

Report
of the Supervisory Board on the results of the assessment
of the consolidated financial statements of the Prochem SA Capital Group
for 2018
and of the Report of the Management Board of the Parent Entity on the
activities of the Capital Group in 2018

The Supervisory Board of Prochem S.A. accepts the report on the results of the assessment of the Company's consolidated financial statements for 2018 and the report of the Management Board of the Parent Entity on the activities of the Capital Group in 2018, in the following wording:

According to the provision of art. 382 §3 of the Commercial Companies Code, the Supervisory Board examined the Company's consolidated financial statements for 2018 and the report of the Management Board of the Parent Entity on the activity of the Capital Group in 2018. The Supervisory Board was also acquainted with the contents of the auditor's opinion and with the report supplementing the opinion.

Audit of the financial report and the Management Board report on the Company's activities for 2018 and the consolidated financial statements and report on the activities of the Capital Group for 2018 the Supervisory Board by Resolution No. 15 / X of June 12, 2018, was entrusted Misters Advisor Audytor sp. z o. o. being entered in the list of entities authorized to audit financial statements kept by the National Council of Statutory Auditors under number 3704.

The object of the audit was the consolidated financial statements for the period from January 1, 2018 to December 31, 2018 covering:

- Consolidated statement of financial position (balance sheet) as at December, 31 a 2018, which on the side of assets and liabilities closes with the amount of PLN 149 778 thousand,
- Consolidated statement of profit and loss for the financial year from January 1, 2018 to December 31, 2018 showing a net profit of PLN 1 839 thousand,
- Consolidated statement of comprehensive income for the financial year from January 1, 2018 to December 31, 2018 showing a balance sheet profit of PLN 2 201 thousand,
- Statement of changes in the consolidated equity for the financial year from January 1, 2018 to December 31, 2018 showing a decrease in equity by the amount of PLN 21 705 thousand,
- Consolidated statement of cash flows for the financial year from January 1, 2018 to December 31, 2018 showing a reduction in cash by PLN 25 565 thousand.
- Explanatory notes.

On April 26, 2019, the Chartered Auditor on the above mentioned report issued an unqualified opinion, which means that the Auditor considered the audited consolidated financial statements, in all material respects, as being:

- presenting reliably and clearly all information relevant for the assessment of the financial position and property of the audited Capital Group as at December 31,

2018, as well as its financial result for the financial year from January 1, 2018 to December 31, 2018,

- prepared, in all material respects, in accordance with the accounting principles (policy) resulting from International Accounting Standards, International Financial Reporting Standards and related interpretations announced in the form of regulations of the European Commission, and in matters not regulated in these standards - in accordance with the requirements of the Accounting Act and executive regulations issued on its basis and on the basis of correctly kept accounting books,
- consistent with the legal regulations applicable to the capital group that affect the content of the consolidated financial statements.

In the case of the assessment of the Report of the Management Board of the Parent Entity on the activities of the Capital Group for the period from January 1, 2018 to December 31, 2018, the Supervisory Board assesses that this report meets the requirements of art. 49 of the Accounting Act. The certified auditor confirmed that the report on activities of the Capital Group was prepared in accordance with the applicable law and is consistent with the information contained in the annual financial statements.

While performing the audit service, the Supervisory Board cooperated with the key certified auditor both in the matters covered by the separate financial statements and consolidated financial statements as well in relation to control systems operating in the Company and in subsidiaries.

In the light of the above, the Supervisory Board shares the certified auditor's assessment expressed in the opinion and in the supplementary report to the opinion on auditing of consolidated financial statements and about report on activities in 2018 and states that these reports are consistent in form and content with applicable law and the Company's Statutes, with books and documents as well as with the actual state.

In connection with the above, the Supervisory Board of the company Prochem S.A. requests that the General Meeting of Shareholders approve the financial statements of the Capital Group for 2018 and the report of the Management Board of Parent Entity on the activities of Capital Group in 2018.

Signatures of the Members of the Supervisory Board:

1. Marek Garliński _____

2 Karol Żbikowski . _____

3. Andrzej Karczykowski _____

4. Krzysztof Obłój _____

5. Marcin Pędziński _____