

**Report**  
**of the Supervisory Board on the results of the assessment of the consolidated**  
**financial statements of the Prochem SA Capital Group**  
**for 2019**  
**and of the Report of the Management Board of the Parent Entity on the**  
**activities of the Capital Group in 2019**

The Supervisory Board of Prochem S.A. accepts the report on the results of the assessment of the Company's consolidated financial statements for 2019 and the report of the Management Board of the Parent Entity on the activities of the Capital Group in 2019, in the following wording:

According to the provision of art. 382 §3 of the Commercial Companies Code, the Supervisory Board examined the Company's financial statements for 2019, and the Management Board's report on the Company's activities in 2019. The Supervisory Board has also got acquainted with the content of the auditor's opinion and the report supplementing the opinion.

Pursuant to Resolution No.15/X of 12 June, 2018 of the Supervisory Board, the audit of financial statements and the Management Board report on the Company's activities for 2019 and of the consolidated financial statements and of report on the activities of the Capital Group for 2019 was entrusted to *Misters Audytor Adviser sp. z o. o.* a company entered on 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, 2019 to December 31, 2019 covering:

- Consolidated statement of financial position (balance sheet) as at December 31, 2019, which on the side of assets and liabilities closes with the sum of PLN 259 375 thousand,
- Consolidated statement of profit and loss for the financial year from January 1, 2019 to December 31, 2019 showing a net profit in the amount of PLN 8 043 thousand,
- Consolidated statement of comprehensive income for the financial year from January 1, 2019 to December 31, 2019 showing a balance sheet profit in the amount of PLN 7 995 thousand,
- Statement of changes in consolidated equity for the financial year from January 1, 2019 to December 31, 2019 showing an increase in equity by the amount of PLN 8 203 thousand,
- Consolidated statement of cash flows for the financial year from January 1, 2019 to December 31, 2019 showing increase in cash by PLN 31 531 thousand,
- Explanatory notes.

On April 17, 2020 the Chartered Auditor issued an unqualified opinion on the report mentioned above, which means that the Auditor has found that audited financial statements, in all material respects, are:

- 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,

2019, as well as its financial result for the financial year from January 1, 2019 to December 31 2019,

- 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 European Commission regulations, 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,
- in accordance with the provisions of law applicable to the capital group affecting 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, 2019 to December 31, 2019 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 as in relation to control systems operating in the Company and in subsidiaries.

In the light of the above, the Supervisory Board shares the assessment of the certified auditor expressed in the opinion and in the report supplementing the opinion on the audit of the consolidated financial statement and the report on activities in 2019, and states that these statements are consistent in the scope of the form and content with applicable law and with accounting books and documents as well as with actual state.

In connection with the above, the Supervisory Board of Prochem S.A. requests that the General Meeting of Shareholders approve the financial statements of the Capital Group for 2019 and Report of the Management Board of the Parent Entity on the activities of the Capital Group in 2019.

Signatures of the Members of the Supervisory Board:

1. Marek Garliński \_\_\_\_\_

2 Karol Żbikowski \_\_\_\_\_

3. Andrzej Karczykowski \_\_\_\_\_

4. Krzysztof Obłój \_\_\_\_\_

5. Marcin Pędziński \_\_\_\_\_