



Interim condensed consolidated financial statements for the period from 1 January to 30 June 2024

This report is a direct translation from the original Polish version.
In the event of differences resulting from the translation, reference should be made to the official

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Consolidated financial statements

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

Figures in PLN thousand	Note	from 01.01.2024 to 30.06.2024	from 01.01.2023 to 30.06.2023	from 01.04.2024 to 30.06.2024	from 01.04.2023 to 30.06.2023
Continued operations					
Revenue from the sale of products		764,806	775,321	412,568	403,926
Revenue from the sale of goods and raw materials		95,627	86,993	53,184	47,617
Revenue from the sale of services		14,029	2,423	8,452	997
Revenue from contracts with customers	3	874,462	864,737	474,204	452,540
Cost of sales		576,050	605,961	311,196	313,064
Gross profit		298,412	258,776	163,008	139,476
Selling and marketing costs		151,888	153,007	80,759	74,056
General and administrative expenses		75,537	75,317	39,388	36,911
Other operating income	4.1	4,295	2,124	3,086	867
Other operating costs	4.1	2,834	1,953	1,190	729
Impairment of financial assets		1,113	1,464	931	-96
Operating profit		71,335	29,159	43,826	28,743
Financial income	4.2	16,982	7,836	6,653	1,892
Financial costs	4.2	30,146	35,779	16,216	24,466
Share in net profit/loss of the associate		-497	1,426	-1,147	686
Profit before tax		57,674	2,642	33,116	6,855
Income tax	5	13,261	-4,303	7,958	-5,122
Net profit on continued operations		44,413	6,945	25,158	11,977
Profit (loss) on discontinued operations		0	0	0	0
Net profit for the period		44,413	6,945	25,158	11,977
Net profit attributable to:					
– shareholders of the parent		44,181	6,830	25,094	11,887
– non-controlling interests		232	115	67	90
Earnings per share attributable to the shareholders of the parent					
		(PLN/share)	(PLN/share)		
– basic, including:		1.93	0.30	1.10	0.52
<i>on continued operations</i>		1.93	0.30	1.10	0.52
<i>on discontinued operations</i>		0.00	0.00	0.00	0.00
– diluted, including:		1.93	0.30	1.10	0.52
<i>on continued operations</i>		1.93	0.30	1.10	0.52
<i>on discontinued operations</i>		0.00	0.00	0.00	0.00

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Figures in PLN thousand	from 01.01.2024 to 30.06.2024	from 01.01.2023 to 30.06.2023	from 01.04.2024 to 30.06.2024	from 01.04.2023 to 30.06.2023
Net profit	44,413	6,945	25,158	11,977
FX differences arising on translation of the foreign associate	-1,451	-22,715	274	-20,876
Other comprehensive income subject to reclassification to profit or loss, before tax	-1,451	-22,715	274	-20,876
Other comprehensive income, before tax	-1,451	-22,715	274	-20,876
Income tax related to foreign exchange differences on translation	129	2,800	-167	2,331
Income tax related to components of comprehensive income that are reclassified to profit or loss	129	2,800	-167	2,331
Other comprehensive income for the period, after tax	-1,322	-19,915	107	-18,545
Total comprehensive income	43,091	-12,970	25,265	-6,568
Attributable to:				
– shareholders of the parent	42,839	-12,861	25,177	-6,490
– non-controlling interests	252	-109	88	-78

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

Figures in PLN thousand	Note	As at 30.06.2024	As at 31.12.2023
ASSETS			
Property, plant and equipment		410,265	393,706
Intangible assets		49,396	52,286
Investments accounted for using the equity method		66,401	51,271
Deferred tax assets		63,777	60,066
Other long-term financial assets	6.1	49,750	39,950
Total non-current assets		639,589	597,279
Inventories	6.2.2	255,922	202,873
Other short-term non-financial assets	6.2.3	84,475	90,980
Trade and other receivables	6.1	375,629	298,072
CIT claimed		10,026	10,772
Other short-term financial assets	6.1	6,601	10,123
Cash and cash equivalents	7.2.3	71,825	75,875
Total current assets		804,478	688,695
TOTAL ASSETS		1,444,067	1,285,974
LIABILITIES AND EQUITY			
Registered capital		1,142	1,142
Own shares		-28,676	-28,676
FX differences arising on translation of the foreign associate		-90,381	-89,039
Supplementary capital		732,202	746,557
Other reserves		118,545	118,545
Retained profit/ loss carried forward		-23,507	-50,603
Equity attributable to the shareholders of the parent		709,325	697,926
Non-controlling interests		3,404	3,152
Total equity		712,729	701,078
Long-term portion of bank and other loans	6.1.1	108,984	29,163
Long term lease liabilities		53,149	57,840
Deferred tax liability		10,582	9,811
Other long term non-financial liabilities	6.2.5	3,669	3,943
Long-term provisions	6.2.4	6,858	6,497
Long-term liabilities		183,242	107,254
Trade and other liabilities	6.1	280,416	224,284
Obligations to return remuneration		29,885	32,393
Performance obligations		0	8,805
Short-term portion of bank and other loans	6.1.1	138,138	133,584
Short-term lease liabilities		16,459	15,458
Other short term financial liabilities	6.1	1,619	1,696
CIT tax payable		14,243	6,185
Other short term non-financial liabilities	6.2.5	66,549	53,212
Short-term provisions	6.2.4	787	2,025
Short-term liabilities		548,096	477,642
Total liabilities		731,338	584,896
TOTAL LIABILITIES AND EQUITY		1,444,067	1,285,974

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Figures in PLN thousand	Note	from 01.01.2024 to 30.06.2024	from 01.01.2023 to 30.06.2023
Cash flows from operating activities			
Profit (loss) before tax		57,674	2,642
Adjustments to reconcile profit, including:		-20,813	-94,786
Share in the result of the entities accounted for using the equity method		497	-1,426
Depreciation/ amortization		21,603	19,382
FX gains (losses)		-1,295	-17,457
Interest		9,173	4,366
Valuation of derivatives		1,602	673
Change in the balance of receivables		-73,829	-108,732
Change in the balance of inventories		-52,967	-4,754
Change in the balance of liabilities		75,834	11,570
Change in the balance of provisions		-876	433
Translation of a subsidiary in hyperinflationary conditions		-756	1,573
Other		201	-414
Net cash flows from operating activities, before tax		36,861	-92,144
CIT paid		-7,026	-11,760
Net cash flows from operating activities		29,835	-103,904
Cash flows from investing activities			
Purchase of property, plant and equipment, and intangible assets		-49,160	-26,442
Inflows from sale of tangible and intangible assets		565	452
Outflow on account of loans granted		-5,707	0
Repayments of loans granted		0	2,191
Purchase of shares in investments accounted for using the equity method		-14,772	0
Dividends received		1,776	919
Interest received		1,570	1,662
Other		0	-103
Net cash flows from investing activities		-65,728	-21,321
Cash flows from financing activities			
Proceeds from bank and other loans		127,241	172,477
Outflows in respect of bank and other loans		-43,815	-39,340
Repayment of lease liabilities		-9,877	-6,809
Dividends paid		-32,459	-30,295
Interest paid		-9,263	-5,825
Net cash flows from financing activities		31,827	90,208
Net increase/ decrease in cash and cash equivalents		-4,066	-35,017
Change in cash and cash equivalents, including:		-4,050	-35,023
Net FX differences		16	-6
Cash and cash equivalents at the beginning of the period		75,875	100,363
Cash and cash equivalents at the end of the period		71,825	65,340

*including restricted cash:

as at 30 June 2024 – none

as at 30 June 2023 – none

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE 6 MONTHS ENDED 30 JUNE 2024

	Principal – basic	Own shares	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
Figures in PLN thousand									
As at 1 January 2024	1,142	-28,676	-89,039	746,557	118,545	-50,603	697,926	3,152	701,078
Net profit (loss) for the period	0	0	0	0	0	44,181	44,181	232	44,413
Other net comprehensive income for the period	0	0	-1,342	0	0	0	-1,342	20	-1,322
Total comprehensive income for the period	0	0	-1,342	0	0	44,181	42,839	252	43,091
Profit distributions	0	0	0	2,305	0	-2,305	0	0	0
Translation of a subsidiary in hyperinflationary conditions	0	0	0	0	0	1,019	1,019	0	1,019
Dividend	0	0	0	-16,660	0	-15,799	-32,459	0	-32,459
Increase (decrease) in equity	0	0	-1,342	-14,355	0	27,096	11,399	252	11,651
As at 30 June 2024	1,142	-28,676	-90,381	732,202	118,545	-23,507	709,325	3,404	712,729

FOR THE 6 MONTHS ENDED 30 JUNE 2023

Figures in PLN thousand

	Principal – basic	Own shares	FX differences arising on translation of the 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 2023	1,142	-28,676	-50,358	684,627	118,545	-10,216	715,064	3,188	718,252
Net profit (loss) for the period	0	0	0	0	0	6,830	6,830	115	6,945
Other net comprehensive income for the period	0	0	-19,691	0	0	0	-19,691	-224	-19,915
Total comprehensive income for the period	0	0	-19,691	0	0	6,830	-12,861	-109	-12,970
Profit distributions	0	0	0	60,169	0	-60,169	0	0	0
Translation of a subsidiary in hyperinflationary conditions	0	0	0	0	0	-993	-993	0	-993
Dividend	0	0	0	0	0	-30,295	-30,295	-50	-30,345
Other	0	0	0	0	0	-3	-3	4	1
Increase (decrease) in equity	0	0	-19,691	60,169	0	-84,630	-44,152	-155	-44,307
As at 30 June 2023	1,142	-28,676	-70,049	744,796	118,545	-94,846	670,912	3,033	673,945



General information

1. General information

1.1 Characteristics of the Parent Company

Parent Company

The Parent Company of the Group is Selena FM S.A. (also: Company, Parent Company). The Company was established and registered in 1993 as a limited liability company under the name Przedsiębiorstwo Budownictwa Mieszkaniowego in Wrocław, Poland. In 2006, the Extraordinary General Meeting of Shareholders of the Parent Company approved the name change to Selena FM. In 2007, Selena FM Sp. z o.o. was transformed into a joint stock (S.A.) company. The shares of Selena FM S.A. have been publicly traded since the Company's debut on the Warsaw Stock Exchange on 18 April 2008.

Its duration is indefinite (it is a going concern).

The Company's registered office is in Poland, at Legnicka 48A, 54-202 Wrocław. The Company operates in Poland.

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

The core business of the Company, as a parent company, includes: distribution of the Group's products into foreign markets and the domestic market, and provision of advice to its subsidiaries with regard to strategic management, finance management, sales strategy and maintenance of accounting books for customers.

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

Management Board of the Parent Company

As at 31 December 2023, the Parent Company's Management Board was composed of:

- Sławomir Majchrowski – CEO;
- Roman Dziuba – Chief Operating Officer;
- Krzysztof Ościłowicz – Chief Financial Officer;
- Michał Specjalski – Chief Product & Innovation Officer.
- Andrzej Zygadło – Chief HR Officer.

On 23 February 2024, the Company's Supervisory Board adopted a resolution appointing Walter Brattinga to the Company's Management Board as Chief Commercial Officer (CCO). The appointment became effective as of 1 March 2024.

On 22 April 2024, Roman Dziuba resigned from the Company's Management Board and from the role of the COO effective from 22 April 2024.

As at 30 June 2024, the Parent Company's Management Board was composed of:

- Sławomir Majchrowski – CEO;
- Walter Brattinga – Chief Commercial Officer;

- Krzysztof Ościłowicz – Chief Financial Officer;
- Michał Specjalski – Chief Product & Innovation Officer.
- Andrzej Zygadło – Chief HR Officer.

In the period from 30 June 2024 to the date of publication of this report, no changes took place in the composition of the Parent Company's Management Board.

Supervisory Board of the Parent Company

As at 31 December 2023, 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.

On 30 July 2024, the Extraordinary General Meeting of the Company adopted a Resolution appointing Wojciech Domarecki for a joint three-year term of office with the other members of the Supervisory Board, effective from 30 July 2024.

As at 30 July 2024, 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;
- Wojciech 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 30 July 2024 to the date of publication of this report, no other changes took place in the composition of the Company's Supervisory Board.

1.2 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 2023 published on 17 April 2024. The interim condensed financial result may not fully reflect the consolidated financial result achievable for the whole financial year due to seasonality.

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 2022–2023, one may conclude that sales in individual quarters have the following contribution to the total annual sales: Q1 – 22%, Q2 - 25%, Q3 - 28%, Q4 - 25%. Seasonal fluctuations of sales are primarily affected by the weather and fluctuations in sales in the individual geographies where the Group operates.

These interim condensed consolidated financial statements were reviewed by an audit firm.

Period covered by the financial statements

These financial statements are interim condensed consolidated financial statements of Selena Group. They cover the period of 6 months ended on 30 June 2024 and the data presented as at that date

The consolidated income statement and consolidated statement of other comprehensive income cover the period of 6 months ended 30 June 2024, and the comparative data presented for the period of 6 months ended 30 June 2023.

The consolidated income statement and consolidated statement of other comprehensive income also cover the period of 3 months ended 30 June 2024, and the comparative data presented for the period of 3 months ended 30 June 2023. These data were not audited/reviewed by an auditor.

The consolidated statement of financial position covers the data presented as at 30 June 2024, and comparative data as at 31 December 2023.

The consolidated statement of cash flows and the consolidated statement of changes in equity cover the data for 6 months ended 30 June 2024 as well as comparative data for the period of 6 months ended 30 June 2023.

Approval of the financial statements

These interim condensed consolidated financial statements were approved for publication by the Management Board of the Parent Company on 12 September 2024.

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.

At the balance sheet date, i.e. 30 June 2024 and 31 December 2023, the assets and liabilities expressed in foreign currency are valued using the mean rate applicable to the respective currencies at the end of the reporting period that has been set by for the particular currency by the National Bank of Poland. Items of the interim condensed consolidated income statement, interim condensed consolidated statement of comprehensive income and interim condensed consolidated statement of cash flows are measured at the arithmetic average of the average exchange rates announced for a given currency by the National Bank of Poland on the last day of each month in the period from January to June of 2024 and 2023, respectively.

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 30.06.2024	As at 31.12.2023	from 01.01.2024 to 30.06.2024	from 01.01.2023 to 30.06.2023	from 01.04.2024 to 30.06.2024	from 01.04.2023 to 30.06.2023
1 USD	4.0320	3.9350	3.9979	4.2711	4.0017	4.1793
1 EUR	4.3130	4.3480	4.3109	4.6130	4.3007	4.5256
100 HUF	1.0916	1.1359	1.1016	1.2222	1.0975	1.2176
1 UAH	0.0996	0.1037	0.1021	0.1197	0.0996	0.1135
1 CZK	0.1724	0.1759	0.1721	0.1951	0.1722	0.1914
1 RUB	0.0458	0.0427	0.0440	0.0551	0.0443	0.0505
1 BRL	0.7329	0.8110	0.7809	0.8462	0.7593	0.8432
1 BGN	2.2052	2.2231	2.2041	2.3586	2.1989	2.3139
1 CNY	0.5549	0.5534	0.5535	0.6128	0.5520	0.5890
100 KRW	0.2925	0.3027	0.2940	0.3266	0.2898	0.3142
1 RON	0.8665	0.8742	0.8667	0.9332	0.8642	0.9132
1 TRY	0.1224	0.1337	0.1256	0.2115	0.1233	0.1927
100 KZT	0.8683	0.8605	0.8892	0.9456	0.8892	0.9232
1 MXN	0.2197	0.2323	0.2327	0.2373	0.2294	0.2375

Going concern

At the date of approval of this quarterly report, no circumstances occurred that would point to a risk to continuity of operations. The Management Board of Selena FM S.A. analyses and monitors the situation in Ukraine (described in Note 7.1 of this report) on the Parent Company's ability to continue as a going concern. As at the date of publication of this quarterly report, Selena Group has a stable financial position, and its cash flow forecasts point to its ability to maintain its cash position at a level sufficient to continue as a going concern. Accordingly, these interim condensed consolidated financial statements have been prepared on the assumption that the Group will continue in operation in the foreseeable future.

Management Board's assurance statement on reliability of the financial statements

The Management Board of Selena FM S.A. hereby confirms that to the best of its knowledge the interim condensed consolidated financial statements for 6 months ended 30 June 2024 have been prepared in accordance with the applicable accounting policies and give a true, fair and clear picture of the affairs of Selena Group and its net profit.

1.3 Accounting policies

Basis of preparation and accounting principles

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).

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 2023, with the exception of using new or amended standards and interpretations for the annual periods beginning on or after 1 January 2024.

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, significant monthly inflation increases have been recorded from December 2021 to the present, which resulted in three-year cumulative inflation rates exceeding 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 June 2024, while the Group usually translates transactions in the income statement at the average exchange rate for the reporting period. The cumulative effect of applying IAS 29 as at 1 January 2024 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 25% for the six months ended 30 June 2024.

The individual inflation rates are presented in the table below:

Inflation rate for individual periods	
June 2024–December 2023	25%
June 2024–June 2023	72%
June 2023–December 2022	20%
December 2023–December 2022	65%
Cumulative 3-year inflation rate	
June 2024–June 2020	398%
December 2023–December 2020	268%

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 June 2024, the TRY rate was PLN 0.1224.

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 June 2024 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 first half of 2024 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 6 month period ended 30 June 2024 have been restated to reflect changes in the price index from the month recognized in the income statement to 30 June 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 June 2024.

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 June 2024, the TRY rate was PLN 0.1224.

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 interim condensed consolidated financial statements for the year ended 30 June 2022.

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

The impact of applying IAS 29 on the consolidated financial statements for the first half of 2024 is summarized below:

ITEMS OF CONSOLIDATED ASSETS AND LIABILITIES

Figures in PLN thousand	As at 30.06.2024 without the impact of IAS 29	The impact of hyperinflation	As at 30.06.2024 in accordance with IAS 29
ASSETS			
Property, plant and equipment	405,089	5,176	410,265
Intangible assets	49,396	0	49,396
Investments accounted for using the equity method	66,401	0	66,401
Deferred tax assets	63,777	0	63,777
Other long-term financial assets	49,750	0	49,750
Total non-current assets	634,413	5,176	639,589
Inventories	255,420	502	255,922
Other short-term non-financial assets	84,475	0	84,475
Trade and other receivables	375,629	0	375,629
CIT claimed	10,026	0	10,026
Other short-term financial assets	6,601	0	6,601
Cash and cash equivalents	71,825	0	71,825
Total current assets	803,976	502	804,478
TOTAL ASSETS	1,438,389	5,678	1,444,067
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	-90,381	0	-90,381
Supplementary capital	732,202	0	732,202
Other reserves	118,545	0	118,545
Retained profit/ loss carried forward	-29,185	5,678	-23,507
Equity attributable to the shareholders of the parent	703,647	5,678	709,325
Non-controlling interests	3,404	0	3,404
Total equity	707,051	5,678	712,729
Long-term portion of bank and other loans	108,984	0	108,984
Long term lease liabilities	53,149	0	53,149
Deferred tax liability	10,582	0	10,582
Other long term non-financial liabilities	3,669	0	3,669
Long-term provisions	6,858	0	6,858
Long-term liabilities	183,242	0	183,242
Trade and other liabilities	280,416	0	280,416
Obligations to return remuneration	29,885	0	29,885
Performance obligation	0	0	0
Short-term portion of bank and other loans	138,138	0	138,138
Short-term lease liabilities	16,459	0	16,459
Other short term financial liabilities	1,619	0	1,619
CIT tax payable	14,243	0	14,243
Other short term non-financial liabilities	66,549	0	66,549
Short-term provisions	787	0	787
Short-term liabilities	548,096	0	548,096
Total liabilities	731,338	0	731,338
TOTAL LIABILITIES AND EQUITY	1,438,389	5,678	1,444,067

ITEMS OF THE CONSOLIDATED INCOME STATEMENT

Figures in PLN thousand	from 01.01.2024 to 30.06.2024 without the impact of IAS 29	The impact of hyperinflation	from 01.01.2024 to 30.06.2024 in accordance with IAS 29
Continued operations			
Revenue from the sale of products	762,392	2,414	764,806
Revenue from the sale of goods and raw materials	95,627	0	95,627
Revenue from the sale of services	14,029	0	14,029
Revenue from contracts with customers	872,048	2,414	874,462
Cost of sales	574,091	1,959	576,050
Gross profit	297,957	455	298,412
Selling and marketing costs	151,561	327	151,888
General and administrative expenses	75,358	179	75,537
Other operating income	4,295	0	4,295
Other operating costs	2,765	69	2,834
Impairment of financial assets	1,113	0	1,113
Operating profit	71,455	-120	71,335
Financial income	16,982	0	16,982
Financial costs	31,022	-876	30,146
Share in net profit/loss of the associate	-497	0	-497
Profit before tax	56,918	756	57,674
Income tax	13,261	0	13,261
Net profit on continued operations	43,657	756	44,413
Profit (loss) on discontinued operations	0	0	0
Net profit for the period	43,657	756	44,413
Net profit attributable to:			
– shareholders of the parent	43,425	756	44,181
– non-controlling interests	232	0	232
Earnings per share attributable to the shareholders of the parent			
	(PLN/share)	(PLN/share)	(PLN/share)
– basic, including:	1.90	0.03	1.93
<i>on continued operations</i>	1.90	0.03	1.93
<i>on discontinued operations</i>	0.00	0.00	0.00
– diluted, including:	1.90	0.03	1.93
<i>on continued operations</i>	1.90	0.03	1.93
<i>on discontinued operations</i>	0.00	0.00	0.00

ITEMS OF THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Figures in PLN thousand	from 01.01.2024 to 30.06.2024 without the impact of IAS 29	The impact of hyperinflation	from 01.01.2024 to 30.06.2024 in accordance with IAS 29
Net profit	43,657	756	44,413
FX differences arising on translation of the foreign associate	-1,451	0	-1,451
Other comprehensive income subject to reclassification to profit or loss, before tax	-1,451	0	-1,451
Other comprehensive income, before tax	-1,451	0	-1,451
Income tax related to foreign exchange differences on translation	129	0	129
Income tax related to components of comprehensive income that are reclassified to profit or loss	129	0	129
Other comprehensive income for the period, after tax	-1,322	0	-1,322
Total comprehensive income	42,335	756	43,091
Attributable to:			
– shareholders of the parent	42,083	756	42,839
– non-controlling interests	252	0	252

Impact of new and amended standards and interpretations

Amendments to existing standards published by the International Accounting Standards Board and endorsed for use in the EU, which entered into force on 1 January 2024

- Amendments to IFRS 16 Leases – Lease liability in a sale and leaseback (published on 21 November 2023) – effective for annual periods beginning on or after 1 January 2024;
- Amendments to IAS 1 Presentation of Financial Statements – classification of liabilities as current or non-current (published on 20 December 2023) – effective for annual periods beginning on or after 1 January 2024;
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments – disclosures – supplier finance arrangements – effective for annual periods beginning on or after 1 January 2024.

The application of the above amendments to the standards and interpretations did not have a significant impact on this interim consolidated financial statements of the Group.

Published standards that have not yet been endorsed by the EU

Listed below are standards and amendments to existing standards that have not yet been endorsed by the EU:

- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures – changes in the classification and measurement of financial instruments – effective for annual periods beginning on or after 1 January 2026;
- IFRS 18 Presentation and Disclosure in Financial Statements – effective for annual periods beginning on or after 1 January 2027;
- IFRS 19 Subsidiaries without Public Accountability: Disclosures – effective for annual periods beginning on or after 1 January 2027;

- Amendments to IAS 21 Effects of changes in foreign exchange rates: Lack of exchangeability – effective for reporting periods beginning on or after 1 January 2025.

The effective dates are the dates arising from the standards published by the International Financial Reporting Board. The effective dates of the standards in the European Union may differ from the effective dates arising from the standards and are announced upon the adoption of the standards by the European Union.

The Group has not decided on early adoption of any standard, interpretation or amendment which have been published but not become effective yet. The Group is currently analyzing how the above amendments will affect its financial statements.



Information about the Group

2. Information about the Group

2.1 Selena Group's activities

Selena FM Group (Selena Group, Group) is an international producer and distributor of construction chemicals. The Group's Parent is Selena FM S.A. of Wrocław, which on 18 April 2008 debuted on the main market of the Warsaw Stock Exchange.

The core business of the Group includes production, distribution and sale of construction chemicals and general 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.

Event occurring after the balance sheet date

At the end of August 2024, the Group's plant located in Romania ended production.

2.2 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 June 2024 and 31 December 2023.

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., PIMCO Kft, and the joint venture: House Selena Trading Company Ltd., which are consolidated using the equity method.

The "owner" column specifies the owner as at 30 June 2024.

REPORTABLE SEGMENT	COUNTRY	ENTITY	REG. OFFICE	ACTIVITY	GROUP'S SHARE		OWNER
					30.06.2024	31.12.2023	
Parent Company	Poland	Selena FM S.A.	Wrocław	Group's headquarters, distributor	-	-	-
Distribution in Poland	Poland	Selena S.A.	Wrocław	Distributor	100.00%	100.00%	FM
Production in Poland	Poland	Selena Industrial Technologies Sp. z o.o.	Dzierżoniów	Manufacturer of sealants; production management	100.00%	100.00%	FM
Western Europe	Spain	Selena Iberia slu	Madrid	Manufacturer of sealants, adhesives, distributor	100.00%	100.00%	FM
	Portugal	Imperialum-Sociedade de Revestimentos e Impermeabilizações, S.A.	Montijo	Manufacturer of bituminous membranes, distributor	100.00%	100.00%	FM
	Portugal	Revestimentos Universais e do Continente, S.A	Vila Nova de Gaia	Manufacturer of bituminous membranes	100.00%	100.00%	IMP
	Italy	Uniflex S.R.L.	Mezzocorona	Manufacturer of sealants, distributor	100.00%	100.00%	FM
Eastern Europe and Asia	Kazakhstan	Selena CA-Селена ЦА TOO	Almaty	Distributor	100.00%	100.00%	FM
	Kazakhstan	Selena Insulations TOO	Nur-Sultan	Manufacturer of insulation systems and dry mortars	100.00%	100.00%	FM
	Kazakhstan	Selena Production Center TOO*	Shymkent	Manufacturer of insulation systems and dry mortars	100.00%	100.00%	FM
	Russia	Selena Vostok	Moscow	Distributor	99.00%	99.00%	POL
	Turkey	Selena Malzemeleri Yapi Sanayi Tic. Ltd.	Istanbul	Man. of foams and sealants, distributor	100.00%	100.00%	FM
	Turkey	POLYFOAM Yalitim Sanayi ve Tic Ltd.	Istanbul	Distributor	100.00%	100.00%	SA 2
Americas	Brazil	Selena Sulamericana Ltda	Curitiba	Manufacturer, distributor	100.00%	100.00%	FM 2
	Mexico	Selena Mexico S. de R.L. de C.V.	Zapopan	Distributor	100.00%	100.00%	FM 2
	USA	Selena USA, Inc.	Fort Worth	Distributor	100.00%	100.00%	FM
Other	Poland	Selena Marketing International Sp. z o.o.	Wrocław	Intellectual property management	100.00%	100.00%	SA
	Poland	Selena Digital Distribution Sp. z o.o	Wrocław	E-commerce	100.00%	100.00%	SA
	Poland	Selena Energy Sp. z o.o.**	Wrocław	Making electrical systems	100.00%	100.00%	FM
	Poland	Selena Green Investments Sp. z o.o.	Wrocław	Activities of central companies	100.00%	100.00%	FM 3
	Poland	SGI 1 Sp. z o.o.	Wrocław	Generation of electricity	100.00%	100.00%	SGI
	Poland	Establishment of SGI 2 Sp. z o.o.	Wrocław	Generation of electricity	94.59%	94.59%	ASI
	Poland	SGI 3 Sp. z o.o.	Wrocław	Generation of electricity	94.59%	94.59%	ASI
	Poland	SGI 4 Sp. z o.o.	Wrocław	Generation of gaseous fuels	94.59%	94.59%	ASI
	Poland	SGI 5 Sp. z o.o.	Wrocław	Generation of gaseous fuels	94.59%	94.59%	ASI
	Poland	SGI 6 Sp. z o.o.	Wrocław	Generation of electricity	94.59%	94.59%	ASI
	Poland	SGI 7 Sp. z o.o.	Wrocław	Generation of electricity	94.59%	94.59%	ASI
	Poland	SGI 8 Sp. z o.o.	Wrocław	Generation of gaseous fuels	94.59%	94.59%	ASI
	Poland	SGI 9 Sp. z o.o.	Wrocław	Generation of gaseous fuels	94.59%	94.59%	ASI
	Poland	SGI 10 Sp. z o.o.	Wrocław	Generation of electricity	94.59%	94.59%	ASI
	Poland	SGI 11 Sp. z o.o.	Wrocław	Generation of electricity	94.59%	94.59%	ASI
	Poland	SGI 12 Sp. z o.o.	Wrocław	Generation of electricity	94.59%	94.59%	ASI
	Poland	SGI 13 Sp. z o.o.	Wrocław	Generation of electricity	94.59%	94.59%	ASI
	Poland	SGI Świdnica Sp. z o.o.	Wrocław	Generation of gaseous fuels	94.59%	94.59%	ASI
	Poland	SGI Świebodzice Sp. z o.o.	Wrocław	Generation of gaseous fuels	94.59%	94.59%	ASI
	Poland	Selena Green Investments ASI Sp. z o.o.	Wrocław	Fund management activities	94.59%	94.59%	FM 4
	Poland	BTB Sp. z o.o.	Wrocław	Generation of electricity	94.59%	94.59%	ASI
	Poland	Biogazownia Przybroda Sp. z o.o.	Poznań	Generation and supply of electricity, gas	47.30%	47.30%	ASI1
	Poland	BTB Sp. z o.o.	Wrocław	Generation of electricity	94.59%	94.59%	ASI
	Poland	Fandla Faktoring Sp. z o.o.	Wrocław	Other service-based financial activity	100.00%	100.00%	SMI
	Poland	ONPV Sp. z o.o.	Wrocław	Generation of electricity	85.13%	85.13%	ASI2

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
Bulgaria	Selena Bulgaria Ltd.	Gurmazovo	Distributor	100.00%	100.00%	FM
Romania	Selena Romania SRL	Ilfov	Distributor	100.00%	100.00%	FM
Romania	Selena Euro Mga srl	Ilfov	Manufacturer of adhesives and cement mortars	100.00%	100.00%	FM
Ukraine	Selena Ukraine Ltd.	Kiev	Distributor	100.00%	100.00%	FM 1
Hungary	Selena Hungária Kft.	Pécs	Distributor	100.00%	100.00%	FM
Hungary	PIMCO Kft	Szerencs	Manufacturer of glass fiber	50.00%	50.00%	FM 5
China	Weize (Shanghai) Trading Co., Ltd.	Shanghai	Distributor	100.00%	100.00%	FM
China	Selena Nantong Building Materials Co., Ltd.	Nantong	Manufacturer, distributor	100.00%	100.00%	FM
China	Foshan Chinuri-Selena Chemical Co.	Foshan	Manufacturer of sealants, distributor	84.57%	84.57%	SA 1
China	House Selena Trading Co.Ltd	Shanghai	Distributor	40.00%	40.00%	NAN
United Arab Emirates	Selena Gulf Building Materials LLC	Dubai	Distributor	100.00%	100.00%	FM
S.Korea	Hamil - Selena Co. Ltd	Kimhae	Manufacturer of foams	30.00%	30.00%	SA 3

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 (94.59%), other shares are owned by Krzysztof Domarecki (5.41%)

FM 5 – shares owned by Selena FM (50%) with other shares (50%) outside the Group

SGL – 100% shares owned by Selena Green Investments

ASI1 – 50% shares are owned by Selena Green Investments ASI Sp. z o.o.; the remaining shares are outside the Group

ASI2 – 90% shares are owned by Selena Green Investments ASI Sp. z o.o.; the remaining shares are outside the Group

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.

NAN – joint venture – owned by Selena Nantong Building Materials

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

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

IMP – 100% shares are owned by Imperialum–Sociedade de Revestimentos e Impermeabilizações, S.A.

SMI – 100% shares owned by Selena Marketing International Sp. z o.o.

* on 22 February 2024, a resolution was passed to liquidate the company; the liquidation procedure is in progress

** On 25 March 2024, Selena ESG Sp. z o.o. was renamed as Selena Energy Sp. z o.o.



Operating segments and information on revenues

3. Operating segments and information on revenues

The organization structure of Selena FM Group is managed through the data received from the individual subsidiaries, 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: similarity of long-term gross margin and economic properties, 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 aggregated into the following reportable segments:

- Parent Company:
- Distribution in Poland
- Production in Poland
- Western Europe
- Eastern Europe and Asia
- Americas
- Other

Detailed allocation of operating segments to reportable segments is presented in Note 2.2.

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

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

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

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

The profit of a segment is the profit generated by the individual segments without allocation of the administrative expenses, Management Board's remuneration, finance income and expenses, and income tax charge.

Non-allocated assets include settlements on account of current and deferred income tax.

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

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

Figures in PLN thousand	from 01.01.2024	from 01.01.2023
	to 30.06.2024	to 30.06.2023
Construction chemicals	609,796	647,022
Insulating chemicals	133,504	108,038
Other	21,506	20,261
Total revenue from the sale of products	764,806	775,321

The tables below show data on the revenues and profits of the individual reporting segments for H1 2024 and H1 2023, and for the three months ended 30 June 2024 and 30 June 2023, respectively.

from 01.01.2024 to 30.06.2024	Parent Company	Production in Poland	Distribution in Poland	Western Europe	Eastern Europe and Asia	Americas	Other	Total segments	Consolid. adjustments and non-allocated results*	Total
Figures in PLN thousand										
Sales to external customers	90,467	38,358	154,715	234,209	223,165	56,169	77,379	874,462	0	874,462
Sales between segments	367,746	322,775	3,409	5,989	1,325	0	4,000	705,244	-705,244	0
EBITDA	102,122	38,446	18,036	28,278	17,923	6,314	6,176	217,295	-124,357	92,938
Depreciation/ amortization	-848	-5,696	-2,960	-3,409	-1,192	-47	-808	-14,960	-6,643	-21,603
Operating profit (loss)	101,274	32,750	15,076	24,869	16,731	6,267	5,368	202,335	-131,000	71,335
Net financial income/ (costs)	0	0	0	0	0	0	0	0	-13,164	-13,164
Share in profit of the associate	0	0	0	0	0	0	-497	-497	0	-497
Income tax	0	0	0	0	0	0	0	0	-13,261	-13,261
Net profit (loss) for the period	101,274	32,750	15,076	24,869	16,731	6,267	4,871	201,838	-157,425	44,413
Capital expenditure	936	6,166	1,303	4,478	1,333	10	17,418	31,644		31,644

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

from 01.01.2023 to 30.06.2023	Parent Company	Production in Poland	Distribution in Poland	Western Europe	Eastern Europe and Asia	Americas	Other	Total segments	Consolid. adjustments and non-allocated results*	Total
Figures in PLN thousand										
Sales to external customers	100,168	4,645	179,289	217,271	219,531	63,594	80,239	864,737	0	864,737
Sales between segments	366,604	388,242	477	8,922	1,136	52	8,516	773,949	-773,949	0
EBITDA	98,894	42,330	12,689	15,309	20,320	2,932	9,231	201,705	-153,164	48,541
Depreciation/ amortization	-811	-5,173	-1,979	-2,746	-1,188	-48	-1,064	-13,009	-6,373	-19,382
Operating profit (loss)	98,083	37,157	10,710	12,563	19,132	2,884	8,167	188,696	-159,537	29,159
Net financial income/ (costs)	0	0	0	0	0	0	0	0	-27,943	-27,943
Share in profit of the associate	0	0	0	0	0	0	1,426	1,426	0	1,426
Income tax	0	0	0	0	0	0	0	0	4,303	4,303
Net profit (loss) for the period	98,083	37,157	10,710	12,563	19,132	2,884	9,593	190,122	-183,177	6,945
Capital expenditure	1,694	4,523	488	1,354	2,602	125	13,814	24,600		24,600

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

from 01.04.2024 to 30.06.2024	Parent Company	Production in Poland	Distribution in Poland	Western Europe	Eastern Europe and Asia	Americas	Other	Total segments	Consolid. adjustments and non-allocated results*	Total
Figures in PLN thousand										
Sales to external customers	51,289	23,933	79,584	113,391	134,980	27,798	43,229	474,204	0	474,204
Sales between segments	193,505	172,246	2,240	3,291	798	0	2,046	374,126	-374,126	0
EBITDA	69,215	22,694	9,668	12,509	12,399	2,567	4,717	133,769	-78,942	54,827
Depreciation/ amortization	-422	-3,119	-1,448	-1,744	-635	-22	-373	-7,763	-3,238	-11,001
Operating profit (loss)	68,793	19,575	8,220	10,765	11,764	2,545	4,344	126,006	-82,180	43,826
Net financial income/ (costs)	0	0	0	0	0	0	0	0	-9,563	-9,563
Share in profit of the associate	0	0	0	0	0	0	-1,147	-1,147	0	-1,147
Income tax	0	0	0	0	0	0	0	0	-7,958	-7,958
Net profit (loss) for the period	68,793	19,575	8,220	10,765	11,764	2,545	3,197	124,859	-99,701	25,158
Capital expenditure	744	1,524	997	3,417	478	10	7,062	14,232		14,232

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

from 01.04.2023 to 30.06.2023	Parent Company	Production in Poland	Distribution in Poland	Western Europe	Eastern Europe and Asia	Americas	Other	Total segments	Consolid. adjustments and non-allocated results*	Total
Figures in PLN thousand										
Sales to external customers	49,948	2,870	96,144	102,718	123,861	31,708	45,291	452,540	0	452,540
Sales between segments	176,341	182,379	347	3,262	627	0	4,627	367,583	-367,583	0
EBITDA	88,673	17,880	9,988	8,820	11,835	2,239	5,889	145,324	-106,732	38,592
Depreciation/ amortization	-351	-2,912	-1,050	-1,382	-626	-23	-500	-6,844	-3,005	-9,849
Operating profit (loss)	88,322	14,968	8,938	7,438	11,209	2,216	5,389	138,480	-109,737	28,743
Net financial income/ (costs)	0	0	0	0	0	0	0	0	-22,574	-22,574
Share in profit of the associate	0	0	0	0	0	0	686	686	0	686
Income tax	0	0	0	0	0	0	0	0	5,122	5,122
Net profit (loss) for the period	88,322	14,968	8,938	7,438	11,209	2,216	6,075	139,166	-127,189	11,977
Capital expenditure	1,315	1,384	422	730	1,856	77	6,700	12,484		12,484

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

The tables below show data on assets and liabilities allocated to individual geographic segments as at 30 June 2024 and 31 December 2023.

as at 30.06.2024	Parent Company	Production in Poland	Distribution in Poland	Western Europe	Eastern Europe and Asia	Americas	Other	Total segments	Consolid. adjustments and non-allocated results*	Total
Figures in PLN thousand										
Segment assets	1,011,787	391,533	141,836	331,740	287,370	55,303	377,473	2,597,042	-1,293,179	1,303,863
Investment in the associate	0	0	0	0	0	0	66,401	66,401	0	66,401
Non-allocated assets	0	0	0	0	0	0	0	0	73,803	73,803
Total assets	1,011,787	391,533	141,836	331,740	287,370	55,303	443,874	2,663,443	-1,219,376	1,444,067

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

as at 31.12.2023	Parent Company	Production in Poland	Distribution in Poland	Western Europe	Eastern Europe and Asia	Americas	Other	Total segments	Consolid. adjustments and non-allocated results*	Total
Figures in PLN thousand										
Segment assets	851,008	300,155	111,372	313,840	216,832	52,850	367,964	2,214,021	-1,050,156	1,163,865
Investment in the associate	0	0	0	0	0	0	51,271	51,271	0	51,271
Non-allocated assets	0	0	0	0	0	0	0	0	70,838	70,838
Total assets	851,008	300,155	111,372	313,840	216,832	52,850	419,235	2,265,292	-979,318	1,285,974

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

as at 30.06.2024	Parent Company	Production in Poland	Distribution in Poland	Western Europe	Eastern Europe and Asia	Americas	Other	Total segments	Consolid. adjustments and non-allocated results*	Total
Figures in PLN thousand										
Segment liabilities	468,846	234,786	84,348	239,543	235,611	95,813	198,108	1,557,055	-850,542	706,513
Non-allocated liabilities	0	0	0	0	0	0	0	0	24,825	24,825
Total liabilities	468,846	234,786	84,348	239,543	235,611	95,813	198,108	1,557,055	-825,717	731,338

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

as at 31.12.2023	Parent Company	Production in Poland	Distribution in Poland	Western Europe	Eastern Europe and Asia	Americas	Other	Total segments	Consolid. adjustments and non-allocated results*	Total
Figures in PLN thousand										
Segment liabilities	333,286	132,814	56,053	227,666	163,806	90,489	225,710	1,229,824	-660,924	568,900
Non-allocated liabilities	0	0	0	0	0	0	0	0	15,996	15,996
Total liabilities	333,286	132,814	56,053	227,666	163,806	90,489	225,710	1,229,824	-644,928	584,896

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



Notes to the consolidated income statement

4. Notes to the consolidated income statement

4.1 Other operating income and operating costs

Other operating income

Figures in PLN thousand	from 01.01.2024 to 30.06.2024	from 01.01.2023 to 30.06.2023	from 01.04.2024 to 30.06.2024	from 01.04.2023 to 30.06.2023
Profit from disposal of non-financial fixed assets	664	0	362	0
Grants	321	350	180	250
Damages	922	442	606	-83
Provisions released	1,555	0	1,500	0
Reimbursement of overpaid social insurance fees	0	620	0	555
Other	833	712	438	145
Total other operating income	4,295	2,124	3,086	867

This heading was positively influenced by the claw-back of a provision for the costs relating to security of production in Nantong (PLN 1.4 million).

Other operating costs

Figures in PLN thousand	from 01.01.2024 to 30.06.2024	from 01.01.2023 to 30.06.2023	from 01.04.2024 to 30.06.2024	from 01.04.2023 to 30.06.2023
Loss on disposal of non-financial fixed assets	235	243	235	-117
Damages, penalties, fines	947	292	538	264
Provisions raised	240	580	34	4
Donations made	472	385	156	370
Other	940	453	227	208
Total other operating costs	2,834	1,953	1,190	729

Impairment of financial assets

Figures in PLN thousand	from 01.01.2024 to 30.06.2024	from 01.01.2023 to 30.06.2023	from 01.04.2024 to 30.06.2024	from 01.04.2023 to 30.06.2023
Recognition of an impairment allowance on receivables	2,174	3,588	1,462	2,014
Reversal of an impairment allowance on receivables	-1,066	-2,575	-452	-2,192
Writing off uncollectible debts previously written down	5	451	-79	82
Impairment of financial assets	1,113	1,464	931	-96

4.2 Financial income and costs

Financial income

Figures in PLN thousand	from 01.01.2024 to 30.06.2024	from 01.01.2023 to 30.06.2023	from 01.04.2024 to 30.06.2024	from 01.04.2023 to 30.06.2023
FX gains	12,552	2,143	4,228	415
Interest on deposits and bank accounts	91	508	39	229
Interest on loans granted	2,797	2,197	1,859	1,094
Other interest	234	469	95	215
Derivative financial instruments	0	2,518	0	1,007
Translation of a subsidiary in hyperinflationary conditions.	1,088	0	287	-1,068
Other financial income	220	1	145	0
Total financial income	16,982	7,836	6,653	1,892

Financial costs

Figures in PLN thousand	from 01.01.2024 to 30.06.2024	from 01.01.2023 to 30.06.2023	from 01.04.2024 to 30.06.2024	from 01.04.2023 to 30.06.2023
FX losses	13,912	25,813	7,721	18,413
Interest on bank and other loans	8,614	4,947	4,315	2,993
Interest on leases	2,439	1,474	1,218	746
Other interest	3,079	1,963	1,839	983
Derivative financial instruments	1,213	0	531	0
Translation of a subsidiary in hyperinflationary conditions.	0	1,050	0	1,050
Other financial costs	889	532	592	281
Total financial costs	30,146	35,779	16,216	24,466

As at 30 June 2024, Selena FM S.A. had open forward contracts. In H1 2024, the loss on valuation of instruments was PLN 1,602 thousand (including a loss on valuation of open contracts of PLN 341 thousand as at 30 June 2024). The gain on exercise of the contracts was PLN 389 thousand. The result on transactions (PLN 1,213 thousand) was recognized in financial costs under "Derivative financial instruments".

Taxation

5. Taxation

Tax charge

Figures in PLN thousand	from 01.01.2024 to 30.06.2024	from 01.01.2023 to 30.06.2023
Current income tax:		
Income tax for the current period	15,524	9,455
Corrections to the current income tax from previous years	306	-633
Deferred income tax:		
Connected with origination and reversal of temporary differences	-2,569	-13,125
Tax disclosed in consolidated income statement	13,261	-4,303

Reconciliation of the effective tax rate

Figures in PLN thousand	from 01.01.2024 to 30.06.2024	from 01.01.2023 to 30.06.2023
Profit (loss) before tax	57,674	2,642
Tax at the Polish statutory rate of 19%	10,958	502
Costs/ (revenues) not included in the taxation basis	-4,550	-8,592
Tax effect of current period losses for which no deferred tax assets were recognized	5,426	2,921
Corrections to the current income tax from previous years	306	-633
Use of previous years' tax losses for which no asset was recognized	-520	-232
Deferred asset relating to trademarks	1,626	1,626
Use of tax relief for operations in the Special Economic Zone for which no deferred tax asset was recognized	-1,265	-2,414
Effect of other tax rates in foreign affiliates	1,280	2,519
Tax at the effective tax rate	13,261	-4,303
Effective tax rate	23%	-163%

Activity in special economic zones

Branch 1 of Selena Industrial Technologies Sp. z o.o. in Dzierżoniów (previously Orion PU Sp. z o.o.) operated in the Special Economic Zone (SEZ) of Wałbrzych until 28 May 2017 on the basis of a permit of 27 May 1998. Under Article 6.1 of the Act on special economic zones of 6 October 2003, the company converted its permit for operations in the SEZ, by using the regulations pertaining to the tax exemptions specified in Article 5 of the Act in lieu of Article 12 of the Act on special economic zones of 20 October 1994, in the revision of 31 December 2000. Under the Act, the company used the Special Economic Zone Fund, designed to support new investments in Poland until 31 October 2023. By 30 June 2024, the company paid in a total of PLN 11,573 thousand to the Fund. Branches of Selena Industrial Technologies Sp. z o.o received grants totaling PLN 5,656 thousand to the technological projects involving changes in the technology of production of finished goods.

Selena Industrial Technologies Sp. z o.o. Branch 2 (previously Libra Sp. z o.o.) operates in the Special Economic Zone (SEZ) of Wałbrzych on the basis of a permit of 21 November 2000. On 29 May 2014, the company obtained a new permit for conducting business in the Wałbrzych SEZ, expiring on 31 December 2025. According to the permit, if the company invests at least PLN 15 million until the end of 2021, and increases employment by 10, a tax relief will be granted as 40% of the expenses incurred, but not more than PLN 9 million. The company can use a tax relief until 31 December 2025. In 2019, a decision was made to suspend the use of the permit due to the suspension of the plant expansion project. At the same time, an adjustment was made to the income tax for

2018, which included tax exemption related to operations in the zone. In 2021, at the company's request concerning its intention to resume the plant expansion project, the Ministry of Development and Technology issued the decision of 16 November 2021 regarding the extension of the project to 31 December 2024 and extension of the permit validity to 30 June 2026. Due to the resumption of the project, a deferred tax asset of PLN 3,885 thousand was created. Also, the CIT claimed for 2019–2020 was adjusted by a total of PLN 1,861 thousand.



Notes to the consolidated statement of financial position

6. Notes to the consolidated statement of financial position

6.1 Financial instruments

Financial instruments held the Group are classified below.

Figures in PLN thousand	As at 30.06.2024	As at 31.12.2023
Financial assets measured at amortized cost		
Trade receivables	366,657	289,168
Settlements with customers on account of credit card payments	6,418	8,715
Promissory notes, cheques	2,360	0
Investment receivables	194	189
Trade and other receivables	375,629	298,072
Loans granted	48,850	39,047
Other	81	84
Total other long term financial assets measured at amortized cost	48,931	39,131
Loans granted	376	4,561
Security deposits	554	441
Other	5,671	3,860
Total other short term financial assets measured at amortized cost	6,601	8,862
Cash and cash equivalents	71,825	75,875
Financial assets measured at fair value through profit and loss		
Other short-term financial assets – forward contracts	0	1,261
Financial assets measured at fair value through other comprehensive income		
Other long-term financial assets – shares in non-listed companies	819	819
Total	503,805	424,020

Figures in PLN thousand	As at 30.06.2024	As at 31.12.2023
Financial liabilities measured at amortized cost		
Bank and other loans	247,122	162,747
Lease liabilities	69,608	73,298
Total interest-bearing debt	316,730	236,045
Trade liabilities	277,746	203,434
Investment liabilities	2,670	20,850
Trade and other liabilities	280,416	224,284
Security deposits	1,223	1,652
Other short term financial liabilities (not specified above)	55	44
Other short term financial liabilities (not specified above)	1,278	1,696
Financial liabilities measured at fair value through profit or loss		
Other short-term liabilities – forward contracts	341	0
Total	598,765	462,025

The Group's exposure to various risk types related to financial instruments is discussed in Note 7.2. 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 June 2024 and 31 December 2023 was not materially different from the values presented in the financial statements for the respective years:

– 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.

Based on the methods used to determine fair value, Selena Group classifies individual assets and liabilities into the following categories:

- Level 1: assets and liabilities measured on the basis of quoted prices in active markets for identical instruments.
- Level 2: assets and liabilities measured using valuation techniques based on directly or indirectly observable market quotes or other inputs based on market quotes.
- Level 3: assets and liabilities measured using valuation techniques whose inputs are not based on observable market data.

As at 30 June 2024, the Group included financial instruments measured at fair value to Level 2 fair value measurement, i.e.:

- The fair valuation of forward contracts through profit or loss – valuation using observable inputs other than quoted prices (the present value of future cash flows is determined based on forward FX rates as at the balance sheet date);

As at 30 June 2024, the Group included shares in non-listed companies as financial instruments measured at fair value to Level 3 fair value measurement.

6.1.1 Bank and other loans

The incurred bank loans are presented in the table below

Ref.	Loan type	Maturity date	As at 30.06.2024		As at 31.12.2023	
			Long-term portion	Short-term portion	Long-term portion	Short-term portion
1	Working capital loan	2024	0	81,937	0	77,768
2	Working capital loan	2025	6,429	20,736	5,831	0
3	Working capital loan	2027	79,782	0	0	0
4	Non-renewable loan	2024	0	0	0	24,000
5	Investment loan	2033	11,842	0	12,500	0
6	Other	2024-2029	10,931	35,465	10,832	31,816
Total in PLN thousand			108,984	138,138	29,163	133,584

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 June 2024, Selena Group maintained the consolidated financial ratios at the levels required by the lenders, i.e. net debt/EBITDA and the capital ratio (equity to total assets).

6.2 Non-financial assets and liabilities

6.2.1 Impairment of fixed assets

The subsidiaries that reported deterioration of results in H1 2024 (mainly Selena Iberia and Selena Euro MGA) had their non-current assets reviewed as at 30 June 2024. The exercise did not show any need to recognize additional impairment allowances.

6.2.2 Inventories

Figures in PLN thousand	As at 30.06.2024	As at 31.12.2023
Raw materials	76,486	59,382
Work in progress	7,278	6,892
Finished goods	124,848	106,203
Goods	47,310	30,396
Total inventories, net	255,922	202,873
Impairment allowance on inventories	10,246	9,815
Total inventories, gross	266,168	212,688

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

Figures in PLN thousand	from 01.01.2024 to 30.06.2024	from 01.01.2023 to 30.06.2023
Impairment allowance on inventories at the beginning of the period	9,815	11,368
Recognition of impairment allowance on inventories	4,028	3,043
Reversal of impairment allowance on inventories	-3,215	-3,217
Utilization of impairment allowance on inventories	-338	-488
FX differences arising on translation	-44	-375
Impairment allowance on inventories at the end of the period	10,246	10,331

6.2.3 Other short-term non-financial assets

The table below shows a specification of other short-term net non-financial assets as at the balance sheet date.

Figures in PLN thousand	As at 30.06.2024	As at 31.12.2023
VAT claimed	46,437	35,852
Prepayments for deliveries	14,921	11,425
Prepaid expenses	11,372	13,780
Compensation receivables from NETDA	7,752	26,004
Other non-financial receivables	3,993	3,919
Other short-term non-financial assets	84,475	90,980

On 10 September 2024, Selena Nantong received the final, fourth tranche of the compensation fee from NETDA.

6.2.4 Provisions

The table below shows changes in the balance of provisions.

Figures in PLN thousand	from 01.01.2024 to 30.06.2024			from 01.01.2023 to 31.12.2023		
	Provision for retirement benefits	Other provisions	Total	Provision for retirement benefits	Other provisions	Total
Long term						
Balance at the beginning of the period	5,209	1,288	6,497	4,658	1,145	5,803
Provisions raised	614	47	661	1,089	116	1,205
Purchase of shares in a subsidiary	0	0	0	0	77	77
Provisions released	0	0	0	-67	0	-67
Provisions used	-170	0	-170	-277	0	-277
FX differences	-21	-109	-130	-194	-50	-244
Balance at the end of the period	5,632	1,226	6,858	5,209	1,288	6,497
Short term						
Balance at the beginning of the period	0	2,025	2,025	0	2,320	2,320
Provisions raised	0	232	232	0	149	149
Provisions released	0	-1,555	-1,555	0	-128	-128
Provisions used	0	0	0	0	-130	-130
FX differences	0	85	85	0	-336	-336
Reclassification	0	0	0	0	150	150
Balance at the end of the period	0	787	787	0	2,025	2,025

In the first half of 2024, a provision for the costs relating to security of production in Nantong (PLN 1.4 million) was clawed back.

6.2.5 Other financial liabilities

The table below shows a specification of other non-financial liabilities as at the balance sheet date.

Figures in PLN thousand	As at 30.06.2024		As at 31.12.2023	
	Long-term portion	Short-term portion	Long-term portion	Short-term portion
Payroll liabilities	0	30,177	0	25,008
VAT payable	0	16,687	0	7,243
Other taxes and insurance payable	0	10,289	0	10,116
Prepayments for deliveries	0	1,497	0	1,851
Settlement of compensation from NETDA	0	0	0	2,600
Expected credit loss liabilities	0	4,453	0	4,453
Other non-financial liabilities	111	483	111	1,868
Deferred income	3,558	2,963	3,832	73
Total other non-financial liabilities	3,669	66,549	3,943	53,212



Risk

7. Risk

7.1 Important estimates and assumptions

Preparation of financial statements in accordance with IFRSs endorsed 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 of the Parent Company 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. Details on each of these estimates and judgments are included in other notes alongside information on the calculation basis for each item in the financial statements that is affected by this information.

The adopted estimates, assumptions and judgments include in particular:

- Impairment of financial assets (Note 7.2.3);
- Impairment of non-financial assets (Note 6.2.1);
- Estimated useful of tangible assets 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 (Note 6.2.4)

In H1 2024, no significant changes were made to the assumption areas or estimates. 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 Selena 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 H1 2024 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 30 June 2024, the value of inventories of goods at the companies based in the region affected by geopolitical risk was PLN 39.9 million. At the date of approval of these consolidated financial statements, the inventories are neither damaged or expired.

Expected credit loss of trade receivables

As at 30 June 2024, the amount of receivables from customers of non-related companies from the above region affected by the potential geopolitical risk was PLN 38.3 million. As the amounts due are paid on schedule by clients, no additional impairment loss was recognized in the consolidated income statement for H1 2024.

7.2 Financial risk management

When analyzing the goals and rules of financial risk management in the Group, the Management Board considers the following factors:

- specific nature of the sector and its typical transactions and connection with the Group's external environment;
- location of the individual entities and the resulting operating, financial, business, legal and tax implications;
- distribution of operating and management roles between the Group companies
- planned growth of the Group companies and the related demand for capital;
- the Group's micro and macroeconomic environment.

On the basis of the analysis of these factors, the Management Board considers the following financial risks:

- FX risk;
- interest rate risk;
- credit risk;
- liquidity risk;
- other (specific risks).

7.2.1 Currency risk

For the purpose of risk analysis, currency risk is defined as a risk of volatility of the future cash flows denominated in other currencies than the Selena 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 current assets and liabilities exposed to fluctuations in the following currencies: EUR, USD, HUF, UAH, CZK, BRL, BGN, CNY, KRW, GBP, CHF, CAD, BYN, RUB, RON, KZT, TRY. Selena Group uses selected financial instruments (mainly forward transactions) 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 realized over 12 months. Selena Group also hedges currency exposure by using multi-currency credit lines and external financing in the currencies of local subsidiaries.

7.2.2 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 Selena Group the risk applies mainly to the bank and other loans, leases and interest-bearing 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 increase the risk of fluctuations 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.

7.2.3 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. Selena 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. Selena 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.

The Group recognizes expected credit losses on trade receivables and other financial receivables in accordance with IFRS 9. Changes in impairment allowances on trade and other receivables alongside comparative data are presented in the table below:

Figures in PLN thousand	from 01.01.2024 to 30.06.2024	from 01.01.2023 to 30.06.2023
Allowance for expected credit loss at the beginning of the period	25,969	26,809
<i>trade receivables</i>	24,086	24,374
<i>other financial receivables</i>	1,883	2,435
Recognized/ reversed (-)	1,108	1,013
<i>trade receivables</i>	1,112	1,018
<i>other financial receivables</i>	-4	-5
Acquisition of a subsidiary	0	-1,293
<i>trade receivables</i>	0	-1,293
Utilized	-838	-1,657
<i>trade receivables</i>	-838	-1,531
<i>other financial receivables</i>	0	-126
FX differences arising on conversion of foreign affiliates	-164	0
<i>trade receivables</i>	-150	0
<i>other financial receivables</i>	-14	0
Impairment in respect of expected credit loss at the end of the period	26,075	24,872
<i>trade receivables</i>	24,210	22,568
<i>other financial receivables</i>	1,865	2,304

As at 30 June 2024, the Group's maximum exposure to credit risk corresponds to the full amount of the balance of financial assets, taking into account existing securities. 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.

Cash is deposited with financial institutions in the form of short-term deposits. Credit risk associated with cash invested is low in the Management Board's opinion. Cash in bank carries variable rates of interest. Short-term deposits are opened for different periods (up to 3 months), and carry different interest rates.

As at 30 June 2024, Selena Group had unutilized committed credit lines of PLN 262.3 million (PLN 328.4 million as at 31 December 2023).

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

Figures in PLN thousand	As at 30.06.2024	As at 31.12.2023
Cash in bank	56,737	57,932
Cash on hand	346	255
Cheques (up to 3 months)	14,217	14,029
Short-term deposits	0	2,841
Cash in transit	525	818
Total	71,825	75,875

In the case of cash and cash equivalents, the Management Board of the Parent Company believes that the credit risk is low. A significant portion (67% as at 30 June 2024) of cash on bank accounts is held by Selena Group companies 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. The table below presents the level of cash concentration on bank accounts, taking into account the credit rating of financial institutions.

Rating level		as at 30.06.2024	as at 31.12.2023
High	from AAA to AA- by S&P and Fitch, and from Aaa to Aa3 by Moody's	1%	3%
Medium-high	from A+ to A- by S & P and Fitch and from A1 to A3 by Moody's	27%	63%
Medium	from BBB+ to BBB- according to S & P and Fitch and from Baa1 to Baa3 according to Moody's	39%	23%
Low	from Ba2 to Ca by S & P and Fitch and from BB to CC by Moody's	33%	11%

7.2.4 Liquidity risk

The 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, the Parent Company 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 in 2024, until 30 June, are contained in the interim condensed standalone financial statements of the Parent Company for the first half of 2024. The Parent Company provides financing to subsidiaries based on the Group's liquidity forecasts (including unused credit limits as well as cash and cash equivalents). As a rule, this is done locally by subsidiaries, in accordance with the practice and limits set by the Group. These limits vary from one location to another to reflect the liquidity of the market in which the subsidiary operates. In addition, the Group's liquidity management policy includes preparing cash flow projections for major currencies and taking into account the level of liquid assets necessary to cover the cash flows, monitoring balance sheet liquidity ratios in terms of internal and external regulatory requirements, and maintaining debt plans.

7.2.5 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, tax and geopolitical risks, as described in detail in Note 4.7 in the consolidated Management Report for H1 2024). The Group applies a sales management model and a partial hedging of FX transactions designed to mitigate the above risks.

Geopolitical risk, including the impact of the situation in Ukraine on the operating activities of Selena Group, is described in Note 7.1.

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 2023.



Other information

8. Other information

8.1 Contingent liabilities

Intragroup guarantees

Selena 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, and the guarantee applies to loan obligations and trade liabilities owed to non-related entities. Such guarantees given to the subsidiaries by Selena FM S.A. were described in detail in Note 7.1 of the interim condensed standalone financial statements of Selena FM S.A. for the six months ended 30 June 2024.

Contingent assets and liabilities under the agreement for the acquisition of Selena Iberia

As part of the acquisition of Selena Iberia (formerly: Industrias Quimicas Lowenberg), in 2009, at the acquisition date, potential assets were identified in the acquired company which were related to the realization of the benefits that might flow to Selena Iberia in the future in respect of contingent tax assets. Pursuant to the agreement between the Selena Group and the previous shareholders of the company, if the company acquires any actual economic benefits in respect of the above items, then they will be returned to the previous shareholders in an amount equal to those benefits (a symmetrical approach without an impact on the Group's results). On 30 September 2010, an additional agreement was signed in relation to this matter, whereby any potential economic benefits arising from these assets will be returned to the previous shareholders in the portion corresponding to 70% or 85% (depending on the type of the asset) of the value of such benefits.

The maximum nominal value of contingent liabilities not included in the settlement, taking into account liabilities recognized in the statement of financial position as at 30 June 2024, is EUR 1.16 million.

Court disputes

At the date of approval of these interim condensed consolidated financial statements, no company from Selena Group was a party to any court proceedings where the claim value would exceed 10% of the Parent Company's equity.

In the period until the date of approval of these interim condensed consolidated financial statements, neither Selena FM S.A. nor any company from its Group were party to any significant new court disputes, except for the ones listed below, already described in the annual consolidated financial statements of Selena Group for 2023 (Note 8.1).

8.2 Information on related parties

The table below shows transactions with directors of the Parent as well as with associates and joint ventures. The sales and purchases figures cover the period of 6 months ended 30 June (2024 and 2023, respectively), while the receivables and liabilities are presented as at 30 June 2024 and 31 December 2023.

Figures in PLN thousand	Period	Sales	Purchases	Interest income	Receivables	Liabilities	Loans granted
Associates	2024	2,602	0	0	2,931	19	5,996
	2023	2,955	0	0	1,246	4,453	432
Joint ventures	2024	290	0	0	3,537	0	0
	2023	651	0	0	3,569	0	0
Subsidiaries of the ultimate controlling shareholder*	2024	7	1,166	2,545	986	4,473	38,884
	2023	7	1,469	1,447	3	227	43,175
Key management personnel**	2024	0	0	0	0	0	0
	2023	0	112	0	0	0	0
TOTAL	2024	2,899	1,166	2,545	7,454	4,492	44,880
	2023	3,613	1,581	1,447	4,818	4,680	43,607

* the item includes entities connected through Mr Krzysztof Domarecki

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

8.3 Profit distribution for 2023

On 23 May 2024, the Annual General Meeting of Selena FM S.A. adopted a resolution whereby it decided to:

1. allocate the 2023 net profit of PLN 15,798,429.39 in full for the payment of dividend;
2. allocate part of the capital reserve created from retained earnings of PLN 16,660,319.61 for the payment of dividend to the Company's shareholders in proportion to their holdings in shares;
3. pay a dividend of PLN 1.50 per share, i.e. to allocate a total of PLN 32,458,749.00 for the payment of dividend, with the dividend amount to be paid partly from the Company's 2023 net profit (PLN 15,798,429.39) and partly from the Company's capital reserve created from retained earnings (the amount of PLN 16,660,319.61).

The record date was set to 6 June 2024, while the dividend payment date was set to 30 June 2024.

8.4 Earnings per share

The basic earnings per share are 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 01.01.2024 to 30.06.2024	from 01.01.2023 to 30.06.2023	from 01.04.2024 to 30.06.2024	from 01.04.2023 to 30.06.2023
Profit (loss) attributable to the controlling interests	PLN	44,181,279	6,829,671	25,094,384	11,886,444
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	1.93	0.30	1.10	0.52
Number of shares, including dilution	share	22,834,000	22,834,000	22,834,000	22,834,000
Diluted earnings per share	PLN/share	1.93	0.30	1.10	0.52

8.5 Subsequent events

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

Management Board President

Sławomir Majchrowski

Chief Commercial Officer

Walter Brattinga

Chief Financial Officer

Krzysztof Ościłowicz

Chief HR Officer

Andrzej Zygałło

**Chief Product & Innovation
Officer**

Michał Specjalski