

Current Report ESPI No 17/2021

Date of Preparation: 2021-10-04

Short Name of Issuer: QUARTICON S.A.

Subject: Information on signing a letter of intent regarding possible takeover by the Issuer shares in another entity

Legal basis: Article 17 paragraph 1 MAR - confidential information

Content of report:

Management Board of QuarticOn S.A. (Company, Issuer, QuarticOn) informs that today, i.e. October 4, 2021, a letter of intent (term sheet) was signed regarding possible takeover by QuarticOn S.A. Polish technology company from the e-commerce services sector.

Letter of intent concluded by the Issuer with the above-mentioned entity is of a non-binding nature and expresses the intention of the Issuer to acquire 100% of shares in this entity after the parties agree on the terms of the potential transaction. The intention of the parties is the potential takeover by the Issuer of the above-mentioned entity through a possible issue by the QuarticOn of a new shares addressed to the current shareholders of the above-mentioned entity. The letter of intent grants the Issuer, by the end of November 2021, exclusivity in negotiating the terms of a potential transaction.

The aforementioned company from the e-commerce services sector offers advanced customer data platform solutions with marketing automation, enabling multi-channel communication with customers. The technology of this entity is used by renowned customers both from the online store sector as well as from other industries using the Internet to sell their products and services.

In the opinion of the Issuer's Management Board, the potential merger of both companies brings the potential to achieve a significant effect of sales, product and cost synergy, which may significantly improve the Issuer's future results. The conducted analyzes and market talks allow us to expect that the joint offer of QuarticOn and the acquired company will present a very competitive product proposition for the e-commerce market not only in Poland, but also abroad (QuarticOn already generates over 30% of foreign sales). After the possible merger, QuarticOn will offer comprehensive technological solutions supporting multi-channel sales, using data and artificial intelligence. In addition, QuarticOn will be able to increase the sales potential by introducing its offer to customers from industries other than online stores. The synergy effect may also occur at the organizational level, through the combination of professional development and management teams, thanks to which the Issuer will achieve even greater ability to introduce innovative solutions (including within project called "Fashion Stylist" co-financed by the National Center for Research and Development about which the Company informed in the current report ESPI No. 16/2021), which will significantly support the Company to build stronger competitive advantages.

The conclusion of the letter of intent is part of the activities carried out by the Issuer as part of the review of strategic options, about which the Issuer informed in the current report ESPI No. 15/2021.

The Issuer will inform about the next important stages related to the implementation of the letter of intent, including the possible conclusion of an investment agreement, in the form of appropriate reports.

Signatures of persons representing the Company:

Paweł Wyborski - CEO

Michał Giergielewicz - CFO

