

Kraków, 20 April 2020

Letter of the President of the Management Board

Dear Partners,

On behalf of the Management Board of Quantum software S.A., I present this report summarising the Group's operations in 2019.

2019 meant the continuation of several years of market changes related to rising labour costs. This was the reason for constant increase of the demand for automation and computerisation of processes in enterprises. Quantum, in line with its offer for this demand, had the opportunity to contract and implement extensive and technically advanced installations in which production and storage automation were used. In particular, we recorded a significant increase in sales in MES/APS and SCADA systems, which points to the growing diversification of our sources of income, while simultaneously maintaining specialisation strategy in supply chain management.

Last year brought a slight drop in the whole Group's revenue at the amount exceeding PLN 33 million, whereas in the scope of licenses and services for Qguar package, the revenue amounted to over PLN 26 million, which constitutes 18% increase compared to 2018. In the scope of profitability, we recorded the net profit of PLN 2,822 thousand.

The dramatic change in the working environment of our Group took place after the date of the report along with the emergence of the COVID-19 epidemic.

In the coming periods, the Group's performance will depend on the situation of individual customers, but also on other important factors, i.e. the duration of the epidemic, administrative restrictions, restrictions imposed on entrepreneurs and volatility of exchange rates. The impact of all these factors on the Group's companies is very difficult to predict at this moment.

Our current operations focus on ensuring the continuity and smooth work of our specialists and minimising the above-mentioned impact of the epidemic and of the resulting economic crisis on the financial result of the Group's companies.

Yours sincerely,

Tomasz Hatala

Chairman of the Management Board