



Quantum

**Quantum** software S.A.

Semi-annual condensed consolidated financial statements of the Quantum  
Software S.A. Capital Group for H1 2014

Kraków, 29 August 2014

**The document contains the following:**

- I. The selected financial data to the consolidated and separate financial statements
- II. Semi-annual condensed consolidated financial statements:
  - Consolidated statement of financial position
  - Consolidated statement of comprehensive income
  - Consolidated statement of changes in equity
  - Consolidated cash flow statement
  - Selected consolidated notes
- III. Issuer's semi-annual condensed financial statements:
  - Statement of financial position
  - Statement of comprehensive income
  - Statement of changes in equity
  - Cash flow statement
  - Selected notes
- IV. Management Report of the Issuer's capital group
- V. Statement by the Management Board on the preparation of financial statements
- VI. The Management Board's statement on the entity authorised to perform the audit.

**Appendices :**

- 1. The report of the entity authorised to audit the financial statements from the review of the Issuer's semi-annual condensed financial statements.
- 2. The report of the entity authorised to audit the financial statements from the review of the semi-annual condensed consolidated financial statements.

**I. The selected financial data including basic items of the semi-annual consolidated financial statements (also translated into EUR).**

	in PLN '000		in EUR '000	
	period from	period from	period from	period from
	2014-01-01 to 2014-06-30	2013-01-01 to 2013-06-30	2014-01-01 to 2014-06-30	2013-01-01 to 2013-06-30
<b>Statement of comprehensive income</b>				
Net revenues from the sale of products, goods and materials	11,337	9,188	2,713	2,180
Profit (loss) on operational activity	-310	-1,765	-74	-419
Gross profit (loss)	-448	-1,559	-107	-370
Net profit (loss)	-454	-1,576	-109	-374
	in PLN '000		in EUR '000	
	period from	period from	period from	period from
	2014-01-01 to 2014-06-30	2013-01-01 to 2013-06-30	2014-01-01 to 2014-06-30	2013-01-01 to 2013-06-30
<b>Cash flow statement</b>				
Net cash flows from operating activities	-563	-1,064	-135	-252
Net cash flows from investment activities	-149	-2,211	-36	-525
Net cash flows from financial activities	-188	-219	-45	-52
Total net cash flows	-900	-3,494	-215	-829
	in PLN '000		in EUR '000	
	period from	period from	period from	period from
	2014-01-01 to 2014-06-30	2013-01-01 to 2013-06-30	2014-01-01 to 2014-06-30	2013-01-01 to 2013-06-30
<b>Statement of financial position</b>				
Total assets	14,774	16,003	3,551	3,859
Liabilities and provisions for liabilities, including:	3,523	4,038	847	974
Long-term liabilities	1,183	1,354	284	326
Current liabilities	2,340	2,684	562	647
Equity	11,251	11,965	2,704	2,885
Share capital	740	740	178	178
Number of shares (pcs)	1,480,757	1,480,757	1,480,757	1,480,757
Diluted number of shares (pcs)	1,480,757	1,480,757	1,480,757	1,480,757
Earnings (loss) per ordinary share (in PLN/EUR)	-0.31	-1.06	-0.07	-0.25
Diluted earnings per share (in PLN/EUR)	-0.31	-1.06	-0.07	-0.25

Book value per share (in PLN/EUR)	7.60	8.08	1.83	1.95
Diluted book value per share (in PLN/EUR)	7.60	8.08	1.83	1.95
Declared or paid dividend per share (in PLN/EUR)	-	-	-	-

**Principles applicable to translation of basic items of the semi-annual consolidated financial statements into EUR.**

Translations of selected financial data into EUR in the statement of comprehensive income and in the cash flow statement 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:

Arithmetic mean in the period from 01.01.2014 to 30.06.2014: PLN 4.1784

Arithmetic mean in the period from 01.01.2013 to 30.06.2013: PLN 4.214

Translations of selected financials into EUR in the statement of financial position use the average exchange rate of the National Bank of Poland (NBP) applicable on the statement day.

H1 2014 - PLN 4.1609

31.12.2013 - PLN 4.1472

<b>Average exchange rates for the Polish zloty to euro in the period covered by the statement</b>		
<b>Period</b>	<b>Average rate in the period</b>	<b>Exchange rate as at the last day of the period</b>
2014	4.1784	4.1609
2013	4.214	4.1472

The selected financial data including basic items of the semi-annual separate financial statements (also translated into EUR).

Statement of comprehensive income	in PLN '000		in EUR '000	
	period from	period from	period from	period from
	2014-01-01 to 2014-06-30	2013-01-01 to 2013-06-30	2014-01-01 to 2014-06-30	2013-01-01 to 2013-06-30
Net revenues from the sale of products, goods and materials	9,215	6,923	2,205	1,643
Profit (loss) on operational activity	-747	-819	-179	-194
Gross profit (loss)	-2,082	-823	-498	-195
Net profit (loss)	-1,891	-808	-453	-192
Cash flow statement	in PLN '000		in EUR '000	
	period from	period from	period from	period from
	2014-01-01 to 2014-06-30	2013-01-01 to 2013-06-30	2014-01-01 to 2014-06-30	2013-01-01 to 2013-06-30
Net cash flows from operating activities	-624	-413	-149	-98
Net cash flows from investment activities	-383	-2,711	-92	-643
Net cash flows from financial activities	-77	-77	-18	-18
Total net cash flows	-1,084	-3,201	-259	-760
Statement of financial position	in PLN '000		in EUR '000	
	period from	period from	period from	period from
	2014-01-01 to 2014-06-30	2013-01-01 to 2013-06-30	2014-01-01 to 2014-06-30	2013-01-01 to 2013-06-30
Total assets	12,880	15,133	3,095	3,649
Liabilities and provisions for liabilities, including:	2,945	3,283	708	792
Long-term liabilities	1,006	1,152	242	278
Current liabilities	1,939	2,131	466	514
Equity	9,935	11,850	2,388	2,857
Share capital	740	740	178	178
Number of shares (pcs)	1,480,757	1,480,757	1,480,757	1,480,757
Diluted number of shares (pcs)	1,480,757	1,480,757	1,480,757	1,480,757
Earnings (loss) per ordinary share (in PLN/EUR)	-1.28	-0.55	-0.31	-0.13
Diluted earnings per share (in PLN/EUR)	-1.28	-0.55	-0.31	-0.13
Book value per share (in PLN/EUR)	6.71	8.00	1.61	1.93

Diluted book value per share (in PLN/EUR)	6.71	8.00	1.61	1.93
Declared or paid dividend per share (in PLN/EUR)	-	-	-	-

### **Principles applicable to translation of basic items of the semi-annual separate financial statements into EUR.**

Translations of selected financial data into EUR in the statement of comprehensive income and in the cash flow statement 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:

Arithmetic mean in the period from 01.01.2014 to 30.06.2014 - PLN 4.1784

Arithmetic mean in the period from 01.01.2013 to 30.06.2013 - PLN 4.214

Translations of selected financials into EUR in the statement of financial position use the average exchange rate of the National Bank of Poland (NBP) applicable on the statement day.

H1 2014 - PLN 4.1609

31.12.2013 - PLN 4.1472

<b>Average exchange rates for the Polish zloty to euro in the period covered by the statement</b>		
<b>Period</b>	<b>Average rate in the period</b>	<b>Exchange rate as at the last day of the period</b>
2014	4.1784	4.1609
2013	4.214	4.1472

## II. Semi-annual condensed consolidated financial statements

<b>Consolidated report on financial condition</b>	<b>Note</b>	<b>2014-06-30</b>	<b>2013-12-31</b>
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>5,310</b>	<b>6,017</b>
Property, plant and equipment	1	1,436	1,468
Investment property		-	-
Biological assets		-	-
Goodwill of subsidiaries		-	-
Intangible assets	2	2,282	3,056
Investments in associates valued according to equity method	3	23	23
Financial assets held for sale		-	-
Borrowings granted	4	962	863
Other financial assets		-	-
Deferred income tax assets		599	592
Other long-term receivables and accruals	5	8	15
<b>Current assets</b>		<b>9,464</b>	<b>9,986</b>
Inventory	6	113	98
Trade receivables	7	4,648	3,969
Other short-term receivables and accruals	5	1,142	1,381
Income tax receivables		-	-
Financial assets measured at fair value through profit or loss		-	-
Financial assets held for sale	0	-	-
Borrowings granted	4	347	391
Other financial assets	0	-	-
FX forwards		-	-
Cash and cash equivalents	9	3,214	4,147
<b>Non-current assets classified as held for sale</b>		<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>14,774</b>	<b>16,003</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>		<b>11,251</b>	<b>11,965</b>
<b>Equity attributable to shareholders/stockholders of the Parent</b>		<b>11,274</b>	<b>11,924</b>
Share capital	10	740	740
Share premium		10,466	11,442
Treasury shares	11	-102	-78
Supplementary capitals and reserves	12	817	1,656
Revaluation reserve	12	-	-
Amounts recognized directly in equity relating to assets classified as held for sale	12	-	-
Exchange rate differences from translation	12	-118	-81

Profit / loss on the disposal of a subsidiary		-	-
Retained profit/loss		-174	-1,542
Current year profit/loss		-355	-213
<b>Non-controlling shares</b>		<b>-23</b>	<b>41</b>
<b>LIABILITIES</b>		<b>3,523</b>	<b>4,038</b>
<b>Long-term liabilities</b>		<b>1,183</b>	<b>1,354</b>
Provisions	13	188	188
Provision from deferred income tax	13	675	718
Long-term bank loans and borrowings	14	148	148
Other long-term financial liabilities	15	66	141
Other long-term liabilities and accruals	17	106	159
<b>Current liabilities</b>		<b>2,340</b>	<b>2,684</b>
Provisions	13	4	4
Short-term loans and borrowings	14	-	-
Short-term part of long-term bank loans and borrowings	14	3	22
Other short-term financial liabilities	15	179	231
Trade liabilities	16	974	1,229
Other short-term liabilities and accruals	17	1,180	1,196
Income tax liabilities		-	2
FX forwards		-	-
<b>Liabilities related to fixed assets classified as held for sale</b>		<b>-</b>	<b>-</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>14,774</b>	<b>16,003</b>



<b>Consolidated income statement (classification of expenses by function)</b>	<b>Note</b>	<b>2014-06-30</b>	<b>2013-06-30</b>
<b>Continued operations</b>			
Revenue from the sale of products, goods and materials	18	11,337	9,188
Cost of products, goods and materials sold	19	8,351	6,927
Change in product - subsidy received for intangible and fixed assets		102	103
<b>Gross profit/loss on sales</b>		<b>3,088</b>	<b>2,364</b>
Distribution costs	19	1,125	1,756
Administrative expenses	19	2,105	2,440
<b>Profit/loss on sales</b>		<b>-142</b>	<b>-1,832</b>
Other operating revenue	20	5	69
Other operating costs	20	173	2
<b>Profit/loss on operating activities</b>		<b>-310</b>	<b>-1,765</b>
Finance income	21	81	239
Financial expenses	21	266	33
Share in/profit loss of associates		-1	-
Profit / loss from the sale of shares in an associate		48	-
<b>Gross profit (loss)</b>		<b>-448</b>	<b>-1,559</b>
Income tax		6	17
<b>Net profit/loss on continuing operations</b>		<b>-454</b>	<b>-1,576</b>
<b>Discontinued operations</b>			
Profit/loss on discontinued operations for the financial year		-	-
<b>Net profit/loss for the reporting period</b>		<b>-454</b>	<b>-1,576</b>
<b>Profit/loss net attributed to:</b>		<b>-454</b>	<b>-1,576</b>
<i>Shareholders of the parent</i>		-355	-1,264
<i>Non-controlling shares</i>		-99	-312
<b>Other comprehensive income</b>		<b>-37</b>	<b>-45</b>
Gains/losses arising from the revaluation of property, plant and equipment		-	-
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)		-37	-45
Income tax related to items presented in other comprehensive income	0	-	-
Acquisition of equity from non-controlling shares		-	-
<b>Total comprehensive income</b>		<b>-491</b>	<b>-1,621</b>
<b>Comprehensive income attributed to:</b>		<b>-491</b>	<b>-1,621</b>
<i>Shareholders of the parent</i>		-384	-1,300
<i>Non-controlling shares</i>		-107	-321

<b>Profit/loss per share in PLN:</b>		-	-
<b>On continued operations</b>	<b>22</b>	-	-
<i>Basic</i>	22	-0.31	-1.06
<i>Diluted</i>	22	-0.31	-1.06
<b>On continued and discontinued operations</b>	<b>22</b>		
<i>Basic</i>	22	-0.31	-1.06
<i>Diluted</i>	22	-0.31	-1.06



Currency valuation differences (foreign companies)	-	-	-	-	-	-	-37	-	-	-37	-36	-73
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	-	-	-	-	-	-	-	-	-355	-355	186	-169
<b>Other changes in equity</b>	-	<b>-976</b>	<b>-24</b>	<b>-839</b>	-	-	-	-	<b>1,581</b>	<b>-258</b>	<b>-214</b>	<b>-472</b>
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Distribution of profit/loss	-	-976	-	-793	-	-	-	-	1,769	-	-	-
Acquisition of own shares	-	-	-24	-	-	-	-	-	-	-24	-	-24
Sales of own shares	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of the reserve capital to the share capital	-	-	-	-	-	-	-	-	-	-	-	-
Reserve capital	-	-	-	-46	-	-	-	-	-188	-234	-214	-448
Profit / loss on the disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at the end of the period</b>	<b>740</b>	<b>10,466</b>	<b>-102</b>	<b>817</b>	-	-	<b>-118</b>	-	<b>-529</b>	<b>11,274</b>	<b>-23</b>	<b>11,251</b>

for the period	Equity attributable to shareholders/stockholders of the Parent										Non-controlling shares	Total equity
30 June 2013	Share capital	Share premium	Treasury shares	Supplementary capitals and reserves	Revaluation reserve	Amounts recognized directly in equity relating to assets classified as held for sale	Exchange rate differences from translation	Profit / loss on the disposal of a subsidiary	Profit/loss from previous years and the current year	Total:		
Balance at the beginning of the period prior to conversion	740	11,442	-	2,851	-	-	-40	-	-1,883	13,110	368	13,478
Changes in accounting principles (policy)	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments of fundamental errors	-	-	-78	-128	-	-	-	-	128	-78	-	-78
Balance at the beginning of period after adjustments (after conversion)	740	11,442	-78	2,723	-	-	-40	-	-1,755	13,032	368	13,400
Total comprehensive income	-	-	-	-	-	-	-36	-	-1,264	-1,300	-321	-1,621
Gains/losses arising from the revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-
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)	-	-	-	-	-	-	-45	-	-	-45	-	-45

Income tax related to items presented in other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues and costs for the financial year directly recognised in equity	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange differences recognized in comprehensive income attributable to non-controlling shares	-	-	-	-	-	-	9	-	-	9	-9	-	-
Net profit/loss for the financial year	-	-	-	-	-	-	-	-	-1,264	-1,264	-312	-1,576	-
<b>Other changes in equity</b>	-	-	-	<b>58</b>	-	-	<b>-9</b>	-	<b>191</b>	<b>240</b>	<b>-158</b>	<b>82</b>	-
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution of profit/loss	-	-	-	9	-	-	-	-	-9	-	-	-	-
Acquisition of own shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales of own shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of the reserve capital to the share capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserve capital	-	-	-	24	-	-	-	-	-	24	-	24	-
Non-controlling shares	-	-	-	25	-	-	-9	-	200	216	-158	58	-
<b>Balance at the end of the period</b>	<b>740</b>	<b>11,442</b>	<b>-78</b>	<b>2,781</b>	<b>-</b>	<b>-</b>	<b>-85</b>	<b>-</b>	<b>-2,828</b>	<b>11,972</b>	<b>-111</b>	<b>11,861</b>	<b>-</b>

for the period	Equity attributable to shareholders/stockholders of the Parent										Non-controlling shares	Total equity
	Share capital	Share premium	Treasury shares	Supplementary capitals and reserves	Revaluation reserve	Amounts recognized directly in equity relating to assets classified as held for sale	Exchange rate differences from translation	Profit / loss on the disposal of a subsidiary	Profit/loss from previous years and the current year	Total:		
<b>31 December 2013</b>												
<b>Balance at the beginning of the period prior to conversion</b>	740	11,442	-	2,851	-	-	-41	-	-1,883	13,109	368	13,477
Changes in accounting principles (policy)	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments of fundamental errors	-	-	-78	-128	-	-	-	-	128	-78	-	-78
<b>Balance at the beginning of period after adjustments (after conversion)</b>	740	11,442	-78	2,723	-	-	-41	-	-1,755	13,031	368	13,399
<b>Total comprehensive income</b>	-	-	-	-	-	-	-40	-	-213	-253	-423	-676
Gains/losses arising from the revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-
Gains/losses on investments recognized directly in equity and available for sale	-	-	-	-	-	-	-	-	-	-	-	-
Gains/losses on cash-flow hedges (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-
Currency valuation differences (foreign	-	-	-	-	-	-	-40	-	-	-40	-46	-86

companies)													
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	-	-	-	-	-	-	-	-	-213	-213	-377	-590	
<b>Other changes in equity</b>	-	-	-	<b>-1,067</b>	-	-	-	-	<b>212</b>	<b>-855</b>	<b>97</b>	<b>-758</b>	
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	<b>-1,002</b>	-	-	-	-	-	<b>-1,002</b>	-	<b>-1,002</b>	
Distribution of profit/loss	-	-	-	9	-	-	-	-	212	221	159	380	
Acquisition of own shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales of own shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of the reserve capital to the share capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserve capital	-	-	-	-74	-	-	-	-	-	-74	-62	-136	
<b>Balance at the end of the period</b>	<b>740</b>	<b>11,442</b>	<b>-78</b>	<b>1,656</b>	-	-	<b>-81</b>	-	<b>-1,756</b>	<b>11,923</b>	<b>42</b>	<b>11,965</b>	



<b>Consolidated cash flow statement (indirect method)</b>	<b>Note</b>	<b>2014-06-30</b>	<b>2013-06-30</b>
<b>Cash flows from operating activities</b>			
<b>Gross profit (loss)</b>		<b>-448</b>	<b>-1,559</b>
<b>Adjustments for items</b>		<b>-115</b>	<b>495</b>
Share of profit/loss of associates and joint ventures accounted for with the equity method		1	-
Non-controlling shares		-	11
Depreciation		910	959
Goodwill impairment		-	-
Foreign exchange gains/losses		188	-57
Interest costs and revenues		-64	-28
Dividend revenue		-	-
Profit/loss from investment activity		-421	15
Change in reserves		-	-
Change in inventories		-74	-14
Change in receivables and prepayments		-791	276
Change in payables and accruals		283	-634
Income tax paid/reimbursed		-217	-10
Other adjustments		70	-23
<b>Net cash flows from operating activities</b>		<b>-563</b>	<b>-1,064</b>
<b>Cash flows from investment activities</b>			
Inflows from sales of fixed and intangible assets		21	63
Net inflows from sales of subsidiaries and associates		-	-
Proceeds from disposal of financial assets		-	-
Inflows from interest		22	8
Inflows from dividends		-	-
Repayment of borrowings granted		84	68
Expenditures on acquisition of property, plant and equipment and intangible assets		257	97
Net expenditures on acquisition of subsidiaries and associates		-	-
Expenditures on acquisition of short-term financial assets		-	2,000
Borrowings granted		19	253
Other		-	-
<b>Net cash flows from investment activity</b>		<b>-149</b>	<b>-2,211</b>
<b>Cash flows on financial activities</b>			
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		18	19

Payment of liabilities for financial leasing contracts		119	180
Dividends paid to Company's stockholders		-	-
Dividends paid to minority shareholders/stockholders		-	-
Acquisition of own shares		-	-
Interest paid		51	33
Other		-	13
<b>Net cash flows from financing activities</b>		<b>-188</b>	<b>-219</b>
<b>Increase (decrease) in cash and cash equivalents</b>		<b>-900</b>	<b>-3,494</b>
<b>Cash, cash equivalents and overdrafts at the beginning of the period</b>		<b>4,147</b>	<b>5,922</b>
<i>Foreign exchange gains/losses due to valuation of cash, cash equivalents and overdrafts</i>		-33	18
<b>Cash, cash equivalents and overdrafts at the end of the period</b>		<b>3,214</b>	<b>2,446</b>

## **Selected consolidated notes**

### **- Notes on the adopted accounting principles (policy):**

#### **1. Overview**

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

The financial year of the Group's companies corresponds to the calendar year. These condensed consolidated financial statements cover the period from 01 January 2014 to 30 June 2014. The presented comparative figures cover the period from 1 January to 31 December 2013 and from 1 January to 30 June 2013. The consolidated financial statements for H1 2014 have been prepared in thousands of PLN.

#### **2. Approval of the financial statements**

These financial statements were adopted and approved for publication by the Management Board on 29 August 2014.

#### **3. Basic principles of preparing financial statements**

The accounting principles adopted for preparing these Condensed semi-annual Consolidated Financial Statements are described below. These principles were applied in all of the reporting periods presented.

These Semi- Annual Condensed Consolidated Financial Statements (the "Semi-annual Consolidated Financial Statements") have been prepared in compliance with the International Accounting Standard ("IAS") 34 - Interim Financial Reporting ("IAS 34") and in compliance with applicable accounting standards pertaining to interim financial reporting as adopted by the European Union, published and effective at the time of preparing the Semi-Annual Consolidated Financial Statements.

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 Semi-Annual Condensed Consolidated Financial Statements for H1 2014 were prepared on the assumption that the Capital Group would continue as a going concern.

These financial statements contain financial data for H1 2014 and comparative financial data as at 31.12.2013 and as at 30.06.2013.

The Semi-Annual Consolidated Financial Statements for H1 2013 were prepared in PLN with figures rounded to full thousand.

Accounting records follow the historical cost method. The Issuer did not make any adjustments that would reflect the influence of inflation on individual items of the balance

sheet or of the profit and loss account. The Issuer prepares the profit and loss account in the by-function format. The cash flow statement uses the indirect method.

### **Accounting principles**

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,

### **Property, plant and equipment and intangible assets**

Methods of valuation of intangible and property, plant and equipment - intangible and property, plant and equipment 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 property, plant and equipment.

## **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 (a) of IFRS 7), taking into account provisions for impairment and non-recovery (based on section 58 of IAS 39),
- cash - valued at acquisition - based on section 29 (a) of IFRS 7,
- 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**

Property, plant and equipment, 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/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 income**

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.

**Finance 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 to utilise 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 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.

**Leasing**

Property, plant and equipment 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.



## Notes – selected explanatory information

### Note 1 Property, plant and equipment

PROPERTY, PLANT AND EQUIPMENT	FOR THE PERIOD ENDING 30 JUNE 2014					
	Land and perpetual usufruct title to land	Buildings and structures	Plant and machinery	Vehicles	Other	Total
<b>Gross value at the beginning of period</b>	-	46	2,276	1,744	36	4,102
Increases	-	-	87	169	-	256
<i>acquisition</i>	-	-	87	169	-	256
<i>acquisition under the merger of business entities</i>	-	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-	-
<i>other</i>	-	-	-	-	-	-
Decreases	-	-	114	231	-	345
<i>disposal</i>	-	-	114	226	-	340
<i>due to revaluation</i>	-	-	-	-	-	-
<i>due to reclassification to fixed assets held for sale</i>	-	-	-	-	-	-
<i>other</i>	-	-	-	5	-	5
Allocated to discontinued operations	-	-	-	-	-	-
Internal movements (+/-)	-	-	-	-	-	-
<b>Gross value at the end of the period</b>	-	46	2,249	1,682	36	4,013
<b>Amortisation/depreciation at the beginning of the period</b>	-	42	1,689	869	34	2,634
amortisation for the period	-	2	125	134	-	261
other increases	-	-	-	-	-	-
decreases	-	-	114	217	-	331
<b>Amortisation/depreciation at the end of the period</b>	-	44	1,700	786	34	2,564
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	-	44	1,700	786	34	2,564
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-13	-	-13
<b>Net value at the end of the period</b>	-	<b>2</b>	<b>549</b>	<b>883</b>	<b>2</b>	<b>1,436</b>

PROPERTY, PLANT AND EQUIPMENT	FOR THE PERIOD ENDING 31 DECEMBER 2013					
	Land and perpetual usufruct title to land	Buildings and structures	Plant and machinery	Vehicles	Other	Total
<b>Gross value at the beginning of period</b>	-	46	2,103	1,763	32	3,944
Increases	-	-	214	418	4	636
<i>acquisition</i>	-	-	214	418	4	636
<i>acquisition under the merger of business entities</i>	-	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-	-
<i>other</i>	-	-	-	-	-	-
Decreases	-	-	41	420	-	461
<i>disposal</i>	-	-	35	419	-	454
<i>due to revaluation</i>	-	-	-	-	-	-
<i>due to reclassification to fixed assets held for sale</i>	-	-	-	-	-	-
<i>other</i>	-	-	6	1	-	7
Allocated to discontinued operations	-	-	-	-	-	-
Internal movements (+/-)	-	-	-	-	-	-
<b>Gross value at the end of the period</b>	-	<b>46</b>	<b>2,276</b>	<b>1,761</b>	<b>36</b>	<b>4,119</b>
<b>Amortisation/depreciation at the beginning of the period</b>	-	<b>37</b>	<b>1,464</b>	<b>990</b>	<b>30</b>	<b>2,521</b>
amortisation for the period	-	5	262	279	4	550
other increases	-	-	-	-	-	-

decreases	-	-	37	400	-	437
<b>Amortisation/depreciation at the end of the period</b>	-	<b>42</b>	<b>1,689</b>	<b>869</b>	<b>34</b>	<b>2,634</b>
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	34	2,634
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-17	-	-17
<b>Net value at the end of the period</b>	-	<b>4</b>	<b>587</b>	<b>875</b>	<b>2</b>	<b>1,468</b>

The Group owns cars classified as PP&E under lease, with a net value of PLN 583,968.27 and PLN 494,644.06 as at 31 December 2013 and 30 June 2014 respectively.

Expenditures on PP&E under construction recognised in the carrying value amount to PLN 75,285.87 and PLN 0.00 as at 31 December 2013 and 30 June 2014 respectively.

## Note 2 Intangible assets

INTANGIBLE ASSETS	FOR THE PERIOD ENDING 30 JUNE 2014				
	Own development work	Intangible assets purchased			Total
		Patents and trademarks	Licenses	Other	
<b>Gross value at the beginning of the period</b>	<b>6,710</b>	-	<b>2,651</b>	-	<b>9,361</b>
Increases	-	-	23	-	23
<i>Acquisition</i>	-	-	23	-	23
<i>own development work</i>	-	-	-	-	-
<i>acquisition under the merger of business entities</i>	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-
<i>other</i>	-	-	-	-	-
Decreases	997	-	-	-	997
<i>decommissioning</i>	-	-	-	-	-
<i>liquidation</i>	-	-	-	-	-

<i>disposal</i>	997	-	-	-	997
<i>due to revaluation</i>	-	-	-	-	-
<i>due to reclassification to fixed assets held for sale</i>	-	-	-	-	-
<i>other</i>	-	-	-	-	-
<b>Gross value at the end of the period</b>	<b>5,713</b>	-	<b>2,674</b>	-	<b>8,387</b>
<b>Amortisation/depreciation at the beginning of the period</b>	<b>4,261</b>	-	<b>2,044</b>	-	<b>6,305</b>
amortisation for the period	565	-	84	-	649
other increases acquisition under the merger of business entities	-	-	-	-	-
decreases	847	-	-	-	847
<b>Amortisation/depreciation at the end of the period</b>	<b>3,979</b>	-	<b>2,128</b>	-	<b>6,107</b>
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	3,979	-	2,128	-	6,107
Adjustment for net foreign exchange gains/losses on translation	-	-	2	-	2
<b>Net value at the end of the period</b>	<b>1,734</b>	-	<b>548</b>	-	<b>2,282</b>

INTANGIBLE ASSETS	FOR THE PERIOD ENDING 31 DECEMBER 2013				
	Own development work	Intangible assets purchased			Total
		Patents and trademarks	Licenses	Other	
<b>Gross value at the beginning of the period</b>	<b>6,710</b>	-	<b>2,294</b>	-	<b>9,004</b>
Increases	-	-	640	-	640
<i>acquisition</i>	-	-	360	-	360
<i>own development work</i>	-	-	-	-	-
<i>acquisition under the merger of business entities</i>	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-
<i>other</i>	-	-	280	-	280
Decreases	-	-	280	-	280
<i>decommissioning</i>	-	-	-	-	-
<i>liquidation</i>	-	-	-	-	-
<i>disposal</i>	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-
<i>due to reclassification to fixed assets held for sale</i>	-	-	-	-	-
<i>other</i>	-	-	280	-	280
<b>Gross value at the end of the period</b>	<b>6,710</b>	-	<b>2,654</b>	-	<b>9,364</b>
<b>Amortisation/depreciation at the beginning of the period</b>	<b>2,969</b>	-	<b>2,066</b>	-	<b>5,035</b>
amortisation for the period	1,292	-	98	-	1,390
other increases	-	-	-	-	-
decreases	-	-	120	-	120
<b>Amortisation/depreciation at the end of the period</b>	<b>4,261</b>	-	<b>2,044</b>	-	<b>6,305</b>
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	4,261	-	2,044	-	6,305

amortisation/depreciation and impairment loss at the end of the period					
Adjustment for net foreign exchange gains/losses on translation	-	-	-3	-	-3
<b>Net value at the end of the period</b>	<b>2,449</b>	<b>-</b>	<b>607</b>	<b>-</b>	<b>3,056</b>

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

### Note 3 Investments in associates

Condensed financial information in the entities measured using the equity method, not adjusted by the Group's share.

<b>Entity name:</b>	<b>2014-06-30</b>	<b>2013-12-31</b>
Share in the balance sheet of the associate	<b>48%</b>	<b>48%</b>
Non-current assets (long-term)	-	-
Current assets (short-term)	48	48
Long-term liabilities	-	-
Current liabilities	2	-
Net assets	47	48
Share in the revenues and profit/loss of the associate	-	-
Revenues	-	-
Profit/loss	-1	-1
Carrying value of the investment in an associate	23	23

#### Note 4 Borrowings granted

BORROWINGS GRANTED								
Long-term	Amount	Interest rate	Repayment date	As of		Interest accrued from the beginning of the financial year to		Collateral
				2014-06-30	2013-12-31	2014-06-30	2013-06-30	
<i>Borrowings granted to other parties</i>								
other parties	568	Fixed (11%) or variable	-	782	679	32	27	The borrowings granted to one of the companies were secured by a registered pledge on the interests held by that company's shareholders and on its property rights.
Employees	24	Fixed (10-12%)	-	34	42	3	4	No collateral
Marek Jędra, Management Board Member of the Parent Company	100	Fixed (6%)	-	146	142	4	4	The borrowing is secured by the interests of Quantum Assets Sp. z o.o.
<b>TOTAL:</b>				<b>962</b>	<b>863</b>	<b>39</b>	<b>35</b>	

BORROWINGS GRANTED								
Short-term	Amount	Interest rate	Repayment date	As of		Interest accrued from the beginning of the financial year to		Collateral
				2014-06-30	2013-12-31	2014-06-30	2013-06-30	
<i>Borrowings granted to other parties</i>								
other parties	296	Fixed (11%-15%) or variable	-	301	336	1	7	The borrowings granted to one of the companies were secured by a registered pledge on the interests held by that company's shareholders and on its property rights.
Employees	40	Fixed (10%-13%)	-	46	55	1	1	No collateral
<b>TOTAL:</b>				<b>347</b>	<b>391</b>	<b>2</b>	<b>8</b>	



- **Borrowings granted to other parties:**

I. Long-term borrowings granted to other parties – balance as at 30 June 2014: PLN 781,871.72.

II. Short-term borrowings granted to other parties – balance as at 30 June 2014: PLN 300,428.39.

- **Borrowings granted to employees:**

I. Long-term borrowings granted to employees – balance as at 30 June 2014: PLN 34,000.00.

II. Short-term borrowings granted to employees – balance as at 30 June 2014: PLN 46,165.40.

- **Borrowings granted to a member of the Management Board of the Parent Company by a subsidiary:**

I. Long-term borrowing – balance as at 30 June 2014: PLN 146,356.18.

## Note 5 Other receivables and prepayments

OTHER RECEIVABLES AND PREPAYMENTS	2014-06-30	2013-12-31
<b>Receivables from subsidiaries:</b>	-	-
- long-term	-	-
- short-term	-	-
<b>Receivables from related parties:</b>	-	-
- long-term	-	-
- short-term	-	-
<b>Advance payments:</b>	<b>517</b>	<b>466</b>
- long-term	-	-
- short-term	517	466
<b>Other receivables:</b>	<b>367</b>	<b>573</b>
- long-term	-	-
- short-term	367	573
<b>Prepayments:</b>	<b>266</b>	<b>357</b>
- long-term	8	15
- short-term	258	342
<b>Impairment losses at the beginning of the period</b>	-	-
<b>Recognition of impairment losses in the period</b>	-	-
<b>Reversal of impairment loss in the period</b>	-	-
<b>Impairment losses at the end of the period</b>	-	-
<b>TOTAL</b>	<b>1,150</b>	<b>1,396</b>

**Other receivables include:**

- due to taxes, customs duty, insurance and other benefits	-	99
- security deposits paid	65	82
- payroll	9	-
- other employee settlements	2	1
- input VAT to be settled in future periods	91	97
- 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		
- unsettled tax paid by foreign companies	63	63
- settlements with a brokerage house related to redemption of treasury shares	18	22
- other settlements with suppliers	48	39
- other receivables	71	170
<b>TOTAL:</b>	<b>367</b>	<b>573</b>

**Accruals include:**

- settlement of long-term contracts	1	-
- inter-period cost settlement	123	238
- other prepayments	-	1
- property insurance	49	62
- appropriation for the Company Social Benefit Fund (ZFSS)-	33	-
- prepaid subscriptions, etc.	29	15
- settlement of VAT related to lease agreements to be settled in subsequent periods – within 12 months	23	26
- settlement of VAT related to lease agreements to be settled in subsequent periods – above 12 months	8	15
<b>TOTAL:</b>	<b>266</b>	<b>357</b>

## Note 6: Inventory

INVENTORIES	As of 2014-06-30				
	Materials	Work in progress	Finished products	Goods	Total
Measurement at the acquisition price/manufacturing cost	-	-	-	138	138
Measurement at net realisable value	-	-	-	-	-
Write-downs on inventory at the beginning of the period	-	-	-	-	-
Reversal of inventory write-down recognised as write-down reduction in the period	-	-	-	-	-
Write-down on inventory recognised in the period as cost	-	-	-	25	25
Write-downs on inventory at the end of the period	-	-	-	25	25
Inventory recognised in the period as cost	-	-	-	-	-
<b>Inventory carrying cost</b>	-	-	-	<b>113</b>	<b>113</b>
<i>Inventories pledged as security for liabilities</i>	-	-	-	138	138
<i>Of which, long-term</i>	-	-	-	25	25

INVENTORIES	As of 2013-12-31				
	Materials	Work in progress	Finished products	Goods	Total
Measurement at the acquisition price/manufacturing cost	-	-	-	98	98
Measurement at net realisable value	-	-	-	-	-
Write-downs on inventory at the beginning of the period	-	-	-	-	-
Reversal of inventory write-down recognised as write-down reduction in the period	-	-	-	-	-
Write-down on inventory recognised in the period as cost	-	-	-	-	-
Write-downs on inventory at the end of the period	-	-	-	-	-
Inventory recognised in the period as cost	-	-	-	-	-
<b>Inventory carrying cost</b>	-	-	-	<b>98</b>	<b>98</b>
<i>Inventories pledged as security for liabilities</i>	-	-	-	-	-
<i>Of which, long-term</i>	-	-	-	-	-

## Note 7 Trade receivables

TRADE RECEIVABLES	2014-06-30	2013-12-31
Trade receivables from related parties	-	-
Trade receivables from other parties	4,884	4,205
<b>Total:</b>	<b>4,884,</b>	<b>4,205</b>
<b>Allowances for trade receivables</b>	<b>236</b>	<b>236</b>
<b>Net trade receivables</b>	<b>4,648</b>	<b>3,969</b>

MOVEMENT IN REVALUATION ALLOWANCES	2014-06-30	2013-12-31
At the beginning of the period	236	236
Increases	-	-
<b>Decreases</b>	<b>-</b>	<b>-</b>
<b>At the end of the period</b>	<b>236</b>	<b>236</b>

## Note 8 Age structure of trade receivables

AGE STRUCTURE OF TRADE RECEIVABLES	30 JUNE 2014		31 DECEMBER 2013	
	Gross	Write-down	Gross	Write-down
Performing	3,321	-	3,042	-
Overdue up to 3 months	859	-	752	-
Overdue between 3 and 6 months	153	-	154	-
Overdue between 6 and 12 months	282	-	15	-
Overdue over 1 year	269	236	242	236
<b>Total</b>	<b>4,884</b>	<b>236</b>	<b>4,205</b>	<b>236</b>

## Note 9 Cash and cash equivalents

CASH AND CASH EQUIVALENTS	2014-06-30	2013-12-31
Cash in bank and at hand	1,695	612
Short-term deposits	1,519	3,535
Other	-	-
<b>Total, including:</b>	<b>3,214</b>	<b>4,147</b>
- 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 H1 2014, cash decreased by PLN 933,230.84.

Time deposits have been opened by the Parent Company. Both, in H1 2014 and in 2013, the Company invested cash in short-term deposits. The deposits bear a fixed interest rate. In H1 2014, deposits with interest rates ranging from 2.84% to 3.95% were opened, while in 2013 interest rates ranged from 3.20% to 5.92%.

#### **Note 10 Share capital**

In H1 2014 there were no changes in the shareholding structure.

#### **Note 11 Treasury shares**

<b>TREASURY SHARES</b>			
<b>As of 2014-06-30</b>	<b>Number of shares</b>	<b>Value at purchase prices</b>	<b>Purpose of purchase</b>
	14,930	102	Art. 362(1)(8) of the Commercial Companies Code
<b>TOTAL</b>	<b>14,930</b>	<b>102</b>	<b>0</b>

In the previous years (2009 - 2014), the Parent Company redeemed 14,930 treasury shares as part of the its incentive scheme for its managerial personnel. Due to the temporary suspension of the incentive scheme, no further redemption of treasury shares takes place. The management board was authorised to purchase treasury shares by way of resolution no. 17 of 18 May 2009, pursuant to Art. 362(1)(8) of the Commercial Companies Code.



Reclassification to share capital and supplementary capital	-	-	-	-	-	-	-	-	-	-
Currency valuation differences (foreign companies)	-	-	-	-	-	-	-	-	-37	-37
Profit distribution	-976	-793	-94	-	-	-	-	-	-	-1,863
Dividend	-	-	-	-	-	-	-	-	-	-
Non-controlling shares	-	-	-	-	-	-	-	-	-	-
Foreign exchange gains/losses	-	-	-	-	-	-	-	-	-	-
Statutory capital reserve	-	48	-	-	-	-	-	-	-	48
Income tax related to items presented in other comprehensive income	-	-	-	-	-	-	-	-	-	-
<b>Balance at the end of the period</b>	<b>10,466</b>	<b>-</b>	<b>817</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-118</b>	<b>11,165</b>





Currency valuation differences (foreign companies)	-	-	-	-	-	-	-	-	-	-
Profit distribution	-	9	-	-	-	-	-	-	-	9
Non-controlling shares	-	-1,001	-	-	-	-	-	-	-	-1,001
Foreign exchange gains/losses	-	-	-	-	-	-	-	-	-40	-40
Statutory capital reserve	-	-74	-	-	-	-	-	-	-	-74
Income tax related to items presented in other comprehensive income	-	-	-	-	-	-	-	-	-	-
<b>Balance at the end of the period</b>	<b>11,442</b>	<b>745</b>	<b>911</b>	-	-	-	-	-	<b>-81</b>	<b>13,017</b>

## Note 13 Provisions

PROVISIONS					
	For period ending 30 June 2014				
	Provisions for warranty repairs	Provisions for restructuring	Provisions for employee and similar benefits	Other provisions	Total
<b>Value at the beginning of the period, including</b>	-	-	192	-	192
Short-term at the beginning of the period	-	-	4	-	4
Long-term at the beginning of period	-	-	188	-	188
Increases	-	-	-	-	-
Established in the period and increase of the existing	-	-	-	-	-
Acquired under mergers of business entities	-	-	-	-	-
Decreases	-	-	-	-	-
Used during the year	-	-	-	-	-
Released but no used	-	-	-	-	-
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-	-
Adjustment of discount rate	-	-	-	-	-
<b>Value at the end of the period, including</b>	-	-	192	-	192
Short-term at the end of the period	-	-	4	-	4
Long-term at the end of the period	-	-	188	-	188

PROVISIONS					
	For period ending 31 December 2013				
	Provisions for warranty repairs	Provisions for restructuring	Provisions for employee and similar benefits	Other provisions	Total
<b>Value at the beginning of the period, including</b>	-	-	169	-	169
Short-term at the beginning of the period	-	-	4	-	4
Long-term at the beginning of period	-	-	165	-	165
Increases	-	-	23	-	23
Established in the period and increase of the existing	-	-	23	-	23

Acquired under mergers of business entities	-	-	-	-	-
Decreases	-	-	-	-	-
Used during the year	-	-	-	-	-
Released but no used	-	-	-	-	-
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-	-
Adjustment of discount rate	-	-	-	-	-
<b>Value at the end of the period, including</b>	-	-	<b>192</b>	-	<b>192</b>
Short-term at the end of the period	-	-	4	-	4
Long-term at the end of the period	-	-	188	-	188

#### Note 14 Bank loans and borrowings

In H1 2014, 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. Collaterals remained unchanged.

#### Note 15 Other financial liabilities

LIABILITIES DUE TO FINANCE LEASE AGREEMENTS				
FUTURE MINIMUM LEASE FEES AND NET CURRENT VALUE OF MINIMUM LEASE FEES				
	30 JUNE 2014		31 DECEMBER 2013	
	Minimum fees	Current amount of minimum fees	Minimum fees	Current amount of minimum fees
within up to 1 year	189	179	243	231
within 1-5 years	71	66	159	141
over 5 years	-	-	-	-
<b>Total</b>	<b>260</b>	<b>245</b>	<b>402</b>	<b>372</b>

As at 30 June 2014, the Parent Company concluded the following lease agreements:

1. Agreement no. 11/006036 concluded with Raiffeisen Leasing Polska S.A., regarding a Hyundai passenger car; as at 30 June 2014, the outstanding amount was PLN 5,004.30. 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 at 30 June 2014, the outstanding amount was PLN 15,543.54. 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 at 30 June 2014, the outstanding amount was PLN 17,029.70. 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 30 June 2014, the outstanding amount was PLN 14,394.20. 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 at 30 June 2014, the outstanding amount was PLN 29,407.04. The agreement expires in November 2015.
6. Agreement no. 40801 concluded with SG Equipment Leasing Polska Sp. z o.o., regarding a Scoda Octavia II passenger car; as at 30 June 2014, the outstanding amount was PLN 29,520.68. The agreement expires in January 2016.

Agreements concluded by other companies:

Quantum International Ukraine concluded a car lease agreement for 24 months in the amount of PLN 97,167.90. As at 30 June 2014, the outstanding amount was PLN 13,567.22.

Quantum I-Services concluded three car lease agreements in the total amount of PLN 326,927.47. As at 30 June 2014, the outstanding amount was PLN 105,542.84.

Quantum Brasil concluded a car lease agreement in the amount of PLN 49,913.01. As at 30 June 2014, the outstanding amount was PLN 24,365.11.

#### Note 16 Trade liabilities

TRADE LIABILITIES	2014-06-30	2013-12-31
Trade liabilities from related parties	-	-
Trade liabilities from other parties	974	1,229
<b>Total:</b>	<b>974</b>	<b>1,229</b>

#### Note 17 Other liabilities and accruals

OTHER LIABILITIES AND ACCRUALS	2014-06-30	2013-12-31
<b>Liabilities due to subsidiaries:</b>	-	-
- long-term	-	-
- short-term	-	-
<b>Liabilities from related parties:</b>	-	-
- long-term	-	-
- short-term	-	-
<b>Advance payments:</b>	-	69

- long-term	-	-
- short-term	-	69
<b>Other liabilities:</b>	<b>886</b>	<b>875</b>
- long-term	-	-
- short-term	886	875
<b>Accruals:</b>	-	-
- long-term	-	-
- short-term	-	-
<b>Deferred revenue:</b>	<b>400</b>	<b>411</b>
- long-term	106	159
- short-term	294	252
<b>Total, including:</b>	<b>1,286</b>	<b>1,355</b>
- long-term	106	159
- short-term	1,180	1,196

<b>Other liabilities include:</b>		
Due to taxes, customs duty, insurance and other benefits	736	794
Payroll	45	23
Dividends	3	3
Other liabilities	41	49
Settlement of special purpose funds	61	6
	<b>886</b>	<b>875</b>

<b>Accruals include:</b>		
Settlement of subsidy received – within 12 months	155	203
Settlement of subsidy received – over 12 months	106	159
Settlement of long-term contracts	20	2
Other accruals and deferred income	90	-
Turn-of-the-period costs	29	47
	<b>400</b>	<b>411</b>

## Note 18 Revenue from sale of products, goods and materials

REVENUE FROM THE SALE OF PRODUCTS, GOODS AND MATERIALS						
	Continued operations		Discontinued operations		Total	
	2014-06-30	2013-06-30	2014-06-30	2013-06-30	2014-06-30	2013-06-30
Revenue from the sale of products	403	624	-	-	403	624
Revenue from the sale of services	9,173	7,237	-	-	9,173	7,237
Revenue from the sale of materials	-	-	-	-	-	-
Revenue from the sale of goods	1,761	1,327	-	-	1,761	1,327
<b>TOTAL</b>	<b>11,337</b>	<b>9,188</b>	<b>-</b>	<b>-</b>	<b>11,337</b>	<b>9,188</b>
of which: non-pecuniary revenue from exchange of goods or services	-	-	-	-	-	-

In H1 2014, a decrease in sales compared to the same period in 2013 was recorded. In the comparative period of 2013, the group sold less goods than in the current period. The sale of goods is the group's auxiliary business related to specific orders as part of the performance of agreements with counterparties.

## Note 19 Costs by type

COSTS BY TYPE	2014-06-30	2013-06-30
Depreciation and amortisation of fixed and intangible assets	911	959
Costs of employee benefits	4,640	4,652
Consumption of raw materials and materials	174	201
Costs of outsourced services	3,788	3,587
Costs of taxes and charges	54	52
Other costs	407	644
Change in products and work in progress.	-	-
Value of goods sold	1,607	1,028
<b>TOTAL</b>	<b>11,581</b>	<b>11,123</b>
Distribution costs	1,125	1,756
Administrative expenses	2,105	2,440
Cost of products, goods and materials sold	8,351	6,927

<b>TOTAL</b>	<b>11,581</b>	<b>11,123</b>
of which: minimum lease fees recognised as operating lease costs	-	-

<b>COSTS OF EMPLOYEE BENEFITS</b>	<b>2014-06-30</b>	<b>2013-06-30</b>
Payroll costs	3,879	3,865
Costs of social insurance	701	787
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 benefits	60	-
Other post-employment benefits	-	-
Costs of employee benefits in the form of treasury shares	-	-
<b>TOTAL</b>	<b>4,640</b>	<b>4,652</b>

<b>RESEARCH AND DEVELOPMENT COSTS</b>	<b>2014-06-30</b>	<b>2013-06-30</b>
Depreciation	565	641
Consumption of raw materials and auxiliary materials	-	-
Costs of outsourced services	-	-
Other costs	-	-
<b>TOTAL</b>	<b>565</b>	<b>641</b>

## Note 20 Other revenue and expenses

<b>OTHER REVENUE</b>	<b>2014-06-30</b>	<b>2013-06-30</b>
State subsidies	-	49
Profit on sale of property, plant and equipment	-	-
Reversal of impairment losses on receivables	-	-
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 fees	-	-



Refunds of damages	-	-
Differences on balance sheet measurement	-	-
Donations, fines and damages received	3	13
Adjustment of contributions to Labour Fund for previous years	-	-
Reimbursement of insurance policy premiums	-	-
Redemption of part of shares	-	-
Other	2	7
<b>TOTAL</b>	<b>5</b>	<b>69</b>
of which: non-pecuniary revenue from exchange of goods or services	-	-

<b>OTHER COSTS</b>	<b>2014-06-30</b>	<b>2013-06-30</b>
Loss on sale of property, plant and equipment	138	-
Provision for warranty 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	25	-
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 costs	-	-
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	-	-
Grants	-	-
Other	10	2
<b>TOTAL</b>	<b>173</b>	<b>2</b>

## Note 21 Financial revenue and expenses

<b>FINANCIAL REVENUE</b>	<b>2014-06-30</b>	<b>2013-06-30</b>
Interest revenue	81	124
Dividend revenue	-	-
Investment revenue	-	-
Foreign exchange gains	-	105
Interest charged on receivables	-	-
FX hedges (forwards)	-	-
Other	-	10
Reversal of 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	-	-
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	-	-
<b>TOTAL</b>	<b>81</b>	<b>239</b>

<b>FINANCIAL COSTS</b>	<b>2014-06-30</b>	<b>2013-06-30</b>
Costs of interest, including:	7	2
bank loans	-	1
borrowings	-	-
Other	1	-
state budget and other interest	6	1
Financial costs under finance lease agreements	14	27
Provision for outstanding interest	-	-
Loss on disposal of investments	-	-
Foreign exchange losses	242	-
Profit / loss on the sale of shares in a subsidiary	-	-
Writing off of a borrowing and interest	-	-
Other	3	4
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	-	-
<b>TOTAL</b>	<b>266</b>	<b>33</b>

## Note 22 Consolidated earnings per share

CONSOLIDATED EARNINGS PER SHARE	2014-06-30	2013-06-30
<b>Consolidated net profit for the reporting period attributable to:</b>	<b>-454</b>	<b>-1,576</b>
Shareholders of the Parent Company	-355	-1,264
Non-controlling shares	-99	-312

CONSOLIDATED NET PROFIT OF ORDINARY SHAREHOLDERS OF THE PARENT COMPANY (BASIC)						
Description	30 JUNE 2014			30 JUNE 2013		
	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	-355	-	-355	-1,264	-	-1,264
Dividends on preference shares not subject to redemption (-)	-	-	-	-	-	-
<b>Total</b>	<b>-355</b>	<b>-</b>	<b>-355</b>	<b>-1,264</b>	<b>-</b>	<b>-1,264</b>

AVERAGE WEIGHTED NUMBER OF ORDINARY SHARES	2014-06-30	2013-06-30
<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 PROFIT PER SHARE	2014-06-30	2013-06-30
on continued and discontinued operations	-	-
on continued operations	-	-

CONSOLIDATED NET	30 JUNE 2014	30 JUNE 2013
------------------	--------------	--------------

<b>PROFIT OF ORDINARY SHAREHOLDERS OF THE PARENT COMPANY (DILUTED)</b>	<b>Continued operations</b>	<b>Discontinued operations</b>	<b>Total</b>	<b>Continued operations</b>	<b>Discontinued operations</b>	<b>Total</b>
Consolidated net profit/loss of ordinary Shareholders of the Parent Company (basic)	-355	-	-355	-1,264	-	-1,264
Interest on convertible bonds, after taxes	-	-	-	-	-	-
<b>Consolidated net profit/loss of ordinary Shareholders of the Parent Company (diluted)</b>	<b>-355</b>	<b>-</b>	<b>-355</b>	<b>-1,264</b>	<b>-</b>	<b>-1,264</b>

<b>AVERAGE WEIGHTED NUMBER OF ORDINARY SHARES (DILUTED)</b>	<b>2014-06-30</b>	<b>2013-06-30</b>
<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	-	-
<b>Average weighted number of ordinary shares at the end of the period (diluted)</b>	<b>1,480,757</b>	<b>1,480,757</b>

<b>CONSOLIDATED DILUTED NET PROFIT PER SHARE</b>	<b>2014-06-30</b>	<b>2013-06-30</b>
on continued and discontinued operations	-	-
on continued operations	-	-

### **Note 23 Information on operating segments**

The Company 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 Company presents sales categorised into products, services and goods (note 18) and by geographical areas. The Company does not present information on major groups of customers because such a situation is not applicable.

2014-06-30		
INFORMATION ON GEOGRAPHICAL AREAS	Revenues	Non-current assets
Domestic sales	9,390	*
Total foreign sales	1,947	*
of which:		
Germany	377	-
Ukraine	878	-
Russia	159	-
Belarus	-	-
Hungary	79	-
Czech Republic	19	-
Spain	63	-
Other	372	-
<b>TOTAL</b>	<b>11,337</b>	-

2013-06-30		
INFORMATION ON GEOGRAPHICAL AREAS	Revenues	Non-current assets
Domestic sales	6,240	*
Total foreign sales	2,948	*
of which:		
Germany	565	-
Ukraine	822	-
Russia	1,014	-
Belarus	73	-
Hungary	103	-
Czech Republic	100	-
Ecuador	185	-
Other	86	-
<b>TOTAL</b>	<b>9,188</b>	-

INFORMATION ON TYPES OF PRODUCTS, SERVICES AND GOODS	2014-06-30	2013-06-30
	Revenues	Revenues
Products – licenses	403	624
Services – implementation	2,311	2,884
Services – maintenance	4,706	3,733
Services – individual projects and other services	1,235	620
Long-term contracts	921	-
Goods	1,761	1,327
<b>TOTAL</b>	<b>11,337</b>	<b>9,188</b>

## Note 24 Construction contracts

From among the companies making up the Capital Group only the Issuer holds contracts having the traits of long-term contracts. The management boards of all the companies analyse the costs and revenues under such contracts on a regular basis. The discrepancies between the progress of the contracts and the accompanying costs and revenue affect the financial result only in the case of the Issuer. These discrepancies are presented in the note below.

<b>CONSTRUCTION CONTRACTS IN PROGRESS</b>	<b>2014-06-30</b>	<b>2013-12-31</b>
Total costs incurred	581	324
Total gains and losses recognised	921	354
Advances received	-	-
Deposit amount	-	-
Accounts receivable from customers due to work under contracts	307	173
Accounts payable to customers due to work under contracts	134	67

## Note 25 - Financial instruments

<b>FINANCIAL INSTRUMENTS - INTEREST RATE RISK - SENSITIVITY ANALYSIS</b>			
<b>As of 2014-06-30</b>			
	<b>Carrying value</b>	<b>Increase/decrease by percentage points</b>	<b>Impact on gross profit/loss</b>
<b>Financial assets</b>	4,523	-	-7
Cash	3,214	-	-
Financial assets held for sale	-	-	-
Other financial assets	-	-	-
Borrowings granted	1,309	-	-7
<b>Financial liabilities</b>	396	-	-
Bank loans and borrowings	151	-	-
Financial liabilities under lease agreements	245	-	2
Other financial liabilities	-	-	-

<b>FINANCIAL INSTRUMENTS - INTEREST RATE RISK - SENSITIVITY ANALYSIS</b>			
<b>As of 2013-12-31</b>			
	<b>Carrying value</b>	<b>Increase/decrease by percentage points</b>	<b>Impact on gross profit/loss</b>
<b>Financial assets</b>	5,401	-	-
Cash	4,147	-	-

Financial assets held for sale	-	-	-
Other financial assets	-	-	-
Borrowings granted	1,254	-	-7
<b>Financial liabilities</b>	<b>542</b>	-	-
Bank loans and borrowings	170	-	2
Financial liabilities under lease agreements	372	-	2
Other financial liabilities	-	-	-

<b>FINANCIAL INSTRUMENTS - CURRENCY RISK - SENSITIVITY ANALYSIS</b>			
<b>As of 2014-06-30</b>			
	<b>Carrying value</b>	<b>Increase/decrease of exchange rate in percentage</b>	<b>Impact on gross profit/loss</b>
<b>Financial assets</b>	-	-	-
Cash in EUR	22	0.50%	-
Cash in USD	1	1.00%	-
Cash in UAH	116	-30.00%	35
Cash in RUB	101	-2.00%	-2
Cash in BRL	92	5.00%	5
Trade and other receivables in EUR	338	1.00%	3
Trade and other receivables in UAH	510	-30.00%	-153
Trade and other receivables in RUB	27	-2.00%	-1
Trade and other receivables in BRL	49	5.00%	2
<b>Financial liabilities</b>	-	-	-
Overdraft facility in EUR	-	-	-
Short-term loans in EUR	-	-	-
Trade liabilities in EUR	23	-1.00%	-
Trade liabilities in UAH	66	30.00%	20
Trade liabilities in RUB	28	2.00%	1
Trade liabilities in BRL	14	-5.00%	-1

<b>FINANCIAL INSTRUMENTS - CURRENCY RISK - SENSITIVITY ANALYSIS</b>			
<b>As of 2013-12-31</b>			
	<b>Carrying value (PLN thousand)</b>	<b>Increase/decrease of exchange rate in percentage</b>	<b>Impact on gross profit/loss</b>
<b>Financial assets</b>	-	-	-
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
<b>Financial liabilities</b>	-	-	-
Overdraft facility 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

<b>FAIR VALUES OF PARTICULAR CATEGORIES OF FINANCIAL INSTRUMENTS</b>					
	<b>Category in accordance with IAS 39*</b>	<b>Carrying value</b>		<b>Fair value</b>	
		<b>2014-06-30</b>	<b>2013-12-31</b>	<b>2014-06-30</b>	<b>2013-12-31</b>
<b>Financial assets</b>		<b>10,336</b>	<b>10,774</b>	<b>10,336</b>	<b>10,774</b>
Cash	FVTPL	3,214	4,147	3,214	4,147
Trade and other receivables	L&R	5,790	5,350	5,790	5,350
Receivables on account of borrowings granted	L&R	1,309	1,254	1,309	1,254
Financial assets held for sale	AFS	23	23	23	23
<b>Financial liabilities</b>		<b>2,550</b>	<b>2,967</b>	<b>2,550</b>	<b>2,967</b>
Financial lease liabilities	OFLatAC	245	372	245	372
Trade and other liabilities	OFLatAC	2,154	2,425	2,154	2,425
Short-term bank loans	OFLatAC	151	170	151	170



**ITEMS OF REVENUES, COSTS, GAINS AND LOSSES RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME BY CATEGORIES OF FINANCIAL INSTRUMENTS**

	FOR THE PERIOD ENDING 2014-06-30				
	Category in accordance with IAS 39*	Interest costs/revenues	Foreign exchange gains/losses	Releasing/creating write-downs	Gains/losses on the sale of financial instruments
<b>Financial assets</b>		<b>80</b>	<b>1</b>	-	-
Cash	FVTPL	39	1	-	-
Trade and other receivables	L&R	-	-	-	-
Receivables on account of borrowings granted	L&R	41	-	-	-
Financial assets held for sale	AFS	-	-	-	-
<b>Financial liabilities</b>		<b>-21</b>	-	-	-
Financial lease liabilities	OFLatAC	-14	-	-	-
Trade and other liabilities	OFLatAC	-7	-	-	-
Short-term bank loans	OFLatAC	-	-	-	-

**ITEMS OF REVENUES, COSTS, GAINS AND LOSSES RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME BY CATEGORIES OF FINANCIAL INSTRUMENTS**

	FOR THE PERIOD ENDING 2013-06-30				
	Category in accordance with IAS 39*	Interest costs/revenues	Foreign exchange gains/losses	Releasing/creating write-downs	Gains/losses on the sale of financial instruments
<b>Financial assets</b>		<b>124</b>	<b>26</b>	-	-
Cash	FVTPL	81	9	-	-
Trade and other receivables	L&R	-	17	-	-
Receivables on account of borrowings granted	L&R	43	-	-	-
Financial assets held for sale	AFS	-	-	-	-
<b>Financial liabilities</b>		<b>-30</b>	-	-	-
Financial lease liabilities	OFLatAC	-28	-	-	-
Trade and other liabilities	OFLatAC	-1	-	-	-
Short-term bank loans	OFLatAC	-1	-	-	-

## Note 26 Share-based payments

### Scheme for senior managerial personnel Stock option scheme for employees

#### Information on the systems of control of the employee stock option schemes

Managerial Stock Option Scheme launched by the Issuer in 2008 and described in detail in the preceding reports was addressed to key managerial personnel of the company and its subsidiaries and associates ("Eligible Persons"). The scheme consisted of three Packages realised at specific intervals. The First Package was fully realised and involved the Issue of D series shares. On 14 March 2011, the Supervisory Board passed a resolution concerning the transfer of subscription warrants from the Second Package to the Third Package as the prerequisites for the realisation of subscription warrants from the Second Package were not met. The General Meeting of Shareholders of the company has authorised the Supervisory Board to change the Regulations of the Managerial Stock Option Scheme. On 15 March 2013, the Supervisory Board passed a resolution concerning the suspension of the Managerial Stock Option Scheme. In accordance with the resolution of the General Meeting of Shareholders of 17 June 2008 concerning the contingent increase of the share capital of the Company to grant the rights to take up D series shares to the holders of subscription warrants, the deadline for the exercise of the right to take up D series shares by the holders of subscription warrants expired on 31 December 2013. Similarly, in the case of the third Package, the realisation conditions were not satisfied. The Managerial Stock Option Scheme introduced by the Issuer in 2008 was realised partially and expired as of 31 December 2013. By the date of preparing this information, the company did not introduce any new employee stock option schemes.

<b>COSTS OF SERVICES PROVIDED BY EMPLOYEES/MANAGERIAL STAFF</b>	<b>2014-06-30</b>	<b>2013-06-30</b>
Costs of scheme settled with equity instruments	-	128
Costs of scheme settled with cash	-	-
<b>Total costs of share-based/option-based payment schemes</b>	<b>-</b>	<b>128</b>

### III. Issuer's semi-annual condensed financial statements

<b>Statement of financial position</b>			
<b>ASSETS</b>	<b>Note</b>	<b>2014-06-30</b>	<b>2013-12-31</b>
<b>Non-current assets</b>		<b>5,059</b>	<b>6,613</b>
Property, plant and equipment	1	1,074	1,054
Intangible assets	2	1,789	2,507
Investments in associates valued according to equity method	3	24	24
Financial assets held for sale	4	275	862
Borrowings granted	5	1,170	1,609
Deferred income tax assets	23	725	555
Other long-term receivables and accruals	6	2	2
<b>Current assets</b>		<b>7,821</b>	<b>8,520</b>
Inventory	7	110	90
Trade receivables	8	4,092	3,680
Other short-term receivables and accruals	6	388	354
Borrowings granted	5	647	729
Other financial assets	10	-	-
Cash and cash equivalents	9	2,584	3,667
<b>TOTAL ASSETS</b>		<b>12,880</b>	<b>15,133</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>		<b>9,935</b>	<b>11,850</b>
<b>Equity attributable to shareholders/stockholders of the Parent Company</b>		<b>9,935</b>	<b>11,850</b>
Share capital	10	740	740
Share premium	16	10,466	11,442
Treasury shares	12	-102	-78
Supplementary capitals and reserves	13	887	1,680
Retained profit/loss		-165	-165
Current year profit/loss		-1,891	-1,769
<b>Non-controlling shares</b>		<b>-</b>	<b>-</b>
<b>LIABILITIES</b>		<b>2,945</b>	<b>3,283</b>
<b>Long-term liabilities</b>		<b>1,006</b>	<b>1,152</b>
Provisions	14	188	188
Provision from deferred income tax	23	545	608
Long-term bank loans and borrowings	15	149	148
Other long-term financial liabilities	16	18	49
Other long-term liabilities and accruals	18	106	159

<b>Current liabilities</b>		<b>1,939</b>	<b>2,131</b>
Provisions	14	4	4
Short-term bank loans and borrowings	15	-	-
Short-term part of long-term bank loans and borrowings	15	3	22
Other short-term financial liabilities	16	84	107
Trade liabilities	17	871	968
Other short-term liabilities and accruals	18	977	1,030
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>12,880</b>	<b>15,133</b>

<b>Statement of comprehensive income (by function)</b>	<b>Note</b>	<b>2014-06-30</b>	<b>2013-06-30</b>
<b>Continued operations</b>			
Revenue from the sale of products, goods and materials	19	9,215	6,923
Cost of products, goods and materials sold	20	6,683	5,208
Change in product - subsidy received for intangible and fixed assets		102	104
<b>Gross profit/loss on sales</b>		<b>2,634</b>	<b>1,819</b>
Distribution costs	20	1,066	1,338
Administrative expenses	20	1,625	1,367
<b>Profit/loss on sales</b>		<b>-57</b>	<b>-886</b>
Other operating revenue		4	68
Other operating costs		694	1
<b>Profit/loss on operating activities</b>		<b>-747</b>	<b>-819</b>
Finance income	22	1,397	404
Financial expenses	22	2,732	408
Share in/profit loss of associates		-	-
Profit / loss from the sale of shares in an associate		-	-
<b>Gross profit (loss)</b>		<b>-2,082</b>	<b>-823</b>
Income tax	23	-191	-15
<b>Net profit/loss on continuing operations</b>		<b>-1,891</b>	<b>-808</b>
<b>Discontinued operations</b>			
Profit/loss on discontinued operations for the financial year		-	-
<b>Net profit/loss for the reporting period</b>		<b>-1,891</b>	<b>-808</b>
<b>Other comprehensive income</b>		-	-
Gains/losses arising from the revaluation of property, plant and equipment		-	-
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	23	-	-
<b>Total comprehensive income</b>		<b>-1,891</b>	<b>-808</b>
<b>Profit/loss per share in PLN:</b>		-	-
<b>On continued operations</b>	24	-	-
<i>Basic</i>	24	-1.28	-0.55
<i>Diluted</i>	24	-1.28	-0.55
<b>On continued and discontinued operations</b>	24		
<i>Basic</i>	24	-1.28	-0.55
<i>Diluted</i>	24	-1.28	-0.55



Currency valuation differences (foreign companies)	-	-	-	-	-	-	-	-	-	-	-
Income tax related to items presented in other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Total revenues and costs for the financial year directly recognised in equity	-	-	-	-	-	-	-	-	-	-	-
Profit/loss for the period: 01.01.2014-30.06.2014	-	-	-	-	-	-	-	-1,891	-1,891	-	-1,891
<b>Other changes in equity</b>	-	<b>-976</b>	<b>-24</b>	<b>-793</b>	-	-	-	<b>1,769</b>	<b>-24</b>	-	<b>-24</b>
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-
Distribution of profit/loss	-	-976	-	-793	-	-	-	1,769	-	-	-
Acquisition of own shares	-	-	-24	-	-	-	-	-	-24	-	-24
Sales of own shares	-	-	-	-	-	-	-	-	-	-	-
Transfer of the reserve capital to the share capital	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at the end of the period</b>	<b>740</b>	<b>10,466</b>	<b>-102</b>	<b>887</b>	-	-	-	<b>-2,056</b>	<b>9,935</b>	-	<b>9,935</b>





items presented in other comprehensive income												
Total revenues and costs for the financial year directly recognised in equity	-	-	-	-	-	-	-	-	-	-	-	-
Profit/loss for the period: 01.01.2013-30.06.2013	-	-	-	-	-	-	-	-808	-808	-	-808	-
<b>Other changes in equity</b>	-	-	-	<b>-101</b>	-	-	-	<b>101</b>	-	-	-	-
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Distribution of profit/loss	-	-	-	-101	-	-	-	101	-	-	-	-
Acquisition of own shares	-	-	-	-	-	-	-	-	-	-	-	-
Sales of own shares	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of the reserve capital to the share capital	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at the end of the period</b>	<b>740</b>	<b>11,442</b>	<b>-78</b>	<b>2,682</b>	-	-	-	<b>-973</b>	<b>13,813</b>	-	<b>13,813</b>	-



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	-	-	-	-	-	-	-	-1,769	-1,769	-	-1,769	-
Adjustments of fundamental errors	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other changes in equity</b>	-	-	-	<b>-1,103</b>	-	-	-	<b>101</b>	<b>-1,002</b>	-	<b>-1,002</b>	-
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-1,002	-	-	-	-	-1,002	-	-1,002	-
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	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at the end of the period</b>	<b>740</b>	<b>11,442</b>	<b>-78</b>	<b>1,680</b>	-	-	-	<b>-1,934</b>	<b>11,850</b>	-	<b>11,850</b>	-

<b>Cash Flow Statement (indirect method)</b>	<b>Note</b>	<b>2014-06-30</b>	<b>2013-06-30</b>
<b>Cash flows from operating activities</b>			
<b>Gross profit (loss)</b>		<b>-2,082</b>	<b>-823</b>
<b>Adjustments for items</b>		<b>1,458</b>	<b>410</b>
Share of profit/loss of associates and joint ventures accounted for with the equity method		-	-
Non-controlling shares		-	-
Depreciation		789	855
Goodwill impairment		-	-
Foreign exchange gains/losses		-29	-113
Interest costs and revenues		-141	-139
Dividend revenue		-	-
Profit/loss from investment activity		161	-49
Change in reserves		-	-
Change in inventories		-21	12
Change in receivables and prepayments		-446	208
Change in payables and accruals		360	-764
Income tax paid/reimbursed		-197	-
Other adjustments		982	400
<b>Net cash flows from operating activities</b>		<b>-624</b>	<b>-413</b>
<b>Cash flows from investment activities</b>			
Inflows from sales of fixed and intangible assets		21	63
Net inflows from sales of subsidiaries and associates		-	-
Proceeds from disposal of financial assets		-	-
Inflows from interest		23	8
Inflows from dividends		-	-
Repayment of borrowings granted		144	68
Expenditures on acquisition of property, plant and equipment and intangible assets		216	52
Net expenditures on acquisition of subsidiaries and associates		5	-
Expenditures on acquisition of short-term financial assets		-	2,000
Borrowings granted		350	798
Other		-	-
<b>Net cash flows from investment activity</b>		<b>-383</b>	<b>-2,711</b>
<b>Cash flows on financial activities</b>			
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		18	19

Payment of liabilities for financial leasing contracts		55	50
Dividends paid to Company's stockholders		-	-
Dividends paid to shareholders holding non-controlling interests		-	-
Acquisition of own shares		-	-
Interest paid		4	8
Other		-	-
<b>Net cash flows from financing activities</b>		<b>-77</b>	<b>-77</b>
<b>Increase (decrease) in cash and cash equivalents</b>		<b>-1,084</b>	<b>-3,201</b>
<b>Cash, cash equivalents and overdrafts at the beginning of the period</b>		<b>3,667</b>	<b>5,135</b>
<i>Foreign exchange gains/losses due to valuation of cash, cash equivalents and overdrafts</i>		<i>1</i>	<i>10</i>
<b>Cash, cash equivalents and overdrafts at the end of the period</b>		<b>2,584</b>	<b>1,944</b>

## Selected notes

### Note 1 Property, plant and equipment

PROPERTY, PLANT AND EQUIPMENT	FOR THE PERIOD ENDING 30 JUNE 2014					
	Land and perpetual usufruct title to land	Buildings and structures	Plant and machinery	Vehicles	Other	Total
<b>Gross value at the beginning of period</b>	-	46	2,032	1,231	26	3,335
Increases	-	-	64	169	-	233
<i>acquisition</i>	-	-	64	169	-	233
<i>acquisition under the merger of business entities</i>	-	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-	-
<i>other</i>	-	-	-	-	-	-
Decreases	-	-	115	231	-	346
<i>disposal</i>	-	-	115	226	-	341
<i>due to revaluation</i>	-	-	-	-	-	-
<i>due to reclassification to fixed assets held for sale</i>	-	-	-	-	-	-
<i>other</i>	-	-	-	5	-	5
Allocated to discontinued operations	-	-	-	-	-	-
Internal movements (+/-)	-	-	-	-	-	-
<b>Gross value at the end of the period</b>	-	46	1,981	1,169	26	3,222
<b>Amortisation/depreciation at the beginning of the period</b>	-	42	1,525	690	24	2,281
amortisation for the period	-	2	101	95	-	198
other increases	-	-	-	-	-	-
decreases	-	-	114	217	-	331
<b>Amortisation/depreciation at the end of the period</b>	-	44	1,512	568	24	2,148
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	-	44	1,512	568	24	2,148
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-	-	-
<b>Net value at the end of the period</b>	-	<b>2</b>	<b>469</b>	<b>601</b>	<b>2</b>	<b>1,074</b>

PROPERTY, PLANT AND EQUIPMENT	FOR THE PERIOD ENDING 31 DECEMBER 2013					
	Land and perpetual usufruct title to land	Buildings and structures	Plant and machinery	Vehicles	Other	Total
<b>Gross value at the beginning of period</b>	-	46	1,911	1,510	26	3,493
Increases	-	-	156	140	-	296
<i>acquisition</i>	-	-	156	140	-	296
<i>acquisition under the merger of business entities</i>	-	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-	-
<i>other</i>	-	-	-	-	-	-
Decreases	-	-	35	419	-	454
<i>disposal</i>	-	-	35	419	-	454
<i>due to revaluation</i>	-	-	-	-	-	-
<i>due to reclassification to fixed assets held for sale</i>	-	-	-	-	-	-
<i>other</i>	-	-	-	-	-	-
Allocated to discontinued operations	-	-	-	-	-	-
Internal movements (+/-)	-	-	-	-	-	-
<b>Gross value at the end of the period</b>	-	<b>46</b>	<b>2,032</b>	<b>1,231</b>	<b>26</b>	<b>3,335</b>
<b>Amortisation/depreciation at the beginning of the period</b>	-	<b>37</b>	<b>1,354</b>	<b>886</b>	<b>24</b>	<b>2,301</b>
amortisation for the period	-	5	208	194	-	407
other increases	-	-	-	-	-	-

decreases	-	-	37	390	-	427
<b>Amortisation/depreciation at the end of the period</b>	-	<b>42</b>	<b>1,525</b>	<b>690</b>	<b>24</b>	<b>2,281</b>
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	1,525	690	24	2,281
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-	-	-
<b>Net value at the end of the period</b>	-	<b>4</b>	<b>507</b>	<b>541</b>	<b>2</b>	<b>1,054</b>

The Company owns cars classified as PP&E under lease, with a net value of PLN 242,369.37 and PLN 212,818.65 as at 31 December 2013 and 30 June 2014 respectively. Expenditures on PP&E under construction recognised in the carrying value amount to PLN 75,285.87 and PLN 0.00 as at 31 December 2013 and 30 June 2014 respectively.

## Note 2 Intangible assets

INTANGIBLE ASSETS	FOR THE PERIOD ENDING 30 JUNE 2014				
	Own development work	Intangible assets purchased			Total
		Patents and trademarks	Licenses	Other	
<b>Gross value at the beginning of the period</b>	<b>6,710</b>	-	<b>803</b>	-	<b>7,513</b>
Increases	-	-	23	-	23
<i>acquisition</i>	-	-	23	-	23
<i>own development work</i>	-	-	-	-	-
<i>acquisition under the merger of business entities</i>	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-
<i>other</i>	-	-	-	-	-
Decreases	997	-	-	-	997
<i>decommissioning</i>	-	-	-	-	-
<i>liquidation</i>	997	-	-	-	997



<i>disposal</i>	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-
<i>due to reclassification to fixed assets held for sale</i>	-	-	-	-	-
<i>other</i>	-	-	-	-	-
<b>Gross value at the end of the period</b>	<b>5,713</b>	-	<b>826</b>	-	<b>6,539</b>
<b>Amortisation/depreciation at the beginning of the period</b>	<b>4,261</b>	-	<b>745</b>	-	<b>5,006</b>
amortisation for the period	565	-	27	-	592
other increases	-	-	-	-	-
decreases	847	-	-	-	847
<b>Amortisation/depreciation at the end of the period</b>	<b>3,979</b>	-	<b>772</b>	-	<b>4,751</b>
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	3,979	-	771	-	4,750
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-	-
<b>Net value at the end of the period</b>	<b>1,734</b>	-	<b>55</b>	-	<b>1,789</b>

INTANGIBLE ASSETS	FOR THE PERIOD ENDING 31 DECEMBER 2013				
	Own development work	Intangible assets purchased			Total
		Patents and trademarks	Licenses	Other	
<b>Gross value at the beginning of the period</b>	<b>6,710</b>	-	<b>726</b>	-	<b>7,436</b>
Increases	-	-	77	-	77
<i>acquisition</i>	-	-	77	-	77
<i>own development work</i>	-	-	-	-	-
<i>acquisition under the merger of business entities</i>	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-
<i>other</i>	-	-	-	-	-
Decreases	-	-	-	-	-
<i>decommissioning</i>	-	-	-	-	-
<i>liquidation</i>	-	-	-	-	-
<i>disposal</i>	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-
<i>due to reclassification to fixed assets held for sale</i>	-	-	-	-	-
<i>other</i>	-	-	-	-	-
<b>Gross value at the end of the period</b>	<b>6,710</b>	-	<b>803</b>	-	<b>7,513</b>
<b>Amortisation/depreciation at the beginning of the period</b>	<b>2,969</b>	-	<b>710</b>	-	<b>3,679</b>
amortisation for the period	1,292	-	35	-	1,327
other increases	-	-	-	-	-
decreases	-	-	-	-	-
<b>Amortisation/depreciation at the end of the period</b>	<b>4,261</b>	-	<b>745</b>	-	<b>5,006</b>
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	4,261	-	745	-	5,006

amortisation/depreciation and impairment loss at the end of the period					
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-	-
<b>Net value at the end of the period</b>	<b>2,449</b>	<b>-</b>	<b>58</b>	<b>-</b>	<b>2,507</b>

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

### Note 3 Investments in associates

Condensed financial information in the entities measured using the equity method, not adjusted by the Group's share.

<b>Entity name: EQ System East sp. z o.o.</b>	<b>2014-06-30</b>	<b>2013-12-31</b>
Share in the balance sheet of the associate	<b>48%</b>	<b>48%</b>
Non-current assets (long-term)	-	-
Current assets (short-term)	48	48
Long-term liabilities	-	-
Current liabilities	2	-
Net assets	47	48
Share in the revenues and profit/loss of the associate	-	-
Revenues	-	-
Profit/loss	-699	-975
Carrying value of the investment in an associate	24	24

### Note 4 Financial assets held for sale

<b>FINANCIAL ASSETS HELD FOR SALE</b>	<b>2014-06-30</b>	<b>2013-12-31</b>
<b>Shares of companies listed on the Stock Exchange at the beginning of the period</b>	-	-
<b>At the beginning of the period in subsidiaries, including:</b>	-	-
at purchase price	-	-
a) increases	-	-
reclassification from a group of entities	-	-
purchase	-	-
valuation	-	-

b) decreases	-	-
reclassification to a group of entities	-	-
sales	-	-
valuation	-	-
<b>At the end of the period in subsidiaries</b>	-	-
<b>At the beginning of the period in associates, including:</b>	-	-
at purchase price	-	-
a) increases	-	-
reclassification from a group of entities	-	-
purchase	-	-
valuation, including:	-	-
reversal of fair value measurement of shares sold	-	-
balance sheet measurement to fair value	-	-
b) decreases	-	-
reclassification to a group of entities	-	-
sales	-	-
valuation, including:	-	-
a) reversal of fair value measurement of shares sold	-	-
b) balance sheet measurement to fair value	-	-
<b>At the end of the period in associates</b>	-	-
<b>At the beginning of the period in other entities, including:</b>	-	-
at purchase price	-	-
a) increases	-	-
reclassification from a group of entities	-	-
purchase	-	-
valuation, including:	-	-
reversal of fair value measurement of shares sold	-	-
balance sheet measurement to fair value	-	-
b) decreases	-	-
reclassification to a group of entities	-	-
sales	-	-
valuation	-	-
<b>At the end of the period in other entities</b>	-	-
<b>Shares of companies listed on the Stock Exchange at the end of the period</b>	-	-
in subsidiaries, including:	-	-
at purchase price	-	-
in associates, including:	-	-
at purchase price	-	-

- in other entities, including:	-	-
at purchase price	-	-

<b>Shares of companies not listed on the Stock Exchange at the beginning of the period</b>	<b>862</b>	<b>862</b>
<b>At the beginning of the period in subsidiaries, including:</b>	862	862
at purchase price	2,724	2,123
a) increases	606	601
reclassification from a group of entities	-	-
purchase	5	-
reclassification from a previously granted borrowing	-	601
reversal of valuation	601	-
b) decreases	1,193	601
reclassification to a group of entities	-	-
sales	612	-
valuation	581	601
<b>At the end of the period in subsidiaries</b>	<b>275</b>	<b>862</b>
<b>At the beginning of the period in associates, including:</b>	-	-
at purchase price	-	-
a) increases	-	-
reclassification from a group of entities	-	-
purchase	-	-
valuation, including:	-	-
reversal of fair value measurement of shares sold	-	-
balance sheet measurement to fair value	-	-
b) decreases	-	-
reclassification to a group of entities	-	-
sales	-	-
valuation, including:	-	-
a) reversal of fair value measurement of shares sold	-	-
b) balance sheet measurement to fair value	-	-
<b>At the end of the period in associates</b>	<b>-</b>	<b>-</b>
<b>At the beginning of the period in other entities, including:</b>	-	-
at purchase price	-	-
a) increases	-	-
reclassification from a group of entities	-	-
purchase	-	-
valuation, including:	-	-
reversal of fair value measurement of shares sold	-	-

balance sheet measurement to fair value	-	-
b) decreases	-	-
reclassification to a group of entities	-	-
sales	-	-
valuation	-	-
<b>At the end of the period in other entities</b>	-	-
<b>Shares of companies not listed on the Stock Exchange at the end of the period</b>	275	862
in subsidiaries, including:	275	862
at purchase price	2,117	2,724
in associates, including:	-	-
at purchase price	-	-
in other entities, including:	-	-
at purchase price	-	-
<b>Total shares</b>	<b>275</b>	<b>862</b>
Shares of companies listed on the Stock Exchange	-	-
Shares of companies not listed on the Stock Exchange	275	862

#### WRITE-DOWNS ON FINANCIAL ASSETS HELD FOR SALE FOR THE PERIOD ENDING 2014-06-30

Entity name	At the beginning of the period	Increases	Decreases	At the end of the period
Quantum I-Services Sp. z o.o.	1,261	279	-	1,540
Quantum Mobs Spain	601	-	601	-
Quantum Brasil	-	302	-	302
<b>Total write-downs</b>	<b>1,862</b>	<b>581</b>	<b>601</b>	<b>1,842</b>

#### WRITE-DOWNS ON FINANCIAL ASSETS HELD FOR SALE FOR THE PERIOD ENDING 2013-12-31

Entity name	At the beginning of the period	Increases	Decreases	At the end of the period
Quantum I-Services Sp. z o.o.	1,261	-	-	1,261
Quantum Mobs Spain	-	601	-	601
<b>Total write-downs</b>	<b>1,261</b>	<b>601</b>	-	<b>1,862</b>

## Note 5 Borrowings granted

BORROWINGS GRANTED								
Long-term	Amount	Interest rate	Repayment date	As of		Interest accrued from the beginning of the financial year to		Collateral
				2014-06-30	2013-12-31	2014-06-30	2013-06-30	
<b><i>Borrowings granted to related parties</i></b>								
Quantum I-Services Sp. z o.o.	559	12.00%	-	-	-	41	40	No collateral
Quantum East Sp. z o.o.	113	13.00%	-	199	838	50	50	No collateral
Edisonda sp.z o.o.	150	10.00%	-	155	50	4	-	No collateral
<b><i>Borrowings granted to other parties</i></b>								
other parties	568	Fixed (11%) or variable	-	782	679	32	7	The borrowings granted to one of the companies were secured by a registered pledge on the interests held by that company's shareholders and on its property rights.
Employees	24	Fixed (10-12%)	-	34	42	3	25	No collateral
<b>TOTAL:</b>				<b>1,170</b>	<b>1,609</b>	<b>130</b>	<b>122</b>	

BORROWINGS GRANTED								
Short-term	Amount	Interest rate	Repayment date	As of		Interest accrued from the beginning of the financial year to		Collateral
				2014-06-30	2013-12-31	2014-06-30	2013-06-30	
<b><i>Borrowings granted to related parties</i></b>								
Quantum I-Services Sp. z o.o.	130	12.00%	-	155	142	-	-	No collateral
Quantum Mobile Solutions sp.z o.o.	-	11.00%	-	-	51	1	-	No collateral
Quantum East Sp. z o.o.	145	13.00%	-	145	145	-	-	No collateral
Quantum Brasil	1,245	2.00%	-	-	-	10	3	No collateral
Quantum Mobs Spain	-	0%	-	-	-	1	-	No collateral
Edisonda sp. z o.o.	-	-	-	-	-	-	-	
<b><i>Borrowings granted to other parties</i></b>								
other parties	296	Fixed (11%-15%) or variable	-	301	336	1	7	The borrowings granted to one of the companies were secured by a registered pledge on the interests held by that company's shareholders and on its property rights.
Employees	40	Fixed (10%-13%)	-	46	55	1	1	No collateral
<b>TOTAL:</b>				<b>647</b>	<b>729</b>	<b>14</b>	<b>11</b>	



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

As at 30 June 2014, the following borrowings were granted:

- **Borrowings granted to related parties:**

I. Quantum software S.A. granted a borrowing to the 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, with borrowing maturing on 31.12.2013; however, on 01.01.2014 an addendum to the said agreement was signed, amending the maturity date to 31 December 2015; annual interest rate of 13%.
- 3) On 20 July 2012, borrowing amounting to PLN 140,000.00, maturing on 31.12.2014, annual interest rate of 13%.
- 4) On 3 September 2012, borrowing amounting to PLN 7,250.00, with borrowing maturing on 30.09.2013; however, on 01.10.2013 an addendum to the said agreement was signed, amending the maturity date to 30.09.2015; annual interest rate of 13%.
- 5) On 10 July 2013, borrowing amounting to PLN 5,000.00, with borrowing maturing on 30.06.2014; however, on 29.05.2014 an addendum to the said agreement was signed, amending the maturity date to 31.12.2014, annual interest rate of 11%.

The Management Board of the entity decided to make an allowance for part of the borrowing and interest totalling PLN 688 686.57.

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 298,175.08 and PLN 4,327.60, 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 25,000.00, 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%.
- 30) On 9 October 2013, in the amount of EUR 10,000.00, maturing in 1 year, annual interest rate of 2%.
- 31) On 19 November 2013, in the amount of EUR 5,000.00, maturing in 1 year, annual interest rate of 2%.

- 32) On 6 December 2013, in the amount of EUR 4,000.00, maturing in 1 year, annual interest rate of 2%;
- 33) On 24 December 2013, in the amount of EUR 10,000.00, maturing in 1 year, annual interest rate of 2%;
- 34) On 4 February 2014, in the amount of EUR 2,000.00, maturing in 1 year, annual interest rate of 2%.
- 35) On 4 February 2014, in the amount of EUR 8,000.00, maturing in 1 year, annual interest rate of 2%.
- 36) On 13 February 2014, in the amount of EUR 5,000.00, maturing in 1 year, annual interest rate of 2%.
- 37) On 11 March 2014, in the amount of EUR 6,000.00, maturing in 1 year, annual interest rate of 2%.
- 38) On 17 March 2014, in the amount of EUR 6,000.00, maturing in 1 year, annual interest rate of 2%.
- 39) On 17 April 2014, in the amount of EUR 5,000.00, maturing in 1 year, annual interest rate of 2%.
- 40) On 29 April 2014, in the amount of EUR 5,000.00, maturing in 1 year, annual interest rate of 2%.
- 41) On 14 May 2014, in the amount of EUR 4 327.60, maturing in 1 year, annual interest rate of 2%.
- 42) On 14 May 2014, in the amount of EUR 4,000.00, maturing in 1 year, annual interest rate of 2%.
- 43) On 23 May 2014, 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 1,266,540.23 was created for the borrowings including interest due.

III. Quantum software S.A. granted a borrowing to the subsidiary, Quantum I-Services Sp. z o.o., in the total amount of PLN 689,000.00, 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 to 31 December 2014.
- 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. A revaluation allowance in the total amount of PLN 802,585.18 was created for a portion of the borrowing.
- 3) On 14 April 2014, borrowing amounting to PLN 15,000.00, annual interest rate of 8%, with borrowing maturing on 30 June 2014. On 11 June 2014, PLN 10,000.00 of the borrowing was repaid, however, on 30 June 2014, an addendum to the said agreement was signed, extending the repayment deadline to 31 August 2014.
- 4) On 26 May 2014, borrowing amounting to PLN 4,000.00, annual interest rate of 8%, maturing on 30 July 2014.

IV. Quantum software S.A. granted borrowings to the subsidiary, Edisonda Sp. z o.o., in the total amount of PLN 150,000.00 (under an agreement as of 04.10.2013), including:

- 1) On 16 October 2013, Quantum software S.A. granted a borrowing to its subsidiary, Edisonda Sp. z o.o., in the amount of PLN 20,000.00, maturing on 31 December 2015, with an annual interest rate of 10%.
- 2) On 12 December 2013, Quantum software S.A. granted a borrowing to its subsidiary, Edisonda Sp. z o.o., in the amount of PLN 30,000.00, maturing on 31 December 2015, with an annual interest rate of 10%.
- 3) On 27 February 2014, 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%.
- 4) On 16 May 2014, 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%.

V. On 1 October 2012 a borrowing was granted to a subsidiary Quantum Mobs, in the amount of EUR 145,000.00. As of 31.12.2013, the Management Board of the company decided to make a revaluation allowance for the entire borrowing, in the total amount of PLN 583,795.81. In 2014 the borrowing was converted into shares and on 29 April 2014 all the shares in Quantum Mobs were sold.

- **Borrowings granted to other parties:**

I. Long-term borrowings granted to other parties – balance as at 30 June 2014: PLN 781,871.72.

II. Short-term borrowings granted to other parties – balance as at 30 June 2014: PLN 300,428.39.

- **Borrowings granted to employees:**

I. Long-term borrowings granted to employees – balance as at 30 June 2014: PLN 34,000.00.

II. Short-term borrowings granted to employees – balance as at 30 June 2014: PLN 46,165.40.

As at 31 December 2013, the following borrowings were granted:

- **Borrowings granted to related parties:**

I. Quantum software S.A. granted a borrowing to the 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 31.12.2014, annual interest rate of 13%.

4) On 3 September 2012, borrowing amounting to PLN 7,250.00, with borrowing maturing on 30.09.2013; however, on 01.10.2013 an addendum to the said agreement was signed, amending the maturity date to 30.09.2015; annual interest rate of 13%.

5) On 10 July 2013, borrowing amounting to PLN 5,000.00, maturing on 30.06.2014, 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 17,000.00, 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 25,000.00, 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%.
- 30) On 9 October 2013, in the amount of EUR 10,000.00, maturing in 1 year, annual interest rate of 2%.
- 31) On 19 November 2013, in the amount of EUR 5,000.00, maturing in 1 year, annual interest rate of 2%.
- 32) On 6 December 2013, in the amount of EUR 4,000.00, maturing in 1 year, annual interest rate of 2%;
- 33) 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 including interest due.

III. Quantum software S.A. granted a borrowing to the 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%.

On 25 November 2013, in the amount of EUR 45,000.00, maturing on 31 May 2014, annual interest rate of 8%.

IV. Quantum software S.A. granted a borrowing to the 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 to 31 December 2014.

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. A revaluation allowance in the total amount of PLN 766,087.64 was created for a portion of the borrowing as of the end of 2013.

V. 1) On 16 October 2013, Quantum software S.A. granted a borrowing to its subsidiary, Edisona Sp. z o.o., in the amount of PLN 20,000.00, maturing on 31 December 2015, with an annual interest rate of 10%.

2) On 12 December 2013, Quantum software S.A. granted a borrowing to its subsidiary, Edisona Sp. z o.o., in the amount of PLN 30,000.00, maturing on 31 December 2015, with an annual interest rate of 10%.

VI. On 1 October 2012 a borrowing was granted to a subsidiary Quantum Mobs in the amount of EUR 145,000.00 and as of 31 December 2013, the Management Board of the company decided to make a revaluation allowance for the entire 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 at 31 December 2013: PLN 678,652.74.

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

- **Borrowings granted to employees:**

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

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

## Note 6 Other receivables and prepayments

<b>OTHER RECEIVABLES AND PREPAYMENTS</b>	<b>2014-06-30</b>	<b>2013-12-31</b>
<b>Receivables from subsidiaries:</b>	-	-
- long-term	-	-
- short-term	-	-
<b>Receivables from related parties:</b>	-	-
- long-term	-	-
- short-term	-	-
<b>Advance payments:</b>	7	7
- long-term	-	-
- short-term	7	7
<b>Other receivables:</b>	<b>274</b>	<b>264</b>
- long-term	-	-
- short-term	274	264
<b>Prepayments:</b>	<b>109</b>	<b>85</b>
- long-term	2	2
- short-term	107	83
<b>Impairment losses at the beginning of the period</b>	-	-
<b>Recognition of impairment losses in the period</b>	-	-
<b>Reversal of impairment loss in the period</b>	-	-
<b>Impairment losses at the end of the period</b>	-	-
<b>TOTAL</b>	<b>390</b>	<b>356</b>



**Other receivables include:**

- security deposits paid	42	42
- payroll	9	-
- other employee settlements	2	1
- input VAT to be settled in future periods	88	93
- 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		
- unsettled tax paid by foreign companies	63	63
- settlements with a brokerage house related to redemption of treasury shares	18	22
- other settlements with suppliers	44	39
- other receivables	8	4

**TOTAL:**

---

**274****264****Accruals include:**

- settlement of long-term costs	1	-
- inter-period cost settlement	1	1
- other prepayments-	-	-
- property insurance	48	60
- appropriation for the Company Social Benefit Fund (ZFSS)- prepaid subscriptions, etc.	26	-
	22	12
- settlement of VAT related to lease agreements to be settled in subsequent periods – within 12 months	9	10
- settlement of VAT related to lease agreements to be settled in subsequent periods – above 12 months	2	2

**TOTAL:**

---

**109****85**

## Note 7 Inventory

INVENTORIES	As of 2014-06-30				
	Materials	Work in progress	Finished products	Goods	Total
Measurement at the acquisition price/manufacturing cost	-	-	-	135	135
Measurement at net realisable value	-	-	-	-	-
Write-downs on inventory at the beginning of the period	-	-	-	-	-
Reversal of inventory write-down recognised as write-down reduction in the period	-	-	-	-	-
Write-down on inventory recognised in the period as cost	-	-	-	25	25
Write-downs on inventory at the end of the period	-	-	-	25	25
Inventory recognised in the period as cost	-	-	-	-	-
<b>Inventory carrying cost</b>	-	-	-	<b>110</b>	<b>110</b>
<i>Inventories pledged as security for liabilities</i>	-	-	-	-	-
<i>Of which, long-term</i>	-	-	-	-	-

INVENTORIES	As of 2013-12-31				
	Materials	Work in progress	Finished products	Goods	Total
Measurement at the acquisition price/manufacturing cost	-	-	-	90	90
Measurement at net realisable value	-	-	-	-	-
Write-downs on inventory at the beginning of the period	-	-	-	-	-
Reversal of inventory write-down recognised as write-down reduction in the period	-	-	-	-	-
Write-down on inventory recognised in the period as cost	-	-	-	-	-
Write-downs on inventory at the end of the period	-	-	-	-	-
Inventory recognised in the period as cost	-	-	-	-	-
<b>Inventory carrying cost</b>	-	-	-	<b>90</b>	<b>90</b>
<i>Inventories pledged as security for liabilities</i>	-	-	-	-	-
<i>Of which, long-term</i>	-	-	-	-	-

As of 30 June 2014 the company owned goods for further resale amounting to PLN 110,250.01.

## Note 8 Trade receivables

<b>TRADE RECEIVABLES</b>	<b>2014-06-30</b>	<b>2013-12-31</b>
Trade receivables from related parties	784	784
Trade receivables from other parties	4,065	3,132
<b>Total receivables</b>	<b>4,849</b>	<b>3,916</b>
<b>Allowances for trade receivables</b>	<b>757</b>	<b>236</b>
<b>Net trade receivables</b>	<b>4,092</b>	<b>3,680</b>

<b>AGE STRUCTURE OF TRADE RECEIVABLES</b>	<b>Gross</b>	<b>Write-down</b>	<b>Gross</b>	<b>Write-down</b>
	<b>2014-06-30</b>		<b>2013-12-31</b>	
punctual	2,765	-	2,753	-
Overdue up to 3 months	859	-	752	-
Overdue between 3 and 6 months	153	-	154	-
Overdue between 6 and 12 months	282	-	15	-
Overdue over 1 year	790	757	242	236
<b>Total</b>	<b>4,849</b>	<b>757</b>	<b>3,916</b>	<b>236</b>

<b>MOVEMENT IN REVALUATION ALLOWANCES</b>	<b>2014-06-30</b>	<b>2013-12-31</b>
At the beginning of the period	236	509
Increases	521	-
Decreases	-	273
<b>At the end of the period</b>	<b>757</b>	<b>236</b>

The Company creates allowances for overdue receivables that may become unrecoverable. In 2013, a revaluation allowance amounting to PLN 273,222.07 was released as the above receivable was likely to be unrecoverable. As at 31 December 2013, allowances from previous years amounting to PLN 236,047.25 were presented in the accounting books. In H1 2014, the Management Board of the company decided to make revaluation allowances for the receivables that may become unrecoverable, amounting to PLN 520,753.89.

## Note 9 Cash and cash equivalents

<b>CASH AND CASH EQUIVALENTS</b>	<b>2014-06-30</b>	<b>2013-12-31</b>
Cash in bank and at hand	1,065	132
Short-term deposits	1,519	3,535
<b>Total, including:</b>	<b>2,584</b>	<b>3,667</b>

- 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 H1 2014, cash decreased by PLN 1,083,066.27. In 2013 and in H1 2014, the 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 2014 interest rates ranged from 3.15% to 3.30%.

The company made revaluation allowances for the borrowings granted, presented in the cash flow statement as other adjustments in the operating activity segment, amounting to PLN 981,574.36.

## Note 10 Share capital

In H1 2014 there were no changes in the shareholding structure.

## Note 11 Number of shares making up the share capital

NUMBER OF SHARES MAKING UP THE SHARE CAPITAL	2014-06-30	2013-12-31
Ordinary shares of nominal value of PLN 0.50	1,480,757	1,480,757
<b>Total:</b>	<b>1,480,757</b>	<b>1,480,757</b>

CHANGES TO THE NUMBER OF SHARES	2014-06-30	2013-12-31
<b>Ordinary shares issued and fully paid-up</b>		
At the beginning of the period	1,480,757	1,480,757
At the end of the period	1,480,757	1,480,757
<b>Ordinary shares issued and fully paid-up</b>		
At the beginning of the period	-	-
At the end of the period	-	-
<b>Treasury shares</b>		
At the beginning of the period	8	8
Purchase of own shares for the purposes of incentive scheme	14	-
At the end of the period	22	8
At the beginning of the period	-	-
At the end of the period	-	-

SHARE CAPITAL	2014-06-30	2013-12-31
Nominal value of one share	0.50	0.50
<b>Value of the share capital</b>	<b>740</b>	<b>740</b>

## Note 12 Treasury shares

TREASURY SHARES			
As of 2014-06-30	Number of shares	Value at purchase prices	Purpose of purchase
	14,930	102	Art. 362(1)(8) of the Commercial Companies Code
<b>TOTAL</b>	<b>14,930</b>	<b>102</b>	<b>0</b>

In the years 2009 - 2014, 14,930 treasury shares were redeemed as part of the company's incentive scheme for its managerial personnel. Due to the temporary suspension of the incentive scheme, no further redemption of treasury shares takes place.

The management board was authorised to purchase treasury shares by way of resolution no. 17 of 18 May 2009, pursuant to Art. 362(1)(8) of the Commercial Companies Code.

**Note 13 Reserve capital, supplementary capital and revaluation reserve**

	FOR THE PERIOD ENDING 30 JUNE 2014										
	Share premium	Contingent capital	Statutory capital reserve	Reserve capital	Reserve capital due to foreign exchange gains/losses	Reserve capital due to cash flow hedges	PP&E revaluation reserve	Revaluation reserve for intangible assets	Revaluation reserve for financial assets available for sale	Exchange rate differences from translation	Total
<b>Opening balance</b>	11,442	-	769	911	-	-	-	-	-	-	13122
Changes in accounting principles (policy)	-	-	-	-	-	-	-	-	-	-	-
Adjustments of fundamental errors	-	-	-	-	-	-	-	-	-	-	-
Balance at the beginning of period after adjustments (after conversion)	11,442	-	769	911	-	-	-	-	-	-	13122
Gains/losses arising from the revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Gains/losses on investments recognized directly in equity and available for sale	-	-	-	-	-	-	-	-	-	-	-
Gains/losses on cash-flow hedges (effective portion)	-	-	-	-	-	-	-	-	-	-	-
Share premium	-	-	-	-	-	-	-	-	-	-	-
Acquisition of own shares	-	-	-	-24	-	-	-	-	-	-	-24

Reclassification to share capital and supplementary capital	-	-	-	-	-	-	-	-	-	-	-
Currency valuation differences (foreign companies)	-	-	-	-	-	-	-	-	-	-	-
Coverage of loss	-976	-	-769	-	-	-	-	-	-	-	-1745
Dividend on equity shares	-	-	-	-	-	-	-	-	-	-	-
Income tax related to items presented in other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at the end of the period</b>	<b>10,466</b>	-	-	<b>887</b>	-	-	-	-	-	-	<b>11353</b>





Currency valuation differences (foreign companies)	-	-	-	-	-	-	-	-	-	-	-
Profit distribution	-	-	-101	-	-	-	-	-	-	-	-101
Reversal of actuarial measurement – suspension of incentive scheme	-	-	-	-	-	-	-	-	-	-	-
Dividends on treasury shares	-	-	-1001	-	-	-	-	-	-	-	-1001
Income tax related to items presented in other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the period	<b>11,442</b>	-	<b>769</b>	<b>911</b>	-	-	-	-	-	-	<b>13122</b>

## Note 14 Provisions

PROVISIONS					
	For period ending 30 June 2014				
	Provisions for warranty repairs	Provisions for restructuring	Provisions for employee and similar benefits	Other provisions	Total
<b>Value at the beginning of the period, including</b>	-	-	169	-	169
Short-term at the beginning of the period	-	-	4	-	4
Long-term at the beginning of period	-	-	165	-	165
Increases	-	-	23	-	23
Established in the period and increase of the existing	-	-	23	-	23
Acquired under mergers of business entities	-	-	-	-	-
Decreases	-	-	-	-	-
Used during the year	-	-	-	-	-
Released but no used	-	-	-	-	-
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-	-
Adjustment of discount rate	-	-	-	-	-
<b>Value at the end of the period, including</b>	-	-	192	-	192
Short-term at the end of the period	-	-	4	-	4
Long-term at the end of the period	-	-	188	-	188

PROVISIONS					
	For period ending 31 December 2013				
	Provisions for warranty repairs	Provisions for restructuring	Provisions for employee and similar benefits	Other provisions	Total
<b>Value at the beginning of the period, including</b>	-	-	169	-	169
Short-term at the beginning of the period	-	-	4	-	4
Long-term at the beginning of period	-	-	165	-	165
Increases	-	-	23	-	23
Established in the period and increase of the existing	-	-	23	-	23

Acquired under mergers of business entities	-	-	-	-	-
Decreases	-	-	-	-	-
Used during the year	-	-	-	-	-
Released but no used	-	-	-	-	-
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-	-
Adjustment of discount rate	-	-	-	-	-
<b>Value at the end of the period, including</b>	-	-	<b>192</b>	-	<b>192</b>
Short-term at the end of the period	-	-	4	-	4
Long-term at the end of the period	-	-	188	-	188

Provisions for employee benefits are created based on an actuarial measurement performed once a year as at the balance sheet date. The following financial assumptions were adopted to calculate the provision: to determine the discount rate the 10-year treasury bond yield of 4% was used and the long-term annual growth rate of remuneration of nominally 3.5% (in reality 1% per annum above the projected inflation rate of 2.5%).

## Note 15 Bank loans and borrowings

LONG-TERM BANK LOANS AND BORROWINGS			2014-06-30		2013-12-31	
Description	Effective interest rate	Repayment date	Short-term	Long-term	Short-term	Long-term
1. Borrowing from Informatika 68 S.A. Spain	0.00%	-	-	149	-	148
2. Bank loan LD1036400032	-	-	-	-	3	-
3. IMB borrowing	-	-	3	-	19	-
<b>Total:</b>			<b>3</b>	<b>149</b>	<b>22</b>	<b>148</b>

1. A borrowing from Informatika 68 S.A. Spain – as at 30 June 2014 the outstanding balance is PLN 148,406.82, no interest, no collateral.
2. A borrowing from IBM Polska Sp. z o.o. - as at 30 June 2014 the outstanding balance is PLN 3,158.34, no collateral.

## Note 16 Other financial liabilities

LIABILITIES DUE TO FINANCE LEASE AGREEMENTS				
FUTURE MINIMUM LEASE FEES AND NET CURRENT VALUE OF MINIMUM LEASE FEES				
	30 JUNE 2014		31 DECEMBER 2013	
	Minimum fees	Current amount of minimum fees	Minimum fees	Current amount of minimum fees
within up to 1 year	92	84	119	107
within 1-5 years	19	18	51	49
over 5 years	-	-	-	-
<b>Total</b>	<b>111</b>	<b>102</b>	<b>170</b>	<b>156</b>

As at 30 June 2014, the Parent Company concluded 6 lease agreements. The subject of the lease involves passenger cars.

1. Agreement no. 11/006036 concluded with Raiffeisen Leasing Polska S.A., regarding a Hyundai passenger car; as at 30 June 2014, the outstanding amount was PLN 5,004.30. 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 at 30 June 2014, the outstanding amount was PLN 15,543.54. 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 at 30 June 2014, the outstanding amount was PLN 17,029.70. The agreement expires in May 2015.
4. Agreement no. 39486 concluded with SG Equipment Leasing Polska Sp. z o.o., regarding a ScodaOctavia II passenger car; as at 30 June 2014, the outstanding amount was PLN 14,394.20. 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 at 30 June 2014, the outstanding amount was PLN 29,407.04. The agreement expires in November 2015.
6. Agreement no. 40801 concluded with SG Equipment Leasing Polska Sp. z o.o., regarding a ScodaOctavia II passenger car; as at 30 June 2014, the outstanding amount was PLN 29,520.68. The agreement expires in January 2016.

## Note 17 Trade liabilities

TRADE LIABILITIES	2014-06-30	2013-12-31
Trade liabilities towards related parties	28	50
Trade liabilities towards other parties	843	918
<b>Total:</b>	<b>871</b>	<b>968</b>

## Note 18 Other liabilities and accruals

OTHER LIABILITIES AND ACCRUALS	2014-06-30	2013-12-31
<b>Liabilities due to subsidiaries:</b>	-	-
- long-term	-	-
- short-term	-	-
<b>Liabilities from related parties:</b>	-	-
- long-term	-	-
- short-term	-	-
<b>Advance payments:</b>	-	69
- long-term	-	-
- short-term	-	69
<b>Other liabilities:</b>	<b>683</b>	<b>708</b>
- long-term	-	-
- short-term	683	708
<b>Accruals:</b>	-	-
- long-term	-	-
- short-term	-	-
<b>Deferred revenue:</b>	<b>400</b>	<b>412</b>
- long-term	106	159
- short-term	294	253
<b>Total, including:</b>	<b>1,083</b>	<b>1,189</b>
- long-term	106	159
- short-term	977	1,030

### Other liabilities include:

payroll tax	41	47
income tax	-	155
social security and health insurance	175	164
VAT	361	293
other taxes, customs, insurance and other services	8	8
payroll liabilities	5	-

dividend	3	3
other liabilities	38	32
settlement of special purpose funds	52	6
<b>TOTAL:</b>	<b>683</b>	<b>708</b>

**Accruals include:**

Settlement of long-term contracts	20	3
Other accruals and deferred income	90	-
Turn-of-the-period costs	29	47
settlement of subsidy received – within 12 months	155	203
settlement of subsidy received – over 12 months	106	159
<b>TOTAL:</b>	<b>400</b>	<b>412</b>

1. Project: "Research into new IT products for environment-friendly logistics solutions, PKWiU no. 72.21.12-00.00 (Polish Classification of Products and Services)", Measure 1.4 Support for goal-oriented projects , Measure 4.1 Support for the implementation of the outcome of R&D work as part of the Operational Programme Innovative Economy for the years 2007-2013. The project was intended to facilitate the development of products for environment-friendly logistics. The implementation of the products by potential customers led to an optimised use of resources, including non-renewable fuels, and a reduction of the negative environmental impact of businesses. These effects were achieved by optimising the supply chain, transport and storage of waste and hazardous goods, which were at the centre of the project. Funding amounted to PLN 843,074.76. Implementation period: 2009-02-01 - 2010-07-31.

2. Project: "IT system for optimising production in an integrated supply chain; PKWiU no. 72.21.12-00.00 (Polish Classification of Products and Services)". Measure 1.4 Support for goal-oriented projects as part of Priority Axis 1 Research and development of new technologies, and Measure 4.1 Support for the implementation of the outcome of R&D work as part of Priority Axis 4 Investment in innovative ventures, within the Operational Programme Innovative Economy for the years 2007-2013. The purpose of the project was to develop an IT solution to support production processes; the solution functions as part of the system operating the full supply chain. The project's goal was achieved by developing a new IT system for tracking and managing business processes in the production hall. Funding amounted to PLN 882,191.18. Implementation period: 2009-01-01 - 2010-09-30.

3. Project: "Development of export to Eastern European and developing countries", Measure 6.1 Passport to export, Priority Axis 6 The Polish economy on the international market, as part of the Operational Programme Innovative Economy for the years 2007-2013. The main goal of the project is to promote the export expansion of Quantum software S.A.'s companies by implementing the Export development plan and using measures recommended in the prepared Export development plan, such as:

1. Finding and selecting partners on the target markets.

2. Participating in foreign trade and exhibition fairs as exhibitor. Funding amounted to PLN 117,166.15. Implementation period: 2010-08-01 - 2011-12-31.



## Note 19 Revenue from the sale of products, goods and materials

REVENUE FROM THE SALE OF PRODUCTS, GOODS AND MATERIALS						
	Continued operations		Discontinued operations		Total	
	2014-06-30	2013-06-30	2014-06-30	2013-06-30	2014-06-30	2013-06-30
Revenue from the sale of products	448	573	-	-	448	573
Revenue from the sale of services	7,006	6,023	-	-	7,006	6,023
Revenue from the sale of materials	-	-	-	-	-	-
Revenue from the sale of goods	1,761	327	-	-	1,761	327
<b>TOTAL</b>	<b>9,215</b>	<b>6,923</b>	<b>-</b>	<b>-</b>	<b>9,215</b>	<b>6,923</b>
of which: non-pecuniary revenue from exchange of goods or services	-	-	-	-	-	-

In H1 2014, a decrease in sales compared to the same period in 2013 was recorded. In the period in question, sales of licences and services related to own software (the Qguar package) grew by 15.3%. During the current year the company also increased the sale of goods which is the company's auxiliary business related to specific orders as part of the performance of agreements with counterparties.

## Note 20 Costs by type

COSTS BY TYPE	2014-06-30	2013-06-30
Depreciation of fixed assets	198	176
Amortisation of intangible assets	591	592
Costs of employee benefits	3,698	3,820
Consumption of raw materials and materials	131	159
Costs of outsourced services	2,814	2,057
Costs of taxes and charges	52	49
Other costs	287	258
Change in products and work in progress.	-	-
Value of goods sold	1,603	1,654
<b>TOTAL</b>	<b>9,374</b>	<b>8,765</b>
Distribution costs	1,066	1,227

Administrative expenses	1,625	1,195
Cost of products, goods and materials sold	6,683	6,343
<b>TOTAL</b>	<b>9,374</b>	<b>8,765</b>
of which: minimum lease fees recognised as operating lease costs	-	-

<b>COSTS OF EMPLOYEE BENEFITS</b>	<b>2014-06-30</b>	<b>2013-06-30</b>
Payroll costs	3,084	3,161
Costs of social insurance	562	586
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 benefits	52	73
Other post-employment benefits	-	-
Costs of employee benefits in the form of treasury shares	-	-
<b>TOTAL</b>	<b>3,698</b>	<b>3,820</b>

<b>R&amp;D COSTS</b>	<b>2014-06-30</b>	<b>2013-06-30</b>
Depreciation	565	515
Consumption of raw materials and auxiliary materials	-	-
Costs of outsourced services	-	-
Other costs	-	-
<b>TOTAL</b>	<b>565</b>	<b>515</b>

## **Note 21 Other revenue and expenses**

<b>OTHER REVENUE</b>	<b>2014-06-30</b>	<b>2013-06-30</b>
State subsidies	-	-
Profit on sale of property, plant and equipment	-	49
Reversal of impairment losses on receivables	-	-
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	-	-

Indemnification received	2	12
Adjustment of contributions to Labour Fund for previous years	-	4
Reimbursement of insurance policy premiums	-	2
Other operating revenue	2	1
Other	-	-
<b>TOTAL</b>	<b>4</b>	<b>68</b>
of which: non-pecuniary revenue from exchange of goods or services	-	-

<b>OTHER COSTS</b>	<b>2014-06-30</b>	<b>2013-06-30</b>
Loss on sale of property, plant and equipment	138	-
Provision for warranty 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	521	-
Impairment losses on inventory	25	-
Impairment losses on intangible assets	-	-
Impairment losses on property, plant and equipment	-	-
Impairment losses on investment properties	-	-
Provision for company restructuring costs	-	-
Other operating expenses, of which:	10	1
Other	-	-
<b>TOTAL</b>	<b>694</b>	<b>1</b>

In H1 2013, the Company settled a subsidy in the amount of PLN 103,537.26 received for R&D work, and in H1 2014 it settled a subsidy in the amount of PLN 101,674.02. The Company does not present the received subsidies in other operating revenue but it adjusts gross profit (loss) on sale by the change in the balance of products.

## **Note 22 Financial revenue and expenses**

<b>FINANCIAL REVENUE</b>	<b>2014-06-30</b>	<b>2013-06-30</b>
Interest revenue	185	212
deposits	40	79
borrowings	145	133
Dividend revenue	-	-
Investment revenue	-	-
Foreign exchange gains	-	192

Other	-	-
Reversal of impairment losses on financial assets, including:	1212	-
assets available for sale	601	-
financial assets and liabilities measured at fair value through the profit and loss account	611	-
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 profit and loss	-	-
hedging instruments	-	-
<b>TOTAL</b>	<b>1397</b>	<b>404</b>

<b>FINANCIAL COSTS</b>	<b>2014-06-30</b>	<b>2013-06-30</b>
Costs of interest, including:	5	1
bank loans	-	1
borrowings	-	-
bonds	-	-
Other	-	-
state budget interest	5	-
Financial costs under finance lease agreements	3	7
Adjustment due to the discount of provisions to ...	-	-
Unrealised loss on a contract on ...	-	-
Writing off of a borrowing and interest	10	-
Loss on disposal of financial assets	1,151	-
Foreign exchange losses	-	-
Impairment losses on financial assets, including:	1,563	400
assets available for sale	581	-
borrowings granted	982	400
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	-	-
<b>TOTAL</b>	<b>2,732</b>	<b>408</b>

The company made a revaluation allowance for the borrowings granted to the subsidiaries as some of the borrowings for which an allowance was created may not be repaid.

## Note 23: Income tax

DEFERRED INCOME TAX	Statement of financial position		Income statement		Other comprehensive income	
	2014-06-30	2013-12-31	2014-06-30	2013-06-30	2014-06-30	2013-06-30
<b>Deferred income tax assets</b>						
Foreign exchange gains/losses	2	2	-	11	-	-
Loss brought forward	47	47	-	-	-	-
Write-down on non-financial assets	671	506	-165	-	-	-
Write-down on non-financial assets, goods	5	-	-5	-	-	-
Roundings	-	-	-	-	-	-
Tax-deductible loss	-	-	-	-	-	-
<b>Gross deferred income tax assets</b>	<b>725</b>	<b>555</b>	<b>-170</b>	<b>11</b>	<b>-</b>	<b>-</b>

MAIN COMPONENTS OF TAX CHARGE/CREDIT IN THE STATEMENT OF COMPREHENSIVE INCOME	2014-06-30	2013-06-30
<b>Current income tax recognised in the income statement</b>	42	-
Current income tax charge	42	-
Adjustments relative to current income tax for previous years	-	-
<b>Deferred income tax recognised in the income statement</b>	<b>-233</b>	<b>-15</b>
Charge by deferred tax credit with respect to originating and reversing temporary difference	-233	-15
Charge by deferred tax credit with respect to changes in tax rates	-	-
<b>Tax charge/credit recognised in the income statement, including:</b>	<b>-191</b>	<b>-15</b>
- allocated to continued operations	-191	-16
- allocated to discontinued operations	-	-
<b>Income tax related to items presented in other comprehensive income</b>	<b>-</b>	<b>-</b>
Deferred tax charge/credit with respect to the revaluation of cash flow hedges	-	-
Deferred tax charge/credit with respect to the revaluation of plant, property and equipment	-	-
<b>Tax charge/credit recognised in the statement of comprehensive income</b>	<b>-191</b>	<b>-15</b>

MAIN COMPONENTS OF TAX CHARGE/CREDIT IN THE STATEMENT OF CHANGES IN EQUITY	2014-06-30	2013-06-30
<b>Current income tax</b>	-	-
Deferred income tax	-	-
Tax charge/credit recognised in the statement of changes in equity	-	-

<b>RECONCILIATION OF THE INCOME TAX PAYABLE ON PRE-TAX PROFIT WITH THE INCOME TAX RECOGNISED IN THE INCOME STATEMENT</b>	<b>2014-06-30</b>	<b>2013-06-30</b>
<b>Gross profit/loss before tax (continued and discontinued operations)</b>	<b>-2,082</b>	<b>-823</b>
Tax rate (%)	0	0
Tax burden according to the tax rate applied	-396	-156
Adjustments relative to current income tax for previous years	-	-
Investment tax credit	-	-
Revaluation	-	-
Non-taxable revenues, including:	-	-
Interest accrued as at the balance-sheet date	-31	-30
Balance sheet valuation	-22	-51
Subsidy settled in the current year	-16	-20
Reversal of write-down on revaluation of non-financial assets	-	-
Reversal of write-down on non-financial assets	-230	-52
Revenues (licences) taxed in previous years	-8	-
Other	-	-
Tax revenue, including:	-	-
Interest received in the current year but computed in the previous years	3	3
Licences transferred – settled over time	-	36
Non-tax deductible costs, including:	-	-
Amortisation settled in the balance-sheet	150	162
Contributions to the National Fund for the Rehabilitation of Disabled	9	10
Valuation of employee benefits	-	-
Write-down on non-financial assets	99	-
Write-down on non-financial assets - inventory	5	-
Write-down on financial assets	297	76
Balance sheet valuation	22	11
Interest	3	2
Net value of non-financial fixed assets sold	30	3
Borrowing cancellation	1	-
No contribution to Employee Benefit Fund	5	10
Unpaid remuneration	1	1
Other	4	5
Tax expenses, including:	-	-
Leasing instalments	-10	-11
Tax depreciation	-40	-41
Equalisation of the Company Social Benefit Fund (ZFŠS) for previous years	-	-

Settlement of loss for previous years	-	-
Unused tax loss	-	-
Tax paid	42	-
Current tax loss	124	42
Deferred income tax assets due to write-down on financial assets	-166	-
Deferred income tax assets due to negative exchange rate differences	-	11
Deferred income tax assets due to losses for previous years	-	-
Deferred income tax assets due to write-down on non-financial assets	-5	-
Provision from deferred income tax assets due to temporary differences in amortisation settlement	-89	-82
Provision from deferred income tax assets due to accrued interest	24	26
Provision from deferred income tax on positive exchange rate differences	-	8
Provision from deferred income tax	3	22
<b>Tax charge/credit recognised in the income statement</b>	<b>-191</b>	<b>-15</b>

Effective interest rate is 9%.

DEFERRED INCOME TAX	Statement of financial position		Income statement		Other comprehensive income	
	2014-06-30	2013-12-31	2014-06-30	2013-06-30	2014-06-30	2013-06-30
Provision from deferred income tax						
Differences in the settlement of amortisation	385	474	-89	-82	-	-
Interest accrued	154	130	24	26	-	-
Foreign exchange gains/losses	6	4	2	30	-	-
Roundings	-	-	-	-	-	-
<b>Gross deferred income tax provision</b>	<b>545</b>	<b>608</b>	<b>-63</b>	<b>-26</b>	<b>-</b>	<b>-</b>

## Note 24 Earnings per share

EARNINGS PER SHARE	2014-06-30	2013-06-30
Net profit for the reporting period attributable to:	- 1,891	-808

AVERAGE WEIGHTED NUMBER OF ORDINARY SHARES	2014-06-30	2013-06-30
<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

<b>BASIC NET EARNINGS PER SHARE</b>	<b>2014-06-30</b>	<b>2013-06-30</b>
on continued and discontinued operations	-1.28	-0.55
on continued operations	-1.28	-0.55

Net profit per share is computed as the quotient of profit attributed to the shareholders and the weighted average number of ordinary shares.

<b>AVERAGE WEIGHTED NUMBER OF ORDINARY SHARES (DILUTED)</b>	<b>2014-06-30</b>	<b>2013-06-30</b>
<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	-	-
<b>Average weighted number of ordinary shares at the end of the period (diluted)</b>	<b>1,480,757</b>	<b>1,480,757</b>

<b>DILUTED NET EARNINGS PER SHARE</b>	<b>2014-06-30</b>	<b>2013-06-30</b>
on continued and discontinued operations	-	-
on continued operations	-	-

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

## **Note 25 Dividends**

<b>DECLARED AND PAID IN THE REPORTING PERIOD</b>	<b>2014-06-30</b>	<b>2013-12-31</b>
<b>Dividend on ordinary shares</b>	-	<b>1,001</b>
Dividend paid	-	-
<b>Total</b>	-	<b>1,001</b>

<b>SUBMITTED FOR APPROVAL AT THE GMS (NOT RECOGNISED AS LIABILITIES AS AT THE BALANCE-SHEET DATE)</b>	<b>2014-06-30</b>	<b>2013-12-31</b>
Dividend on ordinary shares	-	-
<b>Total</b>	-	-



## Note 26 Information on operating segments

The Company 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 Company presents sales categorised into products, services and goods (note 19) and by geographical areas. The Company does not present information on major groups of customers because such a situation is not applicable.

INFORMATION ON GEOGRAPHICAL AREAS	2014-06-30	
	Revenues	Non-current assets
Domestic sales	8,494	*
Total foreign sales	720	*
of which:		
Germany	377	-
Ukraine	113	-
Russia	-	-
Hungary	79	-
Czech Republic	19	-
Spain	63	-
Other	69	-
<b>TOTAL</b>	<b>9,214</b>	-

INFORMATION ON GEOGRAPHICAL AREAS	2013-06-30	
	Revenues	Non-current assets
Domestic sales	5,646	*
Total foreign sales	1,277	*
of which:		
Germany	565	-
Ukraine	260	-
Russia	176	-
Hungary	103	-
Czech Republic	101	-
Other	72	-
<b>TOTAL</b>	<b>6,923</b>	-

\* Fixed assets utilised in the operations of the entity are used for the manufacture of goods sold on the domestic market and abroad.

INFORMATION ON TYPES OF PRODUCTS, SERVICES AND GOODS	2014-06-30	2013-06-30
	Revenues	Revenues
Products – licenses	447	573
Services – implementation	2,317	2,551
Services – maintenance	3,610	3,460
Services – individual projects and other services	158	12
Long-term contracts	921	-
Goods	1,761	327
<b>TOTAL</b>	<b>9,214</b>	<b>6,923</b>

### Note 27 Transactions with related parties

TRANSACTIONS WITH RELATED PARTIES				
Parties to transaction	2014-06-30		2014-06-30	
	Sales	Purchasing	Receivables	Liabilities
Parent entity	-	-	-	-
Capital group companies	116	216	4,196	28
Non-consolidated subsidiaries	-	-	-	-
Associates	-	-	-	-
Key managerial staff	-	-	-	-
Other parties, including key managerial staff	-	94	4	-
<b>Total</b>	<b>116</b>	<b>310</b>	<b>4,200</b>	<b>28</b>

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

<b>REMUNERATION OF KEY MANAGERIAL STAFF</b>	<b>2014-06-30</b>	<b>2013-06-30</b>
Short-term employee benefits	995	471
Post-employment benefits	-	-
Other long-term benefits	-	-
Benefits due to termination of employment	-	-
Employee benefits in the form of treasury shares	-	-
<b>Total</b>	<b>995</b>	<b>471</b>

<b>TRANSACTIONS BETWEEN QUANTUM SOFTWARE S.A. AND SUBSIDIARIES</b>			
<b>Entity</b>	<b>Type of transaction</b>	<b>Transaction value in PLN</b>	<b>Transaction value in foreign currency</b>
Edisonda Sp.z o.o.	Sale of other services	3	-
Quantum International Ukraine	Sale of licences	44	-
Quantum International Ukraine	Sale of IT services	69	-
Quantum I-Services Sp. z o.o.	Granting of a borrowing	19	-
Quantum I-Services Sp. z o.o.	Borrowing repayment	10	-
Quantum Brasil	Granting of a borrowing	212	-
Edisonda Sp.z o.o.	Granting of a borrowing	100	-
Quantum Mobile Solutions Sp. z o.o.	Borrowing repayment	50	-
Quantum I-Services Sp. z o.o.	Accrued interest on borrowings	41	-
Edisonda Sp.z o.o.	Accrued interest on borrowings	4	-
Quantum Mobile Solutions Sp. z o.o.	Accrued interest on borrowings	1	-
Quantum East Sp. z o.o.	Accrued interest on borrowings	50	-
Quantum Brasil	Accrued interest on borrowings	10	-
Quantum Mobs Spain	Accrued interest on borrowings	1	-
Quantum I-Services Sp. z o.o.	Purchase of IT services	75	-
Quantum I-Services Sp. z o.o.	Purchase of other services	142	-
Quantum Mobs Spain	Sales of shares	-	-

## Note 28 Construction agreements

Some of the contracts held by the Company have the traits of long-term contracts. The Company's management board analyses the costs and revenues under such contracts on a regular basis. The discrepancies between the progress of the contracts and the accompanying costs and revenue were presented in the table below as their impact on the current profit/loss increased.

<b>CONSTRUCTION CONTRACTS IN PROGRESS</b>	<b>2014-06-30</b>	<b>2013-12-31</b>
Total costs incurred	581	324
Total gains and losses recognised	921	354
Advances received	-	-
Deposit amount	-	-
Accounts receivable from customers due to work under contracts	307	173
Accounts payable to customers due to work under contracts	134	67

## Note 29 Financial instruments

<b>FINANCIAL INSTRUMENTS - INTEREST RATE RISK - SENSITIVITY ANALYSIS</b>			
<b>As of 2014-06-30</b>			
	<b>Carrying value</b>	<b>Increase/decrease by percentage points</b>	<b>Impact on gross profit/loss</b>
<b>Financial assets</b>	4,700	-	-7
Cash	2,584	-	-
Financial assets held for sale	299	-	-
Other financial assets	-	-	-
Borrowings granted	1,817	-	-7
<b>Financial liabilities</b>	<b>254</b>	-	<b>1</b>
Bank loans and borrowings	152	-	-
Financial liabilities under lease agreements	102	-	1
Other financial liabilities	-	-	-

<b>FINANCIAL INSTRUMENTS - INTEREST RATE RISK - SENSITIVITY ANALYSIS</b>			
<b>As of 2013-12-31</b>			
	<b>Carrying value</b>	<b>Increase/decrease by percentage points</b>	<b>Impact on gross profit/loss</b>
<b>Financial assets</b>	6,891	-	-7
Cash	3,667	-	-
Financial assets held for sale	886	-	-

Other financial assets	-	-	-
Borrowings granted	2,338	-	-7
<b>Financial liabilities</b>	<b>326</b>	<b>-</b>	<b>2</b>
Bank loans and borrowings	170	-	-
Financial liabilities under lease agreements	156	-	2
Other financial liabilities	-	-	-

#### FINANCIAL INSTRUMENTS - CURRENCY RISK - SENSITIVITY ANALYSIS

As of 2014-06-30			
	Carrying value	Increase/decrease of exchange rate in percentage	Impact on gross profit/loss
<b>Financial assets</b>	-	-	-
Cash in EUR	22	0.50%	-
Cash in USD	2	1.00%	-
Trade and other receivables in EUR	1,070	0.50%	5
Financial liabilities	-	-	-
Overdraft facility in EUR	-	-	-
Short-term loans in EUR	-	-	-
Trade liabilities in EUR	-	-	-

#### FINANCIAL INSTRUMENTS - CURRENCY RISK - SENSITIVITY ANALYSIS

As of 2013-12-31			
	Carrying value (PLN thousand)	Increase/decrease of exchange rate in percentage	Impact on gross profit/loss
<b>Financial assets</b>	-	-	-
Cash in EUR	6	1.00%	-
Cash in USD	5	1.00%	-
Trade and other receivables in EUR	925	1.00%	9
Financial liabilities	-	-	-
Overdraft facility in EUR	-	-	-
Short-term loans in EUR	-	-	-
Trade liabilities in EUR	-	-	-

FAIR VALUES OF PARTICULAR CATEGORIES OF FINANCIAL INSTRUMENTS					
	Category in accordance with IAS 39*	Carrying value		Fair value	
		2014-06-30	2013-12-31	2014-06-30	2013-12-31
<b>Financial assets</b>		<b>9,180</b>	<b>10,925</b>	<b>9,180</b>	<b>10,925</b>
Cash	FVTPL	2,584	3,667	2,584	3,667
Trade and other receivables	L&R	4,480	4,034	4,480	4,034
Receivables on account of borrowings granted	L&R	1,817	2,338	1,817	2,338
Financial assets held for sale	AFS	299	886	299	886
<b>Financial liabilities</b>		<b>1,953</b>	<b>2,176</b>	<b>1,953</b>	<b>2,176</b>
Financial lease liabilities	OFLatAC	102	156	102	156
Trade and other liabilities	OFLatAC	1,848	1,998	1,848	1,998
Short-term bank loans	OFLatAC	3	22	3	22

ITEMS OF REVENUES, COSTS, GAINS AND LOSSES RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME BY CATEGORIES OF FINANCIAL INSTRUMENTS					
	Category in accordance with IAS 39*	FOR THE PERIOD ENDING 2014-06-30			
		Interest costs/revenues	Foreign exchange gains/losses	Releasing/creation of write-offs	Gains/losses on sales
<b>Financial assets</b>		<b>185</b>	<b>1</b>	<b>-520</b>	<b>-</b>
Cash	FVTPL	40	1	-	-
Trade and other receivables	L&R	-	-	-520	-
Receivables on account of borrowings granted	L&R	145	-	-	-
Financial assets held for sale	AFS	-	-	-	-
<b>Financial liabilities</b>		<b>-9</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financial lease liabilities	OFLatAC	-4	-	-	-
Trade and other liabilities	OFLatAC	-5	-	-	-
Short-term bank loans	OFLatAC	-	-	-	-

ITEMS OF REVENUES, COSTS, GAINS AND LOSSES RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME BY CATEGORIES OF FINANCIAL INSTRUMENTS					
	FOR THE PERIOD ENDING 2013-06-30				
	Category in accordance with IAS 39*	Interest costs/revenues	Foreign exchange gains/losses	Releasing/creation of write-offs	Gains/losses on sales
<b>Financial assets</b>		<b>212</b>	<b>26</b>	-	-
Cash	FVTPL	79	9	-	-
Trade and other receivables	L&R	-	17	-	-
Receivables on account of borrowings granted	L&R	133	-	-	-
Financial assets held for sale	AFS	-	-	-	-
<b>Financial liabilities</b>		<b>-8</b>	-	-	-
Financial lease liabilities	OFLatAC	-7	-	-	-
Trade and other liabilities	OFLatAC	-	-	-	-
Short-term bank loans	OFLatAC	-1	-	-	-

### Note 30 Share-based payments

#### Scheme for senior managerial personnel Stock option scheme for employees

##### Information on the systems of control of the employee stock option schemes

Managerial Stock Option Scheme launched by the Issuer in 2008 and described in detail in the preceding reports was addressed to key managerial personnel of the company and its subsidiaries and associates ("Eligible Persons"). The scheme consisted of three Packages realised at specific intervals. The First Package was fully realised and involved the Issue of D series shares. On 14 March 2011, the Supervisory Board passed a resolution concerning the transfer of subscription warrants from the Second Package to the Third Package as the prerequisites for the realisation of subscription warrants from the Second Package were not met. The General Meeting of Shareholders of the company has authorised the Supervisory Board to change the Regulations of the Managerial Stock Option Scheme. In accordance with the resolution of the General Meeting of Shareholders of 17 June 2008 concerning the contingent increase of the share capital of the Company to grant the rights to take up D series shares to the holders of subscription warrants, the deadline for the exercise of the right to take up D series shares by the holders of subscription warrants expired on 31 December 2013. Similarly, in the case of the third Package, the realisation conditions were not satisfied. The Managerial Stock Option Scheme introduced by the Issuer in 2008 was realised partially and expired as of 31 December 2013. By the date of preparing this information, the company did not introduce any new employee stock option schemes.

<b>COSTS OF SERVICES PROVIDED BY EMPLOYEES/MANAGERIAL STAFF</b>	<b>2014-06-30</b>	<b>2013-06-30</b>
Costs of scheme settled with equity instruments	-	-
Costs of scheme settled with cash	-	-
<b>Total costs of share-based/option-based payment schemes</b>	-	-



## THE ISSUER'S CAPITAL GROUP'S MANAGEMENT REPORT

### 1) Basic information

The parent of the Capital Group is Quantum software S.A. with registered office in Kraków at ul. Walerego Sławka 3A. The Company was entered into the Register of Entrepreneurs of the National Court Register Kraków – Śródmieście, 11th Commercial Division on 30 October 2002 under No. KRS 0000136768; PKD (Polish Classification of Activities) 62.01Z. 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 semi-annual financial statements were prepared with the assumption that member companies of the Quantum software S.A. Capital Group would continue as a going concern in foreseeable future.

**2) Organisational structure of the Group as at 30.06.2014 – 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 paid in full

**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: Edisona 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 150,00.00

**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 6,000.00

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

Registered Office: Brasília/DF

Address: Condomínio Jardim Botânico, Etapa 01, quadra 02. Rua 01 lote 112 – loja 12, Lago Sul - Brasília - 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 paid in full: BRL 170,000.00

**8. Company's business name: EQ System East – associate**

Registered office: Kraków

Address: Walerego Sławka 3a

National Court Register (KRS): 0000486510

Shareholders: 48% of shares held by Quantum software S.A.

Share capital paid in full: 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**

	<b>01.01 - 30.06.2014</b>	<b>% share</b>	<b>01.01 - 30.06.2013</b>	<b>% share</b>
<b>Qguar licences and services</b>	8,346	73.6%	7241	78.8%
<b>Goods</b>	1,766	15.6%	1327	14.4%
<b>Other sales</b>	1,225	10.8%	620	6.7%
<b>Total</b>	<b>11,377</b>	<b>100%</b>	<b>9188</b>	<b>100%</b>

Data in PLN '000

**Sales by markets**

	<b>01.01 - 30.06.2014</b>	<b>% share</b>	<b>01.01 - 30.06.2013</b>	<b>% share</b>
<b>Country</b>	9,437	83.2%	6240	67.9%
<b>Abroad</b>	1,900	16.8%	2948	32.1%
<b>Total</b>	<b>11,337</b>	<b>100%</b>	<b>9188</b>	<b>100%</b>

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 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.

EQ System East, a subsidiary of the Group; 48% of its shares are held by Quantum software S.A. The purpose of the company is to introduce a system for automated planning of production processes to the East European market (Russia, Ukraine, Belarus).

#### **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 H1 2014, there were changes in the structure of the business entity and of the capital group.

On 29 April 2014, by virtue of notarial deeds drawn up in Madrid, the borrowings used to finance the operations of the Spanish Quantum Mobs Systems S.L. were converted into the share capital. In the following year the shares held in the company were sold and the company ceased to be a member of the Quantum Capital Group. The decision was made due to the change of the existing, ineffective manner of operation on the markets of the Spanish-speaking Latin America.

#### **5) Assessment of the Capital Group's basic economic and financial items**

In H1 2014 the Capital Group obtained a sales revenue of PLN 11,377 thousand, whereas in the comparable period of the preceding year - PLN 9,188 thousand. This is an increase by 23.8%.

In H1 2014, the sales of products and services related to own software (the Qguar package) accounted for nearly 74% of total sales. The sale of licenses and services related to own software increased by 15.3% to PLN 8,346 thousand.

Total revenue growth is also caused by increased sale of equipment and services not connected with the Qguar package – mainly in the company EDISONDA. Unfortunately, the Group companies operating in Russia and Ukraine saw a decline in revenues.

Revenue growth improved the profitability of the Group compared to the same half of 2013 (net loss reduced to PLN 228 thousand). However, the result of the Issuer was significantly burdened by the decision of partial revaluation allowance for the borrowings and receivables of the subsidiaries operating in Ukraine and Russia. This allowance was increased (to PLN 1,210 thousand) compared to the allowance in the first quarter – due to the escalation of the conflict between Russia and Ukraine. This decision is based on the assessment of risk connected with the Ukraine crisis and its visible impact on the financial standing of the Ukrainian subsidiary, the Russian subsidiary and their customers. The activity of the Group in Russia is based, to a significant extent, on the references and specialists from Ukraine. It is connected with the escalating military conflict between these countries, restriction of trade due to economic sanctions against Russia, sharp reduction in economic and investment growth in both countries, their ratings being lowered and currencies weakened.

The Issuer maintains a stable structure of financing current activities which is principally based on financing by means of equity and current trade liabilities.

The current financing structure will not cause any risk of losing or upsetting liquidity.

**6) 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:**

- Market Detal sp. z o.o.
- Ponetex Logistics Sp. z o.o.
- BeaBeleza sp. z o.o. Sp.K.
- Knižnaja Birža sp. z o.o. (Ukraine),
- MirgorodskijzavodmineralnyhvodS.A. (Ukraine)
- Epicentr K sp. z o.o. (Ukraine)
- VerumLogistik sp. z o.o. (Ukraine)
- Belinterproduktwspólna sp. z o.o. under the Ukrainian law (Ukraine)
- Zortrax sp. z o.o. (EDISONDA)
- Collegium Civitas (EDISONDA)
- Luxoft sp.z o.o.(EDISONDA)
- Mediasoft Polska sp.z o.o.(EDISONDA)
- ASP Katowice (EDISONDA)

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

- Agros Nova sp. z o.o.
- Kontinet Spedition GmbH
- DINO sp. z o.o.

➤ **Industry engagement:**

On 8-9 May 2014 the Issuer, for the 9th time, together with the Eurologistics publishing house was the organiser of the **Forum of Logistic Practitioners**.

➤ **Other important events:**

The signing of a cooperation agreement between Quantum Brasil and Sonda IT which intent is to distribute the package Qguar on the Brazilian market.

Tougher than expected conditions for the development of activity in the Spanish-speaking countries of Latin America, in particular – as described above – in Ukraine and Russia.

**7) Managerial Stock Option Scheme and share buy-back scheme**

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

The scheme consisted of three Packages realised at specific intervals. The First Package was fully realised and involved the Issue of D series shares. On 14 March 2011, the Supervisory Board passed a resolution concerning the transfer of the entirety of

subscription warrants from the Second Package to the Third Package as the prerequisites for the realisation of subscription warrants from the Second Package were not met. General Meeting of Shareholders of the company has authorised the Supervisory Board to change the Regulations of the Managerial Stock Option Scheme. On 15 March 2013, the Supervisory Board passed a resolution concerning the suspension of the Managerial Stock Option Scheme. In accordance with the resolution of the General Meeting of Shareholders of 17 June 2008 concerning the contingent increase of the share capital of the Company to grant the rights to take up D series shares to the holders of subscription warrants, the deadline for the exercise of the right to take up D series shares by the holders of subscription warrants expired on 31 December 2013. Also, in the case of the Third Package, the prerequisites for its realisation were not met. The Managerial Stock Option Scheme introduced by the Issuer in 2008 was realised partially and expired as of 31 December 2013. By the date of preparing this information, the company did not introduce any new employee stock option schemes.

#### Regulations of share buy-back scheme carried out by the Issuer

The Issuer's Management Board provided in CR 21/2009 the information regarding detailed conditions of share buy-back. The contents of the "Regulations of the Share Buy Back Scheme" carried out in Quantum software S.A. are available at the Issuer's website. On 29 April 2010, the Issuer's Management Board adopted a resolution amending the "Regulations of the Share Buy Back Scheme" carried out in QUANTUM SOFTWARE S.A. (CR 11/2010). As at the periodical report's publication date, the total number of shares held by the Issuer is 14,930, which constitutes 1.008% of the share capital of the Issuer and 0.669% of votes at the General Meeting of Shareholders.

## **8) Description of significant risk factors and threats**

### **Risk related to the macroeconomic situation**

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

### **Risk related to long-term elements of global economic crisis**

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

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

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

### **Increase of competition growth**

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

### **Export risk**

The sales of Quantum software S.A. are conducted mainly in Poland. Nonetheless, the Company also enters into contracts with entities operating in other countries. The current large share of export to Ukraine in crisis stands at special risk. This year approx. 17% of the Company's sales revenue is obtained abroad. The value of contracts with foreign clients is usually expressed in EUR. Negative tendencies in the exchange rate of PLN to EUR may have negative impact on the financial results of the Company. A fall in the value of EUR compared to PLN will trigger lower export revenues achieved by Quantum software S.A. and lower return on export contracts.



### **Risk of performed contracts**

Quantum software S.A. does not sell large number of easily installed programmes but carries out large individual implementation projects of high level of complexity which usually require a few months' work of a team of specialists. A system which is implemented in a particular company must overlook very complex logistic processes and integrate them with all departments' operations in real time. Such circumstance result in a risk of faulty reproduction of processes and information flow in a company, a risk of extending the duration of planned tasks, a risk of changes in the scope of works compared to the initially agreed plan. Decrease in the contract value, higher costs of contract performance compared to the expectations, contract termination or potential financial claims from the customer may have detrimental impact on the current financial condition of Quantum software S.A. The above risks are minimised due to the international experience, own standard base product and own experienced team of specialists.

### **Implementation risk**

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

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

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

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

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

Innovativeness and pace of the appearance of new products in IT industry generates necessity for the systematic update of existing products, adjusting them to changing equipment platforms and introducing new products. Lack of sufficient technological base and well-qualified staff may result in delays in updates and in introducing new products,

which in effect may compromise attractiveness of our offer. This may lead to decrease of sales revenue, and, in consequence, decrease of attained profit. Quantum software S.A. strives to minimise this risk through constant development of our managers, successively increasing, if possible, the number of high qualified employees and funding research and development works.

#### **HR risk**

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

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

The typical seasonal nature of the IT business, where maximum turnover is recorded in Q4 of a calendar year and is related to the end of the financial year and system upgrades, does not apply to Quantum software S.A. Turnover fluctuations between year quarters are more connected with customer investment cycles than seasonality.

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

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

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

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

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

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

#### **Foreign exchange risk**

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

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

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

#### **Risk related to investment expenditure**

Major capital expenditures, in accordance with the assumed strategy, are related to introducing new products to new markets. It is an opportunity for development, but also generates additional risks. They are particularly connected with the activity of subsidiaries in other countries. The highest risk is present in the Russian market and in the markets in Latin America. These markets have end enormous potential (definitely larger than the Polish market) but require high capital expenditures as well as long-term and consistent advertising. The risks are related to the instability of legal systems (Russia and Ukraine), varying levels of economic growth (e.g. Brazil saw a significant slowdown in the last year) and a barrier to communication (costs of communication, legal and administrative expenses). The greatest risk is now connected with the investments incurred for the development of the Russian and Ukrainian company. It is connected with the escalating military conflict between these countries, restriction of trade due to economic sanctions against Russia, reduction in investment demand in both countries, their ratings being lowered and currencies weakened.

#### **Risk related to the operation of member companies of the capital group**

Most of the member companies of the capital group are entering new markets. These are foreign markets with standard products of the Qguar package (Ukraine, Russia and Latin America) or the Polish market and new types of products and/or services. Except for the Ukrainian company (Quantum International O.O.O.) and EDISONDA Sp. z o.o., the group companies operate for approx. 2 years and continue to compete for presence in their market segments. Initially generated revenue does not mean that these ventures will be successful. Foreign operations involve a particular type of risk described in the preceding section.

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

The most serious event is a dramatic downturn on the Russian and Ukrainian markets which are important for the Group, with the escalating conflict between these countries in the background. The revaluation allowance for the borrowings and receivables towards the Issuer of the Russian and Ukrainian companies, as described above, contributed to unfavourable financial results.

**10) 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.

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

In H1 2014, Quantum software S.A. and its subsidiaries did not perform any issue of shares and they did not redeem or repay debt or equity securities.

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

In H1 2014 described herein, the Company did not pay dividend to shareholders.

**13) Events after the day as at which the condensed semi-annual financial statements were prepared, not included in these statements that could have a significant influence on the Issuer's future financial performance**

On 6 June 2014 the Ordinary General Meeting of Quantum Software S.A. by means of resolution no. 17 granted consent for the sale of the Company's enterprise as defined in Art. 55[1] of the Civil Code. Pursuant to the resolution, the disposal of the enterprise was to be effected by Quantum Software making a non-monetary contribution of the enterprise to the capital company being a 100% subsidiary of the Issuer. In this resolution, the Issuer's Management Board was entrusted with the execution of all the actions connected with the specification of the components making up the enterprise, the mode, dates as well as the undertaking of all the actual and legal actions.

On 18 June 2014, the Issuer, in pursuance of the resolution of the OGM of 6 June 2014, founded a company Quantum Qguar Sp. z o.o. with the share capital of PLN 5,000 thousand which was subsequently entered into the National Court Register kept by the District Court for Kraków-Śródmieście in Kraków on 15 July 2014 under KRS number 0000516717. The business focus of Quantum Qguar sp. z o.o. is identical to that of the Issuer's.

On 25 July 2014 all the conditions of the disposal of the enterprise were specified. The said disposal was made under an agreement for the disposal of an enterprise, in writing, with the signatures certified by a notary public.

On 25 July 2014, the Meeting of Shareholders of Quantum Qguar sp. z o.o. adopted a resolution increasing the share capital of that company by PLN 3,995,000.00 (three million nine hundred and ninety-five thousand Polish zlotys) up to PLN 4,000,000.00 (four million Polish zlotys) by creating 79,900 new shares which were subsequently taken up by the Issuer. Quantum Software S.A. undertook to cover all the 79,900 new shares with a nominal value of PLN 50 each that it had taken up in the subsidiary Quantum Qguar sp. z o.o. by a non-monetary (in-kind) contribution in the form of its enterprise, under certain exclusions, with the value of PLN 9,695,843.86 (in words: nine million six hundred and ninety-five thousand eight hundred and forty-three 86/100 Polish zlotys). The in-kind contribution included, *inter alia*: fixed assets, inventory, rights and obligations under the

contracts concluded in connection with the business activity of the enterprise, receivables, trade marks and utility patents, rights to internet domains, rights to licences, copyright and related rights, including the rights to software and graphic device and word marks, certain proprietary rights in the form of shares held in subsidiaries, short- and long-term prepayments and accruals, development work, employment relationships with employees pursuant to Article 231 of the Labour Code.

The shares newly taken up by the Issuer, along with the 100 shares held now, constitute 100% of the share capital and the votes at the meeting of shareholders of Quantum Qguar sp. z o.o. The share premium was fully allocated to the supplementary capital of Quantum Qguar sp. z o.o. As a result of the taking up of the shares by the Issuer and making a contribution to cover these shares, the Issuer still remains the parent entity in relation to Quantum Qguar sp. z o.o.

The agreement was concluded on the terms no other than the arm's length terms.

**14) 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.

**15) 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 any performance forecasts for the year.

**16) 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 best of the Company's knowledge, as at 29 August 2014, the day of publication of the semi-annual report, the Company's dominant shareholder is Minvesta Sp. z o.o. with its registered office in Kraków, holding 675,421 A series registered shares, which constitute a total of 45.61% of the Company's share capital and carry 1,350,842 votes at the General Meeting, which constitutes 60.56% of the total number of votes and holding 222,979 B series bearer shares of the Company, which constitute a total of 15.06% of the Company's share capital and carry 222,979 votes as the General Meeting of the Company, which constitutes 9.99% of the total number of votes.

All the A and B series shares of the Company, held by MINVESTA Sp. z o.o. constitute a total of 60.67% of the Company's share capital and they carry 1 573 821 votes at the General Meeting of the Company, which constitutes 70.55% of the total number of votes.

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

**Management Board (as at 29 August 2014)**

<b>Tomasz Hatala</b>	36,200
<b>Bogusław Ożóg</b>	31,924
<b>Marek Jędra</b>	8,200
<b>Tomasz Mnich</b>	3,400

**Members of the Supervisory Board holding Company's shares (as at 29 August 2014)**

<b>Tomasz Polończyk</b>	8,200
-------------------------	-------

- 18) 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.

- 19) 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.

- 20) 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.

**21) 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.

**22) 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 growth rate,
- consequences of the conflict and crisis in Ukraine as well as an economic slowdown in Russia,
- impact of the 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,
- 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;
- successful and timely completion of development works with respect to new products and services;
- 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.

*Kraków, 29 August 2014*

**Signatures of the Management Board members**

**Person responsible for bookkeeping**

Tomasz Hatala

Monika Kuś

Bogusław Ożóg

Marek Jędra

Tomasz Mnich



Kraków, 29 August 2014

**Statement of the Management Board concerning the preparation of the financial statements**

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

**President of the Management Board** Tomasz Hatala

**Vice-President of the Management Board** Bogusław Ozóg

**Vice-President of the Management Board** Marek Jędra

**Member of the Management Board** Tomasz Mnich

Kraków, 29 August 2014

**The Management Board's statement on the entity authorised to perform the audit.**

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

**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