

Warsaw, November 16, 2022

Management Board
QuarticOn S.A.

To:

General Meeting of Shareholders
Supervisory Board's Members
QuarticOn S.A., Warsaw
(123 Jerozolimskie Av., 02-017 Warsaw)

**OPINION OF QUARTICON SPÓŁKA AKCYJNA MANAGEMENT BOARD
SUBSTANTIATING THE DECISION TO DEPRIVE EXISTING COMPANY
SHAREHOLDERS OF THEIR SUBSCRIPTION RIGHTS TO K SERIES SHARES, L
SERIES SHARES AND PROPOSING THE METHOD OF ESTABLISHING THE ISSUE
PRICE FOR THE K SERIES SHARES, L SERIES SHARES AND M SERIES SHARES**

Acting as the Management Board of the company QuarticOn Spółka Akcyjna with its registered office in Warsaw (hereinafter also referred to as the "Company"), in connection with the planned increase in the share capital by issuing ordinary K series, L series shares, we hereby point out that the deprivation of the pre-emptive right of the current shareholders of the Company in relation to new shares is justified due to the important economic interest of the Company.

In the opinion of the Company's Management Board, the deprivation of the subscription right (pre-emptive right) **will significantly accelerate the process of issuing new shares** and the process of increasing the Company's share capital. This will enable the new investor to take up the shares faster and thus accelerate the planned development works of the Company.

The issue of series K shares is intended to convert the rest part of the debt into equity (most of the debt was converted a year ago). The lenders are mainly among the first shareholders-founders of the Company.

The issue of L series shares is intended for the new investor (investors), which will decided to take up the new issue to support the commercialization of "AI Fashion Stylist" project and the Company's working capital. Since the aforementioned project is financing in large part from UE funds, but the scope of co-financing includes mainly research and development works. Preparation for the launch of the product on the market is financed from own resources.

In summary, in the Company's Management Board opinion, the acceleration of the share capital increase process by depriving existing shareholders of their subscription rights and offering shares to strategic investors, is the best solution for the Company. This will allow the Company to effectively recapitalise itself, reducing the time it takes to secure the funding required by the Company to grow

and to tap its market potential.

The Management Board of the Company proposes to leave the establishing of the issue price of K series, L series, M series shares within the competence of the Management Board, which has the best resources to determine it properly, taking into account the assessment of demand and market situation. Nevertheless, the Management Board undertakes to obtain acceptance of the Supervisory Board for the established issue price.

Paweł Wyborski
CEO

Michał Giergielewicz
CFO