
# Management Board's report on the Company's activities for the year ended 31 December 2021

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

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# Information about the Company's operations

# 1. Information about the Company's operations

## 1.1. Key information about the Company

Selena FM S.A. (Parent Company, Company) having its registered office at ul. Strzegomska 2-4 in Wrocław is entered in the business register of the National Court Register kept by the District Court for Wrocław-Fabryczna, VI Commercial Division of the National Court Register under KRS no. 0000292032.

The Company was formed through conversion of the limited liability company Selena FM sp. z o.o. into a joint stock company, approved by the Extraordinary General Meeting on 26 September 2007. On 31 October 2007, the new entity was registered in the National Court Register by the District Court for Wrocław-Fabryczna in Wrocław. The Company was assigned the statistical number REGON 890226440. Its duration is indefinite (it is a going concern).

On 18 April 2008, the Company debuted on Warsaw Stock Exchange.

Selena FM S.A. has no branches.

## 1.2. Products and services

The core business of Selena FM S.A. as the parent entity in Selena FM Group (Selena Group, Group) is distribution of the Group's products into foreign markets and into the domestic market (as a multi-distributor), and provision of advice to its subsidiaries with regard to strategic management, finance management, sales strategy and bookkeeping services. The Company is responsible for strategic management of Selena Group, which comprises the entities referred to in Note 1.4.

## 1.3. Distribution markets

In 2021, related companies accounted for more than 79% of the Company's revenues (more than 80% in 2020). Sales are generated in Poland (PLN 25.3 million to non-related companies and PLN 279.5 million to related companies) and abroad (PLN 179.2 million to non-related companies, PLN 509.6 million to related companies), mainly in the geographies where the Group-owned companies are established. The Company's tangible assets are located in Poland.

## 1.4. Related companies and equity investments

The value of shares in related companies is presented in Note 5.2.4 of the standalone financial statements of Selena FM S.A. for 2021.

## 1.5. Key developments

The information on loan agreements and investments into related parties are described in other sections of this report. The key developments for Selena Group were described in the Management Board's report on the activities of Selena Group for 2021.

## 1.6. Achievements in research and development

The Company does not carry out R&D activity directly. R&D is co-ordinated by the subsidiary Selena Labs Sp. z o.o. and the research units in the subsidiaries that carry out production activity (in China, Romania, Turkey, Spain and Italy, in addition to Poland).

## 1.7. Description of risks and threats

The Management Board of the Company, as the parent entity of Selena Group, is responsible for the risk management system and the internal control system as well as for reviewing these systems in terms of operational efficiency. The internal control system at Selena Group operates on the basis of 3 lines, each subject to regular assessment, both internally, based on developed standards, and externally, by specialized entities. Solutions developed and implemented in practice are tools used to identify, assess and manage individual risks and allow risk factor to be controlled. Due to the nature of operations and scope of business, it is not possible to completely eliminate risks, including the risk of fraud and non-compliance. The risk factors and threats that the Group (including the Company) is exposed to were described in the Management Board's report on the activities of Selena Group for 2021.

As the Company plays the role of a multi-distributor for its distribution companies (the Company orders production from domestic manufacturers from whom it purchases finished goods branded with the Group’s trademarks and sells them on to local distributors), the Company incurs a key risk (market risk). The multi-distributor incurs residual risk related to external factors, such as volatility of raw material prices, varying demand in the market and competitive activities.

The risk of the situation in Ukraine having an impact on the operating activities of the Company is described in Note 2.2 of the standalone financial statements for 2021.

## 1.8. Expected development of the Company

The Company is to continue as a centre responsible for planning and coordinating Selena Group’s operations world-wide.

In 2022, the Company will focus on implementation of its key strategic programmes in the following areas:

- maintaining and strengthening the core business areas;
- continuing the improvement of operational effectiveness of the trading and production companies;
- concentration on close cooperation with end users;
- increasing the competitiveness of products (solutions);
- implementation of digital transformation;
- securing Selena Group’s liquidity.

## 1.9. Investment plans

The Company’s investments in 2021 are mainly connected with financing and capital support for its subsidiaries. The level of investment depends on the current and expected performance of the subsidiaries and their capex plans. The Company also remains willing to consider acquisitions should an attractive opportunity arise. The Group’s investment plans are presented in Note 1.13 of the Management Board’s report on the Group’s activity for 2021.

# Financial position

# 2. Financial position

## 2.1. The Company's revenue and earnings

| Figures in PLN thousand | from 01.01.2021 to 31.12.2021 | from 01.01.2020 to 31.12.2020 | Change | Change % |
|---|---|---|---|---|
| Revenue from contracts with customers | 993,642 | 765,962 | 227,680 | 30% |
| Cost of sales | 892,393 | 631,054 | 261,339 | 41% |
| Gross profit | 101,249 | 134,908 | -33,659 | -25% |
| Selling and marketing costs | 54,960 | 45,713 | 9,247 | 20% |
| General and administrative expenses | 47,008 | 38,612 | 8,396 | 22% |
| Other operating income (loss) | -802 | -29 | -773 | - |
| Impairment loss/ reversal of impairment loss (-) of receivables | 4,545 | 2,002 | 2,543 | - |
| Dividends from subsidiaries | 44,120 | 31,138 | 12,982 | 42% |
| EBITDA (operating profit + depreciation + amortization) | 43,724 | 84,760 | -41,036 | -48% |
| Operating profit (EBIT) | 38,054 | 79,690 | -41,636 | -52% |
| Net financial income (loss), including: | 7,655 | 6,231 | 1,424 | 23% |
| *Impairment loss/ reversal of impairment loss (-) of loans granted* | *132* | *-897* | *1,029* | - |
| Profit before tax | 45,709 | 85,921 | -40,212 | -47% |
| Net profit | 43,545 | 75,379 | -31,834 | -42% |
| Total comprehensive income | 43,545 | 75,379 | -31,834 | -42% |

| | | | Change in p.p. |
|---|---|---|---|
| Gross profit margin | 10.2% | 17.6% | -7.4 |
| Selling costs/ Revenue from contracts with customers | 5.5% | 6.0% | -1.0 |
| General and administrative expenses/ Revenue from contracts with customers | 4.7% | 5.0% | -0.8 |
| EBITDA margin %* | 4.4% | 11.1% | -6.7 |
| Operating profit margin (EBIT %**) | 3.8% | 10.4% | 1.4 |
| Net profit margin | 4.4% | 9.8% | -5.5 |

**EBITDA % – EBITDA/ sales*

*** EBIT % – operating profit/ revenue from sales*

In 2021, revenues from contracts with customers were PLN 993.6 million, up PLN 227.7 million year-on-year. At the same time, cost of sales increased by PLN 261.3 million. As a result, the gross profit margin was PLN 33.7 million lower than the margin achieved in the previous year. The Company acts as a multi-distributor for the Group's distribution companies and continues sales to customers from the Private Label channel.

Selling costs in 2021 were PLN 55.0 million, up 20% year-on-year. The increase in selling costs results from investments in sales and marketing areas related to the Group's development plans for the coming years. In addition, in 2021, some employees were reassigned from Selena Marketing due to the lease of the company. The ratio of selling costs to revenue from sales was 5.5%.

In 2021, general and administrative expenses were PLN 47.0 million, up PLN 8.4 million on the previous year. The increase in general and administrative expenses results from e.g. implementation of the concept of centralization of shared services for the Group at the parent company.

The result on other operations was negative at PLN -5.3 million, taking into account the impairment loss on financial assets. The impairment loss on financial assets was PLN 4.5 million.

In 2021, dividends from subsidiaries (PLN 44.1 million) were presented as a separate line item.

The result on financial activity was PLN 7.7 million. Key items of financial income included interest on loans of PLN 9.6 million.

The result on financial activity was reduced by financial expenses of PLN 5.1 million, including loan interest of PLN 3.2 million, and loans of PLN 0.1 million increased by the reversal of the impairment allowance (details of the impairment allowances on loans are presented in Note 6.2.3 of the standalone financial statements for 2021).

## 2.2. The Company's key balance sheet figures

| Figures in PLN thousand | As at 31.12.2021 | As at 31.12.2020 restated figures* | Change | Change % |
|---|---|---|---|---|
| Shares in subsidiaries | 144,088 | 142,968 | 1,120 | 1% |
| Loans granted, valuation of derivative financial instruments | 263,240 | 234,034 | 29,206 | 12% |
| Trade receivables | 212,927 | 174,785 | 38,142 | 22% |
| Cash and cash equivalents | 785 | 5,170 | -4,385 | -85% |
| Other assets | 222,978 | 48,160 | 174,818 | 363% |
| **Total assets** | **844,018** | **605,117** | **238,901** | **39%** |
| Equity | 442,899 | 428,030 | 14,869 | 3% |
| Bank and other loans | 128,050 | 62,650 | 65,400 | 104% |
| Trade liabilities | 87,271 | 87,316 | -45 | 0% |
| Other liabilities | 185,798 | 27,121 | 158,677 | 585% |
| **Total equity and liabilities** | **844,018** | **605,117** | **238,901** | **39%** |
| Debt ratio** | 48% | 29% | | |

** Restated data are discussed in Note 1.3 to the standalone financial statements for 2021*
*** Total liabilities/ Total equity and liabilities*

The balance sheet total at the end of 2021 was PLN 844.0 million, up PLN 238.9 million on the balance sheet total posted at the end of 2020. The increase was caused by a significant increase in intangible assets, loans granted, and trade receivables.

## 2.3. Cash flows of the Company

| Figures in PLN thousand | from 01.01.2021 to 31.12.2021 | from 01.01.2020 to 31.12.2020 | Change |
|---|---|---|---|
| Net cash flows from operating activities | -70,301 | 33,051 | -103,352 |
| Net cash flows from investing activities | 7,936 | -15,574 | 23,510 |
| Net cash flows from financing activities | 58,013 | -17,410 | 75,423 |
| **Change in cash and cash equivalents:** | **-4,352** | **67** | **-4,419** |

Cash inflows from operating activities were PLN -70.3 million, down PLN 103.4 million vs 2020.

Cash flows from investing activities were positive at PLN 7.9 million, mainly due to loans of PLN 20.0 million granted to subsidiaries, down PLN 39.0 million on 2020. At the same time, the Company received dividend and interest income from subsidiaries of PLN 30.8 million.

Net cash flows from financing activities amounted to PLN 58.0 million. This balance was mainly affected by loans incurred (PLN 89.7 million net), interest paid (PLN -1.0 million), finance lease payments (PLN -2.1 million) and share buyback (PLN -28.7 million). In 2021, the Company did not pay dividend to its shareholders.

## 2.4. Loans received

Details of the lending terms are presented in Note 5.1.4 of the standalone statements for 2021.

As part of the loan agreements signed by the Parent Company separately or jointly with its subsidiaries, the Company undertook to maintain certain financial ratios at the levels agreed with banks. As at 31 December 2021, Selena Group maintained the consolidated financial ratios at the levels required by the lenders.

| Figures in PLN thousand | | | As at 31.12.2021 | | As at 31.12.2020 | |
|---|---|---|---|---|---|---|
| Ref. | Loan type | Maturity date | *Long-term portion* | *Short-term portion* | *Long-term portion* | *Short-term portion* |
| 1 | Non-renewable loan | 2024 | 7,000 | 3,000 | 0 | 0 |
| 2 | Working capital loan | 2024 | 23,428 | 27,960 | 0 | 2,276 |
| 3 | Loan | 2023 | 28,944 | 28,980 | 25,654 | 982 |
| 4 | Loan | 2022 | 0 | 8,738 | 8,700 | 38 |
| 5 | Loan | 2021 | 0 | 0 | 0 | 25,000 |
| **Total loans** | | | **59,372** | **68,678** | **34,354** | **28,296** |

## 2.5. Loans granted

The Company, as a Parent of Selena Group, finances the operations of its subsidiaries. The financing instruments are intercompany loans.

A summary of changes in the balance of these instruments in 2021 and 2020 is shown in the table below.

| Figures in PLN thousand | Gross value | Impairment (-)/ reversal of impairment | Net value |
|---|---|---|---|
| **as at 1 January 2021** | **319,255** | **-85,531** | **233,724** |
| Loan granted | 20,013 | -173 | 19,840 |
| Conversion of receivables | 4,574 | 0 | 4,574 |
| Repayment of principal | -1,265 | 0 | -1,265 |
| Interest accrued | 9,656 | 41 | 9,697 |
| Interest paid | -5,161 | 0 | -5,161 |
| Withholding tax | -482 | 0 | -482 |
| FX differences arising on balance sheet valuation | 2,234 | -254 | 1,980 |
| **as at 31.12.2021** | **348,824** | **-85,917** | **262,907** |

| Figures in PLN thousand | Gross value | Impairment (-)/ reversal of impairment | Net value |
|---|---|---|---|
| **as at 1 January 2020** | **264,341** | **-79,675** | **184,666** |
| Loan granted | 59,033 | 1,159 | 60,192 |
| Repayment of principal | -8,097 | 0 | -8,097 |
| Interest accrued | 7,178 | -262 | 6,916 |
| Interest paid | -7,926 | 0 | -7,926 |
| Withholding tax | -389 | 0 | -389 |
| FX differences arising on balance sheet valuation | 5,115 | -6,753 | -1,638 |
| **as at 31.12.2020** | **319,255** | **-85,531** | **233,724** |

Details of the financing provided to subsidiaries were presented in detail in Note 5.1.3 of the Company's standalone financial statements for 2021.

## 2.6. Guarantees and off-balance sheet items

The guarantees the Company extended to its subsidiaries are presented in Note 7.1 of the standalone financial statements for 2021.

The Company does not grant guarantees for the obligations of non-related entities.

## 2.7. Financial instruments and financial risk management principles

The Company's financial instruments are presented in detail in Note 5.1 of the standalone financial statements for 2021.

The Company's risk financial risk management principles (covering FX risk, interest rate risk, credit risk and liquidity risk) are presented in detail in Note 6.2 of the standalone financial statements for 2021.

## 2.8. Assessment of financial resources management

The Company meets its financial obligations in a timely manner and has no liquidity problems. In the Management Board's opinion, there are no risks to the Company's capacity to service its obligations in a timely manner.

# Other information

# 3. Other information

## 3.1. Significant agreements

The agreements concluded in 2021 and deemed material for the Company's financial position, include bank loan agreements (Note 2.4), agreements connected with the financing for subsidiaries (Note 2.5), guarantee agreements with subsidiaries (Note 2.6) and agreements relating to shares held (Note 1.4).

Agreements that are significant for Selena Group were described in the Management Board's report on the activities of Selena Group for 2021 (Note 3.1).

## 3.2. Related party transactions

In 2021, the Company and its subsidiaries entered into business-as-usual transactions. The terms of the transactions were market-based and resulted from the current activities. These transactions, and the transactions concluded with the Company's Directors, are presented in Notes 7.2 and 7.4 of the standalone financial statements for 2021.

## 3.3. Issue of securities

In 2021, the Company did not issue any securities.

## 3.4. Acquisition of own shares

The Company did not have any treasury shares as at 31 December 2020.

On 27 May 2021, the Annual General Meeting (AGM) adopted a resolution authorising the Management Board to acquire own shares on behalf of and for the benefit of the Company and defining the rules for the buyback.

On 8 October 2021, the Company's Management announced that it adopted, on the same day, a resolution to launch the own shares buyback programme, activating the first buyback tranche. The Management Board also announced that it had concluded an agreement with Santander Bank Polska S.A. – Santander Brokerage Poland, for the provision of brokerage services in the purchase of own shares by the Company by way of a tender offer to Shareholders to submit offers to sell shares.
In addition, the Company made public the most important rules for the purchase of own shares under the Management Board's resolution, specifying them in Current Report No. 25/2021 of 8 October 2021. The tender offer for the shares of Selena FM S.A. (1st tranche of own share buyback) ("Tender Offer") was made public on 8 October 2021: in the form of an ESPI current report (as an attachment to Current Report 25/2021), on the website of Selena FM S.A. and on the website of Santander Brokerage Poland.

In turn, on 25 October 2021, the Company's Management Board reported that on that day own shares were acquired and settled in connection with the Tender Offer announced on 8 October 2021 to the holders of the Company's shares. Details regarding execution and settlement of the purchase of own shares by the Company were provided in Current Report No. 26/2021 of 25 October 2021. In connection with the purchase of own shares carried out by the Company on the basis of the Tender Offer, the Company acquired a total of 194,834 own shares with a nominal value of PLN 0.05 each, at a price of PLN 24.00 per share and a total price of PLN 4,676,016. The acquired own shares represented 0.85% of the Company's registered capital and carried 0.73% of the total number of votes at the Company's General Meeting.

Another tender offer for the shares of Selena FM S.A. (2nd tranche of own share buyback) was made public on 2 December 2021: in the form of an ESPI current report (as an attachment to Current Report 32/2021 of 2 December 2021), on the website of Selena FM S.A. and on the website of Santander Brokerage Poland.

On 15 December 2021, the Management Board reported that it had cancelled the buyback (Current Report No. 32/2021), noting that the cancellation was due to the Management Board's decision to increase the share price proposed under the 2nd buyback tranche.
The Management Board also announced that in connection with the cancellation of the Tender Offer of 2 December 2021, on 15 December 2021 – by the resolution on the 2nd buyback tranche, it decided to announce a new tender offer as part of the 2nd buyback tranche.
In addition, the Company made public the most important rules for the purchase of own shares under the Management Board's resolution, specifying them in Current Report No. 34/2021 of 15 December 2021. The tender offer for the shares of Selena FM S.A. was made public on 15 December 2021: in the form of an ESPI current report (as an attachment to Current Report 34/2021), on the website of Selena FM S.A. and – immediately after the publication by the Company – on the website of Santander Brokerage Poland.

In turn, on 29 December 2021, the Company's Management Board reported that on that day own shares were acquired and settled in connection with the Tender Offer announced on 15 December 2021. Details regarding execution and settlement of the purchase of own shares by the Company were provided in Current Report No. 25/2021 of 29 December 2021. In connection with the purchase of own shares carried out by the Company on the basis of the Tender Offer, the Company acquired a total of 1,000,000 own shares with a nominal value of PLN 0.05 each, at a price of PLN 24.00 per share and a total price of PLN 24,000,000.00. The acquired own shares represent about 4.38% of the Company's registered capital and carry about 3.73% of the total number of votes at the Company's General Meeting.
Before the end of the above 2nd buybacktranche, the Company had 194,834 own shares. Thus, as at 31 December 2021 and as at the date of publication, the Company has 1,194,834 own shares with a nominal value of PLN 0.05 per share, representing 5.23% of the Company's registered capital and carrying 4.45% of the total number of votes at the Company's General Meeting.

The list of the Company's shares held by the executive and non-executive directors of the Parent are presented in Note 3.11 of this report.

## 3.5. Delivery of forecasts

The Company did not publish its standalone forecasts for 2021.

## 3.6. Litigations

The Company is not involved in any court, arbitration or administration proceedings whose value would be at least 10% of the Group's equity.

## 3.7. Unusual events and factors

Unusual events and factors affecting the Company's business are described in Notes 2.1-2.3. Unusual events and factors affecting Selena Group were described in the Management Board's report on the Group's activities for 2021.

## 3.8. Changes to the governance principles

In 2021, no major changes were made to the rules of managing the Group.

## 3.9. Agreements with directors

Neither the Parent Company nor the subsidiaries entered into any material agreements with members of the Company's management or supervisory bodies, whose effects would not be disclosed in the financial statements of the Parent Company or Selena Group.

## 3.10. Remuneration of the Management Board and the Supervisory Board

The remuneration of the Management and the Supervisory Board members is described in Note 7.4 of the standalone financial statements for 2021.

## 3.11. Shareholdings by executive and non-executive directors

The Company's executive and non-executive directors did not hold any shares of the Company as at the date of publication of this report.

## 3.12. Agreements affecting changes in the proportion of shareholdings

The Company is not aware of any agreements that in the future might affect the proportion of shareholdings of the existing shareholders.

## 3.13. Control of Employee Share Programmes

In 2021, no employee share programmes were in place in the company.

## 3.14. Information on the audit of the financial statements

On 15 March 2021, the Supervisory Board resolved to appoint Ernst & Young Audyt Polska Sp. z o.o. Sp. k. as the auditor responsible for review of the interim financial statements and audit of the annual financial statements of the Parent Company, and the Group's consolidated financial statements for 2021–2023. The audit agreement was concluded on 22 June 2021.

Remuneration of the auditor of the Company's standalone financial statements and the Group's consolidated financial statements as well as standalone financial statements of selected subsidiaries for the years 2020–2021 is presented in Note 8.5 of the consolidated financial statements for 2021.

## 3.15. Compliance with the EU Taxonomy for Sustainable Activities

In this Report for 2021, the Company reports for the first time the indicators provided for under EU regulations relating to sustainable activities ("Taxonomy").
In accordance with Article 8 of Regulation of the European Parliament and of the Council No 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment ("Regulation"), in order for an activity to qualify as environmentally sustainable it should meet three conditions:

- Contribute substantially to at least one of the six environmental objectives: climate change mitigation; climate change adaptation; the sustainable use and protection of water and marine resources; the transition to a circular economy; pollution prevention and control; and the protection and restoration of biodiversity and ecosystems;
- Not significantly harm any of these objectives;
- Be carried out in compliance with the minimum safeguards of human rights, including the fundamental conventions of the UN International Labour Organisation.

In 2021, the reporting refers to indicators related to the activities pursuing the first two environmental objectives, i.e. climate change mitigation and climate change adaptation – Company discloses the proportion of the turnover, capital expenditure (CAPEX) or operating expenditure (OPEX) (defined in accordance with the relevant provisions on the Taxonomy) that are Taxonomy-eligible and Taxonomy non-eligible. The Company notes that the reported data were prepared for the first time, and are based on estimates and available sources. The data have not been audited and have been prepared in accordance with the best knowledge.

As a result of the analysis, at the level of the Company and the Group, it was decided that Taxonomy-eligible items include turnover, CapEX and OpeEx relating to construction products that contribute to climate change mitigation by reducing electricity consumption in buildings and structures or reducing the demand for final energy for heating or cooling, and thus reducing the carbon footprint of buildings and structures.

| Company | [PLN k] | % |
|---|---|---|
| Taxonomy-eligible turnover | 18,800 | 1.9% |
| Taxonomy non-eligible turnover | 974,842 | 98.1% |
| Total turnover | 993,642 | 100% |

| Company | [PLN k] | % |
|---|---|---|
| Taxonomy-eligible OpEx | 2 | 0.0% |
| Taxonomy-non-eligible OpEx | 134,653 | 100% |
| Total OpEx | 134,655 | 100% |

| Company | [PLN k] | % |
|---|---|---|
| Taxonomy-eligible CapEx | 0 | 0.0% |
| Taxonomy-non-eligible CapEx | 3,278 | 100% |
| Total CapEx | 3,278 | 100% |

# Corporate Governance Principles

# 4. Corporate Governance Principles

## 4.1. Application of and exceptions to Corporate Governance Principles

In 2021, the Company was subject to the corporate governance principles contained in:

- the "Best Practice for GPW Listed Companies 2016" ("Best Practice 2016"), introduced by the Resolution of the Supervisory Board of the Warsaw Stock Exchange S.A. of 13 October 2015, which were in force until 30 June 2021 (full text available at: https://www.gpw.pl/pub/GPW/files/PDF/GPW_1015_17_DOBRE_PRAKTYKI_v2.pdf).
- the "Best Practice for GPW Listed Companies 2021" ("Best Practice 2021"), introduced by the Resolution of the Supervisory Board of the Warsaw Stock Exchange S.A. of 29 March 2021, which came into force on 1 July 2021 (full text available at: https://www.gpw.pl/pub/GPW/files/PDF/dobre_praktyki/DPSN21_BROSZURA.pdf).

In accordance with the position of the Polish Financial Supervision Authority (KNF), the information contained in this Report relates to Best Practice 2021.
The Company tries to apply in practice European Commission Recommendation No 2015/208 of 9 April 2014 on the quality of corporate governance reporting ("comply or explain" approach). Exceptions to the corporate governance principles specified in Best Practice 2021 are presented below:

| Principle | Exception explained |
|---|---|
| Principle 1.4:<br>To ensure quality communications with stakeholders, as a part of the business strategy, companies publish on their website information concerning the framework of the strategy, measurable goals, including in particular long-term goals, planned activities and their status, defined by measures, both financial and non-financial. ESG information concerning the strategy should among others: (...) | The principle is not followed.<br>Due to the interest of the Group, the Company does not and does not plan to publish on its website information on the goals and directions of its development (whether existing or planned) due to the sensitivity of such data from the point of view of competition. |
| Principle 1.4.1.<br>explain how climate change considerations are integrated into the decision-making processes of the company and its group entities, highlighting the resulting risks; | The principle is not followed.<br>Due to the interest of the Group, the Company does not and does not plan to publish on its website information on the goals and directions of its development (whether existing or planned) due to the sensitivity of such data from the point of view of competition. |
| Principle 1.4.2.<br>present, among other things, the equal pay index for employees, defined as the percentage difference between the average monthly pay (including bonuses, awards and other benefits) of women and men in the last year, and present information about actions taken to eliminate any pay gaps, including a presentation of related risks and the time horizon of achieving the equality target. | The principle is not followed.<br>Due to the interest of the Group, the Company does not and does not plan to publish on its website information on the goals and directions of its development (whether existing or planned) due to the sensitivity of such data from the point of view of competition. |
| Principle 1.5.<br>The company discloses, at least annually, the expenditure incurred by it and its group in supporting culture, sport, charitable institutions, the media, social organisations, trade unions, etc. Where the company or its group has incurred expenditure for such purposes in the year under review, the disclosure includes a breakdown of such expenditure. | The principle is not followed.<br>The Company has not adopted a sponsorship or corporate giving policy. However, the Company is active in this area, publishing updates on its corporate website and in social media. The level of involvement depends on the company's financial capabilities and each case is analyzed. As the Company chooses not to make public its preferences, it has decided that disclosing those donations is not justified. Additionally, from the point of view of the main financial parameters, the amounts involved are not significant. |
| Principle 2.1.<br>Companies should have in place a diversity policy applicable to the management board and the supervisory board, approved by the supervisory board and the general meeting, respectively. The diversity policy defines diversity goals and criteria, among others including gender, education, expertise, age, professional experience, and specifies the target dates and the monitoring systems for such goals. With regard to gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%. | The principle is not followed.<br>The Company does not ensure a balanced participation of women and men on the Management Board or the Supervisory Board. The roles of executive and non-executive directors were allocated to selected individuals on the basis of their expertise and experience rather than their gender, education, nationality or age. Gender is not a factor influencing the decision-making process in this regard. The Company complies with the applicable rules of non-discrimination in employment, and diversity is a fundamental value in the Group. |
| Principle 2.2.<br>Decisions to elect members of the management board or the supervisory board of companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1. | The principle is not followed.<br>The Company does not ensure a balanced participation of women and men on the Management Board or the Supervisory Board. The roles of executive and non-executive directors were allocated to selected individuals on the basis of their expertise and experience rather than their gender, education, nationality or age. Gender is not a factor influencing the decision-making process in this regard. The Company complies with the applicable rules of non-discrimination in employment, and diversity is a fundamental value in the Group. |

| | |
|---|---|
| *Principle 2.11.*<br>*In addition to its activities under the law, once a year the supervisory board draws up an annual report and submit it to the ordinary general meeting for approval. The report referred to above includes at least:*<br>information on the composition of the supervisory board and its committees, with an indication of which supervisory board members meet the independence criteria set out in the Act of 11 May 2017 on auditors, audit firms and public supervision, and which of them have no real and significant links with a shareholder holding at least 5% of the total number of votes in the company, as well as information on the composition of the supervisory board in the context of its diversity; | The principle is not followed.<br>Due to the fact that the Company does not follow Principle 2.1, the annual report of the supervisory board does not contain information on the composition of the supervisory board in the context of diversity. The remaining matters are covered by the report. |
| Principle 2.11.5.<br>an assessment of the validity of the expenditure referred to in principle 1.5; | The principle is not followed.<br>Due to the fact that the Company does not follow Principle 1.5, the annual report of the supervisory board does not contain assessment of the validity of the expenditure referred to in Principle 1.5. Nevertheless, in its report, the supervisory board refers to matters related to sponsorship and corporate giving activities. |
| Principle 2.11.6.<br>information on the extent to which the diversity policy is implemented in relation to the management board and the supervisory board, including the achievement of the objectives referred to in principle 2.1. | The principle is not followed.<br>Due to the fact that the Company does not follow Principle 2.1., the annual report of the supervisory board does not include information on the extent to which the diversity policy is implemented in relation to the management board and the supervisory board, including the achievement of the objectives referred to in Principle 2.1. |
| Principle 4.1.<br>Companies should enable their shareholders to participate in a general meeting by means of electronic communication (e-meeting) if justified by the expectations of shareholders notified to the company, provided that the company is in a position to provide the technical infrastructure necessary for such general meeting to proceed. | The principle is not followed.<br>Due to numerous technical and organizational activities, as well as taking into account the costs and risks of that measure, the Company chooses not to enable shareholders to participate in the General Meeting using means of electronic communication (e-General Meeting). |
| Principle 4.3.<br>Companies provide a public real-life broadcast of the general meeting. | The principle is not followed.<br>The Company does not provide real-time broadcasts of its General Meetings as their participants do not agree to their images being made public. |
| Principle 4.4.<br>Presence of representatives of the media should be allowed at general meetings. | The principle is not followed.<br>The Company allows the shareholders participating in the General Meeting to decide on whether or not to make the meeting available to media representatives. |
| Principle 4.8.<br>Draft resolutions of the general meeting on items on the agenda of the general meeting should be tabled by shareholders at least 3 days before the general meeting. | The principle is not followed.<br>The Company applies the provisions of Article 401 § 5 of the Commercial Companies Code, which stipulate that each shareholder may, during the general meeting, submit draft resolutions on matters included in the agenda. |
| *Principle 4.9.*<br>*Where the subject of the general meeting is to be an appointment to the supervisory board or the appointment of a new supervisory board:*<br>4.9.1. nominations for supervisory board members should be made in sufficient time to enable the shareholders attending the general meeting to take a decision with due deliberation, but no later than 3 days before the general meeting; the nominations, together with a set of materials concerning them, should be published on the company's website without delay; | The principle is not followed.<br>Candidates for members of the supervisory board are proposed by shareholders during the general meeting. |
| Principle 6.2.<br>Incentive schemes should be designed in a way that, inter alia, makes the level of remuneration of members of the company's management board and key managers conditional on an actual long-term situation of the company in terms of financial and nonfinancial performance and long-term growth of shareholder value and sustainability, as well as the stability of the company's operations. | The principle is not followed.<br>The Company has no incentive scheme based on long-term parameters that would be intended for key managers. The Company's management board members are covered by an incentive scheme based on long-term financial parameters intended for management board members. |

## 4.2. System of internal control over financial reporting

The Company's Management Board is responsible for effective functioning of the system of internal control over financial reporting.

To ensure reliability of its financial accounts, the Company has implemented and has been actively upgrading its internal control and risk management system. The system covers, among others, the following areas:

- controlling and management accounting;
- accounting, including financial reporting and consolidation;
- forecasting and financial analyses;
- internal audit.

As part of the internal control and risk management system there are organizational solutions and corporate standards/ procedures in place that ensure effectiveness of the control over financial reporting and identification/ elimination of risks in this area. The following measures should be noted:

- Harmonisation of the accounting policies, financial reporting and accounting procedures;
- Application of a standardized financial reporting model for external and internal purposes;
- Clear division of roles and responsibilities of the financial functions and the middle and upper management;
- Regular and formalized process of reviewing and updating the budget assumptions and financial projections;
- Having the financial accounts reviewed and audited by an independent auditor;
- Implementation of a common IT platform SAP BI for the all the Group companies;
- Conduct of internal review of correctness of financial information prepared by the Group members.

The Finance Director has oversight over preparation of the financial statements and financial reports of the Company. Preparation of the annual and interim financial statements is the responsibility of the Company's finance function. The Company keeps abreast of the legal developments relating to the stock exchange reporting and makes sure it is prepared for their implementation well in advance.

Each month, upon closing on the books of account, a management report is put together with details on the key financials and ratios for particular business segments. The Management Board and unit managers analyse and discuss the Company's and subsidiaries' performance.

Each quarter, the Company's Management Board verifies the reliability and currency of the annual budgets and internal short-term projections. Where appropriate, the Management Board liaises with the management of the Group companies to review and update the previous budget assumptions.

As required by law, the Company has its financial accounts audited by an independent auditor. The auditor is selected by the Supervisory Board from among the recognized audit firms which ensure high standards of service and professional independence, following competition rules, in accordance with the "Policy and procedure of selection of an auditor to carry out a statutory audit of the financial statements of Selena FM S.A. of Wrocław and Selena Group".

The auditor presents the audit results to the Company's Supervisory Board and the Management Board. Next, the results are published in the audit report. The audit of financial statements also includes verification of the Company's internal control system. The findings, observations and recommendations for improvement of the internal control system stemming from the audit of financial statements are presented to the Company in the form of a Management Letter. As of 20 October 2017, the Audit Committee appointed by the Supervisory Board has oversight over the entire financial reporting process at the Company.

## 4.3. Significant shareholders

According to the Company's knowledge, as at the date of publication of this report, the following shareholders hold the shares which carry at least 5% votes at the General Meeting:

| Shareholder | Type of shares | Number of shares acquired | Share in registered capital | Number of votes | Share in votes at the AGM |
|---|---|---|---|---|---|
| Syrius Investments S.a.r.l.* | Registered preference shares | 4,000,000 | 17.52% | 8,000,000 | 29.81% |
| | Bearer shares | 13,813,000 | 60.49% | 13,813,000 | 51.48% |
| Quercus Towarzystwo Funduszy Inwestycyjnych S.A. ** | Bearer shares | 1,334,746 | 5.85% | 1,334,746 | 4.97% |

** entity controlled by Krzysztof Domarecki*
*** as at 18 May 2021, based on a notification from Quercus Towarzystwo Funduszy Inwestycyjnych S.A.*

## 4.4. Holders of shares with special control rights

No securities exist which would carry any special control rights in the Company.

## 4.5. Limitations on voting rights

In accordance with Article 364 § 2 of the Commercial Companies Code, the voting right carried by own shares held by the Company may not be exercised. There are no other limitations on the exercise of votes from the Company's other shares.

## 4.6. Limitations on transfer of title to the Company's shares

There are no limitations on the transfer of title to the Company's shares.

## 4.7. Appointment and powers of the Management Board

The Company's Management Board may consist of one to seven members appointed for a joint 3-year term of office. The number of the Management Board members is determined by the Supervisory Board. The Management Board members, including the Management Board President, are appointed and removed by the Supervisory Board.
The Management Board led by the Management Board President manages the Company and represents it outside. The authority to represent and bind the Company is vested in two Management Board members acting together or one Management Board member acting jointly with a proxy.

The Company is represented by the Supervisory Board in any contracts between the Company and the Management Board members or in any disputes between the Company and the Management Board members.

Management Board resolutions are adopted by absolute majority of votes of the Management Board members present at the meeting.

The Management Board acts pursuant to the Terms of Reference of the Management Board approved by the Supervisory Board.

Each Management Board member may manage the Company's affairs independently in relation to the ordinary course of the Company's business. Any matters that go beyond the ordinary course of the Company's businesses require a resolution of the Management Board. Also, the Management Board shall adopt resolutions at the request of any single Management Board member, particularly in the following matters:
1) reports, motions and other matters submitted to the Supervisory Board and the General Meeting;
2) granting the power of proxy (prokura);
3) convening annual and extraordinary General Meetings of Shareholders on its initiative or at a written request of the Supervisory Board or other competent bodies acting in accordance with the applicable laws or the Statutes, and defining the agenda of the General Meeting.

The right to take a decision on the issue or redemption of the Company's shares is regulated by the Commercial Companies Code.

## 4.8. Amending the Articles of Association of the Company

Any changes to the Company's Articles of Association require a resolution of the General Meeting adopted by an absolute majority of votes in accordance with Article 415 §. Article 3 and Article 416 §1 of the Commercial Companies Code.

## 4.9. General Meeting and the rights of shareholders

The General Meeting operates pursuant to the Company's Statutes and the Terms of Reference of the General Meeting, which are available to the public. The General Meeting is convened in the Company's registered office or in Warsaw at the date specified in the Company's current reports and on its website. In addition to the shareholders, the General Meeting may be attended by the members of the Management Board and the Supervisory Board, and: directors, officers and other employees of the Company or its subsidiaries invited by the Company's Management Board – when the General Meeting considers an item of the agenda falling within the scope of responsibility of such persons, as well as the experts invited by the authority which convened the General Meeting - when the General Meeting considers an item of the agenda subject to assessment by experts, or – where approved by the Shareholders representing the ordinary majority of votes – when the General Meeting considers other items of the agenda: representatives of the media, other persons – where approved by Shareholders – when the General Meeting considers particular items of the agenda or during the entire General Meeting.

The Terms of Reference of the General Meeting lay down the rules of election of the General Meeting Chairman, the role of the Chairman and the rules of election and the duties of the Ballot Commission. Open ballot is used at General Meetings. Secret ballot is ordered for: appointment or removal of members of the Company's governing bodies; motions to bring a member of the Company's governing bodies to liability; in personal matters and at the request of at least one authorized voter.

**Shareholder rights:**

1. Shareholders representing at least a half of the share capital or at least a half of the total voting power may convene an Extraordinary General Meeting.
2. The Shareholder(s) representing at least 1/20 of the share capital shall have the right to convene the General Meeting if the General Meeting was not convened at their prior request and the registry court authorized them to convene the same. The court shall appoint the Chairman of the General Meeting so convened.
3. The Shareholder(s) representing at least 1/20 of the share capital may demand that certain items be included in the agenda of the next General Meeting and propose draft resolutions.
4. A Shareholder has the right to receive a certified copy of the Management Board's report on the Company's operations, the financial statements and the auditor's opinion as well as certified copies of the documents indicated in §15 section 2 point a) and point p) of the Company's Statutes. The documents shall be provided to the shareholders on request, no later than 15 days before the General Meeting.
5. The Shareholder shall have the right to demand receipt of certified copies of the proposals on any matters included in the agenda within a week before the General Meeting.
6. The Shareholder has the rights to demand that the list of registered General Meeting participants be forwarded to the indicated e-mail address.
7. The following persons shall have the right to participate in and exercise voting rights at the General Meeting:
   1) Shareholders holding registered shares, provided that their names are recorded in the book of shares at least a week before the date of the General Meeting;
   2) Shareholders who 16 days before the General Meeting date (record date) held on their securities account dematerialized shares of the Company;
   3) Proxies of the persons specified in point 2) and 3) above.
8. The basic rights and obligations of the persons authorized to vote (Shareholders or their proxies) include:
   1) exercising their right of vote in an unrestricted way;
   2) making formal proposals;
   3) demanding that a secret vote be held;
   4) demanding that their objections be recorded in the minutes;
   5) demanding that their written statements be recorded in the minutes;
   6) asking questions and demanding explanations from the Management / Supervisory Board members, auditors and experts present at the General Meeting on matters connected with the agenda;
   7) ensuring compliance with the agenda, applicable laws, Statutes, the Terms of Reference of the General Meeting and the best practice in public companies that the Company has bound itself to observe.
9. At the request of the Shareholders representing at least a fifth of the Company's share capital, the Supervisory Board shall be elected by the next General Meeting through a vote by separate groups. If the Supervisory Board is to be elected through a vote by groups:

1) it is up to the Shareholders to create such groups;
2) a Shareholder may belong to one group only;
3) the minimum number of shares required to create a separate group is the product of the number of shares represented at the General Meeting and the number of Supervisory Board members to be elected;
4) creation of a separate group is reported by the Shareholders to the General Meeting Chairman;
5) each separate group chooses their leader who shall hold the election;
6) the leader of each group shall prepare and sign the attendance list for the group and then shall proposed candidates for the Supervisory Board members and presents to the General Meeting Chairman the results of the election in his group;
7) The General Meeting Chairman shall announce the results of the elections in particular groups and shall determine the number of the Supervisory Board members yet to be elected;
8) the Shareholders who did not participate in any of the groups shall elect the remaining Supervisory Board members.

10. Shareholders shall have all the other rights conferred upon them by the Commercial Companies Code.

## 4.10. Membership of the Management Board and the Supervisory Board

**The Management Board of the Company**

As at 31 December 2020, the Company's Management Board was composed of:
- Krzysztof Domarecki – Management Board President (CEO);
- Dariusz Ciesielski – Chief Commercial Officer, Vice President;
- Christian Dölle – Chief Marketing & Strategy Officer, Vice President;
- Jacek Michalak – Chief Financial Officer;
- Marek Tomanek – Chief Operating Officer.

On 30 November 2020, Dariusz Ciesielski resigned from the Company's Management Board and from the role of the Vice President for Sales effective from 31 December 2020.

On 30 November 2020, the Company's Supervisory Board adopted a resolution appointing, as of 1 January 2021 Sławomir Majchrowski to the Company's Supervisory Board, entrusting him with the role of Chief Commercial Office and Vice President of the Management Board.

As at 1 January 2021, the Company's Management Board was composed of:
- Krzysztof Domarecki – Management Board President (CEO);
- Christian Dölle – Chief Marketing & Strategy Officer, Vice President;
- Sławomir Majchrowski – Chief Commercial Officer, Vice President;
- Jacek Michalak – Chief Financial Officer;
- Marek Tomanek – Chief Operating Officer.

On 16 February 2021, Krzysztof Domarecki resigned from the Company's Management Board and from the role of CEO effective from 1 March 2021.

On 16 February 2021, the Company's Supervisory Board adopted a resolution appointing Jacek Michalak to the Company's Management Board as Chief Executive Officer. The appointment became effective as of 1 March 2021.

On 19 April 2021, Marek Tomanek resigned from the Company's Management Board and from the role of the COO effective from 30 April 2021.

On 22 April 2021, the Company's Supervisory Board adopted a resolution appointing Roman Dziuba to the Company's Management Board as Chief Operating Officer (COO). The appointment became effective as of 1 May 2021.

In the period from 1 May 2021 to 26 May 2021, there were no changes in the composition of the Company's Management Board.

On 27 May 2021, the Supervisory Board appointed the Company's Management Board for a new term of office with the following composition:

- Jacek Michalak – CEO;
- Christian Dölle – Chief Marketing & Strategy Officer, Vice President;
- Sławomir Majchrowski – Chief Commercial Officer, Vice President;
- Roman Dziuba – Chief Operating Officer.

On 23 September 2021, the Company's Supervisory Board adopted a resolution appointing, as of 1 October 2021, Andrzej Zygadło to the Company's Management Board, entrusting him with the role of Chief HR Officer (CHRO).

On 25 November 2021, the Company's Supervisory Board adopted a resolution removing, as of 25 November 2021, Christian Doelle from the Company's Management Board, including from his role as Vice President of the Management Board.

As at 31 December 2021, the Company's Management Board was composed of:

- Jacek Michalak – CEO;
- Sławomir Majchrowski – Chief Commercial Officer, Vice President;
- Roman Dziuba – Chief Operating Officer.
- Andrzej Zygadło – Chief HR Officer.

In the period from 1 October 2022 to the date of publication of this report, no changes took place in the composition of the Company's Management Board.

**Company's Supervisory Board**

As at 31 December 2020, the Company's Supervisory Board was composed of:

- Andrzej Krämer – Chairman of the Supervisory Board;
- Borysław Czyżak – independent Supervisory Board Member;
- Czesław Domarecki – Supervisory Board Member;
- Łukasz Dziekan – Supervisory Board Member;
- Marlena Łubieszko-Siewruk – independent Supervisory Board Member;
- Mariusz Warych – independent Supervisory Board Member.

From 1 January to 26 May 2021 no changes took place in the Supervisory Board.

On 27 May 2021, the Annual General Meeting appointed the Company's Supervisory Board for a new term of office with the following composition:

- Andrzej Krämer – Chairman of the Supervisory Board;
- Borysław Czyżak – independent Supervisory Board Member;
- Czesław Domarecki – Supervisory Board Member;
- Łukasz Dziekan – Supervisory Board Member;
- Mariusz Warych – independent Supervisory Board Member;
- Paweł Wyrzykowski – independent Supervisory Board Member.

In the period from 27 May 2021 to the date of publication of this report, no other changes took place in the composition of the Company's Supervisory Board.

**Audit Committee**

As at 31 December 2020, the Audit Committee was composed of:
- Mariusz Warych – Chairman of the Audit Committee;
- Borysław Czyżak – Audit Committee Member;
- Marlena Łubieszko-Siewruk – Audit Committee Member.

In the opinion of the Supervisory Board, the Audit Committee, in the aforementioned composition, fulfilled the independence criteria and other requirements specified in Article 128(1) and Article 129(1), (3), (5) and (6) of the Act on Statutory Auditors, Audit Firms and Public Oversight.

From 1 January 2021 to 26 May 2021 no changes took place in the Audit Committee.

On 27 May 2021, the Company's Supervisory Board appointed the Audit Committee with the following composition:
- Mariusz Warych – Chairman of the Audit Committee;
- Borysław Czyżak – Audit Committee Member;
- Paweł Wyrzykowski – Audit Committee Member.

In the period from 27 May 2021 to the date of publication of this report, no changes took place in the composition of the Company's Audit Committee.

In the opinion of the Supervisory Board, the Audit Committee, in the aforementioned composition, fulfills the independence criteria and other requirements specified in Article 128(1) and Article 129(1), (3), (5) and (6) of the Act on Statutory Auditors, Audit Firms and Public Oversight.

In the period from 1 January 2021 to 31 December 2021, the Supervisory Board's Audit Committee held 11 meetings, i.e.
- on 10 February 2021;
- on 7 April 2021;
- on 20 April 2021;
- on 22 April 2021;
- on 10 May 2021;
- on 25 May 2021;
- on 23 June 2021;
- on 14 September 2021;
- on 22 October 2021;
- on 23 November 2021;
- on 13 December 2021.

Below are details of the qualifications in the field of accounting or financial statements audit, as well as knowledge and skills in the industry in which the Company operates which resulted from education, experience and professional practice in relation to the persons who, as at the date of publication of this report, were Members of the Audit Committee.

Mariusz Warych has a Master's degree in foreign trade obtained from the University of Łódź, Faculty of Economics and Sociology, and has a diploma in Finance and Accounting from Hogeschool van Utrecht, Netherlands. He participated in the ACCA (Association of Certified Chartered Accountants) programme, and holds the Certified Internal Auditor (CIA) designation. He specializes in management, oversight, assessment of business efficiency, identification and resolution of financial and operational weaknesses, management of the risks related to delivery of business objectives, internal audit, business training and independent membership in supervisory boards and audit committees. Since June 2013, he has been an independent member of the Supervisory Board of BNP Paribas Bank Polska S.A., where he also chairs the Audit Committee. Since June 2020, he has been an independent member of the Supervisory Board at JSK Ukrsibbank in the Ukraine, where he also chairs the Audit Committee. Since May 2021, he has been an independent member of the Supervisory Board of Signal Iduna Polska TU and

Signal Iduna Życie Polska TU, where he is also a member of the Audit Committee. In the years 2011–2012, he sat on the Supervisory Board and the Audit Committee of JSW. In his previous career, he held the position of Internal Audit Director for Europe at KBC, Aviva, Allianz, PZU, and served as Financial Director at Citileasing and Handlowy-Leasing. He also worked as Risk Management Director at Deloitte, and as External Auditor hired by Ernst & Young's flagship offices around the world, specialising in financial services and high-techs – in Warsaw, London, Toronto, Vancouver and New York. Since 2009, he has chaired the Heads of Audit Club in Poland. In addition, he was a financial advisor to the Canadian Polish Congress in Vancouver, where he also hosted a programme at Polish Radio NOFA.

Borysław Czyżak graduated from the Faculty of Physics at the Adam Mickiewicz University in Poznań, obtained a doctorate degree from the Polish Academy of Sciences in 1991, conducted classes for students at the Poznań University of Technology. He completed research internships at Oxford and Stanford University, in the centre of California's Silicon Valley. In the second half of the 90s, he joined the Warsaw office of McKinsey & Company, which specializes in strategic consulting, participated in projects related to privatization and strategic changes in industrial companies, airlines, telecommunications and banking. At that time he completed McKinsey's MMBA course in Holland. In 2000–2014 he worked for a Swiss company Egon Zehnder International, at its office in Warsaw. Since 2007, he has been a Partner at the Egon Zehnder AG head office in Zurich. He was also the CEO of Egon Zehnder in Poland. He specializes in strategic HR consulting, corporate governance and personnel development. In recent years, he has carried out a number of projects related to assistance in mergers and acquisitions of companies, searching for personnel, building supervisory boards, audits of management in Poland, Germany, Great Britain, the USA and the Middle East. In Poland, he worked with many companies included in the WIG20 index, but he devotes most of his time to private companies owned by their founders. He is an active investor in technology companies, a member of the Investment Committee of the Simpact venture capital fund. He is one of the founders of the Well of Hope Foundation (Fundacja Studnia Nadziei) that builds wells in Africa.

Paweł Wyrzykowski graduated from the Faculty of Foreign Trade of the Warsaw School of Economics. In 1992–1998, he worked in the Creditanstalt Bank Group in Vienna and Warsaw. In 1998–2011, he continued his professional career in the Pfleiderer AG Group, a leading manufacturer of materials for the furniture industry, first as CFO, and from 2003 as CEO of Pfleiderer Grajewo Group. In 2009–2011 he was a Member of the Management Board of Pfleiderer AG in Neumarkt, Germany. In 2012–2019, he served as CEO of Seco/ Warwick S.A. – one of the world's leading manufacturers of furnaces for chemical and thermal treatment of metals.

**Strategy and Innovation Committee**

As at 31 December 2020, the Strategy and Innovation Committee was composed of:
- Andrzej Krämer – Chairman of the Strategy and Innovation Committee;
- Borysław Czyżak – member of the Strategy and Innovation Committee.

From 1 January to 26 May 2021 no changes took place in the Strategy and Innovation Committee.

<u>On 27 May 2021, the Company's Supervisory Board also decided to appoint the Strategy and Innovation Committee consisting of:</u>
- Andrzej Krämer – Chairman of the Strategy and Innovation Committee;
- Borysław Czyżak – member of the Strategy and Innovation Committee;
- Czesław Domarecki – member of the Strategy and Innovation Committee;
- Łukasz Dziekan – member of the Strategy and Innovation Committee.

In the period from 27 January 2021 to the date of publication of this report, there were no changes in the composition of the Strategy and Innovation Committee.

**Nominations and Remuneration Committee**

As at 31 December 2020, the Nominations and Remuneration Committee was composed of:
- Borysław Czyżak – Chairman of the Nominations and Remuneration Committee;
- Marlena Łubieszko-Siewruk – member of the Nominations and Remuneration Committee.

From 1 January 2021 to 26 May 2021 no changes took place in the Nominations and Remuneration Committee.

On 27 May 2021, the Supervisory Board appointed the Nominations and Remuneration Committee with the following composition:
- Borysław Czyżak – Chairman of the Nominations and Remuneration Committee;
- Andrzej Krämer – member of the Nominations and Remuneration Committee;
- Paweł Wyrzykowski – member of the Nominations and Remuneration Committee.

In the period from 27 May 2021 to the date of publication of this report, there were no changes in the composition of the Nominations and Remuneration Committee.

## MANAGEMENT BOARD'S ASSURANCE STATEMENT ON RELIABILITY OF THE FINANCIAL REPORT

The Management Board of Selena FM S.A. hereby confirms that to the best of its knowledge the financial statements for 2021 and the comparable data have been prepared in accordance with the applicable accounting policies and give a true, fair and clear picture of the affairs of Selena FM S.A. and its financial performance and that the Management Board's report on activities gives a true picture of the Group's development, achievements and standing, including description of the key risks and threats.

**Management Board President**
**Jacek Michalak**

**Chief Commercial Officer**
**Vice President**

**Sławomir Majchrowski**

**Chief Operating Officer**
**Roman Dziuba**

**Chief HR Officer**

**Andrzej Zygadło**