

STARBUCKS



Year to date Report Q1 2022

11 May 2022



TABLE OF CONTENTS

Operating and Financial Review	3 to 9
Certain Definitions	10
Appendix: Consolidated Financial Statements	

OPERATING AND FINANCIAL REVIEW

We are providing this information voluntarily, and the material contained in this report is presented solely for information purposes and is not to be construed as providing investment advice. As such, it has no regard to the specific investment objectives, financial situation or particular needs of any recipient. No representation or warranty, either express or implied, is made as to, and no reliance should be placed on, the fairness, completeness, accuracy, correctness or reliability of the information contained herein or the assumptions upon which the information is based. It should not be regarded by recipients as a substitute for the exercise of their own judgment. Neither Selecta, nor any of its directors, officers, employees, affiliates, direct or indirect shareholders, advisors or agents accepts any liability for any direct, indirect, consequential or other loss or damage suffered by any person as a result of relying on all or any part of this presentation and any liability is expressly disclaimed.

Overview

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 food tech 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 €1.2 billion, we owe our success to our ca. 7,000 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)

Starting in the first quarter of 2020 the global COVID-19 pandemic surfaced in nearly all regions around the world. On 11 March 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic in recognition of its rapid spread across the globe and many governments have taken stringent steps to help contain or delay the spread of the virus. The current crisis had and continues to have a negative impact on our business by severely affecting our operations and causing disruption across all our markets. The effect of the COVID-19 pandemic on our business as well as the subsequent recovery will ultimately depend on a number of factors, including, but not limited to, the duration and severity of the outbreak and the length of time it takes for demand and pricing to return and for normal economic and operating conditions to resume. Accordingly, our financial condition and results of operations differ in respect of these periods, when compared to the historical financial condition and results of operations presented in this discussion.

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 - Mar 2022	Jan - Mar 2021	Var %
Revenue	311.9	263.8	18.3%
Vending fees	(35.3)	(29.2)	(20.8%)
Net sales	276.6	234.5	17.9%
Materials and consumables used	(107.2)	(89.5)	(19.7%)
Gross profit	169.4	145.0	16.8%
Adjusted employee expenses	(87.4)	(79.7)	(9.7%)
Adjusted other operating expenses	(35.8)	(31.5)	(13.7%)
Adjusted EBITDA	46.1	33.8	36.6%
One-off adjustments	(4.2)	(7.1)	41.1%
EBITDA	41.9	26.6	57.4%
Depreciation	(33.7)	(38.0)	11.1%
EBITA	8.2	(11.3)	172.5%
Amortization	(15.4)	(14.7)	(4.6%)
EBIT	(7.1)	(26.0)	72.5%

At Actual Exchange Rates

Revenue

Revenue increased by 18.3% at actual exchange rates and by 16.7% at constant currency, from € 263.8 million for the quarter ended 31 March 2021, to € 311.9 million for the quarter ended 31 March 2022.

Revenue by Region

South, UK and Ireland

Revenue in our South, UK and Ireland region increased by 19.8% at actual exchange rate, from € 76.6 million for the quarter ended 31 March 2021, to € 91.7 million for the quarter ended 31 March 2022, driven by all countries growth of which UK has been the strongest performer.

Central

Revenue in our Central region increased by 10.2% at actual exchange rate, from € 78.7 million for the quarter ended 31 March 2021, to € 86.8 million for the quarter ended 31 March 2022 driven by all countries growth of which France and Austria have been the strongest performers.

North

Revenue in our North region increased by 23.8% at actual exchange rate from € 79.2 million for the quarter ended 31. March 2021, to € 98.1 million for the quarter ended 31 March 2022 driven by all countries growth of which Belgium and Roaster have been the strongest performers.

Revenue by Channel

Net sales (excluding Trade) were € 219.2 million, up 20.2% at actual exchange rates, with Semi-Public showing the strongest recovery as it was hit the hardest.

By channel, total sales per machine per day showed an increase of 31.0% from 7.3 to 9.6, with a 27.4% increase in the private channel from 7.7 to 9.8, +15.4% in public from 18.7 to 21.6, and an increase in semi-public of 68.1% from 3.9 to 6.5.

Net sales

Net sales increased by 17.9% at actual exchange rates and by 16.4% at constant currency, from € 234.5 million for the quarter ended 31 March 2021, to € 276.6 million for the quarter ended 31 March 2022.

Adjusted EBITDA

Adjusted EBITDA increased by 36.6% at actual exchange rates and by 34.4% at constant currency, from € 33.8 million for the quarter ended 31 March 2021, to € 46.1 million for the quarter ended 31 March 2022. As a result, our Adjusted EBITDA margin on net sales increased to 16.7% for the quarter ended 31 March 2022, compared to 14.4% for the quarter ended 31 March 2021.

This increase in Adjusted EBITDA was primarily due to the impact of the COVID pandemic which was partly compensated by very strong savings in employee costs due to strict management of daily operational capacities.

Vending Fee

Vending fee increased by 20.8% from € 29.2 million for the quarter ended 31 March 2021, to € 35.3 million for the quarter ended 31 March 2022. This increase was primarily driven by increased Revenue.

Materials and consumables used

Materials and consumables used increased by 19.7%, from € 89.5 million for the quarter ended 31 March 2021, to € 107.2 million for the quarter ended 31 March 2022. This increase was in line with the increase in Revenue at 18.3%. As a percentage of Revenue, materials and consumables used increased from 33.9 % for the quarter ended 31 March 2021 to 34.4% for the quarter ended 31 March 2022, mainly driven by the inflationary environment.

Operational Expenses

Adjusted employee expenses increased by 9.7%, from € 79.7 million for the quarter ended 31 March 2021, to € 87.4 million for the quarter ended 31 March 2022. Decrease in employee expenses due to structural cost savings and despite much lower furlough.

Adjusted other operating expenses increased by 13.7%, from € 31.5 million for the quarter ended 31 March 2021, to € 35.8 million for the quarter ended 31 March 2022.

4. Cash Flow Statement

€M	Jan - Mar 2022	Jan - Mar 2021	Var %
EBITDA	41.9	26.7	57.4%
(Profit) / loss on disposals	(1.2)	(1.2)	4.7%
Changes in working capital, provisions & others	(22.9)	(29.0)	21.1%
Non-cash transactions	0.8	(1.2)	N/A
Net cash generated from operating activities	18.7	(4.7)	N/A
Purchases of tangible and intangible assets	(19.7)	(13.2)	(49.0%)
Proceeds from sale of subsidiaries and other proceeds	2.3	5.6	(59.5%)
Net cash used in investing activities	(17.4)	(7.6)	N/A
Free cash flow	1.3	(12.3)	N/A
Proceeds / repayments of loans and borrowings	18.4	(20.6)	N/A
Interest paid	(15.6)	(8.7)	(79.3%)
Capital element of finance lease liabilities	(11.0)	(17.5)	37.1%
Net cash used in financing activities	(8.2)	(47.0)	82.5%
Total net cash flow	(7.0)	(59.3)	88.3%

At Actual Exchange Rates

Net cash generated from operating activities was an inflow of € 18.7 million for the quarter ended 31 March 2022. This cash inflow was mainly driven by improved EBITDA.

Net cash used in investing activities was € 17.4 million for the quarter ended 31 March 2022, an increase of € 9.8 million compared to net cash used in investing activities for the quarter ended 31 March 2021. This increase was primarily due to cash capex for new business. Capex continues to be optimized through use of refurbished machines and proposal of leasing solutions to our clients.

Net cash used in financing activities was € 8.2 million for the quarter ended 31 March 2022, primarily due to capital element of finance lease payments and the interest paid.

5. Balance Sheet

€m	31 Mar 2022	31 Dec 2021
Non-current assets		
Property, plant and equipment	443.1	455.7
Goodwill	979.0	979.0
Intangible assets	590.1	603.7
Other non-current assets	66.2	65.7
Total non-current assets	2'078.4	2'104.1
Current assets		
Inventories	120.4	116.3
Trade receivables	97.0	97.5
Other current assets	48.6	46.0
Cash and cash equivalents	52.9	60.0
Total current assets	319.0	319.8
Total assets	2'397.4	2'423.9

€m	31 Mar 2022	31 Dec 2021
Equity and liabilities		
Total equity	526.1	554.3
Borrowings	1'063.7	1'015.2
Provisions	6.2	5.6
Other non-current liabilities	179.0	180.5
Deferred income tax liabilities	156.8	160.1
Total non-current liabilities	1'405.7	1'361.4
Current liabilities		
Trade payables	161.5	173.8
Provisions	45.5	50.2
Other current liabilities	258.6	284.2
Total current liabilities	465.6	508.2
Total liabilities	1'871.3	1'869.6
Total equity and liabilities	2'397.4	2'423.9

At Actual Exchange Rates

6. Liquidity as of 31 March 2022

€m	Mar 2022 Pre IFRS 16	Mar 2022 IFRS 16	Mar 2022 Post IFRS 16
Cash & cash equivalents	52.9		52.9
Revolving credit facility	60.9		60.9
Senior notes	1'002.8		1'002.8
Lease liabilities	32.7	154.0	186.7
Other financial debt ²	41.3	6.0	47.3
Total senior debt	1'137.7	160.0	1'297.7
Net senior debt	1'084.8	160.0	1'244.8
Adjusted EBITDA last 12 months	171.2	40.5	211.7
Leverage ratio	6.3		5.9
Available liquidity ¹	128.3		128.3

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

Our principal sources of funds for the quarter ended 31 March 2022, have been cash generated from our operating activities and borrowings under our Revolving Credit Facility. As of 31 March 2021, we had cash & cash equivalents of € 52.9 million and available liquidity of € 128.3 million, taking into account the undrawn commitments under our Revolving Credit Facility. The continued availability of our Revolving Credit Facility is dependent upon certain conditions, including ongoing compliance with covenants tested quarterly.

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 the impact of COVID-19. Due to the uncertainty of the outcome of the current events, the fast-moving nature of the situation and uncertainty around the spread and duration of the virus, we cannot reasonably estimate the impact these events will have on our financial position, results of operations or cash flows in the future.

7. Working Capital

€m	Mar 2022	Dec 2021
Account receivables	97.0	97.5
Other receivables (incl. trapped cash*)	48.4	43.9
Inventory	120.4	116.3
Account payables	(161.5)	(173.8)
Other payables	(103.4)	(98.6)
Trade Working Capital	1.0	(14.7)

At Actual Exchange Rates

Trade working capital slightly positive due to reduction of payables and gradual pick-up of activity impacting Accounts Receivable and Inventory and remained impacted by the cash-out of one-offs.

8. Capital Expenditures

Net cash capex of € 17.4 million for the quarter ended 31 March 2022, represented 6.4% of sales compared to € 7.6 million for the quarter ended 31 March 2021, represented 3.2% of sales. Capex primarily driven by new business from existing or new clients. Capex continues to be optimized through efficient use of refurbished machines and proposal of leasing solutions to our clients. Client lease solutions for the quarter ended 31 March 2022 sum up to € c.8 million capex.

9. Material commitments and Critical Accounting Policies

Please refer to the 2020 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)

Starting in 2021 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:

- 1) **Respecting the environment:** as a sourcing and distribution company we aim to reduce CO2 impact across our value chain, from farm to cup. In our operations this is being done through route optimization and shifting our fleet toward electric vehicles. We take steps to reduce CO2 emissions in our supply chain, to learn and increase impact overtime and achieve Carbon Neutrality by 2050. We will radically reduce and recycle waste in our production.
- 2) **Healthy & sustainable products:** to bring sustainable products and integrate circularity in our client solutions, including sustainable packaging, waste collection and recycling and smart and sustainable vending machines. We also aim to expand the healthy food and beverage options we offer and drastically reduce food waste. We offer fully certified and sustainable coffee in mono-material packaging.
- 3) **Sustainable supply chain:** assess our suppliers against the Selecta Code of Conduct, based on the 10 Principles of the UN Global Compact. Through the Selecta Coffee Fund, we actively contribute to long-term improvements in quality of life for local farmers and the environment in the origins of Selecta coffee. We work on collaboration and transparency in our supply chain.
- 4) **Employer of choice:** strive to make Selecta a great place to work for our Associates of all backgrounds by ensuring individuals are supported through necessary training to do their jobs safely and develop professionally.

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;
- **“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 Lucid Trustee Services Limited; and
- **“Trustee”** refers to Lucid Trustee Services Limited.

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

*Condensed consolidated interim financial statements
for the 3 months ended 31 March 2022 (unaudited)*

Table of Contents

Condensed consolidated interim statement of profit or loss	3
Condensed consolidated interim statement of comprehensive loss	4
Condensed consolidated interim statement of financial position	5
Condensed consolidated interim statement of changes in equity	7
Condensed consolidated interim statement of cash flow	8
Notes to the condensed consolidated interim financial statements	9
1. General Information	9
2. Basis of preparation	10
3. Summary of significant accounting policies	10
4. Use of estimates and key sources estimation uncertainties	11
5. Segment reporting	11
6. Revenue by channel	13
7. Vending fees and revenue net of vending fees	14
8. Depreciation, amortisation and impairment expenses	14
9. Finance costs and finance income	15
10. Property, plant and equipment	16
11. Leases	17
12. Intangible assets	17
13. Borrowings	18
14. Equity	20
15. Financial instruments	21
16. Contingent liabilities, contingent assets, and other commitments	22
17. Events after the balance sheet date	22

Condensed consolidated interim financial statements

Condensed consolidated interim statement of profit or loss

		3 months ended	3 months ended
	Notes	31 March 2022	31 March 2021
		€ (000's)	€ (000's)
Revenue	5, 6	311'911	263'757
Vending fees	7	(35'320)	(29'233)
Materials and consumables used		(107'182)	(89'534)
Employee benefits expenses		(87'933)	(82'721)
Depreciation, amortisation and impairment expenses	8	(49'096)	(52'641)
Other operating expenses		(41'827)	(37'966)
Other operating income		2'298	2'347
Loss before net finance costs and income tax		(7'149)	(25'991)
Finance costs	9	(24'897)	(41'291)
Finance income	9	4'208	177
Loss before income tax		(27'838)	(67'105)
Income tax		3'422	2'104
Loss for the period		(24'416)	(65'001)
Loss attributable to:			
Owners of the Company		(24'416)	(65'001)
Revenue net of vending fees ¹	5, 7	276'591	234'524

The notes on pages 9 to 22 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

	3 months ended	3 months ended
	31 March 2022	31 March 2020
	€ (000's)	€ (000's)
Loss for the period	(24'416)	(65'001)
<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	(3'787)	21'464
Other comprehensive loss for the period	(3'787)	21'464
Total comprehensive loss for the period	(28'203)	(43'537)
Total comprehensive loss attributable to:		
Owners of the Company	(28'203)	(43'537)

The notes on pages 9 to 22 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of financial position

	Notes	31 March 2022 € (000's)	31 December 2021 € (000's)
Non-current assets			
Property, plant and equipment	10	443'123	455'688
Goodwill		979'089	979'048
Trademarks	12	343'801	344'624
Customer contracts	12	217'998	230'921
Other intangible assets	12	28'270	28'202
Deferred income tax assets		27'877	27'186
Non-current financial assets		14'956	15'048
Net defined benefit asset		23'335	23'383
Total non-current assets		2'078'449	2'104'100
Current assets			
Inventories		120'434	116'291
Trade receivables		97'006	97'499
Other current assets		48'627	46'016
Cash and cash equivalents		52'902	60'034
Total current assets		318'969	319'840
Total assets		2'397'418	2'423'940

The notes on pages 9 to 22 are an integral part of these condensed consolidated interim financial statements.

	Notes	31 March 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	(246'840)	(243'054)
Accumulated deficit	14	(1'260'724)	(1'236'308)
Total equity		526'094	554'296
Non-current liabilities			
Borrowings	13	1'063'741	1'015'150
Lease liabilities		148'057	147'644
Net defined benefit liability		16'105	16'126
Provisions and other employee benefits		6'190	5'607
Other non-current liabilities		14'861	16'792
Deferred income tax liabilities		156'761	160'108
Total non-current liabilities		1'405'715	1'361'427
Current liabilities			
Lease liabilities		38'676	46'047
Trade payables		161'488	173'762
Provisions and other employee benefits		45'512	50'174
Current income tax liabilities		5'309	5'295
Other current liabilities		214'624	232'939
Total current liabilities		465'609	508'217
Total liabilities		1'871'324	1'869'644
Total equity and liabilities		2'397'418	2'423'940

The notes on pages 9 to 22 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>Notes</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	-	-	(3'786)	-	(3'786)
Loss for the period	-	-	-	(24'416)	(24'416)
<i>Total comprehensive loss for the period</i>	-	-	(3'786)	(24'416)	(28'202)
Balance at 31 March 2022	344	2'033'314	(246'840)	(1'260'724)	526'094

The notes on pages 9 to 22 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of cash flow

	Notes	3 months ended 31 March 2022 € (000's)	3 months ended 31 March 2021 € (000's)
Cash flows from operating activities			
Loss before income tax		(27'838)	(67'105)
Depreciation, amortisation and impairment expenses		49'096	52'641
Gain on disposal of property, plant and equipment, net		(1'215)	(1'160)
Non-cash transactions		790	(1'212)
Finance costs, net		20'689	41'114
Changes in working capital:			
(Increase)/Decrease in inventories		(4'151)	(1'070)
(Increase)/Decrease in trade receivables		231	(6'666)
(Increase)/Decrease in other current assets		(2'620)	(652)
Increase/(Decrease) in trade payables		(12'227)	(5'393)
Increase/(Decrease) in other current liabilities and provisions		(3'550)	(14'851)
Income taxes paid		(554)	(352)
Net cash generated from operating activities		18'651	(4'706)
Cash flows from investing activities			
Purchases of property, plant and equipment		(18'037)	(11'416)
Purchases of intangible assets		(1'626)	(1'784)
Proceeds from sale of property, plant and equipment		2'268	5'605
Net cash used in investing activities		(17'395)	(7'595)
Cash flows from financing activities			
Proceeds/(Repayments) of loans and borrowings		19'032	(20'648)
Payments of lease liabilities		(11'021)	(17'512)
Proceeds/(Repayments) of factoring		(626)	(5'340)
Interest paid		(15'598)	(3'457)
Net cash used in financing activities		(8'213)	(46'957)
Net (decrease)/increase in cash and cash equivalents		(6'957)	(59'258)
Cash and cash equivalents at the beginning of the period		60'034	127'902
Exchange gains on cash and cash equivalents		(175)	(1'322)
Cash and cash equivalents at the end of the period		52'902	67'322

The notes on pages 9 to 22 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 is 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 started to ease 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.

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)	2)	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 3 months ended 31 March 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	101'593	106'589	109'191	317'373	(5'462)	311'911
Revenue net of vending fees	91'772	86'797	103'484	282'053	(5'462)	276'591
Profit/(loss) before net fi- nance costs, income taxes, depreciation, amortisation and impairment expenses	13'601	14'926	19'624	48'151	(6'204)	41'947
Depreciation, amortisation and impairment expenses	(12'896)	(13'548)	(9'903)	(36'347)	(12'749)	(49'096)
Loss before net finance costs and income tax						(7'149)
Finance costs, net						(20'689)
Loss before income tax						(27'838)

Result for the 3 months ended 31 March 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	85'847	94'544	87'007	267'398	(3'641)	263'757
Revenue net of vending fees	76'595	78'709	82'861	238'165	(3'641)	234'524
Profit/(loss) before net fi- nance costs, income taxes, depreciation and amortisa- tion expenses	8'103	11'631	13'361	33'095	(6'445)	26'650
Depreciation and amortisa- tion expenses	(13'999)	(15'575)	(10'182)	(39'756)	(12'885)	(52'641)
Loss before net finance costs and income tax						(25'991)
Finance costs, net						(41'114)
Loss before income tax						(67'105)

6. Revenue by channel

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

Result for the 3 months ended 31 March 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	101'593	106'589	105'691	313'873	(5'462)	308'411
Rental revenue	-	-	3'500	3'500	-	3'500
Total revenue	101'593	106'589	109'191	317'373	(5'462)	311'911
Revenue from On-the-Go channel	36'881	56'912	18'979	112'772	-	112'772
Third party revenue from Workplace channel	50'136	40'592	47'544	138'272	-	138'272
Intersegment revenue from Workplace channel	-	14	-	14	(14)	-
Third party revenue from Trading channel	14'540	9'048	33'779	57'367	-	57'367
Intersegment revenue from Trading channel	36	23	5'389	5'448	(5'448)	-
Total revenue from contracts with customers	101'593	106'589	105'691	313'873	(5'462)	308'411

Result for the 3 months ended 31 March 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	85'847	94'544	84'095	264'486	(3'641)	260'845
Rental revenue	-	-	2'912	2'912	-	2'912
Total revenue	85'847	94'544	87'007	267'398	(3'641)	263'757
Revenue from On-the-Go channel	27'806	47'911	12'443	88'160	-	88'160
Third party revenue from Workplace channel	44'707	37'321	38'563	120'591	-	120'591
Intersegment revenue from Workplace channel	-	11	-	11	(11)	-
Third party revenue from Trading channel	13'334	9'307	29'453	52'094	-	52'094
Intersegment revenue from Trading channel	-	(6)	3'636	3'630	(3'630)	-
Total revenue from contracts with customers	85'847	94'544	84'095	264'486	(3'641)	260'845

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

	<i>Notes</i>	<i>3 months ended 31 March 2022 € (000's)</i>	<i>3 months ended 31 March 2021 € (000's)</i>
Depreciation	10	(33'742)	(37'964)
Amortisation customer relationship contracts and trademark		(13'723)	(12'788)
Amortisation other intangibles		(1'631)	(1'889)
Total depreciation, amortisation and impairment expenses		(49'096)	(52'641)

9. Finance costs and finance income

	3 months ended 31 March 2022 € (000's)	3 months ended 31 March 2021 € (000's)
Interest on loans	(22'882)	(20'756)
Lease interest expense	(1'524)	(1'924)
Other interest and finance expense	(491)	(655)
Foreign exchange loss	-	(17'946)
Total finance costs	(24'897)	(41'291)
Foreign exchange gain	3'904	-
Other interest and finance income	304	177
Total finance income	4'208	177

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	3'607	17'193	776	2'626	24'202
Disposals	(2'268)	(9'252)	(2'891)	(623)	(15'034)
Lease modifications	-	-	55	-	55
Reclassifications*	-	(4'309)	1'063	(142)	(3'388)
Effects of foreign currency exchange differences	301	396	(9)	(13)	675
Balance at 31 March 2022	164'796	805'783	77'036	85'553	1'133'168
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	(4'204)	(22'575)	(4'458)	(2'505)	(33'742)
Disposals	1'940	9'081	1'064	545	12'630
Reclassifications*	-	2'936	(708)	88	2'316
Effects of foreign currency exchange differences	(26)	(274)	2	19	(279)
Balance at 31 March 2022	(36'502)	(558'552)	(36'209)	(58'782)	(690'045)
Net Book Value					
At 31 December 2021	128'944	254'035	45'933	26'776	455'688
At 31 March 2022	128'294	247'231	40'827	26'771	443'123

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

As of 31 March 2022, the above table included right-of-use assets in the amount € 185.1 million (31 December 2021: € 190.4 million). Commitments in respect of capital expenditure amounted to € 4.2 million as of 31 March 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	(4'027)	(1'207)	(4'256)	(212)	(9'702)
Additions to right-of-use assets	3'607	2'007	532	19	6'165
Disposals of right-of-use assets	(328)	-	(1'802)	-	(2'130)
Lease modifications	-	-	55	-	55
Effects of foreign currency exchange differences	275	40	(13)	7	309
Balance at 31 March 2022	120'296	25'280	38'204	1'289	185'069

Lease liabilities	31 March 2022 € (000's)	31 December 2021 € (000's)
Current lease liabilities	38'676	46'047
Non-current lease liabilities	148'057	147'644
Total lease liabilities	186'733	193'691

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

	31 March 2022	31 December 2021
	€ (000's)	€ (000's)
Borrowings (incl. revolving credit facility)	1'063'741	1'015'150
Total borrowings	1'063'741	1'015'150

13.1. Borrowings

	31 March 2022			31 December 2021		
	€ (000's)	in %	Interest rate	€ (000's)	in %	Interest rate
EUR	1'038'932	97.7%	8.0%	991'212	97.6%	8.2%
CHF	24'809	2.3%	8.5%	23'938	2.4%	8.5%
Total	1'063'741	100%	8.0%	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

	31 March 2022	31 December 2021
	€ (000's)	€ (000's)
Total borrowings at variable rates	60'947	41'637
Total borrowings at fixed rates	1'002'794	973'513
Total borrowings	1'063'741	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>31 March 2022</i>
	<i>%</i>	<i>€ (000's)</i>
First Lien Notes (EUR)	8.0	714'895
First Lien Notes (CHF)	8.0	18'135
Second Lien Notes (EUR)	10.0	263'090
Second Lien Notes (CHF)	10.0	6'674
Senior revolving credit facility (Euribor + 3.5%)	3.5	60'947
Total borrowings at nominal values		1'063'741

	<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 is fully owned by Selecta Group MidCo S.à r.l.

14.2. Other comprehensive loss

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

<i>For 3 months ended 31 March 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	(3'786)	-	(3'786)
Total other comprehensive loss, net of tax	(3'786)	-	(3'786)

<i>For 3 months ended 31 March 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	21'464	-	21'464
Total other comprehensive loss, net of tax	21'464	-	21'464

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.

<i>31 March 2022</i>	<i>Financial as- sets at amor- tised cost € (000's)</i>	<i>Other financial liabilities € (000's)</i>	<i>Total € (000's)</i>	<i>Level 2 € (000's)</i>	<i>Total € (000's)</i>
Financial assets not measured at fair value					
Trade receivables	97'006	-	97'006		
Non-current financial assets	14'956	-	14'956		
Cash and cash equivalents	52'902	-	52'902		
Accrued income	27'161	-	27'161		
	192'025	-	192'025		
Financial liabilities not measured at fair value					
Revolving credit facility	-	(60'947)	(60'947)	(60'947)	(60'947)
Bank credit facility	-	(18'204)	(18'204)	(18'204)	(18'204)
Secured loan notes	-	(1'002'794)	(1'002'794)	(1'170'116)	(1'170'116)
Lease liabilities	-	(186'734)	(186'734)	(186'734)	(186'734)
Factoring and reverse factoring liabilities	-	(7'900)	(7'900)	(7'900)	(7'900)
Accrued Expenses	-	(96'259)	(96'259)	-	-
Trade payables	-	(161'488)	(161'488)	-	-
	-	(1'534'326)	(1'534'326)		

<i>31 December 2021</i>	<i>Financial assets at amortised cost</i> € (000's)	<i>Other financial liabilities</i> € (000's)	<i>Total</i> € (000's)	<i>Level 2</i> € (000's)	<i>Total</i> € (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 31 March 2022 the Group had commitments of € 46.1 million (31 December 2021: € 59.8 million) relating to purchase of inventory.

17. Events after the balance sheet date

No events have occurred between 31 March 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 11 May 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 3 months ended 31 March 2022 have been authorised by the Board of Directors on 11 May 2022.

Amsterdam, 11 May 2022

Christian Schmitz
Director of the Selecta Group B.V.

Philippe Gautier
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.