



**Annual consolidated financial statements
of the Quantum software S.A. Capital Group
for the period from 01.01.2013 to 31.12.2013**

Kraków, 14 March 2014

Contents of the consolidated financial statements:

1. Introduction to the financial statements
2. Consolidated statement of financial position
3. Consolidated statement of comprehensive income
4. Consolidated statement of changes in equity
5. Consolidated cash flow statement
6. Selected financial data, including basic items of the annual consolidated financial statements (also translated into EUR)
7. Notes – selected explanatory information

1. Introduction to the consolidated financial statements of the Quantum software S.A. Capital Group for 2013

1.1 Business activity:

Quantum software Spółka Akcyjna; 30-633 Kraków, ul. Walerego Sławka 3A. The Company's core business consists in software consulting services. Quantum software S.A. was entered into the Register of Entrepreneurs of the National Court Register Kraków – Śródmieście, 11th Economic Department, on 30 October 2002, under KRS No. 0000136768; PKD 7220Z (Polish Classification of Activities) "Software business".

1.2. Duration of the Issuer

The duration of the parent company and of the members of the Capital Group is indefinite.

1.3. Composition of the parent company's Management Board and Supervisory Board:

As of 31 December 2013, the parent company's Management Board and Supervisory Board were composed of the following persons:

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

Supervisory Board:

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

1.4. Organisational structure of the Capital Group as of 31.12.2013:

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 interests held by Quantum software S.A.
Share capital fully paid up: PLN 282,500.00

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

Registered office: Kiev
Address: Vozdvizhenskaya street 43
Certificate No. 100107724
Shareholders: 100% of interests held by Quantum East Sp. z o.o.
Share capital fully paid up: USD 76,200

3) Company's business name: Quantum International Sp. z .o.o. – subsidiary

Registered office: Moscow
Address: Letnikovskaja 10, building 11
Common National Register of Legal Persons: No. 1117746038035
Shareholders: 99% of interests held by Quantum East Sp. z o.o.
Share capital fully paid up: RUB 1,200,000

4) 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 interests held by Quantum software S.A.
Share capital fully covered by a contribution in kind: PLN 1,500,000.00

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

Registered office: Kraków
Address: Walerego Sławka 3A
National Court Register (KRS): 0000335987
Shareholders: 59.20% of interests held by Quantum software S.A.
Share capital fully paid up: PLN 150,000.00

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

Registered office: Kraków
Address: Walerego Sławka 3a
National Court Register (KRS): 0000297249
Shareholders: 75% of interests held by Quantum I - Services Sp. z o.o.
Share capital fully paid up: PLN 6,000.00

7) Company's business name: Mobeelizer Sp. z o.o. – subsidiary until 23 October 2013

Registered office: Kraków
Address: Walerego Sławka 3a
National Court Register (KRS): 0000297249
Shareholders: 51.28% of interests held by Quantum Mobile Solutions Sp. z o.o.
Share capital fully paid up: PLN 1,092,000.00

8) 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: B86345105
Shareholders: 86% of interests held by Quantum software S.A.
Share capital fully paid up: EUR 3,100.00

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

Registered office: Brasilia/DF
Address: Condomínio Jardim Botânico, Etapa 01, quadra 02. Rua 01 lote 112 – loja 12, Lago Sul - Brasilia - DF - CEP 71.680-362
Register: 11.795.637/0001-38 and NIRE No. 53201627870
Shareholders: 85% of interests held by Quantum software S.A.
Partially paid-in share capital: BRL 200,000.00

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

Registered office: Santiago de Chile
Address: Los Fresnos 1201, Casa 21, Santiago, Huechuraba
Register: 6959/4912/2012
Shareholders: 99.99% of interests held by Quantum Mobs System S.L
Partially paid-in share capital: CLP 31,000,000.00

11) Company's business name: EQ System East – associate

Registered office: Kraków
Address: Walerego Slawka 3A
National Court Register (KRS): 0000486510
Shareholders: 48% of interests held by Quantum software S.A.
Share capital fully paid up: PLN 50,000.00

1.5. Accounting principles (policy) applied for preparing the financial statements of the Quantum software S.A. Capital Group for 2013 and compliance statement

The consolidated financial statements for 2013 have been prepared in accordance with the International Financial Reporting Standards (IFRS) approved by the European Union and effective as of the day of approval of these statements for publication. Considering the IFRS implementation process taking place in the EU and the Group's business, and with regard to the accounting principles applied by the Company, there is no difference between the already effective IFRS and the IFRS approved by the EU.

The IFRS lay down accounting standards and interpretations approved by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC).

The Management Board approves the consolidated financial statements for publication as of the date when the statements are signed by all members of the company's Management Board, i.e. 14 March 2014.

For a full picture of the financial situation and the performance of the parent company Quantum software S.A. and of the Capital Group, the consolidated financial statements should be read together with the separate financial statements. The parent company prepares the consolidated financial statements of its Capital Group as of the date and for the period ended on 31 December

2013 according to the International Financial Reporting Standards (IFRS) approved by the European Union and effective as of the date of the financial statements. The separate and consolidated financial statements have been presented in the separate and consolidated report, and are available on the website www.quantum-software.com

The Capital Group sells to the Polish market and to foreign markets. Information about sales revenue, broken down into the offered products and into sales markets, is presented in the Capital Group's Management Report for 2013.

The data included in the report was prepared in line with the principles for measurement of assets, equity and liabilities, and the measurement of net income specified as of the balance sheet date, in line with the materiality principle. The consolidated financial statements of the capital group for FY 2013 have been prepared under the going concern assumption.

The consolidated financial statements for 2013 have been prepared in Polish zloty and rounded to full thousands.

Postings follow the historical cost principle. The company did not make any adjustments that would reflect the influence of inflation on the individual items of the balance sheet or of the profit and loss account. The company prepares a profit and loss account in a multiple-step variant. The cash flow statement uses the indirect method.

The management report of the Quantum software Capital Group covers the period from 1 January to 31 December 2013.

To the best of the Management Board's knowledge, based on the Company's documents, the consolidated financial statements for FY 2013 have been prepared in compliance with the applicable accounting principles. They present an accurate picture of the Company's growth and achievements, and the description of the main risks and threats.

Accounting principles

The Company's financial statements have been prepared in thousands of PLN (unless specified otherwise), pursuant to entries made in the Company's accounting books maintained in accordance with the basic accounting principles:

- 1) reliability,
- 2) correctness,
- 3) going concern,
- 4) completeness,
- 5) comparability,
- 6) income and cost matching,
- 7) consistency of accounting principles.

Intangible assets, and Property, plant and equipment

Methods for measuring intangible assets and PP&E: Intangible assets and PP&E are measured according to the going concern principle, as specified in the International Accounting Standards; however:

- 1) Intangible assets are recognised at their purchase price, including amortisation. The Company makes amortisation/depreciation allowances using the straight line method, and adopts the following amortisation/depreciation periods (useful lives):
 - a) computer software: 2 years,
 - b) licences: 2 years,
 - c) copyrights: 2 years,

- d) R&D expenses: 5 years,
 - e) the company does not hold any intangible assets with indefinite useful life.
- 2) PP&E are measured at their purchase prices or manufacturing costs, less depreciation allowances, proportionally to their periods of use. PP&E are depreciated throughout their useful economic life. PP&E, despite being used for more than one year, do not include items of low initial unit value up to PLN 3,500.00, except for PP&E classified under group 4 (machines and equipment). When these items are purchased, they are reported on a single basis as tax-deductible expenses in the month when they were purchased or in the following month. These items are not subject to recognition in the balance sheet. Cars are depreciated on a straight-line basis for 5 years based on their initial value, less their residual value in the amount of 20% of the initial value. All equipment included in group 4, regardless of its initial value, is depreciated on a straight-line basis as per individual rates defined in accordance with their expected useful lives, i.e.
- a) desktop computers: 4 years,
 - b) laptops: 3 years,
 - c) servers, printers, projectors, UPS, routers, switches, computer networks: 5 years,
 - d) UPS batteries: 2 years.

The company verifies the adopted useful lives of intangible assets and PP&E every year.

Financial instruments

Methods of measuring financial instruments: Financial instruments are measured in accordance with the going concern principle, in the manner defined in the International Accounting Standards; however:

Receivables are recognised in the books at their nominal value as of their accrual date, and at the payable amount as of the balance sheet date. For mark-to-market purposes, receivables are reduced by revaluation allowances for doubtful receivables. Receivables in foreign currencies are measured as of the balance sheet date according to the average exchange rate of the National Bank of Poland (NBP), and the foreign exchange gains/losses are recognised in financial revenues or expenses.

Interests are measured at their purchase prices, less impairment losses.

Financial assets are measured at the lower of their purchase price or market value.

Cash in hand and cash in bank as well as interest on financial assets calculated on an accrual basis are measured at their nominal value, while cash in foreign currencies is measured at the bank's buying and selling exchange rates, and for the balance sheet measurement it is measured at the average NBP exchange rate.

Liabilities are recognised in the books at their nominal value on the day when they arise, and at the payable amount as of the balance sheet date. Liabilities in foreign currencies are measured according to the average NBP exchange rate.

Main types of financial instruments:

- standard financial instruments, such as trade receivables and liabilities, are measured at the purchase price (according to par. 29 IFRS 7, section a), taking account of impairment losses and unrecoverability (according to par. 58 IAS 39),
- cash is measured at the purchase price, according to par. 29 IFRS 7, section a,
- borrowings, loans and lease: measurement at amortised cost is required but, in the opinion of the Management Board, the company presents these items at the purchase price (at the payable amount) because such measurement does not affect the company's financial situation.

Investments

The Company classifies its investments into the following categories:

- 1) Interests in subsidiaries.

Interests in subsidiaries include interests in non-consolidated companies. Interests in subsidiaries are measured at the purchase price adjusted for impairment losses. Impairment losses on interests in subsidiaries are disclosed in the statement of comprehensive income as financial expenses.

Revaluation allowances for non-current assets

PP&E, intangible assets and financial assets are tested for impairment if certain events and changes take place which may cause impairment.

Impairment losses are recognised in other operating expenses in the periods in which such losses are made.

Inventory

Inventory includes goods which are measured, as of the balance sheet date, at the purchase price in accordance with the prudence principle, less revaluation allowances.

Trade and other receivables

Trade receivables are recognised in the amount payable, fewer allowances for doubtful receivables. Allowances are estimated based on the recoverability of receivables, once the recovery of the full amount of receivables becomes unlikely.

Cash and cash equivalents

Cash in the balance sheet includes cash in hand and cash in bank.

Provision for retirement and similar benefits

The Company creates provisions for employee benefits. The provisions are measured not less frequently than on each balance sheet date at the credibly estimated value. The provisions for employee benefits include retirement gratuities. As of the balance sheet date, the Company creates a provision for the current value of retirement gratuities to which the employees became entitled by that date, with classification into short-term and long-term provision, using the actuarial method. The provision is recognised in other operating expenses. The provisions are released at the end of each reporting period based on the payments made, in correspondence to liabilities.

Provisions

The Company creates provisions if, as a result of economic events, certain or highly probable liabilities occur whose value can be credibly determined.

Prepayments/accruals

To allow for cost and income matching, the Company creates prepayments, accruals and deferred revenue.

The Company maintains prepayments, which are the costs attributable to the following reporting period.

The Company's accruals is the amount of liabilities attributable to the current period based on services provided to the Company.

Deferred revenue includes in particular the amount of invoiced services to be performed in the following periods.

Revenue from the sale of products, services, materials and goods

Net sales revenue includes economic benefits in the course of the reporting period which occurred as a result of the company's business operations and have a credibly determined value,

resulting in an increase in equity through an increase in or a decrease in liabilities in a manner other than contribution of funds by the shareholders. In particular, this includes revenue from the sale of products, services, goods and materials.

Revenue includes amounts due for the sold products and services performed as part of the core and auxiliary business, and for the sold materials and goods, determined based on the net price and adjusted for discounts and reductions granted.

The adjustments of sales revenue are recognised in the period in which they are made.

Other operating revenue

Other operating revenue is revenue related to the company's operating activities. They include:

- 1) profit on PP&E and intangible assets,
- 2) profit on liquidation of PP&E,
- 3) received damages,
- 4) release of provisions which encumbered operating expenses at the time of creation,
- 5) written-off, expired and redeemed liabilities.

Financial revenue

Revenue from interest calculated on counterparties is recognised at the date when the counterparty makes the payment.

Revenue from interest on cash on bank accounts is recognised when the bank credits the account.

Operating expenses

All sales, marketing, administrative and management expenses incurred during the reporting period. Value of goods and materials sold during the reporting periods at the purchase price.

Other operating expenses

Other operating expenses include expenses related to the company's operating activities.

They include:

- 1) loss on PP&E and intangible assets,
- 2) penalties and damages paid,
- 3) created provisions,
- 4) court fees.

Financial expenses

The expenses of interest paid are recognised directly in the profit and loss account for the period in which they were incurred.

Income tax

Statutory appropriations of the result include:

- 1) CIT,
- 2) deferred tax.

The current tax burden is calculated based on the tax result (tax base) for a given financial year. The tax profit (loss) differs from the booked profit (loss) due to the exclusion of non-taxable revenue and expenses. The tax burden on the result is calculated based on tax rates applicable in a given tax year.

Deferred income tax

The company establishes deferred income tax provisions and assets in connection with temporary positive differences between the value of assets, equity and liabilities disclosed in the

accounting books and their tax value. Deferred income tax assets are recognised when it is likely that the taxable income to be generated in the future will allow for the use of temporary differences. Deferred income tax assets are also disclosed with respect to tax losses which may be deducted in subsequent year, but only when it is probable that taxable income will be generated in the future which would allow for utilising these tax losses. The company does not create deferred income tax assets if there is doubt concerning the possibility of their utilisation in subsequent periods.

Earnings per share

Net earnings per share are calculated by dividing profit attributable to the shareholders by the average weighted number of ordinary shares.

Foreign currency transactions

Business transactions denominated in foreign currencies that result in liabilities and receivables are recognised in the accounting books according to the average exchange rate published for a given currency by the National Bank of Poland.

As of the balance sheet date, receivables and liabilities in foreign currencies are measured according to the average exchange rate published for a given currency by the National Bank of Poland.

Foreign exchange gains/losses related to settlements in foreign currencies which occurred at the date of measurement or at the payment date of receivables and liabilities are recognised in financial expenses or revenue.

Lease

Property, plant and equipment used based on finance lease agreements under which all benefits and risks of using such PP&E is transferred to the Company are disclosed in the Company's balance sheet according to the present value of prospective minimum lease fees. The lease fees are distributed for the reduction of unpaid liabilities and financial expenses posted directly in the financial result.

1.6 New accounting standards and interpretations

Standards and interpretations applied for the first time in 2013

- **IFRS 13 "Fair Value Measurement"**, approved by the EU on 11 December 2012 (effective for annual periods beginning 1 January 2013 or later)
- **Amendments to IFRS 1 "First-time Adoption of IFRS"** – heavy hyperinflation and exemption from rigid deadlines for first-time adopters of IFRS, approved by the EU on 11 December 2012 (effective for annual periods beginning 1 January 2013 or later)
- **Amendments to IFRS 1 "First-time Adoption of IFRS"** – Government Loans, approved by the EU on 4 March 2013 (effective for annual periods beginning 1 January 2013 or later)
- **Amendments to IFRS 7 "Financial Instruments: Disclosures"** – Offsetting Financial Assets and Financial Liabilities, approved by the EU on 13 December 2012 (effective for annual periods beginning 1 January 2013 or later)
- **Amendments to IAS 1 "Presentation of Financial Statements"** – Presentation of Items of Other Comprehensive Income, approved by the EU on 5 June 2012 (effective for annual periods beginning 1 July 2012 or later)

- **Amendments to IAS 12 "Income Tax"** – Deferred Tax: realisation of assets, approved by the EU on 11 December 2012 (effective for annual periods beginning 1 January 2013 or later)
- **Amendments to IAS 19 "Employee Benefits"** – Amendments to post-employment benefit accounting, approved by the EU on 5 June 2012 (effective for annual periods beginning 1 January 2013 or later)
- **Amendments to various standards "Amendments to IFRS (cycle 2009-2011)"** – amendments made as part of the procedure of introducing annual improvements to the IFRS (IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34), aimed mainly at explaining discrepancies and terminology specification, approved by the EU on 27 March 2013 (effective for annual periods beginning 1 January 2013 or later)
- **IFRIC Interpretation 20 "Stripping costs in the production phase of a surface mine"**, approved by the EU on 11 December 2012 (effective for annual periods beginning 1 January 2013 or later)

The above-mentioned standards, interpretations and amendments have not significantly affected the company's existing accounting policy.

Standards and interpretations published and approved by the EU but not yet effective

- **IFRS 10 "Consolidated Financial Statements"**, approved by the EU on 11 December 2012 (effective for annual periods beginning 1 January 2014 or later)
- **IFRS 11 "Joint Arrangements"**, approved by the EU on 11 December 2012 (effective for annual periods beginning 1 January 2014 or later)
- **IFRS 12 "Disclosure of Interests in Other Entities"**, approved by the EU on 11 December 2012 (effective for annual periods beginning 1 January 2014 or later)
- **IAS 27 (as amended in 2011) "Separate Financial Statements"**, approved by the EU on 11 December 2012 (effective for annual periods beginning 1 January 2014 or later)
- **IAS 28 (as amended in 2011) "Investments in Associates and Joint Ventures"**, approved by the EU on 11 December 2012 (effective for annual periods beginning 1 January 2014 or later)
- **Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities"** – explanations on interim provisions, approved by the EU on 4 April 2013 (effective for annual periods beginning 1 January 2014 or later)
- **Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 27 "Separate Financial Statements"** – investment entities, approved by the EU on 20 November 2013 (effective for annual periods beginning 1 January 2014 or later)

- **Amendments to IAS 32 “Financial Instruments: Presentation”** – Offsetting Financial Assets and Financial Liabilities, approved by the EU on 13 December 2012 (effective for annual periods beginning 1 January 2014 or later)
- **Amendments to IAS 36 “Impairment of Assets”** – Recoverable Amount Disclosures for Non-Financial Assets, approved by the EU on 19 December 2013 (effective for annual periods beginning 1 January 2014 or later)
- **Amendments to IAS 39 “Financial Instruments: Recognition and Measurement”** – Novation of Derivatives and Continuation of Hedge Accounting, approved by the EU on 19 December 2013 (effective for annual periods beginning 1 January 2014 or later)

Standards and Interpretations adopted by IASB but not yet approved for application by the EU

- **IFRS 9 "Financial Instruments", as amended** (effective date not yet specified)
- **IFRS 14 “Regulatory Deferral Accounts”** (effective for annual periods beginning 1 January 2016 or later)
- **Amendments to IAS 19 "Employee Benefits"** – Defined Benefit Plans: Employee Contributions (effective for annual periods beginning 1 July 2014 or later)
- **Amendments to various standards “Amendments to IFRS (cycle 2010-2012)”** – amendments made as part of the procedure of introducing annual improvements to the IFRS (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38), aimed mainly at explaining discrepancies and terminology specification (effective for annual periods beginning 1 July 2014 or later)
- **Amendments to various standards “Amendments to IFRS (cycle 2011-2013)”** – amendments made as part of the procedure of introducing annual improvements to the IFRS (IFRS 1, IFRS 3, IFRS 13 and IAS 40), aimed mainly at explaining discrepancies and terminology specification (effective for annual periods beginning 1 July 2014 or later)
- **IFRIC 21 Interpretation "Levies"** (effective for annual periods beginning 1 January 2014 or later)

2. Consolidated statement of financial position

Consolidated statement of financial position	Note	As of 31.12.2013	As of 31.12.2012
ASSETS			
Non-current assets		6 015	5 982
Property, plant and equipment	1	1 469	1 424
Investment property	2	-	-

Biological assets	3	-	-
Goodwill of subordinates	4	-	-
Intangible assets	2	3 056	3 968
Investments in associates measured with equity method	7	23	-
Financial assets available for sale	8	-1	-
Borrowings granted		862	563
Other financial assets	10	-	-
Deferred income tax assets	28	590	24
Other long-term receivables and prepayments	4	16	3
Current assets		9 988	11 851
Inventory	12	99	78
Trade receivables	13	3 967	4 594
Other short-term receivables and prepayments	4	1 383	828
Income tax receivables		-	-
Financial assets measured at fair value through the financial result		-	-
Financial assets available for sale	8	-	-
Borrowings granted	0	391	429
Other financial assets	10	-	-
FX futures		-	-
Cash and cash equivalents	5	4 148	5 922
Non-current assets classified as held for sale		-	-
Total Assets		16 003	17 833
EQUITY AND LIABILITIES			
Equity		11 966	13 399
Equity attributable to shareholders of the parent		11 923	13 031
Share capital	6	740	740
Share premium	16	11 442	11 442
Equity shares	7	-78	-78
Reserve and supplementary capital	8	1 655	2 723
Revaluation reserve	8	-	-
Amounts recognised directly in equity and related to assets classified as held for sale	8	-	-
Foreign exchange gains/losses on translation	8	-80	-41
Profit/loss on sale of subsidiary		-	-
Profit (loss) brought forward		-1 545	-657
Profit (loss) in current year		-211	-1 098
Non-controlling interests		43	368
LIABILITIES		4 037	4 434
Long-term liabilities		1 352	1 588

Provisions	16	188	165
Deferred income tax provision	28	716	785
Long-term bank loans and borrowings	9	148	146
Other long-term financial liabilities	10	141	129
Other long-term liabilities and accruals	12	159	363
Short-term liabilities		2 685	2 846
Provisions	16	4	3
Short-term bank loans and borrowings	9	-	-
Current portion of long-term bank loans and borrowings	9	22	32
Other short-term financial liabilities	10	231	171
Trade liabilities	11	1 230	1 047
Other short-term liabilities and accruals	12	1 196	1 593
Income tax liabilities		2	-
FX futures		-	-
Liabilities related to fixed assets classified as held for sale		-	-
TOTAL EQUITY AND LIABILITIES		16 003	17 833

3. Consolidated statement of comprehensive income

Consolidated statement of comprehensive income	Note	As of 31.12.2013	As of 31.12.2012
<i>Continued operations</i>			
Revenue from sale of products, goods and materials	13	20 389	19 982
Costs of products, goods and materials sold	14	14 090	14 036
Movement in products – subsidy received for intangible assets and PP&E		206	254
Gross profit (loss) on sales		6 505	6 200
Selling costs	14	3 154	3 231
General administrative expenses	14	4 928	4 973
Profit (loss) on sales		-1 577	-2 004
Other operating revenue	15	691	283
Other operating expenses	15	8	51
Operating profit (loss)		-894	-1 772
Financial revenue	16	538	439
Financial expenses	16	464	188
Share in profit/loss of associates		-1	-
Profit/loss on sale of interests in associate		-194	-
Gross profit (loss)		-1 015	-1 521
Income tax	28	-426	64
Net profit/loss on continued operations		-589	-1 585
<i>Discontinued operations</i>			
Profit/loss on discontinued operations for the financial year	37	-	-
Net profit/loss for the reporting period		-589	-1 585
Net profit/loss attributable to:		-589	-1 585
Shareholders of the parent		-211	-1 098
Non-controlling interests		-378	-487
Other comprehensive income		-36	-29
Profit (loss) on revaluation of PP&E		-	-
Profit (loss) on measurement of investments available for sale recognised in equity		-	-
Profit/loss on cash flow hedges (effective portion)		-	-
FX gains/losses on measurement of foreign operations		-36	-29
Income tax related to items presented in other comprehensive income	28	-	-
Acquisition of capital from non-controlling interests		-	-
-		-	-

Total comprehensive income		-625	-1 614
Comprehensive income attributable to:		-625	-1 614
Shareholders of the parent		-226	-1 118
Non-controlling interests		-399	-496
Earnings/loss per share (in PLN):			
On continued operations			
<i>Basic</i>	17	-	-
<i>Diluted</i>	17	-0.14	-0.74
On continued and discontinued operations	17		
<i>Basic</i>	17	-	-
<i>Diluted</i>	17	-0.14	-0.74

Net profit/loss for the financial year	-	-	-	-	-	-	-	-	-211	-211	-378	-589
Other movements in equity	-	-	-	-1 068	-	-	-	-	210	-858	99	-759
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-1 001	-	-	-	-	-	-1 001	-	-1 001
Distribution of financial result	-	-	-	9	-	-	-	-	210	219	161	380
Purchase of equity shares	-	-	-	-	-	-	-	-	-	-	-	-
Sale of equity shares	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of reserve capital to share capital	-	-	-	-	-	-	-	-	-	-	-	-
Supplementary capital	-	-	-	-76	-	-	-	-	-	-76	-62	-138
Profit/loss on sale of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	740	11 442	-78	1 655	-	-	-80	-1 756	11 923	43	11 966	

For the period	Equity attributable to shareholders of the parent									Non-controlling interests	Total equity
	Share capital	Share premium	Equity shares	Reserve and supplementary capital	Revaluation reserve	Amounts recognised directly in equity and related to assets classified as held for sale	Foreign exchange gains/losses on translation	Profit/loss brought forward and profit/loss for the current year	Total		
31 December 2012											
Opening balance before restatement	740	11 442	-	2 993	-	-	-12	220	15 383	511	15 894
Changes in accounting principles (policy)	-	-	-	-	-	-	-	-	-	-	-
Corrections of fundamental errors	-	-	-78	-	-	-	-	-	-78	-	-78
Opening balance after corrections (restated)	740	11 442	-78	2 993	-	-	-12	220	15 305	511	15 816

Total comprehensive income	-	-	-	-	-	-	-29	-1 098	-1 127	-487	-1 614
Profit/loss on revaluation of PP&E	-	-	-	-	-	-	-	-	-	-	-
Profit/loss on measurement of investments available for sale recognised in equity	-	-	-	-	-	-	-	-	-	-	-
Profit/loss on cash flow hedges (effective portion)	-	-	-	-	-	-	-	-	-	-	-
FX gains/losses on measurement of foreign operations	-	-	-	-	-	-	-29	-	-29	-	-29
Income tax related to items presented in capital or reclassified from capital	-	-	-	-	-	-	-	-	-	-	-
Total revenues and expenses for the financial year recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-
Net profit/loss for the financial year	-	-	-	-	-	-	-	-1 098	-1 098	-487	-1 585
Other movements in equity	-	-	-	-270	-	-	-	-877	-1 147	344	-803
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-518	-518	-	-518
Distribution of financial result	-	-	-	1	-	-	-	-1	-	-	-
Purchase of equity shares	-	-	-	-	-	-	-	-	-	-	-
Sale of equity shares	-	-	-	-	-	-	-	-	-	-	-
Reclassification of reserve capital to share capital	-	-	-	-	-	-	-	-	-	-	-
Supplementary capital	-	-	-	-	-	-	-	-	-	256	256
Non-controlling interests	-	-	-	-271	-	-	-	-358	-629	88	-541
Closing balance	740	11 442	-78	2 723	-	-	-41	-1 755	13 031	368	13 399

5. Consolidated cash flow statement

Consolidated cash flow statement	Note	2013-12-31	2012-12-31
<i>Operating cash flow</i>			
Gross profit/loss		-1 015	-1 521
Adjustments for:		1 028	836
Share in net profit/loss of associates and joint ventures accounted for using the equity method		1	-
Non-controlling interests		10	-
Amortisation/depreciation		1 938	1 982
Goodwill impairment		-	-
Foreign exchange gains/losses		105	-136
Expenses and revenue due to interest		-43	-369
Dividends revenue		-	-
Profit/loss on investing activities		-52	52
Movement in provisions		23	71
Movement in inventory		-21	64
Movement in receivables and prepayments		202	-927
Movement in liabilities and accruals		-551	288
Income tax paid/returned		-24	-
Other adjustments		-560	-189
Net operating cash flow		13	-685
<i>Cash flow from investing activities</i>			
Proceeds from sale of PP&E and intangible assets		399	47
Net proceeds from sale associates and subsidiaries		-	-
Proceeds from sale of financial assets		25	-
Proceeds from interest		17	321
Proceeds from dividends		-	-
Repayment of borrowings granted		148	500
Expenditures on acquisition of property, plant and equipment, and intangible assets		627	687
Net expenditures on acquisition of subsidiaries and associates		24	-
Expenditures on acquisition of short-term financial assets		-	-
Borrowings granted		338	320
Other		-	-
Net cash flow from investing activities		-400	-139
<i>Cash flow from financing activities</i>			
Proceeds from loans and borrowings		28	143
Net proceeds from the issue of shares		30	513

Net proceeds from the issue of bonds, bills and bills of exchange		-	-
Repayment of loans and borrowings		50	52
Payment of liabilities under finance lease agreements		313	135
Dividends paid to the Company's shareholders		1 001	530
Dividends paid to shareholders holding non-controlling interests		-	-
Purchase of equity shares		-	-
Interest paid		60	25
Other		21	92
Net cash flow from financing activities		-1 345	6
Increase/decrease in cash and cash equivalents		-1 732	-818
Opening balance of cash and cash equivalents, and overdrafts		5 922	6 808
<i>Foreign exchange gains/ losses related to measurement of cash and cash equivalents, and overdrafts</i>		-42	6
Closing balance of cash and cash equivalents, and overdrafts		4 148	5 996

6. Selected financial data, including basic items of the annual consolidated financial statements (also translated into EUR)

SELECTED FINANCIAL DATA including basic items of the annual consolidated financial statements	PLN '000		EUR '000	
	from	from	from	from
	01.01.2013 to 31.12.2013	01.01.2012 to 31.12.2012	01.01.2013 to 31.12.2013	01.01.2012 to 31.12.2012
Net revenue from sale of products, goods and materials	20 389	19 982	4 842	4 788
Operating profit (loss)	-894	-1 772	-212	-425
Gross profit (loss)	-1 015	-1 521	-241	-364
Net profit (loss)	-589	-1 585	-140	-380
Net operating cash flow	13	-685	3	-164
Net cash flow from investing activities	-400	-139	-95	-33
Net cash flow from financing activities	-1 345	6	-319	1
Total net cash flows	-1 732	-818	-411	-196
Total assets	16 003	17 833	3 859	4 362
Liabilities and provisions for liabilities, including:	4 037	4 434	973	1 085
Long-term liabilities	1 352	1 588	326	388
Short-term liabilities	2 685	2 846	647	696
Equity	11 966	13 399	2 885	3 277

Share capital	740	740	178	181
Number of shares	1 480 757	1 480 757	1 480 757	1 480 757
Diluted number of shares	1 480 757	1 480 757	1 480 757	1 480 757
Earnings (loss) per ordinary share (in PLN/EUR)	-0.40	-1.07	-0.09	-0.26
Diluted earnings (loss) per ordinary share (in PLN/EUR)	-0.40	-1.07	-0.09	-0.26
Book value per share (in PLN/EUR)	8.08	9.05	1.95	2.21
Diluted book value per share (in PLN/EUR)	8.08	9.05	1.95	2.21
Declared or paid dividend per share (in PLN/EUR)	-	-	-	-

The selected financial data in this report has been converted into EURO according to the following principles:

Assets, equity and liabilities in the statement of financial position of the Group have been converted according to the average exchange rate published by the National Bank of Poland as of the last balance sheet date.

The items of the statement of comprehensive income and the cash flow statement have been converted at a rate calculated as an arithmetic mean of the exchange rates published by the National Bank of Poland as of the last day of the month in a given year:

Average PLN to EUR exchange rates in the period covered by the statements

Average PLN to EUR exchange rates in the period covered by the statements		
Period	Average exchange rate in the period	Exchange rate as of the last day of the period
2013	4.2110	4.1472
2012	4.1736	4.0882

7. Notes – selected explanatory information

Note 1 Property, plant and equipment

PROPERTY, PLANT AND EQUIPMENT	AS OF 31 DECEMBER 2013					
	Land and perpetual usufruct title to land	Buildings and structures	Machines and equipment	Means of transport	Other	Total
Gross value at the beginning of the period	-	46	2 104	1 763	31	3 944
Increases	-	-	214	418	4	636

<i>purchase</i>	-	-	214	418	4	636
<i>purchase as part of business combinations</i>	-	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-	-
<i>other</i>	-	-	-	-	-	-
Decreases	-	-	41	420	-	461
<i>sale</i>	-	-	35	419	-	454
<i>due to revaluation</i>	-	-	-	-	-	-
<i>due to reclassification to non-current assets held for sale</i>	-	-	-	-	-	-
<i>other</i>	-	-	6	1	-	7
Allocated to discontinued operations	-	-	-	-	-	-
Internal movements (+/-)	-	-	-	-	-	-
Gross value at the end of the period	-	46	2 277	1 761	35	4 119
Amortisation/depreciation at the beginning of the period	-	37	1 464	990	29	2 520
amortisation/depreciation for the period	-	5	262	279	4	550
other increases (purchase as part of business combinations)	-	-	-	-	-	-
decreases	-	-	37	400	-	437
Amortisation/depreciation at the end of the period	-	42	1 689	869	33	2 633
Impairment losses at the beginning of the period	-	-	-	-	-	-
Recognition of impairment loss in the period	-	-	-	-	-	-
Reversal of impairment loss in the period	-	-	-	-	-	-
Value taking account of amortisation/depreciation and impairment loss at the end of the period	-	42	1 689	869	33	2 633
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-17	-	-17
Net value at the end of the period	-	4	588	875	2	1 469

PROPERTY, PLANT AND EQUIPMENT	AS OF 31 DECEMBER 2012					
	Land and perpetual usufruct title to land	Buildings and structures	Machines and equipment	Means of transport	Other	Total
Gross value at the beginning of the period	-	46	2 176	1 561	36	3 819
Increases	-	-	337	354	-	691
<i>purchase</i>	-	-	279	254	-	633
<i>purchase as part of business combinations</i>	-	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-	-
<i>other</i>	-	-	58	-	-	58
Decreases	-	-	409	152	5	556
<i>sale</i>	-	-	333	152	5	490
<i>due to revaluation</i>	-	-	-	-	-	-
<i>due to reclassification to non-current assets held for sale</i>	-	-	-	-	-	-
<i>other</i>	-	-	76	-	-	76
Allocated to discontinued operations	-	-	-	-	-	-
Internal movements (+/-)	-	-	-	-	-	-
Gross value at the end of the period	-	46	2 104	1 763	31	3 944
Amortisation/depreciation at the beginning of the period	-	32	1 560	815	34	2 441
amortisation/depreciation for the period	-	5	255	327	-	587
other increases	-	-	58	-	-	58
decreases	-	-	409	152	5	566
Amortisation/depreciation at the end of the period	-	37	1 464	990	29	2 520
Impairment losses at the beginning of the period	-	-	-	-	-	-
Recognition of impairment loss in the period	-	-	-	-	-	-
Reversal of impairment loss in the period	-	-	-	-	-	-
Value taking account of amortisation/depreciation and impairment loss at the end of the period	-	37	1 464	990	29	2 520
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-	-	-
Net value at the end of the period	-	9	640	773	2	1 424

The Group owns cars classified as PP&E under lease, with a net value of PLN 583,968.27 and PLN 397,648.12 as at 31 December 2013 and 31 December 2012 respectively.

Expenditures on PP&E under construction recognised in the carrying value amount to PLN 75,285.87 and PLN 69,743.27 as of 31 December 2013 and 31 December 2012 respectively.

Note 2 Intangible assets

INTANGIBLE ASSETS	AS OF 31 DECEMBER 2013				
	Own development work	Intangible assets purchased			Total
		Patents and trademarks	Licenses	Other	
Gross value at the beginning of the period	6 710	-	2 294	-	9 004
Increases	-	-	640	-	640
<i>Purchase</i>	-	-	360	-	360
<i>own development work</i>	-	-	-	-	-
<i>purchase as part of business combinations</i>	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-
<i>other</i>	-	-	280	-	280
Decreases	-	-	280	-	280
<i>decommissioning</i>	-	-	-	-	-
<i>liquidation</i>	-	-	-	-	-
<i>sale</i>	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-
<i>due to reclassification to non-current assets held for sale</i>	-	-	-	-	-
<i>other</i>	-	-	280	-	280
Gross value at the end of the period	6 710	-	2 654	-	9 364
Amortisation/depreciation at the beginning of the period	2 970	-	2 066	-	5 036
amortisation/depreciation for the period	1 291	-	98	-	1 389
other increases	-	-	-	-	-
purchase as part of business combinations	-	-	-	-	-
decreases	-	-	120	-	120
Amortisation/depreciation at the end of the period	4 261	-	2 044	-	6 305
Impairment losses at the beginning of the period	-	-	-	-	-
Recognition of impairment loss in the period	-	-	-	-	-
Reversal of impairment loss	-	-	-	-	-

in the period					
Value taking account of amortisation/depreciation and impairment loss at the end of the period	4 261	-	2 044	-	6 305
Adjustment for net foreign exchange gains/losses on translation	-	-	-3	-	-3
Net value at the end of the period	2 449	-	607	-	3 056

INTANGIBLE ASSETS	AS OF 31 DECEMBER 2012				
	Own development work	Intangible assets purchased			Total
		Patents and trademarks	Licenses	Other	
Gross value at the beginning of the period	6 438	-	2 345	-	8 783
Increases	272	-	24	-	296
<i>purchase</i>	272	-	24	-	296
<i>own development work</i>	-	-	-	-	-
<i>purchase as part of business combinations</i>	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-
<i>other</i>	-	-	-	-	-
Decreases	-	-	75	-	75
<i>decommissioning</i>	-	-	-	-	-
<i>liquidation</i>	-	-	-	-	-
<i>sale</i>	-	-	75	-	75
<i>due to revaluation</i>	-	-	-	-	-
<i>due to reclassification to non-current assets held for sale</i>	-	-	-	-	-
<i>other</i>	-	-	-	-	-
Gross value at the end of the period	6 710	-	2 294	-	9 004
Amortisation/depreciation at the beginning of the period	1 682	-	1 996	-	3 678
amortisation/depreciation for the period	1 288	-	145	-	1 433
other increases	-	-	-	-	-
decreases	-	-	75	-	75
Amortisation/depreciation at the end of the period	2 970	-	2 066	-	5 036
Impairment losses at the beginning of the period	-	-	-	-	-
Recognition of impairment loss in the period	-	-	-	-	-

Reversal of impairment loss in the period	-	-	-	-	-
Value taking account of amortisation/depreciation and impairment loss at the end of the period	2 970	-	2 066	-	5 036
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-	-
Net value at the end of the period	3 740	-	228	-	3 968

The Group does not hold any intangible assets with indefinite useful life.

Note 3 Borrowings granted

BORROWINGS GRANTED								
Long-term	Borrowing amount	Interest rate	Maturity	As of		Interest accrued from the beginning of the financial year to		Security
				2013-12-31	2012-12-31	2013-12-31	2012-12-31	
<i>Borrowings granted to other parties</i>								
Other entities	469	Fixed (11%) or variable	-	678	410	58	45	The borrowings granted to one of the companies are secured by a registered pledge on the interests held by that company's shareholders and on its property rights.
Employees	34	Fixed (10%-12%)	-	42	19	7	2	No security
Marek Jędra, Management Board Member of the parent company	100	Fixed (6%)	-	142	134	8	8	The borrowing is secured by the interests of Quantum Assets Sp. z o.o.
TOTAL:				862	563	73	56	

BORROWINGS GRANTED								
Short-term	Borrowing amount	Interest rate	Maturity	As of		Interest accrued from the beginning of the financial year to		Security
				2013-12-31	2012-12-31	2013-12-31	2012-12-31	
<i>Borrowings granted to other parties</i>								
Other entities	310	Fixed (11%-15%) or variable	-	336	387	9	13	The borrowings granted to one of the companies are secured by a registered pledge on the interests held by that

								company's shareholders and on its property rights.
Employees	52	Fixed (10%-13%)	-	55	42	3	1	No security
TOTAL:				391	429	12	14	

Borrowings granted include borrowings granted by the company to related parties, other parties and employees.

As of 31.12.2013, the following borrowings were granted:

Borrowings granted to related parties:

I. Quantum software S.A. granted a borrowing to its subsidiary, Quantum East Sp. z o.o., in the total amount of PLN 775,250.00, including:

- 1) On 19 April 2011, borrowing amounting to PLN 365,000.00, with borrowing maturing on 30.06.2013; however, on 30.06.2013 an addendum to the said agreement was signed, amending the maturity date to 31 March 2015; annual interest rate of 13%.
- 2) On 16 January 2012, borrowing amounting to PLN 258,000.00, maturing on 31 December 2013, annual interest rate of 13%
- 3) On 20 July 2012, borrowing amounting to PLN 140,000.00, maturing on 31 December 2014, annual interest rate of 13%
- 4) On 3 September 2012, borrowing amounting to PLN 7,250.00, maturing on 30 September 2013, annual interest rate of 13 %
- 5) On 10 July 2013, borrowing amounting to PLN 5,000.00, maturing on 30 June 2014, annual interest rate of 11%

II. Quantum software S.A. granted a borrowing to its subsidiary in Brazil, Quantum Brasil Engenharia Em Software Ltda - ME, in the total amount of EUR 247,175.08, including:

- 1) On 7 December 2011, in the amount of EUR 1,508.08, maturing in 1 year, annual interest rate of 0%
- 2) On 24 April 2012, in the amount of EUR 17,500.00, maturing in 1 year, annual interest rate of 2%
- 3) On 9 July 2012, in the amount of EUR 24,000.00, maturing in 1 year, annual interest rate of 0%
- 4) On 14 September 2012, in the amount of EUR 2,000.00, maturing in 1 year, annual interest rate of 2%
- 5) On 1 October 2012, in the amount of EUR 5,000.00, maturing in 1 year, annual interest rate of 2%
- 6) On 9 October 2012, in the amount of EUR 4,000.00, maturing in 1 year, annual interest rate of 2%
- 7) On 10 October 2012, in the amount of EUR 8,000.00, maturing in 1 year, annual interest rate of 2%

- 8) On 21 November 2012, in the amount of EUR 5,000.00, maturing in 1 year, annual interest rate of 2%
 - 9) On 5 December 2012, in the amount of EUR 5,000.00, maturing in 1 year, annual interest rate of 2%
 - 10) On 11 December 2012, in the amount of EUR 5,000.00, maturing in 1 year, annual interest rate of 2%
 - 11) On 20 December 2012, in the amount of EUR 11,667.00, maturing in 1 year, annual interest rate of 0%
 - 12) On 24 December 2012, in the amount of EUR 5,000.00, maturing in 1 year, annual interest rate of 2%
 - 13) On 1 February 2013, in the amount of EUR 5,000.00, maturing in 1 year, annual interest rate of 2%
 - 14) On 6 February 2013, in the amount of EUR 10,000.00, maturing in 1 year, annual interest rate of 2%
 - 15) On 4 March 2013, in the amount of EUR 5,000.00, maturing in 1 year, annual interest rate of 2%
 - 16) On 8 March 2013, in the amount of EUR 10,000.00, maturing in 1 year, annual interest rate of 2%
 - 17) On 8 April 2013, in the amount of EUR 5,000.00, maturing in 1 year, annual interest rate of 2%
 - 18) On 12 April 2013, in the amount of EUR 9,500.00, maturing in 1 year, annual interest rate of 2%
 - 19) On 7 May 2013, in the amount of EUR 5,000.00, maturing in 1 year, annual interest rate of 2%
 - 20) On 15 May 2013, in the amount of EUR 10,000.00, maturing in 1 year, annual interest rate of 2%
 - 21) On 3 June 2013, in the amount of EUR 5,000.00, maturing in 1 year, annual interest rate of 2%
 - 22) On 11 June 2013, in the amount of EUR 10,000.00, maturing in 1 year, annual interest rate of 2%
 - 23) On 3 July 2013, in the amount of EUR 5,000.00, maturing in 1 year, annual interest rate of 2%
 - 24) On 11 July 2013, in the amount of EUR 10,000.00, maturing in 1 year, annual interest rate of 2%
 - 25) On 7 August 2013, in the amount of EUR 5,000.00, maturing in 1 year, annual interest rate of 2%
 - 26) On 14 August 2013, in the amount of EUR 10,000.00, maturing in 1 year, annual interest rate of 2%
 - 27) On 4 September 2013, in the amount of EUR 5,000.00, maturing in 1 year, annual interest rate of 2%
 - 28) On 13 September 2013, in the amount of EUR 10,000.00, maturing in 1 year, annual interest rate of 2%
 - 29) On 3 October 2013, in the amount of EUR 5,000.00, maturing in 1 year, annual interest rate of 2%
 - 29) On 9 October 2013, in the amount of EUR 10,000.00, maturing in 1 year, annual interest rate of 2%
 - 30) On 19 November 2013, in the amount of EUR 5,000.00, maturing in 1 year, annual interest rate of 2%
 - 31) On 6 December 2013, in the amount of EUR 4,000.00, maturing in 1 year, annual interest rate of 2%
 - 32) On 24 December 2013, in the amount of EUR 10,000.00, maturing in 1 year, annual interest rate of 2%
- A revaluation allowance in the total amount of PLN 1,036,967.63 was created for the borrowings and the due interest.

III. Quantum software S.A. granted a borrowing to its subsidiary, Quantum Mobile Solutions Sp. z o.o., in the total amount of PLN 50,000.00, including:

- 1) On 21 January 2013, borrowing amounting to PLN 5,000.00, maturing on 31 December 2014, annual interest rate of 11%
- 2) On 25 November 2013, borrowing amounting to PLN 45,000.00, maturing on 31 May 2014, annual interest rate of 8%

IV. Quantum software S.A. granted a borrowing to its subsidiary, Quantum I-Services Sp. z o.o., in the total amount of PLN 680,000.00, including:

1) On 15 October 2009, borrowing amounting to PLN 130,000.00, annual interest rate of 13%, with borrowing maturing on 31 October 2011; however, on 1 August 2011, an addendum to the said agreement was signed, extending the repayment deadline.

2) On 1 August 2011, borrowing amounting to PLN 630,000.00, annual interest rate of 12%, maturing on 31 December 2014. On 13 December 2011, PLN 80,000.00 of the borrowing was repaid. An addendum was prepared to the said agreement, extending the repayment deadline to 31 December 2014.

V. On 16 October 2013, Quantum software S.A. granted a borrowing to its subsidiary, Edisonda Sp. z o.o., in the amount of PLN 50,000.00, maturing on 31 December 2015, with an annual interest rate of 10%.

VI. On 1 October 2012, a borrowing in the amount of EUR 145,000.00 was granted to the subsidiary Quantum Mobs Systems Sp. z o.o. As of 31.12.2013, the company's management board decided to create a revaluation allowance for the whole borrowing in the total amount of PLN 583,795.81.

Borrowings granted to other parties:

I. Long-term borrowings granted to other parties – balance as of 31 December 2013: PLN 678,652.74.

II. Short-term borrowings granted to other parties – balance as of 31 December 2013: PLN 335,504.58.

Borrowings granted to employees:

I. Long-term borrowings granted to employees – balance as of 31 December 2013: PLN 41,848.62.

II. Short-term borrowings granted to employees – balance as of 31 December 2013: PLN 55,466.13.

As of 31.12.2012, the following borrowings were granted:

Borrowings granted to related parties:

I. Quantum software S.A. granted a borrowing to its subsidiary, Quantum East Sp. z o.o., in the total amount of PLN 770,250.00, including:

1) On 19 April 2011, borrowing amounting to PLN 365,000.00, with borrowing maturing on 30.06.2013; however, on 30.06.2013 an addendum to the said agreement was signed, amending the maturity date to 31 March 2015;

annual interest rate of 13%.

- 2) On 16 January 2012, borrowing amounting to PLN 258,000.00, maturing on 31 December 2013, annual interest rate of 13%
- 3) On 20 July 2012, borrowing amounting to PLN 140,000.00, maturing on 31 December 2014, annual interest rate of 13%
- 4) On 3 September 2012, borrowing amounting to PLN 7,250.00, maturing on 30 September 2013, annual interest rate of 13%

II. Quantum software S.A. granted a borrowing to its subsidiary in Brazil, Quantum Brasil Engenharia Em Software Ltda - ME, in the total amount of EUR 93,675.08, including:

- 1) On 7 December 2011, in the amount of EUR 1,508.08, maturing in 1 year, annual interest rate of 0%
- 2) On 24 April 2012, in the amount of EUR 17,500.00, maturing in 1 year, annual interest rate of 2%
- 3) On 9 July 2012, in the amount of EUR 24,000.00, maturing in 1 year, annual interest rate of 0%
- 4) On 14 September 2012, in the amount of EUR 2,000.00, maturing in 1 year, annual interest rate of 2%
- 5) On 1 October 2012, in the amount of EUR 5,000.00, maturing in 1 year, annual interest rate of 2%
- 6) On 9 October 2012, in the amount of EUR 4,000.00, maturing in 1 year, annual interest rate of 2%
- 7) On 10 October 2012, in the amount of EUR 8,000.00, maturing in 1 year, annual interest rate of 2%
- 8) On 21 November 2012, in the amount of EUR 5,000.00, maturing in 1 year, annual interest rate of 2%
- 9) On 5 December 2012, in the amount of EUR 5,000.00, maturing in 1 year, annual interest rate of 2%
- 10) On 11 December 2012, in the amount of EUR 5,000.00, maturing in 1 year, annual interest rate of 2%
- 11) On 20 December 2012, in the amount of EUR 11,667.00, maturing in 1 year, annual interest rate of 0%
- 12) On 24 December 2012, in the amount of EUR 5,000.00, maturing in 1 year, annual interest rate of 2%

III. Quantum software S.A. granted a borrowing to its subsidiary, Quantum I-Services Sp. z o.o., in the total amount of PLN 680,000.00, including:

- 1) On 15 October 2009, borrowing amounting to PLN 130,000.00, annual interest rate of 12%, with borrowing maturing on 31 October 2011;

however, on 1 August 2011, an addendum to the said agreement was signed, extending the repayment deadline.

- 2) On 1 August 2011, borrowing amounting to PLN 630,000.00, annual interest rate of 12%, maturing on 31 December 2014

On 13 December 2011, PLN 80,000.00 of the borrowing was repaid.

An addendum was prepared to the said agreement, extending the repayment deadline to 31 December 2014.

IV. As of 31.12.2012, a borrowing in the amount of EUR 179,086.00 was granted to a subsidiary.

The company's management board decided to reclassify the capital expenditures on Quantum Mobs to short-term borrowings.

Borrowings granted to other parties:

I. Long-term borrowings granted to other parties – balance as of 31 December 2012: PLN 409,615.61.

II. Short-term borrowings granted to other parties – balance as of 31 December 2012: PLN 387,015.18.

Borrowings granted to employees:

I. Long-term borrowings granted to employees – balance as of 31 December 2012: PLN 18,573.67.

II. Short-term borrowings granted to employees – balance as of 31 December 2012: PLN 42,281.98.

Note 4 Other receivables and prepayments

OTHER RECEIVABLES AND PREPAYMENTS	2013-12-31	2012-12-31
Receivables from subsidiaries:	-	-
- long-term	-	-
- short-term	-	-
Receivables from related parties:	-	-
- long-term	-	-
- short-term	-	-
Advance payments:	467	385
- long-term	-	-
- short-term	467	385
Other receivables:	573	292
- long-term	-	-
- short-term	573	292
Prepayments:	359	154
- long-term	16	3
- short-term	343	151
Impairment losses at the beginning of the period	-	-
Recognition of impairment losses in the period	-	-
Reversal of impairment loss in the period	-	-
Impairment losses at the end of the period	-	-
TOTAL	1 399	831

Other receivables include:

- taxes, customs duties, insurance and other benefits	99	102	
- security deposits paid		82	84
- other employee settlements		1	2
- input VAT to be settled in future periods		96	-
- output VAT on corrective invoices to be settled in future periods		-	-
- unsettled amounts related to incorporation of subsidiaries in Latin America – costs related to market research and business travel		-	43
- unsettled tax paid by foreign companies		63	-
- settlements with a brokerage house related to redemption of equity shares		22	22
- other settlements with suppliers		39	34
- other receivables		171	5

TOTAL:		573	292
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Prepayments include:

- inter-period cost settlement	239	5
- other prepayments	1	56
- property insurance	62	55
- allowance for the Company Social Benefits Fund (ZFŚS)	-	-
- prepaid subscriptions, etc.	15	6
- settlement of VAT related to lease agreements to be settled in subsequent periods – within 12 months	27	29
- settlement of VAT related to lease agreements to be settled in subsequent periods – over 12 months	15	3
TOTAL:	359	154

Note 5 Cash and cash equivalents

CASH AND CASH EQUIVALENTS	2013-12-31	2012-12-31
Cash in hand and cash in bank	612	925
Short-term deposits	3 536	4 997
Other	-	-
Total, including:	4 148	5 922
- cash in hand and cash in bank allocated to discontinued operations	-	-
- cash in hand and cash in bank not available for use by the group	-	-

In 2013, cash decreased by PLN 1,734,139.45.

Time deposits have been opened by the parent company. In 2013 and in 2012, the Parent Company invested cash in short-term deposits. The deposits bear a fixed interest rate. In 2013, deposits with interest rates ranging from 2.84% to 3.95% were opened, while in 2012 interest rates ranged from 3.20 % to 5.92%.

Note 6 Share capital

In 2013, there were no changes in the shareholding structure.

Note 7 Equity shares

EQUITY SHARES			
As of 31.12.2013 and 31.12.2012	Number of shares	Value at purchase prices	Purpose of purchase
	8 028	78	Article 362 par. 1 item 8 of the Commercial Companies Code
TOTAL	8 028	78	0

Since 2009, the parent company has redeemed 8,028 equity shares as part of the company's incentive scheme for its managerial personnel. The management board was authorised to

purchase equity shares by way of resolution no. 17 of 18 May 2009, pursuant to article 362 par. 1 item 1 of the Commercial Companies Code.

Profit/loss on measurement of investments available for sale recognised in equity	-	-	-	-	-	-	-	-	-	-
Profit/loss on cash flow hedges (effective portion)	-	-	-	-	-	-	-	-	-	-
Share premium	-	-	-	-	-	-	-	-	-	-
Purchase of equity shares	-	-	-	-	-	-	-	-	-	-
Reclassification to share capital and supplementary capital	-	-	-	-	-	-	-	-	-	-
FX gains/losses on measurement of foreign operations	-	-	-	-	-	-	-	-	-	-
Distribution of profit	-	9	-	-	-	-	-	-	-	9
Non-controlling interests	-	-186	-	-	-	-	-	-	-	-186
Foreign exchange gains/losses	-	-	-	-	-	-	-	-	-29	-29
Income tax related to items presented in other comprehensive income	-	-	-	-	-	-	-	-	-	-
Closing balance	11 442	1 812	911	-	-	-	-	-	-41	14 124

Note 9 Bank loans and borrowings

In 2013, there were no material changes in bank loans and borrowings. The Group companies did not raise any new debt of this type and the existing debt was repaid according to repayment schedules and agreements in force. Securities remained unchanged.

LONG-TERM BANK LOANS AND BORROWINGS			2013-12-31		2012-12-31	
Item	Effective interest rate	Maturity	Short-term portion	Long-term portion	Short-term portion	Long-term portion
1. Borrowing from Informatika 68 S.A. Spain	0.00%	-	-	148	-	143
2. Bank loan LD1036400032	-	-	3	-	11	3
3. Bank loan LD1027100034	-	-	-	-	21	-
3. Borrowing from IBM	-	-	19	-	-	-
Total	-	-	22	148	32	146

1. Bank loan LD1036400032 granted by Raiffeisen Bank S.A.: as of 31 December 2013, the outstanding liability amounts to PLN 2,730.44. The interest rate on the loan is variable: reference interest rate WIBOR 3M and a base margin of 1.6 percentage points. Security of the loan: irrevocable authorisation of the bank to use the current account, the borrower's statement on submission to enforcement proceedings, according to article 96-98 of the Banking Law Act, court registered pledge on a Skoda Octavia passenger car and the assignment of rights under a motor hull insurance of the above-mentioned car to the bank.

2. Borrowing granted by Informatika 68 S.A., Spain: as of 31 December 2013, the outstanding liability amounts to PLN 147,918.18; no interest rate and no security.

3. Borrowing granted by IBM Polska Sp. z o.o.: as of 31 December 2013, the outstanding liability amounts to PLN 18,949.02; no security.

Note 10 Other financial liabilities

LIABILITIES DUE TO FINANCE LEASE AGREEMENTS				
FUTURE MINIMUM LEASE FEES AND NET PRESENT VALUE OF MINIMUM LEASE FEES				
	31 DECEMBER 2013		31 DECEMBER 2012	
	Minimum fees	Present value of minimum fees	Minimum fees	Present value of minimum fees
up to 1 year	243	231	192	171
1 to 5 years	159	141	134	129
over 5 years	-	-	-	-
Total	402	372	326	300

As of 1 January 2013, the Parent Company concluded 5 lease agreements. The subject of the lease involves passenger cars. In H1 2013, the company concluded a new lease agreement (no. 40801) with SG Equipment Leasing Polska Sp. z o.o., with the subject of lease being a passenger car. The initial lease instalment accounts for 10% of the basis for calculating the lease instalments. The subject of lease is to be repaid within 35 months, with the final instalment payable by 5 January 2016. The residual value of the subject of lease accounts for 1% of the basis for calculating the lease instalments and becomes payable 1 month after the due date of the final lease instalment. The amount of the lease instalments was determined based on the interest rate, with an interest period of 35 months. By the commencement of lease, according to the agreement, an interest rate of 4.55% shall apply.

Other lease agreements concluded by the company by 1 January 2013:

1. Agreement no. 11/006036 concluded with Raiffeisen Leasing Polska S.A., regarding a Hyundai passenger car; as of 31 December 2013, the outstanding amount was PLN 13,312.60. The agreement expires in October 2014.
2. Agreement no. 37979 concluded with SG Equipment Leasing Polska Sp. z o.o., regarding a Peugeot 308 passenger car; as of 31 December 2013, the outstanding amount was PLN 24,443.94. The agreement expires in May 2015.
3. Agreement no. 37980 concluded with SG Equipment Leasing Polska Sp. z o.o., regarding a Hyundai i30 passenger car; as of 31 December 2013, the outstanding amount was PLN 25,627.31. The agreement expires in May 2015.
4. Agreement no. 39486 concluded with SG Equipment Leasing Polska Sp. z o.o., regarding a Scoda Octavia II passenger car; as at 31 December 2013, the outstanding amount was PLN 21,961.11. The agreement expires in October 2014.
5. Agreement no. 40211 concluded with SG Equipment Leasing Polska Sp. z o.o., regarding a Hyundai i30 passenger car; as of 31 December 2013, the outstanding amount was PLN 36,585.08. The agreement expires in November 2015.

Agreements concluded by other companies:

Quantum International Ukraina concluded a car lease agreement for 24 months in the amount of PLN 97,167.90. As of 31 December 2013, the outstanding amount of the liability was PLN 36,447.05.

Quantum I-Services concluded three car lease agreements in the total amount of PLN 326,927.47. As of 31 December 2013, the outstanding amount of the liability was PLN 151,617.98.

Quantum Brasil concluded a car lease agreement in the amount of PLN 49,913.01. As of 31 December 2013, the outstanding amount of the liability was PLN 27,645.80.

Note 11 Trade liabilities

In 2013, there were no significant changes in trade liabilities over the liabilities as of 31 December 2012.

Note 12 Other liabilities and accruals

OTHER LIABILITIES AND ACCRUALS	2013-12-31	2012-12-31
Liabilities due to subsidiaries:	-	-
- long-term	-	-
- short-term	-	-
Liabilities due to related parties:	-	-
- long-term	-	-
- short-term	-	-
Advance payments:	69	464
- long-term	-	-
- short-term	69	464
Other liabilities:	874	923
- long-term	-	-
- short-term	874	923
Accruals:	-	-
- long-term	-	-
- short-term	-	-
Deferred revenue:	412	569
- long-term	159	363
- short-term	253	206
Total, including:	1 355	1 956
- long-term	159	363
- short-term	1 196	1 593

Other liabilities include:		
Taxes, customs duties, insurance and other services	793	773
Payroll	23	53

Dividends	3	-
Other liabilities	49	54
Settlement of special purpose funds	6	43
Total	874	923

Accruals include:

- settlement of subsidy received – within 12 months	203	206	
- settlement of subsidy received – over 12 months		159	363
- settlement of long-term contracts		3	-
- inter-period cost settlement		47	-

		412	569

Note 13 Revenue from sale of products, goods and materials

REVENUE FROM THE SALE OF PRODUCTS, GOODS AND MATERIALS						
	Continued operations		Discontinued operations		Total	
	2013-12-31	2012-12-31	2013-12-31	2012-12-31	2013-12-31	2012-12-31
Revenue from sale of products	2 941	2 402	-	-	2 941	2 402
Revenue from sale of services	15 192	15 137	-	-	15 192	15 137
Revenue from sale of materials	-	-	-	-	-	-
Revenue from sale of goods	2 256	2 443	-	-	2 256	2 443
TOTAL	20 389	19 982	-	-	20 389	19 982
including: non-pecuniary revenue from exchange of goods or services	-	-	-	-	-	-

In 2013, the Group recorded an insignificant (2%) increase in sales compared to 2012. The sale of licenses and own services increased by approx. 3%, while the sale of goods decreased by 8%. The sale of goods is the company's auxiliary business, and related to specific orders as part of the performance of agreements with counterparties.

Note 14 Costs by type

COSTS BY TYPE	2013-12-31	2012-12-31
Depreciation/amortisation of PP&E and intangible assets	1 940	1 982
Employee benefit costs	9 289	9 029
Consumption of raw materials and energy	376	334
Costs of third-party services	7 459	6 970

Costs of taxes and charges	125	102
Other costs	1 066	1 518
Change in the balance of products and work-in-progress	-	-
Value of goods sold	1 917	2 305
TOTAL	22 172	22 240
Selling costs	3 154	3 231
General administrative expenses	4 928	4 973
Costs of products, goods and materials sold	14 090	14 036
TOTAL	22 172	22 240
including: minimum lease fees recognised as operating lease costs	-	-

EMPLOYEE BENEFIT COSTS	2013-12-31	2012-12-31
Costs of remuneration	7 724	7 650
Social security costs	1 439	1 507
Costs of defined contribution plans	-	-
Costs of defined benefit plans, including:	-	-
Costs of other long-term employee benefits	-	-
Costs of benefits due to termination of employment	-	-
Costs of retirement benefits	-	-
Other post-employment benefits	126	-
Costs of employee benefits in the form of equity shares	-	-
TOTAL	9 289	9 157

RESEARCH AND DEVELOPMENT COSTS	2013-12-31	2012-12-31
Amortisation/depreciation	1 292	1 288
Consumption of raw materials and auxiliary materials	-	-
Costs of third-party services	-	-
Other costs	-	-
TOTAL	1 292	1 288

Note 15 Other revenue and expenses

OTHER REVENUE	2013-12-31	2012-12-31
State subsidies	-	92
Profit on sale of property, plant and equipment	651	8
Reversal of impairment losses on receivables	-	9
Reversal of impairment losses on inventory	-	-

Reversal of impairment losses on intangible assets	-	-
Reversal of impairment losses on PP&E	-	-
Reversal of impairment losses on investment property	-	-
Release of other provisions	-	-
Release of provision for company restructuring costs	-	-
Profit on occasional purchase	-	-
Reimbursement of court costs	-	-
Refund of compensation	-	-
Differences on balance sheet measurement	-	-
Donations, fines and damages received	26	100
Adjustment of contributions to Labour Fund for previous years	4	7
Reimbursement of insurance policy premiums	4	2
Redemption of a portion of interests	-	59
Other	6	6
TOTAL	691	283
including: non-pecuniary revenue from exchange of goods or services	-	-

OTHER EXPENSES	2013-12-31	2012-31-12
Loss on sale of property, plant and equipment	-	-
Provision for guarantee repairs	-	-
Direct expenses (including renovation and maintenance) due to investment property rented out	-	-
Accumulated loss on revaluation of investment properties to fair value	-	-
Impairment losses on receivables	-	-
Impairment losses on inventory	-	-
Impairment losses on intangible assets	-	-
Impairment losses on property, plant and equipment	-	-
Impairment losses on investment properties	-	-
Provision for company restructuring costs	-	-
Provision for expected losses	-	-
Provision for expenses	-	-
Costs of court proceedings	-	-
Compensations for dismissed employees	-	-
Expenses related to acquisition of other parties	-	-
Expenses of maintaining property investment	-	-
Losses, damages and fines	-	-
Donations	-	-
Liquidation of current assets	-	-

Subsidies	-	-
Other	8	51
TOTAL	8	51

Note 16 Financial revenue and expenses

FINANCIAL REVENUE	2013-12-31	2012-12-31
Interest revenue	229	439
Dividend revenue	-	-
Investment revenue	-	-
Foreign exchange gains	29	-
Interest charged on receivables	-	-
FX hedges (forwards)	-	-
Other	-	-
Reversal of impairment losses on financial assets, including:	280	-
assets available for sale	-	-
financial assets and liabilities measured at fair value through the profit and loss account	280	-
hedging instruments	-	-
Profit on change in the fair value of financial instruments	-	-
assets available for sale	-	-
financial assets and liabilities measured at fair value through the profit and loss account	-	-
hedging instruments	-	-
TOTAL	538	439

FINANCIAL EXPENSES	2013-12-31	2012-12-31
Costs of interest, including:	3	69
bank loans	2	-
borrowings	-	69
bonds	-	-
State budget and other interest	1	-
Financial expenses under finance lease agreements	51	-
Provision for outstanding interest	-	-
Loss on sale of investments	280	55
Foreign exchange losses	124	56
Profit/loss on sale of interests in subsidiary	194	-
Other	6	8

Impairment losses on financial assets, including:	-	-
assets available for sale	-	-
Financial assets and liabilities measured at fair value through the profit and loss account	-	-
hedging instruments	-	-
Losses on change in the fair value of financial instruments, including:	-	-
assets available for sale	-	-
financial assets and liabilities measured at fair value through the profit and loss account	-	-
hedging instruments	-	-
TOTAL	658	188

Note 17 Consolidated earnings per share

CONSOLIDATED EARNINGS PER SHARE	2013-12-31	2012-12-31
Consolidated net profit for the reporting period attributable to:	-589	-1 585
Shareholders of the parent	-211	-1 098
Non-controlling interests	-378	-487

CONSOLIDATED NET PROFIT OF ORDINARY SHAREHOLDERS OF THE PARENT COMPANY (BASIC)

Item	31 December 2013			31 December 2012		
	Continued operations	Discontinued operations	Total	Continued operations	Discontinued operations	Total
Consolidated net profit/loss of the shareholders of the parent company for the reporting period	-211	-	-211	-1 098	-	1 098
Dividends on preference shares not subject to redemption (-)	-	-	-	-	-	-
Total	-211	-	-211	-1 098	-	1 098

AVERAGE WEIGHTED ORDINARY SHARES	2013-12-31	2012-12-31
<i>in thousands of shares</i>		
Average weighted number of shares at the beginning of the period	1 480 757	1 480 757
Average weighted number of ordinary shares at the end of the period	1 480 757	1 480 757

CONSOLIDATED BASIC NET EARNINGS PER SHARE	2013-12-31	2012-12-31
on continued and discontinued operations	-	-
on continued operations	-	-

CONSOLIDATED NET PROFIT OF ORDINARY SHAREHOLDERS OF THE PARENT COMPANY (DILUTED)

Item	31 December 2013			31 December 2012		
	Continued operations	Discontinued operations	Total	Continued operations	Discontinued operations	Total
Consolidated net	-211	-	-211	-1 098	-	1 098

profit/loss of ordinary shareholders of the parent company (basic)						
Interest on convertible bonds, after taxes	-	-	-	-	-	-
Consolidated net profit/loss of ordinary shareholders of the parent company (diluted)	-211	-	-211	-1 098	-	1 098

AVERAGE WEIGHTED ORDINARY SHARES (DILUTED)	2013-12-31	2012-12-31
<i>in thousands of shares</i>		
Average weighted ordinary shares	1 480 757	1 480 757
Effect of conversion of convertible bonds	-	-
Effect of the issue of options on shares	-	-
Average weighted number of ordinary shares at the end of the period (diluted)	1 480 757	1 480 757

CONSOLIDATED DILUTED NET EARNINGS PER SHARE	2013-12-31	2012-12-31
on continued and discontinued operations	-0.14	-0.74
on continued operations	-0.14	-0.74

Note 18 Information on operating segments

The Group does not identify product segments because it is not possible to identify assets and liabilities corresponding to individual types of products and, consequently, the Company does not maintain records allowing for the identification of operating segments. The Group presents sales categorised into products, services and goods (note 13) and by geographical areas. The Group does not present information on major groups of customers because such a situation is not applicable.

2013-12-31		
INFORMATION ON GEOGRAPHICAL AREAS	Revenue	Non-current assets
Domestic sales	15 172	*
Total foreign sales	5 217	*
including:		
Germany	886	-
Ukraine	1 669	-

Russia	1 834	-
Belarus	121	
Hungary	221	-
Czech Republic	149	-
Ecuador	185	
Other	152	-
TOTAL	20 389	-

2012-12-31		
INFORMATION ON GEOGRAPHICAL AREAS	Revenue	Non-current assets
Domestic sales	15 036	*
Total foreign sales	4 946	*
including:		
Germany	776	-
Ukraine	1 305	-
Russia	269	-
Belarus	0	-
Hungary	389	-
Czech Republic	619	-
Other	1 588	-
TOTAL	19 982	-

* Non-current assets used in the company's operating activity serve to manufacture products sold to the domestic and foreign markets.

INFORMATION ON TYPES OF PRODUCTS, SERVICES AND GOODS	2013-12-31	2012-12-31
	Revenue	Revenue
Products – licenses	2 941	2 402
Services – implementation	5 574	5 062
Services – maintenance	7 671	8 458
Services – individual projects and other services	1 593	1 617
Long-term contracts	354	-
Goods	2 256	2 443
TOTAL	20 389	19 982

Note 19 Transactions with related parties

The list of subsidiaries and related parties of Quantum software S.A. is presented on page 3. From 1 January 2013 to 31 December 2013, Quantum software S.A. concluded the following

standard business transactions with the Group companies. Goods and services are sold to the companies according to a standard price list. In the reporting period, Quantum software S.A., as the parent company, did not conclude any transactions with the Capital Group companies under terms other than arm's length terms. The transactions were concluded based on market prices, less arm's length discounts on the ordered quantities.

TRANSACTIONS WITH RELATED PARTIES				
Parties to transaction	2013-12-31		2013-12-31	
	Sale	Purchase	Receivables	Liabilities
Parent	-	-	-	-
Capital group companies	593	329	4 398	50
Non-consolidated subsidiaries	-	-	-	-
Associates	-	-	-	-
Key managerial staff	-	-	-	-
Other parties, including key managerial staff	-	213	-	-
Total	593	542	4 398	50

TRANSACTIONS WITH RELATED PARTIES				
Parties to transaction	2012-12-31		2012-12-31	
	Sale	Purchase	Receivables	Liabilities
Parent	-	-	-	-
Capital group companies	498	298	2 552	58
Non-consolidated subsidiaries	-	-	-	-
Associates	-	-	-	-
Key managerial staff	-	-	-	-
Other parties, including key managerial staff	-	221	-	-
Total	498	519	2 552	58

TRANSACTIONS BETWEEN QUANTUM SOFTWARE S.A. AND SUBSIDIARIES			
Company	Transaction type	Transaction value in PLN	Transaction value in foreign currency
Quantum I-Services Sp. z o.o.	Sale of other services	PLN 991.66	-
Edisonda Sp. z o.o.	Sale of other services	PLN 10,899.32	-
Mobeelizer Sp. z o.o.	Sale of other services	PLN 2,314.57	-

Quantum Mobile Solutions Sp. z o.o.	Sale of other services	PLN 383.33	-
Quantum East Sp. z o.o.	Sale of other services	PLN 217.80	-
Quantum International Russia	Sale of licences	PLN 155,044.24	EUR 36,427.00
Quantum International Russia	Sale of IT services	PLN 22,706.51	EUR 5,439.60
Quantum International Ukraine	Sale of licences	PLN 197,716.38	EUR 47,337.00
Quantum International Ukraine	Sale of IT services	PLN 202,669.13	EUR 48,109.70
Quantum Mobs Spain	Borrowing	PLN 459,008.35	EUR 113,500.00
Quantum Brasil	Borrowing	PLN 620,674.58	EUR 153,500.00
Edisonda Sp. z o.o.	Borrowing	PLN 80,000.00	-
Quantum Mobile Solutions Sp. z o.o.	Borrowing	PLN 50,000.00	-
Quantum I-Services Sp. z o.o.	Accrued interest on borrowings	PLN 81,600.00	-
Edisonda Sp. z o.o.	Accrued interest on borrowings	PLN 756.09	-
Quantum Mobile Solutions Sp. z o.o.	Accrued interest on borrowings	PLN 867.40	-
Quantum East Sp. z o.o.	Accrued interest on borrowings	PLN 100,442.37	-
Quantum Brasil	Accrued interest on borrowings	PLN 10,635.23	-
Edisonda Sp. z o.o.	Purchase of other services	PLN 8,500.00	-
Quantum I-Services Sp. z o.o.	Purchase of IT services	PLN 210,447.50	-
Quantum I-Services Sp. z o.o.	Purchase of other services	PLN 110,120.00	-

Note 20 Adjustments of errors from previous periods

The Company's Management Board decided to change the presentation of security deposits; previously, they were presented under "Long-term receivables", but as of now they will be presented under "Other short-term receivables and prepayments". This is due to the fact that agreements for the lease of premises are concluded for indefinite time and there is no reason to treat security deposits as long-term financial assets. The change is presented below retrospectively.

The Company made a retrospective adjustment of the presentation of cash. Previously, cash was presented together with cash belonging to the Company Social Benefits Fund, but as of 2013 the management board decided to present cash without cash belonging to the Company Social Benefits, while decreasing "Other short-term liabilities and accruals" in liabilities by the amount of cash of the Employee Benefit Fund.

In the statements for previous years, inter-period costs were presented in prepayments and accruals. As of now, they will be presented in trade liabilities. The change is presented below retrospectively.

In the statements for previous years, deferred revenue (advance payments received) and advance payments on deliveries were presented incorrectly. At present, we are retrospectively correcting individual items in the statements.

In the previous years (2009 - 2011), 8,028 equity shares were redeemed as part of the company's incentive scheme for its managerial personnel. This data was not presented in the statements for the previous periods. Since these events relate to 2011 and previous years, the company is restating the statement of financial position and the statement of changes in equity at the end of the previous period and at the beginning of the earliest comparative period.

The Company is correcting the presentation of financial liabilities and accruals due to lease. Financial liabilities due to lease include liabilities due to principal instalments plus deductible VAT, excluding interest due to lease fees. The adjustment has been presented retrospectively. As of 31.12.2012, the actuarial measurement of the incentive scheme for managerial personnel was not recognised. This is explained in the note "Share-based payments". At present, we are only adjusting this measurement as of 31.12.2012 because the measurement was recognised correctly as of 01.01.2012.

ASSETS	31.12.2012 approved data	Security deposit adjustment	Adjustment of cash by the amount of cash from the Company Social Benefits Fund	Adjustment of settlements due to inter-period expenditures	Adjustment of advance payment	Adjusted presentation of accruals due to lease interest and lease	Adjusted redemption of equity shares	Adjusted actuarial measurement	31.12.12 after correction
Non-current assets	6 045	-62	-	-	-	-	-	-	5 983
Long-term receivables	62	-62	-	-	-	-	-	-	-
Current assets	11 923	62	-74	-	-	17	-78	-	11 850
Trade receivables	4 606	-	-	-	-12	-	-	-	4 594
Other short-term receivables and prepayments	815	62	-	-	12	17	-78	-	828
Cash and cash equivalents	5 996	-	-74	-	-	-	-	-	5 922
TOTAL ASSETS	17 968	-	-74	-	-	17	-78	-	17 833

EQUITY AND LIABILITIES	31.12.2012 approved data	Security deposit adjustment	Adjustment of cash by the amount of cash from the Employee Benefit Fund	Adjustment of settlements due to inter-period expenditures	Adjustment of advance payment	Adjusted presentation of accruals due to lease interest and lease	Adjusted redemption of equity shares	Adjusted actuarial measurement	31.12.12 after correction
Equity	13 478	-	-	-	-	-	-78	-	13 400
Equity shares	-	-	-	-	-	-	-78	-	-78
Supplementary and reserve capital	14 293	-	-	-	-	-	-	-128	14 165
Profit/loss in current year	-1 226	-	-	-	-	-	-	128	-1 098
Liabilities	4 490	-	-74	-	-	17	-	-	4 433
Other short-term financial liabilities	154	-	-	-	-	17	-	-	171

Trade liabilities	1 482	-	-	29	-464	-	-	-	1 047
Other short-term liabilities and accruals	1 231	-	-74	29	464	-	-	-	1 650
TOTAL EQUITY AND LIABILITIES	17 968	-	-74	-	-	17	-78	-	17 833

ASSETS	01.01.2012 approved data	Security deposit adjustment	Adjustment of cash by the amount of cash from the Employee Benefit Fund	Adjustment of settlements due to inter-period expenditures	Adjustment of advance payment	Adjusted presentation of accruals due to lease interest and lease	Adjusted redemption of equity shares	Adjusted actuarial measurement	01.01.2012 after correction
Non-current assets	6 590	-62	-	-	-	-	-	-	6 528
Long-term receivables	62	-62	-	-	-	-	-	-	-
Current assets	13 021	62	-50	-	-	-5	-78	-	12 950
Trade receivables	3 761	-	-	-	-97	-	-	-	3 664
Other short-term receivables and prepayments	893	62	-	-	-97	-5	-78	-	775
Cash and cash equivalents	7 161	-	-50	-	-	-	-	-	7 111
TOTAL ASSETS	19 611	-	-50	-	-	-5	-78	-	19 478

EQUITY AND LIABILITIES	01.01.2012 approved data	Security deposit adjustment	Adjustment of cash by the amount of cash from the Employee Benefit Fund	Adjustment of settlements due to inter-period expenditures	Adjustment of advance payment	Adjusted presentation of accruals due to lease interest and lease	Adjusted redemption of equity shares	Adjusted actuarial measurement	01.01.2012 after correction
Equity	15 894	-	-	-	-	-	-78	-	15 816
Equity shares	-	-	-	-	-	-	-78	-	-78

Supplementary and reserve capital	14 435	-	-	-	-	-	-	-	14 435
Profit/loss in current year	66	-	-	-	-	-	-	-	66
Liabilities	3 717	-	-50	-	-	-5	-	-	3 662
Other short-term financial liabilities	75	-	-	-	-	-5	-	-	70
Trade liabilities	1 008	-	-	127	-	-	-	-	1 135
Other short-term liabilities and accruals	874	-	-50	-127	-	-	-	-	697
TOTAL EQUITY AND LIABILITIES	19 611	-	-50	-	-	-5	-78	-	19 478

Note 21 Construction contracts

Some of the contracts held by the Group companies have the traits of long-term contracts. The management boards of these companies analyse the costs and revenues under such contracts on a regular basis. Given the fact that there are small differences between the progress of the contracts and the accompanying costs and revenue, the contracts are not presented because they do not significantly affect the Group's financial result.

CONSTRUCTION CONTRACTS IN PROGRESS	2013-12-31	2012-12-31
Total costs incurred	324	0
Total profit and loss recognised	354	0
Advance payments received	0	0
Security deposit	0	0
Receivables from clients under contractual works	173	0
Liabilities due to clients under contractual works	67	0

Note 22 Principles of financial risk management

The Group's financial situation depends on the macroeconomic situation in Poland and in the countries where the subsidiaries operate. The financial result achieved by the Company directly and indirectly depends on, among others: the GDP growth dynamics, inflation, national monetary and tax policy, business investments, household income and consumer demand. All of the aforesaid factors as well as the direction and level of changes influence the fulfilment of tasks planned by the Group companies. The economic growth translates into the revenue of companies operating in particular regions and industries. Consequently, they adjust their capital expenditures, including development, through improvement or purchase of computer hardware and appropriate software. The companies from the Quantum Group, as IT systems providers, may directly experience the consequences of changed budgets allocated by companies for computerisation.

The Quantum Software S.A. Group is exposed to several major risks related to the management of financial instruments:

- FX risk,
- interest rate risk,
- liquidity risk.

The Management Boards of the Group companies verify and reconcile the principles for managing each risk; these principles are discussed below.

1) Risk of variations of foreign currencies to Group company currencies exchange rate

The Group concludes export transactions in foreign currencies (mainly in EUR). Changing foreign exchange rates may result in worse-than-expected results. Foreign exchange rate variations influence the financial result through the following:

- 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,
- unrealised foreign exchange differences from the measurement of settlements as of the balance sheet date.

Trade transactions in foreign currencies on account of export are part of the Group's normal course of operations. The Group generates approx. 15% of its revenue on export. 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.

2) Risk of changing market interest rates

Changing market interest rates may also adversely affect the Group's financial performance.

The Quantum software S.A. Group is exposed to this risk in connection with changing amount of interest on the loans granted to the Group companies based on variable interest rates as well as changing interest under lease agreements.

The risk of changing interest rates occurs and is recognised when a transaction with a variable interest rate is concluded. In order to mitigate this risk, the Group attempts to avoid raising loans with variable interest rates as well as collects and analyses market information about the current exposure to the risk of changing interest rates.

3) Liquidity risk

The Group regularly monitors the risk linked to the deficit of funds by using a tool for periodic liquidity planning. This tool takes into consideration maturities/payment dates for investments as well as financial assets and forecast operating cash flows.

Note 23 analyses the Group's exposure to FX and changing interest rate risks.

Note 23 Financial instruments

FINANCIAL INSTRUMENTS: ANALYSIS OF EXPOSURE TO INTEREST RATE RISK			
As of 31.12.2013			
	Carrying value	Increase/decrease by percentage points	Effect on the gross financial result
Financial assets	10 750	-	-7
Cash	4 147	-	-
Financial assets available for sale	-	-	-
Other financial assets	5 349	-	-
Borrowings granted	1 254	-	-7
Financial liabilities	542	-	-
Bank loans and borrowings	170	-	-
Financial lease liabilities	372	-	2

Other financial liabilities	-	-	-
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FINANCIAL INSTRUMENTS: ANALYSIS OF EXPOSURE TO INTEREST RATE RISK			
As of 31.12.2012			
	Carrying value	Increase/decrease by percentage points	Effect on the gross financial result
Financial assets	6 914	-	-
Cash	5 922	-	-
Financial assets available for sale	-	-	-
Other financial assets	-	-	-
Borrowings granted	992	-	-7
Financial liabilities	478	-	-
Bank loans and borrowings	178	-	2
Financial lease liabilities	300	-	2
Other financial liabilities	-	-	-

FINANCIAL INSTRUMENTS: ANALYSIS OF EXPOSURE TO FX RISK			
As of 31.12.2013			
	Carrying value	Exchange rate increase/decrease in percentage points	Effect on the gross financial result
Financial assets	-	-	-
Cash in EUR	6	1.00%	-
Cash in USD	5	1.00%	-
Cash in UAH	89	-3.00%	-3
Cash in RUB	208	-10.00%	-21
Cash in BRL	79	-15.00%	-12
Trade and other receivables in EUR	267	1.00%	3
Trade and other receivables in UAH	705	-3.00%	-21
Trade and other receivables in RUB	27	-10.00%	-3
Financial liabilities	-	-	-
Overdrafts in EUR	-	-	-

Short-term loans in EUR	-	-	-
Trade liabilities in EUR	17	-1.00%	-
Trade liabilities in UAH	84	3.00%	3
Trade liabilities in RUB	68	10.00%	7
Trade liabilities in BRL	21	15.00%	3

FINANCIAL INSTRUMENTS: ANALYSIS OF EXPOSURE TO FX RISK			
As of 31.12.2012			
	Carrying value (PLN '000)	Exchange rate increase/decrease in percentage points	Effect on the gross financial result
Financial assets	-	-	-
Cash in EUR	662	0.00%	-
Cash in RUB	133	0.00%	-
Trade and other receivables in EUR	1 509	0.00%	-
Trade and other receivables in UAH	572	2.00%	11
Trade and other receivables in RUB	890	1.00%	9
Financial liabilities	-	-	-
Overdrafts in EUR	-	-	-
Short-term loans in EUR	-	-	-
Trade liabilities in EUR	368	0.00%	-
Trade liabilities in UAH	41	2.00%	-1
Trade liabilities in RUB	80	1.00%	-1

FAIR VALUE OF THE INDIVIDUAL CATEGORIES OF FINANCIAL INSTRUMENTS					
	Category in accordance with IAS 39*	Carrying value		Fair value	
		2013-12-31	2012-12-31	2013-12-31	2012-12-31
Financial assets	-	10 773	12 336	10 773	12 336
Cash	measured at fair value through P&L	4 147	5 922	4 147	5 922
Trade and other receivables	borrowings and receivables	5 349	5 422	5 349	5 422
Interest receivable due to borrowings granted	borrowings and receivables	1 254	992	1 254	992

Financial assets available for sale	available for sale	23	-	23	-
Financial liabilities	-	2 967	3 117	2 967	3 117
Financial lease liabilities	financial liabilities at amortised cost	372	300	372	300
Trade and other liabilities	financial liabilities at amortised cost	2 425	2 640	2 425	2 640
Short-term bank loans	financial liabilities at amortised cost	170	177	170	177

ITEMS OF REVENUE, EXPENSES, PROFIT AND LOSS RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME, BROKEN DOWN BY CATEGORIES OF FINANCIAL INSTRUMENTS					
FOR THE PERIOD	31.12.2013				
	Category in accordance with IAS 39*	Revenue/expenses due to interest	Foreign exchange gains/losses	Release/creation of revaluation allowances	Sales profit/loss
Financial assets	-	145	-	273	-
Cash	measured at fair value through P&L	137	-	-	-
Trade and other receivables	borrowings and receivables	-	-	273	-
Interest receivable due to borrowings granted	borrowings and receivables	8	-	-	-
Financial assets available for sale	available for sale	-	-	-	-
Financial liabilities	-	-59	-	-	-
Financial lease liabilities	financial liabilities at amortised cost	-57	-	-	-
Trade and other liabilities	financial liabilities at amortised cost	-1	-	-	-
Short-term bank loans	financial liabilities at amortised cost	-1	-	-	-

Note 24 Share-based payments

Scheme for senior managerial personnel Share options scheme for employees

Information on the system of controlling employee share ownership plans. The Managerial Options Scheme was launched by the Issuer in 2008 and was described in detail in preceding reports. It was

intended for the key managerial staff in the Company, its subsidiaries and associates ("Eligible Persons").

The scheme comprises three Packages realised at specific time intervals. The first Package has been fully realised with the Issue of series D Shares. On 14 March 2011, the Supervisory Board adopted a resolution on transferring all Subscription Warrants from the second Package to the third Package because the conditions for the realisation of the Subscription Warrants under the second Package were not fulfilled. The Company's Ordinary General Meeting authorised the Supervisory Board to amend the Regulations of the Managerial Options Scheme. On 15 March 2013, the Supervisory Board passed a resolution on suspending the Managerial Options Scheme. According to the resolution of the Company's General Meeting of 17 June 2008, on, among other things, the contingent increase of the Company's share capital in order to grant the rights to acquire series D shares to the holders of subscription warrants, the date for exercising the right to acquire series D shares by the holders of subscription warrants expires on 31 December 2013. Similarly, in the case of the third Package, the realisation conditions were not satisfied. The Managerial Options Scheme introduced by the Issuer in 2008 was partially realised and expired as of 31 December 2013. By the date of preparing this information, the Company did not introduce any new employee share schemes.

COSTS OF SERVICES PROVIDED BY EMPLOYEES/MANAGERIAL STAFF	2013-12-31	2012-12-31
Costs of scheme settled with equity instruments	-	128
Costs of scheme settled with cash	-	-
Total costs of share-based/option-based payment schemes	-	128

Note 25 Employment in the Capital Group

EMPLOYMENT IN THE QS S.A. CAPITAL GROUP	Year ended 31 December 2013	Year ended 31 December 2012
Management Board of the parent company	4	4
Management Boards of the Group companies (*)	15	15
White-collar workers/Administration	128	120
Blue-collar workers	0	0
Total	147	139

Note 26 Contingent liabilities

As of 31 December 2013, there are no contingent liabilities due to pending court proceedings against the companies of the Quantum software S.A. Group.

Note 27 Events after the balance sheet date

In the opinion of the Management Board of the parent company, there are no other events after the balance sheet date which may affect the company's future performance.

Note 28 Differences between the financial results disclosed in the report and forecasts published earlier

The Quantum software S.A. Capital Group did not publish any result forecasts for 2013 and for the comparable year 2012.

Note 29 Information on sureties and guarantees granted and received

In the reporting period, the Quantum software S.A. Group did not grant any sureties or guarantees.

Note 30 Seasonal and cyclical nature of business

The Quantum software S.A. Capital Group is not significantly affected by any seasonal factors. Sales revenue in the initial three quarters of the year is subject to slight variations, while Q4 revenue is usually higher because a large portion of the revenue is generated under contracts which are to be completed in Q4, as businesses buy more at the end of the year. Concerns are frequently forced to realise the budgets by the end of the year. On the other hand, the cyclical nature of business is a significant factor because half of the company's revenue comes from service agreements (long-term maintenance agreements).

Note 31 Discontinued operations

In 2013 and in the comparable period, no operations were discontinued.

Note 32 Agreements binding on managerial and supervisory personnel and their relatives

According to the information available to Quantum software S.A., as of 31 December 2013, Marek Jędra, a member of the Management Board of Quantum software S.A., holds an unsettled borrowing from the subsidiary Quantum I-Services Sp. z o.o., amounting to PLN 142,389.06. This borrowing is described in note 4.

Note 33 Other transactions with managerial and supervisory personnel

According to the information available to the Management Boards of the Quantum software S.A. group companies, as of the submission date of the statements, there are no transactions with managerial and supervisory personnel of the companies.

Note 34 Information on the remuneration of the entity authorised to audit financial statements

2013			
ENTITY AUTHORISED TO AUDIT	CONTRACT SIGNING DATE	SUBJECT OF THE AUDIT	REMUNERATION
Kancelaria Porad Finansowo-Księgowych dr Piotr Rojek Sp. z o.o.	02.07.2013	Review of the separate financial statements	PLN 5,000.00
Kancelaria Porad Finansowo-Księgowych dr Piotr Rojek Sp. z o.o.	02.07.2013	Review of the consolidated financial statements	PLN 3,000.00
WBS Audyt sp. z o.o.	10.01.2014	Audit of the separate financial statements	PLN 10,000.00
WBS Audyt Sp. z o.o.	10.01.2014	Audit of the consolidated financial statements of the Capital Group	PLN 5,000.00

2012			
ENTITY AUTHORISED TO AUDIT	CONTRACT SIGNING DATE	SUBJECT OF THE AUDIT	REMUNERATION
Auxylium Audyt Barbara Szmurło, Jadwiga Faron Spółka Komandytowa	19.03.2012	Review of the interim financial statements	PLN 3,400.00
Auxylium Audyt Barbara Szmurło, Jadwiga Faron Spółka Komandytowa	19.03.2012	Review of the interim consolidated financial statements	PLN 3,000.00
Auxylium Audyt Barbara Szmurło, Jadwiga Faron Spółka Komandytowa	19.03.2012	Audit of the separate financial statements	PLN 6,200.00
Auxylium Audyt Barbara Szmurło, Jadwiga Faron Spółka Komandytowa	19.03.2012	Audit of the consolidated financial statements	PLN 5,200.00

The financial statements were approved by the Management Board and signed by all Members of the Management Board on 14 March 2014.

Signatures of the Management Board Members

**Person responsible for
keeping the accounting books**

Tomasz Hatala

Monika Kuś, Chief Accountant

Bogusław Ożóg

Marek Jędra

Tomasz Mnich