



INTERIM CONDENSED 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 Polish version.

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Financial statements

INTERIM CONDENSED 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 goods and raw materials		435,771	441,274	233,414	214,387
Revenue from the sale of services		22,442	25,498	11,380	11,902
Revenue from contracts with customers		458,213	466,772	244,794	226,289
Cost of sales		365,311	419,064	196,651	202,942
Gross profit		92,902	47,708	48,143	23,347
Selling and marketing costs		25,942	27,188	13,680	13,357
General and administrative expenses		28,047	28,336	15,274	13,279
Other operating income	3.1	113	73	74	11
Other operating costs	3.1	352	509	169	71
Impairment loss/ reversal of impairment loss (-) of receivables		181	877	309	484
Impairment loss/ (-) reversal of impairment loss on non-financial assets		7,435	19,200	7,435	19,200
Dividends from subsidiaries		42,169	98,076	42,169	98,076
Operating profit		73,227	69,747	53,519	75,043
Financial income	3.2	11,897	11,508	6,533	5,711
Financial costs	3.2	10,549	34,279	4,592	24,105
Impairment loss/ reversal of impairment loss (-) of loans granted		-33,450	11,055	587	11,005
Impairment loss (-)/ reversal of impairment loss on shares		50,215	28,500	50,215	28,500
Profit before tax		57,810	7,421	4,658	17,144
Income tax	4	6,169	-6,389	3,076	-3,925
Net profit on continued operations		51,641	13,810	1,582	21,069
Discontinued operations					
Net profit		51,641	13,810	1,582	21,069

INTERIM CONDENSED 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	51,641	13,810	1,582	21,069
Total comprehensive income	51,641	13,810	1,582	21,069

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

	Note	As at 30.06.2024	As at 31.12.2023
Figures in PLN thousand			
ASSETS			
Property, plant and equipment		22,677	23,736
Intangible assets		138,352	147,323
Shares in subsidiaries	5.2.1	272,351	263,841
Long-term portion of loans granted	5.1.1	146,600	166,136
Deferred tax asset		0	12
Non-current assets		579,980	601,048
Inventories		4,875	1,438
Other short-term non-financial assets	5.2.3	27,963	20,329
Trade receivables		238,694	153,277
CIT claimed		0	997
Short-term portion of loans granted	5.1.1	110,803	67,907
Other short-term financial assets	5.1	47,944	6,622
Cash and cash equivalents		1,528	399
Current assets		431,807	250,969
TOTAL ASSETS		1,011,787	852,017
EQUITY AND LIABILITIES			
Registered capital		1,142	1,142
Own shares		-28,676	-28,676
Supplementary capital		385,732	402,392
Other reserves		128,075	128,075
Retained profit/ loss carried forward		51,641	15,798
Equity		537,914	518,731
Long-term portion of bank and other loans	5.1.2	82,036	0
Long term lease liabilities		16,406	18,450
Long-term obligations in respect of lease of enterprise		79,033	83,910
Deferred tax liability		589	0
Provision for retirement benefits		834	772
Long-term liabilities		178,898	103,132
Trade and other liabilities	6.2.4	177,105	108,670
Obligations to return remuneration		1,406	2,680
Short-term portion of bank and other loans	5.1.2	86,472	86,808
Short-term lease liabilities		3,832	2,307
Short-term obligations in respect of lease of enterprise		9,577	9,231
CIT tax payable		4,438	0
Other short term financial liabilities	5.1	341	0
Other short term non-financial liabilities	5.2.4	11,804	20,458
Short-term liabilities		294,975	230,154
Total liabilities		473,873	333,286
TOTAL EQUITY AND LIABILITIES		1,011,787	852,017

INTERIM CONDENSED STATEMENT OF CASH FLOWS

Figures in PLN thousand	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	57,810	7,421
Depreciation/ amortization	4,305	4,055
FX (gains) / losses	912	8,286
Interest and dividends	-44,422	-92,516
Profit / loss on investing activities	25,419	56,291
Change in the balance of receivables and other non-financial assets	-91,855	-92,011
Change in the balance of inventories	-3,436	-5,681
Change in the balance of liabilities	49,840	42,517
Change in the balance of provisions	61	332
CIT paid	-133	-574
Other	-388	3,190
Net cash flows from operating activities	-1,887	-68,690
Cash flows from investing activities		
Inflows from the sale of tangible assets	61	68
Acquisition of tangible and intangible assets	-1,514	-1,924
Purchase of shares in subsidiaries	-64,733	-455
Dividends and interest received	9,449	20,882
Loans granted	-46,016	-7,624
Repayments of loans granted	62,539	12,711
Net cash flows from investing activities	-40,214	23,658
Cash flows from financing activities		
Repayment of lease liabilities	-714	-1,826
Inflows from bank/ other loans received	114,772	119,211
Repayment of loans	-34,042	-51,086
Dividend paid	-32,459	-30,295
Interest paid	-4,327	-10,156
Net cash flows from financing activities	43,230	25,848
Increase (decrease) in cash and cash equivalents	1,129	-19,184
Change in cash and cash equivalents, including:	1,129	-19,184
net FX differences	0	0
<i>Cash at the beginning of the period</i>	399	21,339
<i>Cash at the end of the period</i>	1,528	2,155

INERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE 6 MONTHS ENDED 30 JUNE 2024

	Registered capital	Own shares	Supplementary capital	Other reserves	Retained profit/ (loss carried forward):		Total equity
					from previous years	from the current period	
Figures in PLN thousand							
As at 01.01.2024	1,142	-28,676	402,392	128,075	15,798	0	518,731
Net profit	0	0	0	0	0	51,641	51,641
Total comprehensive income	0	0	0	0	0	51,641	51,641
Dividend	0	0	-16,660	0	-15,798	0	-32,458
As at 30.06.2024	1,142	-28,676	385,732	128,075	0	51,641	537,914

FOR THE 6 MONTHS ENDED 30 JUNE 2023

	Registered capital	Own shares	Supplementary capital	Other reserves	Retained profit/ (loss carried forward):		Total equity
					from previous years	from the current period	
Figures in PLN thousand							
As at 01.01.2023	1,142	-28,676	342,358	128,075	90,329	0	533,228
Net profit	0	0	0	0	0	13,810	13,810
Total comprehensive income	0	0	0	0	0	13,810	13,810
Net profit distribution	0	0	60,034	0	-60,034	0	0
Dividend	0	0	0	0	-30,295	0	-30,295
As at 30.06.2023	1,142	-28,676	402,392	128,075	0	13,810	516,743



General information

1. General information

1.1. Information on the Company

Company's activity

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

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

Since 1 July 2022, the Company's registered office has been at Legnicka 48A, 54-202 Wrocław, Poland. The Company operates in Poland.

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

The Company's core business includes:

- distribution of the Group's products to foreign markets
- providing subsidiaries with advice on strategic management, finance management, sales strategy as well as maintenance of accounting books for customers.

Selena FM S.A. and its subsidiaries are controlled by Krzysztof Domarecki.

The Management Board of the Company

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

- Sławomir Majchrowski – CEO;
- Roman Dziuba – Chief Operating Officer;
- Krzysztof Ościłowicz – Chief Financial Officer;
- Michał Specjański – 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 Specjański – 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 Company's Management Board.

Company's Supervisory Board

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

Identification of the consolidated financial statements

These interim condensed financial statements are non-consolidated accounts of the Company. For a full understanding of the financial position and trading performance of the Company as a parent of Selena Group these financial statements should be read together with the consolidated financial statements of the Group for the period of 6 months ended 30 June 2024, approved on 12 September 2024 and published on 13 September 2024.

Interim report

The interim condensed financial statements do not contain all the information and disclosures required of annual financial statements and should be read jointly with the Company's financial statements for the year ended 31 December 2023 published on 17 April 2024. The interim financial result may not fully reflect the financial result achievable for the whole financial year due to the seasonality effect.

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

Period covered by the financial statements

These interim condensed financial statements cover the 6-month period ended 30 June 2024 and data as at that date.

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

The income statement and the statement of comprehensive income also cover the data for 3 months ended 30 June 2024 as well as comparative data for the period of 3 months ended 30 June 2023, which were not audited.

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

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

Measurement and reporting currency

The currency used for measurement and presentation of financials in this report in Polish zloty, and all figures have been presented in PLN thousand, unless specified otherwise.

The currency rates used for measurement of the balance sheet items expressed in foreign currency are presented in the table below.

Ccy	As at 30.06.2024	As at 31.12.2023
1 USD	4.0320	3.9350
1 EUR	4.3130	4.3480
100 HUF	1.0916	1.1359
1 UAH	0.0996	0.1037
1 CZK	0.1724	0.1759
1 RUB	0.0458	0.0427
1 CNY	0.5549	0.5534
1 RON	0.8665	0.8742

Going concern

At the date of approval of these interim condensed financial statements, no circumstances occurred that would point to a risk to continuity of operations by the Company. The Management Board of Selena FM S.A. also analyzed the impact of the situation in Ukraine (described in Note 6.1), climate changes and the impact of the macroeconomic environment (described in Note 4.7 of the Management Board's report on the Group's activities for H1 2024) on the Company's ability to continue as a going concern. As at the date of publication of these interim condensed financial statements, the Company 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, the financial statements have been prepared on the assumption of going concern.

Approval of the financial statements

On 12 September 2024, these financial statements were approved by the Management Board for publication, and were published on 13 September 2024.

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 financial statements for the 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 the Company and its net profit.

1.3 Accounting policies

Basis of preparation and comparability of financial data

These interim condensed standalone financial statements have been prepared in accordance with International Accounting Standard 34 – “Interim Reporting”, as approved by the EU. The accounting policies that were used in preparation of these interim condensed financial statements are consistent with the policies used in preparation of the Company's financial statements for 2023. The amended standards and interpretations, which will apply for the first time in 2024, do not have a material impact on interim condensed financial statements of the Company.

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 financial statements of the Company.

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



Operating segments and information on revenues

2. Operating segments and information on revenues

The Management Board treats the Company's activity as a single operating segment. See Note 1.1 of this report for a description of the Company's activities.

See Note 1.1 of this report for a description of the Company's activities. Among its other roles, Selena FM S.A. acts as a global distributor – in the Group, it intermediates in goods transactions between production plants and foreign trading organizations; it is also a managing entity of the Group. Financial results on all businesses are analyzed jointly as an effect of operation of the Group's head office and are not a basis for taking decisions on resource allocation within the Company or within the Group's operating segments.

The Company's trading performance is assessed based on the management data prepared in accordance with IFRS.

In H1 2024, related parties accounted for more than 81% of the Company's revenues (more than 79% in 2023). Sales are generated in Poland (PLN 13.2 million to non-related parties and PLN 118.8 million to related parties) and abroad (PLN 73.5 million to non-related parties, PLN 252.7 million to related parties), mainly in the geographies where the Group-owned companies are established. The Company's non-current assets are located in Poland.

The building materials industry in which the Company operates is characterized by seasonality of sales, as described in the Management Board's report on the Group's activities for the period of 6 months ended 30 June 2024 (Note 4.5).

The Company is not dependent on any single buyer. The turnover with any non-related buyer does not exceed 10% of the Company's total revenue. Due to the nature of operations of the Company as a parent of the Group, sales are generated depending on its subsidiaries' demand for goods and services, so they are not a major contributor to the assessment of the Company's operating efficiency.

The revenue from contracts with customers by geographic region is presented below. Details on the division into regions are presented in Note 2.2 to the consolidated financial statements for the 6-month period ended 30 June 2024.

Figures in PLN thousand	from 01.01.2024 to 30.06.2024	from 01.01.2023 to 30.06.2023
Poland	131,987	144,429
Western Europe	108,562	105,898
E.Europe and Asia	120,106	118,301
Americas	27,075	28,513
Other	70,483	69,631
Total revenue from contracts with customers	458,213	466,772

The table below presents revenue from the sale of goods and materials by product groups.

Figures in PLN thousand	from 01.01.2024 to 30.06.2024	from 01.01.2023 to 30.06.2023
Construction chemicals	355,642	352,613
Insulating chemicals	35,794	54,532
Other	44,335	34,129
Total – revenue from the sale of goods and raw materials	435,771	441,274



Notes to the income statement

3. Notes to the income statement

3.1 Other operating income and operating costs

Other operating income

	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
Figures in PLN thousand				
Profit from disposal of non-financial fixed assets	27	52	1	2
Other	86	21	73	9
Total other operating income	113	73	74	11

Other operating costs

	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
Figures in PLN thousand				
Impairment of tangible fixed assets	28	32	0	0
Donations	0	2	0	0
Complaints	277	152	139	71
Other	47	323	30	0
Total other operating costs	352	509	169	71

3.2 Financial income and costs

Financial income

	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
Figures in PLN thousand				
Interest, including:	11,627	8,990	6,278	4,704
<i>on loans granted</i>	10,643	8,977	5,294	4,702
<i>on bank deposits and accounts</i>	0	13	0	2
<i>on other obligations</i>	984	0	984	0
FX differences	270	0	270	0
Derivative financial instruments	0	2,518	0	1,007
Other	0	0	-15	0
Total financial income	11,897	11,508	6,533	5,711

Financial costs

	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
Figures in PLN thousand				
Interest, including:	8,667	14,827	4,454	7,606
<i>on loans and advances received</i>	4,212	8,612	2,268	4,560
<i>on lease liabilities</i>	4,246	6,009	2,100	2,957
<i>on other obligations</i>	209	206	86	89
Derivative financial instruments	1,213	0	531	0
FX differences	0	19,119	-866	16,343
Bank fees	669	333	473	156
Total financial costs	10,549	34,279	4,592	24,105

As at 30 June 2024, Selena FM S.A. had open forward contracts. The result on transactions (PLN 1,213 thousand) was recognized in financial costs under "Derivative financial instruments".

Taxation

4. Taxation

Tax charge

Figures in PLN thousand	from 01.01.2024 to 30.06.2024	from 01.01.2023 to 30.06.2023
Income tax for the current period	5,569	668
Change in deferred income tax	600	-7,000
Adjustments to current tax for prior periods	0	-57
Tax charge carried in profit or loss:	6,169	-6,389

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 on continued operations	57,810	7,421
Tax rate	19%	19%
Tax at the applicable rate	10,984	1,410
Tax on non-taxable income (permanent differences)	-13,973	-17,832
– on dividends received	-7,935	-17,929
– in respect of impairment allowance on shares and loans	-6,047	98
– in respect of reversal of impairment allowance on receivables	9	0
– other	0	-1
Tax on costs that are non-tax deductible (permanent differences)	9,158	10,033
– in respect of impairment allowance on shares and loans	9,232	7,486
– in respect of impairment allowance on receivables and non-financial assets	1,413	3,744
– other	-1,487	-1,197
Tax charge carried in profit or loss:	6,169	-6,389
Effective tax rate	10.67%	-86.09%



Notes to the statement of financial position

5. Notes to the statement of financial position

5.1 Financial instruments

Financial assets:

Figures in PLN thousand	As at 30.06.2024	As at 31.12.2023
Financial assets measured at amortized cost		
Loans granted	257,403	234,043
Trade receivables not covered by factoring agreement	226,331	141,593
Other short-term financial assets – dividend receivable	45,241	3,298
Other short-term financial assets – security deposits	125	64
Other short-term financial assets in respect of share disposal	1,594	2,000
Other short-term financial assets	984	0
Cash and cash equivalents	1,528	399
Financial assets measured at fair value through profit and loss		
Other short-term financial assets – forward transactions	0	1,260
Trade receivables covered by factoring agreement	12,363	11,684
Total	545,569	394,341

Financial liabilities

Figures in PLN thousand	As at 30.06.2024	As at 31.12.2023
Financial liabilities measured at amortized cost		
<i>Bank and other loans</i>	168,508	86,808
<i>Lease liabilities</i>	20,238	20,757
<i>Liabilities in respect of lease of enterprise</i>	88,610	93,141
Total interest-bearing debt	277,356	200,706
Trade liabilities	176,484	108,670
Investment liabilities	621	0
Financial liabilities measured at fair value through profit or loss		
Other short term financial liabilities – forward transactions	341	0
Total	454,802	309,376

The Company's exposure to various risk types related to financial instruments is discussed in Note 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 the Company held as at 30 June 2024 and 31 December 2023 is not materially different from the values presented in the financial statements for the respective years due to the following reasons:

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

The fair valuation of currency contracts through profit or loss has been classified to Level 2 of the fair value hierarchy (i.e. valuation using observable inputs other than quoted prices). The present value of future cash flows is determined based on forward FX rates as at the balance sheet date.

5.1.1 Loans granted

The Company, as a Parent of Selena Group, finances the operations of its subsidiaries. The financing instruments are intercompany loans. The tables below present a summary of changes in the balance of those instruments in H1 2024 alongside comparative data.

	Gross value	Impairment loss (-)/ reversal of impairment loss	Net value
Figures in PLN thousand			
as at 1 January 2024	314,068	-80,025	234,043
Loan granted	46,016	0	46,016
Reclassification to shares	0	6,000	6,000
Repayment of principal	-62,539	33,450	-29,089
Interest accrued	10,643	0	10,643
Interest paid	-9,126	0	-9,126
Withholding tax	-349	0	-349
FX differences arising on balance sheet valuation	-943	208	-735
as at 30.06.2024	297,770	-40,367	257,403

	Gross value	Impairment loss (-)/ reversal of impairment loss	Net value
Figures in PLN thousand			
as at 1 January 2023	322,216	-58,187	264,029
Loan granted	54,000	-26,413	27,587
Conversion of receivables	38,532	0	38,532
Conversion to shares	-22,999	0	-22,999
Repayment of principal	-60,846	0	-60,846
Interest accrued	20,812	0	20,812
Interest paid	-11,021	0	-11,021
Interest cancelled	-388	0	-388
Withholding tax	-533	0	-533
FX differences arising on balance sheet valuation	-25,705	4,575	-21,130
as at 31.12.2023	314,068	-80,025	234,043

Description of significant loans granted during the reporting period

On 1 March 2024, an annex was signed to the loan agreement with Selena Nantong of 17 September 2018, changing the interest rate and extending the repayment date.

On 18 March 2024, an annex was signed to the loan agreement with Selena Green Investments Sp. z o. o. of 30 August 2022 increasing the loan value.

On 18 March 2024, an annex was signed to the loan agreement with Selena Green Investments Sp. z o. o. of 18 March 2024 increasing the loan value and changing its interest rate.

On 10 April 2024, a loan agreement was signed with Fandla Faktoring Sp. z o.o. The loan carries a variable interest rate. It matures on 10 April 2029.

On 11 June 2024, an annex to the conversion agreement with Selena USA of 19 December 2019 was signed, changing the loan reference rate.

By the balance sheet date, the company received loan repayments totalling PLN 62,539 thousand:

- PLN 8,950 thousand from Selena Green Investments ASI Sp. z o.o.;
- PLN 18 thousand from BTB Sp. z o.o.;
- PLN 450 thousand from Selena Green Investments Sp. z o.o.;
- EUR 9,305 thousand and RON 6,455 thousand from Selena Romania;
- EUR 321 thousand from Selena Insulations;
- CNY 2,625 thousand from Selena Nantong;
- EUR 1,023 thousand from Selena Bulgaria.

By the balance sheet date, loan tranches in a total amount of PLN 46,016 thousand were transferred:

- PLN 2,079 thousand and EUR 319 thousand to Selena ESG;
- PLN 1,937 thousand and EUR 47 thousand to Selena Green Investments Sp. z o.o.;
- PLN 9,782 thousand to Selena Green Investments ASI Sp. z o.o.;
- PLN 16,602 thousand and EUR 2,630 thousand to SGI 2;
- PLN 18 thousand to BTB Sp. z o.o.
- PLN 2,600 thousand to SQT Management Sp. z o.o.

Subsequent events

On 1 July 2024, a conversion agreement was signed with Selena CA LLP. The interest rate is variable. The maturity date is 31 December 2028.

Expected credit loss on loans to related parties

As at 30 June 2024, an individual analysis was made of recoverability of loans granted to related parties due to the deterioration of the performance of those entities in H1 2024. As a result of the analysis, in the first half of 2024, an additional impairment loss of PLN 1 million was recognized regarding the loan granted to Selena Malzemeleri Yapı Sanayi Tic. Ltd. In the first half of 2024, also an impairment allowance of PLN 34.5 million on loans granted to Selena was reversed (following repayment of debt by the company).

5.1.2 Bank and other loans

The incurred bank loans are presented in the table below

Figures in PLN thousand			As at 30.06.2024		As at 31.12.2023	
Ref.	Loan type	Maturity date	Long-term portion	Short-term portion	Long-term portion	Short-term portion
1	Non-renewable loan	2024	0	0	0	24,000
2	Working capital loan	2024	62,776	65,496	0	62,510
3	Working capital loan	2025	0	20,736	0	0
4	Loan	2027	19,260	240	0	43
5	Loan	2023	0	0	0	255
Total loans			82,036	86,472	0	86,808

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 June 2024, Selena FM S.A. maintained financial ratios at the levels required by the lenders.

5.2 Other assets and liabilities

5.2.1 Shares in subsidiaries

Value of shares

Figures in PLN thousand	As at 30.06.2024			As at 31.12.2023		
	Gross	Write-down	Net	Gross	Write-down	Net
Selena S.A.	62,781	0	62,781	62,781	0	62,781
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.	26,900	0	26,900	26,900	0	26,900
Selena Industrial Technologies Sp. z o.o.	39,899	0	39,899	39,899	0	39,899
Selena Green Investments Sp. z o.o.	5	0	5	5	0	5
Selena Deutschland GmbH	4	0	4	4	0	4
Selena Iberia slu	87,524	87,524	0	87,524	87,524	0
Uniflex S.p.A.	12,966	0	12,966	12,966	0	12,966
Selena USA Inc.	3,707	0	3,707	3,707	0	3,707
Selena Sulamericana Ltda	3,594	3,594	0	3,594	3,594	0
Selena Mexico	255	0	255	255	0	255
Selena Romania SRL	61,896	51,291	10,605	11,944	11,944	0
Selena Bohemia s.r.o	9,936	4,500	5,436	9,936	4,500	5,436
Selena Hungária Kft.	679	0	679	679	0	679
Selena Bulgaria Ltd.	4,446	0	4,446	4,446	0	4,446
Pimco Korlatolt Felelossegu Tarsasag	37,773	0	37,773	22,999	0	22,999
EURO MGA Product SRL	11,916	11,916	0	11,916	11,916	0
Selena Ukraine Ltd.	3,068	3,068	0	3,068	3,068	0
Selena CA L.L.P.	9,029	0	9,029	9,029	0	9,029
Selena Insulations	1,206	0	1,206	1,206	0	1,206
Selena Nantong Building Materials Co., Ltd.	33,910	33,910	0	33,910	33,910	0
Imperialum – Sociedade de Revestimentos e Impermeabilizações, S.A.	48,306	0	48,306	48,306	0	48,306
Selena Production Center TOO	455	0	455	456	0	456
Selena Malzemeleri Yapı Sanayi Tic. Ltd.	23,764	16,868	6,896	23,764	0	23,764
Value of shares	485,022	212,671	272,351	420,297	156,456	263,841

5.2.2 Impairment of long-term investments;

In H1 2024, Selena Romania did not achieve the expected net profit due to a decline in sales. Having identified indicators of impairment, the Management Board of Selena FM S.A. conducted an impairment test for the shares in this company as at 30 June 2024. The test used a 5-year cash flow forecast, a discount rate of 11.9% and a residual growth rate of 2%. Future cash flow projections include an increase in sales both to external entities and to related parties. As a result of the test, as at 30 June 2024, an additional impairment allowance of PLN 39 million was recognized on the shares.

As at 30 June 2024, the Company also conducted an impairment test for the shares in Selena Malzemeleri Yapı Sanayi due to the company's failure to achieve the expected level of sales and profit in the first half of 2024, as well as due to the hyperinflation and high debt costs in the country. The test used a 5-year cash flow forecast, a discount rate of 35.7% and a residual growth rate of 2%. Future cash flow projections include an increase in sales both to external entities and to related parties. As a result of the test, as at 30 June 2024, an impairment allowance of PLN 17 million was recognized on the shares.

Due to the failure to achieve the expected level of sales and results by: Selena Iberia, Selena USA, Selena Sulamericana, Selena Mexico, Euro MGA, Selena Hungaria, Selena CA and Selena Insulations, impairment tests were carried out for the shares in those companies as at 30 June 2024. The tests did not indicate any need to recognize additional impairment allowances on the shares as at 30 June 2024.

5.2.3 Other short-term non-financial assets

Figures in PLN thousand	As at 30.06.2024	As at 31.12.2023
VAT claimed	20,048	13,083
Withholding tax claimed	4,724	3,927
Prepayments	3,121	3,281
Other settlements	31	0
Prepayments for deliveries	39	38
Total	27,963	20,329

5.2.4 Other short term non-financial liabilities

Figures in PLN thousand	As at 30.06.2024	As at 31.12.2023
Advances received for future deliveries	323	369
Taxes and insurance payable	1,861	1,565
Payroll liabilities	5,148	5,606
Liabilities on account of share purchase	0	9
Liabilities on account of dividend refund	0	8,404
Guarantee liabilities	4,453	4,453
Other	19	52
Total	11,804	20,458

5.3. Equity

5.3.1 Registered capital

Nominal value per share

The structure of the registered capital is shown in the table below.

Series	Type	Nominal value of a share (PLN)	Number of shares	Value of shares (PLN)
A	Preference shares	0.05	4,000,000	200,000
B	Ordinary shares	0.05	13,724,000	686,200
C	Ordinary shares	0.05	5,000,000	250,000
D	Ordinary shares	0.05	110,000	5,500
			22,834,000	1,141,700

All the shares are fully paid-up.

Shareholder rights

Series A are preference shares, carrying two voting rights each. Series B, C and D shares carry one share each. The shares of all series carry the same dividend rights and the same return on capital.



Risk

6. Risk

6.1 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 also uses a professional judgment when applying the Company'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:

- the Company's activities as the principal – certain elements of the contract with the client might indicate that the Company could be treated as an intermediary (e.g. the Company does not incur the risk related to the storage of inventories); however, in the opinion of the Management Board, the Company acts as the principal, as it bears the main responsibility for performing the contract, including for the quality of the goods sold, and can freely set the prices of the goods.
- the Company's activities as the principal – certain elements of the contract with the client might indicate that the Company could be treated as an intermediary (e.g. the Company does not incur the risk related to the storage of inventories); however, in the opinion of the Management Board, the Company acts as the principal, as it bears the main responsibility for performing the contract, including for the quality of the goods sold, and can freely set the prices of the goods. In consequence, the Company recognizes revenues at the amount of gross remuneration that – as expected by the Company – will be payable to it in exchange for the goods transferred;
- Impairment of financial assets (Note 6.2.3);
- Impairment of long-term investments (Note 5.2.2);
- Impairment of trademarks – as of 30 June 2024, an impairment test was carried out for trademarks with an unlimited useful life, which resulted in the need to recognize impairment allowances of PLN 7.4 million;
- Estimated useful of tangible assets and intangible assets
- Ability to use the deferred tax assets;
- Uncertainty of estimates and judgments made in relation to lease accounting
- Estimation of the retirement provision.

In H1 2024, 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 Company's environment, and business plans and projections.

Impact of the situation in Ukraine 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 the Company. Due to the high uncertainty as to how the events in Ukraine will unfold, 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 Company's operations.

As of 30 June 2024, the balance of receivables from subsidiaries in the area affected by the hostilities was PLN 10 million. The recoverability of those receivables was analyzed and no grounds for creating additional allowances were identified. According to the Management Board, the geopolitical situation in Ukraine did not have a significant impact on the Company's performance in H1 2024.

6.2 Financial risk management

Selena FM S.A. as a holding entity of the Group primarily focuses on ensuring finance for its subsidiaries' operating and investment needs, and on securing their liquidity. Granting interest-bearing loans to the subsidiaries is the main tool for this policy. The Company's cash is put on short-term deposits.

Financial risk management in the Company includes the process of identification, assessment, measurement and management of this risk.

The main risks arising from the utilized financial instruments include the market risk (including the interest rate and currency risk), credit risk and liquidity risk.

6.2.1 Currency risk

As part of its distribution activities, Selena FM S.A. exports goods to the markets of the European Union, Eastern Europe and Asia as well as North and South America, which gives rise to a significant currency risk.

The Company hedges a part of its currency exposure relating to trade receivables and liabilities by using multi-currency credit lines and applying the Financial Risk Management, in particular by entering into forward transactions. The Company uses forward contracts solely to hedge its FX risk and does not use them for speculative purposes. The Company does not use hedge accounting within the meaning of IFRS 9.

6.2.2 Interest rate risk

The Company is exposed to interest rate risk as according to the adopted policy, it finances its subsidiaries with loans bearing variable interest rates.

The Company does not use any IRSs or similar contracts to mitigate its interest rate risk.

6.2.3 Credit risk

The Company has identified the following items that carry credit risk:

- Loans granted;
- Trade receivables; and
- Cash and cash equivalents.

Due to the nature of the Company's business, financial assets (loans granted, trade debtors) mainly concern related parties. The Management Board regularly monitors and current and projected financial position of these companies and its impact on their ability to meet payments under the financial instruments – an expected credit loss is estimated in accordance with IFRS 9.

The structure of trade receivables from related parties and other entities is presented in the table below.

Figures in PLN thousand	As at 30.06.2024	As at 31.12.2023
Trade receivables		
<i>from related parties</i>	213,171	132,235
<i>from other entities</i>	25,523	21,042
Total trade receivables	238,694	153,277

Changes in impairment allowances 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
Impairment allowance at the beginning of the period	7,795	10,684
<i>related parties</i>	6,633	9,427
<i>other entities</i>	1,162	1,257
Impairment allowance created/reversed (-) according to IFRS 9:	181	877
<i>related parties, including:</i>	-128	666
<i>Selena ESG Solutions Sp z o.o.</i>	0	111
<i>Selena Ukraine Ltd.</i>	0	50
<i>Selena House</i>	-175	161
<i>Selena USA Inc.</i>	0	136
<i>Selena Mexico</i>	0	208
<i>Selena Nantong Building Materials Co., Ltd.</i>	47	0
<i>other entities</i>	309	211
Utilization	0	-186
<i>other entities</i>	0	-186
FX differences	-63	-308
<i>related parties</i>	-56	-261
<i>other entities</i>	-7	-47
Expected credit loss at the end of the period	7,913	11,067
<i>related parties</i>	6,449	9,832
<i>other entities</i>	1,464	1,235

Changes in impairment allowance on loans granted in the first half of 2024, including comparative data, are presented in Note 5.1.1.

In the case of cash and cash equivalents, the Management Board believes that the credit risk is very low (stage 1 of the impairment model). The Company keeps cash and cash equivalents at the accounts of 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.

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	0%	3%
Medium-high	from A+ to A- by S & P and Fitch and from A1 to A3 by Moody's	98%	96%
Medium	from BBB + to BBB- according to S & P and Fitch and from Baa1 to Baa3 according to Moody's	2%	1%

As at 30 June 2024, the Company had unutilized credit lines of PLN 188.5 million (PLN 230 million as at 31 December 2023) as part of the credit limits.

6.2.4 Liquidity risk

In the Management Board's opinion, the risk of liquidity loss understood as the ability to meet obligations as and when they fall due is currently marginal.

Trade liabilities do not carry any interest rate – they are usually payable within 60 days. The structure of trade liabilities to related parties and other entities is presented in the table below.

Figures in PLN thousand	As at 30.06.2024	As at 31.12.2023
Trade liabilities		
<i>amounts due to related parties</i>	159,028	91,410
<i>amounts due to other entities</i>	17,456	17,260
Total trade liabilities	176,484	108,670

6.3 Capital management and net debt

Capital structure is managed at the level of the Group for which the Company is a parent. The Company seeks to maintain good credit rating and safe capital ratios to facilitate the Group's operations and increase its value for shareholders.

The Company manages its capital structure, and modifies it in response to changes in the economic conditions. To maintain or adjust its capital structure the Company may paid a dividend to shareholders, return the capital to shareholders or issue new shares. In the first half of 2024, no changes were made to the goals, rules or processes applicable in this area.

6.3.1 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).



Other information

7. Other information

7.1 Guarantees granted

Selena FM S.A. did not give to non-Group companies any guarantees whose value would exceed 10% of its equity. Group companies, including Selena FM S.A, provide cross-guarantees to each other in connections with jointly incurred bank debt, and as part of commercial transactions. Details of these transactions as at 31 December 2023 are described in the Company's financial statements for 2023.

In the first half of 2024, the following changes took place in the guarantees granted by Selena FM S.A.:

- Granting new guarantees to suppliers (EUR 2.5 million);
- Expiry of guarantees for suppliers granted in prior periods (EUR 770 thousand).

Court disputes

As at the balance sheet date and by the date of preparation of this report Selena FM S.A. was not a party to any material court dispute.

7.2 Information on related parties

The Company provides advisory services to its subsidiaries, and is a distributor of the Group's products to foreign entities. The transactions for the sale and purchase of goods and services to/from the related parties are carried out on an arm's length. The table below shows a summary of the transactions with related parties. Note 6.2.3 contains information on the loss/ reversal of impairment loss on the value of financial assets on financial assets from related parties.

The revenue and cost figures cover the period of 6 months ended 30 June (2024 and 2023, respectively), while settlements are presented as at 30 June 2024 and 31 December 2023.

	Period	Sales	Purchase of goods and services	Other revenues ¹⁾	Other costs
Figures in PLN thousand					
Subsidiaries	2024	367,746	325,177	86,303	53,921
	2023	366,604	390,668	105,248	69,873
Associates	2024	2,876	0	175	0
	2023	3,209	112	0	161
Subsidiaries of the ultimate controlling shareholder*	2024	7	381	984	7,435
	2023	7	569	1,849	0
TOTAL	2024	370,629	325,558	87,462	61,356
	2023	369,820	391,349	107,097	70,034

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

* the item includes entities connected through Mr Krzysztof Domarecki

Figures in PLN thousand	Period	Loans	Trade receivables	Other receivables	Liabilities
Subsidiaries	2024	257,403	211,692	46,834	159,023
	2023	234,043	130,519	5,298	95,274
Associates	2024	0	1,478	0	0
	2023	0	1,713	0	0
Subsidiaries of the ultimate controlling shareholder*	2024	0	1	0	5,442
	2023	11	3	0	4,549
TOTAL	2024	257,403	213,171	46,834	164,465
	2023	234,054	132,235	5,298	99,823

* the item includes entities connected through Mr Krzysztof Domarecki

7.3 Subsequent events after the balance sheet date

After the balance sheet date and until the approval of these financial statements no events took place other than those described above which might materially affect the presented financial data.

**Person responsible for
maintaining books of account
Monika Szczot**

**Management Board President
Sławomir Majchrowski**

**Vice-President of the
Management Board**

**Chief Financial Officer
Krzysztof Ościłowicz**

Chief HR Officer

Andrzej Zygadło

**Chief Product & Innovation
Officer
Michał Specjalski**

Chief Commercial Officer

Walter Brattinga