

Kraków, 18 April 2019

Letter of the President of the Management Board

Dear Sirs,

On behalf of the Management Board of Quantum software S.A., I present this report summarising the Group's operations in 2018.

The year 2018 was a time of market changes in Poland connected not only with high labour costs but also with the apparent lack of employees. In the case of the IT industry, these problems are not new. In fact, they increase the demand for automation and computerisation of processes in businesses.

Quantum with its offer fits into these trends and maintains the strategy of its product offer expansion and its presence on foreign markets. Pursuant to the assumptions, revenue from the sale and implementation of the Qguar package of multi-model solutions. The increase in the demand for the operation of warehouse and production automation equipment is particularly noticeable. Our many-year experience gained on the German market is of great help in this scope.

Last year brought a slight drop in the whole Group's revenue at the amount exceeding PLN 29.5 million, whereas in the scope of licenses and services connected with the Qguar package the revenue amounted to over PLN 22 million, which constitutes 8% increase compared to 2017. In the scope of profitability, we recorded the net profit of PLN 1,578 thousand. For the comparison of results from 2018 and 2017 it is essential that in the third quarter of 2017 the company sold shares in Edisona Sp. z o.o. Therefore, the profit from the sale of these shares affected the result of 2017, whereas in 2018 the results of this company are not recognised in the consolidation.

Our main objective for the current year is to maintain our profitability against the rising labour costs and the increase in revenue, in particular from licenses and services concerning our products.

Yours sincerely

Tomasz Hatala

Chairman of the Management Board