

**Report of the Supervisory Board of QuarticOn S.A.**  
**for the financial year 2018**  
**including the evaluation report on the results of: the Management Board's report on the**  
**Company's operations in 2018, the Company's financial statements for the financial year**  
**ended December 31, 2018 and the Management Board's request concerning coverage of the**  
**loss for the financial year 2018**

The company under the name: QuarticOn Spółka Akcyjna ("Company") was established as a result of transformation of the company Quartic Spółka z ograniczoną odpowiedzialnością (limited liability company) made on the principles described in art. 551 and et seq. of the Commercial Companies Code, based on Resolution No. 1 of the General Meeting of Shareholders adopted on 28 December 2017.

Supervisory Board of QuarticOn S.A. hereby presents the Report on the Company's operations for the financial year 2018.

#### **I. Composition of the Supervisory Board**

On January 1, 2018, the composition of the Company's Supervisory Board was as follows: **Mr. Konrad Pankiewicz, Ms. Paulina Zamojska and Mr. Oktawian Jaworek**, who were Members of the Supervisory Board.

After the transformation of the Company into spółka akcyjna (a joint-stock company), on October 24, 2018 the composition of the Supervisory Board changed, Mr. Konrad Pankiewicz was dismissed and three new members were appointed to the Supervisory Board - Mr Ludwik Majewski, Mr Sławomir Kornicki and Ms Łucja Gdala.

As at December 31, 2018, the Supervisory Board of the Company was composed of: Oktawian Jaworek - Chairman of the Board, Łucja Gdala, Sławomir Kornicki, Ludwik Majewski, and Paulina Zamojska.

#### **II. The operations of the Supervisory Board of the Company in 2018**

In 2018, the Supervisory Board exercised permanent supervision over the Company's operations in all areas of its operations, in particular during the transformation procedure of Quartic Sp. z o.o. into spółka akcyjna (a joint-stock company) and in the process of preparing the Company for its debut on the WSE. In terms of its operations, the Supervisory Board monitored the Management Board on an ongoing basis in the economic and financial

situation, actively supported the Management Board in achieving the Company's objectives, and got acquainted with other matters presented by the Management Board (e.g. in the preparation of an offer for investors).

Over the whole reporting period, members of the Supervisory Board remained in regular contact with the Company, carrying out consultations on all essential aspects of the Company's operations.

The main issues raised during the Supervisory Board's meeting were, in particular:

1. analysis of the periodic financial results of the Company and their evaluation;
2. evaluation of the financial statements on the Company's operations;
3. supervision over the procedure of transforming Quartic Spółka z ograniczoną odpowiedzialnością into a Company;
4. supervision over the process aimed at applying for admission of the company's shares to trading on the regulated market;
5. support and supervision over the process of obtaining an investor,
6. other current issues regarding the Company's operations.

During the whole year 2018 4 meetings of the Supervisory Board were held in total.

In 2018, the Supervisory Board:

1. did not conduct any inspections or clarifying investigations;
2. did not suspend the mandate of any members of the Management Board;
3. did not delegate members of the Supervisory Board to perform the functions of members of the Management Board of the Company;
4. did not decide to commission additional expertise.

### **III. Evaluation of the financial statements and the Management Board's report on the Company's operations**

According to art. 382 § 3 of the Commercial Companies Code, the Supervisory Board of the Company assessed the Management Board's report on the Company's operations in 2018, financial statements of the Company for the financial year ended December 31, 2018 in terms of their compliance with the books and documents, with the facts, as well as it assessed the request of the Company's Management Board regarding the coverage of the loss for the financial year 2018.

The Supervisory Board assessed the Company's situation in 2018. The Supervisory Board performed its assessment on the basis of the supervision over the Company, review of

the Company's issues and after noting the opinion of the Company's Management Board in this matter.

The Supervisory Board of the Company assessed the following documents submitted by the Management Board of the Company:

1. the Management Board's report on the Company's operations in 2018;
2. the Company's financial statements, including the auditor's opinion, for the financial year ended December 31, 2018, which consist of:
  - 1) introduction to the financial statements;
  - 2) the balance sheet prepared as at 31/12/2018, with total assets and total liabilities of **PLN 14,164,727.82**;
  - 3) profit and loss account for the financial year 2018 showing a net loss in the amount of **PLN 1,790,041.39**;
  - 4) statement of movements in equity;
  - 5) cash flow statement;
  - 6) additional information.

The Supervisory Board states that the Company's financial statements for the financial year ended December 31, 2018 in all material respects:

1. present a reliable and clear view of the property and financial situation of the Company as at 31 December 2018 and its financial result for the financial year ended on 31 December 2018 in accordance with the applicable International Financial Reporting Standards approved by the European Union and with the adopted accounting principles (policy);
2. comply in the form and content with the applicable laws and the Statutes of Company;
3. have been prepared on the basis of correctly kept accounting books in accordance with the provisions of Chapter 2 of the Accounting Act "Accounting Act" (Journal of Laws of 2018 item 395, as amended).

For the above reasons, the Supervisory Board states that the information contained in these financial statements is consistent with the Company's books and documents, as well as with the facts.

At the same time, the Supervisory Board got acquainted with the Management Board's report on the Company's operations in 2018. In the opinion of the Supervisory Board, the information contained in the financial statements is consistent with the information included in the Management Board's report on the Company's operations, and the Management Board's report was prepared in accordance with Art. 49 par. 2 of the Accounting Act.

## *Report of the Supervisory Board of QuarticOn S.A. for 2018*

In the opinion of the Supervisory Board, the Management Board's report on the Company's operations in 2018 provided a realistic view of the Company's development, achievements and situation, including a description of basic risks and threats. The above opinions justify the acceptance of the assessed documents.

The Supervisory Board got also acquainted with the Management Board's request regarding the method of the coverage of the loss incurred by the Company in the financial year 2018. The Supervisory Board of the Company approved the request of the Company's Management Board according to which the loss for the financial year 2018 will be covered by profits that will be produced by the Company in future financial years.

The Supervisory Board, on the basis of its own research and observations, as well as explanations provided by the Company's Management Board, places a request to the Ordinary General Meeting of the Company for approval of:

1. the Management Board's report on the Company's operations in 2018;
2. the Company's financial statements for the financial year ended December 31, 2018;
3. the Management Board's request regarding the coverage of the loss for the financial year 2018.

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Oktawian Jaworek

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Paweł Lebedziński

\_\_\_\_\_X\_\_\_\_\_  
Michał Markowski

\_\_\_\_\_X\_\_\_\_\_  
Bartłomiej Łagowski

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Ludwik Majewski