



Quantum software S.A.

Semi-annual condensed consolidated financial statements of the Quantum
Software S.A. Capital Group for H1 2016

Cracow, 31 August 2016

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

I. 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
	2016-01-01 to 2016-06-30	2015-01-01 to 2015-06-30	2016-01-01 to 2016-06-30	2015-01-01 to 2015-06-30
Statement of comprehensive income				
Net revenue from the sale of products, goods and materials	12 789	12 056	2 920	2 916
Profit (loss) on operating activities	743	1 121	170	271
Gross profit (loss)	1 061	958	242	232
Net profit (loss)	960	842	219	204
	in PLN '000		in EUR '000	
	period from	period from	period from	period from
	2016-01-01 to 2016-06-30	2015-01-01 to 2015-06-30	2016-01-01 to 2016-06-30	2015-01-01 to 2015-06-30
Cash flow statement				
Net cash flows from operating activities	1 906	1 709	435	413
Net cash flows from investment activities	-1 196	-92	-273	-22
Net cash flows from financing activities	-251	-165	-57	-40
Total net cash flows	459	1 452	105	351
	in PLN '000		in EUR '000	
	period from	period from	period from	period from
	2016-01-01 to 2016-06-30	2015-01-01 to 2015-12-31	2016-01-01 to 2016-06-30	2015-01-01 to 2015-12-31
Statement of financial position				
Total assets	16 889	16 294	3 816	3 824
Liabilities and provisions for liabilities, of which:	4 648	3 602	1 050	845
Long-term liabilities	682	747	154	175
Short-term liabilities	3 966	2 855	896	670
Equity	12 241	12 692	2 766	2 978
Share capital	740	740	167	174
Number of shares	1 480 757	1 480 757	1 480 757	1 480 757
Diluted number of shares	1 480 757	1 480 757	1 480 757	1 480 757
Earnings (loss) per ordinary share (in PLN/EUR)	1	1	0	0
Diluted earnings (loss) per ordinary share (in PLN/EUR)	1	1	0	0

Book value per share (in PLN/EUR)	8	9	2	2
Diluted book value per share (in PLN/EUR)	8	9	2	2
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 01.01.2016 to 30.06.2016: PLN 4.3805

Arithmetic mean in the period from 01.01.2015 to 30.06.2015: PLN 4.1341

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 2016 - PLN 4.4255

31.12.2015 - PLN 4.2615

Average exchange rates for the Polish zloty to euro in the period covered by the statements		
Period	Average rate in the period	Exchange rate at the last day of the period
2016	4.3805	4.4255
2015	4.1341	4.2615

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
	2016-01-01 to 2016-06-30	2015-01-01 to 2015-06-30	2016-01-01 to 2016-06-30	2015-01-01 to 2015-06-30
Net revenues from the sale of products, goods and materials	651	486	149	118
Profit (loss) on operating activities	86	-159	20	-38
Gross profit (loss)	88	-160	20	-39
Net profit (loss)	150	-137	34	-33
Cash flow statement	in PLN '000		in EUR '000	
	period from	period from	period from	period from
	2016-01-01 to 2016-06-30	2015-01-01 to 2015-06-30	2016-01-01 to 2016-06-30	2015-01-01 to 2015-06-30
Net cash flows from operating activities	205	138	47	33
Net cash flows from investing activities	-199	1	-45	0
Net cash flows from financing activities	-	-	-	-
Total net cash flows	6	139	1	34
Statement of financial position	in PLN '000		in EUR '000	
	period from	period from	period from	period from
	2016-01-01 to 2016-06-30	2015-01-01 to 2015-12-31	2016-01-01 to 2016-06-30	2015-01-01 to 2015-12-31
Total assets	10 760	10 342	2 431	2 427
Liabilities and provisions for liabilities, of which:	525	257	119	60
Long-term liabilities	1	-	0	-
Short-term liabilities	524	257	118	60
Equity	10 235	10 085	2 313	2 367
Share capital	740	740	167	174
Number of shares	1 480 757	1 480 757	1 480 757	1 480 757
Diluted number of shares	1 480 757	1 480 757	1 480 757	1 480 757
Earnings (loss) per ordinary share (in PLN/EUR)	0.10	-0.09	0.02	-0.02
Diluted earnings (loss) per ordinary share (in PLN/EUR)	0.10	-0.09	0.02	-0.02
Book value per share (in PLN/EUR)	6.91	6.81	1.56	1.60

Diluted book value per share (in PLN/EUR)	6.91	6.81	1.56	1.60
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 01.01.2016 to 30.06.2016: PLN 4.3805

Arithmetic mean in the period from 01.01.2015 to 30.06.2015: PLN 4.1341

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 2016 - PLN 4.4255

31.12.2015 - PLN 4.2615

Average exchange rates for the Polish zloty to euro in the period covered by the statements		
Period	Average rate in the period	Exchange rate on the last day of the period
2016	4.3805	4.4255
2015	4.1341	4.2615

II. Semi-annual condensed consolidated financial statements

Consolidated statement of financial position	Note	2016-06-30	2015-12-31
ASSETS			
Non-current assets		2 517	2 679
Property, plant and equipment	1	1 625	1 520
Investment property		-	-
Biological assets		-	-
Goodwill of subsidiaries		-	-
Intangible assets	2	529	845
Investments in equity-accounted associates	3	19	20
Financial assets held for sale		-	-
Borrowings granted	4	-	-
Other financial assets		-	-
Deferred income tax assets		344	292
Other long-term receivables and prepayments	5	-	2
Current assets		14 372	13 615
Inventory	6	667	126
Trade receivables	7	4 865	4 016
Other short-term receivables and prepayments	5	1 268	2 547
Income tax receivables		-	-
Financial assets measured at fair value through profit or loss		-	-
Financial assets held for sale		-	-
Borrowings granted	4	724	546
Other financial assets		-	-
FX forwards		-	-
Cash or cash equivalent	8	6 848	6 380
Non-current assets classified as held for sale		-	-
TOTAL ASSETS		16 889	16 294
LIABILITIES AND EQUITY			
Equity		12 241	12 692
Equity attributable to shareholders of the parent company		12 350	12 672
Share capital	9	740	740
Share premium	11	11 217	9 677
Treasury shares	10	-1 082	-102
Reserve and supplementary capitals	11	186	51
Revaluation reserve	11	-	-
Amounts recognised directly in equity and related to assets classified as held for sale	11	-	-
Exchange rate differences from translation	11	-87	66

Profit/loss on the disposal of a subsidiary		-	-
Retained profit/loss		338	777
Current year profit/loss		1 038	1 463
Non-controlling interests		-109	20
LIABILITIES		4 648	3 602
Long-term liabilities		682	747
Provisions	12	229	230
Deferred income tax provision		235	273
Long-term loans and borrowings	13	115	151
Other non-current financial liabilities	14	103	93
Other non-current liabilities and accruals	16	-	-
Short-term liabilities		3 966	2 855
Provisions	12	6	6
Short-term bank loans and borrowings	13	-	-
Short-term part of long-term bank loans and borrowings	13	-	-
Other current financial liabilities	14	190	134
Trade payables	15	2 460	1 864
Other current liabilities and accruals	16	1 213	810
Income tax liabilities		97	41
FX forwards		-	-
Liabilities related to non-current assets classified as held for sale		-	-
TOTAL EQUITY & LIABILITIES		16 889	16 294

Consolidated income statement (classification of expenses by function)	Note	2016-06-30	2015-06-30
Continuing operations			
Revenue from the sale of products, goods and materials	17	12 789	12 056
Cost of products, goods and materials sold	18	9 017	7 920
Change in product - subsidy received for intangible and fixed assets		-	-
Gross profit/loss on sales		3 772	4 136
Selling costs	18	1 067	977
Administrative expenses	18	1 898	2 043
Sales profit/loss		807	1 116
Other operating revenue	19	21	17
Other operating expenses	19	85	12
Profit/loss on operating activities		743	1 121
Financial revenue	20	366	49
Financial expenses	20	47	211
Share in profit/loss of associates		-1	-1
Profit/loss from the sale of shares in an associate		-	-
Gross profit/loss		1 061	958
Income tax		101	116
Net profit (loss) from continued operations		960	842
Discontinued operations			
Profit/loss on discontinued operations for the financial year		-	-
Net profit/loss for the reporting period		960	842
Net profit/loss attributable to:		960	842
<i>Shareholders of the parent company</i>		1 038	847
<i>Non-controlling interests</i>		-78	-5
Other comprehensive income		-154	-29
Gains/losses arising from the revaluation of property, plant and equipment		-	-
Gains (losses) on revaluation of investments available for sale recognised in equity		-	-
Gains/losses on cash-flow hedges (effective portion)		-	-
Foreign currency translation differences (foreign operations)		-154	-29
Income tax related to items presented in other comprehensive income		-	-
Acquisition of capitals from non-controlling interests		-	-
Total comprehensive income		806	813
Comprehensive income attributable to:		806	813
<i>Shareholders of the parent company</i>		872	818
<i>Non-controlling interests</i>		-66	-5

Earnings/loss per share (in PLN):		-	-
From continued operations	21	-	-
<i>Basic</i>	21	1	1
<i>Diluted</i>	21	1	1
From continued and discontinued operations	21	-	-
<i>Basic</i>	21	1	1
<i>Diluted</i>	21	1	1

Foreign currency translation differences (foreign operations)	-	-	-	-	-	-	-153	-	-	-153	-	-153
Income tax related to items presented in other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues and expenses for the financial year recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	-
Profit/loss for the period: 01.01.2016-30.06.2016	-	-	-	-	-	-	-	-	1 038	1 038	-78	960
Other changes in equity	-	1 540	-980	135	-	-	-	-	-1 902	-1 207	-51	-1 258
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Distribution of profit/loss	-	1 540	-	47	-	-	-	-	-1 820	-233	33	-200
Acquisition of treasury shares	-	-	-980	-	-	-	-	-	-	-980	-	-980
Sale of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of the reserve capital to the share capital	-	-	-	-	-	-	-	-	-	-	-	-
Supplementary capital	-	-	-	88	-	-	-	-	-82	6	-84	-78
Profit/loss on the disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the period	740	11 217	-1 082	186	-	-	-87	-	-1 376	12 350	-109	12 241

for the period	Equity attributable to shareholders of the parent company										Non-controlling interests	Total equity
30 June 2015	Share capital	Share premium	Treasury shares	Reserve and supplementary capitals	Revaluation reserve	Amounts recognised directly in equity and related 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 period, as previously reported	740	10 466	-102	818	-	-	-70	-	309	12 161	41	12 202
Changes in accounting policy	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments of fundamental errors	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the beginning of period after adjustments (after conversion)	740	10 466	-102	818	-	-	-70	-	309	12 161	41	12 202
Total comprehensive income	-	-	-	-	-	-	-29	-	847	818	-5	813
Gains/losses arising from the revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-
Gains/losses on investments recognised directly in equity and available for sale	-	-	-	-	-	-	-	-	-	-	-	-
Gains/losses on cash-flow hedges (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency translation differences (foreign operations)	-	-	-	-	-	-	-29	-	-	-29	-10	-39

Income tax related to items presented in other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues and expenses for the financial year recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	-
Profit/loss for the financial year	-	-	-	-	-	-	-	-	847	847	5	852
Other changes in equity	-	-1 676	-	44	-	-	-	-	847	-785	-6	-791
Issue of share capital	-	-	-	17	-	-	-	-	-	17	10	27
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Distribution of profit/loss	-	-1 676	-	-	-	-	-	-	1 676	-	-	-
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Sale of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of the reserve capital to the share capital	-	-	-	27	-	-	-	-	-	27	-27	-
Supplementary capital	-	-	-	-	-	-	-	-	-829	-829	11	-818
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the period	740	8 790	-102	862	-	-	-99	-	2 003	12 194	30	12 224

for the period	Equity attributable to shareholders of the parent company										Non-controlling interests	Total equity
31 December 2015	Share capital	Share premium	Treasury shares	Reserve and supplementary capitals	Revaluation reserve	Amounts recognised directly in equity and related 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 period, as previously reported	740	10 466	-102	818	-	-	-70	-	309	12 161	41	12 202
Changes in accounting policy	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments of fundamental errors	-	-	-	-	-	-	-	-	-	-	-	-
As at the beginning of period after adjustments (after conversion)	740	10 466	-102	818	-	-	-70	-	309	12 161	41	12 202
Total comprehensive income	-	-	-	-3	-	-	136	-	1 463	1 596	39	1 635
Gains/losses arising from the revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-
Gains/losses on investments recognised directly in equity and available for sale	-	-	-	-	-	-	-	-	-	-	-	-
Gains/losses on cash-flow hedges (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency translation differences (foreign operations)	-	-	-	-3	-	-	136	-	-	133	3	136

Income tax related to items presented in other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues and expenses for the financial year recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	-
Profit/loss for the financial year	-	-	-	-	-	-	-	-	1 463	1 463	36	1 499
Other changes in equity	-	-789	-	-764	-	-	-	-	468	-1 085	-60	-1 145
Issue of share capital	-	-	-	16	-	-	-	-	-	16	10	26
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Distribution of profit/loss	-	-1 676	-	284	-	-	-	-	1 392	-	-	-
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Sale of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of the reserve capital to the share capital	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of the reserve capital to supplementary capital	-	887	-	-887	-	-	-	-	-	-	-	-
Supplementary capital	-	-	-	-177	-	-	-	-	-924	-1 101	-70	-1 171
Profit/loss on the disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the period	740	9 677	-102	51	-	-	66	-	2 240	12 672	20	12 692

Consolidated Cash Flow Statement (indirect method)	Note	2016-06-30	2015-06-30
Cash flows from operating activities			
Gross profit/loss		1 061	958
Adjustments for items		845	751
Share of net profit/loss of associates and joint ventures accounted for with the equity method		1	1
Non-controlling interests		-	-
Depreciation/amortisation		531	738
Goodwill impairment		-	-
Foreign exchange gains/losses		-255	478
Interest expense and revenue		-78	-25
Dividend revenue		-	-
Profit/loss on investing activities		74	-496
Change in provisions		-	-
Change in inventory		-538	-102
Change in receivables and prepayments		484	921
Change in liabilities and accruals		730	-616
Income tax paid/returned		-109	-229
Other adjustments		5	81
Net cash flows from operating activities		1 906	1 709
Cash flows from investing activities			
Inflows from the sale of fixed assets and intangible assets		22	37
Net inflows from the sale of subsidiaries and associates		-	-
Inflows from the sale of financial assets		-	-
Inflows from interest		70	76
Inflows from dividends		-	-
Repayment of borrowings granted		381	178
Expenditure for property, plant and equipment and intangible assets		234	169
Net outflows on the acquisition of subsidiaries and associates		980	-
Outflows on the acquisition of short-term financial assets		-	-
Borrowings granted		455	214
Other		-	-
Net cash flow from investing activities		-1 196	-92
Cash flows from financing activities			
Inflows from loans and borrowings		-	-
Net inflows from the issue of shares		16	-
Net inflows from issue of bonds, bills and notes		-	-
Repayment of loans and borrowings		152	-

Payment of financial lease liabilities		111	134
Dividends paid to the Company's shareholders		-	-
Dividends paid to shareholders holding non-controlling interests		-	-
Acquisition of treasury shares		-	-
Interest paid		4	31
Other		-	-
Net cash flows from financial activities		-251	-165
Increase/decrease in cash and cash equivalents		459	1 452
Cash, cash equivalents and overdrafts at the beginning of the period		6 380	4 802
<i>Foreign exchange gains/losses due to the measurement of cash, cash equivalents and overdrafts</i>		9	-71
Cash, cash equivalents and overdrafts at the end of the period		6 848	6 183

Selected consolidated notes

- Notes on the adopted significant accounting principles (policy):

1. Overview

The parent company of the Capital Group is Quantum software S.A. with its registered office in Cracow at ul. Walerego Sławka 3A. The Company was entered in the Register of Entrepreneurs of the National Court Register Kraków – Śródmieście, 11th Commercial Division, on 30 October 2002 under KRS number 0000136768; PKD (Polish Classification of Activities) 62.01Z. Software activities. The core business activity of the Company is the activities of holding companies.

The financial year of the Group's companies corresponds to the calendar year.

2. Approval of the financial statements

These financial statements were adopted and approved for publication by the Management Board on 31 August 2016.

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 ("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 at the balance sheet date, in line with the materiality principle. The Semi-Annual Condensed Consolidated Financial Statements for H1 2016 were prepared on the assumption that the Capital Group would continue as a going concern.

These financial statements contain financial data for H1 2016 and comparative financial data as at 31.12.2015 and as at 30.06.2015.

The Semi-Annual Consolidated Financial Statements for H1 2016 were prepared in PLN with figures rounded to full thousand.

Accounting records are kept at the historical cost. 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 policies

Unless otherwise stated, the financial statements were prepared in thousands of PLN, on the basis of entries made in the Company's books of accounts kept in accordance with the following accounting policies:

- 1) reliability,
- 2) accuracy, continuity, completeness,
- 5) comparability,
- 6) revenue and cost matching,
- 7) consistency of accounting principles.

Intangible assets, and property, plant and equipment

Measurement of intangible assets and property, plant and equipment – intangible assets and property, plant and equipment are measured subject to the continuity principle in the manner set out in International Accounting Standards, with the following restrictions:

- 1) Intangible assets are recognised at their acquisition price, less accumulated amortisation. Intangible assets are amortised on a straight-line basis and in the following amortisation periods (useful lives):
 - a) computer software – 2 years
 - b) licences – 2 years
 - c) copyrights – 2 years
 - d) R&D expenses – 5 years
 - e) the Company does not hold any intangible assets with indefinite useful lives.
- 2) Fixed assets are measured at their acquisition price or manufacturing cost, less accumulated depreciation, in proportion to their periods of use. Fixed assets are depreciated over their useful life. Despite being used for more than one year, fixed assets do not comprise items of low initial value of up to PLN 3,500.00, except for assets classified under group 4 (plant and machinery). Costs of purchase of these assets are recognised on a one-off basis as tax deductible expenses in the month when they were purchased or in the immediately following month. These items are not subject to recognition in the balance sheet. Cars are depreciated for 5 years on a straight-line basis on their initial value less their residual value equal to 20% of the initial value. All equipment classified under group 4, regardless of its initial value, is depreciated on a straight-line basis at the rates defined in accordance with their expected period of use, i.e.
 - a) desktop computers – 4 years,
 - b) laptop computers – 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 assets, property, plant and equipment.

Financial instruments

Measurement of financial instruments – financial instruments are measured subject to the consistency principle in the manner set out in International Accounting Standards, with the following restrictions:

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

Shares are measured at their purchase price less impairment losses.

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 calculated on an accrual basis are measured at their nominal value, while cash in foreign currencies – at the bank's buy and sell exchange rates and at the balance sheet valuation – at the average NBP exchange rate.

Liabilities are recognised in the books of accounts as they arise at their nominal value and at the amount due as at the balance sheet date. Liabilities denominated in foreign currencies are measured at the average NBP exchange rates.

Primary types of financial instruments:

- traditional financial instruments - trade receivables and payables are measured at their acquisition price (under paragraph 29(a) of IFRS 7), taking into account impairment losses and write-downs on account of uncollectability (under paragraph 58 of IAS 39),
- cash is measured at acquisition price under paragraph 29(a) of IFRS 7,
- loans, borrowings, leases are measured at amortised cost; however, in the judgment of the Management Board, the Company presents the items at cost (the amount due), because such measurement does not affect the Company's financial position.

Investments

The Company classifies its investments under the following categories:

- 1) shares in subsidiaries.

Shares in subsidiaries include shares in consolidated companies. Shares in subsidiaries are measured at acquisition price adjusted for impairment losses. Impairment losses on shares in subsidiaries are recognised in the statement of comprehensive income as financial costs.

Impairment losses on non-current 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 recognised in other operating expenses in the periods in which the asset is impaired.

Inventory

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

Trade and other receivables

Trade receivables are recognised at the amount due, less any impairment losses on doubtful receivables. Impairment losses are estimated on the results of the collectability of receivables when recovery of the full amount ceases to be probable.

Cash or cash equivalent

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 measured at least at the balance sheet date at reasonable, reliably estimated value. Provisions for employee benefits include pensions. The Company uses the actuarial method to establish, at the balance sheet date, provisions for the carrying amount of retirement benefits to which employees become entitled on that day, broken down by short-term and long-term benefits. This provision charges other operating expenses. Provisions are reversed at the end of each reporting period at the value of payments made in relation to corresponding liabilities.

Provisions

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

Prepayments/accruals

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

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

The Company recognises accruals, i.e. the amount of liabilities attributable to the current period resulting from services rendered to the entity.

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

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

Net revenues from sales relates to economic benefits from the reporting period in the entity's operating result at an amount reliably estimated, leading to an increase in equity by increasing assets or decreasing liabilities otherwise than by making contributions. In particular, this includes revenue from the sale of products, services, goods and materials.

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

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

Other operating revenue

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

- 1) profit on fixed assets and intangible assets,
- 2) profit from liquidation of fixed assets,
- 3) compensations received,
- 4) reversed provisions which charged the operating expenses at the time they were established,
- 5) written-off, time-barred and cancelled liabilities.

Financial revenue

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

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

Operating expenses

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.

Other operating expenses

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

They specifically comprise:

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

Financial expenses

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

Income tax

Obligatory tax charges consist of:

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

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

Deferred income tax

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

Earnings per share

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

Foreign currency transactions

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

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

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

Leases

Property, plant and equipment used under financial lease contracts which transfer to the Company all the risks and benefits incidental to their ownership are recognised in the Company's balance sheet at the present value of future minimum lease payments. Lease payments are apportioned between the reduction of the outstanding liability and the finance charge, recognised directly in profit or loss.

Notes – selected notes**Note 1 - Property, plant and equipment**

PROPERTY, PLANT AND EQUIPMENT	AS AT 30 JUNE 2016
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	Land and perpetual usufruct title to land	Buildings and structures	Machines and equipment	Vehicles	Other	Total
Gross value at the beginning of the period	-	2	1 113	1 587	40	2 742
Increases	-	78	145	159	-	382
<i>acquisition</i>	-	78	145	159	-	382
<i>acquisition as a result of the combination of business entities</i>	-	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-	-
<i>transfer of the business</i>	-	-	-	-	-	-
<i>other</i>	-	-	-	-	-	-
Decreases	-	-	-	19	-	19
<i>disposal</i>	-	-	-	19	-	19
<i>due to revaluation</i>	-	-	-	-	-	-
<i>due to reclassification to fixed assets held for sale</i>	-	-	-	-	-	-
<i>transfer of the business</i>	-	-	-	-	-	-
<i>other</i>	-	-	-	-	-	-
Allocated to discontinued operations	-	-	-	-	-	-
Internal movements (+/-)	-	-	-	-	-	-
Gross value at the end of the period	-	80	1 258	1 727	40	3 105
Amortisation at the beginning of the period	-	2	576	612	32	1 222
depreciation for the period	-	2	137	144	-	283
other increases	-	-	-	-	-	-
other increases (acquisition as a result of the combination of business entities)	-	-	-	-	-	-
transfer of the business	-	-	-	-	-	-
decreases	-	-	-	15	-	15
Amortisation at the end of the period	-	4	713	741	32	1 490
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 and impairment loss at the end of the period	-	4	713	741	32	1 490
Adjustment for net foreign exchange gains/losses on translation	-	-	-	10	-	10
Net value at the end of the period	-	76	545	996	8	1 625

PROPERTY, PLANT AND EQUIPMENT	AS AT 31 DECEMBER 2015					
	Land and perpetual usufruct title to land	Buildings and structures	Machines and equipment	Vehicles	Other	Total
Gross value at the beginning of the period	-	2	871	1 400	38	2 311
Increases	-	-	242	240	2	484
<i>acquisition</i>	-	-	242	240	2	484
<i>acquisition as a result of the combination of business entities</i>	-	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-	-
<i>transfer of the business</i>	-	-	-	-	-	-
<i>other</i>	-	-	-	-	-	-
Decreases	-	-	-	42	-	42
<i>disposal</i>	-	-	-	42	-	42
<i>due to revaluation</i>	-	-	-	-	-	-
<i>due to reclassification to fixed assets held for sale</i>	-	-	-	-	-	-
<i>transfer of the business</i>	-	-	-	-	-	-
<i>other</i>	-	-	-	-	-	-
Allocated to discontinued operations	-	-	-	-	-	-
Internal movements (+/-)	-	-	-	-	-	-
Gross value at the end of the period	-	2	1 113	1 598	40	2 753

Amortisation at the beginning of the period	-	2	294	337	23	656
depreciation for the period	-	-	282	285	9	576
other increases	-	-	-	-	-	-
<i>transfer of the business</i>	-	-	-	-	-	-
decreases	-	-	-	10	-	10
Amortisation at the end of the period	-	2	576	612	32	1 222
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 and impairment loss at the end of the period	-	2	576	612	32	1 222
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-11	-	-11
Net value at the end of the period	-	-	537	975	8	1 520

The Group owns cars classified as PP&E under lease, with a net value of PLN 444,820.49 and PLN 444.820.49 as at 31 December 2015 and 30 June 2016, respectively.

Expenditures on PP&E under construction recognised in the carrying value amount to PLN 0.00 both as at 31 December 2015 and as at 30 June 2016.

Note 2 - Intangible assets

INTANGIBLE ASSETS	AS AT 30 JUNE 2016
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	Own development work	Intangible assets purchased			Total
		Patents and trademarks	Licenses	Other	
Gross value at the beginning of the period	1 451	-	1 937	-	3 388
Increases	-	-	23	-	23
<i>Acquisition</i>	-	-	23	-	23
<i>own development work</i>	-	-	-	-	-
<i>acquisition as a result of the combination of business entities</i>	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-
<i>transfer of the business</i>	-	-	-	-	-
<i>other</i>	-	-	-	-	-
Decreases	788	-	-	-	788
<i>decommissioning</i>	788	-	-	-	788
<i>liquidation</i>	-	-	-	-	-
<i>disposal</i>	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-
<i>due to reclassification to fixed assets held for sale</i>	-	-	-	-	-
<i>transfer of the business</i>	-	-	-	-	-
<i>other</i>	-	-	-	-	-
Gross value at the end of the period	663	-	1 960	-	2 623
Amortisation at the beginning of the period	975	-	1 568	-	2 543
<i>depreciation for the period</i>	183	-	64	-	247
<i>other increases acquisition under the merger of business entities</i>	-	-	-	-	-
<i>transfer of the business</i>	-	-	-	-	-
<i>decreases</i>	696	-	-	-	696
Amortisation at the end of the period	462	-	1 632	-	2 094
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 and impairment loss at the end of the period	462	-	1 632	-	2 094
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-	-
Net value at the end of the period	201	-	328	-	529

INTANGIBLE ASSETS	AS AT 31 DECEMBER 2015				
	Own development work	Intangible assets purchased			Total
		Patents and trademarks	Licenses	Other	
Gross value at the beginning of the period	1 451	-	1 914	-	3 365
Increases	-	-	23	-	23
<i>acquisition</i>	-	-	23	-	23
<i>own development work</i>	-	-	-	-	-
<i>acquisition as a result of the combination of business entities</i>	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-
<i>transfer of the business</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>transfer of the business</i>	-	-	-	-	-

<i>other</i>	-	-	-	-	-
Gross value at the end of the period	1 451	-	1 937	-	3 388
Amortisation at the beginning of the period	316	-	1 431	-	1 747
<i>depreciation for the period</i>	659	-	137	-	796
<i>other increases</i>	-	-	-	-	-
<i>transfer of the business</i>	-	-	-	-	-
<i>decreases</i>	-	-	-	-	-
Amortisation at the end of the period	975	-	1 568	-	2 543
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 and impairment loss at the end of the period	975	-	1 568	-	2 543
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-	-
Net value at the end of the period	476	-	369	-	845

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.

Entity name: EQ System East Sp. z o.o.	2016-06-30	2015-12-31
Share in the balance sheet of the associate	44.86%	48%

Non-current assets	-	-
Current assets	48	47
Long-term liabilities	-	-
Short-term liabilities	4	2
Net assets	44	45
Share in the revenues and profit/loss of the associate	-	-
Revenue	-	-
Profit/loss	-1	-2
Carrying amount of the investment in the associate	19	20

Note 4 - Borrowings granted

BORROWINGS GRANTED								
Long-term	Amount	Interest rate	Repayment date	As at		Interest accrued from the beginning of the financial year to		Collateral
				2016-06-30	2015-12-31	2016-06-30	2015-06-30	
<i>Borrowings granted to other parties</i>								
other parties	-	-	-	-	-	-	-	-
Employees	16	Fixed (7%)	-	-	-	-	1	No collateral
Marek Jędra, Management Board Member of the Parent Company	100	Fixed (6%)	-	-	-	-	3	The borrowing is secured by the interests of Quantum Assets Sp. z o.o.
TOTAL:				-	-	-	4	

BORROWINGS GRANTED								
Short-term	Amount	Interest rate	Repayment date	As at		Interest accrued from the beginning of the financial year to		Collateral
				2016-06-30	2015-12-31	2016-06-30	2015-06-30	
<i>Borrowings granted to other parties</i>								
other parties	486	Fixed (7%-10%) or variable	-	624	427	29	20	The borrowing granted to one of the entities is secured by a registered pledge on trade receivables. The borrowing granted to another

								entity is secured by a blank bill of exchange.
Tomasz Hatala - Management Board Member of the Parent Company	50	Fixed (7%)	-	26	50	1	-	-
Employees	62	Fixed (7%)	-	74	69	2	4	No collateral
TOTAL:				724	546	32	24	

2016:

- **Borrowings granted to other parties:**

I. Long-term borrowings granted to other parties – balance as at 30 June 2016: PLN 0.00.

II. Short-term borrowings granted to other parties – balance as at 30 June 2016: PLN 623,683.24.

- **Borrowings granted to employees:**

I. Long-term borrowings granted to employees – balance as at 30 June 2016: PLN 0.00.

II. Short-term borrowings granted to employees – balance as at 30 June 2015: PLN 73,970.51.

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

I. Short-term borrowing – balance as at 30 June 2016: PLN 26,402.68.

2015:

- **Borrowings granted to other parties:**

I. Long-term borrowings granted to other parties – balance as at 31 December 2015: PLN 0.00.

II. Short-term borrowings granted to other parties – balance at 31 December 2015: PLN 426,705.02.

- **Borrowings granted to employees:**

I. Long-term borrowings granted to employees at 31 December 2015 amounted to PLN 0.00.

II. Short-term borrowings granted to employees at 31 December 2015 amounted to PLN 69,296.20.

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

II. Short-term borrowing – balance as at 31 June 2015: PLN 50,297.26.

Note 5 - Other receivables and prepayments

OTHER RECEIVABLES AND PREPAYMENTS	2016-06-30	2015-12-31
Receivables from subsidiaries:	-	-
- long-term portion	-	-
- short-term portion	-	-
Receivables from related parties:	-	-
- long-term portion	-	-
- short-term portion	-	-
Advances:	356	313

- long-term portion	-	-
- short-term portion	356	313
Other receivables	684	2 046
- long-term portion	-	-
- short-term portion	684	2 046
Prepayments:	228	190
- long-term portion	-	2
- short-term portion	228	188
Impairment losses at the beginning of the period	-	-
Recognition of impairment losses in the period	-	-
Reversal of impairment loss in the period	-	-
Impairment losses at the end of the period	-	-
TOTAL	1 268	2 549

Other receivables comprise:

- taxes, customs, insurance and other benefits payable	12	52
- security deposits paid	107	88
- payroll	28	25
- other employee settlements	9	3
- input VAT to be settled in future periods	84	31
- output VAT on corrective invoices to be settled in future periods	8	-
- unsettled amounts related to incorporation of subsidiaries in Latin America – costs related to market research and business travel	-	-
- unsettled tax paid by foreign companies	79	79
- settlements with a brokerage house related to the buy-back of treasury shares	6	18
- settlements with a brokerage house related to the buy-back of the shares of Quantum software	-	1 531
- other settlements with suppliers	203	102
- other receivables	148	117
TOTAL:	684	2 046

Prepayments comprise:

- settlement of long-term contracts	2	-
- inter-period cost settlement	76	8
- other prepayments	1	74
- property insurance	48	61
- deduction for the Employee Benefit Fund (ZFSS)	46	-
- prepaid subscriptions, etc.	19	17
- settlement of VAT related to lease agreements to be settled in subsequent periods – within 12 months	36	28
- settlement of VAT related to lease		

agreements to be settled in subsequent periods – above
12 months

	-	2
TOTAL:	<u>228</u>	<u>190</u>

Note 6 - Inventory

INVENTORY	As at 2016-06-30				
	Materials	Work in progress	Finished products	Goods	Total
Measurement at the acquisition price/manufacturing cost	-	-	-	675	675
Measurement at net realisable value	-	-	-	-	-
Impairment losses on inventories at the beginning of the period	-	-	-	8	8
Reversal of impairment losses on inventories recognised in the period as a reduction	-	-	-	-	-
Write-down on inventory recognised in the period as cost	-	-	-	-	-
Impairment losses on inventories at the end of the period	-	-	-	8	8
Inventories recognised in the period as cost	-	-	-	8	8
Carrying amount of inventories	-	-	-	667	667
<i>Inventories pledged as security for liabilities</i>	-	-	-	667	667
<i>Of which, long-term portion</i>	-	-	-	8	8

INVENTORY	As at 2015-12-31				
	Materials	Work in progress	Finished products	Goods	Total
Measurement at the acquisition price/manufacturing cost	-	-	-	134	134
Measurement at net realisable value	-	-	-	-	-
Impairment losses on inventories at the beginning of the period	-	-	-	-	-
Reversal of impairment losses on inventories recognised in the period as a reduction	-	-	-	-	-
Write-down on inventory recognised in the period as cost	-	-	-	8	8
Impairment losses on inventories at the end of the period	-	-	-	8	8
Inventories recognised in the period as cost	-	-	-	-	-
Carrying amount of inventories	-	-	-	126	126
<i>Inventories pledged as security for liabilities</i>	-	-	-	134	134
<i>Of which, long-term portion</i>	-	-	-	8	8

Note 7 - Trade receivables

TRADE RECEIVABLES	2016-06-30	2015-12-31
Trade receivables from related parties	-	-
Trade receivables from other parties	5 167	4 316
Total	5 167	4 316
Write-downs on trade receivables	302	300
Net trade receivables	4 865	4 016

CHANGES IN REVALUATION WRITE-DOWNS	2016-06-30	2015-12-31
At the beginning of the period	300	300
Increases	2	3
Decreases	-	3
As at the end of the period	302	300

Note 8 - Age structure of trade receivables

AGE STRUCTURE OF TRADE RECEIVABLES	30 JUNE 2016		31 DECEMBER 2015	
	Gross value	Write-down	Gross value	Write-down
Performing	2 674	-	2 533	-
Overdue up to 3 months	1 847	-	1 194	-
Overdue between 3 and 6 months	69	-	38	-
Overdue between 6 and 12 months	116	302	10	300
Overdue over 1 year	461	-	541	-
Total	5 167	302	4 316	300

Note 9 - Cash and cash equivalents

CASH AND CASH EQUIVALENTS	2016-06-30	2015-12-31
Cash in bank and at hand	3 542	2 057
Short-term deposits	3 306	4 323
Other	-	-
Total, including:	6 848	6 380
<i>-cash in hand and cash in bank allocated to discontinued operations</i>	-	-
<i>-cash in hand and cash in bank not available for use by the Group</i>	-	-

In H1 2016, cash increased by PLN 467,772.15.

Term deposits are opened by Quantum Qguar sp. z o.o. Both, in H1 2016 and in 2015, the Company invested cash in short-term deposits. The deposits bear a fixed interest rate. In H1 2016, deposits with interest rates ranging from 0.75% to 2.45% were opened, while in 2015 interest rates ranged from 1% to 2.50%.

Note 10 - Share capital

SHARE CAPITAL		As at 2016-06-30					
Series/issue	Type of shares	Type of preference	Type of limitation of the right to shares	Number of shares	Value of series/issue at par value	Registration date	Right to dividend (from date)
A series	Registered shares	Yes	None	750.000	375 000.00	07-03-1997	1997
B series	Ordinary bearer shares	None	None	250.000	125 000.00	02-08-2007	2007
C series	Ordinary bearer shares	None	None	470.000	235 000.00	11-09-2007	2007
D series	Ordinary bearer shares	None	None	10 757	5 378.50	11-05-2011	2011
Total number of shares				1 480 757			
Share capital, total					740 378.50		
<i>Nominal value per share</i>					0.50		

Shareholders	Number of shares	% of share
Minvesta sp. z o.o.	898 400	60.67%
Tomasz Hatała	36 200	2.44%
Bogusław Ożóg	24 603	1.66%
Robert Dykacz	11 832	0.8%
Marek Jędra	8 200	0.55%
Tomasz Polończyk	8 200	0.55%
Tomasz Mnich	3 400	0.23%
Other	489 922	33.08%
Total	1 480 757	100%

On 11 July 2014, Quantum Assets sp. z o.o. sold its shares in Quantum software S.A. The shares were acquired by the newly formed Minvesta sp. z o.o. with its registered office in Kraków 30-633, ul. Walerego Sławka 3a, whose all shares are held by Quantum Assets sp. z o.o.

Note 11 - Number of shares making up the share capital

NUMBER OF SHARES MAKING UP THE SHARE CAPITAL	2016-06-30	2015-12-31
Ordinary shares with the nominal value of PLN 0.50	1 480 757	1 480 757
Total	1 480 757	1 480 757

CHANGES TO THE NUMBER OF SHARES	2016-06-30	2015-12-31
Ordinary shares issued and fully paid-up		
At the beginning of the period	1 480 757	1 480 757
At the end of the period	1 480 757	1 480 757
Ordinary shares issued and fully paid-up		
At the beginning of the period	-	-
At the end of the period	-	-
Treasury shares		
At the beginning of the period	14 930	8 028
Buy-back of own shares for the purposes of incentive scheme	-	6 902
Buy-back of shares by the subsidiary - Quantum Qguar sp. z o.o.	150 386	
At the end of the period	165 316	14 930
Shares		
At the beginning of the period	-	-
At the end of the period	-	-

SHARE CAPITAL	2016-06-30	2015-12-31
Nominal value per share	0.50	0.50
Value of the share capital	740	740

Note 12 - Treasury shares

TREASURY SHARES			
As at 2016-06-30	Number of shares	Value at purchase prices	Purpose of purchase
	14 930	102	Article 362 (1)(8) of the Commercial Companies Code
	150 386	980	Article 362 (1)(5) of the Commercial Companies Code
TOTAL	165 316	1 082	

In the years 2009 - 2014, 14,930 treasury shares were repurchased as part of the company's incentive scheme for its managerial personnel.

The authorisation for the Management Board to buy back treasury shares, granted by the Ordinary General Meeting of Shareholders of 18 May 2009, expired on 18 May 2014.

To resume the buy-back of treasury shares, the Ordinary General Meeting of Shareholders of Quantum software S.A. adopted a resolution on 25 June 2015 concerning the authorisation for the Management Board to buy back treasury shares. Based on the above-mentioned resolution, in the period from 29 December 2015 to 15 January 2016, by way of a call for the buy-back of the treasury shares of Quantum software S.A., the subsidiary - Quantum Qguar sp. z o.o. purchased 150,386 treasury shares of the Issuer.

Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-
Reclassification to share capital and supplementary capital	-	-	-	-	-	-	-	-	-	-
Foreign currency translation differences (foreign operations)	-	-	-	-	-	-	-	-	-	-
Profit distribution	1 540	47	-	-	-	-	-	-	-	1 587
Dividend	-	-	-	-	-	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	-	-	-
Foreign exchange gains/losses	-	-	-	-	-	-	-	-	-153	-153
Supplementary capital	-	88	-	-	-	-	-	-	-	88
Income tax related to items presented in other comprehensive income	-	-	-	-	-	-	-	-	-	-
Balance at the end of the period	11 217	186	-	-	-	-	-	-	-87	11 316

Reclassification to share capital and supplementary capital	-	-	-	-	-	-	-	-	-	-	-
Foreign currency translation differences (foreign operations)	-	-	-	-	-	-	-	-	-	136	136
Profit distribution	-1 676	284	-	-	-	-	-	-	-	-	-1 392
Issue of share capital	-	16	-	-	-	-	-	-	-	-	16
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange gains/losses	-	-3	-	-	-	-	-	-	-	-	-3
Reclassification of reserve capital to supplementary capital	887	-69	-818	-	-	-	-	-	-	-	-
Supplementary capital	-	-177	-	-	-	-	-	-	-	-	-177
Income tax related to items presented in other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the period	9 677	51	-	-	-	-	-	-	-	66	9 794

Note no. 14 - Reserve capital due to foreign exchange differences from translation

	For the period ending 2016-06-30	
	Reserve capital due to foreign exchange differences from translation	Total
Balance at the beginning of the period	66	66
Foreign exchange differences from translation of foreign entities	-153	-153
Income tax related to gains from translation of foreign entities	-	-
Loss on the hedging instrument of a net investment in foreign entities	-	-
Income tax related to loss on the hedging instrument of net assets of foreign entities	-	-
Gains / losses transferred to the result in connection with the sale of a foreign entity	-	-
Deferred income tax related to gains / losses transferred in connection with the sale of a foreign entity	-	-
Gains / losses on the hedging instrument transferred to the result in connection with the sale of a foreign entity	-	-
Deferred income tax related to gains / losses on the hedging instrument transferred to the result in connection with the sale of a foreign entity	-	-
Other	-	-
Balance at the end of the period	-87	-87

	For the period ending 2015-12-31	
	Reserve capital due to foreign exchange differences from translation	Total
Balance at the beginning of the period	-70	-70
Foreign exchange differences from translation of foreign entities	136	136

Income tax related to gains from translation of foreign entities	-	-
Loss on the hedging instrument in a net investment in foreign entities	-	-
Income tax related to loss on the hedging instrument of net assets of foreign entities	-	-
Gains / losses transferred to the result in connection with the sale of a foreign entity	-	-
Deferred income tax related to gains / losses transferred in connection with the sale of a foreign entity	-	-
Gains / losses on the hedging instrument transferred to the result in connection with the sale of a foreign entity	-	-
Deferred income tax related to gains / losses on the hedging instrument transferred to the result in connection with the sale of a foreign entity	-	-
Other	-	-
Balance at the end of the period	66	66

Note no. 15 - Non-controlling interests

	For the period ending 2016-06-30	
	Reserve capital due to foreign exchange differences from translation	Total
Balance at the beginning of the period	20	20
Share in profits during the year	-78	-78
Other increases	87	87
Other decreases	-138	-138
Balance at the end of the period	-109	-109

	For the period ending 2015-12-31	
	Reserve capital due to foreign exchange differences from translation	Total
Balance at the beginning of the period	41	41
Share in profits during the year	37	37
Other increases	64	64
Other decreases	-122	-122
Balance at the end of the period	20	20

Note 16 Provisions

PROVISIONS					
	For the period ending 30 June 2016				
	Provisions for warranty repairs	Provisions for restructuring	Provisions for employee and similar benefits	Other provisions	Total
Value at the beginning of the period, including	-	-	236	-	236
Short-term at the beginning of the period	-	-	6	-	6
Long-term at the beginning of the period	-	-	230	-	230
Increases	-	-	-	-	-
Established and increased in the period	-	-	-	-	-
Transferred as part of the business transfer	-	-	-	-	-
Acquired as a result of combination of business entities	-	-	-	-	-
Decreases	-	-	-	-	-
Used during the year	-	-	-	-	-
Reversed but unused	-	-	-	-	-
Transferred as part of the business transfer	-	-	-	-	-
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-	-
Adjustment of discount rate	-	-	-	-	-
Value at the end of the period, including	-	-	236	-	236
Short-term at the end of the period	-	-	6	-	6
Long-term at the end of the period	-	-	230	-	230

PROVISIONS					
	For the period ending 31 December 2015				
	Provisions for warranty repairs	Provisions for restructuring	Provisions for employee and similar benefits	Other provisions	Total
Value at the beginning of the period, including	-	-	236	-	236
Short-term at the beginning of the period	-	-	6	-	6
Long-term at the beginning of the period	-	-	230	-	230

Increases	-	-	-	-	-
Established and increased in the period	-	-	-	-	-
Transferred as part of the business transfer	-	-	-	-	-
Acquired as a result of combination of business entities	-	-	-	-	-
Decreases	-	-	-	-	-
Used during the year	-	-	-	-	-
Reversed but unused	-	-	-	-	-
Transferred as part of the business transfer	-	-	-	-	-
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-	-
Adjustment of discount rate	-	-	-	-	-
Value at the end of the period, including	-	-	236	-	236
Short-term at the end of the period	-	-	6	-	6
Long-term at the end of the period	-	-	230	-	230

Note 17 - Bank loans and borrowings

In H1 2016, 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 18 - Other financial liabilities

FINANCIAL LEASE LIABILITIES				
FUTURE MINIMUM LEASE PAYMENTS AND NET PRESENT VALUE OF MINIMUM LEASE PAYMENTS				
	30 JUNE 2016		31 DECEMBER 2015	
	Minimum fees	Present value of minimum lease fees	Minimum fees	Present value of minimum lease fees
within up to 1 year	190	190	136	134
within 1-5 years	103	103	93	93
over 5 years	-	-	-	-
Total	293	293	229	227

As of 30 June 2016, Quantum Qguar sp. z o.o. had five car lease agreements concluded in the total amount of PLN 399,001.04. As of 30 June 2016, the outstanding amount was PLN 248,115.02.

Quantum I-Services concluded a car lease agreement in the amount of PLN 99,752,85. As of 30 June 2016, the outstanding amount was PLN 43, 600.28.

Quantum Brasil concluded a car lease agreement in the amount of PLN 49,913.01. As of 30 June 2016, the outstanding amount was PLN 1,228.97.

Note 19 - Trade liabilities

TRADE LIABILITIES	2016-06-30	2015-12-31
Trade liabilities from related parties	-	-
Trade liabilities from other parties	2 460	1 864
Total	2 460	1 864

Note 20 - Other liabilities and accruals

OTHER LIABILITIES AND ACCRUALS	2016-06-30	2015-12-31
Liabilities to subsidiaries:	-	-
- long-term portion	-	-
- short-term portion	-	-
Liabilities from related parties:	-	-
- long-term portion	-	-
- short-term portion	-	-

Advances:	-	-
- long-term portion	-	-
- short-term portion	-	-
Other liabilities:	1 213	797
- long-term portion	-	-
- short-term portion	1 213	797
Accruals:	-	13
- long-term portion	-	-
- short-term portion	-	13
Deferred revenue:	-	-
- long-term portion	-	-
- short-term portion	-	-
Total, including:	1 213	810
- long-term portion	-	-
- short-term portion	1 213	810

Other liabilities comprise:		
Due to taxes, customs duty, insurance and other benefits	660	714
Payroll	118	15
Dividends	200	-
Other liabilities	120	67
Settlement of earmarked funds	115	1
Total	1 213	797

Prepayments and accrued income comprise:		
Settlement of subsidy received – within 12 months	-	-
Settlement of subsidy received – over 12 months	-	-
Settlement of long-term contracts	-	-
Other prepayments and accrued income	-	-
Turn-of-the-period costs	-	13
Total	-	13

Note 21 - Revenue from the sale of products, goods and materials

REVENUE FROM THE SALE OF PRODUCTS, GOODS AND MATERIALS						
	Continued operations		Discontinued operations		Total	
	2016-06-30	2015-06-30	2016-06-30	2015-06-30	2016-06-30	2015-06-30
Revenue from the sale of products	811	973	-	-	811	973
Revenue from the sale of services	9 841	9 475	-	-	9 841	9 475
Revenue from the sale of materials	-	-	-	-	-	-
Revenue from the sales of goods	2 137	1 608	-	-	2 137	1 608
TOTAL	12 789	12 056	-	-	12 789	12 056
of which: non-cash income from exchange of goods or services	-	-	-	-	-	-

In 2016, an increase in sales compared to the same period in 2015 was recorded. The sale of goods is the group's auxiliary business related to specific orders as part of the performance of agreements with counterparties.

Note 22 - Costs by type

COSTS BY TYPE	2016-06-30	2015-06-30
Amortisation and depreciation of fixed and intangible assets	531	738
Costs of employee benefits	5 371	4 948
Consumption of raw materials and materials	211	196
Costs of outsourced services	3 641	3 212
Costs of taxes and charges	37	47
Other costs	340	350
Change in products and work in progress	-	-
Value of sold goods	1 850	1 449
TOTAL	11 981	10 940
Selling costs	1 066	977
Administrative expenses	1 898	2 043
Cost of products, goods and materials sold	9 017	7 920
TOTAL	11 981	10 940

of which: minimum lease payments recognised as operating lease costs	-	-
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COSTS OF EMPLOYEE BENEFITS	2016-06-30	2015-06-30
Salaries and wages	4 485	4 136
Social security contributions	793	741
Costs of defined contribution plans	-	-
Costs of defined benefit plans, including:	-	-
Costs of other long-term employee benefits	-	-
Benefits due to termination of employment	-	-
Costs of retirement benefits	-	-
Other benefits	93	71
Other post-employment benefits	-	-
Costs of employee benefits in the form of treasury shares	-	-
TOTAL	5 371	4 948

RESEARCH AND DEVELOPMENT COSTS	2016-06-30	2015-06-30
Depreciation/amortisation	183	372
Consumption of raw materials and auxiliary materials	-	-
Costs of outsourced services	-	-
Other costs	-	-
TOTAL	183	372

Note 23 - Other revenue and expenses

OTHER INCOME	2016-06-30	2015-06-30
State subsidies	-	-
Profit on sale of property, plant and equipment	-	5
Reversal of impairment losses on receivables	-	5
Reversal of impairment losses on inventories	-	-
Reversal of impairment losses on intangible assets	-	-
Reversal of impairment losses on PP&E	-	-
Reversal of impairment losses on investment property	-	-
Reversal of other provisions	-	-
Reversal of provision for the entity's restructuring costs	-	-
Profit on occasional purchase	-	-
Reimbursement of court fees	-	-

Refunds of damages	-	-
Differences on balance-sheet measurement	-	-
Donations, fines and damages received	21	1
Adjustment of contributions to Labour Fund for previous years	-	-
Refund of insurance policy premiums	-	-
Redemption of part of shares	-	-
Transfer of the business – goodwill	-	-
Other	-	6
TOTAL	21	17
of which: non-cash income from exchange of goods or services	-	-

OTHER EXPENSES	2016-06-30	2015-06-30
Loss on sale of property, plant and equipment	74	-
Provision for warranty repairs	-	-
Direct expenses (including renovation and maintenance) due to investment property rented out	-	-
Accumulated loss on revaluation of investment property to fair value	-	-
Impairment losses on receivables	2	4
Impairment losses on inventories	-	-
Impairment losses on intangible assets	-	-
Impairment losses on property, plant and equipment	-	-
Impairment losses on investment properties	-	-
Provision for the entity's restructuring costs	-	-
Provision for expected losses	-	-
Provisions for costs	-	-
Costs of litigation	-	-
Compensations for dismissed employees	-	-
Expenses related to acquisition of other entities	-	-
Expenses of maintaining property investment	-	-
Losses, damages and fines	7	-
Donations	1	3
Liquidation of current assets	-	-
Subsidies	-	-
Other	1	5
TOTAL	85	12

Note 24 - Financial income and expenses

FINANCIAL REVENUES	2016-06-30	2015-06-30
Interest revenue	80	49

Dividend income	-	-
Investment income	-	-
Foreign exchange gains	286	-
Interest charged on receivables	-	-
FX hedges (forwards)	-	-
Settlement of deferred tax on the transfer of business	-	-
Other	-	-
Reversal of impairment losses on financial assets, including:	-	-
assets available for sale	-	-
financial assets and liabilities at fair value through profit or loss	-	-
hedging instruments	-	-
Profit on change in the fair value of financial instruments	-	-
assets available for sale	-	-
financial assets and liabilities at fair value through profit or loss	-	-
hedging instruments	-	-
TOTAL	366	49

FINANCIAL EXPENSES	2016-06-30	2015-06-30
Interest costs, including:	1	40
bank loans	-	-
borrowings	-	38
Other	-	2
State budget and other interest	1	-
Financial expenses under finance leases	1	6
Provision for outstanding interest	-	-
Loss on sales of investments	-	-
Foreign exchange losses	-	18
Profit / loss on the sale of shares in a subsidiary	-	-
Cancellation of a borrowing and interest	-	-
Other	-	41
Impairment losses on financial assets, including:	45	106
assets available for sale	-	-
financial assets and liabilities at fair value through profit or loss	45	106
hedging instruments	-	-
Losses on change in the fair value of financial instruments, including:	-	-
assets available for sale	-	-
financial assets and liabilities at fair value through profit or loss	-	-
hedging instruments	-	-

TOTAL	47	211
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Note 25 - Consolidated earnings per share

CONSOLIDATED EARNINGS PER SHARE	2016-06-30	2015-06-30
Consolidated net profit for the reporting period attributable to:	960	842
Shareholders of the Parent Company	1 038	847
Non-controlling interests	-78	-5

CONSOLIDATED EARNINGS OF ORDINARY SHAREHOLDERS OF THE PARENT ENTITY (BASIC)						
Item	30 JUNE 2016			30 JUNE 2015		
	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	1 038	-	1 038	847	-	847
Dividends on preference shares not subject to redemption (-)	-	-	-	-	-	-
Total	1 038	-	1 038	847	-	847

AVERAGE WEIGHTED NUMBER OF ORDINARY SHARES	2016-06-30	2015-06-30
<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 NET EARNINGS PER SHARE	2016-06-30	2015-06-30
on continued and discontinued operations	1	1
on continued operations	1	1

CONSOLIDATED NET EARNINGS OF ORDINARY SHAREHOLDERS OF THE PARENT ENTITY (DILUTED)	30 JUNE 2015			30 JUNE 2015		
	Continued operations	Discontinued operations	Total	Continued operations	Discontinued operations	Total
Consolidated net profit/loss of ordinary Shareholders of the	1 038	-	1 038	847	-	847

Parent Company (basic)						
Interest on convertible bonds, after tax	-	-	-	-	-	-
Consolidated net profit/loss of ordinary Shareholders of the Parent Company (diluted)	1 038	-	1 038	847	-	847

AVERAGE WEIGHTED NUMBER OF ORDINARY SHARES (DILUTED)	2016-06-30	2015-06-30
<i>in thousands of shares</i>		
Average weighted ordinary shares	1 480 757	1 480 757
Effect of conversion of convertible bonds	-	-
Effect of the issue of options on shares	-	-
Average weighted number of ordinary shares at the end of the period (diluted)	1 480 757	1 480 757

CONSOLIDATED DILUTED NET EARNINGS PER SHARE	2016-06-30	2015-06-30
on continued and discontinued operations	1	1
on continued operations	1	1

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 21) and by geographical areas. The Company does not disclose any information on the customer concentration as such concentration does not exist.

2016-06-30		
INFORMATION ON GEOGRAPHICAL AREAS	Revenue	Non-current assets
Domestic sales	10 270	*
Total foreign sales	2 519	*
of which:		
Germany	1 019	-
Ukraine	558	-
Russia	112	-
Belarus	-	-
UK	94	-
Ecuador	96	-
Romania	28	-
Hungary	62	-
Czech Republic	26	-
Spain	-	-
Italy	72	-
Brazil	194	-
Norway	89	-
Luxemburg	100	-
Other	69	-
TOTAL	12 789	-

2015-06-30		
INFORMATION ON GEOGRAPHICAL AREAS	Revenue	Non-current assets
Domestic sales	9 676	*
Total foreign sales	2 380	*
of which:		
Germany	550	-
Ukraine	620	-
Belarus	-	-

Russia	267	-
UK	65	-
Ecuador	60	-
Romania	73	-
Hungary	111	-
Czech Republic	34	-
Spain	-	-
Other	600	-
TOTAL	12 056	-

INFORMATION ON TYPES OF PRODUCTS, SERVICES AND GOODS	2016-06-30	2015-06-30
	Revenue	Revenue
Products – licenses	811	973
Services – implementation	2 777	2 999
Services – maintenance	4 258	4 438
Services – individual projects and other services	2 768	1 808
Long-term contracts	38	230
Goods	2 137	1 608
TOTAL	12 789	12 056

Note 27 - Construction contracts

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

CONSTRUCTION CONTRACTS IN PROGRESS	2016-06-30	2015-12-31
Total costs incurred	42	349
Total gains and losses recognised	39	465
Advances received	-	-
Deposit amount	-	-
Accounts receivable from customers due to work under contracts	136	112
Accounts payable to customers due to work under contracts	-	-

Note 28 - Financial instruments

FINANCIAL INSTRUMENTS - INTEREST RATE RISK - SENSITIVITY ANALYSIS			
As at 2016-06-30			
	Balance sheet value	Increase/decrease by percentage points	Impact on gross profit/loss
Financial assets	7 572	-	-7
Cash	6 848	-	-
Financial assets held for sale	-	-	-
Other financial assets	-	-	-
Borrowings granted	724	-1	-7
Financial liabilities	408	-	4
Bank loans and borrowings	115	1	1
Financial liabilities under leases	293	1	3
Other financial obligations	-	-	-

FINANCIAL INSTRUMENTS - INTEREST RATE RISK - SENSITIVITY ANALYSIS			
As at 2015-12-31			
	Balance sheet value	Increase/decrease by percentage points	Impact on gross profit/loss
Financial assets	6 926	-	-
Cash	6 380	-	-
Financial assets held for sale	-	-	-

Other financial assets	-	-	-
Borrowings granted	546	-1	-11
Financial liabilities	378	-	-
Bank loans and borrowings	151	1	-
Financial liabilities under leases	227	1	2
Other financial obligations	-	-	-

FINANCIAL INSTRUMENTS - CURRENCY RISK - SENSITIVITY ANALYSIS			
As at 2016-06-30			
	Balance sheet value	Increase/decrease of exchange rate in percentage	Impact on gross profit/loss
Financial assets	-	-	-
Cash in EUR	528	4%	21
Cash in USD	112	4%	4
Cash in UAH	97	-11%	-11
Cash in RUB	62	-7%	-4
Cash in BRL	43	-5%	-2
Trade and other receivables in EUR	558	4%	22
Trade and other receivables in UAH	573	-11%	-63
Trade and other receivables in RUB	11	-7%	-1
Trade and other receivables in BRL	44	-5%	-2
Financial liabilities	-	-	-
Overdraft in EUR	-	-	-
Short-term loans in EUR	-	-	-
Trade payables in EUR	67	-4%	-3
Trade payables in UAH	487	11%	54
Trade payables in RUB	67	7%	5
Trade payables in BRL	20	5%	1

FINANCIAL INSTRUMENTS - CURRENCY RISK - SENSITIVITY ANALYSIS			
As at 2015-12-31			
	Carrying amount (in thousands of PLN)	Increase/decrease of exchange rate in percentage	Impact on gross profit/loss
Financial assets	-	-	-
Cash in EUR	301	-	-
Cash in USD	64	0%	13
Cash in UAH	373	0%	-131
Cash in RUB	36	0%	-9
Cash in BRL	27	0%	-4
Trade and other receivables in EUR	286	-	-
Trade and other receivables in UAH	578	-	-202
Trade and other receivables in RUB	10	0%	-3
Trade receivables in BRL	36	0%	-6
Financial liabilities	-	-	-
Overdraft in EUR	-	-	-
Short-term loans in EUR	-	-	-
Trade payables in EUR	1 018	-	-
Trade payables in UAH	95	0%	-33
Trade payables in RUB	23	0%	-6
Trade payables in BRL	16	0%	-3

FAIR VALUES OF PARTICULAR CATEGORIES OF FINANCIAL INSTRUMENTS					
	Category in accordance with IAS 39*	Balance sheet value		Fair value	
		2016-06-30	2015-12-31	2016-06-30	2015-12-31
Financial assets		13 724	13 509	13 724	13 509
Cash	FVTPL	6 848	6 380	6 848	6 380
Trade and other receivables	B&R	6 133	6 563	6 133	6 563
Receivables on account of borrowings granted	B&R	724	546	724	546
Financial assets available for sale	AFS	19	20	19	20
Financial liabilities		4 081	3 052	4 081	3 052
Finance lease liabilities	OFLatAC	293	227	293	227
Trade and other payables	OFLatAC	3 673	2 674	3 673	2 674
Short-term bank loans	OFLatAC	115	151	115	151

ITEMS OF REVENUES, COSTS, GAINS AND LOSSES RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME BY CATEGORIES OF FINANCIAL INSTRUMENTS					
	FOR THE PERIOD ENDING 2016-06-30				
	Category in accordance with IAS 39*	Interest income/expenses	Foreign exchange gains/losses	Releasing/creating write-downs	Gains/losses on the sale of financial instruments
Financial assets		80	47	-47	-
Cash	FVTPL	47	-8	-	-
Trade and other receivables	B&R	-	93	-2	-
Receivables on account of borrowings granted	B&R	33	-38	-45	-
Financial assets available for sale	AFS	-	-	-	-
Financial liabilities		-2	-	-	-
Finance lease liabilities	OFLatAC	-1	-	-	-
Trade and other payables	OFLatAC	-1	-	-	-
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 2015-06-30				
	Category in accordance with IAS 39*	Interest income/expenses	Foreign exchange gains/losses	Releasing/creating write-downs	Gains/losses on the sale of financial instruments
Financial assets		49	9	106	-
Cash	FVTPL	21	2	-	-
Trade and other receivables	B&R	-	7	-	-
Receivables on account of borrowings granted	B&R	28	-	106	-
Financial assets available for sale	AFS	-	-	-	-
Financial liabilities		-46	-	-	-
Finance lease liabilities	OFLatAC	-6	-	-	-
Trade and other payables	OFLatAC	-40	-	-	-
Short-term bank loans	OFLatAC	-	-	-	-

Note 29 - Share-based payments

Scheme for senior managerial personnel
Share options scheme for employees

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

The MSO (Managerial Stock Option) 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 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.

COSTS OF SERVICES PROVIDED BY EMPLOYEES/MANAGERIAL STAFF	2016-06-30	2015-06-30
Costs of scheme settled with equity instruments	-	-
Costs of scheme settled with cash	-	-
Total costs of share-based/option-based payment schemes	-	-

Note 30 - Explanations to the cash flow statement

Explanations to the cash flow statement	2016-06-30	2015-06-30
Foreign exchange gains (losses) recognised in the cash flow statement arise from the following items:	-255	478
- exchange differences on cash valuation	5	-1
- unrealised exchange differences on loans and borrowings	-37	437
- realised exchange differences on loans and borrowings	-	-
- exchange differences on translation of financial statements	-223	42
Interest and share in profits (dividends) comprise:	-78	-25
- interest received on borrowings granted	-	-4
- interest received on cash at bank and deposits	-47	-23
- interest received on lease instalments	-	-
- interest paid on loans	-	-
- interest paid on borrowings	-	24
- interest paid on debt securities	-	-
- interest paid on lease liabilities	-	4
- commission paid on debt securities	-	-
- dividends received	-	-
- accrued interest on borrowings granted	-33	-112
- interest charged on loans and borrowings	-	83
- interest accrued on debt securities	-	-
- other interest	2	3
(Profit) loss from investing activities results from:	74	-496
- proceeds from disposal of property, plant and equipment, investment property	-22	-37
- proceeds from disposal of intangible assets	-	-
- cost of sale of property, plant and equipment, investment property,	96	32
- cost of sale of intangible assets	-	-
- cost of liquidated property, plant and equipment	-	-
- proceeds from disposal of shares	-	-
- cost of sale of shares	-	-
- write-down on shares	-	-491
Change in receivables results from the following items:	484	921
- change in short-term receivables resulting from the balance sheet	430	917
- change in long-term receivables resulting from the balance sheet	2	4
- adjustment for change in receivables from dividends	-	-
- adjustment for change in receivables from disposal of property, plant and equipment, investment property	-	-

- adjustment for change in receivables from disposal of intangible assets	-	-
- adjustment for change in receivables from disposal of financial investments	-	-
- adjustment for change in receivables from bank guarantee deposits	-	-
- other adjustments	52	-
Change in liabilities, except for loans and borrowings, results from the following items:	730	-616
- change in short-term trade and other payables	998	-616
- change in other long-term liabilities	-	-
- adjustment for change in liabilities against unpaid dividend	-	-
- adjustment for change in liabilities against purchase of property, plant and equipment	-	-
- adjustment for change in liabilities against purchase of financial assets	-	-
- adjustment for change in liability under lease	-	-
- adjustment for change in liability against guarantees granted to subsidiaries	-	-
- other adjustments	-268	-
Income tax paid	-109	-229
- income tax recognised in the income statement	-	-
- adjustment for change in deferred tax assets	-	-
- adjustment for change in income tax receivables	-	-
- adjustment for change in deferred tax provisions	-	-
- adjustment for change in income tax liabilities	-	-
- adjustment for deferred tax on changes in equity	-	-
- income tax paid	-109	-229
Other adjustments comprise:	5	81
- revaluation of property, plant and equipment (positive valuation)	-	-
- revaluation of property, plant and equipment (write-down)	-	-
- revaluation of shares (positive valuation)	-	-
- revaluation of shares (write-down)	-	-
- revaluation of borrowings granted (write-down)	23	15
- revaluation of financial instruments	-	-
- revaluation of guarantees	-	-
- conversion of cash deposits to financial assets	-	-
- other	-18	66
Purchase of property, plant and equipment and intangible assets - applies to investing activities	234	169
- change in property, plant and equipment resulting from the balance sheet	105	-65
- change in investment properties resulting from the balance sheet	-	-

- change in intangible assets resulting from the balance sheet	-316	-441
- change in intangible assets in assets for sale	-	-
- amortisation/depreciation for the reporting period resulting from the income statement	531	738
- cost of sale of fixed assets sold, investment properties and intangible assets	-96	32
- cost of liquidated fixed assets	-	-
- write-downs/reversal of an impairment loss on fixed assets	-	-
- measurement of fixed assets	-	-
- other	-	-106
- adjustment for advances for the purchase of fixed assets and intangible assets	-	-
- adjustment for investment (purchase) commitments	-	-
- other adjustments	10	11
- transfer of assets in an organised part of the business to the new entity	-	-

Note 31 - Remuneration of the Group's senior management

Parent entity's Management Board	2016-06-30	2015-12-31
Short-term employee benefits (remuneration and remuneration mark-ups)	123	246
Jubilee awards and severance pay	-	-
Post-employment benefits	-	-
Benefits due to termination of employment	-	-
Employee benefits in the form of treasury shares	-	-
Total	123	246

Parent entity's Supervisory Board	2016-06-30	2015-12-31
Short-term employee benefits (remuneration and remuneration mark-ups)	6	28
Jubilee awards and severance pay	-	-
Post-employment benefits	-	-
Benefits due to termination of employment	-	-
Employee benefits in the form of treasury shares	-	-
Total	6	28

Management Board of subsidiaries	2016-06-30	2015-12-31
Short-term employee benefits (remuneration and remuneration mark-ups)	317	603
Jubilee awards and severance pay	-	-

Post-employment benefits	-	-
Benefits due to termination of employment	-	-
Employee benefits in the form of treasury shares	-	-
Total	317	603

Supervisory Board of subsidiaries	2016-06-30	2015-12-31
Short-term employee benefits (remuneration and remuneration mark-ups)	-	-
Jubilee awards and severance pay	-	-
Post-employment benefits	-	-
Benefits due to termination of employment	-	-
Employee benefits in the form of treasury shares	-	-
Total	-	-

Other members of key management personnel	2016-06-30	2015-12-31
Short-term employee benefits (remuneration and remuneration mark-ups)	347	596
Jubilee awards and severance pay	-	-
Post-employment benefits	-	-
Benefits due to termination of employment	-	-
Employee benefits in the form of treasury shares	-	-
Total	347	596

	2016-06-30	2015-12-31
Management Board	123	246
Supervisory Board	6	28
Management Board – subsidiaries or affiliates	317	603
Supervisory Board – subsidiaries or affiliates	-	-
Total	446	877
Other members of key management personnel	347	596

Note 32 - Information on the remuneration of the certified auditor or the entity authorised to audit financial statements

	2016-06-30	2015-12-31
Obligatory audit of financial statements	12	29
Other certifying services	-	-
Tax counselling services	-	-
Other services	-	-
Total	12	29

Note 33 - Capital management

	2016-06-30	2015-12-31
Interest bearing bonds, loans and borrowings	408	378
Trade and other liabilities	3 770	2 715
Less cash and cash equivalents	-6 848	-6 380
Net debt	-2 670	-3 287
Convertible preference shares	-	-
Equity	12 241	12 692
Reserves for unrealised net gains	-	-
Total capitals	12 241	12 692
Capital and net debt	9 571	9 405
Leverage ratio	-0.28	-0.35

III. Issuer's semi-annual condensed financial statements

Statement of financial condition			
ASSETS	Note	2016-06-30	2015-12-31
Non-current assets		10 169	9 906
Property, plant and equipment	1	-	-
Intangible assets	2	-	-
Investments in associates measured with equity method	3	24	24
Financial assets held for sale	4	9 991	9 791
Borrowings granted	5	-	-
Deferred income tax assets	23	154	91
Other long-term receivables and prepayments	6	-	-
Current assets		591	436
Inventories	7	-	-
Trade receivables	8	405	227
Other short-term receivables and prepayments	6	48	77
Income tax receivables		-	-
Borrowings granted	5	-	-
Other financial assets		-	-
Cash or cash equivalent	9	138	132
TOTAL ASSETS		10 760	10 342
LIABILITIES AND EQUITY			
Equity		10 235	10 085
Equity attributable to shareholders of the parent company		10 235	10 085
Share capital	10	740	740
Share premium	13	9 612	9 948
Treasury shares	12	-102	-102
Reserve and supplementary capital	13	-	-
Profit/loss from previous years		-165	-165
Profit/loss in current year		150	-336
Non-controlling interests		-	-
LIABILITIES		525	257
Long-term liabilities		1	-
Provisions	14	-	-
Deferred income tax provision	23	1	-
Long-term loans and borrowings	15	-	-
Other non-current financial liabilities	16	-	-
Other long-term liabilities and accruals	18	-	-

Short-term liabilities		524	257
Provisions	14	-	-
Short-term bank loans and borrowings	15	-	-
Short-term part of long-term bank loans and borrowings	15	-	-
Other short-term financial liabilities	16	-	-
Trade liabilities	17	282	249
Other short-term liabilities and accruals	18	242	8
TOTAL EQUITY AND LIABILITIES		10 760	10 342

Statement of comprehensive income (by function)	Note	2016-06-30	2015-06-30
Continued operations			
Revenue from sale of products, goods and materials	19	651	486
Cost of products, goods and materials sold	20	283	393
Change in product - subsidy received for intangible and fixed assets		-	-
Gross profit/loss on sales		368	93
Selling costs	20	-	-
Administrative expenses	20	239	257
Sales profit/loss		129	-164
Other operating income	21	-	5
Other operating expenses	21	43	-
Operating profit/loss		86	-159
Financial revenue	22	3	1
Financial expenses	22	1	2
Share in profit/loss of associates		-	-
Profit/loss on sale of interests in associate		-	-
Gross profit/loss		88	-160
Income tax	23	-62	-23
Net profit/loss on continued operations		150	-137
Discontinued operations			
Profit/loss on discontinued operations for the financial year		-	-
Net profit/loss for the reporting period		150	-137
Net profit/loss attributable to:		150	-137
Other comprehensive income			
Profit/loss on revaluation of PP&E		-	-
Profit/loss on measurement of investments available for sale recognised in equity		-	-
Profit/loss on cash flow hedges (effective portion)		-	-
Foreign currency translation differences (foreign operations)		-	-
Income tax related to items presented in other comprehensive income	23	-	-
Total comprehensive income		150	-137
Comprehensive income attributable to:		150	-137
Earnings/loss per share (in PLN):			
On continued operations	24	-	-
<i>Basic</i>	24	0.10	-0.09
<i>Diluted</i>	24	0.10	-0.09
On continued and discontinued operations	24	-	-
<i>Basic</i>	24	0.10	-0.09

<i>Diluted</i>	24	0.10	-0.09
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other comprehensive income												
Total revenues and expenses for the financial year recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	-
Profit/loss for the reporting period	-	-	-	-	-	-	-	150	150	-	-	150
Other movements in equity	-	-336	-	-	-	-	-	336	-	-	-	-
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Distribution of financial result	-	-336	-	-	-	-	-	336	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Sale of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of reserve capital to share capital	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the period	740	9 612	-102	-	-	-	-	-15	10 235	-	-	10 235

Total revenues and expenses for the financial year recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-
Profit/loss for the reporting period	-	-	-	-	-	-	-	-137	-137	-	-137
Other movements in equity	-	-1 405	-	-	-	-	-	1 405	-	-	-
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-
Distribution of financial result	-	-1 405	-	-	-	-	-	1 405	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Sale of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Reclassification of reserve capital to share capital	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the period	740	9 061	-102	887	-	-	-	-302	10 284	-	10 284

reclassified from capital												
Total revenues and expenses for the financial year recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	-
Profit/loss for the financial year	-	-	-	-	-	-	-	-336	-336	-	-	-336
Adjustments for fundamental errors	-	-	-	-	-	-	-	-	-	-	-	-
Other movements in equity	-	-518	-	-887	-	-	-	1 405	-	-	-	-
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Distribution of financial result	-	-1 405	-	-	-	-	-	1 405	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Sale of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of reserve capital to share capital	-	887	-	-887	-	-	-	-	-	-	-	-
Reversal of actuarial measurement – incentive scheme suspended	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the period	740	9 948	-102	-	-	-	-	-501	10 085	-	-	10 085

Cash flow statement (indirect method)	Note	2016-06-30	2015-06-30
Operating cash flows			
Gross profit / loss		88	-160
Adjusted by:		117	298
Share in net profit/loss of associates and joint ventures accounted for using the equity method		-	-
Non-controlling interests		-	-
Depreciation/amortisation		-	-
Goodwill impairment		-	-
Foreign exchange gains/losses		-	-
Expenses and revenue due to interest		-1	-1
Dividends revenue		-	-
Profit/loss on investing activities		-	-
Movement in provisions		-	-
Movement in inventory		-	-
Movement in receivables and prepayments		-149	764
Movement in liabilities and accruals		267	-509
Income tax paid/returned		-	42
Other adjustments		-	-
Net operating cash flow		205	138
Cash flow from investing activities			
Inflows from sale of PP&E and intangible assets		-	-
Net inflows from sale of associates and subsidiaries		-	-
Inflows from the sale of financial assets		-	-
Inflows from interest		1	1
Inflows from dividends		-	-
Repayment of borrowings granted		-	-
Expenditures on acquisition of property, plant and equipment, and intangible assets		-	-
Net outflows on acquisition of subsidiaries and associates		200	-
Outflows on acquisition of short-term financial assets		-	-
Borrowings granted		-	-
Other		-	-
Net cash flow from investing activities		-199	1
Cash flow from financing activities			
Inflows from loans and borrowings		-	-
Net inflows from the issue of shares		-	-
Net inflows from the issue of bonds, bills and bills of exchange		-	-
Repayment of loans and borrowings		-	-

Payment of liabilities for financial leasing contracts		-	-
Dividends paid to the Company's shareholders		-	-
Dividends paid to shareholders holding non-controlling interests		-	-
Purchase of treasury shares		-	-
Interest paid		-	-
Other		-	-
Net cash flow from financing activities		-	-
Increase/decrease in cash and cash equivalents		6	139
Opening balance of cash and cash equivalents, and overdrafts		132	78
<i>Foreign exchange gains/losses related to measurement of cash and cash equivalents, and overdrafts</i>		-	-
Closing balance of cash and cash equivalents, and overdrafts		138	217

Selected notes

Note 1 - Property, plant and equipment

PROPERTY, PLANT AND EQUIPMENT	FOR THE PERIOD ENDING ON 30 JUNE 2016					
	Land and perpetual usufruct title to land	Buildings and structures	Machines and equipment	Vehicles	Other	Total
Gross value at the beginning of the period	-	-	-	-	-	-
Increases	-	-	-	-	-	-
<i>acquisition</i>	-	-	-	-	-	-
<i>acquisition as a result of the combination of business entities</i>	-	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-	-
<i>other</i>	-	-	-	-	-	-
Decreases	-	-	-	-	-	-
<i>disposal</i>	-	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-	-
<i>due to reclassification to fixed assets held for sale</i>	-	-	-	-	-	-
<i>as part of the business transfer</i>	-	-	-	-	-	-
<i>other</i>	-	-	-	-	-	-
Allocated to discontinued operations	-	-	-	-	-	-
Internal movements (+/-)	-	-	-	-	-	-
Gross value at the end of the period	-	-	-	-	-	-
Amortisation at the beginning of the period	-	-	-	-	-	-
depreciation for the period	-	-	-	-	-	-
other increases	-	-	-	-	-	-
decreases	-	-	-	-	-	-
Depreciation at the end of the period	-	-	-	-	-	-
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 and impairment loss at the end of the period	-	-	-	-	-	-
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-	-	-
Net value at the end of the period	-	-	-	-	-	-

PROPERTY, PLANT AND EQUIPMENT	FOR THE PERIOD ENDING ON 31 DECEMBER 2015					
	Land and perpetual usufruct title to land	Buildings and structures	Machines and equipment	Vehicles	Other	Total
Gross value at the beginning of the period	-	-	-	-	-	-
Increases	-	-	-	-	-	-
<i>acquisition</i>	-	-	-	-	-	-
<i>acquisition as a result of the combination of business entities</i>	-	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-	-
<i>other</i>	-	-	-	-	-	-
Decreases	-	-	-	-	-	-
<i>disposal</i>	-	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-	-
<i>due to reclassification to fixed assets held for sale</i>	-	-	-	-	-	-
<i>transfer of the business</i>	-	-	-	-	-	-
<i>other</i>	-	-	-	-	-	-
Allocated to discontinued operations	-	-	-	-	-	-
Internal movements (+/-)	-	-	-	-	-	-
Gross value at the end of the period	-	-	-	-	-	-
Amortisation at the beginning of the period	-	-	-	-	-	-
depreciation for the period	-	-	-	-	-	-
other increases	-	-	-	-	-	-

transfer of the business	-	-	-	-	-	-
decreases	-	-	-	-	-	-
Depreciation at the end of the period	-	-	-	-	-	-
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 and impairment loss at the end of the period	-	-	-	-	-	-
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-	-	-
Net value at the end of the period	-	-	-	-	-	-

The Company does not own cars classified as PP&E under lease as at 31 December 2015 and 30 June 2016, respectively.

The Company did not incur any expenditure on PP&E under construction as at 31 December 2015 and 30 June 2016, respectively.

Note 2 - Intangible assets

INTANGIBLE ASSETS	FOR THE PERIOD ENDING ON 30 JUNE 2016				
	Own development work	Intangible assets purchased			Total
		Patents and trademarks	Licenses	Other	
Gross value at the beginning of the period	-	-	-	-	-
Increases	-	-	-	-	-
<i>acquisition</i>	-	-	-	-	-
<i>own development work</i>	-	-	-	-	-
<i>acquisition as a result of the combination 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>transfer of the business</i>	-	-	-	-	-
<i>other</i>	-	-	-	-	-
Gross value at the end of the period	-	-	-	-	-
Amortisation at the beginning of the period	-	-	-	-	-
depreciation for the period	-	-	-	-	-
other increases	-	-	-	-	-
transfer of the business	-	-	-	-	-
decreases	-	-	-	-	-
Depreciation at the end of the period	-	-	-	-	-
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 and impairment loss at the end of the period	-	-	-	-	-
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-	-
Net value at the end of the period	-	-	-	-	-

INTANGIBLE ASSETS	FOR THE PERIOD ENDING ON 31 DECEMBER 2015				
	Own development work	Intangible assets purchased			Total
		Patents and trademarks	Licenses	Other	
Gross value at the beginning of the period	-	-	-	-	-
Increases	-	-	-	-	-
<i>acquisition</i>	-	-	-	-	-
<i>own development work</i>	-	-	-	-	-
<i>acquisition as a result of the combination 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>transfer of the business</i>	-	-	-	-	-
<i>other</i>	-	-	-	-	-
Gross value at the end of the period	-	-	-	-	-
Amortisation at the beginning of the period	-	-	-	-	-
depreciation for the period	-	-	-	-	-
other increases	-	-	-	-	-
transfer of the business	-	-	-	-	-
decreases	-	-	-	-	-
Depreciation at the end of the period	-	-	-	-	-
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 and impairment loss at the end of the period	-	-	-	-	-
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-	-
Net value at the end of the period	-	-	-	-	-

The Company does not hold any intangible assets with indefinite useful lives.

Note 3 - Investments in equity-accounted associates

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

Entity name: EQ System East Sp. z o.o.	2016-06-30	2015-12-31
Share in the balance sheet of the associate	48%	48%
Non-current assets	-	-
Current assets	48	48
Long-term liabilities	-	-
Short-term liabilities	4	3
Net assets	44	45
Share in the revenues and profit/loss of the associate:	-	-
Revenue	-	-
Profit/loss	-1	-2
Carrying amount of the investment in the associate	24	24

The Issuer holds shares in the associate, i.e. EQ System East sp. z o.o., which have been measured using the equity method.

Note 4 - Financial assets held for sale

FINANCIAL ASSETS HELD FOR SALE	2016-06-30	2015-12-31
Shares of companies listed on the Stock Exchange at the beginning of the period	-	-
At the beginning of the period in subsidiaries, including:	-	-
at purchase price	-	-

a) increases	-	-
reclassification from a group of entities	-	-
purchase	-	-
valuation	-	-
b) decreases	-	-
reclassification to a group of entities	-	-
sales	-	-
valuation	-	-
At the end of the period in subsidiaries	-	-
At the beginning of the period in associates, including:	-	-
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 at fair value	-	-
At the end of the period in associates	-	-
At the beginning of the period in other entities, including:	-	-
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	-	-
At the end of the period in other entities	-	-
Shares of companies listed on the Stock Exchange at the end of the period	-	-

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

Shares of companies not listed on the Stock Exchange at the beginning of the period	9 791	9 791
At the beginning of the period in subsidiaries, including:	9 791	9 791
at purchase price	9 791	9 791
a) increases	200	-
reclassification from a group of entities	-	-
purchase	200	-
transfer of the business	-	-
reclassification from a previously granted borrowing	-	-
reversal of valuation	-	-
b) decreases	-	-
reclassification to a group of entities	-	-
sales	-	-
transfer of the business	-	-
valuation	-	-
At the end of the period in subsidiaries	9 991	9 791
At the beginning of the period in associates, including:	-	-
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 at fair value	-	-
At the end of the period in associates	-	-
At the beginning of the period in other entities, including:	-	-

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	-	-
At the end of the period in other entities	-	-
Shares of companies not listed on the Stock Exchange at the end of the period	9 991	9 791
in subsidiaries, including:	9 991	9 791
at purchase price	9 991	9 791
in associates, including:	-	-
at purchase price	-	-
in other entities, including:	-	-
at purchase price	-	-
Total shares	9 991	9 791
Shares of companies listed on the Stock Exchange	-	-
Shares of companies not listed on the Stock Exchange	9 991	9 791

WRITE-DOWNS ON FINANCIAL ASSETS AVAILABLE FOR SALE FOR THE PERIOD ENDING 2016-06-30				
Entity name	At the beginning of the period	Increases	Decreases	As at the end of the period
-	-	-	-	-
-	-	-	-	-
Total impairment losses	-	-	-	-

WRITE-DOWNS ON FINANCIAL ASSETS AVAILABLE FOR SALE FOR THE PERIOD ENDING 2015-12-31				
Entity name	At the beginning of the period	Increases	Decreases	As at the end of the period
-	-	-	-	-
-	-	-	-	-
Total impairment losses	-	-	-	-

<i>Borrowings granted to other parties</i>								
other parties	30	Fixed (7%-10%) or variable	-	-	-	1	1	-
TOTAL:			-	-	-	1	1	

Currently, the issuer has receivables resulting from one loan granted in 2015 to Qcadoo Limited sp. z o.o. The principal is PLN 30,000.00, the interest rate is 2% + WIBOR 6M; the interest as at 30 June 2016 is due in the amount of PLN 1,570.08. A write-down to the entire amount of the principal, including the accrued interest, has been recognised.

Note 6 - Other receivables and prepayments

OTHER RECEIVABLES AND PREPAYMENTS	2016-06-30	2015-12-31
Receivables from subsidiaries:	-	-
- long-term portion	-	-
- short-term portion	-	-
Receivables from related parties:	-	-
- long-term portion	-	-
- short-term portion	-	-
Advances:	-	-
- long-term portion	-	-
- short-term portion	-	-
Other receivables	38	65
- long-term portion	-	-
- short-term portion	38	65
Prepayments:	10	12
- long-term portion	-	-
- short-term portion	10	12
Impairment losses at the beginning of the period	-	-
Recognition of impairment losses in the period	-	-
Reversal of impairment loss in the period	-	-
Impairment losses at the end of the period	-	-
TOTAL	48	77

Other receivables comprise:

- security deposits paid	-	-
- salaries and wages	-	-
- other employee settlements	-	-
- input VAT to be settled in future periods	11	1
- output VAT on corrective invoices to be settled in future periods	3	-
- VAT	11	39
- ZUS (Social Insurance Institution) - overpayment	1	18
- settlements with a brokerage house related to the buy-back of treasury shares	6	4
- other settlements with suppliers	6	3
- other receivables	-	-

TOTAL:	38	65
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Note 7 - Inventories

INVENTORIES	As at 2016-06-30				
	Materials	Work in progress	Finished products	Goods	Total
Measurement at the acquisition price/manufacturing cost	-	-	-	-	-
<i>Measurement at net realisable value</i>	-	-	-	-	-
Impairment losses on inventories at the beginning of the period	-	-	-	-	-
Reversal of impairment losses on inventories recognised in the period as a reduction	-	-	-	-	-
Write-down on inventory recognised in the period as cost	-	-	-	-	-
Impairment losses on inventories at the end of the period	-	-	-	-	-
<i>Inventories recognised in the period as an expense</i>	-	-	-	-	-
Carrying amount of inventories	-	-	-	-	-
<i>Inventories pledged as security for liabilities</i>	-	-	-	-	-
<i>Of which, long-term portion</i>	-	-	-	-	-

INVENTORIES	As at 2015-12-31				
	Materials	Work in progress	Finished products	Goods	Total
Measurement at the acquisition price/manufacturing cost	-	-	-	-	-
<i>Measurement at net realisable value</i>	-	-	-	-	-
Impairment losses on inventories at the beginning of the period	-	-	-	-	-
Reversal of impairment losses on inventories recognised in the period as a reduction	-	-	-	-	-
Write-down on inventory recognised in the period as cost	-	-	-	-	-
Impairment losses on inventories at the end of the period	-	-	-	-	-
<i>Inventories recognised in the period as an expense</i>	-	-	-	-	-
Carrying amount of inventories	-	-	-	-	-
<i>Inventories pledged as security for liabilities</i>	-	-	-	-	-
<i>Of which, long-term portion</i>	-	-	-	-	-

As at 31 December 2015 and as at 30 June 2016, the Company did not hold any goods for resale.

Note 8 - Trade receivables

TRADE RECEIVABLES	2016-06-30	2015-12-31
Trade receivables from related parties	98	42
Trade receivables from other parties	350	185
Total receivables	448	227
Allowances for trade receivables	43	-
Net trade receivables	405	227

AGE STRUCTURE OF TRADE RECEIVABLES	Gross	Write-down	Gross	Write-down
	2016-06-30		2015-12-31	
performing	387	-	185	-
Overdue up to 3 months	18	-	-	-
Overdue between 3 and 6 months	-	-	42	-
Overdue between 6 and 12 months	-	-	-	-
Overdue over 1 year	43	43	-	-
Total	448	43	227	-

CHANGES IN REVALUATION WRITE-DOWNS	2016-06-30	2015-12-31
At the beginning of the period	-	-
Increases	43	-
Decreases	-	-
As at the end of the period	43	-

Therefore, as at 31 December 2015, there were no write-downs recognised. In H1 2015, the Management Board made a decision to recognise revaluation write-downs on overdue receivables.

Note 9 - Cash and cash equivalents

CASH AND CASH EQUIVALENTS	2016-06-30	2015-12-31
Cash in bank and at hand	138	132
Short-term deposits	-	-
Total, including:	138	132
<i>-cash in hand and cash in bank allocated to discontinued operations</i>	-	-

<i>-cash in hand and cash in bank not available for use by the Group</i>	-	-
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As at 30 June 2015, cash increased by PLN 6,828.17.

Note 10 - Share capital

SHARE CAPITAL		As at 2016-06-30					
Series/issue	Type of shares	Type of preference	Type of limitation of the right to shares	Number of shares	Value of series/issue at par value	Registration date	Right to dividend (from date)
A series	Registered shares	Yes	None	750.000	375	07-03-1997	1997
B series	Ordinary bearer shares	None	None	250.000	125	02-08-2007	2007
C series	Ordinary bearer shares	None	None	470.000	235	11-09-2007	2007
D series	Ordinary bearer shares	None	None	10 757	5	11-05-2011	2011
Total number of shares				1 480 757			
Share capital, total					740		
<i>Nominal value per share</i>					0.50		

Shareholders	Number of shares	% of share
Minvesta sp. z o.o.	898 400	60.67%
Tomasz Hatała	36 200	2.44%
Bogusław Ożóg	24 603	1.66%
Marek Jędra	8 200	0.55%
Robert Dykacz	11.832	0.8%
Tomasz Polończyk	8 200	0.55%
Tomasz Mnich	3 400	0.23%
Other	489.922	33.08%
Total	1 480 757	100%

On 11 July 2014, Quantum Assets sp. z o.o. sold its shares in Quantum software S.A. The shares were acquired by the newly formed Minvesta sp. z o.o. with its registered office in Kraków 30-633, ul. Walerego Sławka 3a, whose all shares are held by Quantum Assets sp. z o.o.

Note 11 - Number of shares making up the share capital

NUMBER OF SHARES MAKING UP THE SHARE CAPITAL	2016-06-30	2015-12-31
Ordinary shares with the nominal value of PLN 0.50	1 480 757	1 480 757
Total	1 480 757	1 480 757

CHANGES TO THE NUMBER OF SHARES	2016-06-30	2015-12-31
Ordinary shares issued and fully paid-up		
At the beginning of the period	1 480 757	1 480 757
At the end of the period	1 480 757	1 480 757
Ordinary shares issued and fully paid-up		
At the beginning of the period	-	-
At the end of the period	-	-
Treasury shares		
At the beginning of the period	8 028	8 028
Buy-back of own shares for the purposes of incentive scheme	6 902	-
At the end of the period	14 930	8 028
Shares		
At the beginning of the period	-	-
At the end of the period	-	-

SHARE CAPITAL	2016-06-30	2015-12-31
Nominal value per share	0.50	0.50
Value of the share capital	740 378,50	740 378,50

Note 12 - Treasury shares

TREASURY SHARES			
As at 30-06-2016	Number of shares	Value at purchase prices	Purpose of purchase
	14 930	102	Article 362(1)(8) of the Commercial Companies Code
TOTAL	14 930	102	0

In the years 2009 - 2014, 14,930 treasury shares were repurchased as part of the company's incentive scheme for its managerial personnel.

The authorisation for the Management Board to buy back treasury shares, granted by the Ordinary General Meeting of Shareholders of 18 May 2009, expired on 18 May 2014. To resume the buy-back of treasury shares, the Ordinary General Meeting of Shareholders of Quantum software S.A. adopted a resolution on 25 June 2015 concerning the authorisation for the Management Board to buy back the treasury shares.

Note 14 - Provisions

PROVISIONS					
	For the period ending 30 June 2016				
	Provisions for warranty repairs	Provisions for restructuring	Provisions for employee and similar benefits	Other provisions	Total
Value at the beginning of the period, including	-	-	-	-	-
<i>Short-term at the beginning of the period</i>	-	-	-	-	-
<i>Long-term at the beginning of the period</i>	-	-	-	-	-
Increases	-	-	-	-	-
Established and increased in the period	-	-	-	-	-
Acquired as a result of the combination of business entities	-	-	-	-	-
Decreases	-	-	-	-	-
Used during the year	-	-	-	-	-
Reversed but unused	-	-	-	-	-
Transfer of the business	-	-	-	-	-
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-	-
Adjustment of discount rate	-	-	-	-	-
Value at the end of the period, including	-	-	-	-	-
<i>Short-term at the end of the period</i>	-	-	-	-	-
<i>Long-term at the end of the period</i>	-	-	-	-	-

PROVISIONS					
	For the period ending 31 December 2015				
	Provisions for warranty repairs	Provisions for restructuring	Provisions for employee and similar benefits	Other provisions	Total
Value at the beginning of the period, including	-	-	-	-	-
<i>Short-term at the beginning of the period</i>	-	-	-	-	-
<i>Long-term at the beginning of the period</i>	-	-	-	-	-
Increases	-	-	-	-	-
Established and increased in the period	-	-	-	-	-

Acquired as a result of the combination of business entities	-	-	-	-	-
Decreases	-	-	-	-	-
Used during the year	-	-	-	-	-
Reversed but unused	-	-	-	-	-
Transfer of the business	-	-	-	-	-
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-	-
Adjustment of discount rate	-	-	-	-	-
Value at the end of the period, including	-	-	-	-	-
<i>Short-term at the end of the period</i>	-	-	-	-	-
<i>Long-term at the end of the period</i>	-	-	-	-	-

As of 31 December 2015 and 30 June 2016 the company did not establish any provisions.

Note 15 - Bank loans and borrowings

LONG-TERM BANK LOANS AND BORROWINGS			2016-06-30		2015-12-31	
Item	Effective interest rate	Repayment date	Short-term portion	Long-term portion	Short-term portion	Long-term portion
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
Total:			-	-	-	-

SHORT-TERM BANK LOANS AND BORROWINGS			2016-06-30	2015-12-31
Item	Effective interest rate	Repayment date		
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
Total:			-	-

As at 31 December 2015 and as at 30 June 2016, no loan and borrowing agreements were concluded by the parent entity.

Note 16 - Other financial liabilities

FINANCIAL LEASE LIABILITIES				
FUTURE MINIMUM LEASE PAYMENTS AND NET PRESENT VALUE OF MINIMUM LEASE PAYMENTS				
	30 JUNE 2016		31 DECEMBER 2015	
	Minimum fees	Present value of minimum lease fees	Minimum fees	Present value of minimum lease fees
within up to 1 year	-	-	-	-
within 1-5 years	-	-	-	-
over 5 years	-	-	-	-
Total	-	-	-	-

As at 31 December 2015 and as at 30 June 2016, no lease contracts were concluded by the parent entity.

Note 17 - Trade liabilities

TRADE LIABILITIES	2016-06-30	2015-12-31
Trade liabilities from related parties:	236	227
Trade liabilities from other parties	46	22
Total	282	249

Note 18 - Other liabilities and accruals

OTHER LIABILITIES AND ACCRUALS	2016-06-30	2015-12-31
Liabilities to subsidiaries:	-	-
- long-term portion	-	-
- short-term portion	-	-
Liabilities from related parties:	-	-
- long-term portion	-	-
- short-term portion	-	-
Advances:	-	-
- long-term portion	-	-
- short-term portion	-	-
Other liabilities:	242	8
- long-term portion	-	-
- short-term portion	242	8
Accruals:	-	-
- long-term portion	-	-
- short-term portion	-	-
Deferred revenue:	-	-
- long-term portion	-	-
- short-term portion	-	-
Total, including:	242	8
- long-term portion	-	-
- short-term portion	242	8

Other liabilities comprise:

payroll tax	10	4
income tax	-	-
social security and health insurance	-	4
VAT	8	-
other taxes, customs, insurance and other services	-	-
payroll	-	-

dividend	-	-
other liabilities	224	-
settlement of special purpose funds	-	-
TOTAL:	242	8

Prepayments comprise:

Settlement of long-term contracts	-	-
Other accruals and deferred income	-	-
Turn-of-the-period costs	-	-
Settlement of subsidy received – within 12 months	-	-
settlement of subsidy received – over 12 months	-	-
TOTAL:	-	-

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	
	2016-06-30	2015-06-30	2016-06-30	2015-06-30	2016-06-30	2015-06-30
Revenue from the sale of products	-	80	-	-	-	80
Revenue from the sale of services	640	406	-	-	640	406
Revenue from the sale of materials	-	-	-	-	-	-
Revenues from the sales of goods	11	-	-	-	11	-
TOTAL	651	486	-	-	651	486
of which: non-cash income from exchange of goods or services		-	-	-		-

In 2016, an increase in sales compared to the same period in 2015 was recorded. The sale of goods is the company's auxiliary business related to specific orders as part of the performance of contracts with counterparties.

Note 20 - Costs by type

COSTS BY TYPE	2016-06-30	2015-06-30
Depreciation of fixed assets	-	-
Amortisation of intangible assets	-	-
Costs of employee benefits	153	308
Consumption of raw materials and materials	-	16
Costs of outsourced services	350	324
Costs of taxes and charges	-	-
Other costs	9	2
Change in products and work in progress	-	-
Value of sold goods	10	-
TOTAL	522	650
Selling expenses	-	-
Administrative expenses	239	257
Cost of products, goods and materials sold	283	393
TOTAL	522	650
of which: minimum lease payments recognised as operating lease costs	-	-

COSTS OF EMPLOYEE BENEFITS	2016-06-30	2015-06-30
Salaries and wages	153	308
Social security contributions	-	-
Costs of defined contribution plans	-	-
Costs of defined benefit plans, including:	-	-
Costs of other long-term employee benefits	-	-
Benefits due to termination of employment	-	-
Costs of retirement benefits	-	-
Other benefits	-	-
Other post-employment benefits	-	-
Costs of employee benefits in the form of treasury shares	-	-
TOTAL	153	308

R&D EXPENSES	2016-06-30	2015-06-30
Depreciation/amortisation	-	-
Consumption of raw materials and auxiliary materials	-	-
Costs of outsourced services	-	-
Other costs	-	-
TOTAL	-	-

Note 21 - Other revenue and expenses

OTHER REVENUE	2016-06-30	2015-06-30
State subsidies	-	-
Profit on sale of property, plant and equipment	-	-
Reversal of impairment losses on receivables	-	-
Reversal of impairment losses on inventories	-	-
Reversal of impairment losses on intangible assets	-	-
Reversal of impairment losses on PP&E	-	-
Reversal of impairment losses on investment property	-	-
Reversal of other provisions	-	-
Reversal of provision for the entity's restructuring costs	-	-
Indemnification received	-	-
Adjustments of wages and salaries for the previous years	-	5
Refund of insurance policy premiums	-	-
Other operating income	-	-
Other	-	-
TOTAL	-	5
of which: non-cash income from exchange of goods or services	-	-

OTHER EXPENSES	2016-06-30	2015-06-30
Loss on sale of property, plant and equipment	-	-
Provision for warranty repairs	-	-
Direct expenses (including renovation and maintenance) due to investment property rented out	-	-
Accumulated loss on revaluation of investment property to fair value	-	-
Impairment losses on receivables	43	-
Impairment losses on inventories	-	-
Impairment losses on intangible assets	-	-
Impairment losses on property, plant and equipment	-	-
Impairment losses on investment properties	-	-
Provision for the entity's restructuring costs	-	-
Other operating expenses, of which:	-	-
Other	-	-
TOTAL	43	-

Note 22 Financial revenue and expenses

FINANCIAL REVENUE	2016-06-30	2015-06-30
Interest revenue	1	1
deposits	1	1
borrowings	-	-
Dividend revenue	-	-
Investment revenue	-	-
Foreign exchange gains	2	-
Other	-	-
Reversal of impairment losses on financial assets, including:	-	-
assets available for sale	-	-
financial assets and liabilities at fair value through profit or loss	-	-
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	-	-
TOTAL	3	1

FINANCIAL EXPENSES	2016-06-30	2015-06-30
Costs of interest, including:	-	-
bank loans	-	-
borrowings	-	-
bonds	-	-
other	-	-
state budget interest	-	-
Financial expenses under finance leases	-	-
Adjustment due to the discount of provisions to ...	-	-
Unrealised loss on a contract on ...	-	-
Cancellation of a borrowing and interest	-	-
Loss on disposal of financial assets	-	-
Foreign exchange losses	-	2
Impairment losses on financial assets, including:	1	-
assets available for sale	-	-
borrowings granted	1	-
hedging instruments	-	-
Losses on change in the fair value of financial instruments, including:	-	-

assets available for sale	-	-
financial assets and liabilities at fair value through profit or loss	-	-
hedging instruments	-	-
TOTAL	1	2

Note 23 - Income tax

DEFERRED TAX	Statement of financial condition		Income statement		Other comprehensive income	
	2016-06-30	2015-12-31	2016-06-30	2015-06-30	2016-06-30	2015-06-30
Deferred income tax assets						
FX differences	-	-	-	-	-	-
Loss carried forward	154	91	-63	-23	-	-
Write-down on non-financial assets	-	-	-	-	-	-
Write-down on non-financial assets, goods	-	-	-	-	-	-
Rounding	-	-	-	-	-	-
Tax-deductible loss	-	-	-	-	-	-
Gross deferred tax assets	154	91	-63	-23	-	-

MAIN COMPONENTS OF TAX CHARGE/CREDIT IN THE STATEMENT OF COMPREHENSIVE INCOME	2016-06-30	2015-06-30
Current income tax recognised in the income statement	-	-
Current income tax charge	-	-
Adjustments relative to current tax for previous years	-	-
Deferred tax recognised in the income statement	-62	-23
Charge by deferred tax credit with respect to originating and reversing temporary difference	-62	-23
Charge by deferred tax credit with respect to changes in tax rates	-	-
Tax charge/credit recognised in the income statement, including:	-62	-23
- allocated to continued operations	-62	-23
- allocated to discontinued operations	-	-
Income tax related to items presented in other comprehensive income	-	-
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	-	-
Tax charge/credit recognised in the statement of comprehensive income	-62	-23

MAIN COMPONENTS OF TAX CHARGE/CREDIT IN THE STATEMENT OF CHANGES IN EQUITY	2016-06-30	2015-06-30
Current tax	-	-
Deferred tax	-	-
Tax charge/credit recognised in the statement of changes in equity	-	-

RECONCILIATION OF INCOME TAX PAYABLE ON PRE-TAX PROFIT WITH INCOME TAX RECOGNISED IN THE INCOME STATEMENT	2016-06-30	2015-06-30
Gross profit/loss before tax (continued and discontinued operations)	88	-160
Tax rate (%)	19.00%	19.00%
Tax expense at the tax rate applied	17	-30
Adjustments relative to current tax for previous years	-	-
Investment tax credits	-	-
Revaluation	-	-
Non-taxable revenues, including:	-	-
Interest accrued at the balance sheet date	-	-
Balance sheet valuation	-1	-
Subsidy settled in the current year	-	-
Reversal of write-down on revaluation of non-financial assets	-	-
Reversal of write-down on non-financial assets	-	-
Income (licences) taxed in previous years	-	-
Transfer of the business – deferred tax	-	-
Other	-	-
Taxable revenue, including:	-	-
Interest received in the current year but computed in the previous years	-	-
Licences transferred – accounted for in time	-	-
Non-tax deductible expenses, including:	-	-
Amortisation/depreciation recognised in the balance sheet	-	-
Contributions to the National Fund for the Rehabilitation of Disabled	-	-
Valuation of employee benefits	-	-
Write-down on non-financial assets	9	-
Write-down on non-financial assets - inventories	-	-
Write-down on financial assets	-	-
Balance sheet valuation	-	-
Interest	-	-
Net value of non-financial fixed assets sold	-	-
Borrowing cancelled	-	-
No contributions to Company Social Benefit Fund	-	-

Unpaid remuneration	-	-
Other	-	-
Tax expenses, including:	-	-
Lease instalments	-	-
Tax depreciation	-	-
Equalisation of the Company Social Benefit Fund (ZFSS) for previous years	-	-
Settlement of loss for previous years	-	-
Unused tax loss	-	-
Tax paid	-	-
Current tax loss	-25	30
Deferred tax assets due to write-down on financial assets	-	-
Deferred tax assets due to foreign exchange losses	-	-
Deferred tax assets due to losses for previous years	-63	-23
Deferred tax assets due to write-down on non-financial assets	-	-
Deferred tax liability due to temporary differences in amortisation/depreciation settlement	-	-
Deferred tax liability due to accrued interest	-	-
Deferred tax liability on foreign exchange gains	1	-
Deferred income tax provision	-	-
Tax charge/credit recognised in the income statement	-62	-23

Effective interest rate is 14%.

DEFERRED TAX	Statement of financial condition		Income statement		Other comprehensive income	
	2016-06-30	2015-12-31	2016-06-30	2015-06-30	2016-06-30	2015-06-30
Deferred income tax provision						
Differences in the settlement of amortisation	-	-	-	-	-	-
Interest accrued	-	-	-	-	-	-
FX differences	1	-	1	-	-	-
Rounding	-	-	-	-	-	-
Gross deferred tax liability	1	-	1	-	-	-

Note 24 - Earnings per share

EARNINGS PER SHARE	2016-06-30	2015-06-30
Net profit for the reporting period attributable to:	150	-137

AVERAGE WEIGHTED NUMBER OF ORDINARY SHARES	2016-06-30	2015-06-30
<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

BASIC NET EARNINGS PER SHARE	2016-06-30	2015-06-30
on continued and discontinued operations	0.10	-0.09
on continued operations	0.10	-0.09

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

AVERAGE WEIGHTED NUMBER OF ORDINARY SHARES (DILUTED)	2016-06-30	2015-06-30
<i>in thousands of shares</i>		
Average weighted ordinary shares	1 480 757	1 480 757
Effect of conversion of convertible bonds	-	-
Effect of the issue of options on shares	-	-
Average weighted number of ordinary shares at the end of the period (diluted)	1 480 757	1 480 757

DILUTED NET EARNINGS PER SHARE	2016-06-30	2015-06-30
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

DECLARED AND PAID IN THE REPORTING PERIOD	2016-06-30	2015-12-31
Dividend on ordinary shares:	-	-
Dividend paid	-	-
Total	-	-

SUBMITTED FOR APPROVAL AT THE GMS (NOT RECOGNISED AS LIABILITIES AS AT THE BALANCE-SHEET DATE)	2016-06-30	2015-12-31
Dividend on ordinary shares:	-	-
Total	-	-

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 disclose any information on the customer concentration as such concentration does not exist.

INFORMATION ON GEOGRAPHICAL AREAS	2016-06-30	
	Revenue	Non-current assets
Domestic sales	651	*
Total foreign sales	-	*
of which:		
Germany	-	-
Ukraine	-	-
Russia	-	-
Hungary	-	-
Czech Republic	-	-
Spain	-	-
Other	-	-
TOTAL	651	-

INFORMATION ON GEOGRAPHICAL AREAS	2015-06-30	
	Revenue	Non-current assets
Domestic sales	486	*
Total foreign sales	-	*
of which:		
Germany	-	-
Ukraine	-	-
Russia	-	-
Hungary	-	-
Czech Republic	-	-

Spain	-	-
Other	-	-
TOTAL	486	-

* 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	2016-06-30	2015-06-30
	Revenue	Revenue
Products – licenses	-	80
Services – implementation	163	49
Services – maintenance	183	160
Services – individual projects and other services	255	-
Long-term contracts	39	197
Goods	11	-
TOTAL	651	486

Note 27 - Transactions with related parties

TRANSACTIONS WITH RELATED PARTIES				
Parties to transaction	2016-06-30		2016-06-30	
	Sales	Purchases	Receivables	Liabilities
Parent entity	-	-	98	236
Group companies	-	-	-	-
Non-consolidated subsidiaries	-	-	-	-
Associates	-	-	-	-
Key management personnel	-	-	-	-
Other entities, including key management personnel	-	-	-	-
Total	-	-	98	236

TRANSACTIONS WITH RELATED PARTIES				
Parties to transaction	2015-06-30		2015-06-30	
	Sales	Purchases	Receivables	Liabilities
Parent entity	-	-	41	262
Group companies	-	-	-	-
Non-consolidated subsidiaries	-	-	-	-
Associates	-	-	-	-

Key management personnel	-	-	-	-
Other entities, including key management personnel	-	-	-	-
Total	-	-	41	262

REMUNERATION OF KEY MANAGERIAL STAFF	2016-06-30	2015-06-30
Short-term employee benefits	-	-
Post-employment benefits	-	-
Other long-term benefits	-	-
Benefits due to termination of employment	-	-
Employee benefits in the form of treasury shares	-	-
Total	-	-

TRANSACTIONS BETWEEN QUANTUM SOFTWARE S.A. AND RELATED ENTITIES			
Entity	Transaction type	Transaction value in PLN	Transaction value in foreign currency
Quantum Qguar Sp. z o.o.	Sales of services	255	-
Quantum Qguar Sp. z o.o.	Acquisition of services	248	-
Quantum Assets sp. Z o.o.	Acquisition of services	3	-

Note 28 - Construction contracts

Some of the contracts concluded by the Company meet the elements of long-term contracts. The Company's Management Board regularly reviews the costs and revenues under such contracts. 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.

CONSTRUCTION CONTRACTS IN PROGRESS	2016-06-30	2015-12-31
Total costs incurred	42	294
Total gains and losses recognised	39	177
Advances received	-	-
Deposit amount	-	-
Accounts receivable from customers due to work under contracts	136	111
Accounts payable to customers due to work under contracts	-	-

Note 29 - Financial instruments

FINANCIAL INSTRUMENTS - INTEREST RATE RISK - SENSITIVITY ANALYSIS			
As at 2016-06-30			
	Balance sheet value	Increase/decrease by percentage points	Impact on gross profit/loss
Financial assets	10 153	-	-
Cash	138	-	-
Financial assets held for sale	10 015	-	-
Other financial assets	-	-	-
Borrowings granted	-	-	-
Financial liabilities	-	-	-
Bank loans and borrowings	-	-	-
Financial liabilities under leases	-	-	-
Other financial liabilities	-	-	-

FINANCIAL INSTRUMENTS - INTEREST RATE RISK - SENSITIVITY ANALYSIS			
As at 2015-12-31			
	Balance sheet value	Increase/decrease by percentage points	Impact on gross profit/loss
Financial assets	9 947	-	-
Cash	132	-	-
Financial assets held for sale	9 815	-	-

Other financial assets	-	-	-
Borrowings granted	-	-	-
Financial liabilities	-	-	-
Bank loans and borrowings	-	-	-
Financial liabilities under leases	-	-	-
Other financial liabilities	-	-	-

FINANCIAL INSTRUMENTS - CURRENCY RISK - SENSITIVITY ANALYSIS			
As at 2016-06-30			
	Balance sheet value	Increase/decrease of exchange rate in percentage	Impact on gross profit/loss
Financial assets	-	-	-
Cash in EUR	-	4%	-
Cash in USD	-	-	-
Trade and other receivables in EUR	43	4%	2
Financial liabilities	-	-	-
Overdraft in EUR	-	-	-
Short-term loans in EUR	-	-	-
Trade payables in EUR	-	-	-

FINANCIAL INSTRUMENTS - CURRENCY RISK - SENSITIVITY ANALYSIS			
As at 2015-12-31			
	Carrying amount (in thousands of PLN)	Increase/decrease of exchange rate in percentage	Impact on gross profit/loss
Financial assets	-	-	-
Cash in EUR	-	0%	-
Cash in USD	-	-	-
Trade and other receivables in EUR	42	0%	-
Financial liabilities	-	-	-
Overdraft in EUR	-	-	-
Short-term loans in EUR	-	-	-
Trade payables in EUR	-	-	-

FAIR VALUES OF PARTICULAR CATEGORIES OF FINANCIAL INSTRUMENTS					
	Category in accordance with IAS 39*	Balance sheet value		Fair value	
		2016-06-30	2015-12-31	2016-06-30	2015-12-31
Financial assets		10 606	10 251	10 606	10 251
Cash	FVTPL	138	132	138	132
Trade and other receivables	B&R	453	304	453	304
Receivables on account of borrowings granted	B&R	-	-	-	-
Financial assets available for sale	AFS	10 015	9 815	10 015	9 815
Financial liabilities		524	257	524	257
Finance lease liabilities	OFLatAC	-	-	-	-
Trade and other payables	OFLatAC	524	257	524	257
Short-term bank loans	OFLatAC	-	-	-	-

*Categories according to IAS 39: AFS - available for sales, HTM - held to maturity, B&R - borrowings and receivables

ITEMS OF REVENUES, COSTS, GAINS AND LOSSES RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME BY CATEGORIES OF FINANCIAL INSTRUMENTS					
	FOR THE PERIOD ENDING 2016-06-30				
	Category in accordance with IAS 39*	Interest income/expenses	Foreign exchange gains/losses	Releasing/creating write-downs	Gains/losses on sales
Financial assets		5	-	-4	-
Cash	FVTPL	1	-	-	-
Trade and other receivables	B&R	3	-	-3	-
Receivables on account of borrowings granted	B&R	1	-	-1	-
Financial assets available for sale	AFS	-	-	-	-
Financial liabilities		-	-	-	-
Finance lease liabilities	OFLatAC	-	-	-	-
Trade and other payables	OFLatAC	-	-	-	-
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 2015-06-30				
	Category in accordance with IAS 39*	Interest income/expenses	Foreign exchange gains/losses	Releasing/creating write-downs	Gains/losses on sales
Financial assets		1	-	-	-
Cash	FVTPL	1	-	-	-
Trade and other receivables	B&R	-	-	-	-
Receivables on account of borrowings granted	B&R	-	-	-	-
Financial assets available for sale	AFS	-	-	-	-
Financial liabilities		-	-	-	-
Finance lease liabilities	OFLatAC	-	-	-	-
Trade and other payables	OFLatAC	-	-	-	-
Short-term bank loans	OFLatAC	-	-	-	-

Note 30 - Share-based payments

Scheme for senior managerial personnel Share options scheme for employees

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

The MSO (Managerial Stock Option) 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 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.

COSTS OF SERVICES PROVIDED BY EMPLOYEES/MANAGERIAL STAFF	2016-06-30	2015-06-30
Costs of scheme settled with equity instruments	-	-
Costs of scheme settled with cash	-	-
Total costs of share-based/option-based payment schemes	-	-

Note 31 - Explanations to the cash flow statement

Explanations to the cash flow statement	2016-06-30	2015-06-30
Foreign exchange gains (losses) recognised in the cash flow statement arise from the following items:	-	-
- exchange differences on cash valuation	-	-
- unrealised exchange differences on loans and borrowings	-	-
- realised exchange differences on loans and borrowings	-	-
Interest and share in profits (dividends) comprise:	1	1
- interest received on borrowings granted	-	-
- interest received on cash at bank and deposits	1	1
- interest received on lease instalments	-	-
- interest paid on loans	-	-
- interest paid on borrowings	-	-
- interest paid on debt securities	-	-
- interest paid on lease liabilities	-	-
- commission paid on debt securities	-	-
- dividends received	-	-
- accrued interest on borrowings granted	-	-
- interest charged on loans and borrowings	-	-
- interest accrued on debt securities	-	-
- other interest	-	-
(Profit) loss from investing activities results from:	-	-
- proceeds from disposal of property, plant and equipment, investment property	-	-
- proceeds from disposal of intangible assets	-	-
- cost of sale of property, plant and equipment, investment property,	-	-
- cost of sale of intangible assets	-	-
- cost of liquidated property, plant and equipment	-	-
- proceeds from disposal of shares	-	-
- cost of sale of shares	-	-
- other	-	-

Change in receivables results from the following items:	-149	765
- change in short-term receivables resulting from the balance sheet	-149	765
- change in long-term receivables resulting from the balance sheet	-	-
- adjustment for change in receivables from dividends	-	-
- adjustment for change in receivables from disposal of property, plant and equipment, investment property	-	-
- adjustment for change in receivables from disposal of intangible assets	-	-
- adjustment for change in receivables from disposal of financial investments (including shares)	-	-
- adjustment for change in receivables from bank guarantee deposits	-	-
- other adjustments	-	-
Change in liabilities, except for loans and borrowings, results from the following items:	267	-508
- change in short-term trade and other payables	267	-508
- change in other long-term liabilities	-	-
- adjustment for change in liabilities against unpaid dividend	-	-
- adjustment for change in liabilities against purchase of property, plant and equipment	-	-
- adjustment for change in liabilities against purchase of financial assets	-	-
- adjustment for change in liability under lease	-	-
- adjustment for change in liability against guarantees granted to subsidiaries	-	-
- other adjustments	-	-
Income tax paid	-	42
- income tax recognised in the income statement	-	-
- adjustment for change in deferred tax assets	-	-
- adjustment for change in income tax receivables	-	-
- adjustment for change in deferred tax liability	-	-
- adjustment for change in income tax liabilities	-	-
- adjustment for deferred tax on changes in equity	-	-
- income tax refunded	-	42
- income tax paid	-	-
Other adjustments comprise:	-	-
- revaluation of property, plant and equipment (positive valuation)	-	-
- revaluation of property, plant and equipment (write-down)	-	-
- revaluation of shares (positive valuation)	-	-
- revaluation of shares (write-down)	-	-
- revaluation of borrowings granted (write-down)	-	-
- revaluation of financial instruments	-	-

- revaluation of guarantees	-	-
- conversion of cash deposits to financial assets	-	-
- other	-	-
Purchase of property, plant and equipment and intangible assets - applies to investing activities	-	-
- change in property, plant and equipment resulting from the balance sheet	-	-
- change in investment properties resulting from the balance sheet	-	-
- change in intangible assets resulting from the balance sheet	-	-
- change in intangible assets in assets for sale	-	-
- amortisation/depreciation for the reporting period resulting from the income statement	-	-
- cost of sale of fixed assets sold, investment properties and intangible assets	-	-
- cost of liquidated fixed assets	-	-
- write-downs/reversal of an impairment loss on fixed assets	-	-
- measurement of fixed assets	-	-
- other	-	-
- adjustment for advances for the purchase of fixed assets and intangible assets	-	-
- adjustment for investment (purchase) commitments	-	-
- other adjustments	-	-
- transfer of assets in an organised part of the business to the new entity	-	-

Note 32 - Remuneration of the Parent Entity's senior management

Parent entity's Management Board	2016-06-30	2015-12-31
Short-term employee benefits (remuneration and remuneration mark-ups)	123	246
Jubilee awards and severance pay	-	-
Post-employment benefits	-	-
Benefits due to termination of employment	-	-
Employee benefits in the form of treasury shares	-	-
Total	123	246

Parent entity's Supervisory Board	2016-06-30	2015-12-31
Short-term employee benefits (remuneration and remuneration mark-ups)	6	28
Jubilee awards and severance pay	-	-
Post-employment benefits	-	-

Benefits due to termination of employment	-	-
Employee benefits in the form of treasury shares	-	-
Total	6	28

Other members of key management personnel	2016-06-30	2015-12-31
Short-term employee benefits (remuneration and remuneration mark-ups)	-	-
Jubilee awards and severance pay	-	-
Post-employment benefits	-	-
Benefits due to termination of employment	-	-
Employee benefits in the form of treasury shares	-	-
Total	-	-

	2016-06-30	2015-12-31
Management Board	123	246
Supervisory Board	6	28
Management Board – subsidiaries or affiliates	-	-
Supervisory Board – subsidiaries or affiliates	-	-
Total		
Other members of key management personnel	129	274

Note 33 - Information on the remuneration of the certified auditor or the entity authorised to audit financial statements

	2016-06-30	2015-12-31
Obligatory audit of financial statements	8	22
Other certifying services	-	-
Tax counselling services	-	-
Other services	-	-
Total	8	22

Note 34 - Capital management

	2016-06-30	2015-12-31
Interest bearing bonds, loans and borrowings	-	-
Trade and other liabilities	524	257

Less cash and cash equivalents	-138	-132
Net debt	386	125
Convertible preference shares	-	-
Equity	10 235	10 085
Reserves for unrealised net gains	-	-
Total capitals	10 235	10 085
Capital and net debt	10 621	10 210
Leverage ratio	0.04	0.01

MANAGEMENT REPORT OF THE ISSUER'S CAPITAL GROUP

1) General information

The parent of the Capital Group is Quantum software S.A. with its registered office in Kraków at ul. Walerego Sławka 3A. On 30 October 2002, the Company was entered into the Register of Entrepreneurs of the National Court Register Kraków – Śródmieście, 11th Commercial Division under no. KRS 0000136768; PKD (Polish Classification of Activities) 62.01Z. Software activities. The core business activity of the Company is the activities of holding companies.

Statistical identification number (REGON)	351243328
Tax ID (NIP)	677-17-53-870
National Court Register (KRS)	0000136768
Share capital fully paid up	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	Ruciński Andrzej
Member of the Supervisory Board	Marcin Buczkowski

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 of 30.06.2016 – details of subsidiaries and related parties:

1. Company's name: Quantum East Sp. z o.o. – subsidiary Registered office: Kraków

Address: Walerego Sławka 3a

National Court Register (KRS): 0000294284

Shareholders: 58.09% of shares held by Quantum Qguar sp. z o.o.

Share capital fully paid up: PLN 308.950.00

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

Address: Jaroslavskij pereulok 7/9, office 40, 04071 Ukraine

certificate no. 100107724

Shareholders: 100% of shares held by Quantum East

Share capital fully paid up: USD 76,200

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

Address: 3-ci Pavlovsky pereulok 57, 115093 Russia

certificate no. 1117746038035

Shareholders: 99% of shares held by Quantum East

Share capital: 1,200,000.00 roubles, fully paid

4. Company's 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 Qguar sp. z o.o.

Share capital fully covered by a contribution in kind: PLN 1,500,000.00

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

Registered office: Kraków

Address: Walerego Sławka 3A

National Court Register (KRS): 0000335987

Shareholders: 59.20% of shares held by Quantum software S.A.

Share capital fully paid up: PLN 150.000,00

6. Company's name: Quantum Mobile Solutions Sp. z o.o. – subsidiary Registered office: Kraków

Address: Walerego Sławka 3a

National Court Register (KRS): 0000297249

Shareholders: 100% of shares held by Quantum I - Services Sp. z o.o.

Share capital fully paid up: PLN 6,000.00

7. Company's name: Quantum Brasil Engenharia Em Software Ltda- ME. – subsidiary Registered office: Brasilia/DF

Address: Condomínio Jardim Botânico, Etapa 01, quadra 02. Rua 01 lote 112 – loja 12, Lago Sul - Brasília - DF - CEP 71.680-362

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

Shareholders: 85% of shares held by Quantum Qguar sp. z o.o.

Share capital fully paid up: BRL 340,000.00

8. Company's name: EQ System East Sp. z o.o. - associate

Registered office: Kraków

Address: Walerego Sławka 3A

National Court Register (KRS): 0000486510

Shareholders: 44.85% of shares held by Quantum software S.A.

Share capital fully paid up: PLN 53,500.00

9. Company's name: Quantum Qguar Sp. z o.o. – subsidiary

Registered office: Kraków

Address: Walerego Sławka 3A

National Court Register (KRS): 0000516717

Shareholders: 100% of shares held by Quantum software S.A.

Share capital financed with an in-kind contribution of PLN 3,995,000.00 and a cash contribution of PLN 5.000.00.

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

Product structure of the Quantum Group

	01.01 - 30.06.2016	% share	01.01 - 30.06.2015	% share
Qguar licences and services	8 714	68.2%	8 419	69.8%
Goods	2 137	16.7%	1 608	13.3%
Other sales	1 938	15.1%	2 029	16.8%
Total	12 789	100%	12 056	100%

Data in thousands of PLN

Sales by markets

	01.01 - 30.06.2016	% share	01.01 - 30.06.2015	% share
Domestic	10 266	80.3%	9 676	80.2%
Abroad	2 523	19.7%	2 380	19.7%
Total	12 789	100%	12 056	100%

Data in thousands of PLN

3) Description of changes of the organisation of the issuer's capital group, including those resulting from business mergers, gaining or losing control over subsidiaries and long-

term investments, as well as de-merger, restructuring or discontinuation of activities, and indication of entities subject to consolidation and, if an issuer is a parent entity (which, on the basis of the applicable provisions of law, is not obliged or may not prepare consolidated financial statements) also indication of reasons and legal grounds for the lack of consolidation.

Quantum software S.A. - the parent company of the Group, after setting up Quantum Qguar Sp. z o.o., presently it carries out mainly holding activities;

Quantum East Sp. z o.o. – a subsidiary of the Group; 58.09% of its shares are held by Quantum Qguar sp. z o. o. - holding nature. Full consolidation method.

Quantum International sp. z o.o. (Ukraine) - a subsidiary of the Group; Quantum East Sp. z o.o. holds 100% of its shares - business focus consists of sales and implementation of IT solutions offered by Quantum software SA in the Russian-speaking countries. Full consolidation method.

Quantum International sp. z o.o. (Russia) – a subsidiary of the Group; Quantum East Sp. z o.o. holds 99% of its shares; 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 Qguar sp. z o. o. – 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; Quantum software S.A. holds 59.20% of its shares; 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; Quantum I - Services Sp. z o.o. holds 100% of its shares; business focus of the company consists of 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 Qguar sp. z o. o. The purpose of the company is to introduce the Quantum offer to the Federative Republic of Brazil.

EQ System East sp. z o.o., a subsidiary of the Group; 44.85% 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).

Quantum Qguar Sp. z o.o. - a subsidiary of the Group; 100% of its shares are held by Quantum software S.A. The company develops and implements IT systems.

4) Assessment of the Capital Group's basic economic and financial figures

In H1 2016, the Capital Group obtained sales revenue of PLN 12,789 thousand, whereas in the comparable period of the preceding year - PLN 12,056 thousand. This is an increase by 6.1%. In H1 2016, the sales of licences and services related to own software (the Qguar package) accounted for nearly 68% of total sales and increased by almost 3.5%, up to PLN 8,714 thousand, as compared to the half year of 2015.

The Group's net profit amounted to PLN 960 thousand as compared to PLN 842 thousand in the corresponding period of the previous year.

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.

5) Description of the Issuer's significant achievements or failures in the period covered by the report, and a list of major related events:

➤ **New customers acquired in Poland and abroad:**

- Alupol Packaging S.A. (Quantum Qguar)Sistema Poland sp. z o.o. (Quantum Qguar)Bluemia S.A. (EDISONDA)Polskie Koleje Linowe S.A. (EDISONDA)Voicepin sp. z o.o. (EDISONDA)SKK sp. z o.o. (EDISONDA)

➤ **New contracts/implementations for existing customers:**

- Delicpol sp. z o.o. (Quantum Qguar)Agros Nova Brands sp. z o.o. (Quantum Qguar)Convert PL sp. z o.o. (Quantum Qguar)Pacaro s.r.l. (Quantum Qguar)Correct – K. Błaszczak i Wspólnicy sp. k. (Quantum Qguar)
- Zakłady Tłuszczowe Kruszwica S.A. (Quantum Qguar)Info Global sp. j. (Quantum Qguar)
- Orlen Oil sp. z o.o. (Quantum Qguar)DINO Polska S.A. (Quantum Qguar) PPU „Port Rybacki Gryf” sp. z o.o. (Quantum Qguar)Royal Canin Polska sp. z o.o. (Quantum Qguar)

➤ **Industry engagement:**

On 9-10 June 2016, the subsidiary - Quantum Qguar sp. z o.o, together with the Eurologistics publishing house, was the organiser of *Trendownia* - a joint platform for monitoring of trends and exchange of information for managers of logistics and managers of production, which is the continuation of the *Forum of Logistics Practitioners* (FLP) conference organised for 11 years.

6) Share buy-back program

In the years 2009 - 2014, 14,930 treasury shares were repurchased as part of company's Incentive Scheme for its managerial personnel.

The authorisation for the Management Board to buy back treasury shares, granted by the Ordinary General Meeting of Shareholders of 18 May 2009, expired on 18 May 2014.

To resume the buy-back of treasury shares, the Ordinary General Meeting of Shareholders of Quantum software S.A. adopted a resolution on 25 June 2015 concerning the authorisation for the Management Board to buy back treasury shares on the following terms and conditions:

- own shares will be purchased to be redeemed;
- the funds allocated for the purchase of own shares will not exceed PLN 2,000,000.00;
- the Management Board is authorised to purchase own shares by 25 June 2018;
- the Management Board will set the start and end dates of the purchase of shares and make them public in line with Article 56 of the Public Offering Act; after the Company completes the share buy-back process in performance of the provisions of the said resolution, the Management Board will convene the Extraordinary General Meeting of the Company to adopt resolutions on the redemption of own shares and the decrease of the Company's share capital;
- the authorisation granted in the said resolution also includes the consent for the purchase of the Company's shares by the Company's subsidiary within the meaning of Article 362 § 4 of Commercial Companies Code; share buy-back may be carried out by way of a public call for the subscription of shares within the meaning of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading and Public Companies.

From 29 December 2015 to 15 January 2016, by way of a call for the buy-back of the treasury shares of Quantum software S.A., the subsidiary - Quantum Qguar sp. z o.o. purchased 150,386 treasury shares of the Issuer.

By resolution no. 17 of the Ordinary General Meeting of Shareholders of Quantum software S.A. of 29 June 2016, the amount of funds intended for the buy-back of the treasury shares was increased up to PLN 3,000,000.00.

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 of the Company.

7) 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 fulfilment 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. Companies from the Quantum group, as IT systems providers, may directly experience the consequences of decreased budgets allocated by companies on computerisation.

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 up of hardware, software and services. Each of these segments may develop faster or slower. Analyses 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 Group. However, 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 of the Group companies with 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. The Group companies have no influence on competitors' activities and products, but they are able to maintain their market position owing to its experience.

Export risk

The sales of the Quantum Group companies is carried out mainly in Poland. However, these companies also enter into contracts with entities operating in other countries with different economic conjuncture. The current large share of export to Ukraine in crisis stands at special risk. This year approx. 20% of the Group'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 performance of the Group. A fall in the value of EUR compared to PLN will trigger lower export revenues and lower return on export contracts.

Risk of performed contracts

The Quantum Group companies do not sell large number of easily installed programmes but they carry 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 an adverse impact on the current financial situation of the Group companies. These risks are mitigated through international experience, proprietary, standard product base and an experienced team of professionals.

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 a system in a way that is non-optimal to the customer, which may result in a fall of goodwill and a 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 goals of the Group companies. 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, offered by most companies of the Group, supports comprehensive solutions in logistics, satisfying the requirements of a customer and his environment. As an IT system supplier, we constantly have to extend our offer, introduce new functionalities and ensure data integrity. The competition and customers' 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.

To prevent this, the Quantum Group companies constantly carry out 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 a decrease of sales revenue, and, in consequence, a decrease of profit. The Quantum Group companies seek to mitigate this risk through constant development of their 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 Group companies seek to provide attractive working conditions for their employees, including attractive incentive systems.

Risk associated with 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, applies to the Quantum Group companies partially. Turnover fluctuations between year quarters are more connected with customer investment cycles than seasonality.

Risk of overdependence on key suppliers

In their operations, the Quantum Group companies use equipment and software from external suppliers. Losing one of key suppliers may result in interruption of supplies. The companies mitigate the 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 associated with changes in law and tax system instability

Frequent changes in Polish law are also a threat to the operations of the Group companies. 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 Group companies monitor draft changes in law on an ongoing basis and make business decisions subject to the planned changes.

Foreign exchange risk

The Group's entities conclude export transactions in foreign currencies (mainly in euro). 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,
- unrealised foreign exchange differences from clearing evaluation as at the balance sheet day,

Exports in foreign currencies are made in the ordinary course of business of the Group companies. Consequently, future cash flows on this account are exposed to changes in value due to foreign exchange fluctuations.

Risk connected with strategic investments

Major capital expenditures, in accordance with the accepted strategy, are related to introducing new products to new markets. It is an opportunity for development, but also additional risks. 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 z o.o.) and EDISONDA Sp. z o.o., the Group companies have been operating for a few years and continue to compete for presence in their market segments. Initially generated revenue does not mean that these ventures will be successful. In particular, the risks are connected with the activity of subsidiaries in other countries and currently, especially in Russia and in Latin America. These markets have an 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 communication barrier (costs of communication, travels, 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. Unsatisfactory effects of investment activities may result in the need of changes in the Group's development strategy.

8) Description of factors and events, in particular unusual factors and events, with a considerable influence on the financial results:

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.

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

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

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

In H1 2016, 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.

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

In H1 2016 described herein, the Company did not pay dividend to shareholders.

12) 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 24 August 2016, the buy-back of treasury shares - by way of a call published on 22 July 2016 - was completed. As a result of the call, the subsidiary - Quantum Qguar sp. z o.o. purchased 15,501 treasury shares of the Issuer.

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

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

14) Position of the Management Board concerning the possibility of meeting previously published profit/loss forecasts for a given year, in the light of the results presented in the quarterly report in relation to the forecast profit/loss:

The Company did not publish any performance forecasts for the year.

15) Identification of shareholders holding, directly or indirectly through their subsidiaries, at least 5 % of the total number of votes at the Issuer's General Meeting as of the date of submission of the quarterly report, 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 number of votes at the general meeting, as well as identification of changes in the structure of ownership of substantial shareholdings of the issuer since the submission of the previous quarterly report:

To the best of the Company's knowledge, as at 31 August 2016, 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.

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

Company's Management Board (as of 31 August 2016)

Tomasz Hatała	36 200
Bogusław Ożóg	31 924
Marek Jędra	8 200
Tomasz Mnich	3 400

Members of the Supervisory Board holding the Company's shares (as of 31 August 2016)

Tomasz Polończyk	8 200
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17) Identification of proceedings pending before a court, a competent arbitration authority or a public administration authority, including the information on:

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

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

In the reporting period the Company did not conclude any such agreements with related entities.

19) Information on the issuer's or its subsidiaries' credit or loan guarantees or warranties granted jointly to a single entity or its subsidiary, if the total value of the existing guarantees or warranties is equivalent to at least 10 % of the issuer's equity capital.

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

20) Other information that, in the Issuer's opinion, is significant in order to evaluate its human resources, property, 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:

Apart from the problems connected with the development of business activity abroad, indicated above, in the reporting period there were no other circumstances significant for the evaluation of the Issuer's human resources, assets, financial position, financial performance and the capacity to meet its obligations.

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

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

External factors include:

- the rate of economic growth and company investments in Poland;
- consequences of the conflict and crisis in Ukraine and in Russia;
- impact of the Euro zone crisis on the economy of Poland and its neighbours;
- the economic 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:

- timely 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 among 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, 31 August 2016

Signatures of the Management Board Members: Person responsible for bookkeeping:

Tomasz Hatala

Monika Kuś

Bogusław Ożóg

Marek Jędra

Tomasz Mnich

Kraków, 31 August 2016

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 Ożóg

Vice-President of the Management Board Marek Jędra

Member of the Management Board Tomasz Mnich

Kraków, 31 August 2016

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