

EXPLANATORY NOTE:

The English content of this report is a translation of the registered auditor's report. In Poland statutory accounts as well as the auditor's report should be prepared in Polish and in accordance with Polish legislation and the accounting principles and practices generally adopted in Poland. In the event of any discrepancies in interpreting used terminology, the Polish language version is binding.

REPORT OF THE STATUTORY AUDITOR

on the audit of the financial statements

for the period

from January 1, 2018 to December 31, 2018

QUARTICON S.A.

in Warszawa

REPORT OF THE INDEPENDENT STATUTORY AUDITOR
ON THE AUDIT OF THE FINANCIAL STATEMENTS

For the General Meeting and the Supervisory Board

QUARTICON S.A.
with headquarters in Warsaw, ul. Al. Jerozolimskie 123A

Report on the audit of the annual financial statements

Opinion

We have conducted the audit on the annual financial statements of QUARTICON S.A. ("Company"), which includes the balance sheet as at December 31, 2018, income statement, statement of changes in equity, cash flow statement for the year then ended, additional information and explanations ("financial statements").

In our opinion, attached financial statements:

- present a reliable and clear view of the property and financial situation of the Company as at December 31, 2018 and of its financial result and cash flows for the financial year then ended in accordance with the applicable provisions of the Act dated September 29, 1994 on accounting ("Accounting Act" - Journal of Laws of 2018 item 395, as amended) and with adopted accounting principles (policy);
- comply in form and content with the laws applicable to Company and its contract;
- have been prepared on the basis of correctly kept accounting books in accordance with the provisions of Chapter 2 of the Accounting Act.

Basis of opinion

We conducted our audit in accordance with the National Audit Standards - in the wording of International Audit Standards - adopted by Resolution No.3430 / 52a / 2019 of the National Council of Statutory Auditors of 21 March 2019 regarding national audit standards and other documents ("NAS") and in accordance with the Act of 11 May 2017 on statutory auditors, audit firms and public supervision (the "Act on Statutory Auditors" - Journal of Laws item 1089, as amended). Our liability in accordance with these standards is further described in the section of our report titled *Statutory Auditors' Liability for auditing the financial statements*.

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants of the International Federation of Accountants ("IFAC") adopted by the resolutions of the National Council of Statutory Auditors and other ethical requirements that apply to the audit of financial statements in Poland. We have fulfilled our other ethical obligations in accordance with these requirements and with the IFAC. During the audit, the key statutory auditor and the audit firm remained independent of the Company in accordance with the independence requirements set out in the Act on Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis for our opinion.

Explanation with drawing attention to - a large share of development works in the Company's assets and uncertainty concerning the implementation of financial forecasts

We draw attention to the fact that 62% of the Company's assets are development works and to uncertainty in the implementation of the assumed financial forecasts, which affect the implementation of the assumed benefits from these assets.

Liability of the Management Board and the Supervisory Board for the financial statements

The Management Board of the Company is liable for preparation of, on the basis of properly kept accounting books, financial statements that present a reliable and clear view of the property and financial situation and financial result of the Company in accordance with the provisions of the Accounting Act, adopted accounting principles (policy) and the laws applicable to Company and its contract, as well as for internal control, which the Management Board deems necessary to enable the preparation of financial statements without a significant distortion caused by fraud or error.

When preparing the financial statements, the Management Board of the Company is liable for assessing the Company's ability to continue operations, for disclosing, if applicable, matters related to going concern and for adopting the principle of going concern as an accounting basis, excluding situations when the Management Board intends either to liquidate the Company or to abandon business or there is no real alternative to liquidation or abandonment of business.

The Management Board of the Company and members of the Supervisory Board are obliged to ensure that the financial statements meet the requirements provided for in the Accounting Act. Members of the Supervisory Board are responsible for supervision of the financial reporting process of the Company.

Statutory auditor's liability for auditing the financial statements

Our goal is to obtain reasonable assurance that the financial statements as a whole do not contain any significant distortion due to fraud or error and to issue a report containing our opinion. Reasonable assurance is a high level of certainty, but it does not guarantee that an audit conducted in accordance with the NAS will always detect the existing significant distortions. Distortions may arise as a result of fraud or error and are considered significant if it can reasonably be expected that, individually or in combination, they could influence users' economic decisions made on the basis of these financial statements.

The scope of the audit does not include assurance on the future viability of the Company or the effectiveness or efficiency of conducting its affairs by the Company's Management Board currently or in the future.

During an audit in accordance with the NAS, we apply professional judgment and maintain professional scepticism, as well as:

- we identify and assess the risks of significant distortion of the financial statements due to fraud or error, we design and conduct audit procedures that address these risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not recognizing a significant distortion due to fraud is greater than this one resulting from an error because fraud may involve collusion, falsification, intentional omissions, misleading or circumvention of internal control;
- we gain an understanding of the internal control relevant to the audit to design audit procedures that are appropriate under given circumstances, but not to express an opinion on the effectiveness of the Company's internal control;
- we assess the appropriateness of the applied accounting principles (policy) and the reasonableness of accounting estimates and related disclosures made by the Management Board;
- we draw a conclusion on the appropriateness of the Company's Management's application of the going concern principle as an accounting basis and, on the basis of the obtained audit evidence, and decide whether there is significant uncertainty related to events or conditions that may significantly doubt the Company's ability to continue as a going concern. If we draw a conclusion that there is significant uncertainty, it is required from us to draw attention in our auditor's report to related disclosures in the financial statements or, if such disclosures are inadequate, we

modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our audit report, however, future events or conditions may cause the Company to abandon its operations;

- we assess the overall presentation, structure and content of the financial statements, including disclosure, and whether the financial statements present the underlying transactions and events in a manner that ensures a fair presentation.

We provide the Supervisory Board with information about the planned scope and time of the audit and significant findings of the audit, including any significant weaknesses of internal control that we will identify during the audit.

Other information, including the report on operations

Other information consists of a report on the Company's operations for the financial year ended December 31, 2018 ("Report on operations")

Liability of the Management Board and the Supervisory Board

The Management Board of the Company is liable for preparation of the Report on operations in accordance with the law.

The Management Board of the Company and members of the Supervisory Board are obliged to ensure that the Report on the Company's operations meets the requirements provided for in the Accounting Act.

Liability of the auditor

Our opinion on the audit of the financial statements does not include the Report on operations. In connection with the audit of the financial statements, it is our liability to read the Report on operations and to consider whether it is not significantly inconsistent with the financial statements or with our knowledge gained during the audit, or otherwise appears to be significantly distorted. If, on the basis of the performed work, we find significant distortions in the Report on operations, we are required to inform about it in our audit report. Our duty, in accordance with the requirements of the Act on statutory auditors, is also to issue an opinion on whether the report on operations has been prepared in accordance with the regulations and whether it is consistent with the information contained in the financial statements.

Opinion on the Report on operations

On the basis of the work carried out during the audit, in our opinion, the Report on the Company's operations:

- has been drawn up in accordance with Article 49 of the Accounting Act;
- complies with the information contained in the financial statements.

In addition, in the light of knowledge about the Company and its surroundings obtained during our audit, we declare that we have not identified significant distortions in the Report on operations.

The key statutory auditor liable for the audit, which results in this report of the independent statutory auditor, is:

Dorota Neubauer

Key Statutory Auditor

Registration number 13010

Acting on behalf of:

REWIT Księgowi i Biegli Rewidenci Sp. z o.o.

80-137 Gdańsk, ul. Starodworska 1

The audit firm entered into the list of entities authorized
to audit financial statements under the number 101

Gdańsk, May 28, 2019.