



**The Management Board's Report on the Activities of  
the Quantum software S.A. Capital Group for the period  
between January 1st and December 31st, 2012.**

**Kraków, March 18th, 2013**

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**Letter of the President of the Management Board**

Dear Sirs

On behalf of the Management Board of Quantum software S.A., I present you the report summarising the activity of the Group in 2012. Apart from the financial results, we also provide the most important information and events of the past year.

The year 2012 was, as planned, a year of continuing the activities commenced in 2009-2010. These activities mean fighting for the market share with a package of SCE class products, whose basic scope was specified in 2010, and the development of presence on foreign markets. For two years, Quantum has been given an increasing number of references in transport (Qguar TMS) and production (Qguar MES) modules, increasing the diversification of their income. The second half of the year brought a significant growth of income for "eastern" companies, that is "Quantum International in Kiev and Quantum International in Moscow. The biggest growth of income was recorded in Belarus (operated from Kiev), where we had marked our presence on the market with the first contract year before.

Year by year, Quantum maintains the growth of income from selling own solutions (licences and services connected with Qguar package), although the second part of the previous year brought a visible slowdown to this growth on the national market. Thus, although the growth for the unit result is around 1%, the consolidated result, which takes account of the income of Kiev and Moscow companies, it amounts to ca. 8%. The previous year also brought first referential implementations in the area of Latin America, yet the present year will be much more significant for further activity in this direction. We can see, however, that the presence on the foreign markets partially neutralises the influence of the poor economic performance on Polish market on the Quantum group.

Similarly to the previous year, depreciation of the investment in own products, reaching PLN 1 million, is a heavy burden on the company result. Unfortunately, the general decrease of the Issuer's income, caused by the lower sales of equipment and foreign services, as well as the slow growth of income from own products did not allow for a consolidation of the tendency of earning improvement, which emerged in 2011. This is the main goal for the year 2013. On the other hand, the loss presented in the consolidated result of the Group stems mainly from the consolidation of the results of independent companies in an early development stage (Russia, Spain, Brazil).

The group companies dealing with different products than Qguar have recorded: (i) no success of the subsidiary Mobeelizer (which triggered the formation of a provision in the capital engaged in it) and (ii) significant success of the company Edisona, which recorded another year of quick income growth and 9% net return.

The year 2013 will be decisive for the engagement of Quantum on the Latin America markets. Another challenge for us is the economic slowdown in Poland, although our close cooperation with long-time customers and long-term contracts make most of our income considerably stable. This gives Quantum a safe base to survive difficult times in good shape, but also to be ready to utilise the chances that the improvement of economic situation will (hopefully) bring.

Best Regards,

Tomasz Hatala

President of the Management Board

## **THE RULES OF PREPARING ANNUAL CONSOLIDATED FINANCIAL STATEMENT OF THE CAPITAL GROUP**

This consolidated financial statement of the Quantum software S.A. Capital Group for 2012 has been prepared in line with the IAS and the International Financial Reporting Standards (IFRS) approved by the European Union, which include standards and interpretations published or adopted by the International Accounting Standards Board and the Standing Interpretation Committee at the IASB. The basis for preparation of this consolidated financial statement of the Quantum software S.A. Capital Group is Art. 55(6a) of the Accounting Act.

Data included in the report was prepared in line with the principles for evaluation of assets and equity and liabilities and evaluation of net income specified as at the balance sheet date, in keeping with the materiality principle. The consolidated financial statement for the business year 2012 was prepared on the assumption that the Capital Group would continue as a going concern.

The consolidated financial statement for 2012 has been prepared in PLN.

Accounting records follow the historical cost method. The undertaking made no adjustments which would have reflected the influence of inflation on individual balance sheet or income statement items. The Company prepares the income statement using the multiple-step variant. The cash flow statement uses the indirect method.

This report on the activity of the Quantum software Capital Group covers the period between January 1st and December 31st, 2012.

The consolidated annual report of the Quantum software S.A. Capital Group for the reporting period between 01.01.2012 and 31.12.2012 includes:

- The group's consolidated financial statement for the reporting period between 01.01.2012 and 31.12.2012 and for the date 31.12.2012, developed according to the International Financial Reporting Standards, including: balance sheet, income statement, statement of changes in equity, cash flow statement and explanatory notes to the financial statement,

- Comparative financial data to the financial statement of 31.12.2012 and for the 12-month period closing as of 31.12.2011,
- Management Board's Report on the Activities of the Quantum software S.A. Capital Group for the period between 01.01.2012 and 31.12.2012.
- Statements of the Management Board pursuant to Section 91 par. 1 (5) and (6) of the Ordinance of the Minister of Finance of February 19th, 2009 on current and interim information to be submitted by issuers of securities, and the conditions for recognizing equivalence of information required by the law of a non-member state.

Signatures of the Management Board members

Person responsible for the keeping  
of accounting books

Tomasz Hatala  
Bogusław Ożóg  
Marek Jędra  
Tomasz Mních

Chief Accountant  
Monika Kuś

**Summary of the information included in the report on the activity of the Management Board of the Quantum software S.A. Capital Group for the year 2012:**

1. Management Board's Report on the Activities of the Quantum software S.A. Capital Group for the year 2012.
2. Management Board's Statement on the use of corporate governance policies in the Quantum software S.A. Capital Group in 2012.
3. Reports on the activities of the Supervisory Board of 2012.

**1. Basic information**

The parent of the Capital Group is Quantum software S.A. with registered office in Kraków at ul. Walerego Sławka 3A. The Company was entered into the Register of Entrepreneurs of the National Court Register Kraków – Śródmieście, 11th Commercial Division on 30 October 2002 under No. KRS 0000136768; Polish Classification of Activities (PKD) no. 5819 Z "Software activities" The Company's business focus is development and implementation of IT systems for businesses, where optimisation of logistics is key.

Statistical identification number (REGON): 351243328  
Tax identification number (NIP): 677-17-53-870  
National Court Register (KRS): 0000136768  
Share capital paid in full: PLN 740,378.50

**Management Board:**

President of the Management Board	Tomasz Hatala
Vice-President of the Management Board	Bogusław Ożóg
Vice-President of the Management Board	Marek Jędra
Member of the Management Board	Tomasz Mnich

**Supervisory Board:**

Leopold Kutyla – Chairman of the Supervisory Board  
Tomasz Polończyk – Deputy Chairman of the Supervisory Board  
Henryk Gaertner - Member of the Supervisory Board

Anna Nadolska – Member of the Supervisory Board until 17.05.2012

Jerzy Majewski – Member of the Supervisory Board until 17.05.2012

Piotr Nadolski – Member of the Supervisory Board since 17.05.2012

Andrzej Ruciński – Member of the Supervisory Board since 17.05.2012

The consolidated financial statements were prepared on the assumption that member entities of the Quantum software S.A. Capital Group would continue as a going concern in a foreseeable future.

**As of 31.12.2012, the Capital Group consists of the following subsidiaries of Quantum software S.A. (organisational structure of the Group):**

1) Company's business name: Quantum East Sp. z o.o. – subsidiary

Registered office: Kraków

Address: Walerego Sławka 3a

National Court Register (KRS): 0000294284

Shareholders: 63.74% of shares held by Quantum software S.A.

Share capital paid in full: PLN 270,000.00

2) Company's business name: Quantum International Sp. z o.o. (Ukraine) – subsidiary

Registered office: Kiev

Address: Vozdvizhenskaya street 43

certificate No. 100107724

Shareholders: 100% of shares held by Quantum East Sp. z o.o.

Share capital paid in full: USD 76,200.00

3) Company's business name: CNT Quantum Sp. z o.o. – related entity in liquidation

Registered office: Kraków

Address: Walerego Sławka 3a

National Court Register (KRS): 0000297249

Shareholders: 48.72% of shares held by Quantum I - Services Sp. z o.o.

Share capital paid in full: PLN 210,400.00

The company was liquidated and removed from the National Court Register on November 9th, 2012.

4) Company's business name: Quantum International Sp. z o.o.(Russia) – subsidiary

Registered office: Moscow

Address: Letnikovskaja 10 building 11

Consolidated State Register of Legal Entities (National Court Register/KRS): No. 1117746038035

Shareholders: 99% of shares held by Quantum East Sp. z o.o.

Share capital fully paid up: RUB 1,200,000

5) Company's business name: Quantum I - Services Sp. z o.o. – subsidiary

Registered office: Kraków

Address: Walerego Sławka 3a  
National Court Register (KRS): 0000331050  
Shareholders: 100% of shares held by Quantum software S.A.  
Share capital fully covered by an in-kind contribution: PLN 1,500,000.00

6) Company's business name: Edisonda Sp. z o.o. – subsidiary

Registered office: Kraków  
Address: Walerego Sławka 3a  
National Court Register (KRS): 0000335987  
Shareholders: 74% of shares held by Quantum software S.A.  
Share capital paid in full: PLN 120,000.00

7) Company's business name: Quantum Mobile Solutions Sp. z o.o. – subsidiary

Registered office: Kraków  
Address: Walerego Sławka 3a  
National Court Register (KRS): 0000389822  
Shareholders: 75% of shares held by Quantum I - Services Sp. z o.o.  
Share capital paid in full: PLN 6,000.00

8) Company's business name: Quantum Mobeelizer Sp. z o.o. – subsidiary

Registered office: Kraków  
Address: Walerego Sławka 3a  
National Court Register (KRS): 0000397863  
Shareholders: 51.28% of shares held by Quantum Mobile Solutions Sp. z o.o.  
Share capital fully paid up: PLN 1,092,000.00

9) Company's business name: Quantum Mobs system S.L. – subsidiary

Registered Office: Madrid  
Address: Camino de lo Cortao 13, SS de los Reyes, CP 28703, Madrid  
Register no.: B86345105  
Shareholders: 86% of shares held by Quantum software S.A.  
Share capital paid in full: EUR 3100.00

10) Company's business name: Quantum Brasil Engenharia Em Software Ltda-ME. – subsidiary

Registered Office: Brasília/DF  
Address: Condomínio Jardim Botânico, Etapa 01, quadra 02. Rua 01 lote 112 – loja 12, Lago Sul - Brasilia - DF - CEP 71.680-362  
Register No.: 11.795.637/0001-38 and NIRE No. 53201627870  
Shareholders: 85% of shares held by Quantum software S.A.  
Share capital: BRL 340,000.00 partially paid

11) Company's business name: QMobs Systems Chile S.A. – subsidiary

Registered Office: Santiago de Chile  
Address: Los Fresnos 1201, Casa 21, Santiago, Huechuraba  
Register no.: 6959/4912/2012  
Shareholders: 99.99% of shares held by Quantum Mobs System S.L.  
Share capital: CLP 31,000,000.00 partially paid



## **2. Significant events in the Capital Group's business year.**

### **2.1. Information on Quantum software S.A.**

a) Acquiring new customers in Poland and abroad:

- Zakłady Tłuszczowe KRUSZWICA S.A.
- Marmorin Sp. z o.o.
- CzechPak Manufacturing s.r.o
- Inter Europol Piekarnia Szwajcarska S.A.
- D.E. Master Blenders 1753
- Isover - Saint-Gobain Construction Products Polska Sp. z o.o.
- Eko-Okna Sp. z o.o.
- (CONTINUED) Partner Sp. z o.o.
- Radaway Sp. z o.o.
- Compania Ferremundo S.A.

b) new contracts/implementations for the previously operated customers:

Saint Gobain Construction Products Sp. z o.o., Frigo Logistics Sp. z o.o., Żabka Polska S.A. (CLSL), Wilshire Holding Sp. z o.o., Dell Sp. z o.o., XS Logistics Sp. z o.o., GTX Hanex Plastic Sp. z o.o., Agros Nova Sp. z o.o., Indykpol S.A., Medivet S.A., Agromaks Sp. z o.o., POLOmarket Sp. z o.o., Scawar Sp. z o.o., PEKAES S.A., Lubella Sp. z o.o., 7R Solution Sp. z o.o., Pacaro S.R.L., Royal Canin Polska Sp. z o.o., Maspex Sp. z o.o., Lisner Sp. z o.o., Koelner S.A., Dino Polska S.A., PKN ORLEN S.A., Raben Polska Sp.z o.o., Trans Południe Sp. z o.o., Kamir Sp. z o.o.

### **2.2. Trade agreements concluded by subsidiaries:**

#### **Edisonda:**

- NOMI S.A.
- Regional Labour Office in Kraków
- Warsaw Tour web portal
- HDI Asekuracja

#### **Quantum International Rosja:**

- ООО "ФЛЕКСИ - РЕГИОН"
- Roshen Ltd Rosja

#### **Quantum International Ukraina:**

- ЭКО-маркет
- СП "АНРЭКС" ООО
- RUE "Minsk Kristall"

- ООО «Л-БИТ Групп»
- Vinnickij Brojler

### 2.3. Other important events

- On April 25-28, in Minsk, Belarus, a congress named Tibo 2012 was held, where all systems from the Qguar family for Belarusian companies were presented.
- On May 25th, VII Ukrainian Logistician Day, organised by TradeMaster, was held. A partner of this event was Quantum International in Kiev.
- Market-leading Economic Inquiry Agency, Dun & Bradstreet, awarded Quantum software with the Certificate of Business Credibility for 2011. Acquiring this certificate follows meeting strict criteria, investigated by D&B.
- Quantum is a contents partner to 12th Young Logistics forum and Job Fair organised by Studenckie Kolo Logistyki Stosowanej and Warsaw University of Technology.
- On October 8-9th, 2012, 4th Eastern Poland Young Logistics Forum was held in Lublin. Quantum has been a partner of this event for 4 years.

### 3. Consolidated financial results of the Quantum software S.A. Capital Group in 2012.

#### Selected consolidated financial data of the Capital Group's income statement

Item	2012 (in PLN '000)	2011 (in PLN '000)
Net revenue from sales	19,982	19,975
Net revenue from sales of products	17,539	17,321
Total net sales of goods and materials	2,443	2,654
Profit (loss) on sales	- 2,133	918
EBIT profit (loss)	-1,900	-676
Profit (loss) on operations + EBITDA depreciation	-180	950
Gross profit (loss)	-1,650	-180
Net profit/loss	-1,713	-332
Equity	15,894	15,478
Liabilities and provisions	4,490	3,717
Including long-term liabilities	275	141

Return on sales (ROS)	-8.57%	-1.66%
Return on assets (ROA)	-9.53%	-1.69%
Return on equity (ROE)	-12.7%	-2.04%
Current ratio	4.47%	6.92
Quick ratio	4.44%	6.84

The ratios presented in the table are calculated by the following formulae:

- a) return on sales – ratio of net profit to revenues from sales and services
- b) return on assets – ratio of net profit to assets as of the end of reporting period
- c) return on equity – ratio of net profit to do equity as of the end of reporting period
- d) current ratio – ratio of current assets to the balance value of short-term liabilities
- e) quick ratio – ratio of current assets less provisions to the balance value of short-term liabilities

### **Financial situation of the Capital Group**

In 2012, the Quantum Capital Group recorded revenue from ordinary activities in the amount of PLN 19,982, which is a comparative value to revenue from the previous year, when it reached PLN 19,975. From its ordinary activity (licences and services regarding Qguar package), the Group recorded an increase of revenue by over 8%. The sales in this group of revenues constituted 82% of the total sales in 2012. Excluding the sales of goods, the Group recorded over 1% increase of revenue. The increase was unfortunately accompanied with an increase of costs due to the implemented strategy of the Issuer (expanding product offer and marketing operations, i.a. by expanding the Capital Group).

The poor economic result was influenced by investments on the Latin America market. The companies in Spain, Brazil and Chile are still at the stage of start-up and bear high costs to make a successful start on the local market (about PLN 1.4 million ).

Attention should be paid to the development of the Ukrainian and Russian companies. Quantum International Sp. z o. o. recorded profit in Kiev at the end of the year, and th sales exceeded PLN 2.2 million. Therefore, the development of the company Edisonda Sp. z o.o. should be regarded

highly, as, by realising the three-year business ago, it reached 60% revenue growth as compared to the previous year.

In 2012, the Issuer decided to grant a borrowing to the subsidiary Quantum I-services Sp. z o.o., which was granted in order to invest (via Quantum Mobile Solutions Sp. z.o.o.) in the company Mobeelizer Sp. z.o.o.

The two-year activity did not show the projected sales income. The amount of the projected write-down is PLN 329,000.

#### 4. Structure of assets and liabilities of the consolidated balance sheet, including the liquidity of the Capital Group

	PLN	PLN
	2012	2011
<b>ASSETS</b>		
<b>Fixed assets</b>	<b>6,045</b>	<b>6,590</b>
Intangible assets	3,968	5,107
Property, plant and equipment	1,424	1,378
Long-term receivables	62	62
Long-term investments	563	3
Real property	-	-
Long-term financial assets	563	3
Long-term accruals	28	40
Deferred income tax assets	24	6
<b>Current assets</b>	<b>11,923</b>	<b>13,021</b>
Inventories	77	142
Short term receivables	4,913	4,159
Short-term investments:	6,425	8,224
Including short-term financial assets	6,425	8,224
Short-term prepayments	508	496
<b>Total assets</b>	<b>17,968</b>	<b>19,611</b>
<b>Equity</b>		
	<b>13,478</b>	<b>15,894</b>

Share capital	740	740
Contingent capital	128	128
Called-up share capital (negative figure)	-	-
Own shares (negative figure)	-	-
Supplementary capital	13,140	13,318
Revaluation reserve	-	
Other reserve capital	990	989
Profit (loss) from previous years	-640	166
Gains/losses on calculation of financial statements	-102	-26
Minority interest	392	513
Net profit (loss)	-1,171	66
<b>Liabilities and provisions for liabilities</b>	<b>4,490</b>	<b>3,717</b>
Provisions for liabilities	953	743
Deferred income tax provision	784	608
Provision for pension and similar benefits	168	134
Long-term liabilities	275	142
Short-term liabilities	2,665	1,882
Special purpose funds	118	61
Prepayments and accruals, including:	597	951
Negative goodwill	-	-
Other prepayments and accruals	597	951
<b>Total equity and liabilities</b>	<b>17,968</b>	<b>19,611</b>

The dominant position in the total balance of assets is occupied by current assets. They constitute about 66% of the balance sum. In their own structure, the dominant position is occupied by short-term investments/short-term financial assets (about 54% of the total position value). Within the structure of fixed assets, the highest value was ascribed to intangible assets (65%). The dominant position in the total balance of liabilities is occupied by equity, constituting almost 75% of the total balance sum. The share of short-term liabilities at the end of 2012 reached 15%. The share of debt in financing group's assets remains on a safe level.

## **5. Changes in the amount and type of equity**

In 2012, the Issuer did not make any changes to the amount or type of equity.

## **6. Information on basic products**

The main object of the Group's activity is creating computer software to assist in logistic and production processes and implementing complete IT systems in companies focused on these processes, which also includes software and equipment of other producers. Quantum software S.A. operates mainly in a niche segment, providing technically advanced, high-quality solutions to demanding customers. The Issuer has operated on the Polish market since 1997. International experience acquired since 1991, know-how in IT and logistics and proven expert team enabled Quantum software S.A. to gain the position of the leading producer of specialist storage and distribution software from Central and Eastern Europe.

The flagship product of the Group is the Qguar system, with around 200 completed implementations mainly in Poland, but also in Germany, France, United Kingdom, Slovakia, Czech Republic, Hungary, Ukraine, Russia and Belarus. The Issuer is therefore one of the few Polish IT companies, which have been recognised on an international scale. The QGUAR system is a package belonging to the SCM (Supply Chain Management) software class, and more specifically to SCE (Supply Chain Execution). Its functionality operates and optimises processes connected with the logistics of storage, distribution and production in relation to the processes of purchase and sales. Its unitary implementation is usually an organisational change in the company and requires several months of work of an expert team. The division of the Qguar system into respective modules allows for the management of selected links of the integrated supply chain, or for a complex logistics management.

The company's package offer includes the following products:

- Qguar Warehouse Management System Professional – Qguar WMS PRO,
- Qguar Warehouse Management System Easyway – Qguar WMS EASYWAY,
- Qguar Yard Management System – Qguar YMS
- Qguar Manufacturing Execution System – Qguar MES
- Qguar Transport Management System – Qguar TMS,

And the additional modules:

- Qguar VPM – Voice Picking technology

- Application of a remote (Internet) access to the system – Qguar 4WEB.
- Qguar Dashboard
- Qguar Pilot
- Qguar Visual Warehouse
- Qguar OTM
- Qguar Messaging
- Qguar Queryser

Expansion to foreign markets translates into the necessity to create new language versions of the Qguar system. The currently available versions are Polish, English, German, French, Spanish, Portuguese, Hungarian, Italian, Russian and Romanian. These activities also contribute to the implementation of changes and improvements in the existing systems.

Apart from own software, the Company sells complementary software of other producers and equipment.

The process of implementing the Qguar system involves the following stages and types of services:

- design (also called Technical Specification of the Implementation),
- configuration and possible individual expansions,
- installation,
- training,
- implementation,
- post-implementation support,
- maintenance.

Subsidiary, Quantum International Sp. z.o.o. seated in Kiev, is focused mainly on sales and implementation of IT solutions offered by Quantum software S.A.

Like the above, Quantum International Sp. z.o.o. seated in Moscow, deals with sales and implementation of IT solutions offered by Quantum software S.A.

The major part of the activity of Quantum I - Services Sp. z o.o. is sales of licences, hardware and IT services that are not directly related to Quantum software S.A.'s own products.

Mobeelizer Sp. z.o.o. is a company established together with the Carpathian Institute in order to offer software solutions for mobile devices with particular focus on the system platform universality.

Subsidiary Edisonda Sp. z o.o. deals with interaction design and research on the communicative effectiveness of websites (or other electronic media) and using the research findings for commercial purposes.

Subsidiary Quantum Mobs System S.L. seated in Madrid deals with sales and implementation of IT solutions offered by Quantum software S.A. on Spanish speaking markets.

Subsidiary Quantum Brasil Engenharia Em Software Ltda seated in Brasilia deals with sales and implementation of IT solutions offered by Quantum software S.A. on Brazilian market.

Subsidiary QMobs Systems Chile S.A. seated in Santiago de Chile deals with sales and implementation of IT solutions offered by Quantum software S.A. on Chilean market.

## **7. Sales and supply markets**

The activity of the Quantum software Capital Group is focused mainly in the area of Poland and Central and Eastern Europe. Apart from the Ukrainian and Russian markets, where there is a visible improvement in the activity of the Issuer's subsidiaries - Quantum International Sp. z o.o. seated in Kiev (Ukraine) and Moscow (Russia), companies responsible for business activities on the Latin America market have been established.

### **Sales data**

#### **Product structure**

	<b>2012</b>	<b>% share</b>	<b>2011</b>	<b>% share</b>
<b>Own licences (Qguar) and services</b>	16,290	81.5%	15,073	75.46%
<b>Goods</b>	2,443	12.2%	2,655	13.29%



<b>other</b>	1,249	6.2%	2,247	11.25%
<b>Total sales</b>	<b>19,982</b>	<b>100 %</b>	<b>19,975</b>	<b>100 %</b>

Data in PLN '000

#### Sales by markets

	<b>2012</b>	<b>% share</b>	<b>2011</b>	<b>% share</b>
<b>Country</b>	15,035	75.2%	15,627	78.2%
<b>Export</b>	4,947	24.7%	4,348	21.8%
<b>Total</b>	<b>19,982</b>	<b>100%</b>	<b>19,975</b>	<b>100 %</b>

Data in PLN '000

The main business areas to which the Group's products and services are related are the companies of the following scope of activity:

- distribution centres dealing with comprehensive distribution of trade goods, i.e. have full control over each economic and logistic stage, starting from supply, through transport to storage, storage itself, sales, to freight forwarding to sales outlets and settlement of the whole process,
- storage areas, in which outsourced logistic services are rendered, thus taking up the function of an external storage of a trade or production company, relieve the company from the necessity of goods management,
- comprehensive freight and transport services,
- production companies with own distribution, which do not contract logistic services, and for which all macro-logistics can be operated or the existing system - improved, by expanding their IT structures.

The above division is reflected in the structure of the current customers of the Parent Company, which consists of:

- trade and distribution companies,
- production companies (food and non-food merchandise),
- service companies dealing with logistics.

**8. Information on significant events which took place after the balance sheet date, not recognised in the financial statements.**

On March 15th, 2013, the Company's Supervisory Board passed a resolution concerning the suspension of the Management Stock Option Programme.

**9. Achievements in the field of research and development Here I would write something about the Internet and mobile related activities**

Due to its business industry, the Company manages practically its entire research activity in the scope of IT, i.e. hardware, system software, tool software, database software. The aim of this activity is selection of offered solutions and technologies used in the implementation of own products. Moreover, since 2008, two development projects has been conducted by the Parent Company, in the area of supply chain management, which were accepted to funding from EU funds under Operational Programme - Innovative Economy 2007-2013, Measure 1.4-4.1-Support for implementation of results of R&D works. The projects had been implemented until the end of 2010, but their settlement affected the results of the company in 2012.

In the 1st quarter of 2012, the issuer decided on commencing another R&D activity, this time regarding IT and mobile technologies, aimed at modernising the offer in the area of logistics process monitoring.

**10. Employment structure of Quantum software S.A. and the Capital Group**

**Employment structure of Quantum software S.A.**

The average employment structure in the Company in the year ended on December 31st, 2012 was as follows:

	Year ended on December 31st, 2012	Year ended on December 31st, 2011
Management Board	4	4
White collar/ Administration	93	96
Blue collar	0	0
Total	97	100

## Employment structure in the Capital Group

The average employment structure in the Group in the year ended on December 31st, 2012 was as follows:

	Year ended on December 31st, 2012	Year ended on December 31st, 2011
Management Board of the parent company	4	4
Management Board of the Group's entities (*)	15	13
White collar/ Administration	128	117
Blue collar	0	0
Total	141	130

(\*)members of the parent company's Management Board are also members of the Management Board of the Group's entities

## 11. Contingent liabilities

In 2012, the Capital Group held no contingent liabilities.

## 12. Description of significant risk factors and threats

### Risk related to the macroeconomic situation

The Issuer's financial situation depends on the macroeconomic situation in Poland as well as in other countries, mainly in Central Europe. The financial result achieved by the Company directly and indirectly depend on, among others: the GDP growth dynamics, inflation, monetary and tax policy of a country, level of business investments, level of household income and consumer demand. All the aforesaid factors as well as the direction and level of changes influence the fulfillment of tasks assumed by the Issuer. Slowdown in the economic growth means lower revenue of companies operating in particular regions and industries. Consequently, they will decrease their investment expenditure, including development through improvement or purchase of computer hardware and appropriate software. Quantum software S.A., as an IT systems

provider, may directly experience the consequences of decreased budgets allocated by companies on computerisation due to lower return on sales.

### **Risk related to continued economic crisis**

Due to the downturn on global financial markets which occurred in 2008 a large number of economies of countries to which the Company sells its products faced recession or at least significant slowdown in economic growth. This situation also concerns national market. These events resulted in increasing the risk of dropping demand both on the domestic and on export markets. The Company strives to decrease this risk by extending its product offer and seeking new sales channels.

### **Risk of slowdown in the growth of particular segments in the IT sector in Poland related to technological changes in the industry**

The value of the entire IT market is made of hardware, software and services. Each of these segments may develop faster or slower. Analysis pertaining to the IT hardware and services market indicate growth trends. The small saturation of Polish companies with modern technologies creates a fertile ground for the development of companies whose activities' focus is similar to that of the Quantum software S.A.. However, it is worth remembering that this market is very sensitive to economic conjuncture fluctuations. During economic downturn companies restrict their investment policies, including IT expenditure. Decreased demand for computer software entails the Company's obtaining lower sales results, substantially different from the Management Board's forecasts. In such a case, the demand for the Company's products may decrease, which may entail decreasing the level of obtained sales revenue. Technological changes and frequent launches of new IT services are closely related with this sector. Products' lifecycles are short while expenditure on their development high. Consequently, the incurred expenditure may not be covered by sales revenue. Therefore, there is a risk that a decision to develop a particular product will be based on incorrect premises which do not satisfy current market needs and a risk that the period of creating a product, i.e. the stage of software designing and building as well as the test phase, may be longer than expected and the given market segment will already have been conquered by competitors. Market needs monitoring conducted by own employees is aimed at limiting that risk. In addition, the cooperation between Quantum software S.A. and

computer hardware and software suppliers allows for ongoing monitoring of technological changes and innovations on the market.

### **Increase of competition growth**

The IT market is currently in the phase of dynamic growth. Such a situation attracts new providers of IT services, who, attracted by high profits, increase the number of entities operating on the market. As a result, new entities offer products diversified in terms of price, functionality or advancement. This directly results in exacerbated competitiveness on the market and may entail the Company's necessity to incur greater development and advertising expenditure and a need to decrease the current level of profit margin. Furthermore, large capacity of the Polish market and the fact that the level of informatisation is far from average European levels results in many global companies rendering similar services being interested in conducting business in Poland. Quantum software S.A. has no influence on competitors' activities and products, however, it has a possibility to maintain its market position owing to its experience.

### **Export risk**

The sales of Quantum software S.A. are conducted mainly in Poland. Nonetheless, the Company also enters into contracts with entities operating in other countries. Around 15-20% of the Company's sales revenue is obtained abroad. The value of contracts with foreign clients is usually expressed in EUR. Negative tendencies in the exchange rate of PLN to EUR may have negative impact on the financial results of the Company. A fall in the value of EUR compared to PLN will trigger lower export revenues achieved by Quantum software S.A. and lower return on export contracts.

### **Risk of performed contracts**

Quantum software S.A. does not sell large number of easily installed programmes but carries out large individual implementation projects of high level of complexity which usually require a few months' work of a team of specialists. A system which is implemented in a particular company must overlook very complex logistic processes and integrate them with all departments' operations in real time. Such circumstance result in a risk of faulty reproduction of processes and

information flow in a company, a risk of extending the duration of planned tasks, a risk of changes in the scope of works compared to the initially agreed plan. Decrease in the contract value, higher costs of contract performance compared to the expectations, contract termination or potential financial claims from the customer may have detrimental impact on the current financial condition of Quantum software S.A. The above risks are minimised due to the international experience, own standard base product and own experienced team of specialists.

### **Implementation risk**

In the times of crisis, the customers for IT systems limit their budget for investment due to uncertain macroeconomic situation. Usually, however, the business industry does not allow them to lower the requirements regarding the systems or even triggers their growth. The above risks places suppliers at a disadvantage. The supplier must frequently react to growing demands of the customer during implementation. Sometimes it is necessary to change the assumptions or lower the remuneration. Currently, economic processes are becoming more complex; therefore, with no relevant knowledge, it is very easy to implement system in a way that is non-optimal to the customer, which may result in a fall of goodwill and necessity to perform modifications. Furthermore, customers want to treat IT system suppliers as business advisors and require growth of economic effectiveness after installing IT solutions. There is a risk that without proper analyses such requirements may not be satisfied. Implementation effectiveness is one of the Company's goals. Implementation departments have multi-level implementation methodology, whereby the possibility of analytical errors is reduced.

### **Risk of potential delays in preparing new products**

Our SCE-class system offers comprehensive solution in logistics, satisfying the requirements of a customer and his environment. As a system supplier, we constantly have to extend our offer, introduce new functionalities and ensure data integrity. The competition and client's demands are constantly growing. As a result, there is a threat of introducing new products that satisfy current demands of the customers later than the competitors and winning the market by other suppliers, which would cause a decrease in sales revenue.

In order to prevent this, for the last few years, Quantum has led broad full-scale research and development works that, on the one hand, aim at contributing to improving our products, their quality, and on the other hand, to introduce new, competitive solutions.

### **Risk of the short lifecycle of a product**

Innovativeness and pace of the appearance of new products in IT industry generates necessity for the systematic update of existing products, adjusting them to changing equipment platforms and introducing new products. Lack of sufficient technological base and well-qualified staff may result in delays in updates and in introducing new products, which in effect may compromise attractiveness of our offer. This may lead to decrease of sales revenue, and, in consequence, decrease of attained profit. Quantum software S.A. strives to minimise this risk through constant development of our managers, successively increasing, if possible, the number of high qualified employees and funding research and development works.

### **HR risk**

In the times of economic uncertainty we can observe an increasing interest of our competitors in high qualified employees. IT firms, which take high qualified staff as their priority in production, are in danger of losing their key specialists. Companies constantly scan the labour market, whilst the employees themselves are active as well. Such a situation leads to an increase of salaries and, in consequence, low economic returns. The Company provides attractive working conditions for its employees, and introduces attractive motivational systems.

### **Risk attributable to revenue seasonality and irregularity**

Seasonality typical for IT industry, that is a situation where maximum turnover is achieved in Q4 of a calendar year, is connected with closing of business year and the related system upgrade, does not apply in the case of Quantum software S.A. Turnover fluctuations between year quarters are more connected with customer investment cycles than seasonality.

### **Risk of overdependence on key suppliers**

In its operations, Quantum software S.A. uses equipment and software from external suppliers. Losing one of key suppliers may result in interruption of supplies. The Company minimises this risk by maintaining good relationships with strategic partners. An additional factor reducing the risk is cooperation with higher number of suppliers, wherever possible.

### **Risk of overdependence on key customers**

ABC analysis shows that group A (generating 66% of revenue) consists of about 25 entities, whereas turnover with the biggest of them does not exceed 5%, therefore, according to the Management Board, the risk of overdependence on key customers is not significant.

### **Risk attributable to law adjustments and tax system instability**

Frequent changes of legal provisions in Poland are also a threat to the Company's activity. The changes refer to, *inter alia*, tax regulations and interpretations, trade regulations and provisions of labour law. Frequent changes in regulations may have negative impact on current operation, raise costs, and also affect financial results. Uncertainty about future changes obstructs the evaluation of future events and strategic decision making process. Coming into force of new law regulations may involve interpretation ambiguities, inconsistent decisions of the courts or unfavourable interpretations adopted by public administration (and tax) authorities. The Company monitors draft changes in regulations on a current basis and makes business decisions with consideration of the planned changes.

### **Investment risk**

Significant capital expenditure, in accordance with an assumed strategy, is often related to introducing partially new products to new markets. It is an opportunity for development, but also generates additional risks. They are particularly connected with the activity of subsidiaries in other countries.

### **Foreign exchange risk**

The Company concludes export transactions in foreign currencies (mainly in EUR). Changing foreign exchange rates against PLN may result in obtaining lower than expected results. Foreign exchange rates' fluctuations influence the financial result through:

- changes in the value of export sales and costs expressed in PLN,
- realised foreign exchange differences occurring between the date of sales or purchase and the date of payment of receivables or liabilities,
- not realised foreign exchange differences from clearing evaluation as at the balance sheet day,



Trade transactions in foreign currencies on account of export are part of the Company's normal course of operations. Consequently, future cash flows on this account are exposed to changes in value due to foreign exchange fluctuations. The level of compensation between foreign currency revenue and costs has become difficult to predict.

### **13. Information on the Company's organisational or capital relations with other entities.**

In the reporting period, Quantum software S.A. was a parent company to the following entities:

Quantum East Sp. z o.o. – a subsidiary of the Group; 63.74% of its shares are held by Quantum software S.A. (holding nature). Full consolidation method.

Quantum International Sp. z o.o. (Ukraine) – a subsidiary of the Group; 100% of its shares are held by Quantum East Sp. z o.o. - business focus consists in sales and implementation of Quantum software S.A.'s IT solutions in the Russian-speaking countries. Full consolidation method.

Quantum International Sp. z o.o. (Russia) – a subsidiary of the Group; 99% of its shares are held by Quantum East Sp. z o.o. - business focus consists in sales and implementation of Quantum software S.A.'s IT solutions in the Russian-speaking countries. Full consolidation method.

Quantum I-Services Sp. z o.o. – a subsidiary of the Group; 100% of its shares are held by Quantum software S.A. - business focus consists in sales of licences, hardware and IT services that are not directly related to Quantum software S.A.'s own products (at the moment the Qguar series). Full consolidation method.

Edisonda Sp. z o.o. - a subsidiary of the Group; 74% of its shares are held by Quantum software S.A. The company was established to focus on interaction design and research on the communicative effectiveness of websites (or other electronic media) and using the research findings for commercial purposes. Full consolidation method.

Quantum Mobile Solutions Sp. z o.o. – a subsidiary of the Group; 75% of its shares are held by Quantum I-Services Sp.z o.o. It is of holding nature. Full consolidation method.

Quantum Mobeelizer Sp. z o.o. – a subsidiary of the Group; 51.28% of its shares are held by Quantum Mobile Solutions Sp.z o.o. The company was established in order to offer software solutions for mobile devices with particular focus on the system platform universality. Full consolidation method.

Quantum Mobs Systems S.L. – a subsidiary of the Group; 86% of its shares are held by Quantum software S.A. The purpose of the company is to introduce the Quantum offer on the Spanish market and the markets of Spanish speaking countries in Latin America. Full consolidation method.

Quantum Brasil Engenharia em Software Ltda- ME. – a subsidiary of the Group; 85% of its shares are held by Quantum software S.A. The purpose of the company is to introduce the Quantum offer in the Federative Republic of Brazil.

QMobs System Chile – a subsidiary of the Group; 99.99% of its shares are held by Quantum Mobs System S.L. The purpose of the company is to introduce the Quantum offer in Chile.

**14. Information on main national and foreign investments of the Company (securities, financial instruments, intangible assets, real properties).**

Apart from the investments described in other sections, the Company did not invest in any real property, securities or other financial instruments in the presented period. In the balance sheet position "intangible assets", a large part is occupied by expenditures devoted to an expansion of own Qguar software package, which was one of the goals of the public share issue in 2007.

**15. Information on loans contracted, borrowing agreements and guarantees and warranties granted for the Company**

Liability	31.12.2012		31.12.2011		Type of collateral
	Liability amount	Collateral amount	Liability amount	Collateral amount	
Credit DB, Agreement KIN/0 948854	0.00	72,520.00	14,100.38	72,520.00	Registered pledge on inventory OPEL, blank promissory note
Credit RB, Agreement CRD/33498/10	20,532.47	123,195.00	47,909.15	123,195.00	Registered pledge SKODA OCTAVIA, KIA CEED
Credit RB, Agreement CRD/34131/10	13,722.44	264,099.00	24,713.76	264,099.00	Registered pledge SKODA OCTAVIA
Informatica 68 S.A.	143,000	-	143,000	-	-
<b>Total</b>	<b>177,254.91</b>	<b>459,814.00</b>	<b>229,723.29</b>	<b>459,814.00</b>	

**16. Borrowings granted in a given business year, with special consideration of borrowings granted to the issuer's related entities, presentation of (at least) their amounts, types and interest rates, currencies and maturity periods, as well as warranties and guaranties granted.**

**Borrowings granted in 2012 by the Issuer to related entities**

January 16th, 2012 - borrowing granted to a related entity, Quantum East Sp. z o.o., in the amount of PLN 258,000, maturity date: December 31st, 2013, annual interest rate 13%.

July 20th, 2012 - borrowing granted to a subsidiary, Quantum East Sp. z o.o., in the amount of PLN 140,000, maturity date: December 31st, 2014, annual interest rate 13%.

Between July 09th, 2012 and December 24th, 2012, the Issuer granted to a related entity, Quantum Brasil Engenharia em Software Ltda- ME, a borrowing of a total amount of EUR 74,667, annual interest rate 2%. Maturity date: 24.12.2013.

In 2012, Quantum East Sp. z o.o. granted to the company Quantum International Sp. z o.o. the following borrowings

January 12th, 2012 - RUB 500,000, maturity date December 31st, 2013, interest rate 10%

January 18th, 2012 - RUB 1,800,000, maturity date December 31st, 2013, interest rate 10%

July 20th, 2012 - RUB 1,250,000, maturity date December 31st, 2013, interest rate 10%

### **Borrowings granted in 2012 by the Issuer to other entities**

The total amount of borrowings granted in 2012 to other companies was:

- employee loans PLN 145,100. These are short- and long-term borrowings with annual interest rate 12%.

- borrowings granted to other entities - PLN 195,000.

- to the company Qcadoo Limited Sp. z o.o. 175,000.00, contract of June 1st, 2012, WIBOR 3M+5 %, maturity period until June 30th, 2013

- to Mr. Waldemar Rumiński by contract concluded on 30.07.2012, annexed on October 01st, 2012 for the amount of PLN 20,000, maturity date May 31st, 2013, annual interest rate 12%.

Moreover, the Issuer did not grant any warranties or guaranties.

### **17. Description of the use of issue proceeds by the Issuer**

No security issue took place in 2012.

### **18. Evaluation of financial resources management**

The Group is financed mainly from equity and trade creditors.

Financial costs in 2012 amounted to PLN 188,000, and financial revenue in the same period equalled PLN 439,000.

### **19. Feasibility of investment plans, including capital investments compared to the funds held, taking into consideration possible changes in the structure of financing of such operations.**

The financial assets held will suffice for the realisation of investments planned for 2013, these investments are focused on the continuity of operations connected with foreign promotion of the Issuer's products, i.e. mainly the activity of subsidiaries on Eastern Europe and Latin America markets.

**20. Evaluation of the factors and untypical events influencing the result of operations for a given period.**

Such events did not occur.

**21. Characteristics of external and internal factors vital for the company development and description of prospective development of business activity, taking into account elements of the marketing strategy.**

Factors which influence the Quantum software S.A. Capital Group's development in the subsequent year include factors independent of the Group's companies themselves as well as internal factors which depend on the Group.

External factors include:

- economic situation, with particular consideration of financial markets situation;
- impact of the Euro zone crisis on the economy in Poland and other countries, including Ukraine;
- enterprises' budgetary decisions as regards IT expenditure, especially on the type of software offered by the Company;
- Polish companies' access to structural funds, which are first of all devoted to the development of IT systems and financing of research and development works.

Internal factors include:

- prompt completion of works specified in the contracts whose implementation began in previous year in accordance with budgeted expenditure and contractual terms;
- effective HR policy so as to eliminate the risk of turnover by qualified and skilled employees;
- success of marketing efforts in acquiring new contracts;
- success of capital investments.

Quantum Group is focused on creating and implementing IT systems for companies seeking modern solutions in supply chain realisation. With own software as a starting point, the Group's companies pursue to provide comprehensive solutions to these clients. Future plans are concentrated on improving own product - the Qguar system, and extending the offer and scope of operation. In this framework, the strategy for the next years involves the possibility to make capital investments and acquisitions of entities operating in the same industry. All future investments will be focused on the Company's strategy.

The strategy of the Quantum Capital Group is based on:

- competencies, which are required to create and implement SCM (Supply Chain Management) systems; they are related not only to IT, but to also other areas, such as logistics, automation, and technology of goods identification, company management;
- long-term, international experience in working with best-rated companies in many European countries.

Strategic development directions:

1. Expanding own software package, Qguar, by subsequent SCM-class modules,
2. Expanding the offer by:
  - implementing other producers' software, requiring competencies and experience in logistics or being complementary in relation to the Qguar system,
  - full scope of services connected with logistic system integration (consulting, computer equipment, peripherals and software in all layers),
3. Further geographic expansion and strengthening of the position of leading software producer for broadly-defined logistics in Central and Eastern Europe.

The Parent Company intends to realise the above goals through organic development, capital investments, potential acquisitions and mergers. Expansion of Qguar by additional modules is the most natural mechanism of the development of the whole Group's offer. Systematic growth of demand for this type of software results from the following factors:

- growing demand of companies in the area of supply chain optimisation and reduction of logistics-related costs,

- growing demand for logistics services,
- quick development of technology and reduction of the prices of goods identification devices (barcodes, RFID),
- development of mobile data processing technology.

The experience and market position of the Parent Company can be used to implement other companies' applications, which could perfectly complement own product package. For many years, Quantum software S.A. has developed integration activity in the area of complete logistics systems. The focus is not only the implementation of an application itself, but also:

- process designing,
- ICT infrastructure
- devices (including industrial automatics),
- operational and database software.

For many companies, the first stage of computerisation involves the area of accounting, whilst further stages are focused on the informatisation of production logistics and distribution. This creates an opportunity for the Company development in the direction of a supplier of complete SCE/SCM IT systems for companies, in which the focal point is chain supply management.

The Qguar package has established leader position in the area of storage and distribution applications on Polish market. Used in Eastern and Western Europe, in nine languages, this package constitutes a good base for exports intensification. Despite the current crisis/stagnation, Central and Eastern Europe is a promising market due to expected economic growth, resulting from the disproportion against the related countries of Western Europe. Our experience proves that the market is so specific that it is possible to successfully compete with western European IT solutions providers. It is important for offered products to be verified on international market (multilinguality) and to not create barriers for international corporations. "Transboundariness" is one of the basic features of logistic processes.

## **22. Realisation of the forecast results for 2012**

The Group did not publish any forecast in 2012.

### **23. Modifications of basic management principles**

No changes in basic management of the Group's companies took place in 2012.

### **24. Information on any agreements, known to the Issuer (including those concluded after the balance sheet date) that in the future may lead to changes in the proportion of shares held by existing shareholders and bondholders.**

The Issuer's Management Board has no information on any other agreements, apart from the motivational programme and own shares purchase programme, which will result in changes in proportions of the shares currently held by shareholders.

### **25. Information on the systems of control of the employee shares programmes**

**The EO Programme** was launched by the Issuer in 2008 and was described in detail in preceding reports, it is directed to executives in the Company and its subsidiaries and associates ("Eligible Persons").

The programme consists of three Packages realised in specific time intervals. The First Package was fully realised and involved Issue of series D Shares. On March 14th, 2011, the Supervisory Board passed a resolution concerning the transfer of the entirety of Subscription Warrants from the Second Package to the Third Package. General Meeting of Shareholders of the company has authorised the Supervisory Board to change the Regulations of the Management Stock Option Programme. On March 15th, 2013, the Supervisory Board passed a resolution concerning the suspension of the Management Stock Option Programme.

#### **Regulations of the Own shares buy-up programme carried out by the Issuer**

The Issuer's Management Board announced in CR 21/2009 information regarding detailed conditions of purchasing own shares. The contents of the "Regulations of the Own shares buy-up programme" carried out in Quantum software S.A. is available at the Issuer's website. As at December 31st, 2012, the total number of own shares held by the Issuer was 8,028, which constitutes 0.542% of the share capital and 0.36% of votes at the General Meeting.



**26. Description of the proceedings pending before a court, a competent arbitration authority or a public administration authority**

No such events occurred.

**27. Information on concluding by the Issuer or a subsidiary one or more transactions with associates, if the value of these transactions (total value of all transactions concluded in the period from the beginning of the business year) exceeds an equivalent of EUR 500,000 expressed in PLN:**

In the period in question, the Company no agreements with related entities were concluded.

**28. Changes in the composition of managerial and supervisory bodies.**

The following changes in the composition of supervisory bodies took place in 2012. Mr. Piotr Nadolski and Mr. Andrzej Ruciński joined the Supervisory Board and replaced former members, i.e. Ms. Anna Nadolska and Mr. Jerzy Majewski.

**29. Composition of managerial and supervisory bodies as at 31.12.2012.**

**Composition of the Management Board:**

Tomasz Hatala – President of the Management Board

Bogusław Ożóg – Vice-President of the Management Board

Marek Jędra – Vice-President of the Management Board

Tomasz Mnich – Member of the Management Board

**Composition of the Supervisory Board,**

Leopold Kutyla – Chairman of the Supervisory Board

Tomasz Polończyk – Deputy Chairman of the Supervisory Board

Henryk Gaertner - Member of the Supervisory Board

Piotr Nadolski – Member of the Supervisory Board

Andrzej Ruciński – Member of the Supervisory Board

**30. Remuneration, awards, profits, including arising from motivational bonus programmes based on the company equity, paid or due to the members of the Management Board and Supervisory Board and information on the remuneration for the members of the Management Board and Supervisory Board of Quantum software SA due to served functions in the subsidiaries' authorities.**

Remuneration of the Management Board Members for the period 01.01.2012 – 31.12.2012

<b>Full name</b>	<b>total remuneration for the period 01.01.2012 – 31.12.2012 in PLN</b>
Hatala Tomasz	213,240
Ożóg Bogusław	148,120
Jędra Marek	173,280
Mnich Tomasz	167,174

Remuneration of the Supervisory Board Members for the period 01.01.2011 – 31.12.2011

<b>Full name</b>	<b>total remuneration for the period 01.01.2012 – 31.12.2012 in PLN</b>
Kutyła Leopold	6,000.00
Polończyk Tomasz	34,320.00
Nadolska Anna	0.00
Gaertner Henryk	2,000.00
Majewski Jerzy	2,000.00
Piotr Nadolski	4,000.00
Andrzej Ruciński	4,000.00

**31. In the case of share-holding companies, Establishment of the total number and face value of all of the issuers's shares as well as shares of related entities held by the management and supervisory staff (separate for each person):**

The company share capital is PLN 740,378.50 and it is divided into 1,480,757 shares (750,000 A series registered shares) and 730,757 B, C and D series ordinary bearer shares with a nominal value of PLN 0.50.

The share capital of the subsidiary Quantum East Sp. z o.o. is PLN 270,000 and it is divided into 5,400 shares of a par value PLN 50.00 each, including (63.74%) 3,601 shares of a total value PLN 180,050 held by Quantum software.

The share capital of the subsidiary Quantum International Sp. z o.o. (Ukraina) is USD 76,200, including 100% shares held by Quantum East.

The share capital of the subsidiary Quantum International Sp. z o.o. (Rosja) is RUB 1,200,000.00, including 99% (1,188,000) shares held by Quantum East.

The share capital of the subsidiary Edisonda Sp. z o.o. is PLN 120,000.00, and it is divided into 12,000 shares of a par value PLN 100.00 each. Quantum software S.A. has acquired 74% of the share capital and 100% votes on the General Meeting of Shareholders.

The share capital of the subsidiary Quantum I-Services Sp. z o.o. is PLN 1,500,000.00, and it is divided into 1,500 shares of a par value PLN 1,000.00 each.  
100% of shares are held by Quantum software S.A.

The share capital of the company Quantum Mobile Solutions Sp. z o.o. is PLN 6,000.00, and it is divided into 120 shares of a par value PLN 50.00 each.  
90 (75%) shares are held by Quantum I - Services Sp. z o.o.

The share capital of the company Mobeelizer Sp. z o.o. is PLN 1,092,000, and it is divided into 10,920 shares of a par value PLN 100.00 each.  
5,600 shares are held by Quantum Mobile Solutions Sp. z o.o. (51.28%)

The share capital of the company Quantum Mobs System S.L. is EUR 3,100.00, and it is divided into 3,100 shares of a par value EUR 1 each.

2,666 (86%) of shares are held by Quantum software S.A.

The share capital of the company Quantum Brasil Engenharia em Software Ltda is BRL 340,000.00, and it is divided into 340,000 shares of a par value BRL 1 each.

289,000 (85%) of shares are held by Quantum software S.A.

The share capital of the company QMobs System Chile is CLP 31,000,000.00, and it is divided into 31,000,000 shares of a par value CLP 1 each.

30,966,900 (99.99%) shares are held by Quantum Mobs System S.L.

**Holding of shares of Quantum software S.A. by the Issuer's managing and supervising persons as at 31.12.2012**

<b>Management Board</b>	<b>December 31st, 2012</b>
Tomasz Hatala	36,200
Bogusław Ozóg	24,603
Marek Jędra	8,200
Tomasz Mnich	3,400
<b>Supervisory Board</b>	<b>December 31st, 2012</b>
Tomasz Polończyk	8,200

Furthermore, the above persons and Mr. Henryk Gaertner (Member of the Supervisory Board) and Piotr Nadolski (Member of the Supervisory Board) hold shares in the parent entity of the Company specified in section 27.

To the knowledge of the Management Board of the Parent Company, none of the managing or supervising bodies holds shares in the subsidiaries of Quantum software S.A.

**32. Shareholders holding, directly or indirectly, through their subsidiaries, at least 5% of total votes at the Issuer's General Meeting, including the number of shares held by such entities, their percentage share in the share capital, the number of resulting votes and their percentage share in the total votes at the general meeting.**

To the Company's knowledge, as at March 18th 2013 (the annual report publication date), the company's dominant shareholder is Quantum Assets sp. z o.o. with registered office in Kraków, holding 675,421 registered multiple-vote A series shares and 222,979 ordinary bearer B series shares, accounting in total for 60.67% of its share capital and giving the holder 1,573,821 votes at the general meeting of the company, i.e. 70.55% of the total votes.

**33. Agreements with an entity authorised to audit financial statements**

On March 15th, 2012, the Supervisory Board of Quantum software S.A. selected an entity authorised to audit the annual financial statements and semi-annual financial statements of Quantum software S.A. and the Capital Group of Quantum software S.A. – Auxilium Audyt Barbara Szmurło, Jadwiga Faron – Spółka Komandytowa.

On March 19th, 2012, the Company concluded with an agreement regarding an audit of semi-annual consolidated financial statement for 01.01.2012 – 30.06. and of consolidated financial statement for 01.01.2012 – 31.12.2012 with "Auxilium Audyt" Barbara Szmurło, Jadwiga Faron – Spółka Komandytowa, entered in the list of entities authorised to audit financial statements, No. 3436, with its registered office in Kraków, Al. Pokoju 84.

For the above services, the auditor shall receive remuneration in the total net amount of PLN 11,400.

The company "Auxilium Audyt" changed its name to ECA AUXILIUM Serebyński Sp. z o.o., Barbara Szmurło sp.k.

### **34. Information on using corporate governance policies**

In this scope, the company prepared a separate document, which was published in the annual report.

**Kraków, March 18th, 2013**

#### **Members of the Management Board:**

**Tomasz Hatala**

**Bogusław Ożóg**

**Marek Jędra**

**Tomasz Mnich**

## **STATEMENT**

The Management Board of Quantum software S.A. declares that the entity authorised to audit financial statements which audited the annual consolidated financial statement was selected in compliance with legal regulations and that the said entity and certified auditors auditing the statements complied with the conditions pertaining to impartial and independent audit report in compliance with applicable domestic legislation.

**Kraków, March 18th, 2013**

Tomasz Hatala	President of the Management Board
Bogusław Ozóg	Vice-President of the Management Board
Marek Jędra	Vice-President of the Management Board
Tomasz Mnich	Member of the Management Board

## **STATEMENT**

The Management Board of Quantum software S.A. declares that, to the best of their knowledge, the Annual Consolidated Financial Statements and comparative data were prepared in compliance with the accounting principles in force and and that they present a true, accurate and fair view of the Quantum software S.A. Capital Group's economic and financial standing and its financial result and that the Annual Management Report presents a true overview of development and achievements of the Quantum software Capital Group and its situation, including basic risks and exposures.

**Kraków, March 18th, 2013**

Tomasz Hatala	President of the Management Board
Bogusław Ozóg	Vice-President of the Management Board
Marek Jędra	Vice-President of the Management Board
Tomasz Mnich	Member of the Management Board

**Statement on the use of corporate governance policies in the company Quantum software S.A. in 2012.**

***I. Corporate governance policies adopted by Quantum software S.A.***

In performance of the obligation arising from § 29 par. 5 of the Regulations of the Warsaw Stock Exchange, in relation to resolution No. 1013/2007 of the Management Board of the Warsaw Stock Exchange of December 11th, 2007 regarding Application of Corporate Governance Rules by Public Companies; The Management Board of Quantum software S.A. discloses to the public this statement on the application of corporate governance policies from the "GOOD PRACTICES OF COMPANIES LISTED ON WARSAW STOCK EXCHANGE" in the period between 01.01.2012 and the date of passing the annual report for 2012.

***II. Indication of a scope in which Quantum software S.A. abandoned the above mentioned provisions, indication of these provisions and explanation to the withdrawal.***

In the above mentioned period, the company did not abandon the use of corporate governance policies from the "Good Practices of Companies Listed on Warsaw Stock Exchange".

***III. Description of basic features of internal control and risk management systems applied in the company referring to the process of drawing up financial statements and consolidated financial statements.***

The process of preparing financial data for the purposes of statutory reporting is automated and based on the Quantum's consolidated financial and accounting system. Preparing data in the source systems is subject to formalised operating and approval procedures, which define the scope of competencies of individual persons. The Management Board and senior management supervises individual areas of activity, processes and products. Key persons are responsible for the creation, implementation, operation and monitoring of a successful and efficient internal



control system as well as identification and control of risk borne. Moreover, financial statement is subjected to formal verification and approval by a supervising body, i.e. Supervisory Board.

Under the evaluation of the Supervisory Board, the internal control system is adjusted to the volume and profile of a risk connected with the Company's activity and, simultaneously, risk management, as an essential element for Quantum activity, is implemented correctly and efficiently.

***IV. Shareholders holding, directly or indirectly, significant blocks of shares, including the number of shares held by such entities, their percentage share in the share capital, the number of resulting votes and their percentage share in the total votes at the general meeting.***

To the Company's knowledge, as at the annual report publication date, the company's dominant shareholder is Quantum Assets sp. z o.o. with registered office in Kraków, holding 675,421 registered multiple-vote A series shares and 222,979 ordinary bearer B series shares, accounting in total for 60.67% of its share capital and giving the holder 1,573,821 votes at the general meeting of the company, i.e. 70.55% of the total votes.

***V. Identification of holders of any and all securities with special control rights and a description of such rights.***

The company holds series A voting preference shares, which are not approved to marketing on a regulated market. Series A registered shares are privileged in a way that one share gives the right to two votes on the General Meeting of the Company's shareholders. Series B, C and D shares are ordinary bearer shares and are not limited in their selling.

**Holders of series A shares, which give special control rights related to the company as at the day of annual report publication:**

<b>Shareholder</b>	<b>Number and structure of series A shares</b>	<b>Number of votes on the General Meeting from series A shares and their structure</b>
<b>„Quantum Assets” Sp. z</b>		

<b>o.o.</b>	675,421 (90.05 %)	1,350,842 (90.05 %)
<b>Tomasz Hatala</b>	28,181 (3.76 %)	56,362 (3.76 %)
<b>Bogusław Ożóg</b>	19,150 (2.56%)	38,300 (2.56%)
<b>Marek Jędra</b>	6,384 (0.85 %)	12,768 (0.85 %)
<b>Robert Dykacz</b>	11,832 (1.58 %)	23,664 (1.58 %)
<b>Tomasz Mnich</b>	2,648 (0.35%)	5,296 (0.35%)
<b>Tomasz Polończyk</b>	6,384 (0.85 %)	12,768 (0.85 %)
<b>Total number of series A shares and related votes</b>	<b>750,000 (100 %)</b>	<b>1,500,000 (100%)</b>

*VI. All restrictions regarding the exercise of the right to vote, such as restriction of the right to vote by holders of a given part or number of votes, temporary restrictions on the right to vote or provisions under which, in cooperation with the company, capital rights attached to securities are separated from holding of securities.*

The Issuer did not issue any shares with the above restrictions.

*VII. Identification of all restrictions on the transfer of ownership of the issuer's securities.*

The Issuer did not issue any securities with any restrictions on their transfer.

*VIII. Description of rules for amending the Issuer's Articles of Association.*

A change to the Articles of Associations requires resolution of the general meeting with a majority of  $\frac{3}{4}$  votes.

*IX. Description of principles regulating the appointment and dismissal of managerial staff and their rights, in particular, the right to decide on the issue or purchase of shares.*

The President of the Management Board and other members of the Management Board are appointed and dismissed by the Supervisory Board for three years. The Management Board

comprises 1-5 members, their number is indicated by the Supervisory Board. Members of the Management Board are all appointed for the same term. The mandates of the Management Board members expire at the date of a General Meeting. The condition is an approval of financial statement for the last full business year in which a given member held position. The Company's Management Board manages the Company and represents it in court and outside court. Any statement of intent shall be made and signed on behalf of the Company by two members of the Management Board.

The Management Board is also responsible for any other issues which are not restricted to General Meeting or Supervisory Board.

Decisions of the Management Board are treated as resolutions, which are passed by a majority of votes. Resolutions of the Management Board are passed under open voting. The principles of the Management board operations specifying, in particular, type of issues requiring its resolution, are indicated in a Regulation subject to Supervisory Board's resolution. The Management Board develops and manages documentation for organisational activities performed by the Company, in particular:

- any register-related operations arising from applicable laws;
- announcements required by law and Articles of Association, in a manner described in these documents;
- calling General Shareholders' Meeting and managing documentation regarding the calling and course of the meetings;
- managing share register;
- storing minutes from the Supervisory Board sessions;
- providing exhaustive explanations regarding the Company to the Supervisory Board and General Meeting;
- preparing reports on the Company activity for a past business year;
- preparing propositions of distribution or loss coverage for a financial year;
- defining and announcing payment of dividend;
- managing the Management Board Rules of Procedure and other regulations;

### ***Issue of new shares***

According to Art. XIII of the Articles of Association, the share capital of the Company can be raised by issuing new shares. The Articles of Association authorises the Management Board to

establish an issue price. New issue shares can be registered shares or bearer shares and may be covered with cash or in-kind contribution. The shares are indivisible. The Management Board can issue shares as multiple-share certificates. The shares shall be stamped with an official Company's seal and signed by the Management Board. The signature of the Management Board can be mechanically reproduced. If joint ownership applies, the owners execute their rights through one of them or through a joint representative, subject to relevant authorisation.

***X. Operation of the General Shareholders' Meeting, its main rights and the description of shareholders' rights and how these rights are exercised, in particular rules resulting from the code of conduct of the General Shareholders' Meeting, if such code has been adopted, unless information in this regard directly result from applicable laws.***

The General Meeting of the Company operates in accordance with applicable laws, including changes introduced by the Act of December 5th, 2008 amending the act - the Commercial Companies Code and Trading in Financial Instruments Act (Journal of Laws 09.13.69), applicable since 3.08.2009. The Company intends to adjust the provisions of the Code of Conduct of the General Meeting to the above amendments of the Commercial Companies Code.

Pursuant to the amendment to the above laws, on May 18th, 2010, General Shareholders' Meeting, by resolution No. 25, introduced respective changes to the Code of conduct of the General Shareholders' Meeting of Quantum software S.A.

The Ordinary General Meeting of Shareholders is convened by the Management Board up to June 30th in each calendar year. The Extraordinary General Meeting of Shareholders shall be convened by the Management Board upon its own initiative or at the request of the Supervisory Board or shareholders representing at least one twentieth of the share capital. General Meetings of Shareholders are held in Kraków or in Warsaw. The information on convening General Shareholders' Meeting is passed in a form of current report and announcement on the company's website. The announcement should be made at least twenty six days before the date of the General Meeting. Announcement about the General Meeting of Shareholders should contain at least information specified in Art. 402<sup>2</sup> of the Commercial Companies Code.

Resolutions passed by the General Meeting require in particular the following:

1. review and approval of the report of the Management Board on the activity of the Company and the financial report of the Company for the previous year

2. establishing the rules and the amount of the remuneration of the Supervisory Board members
3. approving the Code of Conduct of the General Meeting and Supervisory Board,
4. appointing potential liquidators,
5. excluding the whole or part of profit from division, if necessary,
6. appointing and dismissing the Supervisory Board.

General Meeting passes resolutions concerning issues restricted to its competence, in particular in the provisions of the Commercial Companies Code, Code of Conduct of the General Shareholders' Meeting and Articles of Association. With restriction to the events specified in the Commercial Companies Code and in the Articles of Association, resolutions are passed with a majority of votes. Pursuant to the Articles of Association, a resolution on abandoning a case listed in the agenda is passed by the General Meeting at a request of shareholders with a majority of 75% votes, upon receiving approval of all present shareholders who submitted an application for a case review. The resolutions of the General Shareholders' Meetings are included in a protocol drawn up by notary public. Resolutions of the General Shareholders' Meetings can be sued in court in accordance with the detailed conditions laid down in the Commercial Companies Code.

Shareholders have a right to participate in the General Meeting of Shareholders and execute the right to vote from registered shares in person or via representatives. A power of attorney authorising one to take part in the General Meeting of Shareholders and to exercise the right of vote shall be granted in writing or in the electronic form. Granting a power of attorney in the electronic form shall not require using a safe electronic signature verified by means of a valid qualified certificate. Shareholders' representatives, as legal bodies, should have up-to-date excerpt from the Commercial Register or National Court Register, naming the persons authorised to represent these entities or provide power of attorney identification signed by persons listed in the excerpt. A power of attorney authorising to participate in the General Meeting and execute vote right granted in an electronic form should be sent via e-mail to the address indicated on the Company's website as the relevant e-mail address for investors, not later than 2 days before the meeting relative for the power of attorney. Each A series registered share of the Company entitles to execute two votes in the General Meeting, whilst B, C and D series shares are bearer

shares, each B, C or D series share entitles to execute one vote in the General Meeting. Only shareholders of a public company who register their participation in the General Meeting of Shareholders sixteen days before the General Meeting (date of registration of participation in the General Meeting) may take part in it. Holders of registered shares and temporary certificates, lienholders, and users who have the right to cast votes may take part in the General Meeting of Shareholders of the public company if recorded in the share register as of the registration day for the participation in the General Meeting of Shareholders. Bearer shares in the form of a document may take part in the General Meeting of Shareholders of a public company if the document of the shares is submitted to the company no later than on the registration day for the participation in the General Meeting of the Shareholders and is not withdrawn before the end of that day. Instead of shares, a certificate can be issued to prove depositing shares at the notary public, bank or investment firm with registered office or branch in the territory of the European Union or a state being a party to the agreement on European Economic Area, indicated in the announcement regarding the convention of the General Meeting. Such a certificate shall indicate the number of documents of the shares and shall confirm that the documents of the shares shall not be withdrawn before the end of the registration day for the participation in the General Meeting of Shareholders.

Each shareholder can order an excerpt of the applications regarding issues included in the agenda of the next General Meeting. Such order should be submitted to the Management Board. Release of application excerpts should take place no later than a week before the General Meeting.

Immediately after selecting a chairman of the General Meeting, an attendance list should be produced, with all persons participating in the General Meeting together with a number of the Company's shares that each participant presents as the entitled votes. The chairman is obliged to sign the list and disclose it during the General Meeting. Pursuant to Art. 410 § 2, at the request of the stockholders holding one tenth of the share capital represented at the General Meeting, the list of attendance shall be verified by a specially appointed committee of at least three people.

According to the Articles of Association, shareholders have the right to participate in annual profit, designated by the General Shareholders' Meeting to distribute among themselves. The Management Board is entitled to pay an advance to the shareholders in respect of a future dividend for the business year, provided that the sufficient funds exist. Payment of the above advance requires approval of the Supervisory Board.

***XI Composition and changes in the last financial year and operation of Issuer's managing and supervising bodies and their committees***

***The composition of the Management Board and Supervisory Board as at December 31st, 2012 was as follows:***

President of the Management Board	Tomasz Hatala
Vice-President of the Management Board	Bogusław Ozóg
Vice-President of the Management Board	Marek Jędra
Member of the Management Board	Tomasz Mnich

Specific tasks of the Management Board are specified in the Regulations of the Management Board, enacted by the Management Board and approved by the Supervisory Board.

***Principles of operation of the Management Board***

The President of the Management Board and other members of the Management Board are appointed and dismissed by the Supervisory Board for three years. The Management Board comprises 1-5 members, their number is indicated by the Supervisory Board.

Members of the Management Board are all appointed for the same term. The mandates of the Management Board members expire at the date of a General Meeting. The condition is an approval of financial statement for the last full business year in which a given member held position.

The Company's Management Board manages the Company and represents it in court and outside court. Any statement of intent shall be made and signed on behalf of the Company by two members of the Management Board.

The Management Board is also responsible for any other issues which are not restricted to General Meeting or Supervisory Board.

Decisions of the Management Board are treated as resolutions, which are passed by a majority of votes. Resolutions of the Management Board are passed under open voting. The principles of the Management board operations specifying, in particular, type of issues requiring its resolution, are indicated in a Regulation subject to Supervisory Board's resolution. The Management Board

develops and manages documentation for organisational activities performed by the Company, in particular:

- any register-related operations arising from applicable laws;
- announcements required by law and Articles of Association, in a manner described in these documents;
- calling General Shareholders' Meeting and managing documentation regarding the calling and course of the meetings;
- managing share register;
- storing minutes from the Supervisory Board sessions;
- providing exhaustive explanations regarding the Company to the Supervisory Board and General Meeting;
- preparing reports on the Company activity for a past business year;
- preparing propositions of distribution or loss coverage for a financial year;
- defining and announcing payment of dividend;
- managing the Management Board Rules of Procedure and other regulations;

***The composition of the Supervisory Board as at December 31st, 2012 was as follows:***

Chairman of the Supervisory Board	Leopold Kutyla
Deputy Chairman of the Supervisory Board	Tomasz Polończyk
Member of the Supervisory Board	Henryk Gaertner
Member of the Supervisory Board	Andrzej Ruciński
Member of the Supervisory Board	Piotr Nadolski

***Principles of operation of the Supervisory Board***

The Supervisory Board operates upon established Rules and Regulations of the Supervisory Board of Quantum software S.A. as well as Articles of Association. The Supervisory Board consists of five to nine members appointed by the General Meeting. The term of office of the Supervisory Board is 3 years. If a mandate of a Chairman or Member of the Supervisory Board expires before the term of office, a new Chairman or Member of the Board shall be appointed in his/her place only until the expiry of the office term of the remaining members of the



Supervisory Board. At least two members of the Supervisory Board must meet the criteria of independent members.

Special powers of the Supervisory Board include:

- reviewing and approving the report of the Management Board on the activity of the Company and the conclusions regarding profit distribution and loss coverage.
- Submitting written reports to the General Meeting on the results of the actions referred to in section 1 above,
- giving consent to purchase and sell real property, perpetual usufruct or interest in real property,
- giving consent to purchase and sell shares or stocks in other companies, acquisitions and creation of other business entities,
- giving consent to the members of the Management Board to take up responsibilities in competitive interest or participate in a competitive company, as a partner or authority body,
- reviewing other cases submitted by the General Meeting,
- giving consent to establishing a proxy by the Management Board,
- selecting an expert auditor, at the Management Board's request, in order to review annual financial statements of the Company.

Sessions of the Supervisory Board are convened by the Chairman at his/her own initiative or upon application of other member of the Board, or at the request of the Management Board. The Supervisory Board shall adopt resolutions by an absolute majority of votes. No resolution may be passed on any matter not included in the agenda, unless all the members of the Supervisory Board are present at the meeting and none of them objects to it. The Members of the Supervisory Board may participate in passing the Board's resolutions through voting in writing via another Member of the Supervisory Board. Casting written votes cannot be applied to those issues which have been included in the agenda during the meeting of the Supervisory Board. Resolutions of the Supervisory Board can be passed without sessions, in writing or using remote direct communication methods. A resolution adopted in such a way is valid provided that all the Board Members have been notified of the content of the draft resolution. The Supervisory Board of Quantum software S.A. has only five members; therefore, no committees have been established. The responsibilities of the committees fall upon the Supervisory Board.

**Kraków, 18.03.2013**

**Members of the Management Board:**

Tomasz Hatala          President of the Management Board

Bogusław Ożóg          Vice-President of the Management Board

Marek Jędra          Vice-President of the Management Board

Tomasz Mnich          Member of the Management Board

**Kraków, March 15th, 2013**

**Report on the Activities of the Supervisory Board of Quantum software S.A. for the business year 2012, including evaluation of work of the Supervisory Board**

**I. Composition of the Supervisory Board in the business year 2012 was as follows:**

1. Leopold Kutyla – Chairman of the Supervisory Board
2. Tomasz Polończyk – Deputy Chairman of the Supervisory Board
3. Henryk Gaertner - Member of the Supervisory Board
4. Anna Nadolska – Member of the Supervisory Board until May 17th, 2012
5. Jerzy Majewski – Member of the Supervisory Board until May 17th, 2012
6. Andrzej Ruciński - Member of the Supervisory Board since May 17th, 2012
7. Piotr Nadolski - Member of the Supervisory Board since May 17th, 2012

**II. Rules and mode of operation of the Quantum software S.A. Supervisory Board** are regulated by laws concerning public companies and:

- Articles of Association of Quantum software SA.
- Rules and Regulations of the Supervisory Board of Quantum software S.A.
- Corporate governance policies

In 2012, the Supervisory Board of Quantum software S.A. in Kraków held three sessions (March 15th, June 28th, November 6th) in the company's office. During the sessions, individual Members of the Supervisory Board were present in a number permitting to pass resolutions, the average attendance in a session was 4 (four) persons out of 5 (five) members of the Supervisory Board.

The Supervisory Board constantly supervised the Company's operations. Supervision and control included especially:

- monitoring, analysis and evaluation of the Company's financial situation;
- analysis of interim financial reports;
- reading the Management Board's interim statements concerning the Company's current and planned operations;
- formal and legal issues concerning the activities of the Supervisory Board;

In carrying out its duties in 2012, the Supervisory Board passed the following resolutions:

- review and approval of the report of the Management Board and Capital Group and Financial Statement of the Company and capital Group for 2011.
- recommended devoting the whole net profit of PLN 519,013.38 (in words: five hundred nineteen thousand thirteen and 38/100) to pay dividend.
- passed a resolution regarding appointing an entity to review and analyse the company's financial statement for June 30th, 2012 r. and December 31st, 2012;
- positively assessed the Company's financial results after two first months of 2012;

- positively assessed the Company's financial results after three quarters of 2012;
- granted certificates of completion to members of the Management Board with regard to their duties in 2011.

The Issuer's Supervisory Board consists of the minimal number of members required by law. An audit committee has been distinguished from among the Supervisory Board members. With its basic composition, the supervisory Board is able to perform duties related to audit.

Pursuant to Art. 382 par. 3 of the Commercial Companies Code, the Supervisory Board evaluated:

1. The Company's financial statements for 2012.
2. The Management Board's statement of the Company's operations for the period 01.01.2012-31.12.2012;
3. The Management Board's statement of the Capital Group's operations for the period 01.01.2012-31.12.2012;
4. The consolidated financial statements of the Capital Group for 2012

Considering the above, the Supervisory Boards appeals to the Ordinary General Assembly of Quantum software S.A. to accept:

1. The Management Board's statement of the Company's operations for the period 01.01.2012-31.12.2012;
2. The Company's financial statements for 2012.
3. The Management Board's statement of the Capital Group's operations for the period 01.01.2012-31.12.2012;
4. The consolidated financial statements of the Capital Group for 2012

### **III. Evaluation of the operation of the Supervisory Board of Quantum software S.A., internal control system and risk management system for the Company.**

The supervisory Board gave positive opinion on its own activity, as regards the operation of the internal control system and risk management system relevant to the Company, which, according to the Board, facilitated the correctness of financial information included in interim statements and reports. Under the evaluation of the Supervisory Board, the internal control system is adjusted to the volume and profile of a risk connected with the Company's activity and, simultaneously, risk management, as an essential element for Quantum activity, is implemented correctly and efficiently.

The process of preparing financial data for the purposes of statutory reporting is automated and based on the Quantum's consolidated financial and accounting system. Preparing data in the source systems is subject to formalised operating and approval procedures, which define the scope of competencies of individual persons. The Management Board and senior management supervises individual areas of activity, processes and products. Key persons are responsible for the creation, implementation, operation and monitoring of a successful and efficient internal control system as well as identification and control of risk borne. Moreover, financial statement is subjected to formal verification and approval by a supervising body, i.e. Supervisory Board.

This statement was accepted by the Supervisory Board in a form of resolution on arch 15th, 2013.

*Leopold Kutyla*  
*Chairperson of the Supervisory Board*