



**Financial statements of  
Quantum software S.A.  
for the period from 01.01.2017 to 31.12.2017**

**Kraków 20 April 2018**

**Contents of the separate financial statements:**

1. Introduction to the financial statements.....	3
2. Separate statement of financial position.....	14
3. Separate statement of comprehensive income.....	16
4. Separate statement of changes in equity.....	18
5. Separate statement of cash flows.....	22
6. Financial highlights, including basic items of the annual separate financial statements (also translated into EUR). ....	26
7. Notes – selected explanatory notes .....	28

## **1. Introduction to the financial statements of Quantum software S.A. for 2017.**

### **1.1 Business focus:**

Quantum software Spółka Akcyjna; 30-633 Kraków, ul. Walerego Sławka 3A. Quantum software S.A. was entered into the Register of Businesses of the National Court Register (KRS) Kraków – Śródmieście, XI Economic Division on 30 October 2002 under no. 0000136768; PKD 62.01Z. software activities.

Starting from 25 July 2014, in connection with the transfer of the enterprise to a subsidiary, Quantum Qguar sp. z o.o., the Issuer's core business consists mainly in acting as a holding company.

### **1.2. Duration of the Issuer**

Quantum software S.A. has been established for an unlimited period.

### **1.3. Composition of the Management Board and Supervisory Board:**

As at 31 December 2017, the composition of the Management Board and the Supervisory Board was as follows:

#### **Management Board:**

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

#### **Supervisory Board:**

Leopold Kutyla – Chairman of the Supervisory Board  
Tomasz Polończyk – Deputy Chairman of the Supervisory Board  
Marcin Buczkowski – Member of the Supervisory Board  
Andrzej Ruciński – Member of the Supervisory Board  
Henryk Gaertner – Member of the Supervisory Board

#### 1.4. The organisational structure of the Capital Group as at 31.12.2017:

##### 1. **Business name: Quantum East Sp. z o.o. – a subsidiary**

Registered office: Kraków  
Address: Walerego Sławka 3a  
National Court Register (KRS): 0000294284  
Shareholders: 63.74% of shares are held by Quantum Qguar sp. z o.o.  
Share capital: 282,500.00 PLN, fully paid up

##### 2. **Business name: Quantum International Sp. z o.o. – a subsidiary in Ukraine**

Registered office: Kiev  
Address: Jaroslavskij pereulok 7/9, office 40  
certificate no. 100107724  
Shareholders: 100% of shares are held by Quantum East  
Share capital: 76,200 USD, fully paid up

##### 3. **Business name: Quantum International Sp. z o.o. – a subsidiary in Russia**

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

##### 4. **Business name: Quantum I- Services Sp. z o.o. – a subsidiary**

Registered office: Kraków  
Address: Walerego Sławka 3a  
National Court Register (KRS): 0000331050  
Shareholders: 100% of shares are held by Quantum Qguar sp. z o.o.  
Founding capital: 1,500,000.00, fully covered by in-kind contribution

##### 5. **Business name: Quantum Mobile Solutions Sp. z o.o. – a subsidiary**

Registered office: Kraków  
Address: Walerego Sławka 3a  
National Court Register (KRS): 0000297249  
Shareholders: 100% of shares are held by Quantum I-Services Sp. z o.o.  
Share capital: 6,000.00 PLN, fully paid up

##### 6. **Business name: Quantum Brasil Engenharia Em Software Ltda-ME. – a subsidiary**

Registered office: Brasilia/DF  
Address: Condomínio Jardim Botânico, Etapa 01, quadra 02. Rua 01 lote 112 – loja 12, Lago Sul – Brasilia – DF – CEP 71.680-362  
Register: 11.795.637/0001-38 and NIRE no. 53201627870  
Shareholders: 85% of shares are held by Quantum Qguar sp. z o.o.  
Share capital: 340,000.00 BRL, fully paid up

**7. Business name: Quantum Qguar sp. z o.o. – a 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: 3,995,000.00 PLN covered by in-kind contribution and  
5,000.00 PLN covered by in-cash contribution

**8. Business name: Qcadoo Limited sp. z o.o. – a subsidiary**

Registered office: Kraków  
Address: Walerego Sławka 3A  
National Court Register (KRS): 0000344950  
Shareholders: 94% of shares are held by Quantum Qguar sp. z o.o.  
Share capital: 5,000.00 PLN, fully paid up

### **1.5. Accounting principles (policies) used in preparation of the financial statements of Quantum software S.A. for 2017 and the statement of conformity.**

These financial statements were prepared in line with the International Financial Reporting Standards (“IFRS”) as approved by the European Union (EU), and to the extent not regulated therein – in line with the requirements of the Accounting Act of 29 September 1994 (J. of Laws of 2013, item 330) and the implementing regulations thereto, as well as in line with the requirements specified in the Regulation of the Minister of Finance of 19 February 2009 on Current and Interim Information to be Submitted by Issuers of Securities (J. of Laws 2009, No. 33, item 259).

The IFRS include standards and interpretations approved by the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”).

The Management Board approves the separate financial statements for publication as at the day of their signature by all Members of the Management Board. i.e. on 20 April 2018 The separate financial statements should be read in conjunction with the consolidated financial statements so as to get a comprehensive picture of the financial position of Quantum software S.A. and its profit/loss as the parent and the Capital Group. The separate and consolidated financial statements were presented in the separate and consolidated reports and are available at [www.quantum-software.com](http://www.quantum-software.com).

Pursuant to the provisions of the Accounting Act of 29 September 1994 (consolidated text: J. of Laws of 2009, No. 152, item 1223, as amended), the Company presents the financial statements for the financial year beginning on 1 January 2017 and ending on 31 December 2017. The financial statements were prepared in PLN, with figures rounded off to the nearest whole thousand, and on the assumption that the Company would continue as a going concern in a foreseeable future. No circumstances are known indicating the risk to a going concern.

Quantum software S.A. has been preparing consolidated financial statements since 1 January 2008, starting from the half-yearly consolidated financial statements for the period between 01.01.2008 and 31.03.2008. The first consolidated annual statements were the financial statements for 2008.

Postings follow the cost method. The entity made no adjustments that would have reflected the influence of inflation on individual items of the balance sheet or income statement. The Company prepares the income statement classifying its expenses by function. The statement of cash flows uses the indirect method.

The IFRS in the form approved by the EU do not differ significantly from regulations adopted by the International Accounting Standards Board (IASB), except for the following standards that are pending approval by the European Union.

The following standards and interpretations were published by the International Accounting Standards Board or the International Financial Reporting Interpretations Committee but are not yet in force:

**IFRS 9 Financial Instruments** (published on 24 July 2014) – applicable to annual periods beginning on 1 January 2018 or after that date; The Management Board declares that any disclosures under this IFRS will not have a material impact on the financial statements for 2018.

**IFRS 14 Regulatory Deferral Accounts** (published on 30 January 2014) – according to the decision of the European Commission, the approval process of a preliminary version of the standard will not be initiated before the final version appears – not approved by the EU until the day of approval of these financial statements – applicable to annual periods beginning on 1 January 2016 or after that date;

**IFRS 15 Revenue from Contracts with Customers** (published on 28 May 2014), including the amendments to IFRS 15; Effective date of IFRS 15 (published on 11 September 2015) – applicable to annual periods beginning on 1 January 2018 or after that date; The Management Board declares that any disclosures under this IFRS will not have a material impact on the financial statements for 2018.

**Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture** (published on 11 September 2014) – the EU has postponed the endorsement process indefinitely – the effective date has been postponed by the IASB for an indefinite period;

**IFRS 16 Leases** (published on 13 January 2016) – applicable to annual periods beginning on 1 January 2019 or after that date. The Management Board declares that any disclosures under this IFRS will not have a material impact on the financial statements.

**Amendments to IFRS 4 Applying IFRS 9, Financial Instruments with IFRS 4, Insurance Contracts** (published on 12 September 2016) – applicable to annual periods beginning on 1 January 2018 or after that date;

**Clarifications to IFRS 15 Revenue from Contracts with Customers** (published on 12 April 2016) – applicable to annual periods beginning on 1 January 2018 or after that date;

**Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions** (published on 20 June 2016) – applicable to annual periods beginning on 1 January 2018 or after that date;

**Amendments to IAS 28 Investments in Associates and Joint Ventures being part of the amendments resulting from IFRS 2014-2016 annual improvements cycle** (published on 8 December 2016) – applicable to annual periods beginning on 1 January 2018 or after that date;

**Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards being part of the amendments resulting from IFRS 2014-2016 annual improvements cycle** (published on 8 December 2016) – applicable to annual periods beginning on 1 January 2018 or after that date;

**IFRIC 22 Foreign Currency Transactions and Advance Consideration** (published on 8 December 2016) – not approved by the EU until the day of approval of these financial statements – applicable to annual periods beginning on 1 January 2018 or after that date;

**Amendments to IAS 40 Transfers of Investment Property** (published on 8 December 2016) – not approved by the EU until the day of approval of these financial statements – applicable to annual periods beginning on 1 January 2018 or after that date;

**IFRS 17 Insurance Contracts** (published on 18 May 2017) – not approved by the EU until the day of approval of these financial statements – applicable to annual periods beginning on 1 January 2021 or after that date;

**IFRS 23 Uncertainty over Income Tax Treatments** (published on 7 June 2017) – not approved by the EU until the day of approval of these financial statements – applicable to annual periods beginning on 1 January 2019 or after that date;

**Amendments to IFRS 9 Prepayment features with negative compensation** (published on 12 October 2017) – not approved by the EU until the day of approval of these financial statements – applicable to annual periods beginning on 1 January 2019 or after that date;

**Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures** (published on 12 October 2017) – not approved by the EU until the day of approval of these financial statements – applicable to annual periods beginning on 1 January 2019 or after that date;

**Amendments resulting from IFRS 2015–2017 annual improvements cycle** (published on 12 December 2017) – not approved by the EU until the day of approval of these financial statements – applicable to annual periods beginning on 1 January 2019 or after that date;

**Amendments to IAS 19 Plan Amendment, Curtailment or Settlement** (published on 7 February 2018) – not approved by the EU until the day of approval of these financial statements – applicable to annual periods beginning on 1 January 2019 or after that date.

The Company is going to adopt the above-mentioned new IFRS published by the International Accounting Standards Board but not valid as at the date of approval of these financial statements for publication in line with their respective effective dates.

## **BASIC RULES AND RISKS**

According to the best knowledge of the Management Board, based on the Company documents, the separate financial statements for the financial year 2016 were prepared in accordance with the applicable accounting rules. They provide a true reflection of the Company's development and achievements, and a description of basic risks and threats.

### **Accounting principles**

The financial statements were prepared in thousands of Polish zloty unless otherwise stated, on the basis of entries made in the Company books, maintained in accordance with the following accounting principles:

- 1) reliability;
- 2) correctness;
- 3) continuity;
- 4) completeness;
- 5) comparability;
- 6) matching (of income and costs);
- 7) stability of accounting principles.

### **Intangible assets; Property, plant and equipment**

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

- 1) Intangible assets are held at cost (of acquisition), taking their accumulated amortisation into account. The Company recognises amortisation using the line method, and has adopted the following amortisation periods (useful lives):



- a) software – 2 years,
  - b) licences – 2 years,
  - c) copyright – 2 years,
  - d) development costs – 5 years,
  - e) the Company has no intangibles with an indefinite useful life.
- 2) Fixed assets are measured at cost (of acquisition or manufacture), less depreciation allowances, in proportion to the assets' useful lives. Fixed assets are depreciated over their respective economic useful lives. Despite being used for more than one year, fixed assets do not comprise items of low initial value of up to 3,500.00 PLN, except for assets classified under group 4 (plant and machinery). When these items are purchased, they are debited to costs on a one-off basis in the month when they were bought or the following one. These items are not subject to recognition in the balance sheet. Cars are depreciated on the straight line basis for 5 years upon their initial value minus their residual value (20% of the initial value). All pieces of equipment included in group 4, regardless of their initial value, are depreciated on the straight line basis as per individual rates defined in accordance with their expected useful lives, i.e.
- a) PCs – 4 years;
  - b) laptops – 3 years;
  - c) servers, printers, OHPs, UPSs, routers, switches, computer networks – 5 years;
  - d) UPS batteries – 2 years.

Every year the Company reviews the adopted useful lives for intangible assets and property, plant and equipment

### **Financial instruments**

Methods of valuation of financial instruments – financial instruments are measured in line with the continuity principle in the manner set out in the International Accounting Standards, with the following restrictions:

Receivables, as at the day when they originate, are held at their nominal value, and on the balance sheet date – at the amounts receivable. For mark-to-market purposes, receivables are decreased by write-downs on doubtful receivables. Receivables in foreign currencies are measured as at the balance sheet date according to the average exchange rate of the National Bank of Poland (NBP), while foreign exchange gains/losses are recognised as financial income or costs respectively.

Shares are held at cost (of acquisition), less impairment losses.

Financial assets are held at the lower of cost (of acquisition) or market value.

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

Liabilities, as at the day when they originate, are held at their nominal value, and on the balance sheet date – at the amounts payable. Liabilities in foreign currencies are held at the average exchange rate of the National Bank of Poland (NBP).

Basic types of financial instruments:

- classical financial instruments – trade receivables and liabilities – held at cost (of acquisition) (pursuant to para. 29 a) of IFRS 7, taking into account the impairment losses and uncollectability (pursuant to para. 58 of IAS 39);
- cash – held at cost (of acquisition) – pursuant to para. 29 a) of IFRS 7;
- borrowings, loans, leases – valuation at amortised cost is required, however, in the opinion of the Management Board, the Company presents these items at cost (of acquisition) (the amount payable), because such valuation does not affect the Company's financial position.

### **Investments**

The Company classifies its investments to the following categories:

- 1) shares in subsidiaries.

Shares in subsidiaries include shares in consolidated companies. Shares in subsidiaries are held at cost (of acquisition), less impairment losses. Impairment losses of shares in subsidiaries are disclosed in the statement of comprehensive income under financial costs.

### **Write-downs on fixed assets**

Property, plant and equipment, intangible assets and financial assets are reviewed for impairment in case of events and changes that may impair their value.

Impairment losses are recognised in other operating costs in the periods when they originate.

### **Inventories**

Inventories include goods that are held at cost (of acquisition) as at the balance sheet date, in keeping with the prudence principle (net of write-downs).

### **Trade and other receivables**

Trade receivables are held at the amounts receivable, net of write-downs on doubtful receivables. Write-downs are recognised based on the receivable collectability assessment, when it is no longer probable that a full amount of the receivable will be collected.

### **Cash and cash equivalents**

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

### **Provision for retirement pensions and similar benefits**

The Company establishes provisions for employee benefits. Provisions are measured at least as at the balance sheet date, at their justified, credibly estimated value. Provisions for employee benefits include the provisions for retirement gratuities. The Company establishes, as at the balance sheet date and in accordance with an actuarial method, a provision for the present value of retirement gratuities that employees have acquired a right to until that day, divided into short-term and long-term items. The provision is debited to other operating costs.

Provisions are released at the end of each reporting period, with the value of completed payments in correspondence with liabilities.

### **Provisions**

The Company establishes provisions if, as a result of economic events, certain or highly probable future liabilities originate, whose amount can be credibly estimated.

### **Prepayments and accruals**

In order to ensure matching of income and costs, the Company recognises prepayments and accruals. They refer to both costs and income.

The Company recognises prepayments – these are the costs for the next reporting period.

The Company recognises accruals – this is the amount of liabilities in the current period resulting from services provided to the entity.

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

### **Sales of products, services, materials and goods**

Net sales refer to economic benefits that originate in the reporting period as a result of the entity's business operations, of the reliably measured value and leading to an increase in equity by increasing assets or decreasing liabilities otherwise than by shareholders' contributions. In particular, these are revenues from sales of products, services, goods and materials

Revenues include amounts receivable from sales of products and services within the framework of core and auxiliary activities, as well as sales of materials and goods determined based on their net price, after applicable rebates and discounts.

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

### **Other operating income**

Other operating income is income that is related to the entity's operating activities. The item comprises:

- 1) profit on fixed and intangible assets;
- 2) profit on disposal of fixed assets;
- 3) compensations received;
- 4) releases of provisions (which, at the time of their establishment, were debited to operating costs);
- 5) written-off, time-barred and redeemed liabilities.

### **Financial income**

Income relative to interest accrued on contractors and recognised upon payment by the contractor.

Income relative to interest accrued on cash at bank and recognised on the day when the transaction is credited to the account by the bank.

### **Business costs**

Total costs of sales, marketing, administration and management incurred during the reporting period. Value of goods and materials sold during the reporting period are cost (of purchase).

### **Other operating costs**

Other operating costs are costs that are related to the entity's operating activities.

The item comprises:

- 1) loss on fixed and intangible assets;
- 2) penalties and compensations paid;
- 3) established provisions;
- 4) court fees.

### **Financial costs**

Costs relative to interest paid are recognised directly in the income statement in the period in which they are incurred.

### **Income tax**

The obligatory charges on profit include:

- 1) CIT;
- 2) deferred tax.

Current tax liability is calculated on the basis of a tax result (tax base) obtained in a relevant financial year. Profit (loss) for tax purposes differs from accounting profit (loss) because of the exclusion of non-taxable revenues and costs. Tax charges are calculated on the basis of tax rates applicable in a relevant fiscal year.

### **Deferred income tax**

The Company establishes deferred income tax reserve and assets in connection with temporary differences between the book value of assets and liabilities and their tax base. Deferred income tax assets are recognised if it is probable that taxable profit will be available in the future against which the temporary differences can be utilised. Deferred income tax assets are also recognised for tax losses that can be deducted in the years to come, but only if it is probable that taxable profit will be available in the future against which such tax losses can be utilised. The Company does not establish deferred income tax assets if it is doubtful that they will be utilised in the periods to come.

### **Earnings per share**

Net earnings per share are calculated as the quotient of the profit attributable to shareholders and the weighted average of ordinary shares.

### **Transactions in foreign currencies**

Business transactions in foreign currencies that result in the origination of receivables and liabilities are recognised in the books at the average exchange rate established for a given currency by the National Bank of Poland (NBP).

As at the balance sheet date, receivables and liabilities denominated in foreign currencies are held at the average exchange rate established for a given currency by the National Bank of Poland (NBP).

Foreign exchange gains/losses relative to settlements expressed in foreign currencies that originate at the measurement date as well as upon payment of FX receivables and liabilities are recognised under financial costs or income.

#### **Lease**

Property, plant and equipment under finance lease agreements which transfer to the Company all the benefits and risks associated with their ownership are recognised in the Company's balance sheet according to the present value of future minimum lease payments. Lease payments are apportioned between a reduction of the outstanding liabilities and financial costs, and debited directly to the profit/loss.

### **1.6. Significant items based on the professional judgement and estimations**

In the application of the accounting principles (policy) to the issues listed below, the most important aspect, apart from the accounting estimates, was the professional judgment of the executive.

The text below discusses the key assumptions concerning the future and other key sources of uncertainty at the balance sheet date that entail a significant risk that within the next financial year a material adjustment to the carrying amounts of assets and liabilities will be necessary.

#### **Write-downs on receivables and borrowings granted**

The Management Board examines all circumstances relating to uncollectability of overdue receivables and borrowings, and, where it is probable that the amounts will not be recovered, decides to recognise a corresponding write-down. Changes in write-downs on receivables are described in Note 8.

#### **Valuation of provisions relative to employee benefits**

Provisions relative to employee benefits were estimated with the use of actuarial methods. The assumptions therefor are presented in Note 14.

#### **Deferred income tax assets**

The Company recognises deferred tax assets based on the assumption that taxable profits will be available in the future against which the deferred tax assets can be utilised. Worsening of the tax performance in the future could make this assumption unjustified.

The 2016 financial plan prepared by the Management Board, the projected results and income for the subsequent years assume a positive financial result. The Company's continuation as a going concern is not threatened and the planned profit will allow for assuming that the tax loss will be settled.

Detailed information about the deferred tax is presented in Note 23.

### Revenue recognition

The Company determines revenue from long-term contracts for the implementation of IT systems in proportion to the progress of the service, measured by the share of costs incurred to the total estimated costs (budget of the contract). Budgets of individual long-term contracts are revised at least at each balance sheet date. Upon the occurrence of any circumstances which have an impact on the outcome of the contract performance between the balance sheet dates, revisions are made in advance. The Management Board reviews the possibility of realisation of receivables arising from the measurement of contracts that are not yet performed on an ongoing basis. Information about the measurement of contracts is contained in Note 28.

### Depreciation and amortisation rates

Depreciation and amortisation rates are determined based on the anticipated economic useful lives of property, plant and equipment items and intangible assets. The Company performs an annual review of the adopted economic useful lives based on current estimations.

## 2. Separate statement of financial position

Separate statement of financial position	Note	As at 2017-12-31	As at 2016-12-31
<b>ASSETS</b>			
Non-current assets		9 756	10 127
Property, plant and equipment	1	-	-
Intangible assets	2	-	-
Investments in associates that are accounted for using the equity method	3	-	24
Financial assets available for sale	8	9 701	9 991
Borrowings granted	9	-	-
Deferred income tax assets	23	55	112
Other long-term receivables and prepayments	6	-	-
<b>Current assets</b>		<b>2 545</b>	<b>2 430</b>
Inventories	7	-	-
Trade receivables	8	193	367
Other short-term receivables and prepayments	6	32	37
Income tax receivables		34	-
Other financial assets		1 203	-

Borrowings granted	9	-	-
Cash and cash equivalents	9	1 083	2 026
<b>Tot a s s e t s</b>		<b>12 301</b>	<b>12 557</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>		<b>12 087</b>	<b>12 252</b>
<b>Equity attributable to shareholders/stockholders of the parent</b>		<b>12 087</b>	<b>12 252</b>
Share capital	10	657	740
Share premium	16	8 498	9 612
Treasury shares	12	-102	-102
Reserve and supplementary capitals	13	-	-
Profit (loss) brought forward		103	-165
<b>Profit (loss) of the current year</b>		<b>2 931</b>	<b>2 167</b>
<b>Non-controlling interest</b>		<b>-</b>	<b>-</b>
<b>LIABILITIES</b>		<b>214</b>	<b>305</b>
<b>Long-term liabilities</b>		<b>2</b>	<b>1</b>
Provisions	14	-	-
Deferred income tax reserve	23	2	1
Long-term bank loans and borrowings	15	-	-
Other long-term financial liabilities	16	-	-
Other long-term liabilities and accruals	18	-	-
<b>Short-term liabilities</b>		<b>212</b>	<b>304</b>
Provisions	14	-	-
Short-term bank loans and borrowings	15	10	-
Current part of long-term bank loans and borrowings	15	-	-
Other short-term financial liabilities	16	-	-
Trade liabilities	17	171	227
Other short-term liabilities and accruals	18	31	77
Income tax liabilities		-	-
FX forwards		-	-
Liabilities related to non-current assets classified as held for sale		-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12 301</b>	<b>12 557</b>

### 3. Separate statement of comprehensive income

Statement of comprehensive income	Note	As at 2017-12-31	As at 2016-12-31
<b>Continuing operations:</b>			
Sales of products, goods and materials	19	1 088	1 157
Costs of products, goods and materials sold	20	416	472
Change in products (total period costs minus COGS) – the subsidy received for intangible and fixed assets		-	-
<b>Gross profit (loss) on sales</b>		<b>672</b>	<b>685</b>
Selling costs	20	-	-
General administrative expenses	20	743	490
<b>Profit (loss) on sales</b>		<b>-71</b>	<b>195</b>
Other operating income	21	44	-
Other operating costs	21	3	45
<b>Profit (loss) on operating activities</b>		<b>-30</b>	<b>150</b>
Financial income	22	1 728	1 998
Financial costs	22	235	2
Share in profit/loss of associates		-	-
Profit/loss on sales of shares in an associate		1 793	-
<b>Gross profit (loss)</b>		<b>3 256</b>	<b>2 146</b>
Income tax	23	325	-21
<b>Net profit/loss on continuing operations</b>		<b>2 931</b>	<b>2 167</b>
<b>Discontinued operations:</b>			
Profit/loss on discontinued operations	37	-	-
<b>Net profit/loss for the financial period</b>		<b>2 931</b>	<b>2 167</b>
<b>Net profit/loss attributable to:</b>		<b>2 931</b>	<b>2 167</b>
<b>Other comprehensive income</b>			
Revaluation gains (losses) relative to measurement of property, plant and equipment		-	-
Gains (losses) on measurement of investments available for sale, recognised under equity		-	-
Gains/losses on cash flow hedging instruments (an effective part)		-	-
Foreign exchange gains/losses on measurement of foreign entities		-	-
Income tax related to items presented under other comprehensive income	23	-	-
<b>Total comprehensive income</b>		<b>2 931</b>	<b>2 167</b>
<b>Total comprehensive income attributable to:</b>		<b>2 931</b>	<b>2 167</b>
<b>Earnings/loss per share in PLN:</b>			



<b>On continuing operations</b>	24		
<i>Basic</i>	24	2.23	1.46
<i>Diluted</i>	24	2.23	1.46
<b>On continued and discontinued operations</b>	24		
<i>Basic</i>	24	2.23	1.46
<i>Diluted</i>	<b>24</b>	2.23	1.46

#### 4. Separate statement of changes in equity

for the period:	Equity attributable to shareholders/stockholders of the parent									Non-controlling interest	Total equity
31 December 2017	Share capital	Share premium	Treasury shares	Reserve and supplementary capitals	Revaluation reserve	Amounts recognised directly under equity related to assets classified as held for sale	Foreign exchange gains/losses on currency translation	Profit/loss brought forward and for the current year	Total		
<b>At the beginning of the period before the restatement</b>	740	9 612	-102	-	-	-	-	2 002	12 252	-	12 252
Changes in accounting principles (policy)	-	-	-	-	-	-	-	-	-	-	-
Fundamental error corrections	-	-	-	-	-	-	-	-	-	-	-
<b>At the beginning of the period after adjustments (after the restatement)</b>	740	9 612	-102	-	-	-	-	2 002	12 252	-	12 252
<b>Total comprehensive income</b>	-	-	-	-	-	-	-	2 931	2 931	-	2 931
Revaluation gains/losses relative to measurement of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Gains/losses on measurement of investments available for sale, recognised under equity	-	-	-	-	-	-	-	-	-	-	-
Gains/losses on cash flow hedging instruments (an effective part)	-	-	-	-	-	-	-	-	-	-	-

Foreign exchange gains/losses on measurement of foreign entities	-	-	-	-	-	-	-	-	-	-	-	-
Income tax related to items presented under other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Total income and costs for the financial year recognised directly under equity	-	-	-	-	-	-	-	-	-	-	-	-
Profit/loss for the financial year	-	-	-	-	-	-	-	2 931	2 931	-	-	2 931
<b>Other changes in equity</b>	<b>-83</b>	<b>-1 114</b>	-	-	-	-	-	<b>-1 899</b>	<b>-3 096</b>	-	-	<b>-3 096</b>
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Distribution of profit	-	-	-	-	-	-	-	-1 899	-1 899	-	-	-1 899
Acquisition of treasury shares	-	-	-1 197	-	-	-	-	-	-1 197	-	-	-1 197
Sales of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of reserve capital to share capital	-	-	-	-	-	-	-	-	-	-	-	-
Redemption of shares	-83	-1 114	1 197	-	-	-	-	-	-	-	-	-
<b>At the end of the period</b>	<b>657</b>	<b>8 498</b>	<b>-102</b>	-	-	-	-	<b>3 034</b>	<b>12 087</b>	-	-	<b>12 087</b>

for the period:	Equity attributable to shareholders/stockholders of the parent									Non-controlling interest	Total equity
31 December 2016	Share capital	Share premium	Treasury shares	Reserve and supplementary capitals	Revaluation reserve	Amounts recognised directly under equity related to assets classified as held for sale	Foreign exchange gains/losses on currency translation	Profit/loss brought forward and for the current year	Total		
<b>At the beginning of the period before the restatement</b>	<b>740</b>	<b>9 948</b>	<b>-102</b>	-	-	-	-	<b>-501</b>	<b>10 085</b>	-	<b>10 085</b>
Changes in accounting principles (policy)	-	-	-	-	-	-	-	-	-	-	-
Fundamental error corrections	-	-	-	-	-	-	-	-	-	-	-
<b>At the beginning of the period after adjustments (after the restatement)</b>	<b>740</b>	<b>9 948</b>	<b>-102</b>	-	-	-	-	<b>-501</b>	<b>10 085</b>	-	<b>10 085</b>
<b>Total comprehensive income</b>	-	-	-	-	-	-	-	<b>2 167</b>	<b>2 167</b>	-	<b>2 167</b>
Revaluation gains/losses relative to measurement of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Gains/losses on measurement of investments available for sale, recognised under equity	-	-	-	-	-	-	-	-	-	-	-
Gains/losses on cash flow hedging instruments (an effective part)	-	-	-	-	-	-	-	-	-	-	-

Foreign exchange gains/losses on measurement of foreign entities	-	-	-	-	-	-	-	-	-	-	-
Income tax related to items presented under equity or transferred from equity	-	-	-	-	-	-	-	-	-	-	-
Total income and costs for the financial year recognised directly under equity	-	-	-	-	-	-	-	-	-	-	-
Profit/loss for the financial year	-	-	-	-	-	-	-	2 167	2 167	-	2 167
Fundamental error corrections	-	-	-	-	-	-	-	-	-	-	-
<b>Other changes in equity</b>	-	<b>-336</b>	-	-	-	-	-	<b>336</b>	-	-	-
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-
Distribution of profit	-	-336	-	-	-	-	-	336	-	-	-
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Sales of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Transfer of reserve capital to share capital	-	-	-	-	-	-	-	-	-	-	-
<b>At the end of the period</b>	<b>740</b>	<b>9 612</b>	<b>-102</b>	-	-	-	-	<b>2 002</b>	<b>12 252</b>	-	<b>12 252</b>

## 5. Separate statement of cash flows

Statement of Cash Flows	Note	2017-12-31	2016-12-31
<b>Cash flows from operating activities</b>			
<b>Gross profit/loss</b>		<b>3 256</b>	<b>2 146</b>
<b>Adjustments relative to items:</b>		<b>-3 254</b>	<b>-2 045</b>
Share in net profit/loss of associates that are accounted for using the equity method		-	-
Non-controlling interest		-	-
Amortisation and depreciation		-	-
Impairment of goodwill		-	-
Foreign exchange gains/losses		13	-
Costs and income relative to interest		-11	-1
Dividend income		-1 713	-1 994
Profit/loss on investing activities		-1 796	-
Movement in reserves		-	-
Movement in inventories		-	-
Movement in receivables and prepayments		178	-99
Movement in liabilities and accruals		-102	48
Income tax paid/refunded		-34	-
Other adjustments		211	1
<b>Net cash flows from operating activities</b>		<b>2</b>	<b>101</b>
<b>Cash flows from investing activities</b>			
Inflows from sales of fixed and intangible assets		-	-
Net inflows from sales of associates and subsidiaries		-	-
Inflows from sales of financial assets		2 108	-
Inflows relative to interest		12	1
Inflows relative to dividend		1 715	1 994
Repayment of borrowings granted		-	-
Expenses on the acquisition of property, plant and equipment and intangible assets		-	-
Net expenses on the acquisition of subsidiaries and associates		-	200
Expenses on the acquisition of short-term financial assets		1 200	-
Borrowings granted		218	-
Other		-	-
<b>Net cash flows from investing activities</b>		<b>2 417</b>	<b>1 795</b>
<b>Cash flows from financing activities</b>			
Inflows from loans and borrowings		760	-
Net inflows from the issue of shares		-	-

Net inflows from the issue of bonds, bills of exchange and bills		-	-
Repayment of loans and borrowings		750	-
Payments of liabilities under finance lease agreements		-	-
Dividends paid to the Company shareholders		2 167	-
Dividends paid to shareholders/stockholders holding non-controlling interest		-	-
Acquisition of treasury shares		1 197	-
Interest paid		4	1
Other		-	-
<b>Net cash flows from financing activities</b>		<b>-3 358</b>	<b>-1</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>-939</b>	<b>1 895</b>
<b>Cash, cash equivalents and overdraft facilities at the beginning of the period</b>		<b>2 026</b>	<b>131</b>
<i>Foreign exchange gains/losses on measurement of cash, cash equivalents and overdraft facilities</i>		-4	-
<b>Cash, cash equivalents and overdraft facilities at the end of the period</b>		<b>1 083</b>	<b>2 026</b>

Explanatory notes to the cash flow statement	2017-12-31	2016-12-31
<b>Foreign exchange gains (losses) as disclosed in the cash flow statement result from the following items:</b>	13	-
– foreign exchange gains/losses on measurement of cash	3	-
– unrealised foreign exchange gains/losses on loans and borrowings	10	-
– realised foreign exchange gains/losses on loans and borrowings	-	-
<b>Interest and profit sharing (dividends) comprising:</b>	<b>-1 724</b>	<b>-1 995</b>
– interest received on borrowings granted	-	-
– interest received on cash at bank and deposits	-11	-1
– interest received on lease instalments	-	-
– interest paid on loans	-	-
– interest paid on borrowings	-	-
– interest paid on debt securities	-	-
– interest paid on lease liabilities	-	-
– commissions paid on debt securities	-	-
– dividends received	-1 713	-1 994
– interest accrued on borrowings granted	-3	-1
– interest accrued on loans and borrowings taken out	3	-
– interest accrued on debt securities	-	-
– other interest	-	1
<b>Profit (loss) on investing activities results from:</b>	<b>-1 796</b>	<b>-</b>

– income from disposal of property, plant and equipment, investment real estate	-	-
– income from disposal of intangible assets	-	-
– cost of sales of property, plant and equipment, investment real estate	-	-
– cost of sales of intangible assets	-	-
– costs of liquidation of property, plant and equipment	-	-
– income from disposal of shares and stocks	-1 801	-
– costs of sales of shares and stocks	8	-
– other	-3	-
<b>Movement in receivables results from the following items:</b>	<b>178</b>	<b>-99</b>
– movement in short-term receivables stemming from the balance sheet	178	-99
– movement in long-term receivables stemming from the balance sheet	-	-
– adjustment by movement in receivables relative to dividends	-	-
– adjustment by movement in receivables relative to disposal of property, plant and equipment, investment real estate	-	-
– adjustment by movement in receivables relative to disposal of intangible assets	-	-
– adjustment by movement in receivables relative to disposal of financial investments	-	-
– adjustment by movement in receivables relative to bank guaranty deposits	-	-
– other adjustments	-	-
<b>Movement in liabilities, except for loans and borrowings results from the following items:</b>	<b>-102</b>	<b>48</b>
– movement in short-term trade and other liabilities	-102	48
– movement in other long-term liabilities	-	-
– adjustment by movement in the liability relative to unpaid dividend	-	-
– adjustment by movement in liabilities relative to the acquisition of property, plant and equipment	-	-
– adjustment by movement in liabilities relative to the acquisition of financial assets	-	-
– adjustment by movement in the lease liability	-	-
– adjustment by movement in the liability relative to sureties granted to subsidiaries	-	-
– other adjustments	-	-
<b>Income tax paid</b>	<b>-34</b>	<b>-</b>
– income tax disclosed in the income statement	-	-
– adjustment by movement in deferred tax assets	-	-
– adjustment by movement in receivables related to income tax	-	-
– adjustment by movement in deferred tax reserve	-	-
– adjustment by movement in income tax liabilities	-	-



– adjustment by deferred tax on movement in equity	-	-
– income tax refunded	-34	-
– income tax paid	-	-
<b>“Other adjustments” comprise:</b>	<b>211</b>	<b>1</b>
– revaluation of property, plant and equipment (positive measurement)	-	-
– revaluation of property, plant and equipment (write-down)	-	-
revaluation of shares and stocks (positive measurement)	-	-
– revaluation of shares and stocks (write-down)	-	-
– revaluation of borrowings granted (write-down)	<b>211</b>	<b>1</b>
– revaluation of financial instruments	-	-
– revaluation of sureties	-	-
– conversion of a cash deposit into financial assets	-	-
– other	-	-
<b>Acquisition of property, plant and equipment and intangible assets – related to investing activities</b>	-	-
– movement in property, plant and equipment stemming from the balance sheet	-	-
– movement in investment real estate stemming from the balance sheet	-	-
– movement in intangible assets stemming from the balance sheet	-	-
– movement in assets as above in assets for sale	-	-
– depreciation and amortisation for the reporting period stemming from the income statement	-	-
– cost of sales of fixed assets, investment real estate and intangible assets sold	-	-
– cost of liquidated fixed assets	-	-
– impairment losses recognised/derecognised for assets as above	-	-
– measurement of assets as above	-	-
– other	-	-
– adjustment by advances for the purchase of fixed and intangible assets	-	-
– adjustment by investment liabilities (relative to the purchase)	-	-
– other adjustments	-	-
– transfer of assets in an organised part of the enterprise to a new entity	-	-

**6. Financial highlights, including basic items of the annual separate financial statements (also translated into EUR).**

FINANCIAL HIGHLIGHTS, including basic items of the annual financial statements	in '000 PLN		in '000 EUR	
	for the period from	for the period from	for the period from	for the period from
	2017-01-01 to 2017-12-31	2016-01-01 to 2016-12-31	2017-01-01 to 2017-12-31	2016-01-01 to 2016-12-31
Net sales of products, goods and materials	1 088	1 157	256	264
Profit (loss) on operating activities	-30	150	-7	34
Gross profit (loss)	3 256	2 146	767	490
Net profit (loss)	2 931	2 167	691	495
Net cash flows from operating activities	2	101	0	23
Net cash flows from investing activities	2 417	1 795	569	410
Net cash flows from financing activities	-3 358	-1	-791	0
Total net cash flows	-939	1 895	-221	433
Total assets	12 301	12 557	2 949	2 838
Liabilities and provisions for liabilities, of which:	214	305	51	69
Long-term liabilities	2	1	0	0
Short-term liabilities	212	304	51	69
Equity	12 087	12 252	2 898	2 769
Share capital	657	740	158	167
Number of shares	1 314 870	1 480 757	1 314 870	1 480 757
Diluted number of shares	1 314 870	1 480 757	1 314 870	1 480 757
Earnings (loss) per share (in PLN/EUR)	2.23	1.46	0.53	0.33
Diluted earnings (loss) per share (in PLN/EUR)	2.23	1.46	0.53	0.33
Book value per share (in PLN/EUR)	9.19	8.27	2.20	1,87
Diluted book value per share (in PLN/EUR)	9.19	8.27	2.20	1,87
Declared or paid dividend per share (in PLN/EUR)	-	-	-	-

Financial highlights in this report were translated into EURO in accordance with the following principles:

Individual items of assets and equity and liabilities in the statement of financial position of the Company have been translated according to the average exchange rate announced by the National Bank of Poland and applicable on the most recent balance sheet date.

individual items in the statement of comprehensive income and the statement of cash flows have been translated according to the average exchange rate, calculated as the arithmetic mean of the exchange rates announced by the National Bank of Poland and applicable on the last day of the month in a given year:

**Average PLN/EUR exchange rates in the period included in the financial statements**

<b>Average PLN/EUR exchange rates in the period included in the financial statements</b>		
<b>the period</b>	<b>average exchange rate in the period</b>	<b>exchange rate on the last day of the period</b>
2017	4.2447	4.1709
2016	4.3757	4.4240

## 7. Notes – selected explanatory notes

### Note 1 – Property, plant and equipment

PROPERTY, PLANT AND EQUIPMENT	FOR THE PERIOD: 31 DECEMBER 2017					
	Land and the right to perpetual usufruct of land	Buildings and structures	Plant and machinery	Means of transportation	Other	Total
<b>Gross amount at the beginning of the period</b>	-	-	-	-	-	-
Increases	-	-	-	-	-	-
<i>acquisition</i>	-	-	-	-	-	-
<i>acquisition as part of business combinations</i>	-	-	-	-	-	-
<i>on revaluation</i>	-	-	-	-	-	-
<i>other</i>	-	-	-	-	-	-
Decreases	-	-	-	-	-	-
<i>disposal</i>	-	-	-	-	-	-
<i>on revaluation</i>	-	-	-	-	-	-
<i>on reclassification to non-current assets held for sale</i>	-	-	-	-	-	-
<i>transfer of the enterprise</i>	-	-	-	-	-	-
<i>other</i>	-	-	-	-	-	-
Allocated to discontinued operations	-	-	-	-	-	-
Internal transfers (+/-)	-	-	-	-	-	-
<b>Gross amount at the end of the period</b>	-	-	-	-	-	-
<b>Accumulated depreciation at the beginning of the period</b>	-	-	-	-	-	-
depreciation for the period	-	-	-	-	-	-
other increases	-	-	-	-	-	-
transfer of the enterprise	-	-	-	-	-	-
decreases	-	-	-	-	-	-
<b>Accumulated depreciation at the end of the period</b>	-	-	-	-	-	-
Impairment loss at the beginning of the period	-	-	-	-	-	-

Impairment loss recognised in the period	-	-	-	-	-	-
Impairment loss derecognised in the period (write-up)	-	-	-	-	-	-
Amount with the accumulated depreciation and impairment loss taken into account at the end of the period	-	-	-	-	-	-
Adjustment for net foreign exchange gains/losses on currency translation	-	-	-	-	-	-
<b>Net amount at the end of the period</b>	-	-	-	-	-	-

PROPERTY, PLANT AND EQUIPMENT	FOR THE PERIOD: 31 DECEMBER 2016					
	Land and the right to perpetual usufruct of land	Buildings and structures	Plant and machinery	Means of transportation	Other	Total
<b>Gross amount at the beginning of the period</b>	-	-	-	-	-	-
Increases	-	-	-	-	-	-
<i>acquisition</i>	-	-	-	-	-	-
<i>acquisition as part of business combinations</i>	-	-	-	-	-	-
<i>on revaluation</i>	-	-	-	-	-	-
<i>other</i>	-	-	-	-	-	-
Decreases	-	-	-	-	-	-
<i>disposal</i>	-	-	-	-	-	-
<i>on revaluation</i>	-	-	-	-	-	-
<i>on reclassification to non-current assets held for sale</i>	-	-	-	-	-	-
<i>other</i>	-	-	-	-	-	-
Allocated to discontinued operations	-	-	-	-	-	-
Internal transfers (+/-)	-	-	-	-	-	-
<b>Gross amount at the end of the period</b>	-	-	-	-	-	-

<b>Accumulated depreciation at the beginning of the period</b>	-	-	-	-	-	-
depreciation for the period	-	-	-	-	-	-
other increases	-	-	-	-	-	-
decreases	-	-	-	-	-	-
<b>Accumulated depreciation at the end of the period</b>	-	-	-	-	-	-
Impairment loss at the beginning of the period	-	-	-	-	-	-
Impairment loss recognised in the period	-	-	-	-	-	-
Impairment loss derecognised in the period (write-up)	-	-	-	-	-	-
Amount with the accumulated depreciation and impairment loss taken into account at the end of the period	-	-	-	-	-	-
Adjustment for net foreign exchange gains/losses on currency translation	-	-	-	-	-	-
<b>Net amount at the end of the period</b>	-	-	-	-	-	-

As at 31 December 2016 and 31 December 2017, the Company did not incur any expenditure on property, plant and equipment being constructed.

## Note 2 – Intangible assets

INTANGIBLE ASSETS	FOR THE PERIOD: 31 DECEMBER 2017				
	Own development	Acquired intangible assets			Total
		Patents, trademarks	Licences	Other	
<b>Gross amount at the beginning of the period</b>	-	-	-	-	-
Increases	-	-	-	-	-
<i>acquisition</i>	-	-	-	-	-
<i>own development work</i>	-	-	-	-	-
<i>acquisition as part of business combinations</i>	-	-	-	-	-

<i>on revaluation</i>	-	-	-	-	-
<i>other</i>	-	-	-	-	-
Decreases	-	-	-	-	-
<i>withdrawn from use</i>	-	-	-	-	-
<i>liquidation</i>	-	-	-	-	-
<i>disposal</i>	-	-	-	-	-
<i>on revaluation</i>	-	-	-	-	-
<i>on reclassification to non-current assets held for sale</i>	-	-	-	-	-
<i>transfer of the enterprise</i>	-	-	-	-	-
<i>other</i>	-	-	-	-	-
<b>Gross amount at the end of the period</b>	-	-	-	-	-
<b>Accumulated amortisation at the beginning of the period</b>	-	-	-	-	-
amortisation for the period	-	-	-	-	-
other increases	-	-	-	-	-
Transfer of the enterprise	-	-	-	-	-
decreases	-	-	-	-	-
<b>Accumulated amortisation at the end of the period</b>	-	-	-	-	-
Impairment loss at the beginning of the period	-	-	-	-	-
Impairment loss recognised in the period	-	-	-	-	-
Impairment loss derecognised in the period (write-up)	-	-	-	-	-
Amount with the accumulated amortisation and impairment loss taken into account at the end of the period	-	-	-	-	-
Adjustment for net foreign exchange gains/losses on currency translation	-	-	-	-	-
<b>Net amount at the end of the period</b>	-	-	-	-	-

INTANGIBLE ASSETS	FOR THE PERIOD: 31 DECEMBER 2016				
	Own development	Acquired intangible assets			Total
		Patents, trademarks	Licences	Other	
<b>Gross amount at the beginning of the period</b>	-	-	-	-	-
Increases	-	-	-	-	-
<i>Acquisition</i>	-	-	-	-	-
<i>own development work</i>	-	-	-	-	-
<i>acquisition as part of business combinations</i>	-	-	-	-	-
<i>on revaluation</i>	-	-	-	-	-
<i>other</i>	-	-	-	-	-
Decreases	-	-	-	-	-
<i>withdrawn from use</i>	-	-	-	-	-
<i>liquidation</i>	-	-	-	-	-
<i>disposal</i>	-	-	-	-	-
<i>on revaluation</i>	-	-	-	-	-
<i>on reclassification to non-current assets held for sale</i>	-	-	-	-	-
<i>other</i>	-	-	-	-	-
<b>Gross amount at the end of the period</b>	-	-	-	-	-
<b>Accumulated amortisation at the beginning of the period</b>	-	-	-	-	-
amortisation for the period	-	-	-	-	-
other increases	-	-	-	-	-
acquisition as part of business combinations	-	-	-	-	-
decreases	-	-	-	-	-
<b>Accumulated amortisation at the end of the period</b>	-	-	-	-	-
Impairment loss at the beginning of the period	-	-	-	-	-
Impairment loss recognised in the period	-	-	-	-	-



Impairment loss derecognised in the period (write-up)	-	-	-	-	-
Amount with the accumulated amortisation and impairment loss taken into account at the end of the period	-	-	-	-	-
Adjustment for net foreign exchange gains/losses on currency translation	-	-	-	-	-
<b>Net amount at the end of the period</b>	-	-	-	-	-

The Company has no intangibles with an indefinite useful life.

### Note 3 – Investments in associates that are accounted for using the equity method

Entity name: EQ System East sp. z o.o.	2017-12-31	2016-12-31
<b>Share in the balance sheet of the associate</b>	-	48%
Non-current assets (long-term)	-	-
Current (short-term) assets	-	45
Long-term liabilities	-	-
Short-term liabilities	-	4
Net assets	-	41
Share in income and profit of the associate:	-	-
Income	-	-
Profit/loss	-	-2
Carrying amount of investment in the associate	-	24

The Issued does not have shares in associates that are accounted for using the equity method.

### Note 4 – Financial assets available for sale

FINANCIAL ASSETS AVAILABLE FOR SALE	2017-12-31	2016-12-31
<b>Stocks of listed companies at the beginning of the period</b>	-	-
At the beginning of the period in subsidiaries, of which:	-	-
At cost (of acquisition)	-	-
a) increases	-	-
Reclassified from the group of entities...	-	-
Purchase	-	-

Measurement	-	-
b) decreases	-	-
Reclassified to the group of entities...	-	-
Sales	-	-
Measurement	-	-
<b>At the end of the period in subsidiaries</b>	-	-
<b>At the beginning of the period in associates, of which:</b>	-	-
At cost (of acquisition)	-	-
a) increases	-	-
Reclassified from the group of entities...	-	-
Purchase	-	-
Measurement, of which:	-	-
Reversal of fair value measurement of the shares sold	-	-
Balance sheet measurement at fair value	-	-
b) decreases	-	-
Reclassified to the group of entities...	-	-
Sales	-	-
Measurement, of which:	-	-
a) reversal of fair value measurement of the shares sold	-	-
b) balance sheet measurement at fair value	-	-
<b>At the end of the period in associates</b>	-	-
<b>At the beginning of the period in other entities, of which:</b>	-	-
At cost (of acquisition)	-	-
a) increases	-	-
Reclassified from the group of entities...	-	-
Purchase	-	-
Measurement, of which:	-	-
Reversal of fair value measurement of the shares sold	-	-
Balance sheet measurement at fair value	-	-
b) decreases	-	-
Reclassified to the group of entities...	-	-
Sales	-	-
Measurement	-	-
<b>At the end of the period in other entities</b>	-	-
<b>Stocks of listed companies at the end of the period</b>	-	-
In subsidiaries, of which:	-	-
At cost (of acquisition)	-	-
In associates, of which:	-	-

At cost (of acquisition)	-	-
In other entities, of which:	-	-
At cost (of acquisition)	-	-
<b>Shares/stocks of non-listed companies at the beginning of the period</b>	<b>9 991</b>	<b>9 791</b>
<b>At the beginning of the period in subsidiaries, of which:</b>	<b>9 991</b>	<b>9 791</b>
At cost (of acquisition)	9 991	9 791
a) increases	-	200
Reclassified from the group of entities...	-	-
Purchase	-	200
Transfer of the enterprise	-	-
Reclassified from the borrowing granted before	-	-
Reversal of measurement	-	-
b) decreases	290	-
Reclassified to the group of entities...	-	-
Sales	290	-
Transfer of the enterprise	-	-
Measurement	-	-
<b>At the end of the period in subsidiaries</b>	<b>9 701</b>	<b>9 991</b>
<b>At the beginning of the period in associates, of which:</b>	-	-
At cost (of acquisition)	-	-
a) increases	-	-
Reclassified from the group of entities...	-	-
Purchase	-	-
Measurement, of which:	-	-
Reversal of fair value measurement of the shares sold	-	-
Balance sheet measurement at fair value	-	-
b) decreases	-	-
Reclassified to the group of entities...	-	-
Sales	-	-
Measurement, of which:	-	-
a) reversal of fair value measurement of the shares sold	-	-
b) balance sheet measurement at fair value	-	-
<b>At the end of the period in associates</b>	-	-
<b>At the beginning of the period in other entities, of which:</b>	-	-
At cost (of acquisition)	-	-
a) increases	-	-
Reclassified from the group of entities...	-	-

purchase	-	-
Measurement, of which:	-	-
Reversal of fair value measurement of the shares sold	-	-
Balance sheet measurement at fair value	-	-
b) decreases	-	-
Reclassified to the group of entities...	-	-
Sales	-	-
Measurement	-	-
<b>At the end of the period in other entities</b>	-	-
<b>Shares/stocks of non-listed companies at the end of the period</b>	<b>9 701</b>	<b>9 991</b>
In subsidiaries, of which:	9 701	9 991
At cost (of acquisition)	9 701	9 991
In associates, of which:	-	-
At cost (of acquisition)	-	-
In other entities, of which:	-	-
At cost (of acquisition)	-	-
<b>Total shares/stocks</b>	<b>9 701</b>	<b>9 991</b>
Stocks of listed companies	-	-
<b>Shares/stocks of non-listed companies</b>	<b>9 701</b>	<b>9 991</b>

WRITE-DOWNS ON FINANCIAL ASSETS AVAILABLE FOR SALE FOR THE PERIOD: 31 DECEMBER 2017				
Name of the entity	At the beginning of the period	Increases	Decreases	At the end of the period
-	-	-	-	-
-	-	-	-	-
<b>Total write-downs</b>	-	-	-	-

WRITE-DOWNS ON FINANCIAL ASSETS AVAILABLE FOR SALE FOR THE PERIOD: 31 DECEMBER 2016				
	At the beginning of the period	Increases	Decreases	At the end of the period
-	-	-	-	-
-	-	-	-	-
<b>Total write-downs</b>	-	-	-	-

**Note 5 – Borrowings granted in 2017**

BORROWINGS GRANTED								
Long-term	Amount of the borrowing	Interest rate	Maturity date	As at		Interest accrued between the beginning of the financial year and		Collateral
				2017-12-31	2016-12-31	2017-12-31	2016-12-31	
<b><i>Borrowings granted to related parties</i></b>								
Quantum Brasil	50 (EUR)	2%	2019	-	-	1		No collateral
-	-	-		-	-	-		-
-	-	-		-	-	-		-
<b><i>Borrowings granted to other entities</i></b>								
-	-	-		-	-	-		-
-	-	-		-	-	-		-

BORROWINGS GRANTED								
Short-term	Amount of the borrowing	Interest rate	Maturity date	As at		Interest accrued between the beginning of the financial year and		Collateral
				2017-12-31	2016-12-31	2017-12-31	2016-12-31	
<b><i>Borrowings granted to related parties</i></b>								
-	-	-		-	-	-		-

-	-	-	-	-	-	-	-	-
<b>Borrowings granted to other entities</b>								
Other entities	30	2% + WIBOR 6M	-	-	-	1	1	No collateral
-	-	-	-	-	-	-	-	-

At the moment, the Issuer has the following receivables relative to borrowings:

- 1) a borrowing granted to Qcadoo Limited sp. z o.o. in 2015. The principal amounts to 30,000.00 PLN, the interest rate is 2% + WIBOR 6M; interest due as at 31-12-2017 amounts to 3,300.04 PLN. A write-down has been recognised for the entire principal and accrued interest.
- 2) a borrowing granted to Quantum Brasil. The principal amounts to 208,545.00 PLN. Interest accrued as at 31-12-2017 amounts to 1,259.28. The interest rate: 2% p.a. Maturity in 2019. A write-down has been recognised for the entire principal and accrued interest.

## Note 6 – Other receivables and prepayments

OTHER RECEIVABLES AND PREPAYMENTS	2017-12-31	2016-12-31
<b>Receivables from subsidiaries:</b>	-	-
– long-term part	-	-
– short-term part	-	-
<b>Receivables from related parties:</b>	-	-
– long-term part	-	-
– short-term part	-	-
<b>Advance payments:</b>	-	-
– long-term part	-	-
– short-term part	-	-
<b>Other receivables:</b>	<b>16</b>	<b>23</b>
– long-term part	-	-
– short-term part	16	23
<b>Prepayments:</b>	<b>16</b>	<b>14</b>
– long-term part	-	-
– short-term part	16	14
<b>Impairment losses at the beginning of the period</b>	-	-
<b>Impairment losses recognised in the period</b>	-	-
<b>Impairment loss derecognised in the period (write-up)</b>	-	-
<b>Impairment losses at the end of the period</b>	-	-
<b>TOTAL</b>	<b>32</b>	<b>37</b>

### Other receivables comprise

- deposits paid	-	-
- settlements relative to wages and salaries	-	-
- other settlements with employees	-	-
- input VAT to be settled in future periods	4	11
- output VAT on corrective invoices to be settled in future periods	6	2
- VAT	-	-
- excess payment from the Social Insurance Institution (ZUS)	1	1
- settlements with the brokerage house related to the redemption of treasury shares	5	6
- other settlements with suppliers	-	3
- other receivables	-	-
<b>TOTAL:</b>	<b>16</b>	<b>23</b>

**Prepayments comprise:**

- settlement of long-term contracts	-	2
- settlement of costs from the turn of the periods	-	-
- other prepayments	-	-
- property insurance	16	12
- appropriation from profit to the Company Social Benefit Fund (ZFSS)	-	-
- subscription fees, etc. paid in advance	-	-
- settlement of VAT related to lease agreements to be settled in subsequent periods – within up to 12 months	-	-
- settlement of VAT related to lease agreements to be settled in subsequent periods – over 12 months	-	-
<b>TOTAL:</b>	<b>16</b>	<b>14</b>

**Note 7 – Inventories**

INVENTORIES	As at 31 December 2017				
	Materials	Work-in-progress	Finished products	Goods	Total
Measurement at cost (of acquisition/manufacture)	-	-	-	-	-
Measurement at the net realisable value	-	-	-	-	-
Write-downs on inventories at the beginning of the period	-	-	-	-	-
Write-ups on inventories recognised as cost in the period	-	-	-	-	-
Write-ups on inventories recognised as the amounts decreasing such allowances in the period	-	-	-	-	-
<b>Write-downs on inventories at the end of the period</b>	-	-	-	-	-
Value of inventories recognised as cost in the period	-	-	-	-	-
<b>Carrying amount of inventories</b>	-	-	-	-	-
Value of inventories constituting collateral for liabilities	-	-	-	-	-
Of which the long-term part	-	-	-	-	-



INVENTORIES	As at 31 December 2016				
	Materials	Work-in-progress	Finished products	Goods	Total
Measurement at cost (of acquisition/manufacture)	-	-	-	-	-
Measurement at the net realisable value	-	-	-	-	-
Write-downs on inventories at the beginning of the period	-	-	-	-	-
Write-ups on inventories recognised as cost in the period	-	-	-	-	-
Write-ups on inventories recognised as the amounts decreasing such allowances in the period	-	-	-	-	-
<b>Write-downs on inventories at the end of the period</b>	-	-	-	-	-
Value of inventories recognised as cost in the period	-	-	-	-	-
<b>Carrying amount of inventories</b>	-	-	-	-	-
Value of inventories constituting collateral for liabilities	-	-	-	-	-
Of which the long-term part	-	-	-	-	-

As at 31 December 2017, and as at 31 December 2016 the Company did not possess any goods meant for resale.

#### Note 8 – Trade receivables

TRADE RECEIVABLES	2017-12-31	2016-12-31
Trade receivables from related parties	70	209
Trade receivables from other entities	123	201
<b>Total receivables</b>	<b>193</b>	<b>410</b>
<b>Write-downs on trade receivables</b>	-	<b>43</b>
<b>Net trade receivables</b>	<b>193</b>	<b>367</b>

AGING OF TRADE RECEIVABLES	Gross amount	Write-down	Gross amount	Write-down
	2017-12-31		2016-12-31	
Fixed-term	166	-	230	-
Past due up to 3 months	26	-	137	-
Past due: 3-6 months	1	-	-	-
Past due: above 6 and up to 12 months	-	-	-	-
Past due: over 1 year	-	-	43	43
<b>Total</b>	<b>193</b>	<b>-</b>	<b>410</b>	<b>43</b>

MOVEMENTS IN WRITE-DOWNS	2017-12-31	2016-12-31
At the beginning of the period	43	-
Increases	-	43
Decreases	43	-
<b>At the end of the period</b>	<b>-</b>	<b>43</b>

As at 31 December 2016 a write-down was recognised, which was then written-up/off in 2017.

#### Note 9 – Cash and cash equivalents

CASH AND CASH EQUIVALENTS	2017-12-31	2016-12-31
Cash in hand and at bank	269	2 026
Short-term deposits	814	-
Other	-	-
<b>Total, of which:</b>	<b>1 083</b>	<b>2 026</b>
- cash in hand and at bank allocated to discontinued operations	-	-
- cash in hand and at bank which is not available for use by the group	-	-

As at 31 December 2017 the Issuer's cash in hand and at bank amounted to 1,083,090.44 PLN on short-term (overnight) deposits.

Moreover, the Company spent 1,203,055.99 PLN to purchase units in an open end money market fund, disclosed in the statement of financial position under other financial assets.

## Note 10 – Share capital

SHARE CAPITAL		As at 31 December 2017					
Series/issue	Type of shares	Type of privilege	Type of limitation of the rights to shares	Number of shares	Value of the issue/issue according to par value	Registration date	Right to dividend (since date)
A series	Registered	Yes	None	750,000	375,000.00	07.03.1997	1997
B series	Ordinary bearer	None	None	84,113	42,056.50	02.08.2007	2007
C series	Ordinary bearer	None	None	470,000	235,000.00	11.09.2007	2007
D series	Ordinary bearer	None	None	10,757	5,378.50	11.05.2011	2011
<b>Total number of shares</b>				<b>1,314,870</b>			
<b>Total share capital</b>					<b>657,435</b>		
<b>Par value of one share</b>					<b>0.50</b>		

Shareholders	Number of shares	% of capital
Minvesta sp. z o.o.	952,912	72.47%
Tomasz Hatala	36,200	2.75%
Bogusław Ożóg	31,924	2.43%
Robert Dykacz	16,465	1.25%
Marek Jędra	8,200	0.62%
Tomasz Polończyk	8,193	0.62%
Tomasz Mnich	3,400	0.26%
Other	257,576	19.59%
<b>Total</b>	<b>1,314,870</b>	<b>100%</b>

In 2017, the Company redeemed 165,887 of its treasury shares. Consequently, the share capital amount has changed, so it now stands at 657,435.00 PLN.

**Note 11 – Number of shares making up the share capital**

<b>Number of shares making up the share capital</b>	<b>2017-12-31</b>	<b>2016-12-31</b>
Ordinary shares with the par value of 0.50 PLN each	1,314,870	1,480,757
<b>At the end of the period</b>	<b>1,314,870</b>	<b>1,480,757</b>
<b>Changes in the number of shares</b>	<b>2017-12-31</b>	<b>2016-12-31</b>
<b>Ordinary shares issued and fully paid-up</b>		
At the beginning of the period	1,480,757	1,480,757
Redeemed	-165,887	-
At the end of the period	1,314,870	1,480,757
<b>Ordinary shares issued and not fully paid-up</b>		
At the beginning of the period	-	-
At the end of the period	-	-
<b>Treasury shares</b>		
At the beginning of the period	14,930	8,028
Purchasing treasury shares for the incentive plan purposes	-	6,902
Repurchase of treasury shares from Quantum Qguar sp.	165,887	-
Redemption of treasury shares	-165,887	-
At the end of the period	14,930	14,930
<b>Shares</b>		
At the beginning of the period	-	-
At the end of the period	-	-
<b>SHARE CAPITAL</b>	<b>2017-12-31</b>	<b>2016-12-31</b>
Par value of one share	0.50	0.50
Value of the share capital	657	740

## Note 12 – Treasury shares

<b>TREASURY SHARES</b>			
<b>As at 2017-12-31</b>	<b>Number of shares</b>	<b>Value at cost (of acquisition)</b>	<b>Reason for purchase</b>
	14,930	102	Article 362 para. 1 item 8 of the Code of Commercial Companies
<b>TOTAL</b>	<b>14,930</b>	<b>102</b>	<b>0</b>

In the years 2009–2014, 14,930 treasury shares were redeemed as part of the Company's incentive scheme (further: the “Managerial Stock Option Plan”) for the entity's executives. The Management Board was authorised to purchase treasury shares by way of resolution No. 17 of 18 May 2009, pursuant to Article 362 para. 1 item 8 of the Code of Commercial Companies (the authorisation expired on 18 May 2014).

As the economic objectives described in the Managerial Stock Option Plan Regulations have not been achieved, 14,930 treasury shares were not ultimately used for the Plan purposes. Consequently, on 15 March 2013, the Supervisory Board adopted a resolution to suspend the Managerial Stock Option Programme. The Programme was introduced by the Company in 2008, implemented partially and expired as of 31 December 2013.

On 26 June 2017, the Ordinary General Meeting of Shareholders of Quantum software S.A. adopted resolution No. 17 to allocate treasury shares acquired by the Company between 2009 and 2014, in which it agreed to allocate 14,930 treasury shares to key managers of the Company and member companies of the Quantum software S.A. Capital Group, authorising the Supervisory Board to specify detailed parameters of the share purchase transaction.

The Supervisory Board, by way of resolution No. 2 of 6 September 2017, based on the above-mentioned authorisation granted by the OGMS specified detailed parameters of the share purchase transaction.

Further steps will be taken after the General Meeting of Shareholders closing the year 2017.

**Note 13 – Reserve capitals, supplementary capitals and revaluation reserves**

	FOR THE PERIOD: 31 DECEMBER 2017										
	Share premium	Contingent capital	Supplementary capital	Reserve capital	Reserve capital related to foreign exchange gains/losses	Reserve capital related to cash flow hedges	Revaluation reserve related to measurement of property, plant and equipment	Revaluation reserve related to measurement of intangible assets	Revaluation reserve related to measurement of financial assets available for sale	Foreign exchange gains/losses on currency translation	Total
<b>At the beginning of the period</b>	<b>9,612</b>	-	-	-	-	-	-	-	-	-	<b>9,612</b>
Changes in accounting principles (policy)	-	-	-	-	-	-	-	-	-	-	-
Fundamental error corrections	-	-	-	-	-	-	-	-	-	-	-
At the beginning of the period after adjustments (after the restatement)	<b>9,612</b>	-	-	-	-	-	-	-	-	-	<b>9,612</b>
Revaluation gains/losses relative to measurement of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Gains/losses on measurement of investments available for sale, recognised under equity	-	-	-	-	-	-	-	-	-	-	-
Gains/losses on cash flow hedging instruments (an effective part)	-	-	-	-	-	-	-	-	-	-	-
Share premium	-	-	-	-	-	-	-	-	-	-	-

Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to share capital and supplementary capital	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange gains/losses on measurement of foreign entities	-	-	-	-	-	-	-	-	-	-	-	-
Coverage of loss		-	-	-	-	-	-	-	-	-	-	-
Dividend on treasury shares		-	-	-	-	-	-	-	-	-	-	-
Redemption of shares	-1,114	-	-	-	-	-	-	-	-	-	-	-1,114
Income tax related to items presented under other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
<b>At the end of the period</b>	<b>8,498</b>	-	-	-	-	-	-	-	-	-	-	<b>8,498</b>

	FOR THE PERIOD: 31 DECEMBER 2016										
	Share premium	Contingent capital	Supplementary capital	Reserve capital	Reserve capital related to foreign exchange gains/losses	Reserve capital related to cash flow hedges	Revaluation reserve related to measurement of property, plant and equipment	Revaluation reserve related to measurement of intangible assets	Revaluation reserve related to measurement of financial assets available for sale	Foreign exchange gains/losses on currency translation	Total
<b>At the beginning of the period</b>	9,948	-	-	-	-	-	-	-	-	-	9,948
Changes in accounting principles (policy)	-	-	-	-	-	-	-	-	-	-	-
Fundamental error corrections	-	-	-	-	-	-	-	-	-	-	-
At the beginning of the period after adjustments (after the restatement)	9,948	-	-	-	-	-	-	-	-	-	9,948
Revaluation gains/losses relative to measurement of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Gains/losses on measurement of investments available for sale, recognised under equity	-	-	-	-	-	-	-	-	-	-	-
Gains/losses on cash flow hedging instruments (an effective part)	-	-	-	-	-	-	-	-	-	-	-
Share premium	-	-	-	-	-	-	-	-	-	-	-
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	-	-



Transfer to share capital and supplementary capital	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange gains/losses on measurement of foreign entities	-	-	-	-	-	-	-	-	-	-	-	-
Coverage of loss	-336	-	-	-	-	-	-	-	-	-	-	-336
Dividend on treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Income tax related to items presented under other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
<b>At the end of the period</b>	<b>9,612</b>	-	-	-	-	-	-	-	-	-	-	<b>9,612</b>

**Note 14 – Reserves**

<b>RESERVES</b>					
	<b>FOR THE PERIOD: 31 DECEMBER 2017</b>				
	<b>Provisions for warranty repairs</b>	<b>Provisions for restructuring costs</b>	<b>Provisions for employee and similar benefits</b>	<b>Other reserves</b>	<b>Total</b>
<b>At the beginning of the period, of which:</b>	-	-	-	-	-
<i>Short-term at the beginning of the period</i>	-	-	-	-	-
<i>Long-term at the beginning of the period</i>	-	-	-	-	-
Increases	-	-	-	-	-
Established in the period plus increases in the existing reserves	-	-	-	-	-
Acquired as part of business combinations	-	-	-	-	-
Decreases	-	-	-	-	-
Used during the year	-	-	-	-	-
Released but not used	-	-	-	-	-
Adjustment relative to net foreign exchange gains/losses on currency translation	-	-	-	-	-
Adjustment of the discount rate	-	-	-	-	-
<b>At the end of the period, of which:</b>	-	-	-	-	-
<i>Short-term at the end of the period</i>	-	-	-	-	-
<i>Long-term at the end of the period</i>	-	-	-	-	-

<b>RESERVES</b>					
	<b>FOR THE PERIOD: 31 DECEMBER 2016</b>				
	<b>Provisions for warranty repairs</b>	<b>Provisions for restructuring costs</b>	<b>Provisions for employee and similar benefits</b>	<b>Other reserves</b>	<b>Total</b>
<b>At the beginning of the period, of which:</b>	-	-	-	-	-
<i>Short-term at the beginning of the period</i>	-	-	-	-	-
<i>Long-term at the beginning of the period</i>	-	-	-	-	-
Increases	-	-	-	-	-
Established in the period plus increases in the existing reserves	-	-	-	-	-
Acquired as part of business combinations	-	-	-	-	-
Decreases	-	-	-	-	-
Used during the year	-	-	-	-	-
Released but not used	-	-	-	-	-
Transfer of the enterprise	-	-	-	-	-
Adjustment relative to net foreign exchange gains/losses on currency translation	-	-	-	-	-
Adjustment of the discount rate	-	-	-	-	-
<b>At the end of the period, of which:</b>	-	-	-	-	-
<i>Short-term at the end of the period</i>	-	-	-	-	-
<i>Long-term at the end of the period</i>	-	-	-	-	-

As at 31-12-2016 and as at 31-12-2017 the Company did not create any reserves.

**Note 15 – Bank loans and borrowings**

LONG-TERM BANK LOANS AND BORROWINGS			2017-12-31		2016-12-31	
Details	Effective interest rate	Maturity date	Short-term part	Long-term part	Short-term part	Long-term part
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

SHORT-TERM BANK LOANS AND BORROWINGS			2017-12-31	2016-12-31
Details	Effective interest rate	Maturity date		
Borrowing from Quantum Qguar sp. z o.o.	3%+WIBOR 3M	28-06-2018	10	-
-	-	-	-	-
-	-	-	-	-
<b>Total</b>	-	-	10	-

As at 31 December 2017 the parent had one borrowing agreement in place, and as at 31 December 2016 it had no loan or borrowing agreements.

## Note 16 – Other financial liabilities

<b>LIABILITIES UNDER FINANCE LEASE AGREEMENTS</b>				
<b>MINIMUM FUTURE LEASE PAYMENTS AND PRESENT VALUE OF MINIMUM NET LEASE PAYMENTS</b>				
	<b>31 DECEMBER 2017</b>		<b>31 DECEMBER 2016</b>	
	<b>Minimum payments</b>	<b>Present value of minimum payments</b>	<b>Minimum payments</b>	<b>Present value of minimum payments</b>
within 1 year	-	-	-	-
within 1 to 5 years	-	-	-	-
above 5 years	-	-	-	-
<b>Total</b>	-	-	-	-
short-term part	-	-	-	-
long-term part	-	-	-	-

As at 31 December 2017 and as at 31 December 2016 the parent had no lease agreements.

## Note 17 – Trade liabilities

<b>TRADE LIABILITIES</b>	<b>2017-12-31</b>	<b>2016-12-31</b>
Trade liabilities towards related parties	159	209
Total trade liabilities towards other entities	12	18
<b>Total</b>	<b>171</b>	<b>227</b>

## Note 18 – Other liabilities and accruals

<b>OTHER LIABILITIES AND ACCRUALS</b>	<b>2017-12-31</b>	<b>2016-12-31</b>
<b>Liabilities towards subsidiaries:</b>	-	-
– long-term part	-	-
– short-term part	-	-
<b>Liabilities towards related parties:</b>	-	-
– long-term part	-	-
– short-term part	-	-
<b>Advance payments:</b>	-	-
– long-term part	-	-
– short-term part	-	-

<b>Other liabilities:</b>	<b>31</b>	<b>44</b>
– long-term part	-	-
– short-term part	31	44
<b>Accruals:</b>	-	33
– long-term part	-	-
– short-term part	-	33
<b>Deferred income:</b>	-	-
– long-term part	-	-
– short-term part	-	-
<b>Total, of which:</b>	<b>31</b>	<b>77</b>
– long-term part	-	-
– short-term part	31	77

**Other liabilities comprise:**

- relative to the tax on wages and salaries	11	6
- relative to income tax	-	-
- relative to social and health insurance	2	-
- relative to VAT	19	20
- relative to other taxes, customs duties, insurance and other benefits	-	-
- relative to wages and salaries	-	18
- relative to dividend	-	-
- other liabilities	-	-
- relative to the settlements of earmarked funds	-	-
	32	44

**Accruals comprise:**

- settlements relative to the subsidy received – within up to 12 months	-	-
- settlements relative to the subsidy received – over 12 months	-	-
- settlement of long-term contracts	-	-
- other accruals	-	-
- costs from the turn of the periods	-	33
	-	33

## Note 19 – Sales of products, goods and materials

SALES OF PRODUCTS, GOODS AND MATERIALS						
	Continuing operations		Discontinued operations		Total	
	2017-12-31	2016-12-31	2017-12-31	2016-12-31	2017-12-31	2016-12-31
Sales of products	20	-	-	-	20	-
Sales of services	1 054	1 127	-	-	1 054	1 127
Sales of materials	-	-	-	-	-	-
Sales of goods	14	30	-	-	14	30
<b>TOTAL</b>	<b>1 088</b>	<b>1 157</b>	-	-	<b>1 088</b>	<b>1 157</b>
of which: non-monetary revenues from the interchange of goods or services	-	-	-	-	-	-

In 2017 the Issuer's business was limited to acting as a holding company for its subsidiaries and the service of Qguar software contracts with the customers: Axell Logistics Sp. z o.o. (formerly: Ponetex sp. z o.o.) and Neuca S.A. – the contracts that are actually performed by a subsidiary, Quantum Qguar sp. z o.o.

In 2017 the Issuer recorded a slight decrease in sales of own products compared to the same period in 2016.

## Note 20 – Primary costs

PRIMARY COSTS	2017-12-31	2016-12-31
Depreciation of fixed assets	-	-
Amortisation of intangible assets	-	-
Costs of employee benefits	273	298
Consumption of raw and other materials	-	-
Costs of outsourced services	842	613
Costs of taxes and charges	1	-
Other costs	31	25
Change in products and work-in-progress	-	-
Value of goods sold	12	26
<b>TOTAL</b>	<b>1,159</b>	<b>962</b>
Selling costs	-	-
General administrative expenses	743	490
Costs of products, goods and materials sold	416	472

<b>TOTAL</b>	<b>1,159</b>	<b>962</b>
of which: minimum lease payments recognised as costs of operating lease	-	-

<b>COSTS OF EMPLOYEE BENEFITS</b>	<b>2017-12-31</b>	<b>2016-12-31</b>
Costs of wages and salaries	273	298
Costs of social insurance	-	-
Costs of defined contribution plans	-	-
Costs of defined contribution plans, of which:	-	-
Costs of other long-term employee benefits	-	-
Costs of benefits related to termination of employment	-	-
Costs of retirement benefits	-	-
Other benefits	-	-
Other post-employment benefits	-	-
Costs of employee benefits in the form of treasury shares	-	-
<b>TOTAL</b>	<b>273</b>	<b>298</b>

<b>DEVELOPMENT COSTS</b>	<b>2017-12-31</b>	<b>2016-12-31</b>
Amortisation and depreciation	-	-
Consumption of raw and auxiliary materials	-	-
Costs of outsourced services	-	-
Other costs	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

## Note 21 – Other income and costs

<b>OTHER INCOME</b>	<b>2017-12-31</b>	<b>2016-12-31</b>
Government subsidies	-	-
Profit on sales of property, plant and equipment	-	-
Reversal of impairment losses for receivables	44	-
Reversal of impairment losses for inventories	-	-
Reversal of impairment losses for intangible assets	-	-
Reversal of impairment losses for property, plant and equipment	-	-
Reversal of impairment losses for investment real estate	-	-
Release of other reserves	-	-



Release of the provision for the entity's restructuring costs	-	-
Compensations received	-	-
Adjustment of contributions to the Labour Fund (FP) for previous years	-	-
Refund of insurance premiums	-	-
Other operating income	-	-
Other	-	-
<b>TOTAL</b>	<b>44</b>	<b>-</b>
of which: non-monetary revenues from the interchange of goods or services	-	-

<b>OTHER COSTS</b>	<b>2017-12-31</b>	<b>2016-31-12</b>
Loss on sales of property, plant and equipment	-	-
Provision for warranty repairs	-	-
Direct costs (including of renovations/repairs and maintenance) related to investment real estate rented out	-	-
Accumulated loss on revaluation of investment real estate to fair value	-	-
Impairment losses for receivables	-	43
Impairment losses for inventories	-	-
Impairment losses for intangible assets	-	-
Impairment losses for property, plant and equipment	-	-
Impairment losses for investment real estate	-	-
Provision for the entity's restructuring costs	-	-
Other operating costs	3	2
Other	-	-
<b>TOTAL</b>	<b>3</b>	<b>45</b>

## Note 22 – Financial income and costs

<b>FINANCIAL INCOME</b>	<b>2017-12-31</b>	<b>2016-12-31</b>
Income relative to interest	15	2
Deposits	12	1
Borrowings	3	1
Dividend income	1,713	1,994
Income from investments	-	-
Foreign exchange gains	-	2
Other	-	-

Reversal of impairment losses for financial assets, of which relative to:	-	-
assets available for sale	-	-
financial assets and liabilities measured at fair value through profit or loss	-	-
hedging instruments	-	-
Gains on changes in the fair value of financial instruments	-	-
assets available for sale	-	-
financial assets and liabilities measured at fair value through profit or loss	-	-
hedging instruments	-	-
<b>TOTAL</b>	<b>1,728</b>	<b>1,998</b>

<b>FINANCIAL COSTS</b>	<b>2017-12-31</b>	<b>2016-12-31</b>
Interest expense, of which:	4	1
Bank loans	-	-
Borrowings	3	-
Bonds	-	-
Other	-	-
Interest on overdue taxes	1	1
Financial costs relative to finance lease agreements	-	-
Adjustment relative to the discounting of provisions...	-	-
Unrealised loss on the contract...	-	-
Remission of the borrowing and interest	-	-
Loss on sales of financial assets	-	-
Foreign exchange losses	20	-
Impairment losses for financial assets, of which relative to:	211	1
assets available for sale	-	-
borrowings granted	211	1
hedging instruments	-	-
Losses on changes in the fair value of financial instruments, of which relative to:	-	-
assets available for sale	-	-
financial assets and liabilities measured at fair value through profit or loss	-	-
hedging instruments	-	-
<b>TOTAL</b>	<b>235</b>	<b>2</b>

## Note 23 – Income tax

MAIN COMPONENTS OF THE TAX DEBITS/CREDITS IN THE STATEMENT OF COMPREHENSIVE INCOME	2017-12-31	2016-12-31
<b>Current income tax disclosed in the income statement</b>	267	-
- current burden relative to income tax	267	-
- adjustments relative to current income tax brought forward	-	-
<b>Deferred income tax disclosed in the income statement</b>	58	-21
- deferred tax debits/credits relative to origination and reversal of temporary differences	58	-21
- deferred tax debits/credits relative to changes in tax rates	-	-
<b>Tax debits/credits disclosed in the income statement, of which:</b>	<b>325</b>	<b>-21</b>
- allocated to continuing operations	325	-21
- allocated to discontinued operations	-	-
<b>Income tax related to items presented under other comprehensive income</b>	-	-
- deferred tax debits/credits relative to revaluation of cash flow hedges	-	-
- deferred tax debits/credits relative to revaluation of property, plant and equipment	-	-
<b>Tax debits/credits disclosed in the statement of comprehensive income</b>	<b>325</b>	<b>-21</b>

MAIN COMPONENTS OF TAX DEBITS/CREDITS IN THE STATEMENT OF CHANGES IN EQUITY	2017-12-31	2016-12-31
<b>Current income tax</b>	-	-
<b>Deferred income tax</b>	-	-
<b>Tax debits/credits disclosed in the statement of changes in equity</b>	-	-

RECONCILIATION OF INCOME TAX ON THE GROSS PROFIT/LOSS BEFORE TAX WITH INCOME TAX DISCLOSED IN THE INCOME STATEMENT	2017-12-31	2016-12-31
<b>Gross profit/loss before tax (continuing and discontinued operations)</b>	<b>3,256</b>	<b>2,167</b>
Income tax rate (in%)	19%	19%
Tax burden according to the tax rate applied	619	408
Adjustments relative to current income tax brought forward	-	-
Investment relieves	-	-
Revaluation	-	-
Non-taxable revenues, of which:	-	-
Interest accrued as at the balance sheet date	-1	-
Balance sheet measurement	-2	-2

Dividend	-325	-379
Write-up relative to revaluation of non-financial assets	-8	-
Write-up relative to revaluation of financial assets	-	-
Revenues (licences) taxed in previous years	-	-
Transfer of the enterprise – deferred tax	-	-
Other	-	-
Tax revenues, of which:	-	-
Interest received in the current year but accrued in previous years	-	-
Revenues of the current year, added in the tax regime	26	-
Costs other than costs of revenue, of which:	-	-
Depreciation and amortisation settled acc. to balance sheet regulations	-	-
Contributions to the National Disabled Persons Rehabilitation Fund (PFRON)	-	-
Measurement of employee benefits	-	-
- Write-down on non-financial assets	-	8
Write-down on non-financial assets – inventories	-	-
- Write-down on financial assets	40	-
Balance sheet measurement	5	1
Interest	-	-
Net recognition of non-financial non-current assets sold	-	-
Remitted borrowing	-	-
No replenishing of the Company Social Benefit Fund (ZFŚS)	-	-
Unpaid wages and salaries	-	3
Other	1	1
Tax deductible costs, of which:	-	-
Tax deductible costs referring to 2017	-28	-
Depreciation/amortisation for tax purposes	-	-
Balancing the Company Social Benefit Fund (ZFŚS) for previous years	-	-
Settlement of the loss brought forward	-	-
Unused tax loss	-	-
Tax paid	-	-
Current tax loss	-60	-41
Deferred income tax assets relative to a write-down on financial assets	-1	-
Deferred income tax assets relative to foreign exchange losses	-1	-
Deferred income tax assets relative to losses brought forward	60	-21
Deferred income tax assets relative to accrued interest	-1	-
Deferred income tax assets relative to a write-down on non-financial assets	-	-

Deferred income tax reserve relative to temporary differences in depreciation/amortisation settlements	-	-
Deferred income tax reserve relative to accrued interest	-	-
Deferred income tax reserve relative to foreign exchange gains	1	1
Deferred income tax reserve relative to foreign exchange gains	-	-
<b>Tax debit/credit disclosed in the income statement</b>	<b>325</b>	<b>-21</b>

DEFERRED INCOME TAX	Statement of financial position		Income statement		Other comprehensive income	
	2017-12-31	2016-12-31	2017-12-31	2016-12-31	2017-12-31	2016-12-31
Deferred income tax reserve						
Differences in depreciation/amortisation settlements	-	-	-	-	-	-
Accrued interest	1	-	1	-	-	-
Foreign exchange gains/losses	1	1	-	-	-	-
Rounding up/down	-	-	-	-	-	-
<b>Gross deferred income tax reserve</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>

DEFERRED INCOME TAX	Statement of financial position		Income statement		Other comprehensive income	
	2017-12-31	2016-12-31	2017-12-31	2016-12-31	2017-12-31	2016-12-31
Deferred income tax assets						
Foreign exchange gains/losses	1	-	-1	-	-	-
Loss brought forward	53	112	59	-22	-	-
- Write-down on non-financial assets	1	-	-1	-	-	-
Write-down on non-financial assets – goods	-	-	-	-	-	-
Rounding up/down	-	-	-	-	-	-
Deductible tax loss	-	-	-	-	-	-
<b>Gross deferred income tax assets</b>	<b>55</b>	<b>112</b>	<b>57</b>	<b>-21</b>	<b>-</b>	<b>-</b>

The Company establishes deferred income tax reserve and assets in connection with temporary differences between the book value of assets and liabilities and their tax base.

## Note 24 – Earnings per share

EARNINGS PER SHARE	2017-12-31	2016-12-31
Net profit for the reporting period attributable to:	2,931	2,167

WEIGHTED AVERAGE OF ORDINARY SHARES	2017-12-31	2016-12-31
<i>in '000 shares</i>		
Weighted average of shares at the beginning of the period	1,314,870	1,480,757
Weighted average of ordinary shares at the end of the period	1,314,870	1,480,757

BASIC NET EARNINGS PER SHARE	2017-12-31	2016-12-31
on continuing and discontinued operations	0.00	0.00
on continuing operations	0.00	0.00

Net earnings per share are calculated as the quotient of the profit attributable to shareholders and the weighted average of ordinary shares.

WEIGHTED AVERAGE OF ORDINARY SHARES (DILUTED)	2017-12-31	2016-12-31
<i>in '000 shares</i>		
Weighted average of ordinary shares	1,314,870	1,480,757
Impact of the conversion of bonds convertible into shares	-	-
Impact of the issue of stock options	-	-
<b>Weighted average of ordinary shares at the end of the period (diluted)</b>	<b>1,314,870</b>	<b>1,480,757</b>

DILUTED NET EARNINGS PER SHARE	2017-12-31	2016-12-31
on continuing and discontinued operations	0.00	0.00
on continuing operations	0.00	0.00

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

## Note 25 – Dividend

DECLARED AND PAID IN THE REPORTING PERIOD		
Dividend from ordinary shares	2017-12-31	2016-12-31
Dividend paid	1,898	-
<b>Total</b>	<b>1,898</b>	-

SUBMITTED FOR APPROVAL AT THE GENERAL MEETING OF SHAREHOLDERS (NOT RECOGNISED AS LIABILITIES AS AT THE BALANCE SHEET DATE)		
Dividend from ordinary shares	2017-12-31	2016-12-31
	-	-
<b>Total</b>	-	-

## Note 26 – Information on operating segments

The Company does not distinguish product segments, as the Management Board recognises only one operating segment for operating and management purposes (IT services). The Company presents its sales broken down by products, services and goods and by geographical areas. The Company does not present information on customer concentration since this is not applicable.

2017-12-31		
INFORMATION ON GEOGRAPHICAL AREAS	Income	Non-current assets
Domestic sales	1,088	*
Total export sales	-	-
of which:	-	-
Germany	-	-
Ukraine	-	-
Russia	-	-
Hungary	-	-
Czech Republic	-	-
Spain	-	-
Other	-	-
<b>TOTAL</b>	<b>1,088</b>	-

2016-12-31		
INFORMATION ON GEOGRAPHICAL AREAS	Income	Non-current assets
Domestic sales	1,157	*
Total export sales	-	*
of which:	-	
Germany	-	-
Ukraine	-	-
Russia	-	-
Hungary	-	-
Czech Republic	-	-
Spain	-	-
Other	-	-
<b>TOTAL</b>	<b>1,157</b>	-

\* Non-current assets are used in the entity's operating activities for manufacturing products that are sold in the domestic and foreign markets

INFORMATION ON TYPES OF PRODUCTS, SERVICES AND GOODS	2017-12-31	2016-12-31
	Income	Income
Products licences	20	-
Services – implementation	106	197
Services – service support	366	366
Services – individual projects and other services	582	525
Long-term contracts	-	39
Goods	14	30
<b>TOTAL</b>	<b>1,088</b>	<b>1,157</b>



## Note 27 – Transactions with related parties

TRANSACTIONS WITH RELATED PARTIES				
Parties to the transaction	2017-12-31		2017-12-31	
	Sales	Purchases	Receivables	Liabilities
Parent	717	602	70	159
Member companies of the Capital Group	-	-	-	-
Non-consolidated subsidiaries	-	-	-	-
Associates	-	-	-	-
Key executives	-	-	-	-
Other entities with the participation of key executives	-	-	-	-
<b>Total</b>	<b>717</b>	<b>602</b>	<b>70</b>	<b>159</b>

TRANSACTIONS WITH RELATED PARTIES				
Parties to the transaction	2016-12-31		2016-12-31	
	Sales	Purchases	Receivables	Liabilities
Parent	525	460	209	209
Member companies of the Capital Group	-	-	-	-
Non-consolidated subsidiaries	-	-	-	-
Associates	-	-	-	-
Key executives	-	-	-	-
Other entities with the participation of key executives	-	-	-	-
<b>Total</b>	<b>525</b>	<b>460</b>	<b>209</b>	<b>209</b>

TRANSACTIONS BETWEEN QUANTUM SOFTWARE S.A. AND SUBSIDIARIES			
Entity	Transaction type	Transaction amount in PLN	Transaction amount in the foreign currency
Quantum Qguar sp. z o.o.	Sales of services	716	-
Edisonda sp. z o.o.	Sales of services	1	-
Quantum I-Services sp. z o.o.	Sales of services	-	-
Quantum Qguar sp. z o.o.	Purchase of services	404	-

Quantum Brasil	Purchase of services	198	-
----------------	----------------------	-----	---

## Note 28 – Construction contracts

Some of the contracts held by the Company have the traits of long-term contracts. The Management Board analyses the costs and income 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 income, the contracts are not presented because they do not significantly affect the profit/loss.

CONSTRUCTION CONTRACTS IN PROGRESS	2017-12-31	2016-12-31
Total costs incurred	-	42
Total recognised gains and losses	-	39
Advances received	-	-
Deposits	-	-
Receivables from customers relative to contractual works	-	136
<b>Liabilities towards customers relative to contractual works</b>	-	-

## Note 29 – Financial instruments

FINANCIAL INSTRUMENTS – INTEREST RATE RISK – SENSITIVITY ANALYSIS			
As at 2017-12-31			
	Carrying amount	Increase/decrease by percentage points	Impact on the gross profit/loss
<b>Financial assets</b>	<b>10,784</b>	-	-
Cash	1,083	-	-
Financial assets available for sale	9,701	-	-
Other financial assets	-	-	-
Borrowings granted	-	-1%	-
<b>Financial liabilities</b>	<b>10</b>	-	-
Bank loans and borrowings	10	1%	-
Financial liabilities under leases	-	-	-
Other financial liabilities	-	-	-

<b>FINANCIAL INSTRUMENTS – INTEREST RATE RISK – SENSITIVITY ANALYSIS</b>			
<b>As at 2016-12-31</b>			
	<b>Carrying amount</b>	<b>Increase/decrease by percentage points</b>	<b>Impact on the gross profit/loss</b>
<b>Financial assets</b>	<b>12,041</b>	-	-
Cash	2,026	-	-
Financial assets available for sale	10,015	-	-
Other financial assets	-	-	-
Borrowings granted	-	-	-
<b>Financial liabilities</b>	-	-	-
Bank loans and borrowings	-	-	-
Financial liabilities under leases	-	-	-
Other financial liabilities	-	-	-

<b>FINANCIAL INSTRUMENTS – CURRENCY RISK – SENSITIVITY ANALYSIS</b>			
<b>As at 2017-12-31</b>			
	<b>Carrying amount</b>	<b>Increase in/decrease of the FX rate in%</b>	<b>Impact on the gross profit/loss</b>
<b>Financial assets</b>	-	-	-
Cash in EUR	216	-6%	-12
Cash in USD	-	-	-
Trade and other receivables in EUR	-	-	-
<b>Financial liabilities</b>	-	-	-
Overdraft facilities in EUR	-	-	-
Short-term loans in EUR	-	-	-
Trade liabilities in EUR	-	-	-

<b>FINANCIAL INSTRUMENTS – CURRENCY RISK – SENSITIVITY ANALYSIS</b>			
<b>As at 2016-12-31</b>			
	<b>Carrying amount (in '000 PLN)</b>	<b>Increase in/decrease of the FX rate in%</b>	<b>Impact on the gross profit/loss</b>
<b>Financial assets</b>	-	-	-
Cash in EUR	-	4.00%	-
Cash in USD	-	-	-

Trade and other receivables in EUR	43	4%	2
<b>Financial liabilities</b>	-	-	-
Overdraft facilities in EUR	-	-	-
Short-term loans in EUR	-	-	-
Trade liabilities in EUR	-	-	-

FAIR VALUES OF INDIVIDUAL CLASSES OF FINANCIAL INSTRUMENTS					
	Category in accordance with IAS 39*	Carrying amount		Fair value	
		2017-12-31	2016-12-31	2017-12-31	2016-12-31
<b>Financial assets</b>	-	<b>11,009</b>	<b>12,445</b>	<b>11,009</b>	<b>12,445</b>
Cash	AtFVTPL	1,083	2,026	1,083	2,026
Trade and other receivables	L&R	225	404	225	404
Receivables relative to borrowings granted	L&R	-	-	-	-
Financial assets available for sale	AFS	9,701	10,015	9,701	10,015
<b>Financial liabilities</b>		<b>212</b>	<b>304</b>	<b>212</b>	<b>304</b>
Finance lease liabilities	FLatAC	-	-	-	-
Trade and other liabilities	FLatAC	202	304	202	304
Short-term bank loans	FLatAC	10	-	10	-

ITEMS OF INCOME, COSTS, PROFIT AND LOSS RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME, BROKEN DOWN BY CATEGORIES OF FINANCIAL INSTRUMENTS					
FOR THE PERIOD:	31 December 2017				
	Category in accordance with IAS 39*	Interest income/costs	Foreign exchange gains/losses	Write-ups (write-offs)/write-downs	Profit/loss on sales
<b>Financial assets</b>	-	<b>1,728</b>	<b>-20</b>	<b>41</b>	<b>-</b>
Cash	AtFVTPL	12	-4	-	-
Trade and other receivables	L&R	-	-9	42	-
Receivables relative to borrowings granted	L&R	3	-9	-1	-
Financial assets available for sale	AFS	1,713	2	-	-
<b>Financial liabilities</b>		<b>-4</b>	<b>-</b>	<b>-</b>	<b>-</b>
Finance lease liabilities	FLatAC	-	-	-	-
Trade and other liabilities	FLatAC	-4	-	-	-
Short-term bank loans	FLatAC	-	-	-	-

ITEMS OF INCOME, COSTS, PROFIT AND LOSS RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME, BROKEN DOWN BY CATEGORIES OF FINANCIAL INSTRUMENTS					
FOR THE PERIOD:	31 December 2016				
	Category in accordance with IAS 39*	Interest income/costs	Foreign exchange gains/losses	Write-ups (write-offs)/write-downs	Profit/loss on sales
<b>Financial assets</b>	-	1,996	1	-44	-
Cash	AtFVTPL	1	-	-	-
Trade and other receivables	L&R	-	1	-43	-
Receivables relative to borrowings granted	L&R	1	-	-1	-
Financial assets available for sale	AFS	1,994	-	-	-
<b>Financial liabilities</b>		-1	-	-	-
Finance lease liabilities	FAtAC	-	-	-	-
Trade and other liabilities	FAtAC	-1	-	-	-
Short-term bank loans	FAtAC	-	-	-	-

### Note 30 – Remuneration of senior executives of the entity

Management Board of the parent	2017-12-31	2016-12-31
Short-term employee benefits (remunerations and overheads)	246	242
Jubilee (long service) benefits and retirement gratuities	-	-
Post-employment benefits	-	-
Benefits related to termination of employment	-	-
Employee benefits in the form of treasury shares	-	-
<b>Total</b>	<b>246</b>	<b>242</b>

Supervisory Board of the parent	2017-12-31	2016-12-31
Short-term employee benefits (remunerations and overheads)	30	22
Jubilee (long service) benefits and retirement gratuities	-	-
Post-employment benefits	-	-
Benefits related to termination of employment	-	-
Employee benefits in the form of treasury shares	-	-
<b>Total</b>	<b>30</b>	<b>22</b>

Other members of the key executive	2017-12-31	2016-12-31
Short-term employee benefits (remunerations and overheads)	-	-
Jubilee (long service) benefits and retirement gratuities	-	-
Post-employment benefits	-	-
Benefits related to termination of employment	-	-
Employee benefits in the form of treasury shares	-	-
<b>Total</b>	-	-

	2017-12-31	2016-12-31
Management Board	246	246
Supervisory Board	30	22
<b>Total</b>	<b>276</b>	<b>268</b>
Other members of the key executive	-	-

### Note 31 – Capital management

Capital management	2017-12-31	2016-12-31
Interest-bearing loans, borrowings and bonds	-	-
Trade and other liabilities	202	304
Minus cash and cash equivalents	-1,083	-2,026
<b>Net debt</b>	<b>-881</b>	<b>-1,722</b>
Privileged convertible shares	-	-
Equity	12,087	12,252
Reserve capitals relative to unearned net profits	-	-
<b>Total capital</b>	<b>12,087</b>	<b>12,252</b>
<b>Capital and net debt</b>	<b>11,206</b>	<b>10,530</b>
Leverage ratio	-0.08	-0.16

### Note 32 – Employment

The employment at Quantum software S.A. as at 31 December 2017 was as follows:

EMPLOYMENT	2017-12-31	2016-12-31
Services	0	0
Sales and marketing	0	0

Production	0	0
Administration	4	4
IT Department	0	0

### **Note 33 – Contingent liabilities**

As at 31 December 2017 there are no contingent liabilities at the Company relative to pending litigation against Quantum software S.A.

### **Note 34 – Events after the balance sheet date**

No events after the balance sheet date.

### **Note 35 – Information on pending litigation**

There are no litigations pending against the Issuer as at the report publication date.

### **Note 36 – Differences between the actual financial performance disclosed in the report and previously published forecasts**

The Management Board of Quantum software S.A. did not publish any forecasts of its financial performance for 2017 or a comparable period (year 2016).

### **Note 37 – Agreements that may change the proportion of interest held by the current shareholders**

No such agreements until the balance sheet date.

### **Note 38 – Information on sureties and guarantees granted and received**

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

### **Note 39 – Seasonality and cyclicity**

Due to the holding nature of the Issuer's business, seasonality and cyclicity are immaterial.

### **Note 40 – Discontinued operations**

No operations were discontinued in 2017 or a comparable period.

### **Note 41 – Agreements binding the managers, supervisors and their related parties**

According to the knowledge of Quantum software S.A., as at 31 December 2017, a person from the Management Board of Quantum software S.A., Tomasz Hatala has an unsettled borrowing from a subsidiary: Quantum Qguar sp. z o.o. of 9 549.34 PLN.

#### Note 42 – Other transactions with managers and supervisors

According to the knowledge of the Management Board of Quantum software S.A. as at the statements submission date there are no transactions with managers or supervisors.

#### Note 43 – Information on remuneration of the entity authorised to audit financial statements

2017			
THE ENTITY AUTHORISED TO AUDIT	DATE OF THE AGREEMENT	SUBJECT OF THE AUDIT	REMUNERATION
WBS Audyt sp. z o.o.	07.09.2017	Review of the separate interim financial statements	4,000.00 PLN
WBS Audyt sp. z o.o.	07.09.2017	Review of the consolidated interim financial statements	4,000.00 PLN
WBS Audyt sp. z o.o.	19.02.2018	Audit of the separate financial statements for 2017	10,000.00 PLN
WBS Audyt sp. z o.o.	19.02.2018	Audit of the consolidated financial statements for 2017	4,000.00 PLN

2016			
THE ENTITY AUTHORISED TO AUDIT	DATE OF THE AGREEMENT	SUBJECT OF THE AUDIT	REMUNERATION
WBS Audyt Sp. z o.o.	06.06.2016	Review of the separate interim financial statements	4,000.00 PLN
WBS Audyt Sp. z o.o.	06.06.2016	Review of the consolidated interim financial statements	4,000.00 PLN
WBS Audyt Sp. z o.o.	06.06.2016	Audit of the separate financial statements for 2016	10,000.00 PLN
WBS Audyt Sp. z o.o.	06.06.2016	Audit of the consolidated financial statements for 2016	4,000.00 PLN



**The financial statements were approved by the Management Board and signed by all Members of the Board on 20 April 2018.**

**Signatures of Members of the  
Management Board**

**Person responsible for bookkeeping**

Tomasz Hatala

Chief Accountant – Monika Kuś

Bogusław Ożóg

Marek Jędra

Tomasz Mnich