



**Extended Consolidated
Quarterly Report
for the period
from 1 July to 30 September 2022**

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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 01.01.2022 to 30.09.2022	from 01.01.2021 to 30.09.2021	from 01.01.2022 to 30.09.2022	from 01.01.2021 to 30.09.2021
Revenue from contracts with customers	1,489,789	1,280,787	317,788	280,967
Operating profit	120,567	84,719	25,718	18,585
Profit before tax	119,919	87,137	25,580	19,115
Net profit	95,310	70,942	20,331	15,563
Profit after tax attributable to controlling interests	94,848	70,919	20,232	15,558
Comprehensive income	122,963	74,432	26,229	16,328
Comprehensive income attributable to shareholders of the parent	122,362	74,344	26,101	16,309
Net cash flows from operating activities	48,666	-78,988	10,381	-17,328
Net cash flows from investing activities	-31,613	-24,541	-6,743	-5,384
Net cash flows from financing activities	7,219	90,765	1,540	19,911
Number of shares	22,834,000	22,834,000	22,834,000	22,834,000
Earnings per ordinary share (PLN/share; EUR/share)	4.15	3.11	0.89	0.68

	As at 30.09.2022	As at 31.12.2021	As at 30.09.2022	As at 31.12.2021
Total assets	1,397,318	1,108,755	286,935	241,065
Long-term liabilities	148,122	80,345	30,416	17,469
Short-term liabilities	517,105	426,465	106,186	92,722
Equity	732,091	601,945	150,333	130,875
Registered capital	1,142	1,142	235	248

Financial data of the Parent Company

	PLN '000		EUR '000	
	from 01.01.2022 to 30.09.2022	from 01.01.2021 to 30.09.2021	from 01.01.2022 to 30.09.2022	from 01.01.2021 to 30.09.2021
Revenue from contracts with customers	800,063	747,728	170,662	164,029
Operating profit (loss)	-16,496	18,044	-3,519	3,958
Profit (loss) before tax	18,471	27,662	3,940	6,068
Profit (loss) after tax	16,848	29,438	3,594	6,458
Comprehensive income	16,848	29,438	3,594	6,458
Net cash flows from operating activities	-88,770	-105,614	-18,936	-23,169
Net cash flows from investing activities	6,756	11,023	1,441	2,418
Net cash flows from financing activities	81,808	90,148	17,451	19,776
Number of shares	22,834,000	22,834,000	22,834,000	22,834,000
Earnings per ordinary share (PLN/share) /EUR/share)	0.74	1.29	0.16	0.28

	As at 30.09.2022	As at 31.12.2021	As at 30.09.2022	As at 31.12.2021
Total assets	1,016,957	844,018	208,829	183,506
Liabilities	557,210	401,119	114,422	87,211
Equity	459,747	442,899	94,408	96,295
Registered capital	1,142	1,142	235	248

1.2 Group structure

The Group structure and changes in it made during the 9 months ended 30 September 2022, 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

Selena Group's R&D activity is primarily carried out by Selena Industrial Technologies Sp. z o.o. Branch 3 (previously, i.e. before the merger registered on 1 March 2022, trading as Selena Labs Sp. z o.o.) ("SIT Branch 3") and laboratories in Romania, Turkey, Spain and Italy. During the 9 months ended 30 September 2022, SIT Branch 3 continued work on development of new products and technologies in all product groups. In addition, a regular process was put in place aimed at testing and cost-optimization of products.

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.

1.3.2 Other significant events

Impact of the situation in Ukraine and the COVID-19 pandemic on the Group's activities is presented in Note 2.6 to this report.

1.4 Group performance drivers

Financial performance

The tables below show selected items of the consolidated income statement for the 9 months ended 30 September 2022 and 30 September 2021, and for the period of 3 months ended 30 September 2022 and 30 September 2021, respectively, as well as selected financial ratios.

Figures in PLN thousand	from 01.01.2022 to 30.09.2022	from 01.01.2021 to 30.09.2021	Change	Change %
Revenue from contracts with customers	1,489,789	1,280,787	209,002	16.3%
Cost of sales	1,028,113	914,594	113,519	12.4%
Gross profit	461,676	366,193	95,483	26.1%
Selling and marketing costs	229,568	196,445	33,123	16.9%
General and administrative expenses	106,574	92,485	14,089	15.2%
Other operating income (loss)	2,860	8,738	-5,878	-67.3%
Impairment of non-financial fixed assets	200	0	200	-
Impairment of financial assets	7,627	1,282	6,345	-
EBITDA (operating profit + depreciation + amortisation)	155,044	117,586	37,458	31.9%
Operating profit (EBIT)	120,567	84,719	35,848	42.3%
Net financial income (loss)	-2,568	-680	-1,888	277.6%
Share in net profit/loss of the associate	1,920	3,271	-1,351	-
Profit before tax	119,919	87,137	32,782	37.6%
Net profit	95,310	70,942	24,368	34.3%
Other net comprehensive income	27,653	3,490	24,163	-
Total comprehensive income	122,963	74,432	48,531	-

	from 01.01.2022 to 30.09.2022	from 01.01.2021 to 30.09.2021	Change in p.p.
Gross profit margin	31.0%	28.6%	2.4
Selling costs/ Revenue from contracts with customers	15.4%	15.3%	0.1
General and administrative expenses/ Revenue from contracts	7.2%	7.2%	-0.1
EBITDA margin %	10.4%	9.2%	1.1
Operating profit margin (EBIT %)	8.1%	6.6%	1.6
Net profit margin	6.4%	5.5%	1.0

EBIT% – operating profit/ revenue from contracts with customers

EBITDA% – (operating profit + depreciation/amortization)/ revenue from contracts with customers

Figures in PLN thousand	from 01.07.2022 to 30.09.2022	from 01.07.2021 to 30.09.2021	Change	Change %
Revenue from contracts with customers	569,003	493,118	75,885	15.4%
Cost of sales	383,941	355,280	28,661	8.1%
Gross profit	185,062	137,838	47,224	34.3%
Selling and marketing costs	81,359	71,664	9,695	13.5%
General and administrative expenses	36,793	32,488	4,305	13.3%
Other operating income (loss)	2,018	3,265	-1,247	-38.2%
Impairment of non-financial fixed assets	0	0	0	-
Impairment of financial assets	1,325	436	889	-
EBITDA (operating profit + depreciation + amortization)	79,405	47,796	31,609	66.1%
Operating profit (EBIT)	67,603	36,515	31,088	85.1%
Net financial income (loss)	-7,971	-932	-7,039	-
Share in net profit/loss of the associate	640	2,793	-2,153	-77.1%
Profit before tax	60,272	38,376	21,896	57.1%
Net profit	46,709	31,778	14,931	47.0%
Other net comprehensive income	17,506	5,692	11,814	-
Total comprehensive income	64,215	37,470	26,745	-

	from 01.07.2022 to 30.09.2022	from 01.07.2021 to 30.09.2021	Change in p.p.
Gross profit margin	32.5%	28.0%	4.6
Selling costs/ Revenue from contracts with customers	14.3%	14.5%	-0.2
General and administrative expenses/ Revenue from contracts with	6.5%	6.6%	-0.1
EBITDA margin %	14.0%	9.7%	4.3
Operating profit margin (EBIT %)	11.9%	7.4%	4.6
Net profit margin	8.2%	6.4%	1.8

EBIT% – operating profit/ revenue from contracts with customers

EBITDA% – (operating profit + depreciation/amortization)/ revenue from contracts with customers

Revenue from contracts with customers

During the period of 9 months ended 30 September 2022, consolidated revenue from contracts with Group customers were PLN 1,489.8 million, up PLN 16.3% (PLN 209.0 million) on the corresponding period of the previous year. The increase is mainly due to the continued sales price increases caused by the inflation of raw material prices.

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 the United States and Brazil). During the 9 months of 2022, the sales structure by segments has not changed significantly compared with the same period last year. European Union remains the key segment. In Q1–Q3, the segment generated 62% (vs 65% in the same period of 2021) of sales revenues of Selena Group (with Poland achieving a 33% share in the Group's sales). The Eastern Europe and Asia reporting segment recorded an increase in its share in the Group's sales (from 28% to 29%). The North and South America segment achieved a 2 p.p. increase in its contribution to the Group's sales.

Segment	Segment's share in the Group's revenues		Revenue change
	from 01.01.2022 to 30.09.2022	from 01.01.2021 to 30.09.2021	2022 / 2021
European Union, including:	62%	65%	11%
<i>Poland</i>	33%	36%	7%
<i>Other countries</i>	29%	29%	16%
Eastern Europe and Asia	29%	28%	22%
N&S America	9%	7%	44%

Gross profit

For the 9 months of 2022 ended 30 September 2022, Selena Group generated gross profit of PLN 461.7 million, i.e. PLN 95.5 million more year-on-year.

As at the end of Q3, gross profit margin was 31.0%, up 2.4 p.p. year-on-year. This growth resulted from a steady increase in the share of sales of innovative products with a higher margin, as well as an increase in their prices.

Selling costs and general and administrative expenses

Selling costs over the 9 months ended 30 September 2022 were PLN 229.6 million, up PLN 33.1 million (16.9%) year-on-year. The year-on-year increase is mainly due to higher costs of transport, logistics and sales, directly related to the higher level of business, as well as the annualization of salaries.

Over the 9 months ended 30 September 2022, **general and administrative expenses** were PLN 106.6 million. They increased by PLN 14.1 million year-on-year. The increase in general and administrative expenses results mainly from the development of structures at Selena FM S.A. and the annualization of salaries.

Other operating income (loss)

The result on other operations was negative at PLN -5.0 million, taking into account the impairment loss on financial and non-financial assets. The result on other operations was significantly impacted by impairment allowances on receivables of PLN 9.3 million, reduced by reversed allowances of (PLN 1.7 million).

This heading was positively influenced by the claw-back of a provision relating to the settlement of the state sales tax (ICMS), and subsidies of PLN 1.2 million.

Operational profit

During the 9 months of 2022, Selena Group generated operating profit of PLN 120.6 million vs PLN 84.7 million in the same period of the previous year, up 42.3% year-on-year.

Net profit

During the 3 quarters of 2022, Selena Group achieved net profit of PLN 95.3 million compared with PLN 70.9 million posted in the corresponding period of 2021, up 34.3%. This increase is closely correlated with the increase in operating profit.

For the 9 months ended 30 September 2022, the income tax charge was PLN 24.6 million.

For the 9 months of 2022, EBITDA was PLN 155.0 million (including depreciation/amortization: PLN 34.5 million), which was by PLN 37.5 million higher year-on-year.

Asset and financial position

The table below shows selected figures of the consolidated balance sheet as at 30 September 2022 and 31 December 2021.

Figures in PLN thousand	As at 30.09.2022	As at 31.12.2021	Change	Change %
Non-current assets	401,454	368,305	33,149	9%
Property, plant and equipment	281,759	261,497	20,262	8%
Intangible assets	37,476	38,932	-1,456	-4%
Other long-term assets	82,219	67,876	14,343	21%
Current assets	995,864	740,450	255,414	34%
Inventories	363,595	280,015	83,580	30%
Trade and other receivables	432,554	305,387	127,167	42%
Cash	63,392	38,915	24,477	63%
Other current assets	136,323	116,133	20,190	17%
Equity	732,091	601,945	130,146	22%
Liabilities	665,227	506,810	158,417	31%
Bank and other loans	184,226	148,023	36,203	24%
Trade and other liabilities	259,471	198,294	61,177	31%
Other liabilities	221,530	160,493	61,037	38%
	As at 30.09.2022	As at 31.12.2021		
Current ratio*	1.9	1.7		
Quick ratio**	1.2	1.1		

*Current ratio – current assets / current liabilities

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

As at 30 September 2022, the Group's asset position, with an increase in total assets of PLN 288.6 million vs 31 December 2021, was affected by an increase in the prices of raw materials and finished goods, as well as an increase in the level of receivables due to higher sales, resulting in an increase in net current assets (inventories, and trade receivables and trade liabilities).

As at 30 September 2022, the current and quick ratios (1.9 and 1.2 respectively) point to the Group's ability to meet its obligations in a timely manner.

Debt

Figures in PLN thousand	As at 30.09.2022	As at 31.12.2021
Bank and other loans	184,226	148,023
Lease liabilities	39,164	29,177
Liabilities on account of prepaid trade receivables	0	1
Less cash and cash equivalents	-63,392	-38,915
Net debt	159,998	138,286
Equity attributable to the shareholders of the parent	729,931	600,976
Equity and net debt	889,929	739,262
Gearing (net debt/ equity + net debt)	18%	19%
Debt ratio (interest-bearing debt/ total assets)	16%	16%
Net debt / EBITDA*	0.92	1.01

* 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 2021 to PLN 36.2 million. At the same time, as at 30 September 2022, cash and cash equivalents rose by PLN 24.5 million compared to 31 December 2021. The net debt to EBITDA ratio (bank covenant) fell to 0.92. As at 30 September 2022, the debt ratio was 18% and was 1 p.p. lower than at the end of 2021.

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 9 months ended 30 September 2022 and 30 September 2021, respectively.

Figures in PLN thousand	from 01.01.2022 to 30.09.2022	from 01.01.2021 to 30.09.2021	Change
Net cash flows from operating activities	48,666	-78,988	127,654
Net cash flows from investing activities	-31,613	-24,541	-7,072
Net cash flows from financing activities	7,219	90,765	-83,546
Change in cash and cash equivalents:	24,272	-12,764	37,036

Net cash flows for the 9 months ended 30 September 2022 were PLN 24.3 million.

For Q1–Q3 2022, operating cash flows were PLN 48.7 million, up PLN 127.7 million on the corresponding period of 2021. Changes in net current assets were as follows: receivables – up PLN 151.6 million, inventories – up PLN 83.0 million, and liabilities – up PLN 98.5 million. The change of PLN -136.1 million in net current assets in the 9 months of 2022 (compared to the change of PLN -173.8 million in the 9 months ended 30 September 2021) was mainly caused by an increase in the prices of raw materials and the prices of products sold.

During the 9 months ended 30 September 2022, net cash flows from investing activities were negative at PLN -31.6 million and investment outflows were up PLN 13.9 million year-on-year.

Net cash flows from financing activities for the 9 months ended 30 September 2022 were PLN 7.2 million. This figure was mainly affected by the bank loans (PLN 148.1 million) obtained to fund working capital requirements, lease payments (PLN -10.9 million), repayment of loans (PLN -121.4 million) and interest paid (PLN -9.8 million).

1.5 Seasonality of business

The building materials industry in which Selena Group operates is characterized 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 2020–2021, 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

Selena Group did not publish any performance forecast for Q3 2022.

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

As at 31 December 2021, the Company had 1,194,834 own shares with a nominal value of PLN 0.05 per share, representing 5.23% of the Company's registered capital and carrying 4.45% of the total number of votes at the Company's General Meeting (with the note that in accordance with Article 364 § 2 of the Commercial Companies Code voting rights attached to the Company's own shares cannot be exercised).

In the period from 1 January 2022 to the date of publication of this report, there were no changes in the number of own shares held.

The list of the Parent Company's shares held by the executive and non-executive directors of the Parent are presented in Note 1.10 of this report.

1.8 Profit distribution for 2021

On 2 June 2022, the Annual General Meeting of Selena FM S.A. adopted a resolution to distribute the Company's net profit for 2021 of PLN 43,545,445.46 as follows: PLN 43,545,445.46 to be transferred entirely to the Parent Company's capital reserve.

1.9 Shareholders of the parent

According to the Company's knowledge, as at the date of publication of this report, the following shareholders hold the shares which carry at least 5% votes at the General Meeting:

Shareholder	Share type	Number of shares acquired	Share in registered capital	Number of votes	Share in votes at the AGM **
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%

* entity controlled by Krzysztof Domarecki

** Taking into account the Company-held own shares whose voting rights may not be exercised in accordance with Article 364 § 2 of the Commercial Companies Code.

1.10 Shareholdings by executive and non-executive directors

The Company's executive and non-executive directors do not hold the Company's shares.

1.11 Litigations

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

On 10 November 2022, Carina Silicones Sp. z o.o., a subsidiary of Selena FM S.A., concluded a court settlement with Bank Millennium S.A. at a hearing before the Court of Appeal in Warsaw, 7th Commercial and Intellectual Property Division, whereby the parties, by making mutual concessions, ended the court dispute initiated by the Bank on 4 January 2013. Under the settlement, the parties abandoned all claims against each other.

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 standalone financial statements of Selena FM S.A. for 2021. As at 30 September 2022, the valuation of those 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 October 2022 shows that in 2021 the global economy's GDP fell grew by 6.0%. 2022 is expected to see a moderate recovery at 3.2%. Most importantly, highly developed countries are to record a GDP growth of 2.4% in 2022 (vs a growth of 5.2% in 2021). The GDP of developing markets is projected to grow by 3.7% (vs a growth of 6.6% in 2021). For most of Selena Group's markets, GDP growth is forecast to grow compared with 2021. Importantly, eurozone countries are to achieve a growth of +3.1% in 2022 (vs 5.2% in 2021). For the USA, the IMF forecasts an increase of 1.6% in 2022 (vs 5.7% in 2021), an increase of 3.2% for China (vs +8.1% in 2021) and a major decrease of 3.4% for Russia (vs 4.7% in 2021). For Poland, the GDP growth is forecast to fall to 3.8% in 2022 (vs 5.9% in 2021).

Availability of financing. According to the results of the PENGAB banking business sentiment index published by the Polish Bank Association, in October this year the market sentiment deteriorated (for 6-month forecasts): 57% of bankers point to a decrease, 36% to stabilization, and only 7% to an increase 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 January–September 2022 point to a growth of 1.8% in house completions year-on-year. At the same time, the number of construction permits fell by 7.2%, while the number of commenced housing investments decreased by 23.8%.

FX rates. According to the currency forecast consensus of Reuters as of November 2022, the coming months should not see major changes in the EUR/PLN rate. At the end of the year, the expected EUR/PLN exchange rate is 4.78. Towards the year-end, the following currency rates are expected for the Group's main markets: EUR/RUB 63.30; EUR/CZK 24.70; EUR/HUF 410.00; EUR/RON 4.94; EUR/UAH 31.0 and EUR/TRY 19.00. Major fluctuations in exchange rates have an impact on currency risk.

Credit risk. The Group companies do not see any material changes in overdue receivables.

Commodity prices. In Q3 2022, the prices of key raw materials are a consequence of the supply and demand situation in 2021 and the situation in Ukraine – the entire industry is facing increases in raw material prices and disruptions in the availability of production inputs. Increases in raw material costs may not be fully transferred to the prices of the Company's products due to constraints in the flexibility of demand and the pricing strategies of the Company's competitors. As a result of the increase in raw material prices, the Company's margins may be under further pressure.

Operational risk is standard risk related to e.g. potential general failures of machines and devices, failures of distribution networks (electricity, heat) caused, among others, through their exploitation, but also by random events, including those related to extreme weather phenomena (storms, floods, hurricane winds, heat waves, fires) resulting from, among others, climate change. The materialization of risk may affect the availability of assets, and might result in downtime related to asset failures or increased costs of their removal. During the 9 months ended 30 September 2022, no significant events in this risk category were recorded by Selena Group, in particular those that would affect the Group's production and trading activities. The risk is partially mitigated by property insurance. As part of an increased response to crisis situations, the BCMS (Business Continuity Management System) was implemented and is regularly enhanced in the Group.

Health & safety risk is related to the need to safe working environment. Materialization of this risk might result in employees' injuries, loss of health or excessive exposure to factors harmful to health, ultimately leading to the Group's duty to pay compensation paid for damage to health. During the 9 months ended 30 September 2022, Selena Group saw no significant health and safety incidents.

Geopolitical risk, including the impact of the situation in Ukraine on the operating activities of Selena Group, is described in Note 2.6 of this report.

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 01.01.2022 to 30.09.2022	from 01.01.2021 to 30.09.2021	from 01.07.2022 to 30.09.2022	from 01.07.2021 to 30.09.2021
Continued operations					
Revenue from the sale of products		1,327,767	1,178,703	490,629	455,624
Revenue from the sale of goods and raw materials		157,902	99,177	77,111	36,350
Revenue from the sale of services		4,120	2,907	1,263	1,144
Revenue from contracts with customers	2.2	1,489,789	1,280,787	569,003	493,118
Cost of sales		1,028,113	914,594	383,941	355,280
Gross profit		461,676	366,193	185,062	137,838
Selling and marketing costs		229,568	196,445	81,359	71,664
General and administrative expenses		106,574	92,485	36,793	32,488
Other operating income	2.3.1	4,737	10,992	2,035	3,897
Other operating costs	2.3.1	1,877	2,254	17	632
Impairment of non-financial fixed assets		200	0	0	0
Impairment of financial assets		7,627	1,282	1,325	436
Operating profit		120,567	84,719	67,603	36,515
Financial income	2.3.2	29,058	7,666	8,829	14
Financial costs	2.3.2	31,626	8,346	16,800	946
Impairment of loans granted		0	173	0	0
Share in net profit/loss of the associate		1,920	3,271	640	2,793
Profit before tax		119,919	87,137	60,272	38,376
Income tax	2.4	24,609	16,195	13,563	6,598
Net profit on continued operations		95,310	70,942	46,709	31,778
Profit (loss) on discontinued operations		0	0	0	0
Net profit for the period		95,310	70,942	46,709	31,778

Net profit attributable to:					
– shareholders of the parent		94,848	70,919	46,420	31,743
– non-controlling interests		462	23	289	35

Earnings per share attributable to the shareholders of the parent	2.7.2	(PLN/share)	(PLN/share)		
– basic, including:		4.15	3.11	2.03	1.39
on continued operations		4.15	3.11	2.03	1.39
on discontinued operations		0.00	0.00	0.00	0.00
– diluted, including:		4.15	3.11	2.03	1.39
on continued operations		4.15	3.11	2.03	1.39
on discontinued operations		0.00	0.00	0.00	0.00

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Figures in PLN thousand	from 01.01.2022 to 30.09.2022	from 01.01.2021 to 30.09.2021	from 01.07.2022 to 30.09.2022	from 01.07.2021 to 30.09.2021
Net profit	95,310	70,942	46,709	31,778
FX differences arising on translation of the foreign associate	32,825	4,401	20,883	7,125
Other comprehensive income subject to reclassification to profit or loss, before tax	32,825	4,401	20,883	7,125
Other comprehensive income, before tax	32,825	4,401	20,883	7,125
Income tax related to foreign exchange differences on translation	-5,172	-911	-3,377	-1,433
Income tax related to components of comprehensive income that are reclassified to profit or loss	-5,172	-911	-3,377	-1,433
Other comprehensive income for the period, after tax	27,653	3,490	17,506	5,692
Total comprehensive income	122,963	74,432	64,215	37,470
Attributable to:				
– shareholders of the parent	122,362	74,344	63,836	37,392
– non-controlling interests	601	88	379	78

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

Figures in PLN thousand	Note	As at 30.09.2022	As at 31.12.2021
ASSETS			
Property, plant and equipment		281,759	261,497
Intangible assets		37,476	38,932
Investments accounted for using the equity method		26,851	19,814
Deferred tax assets		54,119	46,924
Other long-term financial assets	2.5.1	1,249	1,138
Total non-current assets		401,454	368,305
Inventories	2.5.2	363,595	280,015
Other short-term non-financial assets		67,889	44,623
Trade and other receivables	2.5.1	432,554	305,387
CIT claimed		3,595	14,315
Other short-term financial assets	2.5.1	64,839	57,195
Cash and cash equivalents	2.6.2	63,392	38,915
Total current assets		995,864	740,450
TOTAL ASSETS		1,397,318	1,108,755
LIABILITIES AND EQUITY			
Registered capital		1,142	1,142
Own shares		-28,676	-28,676
FX differences arising on translation of the foreign associate		-19,344	-46,858
Supplementary capital		692,629	675,747
Other reserves		118,545	75,000
Retained profit/ loss carried forward		-34,365	-75,379
Equity attributable to the shareholders of the parent		729,931	600,976
Non-controlling interests		2,160	969
Total equity		732,091	601,945
Long-term portion of bank and other loans	2.5.1	105,134	48,969
Long term lease liabilities		26,466	16,862
Deferred tax liability		4,715	2,069
Other long term non-financial liabilities		5,302	4,366
Long-term portion	2.5.2	6,505	8,079
Long-term liabilities		148,122	80,345
Trade and other liabilities	2.5.1	259,471	198,294
Obligations to return remuneration		36,881	31,718
Short-term portion of bank and other loans	2.5.1	79,092	99,054
Short-term lease liabilities		12,698	12,315
Other short term financial liabilities	2.5.1	1,597	644
CIT tax payable		18,777	7,439
Other short term non-financial liabilities		88,187	56,977
Short-term provisions	2.5.2	20,402	20,024
Short-term liabilities		517,105	426,465
Total liabilities		665,227	506,810
TOTAL LIABILITIES AND EQUITY		1,397,318	1,108,755

CONSOLIDATED STATEMENT OF CASH FLOWS

Figures in PLN thousand	from 01.01.2022 to 30.09.2022	from 01.01.2021 to 30.09.2021
Cash flows from operating activities		
Profit (loss) before tax	119,919	87,137
Adjustments to reconcile profit, including:	-59,824	-139,956
Share in the result of the entities accounted for using the equity method	-1,920	-3,271
Depreciation/ amortization	34,477	32,867
FX gains (losses)	34,328	6,144
Interest	7,554	1,472
Gain (loss) on sale and liquidation of non-financial fixed assets	-417	-445
Valuation of derivatives	977	-1,088
Change in the balance of receivables	-151,597	-166,333
Change in the balance of inventories	-83,026	-141,979
Change in the balance of liabilities	98,515	134,499
Change in the balance of provisions	-1,195	-1,741
Translation of a subsidiary in hyperinflationary conditions	2,979	0
Other	-499	-81
Net cash flows from operating activities, before tax	60,095	-52,819
CIT paid	-11,429	-26,169
Net cash flows from operating activities	48,666	-78,988
Cash flows from investing activities		
Purchase of property, plant and equipment, and intangible assets	-25,935	-23,339
Inflows from sale of tangible and intangible assets	2,833	777
Outflow on account of loans granted	-10,357	-4,000
Repayments of loans granted	4,060	0
Acquisition of shares	-5,000	0
Payments on account of purchase of other financial assets	-595	0
Dividends received	659	478
Interest received	2,621	1,543
Other	101	0
Net cash flows from investing activities	-31,613	-24,541
Cash flows from financing activities		
Proceeds from bank and other loans	148,086	115,498
Outflows in respect of bank and other loans	-121,422	-11,502
Repayment of lease liabilities	-10,908	-11,921
Dividends paid to non-controlling shareholders	0	-10
Interest paid	-9,840	-2,449
Other	1,303	1,149
Net cash flows from financing activities	7,219	90,765
Net increase in cash and cash equivalents	24,272	-12,764
Change in cash and cash equivalents, including:	24,477	-12,948
Net FX differences	205	-184
Cash and cash equivalents at the beginning of the period*	38,915	55,004
Cash and cash equivalents at the end of the period*	63,392	42,056

*including restricted cash:

as at 30 September 2022: PLN 0.05m

as at 30 September 2021: PLN 0.05m

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

FOR 9 MONTHS ENDED 30 SEPTEMBER 2022

Figures in PLN thousand	Registered capital	Own shares	FX differences FX differences arising on translation of a foreign affiliate	Supplementary capital	Other reserves	Retained profit/ loss carried forward	Equity attributable to the shareholders of the parent	Equity attributable to non-controlling interests	Aggregate equity
As at 1 January 2022	1,142	-28,676	-46,858	675,747	75,000	-75,379	600,976	969	601,945
Profit for the period	0	0	0	0	0	94,848	94,848	462	95,310
Other net comprehensive income for the period	0	0	27,514	0	0	0	27,514	139	27,653
Total comprehensive income for the period	0	0	27,514	0	0	94,848	122,362	601	122,963
Profit distributions	0	0	0	16,882	43,545	-60,427	0	0	0
Sale of non-controlling interests	0	0	0	0	0	-443	-443	490	47
Establishment of a subsidiary	0	0	0	0	0	0	0	100	100
Translation of a subsidiary in hyperinflationary conditions	0	0	0	0	0	7,036	7,036	0	7,036
Increase (decrease) in equity	0	0	27,514	16,882	43,545	41,014	128,955	1,191	130,146
As at 30 September 2022	1,142	-28,676	-19,344	692,629	118,545	-34,365	729,931	2,160	732,091

FOR 9 MONTHS ENDED 30 SEPTEMBER 2021

Figures in PLN thousand	Registered capital	FX differences FX differences arising on translation of a foreign affiliate	Supplementary capital	Other reserves	Retained profit/ loss carried forward	Equity attributable to the shareholders of the parent	Equity attributable to non-controlling interests	Aggregate equity
As at 31 December 2020 – approved figures	1,142	-43,155	659,758	9,633	-104,586	522,792	872	523,664
Correction of errors from previous years	0	0	0	0	8,273	8,273	0	8,273
As at 1 January 2021 (restated data)	1,142	-43,155	659,758	9,633	-96,313	531,065	872	531,937
Profit for the period	0	0	0	0	70,919	70,919	23	70,942
Other net comprehensive income for the period	0	3,425	0	0	0	3,425	65	3,490
Total comprehensive income for the period	0	3,425	0	0	70,919	74,344	88	74,432
Profit distributions	0	0	6,359	75,000	-81,359	0	0	0
Dividend	0	0	0	0	0	0	-9	-9
Other	0	0	9,633	-9,633	0	0	0	0
Increase (decrease) in equity	0	3,425	15,992	65,367	-10,440	74,344	79	74,423
As at 30 September 2021	1,142	-39,730	675,750	75,000	-106,753	605,409	951	606,360

2.1 General information

2.1.1 Characteristics of the Parent Company

Parent Company

The Group's parent company is Selena FM S.A. (Parent Company, Company) having its registered office at ul. Legnicka 48A in Wrocław, 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 under KRS no. 0000292032. The Company was established and registered in 1993 as a limited liability company under the name Przedsiębiorstwo Budownictwa Mieszkaniowego in Wrocław. In 2006, the Extraordinary General Meeting of the Parent Company approve the renaming of the Company to Selena FM Sp. z o.o., which in 2007 was converted into a joint stock company (S.A.), as approved by the Extraordinary General Meeting on 26 September 2007. Selena FM S.A. was registered on 31 October 2007. The Company was assigned the statistical number REGON 890226440. On 18 April 2008, the Company debuted on Warsaw Stock Exchange.

Its duration is indefinite (it is a going concern). Selena FM S.A. has no branches. The Company operates in Poland.

The Parent Company's core business includes:

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

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

Management Board of the Parent Company

As at 1 January 2022, the Company's Management Board was composed of:

- Jacek Michalak – CEO;
- Sławomir Majchrowski – Chief Commercial Officer, Vice President;
- Roman Dziuba – Chief Operating Officer;
- Andrzej Zygadło – Chief HR Officer.

On 20 September 2022, the Company's Supervisory Board adopted a resolution appointing, as of 1 October 2022, Krzysztof Ościłowicz to the Company's Management Board, entrusting him with the role of Chief Financial Officer (CFO).

As at 30 September 2022, the Company's Management Board was composed of:

- Jacek Michalak – CEO;
- Sławomir Majchrowski – Chief Commercial Officer, Vice President;
- Roman Dziuba – Chief Operating Officer;
- Andrzej Zygadło – Chief HR Officer.

Since 1 October 2022, the Company's Management Board has consisted of:

- Jacek Michalak – CEO;
- Sławomir Majchrowski – Chief Commercial Officer, Vice President;
- Roman Dziuba – Chief Operating Officer;
- Krzysztof Ościłowicz – Chief Financial Officer;
- Andrzej Zygadło – Chief HR Officer.

In the period from 1 October 2022 to the date of publication of this report, no changes took place in the composition of the Company's Management Board.

Supervisory Board of the Parent Company

As at 30 September 2022, the 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;
- Mariusz Warych – independent Supervisory Board Member;
- Paweł Wyrzykowski – independent Supervisory Board Member.

In the period from 1 January 2022 to the date of publication of this report, there were no changes in the composition of the Company's Supervisory Board.

2.1.2 Information about the Group

Activities of the Group

Selena FM Group (Selena Group, 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 to both 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, Romania, Turkey, Spain and Italy.

Group members

The table below shows the ownership and organizational structure of the Group and division into operating segments. The data are presented as at 30 September 2022 and 31 December 2021.

All the companies in the table are consolidated using the full (line-by-line) method, except the associated entities Hamil-Selena Co. Ltd., Biogazownia Przybroda Sp. z o.o. and the joint venture: House Selena Trading Company Ltd., which are consolidated using the equity method.

The "owner" column specifies the name of the owner as at 30 September 2022.

	REGION	COUNTRY	ENTITY	REG. OFFICE	ACTIVITY	GROUP'S SHARE		OWNER		
						30.09.2022	31.12.2021	30.09.2022		
European Union	Poland	Poland	Selena FM S.A.	Wroclaw	Group's headquarters, distributor	-	-	-		
			Selena S.A.	Wroclaw	Distributor	100.00%	100.00%	FM		
			Orion PU Sp. z o.o.*	-*	-*	-*	100.00%	-	-	
			Carina Silicones Sp. z o.o.	Siechnice	Manufacturer of sealants, provider of production services	100.00%	100.00%	SIT		
			Libra Sp. z o.o.*	-*	-*	-*	100.00%	-	-	
			Izolacja Matizol Sp. z o.o. *****	-*****	-*****	-*****	100.00%	-	-	
			Tytan EOS Sp. z o.o. *****	-*****	-*****	-*****	100.00%	-	-	
			Selena Labs Sp. z o.o.*	-*	-*	-*	100.00%	-	-	
			Selena Marketing International Sp. z o.o.	Wroclaw	Intellectual property management	100.00%	100.00%	SA		
			Selena Digital Distribution Sp. z o.o.	Wroclaw	E-commerce	100.00%	100.00%	SA		
			Selena Green Investments Sp. z o.o.	Wroclaw	Activities of central companies	100.00%	100.00%	FM 3		
			SGI 1 Sp. z o.o.	Wroclaw	Generation of electricity	100.00%	-	SGI		
			Establishment of SGI 2 Sp. z o.o.	Wroclaw	Generation of electricity	100.00%	-	ASI		
			SGI 3 Sp. z o.o.	Wroclaw	Generation of electricity	100.00%	-	ASI		
			SGI 4 Sp. z o.o.	Wroclaw	Generation of gaseous fuels	100.00%	-	ASI		
			SGI 5 Sp. z o.o.	Wroclaw	Generation of gaseous fuels	100.00%	-	ASI		
			SGI 6 Sp. z o.o.	Wroclaw	Generation of gaseous fuels	100.00%	-	ASI		
			SGI 7 Sp. z o.o.	Wroclaw	Generation of gaseous fuels	100.00%	-	ASI		
			SGI 8 Sp. z o.o.	Wroclaw	Generation of gaseous fuels	100.00%	-	ASI		
			SGI Świdnica Sp. z o.o.	Wroclaw	Generation of gaseous fuels	100.00%	-	ASI		
			SGI Świebodzice Sp. z o.o.	Wroclaw	Generation of gaseous fuels	100.00%	-	ASI		
			Selena Green Investments ASI Sp. z o.o.	Wroclaw	Fund management activities	90.00%	-	FM 4		
			BTB Sp. z o.o.	Wroclaw	Generation of electricity	100.00%	-	SG1		
			Biogazownia Przybroda Sp. z o.o.	Poznań	Generation and supply of electricity, gas	50.00%	-	ASI1		
			Taurus Sp. z o.o.	Dzierżoniów	Lease of plant and machinery	100.00%	100.00%	SIT		
			Selena ESG Sp. z o.o.	Wroclaw	Making electrical systems	100.00%	100.00%	FM		
			Selena Industrial Technologies Sp. z o.o.	Dzierżoniów	Manufacturer of sealants; production management	100.00%	100.00%	FM		
			Oligo Sp. z o.o. **	Dzierżoniów	Research and Development	100.00%	100.00%	SIT		
			Western Europe	Spain	Selena Iberia slu	Madrid	Manufacturer of sealants, adhesives, distributor	100.00%	100.00%	FM
				Italy	Selena Italia srl	Padova	Distributor	100.00%	100.00%	FM
				Germany	Uniflex S.R.L.	Mezzocorona	Manufacturer of sealants, distributor	100.00%	100.00%	FM
			Central Europe	Germany	Selena Deutschland GmbH	Hagen	Distributor	100.00%	100.00%	FM
				Czech Republic	Selena Bohemia s.r.o.	Prague	Distributor	100.00%	100.00%	FM
Romania	Selena Romania SRL	Ilfov		Distributor	100.00%	100.00%	FM			
	Selena Euro Mga srl *****	Ilfov		Manufacturer of adhesives and cement mortars	100.00%	100.00%	ROM			
Hungary	Selena Hungária Kft.	Pécs		Distributor	100.00%	100.00%	FM			
Eastern Europe	Bulgaria	Selena Bulgaria Ltd.	Gurmazovo	Distributor	100.00%	100.00%	FM			
	Russia	Selena Vostok ***	Moscow	Distributor	99.00%	100.00%	POL			
Eastern Europe and Asia	Ukraine	Selena Ukraine Ltd.	Kiev	Distributor	100.00%	100.00%	FM 1			
	Kazakhstan	Selena CA-Селена ЦА TOO	Almaty	Distributor	100.00%	100.00%	FM			
		Selena Insulations TOO	Nur-Sultan	Manufacturer of insulation systems and dry mortars	100.00%	100.00%	FM			
		Selena Production Center TOO *****	Shymkent	Manufacturer of insulation systems and dry mortars	100.00%	-	FM			
	Asia	China	Weize (Shanghai) Trading Co., Ltd.	Shanghai	Distributor	100.00%	100.00%	FM		
			Selena Nantong Building Materials Co., Ltd.	Nantong	Manufacturer, distributor	100.00%	100.00%	FM		
			Foshan Chinuri-Selena Chemical Co.	Foshan	Manufacturer of sealants, distributor	84.57%	84.57%	SA 1		
			House Selena Trading Co.Ltd	Shanghai	Distributor	40.00%	40.00%	NAN		
		S.Korea	Hamil - Selena Co. Ltd	Kimhae	Manufacturer of foams	30.00%	30.00%	SA 3		
	America N&S America	Turkey	Selena Malzemeleri Yapi Sanayi Tic. Ltd. POLYFOAM Yalitim Sanayi ve Tic Ltd.****	Istambul	Man. of foams and sealants, distributor	100.00%	100.00%	FM		
		Brazil	Selena Sulamericana Ltda	Curitiba	Distributor	100.00%	100.00%	SA 2		
N&S America	Mexico	Selena Mexico S. de R.L. de C.V.	Zapopan	Manufacturer, distributor	100.00%	100.00%	FM 2			
	USA	Selena USA, Inc.	Fort Worth	Distributor	100.00%	100.00%	FM			

Explanations to the "Owner" column

FM – 100% shares owned by Selena FM (SFM)

FM 1 – shares owned by Selena FM (99%) and Selena S.A. (1%)

FM 2 – shares owned by Selena FM (95%) and Selena S.A. (5%)

FM 3 – shares owned by Selena FM (95%) and Selena ESG (5%)

FM 4 – shares owned by SFM, other shares are owned by Krzysztof Domarecki

SIT – 100% shares owned by Selena Industrial Technologies

SGL – 100% shares owned by Selena Green Investments

SGL1 – 100% shares owned by SGL1 Sp.z o.o.

ASI1 – shares are owned by Selena Green Investments ASI Sp. z o.o.

SA – 100% shares owned by Selena S.A.

SA 1 – shares owned by Selena S.A., the remaining shares are held outside of the Group

SA 2 – shares owned by Selena S.A. (85%) and Selena Malzemeleri (15%)

SA 3 – associate – shares owned by Selena S.A.

ROM – 99.99% shares owned by Selena Romania, other shares held by Selena FM

NAN – joint venture – owned by Selena Nantong Building Materials

SGL – 100% shares owned by Selena Green Investments ASI Sp. z o.o.

POL – the owner of 99% of shares is POLYFOAM; the remaining shares are outside the Group

**On 1 March 2022, Selena Industrial Technologies Sp. z o.o. (acquiring company) merged with Orion PU Sp. z o.o., Libra Sp. z o.o. and Selena Labs Sp. z o.o. (acquired companies).*

*** After Industrial Technologies Sp. z o.o. merged with Selena Labs Sp. z o.o. on 1 March 2022, the owner of the shares is Selena Industrial Technologies Sp. z o.o.*

**** On 30 May 2022, Selena FM S.A. sold 99% of shares in Selena Vostok to POLYFOAM Yalitim Sanayi ve Tic Ltd.; Selena S.A. sold 1% of shares in Selena Vostok outside the Group*

***** On 26 April 2022, Carina Silicones Sp. z o.o. sold its 15.01% of shares in POLYFOAM Yalitim Sanayi ve Tic Ltd. to Selena Malzemeleri Yapi Sanayi Tic.*

****** On 1 July 2022, Selena Industrial Technologies Sp. z o.o. (acquiring company) merged with Tytan EOS sp. z o.o. and Izolacja Matizol Sp. z o.o. (acquired companies).*

****** On 30 September 2022, EURO MGA Product SRL changed its name to Selena Euro Mga srl*

****** On 25 July 2022, a new company Selena Production Center TOO was established*

Changes in the Group composition

Purchase of shares in BTB Sp. z o.o.

On 16 May 2022, SGI 1 Sp. z o.o. acquired 100% of shares with a value of PLN 1,005 thousand in BTB Sp. z o.o. based in Koszalin, entered into the Register of Entrepreneurs of the National Court Register under KRS no. 0000444031 from DUCTOR AG based in Zug, Switzerland, for PLN 600,000.

Sale of shares held by Carina Silicones Sp. z o.o. in POLYFOAM Yalitim Sanayi ve Tic Ltd.

On 26 April 2022, Carina Silicones Sp. z o.o. sold its 15.01% of shares in POLYFOAM Yalitim Sanayi ve Tic Ltd. to Selena Malzemeleri Yapi Sanayi Tic. Ltd. for EUR 11,000.

Merger of subsidiaries: Selena Industrial Technologies Sp.z o.o. (acquiring company) with Orion PU Sp. z o.o., "Libra" Sp. z o.o. and "Selena Labs" Sp. z o.o (acquired companies).

On 1 March 2022, Selena Industrial Technologies Sp. z o.o. (acquiring company) merged with Orion PU Sp. z o.o., "Libra" Sp. z o.o. and Selena Labs Sp. z o.o (acquired companies). On that date, the merger ("merger by acquisition") was registered in the Register of Entrepreneurs of the National Court Register. As a result of the merger of Selena Industrial Technologies Sp. z o.o. acquired all the rights and obligations of the acquired companies. In connection with the merger, the share capital of Selena Industrial Technologies Sp. z o.o. was increased by PLN 300,000 (i.e. to PLN 403,305,000.00). 100% of shares in the share capital of Selena Industrial Technologies Sp. z o.o. is entitled to Selena FM S.A. The merger of the companies is economically and economically justified; it is primarily organizational in nature, resulting in simplification of the Group structure. Going forward, depending on the needs, the merger will help harmonize and organize internal procedures so as to ensure more effective operation of the business and continuous improvement of product quality.

Establishment of SGI 1 Sp. z o.o.

On 6 December 2021, the founding act of SGI 1 Sp. z o.o. was signed. The sole shareholder of this limited liability company is Selena Green Investments Sp. z o.o., and its share capital is PLN 5,000. The company may be used in the future to implement the Group's business plans. On 14 January 2022, the company was entered in the National Court Register under number 0000946701.

Establishment of SGI 2 Sp. z o.o.

On 6 December 2021, the founding act of SGI 2 Sp. z o.o. was signed. The sole shareholder of this limited liability company is Selena Green Investments Sp. z o.o., and its share capital is PLN 5,000. The company may be used in the future to implement the Group's business plans. On 9 February 2022, the company was entered in the National Court Register under the number 0000952642.

Establishment of SGI 3 Sp. z o.o.

On 6 December 2021, the founding act of SGI 3 Sp. z o.o. was signed. The sole shareholder of this limited liability company is Selena Green Investments Sp. z o.o., and its share capital is PLN 5,000. The company may be used in the future to implement the Group's business plans. On 18 January 2022, the company was entered in the National Court Register under number 0000947427.

Establishment of Selena Green Investments ASI Sp. z o.o.

On 20 December 2021, the founding act of Selena Green Investments ASI Sp. z o.o. was signed. The share capital of Selena Green Investments ASI is PLN 1,000 thousand. The company may be used in the future to implement the Group's business plans. On 14 March 2022, the Polish Financial Supervision Authority entered the subsidiary Selena Green Investments ASI Sp. z o.o. to the register of Managers of Alternative Investment Companies (ASI). On 23 March 2022, the subsidiary Selena Green Investments ASI Sp. z o.o. was registered in the register of entrepreneurs of the National Court Register. The shareholders of the company are Selena FM S.A. which holds 90% of shares and Krzysztof Domarecki, who acquired 10% of shares in the share capital of the newly established entity.

Sale of shares in SGI2 and SGI3 from SGI to SGI ASI

On 18 May 2022, Selena Green Investments Sp.z o.o. and Selena Green Investments ASI Sp. z o.o. entered into agreements for the sale of shares in SGI 2 Sp. z o.o. SGI 3 Sp. z o.o. In accordance with the agreements, Selena Green Investment ASI sp.z o.o. acquired from Selena Green Investments Sp. z o.o. 100% of shares in SGI 2 and SGI 3 (in both cases worth PLN 5,000).

Sale of shares in Selena Vostok

On 30 May 2022, Selena FM S.A. sold 99% of its shares in Selena Vostok to POLYFOAM Yalitim Sanayi ve Tic Ltd. for EUR 941 thousand (PLN 4.3 million). The remaining 1% of shares in Selena Vostok, held by Selena S.A., were sold outside the Group on 30 May 2022 for EUR 10,000.

Establishment of SGI 4–SGI 8

On 18 May 2022, agreements were signed to form limited liability companies: SGI 4, SGI 5, SGI 6, SGI 7, and SGI 8. The shareholder of all those companies is Selena Green Investments ASI Sp. z o.o. (100% shares with a value of PLN 5,000 in each of the companies). The companies were registered in the National Court Register:

- on 07.07.2022 – SGI 4 Sp. z o.o.
- on 11.07.2022 – SGI 5 Sp. z o.o.
- on 15.07.2022 – SGI 7 Sp. z o.o.
- on 19.07.2022 – SGI 6 Sp. z o.o.
- on 25.07.2022 – SGI 8 Sp. z o.o.

Merger of subsidiaries: Selena Industrial Technologies Sp. z o.o. (acquiring company) with Tytan EOS sp. z o.o. and Izolacja Matizol Sp. z o.o. (acquired companies).

On 1 July 2022, Tytan EOS and Izolacja Matizol merged, and were acquired by Selena Industrial Technologies Sp. z o.o. ("SIT"). This successfully ended the second stage of the project of incorporation of the Selena Group companies into SIT – five companies merged with SIT since the beginning of 2022, namely: Orion, Libra, Selena Labs, Tytan EOS and Isolation Matizol. The incorporation of those companies into SIT is part of the agreed directions of evolution and development of Selena Group. This is in particular intended to streamline the Group's structure, increase operating efficiency, and harmonize business processes. The merger will make it easier to ensure improvement of the quality of products offered by the Group.

Establishment of subsidiary Selena Production Centre TOO

On 25 July 2022, Selena Production Center TOO with its registered office in Shymkent was registered. The sole shareholder of this limited liability company is Selena FM S.A., and its share capital is KZT 45 million. The company may be used in the future to implement the Group's business plans.

Investment in Biogazownia Przybroda Sp. z o. o.

On 31 August 2022, Selena Green Investments ASI Sp. z o.o. signed an investment agreement specifying the rules for the investment in Biogazownia Przybroda Sp. z o.o. Under the agreement, on 1 September 2022, Selena Green Investments ASI Sp. z o.o. submitted a conditional statement on the acquisition of 1,710 shares in the share capital of Biogazownia Przybroda Sp. z o.o., with a nominal value of PLN 50.00 each and with a total nominal value of PLN 855 thousand, for a total amount of PLN 5 million. As a result, after the changes are registered by the registry court, Selena Green Investments ASI Sp. z o.o. will hold 50% stake in the share capital of Biogazownia Przybroda Sp. z o.o. Selena Green Investments ASI Sp. z o.o. paid PLN 5 million to the share capital of Biogazownia Przybroda Sp. z o.o. By the date of this report, the increase in the share capital of Biogazownia Przybroda Sp. z o.o. had not been registered.

Events occurring after the balance sheet date

Increase in the share capital of Selena Green Investments ASI Sp. z o.o.

On 24 October 2022, the Extraordinary General Meeting of Selena Green Investments ASI Sp. z o.o. adopted a resolution to increase the share capital by PLN 2,700,000.00, i.e. from PLN 1,000,000.00 to PLN 3,700,000.00, by establishing 27,000.00 new shares with a value of PLN 100.00 each, with a total nominal value of PLN 2,700,000.00, in exchange for PLN 27,000,000.00. Shares in the Company's increased share capital were offered to the existing shareholders who submitted share acquisition declarations and made the required payments to the share capital of the Company, i.e.: Selena FM S.A. acquired 26,000 shares with a value of PLN 100.00 each, with a total nominal value of PLN 2,600,000.00, which were covered with a cash contribution of PLN 26,000,000.00; Krzysztof Domarecki acquired 1,000 shares with a value of PLN 100.00 each, with a total nominal value of PLN 100,000.00, which were covered with a cash contribution of PLN 1,000,000.00. After the registration of the above share capital increase, the shareholders' stakes in the Company's share capital will be as follows: Selena FM S.A. – 94.59% of the share capital, Krzysztof Domarecki – 5.41% of the share capital. By the date of preparation of this report, the court had not yet registered the increase in the share capital of Selena Green Investments ASI Sp. z o.o.

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 2021 published on 2 May 2022. 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 9 months ended 30 September 2022 and data as at that date.

The consolidated income statement and the consolidated statement of comprehensive income cover the data for the 9 months ended 30 September 2022 and comparative data for the period of 9 months ended 30 September 2021.

The consolidated income statement and consolidated statement of other comprehensive income also cover the period of 3 months ended 30 September 2022, and the comparative data presented for the period of 3 months ended 30 September 2021. These data were not audited/reviewed by an auditor.

The consolidated statement of cash flows and the consolidated statement of changes in equity cover the data for the nine 9 ended 30 September 2022 as well as comparative data for the period of 9 months ended 30 September 2021.

The consolidated statement of financial position covers the data presented as at 30 September 2022, and comparative data as at 31 December 2021.

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 17 November 2022 to be published on 18 November 2022.

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 30.09.2022	As at 31.12.2021	from 01.01.2022 to 30.09.2022	from 01.01.2021 to 30.09.2021
1 USD	4.9533	4.0600	4.4413	3.8179
1 EUR	4.8698	4.5994	4.6880	4.5585
100 HUF	1.1556	1.2464	1.2093	1.2784
1 UAH	0.1258	0.1487	0.1385	0.1394
1 CZK	0.1980	0.1850	0.1904	0.1771
1 RUB	0.0851	0.0542	0.0671	0.0515
1 BRL	0.9171	0.7287	0.8718	0.7177
1 BGN	2.4899	2.3516	2.3969	2.3307
1 CNY	0.6979	0.6390	0.6694	0.5910
100 KRW	0.3460	0.3417	0.3477	0.3365
1 RON	0.9838	0.9293	0.9497	0.9270
1 TRY	0.2671	0.3016	0.2787	0.4653
100 KZT	1.0483	0.9354	0.9751	0.9002
1 MXN	0.2466	0.1984	0.2201	0.1888

Going concern

At the date of approval of these interim condensed consolidated financial statements, no circumstances occurred that would point to a risk to continuity of operations. As at the date of publication of these interim condensed consolidated financial statements, 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. Based on the analysis of risks to date, in particular those resulting from the situation in Ukraine and the ongoing COVID-19 pandemic in Poland and globally, the Management Board of Selena FM S.A. has concluded that continuation of the Group's operations for at least 12 months from 30 September 2022 is not at risk.

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

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 2021, with the exception of using new or amended standards and interpretations for the annual periods beginning on or after 1 January 2022.

In addition, subsidiaries operating in an economy considered hyperinflationary (Turkey) restated their financial data, taking into account the change in purchasing power, based on the general price index, so that they were expressed in terms of the measurement units in force at the end of the reporting period. The impact of hyperinflation on the consolidated financial statements is described below.

The assessment of whether the Group's companies operate in hyperinflationary economies is based on qualitative and quantitative factors. In Turkey, where two Selena Group companies operate, inflation levels have been high for some time, and the significant monthly increases in inflation recorded by the Turkish Statistical Institute from December 2021 until now caused the three-year cumulative rate to exceed 100 percent in April 2022. Moreover, qualitative hyperinflation indicators are noted in Turkey. For this reason, the Group has recognized Turkey as a hyperinflationary economy, and the operations of the Turkish subsidiaries were covered by the application of IAS 29 Financial Reporting in Hyperinflationary Economies, retrospectively from 1 January 2022, as if the Turkish economy had always been hyperinflationary. The financial data of subsidiaries whose functional currency is Turkish lira were also restated, taking into account the change in purchasing power based on the Consumer Price Index (CPI), so that they were expressed in the measurement units applicable at the end of the reporting period.

Accordingly, the non-monetary balance sheet items and the profit and loss account have been restated to reflect the purchasing power as at the balance sheet date. Monetary items such as cash, receivables, liabilities, bank debt, etc. already reflect the purchasing power at the closing date because these items are composed of balances, receivables or liabilities in the corresponding monetary units. IAS 29, in conjunction with IAS 21 on currency translation, also requires that all transactions in the exchange rate of a hyperinflationary economy, i.e. Turkish lira (TRY) should be converted into the Group's presentation currency, i.e. Polish zloty (PLN), using the exchange rate applicable at the balance sheet date. For this reason, all transactions in Turkey have been converted into PLN using the exchange rate as of 30 September 2022, while the Group usually translates transactions in the income statement at the average exchange rate for the reporting period. As the Polish zloty, the Group's presentation currency, is not hyperinflationary, IAS 21 and IAS 29 do not require restatement of the Group's comparative information to reflect the purchasing power at the end of September 2022. Therefore, the Group's financial data for the previous years have not been restated. The cumulative effect of applying IAS 29 as at 1 January 2022 was recognized in the Group's other comprehensive income.

The basis of hyperinflation-related restatements

Price index:

The hyperinflationary restatement of the financial data of the subsidiaries operating in Turkey is based on the officially available data on changes in the consumer price index (CPI) published by the Turkish Statistical Institute. Based on this index, inflation was 52% for the nine months ended 30 September 2022.

The individual inflation rates are presented in the table below:

Inflation rate for individual periods	
September 2022–December 2021	52%
September 2022 – September 2021	83%
December 2021–December 2020	13%
December 2021–December 2020	36%
Cumulative 3-year inflation rate	
September 2022 – September 2019	145%
December 2021–December 2018	74%

FX rate

All financial data on the activities of the subsidiaries in Turkey, both in the balance sheet and in the profit and loss account, are translated into the Group's presentation currency (PLN) using the TRY/PLN exchange rate applicable at the balance sheet date, contrary to the Group's customary practice of translating the income statement using the average exchange rate for the reporting period. As at 30 September 2022, the TRY rate was PLN 0.2689.

Assumptions about the method and timing hyperinflation-related restatement

1) Hyperinflationary restatements in the local currency:

a) The Group has analyzed the balance sheet items of the subsidiaries in Turkey and divided them into monetary and non-monetary assets/ liabilities. Monetary items were not restated as they are already denominated in the units in force at the end of the reporting period.

b) Significant non-monetary items in the Turkish subsidiaries include property, plant and equipment, right-of-use assets, and inventories. The right-of-use assets have not been additionally remeasured because they are periodically indexed by the inflation rate. Other non-monetary items have been restated to reflect the effects of inflation based on changes in the price index from the initial recognition to 30 September 2022 or to the date of sale. The restatements were effected as of the date of the initial recognition of the items in the balance sheet, but not earlier than on the date of acquisition of the subsidiaries by the Group, as it is assumed that non-monetary items were then converted and recognized in the consolidated financial statements at fair value, reflecting the purchasing power as at the acquisition date. The restatement significantly increased the value of property, plant and equipment. The restatement also led to higher costs in the income statement in the form of higher depreciation/ amortization charges due to the restated gross value of property, plant and equipment.

c) The equity of the Turkish subsidiaries has been restated to account for the effects of inflation based on changes in the price index in the three quarters of 2022 to reflect the purchasing power as at the balance sheet date. The effects of the remeasurement of equity based on changes in the price index were recognized in the financial income under the heading: *Result on translation of subsidiaries in hyperinflationary conditions*, and in equity under *Retained earnings*.

d) All income statement transactions for the 9 month period ended 30 September 2022 have been restated to reflect changes in the price index from the month recognized in the income statement to 30 September except for depreciation of items of property, plant and equipment, which were translated based on the adjusted gross value of those assets. The recalculation of depreciation is based on the normal useful lives of the relevant assets. The conversion of the income statement by the inflation rate resulted in an increase in the value of individual items of the income statement in the local currency due to changes in the price index from the recognition date to 30 September 2022.

e) The effects of the restatement of the income statement and the balance sheet for inflation in the current reporting period have been included on the other side of the balance sheet in financial costs under the heading: *Result on translation of subsidiaries in hyperinflationary conditions*. Restatement of balance sheet items by inflation from the moment of their initial recognition until the end of 2021 was recognized on the other side of the balance sheet in equity under *Retained earnings*.

2) Conversion of financial data into the Group's presentation currency:

a) Following the inflationary restatement in the local currency, the financial statements of the subsidiaries operating in Turkey have been converted into PLN by translating the balance sheet and all items of the income statement in the reporting period using the TRY/PLN exchange rate as at the balance sheet date. As at 30 September 2022, the TRY rate was PLN 0.2689. The translation of the balance sheet items remains unchanged compared to the usual practice of the Group, while the new principle of converting the income statement items has no significant effect on the value of the income statement items.

3) Recognition time:

a) IAS 29 was implemented by the Group on 1 January 2022, and the hyperinflationary restatements were included for the first time in the current interim condensed consolidated financial statements.

b) As three-year inflation rates cumulatively exceeded 100 percent in April 2022, the published data for Q1 2022 have not changed.

Impact of the application of IAS 29 on the consolidated financial statements for the 9 months ended 30 September 2022

ITEMS OF CONSOLIDATED ASSETS AND LIABILITIES

Figures in PLN thousand	As at 30.09.2022 without the impact of IAS 29	The impact of hyperinflation	As at 30.09.2022 in accordance with IAS 29
ASSETS			
Property, plant and equipment	278,256	3,503	281,759
Intangible assets	37,476	0	37,476
Investments accounted for using the equity method	26,851	0	26,851
Deferred tax assets	54,119	0	54,119
Other long-term financial assets	1,249	0	1,249
Total non-current assets	397,951	3,503	401,454
Inventories	363,041	554	363,595
Other short-term non-financial assets	67,889	0	67,889
Trade and other receivables	432,554	0	432,554
CIT claimed	3,595	0	3,595
Other short-term financial assets	64,839	0	64,839
Cash and cash equivalents	63,392	0	63,392
Total current assets	995,310	554	995,864
TOTAL ASSETS	1,393,261	4,057	1,397,318
LIABILITIES AND EQUITY			
Registered capital	1,142	0	1,142
Own shares	-28,676	0	-28,676
FX differences arising on translation of the foreign associate	-19,344	0	-19,344
Supplementary capital	692,629	0	692,629
Other reserves	118,545	0	118,545
Retained profit/ loss carried forward	-38,422	4,057	-34,365
Equity attributable to the shareholders of the parent	725,874	4,057	729,931
Non-controlling interests	2,160	0	2,160
Total equity	728,034	4,057	732,091
Long-term portion of bank and other loans	105,134	0	105,134
Long term lease liabilities	26,466	0	26,466
Deferred tax liability	4,715	0	4,715
Other long term non-financial liabilities	5,302	0	5,302
Long-term portion	6,505	0	6,505
Long-term liabilities	148,122	0	148,122
Trade and other liabilities	259,471	0	259,471
Obligations to return remuneration	36,881	0	36,881
Short-term portion of bank and other loans	79,092	0	79,092
Short-term lease liabilities	12,698	0	12,698
Other short term financial liabilities	1,597	0	1,597
CIT tax payable	18,777	0	18,777
Other short term non-financial liabilities	88,187	0	88,187
Short-term provisions	20,402	0	20,402
Short-term liabilities	517,105	0	517,105
Total liabilities	665,227	0	665,227
TOTAL LIABILITIES AND EQUITY	1,393,261	4,057	1,397,318

ITEMS OF THE CONSOLIDATED INCOME STATEMENT

Figures in PLN thousand	from 01.01.2022 to 30.09.2022 without the impact of IAS 29	The impact of hyperinflation	from 01.01.2022 to 30.09.2022 in accordance with IAS 29
Continued operations			
Revenue from the sale of products	1,322,607	5,160	1,327,767
Revenue from the sale of goods and raw materials	157,902	0	157,902
Revenue from the sale of services	4,120	0	4,120
Revenue from contracts with customers	1,484,629	5,160	1,489,789
Cost of sales	1,024,153	3,960	1,028,113
Gross profit	460,476	1,200	461,676
Selling and marketing costs	229,036	532	229,568
General and administrative expenses	106,305	269	106,574
Other operating income	4,754	-17	4,737
Other operating costs	1,877	0	1,877
Impairment of non-financial fixed assets	200	0	200
Impairment of financial assets	7,627	0	7,627
Operating profit	120,185	382	120,567
Financial income	28,501	557	29,058
Financial costs	27,999	3,627	31,626
Share in net profit/loss of the associate	1,920	0	1,920
Profit before tax	122,607	-2,688	119,919
Income tax	24,317	292	24,609
Net profit on continued operations	98,290	-2,980	95,310
Profit (loss) on discontinued operations	0	0	0
Net profit for the period	98,290	-2,980	95,310
Net profit attributable to:			
– shareholders of the parent	97,828	-2,980	94,848
– non-controlling interests	462	0	462
Earnings per share attributable to the shareholders of the parent			
	(PLN/share)	(PLN/share)	(PLN/share)
– basic, including:	4.28	-0.13	4.15
<i>on continued operations</i>	4.28	-0.13	4.15
<i>on discontinued operations</i>	0.00	0.00	0.00
– diluted, including:	4.28	-0.13	4.15
<i>on continued operations</i>	4.28	-0.13	4.15
<i>on discontinued operations</i>	0.00	0.00	0.00

ITEMS OF THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Figures in PLN thousand	from 01.01.2022 to 30.09.2022 without the impact of IAS 29	The impact of hyperinflation	from 01.01.2022 to 30.09.2022 in accordance with IAS 29
Net profit	98,290	-2,980	95,310
FX differences arising on translation of the foreign associate	32,825	0	32,825
Other comprehensive income subject to reclassification to profit or loss, before tax	32,825	0	32,825
Other comprehensive income, before tax	32,825	0	32,825
Income tax related to foreign exchange differences on translation	-5,172	0	-5,172
Income tax related to components of comprehensive income that are reclassified to profit or loss	-5,172	0	-5,172
Other comprehensive income for the period, after tax	27,653	0	27,653
Total comprehensive income	125,943	-2,980	122,963
Attributable to:			0
– shareholders of the parent	125,342	-2,980	122,362
– non-controlling interests	601	0	601

2.2 Operating segments

The organization structure of Selena 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 operating 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 consolidated financial statements. EBITDA is calculated according to the following formula:

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

The accounting principles used for preparation of the financial data for reporting segments comply with the Group's accounting policy adopted in the preparation of these financial statements and described in the Group's consolidated financial statements for 2021.

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.

Revenues are allocated to segments based on the seller's registered office location. Non-allocated assets and liabilities include settlements on account of current and deferred income tax.

Management of the Selena Group's funding sources, financial income and costs management and operation of the taxation policy are the tasks performed 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.

Selena Group does not have key customers, i.e. such which would account for more than 10% of the its revenues.

The tables below show data on the revenues and profits of the individual reporting segments for the 9 months ended 30 September 2022 and 2021 and for the 3 months ended 30 September 2022 and 30 September 2021, respectively.

from 01.01.2022 to 30.09.2022	European Union	Eastern Europe and Asia	N&S America	Total segments	Consolid. adjustments and non- allocated results*	Total
Figures in PLN thousand						
Sales to external customers	928,165	428,051	133,573	1,489,789	0	1,489,789
Sales between segments	270,589	3,927	12	274,528	-274,528	0
EBITDA	148,197	84,672	16,637	249,506	-94,462	155,044
Depreciation/ amortization	-22,741	-1,680	-61	-24,482	-9,995	-34,477
Operating profit (loss)	125,456	82,992	16,576	225,024	-104,457	120,567
Net financial income/ (costs)	0	0	0	0	-2,568	-2,568
Share in the profit of the entities accounted for using the equity method	0	1,920	0	1,920	0	1,920
Income tax	0	0	0	0	-24,609	-24,609
Net profit (loss) for the period	125,456	84,912	16,576	226,944	-131,634	95,310
Capital expenditure	21,789	1,771	199	23,759	0	23,759

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

from 01.01.2021 to 30.09.2021	European Union	Eastern Europe and Asia	N&S America	Total segments	Consolid. adjustments and non- allocated results*	Total
Figures in PLN thousand						
Sales to external customers	836,118	351,615	93,054	1,280,787	0	1,280,787
Sales between segments	272,895	11,711	0	284,606	-284,606	0
EBITDA	167,252	41,022	8,595	216,869	-99,283	117,586
Depreciation/ amortization	-21,424	-1,912	-46	-23,382	-9,485	-32,867
Operating profit (loss)	145,828	39,110	8,549	193,487	-108,768	84,719
Net financial income/ (costs)	0	0	0	0	-853	-853
Share in the profit of the entities accounted for using the equity method	0	3,271	0	3,271	0	3,271
Income tax	0	0	0	0	-16,195	-16,195
Net profit (loss) for the period	145,828	42,381	8,549	196,758	-125,816	70,942
Capital expenditure	20,804	2,210	34	23,048	0	23,048

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

from 01.07.2022 to 30.09.2022	European Union	Eastern Europe and Asia	America N&S America	Total segments	Consolid. adjustments and non-allocated results*	Total
Figures in PLN thousand						
Sales to external customers	325,600	196,541	46,862	569,003	0	569,003
Sales between segments	94,112	1,470	12	95,594	-95,594	0
EBITDA	49,826	45,993	3,962	99,781	-20,376	79,405
Depreciation/ amortization	-7,493	-633	-25	-8,151	-3,651	-11,802
Operating profit (loss)	42,333	45,360	3,937	91,630	-24,027	67,603
Net financial income/ (costs)	0	0	0	0	-7,971	-7,971
Share in the profit of the entities accounted for using the equity method	0	640	0	640	0	640
Income tax	0	0	0	0	-13,563	-13,563
Net profit (loss) for the period	42,333	46,000	3,937	92,270	-45,561	46,709
Capital expenditure	11,585	954	13	12,552	0	12,552

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

from 01.07.2021 to 30.09.2021	European Union	Eastern Europe and Asia	N&S America	Total segments	Consolid. adjustments and non-allocated results*	Total
Figures in PLN thousand						
Sales to external customers	310,373	145,909	36,836	493,118	0	493,118
Sales between segments	122,456	2,190	0	124,646	-124,646	0
EBITDA	61,442	14,871	2,724	79,037	-31,242	47,795
Depreciation/ amortization	-7,363	-677	-16	-8,056	-3,224	-11,280
Operating profit (loss)	54,079	14,194	2,708	70,981	-34,466	36,515
Net financial income/ (costs)	0	0	0	0	-932	-932
Share in the profit of the entities accounted for using the equity method	0	2,793	0	2,793	0	2,793
Income tax	0	0	0	0	-6,598	-6,598
Net profit (loss) for the period	54,079	16,987	2,708	73,774	-41,996	31,778
Capital expenditure	7,076	354	16	7,446	0	7,446

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

For the 9 months of 2022, the Group's consolidated revenue from contracts with customers amounted to PLN 1,489.8 million, which is by PLN 16.3% (PLN 209.0 million) higher than in the corresponding period of the previous year. The increase in revenues from contracts with customers compared to the comparative period is mainly due to the increase in sales prices as a result of inflation of raw materials, which Selena Group is gradually passing on to the market.

During the 9 months ended 30 September 2022, Poland-based entities of Selena Group generated revenue of PLN 496.9 million from contracts with customers (PLN 464.8 million for the 9 months of 2021). In the period of 9 months ended 30 September 2022, companies established in the countries of Western Europe generated: revenue of PLN 332.5 million from contracts with customers (PLN 287.2 million for the 9 months of 2021). During the 9 months ended 30 September 2022, entities established in the countries of Eastern Europe generated revenue of PLN 226.5 million from contracts with customers (for the 9 months of 2021: PLN 202.7 million), while companies established in the countries of Eastern Europe achieved PLN 98.8 million (PLN 84.1 million in the same period of 2021). In the period of 9 months ended 30 September 2022, companies established in Asia: revenue of PLN 201.5 million from contracts with customers (PLN 148.9 million for the 9 months of 2021). In the period 9 months ended 30 September 2022, companies established in Americas generated revenue of PLN 133.6 million from contracts with customers (PLN 93.1 million for the 9 months of 2021).

Revenue from the sale of products, broken down into individual product groups, are presented below.

Figures in PLN thousand	from 01.01.2022	from 01.01.2021
	to 30.09.2022	to 30.09.2021
Construction chemicals	1,028,011	926,437
Insulating chemicals	186,763	146,998
Other	112,993	105,268
Total revenue from the sale of products	1,327,767	1,178,703

The tables below show data on assets allocated to individual geographic segments as at 30 September 2022 and 31 December 2021.

Figures in PLN thousand	as at 30.09.2022					Total
	European Union	Eastern Europe and Asia	N&S America	Total segments	Consolid. adjustments and non-allocated results*	
Segment assets	1,123,185	320,026	107,877	1,551,088	-238,335	1,312,753
Investment accounted for using the equity method	5,000	21,851	0	26,851	0	26,851
Non-allocated assets	0	0	0	0	57,714	57,714
Total assets	1,128,185	341,877	107,877	1,577,939	-180,621	1,397,318

*Consolidation adjustments and settlements on account of current and deferred income tax.

Figures in PLN thousand	as at 31.12.2021					Total
	European Union	Eastern Europe and Asia	N&S America	Total segments	Consolid. adjustments and non-allocated results*	
Segment assets	902,377	233,275	59,264	1,194,916	-167,214	1,027,702
Investment accounted for using the equity method	0	19,814	0	19,814	0	19,814
Non-allocated assets	0	0	0	0	61,239	61,239
Total assets	902,377	253,089	59,264	1,214,730	-105,975	1,108,755

*Consolidation adjustments and settlements on account of current and deferred income tax.

The tables below show data on liabilities allocated to individual geographic segments as at 30 June 2022 and 31 December 2021.

Figures in PLN thousand	as at 30.09.2022					Total
	European Union	Eastern Europe and Asia	N&S America	Total segments	Consolid. adjustments and non-allocated results*	
Segment liabilities	554,474	247,424	120,175	922,073	-280,338	641,735
Non-allocated liabilities	0	0	0	0	23,492	23,492
Total liabilities	554,474	247,424	120,175	922,073	-256,846	665,227

*Consolidation adjustments and settlements on account of current and deferred income tax.

Figures in PLN thousand	as at 31.12.2021					Total
	European Union	Eastern Europe and Asia	N&S America	Total segments	Consolid. adjustments and non-allocated results*	
Segment liabilities	410,114	213,992	81,270	705,376	-208,074	497,302
Non-allocated liabilities	0	0	0	0	9,508	9,508
Total liabilities	410,114	213,992	81,270	705,376	-198,566	506,810

*Consolidation adjustments and settlements on account of current and deferred income tax.

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 01.01.2022 to 30.09.2022	from 01.01.2021 to 30.09.2021	from 01.07.2022 to 30.09.2022	from 01.07.2021 to 30.09.2021
Profit from disposal of non-financial fixed assets	419	413	43	221
Grant	982	7,627	747	3,278
Damages	815	125	598	4
Provisions released	1,455	1,508	235	1
Repayment of receivables written off in previous periods	44	527	3	111
Reimbursement of overpaid social insurance fees	227	0	87	0
Other	795	792	322	282
Total other operating income	4,737	10,992	2,035	3,897

Other operating costs

Figures in PLN thousand	from 01.01.2022 to 30.09.2022	from 01.01.2021 to 30.09.2021	from 01.07.2022 to 30.09.2022	from 01.07.2021 to 30.09.2021
Damages, penalties, fines	762	756	2	77
Provisions raised	229	161	1	161
Donations made	465	834	14	271
Other	421	503	0	123
Total other operating costs	1,877	2,254	17	632

Impairment of financial assets

Figures in PLN thousand	from 01.01.2022 to 30.09.2022	from 01.01.2021 to 30.09.2021	from 01.07.2022 to 30.09.2022	from 01.07.2021 to 30.09.2021
Recognition of an impairment allowance on receivables	9,280	1,861	1,630	480
Reversal of an impairment allowance on receivables	-1,716	-579	-324	-44
Writing off uncollectible debts previously written down	63	0	19	0
Impairment of financial assets	7,627	1,282	1,325	436

2.3.2 Financial income and costs

Financial income

Figures in PLN thousand	from 01.01.2022 to 30.09.2022	from 01.01.2021 to 30.09.2021	from 01.07.2022 to 30.09.2022	from 01.07.2021 to 30.09.2021
FX gains	24,163	5,881	7,348	-526
On loans granted	2,922	1,731	1,060	608
Other interest	470	49	143	23
Dividends and profit sharing	172	0	172	0
Derivative financial instruments	389	0	-702	-91
Other financial income	942	5	807	0
Total financial income	29,058	7,666	8,828	14

Financial costs

Figures in PLN thousand	from 01.01.2022 to 30.09.2022	from 01.01.2021 to 30.09.2021	from 01.07.2022 to 30.09.2022	from 01.07.2021 to 30.09.2021
FX losses	14,491	3,152	7,734	-1,585
Interest on bank and other loans	9,313	2,196	3,598	932
Interest on leases	1,186	783	688	250
Other interest	1,537	198	715	69
Derivative financial instruments	737	1,076	737	1,076
Other financial costs	4,362	941	3,328	204
Total financial costs	31,626	8,346	16,800	946

As at 30 September 2022, Selena FM S.A. had open forward contracts. During the 9 months ended 30 September 2022, the loss on valuation of instruments was PLN 976 thousand (including valuation of open contracts of PLN -1,597 thousand as at 30 September 2022). The gain on exercise of the contracts was PLN 239 thousand. The result on transactions (PLN -737 thousand) was recognized in financial costs under "Derivative financial instruments".

2.4 Taxation

Tax charge

Figures in PLN thousand	from 01.01.2022 to 30.09.2022	from 01.01.2021 to 30.09.2021
Current income tax:		
Income tax for the current period	29,509	20,811
Corrections to the current income tax from previous years	3,978	562
Deferred income tax:		
Connected with origination and reversal of temporary differences	-8,878	-5,178
Tax disclosed in consolidated income statement	24,609	16,195

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 30.09.2022	As at 31.12.2021
Financial assets measured at amortized cost		
<i>Trade receivables</i>	424,959	298,175
<i>Settlements with customers on account of credit card payments</i>	7,587	5,260
<i>Promissory notes, cheques</i>	0	1,950
<i>Investment receivables</i>	8	2
Trade and other receivables	432,554	305,387
<i>Loans granted</i>	134	50
<i>Restricted cash</i>	113	107
<i>Other</i>	183	162
Total other long term financial assets measured at amortized cost	430	319
<i>Loans granted</i>	54,609	48,145
<i>Grants receivable</i>	5,104	5,714
<i>Security deposits</i>	674	771
<i>Other</i>	4,452	2,541
Total other short term financial assets measured at amortized cost	64,839	57,171
Cash and cash equivalents	63,392	38,915
Financial assets measured at fair value through profit and loss		
<i>Other short-term financial assets – forward contracts</i>	0	24
Financial assets measured at fair value through other comprehensive income		
<i>Other long-term financial assets – shares in non-listed companies</i>	819	819
Total	562,034	402,635

Figures in PLN thousand	As at 30.09.2022	As at 31.12.2021
Financial liabilities measured at amortized cost		
<i>Bank and other loans</i>	184,226	148,023
<i>Lease liabilities</i>	39,164	29,177
Total interest-bearing debt	223,390	177,200
<i>Trade liabilities</i>	257,909	195,721
<i>Investment liabilities</i>	1,562	2,572
<i>Liabilities on account of prepaid trade receivables</i>	0	1
Trade and other liabilities	259,471	198,294
Financial liabilities measured at fair value through profit or loss		
<i>Other short-term liabilities – forward contracts</i>	1,597	644
Total	484,458	376,138

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 30 September 2022 and 31 December 2021 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.

Bank and other loans

The incurred bank loans are presented in the table below

Ref.	Loan type	Maturity date	As at 30.09.2022		As at 31.12.2021	
			Long-term portion	Short-term portion	Long-term portion	Short-term portion
1	Working capital loan	2022	0	0	0	63,377
2	Working capital loan	2023	0	21,194	0	0
3	Working capital loan	2024	73,924	0	31,972	0
4	Non-renewable loan	2022-2024	24,000	36,000	7,000	3,000
5	Other	2022-2027	7,210	21,898	9,997	32,677
Total in PLN thousand			105,134	79,092	48,969	99,054

On 8 February 2022, an annex was signed to the multi-purpose credit facility agreement. The annex extended the availability period of the financing to 31 December 2024. Under the annex, the line amount was maintained at PLN 80 million. Other material terms of the credit facility agreement, including the available credit limit and collateral, remained unchanged.

On 28 February 2022, an annex was signed to the guarantee and LC line agreement. The annex extended the availability period of the bank guarantee and letter of credit to 28 February 2023. Under the annex, an additional credit limit of PLN 20 million was granted to Selena FM and the guarantee line amount was maintained at EUR 10.5 million.

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 30 September 2022, Selena Group maintained the consolidated financial ratios at the levels required by the lenders.

2.5.2 Non-financial assets and liabilities

Inventories

Figures in PLN thousand	As at 30.09.2022	As at 31.12.2021
Raw materials	118,003	114,814
Work in progress	11,920	7,420
Finished goods	187,918	132,382
Goods	45,754	25,399
Total inventories, net	363,595	280,015
Impairment allowance on inventories	10,052	6,221
Total inventories, gross	373,647	286,236

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

Figures in PLN thousand	from 01.01.2022 to 30.09.2022	from 01.01.2021 to 30.09.2021
Impairment allowance on inventories at the beginning of the period	6,221	6,209
Recognition of impairment allowance on inventories	4,740	3,027
Reversal of impairment allowance on inventories	-834	-847
Utilization of impairment allowance on inventories	-478	-2,220
FX differences arising on translation	403	17
Impairment allowance on inventories at the end of the period	10,052	6,186

Provisions

The table below shows changes in the balance of provisions.

Figures in PLN thousand	from 01.01.2022 to 30.09.2022			from 01.01.2021 to 31.12.2021		
	Provision for retirement benefits	Other provisions	Total	Provision for retirement benefits	Other provisions	Total
Long term						
Balance at the beginning of the period	4,597	3,482	8,079	4,162	4,276	8,438
Provisions raised	1,329	189	1,518	946	123	1,069
Provisions released	-473	-1,249	-1,722	-207	-940	-1,147
Provisions used	-317	-1,917	-2,234	-295	0	-295
FX differences	144	720	864	-9	23	14
Balance at the end of the period	5,280	1,225	6,505	4,597	3,482	8,079
Short term						
Balance at the beginning of the period	0	20,024	20,024	0	23,558	23,558
Provisions raised	0	702	702	0	1,022	1,022
Provisions released	0	-206	-206	0	-3,253	-3,253
Provisions used	0	-235	-235	0	-1,151	-1,151
FX differences	0	117	117	0	-152	-152
Balance at the end of the period	0	20,402	20,402	0	20,024	20,024

The level of long-term provisions over the 9-month period ended 30 September 2022 was significantly reduced by the use of the provision for the additional settlement of state sales tax (ICMS) as a result of the payment of PLN 1.8 million made by the subsidiary Selena Sulamericana. A part of the provision (PLN 1.2 million) was clawed back in connection with the relief received.

In addition, during the 9-month period ended 30 September 2022 Selena Nantong recognized a provision of PLN 399 thousand for costs related to production safety in accordance with the local legal requirements. The provision recognized in previous years was used at PLN 87 thousand in connection with the costs incurred.

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 realize the deferred tax assets;
- Uncertainty of estimates and judgments made in relation to lease accounting;
- Estimation of the pension provision and other provisions.

In Q3 2022, 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.

Impact of the situation in Ukraine and the COVID-19 pandemic on the operations of Selena Group

The Management Board of Selena FM S.A. is constantly monitoring and analyzing the implications of the situation in Ukraine for the business activities of Selena Group. No significant impact of the situation on Selena Group's performance in Q1–Q3 2022 has been identified.

Due to the high uncertainty as to how the events in Ukraine will unfold, and also taking into account the growing inflation and interest rates, the Management Board of Selena FM S.A. has considered possible development scenarios and took preventive measures against the occurrence of negative effects on the operations of Selena's companies in Eastern Europe. The sanctions introduced so far have not had a negative impact on supply chains. There were also no significant cash flow problems.

Value of inventory

As at the balance sheet date, the value of inventories of goods located in Eastern Europe was PLN 34.7 million. At the date of approval of these consolidated financial statements, the inventories are neither damaged or expired. The Management Board of Selena FM S.A. monitors the current situation in terms of its impact on the value of inventories and will continue to do so in the subsequent periods.

Expected credit loss of trade receivables

As at 30 September 2022, the amount of receivables from customers of non-related companies from the above region affected by the potential geopolitical risk was PLN 30.2 million. Due to the high uncertainty around the payment of those receivables by customers of companies located in Eastern Europe, during the 9 months ended 30 September 2022, an expected credit loss allowance of PLN 6.2 million was recognized.

The Group is also monitoring the impact of the COVID-19 pandemic on the operations of its companies. As regards its core activities, in the reporting period, the Group did not observe any direct significant impact of the pandemic on the overall financial health and trading performance of the Group.

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 Q3 2022, 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	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.

As a rule, Selena Group does not use hedging instruments to protect itself from changes in the market interest rates.

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 01.01.2022 to 30.09.2022	from 01.01.2021 to 30.09.2021	from 01.07.2022 to 30.09.2022	from 01.07.2021 to 30.09.2021
Impairment in respect of expected credit loss at the beginning of the period	23,837	26,100	31,171	25,696
<i>trade receivables</i>	21,471	23,764	28,778	23,729
<i>other financial receivables</i>	2,366	2,336	2,393	1,967
Recognized/ reversed (-)	7,564	1,282	1,306	436
<i>trade receivables</i>	7,590	1,290	1,317	437
<i>other financial receivables</i>	-26	-8	-11	-1
Utilized	-110	-809	-25	83
<i>trade receivables</i>	-110	-489	-25	84
<i>other financial receivables</i>	0	-320	0	-1
FX differences arising on conversion of foreign affiliates	1,399	344	238	702
<i>trade receivables</i>	1,256	329	137	644
<i>other financial receivables</i>	143	15	101	58
Impairment in respect of expected credit loss at the end of the period	32,690	26,917	32,690	26,917
<i>trade receivables</i>	30,207	24,894	30,207	24,894
<i>other financial receivables</i>	2,483	2,023	2,483	2,023

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 2021. 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 30 September 2022, the Group's companies had unutilized credit lines of PLN 139.3 million. As at 31 December 2021: PLN 177.3 million.

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

Figures in PLN thousand	As at 30.09.2022	As at 31.12.2021
Cash in bank	50,291	29,550
Cash on hand	308	278
Cheques (up to 3 months)	8,945	6,699
Short-term deposits	52	163
Cash in transit	3,796	2,225
Total	63,392	38,915

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

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, operational, health & safety, legal, tax, and political risks). The Group applies a sales management model and a partial hedging of FX transactions designed to mitigate the above risks.

Furthermore, a material portion of the Group's operating costs are the cost of commodities, including those purchased in foreign markets. In Q1–Q3 2022, the prices of key raw materials are a consequence of the supply and demand situation in 2021 and the situation in Ukraine – the entire industry is facing increases in raw material prices and disruptions in the availability of production inputs (volatility, reductions or suspensions of raw material supplies from Russia and Belarus, record prices of oil, gas and electricity as well as increasing disruptions in the intercontinental and European logistics chains, panic in the market directly affecting acquisitions and production to stock). Increases in raw material costs may not be fully transferred to the prices of the Company's products due to constraints in the flexibility of demand and the pricing strategies of the Company's competitors. As a result of the increase in raw material prices, the Company's margins may be under further pressure.

Operational risk is standard risk related to e.g. potential general failures of machines and devices, failures of distribution networks (electricity, heat) caused, among others, through their exploitation, but also by random events, including those related to extreme weather phenomena (storms, floods, hurricane winds, heat waves, fires) resulting from, among others, climate change. The materialization of risk may affect the availability of assets, and might result in downtime related to asset failures or increased costs of their removal. During the first three quarters of 2022, no significant events in this risk category were recorded Selena Group, in particular those that would affect the Group's production and trading activities. The risk is partially mitigated by property insurance. As part of an increased response to crisis situations, the BCMS (Business Continuity Management System) was implemented and is regularly enhanced in the Group.

Health & safety risk is related to the need to safe working environment. Materialization of this risk might result in employees' injuries, loss of health or excessive exposure to factors harmful to health, ultimately leading to the Group's duty to pay compensation paid for damage to health. In Q1–Q3 2022, Selena Group saw no significant health and safety events.

Geopolitical risk, including the impact of the situation in Ukraine on the operating activities of Selena Group, is described in Note 2.6.

In the process of managing the Group's operations and taking strategic decisions which also have an impact on tax settlements, Selena Group is exposed to tax risks. These risks are described in Note 1.11 to the consolidated Management Report for 2021.

2.7 Other information

2.7.1 Related parties 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 9 months ended 30 September (2022 and 2021, respectively), while the receivables and liabilities are presented as at 30 September 2022 and 31 December 2021.

Figures in PLN thousand	Period	Sales	Purchases	Interest income	Receivables	Liabilities	Loans granted
Associates	2022	3,829	0	0	513	0	0
	2021	3,822	0	0	1,951	38	0
Joint ventures	2022	15,530	0	0	7,683	0	0
	2021	17,716	0	0	7,017	0	0
Subsidiaries of the ultimate controlling shareholder*	2022	10	958	2,335	9	12	53,992
	2021	7	393	1,731	10	120	48,195
Key management personnel**	2022	0	0	0	0	62	0
	2021	0	0	0	0	0	0
TOTAL	2022	19,369	958	2,335	8,205	74	53,992
	2021	21,545	393	1,731	8,978	158	48,195

* the item includes entities related 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 01.01.2022 to 30.09.2022	from 01.01.2021 to 30.09.2021	from 01.07.2022 to 30.09.2022	from 01.07.2021 to 30.09.2021
Profit (loss) attributable to the controlling interests	PLN	94,847,971	70,919,442	46,420,226	31,742,815
Average number of ordinary shares	share	22,834,000	22,834,000	22,834,000	22,834,000
Earnings/(loss) per ordinary share	PLN/share	4.15	3.11	2.03	1.39
Number of shares, including dilution	share	22,834,000	22,834,000	22,834,000	22,834,000
Diluted earnings per share	PLN/share	4.15	3.11	2.03	1.39

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 01.01.2022 to 30.09.2022	from 01.01.2021 to 30.09.2021	from 01.07.2022 to 30.09.2022	from 01.07.2021 to 30.09.2021
Revenue from the sale of goods and raw materials		757,147	718,021	257,782	289,290
Revenue from the sale of services		42,916	29,707	15,522	11,947
Revenue from contracts with customers		800,063	747,728	273,304	301,237
Cost of sales		736,614	692,607	259,892	279,572
Gross profit		63,449	55,121	13,412	21,665
Selling and marketing costs		35,932	40,641	12,078	16,309
General and administrative expenses		41,452	33,840	14,801	11,979
Other operating income	3.2.1	444	239	17	169
Other operating costs	3.2.1	7,939	689	246	53
Impairment loss/ reversal of impairment loss (-) of receivables		5,963	5,798	527	417
Dividends from subsidiaries		10,897	43,651	10,055	1,564
Operating profit		-16,496	18,044	-4,168	-5,360
Financial income	3.2.2	48,357	12,608	18,425	7,950
Financial costs	3.2.2	13,057	2,576	7,027	-826
Impairment loss/ reversal of impairment loss (-) of loans granted		333	414	51	81
Profit before tax		18,471	27,662	7,179	3,335
Income tax	3.3	1,623	-1,776	-1,126	-1,428
Net profit		16,848	29,438	8,305	4,763

Net profit per share (PLN/share):

- basic	0.74	1.29	0.36	0.14
- diluted	0.74	1.29	0.36	0.14

STATEMENT OF COMPREHENSIVE INCOME

Figures in PLN thousand	from 01.01.2022 to 30.09.2022	from 01.01.2021 to 30.09.2021	from 01.07.2022 to 30.09.2022	from 01.07.2021 to 30.09.2021
Net profit	16,848	29,438	8,305	4,763
Total comprehensive income	16,848	29,438	8,305	4,763

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

Figures in PLN thousand	Note	As at 30.09.2022	As at 31.12.2021
ASSETS			
Property, plant and equipment		24,615	4,588
Intangible assets		185,862	187,759
Shares in subsidiaries	3.4.2	133,791	144,088
Other long-term receivables		4,580	0
Long-term portion of loans granted	3.4.1	219,080	170,727
Non-current assets		567,928	507,162
Inventories		8,898	3,989
Other short-term non-financial assets		64,153	23,664
Trade receivables		298,090	212,927
CIT claimed		694	2,978
Short-term portion of loans granted	3.4.1	73,614	92,180
Other short-term financial assets	3.4.1	2,992	333
Cash and cash equivalents		588	785
Current assets		449,029	336,856
TOTAL ASSETS		1,016,957	844,018
EQUITY AND LIABILITIES			
Registered capital		1,142	1,142
Own shares		-28,676	-28,676
Supplementary capital		342,358	342,358
Other reserves		128,075	84,530
Retained profit/ loss carried forward		16,848	43,545
Equity		459,747	442,899
Long-term portion of bank and other loans	3.4.1	85,468	59,372
Long term lease liabilities		17,888	571
Long-term obligations in respect of lease of enterprise		137,962	152,325
Other long-term liabilities		1,986	1,986
Deferred tax liability		2,780	1,543
Provision for retirement benefits		603	745
Long-term liabilities		246,687	216,542
Trade and other liabilities	3.4.1	139,363	87,271
Obligations to return remuneration		2,697	3,235
Short-term portion of bank and other loans	3.4.1	134,497	68,678
Short-term lease liabilities		2,853	1,376
Short-term obligations in respect of lease of enterprise		20,144	15,935
Other short term financial liabilities		1,597	644
Other short term non-financial liabilities		9,372	7,438
Short-term liabilities		310,523	184,577
Total liabilities		557,210	401,119
TOTAL EQUITY AND LIABILITIES		1,016,957	844,018

STATEMENT OF CASH FLOWS

Figures in PLN thousand	from 01.01.2022 to 30.09.2022	from 01.01.2021 to 30.09.2021
Cash flows from operating activities		
Profit (loss) before tax	18,471	27,662
Depreciation/ amortization	5,094	4,012
FX (gains) / losses	-20,049	-3,147
Interest and dividends	-15,564	-50,825
Profit / loss on investing activities	7,739	834
Change in the balance of receivables and other non-financial assets	-126,114	-133,347
Change in the balance of inventories	-4,910	-6,947
Change in the balance of liabilities	43,763	70,475
Change in the balance of provisions	-142	42
CIT paid	2,702	-12,867
Other	240	-1,506
Net cash flows from operating activities	-88,770	-105,614
Cash flows from investing activities		
Inflows from the sale of tangible assets	379	244
Acquisition of tangible and intangible assets	-4,098	-2,128
Purchase of shares in subsidiaries	-900	-1,000
Dividends and interest received	13,357	24,291
Loans granted	-21,940	-14,343
Repayments of loans granted	19,958	3,959
Net cash flows from investing activities	6,756	11,023
Cash flows from financing activities		
Repayment of lease liabilities	-1,749	-1,464
Inflows from bank/ other loans received	129,140	105,261
Repayment of loans	-37,800	-13,149
Interest paid	-7,783	-500
Net cash flows from financing activities	81,808	90,148
Increase (decrease) in cash and cash equivalents	-206	-4,443
Change in cash and cash equivalents, including:	-197	-4,474
net FX differences	9	-31
<i>Cash at the beginning of the period*</i>	785	5,170
<i>Cash at the end of the period*</i>	588	696

*including restricted cash:

as at 30 September 2022: PLN 0.05m

as at 30 September 2021: PLN 0.05m

STATEMENT OF CHANGES IN EQUITY

FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2022

Figures in PLN thousand	Registered capital	Own shares	Supplementary capital	Other reserves	Retained profit/ (loss carried forward):		Total equity
					from previous years	from the current period	
As at 01.01.2022	1,142	-28,676	342,358	84,530	43,545	0	442,899
Net profit	0	0	0	0	0	16,848	16,848
Total comprehensive income	0	0	0	0	0	16,848	16,848
Net profit distribution	0	0	0	43,545	-43,545	0	0
As at 30.09.2022	1,142	-28,676	342,358	128,075	0	16,848	459,747

FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2021

Figures in PLN thousand	Registered capital	Supplementary capital	Other reserves	Retained profit/ (loss carried forward):		Total equity
				from previous years	from the current period	
As at 01.01.2021	1,142	332,346	19,163	75,379	0	428,030
Net profit	0	0	0	0	29,438	29,438
Total comprehensive income	0	0	0	0	29,438	29,438
Net profit distribution	0	379	75,000	-75,379	0	0
Other	0	9,633	-9,633	0	0	0
As at 30.09.2021	1,142	342,358	84,530	0	29,438	457,468

3.1 General information

Details about the period covered by the financial statements, the comparative data, accounting policies used, information on the Company (and related 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).

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 2021.

3.2 Notes to the consolidated income statement

3.2.1 Other operating income and operating costs

Other operating income

Figures in PLN thousand	from 01.01.2022 to 30.09.2022	from 01.01.2021 to 30.09.2021	from 01.07.2022 to 30.09.2022	from 01.07.2021 to 30.09.2021
Profit from disposal of non-financial fixed assets	371	194	0	153
Other	73	45	17	16
Total other operating income	444	239	17	169

Other operating costs

Figures in PLN thousand	from 01.01.2022 to 30.09.2022	from 01.01.2021 to 30.09.2021	from 01.07.2022 to 30.09.2022	from 01.07.2021 to 30.09.2021
Impairment of tangible fixed assets	200	0	0	0
Loss on sale of shares	6,861	0	0	0
Donations	404	277	0	11
Damages, penalties, fines	463	412	238	42
Other	11	0	8	0
Total other operating costs	7,939	689	246	53

3.2.2 Financial income and costs

Financial income

Figures in PLN thousand	from 01.01.2022 to 30.09.2022	from 01.01.2021 to 30.09.2021	from 01.07.2022 to 30.09.2022	from 01.07.2021 to 30.09.2021
Interest, including:	11,289	7,095	4,051	2,529
<i>on loans granted</i>	11,288	7,095	4,050	2,529
<i>on bank deposits and accounts</i>	1	0	1	0
FX differences	37,068	5,513	15,465	5,513
Derivative financial instruments	0	0	-1,091	-92
Total financial income	48,357	12,608	18,425	7,950

Financial costs

Figures in PLN thousand	from 01.01.2022 to 30.09.2022	from 01.01.2021 to 30.09.2021	from 01.07.2022 to 30.09.2022	from 01.07.2021 to 30.09.2021
Interest, including:	11,461	1,512	6,081	565
<i>on loans and advances received</i>	6,572	1,249	2,858	461
<i>on lease liabilities</i>	4,685	59	3,148	18
<i>on other obligations</i>	204	204	75	86
Derivative financial instruments	737	417	737	417
FX differences	0	0	0	-1,925
Bank fees	859	647	209	117
Total financial costs	13,057	2,576	7,027	-826

As at 30 September 2022, Selena FM S.A. had open forward contracts. During the 9 months ended 30 September 2022, the loss on valuation of instruments was PLN 976 thousand (including valuation of open contracts of PLN -1,597 thousand as at 30 September 2022). The gain on exercise of the contracts was PLN 239 thousand. The result on transactions (PLN -737 thousand) was recognized in financial costs under "Derivative financial instruments".

3.3 Taxation

Figures in PLN thousand	from 01.01.2022 to 30.09.2022	from 01.01.2021 to 30.09.2021
Change in deferred income tax	1,237	-2,420
Adjustments to current tax for prior periods	386	644
Tax charge carried in profit or loss:	1,623	-1,776

3.4 Notes to the statement of financial position

3.4.1 Financial instruments

Financial assets

Figures in PLN thousand	As at 30.09.2022	As at 31.12.2021
Financial assets measured at amortized cost		
Loans granted	292,694	262,907
Trade receivables not covered by factoring agreement	284,203	200,929
Other short-term financial assets – dividend receivable	2,678	0
Other short-term financial assets – security deposits	314	310
Cash and cash equivalents	588	785
Financial assets measured at fair value through profit and loss		
Other short-term financial assets – forward transactions	0	23
Trade receivables covered by factoring agreement	13,887	11,998
Total	594,364	476,952

Financial liabilities

Figures in PLN thousand	As at 30.09.2022	As at 31.12.2021
Financial liabilities measured at amortized cost		
Bank and other loans	219,965	128,050
Lease liabilities	178,847	170,207
Total interest-bearing debt	398,812	298,257
Trade liabilities	139,363	86,989
Investment liabilities	0	282
Financial liabilities measured at fair value through profit or loss		
Other short-term financial liabilities – forward transactions	1,597	644
Total	539,772	386,172

Loans granted and other financial assets

Figures in PLN thousand	Gross value	Impairment (-)/ reversal of impairment	Net value
as at 1 January 2022	348,824	-85,917	262,907
Loan granted	21,940	0	21,940
Set-off	-201	0	-201
Repayment of principal	-19,958	0	-19,958
Interest accrued	11,288	-333	10,955
Interest paid	-5,138	0	-5,138
Withholding tax	-586	0	-586
FX differences arising on balance sheet valuation	27,689	-4,914	22,775
as at 30.09.2022	383,858	-91,164	292,694

Figures in PLN thousand	Gross value	Impairment (-)/ reversal of impairment	Net value
as at 1 January 2021	319,255	-85,531	233,724
Loan granted	20,013	-173	19,840
Conversion of receivables	4,574	0	4,574
Repayment of principal	-1,265	0	-1,265
Interest accrued	9,656	41	9,697
Interest paid	-5,161	0	-5,161
Withholding tax	-482	0	-482
FX differences arising on balance sheet valuation	2,234	-254	1,980
as at 31.12.2021	348,824	-85,917	262,907

Description of loans granted during the reporting period

On 18 January 2022, an annex was signed to the PLN 40 million loan agreement with Elis Consulting Sp. z o.o., extending the repayment date of the loan to 31 January 2023.

On 30 March 2022, a loan agreement of PLN 400 million was signed with Selena Digital Distribution Sp. z o.o. The loan carries a variable interest rate. It matures on 31 March 2027.

On 11 May 2022, an annex was signed to the loan agreement of 26 November 2020 with Fandla Factoring, changing the interest rate.

On 15 May 2022, an annex was signed to the loan agreement with TOO Selena Insulation of 24 May 2017, introducing the conversion of the debt balance from RUB to EUR and extending the repayment date to 15 May 2027.

On 18 May 2022, an annex was signed to the loan agreement with Selena Vostok COO of 20 October 2017, introducing the conversion of the debt balance from RUB to EUR.

On 15 July 2022, a loan agreement was signed with SGI2 Sp. z o.o. The loan carries a variable interest rate. It matures on 13 July 2027.

On 27 July 2022, an annex was signed to the loan agreement with Selena ESG Sp. z o.o, changing the interest rate and extending the maturity date to 6 July 2027.

On 30 August 2022, a loan agreement was signed with SGI ASI Sp. z o.o for the amount of PLN 10.5 million . The loan carries a variable interest rate. It matures on 30 August 2027.

On 12 September 2022, an annex was signed to the loan agreement with Selena Vostok COO of 20 October 2017, introducing the conversion of the debt balance from EUR to USD.

By the balance sheet date, loan tranches in a total amount of PLN 21,940 million were transferred:

- PLN 601 thousand to Selena ESG Solutions Sp z o.o.;
- PLN 1,100 thousand and EUR 220 thousand to Oligo;
- PLN 10,986 thousand and EUR 11 thousand to Selena Green Investments;
- PLN 12,000 to Selena Digital Distribution;
- PLN 4,600 thousand to Selena Green Investments ASI;
- PLN 675 thousand and EUR 600 thousand to SGI2;

Until the balance sheet date, the company received loan repayments of PLN 19,958 thousand:

- PLN 200 thousand from Selena Industrial Technologies;
- PLN 12,000 from Selena Digital Distribution;
- PLN 500 thousand from Selena Green Investments;
- EUR 265 thousand from Selena Iberia;
- EUR 250 thousand from Foshan Chinuri
- EUR 419 thousand, RUB 218,600 and USD 80 thousand from Selena Vostok;
- PLN 3,000 thousand from Fandla Factoring.

Significant loans granted after the balance sheet date

On 16 November 2022, Selena FM S.A. concluded an agreement with Selena Sulamericana Ltda to convert trade receivables into a loan of EUR 3,009 thousand maturing on 30 November 2027.

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

Maturity (in years), as at 30.09.2022		below 1 year	1-3 years	Above 3 years	Total
Subsidiaries	Loans	73,614	117,260	101,820	292,694
TOTAL		73,614	117,260	101,820	292,694

Trade receivables

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

Figures in PLN thousand	from 01.01.2022 to 30.09.2022	from 01.01.2021 to 30.09.2021
Impairment allowance at the beginning of the period	24,708	20,119
<i>related parties</i>	23,677	19,146
<i>other entities</i>	1,031	973
Impairment allowance created/reversed (-) according to IFRS 9:	5,963	5,798
<i>related parties, including:</i>	5,396	5,652
<i>EURO MGA Product SRL</i>	29	-5
<i>Selena USA</i>	0	-1,103
<i>Selena Sulamericana Ltda</i>	4,952	6,608
<i>Shanghai House Selena Trading Ltd.</i>	44	152
<i>Selena Mexico</i>	371	0
<i>other entities</i>	567	145
FX differences	362	77
<i>related parties</i>	308	74
<i>other entities</i>	54	3
Expected credit loss at the end of the period	31,033	25,994
<i>related parties</i>	29,381	24,872
<i>other entities</i>	1,652	1,122

Loans received

The table below shows the debt in respect of borrowings.

Figures in PLN thousand			As at 30.09.2022		As at 31.12.2021	
Ref.	Loan type	Maturity date	Long-term portion	Short-term portion	Long-term portion	Short-term portion
1	Non-renewable loan	2024	24,000	36,000	7,000	3,000
2	Working capital loan	2024	61,468	19,194	23,428	27,960
3	Loan	2023	0	40,161	28,944	28,980
4	Loan	2022	0	39,142	0	8,738
Total loans			85,468	134,497	59,372	68,678

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 30 September 2022, Selena FM S.A. maintained financial ratios at the levels required by the lenders.

On 25 July 2022, a loan agreement of PLN 40 million was signed with Selena S.A. The loan carries a variable interest rate. It matures on 25 July 2023. Until the balance sheet date, Selena FM S.A. received a loan tranche:

- of PLN 6.8 million from Selena Marketing International Sp. z o.o. In addition, a part of the loan principal (PLN 35 million) was repaid.
- PLN 42.7 million from Selena S.A.

Trade liabilities Figures in PLN thousand	As at 30.09.2022	As at 31.12.2021
<i>amounts due to related parties</i>	121,768	72,561
<i>amounts due to other entities</i>	17,595	14,710
Total trade liabilities	139,363	87,271

3.4.2 Shares in subsidiaries

Figures in PLN thousand	As at 30.09.2022			As at 31.12.2021		
	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.*	0	0	0	1,520	0	1,520
Selena ESG Solutions Sp z o.o.	1,003	0	1,003	1,003	0	1,003
Selena Green Investments ASI Sp z o.o.	900	0	900	0	0	0
Selena Industrial Technologies Sp. z o.o.*	39,899	0	39,899	38,379	0	38,379
Selena Green Investments Sp. z o.o.	5	0	5	5	0	5
Selena Deutschland GmbH	4	0	4	4	0	4
Selena Italia srl	1,884	1,884	0	1,884	1,884	0
Selena Iberia slu	43,478	43,478	0	43,478	43,478	0
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	5,472	3,557	9,029	5,472	3,557
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	0	0	0	11,197	0	11,197
Selena Malzemeleri Yapi Sanayi Tic. Ltd.	23,764	23,764	0	23,764	23,764	0
Value of shares	262,129	128,338	133,791	272,426	128,338	144,088

On 12 October 2022, the Company acquired 99.9959% stake in Euro MGA Product SRL from Selena Romania SRL for RON 12,075 thousand.

3.5 Other information

3.5.1 Related parties transactions

The table below shows transactions with related parties (subsidiaries, associates, members of the Company's governing bodies) over the 9 months ended 30 September 2022 and 30 September 2021.

Figures in PLN thousand	Period	Revenue from sales and recharged costs	Purchase of goods and services	Other revenues ¹⁾	Other costs
Subsidiaries	2022	643,838	685,428	20,281	19,095
	2021	589,553	670,366	49,117	7,303
Associates	2022	5,251	0	0	121
	2021	4,445	0	0	0
Subsidiaries of the ultimate controlling shareholder*	2022	10	1,121	2,717	0
	2021	12	30	1,731	0
TOTAL	2022	649,099	686,549	22,998	19,216
	2021	594,010	670,396	50,848	7,303

¹⁾ the value includes other operating income and financial income, mainly dividends and interest on loans

* the item includes entities related 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 30 September 2022 and 31 December 2021.

Figures in PLN thousand	Period	Loans	Trade receivables	Other receivables	Liabilities
Subsidiaries	2022	247,478	264,716	40,408	121,768
	2021	214,762	184,754	89	72,561
Associates	2022	0	1,916	0	0
	2021	0	3,404	0	0
Subsidiaries of the ultimate controlling shareholder*	2022	45,216	9	0	0
	2021	48,145	8	0	120
TOTAL	2022	292,694	266,641	40,408	121,768
	2021	262,907	188,166	89	72,681

* the item includes entities related through Mr Krzysztof Domarecki

**The person who prepared the
financial statements
Monika Szczot**

**Management Board President
Jacek Michalak**

**Chief Commercial Officer,
Vice President**

Sławomir Majchrowski

Chief Financial Officer

Krzysztof Ościłowicz

Chief Operating Officer

Roman Dziuba

Chief HR Officer

Andrzej Zygałło