to the date of publication of this quarterly report, there were no changes in the composition of the Management Board.

### **Supervisory Board of the Parent Company**

As at 31 December 2020, the Parent Company's Supervisory Board was composed of:

- Andrzej Krämer – Chairman of the Supervisory Board;
- Borysław Czyżak – independent Supervisory Board Member;
- Czesław Domarecki – Supervisory Board Member;
- Łukasz Dziekan – Supervisory Board Member;
- Marlena Łubieszko-Siewruk – independent Supervisory Board Member;
- Mariusz Warych – independent Supervisory Board Member.

In the period from 1 January 2021 to the date of publication of this quarterly report, there were no changes in the composition of the Supervisory Board.

### **Audit Committee, Strategy and Innovation Committee, Nominations and Remuneration Committee**

As at 31 December 2020, the Audit Committee was composed of:

- Mariusz Warych – Chairman of the Audit Committee
- Borysław Czyżak – Audit Committee Member;
- Marlena Łubieszko-Siewruk – Audit Committee Member.

In the opinion of the Supervisory Board, the Audit Committee, in the aforementioned composition, fulfilled the independence criteria and other requirements specified in Article 128(1) and Article 129(1), (3), (5) and (6) of the Act on Statutory Auditors, Audit Firms and Public Oversight.

In the period from 1 January 2021 to the date of publication of this quarterly report, there were no changes in the composition of the Audit Committee.

As at 31 December 2020, the Strategy and Innovation Committee was composed of:

- Andrzej Krämer – Chairman of the Strategy and Innovation Committee;
- Borysław Czyżak – member of the Strategy and Innovation Committee.

In the period from 1 January 2021 to the date of publication of this quarterly report, there were no changes in the composition of the Strategy and Innovation Committee.

As at 31 December 2020, the Nominations and Remuneration Committee was composed of:

- Borysław Czyżak – Chairman of the Nominations and Remuneration Committee;
- Marlena Łubieszko-Siewruk – member of the Nominations and Remuneration Committee.

In the period from 1 January 2021 to the date of publication of this quarterly report, there were no changes in the composition of the Nominations and Remuneration Committee.

## 2.1.2 Information about the Group

### Activities of the Group

Selena Group is an international producer and distributor of construction chemicals. The Group's Parent Company is Selena FM S.A. with its registered office in Wrocław.

The core business of the Group includes production, distribution and sale of construction chemicals and general building accessories. Selena Group's product range includes:

- gun and straw foams;
- high-yield and low-pressure foams;
- summer, winter and multi-season foams;
- specialist foams;
- foam adhesives;
- sealants;
- mounting and industrial adhesives, chemical anchors;
- flooring systems;
- WINS window insulation and sealing systems;
- thermal insulation systems (ETICS);
- systems for finishing interior walls;
- systems for ceramic tiles;
- mortars;
- waterproofing products;
- passive fire protection solutions;
- building accessories.

The products on offer include solutions addressed both to professionals and individual users. The Group's leading brands include Tytan, Quilosa, Artelit, Cool-R and Matizol.

The Group's production plants are located in Poland, China, Romania, Turkey, Spain, Kazakhstan, South Korea and Italy, and its products are available on the markets of nearly 100 countries in the world. Selena also carries on research activities in Poland, China, Romania, Turkey, Spain and Italy.

### Group members

As at 31 March 2021, the ownership and organisational structure of the Group and division into operating segments did not change in relation to what was presented in Note 2.2 to the consolidated financial statements for 2020.

## Changes in the Group composition

### Subsequent events

#### ***Establishment of Selena Digital Distribution Sp. z o.o.***

On 21 May 2021, a founding deed of Selena Digital Distribution Sp. z o.o. was signed. The sole shareholder of this limited liability company is Selena S.A., and its share capital is PLN 5,000. PLN. The company may be used in the future to implement the Group's business plans.

#### ***Increasing the registered capital, change of name and registered office of subsidiary Carina Sealants Sp. z o.o.***

On 21 May 2021, the Extraordinary General Meeting of CARINA SEALANTS Sp. z o.o. was held. The business transacted during the meeting included adoption of resolutions on changes in the composition of the company's Management Board, a change of the company's business name (to Selena ESG Solutions Sp. z o.o.), changes in the company's objects (update of the PKD list indicated in the Articles of Association), increasing the registered capital, and changes in the Articles of Association, with ratification of a consolidated text of the document. Selena FM S.A. remains the sole shareholder of this company. Once the registered capital increase is recorded in the National Court Register, Selena FM S.A. will hold 20 thousand shares in the company's share capital with a total value of PLN 1 million.

### 2.1.3 Information about the financial statements

#### Interim report

The interim condensed consolidated financial statements do not contain all the information and disclosures required of annual financial statements and should be read jointly with the Group's annual consolidated financial statements for the year ended 31 December 2020 published on 23 April 2021. The interim condensed financial result may not fully reflect the consolidated financial result achievable for the whole financial year.

#### Period covered by the financial statements

These financial statements are interim condensed consolidated financial statements of Selena FM Group. They cover the period of 3 months ended 31 March 2021 and data as at that date.

The consolidated income statement and the consolidated statement of comprehensive income cover the period of 3 months ended 31 March 2021, and the comparative data presented as at 31 March 2020.

The consolidated statement of cash flows and the consolidated statement of changes in equity cover the data for the three months ended 31 March 2021 as well as comparative data for the period of three months ended 31 March 2020.

The consolidated statement of financial position covers the data presented as at 31 March 2021, and comparative data as at 31 December 2020.

## Notes

The notes are an integral part of these interim condensed consolidated financial statements.

### Audit and review of financial statements

These interim condensed consolidated financial statements were not audited or reviewed by a statutory auditor.

### Approval of the report

These interim condensed consolidated financial statements were approved by the Management Board of the Parent Company on 27 May 2021 to be published on 28 May 2021.

### Measurement and reporting currency

The currency used for measurement and presentation of financials in this interim condensed consolidated financial statements is Polish zloty, and all figures have been presented in PLN thousand, unless specified otherwise.

The rates used for measurement of balance sheet items and the average rates for the individual reporting periods are presented in the table below.

Ccy	As at 31.03.2021	As at 31.12.2020	from 01.01.2021 to 31.03.2021	from 01.01.2020 to 31.03.2020
1 USD	3.9676	3.7584	3.8128	3.9907
1 EUR	4.6603	4.6148	4.5721	4.3963
100 HUF	1.2812	1.2638	1.2662	1.2738
1 UAH	0.1427	0.1326	0.1364	0.1554
1 CZK	0.1783	0.1753	0.1751	0.1691
1 RUB	0.0525	0.0501	0.0505	0.0575
1 BRL	0.6872	0.7236	0.6830	0.8641
1 BGN	2.3827	2.3595	2.3376	2.2477
1 CNY	0.6053	0.5744	0.5875	0.5692
100 KRW	0.3515	0.3456	0.3393	0.3301
1 RON	0.9462	0.9479	0.9346	0.9147
1 TRY	0.4742	0.5029	0.4978	0.6368
100 KZT	0.9340	0.8767	0.9048	1.0052
1 MXN	0.1934	0.1891	0.1855	0.1929

### Going concern

At the date of approval of this quarterly report, no circumstances occurred that would point to a risk to continuity of operations. The Management Board of Selena FM S.A. continues to analyse and monitor the impact of COVID 19 (described in Note 1.3.2 of this report) on the Parent Company's ability to continue as a going concern. As at the date of publication of this quarterly report, Selena Group has a stable financial position, and its cash flow forecasts point to its ability to maintain its cash position at a level sufficient to continue as a going concern. Accordingly, these interim condensed consolidated financial statements have been prepared on the assumption that the Group will continue in operation in the foreseeable future.



## Basis of preparation

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 – “Interim Reporting”, as approved by the EU.

IAS and IFRS include the standards and interpretations approved by the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee (IFRIC).

### 2.1.4 Accounting policies

#### Changes in the accounting policies

The accounting policies that were used in preparation of these interim condensed consolidated financial statements are consistent with the policies used in preparation of the consolidated financial statements of Selena Group for the year ended 31 December 2020.

## 2.2 Operating segments

The organisation structure of Selena FM Group is managed through the data received from the individual geographic segments (countries), later on referred to as operating segments. To the extent permitted by IFRS 8 (e.g. subject to the combination criteria in relation to the following aspects: type of products and services, type of production processes, type or group customers for products and services, methods used in the distribution of products and the type of regulatory environment), they are grouped based on the similarity of location, characteristics of the business and economic environment, and are aggregated into the following reporting segments:

- European Union;
- Eastern Europe and Asia;
- North America and South America

Detailed allocation of operating segments to reporting segments is presented in Note 2.1.2.

Operating results of the segment are primarily measured using the net profit/loss and EBITDA ratio (an alternative measurement of results, which does not measure cash or liquidity and whose calculation may vary from one entity to another), which result directly from reports that are the basis for preparation of the interim condensed consolidated financial statements. EBITDA is calculated according to the following formula:

$$\text{EBITDA} = \text{Net profit/ loss} + \text{Income tax} \pm \text{share in the profit/loss of the affiliate} \pm \text{financial costs/income} + \text{Depreciation/amortisation}$$

The accounting principles used for preparation of the financial data for reporting segments comply with the Group's accounting policy.

The financial statements of the entire Group are regularly reviewed by the Management Board of the Parent Company for the purpose of decision-making. The Management Board is also responsible for allocation of resources in the Group.

The profit of a segment is the profit generated by the individual segments without allocation of the administrative expenses, Management Board's remuneration, finance income and expenses, and income tax charge. Non-allocated assets include settlements on account of current and deferred income tax. Revenues are allocated to segments based on the seller's registered office location.

Management of the Group's funding sources, financial revenues and expenses management and the taxation policy are operated at the Group level and are not allocated to operating segments.

Prices in the transactions between the operating segments are determined on an arm's length principle as in the transactions with third parties.

The tables below show data on the revenues and profits of the individual geographic segments.

from 01.01.2021 to 31.03.2021	EU	Eastern Europe and Asia	N&S America	Total segments	Consolidation adjustments and non- allocated results*	Total
<b>Figures in PLN thousand</b>						
Sales to external customers	239,391	82,544	27,538	349,473	0	349,473
Sales within a segment	269,384	7,503	0	276,887	-276,887	0
Sales between segments	63,740	4,802	0	68,542	-68,542	0
EBITDA	47,742	8,153	2,434	58,329	-28,051	30,278
Depreciation/ amortisation	-6,830	-614	-15	-7,459	-3,059	-10,518
<b>Operating profit (loss)</b>	<b>40,912</b>	<b>7,539</b>	<b>2,419</b>	<b>50,870</b>	<b>-31,110</b>	<b>19,760</b>
Net financial income/ (costs)	0	0	0	0	1,835	1,835
Share in profit of the associate	0	0	0	0	0	0
Income tax	0	0	0	0	-4,145	-4,145
<b>Net profit (loss) for the period</b>	<b>40,912</b>	<b>7,539</b>	<b>2,419</b>	<b>50,870</b>	<b>-33,420</b>	<b>17,450</b>
Capital expenditure	5,062	1,744	9	6,815		6,815

\* consolidation adjustments, general and administrative expenses, result on financial activities and income tax

from 01.01.2020 to 31.03.2020	EU	Eastern Europe and Asia	N&S America	Total segments	Consolidation adjustments and non- allocated results*	Total
<b>Figures in PLN thousand</b>						
Sales to external customers	188,940	72,962	20,812	282,714	0	282,714
Sales within a segment	209,353	6,805	0	216,158	-216,158	0
Sales between segments	56,424	1,826	0	58,250	-58,250	0
EBITDA	46,246	5,818	1,758	53,822	-35,035	18,787
Depreciation/ amortisation	-4,799	-760	-16	-5,575	-4,068	-9,643
<b>Operating profit (loss)</b>	<b>41,447</b>	<b>5,058</b>	<b>1,742</b>	<b>48,247</b>	<b>-39,103</b>	<b>9,144</b>
Net financial income/ (costs)	0	0	0	0	-3,733	-3,733
Share in profit of the associate	0	0	0	0	0	0
Income tax	0	0	0	0	-202	-202
<b>Net profit (loss) for the period</b>	<b>41,447</b>	<b>5,058</b>	<b>1,742</b>	<b>48,247</b>	<b>-43,038</b>	<b>5,209</b>
Capital expenditure	5,173	928	3	6,104		6,104

\* consolidation adjustments, general and administrative expenses, result on financial activities and income tax

Selena FM Group S.A. does not have key customers, i.e. such which would account for more than 10% of the Group's revenues.

The tables below show selected assets of the individual geographic segments as at 31 March 2021 and 31 December 2020.

Figures in PLN thousand	as at 31.03.2021					
	EU	Eastern Europe and Asia	America N&S America	Total segments	Consolid. adjustments	Total
Segment assets	1,316,537	209,162	45,774	1,571,473	-562,818	1,008,655
Investment in the associate	0	6,324	0	6,324	0	6,324
Non-allocated assets	0	0	0	0	0	28,112
<b>Total assets</b>	<b>1,316,537</b>	<b>215,486</b>	<b>45,774</b>	<b>1,577,797</b>	<b>-562,818</b>	<b>1,043,091</b>

Figures in PLN thousand	as at 31.12.2020					
	EU	Eastern Europe and Asia	N&S America	Total segments	Consolid. adjustments	Total
Segment assets	1,156,170	190,301	41,040	1,387,511	-496,182	891,329
Investment in the associate	0	6,174	0	6,174	0	6,174
Non-allocated assets	0	0	0	0	0	28,478
<b>Total assets</b>	<b>1,156,170</b>	<b>196,475</b>	<b>41,040</b>	<b>1,393,685</b>	<b>-496,182</b>	<b>925,981</b>

## 2.3 Notes to the consolidated income statement

### 2.3.1 Other operating income and operating costs

#### Other operating income

Figures in PLN thousand	from 01.01.2021 to 31.03.2021	from 01.01.2020 to 31.03.2020
Profit from disposal of non-financial fixed assets	65	233
Subsidies	2,070	246
Damages	116	82
Provisions released	5	49
Repayment of receivables written off in previous periods	190	0
Other	445	442
<b>Total other operating income</b>	<b>2,891</b>	<b>1,052</b>

#### Other operating costs

Figures in PLN thousand	from 01.01.2021 to 31.03.2021	from 01.01.2020 to 31.03.2020
Uncollectible receivables written off	98	33
Damages, penalties, fines	223	572
Provisions raised	0	7
Donations made	267	13
Other	96	111
<b>Total other operating costs</b>	<b>684</b>	<b>736</b>

#### Impairment of financial assets

Figures in PLN thousand	from 01.01.2021 to 31.03.2021	from 01.01.2020 to 31.03.2020
Recognition of an impairment allowance for receivables	937	763
Reversal of an impairment allowance on receivables	-398	-298
<b>Impairment of financial assets</b>	<b>539</b>	<b>465</b>

## 2.3.2 Financial income and costs

### Financial income

Figures in PLN thousand	from 01.01.2021 to 31.03.2021	from 01.01.2020 to 31.03.2020
FX gains	4,357	5,299
Interest on deposits and bank accounts	0	103
On loans granted	549	0
Other interest	31	16
Derivative financial instruments	39	566
Other financial income	5	4
<b>Total financial income</b>	<b>4,981</b>	<b>5,988</b>

### Financial costs

Figures in PLN thousand	from 01.01.2021 to 31.03.2021	from 01.01.2020 to 31.03.2020
FX losses	2,035	8,231
Interest on bank and other loans	527	819
Interest on leases	265	202
Other interest	43	85
Other financial costs	276	384
<b>Total financial costs</b>	<b>3,146</b>	<b>9,721</b>

As at 31 March 2021, Selena Group had open forward contracts. In Q1 2021, the loss on the valuation of unrealised instruments was PLN 866 thousand. The loss on exercise of the contracts was PLN 827 thousand. The result on transactions was recognised in financial revenues under "Derivative financial instruments".

## 2.4 Taxation

### Tax charge

Figures in PLN thousand	from 01.01.2021 to 31.03.2021	from 01.01.2020 to 31.03.2020
<b>Current income tax:</b>		
Current income tax charge	5,124	4,165
Corrections to the current income tax from previous years	-64	0
<b>Deferred income tax:</b>		
Connected with origination and reversal of temporary differences	-915	-3,963
<b>Tax disclosed in consolidated income statement</b>	<b>4,145</b>	<b>202</b>

## 2.5 Notes to the consolidated statement of financial position

### 2.5.1 Financial instruments

Financial instruments held the Group are classified below.

Figures in PLN thousand	As at 31.03.2021	As at 31.12.2020
<b>Financial assets measured at amortised cost</b>		
Trade receivables	293,864	251,907
<i>Loans granted</i>	3,000	42,000
<i>Restricted cash</i>	109	107
<i>Other</i>	140	170
Total – Other long term financial assets measured at amortised cost	3,249	42,277
<i>Loans granted</i>	40,219	81
<i>Settlements with customers on account of credit card payments</i>	5,173	8,291
<i>Promissory notes, cheques</i>	1,375	1,482
<i>Grants receivable</i>	1,450	0
<i>Security deposits</i>	1,045	690
<i>Other</i>	1,957	2,001
Total other short term financial assets measured at amortised cost	51,219	12,545
Cash and cash equivalents	79,049	55,004
<b>Financial assets measured at fair value through other comprehensive income</b>		
Other long-term financial assets – shares in non-listed companies	819	819
<b>Total</b>	<b>428,200</b>	<b>362,552</b>

Figures in PLN thousand	As at 31.03.2021	As at 31.12.2020
<b>Financial liabilities measured at amortised cost</b>		
<i>Bank and other loans</i>	97,984	49,752
<i>Lease liabilities</i>	30,416	32,454
<i>Other short-term financial liabilities – Liabilities on account of prepaid trade receivables</i>	1	226
Total – Interest-bearing debt	128,401	82,432
Trade liabilities	225,115	187,337
<i>Investment liabilities</i>	1,632	2,580
<i>Other</i>	356	551
Total – Other short term financial liabilities (not specified above)	1,988	3,131
<i>Other long term financial liabilities</i>	263	115
Other long term financial liabilities	263	115
<b>Financial liabilities measured at fair value through profit or loss</b>		
Other short-term liabilities – forward contracts	639	1,505
<b>Total</b>	<b>356,406</b>	<b>274,520</b>

The Group's exposure to various risk types related to financial instruments is discussed in Note 2.6.2. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets listed above. Fair value of financial instruments that Selena Group held as at 31 March 2021 and 31 December 2020 was not materially different from the values presented in the financial statements:

- with regard to short-term instruments, the potential effect of the discount is not material;
- the instruments relate to the transactions concluded on market terms.

The fair valuation of currency contracts through profit or loss has been classified to Level 2 of the fair value hierarchy (i.e. valuation using observable inputs other than quoted prices). The present value of future cash flows is determined based on forward FX rates as at the balance sheet date. Valuation of shares in unlisted companies was classified to Level 2 of the fair value hierarchy. In Q1 2021, Selena Group did not recognise the result from the fair valuation of these assets in other comprehensive income.



## Loans and advances

The incurred bank loans are presented in the table below

Ref	Loan type	Maturity date	As at 31.03.2021		As at 31.12.2020	
			Long-term portion	Short-term portion	Long-term portion	Short-term portion
1	Working capital loan	2021	0	64,686	0	21,636
2	Other	2021-2026	13,003	20,295	14,107	14,009
			<b>13,003</b>	<b>84,981</b>	<b>14,107</b>	<b>35,645</b>

## Credit agreement terms

As part of the loan agreements signed by the Parent Company separately or jointly with its subsidiaries, Selena FM S.A. undertook to maintain certain financial ratios at the levels agreed with banks. As at 31 March 2021, Selena Group maintained the consolidated financial ratios at the levels required by the lenders.

## Events occurring after the balance sheet date

On 09 April 2021, an annex was signed to the guarantee and LC line agreement. The annex maintained the amount of the guarantee line at EUR 10.5 million. At the same time, the original period of availability of the bank guarantee and the LC was extended.

## 2.5.2 Non-financial assets and liabilities

### Inventories

Figures in PLN thousand	As at 31.03.2021	As at 31.12.2020
Raw materials	81,164	65,729
Work in progress	6,920	4,762
Finished goods	119,002	103,930
Goods for resale	19,537	18,249
<b>Total inventories, net</b>	<b>226,623</b>	<b>192,670</b>
Impairment allowance on inventories	5,154	6,209
<b>Total inventories, gross</b>	<b>231,777</b>	<b>198,879</b>

Changes in the impairment allowance for inventories are presented in the table below.

Figures in PLN thousand	from 01.01.2021 to 31.03.2021	from 01.01.2020 to 31.03.2020
<b>Impairment allowance on inventories at the beginning of the period</b>	<b>6,209</b>	<b>3,886</b>
Recognition of impairment allowance on inventories	738	1,664
Reversal of impairment allowance on inventories	-373	-214
Utilisation of impairment allowance on inventories	-1,478	-150
FX differences arising on translation	58	39
<b>Impairment allowance on inventories at the end of the period</b>	<b>5,154</b>	<b>5,225</b>

## Provisions

The table below shows changes in the balance of provisions.

Figures in PLN thousand	from 01.01.2021 to 31.03.2021			from 01.01.2020 to 31.12.2020		
	Provision for retirement benefits	Other provisions	Total	Provision for retirement benefits	Other provisions	Total
<b>Long term</b>						
<b>Balance at the beginning of the period</b>	<b>4,162</b>	<b>4,276</b>	<b>8,438</b>	<b>3,626</b>	<b>1,064</b>	<b>4,690</b>
Provisions raised	30	0	30	823	3,166	3,989
Provisions released	0	0	0	-395	0	-395
Provisions used	-258	0	-258	-84	0	-84
FX differences	20	-160	-140	192	-127	65
Reclassification	0	0	0	0	173	173
<b>Balance at the end of the period</b>	<b>3,954</b>	<b>4,116</b>	<b>8,070</b>	<b>4,162</b>	<b>4,276</b>	<b>8,438</b>
<b>Short term</b>						
<b>Balance at the beginning of the period</b>	<b>0</b>	<b>23,558</b>	<b>23,558</b>	<b>0</b>	<b>5,208</b>	<b>5,208</b>
Provisions raised	0	189	189	0	18,884	18,884
Provisions released	0	-5	-5	0	-107	-107
Provisions used	0	-849	-849	0	-575	-575
FX differences	0	20	20	0	106	106
Reclassification	0	0	0	0	42	42
<b>Balance at the end of the period</b>	<b>0</b>	<b>22,913</b>	<b>22,913</b>	<b>0</b>	<b>23,558</b>	<b>23,558</b>

## 2.6 Risk

### 2.6.1 Important estimates and assumptions

Preparation of financial statements in accordance with IFRS approved by the EU requires making accounting estimates and assumptions with regard to the future events or uncertainties existing at the balance sheet date. The Management Board also uses a professional judgment when applying the Group's accounting policy. The estimates and assumptions give rise to the risk of possible corrections to the balance sheet assets and equity & liabilities in the next reporting periods.

The adopted estimates, assumptions and judgments include in particular:

- Impairment of financial assets;
- Impairment of non-financial assets (including: goodwill, tangible assets and intangible assets);
- Estimated useful life of tangible and intangible assets;
- Ability to realise the deferred tax assets;
- Uncertainty of estimates and judgments made in relation to lease accounting;
- Estimation of the pension provision and other provisions.

In Q1 2021, no significant changes were made to the assumption areas or methods. The business and macroeconomic assumptions underlying the estimates and judgements are updated on an ongoing basis depending on changes in the environment of the Parent Company and the Group companies, and business plans and projections.

The Group conducted qualitative and quantitative analyses to assess the potential effects of the COVID-19 pandemic. These analyses also included the valuation of fixed and current assets in terms of potential impairment. As at 31 March 2021, no need was identified to recognise any impairment losses on assets due to the epidemic.

## 2.6.2 Financial risk management

On the basis of the analysis of the key factors pertaining to the Group and its economic environment, the Management Board has identified the following financial risks:

- FX risk
- Interest rate risk;
- Credit risk;
- Liquidity risk;
- Other (specific risks).

In Q1 2021, no significant changes occurred to the rules and tools used for financial risk management.

The table below presents the Management Board's approach to individual types of financial risk.

Risk	Exposure	Measurement	Management
Market risk – currency rates	Future commercial transactions Financial assets and liabilities not denominated in the national currency (PLN)	Cash flow projections Sensitivity analysis	Forward transactions Multi-currency credit lines
Market risk – interest rates	Bank and other loans Cash and cash equivalents	Sensitivity analysis	Short-term exposure
Credit risk	Cash and cash equivalents Other short-term financial assets (cheques) Trade receivables and other financial receivables Shares in other entities	Exposure aging Use of internal and external information to assess the probability of default	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Bank and other loans Lease liabilities Other financial liabilities Trade liabilities	Cash flow projections	Availability of committed credit lines

### Currency risk

For the purpose of risk analysis, FX risk is defined as a risk of volatility of the future cash flows denominated in other currencies than the Group's functional currency as a result of FX fluctuations. In the case of the Group, the risk arises from the fact that a major portion of the transactions is conducted beyond Poland and settled in other currencies than the functional currency. In consequence, the FX fluctuations affect the cash flows, expressed in the functional currency, generated by the Group companies (both on the income and cost side) and the open balance sheet positions (net assets) expressed in foreign currency.

The Group's exposure to currency risk includes the assets and liabilities denominated in several currencies which are not excluded from consolidation. The Group uses selected financial instruments to hedge the value of future cash flows denominated in foreign currencies and the net asset value of its foreign operations. Selena Group hedges the active part of its currency exposures relating to trade receivables and liabilities, i.e. those that can actually be realised over 12 months. Under its Financial Risk Management Policy, the Group hedges its currency exposure by using multi-currency credit lines and derivative transactions.

### Interest rate risk

For the purpose of risk analysis, interest rate risk is defined as a risk of fluctuations in the fair value of the future cash flows as a result of changes in the market interest rates. In the case of the Group the risk applies mainly to the bank and other loans, leases and interest-earning financial assets held by the Group companies (mainly cash).

The deposits opened by the Group companies are short-term in nature, therefore they reflect the current market conditions, but they also decrease the risk of volatility of future cash flows from interest.

### Credit risk

Due the nature and size of its business, the Group's credit risk is subject to regular analysis for all the subsidiaries forming part of the Group. The Group enters into trading transactions with the companies that demonstrate a strong credit worthiness. The customers who are allowed trade credit are vetted depending on the nature and extent of the relationship. As a result, each client has an individually calculated credit limit and payment terms. Group companies regularly monitor the value and age structure of receivables and take collection measures to mitigate credit risk. Furthermore, selected companies of the Group entered into an agreement Atradius Credit Insurance N.V.S.A. to insure their trade receivables.

Changes in impairment allowances on trade and other receivables alongside comparative data are presented in the table below:

Figures in PLN thousand	from 01.01.2021 to 31.03.2021	from 01.01.2020 to 31.03.2020
<b>Impairment in respect of expected credit loss at the beginning of the period</b>	<b>26,100</b>	<b>28,232</b>
<i>trade receivables</i>	23,764	25,516
<i>other financial receivables</i>	2,336	2,716
Created/ reversed (-)	539	465
<i>trade receivables</i>	539	465
Utilised	-631	-271
<i>trade receivables</i>	-310	-271
<i>other financial receivables</i>	-321	0
FX differences arising on conversion of foreign affiliates	342	820
<i>trade receivables</i>	321	643
<i>other financial receivables</i>	21	177
<b>Impairment in respect of expected credit loss at the end of the period</b>	<b>26,350</b>	<b>29,246</b>
<i>trade receivables</i>	24,314	26,353
<i>other financial receivables</i>	2,036	2,893

The Group's maximum exposure to credit risk at the end of the reporting period approximates the full amount of the trade receivables, cash and other receivables, without taking account of the fair value of any collateral received.

Details on the assets held as security for loans are provided in Note 6.1.3 of the consolidated financial statements for 2020. The risk that no cash flows will be obtained from the indicated asset items is considered as low. In the situation of an increased credit risk, the Group is protected by asset impairment allowances, which are reflected in the carrying amounts of the assets.

As at 31 March 2021, the Group's companies had unutilised credit lines of PLN 263.6 million. As at 31 December 2020: PLN 307.2 million.

The table below shows a structure of the cash balances at the balance sheet date.

Figures in PLN thousand	As at 31.03.2021	As at 31.12.2020
Cash in bank	72,730	50,491
Cash on hand	398	262
Cheques (up to 3 months)	4,610	4,193
Short-term deposits	59	58
Cash in transit	1,252	0
<b>Total</b>	<b>79,049</b>	<b>55,004</b>

Cash in bank accounts carries variable rates of interest. The Management Board of the Parent Company believes that credit risk and cash and cash equivalents risk is low (stage 1 of the impairment model). A great majority of cash on bank accounts is held by Selena FM Group with financial institutions that have high, medium-high and medium credit rating and which have appropriate equity as well as a strong and stable market position.

### Liquidity risk

Selena Group's Management Board seeks to maintain a balance between continuity and flexibility of financing. To this end, different funding sources are used, including investment loans, overdrafts and leases.

As part of its role of central coordination of the Group's finance management, Selena FM S.A. grants loans to its subsidiaries to ensure current financing and liquidity for them (the effect of such transactions is eliminated from the Group's consolidated accounts). Details of these transactions are included in the quarterly financial information included in this report (Chapter 3).

### Other risks

The risk associated with the COVID-19 pandemic is described in detail in Note 1.3.2. of this report.

Selena Group has an extensive co-operation with customers from the Eastern markets (Russia, Ukraine, Kazakhstan). The executive boards of the Group companies are aware of the risks pertaining to the Eastern markets (FX, credit, legal, tax and political risk). Since 2015, Selena Group has applied a sales management model and a partial hedging of FX transactions designed to mitigate the above risks. The Group has also implemented the Financial Risk Management Policy, which particularly provides for entering into forward contracts.

Furthermore, a material portion of Selena Group's operating costs are the cost of commodities, including those purchased in foreign markets. Commodity prices are characterised by volatility and reflect fluctuations in the global economy and oftentimes are linked to changing oil prices. The growing commodity prices press on distributors' margins and bring demand down. On the other hand, decreasing prices may point to a dwindling demand and a beginning of a downturn. The sustainable growth in demand and the stable commodity prices positively affect the Group's business, ensuring more accurate projections of performance, while fluctuations in demand and an increase in commodity prices have a negative bearing on the Group's profitability.

## 2.7 Other information

### 2.7.1 Related party transactions

The table below shows transactions with executive and non-executive directors of the Parent and with associates. The sales and purchases figures cover the period of 3 months ended 31 March (2021 and 2020, respectively), while the receivables and liabilities are presented as at 31 March 2021 and 31 December 2020.

Figures in PLN thousand	Period	Sales	Purchases	Interest income	Receivables	Liabilities	Loans granted
Associates	2021	5,235	10	0	6,834	154	0
	2020	3,885	29	0	7,609	212	0
Subsidiaries of the ultimate controlling shareholder*	2021	3	30	542	1	68	43,219
	2020	39	0	0	3	0	42,081
Key management personnel**	2021	0	0	0	0	0	0
	2020	0	129	0	0	0	0
<b>TOTAL</b>	<b>2021</b>	<b>5,238</b>	<b>40</b>	<b>542</b>	<b>6,835</b>	<b>222</b>	<b>43,219</b>
	<b>2020</b>	<b>3,924</b>	<b>158</b>	<b>0</b>	<b>7,612</b>	<b>212</b>	<b>42,081</b>

\* the item includes entities connected through Mr Krzysztof Domarecki

\*\* the item includes members of the Management Board and Supervisory Board, their spouses, siblings, ascendants, descendants and other persons having close links with them.

## 2.7.2 Earnings per share

The basic earnings per share is calculated by dividing the net profit for the period attributable to the ordinary shareholders by the weighted average number of outstanding ordinary shares during the period.

The table below shows a calculation of the earnings (loss) per share in the reporting period.

		from 01.01.2021 to 31.03.2021	from 01.01.2020 to 31.03.2020
Profit (loss) attributable to the controlling interests	PLN	17,479,601	5,179,703
Average number of ordinary shares	share	22,834,000	22,834,000
<b>Earnings/(loss) per ordinary share</b>	<b>PLN/share</b>	<b>0.77</b>	<b>0.23</b>
Number of shares, including dilution	share	22,834,000	22,834,000
<b>Diluted earnings per share</b>	<b>PLN/share</b>	<b>0.77</b>	<b>0.23</b>

## 2.7.3 Events occurring after the balance sheet date

After the balance sheet date and until the approval of this report no events, other than those described herein, took place that might materially affect the financial data presented in this report.





**Quarterly financial information**  
**Selena FM S.A.**

### 3. Quarterly Financial Figures of Selena FM S.A.

#### INCOME STATEMENT

Figures in PLN thousand	Note	from 01.01.2021 to 31.03.2021	from 01.01.2020 to 31.03.2020
<b>Continued operations</b>			
Revenue from the sale of goods and raw materials		180,510	150,598
Revenue from the sale of services		7,717	5,555
<b>Sales</b>		<b>188,227</b>	<b>156,153</b>
Cost of sales		175,074	129,336
<b>Gross profit</b>		<b>13,153</b>	<b>26,817</b>
Selling and marketing costs		11,101	10,185
General and administrative expenses		10,192	10,118
Other operating income	3.2.1	76	83
Other operating costs	3.2.1	266	9
Impairment loss/ reversal of impairment loss (-) of receivables		3,510	1,332
<b>Operating profit</b>		<b>-11,840</b>	<b>5,256</b>
Financial income	3.2.2	6,926	6,240
Financial costs	3.2.2	578	789
Impairment loss/ reversal of impairment loss (-) of loans granted		82	34
<b>Profit before tax</b>		<b>-5,574</b>	<b>10,673</b>
Income tax	3.3	358	2,400
<b>Net profit on continued operations</b>		<b>-5,932</b>	<b>8,273</b>
<b>Discontinued operations</b>			
Profit (loss) on discontinued operations		-	-
<b>Net profit</b>		<b>-5,932</b>	<b>8,273</b>
Net profit per share (PLN/share):			
- basic		-0.26	0.36
- on discontinued operations		-	-
- diluted		-0.26	0.36

#### STATEMENT OF COMPREHENSIVE INCOME

Figures in PLN thousand	from 01.01.2021 to 31.03.2021	from 01.01.2020 to 31.03.2020
Net profit	-5,932	8,273
<b>Total comprehensive income</b>	<b>-5,932</b>	<b>8,273</b>

## STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

Figures in PLN thousand	Note	As at 31.03.2021	As at 31.12.2020
<b>ASSETS</b>			
Property, plant and equipment		5,328	5,657
Intangible assets		15,939	16,414
Shares in subsidiaries	3.4.2	169,005	169,005
Long-term portion of loans granted	3.4.1	151,924	180,565
<b>Non-current assets</b>		<b>342,196</b>	<b>371,641</b>
Inventories		11,097	7,538
Other short-term non-financial assets		32,748	18,551
Trade receivables		202,572	174,785
Short-term portion of loans granted	3.4.1	65,257	27,122
Other short-term financial assets		310	310
Cash and cash equivalents		8,187	5,170
<b>Current assets</b>		<b>320,171</b>	<b>233,476</b>
<b>TOTAL ASSETS</b>		<b>662,367</b>	<b>605,117</b>
Registered capital		1,142	1,142
Supplementary capital		332,346	332,346
Other reserves		19,163	19,163
Retained profit/ loss carried forward		69,447	75,379
– retained profit/ loss from previous years		75,379	0
– profit (loss) after tax		-5,932	75,379
<b>Equity</b>		<b>422,098</b>	<b>428,030</b>
Long-term portion of bank and other loans	3.4.1	34,380	34,354
Long term lease liabilities		864	1,377
Deferred tax liability		1,604	1,245
Provision for retirement benefits		390	390
<b>Non-current liabilities</b>		<b>37,238</b>	<b>37,366</b>
Trade liabilities	3.4.1	114,384	86,409
Obligations to return remuneration		740	1,291
Short-term portion of bank and other loans	3.4.1	63,860	28,296
Short-term lease liabilities		2,277	2,038
CIT tax payable		9,502	10,226
Other short term financial liabilities		1,147	2,413
Other short term non-financial liabilities		11,121	9,048
<b>Current liabilities</b>		<b>203,031</b>	<b>139,721</b>
<b>Total liabilities</b>		<b>240,269</b>	<b>177,087</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>662,367</b>	<b>605,117</b>

## STATEMENT OF CASH FLOWS

Figures in PLN thousand	from 01.01.2021 to 31.03.2021	from 01.01.2020 to 31.03.2020
<b>Cash flows from operating activities</b>		
<b>Profit (loss) before tax</b>	<b>-5,574</b>	<b>10,673</b>
Depreciation/ amortisation	1,269	1,372
FX (gains) / losses	-2,676	-318
Interest and dividends	-1,891	-1,380
Profit / loss on investing activities	24	-577
Change in the balance of receivables	-41,895	-22,900
Change in the balance of inventories	-3,560	-2,546
Change in the balance of liabilities	29,175	31,563
CIT paid	-724	-63
Other	-827	253
<b>Net cash flows from operating activities</b>	<b>-26,679</b>	<b>16,077</b>
<b>Cash flows from investing activities</b>		
Inflows from the sale of tangible assets	19	94
Acquisition of tangible and intangible assets	-542	-1,258
Loans granted	-5,415	-5,012
Repayments of loans granted	1,276	902
<b>Net cash flows from investing activities</b>	<b>-4,662</b>	<b>-5,274</b>
<b>Cash flows from financing activities</b>		
Repayment of finance lease liabilities	-339	-431
Inflows from bank/ other loans received	34,857	28,176
Repayment of loans	-38	-23,934
Interest paid	-94	-303
<b>Net cash flows from financing activities</b>	<b>34,386</b>	<b>3,508</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>3,045</b>	<b>14,311</b>
<b>Change in cash and cash equivalents, including:</b>	<b>3,017</b>	<b>14,185</b>
net FX differences	-28	-126
<i>Cash at the beginning of the period*</i>	<i>5,170</i>	<i>5,064</i>
<i>Cash at the end of the period*</i>	<i>8,187</i>	<i>19,249</i>

\*including restricted cash:

as at 31 March 2020: PLN 0.05m

as at 31 March 2021: PLN 0.05m

## STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD OF 3 MONTHS ENDED 31 MARCH 2021

	Registered capital	Supplementary capital	Other reserves	Retained profit/ (loss carried forward):		Total equity
				from previous years	from the current period	
Figures in PLN thousand						
As at 01.01.2021	1,142	332,346	19,163	75,379	0	428,030
Net profit	0	0	0	0	-5,932	-5,932
Total comprehensive income	0	0	0	0	-5,932	-5,932
As at 31.03.2021	1,142	332,346	19,163	75,379	-5,932	422,098

FOR THE PERIOD OF 3 MONTHS ENDED 31 MARCH 2020

	Registered capital	Supplementary capital	Other reserves	Retained profit/ (loss carried forward):		Total equity
				from previous years	from the current period	
Figures in PLN thousand						
As at 01.01.2020	1,142	289,459	19,163	42,887	0	352,651
Net profit	0	0	0	0	8,273	8,273
Total comprehensive income	0	0	0	0	8,273	8,273
As at 31.03.2020	1,142	289,459	19,163	42,887	8,273	360,924

### 3.1 General information

#### 3.1.1 Information about the financial statements

Details about the period covered by the financial statements, the comparative data, accounting policies used, information on the Company (and connected entities) and significant events occurring during the reporting period and thereafter as well as other events that are material for the Company are described in detail in the condensed consolidated financial statements of Selena Group, which is an element of this report (Chapter 2).

#### 3.1.2 Accounting policies

##### Changes in the accounting policies

The accounting policies that were used in preparation of the financial statements are consistent with the policies used in preparation of the Company's financial statements for 2020.

### 3.2 Notes to the consolidated income statement

#### 3.2.1 Other operating revenues and operating costs

##### Other operating income

Figures in PLN thousand	from 01.01.2021 to 31.03.2021	from 01.01.2020 to 31.03.2020
Profit from disposal of non-financial fixed assets	19	70
Damages, penalties, fines	44	0
Other	13	13
<b>Total other operating income</b>	<b>76</b>	<b>83</b>

##### Other operating costs

Figures in PLN thousand	from 01.01.2021 to 31.03.2021	from 01.01.2020 to 31.03.2020
Donations	266	2
Complaints	0	7
<b>Total other operating costs</b>	<b>266</b>	<b>9</b>

### 3.2.2 Financial income and costs

#### Financial income

Figures in PLN thousand	from 01.01.2021 to 31.03.2021	from 01.01.2020 to 31.03.2020
Interest, including:	2,260	1,854
<i>on loans granted</i>	2,260	1,849
<i>on bank deposits and accounts</i>	0	5
FX differences	4,627	3,819
Derivative financial instruments	39	566
Other	0	1
<b>Total financial income</b>	<b>6,926</b>	<b>6,240</b>

As at 31 March 2021, Selena FM S.A. had open forward contracts. In Q1 2021, the loss on the valuation of unrealised instruments was PLN 866 thousand. The loss on exercise of the contracts was PLN 827 thousand. The result on transactions was recognised in financial revenues under “Derivative financial instruments”.

#### Financial costs

Figures in PLN thousand	from 01.01.2021 to 31.03.2021	from 01.01.2020 to 31.03.2020
Interest, including:	410	503
<i>on loans and advances received</i>	346	446
<i>on finance lease liabilities</i>	23	23
<i>on other obligations</i>	41	34
Bank fees	168	286
<b>Total financial costs</b>	<b>578</b>	<b>789</b>

### 3.3 Taxation

Figures in PLN thousand	from 01.01.2021 to 31.03.2021	from 01.01.2020 to 31.03.2020
Income tax for the current period	0	1,134
Change in deferred income tax	358	1,266
<b>Tax charge carried in profit or loss:</b>	<b>358</b>	<b>2,400</b>



### 3.4 Notes to the statement of financial position

#### 3.4.1 Financial instruments

##### Financial assets

Figures in PLN thousand	As at 31.03.2021	As at 31.12.2020
<b>Financial assets measured at amortised cost</b>		
Loans granted	217,181	207,687
Trade receivables	202,572	174,785
Other short-term financial assets – security deposits	310	310
Cash and cash equivalents	8,187	5,170
<b>Financial assets measured at fair value through profit and loss</b>		
<b>Total</b>	<b>428,250</b>	<b>387,952</b>

##### Financial liabilities

Figures in PLN thousand	As at 31.03.2021	As at 31.12.2020
<b>Financial liabilities measured at amortised cost</b>		
<i>Bank and other loans</i>	98,240	62,650
<i>Lease liabilities</i>	3,141	3,415
<b>Total interest-bearing debt</b>	<b>101,381</b>	<b>66,065</b>
Trade liabilities	114,384	86,409
Investment liabilities	508	907
<b>Financial liabilities measured at fair value through profit or loss</b>		
Other short term financial liabilities – forward transactions	639	1,506
<b>Total</b>	<b>217,652</b>	<b>154,887</b>

##### Loans granted and other financial assets

Figures in PLN thousand	Gross value	Impairment (-)/ reversal of impairment	Net value
<b>as at 1 January 2021</b>	<b>319,255</b>	<b>-111,568</b>	<b>207,687</b>
Loan granted	5,415	0	5,415
Repayment of principal	-240	0	-240
Interest accrued	2,260	-82	2,178
Interest paid	-1,036	0	-1,036
Withholding tax	-89	0	-89
FX differences arising on balance sheet valuation	4,628	-1,362	3,266
<b>as at 31.03.2021</b>	<b>330,193</b>	<b>-113,012</b>	<b>217,181</b>

Figures in PLN thousand	Gross value	Impairment (-)/ reversal of impairment	Net value
<b>as at 1 January 2020</b>	<b>264,341</b>	<b>-105,712</b>	<b>158,629</b>
Loan granted	59,033	1,159	60,192
Repayment of principal	-8,097	0	-8,097
Interest accrued	7,178	-262	6,916
Interest paid	-7,926	0	-7,926
Withholding tax	-389	0	-389
FX differences arising on balance sheet valuation	5,115	-6,753	-1,638
<b>as at 31.12.2020</b>	<b>319,255</b>	<b>-111,568</b>	<b>207,687</b>

### Description of loans granted during the reporting period

On 13 January 2021, Selena FM S.A. received a loan repayment of EUR 53 thousand from Selena CA L.L.P.

On 9 March 2021, an annex was signed to the loan agreement with Selena Nantong, extending the repayment date of the loan of CNY 6 million to 19 March 2024, and changing the interest rate on the loan.

On 10 March 2021, a loan agreement of USD 1 million was signed with Selena Iberia S.L.U. The loan carries a variable interest rate. It matures on 31 December 2021.

By 31 March 2021, loan tranches in a total amount of PLN 5,415 thousand were transferred:

- PLN 4.1 million to Tytan EOS sp. z o.o.;
- EUR 70 thousand to Oligo;
- PLN 1 million to Fandla Factoring sp. z o.o.

Maturity dates of the individual assets as at the balance sheet date are shown in the tables below.

Maturity (in years), as at 31.03.2021		below 1 year	1-3 years	Above 3 years	Total
Subsidiaries	Loans	65,257	64,664	87,260	217,181
<b>TOTAL</b>		<b>65,614</b>	<b>64,664</b>	<b>87,260</b>	<b>217,181</b>

### Trade receivables

The table below shows changes to impairment allowances for trade receivables.

Figures in PLN thousand	from 01.01.2021 to 31.03.2021	from 01.01.2020 to 31.03.2020
<b>Impairment allowance at the beginning of the period</b>	<b>20,119</b>	<b>17,912</b>
<i>related parties</i>	19,146	16,669
<i>other entities</i>	973	1,243
<b>Impairment allowance created/reversed (-) according to IFRS 9:</b>	<b>3,510</b>	<b>1,332</b>
<i>related parties, including:</i>	3,216	1,226
<i>Selena Sulamericana Ltda</i>	3,216	1,226
<i>other entities</i>	295	106
<b>FX differences</b>	<b>47</b>	<b>308</b>
<i>related parties</i>	38	242
<i>other entities</i>	9	66
<b>Expected credit loss at the end of the period</b>	<b>23,676</b>	<b>19,552</b>
<i>related parties</i>	22,399	18,137
<i>other entities</i>	1,277	1,415

## Loans received

The table below shows the debt in respect of borrowings.

Figures in PLN thousand			As at 31.03.2021		As at 31.12.2020	
Ref.	Loan type	Maturity date	<i>Long-term portion</i>	<i>Short-term portion</i>	<i>Long-term portion</i>	<i>Short-term portion</i>
1	Working capital loan	2021	0	37,603	0	2,276
2	Loan	2021	0	25,069	0	25,000
3	Loan	2022	8,700	37	8,700	38
4	Loan	2023	25,680	1,151	25,654	982
<b>Total loans</b>			<b>34,380</b>	<b>63,860</b>	<b>34,354</b>	<b>28,296</b>

As part of the loan agreements signed by the Company separately or jointly with its subsidiaries, Selena FM S.A. undertook to maintain certain financial ratios at the levels agreed with banks. As at 31 March 2021, Selena FM S.A. maintained financial ratios at the levels required by the lenders.

## Events occurring after the balance sheet date

On 7 May 2021, Selena FM S.A received a loan tranche of PLN 8.3 million from Selena Marketing International Sp z o.o.

## Trade liabilities

Figures in PLN thousand	As at 31.03.2021	As at 31.12.2020
Trade liabilities		
<i>amounts due to related parties</i>	102,347	70,608
<i>amounts due to other entities</i>	12,037	15,801
<b>Total trade liabilities</b>	<b>114,384</b>	<b>86,409</b>

### 3.4.2 Non-financial assets and liabilities

Value of the shares in subsidiaries are presented in the table below.

Figures in PLN thousand	As at 31.03.2021			As at 31.12.2020		
	Gross	Write-down	Net	Gross	Write-down	Net
Selena S.A.	62,781	0	62,781	62,781	0	62,781
Selena Labs Sp. z o.o.	1,400	0	1,400	1,400	0	1,400
Carina Sealants Sp. z o.o.	8	0	8	8	0	8
Selena Industrial Technologies Sp. z o.o.	38,379	0	38,379	38,379	0	38,379
Selena Deutschland GmbH	4	0	4	4	0	4
Selena Italia srl	1,884	1,884	0	1,884	1,884	0
Selena Iberia slú	43,478	22,913	20,565	43,478	22,913	20,565
Uniflex S.p.A.	11,082	0	11,082	11,082	0	11,082
Selena USA Inc.	3,707	2,407	1,300	3,707	2,407	1,300
Selena Sulamericana Ltda	3,594	3,594	0	3,594	3,594	0
Selena Mexico	255	0	255	255	0	255
Selena Romania SRL	11,944	11,944	0	11,944	11,944	0
Selena Bohemia s.r.o	9,936	0	9,936	9,936	0	9,936
Selena Hungária Kft.	679	679	0	679	679	0
EURO MGA Product SRL	1	0	1	1	0	1
Selena Ukraine Ltd.	3,068	0	3,068	3,068	0	3,068
Selena CA L.L.P.	9,029	0	9,029	9,029	0	9,029
Selena Insulations	1,206	1,206	0	1,206	1,206	0
Selena Nantong Building Materials Co., Ltd.	33,910	33,910	0	33,910	33,910	0
Selena Vostok	11,197	0	11,197	11,197	0	11,197
Selena Malzemeleri Yapi Sanayi Tic. Ltd.	23,764	23,764	0	23,764	23,764	0
<b>Value of shares</b>	<b>271,306</b>	<b>102,301</b>	<b>169,005</b>	<b>271,306</b>	<b>102,301</b>	<b>169,005</b>

### 3.5 Other information

#### 3.5.1 Related party transactions

The table below shows transactions with related parties (subsidiaries, associates, members of the Company's governing bodies) over the 3 months ended 31 March 2021 and 31 March 2020.

Figures in PLN thousand	Period	Revenue from sales and recharged costs	Purchase of goods and services	Other revenues <sup>1)</sup>	Other costs
Subsidiaries	2021	145,288	169,886	1,710	3,622
	2020	124,030	127,899	1,908	1,458
Associates	2021	1,784	11	0	0
	2020	1,397	29	0	0
Subsidiaries of the ultimate controlling shareholder*	2021	3	0	542	0
	2020	40	0	0	0
<b>TOTAL</b>	<b>2021</b>	<b>147,075</b>	<b>169,897</b>	<b>2,252</b>	<b>3,622</b>
	<b>2020</b>	<b>125,467</b>	<b>127,928</b>	<b>1,908</b>	<b>1,458</b>

<sup>1</sup> the value includes other operating income and financial income

\* the item includes entities connected through Mr Krzysztof Domarecki

The table shows the balance of transactions with related parties (subsidiaries, associates, members of the Parent Company's governing bodies) as at 31 March 2021 and 31 December 2020.

Figures in PLN thousand		Period	Loans	Trade receivables	Liabilities
Subsidiaries		2021	173,962	171,020	102,404
		2020	165,606	148,105	70,913
Associates		2021	0	3,052	154
		2020	0	2,014	212
Subsidiaries subsidiaries of the ultimate controlling shareholder*		2021	43,219	1	0
		2020	42,081	3	0
<b>TOTAL</b>		<b>2,021</b>	<b>217,181</b>	<b>174,073</b>	<b>102,558</b>
		<b>2,020</b>	<b>207,687</b>	<b>150,122</b>	<b>71,125</b>

\* the item includes entities connected through Mr Krzysztof Domarecki

The person who prepared the  
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Chief Commercial Officer,  
Vice President

**Sławomir Majchrowski**

Chief Marketing Officer,  
Vice President

**Christian Dölle**

Chief Operating Officer

**Roman Dziuba**