

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

*Condensed consolidated interim financial statements
for the 9 months ended 30 September 2022 (unaudited)*

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Condensed consolidated interim financial statements

Condensed consolidated interim statement of profit or loss

	Notes	9 months ended 30 September 2022 € (000's)	9 months ended 30 September 2021 € (000's)	3 months ended 30 September 2022 € (000's)	3 months ended 30 September 2021 € (000's)
Revenue	5, 6	1'000'676	857'494	347'813	306'036
Vending fees	7	(128'774)	(104'133)	(50'810)	(45'227)
Materials and consumables used		(352'727)	(284'861)	(125'589)	(98'082)
Employee benefits expenses		(266'084)	(253'016)	(87'448)	(84'512)
Depreciation, amortisation, and impairment expenses	8	(142'750)	(154'187)	(47'294)	(49'496)
Other operating expenses		(130'648)	(113'584)	(46'026)	(35'795)
Other operating income		5'784	8'011	2'321	1'900
Loss before net finance costs and income tax		(14'523)	(44'276)	(7'033)	(5'176)
Finance costs	9	(74'693)	(76'270)	(25'235)	(24'628)
Finance income	9	50'379	289	27'783	9'662
Loss before income tax		(38'837)	(120'257)	(4'485)	(20'142)
Income tax		6'855	7'972	2'254	2'480
Loss for the period		(31'982)	(112'285)	(2'231)	(17'662)
Loss attributable to:					
Owners of the Company		(31'982)	(112'285)	(2'231)	(17'662)
Revenue net of vending fees ¹	5, 7	871'902	753'361	297'003	260'809

The notes on pages 9 to 23 are an integral part of these consolidated 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.

Condensed consolidated interim statement of comprehensive loss

	9 months ended 30 September 2022 € (000's)	9 months ended 30 September 2021 € (000's)	3 months ended 30 September 2022 € (000's)	3 months ended 30 September 2021 € (000's)
Loss for the period	(31'982)	(112'285)	(2'231)	(17'662)
<u>Items that are or may subsequently be reclassified to the consolidated statement of profit or loss</u>				
Foreign exchange translation differences for foreign operations	(45'391)	10'780	(24'949)	(7'319)
Other comprehensive loss for the period	(45'391)	10'780	(24'949)	(7'319)
Total comprehensive loss for the period	(77'373)	(101'505)	(27'180)	(24'981)
Total comprehensive loss attributable to				
Owners of the Company	(77'373)	(101'505)	(27'180)	(24'981)

The notes on pages 9 to 23 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of financial position

	Notes	30 September 2022 € (000's)	31 December 2021 € (000's)
Non-current assets			
Property, plant and equipment	10	418'988	455'688
Goodwill		979'225	979'048
Trademarks	12	342'156	344'624
Customer contracts	12	194'730	230'921
Other intangible assets	12	27'528	28'202
Deferred income tax assets		28'577	27'186
Non-current financial assets		18'225	15'048
Net defined benefit asset		22'927	23'383
Total non-current assets		2'032'356	2'104'100
Current assets			
Inventories		111'389	116'291
Trade receivables		108'632	97'499
Other current assets		57'285	46'016
Cash and cash equivalents		81'922	60'034
Total current assets		359'228	319'840
Total assets		2'391'584	2'423'940

The notes on pages 9 to 23 are an integral part of these condensed consolidated interim financial statements.

	Notes	30 September 2022 € (000's)	31 December 2021 € (000's)
Equity and liabilities			
Equity			
Share capital	14	344	344
Share premium	14	2'033'314	2'033'314
Currency translation reserve	14	(288'445)	(243'054)
Accumulated deficit	14	(1'268'290)	(1'236'308)
Total equity		476'923	554'296
Non-current liabilities			
Borrowings	13	1'119'456	1'015'150
Lease liabilities		137'644	147'644
Net defined benefit liability		16'009	16'126
Provisions and other employee benefits		5'706	5'607
Other non-current liabilities		17'234	16'792
Deferred income tax liabilities		151'196	160'108
Total non-current liabilities		1'447'245	1'361'427
Current liabilities			
Lease liabilities		37'425	46'047
Trade payables		171'315	173'762
Provisions and other employee benefits		39'619	50'174
Current income tax liabilities		4'957	5'295
Other current liabilities		214'100	232'939
Total current liabilities		467'416	508'217
Total liabilities		1'914'661	1'869'644
Total equity and liabilities		2'391'584	2'423'940

The notes on pages 9 to 23 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of changes in equity

<i>Attributable to owners of the Company</i>					
	<i>Share capital</i>	<i>Share premium</i>	<i>Currency translation reserve</i>	<i>Accumulated deficit</i>	<i>Total equity</i>
	€ (000's)	€ (000's)	€ (000's)	€ (000's)	€ (000's)
Balance at 31 December 2020	344	2'033'091	(223'037)	(1'089'154)	721'244
Other comprehensive loss	-	-	(20'017)	(51'245)	(71'262)
Loss for the period	-	-	-	(95'909)	(95'909)
<i>Total comprehensive loss for the period</i>	-	-	(20'017)	(147'154)	(167'171)
<i>Share-based payment</i>	-	223	-	-	223
Balance at 31 December 2021	344	2'033'314	(243'054)	(1'236'308)	554'296
Other comprehensive loss	-	-	(45'391)	-	(45'391)
Loss for the period	-	-	-	(31'982)	(31'982)
<i>Total comprehensive loss for the period</i>	-	-	(45'391)	(31'982)	(77'373)
Balance at 30 September 2022	344	2'033'314	(288'445)	(1'268'290)	476'923

The notes on pages 9 to 23 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of cash flow

	Notes	9 months ended 30 September 2022 € (000's)	9 months ended 30 September 2021 € (000's)
Cash flows from operating activities			
Loss before income tax		(38'837)	(120'257)
Depreciation, amortisation and impairment expenses		142'750	154'187
Gain on disposal of property, plant and equipment, net		(4'944)	(4'735)
Non-cash transactions		5'912	(1'741)
Finance costs, net		24'314	75'981
Changes in working capital:			
(Increase)/Decrease in inventories		4'509	(12'095)
(Increase)/Decrease in trade receivables		(11'378)	(14'333)
(Increase)/Decrease in other current assets		(12'741)	(7'662)
Increase/(Decrease) in trade payables		(2'431)	4'676
Increase/(Decrease) in other current liabilities and provisions		(8'152)	(11'394)
Income taxes paid		(3'328)	(1'454)
Net cash generated from operating activities		95'674	61'173
Cash flows from investing activities			
Purchases of property, plant and equipment		(46'170)	(42'068)
Purchases of intangible assets		(3'011)	(6'267)
Proceeds from sale of property, plant and equipment and other proceeds		8'791	11'810
Net cash used in investing activities		(40'390)	(36'525)
Cash flows from financing activities			
Proceeds/(Repayments) of loans and borrowings		38'151	16'912
Payments of lease liabilities		(35'261)	(52'939)
Proceeds/(Repayments) of factoring		(1'561)	(3'972)
Interest paid		(34'615)	(26'727)
Net cash used in financing activities		(33'286)	(66'726)
Net (decrease)/increase in cash and cash equivalents		21'998	(42'078)
Cash and cash equivalents at the beginning of the period		60'034	127'902
Exchange gains on cash and cash equivalents		(110)	(1'004)
Cash and cash equivalents at the end of the period		81'922	84'820

The notes on pages 9 to 23 are an integral part of these 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.

On 11 March 2020, the World Health Organization declared the Coronavirus (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe. The business of the Group was significantly impacted by the pandemic and the related decrease in mobility and office presence which has negatively impacted the financial performance since then.

In addition to the downsides in revenue, the pandemic had the following main impacts on the financial performance in 2021:

- There were decisive and rapid actions implemented in order to partially mitigate the adverse impact on both consolidated statement of profit or loss and liquidity. Amongst others, actions included strict cost saving measures and re-negotiation of contracts with focus on the fixed vending rents.
- A detailed structural review to ensure the Group is positioned for future growth was performed in 2020 which resulted in a plan to permanently reduce full time employees from roughly 10'000 in 2019 to 7'000 by the end of 2021. The plan was successfully executed in 2021.

In early 2022 governments in many countries eased pandemic related restrictions. However, there is still uncertainty over the development of the crisis and its impact on the future financial performance of the Group. Provided the solid cash position the management continues to be convinced to have the adequate resources to continue its operations.

The conclusion is supported by the measures already taken by management to mitigate the decline in revenue, especially the adoption of the Group to its new size of revenue.

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 2021.

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 2021. All amounts are reported in thousands of Euro, unless stated otherwise. Rounding differences may occur.

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 2022.

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 2021.

3.2. New and revised/amended standards and interpretations

A number of new amendments are effective from 1 January 2022, 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 2023 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.

	<i>Impact</i>	<i>Effective date</i>	<i>Planned application by Selecta Group B.V.</i>
<i>New standards or interpretations</i>			
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	1)	1 January 2023	Reporting year 2023
Disclosure of Accounting Policy (Amendments to IAS 1 and IFRS Practice Statement 2)	1)	1 January 2023	Reporting year 2023
Definition of Accounting Estimate (Amendments to IAS 8)	1)	1 January 2023	Reporting year 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes)	1)	1 January 2023	Reporting year 2023

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

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-vend¹, 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-vend², 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.

¹ Paid vend means that consumer pays (e.g., at the coffee machines in the offices)

² 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

	<i>South, UK & Ireland</i>	<i>Central</i>	<i>North</i>	<i>Total reportable segments</i>	<i>HQ and Interco</i>	<i>Total Group</i>
	€ (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 fi- nance 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)

Result for the 9 months ended 30 September 2021

	<i>South, UK & Ireland</i>	<i>Central</i>	<i>North</i>	<i>Total reportable segments</i>	<i>HQ and Interco</i>	<i>Total Group</i>
	€ (000's)	€ (000's)	€ (000's)	€ (000's)	€ (000's)	€ (000's)
Revenue	278'897	321'789	267'716	868'411	(10'917)	857'494
Revenue net of vending fees	250'667	261'227	252'384	764'278	(10'917)	753'361
Profit/(loss) before net fi- nance costs, income taxes, depreciation and amortisa- tion expenses	27'818	55'009	44'172	126'999	(17'088)	109'911
Depreciation and amortisa- tion expenses	(40'521)	(45'188)	(29'705)	(115'414)	(38'773)	(154'187)
Loss before net finance costs and income tax						(44'276)
Finance costs, net						(75'981)
Loss before income tax						(120'257)

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 2022

	<i>South, UK & Ireland</i>	<i>Central</i>	<i>North</i>	<i>Total reportable segments</i>	<i>HQ and Interco</i>	<i>Total Group</i>
	€ (000's)	€ (000's)	€ (000's)	€ (000's)	€ (000's)	€ (000's)
Revenue from contracts with customers	311'616	363'596	325'509	1'000'721	(10'887)	989'834
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

Result for the 9 months ended 30 September 2021

	<i>South, UK & Ireland</i>	<i>Central</i>	<i>North</i>	<i>Total reportable segments</i>	<i>HQ and Interco</i>	<i>Total Group</i>
	€ (000's)	€ (000's)	€ (000's)	€ (000's)	€ (000's)	€ (000's)
Revenue from contracts with customers	278'897	321'798	258'935	859'630	(10'917)	848'713
Rental revenue	-	-	8'781	8'781	-	8'781
Total revenue	278'897	321'798	267'716	868'411	(10'917)	857'494
Revenue from On-the-Go channel	94'053	174'321	47'450	315'824	-	315'824
Third party revenue from Workplace channel	141'742	117'561	115'540	374'843	-	374'843
Intersegment revenue from Workplace channel	-	40	-	40	(40)	-
Third party revenue from Trading channel	43'097	29'919	85'030	158'046	-	158'046
Intersegment revenue from Trading channel	5	(43)	10'915	10'877	(10'877)	-
Total revenue from contracts with customers	278'897	321'798	258'935	859'630	(10'917)	848'713

Revenue by channel:

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

The On-the-Go channel includes public and semi-public points of sale (vending machines).

Public points of sale are characterized 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 2022 € (000's)	9 months ended 30 September 2021 € (000's)	3 months ended 30 September 2022 € (000's)	3 months ended 30 September 2021 € (000's)
Depreciation	10	(99'252)	(110'168)	(32'857)	(34'935)
Amortisation customer relationship contracts and trademark		(38'579)	(38'656)	(12'856)	(13'131)
Amortisation other intangibles		(4'919)	(5'363)	(1'581)	(1'430)
Total depreciation, amortisation and impairment expenses		(142'750)	(154'187)	(47'294)	(49'496)

9. Finance costs and finance income

	9 months ended 30 September 2022 € (000's)	9 months ended 30 September 2021 € (000's)	3 months ended 30 September 2022 € (000's)	3 months ended 30 September 2021 € (000's)
Interest on loans	(69'264)	(63'509)	(23'758)	(21'840)
Lease interest expense	(3'941)	(5'355)	(1'011)	(1'643)
Other interest and finance expense	(1'488)	(2'000)	(466)	(1'145)
Foreign exchange loss	-	(5'406)	-	-
Total finance costs	(74'693)	(76'270)	(25'235)	(24'628)
Foreign exchange gain	49'941	-	27'691	9'371
Other interest and finance income	438	289	92	291
Total finance income	50'379	289	27'783	9'662

10. Property, plant and equipment

<i>Cost</i>	<i>Freehold land and buildings € (000's)</i>	<i>Vending equipment € (000's)</i>	<i>Vehicles € (000's)</i>	<i>Other equipment € (000's)</i>	<i>Total € (000's)</i>
Balance at 31 December 2020	161'582	829'828	73'969	86'154	1'151'533
Additions	10'288	80'214	17'917	7'472	115'891
Disposals	(12'577)	(103'453)	(17'674)	(7'550)	(141'254)
Lease modifications	797	21	591	2	1'411
Reclassifications*	56	(16'188)	2'072	(3'864)	(17'924)
Effects of foreign currency exchange differences	3'010	11'333	1'167	1'491	17'001
Balance at 31 December 2021	163'156	801'755	78'042	83'705	1'126'658
Additions	4'947	51'810	2'385	7'058	66'200
Disposals	(4'649)	(32'150)	(7'504)	(889)	(45'192)
Reclassifications*	-	(10'383)	1'063	(146)	(9'466)
Effects of foreign currency exchange differences	3'253	7'288	(288)	(41)	10'212
Balance at 30 September 2022	166'707	818'320	73'698	89'687	1'148'412
Accumulated depreciation and impairment					
Balance at 31 December 2020	(20'340)	(543'595)	(23'782)	(54'309)	(642'026)
Depreciation expense	(17'615)	(99'437)	(19'621)	(10'822)	(147'495)
Disposals	4'284	89'950	13'743	6'576	114'553
Reclassifications*	(43)	13'813	(2'052)	2'567	14'285
Effects of foreign currency exchange differences	(498)	(8'451)	(397)	(941)	(10'287)
Balance at 31 December 2021	(34'212)	(547'720)	(32'109)	(56'929)	(670'970)
Depreciation expense	(12'414)	(66'743)	(12'934)	(7'161)	(99'252)
Disposals	3'268	29'178	5'514	765	38'725
Reclassifications*	-	8'252	(708)	87	7'631
Effects of foreign currency exchange differences	(269)	(5'560)	175	96	(5'558)
Balance at 30 September 2022	(43'627)	(582'593)	(40'062)	(63'142)	(729'424)
Net Book Value					
At 31 December 2021	128'944	254'035	45'933	26'776	455'688
At 30 September 2022	123'080	235'727	33'636	26'545	418'988

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

As of 30 September 2022, the above table included right-of-use assets in the amount € 178.4 million (31 December 2021: € 190.4 million). Commitments in respect of capital expenditure amounted to € 3.8 million as of 30 September 2022 (€ 2.4 million as of 31 December 2021).

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 equipment	Total
Balance at 31 December 2020	132'604	37'485	47'539	3'808	221'436
Depreciation expense	(16'860)	(10'572)	(18'562)	(1'557)	(47'551)
Additions to right-of-use assets	9'964	8'589	16'941	101	35'595
Disposals of right-of-use assets	(8'243)	(11'474)	(3'583)	(907)	(24'207)
Lease modifications	797	21	591	2	1'411
Effects of foreign currency exchange differences	2'507	391	762	28	3'688
Balance at 31 December 2021	120'769	24'440	43'688	1'475	190'372
Depreciation expense	(11'903)	(4'705)	(12'262)	(566)	(29'436)
Additions to right-of-use assets	4'835	11'650	1'896	33	18'414
Disposals of right-of-use assets	(1'325)	(1'272)	(1'935)	-	(4'532)
Effects of foreign currency exchange differences	2'984	658	(92)	-	3'550
Balance at 30 September 2022	115'360	30'771	31'295	942	178'368

Lease liabilities	30 September 2022 € (000's)	31 December 2021 € (000's)
Current lease liabilities	37'425	46'047
Non-current lease liabilities	137'644	147'644
Total lease liabilities	175'069	193'691

The Group has various lease contracts that have not yet commenced as at 30 September 2022. Future lease payments for these lease contracts are € 2.4 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 2022	31 December 2021
	€ (000's)	€ (000's)
Borrowings (incl. revolving credit facility)	1'119'456	1'015'150
Total borrowings	1'119'456	1'015'150

13.1. Borrowings

	30 September 2022			31 December 2021		
	€ (000's)	in %	Interest rate	€ (000's)	in %	Interest rate
EUR	1'092'024	97.5%	7.9%	991'212	97.6%	8.2%
CHF	27'432	2.5%	8.5%	23'938	2.4%	8.5%
Total	1'119'456	100%	7.9%	1'015'150	100%	8.2%

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

13.2. Rate structure of borrowings

	30 September 2022	31 December 2021
	€ (000's)	€ (000's)
Total borrowings at variable rates	84'961	41'637
Total borrowings at fixed rates	1'034'495	973'513
Total borrowings	1'119'456	1'015'150

The total includes the reduction of net capitalized transaction costs.

13.3. Details of borrowing facilities

On October 29th, 2020, Selecta completed a comprehensive debt recapitalization. The transaction involved the exchange of all outstanding senior secured notes issued in 2018, plus accrued and unpaid interest on the senior secured notes, for a combination of first lien and second lien notes issued by the Company and preference shares issued by Selecta Group FinCo S.A. The recapitalization resulted in (i) a significant reduction of the Company's outstanding third-party debt (ii) an extension of debt maturities through 2026, and (iii) material cash interest reduction in the near-term. In addition, Selecta's shareholders provided € 175 million of new capital by way of a cash funding of € 125 million and the settlement of the € 50 million super senior liquidity facility, in consideration for the issuance of € 175 million of preference shares by Selecta Group FinCo S.A. The Company's super senior revolving credit facility ("RCF") was also amended to, among other things, amend the maturity to January 1st, 2026 and replace the existing financial covenant draw stop with new financial maintenance covenants.

The amended super senior revolving credit facility, the first lien notes and the second lien notes rank pari passu as to right of payment. The RCF ranks senior to the first lien notes, and the first lien notes rank senior to the second lien notes as to proceeds of enforcement of security. The RCF and the first lien notes are guaranteed on a senior secured basis by the Guarantors and Selecta Finance UK Limited, and benefit from first priority liens over certain assets of the Group. The second lien notes are also guaranteed by the Guarantors and Selecta Finance UK Limited, and benefit from second-priority liens over the assets of the Group securing the RCF and the first lien 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 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: at the Company's discretion, 9.250% per annum, payable in cash or 10.000% per annum payable in kind. Interest can be paid entirely in cash, entirely in kind or in a combination of both.

Maturity

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

	<i>Interest rate</i>	<i>30 September 2022</i>
	<i>%</i>	<i>€ (000's)</i>
First Lien Notes (EUR)	8.0	730'891
First Lien Notes (CHF)	8.0	19'909
Second Lien Notes (EUR)	10.0	276'172
Second Lien Notes (CHF)	10.0	7'523
Senior revolving credit facility (Euribor + 3.5%)	3.5	84'961
Total borrowings at nominal values		1'119'456

	<i>Interest rate</i>	<i>31 December 2021</i>
	<i>%</i>	<i>€ (000's)</i>
First Lien Notes (EUR)	8.0	699'078
First Lien Notes (CHF)	8.0	17'624
Second Lien Notes (EUR)	10.0	250'496
Second Lien Notes (CHF)	10.0	6'315
Senior revolving credit facility (Euribor + 3.5%)	3.5	41'637
Total borrowings at nominal values		1'015'150

14. Equity

14.1. Share capital, share premium

The Group's share capital consists of 343'624 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.

On 16 April 2020, Selecta Group performed a reorganisation of the entities above Selecta Group B.V. Selecta Group B.V. issued one new ordinary share with a nominal value of € 1 per share to Selecta Group MidCo S.à r.l, the shareholder of Selecta Group B.V resulting in a total issued share capital of 187'004 fully paid ordinary shares. The new share was issued at an issue price of in total € 239'032'467.31. The amount above the nominal value increased the share premium of Selecta Group B.V. This share issuance fully offset all outstanding amounts under a previously entered PIK loan agreement between Selecta Group B.V. and Selecta Group MidCo S.à r.l, dated 2 February 2018 and amended and restated as of 4 December 2018.

Due to the capital contribution in Selecta Holding AG from Selecta Group B.V. emission fee of € 2'248k was levied.

Following this debt recapitalisation, Selecta Group MidCo S.à r.l contributed all issued and outstanding shares of Selecta Group B.V. into Selecta Group AG. Consequently, as of 16th April 2020 Selecta Group B.V. was fully owned by Selecta Group AG. Selecta Group AG was fully owned by Selecta Group MidCo S.à r.l.

On 29 October 2020, Selecta Group performed a further reorganisation of its existing indebtedness pursuant to an English law scheme of arrangement. As part of this reorganization, Selecta Group MidCo S.à r.l contributed all issued and outstanding shares of Selecta Group AG into a newly formed direct subsidiary of Selecta Group MidCo S.à r.l, Selecta Group FinCo S.A. Selecta Group B.V. also issued 156'620 shares with a nominal value of € 1 per share to Selecta Group FinCo S.A. resulting in a total issued share capital of 343'624 fully paid ordinary shares with a nominal value of € 1 per share. The new shares were issued at a total issue price of € 756'506'647.58. The amount above the nominal value increased the share premium of Selecta Group B.V. This share issuance was in exchange for a cash payment of € 125 million and a set off against € 631'506'647.58 of receivables owing under a liquidity facility dated 25 March 2020 and several senior secured notes originally dated 2 February 2018, as amended from time to time. On 29 October 2020 these 156'620 shares issued to Selecta Group FinCo S.A. were then contributed by Selecta Group FinCo S.A. to Selecta Group AG. As of 29 October 2020, Selecta Group B.V. is therefore fully owned by Selecta Group AG, which is fully owned by Selecta Group FinCo S.A., which ordinary shares are owned by Selecta Group HoldCo S.à r.l. Selecta Group MidCo S.à r.l is the majority shareholder of Selecta Group HoldCo S.à r.l.

14.2. Other comprehensive loss

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

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

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

<i>For 9 months ended 30 September 2021</i>	<i>Currency translation reserve € (000's)</i>	<i>Accumulated deficit € (000's)</i>	<i>Total € (000's)</i>
Foreign currency translation differences for foreign operations	10'780	-	10'780
Total other comprehensive loss, net of tax	10'780	-	10'780

<i>For 3 months ended 30 September 2021</i>	<i>Currency translation reserve € (000's)</i>	<i>Accumulated deficit € (000's)</i>	<i>Total € (000's)</i>
Foreign currency translation differences for foreign operations	(7'319)	-	(7'319)
Total other comprehensive loss, net of tax	(7'319)	-	(7'319)

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.

30 September 2022	<i>Financial as- sets at amor- tised cost</i> € (000's)	<i>Other financial liabilities</i> € (000's)	Total € (000's)	<i>Level 2</i> € (000's)	Total € (000's)
Financial assets not measured at fair value					
Trade receivables	108'632	-	108'632		
Non-current financial assets	18'225	-	18'225		
Cash and cash equivalents	81'922	-	81'922		
Accrued income	29'222	-	29'222		
	238'001	-	238'001		
Financial liabilities not measured at fair value					
Revolving credit facility	-	(84'961)	(84'961)	(84'961)	(84'961)
Bank credit facility	-	(17'629)	(17'629)	(17'629)	(17'629)
Secured loan notes	-	(1'034'495)	(1'034'495)	(1'076'200)	(1'076'200)
Lease liabilities	-	(175'069)	(175'069)	(175'069)	(175'069)
Factoring and reverse factoring liabilities	-	(6'965)	(6'965)	(6'965)	(6'965)
Accrued Expenses	-	(99'787)	(99'787)	-	-
Trade payables	-	(171'315)	(171'315)	-	-
	-	(1'590'221)	(1'590'221)		

31 December 2021	<i>Financial assets at amortised cost</i> € (000's)	<i>Other financial liabilities</i> € (000's)	Total € (000's)	<i>Level 2</i> € (000's)	Total € (000's)
Financial assets not measured at fair value					
Trade receivables	97'499	-	97'499		
Non-current financial assets	15'048	-	15'048		
Cash and cash equivalents	60'034	-	60'034		
Accrued income	23'158	-	23'158		
	195'739	-	195'739		
Financial liabilities not measured at fair value					
Revolving credit facility	-	(41'637)	(41'637)	(41'637)	(41'637)
Bank credit facility	-	(18'103)	(18'103)	(18'103)	(18'103)
Secured loan notes	-	(973'513)	(973'513)	(1'222'228)	(1'222'228)
Lease liabilities	-	(193'691)	(193'691)	(193'691)	(193'691)
Factoring and reverse factoring liabilities	-	(8'526)	(8'526)	(8'526)	(8'526)
Accrued Expenses	-	(91'958)	(91'958)	-	-
Trade payables	-	(173'762)	(173'762)	-	-
	-	(1'501'190)	(1'501'190)		

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

	<i>Valuation technique</i>	<i>Significant unobservable inputs</i>
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, contingent assets, and other commitments

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 2022 the Group had commitments of € 49.5 million (31 December 2021: € 59.8 million) relating to purchase of inventory.

17. Events after the balance sheet date

No events have occurred between 30 September 2022 and the date of authorisation of the issue of these condensed consolidated interim financial statements by the Board of Directors of the Company on 2 November 2022 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 2022 have been authorised by the Board of Directors on 2 November 2022.

Amsterdam, 2 November 2022

Christian Schmitz
Director of the Selecta Group B.V.

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

Ruud Gabriels
Director of the Selecta Group B.V.

Robert Plooi
Director of the Selecta Group B.V.