

Current EBI Report No. 26/2019

Date: 2019-11-19

Abbreviated name of the Issuer: QUARTICON S.A.

Subject: Increased share capital due to subscription for Series D shares in registered conditional capital

Report content

The Management Board of QuarticOn S.A (“the Company” or “the Issuer”) informs that, pursuant to Resolution No. 7 by the Extraordinary General Meeting of QuarticOn S.A. of 6 June 2018 on the introduction of an employee incentive programme (Employee Stock Ownership Plan, ESOP), the issue of subscription warrants combined Series A with the complete exclusion of shareholders’ subscription rights to Series A subscription warrants, and the conditional increase of the Company’s share capital combined with the complete exclusion of shareholders’ subscription rights to shares, and on the amendment of the Company’s Articles of Association, and the authorisation of the Supervisory Board to adopt the consolidated text of the Articles of Association (“the Resolution”), on 19 November 2019, Paweł Wyborski, President of the Management Board and Michał Giergielewicz, Member of the Management Board, and other selected members of the management and associates of the Issuer, subscribed for a total of 152,927 Series A subscription warrants carrying the right to subscribe for Series D Company shares, and on the same day exercised their subscription warrant rights to subscribe for 152,927 Series D shares with a nominal value of PLN 0.10 each.

As the aforementioned members of the management and associates exercised their rights to subscribe for Series D shares by making relevant declarations and paying up in full their respective contributions for the subscribed shares, following which they were issued their share certificates, the share capital of the Company was increased by PLN 15,292.70 through the issue by the Company of 152,927 Series D ordinary bearer shares with a nominal value of PLN 0.10 each. The entry of the share capital increase in the National Court Register is of declaratory nature, as the increase of Company’s share capital has already taken place upon the issue of share documents.

Consequently, following the issue of these Series D shares, the Company’s share capital is PLN 138,820.00 and includes 1,388,200 shares, of which:

- 1) 1,066,500 are Series A ordinary bearer shares with a nominal value of PLN 0.10 each;
- 2) 50,556 are Series B ordinary bearer shares with a nominal value of PLN 0.10 each;
- 3) 17 are Series C ordinary bearer shares with a nominal value of PLN 0.10 each;
- 4) 152,927 are Series D ordinary bearer shares with a nominal value of PLN 0.10 each; and
- 5) 118,200 are Series E ordinary bearer shares with a nominal value of PLN 0.10 each.

The total number of votes attached to all the shares issued by the Company is 1,388,200.

The subscription warrant rights were exercised, and the Series D shares were subscribed for, as the Issuer’s Supervisory Board defined “ESOP Regulations” (operating terms and conditions). The ESOP Regulations were adopted by the Supervisory Board on the basis of a the Resolution. In accordance with the Regulations, the Supervisory Board granted defined persons employed in the Company Series A subscription warrants carrying the right to subscribe for Series D Company shares.

In accordance with the ESOP Regulations and the agreements of participation in ESOP program concluded with persons exercising their rights to subscribe for Series D shares, the Series D shares are subject to lock-up until 31st of August, 2022. Additionally, the Company has the call option for the Series D shares (entitlement of the Company or an entity designated by the Company to buy back from eligible persons Series D shares allocated under the above-mentioned ESOP Regulation), if the Company fails to meet the operational conditions described in the ESOP Regulations for the

financial year 2020 (revenues and EBITDA at PLN 8.1 million and PLN 2.7 million, respectively) and 2021 (revenues and EBITDA at PLN 13.5 million and 4.5 million, respectively).

Signatures of Company representatives:

Paweł Wyborski, President of the Board

Michał Giergielewicz, Board Member

