



Quantum

Quantum software S.A.

Consolidated financial statements of the Quantum software S.A. Capital
Group

Quantum software S.A. for Q1 2014

Cracow, 15 May 2014

The statements comprise:

1. Selected financial data
2. Basic principles of preparing financial statements
3. Notes to the consolidated quarterly statements for Q1 2014
4. Consolidated financial statement of Quantum software S.A. for Q1 2014
5. Separate financial statement of Quantum software S.A. for Q1 2014

Financial highlights, including basic items of the quarterly consolidated financial statements and condensed separate financial statements (also translated into EUR)

THE SELECTED FINANCIAL DATA including basic items of the quarterly consolidated financial statements	in PLN '000		in EUR '000	
	period from	period from	period from	period from
	2014-01-01 to 2014-03-31	2013-01-01 to 2013-03-31	2014-01-01 to 2014-03-31	2013-01-01 to 2013-03-31
Net revenue from the sale of products, goods and materials	5506	5075	1308	1216
Profit (loss) on operational activity	232	-635	55	-152
Gross profit (loss)	-74	-554	-18	-133
Net profit (loss)	-21	-544	-5	-130
Net cash flows from operating activities	-197	-631	-47	-151
Net cash flows from investment activities	-173	-245	-41	-59
Net cash flows from financial activities	-104	-107	-25	-26
Total net cash flows	-474	-983	-113	-236
Total assets	15954	16003	3847	3914
Liabilities and provisions for liabilities	4131	4038	996	988
Long-term liabilities	1266	1354	305	331
Current liabilities	2865	2684	691	657
Equity	11823	11965	2851	2927
Share capital	740	740	178	181
Number of shares	1480757	1480757	1480757	1480757
Diluted number of shares (pcs.)	1480757	1480757	1480757	1480757
Earnings (loss) per ordinary share (in PLN/EUR)	-0.01	-0.37	0.00	-0.09
Diluted earnings per share (in PLN/EUR)	-0.01	-0.37	0.00	-0.09
Book value per share (in PLN/EUR)	7.98	8.08	1.93	1.98
Diluted book value per share (in PLN/EUR)	7.98	8.08	1.93	1.98
Declared or paid dividend per share (in PLN/EUR)	-	-	-	-

Principles applicable to translation of basic items of the quarterly consolidated financial statements into EUR.

Translations of selected consolidated financial data into EUR concerning the consolidated statements of total income and the consolidated cash flow statements use the arithmetic mean calculated based on the average exchange rates of the National Bank of Poland (NBP) applicable on the last day of each month in a given period:

Translations of selected consolidated financial data into EUR concerning the consolidated statements of financial position and the consolidated statements of changes in equity use the average exchange rate of the National Bank of Poland (NBP) applicable on the statement day.

The period	Average rate in the period	Exchange rate as at the last day of the period
2014	4.211	4.1472
2013	4.1736	4.0882

THE SELECTED FINANCIAL DATA including basic items of the quarterly separate financial statements	in PLN '000		in EUR '000	
	period from	period from	period from	period from
	2014-01-01 to 2014-03-31	2013-01-01 to 2013-03-31	2014-01-01 to 2014-03-31	2013-01-01 to 2013-03-31
Net revenue from the sale of products, goods and materials	4421	3519	1055	843
Profit (loss) on operational activity	-31	-253	-7	-61
Gross profit (loss)	-414	-135	-99	-32
Net profit (loss)	-375	-102	-90	-24
Net cash flows from operating activities	-196	-476	-47	-114
Net cash flows from investment activities	-311	-331	-74	-79
Net cash flows from financial activities	-41	-44	-10	-11
Total net cash flows	-548	-851	-131	-204
Total assets	14910	15133	3574	3649
Liabilities and provisions for liabilities	3457	3283	829	792
Long-term liabilities	1098	1152	263	278
Current liabilities	2359	2131	566	514
Equity	11453	11850	2746	2857
Share capital	740	740	177	178
Number of shares	1480757	1480757	1480757	1480757

Diluted number of shares (pcs.)	1480757	1480757	1480757	1480757
Earnings (loss) per ordinary share (in PLN/EUR)	-0.25	-0.07	-0.06	-0.02
Diluted earnings per share (in PLN/EUR)	-0.25	-0.07	-0.06	-0.02
Book value per share (in PLN/EUR)	7.73	8.00	1.85	1.93
Diluted book value per share (in PLN/EUR)	7.73	8.00	1.85	1.93
Declared or paid dividend per share (in PLN/EUR)	-	-	-	-

Principles applicable to translation of basic items of the quarterly separate financial statements into EUR.

Translations of selected Separate financial data into EUR concerning the separate statements of total income and the separate cash flow statements use the arithmetic mean calculated based on the average exchange rates of the National Bank of Poland (NBP) applicable on the last day of each month in a given period:

Translations of selected Separate financial data into EUR concerning the consolidated statements of financial position and the consolidated statements of changes in equity use the average exchange rate of the National Bank of Poland (NBP) applicable on the statement day.

The period	Average rate in the period	Exchange rate as at the last day of the period
2014	4.1894	4.1713
2013	4.1738	4.1472

Basic principles of preparing financial statements

These consolidated financial statements of the Quantum software S.A. Capital Group for Q1 2014 have been prepared in line with the International Accounting Standard ("IAS") 34 and it complies with the International Financial Reporting Standards (IFRS) approved by the European Union, which include standards and interpretations published or adopted by the International Accounting Standards Board and the Standing Interpretation Committee at the IASB. The basis for preparation of these financial statements of the Quantum software S.A. Capital Group is Art. 55(6a) of the Accounting Act.

Data included in the report was prepared in line with the principles for measurement of assets and equity and liabilities and measurement of net income specified as at the balance sheet date, in line with the materiality principle. The consolidated financial statements for Q1 2014 were prepared on the assumption that the Capital Group would continue as a going concern.

These consolidated financial statements for Q1 2014 have been prepared in line with the International Financial Reporting Standards approved by the European Union. The statements' presentation is based on IAS 34 "Interim Financial Reporting", with the application of the same principles for the current and comparable period.

The consolidated financial statements for Q1 2014 have been prepared in PLN with figures rounded to whole thousands.

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

Accounting principles of preparing financial statements

The financial statements have been prepared in thousands of Polish zloty unless otherwise stated, on the basis of entries made in the accounts of the Company, carried out in accordance with the following accounting principles:

- 1) reliability
- 2) accuracy,
- 3) continuity,
- 4) completeness,
- 5) comparability,
- 6) matching of costs and revenues,
- 7) immutability of accounting principles,

Tangible fixed assets and intangible assets

Methods of valuation of intangible and tangible fixed assets - intangible and tangible fixed assets are valued at maintaining the continuity principle in the manner set out in the International Accounting Standards, with the following restrictions:

- 1) Intangible assets are recognised at their purchase price, including their redemption. The Company makes depreciation write-offs on the straight line basis and the following redemption periods (useful lives) have been adopted:
 - 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) Fixed assets are valued at their purchase prices or manufacturing costs minus depreciation write-offs, proportionally to their periods of use. Fixed assets are depreciated throughout their useful economic life. Fixed assets, despite being used for more than one year, do not include items of low single initial value up to PLN 3500.00, except for assets classified under group 4 (machines and equipment). When these items are purchased, they are reported on a single basis as tax-deductible expenses the month when they were bought or the following one. These items are not subject to recognition in balance sheet. Cars are depreciated on the straight line basis for 5 years upon their initial value minus their final value in the amount of 20% of the initial value. All the equipment included in group 4, regardless of their initial value, is depreciated on the straight line basis as per individual rates defined in accordance with their expected period of use, i.e.
- a) desktop computers – 4 years,
 - b) laptops – 3 years,
 - c) servers, printers, projectors, UPS, routers, switch boxes, changers, computer networks – 5 years,
 - d) UPS batteries – 2 years.

The Company annually verifies the useful lives of intangible and tangible fixed assets.

Financial instruments

Methods of valuation of financial instruments - financial instruments are valued at maintaining the continuity principle in the manner set out in the International Accounting Standards, with the following restrictions:

Receivables are recognised in books at their nominal value as at their accrual date and at the amount due as at the balance sheet date. For marking to market purposes, receivables are reduced by write-downs on doubtful receivables. Receivables in foreign currencies are valued as at the balance sheet date in accordance with the average NBP exchange rate, while foreign exchange differences are referred to financial revenues or costs.

Shares are valued at their purchase prices reduced by impairment write-offs.

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

Cash at hand and in bank as well as interest on financial assets recorded on an accrual basis are valued at their nominal value, while cash in foreign currencies – at bank's buying and selling exchange rates and at the balance sheet valuation – at the average NBP exchange rate.

Liabilities are recognised in books at their nominal value as at their accrual date and at the amount due as at the balance sheet date. Liabilities in foreign currencies are valued at average NBP exchange rates.

Primary types of financial instruments:

- traditional financial instruments - receivables and trade payables - they are valued at the acquisition price (based on section 29 (7a) of IFRS), taking into account provisions for impairment and non-recovery (based on section 58 (39) of IAS),

- cash - valued at acquisition - based on section 29 (7a) of IFRS,
- loans, borrowings, leasing - valuation is required at amortized cost, however, in the opinion of the Management Board, the company presents the items in the acquisition price (the amount due), because such valuation does not affect the Company's financial position.

Investments

The Company classifies its investments in the following categories:

1) shares in subsidiaries,

shares in subsidiaries include shares in companies under consolidation, investments in subsidiaries are measured at their acquisition price adjusted for impairment losses of goodwill, write-downs on impairment of shares in subsidiaries are recognized in the statement of comprehensive income as financial costs.

Write-downs on fixed assets

Tangible fixed assets, intangible assets and financial assets are reviewed for impairment in the case of events and changes that may impair their value.

Impairment losses are recognized in other operating expenses in the periods in which such an impairment is created.

Inventory

Inventories include goods that are valued on the balance sheet date at their acquisition price with conservative valuation principles, deducted by impairment.

Trade and other receivables

Trade receivables are recognized at the amount to be paid, deducted by impairment of doubtful receivables. Estimation of impairment is based on the results of the recoverability of receivables in the cases the recovery of the full amount is no longer probable.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and at bank.

Provision for retirement and similar benefits

The Company creates provisions for employee benefits. Provisions are valued at least at the balance sheet date at reasonable, reliably estimated value. Provisions for employee benefits include retirement gratuities. The Company applies actuarial method and creates at the balance sheet date a provision for current-value retirement benefits, that employees have acquired a right to this day, divided into short-term and long-term benefits. This provision charges other operating expenses. Provisions are released at the end of each reporting period, with the value of completed payments in relation to liabilities.

Provisions

The Company establishes provisions when as a result of economic events, certain or highly probable future liabilities arise that can be estimated in a reliable manner.

Accruals and prepayments

In order to preserve the matching of revenues and expenses, the Company creates accruals. They relate to both expenses and revenues.

The Company maintains prepayments - these are the costs for the next reporting period.
The Company maintains accruals - this is the amount of liabilities in the current period resulting from services provided to the entity.

Deferred income includes in particular an equivalent of invoiced services that will be performed in subsequent periods.

Revenues from sale of products and services as well as goods and raw materials

Net revenues from sales cover economic benefits from the reporting period in the entity's result in a value which was reliably determined, leading to an increase in equity by increasing the value of assets or decreasing the value of liabilities in a way other than contributing shareholders' funds. In particular, these are revenues from sale of products and services as well as goods and raw materials

Revenues include amounts receivable from sales of products and services of supporting and core activities as well as sales of materials and goods determined based on their net price, after applicable discounts' adjusting.

Adjustments to revenues from sales are recognized in the period in which they were made.

Other operating revenue

Other operating revenues include revenues related to the Company's operating activities.

They include:

- 1) profit on fixed assets and intangible assets,
- 2) profit from disposal of fixed assets,
- 3) indemnification received,
- 4) releasing provisions, which burdened the operating costs at their creating
- 5) written-off, overdue and redeemed liabilities.

Finance revenues

Interest income charged to counterparties, recognized at the time of payment by the counterparty.

Interest income on cash at bank recognized at the date of crediting the account by the bank.

Costs of activity

Total costs of sales, marketing, administration and management incurred in the reporting period. Value of goods and materials sold in the reporting period at their acquisition price.

Remaining operating costs

Other operating costs include costs related to the Company's operating activities.

They include:

- 1) loss on fixed assets and intangible assets,
- 2) fines and compensation paid,
- 3) established provisions,
- 4) costs of legal fees.

Financial costs

Costs in respect of interest paid are recognized directly in the income statement in the period in which they have been incurred.

Income tax

Obligatory tax charges consist of:

- 1) CIT,
- 2) deferred income tax.

Current tax liability is calculated on the basis of a tax result (tax base) obtained in a relevant financial year. Profit (loss) for tax purposes differs from accounting profit (loss) due to the exclusion of revenues and expenses that are not subject to tax. Tax charges are calculated on the basis of tax rates applicable in a relevant fiscal year.

Deferred income tax

The company establishes deferred income tax provision and assets in connection with temporary positive differences between the value of assets and liabilities disclosed in the accounting books and their tax value. Deferred income tax assets are recognised if it is probable that the taxable income will be generated in the future, which would allow to utilise temporary differences. Deferred income tax assets are also disclosed with respect to tax losses which may be deducted in subsequent years, however, only whenever it is probable that a taxable income will be generated in the future which would allow utilising these tax losses. The company does not generate deferred income tax assets if there is doubt concerning the possibility of their utilisation in the next periods.

Earnings per share

Net profit per share is computed as the quotient of profit attributed to the Company's Shareholders and the weighted average number of ordinary shares.

Foreign currency transactions

Economic operations resulting in receivables and liabilities denominated in foreign currencies are valued in books at the balance sheet date at the average exchange rate published by NBP.

Receivables and liabilities denominated in foreign currencies are valued at the balance sheet date at the average exchange rate published by the National Bank of Poland.

Exchange rate differences relating to settlements denominated in foreign currencies arising at the date of valuation and the payment of receivables and liabilities are classified as financial income or expense.

Lease

Tangible fixed assets under financial lease agreements which transfer to the Company all the benefits and risks associated with their ownership are recognized in the Company's balance sheet according to the current value of future minimum lease payments. Lease payments are apportioned between a reduction of the outstanding liabilities and finance charges, recorded directly to the financial result.

I. Notes to the consolidated financial statements for Q1 2014

1) Basic information

The parent of the Capital Group is Quantum software S.A. with registered office in Cracow at ul. Walerego Sławka 3A. The Company was entered into the Register of Entrepreneurs of the National Court Register Kraków – Śródmieście, 11th Commercial Division on 30 October 2002 under No. KRS 0000136768; Polish Classification of Activities (PKD) no. 62.01 Z “Software activities”. The Company’s business focus is development and implementation of IT systems for businesses, where optimisation of logistics is key.

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

Management Board:

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

Supervisory Board:

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

The quarterly financial statements were prepared on the assumption that entities within the Quantum software S.A. Capital Group will continue as a going concern in the foreseeable future.

2) Organisational structure of the Group as at 15.05.2014 – details of subsidiaries and related entities:

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

Registered office: Kraków
Address: Walerego Sławka 3a
National Court Register (KRS): 0000294284
Shareholders: 63.74% of shares held by Quantum software S.A.
Share capital paid in full: PLN 282,500.00

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

Registered office: Kiev
Address: Prospect Moskovskij
certificate No. 100107724
Shareholders: 100% of shares held by Quantum East
Share capital paid in full: USD 76,200.00

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

Registered office: Moscow
Address: ul. Letnikovskaja 10 building 11
certificate No. 1117746038035
Shareholders: 99% of shares held by Quantum East
Share capital: RUB 1,200,000.00 partially paid

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 shares held by Quantum software S.A.
Initial capital fully covered by an in-kind contribution: 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 shares held by Quantum software S.A.
Share capital paid in full: 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 shares held by Quantum I - Services Sp. z o.o.
Share capital paid in full: PLN 6000.00

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

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

8. 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 No.: 11.795.637/0001-38 and NIRE No. 53201627870

Shareholders: 85% of shares held by Quantum software S.A.
 Share capital: BRL 200,000.00 partially paid

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

Registered Office: Santiago de Chile
 Address: Los Fresnos 1201, Casa 21, Santiago, Huechuraba
 Register no.: 6959/4912/2012
 Shareholders: 99,99% of shares held by Quantum Mobs System S.L
 Share capital: CLP 31000000.00 partially paid

10. Company's business name: EQ System East Sp. z o.o. – subsidiary

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

The Issuer is involved in sales of computer software and hardware and renders related services.

Product structure of the Quantum Group

	01.01 - 31.03.2014	% share	01.01 - 31.03.2013	% share
Own licences and services – Qguar	4453	80.9%	3896	76.8%
Goods	518	9.4%	961	18.9%
Other sales	535	9.7%	218	4.3%
Total:	5506	100%	5075	100%

Data in PLN '000

Sales by markets

	01.01 - 31.03.2014	% share	01.01 - 31.03.2013	% share
Country	4510	81.9%	3114	61.4%
Abroad	996	18.1%	1961	38.6%
Total:	5506	100%	5075	100%

Data in PLN '000

3) - Description of the Capital Group's organisation with identification of consolidated entities and changes in the Group's structure (if any).

The Group comprises the following entities:

Quantum software S.A. – the parent entity in the Group - involved in the development and implementation of IT systems;

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

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

Quantum International Sp. z o.o. (Russia) – a subsidiary of the Group; 99% of its shares are held by Quantum East Sp. z o.o. - the Company was established to focus on sales and implementation of IT solutions offered by Quantum software S.A. in Russia.

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

Edisonda Sp. z o.o. – a subsidiary of the Group; 59.20% of its shares are held by Quantum software S.A.; the company was established to focus on interaction design and research on the communicative effectiveness of websites (or other electronic media) and using the research findings for commercial purposes. Full consolidation method.

Quantum Mobile Solutions Sp. z o.o. – a subsidiary of the Group; 75% of its shares are held by Quantum I-Services Sp. z o.o. - business focus of the company consists in development and sales of IT solutions for mobile devices.

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

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

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

EQ System East Sp. z o.o. - an associate of the Group; 48% of its shares are held by Quantum software S.A. The purpose of the company's existence is the marketing of the system for automatic production process planning in East Europe (Russia, Ukraine, Belarus). The company is consolidated using the equity method.

4) Effects of changes in the business unit's structure, including those resulting from business mergers, acquisitions or disposal of entities in the Issuer's Capital Group, long-term investments, de-mergers, restructuring and discontinuation:

In Q1 2014 there were no changes in the business structure.

5) Significant changes in estimates, including adjustments on account of provisions, deferred income tax provisions and assets and recognised revaluation write-downs on assets.

In Q1 2014 the Company did not make adjustments of deferred income tax but recognized the write-downs on assets for investments amounting to PLN 505 thousand and non-financial assets amounting to PLN 280 thousand.

6) Assessment of the Capital Group's basic economic and financial items

In Q1 2014, the Capital Group earned the total sales income of PLN 5,506,000, i.e. by 8.5% higher compared to the corresponding period of the previous year (PLN 5,075,000). Sales of licenses and services – Qguar rose by about 14.3% during this period.

The Capital Group closed Q1 2014 with the net loss of PLN 75,000. Significant factors of the loss are the results of foreign subsidiaries (mainly Spain, Brazil). The primary factor of the entity's loss is the decision of partial write-down for loans and receivables of the subsidiaries operating in Ukraine and Russia. The decision results from the assessment of risk connected with the political situation of Ukraine and its impact on the standing of both, the Ukrainian and the Russian company (whose activity is heavily based on experts from Ukraine).

7) Description of the Issuer's significant achievements and failures in the period covered by the report, together with a list of the most important related events:

➤ **Acquiring new customers in Poland and abroad:**

- Ponetex Logistics Sp. z o.o.
- Bea Beleza Sp. z o.o. Sp.K.
- Knižnaja Birža" Sp. z o.o. (Ukraine),
- Zortrax Sp. z o.o. (EDISONDA)
- Collegium Civitas (EDISONDA)

➤ **New contracts/implementations for the previously operated customers:**

- Kontinet Spedition GmbH
- DINO Sp. z o.o.

8) Description of factors and events, especially atypical factors and events, having a substantial impact on the financial result achieved:

Such events did not occur.

9) Notes on the seasonality or cyclicity of the Issuer's business in the presented period:

Influence of seasonality on the Issuer's and the Group's performance remains as insignificant as in the previous periods.

10) Information on the issue, redemption and repayment of debt and equity securities:

In Q1 2014 Quantum software S.A. and its subsidiaries did not perform any issue of shares, did neither redeem nor repay debt or equity securities.

11) Information on the dividend paid or declared, in total and per share, broken down by equity and preference shares:

In Q1 2014 described here, the Company did not pay dividend to shareholders.

12) Events after the day as at which the abridged quarterly financial statements were prepared, not included in these statements which could have a significant influence on the Issuer's future financial performance

There have been no events of an untypical nature after 31 March 2014 that could have a significant influence on the Group's financial performance and not included in these statements.

13) Information concerning changes in contingent liabilities or contingent assets which occurred since the end of the previous financial year.

In period described here, there were no significant events resulting in the changes in contingent liabilities or contingent assets.

14) Position of the Management Board on the feasibility of performance forecasts published before for the year in the light of performance presented in the quarterly report compared to the forecasted performance:

The Company did not publish forecasts for Q1 2014.

15) Shareholders holding, directly or indirectly, through their subsidiaries, at least 5% of total votes at the Issuer's general meeting as at the quarterly report submission date, including the number of shares held by such entities, their percentage share in the share capital, the number of resulting votes and their percentage share in the total

votes at the general meeting and specification of changes in the ownership structure of substantial stakes of the Issuer's shares in the period following the publication of the previous quarterly report:

To the Company's knowledge, as of 15 May 2014 (the quarterly report publication date), the company's dominant shareholder is Quantum Assets sp. z o.o. with registered office in Kraków, holding 675421 registered multiple-vote A series shares and 222,979 ordinary bearer B series shares, accounting in total for 60.67% of its share capital and giving the holder 1573821 votes at the general meeting of the company, i.e. 70.55% of the total votes.

16) The Issuer's shares or rights thereto held by the Issuer's managers and supervisors as at the interim report submission date plus changes in their ownership, in the period following the publication of the previous report, for each person separately:

The Management Board (as of 15 May 2014)

Tomasz Hatała	36200
Bogusław Ożóg	31924
Marek Jędra	8200
Tomasz Mnich	3400

Members of the Supervisory Board holding Company's shares (as of 15 May 2014)

Tomasz Polończyk	8200
-------------------------	------

17) Identification of the proceedings pending before a court, a competent arbitration authority or a public administration authority, including the information on:

In the reporting period, neither the Company nor its subsidiaries or related entities instituted or were a party to any proceedings before a court or a public administration authority concerning claims whose total amount would exceed 10% of equity.

18) Information on the conclusion by the Issuer or its subsidiary of one or more material transactions with related entities, if they are material (separately and jointly) and if they were not arm's length transactions:

In the period in question, the Company did not conclude any such agreements with related entities.

19) Information on granting by the Issuer or its subsidiary of sureties for loans or borrowings or guarantees – jointly to a single entity or its subsidiary, if the total amount of the existing sureties or guarantees is an equivalent of at least 10% of the Issuer's equity:

In the described period, neither the Company nor its subsidiaries granted such sureties or guarantees whose amount would exceed 10% of the Issuer's equity.

20) Other information that, in the Issuer's opinion, is significant in order to evaluate its human resources, assets, financial position, financial performance and changes thereof as well as any information considered significant in order to evaluate the Issuer's capacity to meet its obligations:

In the reporting period described here, there were no other circumstances significant for evaluation of the Issuer's human resources, assets, financial position, financial performance and the capacity to meet its obligations.

21) Factors which, in the Issuer's opinion, will influence its performance at least in the subsequent quarter:

Factors which influence the Quantum software S.A. Capital Group's development in the subsequent quarter include factors independent of the Company itself as well as internal factors which depend on Quantum software S.A. and entities composing the Capital Group.

External factors include:

- economic situation, with particular consideration of financial markets situation;
- impact of the expected economic recovery in Poland and other European countries;
- long-term consequences of the political crisis in Ukraine and its impact on other CIS countries;
- economic slowdown in Russia;
- impact of the ongoing Euro zone crisis on the economy of Poland and its neighbours;
- maintenance of the growth rate in Latin America;
- extended decision-making processes in entities concerning IT expenses;
- risk related to significant fluctuations of the PLN exchange rate against euro;
- Polish companies' access to structural funds, which are first of all devoted to the development of IT systems and financing of research and development works;
- competitors' activities.

Internal factors which influence the Capital Group's development include:

- prompt completion of works specified in the contracts whose implementation started in previous quarters in accordance with budgeted expenditure and contractual terms;
- effective HR policy so as to eliminate the risk of turnover by qualified and skilled employees;
- success of marketing efforts in acquiring new contracts;
- efficient investment strategy in subsidiaries, in particular the success of applied methods of selling own products on foreign markets.

Management Board:

Kraków, 15 May 2014

Tomasz Hatala

Bogusław Ożóg

Marek Jędra

Tomasz Mnich

II. Consolidated financial statement of Quantum software S.A. for Q1 2014

Consolidated report on financial condition	2014-03-31	2013-12-31	2013-03-31
ASSETS			
Non-current assets	5624	6017	6018
Tangible assets	1416	1469	1681
Investment property	-	-	-
Biological assets	-	-	-
Goodwill of subordinates	-	-	-
Intangible assets	2742	3055	3627
Investments in associates valued according to equity method	23	23	-
Financial assets held for sale	-	-	-
Borrowings granted	780	863	648
Other financial assets	-	-	-
Deferred income tax assets	623	592	31
Other long-term receivables and accruals	40	15	31
Current assets	10330	9986	11252
Inventory	86	98	76
Trade receivables	4932	3969	4740
Other short-term receivables and accruals	1187	1381	951
Income tax receivables	-	-	-
Financial assets at fair value through profit or loss	-	-	-
Financial assets held for sale	-	-	-
Borrowings granted	502	391	502
Other financial assets	-	-	-
FX forwards	-	-	-
Cash and cash equivalents	3623	4147	4983
Non-current assets classified as held for sale	-	-	-
TOTAL ASSETS	15954	16003	17270
EQUITY & LIABILITIES			
Equity	11823	11965	12858
Equity attributable to shareholders/stockholders of the Parent	11821	11924	12594
Share capital	740	740	740
Share premium	11442	11442	11442
Treasury shares	-84	-78	-78
Supplementary capitals and reserves	1576	1656	2788
Revaluation reserve	-	-	-

Amounts recognized directly in equity relating to assets classified as held for sale	-	-	-
Exchange rate differences from translation	-209	-81	-120
Profit/loss on sale of a subsidiary	-	-	-
Retained profit/loss	-1703	-1542	-1767
Current year profit/loss	59	-213	-411
Non-controlling shares	2	41	264
LIABILITIES	4131	4038	4412
Long-term liabilities	1266	1354	1731
Provisions	188	188	165
Deferred income tax provision	699	718	781
Long-term bank loans and borrowings	149	148	176
Other long-term financial liabilities	97	141	297
Other long-term liabilities and accruals	133	159	312
Current liabilities	2865	2684	2681
Provisions	4	4	3
Short-term loans and borrowings	-	-	-
Short-term part of long-term bank loans and borrowings	9	22	38
Other short-term financial liabilities	202	231	291
Trade liabilities	1562	1229	1450
Other short-term liabilities and accruals	1088	1196	899
Income tax liabilities	-	2	-
FX forwards	-	-	-
Liabilities related to fixed assets classified as held for sale	-	-	-
TOTAL EQUITY & LIABILITIES	15954	16003	17270

Consolidated income statement (classification of expenses by function)	2014-03-31	2013-03-31
<i>Continued operations</i>		
Revenue from the sale of products, goods and materials	5506	5075
Costs of products, goods and materials sold	3653	3633
Change in products – subsidy from intangible and fixed assets	50	-

Gross profit/loss on sales	1903	1442
Distribution costs	565	765
Administrative expenses	1103	1362
Profit/loss on sales	235	-685
Other operating revenue	2	50
Remaining operating costs	5	-
Profit/loss on operating activities	232	-635
Finance revenues	41	91
Financial costs	347	10
Share in/profit loss of associates	-	-
Profit / loss from the sale of shares in an associate	-	-
Gross profit (loss)	-74	-554
Income tax	-53	-10
Net profit/loss on continuing operations	-21	-544
Discontinued operations		
Profit/loss on discontinued operations for the financial year	-	-
Net profit/loss for the reporting period	-21	-544
Profit/loss net attributed to:	-21	-544
<i>Shareholders of the parent</i>	59	-411
<i>Non-controlling shares</i>	-80	-133
Other comprehensive income	-127	-79
Gains/losses arising from the revaluation of tangible fixed assets	-	-
Gains/losses on investments recognized directly in equity and available for sale	-	-
Gains/losses on cash-flow hedges (effective portion)	-	-
Currency valuation differences (foreign companies)	-127	-79
Income tax related to items presented in other comprehensive income	-	-
Acquisition of equity from non-controlling shares	-	-
Total comprehensive income	-148	-623
Comprehensive income attributed to:	-148	-623
<i>Shareholders of the parent</i>	425	-471
<i>Non-controlling shares</i>	-573	-152
Profit/loss per share in PLN:	-	-
on continued operations	-	-
<i>Basic</i>	-0.01	-0.37
<i>Diluted</i>	-0.01	-0.37
on continued and discontinued operations	-	-
<i>Basic</i>	-0.01	-0.37

<i>Diluted</i>	-0.01	-0.37
----------------	-------	-------

(effective portion)													
Currency valuation differences (foreign companies)	-	-	-	-	-	-	-128	-	52	-76	-23	-99	
Income tax related to items presented in other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	
Total revenues and costs for the financial year directly recognised in equity	-	-	-	-	-	-	-	-	-	-	-	-	
Net profit/loss for the financial year	-	-	-	-	-	-	-	-	59	59	-80	-21	
Other changes in equity	-	-	-6	-80	-	-	-	-	-	-86	63	-23	
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution of profit/loss	-	-	-	-	-	-	-	-	-	-	-	-	
Acquisition of own shares	-	-	-6	-16	-	-	-	-	-	-22	-	-22	
Sales of own shares	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer of the reserve capital to the share capital	-	-	-	-	-	-	-	-	-	-	-	-	
Statutory capital reserve	-	-	-	-64	-	-	-	-	-	-64	63	-1	
Profit/loss on sale of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	
Balance at the end of the period	740	11442	-84	1576	-	-	-209	-	-1644	11821	2	11823	

Currency valuation differences (foreign companies)	-	-	-	-	-	-	-79	-	-13	-92	29	-63
Income tax related to items presented in capital or reclassified from capital	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues and costs for the financial year directly recognised in equity	-	-	-	-	-	-	-	-	-	-	-	-
Net profit/loss for the financial year	-	-	-	-	-	-	-	-	-212	-212	-377	-589
Other changes in equity	-	-	-	-1067	-	-	-	-	212	-855	96	-759
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Distribution of profit/loss	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of own shares	-	-	-	-	-	-	-	-	-	-	-	-
Sales of own shares	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of the reserve capital to the share capital	-	-	-	-	-	-	-	-	-	-	-	-
Statutory capital reserve	-	-	-	-	-	-	-	-	-	-	-	-
Non-controlling shares	-	-	-	65	-	-	-	-	-	65	-	65
Balance at the end of the period	740	11442	-78	2788	-	-	-120	-	-2178	12594	264	12858

Currency valuation differences (foreign companies)	-	-	-	-	-	-	-40	-	-	-40	-46	-86
Income tax related to items presented in capital or reclassified from capital	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues and costs for the financial year directly recognised in equity	-	-	-	-	-	-	-	-	-	-	-	-
Net profit/loss for the financial year	-	-	-	-	-	-	-	-	-212	-212	-377	-589
Other changes in equity	-	-	-	-1067	-	-	-	-	212	855	96	759
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-1001	-	-	-	-	-	-1001	-	-1001
Distribution of profit/loss	-	-	-	8	-	-	-	-	212	220	159	379
Acquisition of own shares	-	-	-	-	-	-	-	-	-	-	-	-
Sales of own shares	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of the reserve capital to the share capital	-	-	-	-	-	-	-	-	-	-	-	-
Statutory capital reserve	-	-	-	-74	-	-	-	-	-	-74	-63	-137
Balance at the end of the period	740	11442	-78	1656	-	-	-81	-	-1755	11924	41	11965

Consolidated cash flow statement (indirect method)	2014-03-31	2013-03-31
Gross profit (loss)	-74	-554
Adjustments for items:	-123	-77
Share of profit/loss of associates and joint ventures accounted for with the equity method	-	-
Non-controlling shares	-	-
Depreciation/Amortisation	457	479
Goodwill impairment	-	-
Foreign exchange gains/losses	88	25
Interest costs and revenues	-27	-57
Dividend revenue	-	-
Profit/loss from investment activity	5	28
Change in reserves	-	-
Change in inventories	-36	1
Change in receivables and prepayments	-998	-207
Change in payables and accruals	483	-346
Income tax paid/reimbursed	-143	-
Other corrections	48	-
Net cash flows from operating activities	-197	-631
<i>Cash flows from investment activities</i>		
Inflows from sales of fixed and intangible assets	-	63
Net inflows from sales of subsidiaries and associates	-	-
Proceeds from disposal of financial assets	-	-
Inflows from interest	-	35
Inflows from dividends	-	-
Repayment of borrowings granted	51	27
Expenditures on acquisition of property, plant and equipment and intangible assets	165	206
Net expenditures on acquisition of subsidiaries and associates	-	-
Expenditures on acquisition of short-term financial assets	-	-
Borrowings granted	59	164
Others	-	-
Net cash flows from investment activity	-173	-245
<i>Cash flows from financing activities</i>		
Inflows from loans and borrowings	-	-
Net inflows from issue of shares	-	-
Net inflows from issue of bonds, bills and notes	-	-
Repayment of loans and borrowings	12	12
Payment of financial lease liabilities	65	84

Dividends paid to Company's stockholders	-	-
Dividends paid to minority shareholders/stockholders	-	-
Acquisition of own shares	-	-
Interest paid	27	11
Others	-	-
Net cash flows from financing activities	-104	-107
Increase (decrease) in cash and cash equivalents	-474	-983
Cash, cash equivalents and overdrafts at the beginning of the period	4147	6010
<i>Foreign exchange gains/losses due to valuation of cash, cash equivalents and overdrafts</i>	-50	-
Cash, cash equivalents and overdrafts at the end of the period	3623	5027

III. Separate financial statements of Quantum software S.A. for Q1 2014

Separate statement of financial position	2014-03-31	2013-12-31	2013-03-31
ASSETS			
Non-current assets	6169	6613	7643
Tangible assets	1039	1055	1164
Intangible assets	2219	2507	3431
Investments in associates valued according to equity method	24	24	-
Financial assets held for sale	862	862	1737
Borrowings granted	1409	1609	1303
Deferred income tax assets	586	555	8
Other long-term receivables and accruals	30	1	-
Current assets	8741	8520	10105
Inventory	82	90	71
Trade receivables	4430	3680	3704
Other short-term receivables and accruals	410	354	435
Borrowings granted	699	729	1581
Other financial assets	-	-	-
Cash and cash equivalents	3120	3667	4314
TOTAL ASSETS	14910	15133	17748
EQUITY & LIABILITIES			
Equity	11453	11850	14519
Equity attributable to shareholders/stockholders of the Parent	11453	11850	14519
Share capital	740	740	740
Share premium	11442	11442	11442
Treasury shares	-84	-78	-78
Supplementary capitals and reserves	1665	1680	2911
Retained profit/loss	-1935	-165	-394
Current year profit/loss	-375	-1769	-102
Non-controlling shares	-	-	-
LIABILITIES	3457	3283	3229
Long-term liabilities	1098	1152	1439
Provisions	188	188	165
Deferred income tax provision	599	608	697
Long-term bank loans and borrowings	149	148	143
Other long-term financial liabilities	29	49	122
Other long-term liabilities and accruals	133	159	312
Current liabilities	2359	2131	1790

Provisions	4	4	3
Short-term loans and borrowings	-	-	-
Short-term part of long-term bank loans and borrowings	10	22	25
Other short-term financial liabilities	100	107	114
Trade liabilities	1372	968	756
Other short-term liabilities and accruals	873	1030	892
TOTAL EQUITY & LIABILITIES	14910	15133	17748

Separate income statement (classification of expenses by function)	2014-03-31	2013-03-31
<i>Continued operations</i>		
Revenue from the sale of products, goods and materials	4421	3519
Costs of products, goods and materials sold	2986	2454
Change in products – subsidy from intangible and fixed assets	51	52
Gross profit/loss on sales	1486	1117
Distribution costs	523	723
Administrative expenses	710	697
Profit/loss on sales	253	-303
Other operating revenue	-	50
Remaining operating costs	284	-
Profit/loss on operating activities	-31	-253
Finance revenues	123	122
Financial costs	506	4
Share in/profit loss of associates	-	-
Profit / loss from the sale of shares in an associate	-	-
Gross profit (loss)	-414	-135
Income tax	-39	-33
Net profit/loss on continuing operations	-375	-102
<i>Discontinued operations</i>		
Profit/loss on discontinued operations for the financial year	-	-
Net profit/loss for the reporting period	-375	-102
Other comprehensive income	-	-
Gains/losses arising from the revaluation of tangible fixed assets	-	-
Gains/losses on investments recognized directly in equity and available for sale	-	-
Gains/losses on cash-flow hedges (effective portion)	-	-
Currency valuation differences (foreign companies)	-	-

Income tax related to items presented in other comprehensive income	-	-
Total comprehensive income	-375	-102
Profit/loss per share in PLN:	-	-
on continued operations	-	-
<i>Basic</i>	-0.25	-0.07
<i>Diluted</i>	-0.25	-0.07
on continued and discontinued operations	-	-
<i>Basic</i>	-0.25	-0.07
<i>Diluted</i>	-0.25	-0.07

items presented in other comprehensive income												
Total revenues and costs for the financial year directly recognised in equity	-	-	-	-	-	-	-	-	-	-	-	-
Profit/loss for the period: 01.01.2014-31.03.2014	-	-	-	-	-	-	-	-375	-375	-	-	-375
Other changes in equity	-	-	-7	-15	-	-	-	-	-22	-	-	-22
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Distribution of profit/loss	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of own shares	-	-	-7	-15	-	-	-	-	-22	-	-	-22
Sales of own shares	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of the reserve capital to the share capital	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the period	740	11442	-85	1665	-	-	-	-2309	11453	-	-	11453

items presented in other comprehensive income												
Total revenues and costs for the financial year directly recognised in equity	-	-	-	-	-	-	-	-	-	-	-	-
Profit/loss for the period: 01.01.2013-31.03.2013	-	-	-	-	-	-	-	-102	-102	-	-	-102
Other changes in equity	-	-	-	-	-	-	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Distribution of profit/loss	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of own shares	-	-	-	-	-	-	-	-	-	-	-	-
Sales of own shares	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of the reserve capital to the share capital	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the period	740	11442	-78	2783	-	-	-	-368	14519	-	-	14519

items presented in other comprehensive income												
Total revenues and costs for the financial year directly recognised in equity	-	-	-	-	-	-	-	-	-	-	-	-
Net profit/loss for the financial year	-	-	-	-	-	-	-	-1770	-1770	-	-1770	-
Adjustments of fundamental errors	-	-	-	-	-	-	-	-	-	-	-	-
Other changes in equity	-	-	-	-1102	-	-	-	101	-1001	-	-1001	-
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-1001	-	-	-	-	-1001	-	-1001	-
Distribution of profit/loss	-	-	-	-101	-	-	-	101	-	-	-	-
Acquisition of own shares	-	-	-	-	-	-	-	-	-	-	-	-
Sales of own shares	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of the reserve capital to the share capital	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of actuarial measurement – suspension of incentive scheme	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the period	740	11442	-78	1681	-	-	-	-1935	11850	-	11850	-

Separate cash flow statement (indirect method)	2014-03-31	2013-03-31
Cash flows from operating activities		
Gross profit (loss)	-414	-135
Adjustments for items:	218	-341
Share of profit/loss of associates and joint ventures accounted for with the equity method	-	-
Non-controlling shares	-	-
Depreciation/Amortisation	396	431
Goodwill impairment	-	-
Foreign exchange gains/losses	-50	-
Interest costs and revenues	-70	-106
Dividend revenue	-	-
Profit/loss from investment activity	4	49
Change in reserves	-	-
Change in inventories	8	-1
Change in receivables and prepayments	-834	-22
Change in payables and accruals	403	-692
Income tax paid/reimbursed	-143	-
Other corrections	504	-
Net cash flows from operating activities	-196	-476
Cash flows from investment activities		
Inflows from sales of fixed and intangible assets	-	64
Net inflows from sales of subsidiaries and associates	-	-
Proceeds from disposal of financial assets	-	-
Inflows from interest	-	34
Inflows from dividends	-	-
Repayment of borrowings granted	51	27
Expenditures on acquisition of property, plant and equipment and intangible assets	142	77
Net expenditures on acquisition of subsidiaries and associates	-	89
Expenditures on acquisition of short-term financial assets	-	-
Borrowings granted	220	290
Others	-	-
Net cash flows from investment activity	-311	-331
Cash flows from financial activities		
Inflows from loans and borrowings	-	-
Net inflows from issue of shares	-	-
Net inflows from issue of bonds, bills and notes	-	-
Repayment of loans and borrowings	12	10

Payment of financial lease liabilities	27	30
Dividends paid to Company's stockholders	-	-
Dividends paid to minority shareholders/stockholders	-	-
Acquisition of own shares	-	-
Interest paid	2	4
Others	-	-
Net cash flows from financing activities	-41	-44
Increase (decrease) in cash and cash equivalents	-548	-851
Cash, cash equivalents and overdrafts at the beginning of the period	3667	5209
<i>Foreign exchange gains/losses due to valuation of cash, cash equivalents and overdrafts</i>	1	-
Cash, cash equivalents and overdrafts at the end of the period	3120	4358