

Starting the process of establishing collateral for the credit agreement with PKO BP.

The Management Board of Selena FM S.A. hereby announces that today Selena FM with its subsidiaries: Orion PU sp. z o.o., Carina Silicones sp. z o.o., Libra sp. z o.o., Przedsiębiorstwo Materiałów Izolacyjnych Izolacja-Matizol S.A. ("Izolacja- Matizol S.A.") and Selena S.A. have started a process of formal establishment of collateral for the loan agreement with PKO BP, as referred to by the Company's Management Board in its Current Report No. 20/2016.

The loan is secured by:

- a joint mortgage on the properties owned by Izolacja-Matizol S.A. and a registered pledge on the properties owned by Izolacja-Matizol S.A. alongside insurance policy assignment for the above assets;
- civil law guarantee of Selena S.A.;
- assignment of trade receivables from third parties, payable to Orion PU sp. z o.o., Carina Silicones sp. z o.o., Libra sp. z o.o. alongside insurance policy assignment for these receivables.

At the same time, with reference to Current Report No. 20/2016, the Company's Management Board advises that there is a separate process under way whereby a credit agreement is to be signed and the Borrowers are to issue blank promissory notes, with promissory note declarations, to the bank.

The finalisation of all the processes, i.e. conclusion of the credit agreement, perfection of collateral and signing blank promissory notes will be communicated by the Company's Management Board in a separate message.