Year to date Report Q3 2023

8 November 2023

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OPERATING AND FINANCIAL REVIEW

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About Selecta Group

Headquartered in Switzerland since 1957, Selecta Group is a Foodtech company with a leading route based, self-service distribution network in Europe, offering innovative convenience food services and world-class quality coffee brands in the workplace and public spaces. Active in the Foodtech business we continuously push on new innovations and solutions, we serve premium coffee and beverages, snacks, and fresh meals to more than 10 million people in 16 countries across Europe every day. With an annual turnover of €1.4 billion, we owe our success to our ca. 6,200 highly skilled, dedicated, and passionate Selecta employees who are committed to creating millions of moments of joy for our clients and their consumers every day. Sustainability is an integral part of the way we do business, focused on the key areas in which we can make a positive difference.
For more information, please visit www.selecta.com.

1. Factors affecting comparability of our financial statements

Impact of Coronavirus (COVID-19)

From 2020 to 2021, the business of the Group was significantly impacted by the Coronavirus (COVID-19) outbreak and the related decrease in mobility and office presence which negatively impacted the Group´s financial performance, as a consequence, the Group adjusted its workforce capacity to adapt to the new environment. In 2022, the pandemic only had a limited impact on the Group's business until March, as restrictions continued to ease whilst the pandemic became under control. In 2023, the pandemic did not have any financial impact on the Group.

2. Our regional breakdown and business segments

Geographic Segments

We report our revenue and certain other financial data by geographic segment. The geographic segments in which we operate correspond to our reporting segments under IFRS and consist of the following:

- South, UK & Ireland includes operating entities in Italy, Spain and the UK/Ireland;
- Central includes operating entities in Austria, France, Germany, Liechtenstein, and Switzerland; and
- North includes operating entities in Belgium, Denmark, Finland, Luxembourg, the Netherlands, Norway, and Sweden.

In addition to the segments identified above, we report separately on our Headquarters (HQ), which includes corporate center functions in Switzerland and certain functions of former Pelican Rouge entities in the Netherlands and in the UK.

Business Channels

We also report our revenue and certain other financial data by business channel. Our business channels consist of the following:

- The *workplace channel*, which includes revenue from (i) private self-service retail, consisting of Point of Sale (PoS) placed and serviced in various private locations, such as large corporate customers, in various businesses and industries and including in corporate offices, manufacturing and logistics sites, and (ii) Office Coffee Service (OCS), which is comprised of table-top coffee machines rented out to corporate customers (mainly small and medium-sized enterprises) for office use along with the provision of technical services and coffee and related supplies for the PoS;
- The *on-the-go channel*, which includes revenue from PoS placed and serviced in semi-public areas, such as hospitals, universities and entertainment venues, or public areas, such as train stations, airports and gas stations, following a successful bidding process with relevant government authorities to place our PoS in a given location; and
- The *trading channel*, which includes revenue from sales of machines and products, including coffee roasted in our roasting facility and the provision of technical and hygienic support to customers.

3. Income Statement

€m	Jan - Sept 2023	Jan – Sept 2022	Var %
Revenue	**1’048.6**	**1’000.7**	**4.8%**
Vending fees	(139.8)	(128.8)	(8.6%)
Net sales	**908.8**	**871.9**	**4.2%**
Materials and consumables used	(368.6)	(346.6)	(6.3%)
Adjusted Gross profit	**540.2**	**525.3**	**2.8%**
Adjusted employee expenses	(256.7)	(261.8)	1.9%
Adjusted other operating expenses	(104.7)	(108.6)	(3.6%)
Adjusted EBITDA	**178.8**	**154.8**	**15.5%**
One-off adjustments	(17.6)	(26.6)	33.9%
EBITDA	**161.2**	**128.2**	**25.7%**
Depreciation	(93.9)	(99.3)	5.4%
EBITA	**67.3**	**29.0**	**132.4%**
Amortization	(26.7)	(43.5)	38.7%
EBIT	**40.6**	**(14.5)**	**n.a**

At Actual Exchange Rates

Revenue

Revenue increased by 4.8% at actual exchange rates and by 5.5% at constant currency, from € 1’000.7 million for the nine-months ended 30 September 2022, to € 1’048.6 million for the nine-months ended 30 September 2023. This increase is driven by strong profitability initiatives and overall sustained by our price increase execution.

Revenue by Region

South, UK and Ireland
Revenue in our South, UK and Ireland region increased by 3.1% at actual exchange rate, from € 311.5 million for the nine-months ended 30 September 2022, to € 321.2 million for the nine-months ended 30 September 2023 driven by a strong growth in Spain and the UK.

Central
Revenue in our Central region increased by 5.8% at actual exchange rate, from € 363.5 million for the nine-months ended 30 September 2022, to € 384.4 million for the nine-months ended 30 September 2023 driven by the strong performance of France and Germany.

North
Revenue in our North region increased by 6.2% at actual exchange rate from € 322.8 million for the nine-months ended 30 September 2022, to € 342.9 million for the nine-months ended 30 September 2023 driven by the strong performance of Belgium and the Netherlands.

Net sales

Net sales increased by 4.2% at actual exchange rates and by 5.1% at constant currency, from € 871.9 million for the nine-months ended 30 September 2022, to € 908.8 million for the nine-months ended 30 September 2023.

Sales by Channel

Net sales (excluding Trade) were € 723.8 million, up 4.4% at actual exchange rates, all three channels performed well with Private showing the most resilient sales.

By channel, total sales per machine per day showed an increase of 21.7% from € 10.4 to € 12.7, with a +21.1% increase in the private channel from € 10.6 to € 12.8, +4.0% in public from € 26.1 to € 27.1, and an increase in semi-public of +30.4% from € 6.7 to € 8.7.

Adjusted EBITDA

Adjusted EBITDA increased by 15.5% at actual exchange rates and by 16.4% at constant currency, from € 154.8 million for the nine-months ended 30 September 2022, to € 178.8 million for the nine-months ended 30 September 2023. As a result, our Adjusted EBITDA margin increase to reach 19.7% for the nine-months ended 30 September 2023, compared to 17.8% for the nine-months ended 30 September 2022.

Vending Fee

Vending fee increased by 8.6% from € 128.8 million for the nine-months ended 30 September 2022, to € 139.8 million for the nine-months ended 30 September 2023. This increase was primarily driven by Public segment (on-the go channel) growth.

Materials and consumables used

Materials and consumables used increased by 6.3%, from € 346.7 million for the nine-months ended 30 September 2022, to € 368.6 million for the nine-months ended 30 September 2023. This increase was higher than the increase in Revenue at 4.8%. As a percentage of Revenue, materials and consumables used increased from 34.6% for the nine-months ended 30 September 2022 to 35.2% for the nine-months ended 30 September 2023, mainly driven by the inflationary environment.

Operational Expenses

Adjusted employee expenses slightly decreased by 1.9%, from € 261.8 million for the nine-months ended 30 September 2022, to € 256.7 million for the nine-months ended 30 September 2023.

Adjusted other operating expenses decreased by 3.5%, from € 108.6 million for the nine-months ended 30 September 2022, to € 104.8 million for the nine-months ended 30 September 2023.

4. Cash Flow Statement

€M	Jan - Sept 2023	Jan - Sept 2022	Var %
EBITDA	**161.2**	**128.2**	**25.7%**
(Profit) / loss on disposals	(3.7)	(4.9)	24.6%
Changes in working capital, provisions & others	(57.2)	(33.5)	(70.6%)
Non-cash transactions	(1.5)	5.9	n.a
Net cash generated from operating activities	98.8	95.7	3.3%
Purchases of tangible and intangible assets	(49.4)	(49.2)	(0.5%)
Proceeds from sale of subsidiaries and other proceeds	9.7	8.8	10.7%
Net cash used in investing activities	(39.7)	(40.4)	1.7%
Free cash flow	**59.2**	**55.3**	**7.0%**
Proceeds / repayments of loans and borrowings	(7.1)	36.6	n.a
Interest received and other proceeds paid	(58.4)	(34.6)	(68.7%)
Capital element of finance lease payments	(29.3)	(35.3)	17.0%
Net cash used in financing activities	(94.7)	(33.3)	n.a
Total net cash flow	**(35.6)**	**22.0**	**n.a**

At Actual Exchange Rates

Net cash generated from operating activities was an inflow of € 98.8 million for the nine-months ended 30 September 2023. This cash inflow was mainly driven by improved EBITDA.

Net cash used in investing activities was € 39.7 million for the nine-months ended 30 September 2023, a decrease of 1.7% compared to net cash used in investing activities for the nine-months ended 30 September 2022. The decrease is due to an effective allocation of capex, use of client leases and re-furbished machines.

Net cash used in financing activities was € 94.7 million for the nine-months ended 30 September 2023, primarily due to the proceeds of loans and borrowings.

5. Balance Sheet

€m	30 September 2023	31 Dec 2022
Non-current assets		
Property, plant and equipment	377.9	415.2
Goodwill	979.2	979.1
Intangible assets	528.6	553.2
Other non-current assets	61.5	59.2
Total non-current assets	**1'947.3**	**2'006.7**
Current assets		
Inventories	120.6	116.1
Trade receivables	118.1	114.9
Other current assets	77.3	69.7
Cash and cash equivalents	37.1	73.1
Total current assets	**353.1**	**373.8**
Total assets	**2'300.4**	**2'380.5**

€m	30 September 2023	31 Dec 2022
Equity and liabilities		
Total equity	**407.6**	**444.8**
Borrowings	1'124.1	1'082.7
Provisions	4.3	8.0
Other non-current liabilities	153.3	165.9
Deferred income tax liabilities	149.5	156.8
Total non-current liabilities	**1'431.2**	**1'413.4**
Current liabilities		
Trade payables	190.2	196.6
Provisions	39.7	50.5
Other current liabilities	231.8	275.2
Total current liabilities	**461.7**	**522.3**
Total liabilities	**1'892.9**	**1'935.7**
Total equity and liabilities	**2'300.4**	**2'380.5**

At Actual Exchange Rates

6. Liquidity as of 30 September 2023

€m	September 2023 Pre IFRS 16	September 2023 IFRS 16	September 2023 Post IFRS 16
Cash & cash equivalents	**37.1**		**37.1**
Revolving credit facility	55.0		55.0
Senior notes	1’069.1		1’069.1
Lease liabilities	23.7	131.9	155.6
Other financial debt[2]	43.9		43.9
Total senior debt	1’191.7	131.9	1’323.6
Net senior debt	1’154.7	131.9	1’286.6
Adjusted EBITDA last 12 months	208.3	32.3	240.7
Leverage ratio	5.5		5.3
Available liquidity[1]	125.9		125.9

At Actual Exchange Rates

[1] Liquidity is defined as Cash at Bank plus available RCF

[2] Other financial debt is the sum of Recourse Factoring, Reverse Factoring, Accrued Interest plus Local Bank debt

As of 30 September 2023, we had cash & cash equivalents of € 37.1 million and available liquidity of € 125.9 million, considering the undrawn commitments under our Revolving Credit Facility.

Following the debt restructuring, we have first and second lien senior secured notes outstanding maturing in 2026.

Our ability to generate cash depends on our future operating performance, which, in turn, depends to some extent on general economic, financial, industry and other factors, many of which are beyond our control. We may from time to time seek to retire or repurchase our outstanding debt through cash purchases, in open market purchases, privately negotiated transactions or otherwise. Such repurchases, if any, will depend on market conditions, our liquidity requirements, contractual restrictions and other factors.

In addition, there continues to be a significant increase in economic uncertainty due to inflationary pressures, energy price increases and prospects of economic downturn in EU and UK. Due to the uncertainty of the outcome of these events, we cannot reasonably estimate the impact they will have on our financial position, results of operations or cash flows in the future.

7. Working Capital

€m	September 2023	December 2022
Trade receivables	118.1	114.9
Other receivables	109.7	100.1
Inventory	120.6	116.0
Trade payables	(190.2)	(196.6)
Other payables	(172.4)	(191.4)
Provisions and other employee benefit	(43.9)	(58.5)
Working Capital	**(58.1)**	**(115.5)**

At Actual Exchange Rates

Our working capital increased by € 57.4 million for the nine-months ended 30 September 2023, compared to the year ended 31 Decembre 2022. This performance is mainly explained by a decrease in other payables of € 19.0 million and a decrease in provision and other employee benefit of € 14.6 million.

8. Capital Expenditures

Our capital expenditures primarily relate to the acquisition of points of sale equipment to be installed on our clients' premises. Our capital expenditures also relate to the purchase of vehicles and other equipment, such as furniture, Points of sales equipment installation costs and IT investments. Net capital expenditures were at € 39.7 million for the nine-months ended 30 September 2023 at actual rate including the impact of IFRS 16.

9. Material commitments and Critical Accounting Policies

Please refer to the 2022 Audited Financial Statements and the notes thereto for a description of our material commitments and critical accounting policies.

10. Environmental, social and corporate governance (ESG)

Since 2022, we further embedded our group-wide sustainability approach and progressed against our four strategic pillars: respecting the environment, offering healthy & sustainable products to our clients and consumers, delivering a sustainable supply chain and being an employer of choice for our associates.

Our recent achievements in the field of ESG are as follows:

- Reducing Selecta's **carbon footprint** on our path to carbon neutral in 2030 by optimizing our routes and taking energy reduction measures in our real estate locations
- Implementing a **fully electrified fleet** in Oslo and Amsterdam as part of our overall expansion of electric vehicles
- Relaunching in 2022 **Pelican Rouge Coffee as a fully sustainable brand** with certified coffee, sustainable packaging, a commitment to CO_2 neutral, transparent sourcing and support for farmers through the Selecta Coffee Fund.
    - Selecta´s Pelican Rouge Coffee Roaster (PRCR) recently won Ecovadis Gold Medal, which demonstrates its remarkable commitment to sustainability. This recognition reflects the company's ongoing efforts to minimize its environmental footprint and positively impact throughout the coffee supply chain.
- Continue supporting our **Selecta Coffee Fund programs** in Burundi and Rwanda and expanding these programs into Colombia, Honduras and Vietnam. These programs support farmers to improve household income and to take action towards sustainable agriculture
- **Fostering diversity & inclusion** of our Selecta associates; currently 26% of Selecta leaders are women and we target 40% female leaders by end of 2024
- **Investing in our associates** at Selecta through training

CERTAIN DEFINITIONS

As used in this Report:

- **"Group"**, **"us", "we"**, **"our", "Selecta"** refers to Selecta Group B.V. and its subsidiaries, unless as indicated or the context requires otherwise;
- **"IFRS"** refers to International Financial Reporting Standards as adopted by the International Accounting Standards Board;
- **"First Lien Indenture"** refers to the indenture dated as of October 29, 2020, among, *inter alios*, the Issuer, the Trustee and the Security Agent, as amended and supplemented from time to time pursuant to which the First Lien Notes were issued;
- "**First Lien Notes**" refers to the €678.6 million 8.000% senior secured notes due 2026 and the CHF 17.7 million 8.000% senior secured notes due 2026 issued under the First Lien Indenture;
- **"Intercreditor Agreement"** refers to the intercreditor agreement dated as of January 31, 2018, among, *inter alios*, the Issuer, the Trustee, the Security Agent, the lenders and agent under the Revolving Credit Facility and certain counterparties under hedging obligations, if any, as amended and supplemented from time to time;
- **"Issuer"** means Selecta Group B.V., a private limited liability company incorporated under the laws of the Netherlands;
- **"Notes"** refers to the First Lien Notes and the Second Lien Notes;
- **"Revolving Credit Facility"** refers to the revolving credit facility in an aggregate principal amount of € 150 million;
- **"Revolving Credit Facility Agreement"** refers to the revolving credit facility agreement dated as of January 15, 2018, among, *inter alios*, the Issuer as an original borrower and the Lenders (as defined therein), as amended and restated pursuant to an amendment and restatement agreement dated October 29, 2020;
- **"Second Lien Indenture"** refers to the indenture dated as of October 29, 2020, among, *inter alios*, the Issuer, the Trustee and the Security Agent, as amended and supplemented from time to time pursuant to which the Second Lien Notes were issued;
- **"Second Lien Notes"** refers to the €234.7 million 10.000% senior secured notes due 2026 and the CHF 6.1 million 10.000% senior secured notes due 2026 issued under the First Lien Indenture;
- **"Security Agent"** refers to Kroll Trustee Services Limited; and
- **"Trustee"** refers to Kroll Trustee Services Limited.

Selecta Group B.V. and its subsidiaries, Amsterdam (The Netherlands)

Condensed consolidated interim financial statements for the 9 months ended 30 September 2023 (unaudited)

These condensed consolidated interim financial statements do not represent statutory financial statements of the parent entity Selecta Group B.V. prepared in accordance with Dutch GAAP.

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Condensed consolidated interim financial statements

Condensed consolidated interim statement of profit or loss

	Notes	*9 months ended 30 September 2023*	*9 months ended 30 September 2022*	*3 months ended 30 September 2023*	*3 months ended 30 September 2022*
		€ (000's)	*€ (000's)*	*€ (000's)*	*€ (000's)*
Revenue	5, 6	1'048'598	1'000'676	344'792	347'813
Vending fees	7	(139'788)	(128'774)	(52'268)	(50'810)
Materials and consumables used		(368'589)	(352'727)	(117'028)	(125'589)
Employee benefits expenses		(260'910)	(266'084)	(82'867)	(87'448)
Depreciation, amortisation and impairment expenses	8	(120'570)	(142'750)	(39'673)	(47'294)
Other operating expenses		(126'520)	(130'648)	(42'070)	(46'026)
Other operating income		8'430	5'784	3'700	2'321
Profit/(loss) before net finance costs and income tax		**40'651**	**(14'523)**	**14'586**	**(7'033)**
Finance costs	9	(83'432)	(74'693)	(29'110)	(25'235)
Finance income	9	16'147	50'379	10'880	27'783
Loss before income tax		**(26'634)**	**(38'837)**	**(3'644)**	**(4'485)**
Income tax		4'998	6'855	3'793	2'254
Profit/(loss) for the period		**(21'636)**	**(31'982)**	**149**	**(2'231)**
Revenue net of vending fees [1]	5, 7	908'810	871'902	292'524	297'003

The notes on pages 8 to 21 are an integral part of these condensed consolidated interim financial statements.

[1] The Group presents revenue net of vending fees which is a leading internal performance measure but not a defined performance measure in IFRS (refer to note 7). Due to this vending fees are separately disclosed below the revenue line and excluded from the line other operating expenses.

Condensed consolidated interim statement of comprehensive loss

	Notes	*9 months ended* *30 September 2023* *€ (000's)*	*9 months ended* *30 September 2022* *€ (000's)*	*3 months ended* *30 September 2023* *€ (000's)*	*3 months ended* *30 September 2022* *€ (000's)*
Profit/(loss) for the period		**(21'636)**	**(31'982)**	**149**	**(2'231)**
Items that are or may subsequently be reclassified to the condensed consolidated interim statement of profit or loss					
Foreign exchange translation differences for foreign operations	14.2	(15'582)	(45'391)	(9'414)	(24'949)
Other comprehensive loss for the period		**(15'582)**	**(45'391)**	**(9'414)**	**(24'949)**
Total comprehensive loss for the period		**(37'218)**	**(77'373)**	**(9'265)**	**(27'180)**

The notes on pages 8 to 21 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of financial position

	Notes	*30 September 2023 € (000's)*	*31 December 2022 € (000's)*
Non-current assets			
Property, plant and equipment	10	377'882	415'206
Goodwill		979'247	979'131
Trademarks	12	338'866	341'333
Customer contracts	12	170'838	190'016
Other intangible assets	12	18'944	21'861
Deferred income tax assets		29'167	28'841
Non-current financial assets		12'125	12'052
Net defined benefit asset		20'235	18'289
Total non-current assets		**1'947'304**	**2'006'729**
Current assets			
Inventories		120'607	116'043
Trade receivables		118'149	114'890
Other current assets		77'319	69'712
Cash and cash equivalents		37'069	73'108
Total current assets		**353'144**	**373'753**
Total assets		**2'300'448**	**2'380'482**
Equity			
Share capital	14	344	344
Share premium	14	2'044'707	2'044'707
Currency translation reserve	14	(287'614)	(272'032)
Accumulated deficit	14	(1'349'867)	(1'328'231)
Total equity		**407'570**	**444'788**
Non-current liabilities			
Borrowings	13	1'124'146	1'082'722
Lease liabilities	11	122'145	133'474
Net defined benefit liability		10'881	11'149
Provisions and other employee benefits		4'273	7'985
Other non-current liabilities		20'312	21'273
Deferred income tax liabilities		149'466	156'808
Total non-current liabilities		**1'431'223**	**1'413'411**
Current liabilities			
Lease liabilities	11	33'427	37'169
Trade payables		190'182	196'556
Provisions and other employee benefits		39'671	50'546
Current income tax liabilities		5'441	5'599
Other current liabilities		192'934	232'413
Total current liabilities		**461'655**	**522'283**
Total liabilities		**1'892'878**	**1'935'694**
Total equity and liabilities		**2'300'448**	**2'380'482**

The notes on pages 8 to 21 are an integral part of these condensed consolidated interim financial statements.

Condensed interim statement of changes in consolidated equity

	Notes	Share capital	Share premium	Currency translation reserve	Accumulated deficit	Total equity
		Attributable to owners of the Company				
		€ (000's)	€ (000's)	€ (000's)	€ (000's)	€ (000's)
Balance at 1 January 2022		**344**	**2'033'314**	**(243'054)**	**(1'236'308)**	**554'296**
Other comprehensive loss		-	-	(28'978)	(8'369)	**(37'347)**
Loss for the year		-	-	-	(83'554)	**(83'554)**
Total comprehensive loss for the year		-	-	(28'978)	(91'923)	**(120'901)**
Capital increase		-	11'205	-	-	**11'205**
Share-based payment		-	188	-	-	**188**
Balance at 31 December 2022		**344**	**2'044'707**	**(272'032)**	**(1'328'231)**	**444'788**
Other comprehensive loss		-	-	(15'582)	-	**(15'582)**
Loss for the period		-	-	-	(21'636)	**(21'636)**
Total comprehensive loss for the period		-	-	(15'582)	(21'636)	**(37'218)**
Balance at 30 September 2023		**344**	**2'044'707**	**(287'614)**	**(1'349'867)**	**407'570**

The notes on pages 8 to 21 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of cash flow

	Notes	*9 months ended 30 September 2023*	*9 months ended 30 September 2022*
		€ (000's)	*€ (000's)*
Cash flows from operating activities			
Loss before income tax		(26'634)	(38'837)
Depreciation, amortisation and impairment expenses	8	120'570	142'750
Gain on disposal of property, plant and equipment, net		(3'728)	(4'944)
Non-cash transactions		(1'469)	5'912
Finance costs, net		67'285	24'314
Changes in working capital:			
(Increase)/Decrease in inventories		(4'664)	4'509
(Increase)/Decrease in trade receivables		(2'243)	(11'378)
(Increase)/Decrease in other current assets		(7'883)	(12'741)
Increase/(Decrease) in trade payables		(6'642)	(2'431)
Increase/(Decrease) in other current liabilities and provisions		(32'775)	(8'152)
Income taxes paid		(2'975)	(3'328)
Net cash generated from operating activities		**98'842**	**95'674**
Cash flows from investing activities			
Purchases of property, plant and equipment		(47'720)	(46'170)
Purchases of intangible assets		(1'696)	(3'011)
Proceeds from sale of property, plant and equipment and other proceeds		9'730	8'791
Net cash used in investing activities		**(39'686)**	**(40'390)**
Cash flows from financing activities			
Proceeds from loans and borrowings		4'116	42'145
Repayments of loans and borrowings		(9'383)	(3'994)
Payments of lease liabilities		(29'260)	(35'261)
Repayments of factoring		(1'804)	(1'561)
Interest paid		(58'399)	(34'615)
Net cash used in financing activities		**(94'730)**	**(33'286)**
Net (decrease)/increase in cash and cash equivalents		**(35'574)**	**21'998**
Cash and cash equivalents at the beginning of the period		73'108	60'034
Exchange losses on cash and cash equivalents		(465)	(110)
Cash and cash equivalents at the end of the period		**37'069**	**81'922**

The notes on pages 8 to 21 are an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements

1. General Information

Selecta Group B.V. ("the Company") is a limited liability company incorporated and domiciled in Amsterdam, the Netherlands. The Company and its subsidiaries are collectively referred to herein as "the Group" or "the Selecta Group". The Group is a pan-European self-service retail and coffee services company.

These condensed consolidated interim financial statements do not represent statutory financial statements of the Company prepared in accordance with Dutch GAAP and the requirements of the Dutch chamber of commerce and have been prepared voluntarily by the Board of Directors.

From 2020 to 2021, the business of the Group was significantly impacted by the Coronavirus (COVID-19) outbreak and the related decrease in mobility and office presence which negatively impacted the Group´s financial performance, as a consequence, the Group adjusted its workforce capacity to adapt to the new environment. In 2022, the pandemic only had a limited impact on the Group's business until March, as restrictions continued to ease whilst the pandemic became under control. In 2023, the pandemic did not have any financial impact on the Group.

2. Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting ("IAS 34" as issued by the IASB).

The disclosure requirements of IAS 34 are based on the assumption that the reader of the condensed consolidated interim financial statements is doing so together with the most recent consolidated financial statements.

The condensed consolidated interim financial statements do not include all information required for a complete set of IFRS consolidated financial statements and should therefore be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2022.

Selected explanatory notes have been included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements for the year ended 31 December 2022.

3. Summary of significant accounting policies

3.1. Accounting policies

The Group has adopted all International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) issued by the International Accounting Standards Board (the IASB) as well as Interpretations given by the IFRS Interpretations Committee (the IFRIC) and the former Standing Interpretations Committee (SIC) that are relevant to the Group's operations and effective for annual reporting periods beginning on 1 January 2023.

Except as described below, the accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the consolidated financial statements for the year ended 31 December 2022.

3.2. New and revised/amended standards and interpretations

A number of new amendments are effective from 1 January 2023, but they do not have a material effect on the Group's condensed consolidated interim financial statements.
A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted. However, the Group has not early adopted them in preparing these condensed consolidated interim financial statements.

The following new or amended standards and interpretations that may be relevant to the condensed consolidated interim financial statements have been issued but are not yet effective.

	Impact	*Effective date*	*Planned application by Selecta Group B.V.*
New standards or interpretations			
Non-current Liabilities with Covenants – Amendments to IAS 1 and Classification of Liabilities as Current or Non-current – Amendments to IAS 1	2)	1 January 2024	Reporting year 2024
Amendments to IFRS 16 leases: Lease liability in a Sales and Leaseback	1)	1 January 2024	Reporting year 2024
Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	1)	1 January 2024	Reporting year 2024
Lack of Exchangeability – Amendments to IAS 21	1)	1 January 2025	Reporting year 2025
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28	1)	Available for optional adoption/effective date deferred indefinitely	

1) No significant impacts are expected on the condensed consolidated interim financial statements of Selecta Group
2) The impact on the condensed consolidated interim financial statements of Selecta Group cannot yet be determined with sufficient reliability

Global minimum tax

To address the concerns about uneven profit distribution and tax contributions of large multinational corporations, various agreements have been reached at the global level, including an agreement by over 135 jurisdictions to introduce a global minimum tax rate of 15%. In December 2022, Council of the EU reached unanimous agreement on EU Minimum Tax Directive which aims to implement minimum effective tax rate of 15%. The Directive requires Member States to transpose the rules into domestic law by end of 2023 and will be applicable as per 2024. Switzerland also intends implementation of analogues rules as per 2024 which has been voted for in the referendum in June 2023. Management is closely monitoring the progress of the legislative process in each jurisdiction where the Group operates. At 30 September 2023, the Group did not have sufficient information to reliably quantify potential impact.

3.3. Basis of consolidation

Whilst the business of Selecta fluctuates from month to month, the impact between quarters is limited, except for working capital. Seasonal fluctuations across the months offset each other to a certain degree at Group level.

4. Use of estimates and key sources estimation uncertainties

The preparation of the condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

5. Segment reporting

The Company's Board of Directors examines the results achieved by each segment when making decisions on the allocation of resources and assessment of performance. The Group's financing activities are managed at Group level and are not allocated to segments.

Three different regions present similarities in terms of both channel and business model predominances, and related characteristics. Each of those regions engages business activities as described below, earns revenues and incurs expenses:

- **Segment South, UK & Ireland:** characterised by paid-vend[2], mixed channel vending and includes Italy, Spain and the UK (including Ireland)

- **Segment Central:** characterised by paid-vend, mixed channel vending and includes Switzerland, Germany, Austria and France, with a strong presence and expertise in the public business

- **Segment North:** characterised by free-vend[3], office coffee services (OCS) and includes Sweden, Norway, Finland, Denmark, Belgium, Netherlands, and the Pelican Rouge Roaster in the Netherlands

Revenues, revenues net of vending fees, profit/(loss) before net finance costs, income taxes, depreciation, amortisation, and impairment expense as the operating result of the Group's reportable segments are regularly reviewed by the Board of Directors, as the Group's Chief Operating Decision Maker, to assess performance and to determine how resources should be allocated.
The table below shows the interaction between revenues by channels and segment revenues.

Result for the 9 months ended 30 September 2023

	South, UK & Ireland	*Central*	*North*	*Total reportable segments*	*HQ and Interco*	*Total Group*
	€ (000's)	*€ (000's)*	*€ (000's)*	*€ (000's)*	*€ (000's)*	*€ (000's)*
Revenue	321'253	384'652	358'055	**1'063'960**	(15'362)	**1'048'598**
Revenue net of vending fees	285'587	299'928	338'657	**924'172**	(15'362)	**908'810**
Profit/(loss) before net finance costs, income taxes, depreciation, amortisation and impairment expenses	**42'953**	**69'476**	**63'418**	**175'847**	**(14'626)**	**161'221**
Depreciation, amortisation and impairment expenses	(33'309)	(36'523)	(27'695)	**(97'527)**	(23'043)	**(120'570)**
Income before net finance costs and income tax						**40'651**
Finance costs, net						**(67'285)**
Loss before income tax						**(26'634)**

[2] Paid vend means that consumer pays (e.g., at the coffee machines in the offices)
[3] Free vend is defined by consumer not paying but the employer is paying (e.g., coffee consumption)

Result for the 9 months ended 30 September 2022

	South, UK & Ireland	*Central*	*North*	*Total reportable segments*	*HQ and Interco*	*Total Group*
	€ (000's)	*€ (000's)*	*€ (000's)*	*€ (000's)*	*€ (000's)*	*€ (000's)*
Revenue	311'616	363'596	336'351	**1'011'563**	(10'887)	**1'000'676**
Revenue net of vending fees	278'426	287'063	317'300	**882'790**	(10'887)	**871'902**
Profit/(loss) before net finance costs, income taxes, depreciation, amortisation and impairment expenses	**31'206**	**57'705**	**57'728**	**146'639**	**(18'412)**	**128'227**
Depreciation, amortisation and impairment expenses	(35'465)	(39'751)	(29'161)	**(104'377)**	(38'373)	**(142'750)**
Loss before net finance costs and income tax						**(14'523)**
Finance costs, net						**(24'314)**
Loss before income tax						**(38'837)**

6. Revenue by channel

The table below shows the interaction between revenues by channels and segment revenues.

Result for the 9 months ended 30 September 2023

	South, UK & Ireland	*Central*	*North*	*Total reportable segments*	*HQ and Interco*	*Total Group*
	€ (000's)	*€ (000's)*	*€ (000's)*	*€ (000's)*	**€ (000's)**	*€ (000's)*
Revenue from contracts with customers	321'253	384'652	346'389	1'052'294	(15'362)	1'036'932
Rental revenue	-	-	11'666	11'666	-	11'666
Total revenue	**321'253**	**384'652**	**358'055**	**1'063'960**	**(15'362)**	**1'048'598**
Revenue from On-the-Go channel	120'937	219'382	64'140	404'459	-	404'459
Third party revenue from Workplace channel	150'508	133'244	163'662	447'414	-	447'414
Intersegment revenue from Workplace channel	-	49	-	49	(49)	-
Third party revenue from Trading channel	49'770	31'823	103'466	185'059	-	185'059
Intersegment revenue from Trading channel	38	154	15'121	15'313	(15'313)	-
Total revenue from contracts with customers	**321'253**	**384'652**	**346'389**	**1'052'294**	**(15'362)**	**1'036'932**

Result for the 9 months ended 30 September 2022

	South, UK & Ireland	*Central*	*North*	*Total reportable segments*	*HQ and Interco*	*Total Group*
	€ (000's)	*€ (000's)*	*€ (000's)*	*€ (000's)*	**€ (000's)**	*€ (000's)*
Revenue from contracts with customers	311'616	363'596	325'510	1'000'721	(10'887)	989'835
Rental revenue	-	-	10'842	10'842	-	10'842
Total revenue	**311'616**	**363'596**	**336'351**	**1'011'564**	**(10'887)**	**1'000'676**
Revenue from On-the-Go channel	115'272	205'595	62'008	382'875	-	382'875
Third party revenue from Workplace channel	151'512	127'668	149'215	428'395	-	428'395
Intersegment revenue from Workplace channel	-	47	-	47	(47)	-
Third party revenue from Trading channel	44'677	30'202	100'730	175'609	-	175'609
Intersegment revenue from Trading channel	155	84	13'557	13'796	(10'840)	2'956
Total revenue from contracts with customers	**311'616**	**363'596**	**325'510**	**1'000'722**	**(10'887)**	**989'835**

Revenue by channel:

On-the-Go (Public & semi-public)

The On-the-Go channel includes public and semi-public points of sale.

Public points of sale are characterised by their public access, and the fact that the customer on these premises purchase the merchandise (goods such as foods and drinks) 'on the go', with travel being the main purpose of their presence at such premises.

Semi-public points of sales are in areas accessible to customers either visiting the premises or employed on the premises. The main purpose of visitors on the premises shall not be travel (such premises are captured within public) or work (such premises are captured within workplace), it can be leisure, education, health, access to public services, etc.

Workplace (private)

The Workplace points of sale are installed in workplace environments and therefore primarily accessible to the counterparty's employees.

Trading

The Trading channel captures sales of vending machines and ingredients, rental and technical services and the sales of products from the Group's own coffee roasting facility. Roaster products include roasted, blended, and packed coffee and related ingredients.

The above channel split articulates the main differences in counterparty and customer segmentation and the corresponding offering and contract types across the Group.

7. Vending fees and revenue net of vending fees

The Group enters into contracts with public and semi-public counterparties to install, operate, supply and maintain self-service retail machines on freely accessible public and semi-public locations. In return Selecta pays the counterparties a consideration which is presented as vending fees expense in the condensed consolidated interim statement of profit or loss.

From the perspective of the Company's management, the economic substance of these transactions is in such cases a revenue-sharing business model between Selecta and its counterparties. As such, for internal operating and management purposes the Group has started to use the measure of revenue net of vending fees in order to assess the performance of the segments and to draw management decisions accordingly, on a consistent basis across segments.

Revenue net of vending fees is not a defined performance measure in IFRS. Management presents the performance measure of revenue net of vending fees because it monitors this performance measure at a consolidated and segment level, and it believes that this measure is relevant to the understanding of the Group's financial performance. Due to this, vending fees are separately disclosed below the revenue line and excluded from the line other operating expenses.

8. Depreciation, amortisation and impairment expenses

	Notes	*9 months ended 30 September 2023 € (000's)*	*9 months ended 30 September 2022 € (000's)*	*3 months ended 30 September 2023 € (000's)*	*3 months ended 30 September 2022 € (000's)*
Depreciation	10	(92'280)	(99'252)	(30'058)	(32'857)
Impairment tangible assets and other assets		(1'617)	-	(988)	-
Amortisation customer relationship contracts and trademark		(21'807)	(38'579)	(7'058)	(12'856)
Amortisation other intangibles		(4'866)	(4'919)	(1'569)	(1'581)
Total depreciation, amortisation and impairment expenses		**(120'570)**	**(142'750)**	**(39'673)**	**(47'294)**

9. Finance costs and finance income

	9 months ended 30 September 2023 € (000's)	*9 months ended 30 September 2022 € (000's)*	*3 months ended 30 September 2023 € (000's)*	*3 months ended 30 September 2022 € (000's)*
Interest on other loans	(76'541)	(69'264)	(26'310)	(23'758)
Lease interest expense	(3'860)	(3'941)	(1'327)	(1'011)
Other interest and finance expense	(3'031)	(1'488)	(1'473)	(466)
Total finance costs	**(83'432)**	**(74'693)**	**(29'110)**	**(25'235)**
Foreign exchange gain	16'048	49'941	10'880	27'691
Other interest and finance income	99	438	-	92
Total finance income	**16'147**	**50'379**	**10'880**	**27'783**

10. Property, plant and equipment

Cost	*Freehold land and buildings € (000's)*	*Vending equipment € (000's)*	*Vehicles € (000's)*	*Other equipment € (000's)*	***Total € (000's)***
Balance at 1 January 2022	**163'156**	**801'755**	**78'042**	**83'705**	**1'126'658**
Additions	10'058	70'411	5'101	10'511	**96'081**
Disposals	(11'009)	(65'727)	(9'817)	(1'569)	**(88'122)**
Lease modifications	4'439	-	320	-	**4'759**
Reclassifications*	-	(13'613)	1'136	5'383	**(7'094)**
Effects of foreign currency exchange differences	1'378	1'113	(746)	(364)	**1'381**
Balance at 31 December 2022	**168'022**	**793'939**	**74'036**	**97'666**	**1'133'663**
Additions	6'234	43'620	5'966	8'806	**64'626**
Disposals	(7'003)	(85'468)	(13'945)	(4'017)	**(110'433)**
Lease modifications	620	-	(123)	-	**497**
Reclassifications*	22	(4'656)	(31)	(5'521)	**(10'186)**
Effects of foreign currency exchange differences	851	3'109	10	482	**4'452**
Balance at 30 September 2023	**168'746**	**750'544**	**65'913**	**97'416**	**1'082'619**
Accumulated depreciation and impairment					
Balance at 1 January 2022	**(34'212)**	**(547'720)**	**(32'109)**	**(56'929)**	**(670'970)**
Depreciation expense	(16'715)	(89'591)	(16'944)	(11'185)	**(134'435)**
Disposals	6'457	60'970	7'637	1'438	**76'502**
Lease Modification	(1'256)	-	(189)	-	**(1'445)**
Reclassifications*	-	12'456	(1'136)	524	**11'844**
Effects of foreign currency exchange differences	125	(886)	459	349	**47**
Balance at 31 December 2022	**(45'601)**	**(564'771)**	**(42'282)**	**(65'803)**	**(718'457)**
Depreciation expense	(12'462)	(61'104)	(10'898)	(7'816)	**(92'280)**
Impairment expense	(154)	(1'093)	-	(332)	**(1'579)**
Disposals	4'244	84'304	11'930	3'762	**104'240**
Lease Modification	(267)	-	200	-	**(67)**
Reclassifications*	-	1'919	31	4'763	**6'713**
Effects of foreign currency exchange differences	(213)	(2'739)	(38)	(317)	**(3'307)**
Balance at 30 September 2023	**(54'453)**	**(543'484)**	**(41'057)**	**(65'743)**	**(704'737)**
Net Book Value					
At 31 December 2022	**122'421**	**229'168**	**31'754**	**31'863**	**415'206**
At 30 September 2023	**114'293**	**207'060**	**24'856**	**31'673**	**377'882**

* Reclassifications mainly relate to transfers to inventory of used equipment to be sold

As of 30 September 2023, the above table included right-of-use assets in the amount € 158.3 million (31 December 2022: € 173.6 million). Commitments in respect of capital expenditure amounted to € 2.1 million as of 30 September 2023 (31 December 2022: € 4.5 million).

11. Leases

The leases of Selecta comprise, in particular, of freehold land and buildings, vehicles and vending equipment.

Right-of-use assets *€ (000's)*	**Land and Buildings**	**Vending equipment**	**Vehicles**	**Other equip-ment**	**Total**
Balance at 1 January 2022	**120'769**	**24'440**	**43'688**	**1'475**	**190'372**
Depreciation expense	(16'044)	(7'022)	(15'910)	(751)	**(39'727)**
Additions to right-of-use assets	9'851	12'216	4'331	157	**26'555**
Disposals of right-of-use assets	(4'196)	(1'937)	(2'277)	(10)	**(8'420)**
Lease modifications	3'183	-	131	-	**3'314**
Effects of foreign currency exchange differences	1'504	300	(273)	(1)	**1'530**
Balance at 31 December 2022	**115'067**	**27'997**	**29'690**	**870**	**173'624**
Depreciation expense	(11'930)	(5'593)	(10'270)	(442)	**(28'235)**
Additions to right-of-use assets	6'053	4'767	5'402	492	**16'714**
Disposals of right-of-use assets	(2'441)	(1'403)	(1'098)	(88)	**(5'030)**
Lease modifications	354	-	76	-	**430**
Effects of foreign currency exchange differences	751	95	(8)	(2)	**836**
Balance at 30 September 2023	**107'854**	**25'863**	**23'792**	**830**	**158'339**

Lease liabilities	*30 September 2023 € (000's)*	*31 December 2022 € (000's)*
Current lease liabilities	33'427	37'169
Non-current lease liabilities	122'145	133'474
Total lease liabilities	**155'572**	**170'643**

The Group has various lease contracts that have not yet commenced as of 30 September 2023. Future lease payments for these lease contracts are € 1.8 million (31 December 2022: € 1.5 million).

12. Intangible assets

Intangible assets consist primarily of trademarks and customer contracts.

The trademarks Selecta and Pelican Rouge recognised by the Group have an indefinite useful life and are not amortised. These trademarks are allocated on a reasonable and consistent basis to the cash generating units that are tested for impairment annually. Trademarks which have definite useful life are amortised over 10 years.

Customer contracts recognised by the Group arise from customer contracts acquired as part of previous business combinations, including the Pelican Rouge acquisition, and are amortised over a period of 10-15 years.

13. Borrowings

	30 September 2023	*31 December 2022*
	€ (000's)	*€ (000's)*
Borrowings (incl. revolving credit facility)	1'124'146	1'082'722
Total borrowings	**1'124'146**	**1'082'722**

13.1. Borrowings

	30 September 2023			*31 December 2022*		
	€ (000's)	*in %*	*Interest rate*	*€ (000's)*	*in %*	*Interest rate*
EUR	1'095'812	97.5%	8.1%	1'056'086	97.5%	8.1%
CHF	28'334	2.5%	8.6%	26'636	2.5%	8.5%
Total	**1'124'146**	**100%**	**8.2%**	**1'082'722**	**100%**	**8.1%**

The amounts shown above reflect the carrying amount and original currency of the borrowings. The nominal interest rate is disclosed.

13.2. Rate structure of borrowings

	30 September 2023	*31 December 2022*
	€ (000's)	*€ (000's)*
Total borrowings at variable rates	55'038	59'681
Total borrowings at fixed rates	1'069'108	1'023'041
Total borrowings	**1'124'146**	**1'082'722**

The total includes the reduction of net capitalised transaction costs.

13.3. Details of borrowing facilities

In 2020, the Selecta Group undertook a capital restructuring where new First Lien and Second Lien Senior Secured Notes were issued by Selecta Group B.V., as well as Class A and Class B Preference Shares issued by Selecta Group FinCo S.A. As part of the scheme, the scheme creditors were entitled to receive an issuance of the First Lien and Second Lien Senior Secured Notes and Preference Shares in exchange for debt instruments previously issued by Selecta Group B.V.

Pursuant to the Restructuring Implementation Deed, if any scheme creditors did not come forward in connection with the scheme to claim their entitlement to the instruments, the instruments were instead issued to a trustee, Kroll Issuer Services Limited (formerly Lucid Issuer Services Limited), which held them on trust for the scheme creditors via a Holding Period Trust.

Under the terms of the Holding Period Trust Deed, any unclaimed instruments held by the Holding Period Trust following the expiration of an 18-month holding period were to be extinguished / re-deemed, as agreed amongst the parties. The 18-month holding period expired in April 2022.

The unclaimed First Lien and Second Lien Senior Secured Notes held by Holding Period Trust at the expiry date amounted to:

- First Lien Senior Secured Notes: € 7'734'654; and
- Second Lien Senior Secured Notes: € 2'923'255.

The unclaimed interest payments paid by Selecta Group B.V. to the Holding Period Trust amounted € 0.431 million at the expiry date. Following the expiration of the 18-month holding period the unclaimed instruments held by the Holding Period Trust have been extinguished / redeemed on 6 December 2022. The unclaimed instruments and interest receivable have been transferred from the Holding Period Trust via several companies to Selecta Group AG parent of Selecta Group B.V. In December 2022, Selecta Group B.V. issued 100 shares (including share premium) to Selecta Group AG and Selecta Group AG settled the share subscription (including share premium) by way of set off with the Unclaimed Interest (cash) and the Unclaimed Senior Secured Notes.

Interest Rate

- First Lien Notes: Until (but excluding) January 2nd, 2023: 3.500% per annum, payable in cash, plus in kind at a rate of 4.500% per annum by increasing the principal amount of the outstanding Notes or issuing additional Notes in a principal amount equal to such interest. From (and including) January 2nd, 2023: 8.000% per annum, payable in cash.

- Second Lien Notes: Until (but excluding) January 2nd, 2023: 10.000% per annum, payable in kind by issuing additional Notes in a principal amount equal to such interest. From (and including) January 2nd, 2023: per Interest Payment Date of January 3rd, 2023, Selecta has taken the decision for 10.000% per annum, payable in kind by issuing additional Notes in a principal amount equal to such interest. For future Interest Payment Dates, Selecta's options to pay interest are as follows: (A) all interest as payment in kind at 10% (by increasing the principal amount of the outstanding Notes or issuing additional Notes in a principal amount equal to such interest), (B) all interest as cash at 9.25% or (C) combination of interest as payment in kind (10%) and Cash (9.25%), whereas Selecta must advise of the split % between payment in kind and cash.

Maturity

- First Lien Notes: April 1st, 2026.
- Second Lien Notes: July 1st, 2026.

	Interest rate	*30 September 2023*
	%	*€ (000's)*
First Lien Notes (EUR)	8.0	739'519
First Lien Notes (CHF)	8.0	20'132
Second Lien Notes (EUR)	10.0	301'256
Second Lien Notes (CHF)	10.0	8'201
Senior revolving credit facility (Euribor + 3.75%)	7.7	55'038
Total borrowings at nominal values		**1'124'146**

3M Euribor has raised in the market, which mainly influenced the higher interest rate of the Senior revolving credit facility vs 31 December 2022.

	Interest rate	*31 December 2022*
	%	*€ (000's)*
First Lien Notes (EUR)	8.0	723'156
First Lien Notes (CHF)	8.0	19'331
Second Lien Notes (EUR)	10.0	273'249
Second Lien Notes (CHF)	10.0	7'305
Senior revolving credit facility (Euribor + 3.5%)	3.5	59'681
Total borrowings at nominal values		**1'082'722**

14. Equity

14.1. Share capital, share premium

The Group's share capital consists of 343'724 fully paid ordinary shares with a nominal value of € 1 per share. Fully paid ordinary shares carry one vote per share and a right to dividends.

In December 2022, Selecta Group B.V. issued 100 shares with a nominal value of € 1 per share to Selecta Group A.G. The share capital of the Group increased from 343,624 fully paid ordinary shares to 343,724 fully paid ordinary shares with a nominal value of € 1 per share. The new shares were issued at an aggregate issue price of € 11'205'248.95. The amount above the nominal value of € 100, being € 11'205'148.95, increased the share premium of Selecta Group B.V. Part of the issue price, an amount of € 430'783.01, was paid in euro. The remaining part of the issue price, equal to an amount of € 10'774'465.94 was settled by means of a set-off against the Unclaimed Senior Secured Notes owed by Selecta Group B.V. to Selecta Group AG. Further details are described in note 13.3.

14.2. Other comprehensive loss

The other comprehensive loss accumulated in reserves; net of tax was as follows:

For the 9 months ended 30 September 2023	*Currency translation reserve € (000's)*	*Accumulated deficit € (000's)*	***Total*** *€ (000's)*
Foreign currency translation differences for foreign operations	(15'582)	-	(15'582)
Total other comprehensive loss, net of tax	**(15'582)**	**-**	**(15'582)**

For the 3 months ended 30 September 2023	*Currency translation reserve € (000's)*	*Accumulated deficit € (000's)*	***Total*** *€ (000's)*
Foreign currency translation differences for foreign operations	(9'414)	-	(9'414)
Total other comprehensive loss, net of tax	**(9'414)**	**-**	**(9'414)**

For the 9 months ended 30 September 2022	*Currency translation reserve € (000's)*	*Accumulated deficit € (000's)*	***Total*** *€ (000's)*
Foreign currency translation differences for foreign operations	(45'391)	-	(45'391)
Total other comprehensive loss, net of tax	**(45'391)**	**-**	**(45'391)**

For the 3 months ended 30 September 2022	*Currency translation reserve € (000's)*	*Accumulated deficit € (000's)*	***Total*** *€ (000's)*
Foreign currency translation differences for foreign operations	(24'949)	-	(24'949)
Total other comprehensive loss, net of tax	**(24'949)**	**-**	**(24'949)**

Reserves arising from foreign currency translation adjustments comprise the differences from the translation of the financial statements of subsidiaries from their functional currency into Euro. Additionally, the foreign exchange differences on qualifying net investment loans are included in this reserve.

15. Financial instruments

15.1. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount			Fair value	
30 September 2023	*Financial assets at amortised cost* *€ (000's)*	*Other financial liabilities* *€ (000's)*	***Total*** ***€ (000's)***	*Level 2* *€ (000's)*	***Total*** ***€ (000's)***
Financial assets not measured at fair value					
Trade receivables	118'149	-	118'149		
Non-current financial assets	12'125	-	12'125		
Cash and cash equivalents	37'069	-	37'069		
Accrued income	43'786	-	43'786		
	211'129	**-**	**211'129**		
Financial liabilities not measured at fair value					
Revolving credit facility	-	(55'038)	(55'038)	(55'038)	(55'038)
Bank and other credit facilities	-	(14'846)	(14'846)	(14'846)	(14'846)
Secured loan notes	-	(1'069'108)	(1'069'108)	(1'180'254)	(1'180'254)
Lease liabilities	-	(155'572)	(155'572)	(155'572)	(155'572)
Factoring and reverse factoring liabilities	-	(6'132)	(6'132)	(6'132)	(6'132)
Accrued Expenses	-	(114'496)	(114'496)	-	-
Trade payables	-	(190'182)	(190'182)	-	-
	-	**(1'605'374)**	**(1'605'374)**		

31 December 2022	Carrying amount *Financial assets at amortised cost* *€ (000's)*	 *Other financial liabilities* *€ (000's)*	 ***Total*** ***€ (000's)***	Fair value *Level 2* *€ (000's)*	 ***Total*** ***€ (000's)***
Financial assets not measured at fair value					
Trade receivables	114'890	-	114'890		
Non-current financial assets	12'052	-	12'052		
Cash and cash equivalents	73'108	-	73'108		
Accrued income	31'250	-	31'250		
	231'300	**-**	**231'300**		
Financial liabilities not measured at fair value					
Revolving credit facility	-	(59'681)	(59'681)	(59'681)	(59'681)
Bank and other credit facilities	-	(14'268)	(14'268)	(14'268)	(14'268)
Secured loan notes	-	(1'023'041)	(1'023'041)	(1'153'047)	(1'153'047)
Lease liabilities	-	(170'643)	(170'643)	(170'643)	(170'643)
Factoring and reverse factoring liabilities	-	(7'939)	(7'939)	(7'939)	(7'939)
Accrued Expenses	-	(126'637)	(126'637)	-	-
Trade payables	-	(196'556)	(196'556)	-	-
	-	**(1'598'765)**	**(1'598'765)**		

15.2. Valuation techniques

The following table shows the valuation techniques used in measuring Level 2 fair values:

Financial instruments not measured at fair value

	Valuation technique	*Significant unobservable inputs*
Borrowings and other financial liabilities	Discounted cash flows: The fair value is estimated considering a net present value calculated using discount rates derived from quoted yields of securities with similar maturity and credit rating that are traded in active markets, adjusted by an illiquidity factor.	Not applicable

16. Contingent liabilities

The Group, through a number of its subsidiaries, is involved in various legal proceedings or claims arising from its normal business. Provisions are made as appropriate where management assesses that it is probable that an outflow of economic benefits will arise. None of these proceedings results in a material contingent liability for the Group.

At 30 September 2023 the Group had commitments of € 29.8 million (31 December 2022: € 43.9 million) relating to purchase of inventory.

17. Events after the balance sheet date

No events have occurred between 30 September 2023 and the date of authorisation of the issue of these condensed consolidated interim financial statements by the Board of Directors of the Company on 8 November 2023 that could have a material impact on the condensed consolidated interim financial statements.

Approval of the condensed consolidated interim financial statements

The condensed consolidated interim financial statements for the 9 months ended 30 September 2023 have been authorised by the Board of Directors on 8 November 2023.

Amsterdam, 8 November 2023

Christian Schmitz
Director of the Selecta Group B.V.

Nicole Charrière Roos
Director of the Selecta Group B.V.

Ruud Gabriels
Director of the Selecta Group B.V.

Robert Plooij
Director of the Selecta Group B.V.