



**Semi-annual report of Quantum Software S.A. Capital Group  
for the first half of 2018**

Kraków, 21 September 2018

**The document contains the following:**

- I. Selected financial data of the consolidated and separate financial statements for the first half of 2018 and for the first half of 2017.
- II. Semi-annual condensed consolidated financial statements:
  - Consolidated statement of financial position
  - Consolidated statement of comprehensive income
  - Consolidated statement of changes in equity
  - Consolidated cash flow statement
  - Selected consolidated notes
- III. Issuer's semi-annual condensed financial statements:
  - Statement of financial position
  - Statement of comprehensive income
  - Statement of changes in equity
  - Cash flow statement
  - Selected notes
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- V. Statement by the Management Board on the preparation of financial statements

**Attachments:**

1. Auditing firm's report on the review of the Insurer's interim condensed consolidated financial statements.
2. Auditing firm's report on the review of interim condensed consolidated financial statements.

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

	PLN '000		EUR '000	
	period from	period from	period from	period from
	2018-01-01 to 2018-06-30	2017-01-01 to 2017-06-30	2018-01-01 to 2018-06-30	2017-01-01 to 2017-06-30
<b>Statement of comprehensive income</b>				
Net revenues from the sale of products, goods and materials	13,402	15,724	3,161	3,702
Profit (loss) on operating activities	1,044	1,523	246	359
Profit (loss) before tax	832	1,193	196	281
Net profit (loss)	532	936	125	220
	PLN '000		EUR '000	
	period from	period from	period from	period from
	2018-01-01 to 2018-06-30	2017-01-01 to 2017-06-30	2018-01-01 to 2018-06-30	2017-01-01 to 2017-06-30
<b>Cash flow statement</b>				
Net operating cash flow	666	2 287	157	538
Net cash flows from investing activities	-40	935	-9	220
Net cash flows from financing activities	-210	-1 300	-50	-306
Total net cash flows	416	1 922	98	453
	PLN '000		EUR '000	
	period from	period from	period from	period from
	2018-01-01 to 2018-06-30	2017-01-01 to 2017-12-31	2018-01-01 to 2018-06-30	2017-01-01 to 2017-12-31
<b>Statement of financial position</b>				
Total assets	19,582	19,755	4,490	4,736
Liabilities and provisions for liabilities, including:	9,220	5,755	2,114	1,380
Long-term liabilities	489	526	112	126
Short-term liabilities	9,731	5,229	2,231	1,254
Equity	10,362	14,000	2,376	3,357
Share capital	657	657	151	158
Number of shares	1,314,870	1,314,870	1,314,870	1,314,870
Diluted number of shares	1,314,870	1,314,870	1,314,870	1,314,870
Number of shares as of 30 June 2017	-	1,480,757	-	1,480,757
Diluted number of shares as of 30 June 2017	-	1,480,757	-	1,480,757

Profit (loss) per one ordinary share (in PLN/EUR)	0.40	0.63	0.10	0.15
Diluted earnings (loss) per one ordinary share (in PLN/EUR)	0.40	0.63	0.10	0.15
Book value per share (in PLN/EUR)	7.88	10.65	1.81	2.55
Diluted book value per share (in PLN/EUR)	7.88	10.65	1.81	2.55
Declared or paid dividend per share (in PLN/EUR)	-	-	-	-

### Principles for translating basic items of the semi-annual consolidated financial statements into EUR

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

Arithmetic mean in the period from 01.01.2018 to 30.06.2018: PLN 4.2395

Arithmetic mean in the period from 01.01.2017 to 30.06.2017: PLN 4.2474

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

H1 2018: PLN 4.3616

31.12.2017: PLN 4.1709

average PLN to EUR exchange rates in the period covered by the statements		
Period	average exchange rate in the period	exchange rate as of the last day of the period
2018	4.2395	4.3616
2017	4.2474	4.1709

**Selected financial data, including basic items of the semi-annual separate financial statements (also translated into EUR)**

	PLN '000		EUR '000	
	period from	period from	period from	period from
	2018-01-01 to 2018-06-30	2017-01-01 to 2017-06-30	2018-01-01 to 2018-06-30	2017-01-01 to 2017-06-30
<b>Statement of comprehensive income</b>				
Net revenues from the sale of products, goods and materials	636	588	150	138
Profit (loss) on operating activities	67	-38	16	-9
Profit (loss) before tax	95	-35	22	-8
Net profit (loss)	75	-34	18	-8
	PLN '000		EUR '000	
	period from	period from	period from	period from
	2018-01-01 to 2018-06-30	2017-01-01 to 2017-06-30	2018-01-01 to 2018-06-30	2017-01-01 to 2017-06-30
<b>Cash flow statement</b>				
Net operating cash flow	-1	-151	0	-36
Net cash flows from investing activities	-194	-82	-46	-19
Net cash flows from financing activities	-14	-1 197	-3	-282
Total net cash flows	-209	-1 430	-49	-337
	PLN '000		EUR '000	
	period from	period from	period from	period from
	2018-01-01 to 2018-06-30	2017-01-01 to 2017-12-31	2018-01-01 to 2018-06-30	2017-01-01 to 2017-12-31
<b>Statement of financial position</b>				
Total assets	12,362	12,301	2,834	2,949
Liabilities and provisions for liabilities, including:	3,118	214	715	51
Long-term liabilities	2,	2	0	0
Short-term liabilities	3,116	212	714	51
Equity	9,244	12,087	2,119	2,898
Share capital	657	657	151	158
Number of shares	1,314,870	1,314,870	1,314,870	1,314,870
Diluted number of shares	1,314,870	1,314,870	1,314,870	1,314,870
Number of shares 30-06-2017	-	1,480,757	-	1,480,757
Diluted number of shares as of 30 June 2017	-	1,480,757	-	1,480,757
Profit (loss) per ordinary share (in PLN/EUR)	0.06	-0.02	0.01	-0.01

Diluted earnings (loss) per one ordinary share (in PLN/EUR)	0.06	-0.02	0.01	-0.01
Book value per share (in PLN/EUR)	7.03	9.19	1.61	2.20
Diluted book value per share (in PLN/EUR)	7.03	9.19	1.61	2.20
Declared or paid dividend per share (in PLN/EUR)	-	-	-	-

## Principles for translating basic items of the semi-annual separate financial statements into EUR

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

Arithmetic mean in the period from 01.01.2018 to 30.06.2018: PLN 4.2395

Arithmetic mean in the period from 01.01.2017 to 30.06.2017: PLN 4.2474

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

H1 2018: PLN 4.3616

31.12.2017: PLN 4.1709

average PLN to EUR exchange rates in the period covered by the statements		
Period	average exchange rate in the period	exchange rate as of the last day of the period
2018	4.2395	4.3616
2017	4.2474	4.1709

## II. Semi-annual condensed consolidated financial statements

<b>Consolidated statement of financial position</b>	<b>Note</b>	<b>2018-06-30</b>	<b>2017-12-31</b>
<b>ASSETS</b>			
<b>Fixed assets</b>		<b>2,434</b>	<b>2,605</b>
Property, plant and equipment	1	1,374	1,413
Investment property	2	-	-
Biological assets	3	-	-
Goodwill of subsidiaries	2	530	530
Intangible assets	3	123	206
Investments in associated companies measured with the equity method	4	-	-
Financial assets available for sale	8	-	-
Loans granted		222	272
Other financial assets	10	-	-
Deferred tax assets	28	169	174
Other long-term receivables and prepayments	6	16	10
<b>Current assets</b>		<b>17,148</b>	<b>17,150</b>
Inventories	7	383	1,026
Trade receivables	8	5,259	5,357
Other short-term receivables and prepayments	6	1,025	858
Income tax receivables		51	34
Financial assets measured at fair value through financial result		-	-
Financial assets available for sale	8	-	-
Loans granted	5	103	100
Other financial assets	10	3,818	3,819
FX futures		-	-
Cash and cash equivalents	10	6,509	5,956
<b>Fixed assets classified as available for sale</b>		<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>19,582</b>	<b>19,755</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>		<b>10,362</b>	<b>14,000</b>
<b>Equity attributable to the shareholders of the parent company</b>		<b>10,498</b>	<b>14,160</b>
Basic capital	11	657	657
Share premium	16	8,239	8,227
Treasury shares	13	-102	-102
Reserve and supplementary capital	14	74	78
Revaluation reserve capital	14	-	-
Amounts recognised directly in equity and related to assets classified as available for sale	14	-	-
Foreign exchange gains/losses	14	40	-139

Profit/loss on sale of subsidiary		-	-
Profit/loss from previous years		1,001	3,431
Profit/loss from the current year		589	2,008
<b>Non-controlling interests</b>		<b>-136</b>	<b>-160</b>
<b>LIABILITIES</b>		<b>9,220</b>	<b>5,755</b>
<b>Long-term liabilities</b>		<b>489</b>	<b>526</b>
Provisions	16	245	245
Deferred tax provision	28	192	172
Long-term bank loans and borrowings	18	-	-
Other non-current financial liabilities	19	52	109
Other non-current liabilities and accruals	21	-	-
<b>Short-term liabilities</b>		<b>8,731</b>	<b>5,229</b>
Provisions	16	8	8
Short-term bank loans and borrowings	18	1	1
Short-term portion of long-term bank loans and borrowings	18	-	-
Other short-term financial liabilities	19	195	163
Trade creditors	20	2,577	3,119
Other current liabilities and accruals	21	5,813	1,750
Income tax liabilities		137	188
FX futures		-	-
<b>Liabilities related to fixed assets classified as available for sale</b>		<b>-</b>	<b>-</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>19,582</b>	<b>19,755</b>



<b>Consolidated total income statement (by function)</b>	<b>Note</b>	<b>2018-06-30</b>	<b>2017-06-30</b>
Continuing operations			
Revenues from the sale of products, goods and materials	22	13,402	15,724
Cost of products, goods and materials sold	23	9,317	11,107
Movement in products – subsidy received for intangible assets and tangible assets		-	-
<b>Gross profit/loss on sales</b>		<b>4,085</b>	<b>4,617</b>
Cost of sales	23	1,395	1,015
Administrative expenses	23	1,756	2,160
<b>Sales profit/loss</b>		<b>934</b>	<b>1,442</b>
Other operating income	24	129	84
Other operating costs	24	19	3
<b>Profit (loss) on operating activities</b>		<b>1,044</b>	<b>1,523</b>
Financial income	25	64	65
Financial costs	25	276	394
Share in profit/loss of associate companies		-	-1
Profit/loss on the sale of shares in an associate company		-	-
<b>Gross profit/loss</b>		<b>832</b>	<b>1,193</b>
Income tax	28	300	257
<b>Net profit (loss) on continuing operations</b>		<b>532</b>	<b>936</b>
Discontinued operations			
Profit/loss on discontinued operations for the financial year	37	-	-
<b>Net profit/loss for the reporting period</b>		<b>532</b>	<b>936</b>
<b>Net profit/loss attributable to:</b>		<b>532</b>	<b>936</b>
<i>Shareholders of the parent company</i>		589	903
<i>Non-controlling interests</i>		-57	33
<b>Other comprehensive income</b>		<b>179</b>	<b>101</b>
Profit/loss on revaluation of property, plant and equipment		-	-
Profit/loss on valuation of investments available for sale charged to equity		-	-
Profit/loss on cash flow hedges (effective portion)		-	-
Exchange rate differences from valuation of entities that operate abroad		179	101
Income tax related to items presented in other comprehensive income	28	-	-
Acquisition of capital from non-controlling interests		-	-
<b>Total comprehensive income</b>		<b>711</b>	<b>1,037</b>
<b>Comprehensive income attributable to:</b>		<b>711</b>	<b>1,037</b>
<i>Shareholders of the parent company</i>		738	973
<i>Non-controlling interests</i>		-27	64

<b>Profit / loss per share (in PLN):</b>		-	-
<b>On continuing operations</b>	<b>26</b>	-	-
<i>Basic</i>	26	0.36	0.63
<i>Diluted</i>	26	0.36	0.63
<b>On continuing and discontinued operations</b>	<b>26</b>	-	-
<i>Basic</i>	26	0.36	0.63
<i>Diluted</i>	26	0.36	0.63















Profit/loss on sale of subsidiary	-	-	-	-436	-	-	-	-	300	-136	-343	-479
<b>Closing balance</b>	<b>657</b>	<b>8,227</b>	<b>-102</b>	<b>78</b>	<b>-</b>	<b>-</b>	<b>-139</b>	<b>-</b>	<b>5,439</b>	<b>14,160</b>	<b>-160</b>	<b>14,000</b>

<b>Consolidated Cash Flow Statement (indirect method)</b>	<b>Note</b>	<b>2018-06-30</b>	<b>2017-06-30</b>
<b>Cash flows on operating activity</b>			
<b>Gross profit/loss</b>		<b>832</b>	<b>1,193</b>
<b>Adjustments for items:</b>		<b>-166</b>	<b>1,094</b>
Share in net profit/loss of associated companies and joint ventures accounted for using the equity method		-	1
Non-controlling interests		-	-
Amortisation and depreciation		353	393
Goodwill impairment		-	-
Foreign exchange gains/losses		28	100
Interest expenses and revenues		81	-8
Dividend revenues		-	-
Profit/loss on investing activities		-48	-33
Movement in provisions		-	-
Movement in inventories		650	518
Movement in receivables and prepayments		18	4
Movement in liabilities and accruals		-949	129
Income tax paid/returned		-311	-55
Other adjustments		12,	45
<b>Net cash flows from operating activities</b>		<b>666</b>	<b>2,287</b>
<b>Cash flow from investing activities</b>			
Inflows from sale of tangible assets and intangible assets		15	46
Net inflows from the sale of associates and subsidiaries		-	-
Inflows from the sale of financial assets		39	1,197
Inflows from interest		19	36
Inflows from dividends		-	-
Repayment of borrowings		80	226
Outflows on the acquisition of property, plant and equipment, as well as intangible assets		167	203
Net outflows on the acquisition of subsidiaries and associates		-	-
Outflows on the acquisition of short-term financial assets		-	-
Borrowings granted		26	367
Other		-	-
<b>Net cash flows from investing activities</b>		<b>-40</b>	<b>935</b>
<b>Cash flows from financing activities</b>			
Inflows from loans and borrowings		9	88
Net inflows from the issue of shares		-	-
Net inflows from the issue of bonds, bills of exchange and bills		-	-
Repayment of loans and borrowings		8	-

Payment of liabilities under finance lease agreements		99	142
Dividends paid out to the Company's shareholders		-	-
Dividends paid out to the shareholders holding non-controlling interests		-	-
Purchase of treasury shares		-	1,197
Interest paid		112	49
Other		-	-
<b>Net cash flows from financing activities</b>		<b>-210</b>	<b>-1,300</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>416</b>	<b>1,922</b>
<b>Opening balance of cash and cash equivalents as well as overdrafts</b>		<b>5,956</b>	<b>7,197</b>
<i>Foreign exchange gains/losses related to measurement of cash and cash equivalents as well as overdrafts</i>		137	-56
<b>Closing balance of cash and cash equivalents as well as overdrafts</b>		<b>6,509</b>	<b>9,063</b>

## **Selected consolidated notes**

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

#### **1. Basic information**

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

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

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

These financial statements were adopted and approved for publication by the Management Board on 21 September 2018.

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

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

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

Data included in the report was prepared in line with the principles of measurement of assets and equity and liabilities and measurement of the net financial result specified at the balance sheet date, in line with the materiality principle. The Semi-Annual Condensed Consolidated Financial Statements for H1 2018 were prepared on the assumption that the business would continue as a going concern.

These financial statements contain financial data for H1 2018 and comparable financial data as of 31.12.2017 and 30.06.2017.

The Semi-Annual Consolidated Financial Statements for H1 2018 were prepared in PLN with figures rounded to full thousand.

Postings follow the historical cost principle. The Issuer did not make any adjustments that would reflect the influence of inflation on individual items of the balance sheet or of the income statement. The Issuer prepares the income statement in the by-function format. The cash flow statement uses the indirect method.

### **Accounting policies**

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

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

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

Methods for measuring intangible assets as well as property, plant and equipment: intangible assets as well as property, plant and equipment are measured according to the going concern principle, as specified in the International Accounting Standards. However:

- 1) Intangible assets are recognised at their purchase price, including their accumulated amortisation. The Company recognises amortisation/depreciation using the straight line method, and adopts the following accumulated amortisation/depreciation periods (useful lives):
  - a) computer software – 2 years
  - b) licences – 2 years
  - c) copyrights - 2 years
  - d) R&D expenses - 5 years
  - e) The company does not hold any intangible assets with indefinite useful lives.
- 2) Tangible assets were measure according to the purchase prices or production cost after depreciation write-downs proportionately to their useful live. Tangible assets are depreciated throughout their useful economic life. Tangible assets, despite being used for more than one year, do not include items of low initial unit value up to PLN 3,500.00, except for fixed assets classified under group 4 (machines and equipment). When these items are purchased, they are reported on a single basis as tax-deductible expenses in the month when they were purchased or in the following month. These items are not subject to recognition in the balance sheet. Cars are depreciated on a straight-line basis for 5 years based on their initial value, less their residual value in the amount of 20% of the initial value. All equipment included in group 4, regardless of its initial value, is depreciated on a straight-line basis as per individual rates defined in accordance with their expected useful lives, i.e.
  - a) desktop computers - 4 years,
  - b) laptops - 3 years,
  - c) servers, printers, projectors, UPS, routers, switch boxes, changers, computer networks – 5 years,
  - d) UPS batteries - 2 years.

The company verifies the adopted useful lives of intangible assets as well as property, plant and equipment every year.

## **Financial instruments**

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

Receivables are recognised in the books of account as they arise at their nominal value and at the amount due at the balance sheet date. For mark-to-market purposes, receivables are decreased by write-downs on doubtful receivables. Receivables in foreign currencies are measured as of the balance sheet date according to the average exchange rate of the National Bank of Poland (NBP), and the foreign exchange gains/losses are recognised in financial revenues or expenses.

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

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

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

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

Main types of financial instruments:

- standard financial instruments – commercial receivables and liabilities – measured at the purchase price (on the basis of section 29 of IFRS 7 a), including write-offs related to asset impairment and bad debts (on the basis of section 58 of IFRS 39),
- cash - measured at the purchase price - on the basis of section 29 of IFRS 7 a),
- borrowings, loans, leases are measured at amortised cost; however, in the opinion of the Management Board the company presents these items at the purchase price (at the payable amount) because such measurement does not affect the company's financial situation.

## **Investments**

The company classifies its investments into the following categories:

- 1) Interests in subsidiaries.

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

## **Write-downs on non-current assets**

Property, plant and equipment, intangible assets and financial assets are verified in terms of impairment if certain events and changes take place which may cause impairment thereof. Impairment losses are recognised in other operating expenses in the periods in which such losses are incurred.

**Inventories**

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

**Trade and other receivables**

Trade receivables are recognised in the amount payable, less write-downs on doubtful receivables. Write-downs are estimated based on the recoverability of receivables, once the recovery of the full amount of receivables becomes unlikely.

**Cash and cash equivalents**

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

**Provisions for pensions and similar obligations**

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

**Provisions**

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

**Prepayments/accruals**

Prepayments/accruals are recognised in order to preserve the matching of revenues and expenses. They relate both to expenses and revenues.

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

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

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

**Revenues from the sale of products, services, materials and goods**

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

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

Adjustments for revenues from sale are recognised in the period in which they are made.

### **Other operating income**

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

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

### **Financial income**

Revenues from interest charged to counterparties, recognised at the time it is paid by the counterparty.

Revenues from interest on cash on bank accounts are recognised when the bank credits the account.

### **Operating expenses**

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

### **Other operating costs**

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

They specifically comprise:

- 1) loss on tangible assets and intangible assets,
- 2) penalties and damages paid,
- 3) reserves created,
- 4) court fees.

### **Financial costs**

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

### **Income tax**

Statutory appropriations of the result include:

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

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

### **Deferred income tax**

The company establishes deferred income tax provisions and assets in connection with temporary positive differences between the value of assets and liabilities disclosed in the accounting books and their tax value. Deferred income tax assets are recognised when it is likely that the taxable income to be generated in the future will allow for the use of temporary differences. Deferred income tax assets are also disclosed with respect to tax



losses which may be deducted in the subsequent year, but only when it is probable that taxable income will be generated in the future, which would allow for using these tax losses. The company does not create deferred income tax assets if there is any doubt that they will be used in subsequent periods.

### **Earnings per share**

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

### **Foreign currency transactions**

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

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

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

### **Lease**

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

## Notes – selected notes

### Note 1 - Property, plant and equipment

PROPERTY, PLANT AND EQUIPMENT	AS OF 30 JUNE 2018					
	Land and perpetual usufruct title to land	Buildings and structures	Machines and equipment	Means of transportation	Other	Total
<b>Gross value at the beginning of the period</b>	-	2	1,414	1,941	55	3,412
Increases	-	-	159	65	-	224
<i>acquisition</i>	-	-	159	65	-	224
<i>acquisition as part of the combination of business entities</i>	-	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-	-
<i>transfer of the company</i>	-	-	-	-	-	-
<i>other</i>	-	-	-	-	-	-
Decreases	-	-	19	35	-	54
<i>disposal</i>	-	-	19	35	-	54
<i>due to revaluation</i>	-	-	-	-	-	-
<i>due reclassification to fixed assets available for sale</i>	-	-	-	-	-	-
<i>transfer of the company</i>	-	-	-	-	-	-
<i>other</i>	-	-	-	-	-	-
Allocated to discontinued operations	-	-	-	-	-	-
Internal movements (+/-)	-	-	-	-	-	-
<b>Gross value at the end of the period</b>	-	2	1,554	1,971	55	3,582
<b>Accumulated amortisation/depreciation at the beginning of the period</b>	-	2	908	1,055	34	1,999
amortisation/depreciation for the period	-	-	113	145	1	259
other increases	-	-	-	-	-	-
other increases (acquisition as part of the combination of	-	-	-	-	-	-

business entities)						
transfer of the company	-	-	-	-	-	-
decreases	-	-	17	33	-	50
<b>Accumulated amortisation/depreciation at the end of the period</b>	-	<b>2</b>	<b>1,004</b>	<b>1,167</b>	<b>35</b>	<b>2,208</b>
Impairment loss at the beginning of the period	-	-	-	-	-	-
Recognition of impairment loss in the period	-	-	-	-	-	-
Reversal of impairment loss in the period	-	-	-	-	-	-
Value taking account of accumulated amortisation/depreciation and impairment loss at the end of the period	-	2	1,004	1,167	35	2,208
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-	-	-
<b>Net value at the end of the period</b>	-	-	<b>550</b>	<b>804</b>	<b>20</b>	<b>1,374</b>

PROPERTY, PLANT AND EQUIPMENT	AS OF 31 DECEMBER 2017					
	Land and perpetual usufruct title to land	Buildings and structures	Machines and equipment	Means of transportation	Other	Total
<b>Gross value at the beginning of the period</b>	-	<b>80</b>	<b>1,334</b>	<b>1,700</b>	<b>41</b>	<b>3,155</b>
Increases	-	-	388	356	14	758
<i>acquisition</i>	-	-	328	356	14,	698
<i>acquisition as part of the combination of business entities</i>	-	-	60	-	-	60
<i>due to revaluation</i>	-	-	-	-	-	-
<i>transfer of the company</i>	-	-	-	-	-	-
<i>other</i>	-	-	-	-	-	-
Decreases	-	78	308	113	-	499
<i>disposal</i>	-	-	29	113	-	142
<i>due to revaluation</i>	-	-	-	-	-	-
<i>due reclassification to fixed assets</i>	-	-	-	-	-	-

<i>available for sale</i>						
<i>transfer of the company</i>	-	-	-	-	-	-
<i>Other - sale of a subsidiary</i>	-	78	279	-	-	357
Allocated to discontinued operations	-	-	-	-	-	-
Internal movements (+/-)	-	-	-	-	-	-
<b>Gross value at the end of the period</b>	-	<b>2</b>	<b>1,414</b>	<b>1,943</b>	<b>55</b>	<b>3,414</b>
<b>Accumulated amortisation/depreciation at the beginning of the period</b>	-	<b>16</b>	<b>837</b>	<b>870</b>	<b>32</b>	<b>1,755</b>
amortisation/depreciation for the period	-	17	277	283	2	579
other increases	-	-	56	-	-	56
<i>transfer of the company</i>	-	-	-	-	-	-
decreases - sale of a subsidiary company	-	31	262	98	-	391
<b>Accumulated amortisation/depreciation at the end of the period</b>	-	<b>2</b>	<b>908</b>	<b>1,055</b>	<b>34</b>	<b>1,999</b>
Impairment loss at the beginning of the period	-	-	-	-	-	-
Recognition of impairment loss in the period	-	-	-	-	-	-
Reversal of impairment loss in the period	-	-	-	-	-	-
Value taking account of accumulated amortisation/depreciation and impairment loss at the end of the period	-	2	908	1,055	34	1,999
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-2	-	-2
<b>Net value at the end of the period</b>	-	-	<b>506</b>	<b>886</b>	<b>21</b>	<b>1,413</b>

The Group owns cars classified as PP&E under lease, with a net value of PLN 509 681.87 and PLN 461 204.05 as of 31 December 2017 and 30 June 2018 respectively.

Expenditures on PP&E under construction recognised in the carrying value amount to PLN 0.00 and PLN 0.00 as of 31 December 2017 and 30 June 2018 respectively.

## Note 2 - Goodwill of subsidiaries

Goodwill of subsidiaries	2018-06-30	2017-12-31
<b>Gross value at the beginning of the period</b>	<b>1,447</b>	-
Increases	-	1,447
Decreases	-	-
<b>Gross value at the end of the period</b>	<b>1,447</b>	<b>1,447</b>
Foreign exchange gains/losses	-	-
Other adjustments	-	-
<b>Gross value at the end of the period after adjustments</b>	<b>1,447</b>	<b>1,447</b>
<b>Impairment loss at the beginning of the period</b>	<b>917</b>	-
Recognition of impairment loss in the period	-	917
Reversal of impairment loss in the period	-	-
<b>Impairment loss at the end of the period</b>	<b>917</b>	<b>917</b>
<b>Net value at the end of the period</b>	<b>530</b>	<b>530</b>

## Note 3 - Intangible assets

INTANGIBLE ASSETS	AS OF 30 JUNE 2018				
	Own development work	Intangible assets purchased			Total
		Patents and trademarks	Licences	Other	
<b>Gross value at the beginning of the period</b>	<b>1,330</b>	-	<b>2,021</b>	-	<b>3,351</b>
Increases	-	-	12	-	12
<i>acquisition</i>	-	-	12	-	12
<i>own development work</i>	-	-	-	-	-
<i>acquisition as part of the combination of business entities</i>	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-
<i>transfer of the company</i>	-	-	-	-	-
<i>other</i>	-	-	-	-	-
Decreases	-	-	-	-	-
<i>decommissioning</i>	-	-	-	-	-
<i>liquidation</i>	-	-	-	-	-

<i>disposal</i>	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-
<i>due reclassification to fixed assets available for sale</i>	-	-	-	-	-
<i>transfer of the company</i>	-	-	-	-	-
<i>other</i>	-	-	-	-	-
<b>Gross value at the end of the period</b>	<b>1,330</b>	<b>-</b>	<b>2,033</b>	<b>-</b>	<b>3,363</b>
<b>Accumulated amortisation/depreciation at the beginning of the period</b>	<b>1,300</b>	<b>-</b>	<b>1,845</b>	<b>-</b>	<b>3,145</b>
<i>amortisation/depreciation for the period</i>	20	-	75	-	95
<i>other increases</i>	-	-	-	-	-
<i>transfer of the company</i>	-	-	-	-	-
<i>decreases</i>	-	-	-	-	-
<b>Accumulated amortisation/depreciation at the end of the period</b>	<b>1,320</b>	<b>-</b>	<b>1,920</b>	<b>-</b>	<b>3,240</b>
Impairment loss at the beginning of the period	-	-	-	-	-
Recognition of impairment loss in the period	-	-	-	-	-
Reversal of impairment loss in the period	-	-	-	-	-
Value taking account of accumulated amortisation/depreciation and impairment loss at the end of the period	1,320	-	1,920	-	3,240
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-	-
<b>Net value at the end of the period</b>	<b>10</b>	<b>-</b>	<b>113</b>	<b>-</b>	<b>123</b>

INTANGIBLE ASSETS	AS OF 31 DECEMBER 2017				
	Own development work	Intangible assets purchased			Total
		Patents and trademarks	Licences	Other	
Gross value at the beginning of the period	602	-	1,964	-	2,566

Increases	728	-	84	-	812
<i>Acquisition</i>	-	-	50	-	50
<i>own development work</i>	-	-	-	-	-
<i>acquisition as part of taking control over entity</i>	728	-	34	-	762
<i>due to revaluation</i>	-	-	-	-	-
<i>transfer of the company</i>	-	-	-	-	-
<i>other</i>	-	-	-	-	-
Decreases	-	-	27	-	27
<i>decommissioning</i>	-	-	-	-	-
<i>liquidation</i>	-	-	-	-	-
<i>disposal</i>	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-
<i>due reclassification to fixed assets available for sale</i>	-	-	-	-	-
<i>transfer of the company</i>	-	-	-	-	-
<i>other</i>	-	-	27	-	27
<b>Gross value at the end of the period</b>	<b>1,330</b>	-	<b>2,021</b>	-	<b>3,351</b>
<b>Accumulated amortisation/depreciation at the beginning of the period</b>	<b>532</b>	-	<b>1,699</b>	-	<b>2,231</b>
<i>amortisation/depreciation for the period</i>	40	-	139	-	179
<i>other increases</i>	-	-	-	-	-
<i>acquisition as part of taking control over entity</i>	728	-	34	-	762
<i>transfer of the company</i>	-	-	-	-	-
<i>decreases</i>	-	-	27	-	27
<b>Accumulated amortisation/depreciation at the end of the period</b>	<b>1,300</b>	-	<b>1,845</b>	-	<b>3,145</b>
Impairment loss at the beginning of the period	-	-	-	-	-
Recognition of impairment loss in the period	-	-	-	-	-
Reversal of impairment loss in the period	-	-	-	-	-

Value taking account of accumulated amortisation/depreciation and impairment loss at the end of the period	1,300	-	1,845	-	3,145
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-	-
<b>Net value at the end of the period</b>	<b>30</b>	<b>-</b>	<b>176</b>	<b>-</b>	<b>206</b>

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

#### **Note 4 - Investments in associates**

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

<b>Entity name:</b>	<b>2018-06-30</b>	<b>2017-12-31</b>
Share in the associate's balance sheet	-	-
Fixed (long-term) assets	-	-
Current (short-term) assets	-	-
Long-term liabilities	-	-
Short-term liabilities	-	-
Net assets	-	-
Shares in the associate's revenue and financial result	-	-
Revenues	-	-
Profit/loss	-	-
Carrying value of investments in the associate	-	-

The Issuer does not have shares in associates that are measured using the equity method.



## Note 5 - Borrowings granted

BORROWINGS GRANTED								
Long-term	Borrowing amount	Interest rate	Maturity	Status as of		Interest accrued from the beginning of the financial year to		Security
				2018-06-30	2017-12-31	2018-06-30	2017-06-30	
<b><i>Borrowings granted to related parties</i></b>								
Quantum Assets sp. z o.o.	40	Fixed (7%)	31.12.2018	44	43	1	1	-
<b><i>Borrowings granted to other parties</i></b>								
other parties	59	-	31.12.2019	122	174	5	5	-
Personnel	48	Fixed (7%)	30.04.2021	56	55	3	1	No security
<b>TOTAL:</b>				<b>222</b>	<b>272</b>	<b>9</b>	<b>7</b>	

BORROWINGS GRANTED								
Short-term	Borrowing amount	Interest rate	Maturity	Status as of		Interest accrued from the beginning of the financial year to		Security
				2018-06-30	2017-12-31	2018-06-30	2017-06-30	
<b><i>Borrowings granted to other parties</i></b>								
other parties	43	-	31.12.2019	44	-	-	-	-
Tomasz Hatala – Member of the parent company’s Management Board	-	Fixed (7%)	30.01.2018	-	10	-	1	-
Personnel	54	Fixed (7%)	30.04.2021	59	90	1	1	No security
<b>TOTAL:</b>				<b>103</b>	<b>100</b>	<b>1</b>	<b>2</b>	

## 2018:

- **Borrowings granted to other parties:**

- I. Long-term borrowings granted to other parties as of 30 June 2018: PLN 122,271.63.

- II. Short-term borrowings granted to other parties as of 30 June 2018: PLN 43,200.00.

- **Borrowings granted to employees:**

- I. Long-term borrowings granted to employees – balance as of 30 June 2018: PLN 55,449.80.

- II. Short-term borrowings granted to employees – balance as of 30 June 2018: PLN 59,359.72.

- **Borrowing granted to the parent Quantum Assets by a subsidiary:**

- Long-term borrowing – balance as of 30 June 2018: PLN 44,318.89.

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

- Short-term borrowing as of 30 June 2018: PLN 0.00.

## 2017:

- **Borrowings granted to other parties:**

- I. Long-term borrowings granted to other parties as of 31 December 2017: PLN 173,851.45.

- II. Short-term borrowings granted to other parties as of 31 December 2017: PLN 0.00.

- **Borrowings granted to employees:**

- I. Long-term borrowings granted to employees at 31 December 2017: PLN 54,858.14.

- II. Short-term borrowings granted to employees as of 31 December 2017: PLN 90,189.08.

- **Borrowing granted to the parent Quantum Assets by a subsidiary:**

- Long-term borrowing – balance as of 31 December 2017: PLN 42,930.40.

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

- Short-term borrowing – balance as of 31 December 2017: PLN 9,549.34.

## Note 6 - Other receivables and prepayments

OTHER RECEIVABLES AND PREPAYMENTS	2018-06-30	2017-12-31
<b>Receivables from subsidiaries:</b>	-	-
- long-term portion	-	-
- short-term portion	-	-
<b>Receivables from related parties:</b>	-	-
- long-term portion	-	-
- short-term portion	-	-
<b>Advances:</b>	<b>377</b>	<b>364</b>
- long-term portion	-	-
- short-term portion	377	364
<b>Other receivables:</b>	<b>512</b>	<b>381</b>
- long-term portion	-	-
- short-term portion	512	381
<b>Prepayments:</b>	<b>152</b>	<b>123</b>
- long-term portion	16	10
- short-term portion	136	113
<b>Impairment losses at the beginning of the period</b>	-	-
<b>Recognition of impairment losses in the period</b>	-	-
<b>Reversal of impairment loss in the period</b>	-	-
<b>Impairment losses at the end of the period</b>	-	-
<b>TOTAL</b>	<b>1,041</b>	<b>868</b>

### Other receivables comprise:

- taxes, customs duties, insurance and other benefits	-	-
- security deposits paid	42	51
- payroll	4	18
- other employee settlements	1	-
- input VAT to be settled in future periods	67	48
- output VAT on corrective invoices to be settled in future periods	96	13
- VAT	11	-
- unsettled tax paid by foreign companies	94	94
- settlements with a brokerage house related to the purchase of treasury shares	6	6
- settlements with a brokerage house related to the purchase of shares of Quantum software S.A.	1	7
- ZUS (social insurance institution) - overpayment	1	1
- other settlements with suppliers	79	44
- other receivables	110	99
<b>TOTAL:</b>	<b>512</b>	<b>381</b>

**Prepayments/accruals include:**

- settlement of long-term contracts	-	-
- inter-period cost settlement	1	-
- other prepayments	-	-
- property insurance	54	65
- appropriation for the Company Social Benefit Fund (ZFSS)	30	-
- prepaid subscriptions, etc.	33	22
- settlement of VAT related to lease agreements to be settled in subsequent periods		
– within 12 months	18	26
- settlement of VAT related to lease agreements to be settled in subsequent periods		
– above 12 months	16	10
<b>TOTAL:</b>	<b>152</b>	<b>123</b>

## Note 7 - Inventories

INVENTORIES	As of 2018-06-30				
	Materials	Work in progress	Finished products	Goods	Total
Measurement according to the acquisition price/manufacturing cost	-	-	-	391	391
Measurement according to the net realisable value	-	-	-	-	-
Write-downs on inventory at the beginning of the period	-	-	-	8	8
Reversed write-downs on inventory recognised as a decrease in the write-downs in the period	-	-	-	-	-
Write-downs on inventory recognised as cost in the period	-	-	-	-	-
Write-downs on inventory at the end of the period	-	-	-	8	8
Inventory recognised as cost in the period	-	-	-	8	8
<b>Carrying value of inventories</b>	-	-	-	<b>383</b>	<b>383</b>
<i>Value of inventory securing liabilities</i>	-	-	-	383	383
<i>Including long-term portion</i>	-	-	-	8	8

INVENTORIES	As of 2017-12-31				
	Materials	Work in progress	Finished products	Goods	Total
Measurement according to the acquisition price/manufacturing cost	-	-	-	1,034	1,034
Measurement according to the net realisable value	-	-	-	-	-
Write-downs on inventory at the beginning of the period	-	-	-	8	8
Reversed write-downs on inventory recognised as a decrease in the write-downs in the period	-	-	-	-	-
Write-downs on inventory recognised as cost in the period	-	-	-	-	-
Write-downs on inventory at the end of the period	-	-	-	8	8
Inventory recognised as cost in the period	-	-	-	8	8
<b>Carrying value of inventories</b>	-	-	-	<b>1,026</b>	<b>1,026</b>
<i>Value of inventory securing liabilities</i>	-	-	-	1,026	1,026
<i>Including long-term portion</i>	-	-	-	8	8

## Note 8 - Trade receivables

TRADE RECEIVABLES	2018-06-30	2017-12-31
Trade receivables from related parties	2	4
Trade receivables from other parties	5,558	5,651
<b>Total</b>	<b>5,560</b>	<b>5,655</b>
<b>Write-downs on trade receivables</b>	<b>301</b>	<b>298</b>
<b>Net trade receivables</b>	<b>5,259</b>	<b>5,357</b>

MOVEMENTS IN WRITE-DOWNS	2018-06-30	2017-12-31
As at the beginning of the period	298	302
Increases	3	1
Decreases	-	5
<b>As at the end of the period</b>	<b>301</b>	<b>298</b>

## Note 9 - Age structure of trade receivables

AGE STRUCTURE OF TRADE RECEIVABLES	30 JUNE 2018		31 DECEMBER 2017	
	Gross	Write-down	Gross	Write-down
Paid on time	3,285	-	3,594	-
Overdue up to 3 months	906	-	1,333	-
Overdue between 3 and 6 months	218	-	166	-
Overdue between 6 and 12 months	761	-	90	-
Overdue over 1 year	390	301	472	298
<b>Total</b>	<b>5,560</b>	<b>301</b>	<b>5,655</b>	<b>298</b>

## Note 10 - Cash and cash equivalents

CASH AND CASH EQUIVALENTS	2018-06-30	2017-12-31
Cash in hand and cash in bank	2,101	1,663
Short-term deposits	4,408	4,293
Other	-	-
<b>Total, including:</b>	<b>6,509</b>	<b>5,956</b>
- cash in hand and cash in bank allocated to discontinued operations	-	-
- cash in hand and cash in bank not available for use by the Group	-	-

In H1 2018, cash in the Group increased by PLN 553,150.73.

Both in 2017 and in H1 2018, Quantum software SA and Quantum Qguar sp. z o.o. put out their cash in the form of short-term deposits. In H1 2018 the deposits in PLN were created with fixed rate between 1.8% and 1.9% and in EUR with 0.7% rate.



## Note 11 - Basic capital

BASIC CAPITAL		As of 2018-06-30					
Series/issue	Type of share	Preference	Type of limitation of the rights to shares	Number of shares	Value of series/issue according to par value	Registration date	Right to dividend (since)
Series A	Registered shares	Yes	No	750,000	375,000.00	07-03-1997	1997
Series B	Ordinary bearer shares	No	No	84,113	42,056.50	02-08-2007	2007
Series C	Ordinary bearer shares	No	No	470,000	235,000.00	11-09-2007	2007
Series D	Ordinary bearer shares	No	No	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>657 435.00</b>		
<i>Nominal value per share</i>					0.50		

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%
Others	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. As a result, the amount of share capital changed and it currently amounts to PLN 657,435.00. In H1 2018 there were no changes in the shareholding structure.

## Note 12 - Number of shares comprising basic capital

NUMBER OF SHARES COMPRISING BASIC CAPITAL	2018-06-30	2017-12-31
Ordinary shares with a nominal value of PLN 0.50	1,314,870	1,480,757
Redemption of treasury shares	-	-165,887
<b>Total</b>	<b>1,314,870</b>	<b>1,314,870</b>

CHANGES IN THE NUMBER OF SHARES	2018-06-30	2017-12-31
<b>Ordinary shares issued and fully paid-up</b>		
At the beginning of the period	1,314,870	1,480,757
Redemption of treasury shares	-	-165,887
At the end of the period	1,314,870	1,314,870
<b>Ordinary shares issued and not paid up in full</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	14,930
Repurchase of treasury shares for the purposes of an incentive plan	-	-
Repurchase of shares by the subsidiary Quantum Qguar sp. z o.o.	-	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	-	-

BASIC CAPITAL	2018-06-30	2017-12-31
Nominal value per share	0.50	0.50
<b>Basic capital value</b>	<b>657</b>	<b>657</b>

## Note 13 - Treasury shares

TREASURY SHARES			
As of 2018-06-30	Number of shares	Value at acquisition prices	Purpose of acquisition
	14,930	102	Article 362 section 1 item 8 of the Commercial Companies Code
<b>TOTAL</b>	<b>14,930</b>	<b>102</b>	

Between 2009 and 2014, 14,930 treasury shares were repurchased for the purpose of the company's incentive plan (hereinafter referred to as "POM") for its managerial personnel. The Management Board was authorised to purchase treasury shares by way of Resolution No. 17 of 18 May 2009, pursuant to Article 362 section 1 item 8 of the Commercial Companies Code. The authorisation expired on 18 May 2014.

Since the business goals (mentioned in POM) were not achieved, 14,930 treasury shares were not allocated for realisation of POM. As a result, on 15 March 2013 the Supervisory Board adopted a resolution on suspension of POM. The plan introduced by the Company in 2008 was partially realised and expired on 31 December 2013.

On 26 June 2017 the Ordinary General Meeting of Shareholders of Quantum software SA adopted the Resolution no. 17 on the allocation of treasury shares acquired by the Company between 2009 and 2014 in which they agreed to allocate 14,930 treasury shares to persons belonging to the managerial personnel of the Company and Quantum software S.A. Capital Group companies, authorising the Supervisory Board of the Company to determine detailed parameters of shares acquisition. The Supervisory Board of the Company determined detailed parameters of shares acquisition by way of Resolution no. 2 of 6 September 2017 based on the abovementioned authorisation granted by Ordinary General Meeting of Shareholders. In a letter addressed to the Supervisory Board, the Management Board of Quantum software SA listed the most important persons for the Company, including the number of shares allocated to each person.

On 26 June 2018, the Supervisory Board adopted a resolution on the allocation of treasury shares in which they listed all persons, including the number of allocated shares, requiring the Management of the Company to submit offers for purchase of treasury shares within 30 days of the Ordinary General Meeting of Shareholders (referring to the financial year of 2017). Appropriate offers were submitted and accepted by particular members of the managerial personnel.



Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Reclassification to share capital and legal reserve	-	-	-	-	-	-	-	-	-	-	-
Exchange rate differences from valuation of entities that operate abroad	-	-	-	-	-	-	-	-	-	179	179
Distribution of profit	12	18	-	-	-	-	-	-	-	-	30
Dividend	-	-	-	-	-	-	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange gains/losses	-	-	-	-	-	-	-	-	-	-	-
Acquisition of shares in a subsidiary company	-	-22	-	-	-	-	-	-	-	-	-22
Income tax related to items presented in other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>8,239</b>	<b>74</b>	-	-	-	-	-	-	-	<b>40</b>	<b>8,353</b>



Reclassification to share capital and legal reserve	-	-	-	-	-	-	-	-	-	-	-
Exchange rate differences from valuation of entities that operate abroad	-	-	-	-	-	-	-	-	-	23	23
Distribution of profit	-	-	-	-	-	-	-	-	-	-	-
Redemption of treasury shares	-1,114	-	-	-	-	-	-	-	-	-	-1,114
Dividend	-	-	-	-	-	-	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange gains/losses	-	-	-	-	-	-	-	-	-	-	-
Supplementary capital	-	-	-	-	-	-	-	-	-	-	-
Acquisition of shares in a subsidiary company	-	67	-	-	-	-	-	-	-	-	67
Profit/loss on sale of subsidiary	-	-436	-	-	-	-	-	-	-	-	-436
Income tax related to items presented in other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>8,227</b>	<b>78</b>	-	-	-	-	-	-	-	<b>-139</b>	<b>8,166</b>

**Note 15 - Reserve capital due to foreign exchange gains/losses on translation**

	for the period 2018-06-30	
	Reserve capital due to foreign exchange gains/losses on translation	Total
Balance at the beginning of the period	-139	-139
Foreign exchange gains/losses on translation of foreign operations	179	179
Income tax on gains from translation of foreign operations	-	-
Loss on instrument hedging a net investment in foreign operations	-	-
Income tax related to loss on instrument hedging foreign operations' net assets	-	-
Gains / losses reclassified to result in connection with the sale of a foreign operation	-	-
Deferred tax related to gains / losses in connection with the sale of a foreign operation	-	-
Gains / losses on hedging instrument reclassified to result in connection with the sale of a foreign operation	-	-
Deferred tax related to gains/losses on hedging instrument reclassified to result in connection with the sale of a foreign operation	-	-
Other	-	-
<b>Closing balance</b>	<b>40</b>	<b>40</b>



	for the period 2017-12-31	
	Reserve capital due to foreign exchange gains/losses on translation	Total
Balance at the beginning of the period	-162	-162
Foreign exchange gains/losses on translation of foreign operations	23	23
Income tax on gains from translation of foreign operations	-	-
Loss on instrument hedging a net investment in foreign operations	-	-
Income tax related to loss on instrument hedging foreign operations' net assets	-	-
Gains / losses reclassified to result in connection with the sale of a foreign operation	-	-
Deferred tax related to gains / losses in connection with the sale of a foreign operation	-	-
Gains / losses on hedging instrument reclassified to result in connection with the sale of a foreign operation	-	-
Deferred tax related to gains/losses on hedging instrument reclassified to result in connection with the sale of a foreign operation	-	-
Other	-	-
<b>Closing balance</b>	<b>-139</b>	<b>-139</b>

#### Note 16 - Non-controlling interests

	for the period 2018-06-30	
	Reserve capital due to foreign exchange gains/losses on translation	Total
Balance at the beginning of the period	-160	-160
Share of profit during the year	-57	-57

Increases – foreign exchange gains/losses	30	30
Decreases – dividend payout	-	-
Acquisition of shares in a subsidiary company	51	51
Other decreases	-	-
<b>Closing balance</b>	<b>-136</b>	<b>-136</b>

	for the period 2017-12-31	
	Reserve capital due to foreign exchange gains/losses on translation	Total
Balance at the beginning of the period	90	90
Share of profit during the year	58	58
Foreign exchange gains/losses on translation of financial statements	-	-
Acquisition of shares in a subsidiary company	35	35
Profit/loss on sale of subsidiary	-343	-343
<b>Closing balance</b>	<b>-160</b>	<b>-160</b>

## Note 17 - Provisions

PROVISIONS					
	As of 30 June 2018				
	Provisions for repairs under guarantee	Restructuring provisions	Provisions for employee and similar benefits	Other provisions	Total
<b>Value at the beginning of the period, including</b>	-	-	253	-	253
Short-term, at the beginning of the period	-	-	8	-	8
Long-term, at the beginning of the period	-	-	245	-	245
Increases	-	-	-	-	-
Created in the period and increase in the existing ones	-	-	-	-	-
Transferred as part of the business transfer	-	-	-	-	-
Purchased as part of business combinations	-	-	-	-	-
Decreases	-	-	-	-	-
Used during the year	-	-	-	-	-
Released but not used	-	-	-	-	-
Transferred as part of the business transfer	-	-	-	-	-
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-	-
Discount rate adjustment	-	-	-	-	-
<b>At the end of the period, including</b>	-	-	253	-	253
Short-term, at the end of the period	-	-	8	-	8
Long-term, at the end of the period	-	-	245	-	245

PROVISIONS					
	For period 31 December 2017				
	Provisions for repairs under guarantee	Restructuring provisions	Provisions for employee and similar benefits	Other provisions	Total
<b>Value at the beginning of the period, including</b>	-	-	219	-	219
Short-term, at the beginning of the period	-	-	7	-	7
Long-term, at the beginning of the period	-	-	212	-	212
Increases	-	-	34	-	34

Created in the period and increase in the existing ones	-	-	34	-	34
Transferred as part of the business transfer	-	-	-	-	-
Purchased as part of business combinations	-	-	-	-	-
Decreases	-	-	-	-	-
Used during the year	-	-	-	-	-
Released but not used	-	-	-	-	-
Transferred as part of the business transfer	-	-	-	-	-
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-	-
Discount rate adjustment	-	-	-	-	-
<b>At the end of the period, including</b>	-	-	<b>253</b>	-	<b>253</b>
Short-term, at the end of the period	-	-	8	-	8
Long-term, at the end of the period	-	-	245	-	245

#### **Note 18 - Bank loans and borrowings**

In H1 2018, there were no material changes in bank loans and borrowings. The Group's companies did not take on any new liabilities of this type. Collaterals remained unchanged.

## Note 19 - Other financial liabilities

LIABILITIES DUE TO FINANCE LEASE AGREEMENTS				
FUTURE MINIMUM LEASE FEES AND PRESENT VALUE OF MINIMUM NET LEASE FEES				
	30 JUNE 2018		31 DECEMBER 2017	
	Minimum fees	Present value of minimum fees	Minimum fees	Present value of minimum fees
up to 1 year	248	195	213	163
from 1 to 5 years	115	52	1,774	109
over 5 years	-	-	-	-
<b>Total</b>	<b>363</b>	<b>247</b>	<b>1,987</b>	<b>272</b>

As of 30 June 2018, Quantum Qguar sp. z o.o. was bound by nine car lease agreements in the total amount of PLN 664 315.24. As of 30 June 2018, the outstanding amount of the liabilities was PLN 247 558.11.

## Note 20 - Trade liabilities

TRADE LIABILITIES	2018-06-30	2017-12-31
Trade liabilities due to related entities	-	-
Trade liabilities due to other entities	2,577	3,119
<b>Total</b>	<b>2,577</b>	<b>3,119</b>

## Note 21 - Other liabilities and accruals

OTHER LIABILITIES AND ACCRUALS	2018-06-30	2017-12-31
<b>Liabilities to subsidiaries:</b>	-	-
- long-term portion	-	-
- short-term portion	-	-
<b>Liabilities from related parties:</b>	-	-
- long-term portion	-	-
- short-term portion	-	-
<b>Advances:</b>	<b>5,451</b>	-
- long-term portion	-	-
- short-term portion	5,451	-
<b>Other liabilities:</b>	<b>5,396</b>	<b>1,674</b>

- long-term portion	-	-
- short-term portion	5,396	1,674
<b>Accruals:</b>	<b>412</b>	<b>76</b>
- long-term portion	-	-
- short-term portion	412	76
<b>Deferred income:</b>	-	-
- long-term portion	-	-
- short-term portion	-	-
<b>Total, including:</b>	<b>5,808</b>	<b>1,750</b>
- long-term portion	-	-
- short-term portion	5,813	1,750

<b>Other liabilities include:</b>		
Taxes, customs duties, insurance and other considerations	844	1,417
Payroll	12	138
Dividends	4,378	-
Other liabilities	134	95
Settlement of special funds	28	24
<b>Total</b>	<b>5,396</b>	<b>1,674</b>

<b>Prepayments and accrued income include:</b>		
Settlement of subsidy received – within 12 months	-	-
Settlement of subsidy received – over 12 months	358	-
Settlement of long-term contracts	-	-
Other prepayments/accruals	-	-
Turn-of-period costs	54	76
<b>Total</b>	<b>412</b>	<b>76</b>

## Note 22 - Revenues from the sale of products, goods and materials

<b>REVENUES FROM SALE OF PRODUCTS, GOODS AND MATERIALS</b>						
	<b>Continuing operations</b>		<b>Discontinued operations</b>		<b>Total</b>	
	<b>2018-06-30</b>	<b>2017-06-30</b>	<b>2018-06-30</b>	<b>2017-06-30</b>	<b>2018-06-30</b>	<b>2017-06-30</b>
Revenues from the sale of products	1,812	1,356	-	-	1,812	1,356
Revenues from the sale of	9,281	10,995	-	-	9,281	10,995

services						
Revenues from the sale of materials	-	-	-	-	-	-
Revenues from the sale of goods	2,309	3,373	-	-	2,309	3,373
<b>TOTAL</b>	<b>13,402</b>	<b>15,724</b>	-	-	<b>13,402</b>	<b>15,724</b>
including: non-cash revenue from exchange of goods or services	-	-	-	-	-	-

In 2018, a decrease in sales compared to the same period in 2017 was recorded. The main reason for it is the last year's sale of shares at Edison da sp. z o.o.

### Note 23 - Costs by type

<b>COSTS BY TYPE</b>	<b>2018-06-30</b>	<b>2017-06-30</b>
Depreciation/amortisation of tangible assets and intangible assets	353	393
Employee benefits' costs	5,441	5,824
Consumption of raw materials and materials	200	193
Costs of third-party services	3,955	4,345
Costs of taxes and charges	49	67
Other costs	375	397
Change in the balance of products and work-in-progress	-	-
Value of sold goods	2,095	3,063
<b>TOTAL</b>	<b>12,468</b>	<b>14,282</b>
Cost of sales	1,395	1,015
Administrative expenses	1,756	2,160
Cost of products, goods and materials sold	9,317	11,107
<b>TOTAL</b>	<b>12,468</b>	<b>14,282</b>
including: minimum lease payments recognised as operating lease costs	-	-

<b>EMPLOYEE BENEFITS' COSTS</b>	<b>2018-06-30</b>	<b>2017-06-30</b>
Salaries and wages	4,584	4,915
Social security costs	791	821
Costs of defined contribution plans	-	-
Costs of defined benefit plans, including:	-	-
Costs of other long-term employee benefits	-	-
Benefits due to termination of employment	-	-

Retirement benefits	-	-
Other benefits	66	88
Other post-employment benefits	-	-
Costs of employee benefits in the form of treasury shares	-	-
<b>TOTAL</b>	<b>5,441</b>	<b>5,824</b>

<b>RESEARCH AND DEVELOPMENT COSTS</b>	<b>2018-06-30</b>	<b>2017-06-30</b>
Amortisation and depreciation	20	20
Consumption of raw materials and auxiliary materials	-	-
Costs of third-party services	-	-
Other costs	-	-
<b>TOTAL</b>	<b>20</b>	<b>20</b>

#### **Note 24 - Other revenues and expenses**

<b>OTHER REVENUES</b>	<b>2018-06-30</b>	<b>2017-06-30</b>
State subsidies	-	-
Profit on the sale of property, plant and equipment	11	35
Reversal of impairment losses on receivables	-	13
Reversal of impairment losses on inventories	-	-
Reversal of impairment losses on intangible assets	-	-
Reversal of impairment losses on PP&E	-	-
Reversal of impairment losses on investment property	-	-
Reversal of other provisions	-	-
Reversal of provision for the entity's restructuring costs	-	-
Profit on occasional purchase	-	-
Reimbursement of court costs	-	-
Refunds of damages	-	-
Differences from balance sheet measurement	-	-
Donations, fines and damages received	-	34
Adjustment of contributions to Labour Fund for previous years	-	-
Refund of insurance policy premiums	-	-
Redemption of a portion of interests	-	-
Transfer of business – goodwill	-	-
Other	118	2
<b>TOTAL</b>	<b>129</b>	<b>84</b>
including: non-cash revenue from exchange of goods or services	-	-



<b>OTHER COSTS</b>	<b>2018-06-30</b>	<b>2017-06-30</b>
Loss on sale of property, plant and equipment	-	-
Provision for guarantee repairs	-	-
Direct expenses (including renovation and maintenance) due to investment property rented out	-	-
Accumulated loss on revaluation of investment property to fair value	-	-
Impairment losses on receivables	10	-
Impairment losses on inventories	-	-
Impairment losses on intangible assets	-	-
Impairment losses on property, plant and equipment	-	-
Impairment losses on investment properties	-	-
Provision for the entity's restructuring costs	-	-
Provision for expected losses	-	-
Provision for expenses	-	-
Costs of court proceedings	-	-
Compensations for dismissed employees	-	-
Expenses related to acquisition of other entities	-	-
Expenses of maintaining property investment	-	-
Losses, damages and fines	-	-
Donations	-	1
Liquidation of current assets	-	-
Grants	-	-
Other	9	2
<b>TOTAL</b>	<b>19</b>	<b>3</b>

#### **Note 25 - Financial income and costs**

<b>FINANCIAL REVENUE</b>	<b>2018-06-30</b>	<b>2017-06-30</b>
Interest revenue	26	65
Dividend income	-	-
Investment income	37	-
Foreign exchange gains	-	-
Interest charged on receivables	-	-
FX hedges (forwards)	-	-
Settlement of deferred tax upon transfer of business	-	-
Other	1	-
Reversal of impairment losses on financial assets, including:	-	-
assets available for sale	-	-
financial assets and liabilities measured	-	-

at fair value through income statement		
hedging instruments	-	-
Profit on change in the fair value of financial instruments	-	-
assets available for sale	-	-
financial assets and liabilities measured at fair value through income statement	-	-
hedging instruments	-	-
<b>TOTAL</b>	<b>64</b>	<b>65</b>

<b>FINANCIAL COSTS</b>	<b>2018-06-30</b>	<b>2017-06-30</b>
Interest costs, including:	79	3
bank loans	-	-
borrowings	-	-
Other	-	-
state budget and other interest	79	3
Financial costs arising from finance lease agreements	28	46
Provision for outstanding interest	-	-
Loss on disposal of investments	-	-
Foreign exchange losses	166	325
Profit/loss on sale of interests in subsidiary	-	-
Remittance of borrowing and interest	-	-
Other	3	-
Impairment losses on financial assets, including:	-	20
assets available for sale	-	-
financial assets and liabilities measured at fair value through income statement	-	20
hedging instruments	-	-
Losses on change in the fair value of financial instruments, including:	-	-
assets available for sale	-	-
financial assets and liabilities measured at fair value through income statement	-	-
hedging instruments	-	-
<b>TOTAL</b>	<b>276</b>	<b>394</b>

#### **Note 26 - Consolidated earnings per share**

<b>CONSOLIDATED EARNINGS PER SHARE</b>	<b>2018-06-30</b>	<b>2017-06-30</b>
<b>Consolidated net profit for the reporting period attributable to:</b>	<b>532</b>	<b>936</b>
Shareholders of the Parent Company	589	903
Non-controlling interests	-57	33

<b>CONSOLIDATED EARNINGS OF ORDINARY SHAREHOLDERS OF THE PARENT COMPANY (BASIC)</b>						
<b>Details</b>	<b>30 JUNE 2018</b>			<b>30 JUNE 2017</b>		
	<b>Continuing operations</b>	<b>Discontinued operations</b>	<b>Total</b>	<b>Continuing operations</b>	<b>Discontinued operations</b>	<b>Total</b>
Consolidated net profit/loss of the shareholders of the Parent Company for the reporting period	589	-	589	903	-	903
Dividends on preference shares which are not subject to redemption (-)	-	-	-	-	-	-
<b>Total</b>	<b>589</b>	<b>-</b>	<b>589</b>	<b>903</b>	<b>-</b>	<b>903</b>

<b>WEIGHTED AVERAGE OF ORDINARY SHARES</b>	<b>2018-06-30</b>	<b>2017-06-30</b>
<i>in thousands of shares</i>		
Weighted average number of shares at the beginning of the period	1,314,870	1,480,757
Weighted average number of ordinary shares at the end of the period	1,314,870	1,480,757

<b>CONSOLIDATED BASIC NET EARNINGS PER SHARE</b>	<b>2018-06-30</b>	<b>2017-06-30</b>
on continuing and discontinued operations	0.45	0.61
on continuing operations	0.45	0.61

<b>CONSOLIDATED NET EARNINGS OF ORDINARY SHAREHOLDERS OF THE PARENT ENTITY (DILUTED)</b>	<b>30 JUNE 2018</b>			<b>30 JUNE 2017</b>		
	<b>Continuing operations</b>	<b>Discontinued operations</b>	<b>Total</b>	<b>Continuing operations</b>	<b>Discontinued operations</b>	<b>Total</b>
Consolidated net profit/loss of ordinary Shareholders of the Parent Company (basic)	589	-	589	903	-	903
Interest on convertible bonds, after tax	-	-	-	-	-	-
<b>Consolidated net profit/loss of ordinary Shareholders of the Parent Company (diluted)</b>	<b>589</b>	<b>-</b>	<b>589</b>	<b>903</b>	<b>-</b>	<b>903</b>

<b>WEIGHTED AVERAGE OF ORDINARY SHARES (DILUTED)</b>	<b>2018-06-30</b>	<b>2017-06-30</b>
<i>in thousands of shares</i>		
Weighted average of ordinary shares	1,314,870	1,480,757
Effect of conversion of convertible bonds on shares	-	-
Effect of the issue of options on shares	-	-
<b>Weighted average number of ordinary shares at the end of the period (diluted)</b>	<b>1,314,870</b>	<b>1,480,757</b>

<b>CONSOLIDATED DILUTED NET EARNINGS PER SHARE</b>	<b>2018-06-30</b>	<b>2017-06-30</b>
on continuing and discontinued operations	0.45	0.61
on continuing operations	0.45	0.61

### **Note 27 - Information on operating segments**

The Company does not identify product segments because it is not possible to identify assets and liabilities corresponding to individual types of products and, consequently, the Company does not keep record allowing for the identification of particular operating segments. The Company presents sales categorised into products, services and goods (note 22) and by geographical areas. The Company does not disclose any information on the customer concentration as such concentration does not exist.

<b>2018-06-30</b>		
<b>INFORMATION ON GEOGRAPHICAL AREAS</b>	<b>Revenues</b>	<b>Fixed assets</b>
Domestic sales	<b>11,547</b>	*
Total foreign sales	1,855	*
including:		
Germany	478	-
Ukraine	546	-
Russia	34	-
Belarus	195	-
Lithuania	107	-
United Kingdom	59	-
Ecuador	53	-
Romania	254	-
Hungary	42	-
Czech Republic	20	-
Spain	-	-
Italy	15	-
Brazil	-	-
Norway	-	-

Luxembourg	-	-
USA	52	-
France	-	-
Malta	-	-
Other	-	-
<b>TOTAL</b>	<b>13,402</b>	-

2017-06-30		
INFORMATION ON GEOGRAPHICAL AREAS	Revenues	Fixed assets
Domestic sales	12,872	*
Total foreign sales	2,852	*
including:		
Germany	994	-
Ukraine	1,185	-
Belarus	-	-
Russia	68	-
United Kingdom	89	-
Ecuador	58	-
Romania	100	-
Hungary	63	-
Czech Republic	20	-
Spain	-	-
Italy	15	-
Brazil	-	-
Norway	17	-
Luxembourg	7	-
USA	111	-
France	86	-
Malta	23	-
Other	16	-
<b>TOTAL</b>	<b>15,724</b>	-

INFORMATION ON TYPES OF PRODUCTS, SERVICES AND GOODS	2018-06-30	2017-06-30
	Revenues	Revenues
Products – licences	1,812	1,356
Services – implementation	4,134	3,680
Services – maintenance	4,704	4,941
Services – individual projects and other services	397	2,374
Long-term contracts	46	-

Goods	2,309	3,373
<b>TOTAL</b>	<b>13,402</b>	<b>15,724</b>

## Note 28 - Construction contracts

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

<b>CONSTRUCTION CONTRACTS IN PROGRESS</b>	<b>2018-06-30</b>	<b>2017-12-31</b>
Total costs incurred in the financial year	194	198
Total revenues in the financial year	45	136
Advance payments received	-	-
Security deposit	-	-
Receivables from clients under contractual works	124	136
Liabilities due to clients under contractual works	-	-

## Note 29 - Financial instruments

<b>FINANCIAL INSTRUMENTS - ANALYSIS OF EXPOSURE TO INTEREST RATE RISK</b>			
<b>As of 2018-06-30</b>			
	<b>Carrying value</b>	<b>Increase/decrease by percentage points</b>	<b>Effect on the gross financial result</b>
<b>Financial assets</b>	10,652	-	-3
Cash	6,509	-	-
Financial assets available for sale	-	-	-
Other financial assets	3,818	-	-
Loans granted	325	-	-3
<b>Financial liabilities</b>	<b>248</b>	-	<b>2</b>
Bank loans and borrowings	1	-	-
Financial lease liabilities	247	-	2
Other financial obligations	-	-	-

<b>FINANCIAL INSTRUMENTS - ANALYSIS OF EXPOSURE TO INTEREST RATE RISK</b>			
<b>As of 2017-12-31</b>			
	<b>Carrying value</b>	<b>Increase/decrease by percentage points</b>	<b>Effect on the gross financial result</b>
<b>Financial assets</b>	10,147	-	-4
Cash	5,956	-	-
Financial assets available for sale	-	-	-

Other financial assets	3,819	-	-
Loans granted	372	-	-4
<b>Financial liabilities</b>	<b>273</b>	<b>-</b>	<b>3</b>
Bank loans and borrowings	1	-	-
Financial lease liabilities	272	-	3
Other financial obligations	-	-	-

<b>FINANCIAL INSTRUMENTS - ANALYSIS OF EXPOSURE TO FX RISK</b>			
<b>As of 2018-06-30</b>			
	<b>Carrying value</b>	<b>Exchange rate increase/decrease in percentage points</b>	<b>Effect on the gross financial result</b>
<b>Financial assets</b>	-	-	-
Cash in EUR	278	-4.00%	-
Cash in USD	2	-2.00%	-
Cash in UAH	458	-5.00%	-23
Cash in RUB	2	13.00%	0
Cash in BRL	5	6.00%	-1
Trade and other receivables in EUR	342	-4.00%	-
Trade and other receivables in UAH	1,142	-5.00%	-69
Trade and other receivables in RUB	-	13.00%	-
Trade and other receivables in BRL	14	6.00%	-2
<b>Financial liabilities</b>	-	-	-
Overdrafts in EUR	-	-	-
Short-term loans in EUR	-	-	-
Trade liabilities in EUR	291	4.00%	-
Trade liabilities in UAH	1,336	5.00%	-80
Trade liabilities in RUB	60	-13.00%	-5
Trade liabilities in BRL	27	-6.00%	-4



FINANCIAL INSTRUMENTS - ANALYSIS OF EXPOSURE TO FX RISK			
As of 2017-12-31			
	Carrying value (PLN '000)	Exchange rate increase/decrease in percentage points	Effect on the gross financial result
<b>Financial assets</b>	-	-	-
Cash in EUR	350	4.00%	-11
Cash in USD	3	5.00%	-
Cash in UAH	655	-10.00%	-59
Cash in RUB	3	-3.00%	-
Cash in BRL	23	1.00%	-
Trade and other receivables in EUR	282	4.00%	-8
Trade and other receivables in UAH	1,021	-10.00%	-92
Trade and other receivables in RUB	11	-3.00%	1
Trade receivables in BRL	15	1.00%	-
<b>Financial liabilities</b>	-	-	-
Overdrafts in EUR	-	-	-
Short-term loans in EUR	-	-	-
Trade liabilities in EUR	188	-4.00%	6
Trade liabilities in UAH	1,121	10.00%	101
Trade liabilities in RUB	212	3.00%	-17
Trade liabilities in BRL	10	-1.00%	-

FAIR VALUE OF THE INDIVIDUAL CATEGORIES OF FINANCIAL INSTRUMENTS					
	Category in accordance with IAS 39*	Carrying value		Fair value	
		2018-06-30	2017-12-31	2018-06-30	2017-12-31
<b>Financial assets</b>		<b>13,118</b>	<b>12,543</b>	<b>13,118</b>	<b>12,543</b>
Cash	measured at fair value through P&L	6,509	5,956	6,509	5,956
Trade and other receivables	borrowings and receivables	6,284	6,215	6,284	6,215
Receivables from borrowings granted	borrowings and receivables	325	372	325	372
Financial assets available for sale	Available for sale	-	-	-	-
<b>Financial liabilities</b>		<b>8,638</b>	<b>5,142</b>	<b>8,638</b>	<b>5,142</b>
Liabilities due to finance lease	financial liabilities at	247	272	247	272

	amortised cost				
Trade liabilities and other payables	financial liabilities at amortised cost	8,390	4,869	8,390	4,869
Short-term bank loans	financial liabilities at amortised cost	1	1	1	1

**ITEMS OF REVENUE, EXPENSES, PROFIT AND LOSS RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME, BROKEN DOWN INTO CATEGORIES OF FINANCIAL INSTRUMENTS**

	for the period 2018-06-30				
	Category in accordance with IAS 39*	Interest revenues/expenses	Foreign exchange gains/losses	Releasing/creating write-downs	Gains/losses on the sale of financial instruments
<b>Financial assets</b>		<b>64</b>	<b>-166</b>	-	-
Cash	measured at fair value through P&L	16	59	-	-
Trade and other receivables	borrowings and receivables	-	-225	-	-
Receivables from borrowings granted	borrowings and receivables	10	-	-	-
Financial assets available for sale	Available for sale	-	-	-	-
Other financial assets		38	-	-	-
<b>Financial liabilities</b>		<b>-107</b>	-	-	-
Liabilities due to finance lease	financial liabilities at amortised cost	-28	-	-	-
Trade liabilities and other payables	financial liabilities at amortised cost	-79	-	-	-
Short-term bank loans	financial liabilities at amortised cost	-	-	-	-

**ITEMS OF REVENUE, EXPENSES, PROFIT AND LOSS RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME, BROKEN DOWN INTO CATEGORIES OF FINANCIAL INSTRUMENTS**

	FOR THE PERIOD 30.06.2017				
	Category in accordance with IAS	Interest revenues/expenses	Foreign exchange gains/losses	Releasing/creating write-downs	Profit/loss on the sale of financial

	39*				instruments
<b>Financial assets</b>		<b>65</b>	<b>-81</b>	<b>-17</b>	-
Cash	measured at fair value through P&L	56	-4	-	-
Trade and other receivables	borrowings and receivables	-	-77	-3	-
Receivables from borrowings granted	borrowings and receivables	9	-	-20	-
Financial assets available for sale	Available for sale	-	-	-	-
<b>Financial liabilities</b>		<b>-48</b>	-	-	-
Liabilities due to finance lease	financial liabilities at amortised cost	-45	-	-	-
Trade liabilities and other payables	financial liabilities at amortised cost	-3	-	-	-
Short-term bank loans	financial liabilities at amortised cost	-	-	-	-

### Note 30 - Explanations related to the cash flow statement

Explanations related to the cash flow statement	2018-06-30	2017-06-30
<b>Foreign exchange gains (losses) disclosed in the cash flow statement result from the following:</b>	28	100
- foreign exchange gains/losses due to measurement of cash	-70	29
- unrealised foreign exchange gains/losses on loans and borrowings	-49	-23
- realised foreign exchange gains/losses on loans and borrowings	-	94
- foreign exchange gains/losses on translation of financial statements	147	-
<b>Interest and profit sharing (dividends), including:</b>	<b>81</b>	<b>-8</b>
- received interest on borrowings granted	-	-
- received interest on cash in bank and deposits	-16	-32
- received interest on lease instalments	-	-
- interest paid on loans	-	-
- interest paid on borrowings	-	-

- interest paid on debt securities	-	-
- interest paid on lease liabilities	28	46
- commissions paid on debt securities	-	-
- dividends received	-	-
- interest accrued on borrowings granted	-10	-24
- interest accrued on borrowings granted	-	-
- interest accrued on loans and borrowings raised	-	-
- interest accrued on debt securities	-	-
- other interest	79	2
<b>Investment profit (loss) due to:</b>	<b>-48</b>	<b>-33</b>
- revenue from sales of property, plant and equipment, and investment properties	-15	-46
- revenue from sales of intangible assets	-	-
- Prime cost of sale of property, plant and equipment and investment properties	4	-
- prime cost of the sales of intangible assets	-	13
- liquidation costs of property, plant and equipment	-	-
- revenue from sales of shares and interests	-	-
- prime cost of the sale of shares and interests	-	-
Revenues from other financial assets	-37	-
Prime cost of other assets	-	-
Write-off for interests	-	-
<b>Movements in receivables results from the following items:</b>	<b>18</b>	<b>4</b>
- movement in the balance of short-term receivables resulting from the balance sheet	23	12
- movement in the balance of long-term receivables resulting from the balance sheet	-5	-8
- adjustment to movement in dividend receivables	-	-
- adjustment for movement in receivables due to disposal of fixed assets, investment properties	-	-
- adjustment for movement in receivables due to disposal of intangible assets	-	-
- adjustment for movement in receivables from the disposal of financial investments	-	-
- adjustment for movement in receivables from bank's guarantee deposits	-	-
- other adjustments	-	-
<b>Movements in liabilities, except for loans and borrowings, resulting from the following:</b>	<b>-949</b>	<b>129</b>
- movement in short-term trade and other liabilities	508	3,659
- movement in other long-term liabilities	-	-
- adjustment for movement in liability due to unpaid dividend	-1,457	-3,530
- adjustment for movement in liabilities due to the acquisition	-	-

of tangible assets		
- adjustment for movement in liabilities due to the acquisition of financial assets	-	-
- adjustment for movement in lease liability	-	-
- adjustment for movement in liability due to guarantees provided to subsidiary companies	-	-
- other adjustments	-	-
<b>Income tax paid</b>	<b>-311</b>	<b>-55</b>
- income tax recognised in income statement	-362	-
- adjustment for movement in deferred income tax assets	5	-
- adjustment for movement in receivables from income tax	16	-
- adjustment for movement in deferred income tax provision	81	-
- adjustment for movement in liabilities due to income tax	-51	-
- adjustment for deferred income tax on changes in equities	-	-
- income tax paid	-	-55
<b>“Other adjustments” include:</b>	<b>12</b>	<b>45</b>
- revaluation of property, plant and equipment (positive valuation)	-	-
- revaluation of property, plant and equipment (write-down)	-	-
- revaluation of shares and interests (positive valuation)	-	-
- revaluation of shares and interest (write-down)	-	-
- revaluation of borrowings granted (write-down)	-	20
- revaluation of financial instruments	-	-
- revaluation of guarantees	-	-
- conversion of cash deposits to financial assets	-	-
- other	12	25
<b>Acquisition of PP&amp;E and intangible assets – investing activities</b>	<b>167</b>	<b>203</b>
- movement in PP&E resulting from the balance sheet	-39	15
- movement in investment real property resulting from the balance sheet	-	-
- movement in intangible assets resulting from the balance sheet	-83	-89
- movement in the above assets in assets for sale	-	-
- amortisation/depreciation for the reporting period resulting from the income statement	353	393
- prime cost of sale of tangible assets, investment properties and intangible assets	4	-84
- costs of liquidated tangible assets	-	-
- impairment losses/reversed impairment loss on the above assets	-	-
- measurement of the above non-current assets	-	-

- other	-4	-
- adjustment for advances on the purchase of tangible assets and intangible assets	-	-
- adjustment for investment liabilities (purchase)	-	-
- other adjustments	-64	-32
- transfer of assets in the organised part of the company to a new entity	-	-

### Note 31 – Remuneration of the Group’s senior management

Management Board of the parent company	2018-06-30	2017-12-31
Short-term employee benefits (remunerations and surcharges)	141	246
Anniversary benefits and retirement benefits	-	-
Post-employment benefits	-	-
Benefits due to termination of employment	-	-
Employee benefits in the form of treasury shares	-	-
<b>Total</b>	<b>141</b>	<b>246</b>

Supervisory Board of the parent company	2018-06-30	2017-12-31
Short-term employee benefits (remunerations and surcharges)	10	30
Anniversary benefits and retirement benefits	-	-
Post-employment benefits	-	-
Benefits due to termination of employment	-	-
Employee benefits in the form of treasury shares	-	-
<b>Total</b>	<b>10</b>	<b>30</b>

Management board of subsidiaries	2018-06-30	2017-12-31
Short-term employee benefits (remunerations and surcharges)	166	312
Anniversary benefits and retirement benefits	-	-
Post-employment benefits	-	-
Benefits due to termination of employment	-	-
Employee benefits in the form of treasury shares	-	-
<b>Total</b>	<b>166</b>	<b>312</b>

Supervisory Board of subsidiaries	2018-06-30	2017-12-31
Short-term employee benefits (remunerations and surcharges)	-	-
Anniversary benefits and retirement benefits	-	-

Post-employment benefits	-	-
Benefits due to termination of employment	-	-
Employee benefits in the form of treasury shares	-	-
<b>Total</b>	-	-

<b>Other key management personnel</b>	<b>2018-06-30</b>	<b>2017-12-31</b>
Short-term employee benefits (remunerations and surcharges)	418	829
Anniversary benefits and retirement benefits	-	-
Post-employment benefits	-	-
Benefits due to termination of employment	-	-
Employee benefits in the form of treasury shares	-	-
<b>Total</b>	<b>418</b>	<b>829</b>

	<b>2018-06-30</b>	<b>2017-12-31</b>
Board	141	246
Supervisory Board	10	30
Management Board – subsidiaries or associates	166	312
Supervisory Board – subsidiaries or associates	-	-
<b>Total</b>	<b>317</b>	<b>588</b>
Other key management personnel	418	829

### Note 32 - Disclosures on the fee of the auditor or an entity authorised to review financial statements

	<b>2018-06-30</b>	<b>2017-12-31</b>
Statutory audit of financial statements	24	25
Other certification services	-	-
Tax consulting services	-	-
Other services	-	-
<b>Total</b>	<b>24</b>	<b>25</b>

### Note 33 - Capital management

	<b>2018-06-30</b>	<b>2017-12-31</b>
Interest-bearing loans, borrowings and bonds	247	272
Trade liabilities and other payables	8,527	5,057

Less cash and cash equivalents	-6,509	-5,956
<b>Net debt</b>	<b>2,265</b>	<b>-627</b>
Convertible preference shares	-	-
Equity	10,362	14,000
Reserve capital on unrealised net earnings	-	-
<b>Total capital</b>	<b>10,362</b>	<b>14,000</b>
<b>Capital and net debt</b>	<b>12,627</b>	<b>13,373</b>
Leverage ratio	0.18	-0.05

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

<b>Statement of financial position</b>			
<b>ASSETS</b>	<b>Note</b>	<b>2018-06-30</b>	<b>2017-12-31</b>
<b>Fixed assets</b>		<b>9,957</b>	<b>9,756</b>
Property, plant and equipment	1	-	-
Intangible assets	2	-	-
Investments in associates measured with the equity method	3	-	-
Financial assets available for sale	8	9,701	9,701
Loans granted	9	206	-
Deferred tax assets	23	50	55
Other long-term receivables and prepayments	6	-	-
<b>Current assets</b>		<b>2,405</b>	<b>2,545</b>
Inventories	7	-	-
Trade receivables	8	244	193
Other short-term receivables and prepayments	6	31	32
Income tax receivables		30	34
Loans granted	9	-	-
Other financial assets	10	1,215	1,203
Cash and cash equivalents	9	885	1,083
<b>TOTAL ASSETS</b>		<b>12,362</b>	<b>12,301</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>		<b>9,244</b>	<b>12,087</b>
<b>Equity attributable to the shareholders of the parent company</b>		<b>9,244</b>	<b>12,087</b>
Basic capital	10	657	657
Share premium	16	8,511	8,498
Treasury shares	12	-102	-102



Reserve and supplementary capital	13	-	-
Profit/loss from previous years		103	103
Profit/loss from the current year		<b>75</b>	<b>2,931</b>
<b>Non-controlling interests</b>		-	-
<b>LIABILITIES</b>		<b>3,118</b>	<b>214</b>
<b>Long-term liabilities</b>		<b>2</b>	<b>2</b>
Provisions	14	-	-
Deferred tax provision	23	2	2
Long-term bank loans and borrowings	15	-	-
Other non-current financial liabilities	16	-	-
Other non-current liabilities and accruals	18	-	-
<b>Short-term liabilities</b>		<b>3,116</b>	<b>212</b>
Provisions	14	-	-
Short-term bank loans and borrowings,	15	-	10
Short-term portion of long-term bank loans and borrowings	15	-	-
Other short-term financial liabilities	16	-	-
Trade creditors	17	172	171
Other current liabilities and accruals	18	2,944	31
Liabilities related to fixed assets classified as available for sale		-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,362</b>	<b>12,301</b>

<b>Statement of comprehensive income (by function)</b>	<b>Note</b>	<b>2018-06-30</b>	<b>2017-06-30</b>
<i>Continuing operations</i>			
Revenues from the sale of products, goods and materials	19	636	588
Cost of products, goods and materials sold	20	245	171
Movement in products – subsidy received for intangible assets and tangible assets		-	-
<b>Gross profit/loss on sales</b>		<b>391</b>	<b>417</b>
Cost of sales	20	-	-
Administrative expenses	20	324	455
<b>Sales profit/loss</b>		<b>67</b>	<b>-38</b>
Other operating income		-	2
Other operating costs		-	-
<b>Profit (loss) on operating activities</b>		<b>67</b>	<b>-36</b>
Financial income	22	35	5
Financial costs	22	7	4
Share in profit/loss of associates		-	-
Profit/loss on the sale of shares in an associate company		-	-
<b>Gross profit/loss</b>		<b>95</b>	<b>-35</b>
Income tax	23	20	-1
<b>Net profit (loss) on continuing operations</b>		<b>75</b>	<b>-34</b>
<i>Discontinued operations</i>			
Profit/loss on discontinued operations for the financial year	37	-	-
<b>Net profit/loss for the reporting period</b>		<b>75</b>	<b>-34</b>
<b>Net profit/loss attributable to:</b>		<b>75</b>	<b>-34</b>
<b>Other comprehensive income</b>		-	-
Profit/loss on revaluation of property, plant and equipment		-	-
Profit/loss on valuation of investments available for sale charged to equity		-	-
Profit/loss on cash flow hedges (effective portion)		-	-
Exchange rate differences from valuation of entities that operate abroad		-	-
Income tax related to items presented in other comprehensive income	23	-	-
<b>Total comprehensive income</b>		<b>75</b>	<b>-34</b>
<b>Comprehensive income attributable to:</b>		<b>75</b>	<b>-34</b>
<b>Profit / loss per share (in PLN):</b>		-	-
<b>On continuing operations</b>	24	-	-
<i>Basic</i>	24	0.06	-0.02
<i>Diluted</i>	24	0.06	-0.02
<b>On continuing and discontinued operations</b>	24	-	-

<i>Basic</i>	24	0.06	-0.02
<i>Diluted</i>	24	0.06	-0.02



differences from valuation of entities that operate abroad												
Income tax related to items presented in other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues and expenses for the financial year recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	-
Profit/loss for the reporting period	-	-	-	-	-	-	-	75	75	-	75	
<b>Other changes in equity</b>	-	<b>13</b>	-	-	-	-	-	<b>-2,931</b>	<b>-2,918</b>	-	<b>-2,918</b>	
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Distribution of the financial result	-	13	-	-	-	-	-	-2,931	-2,918	-	-2,918	
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Sale of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of the reserve capital to the stated capital	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>657</b>	<b>8,511</b>	<b>-102</b>	-	-	-	-	<b>178</b>	<b>9,244</b>	-,	<b>9,244</b>	



differences from valuation of entities that operate abroad												
Income tax related to items presented in other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues and expenses for the financial year recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	-
Profit/loss for the reporting period	-	-	-	-	-	-	-	-34	-34	-	-34	-34
<b>Other changes in equity</b>	-	-	<b>-1,197</b>	-	-	-	-	<b>-2,167</b>	<b>-3,364</b>	-	<b>-3,364</b>	<b>-3,364</b>
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Distribution of the financial result	-	-	-	-	-	-	-	-2,167	-2,167	-	-2,167	-2,167
Purchase of treasury shares	-	-	-1,197	-	-	-	-	-	-1,197	-	-1,197	-1,197
Sale of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of the reserve capital to the stated capital	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>740</b>	<b>9,612</b>	<b>1,299</b>	-	-	-	-	<b>-199</b>	<b>8,854</b>	-	<b>,8,854</b>	<b>,8,854</b>





that operate abroad												
Income tax related to items presented in or reclassified from capital	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues and expenses for the financial year recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	-
Profit/loss for the financial year	-	-	-	-	-	-	-	2,931	2,931	-	2,931	-
Adjustments due to fundamental errors	-	-	-	-	-	-	-	-	-	-	-	-
<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 the financial result	-	-	-	-	-	-	-	-1,899	-1,899	-	-1,899	-
Purchase of treasury shares	-	-	-1,197	-	-	-	-	-	-1,197	-	-1,197	-
Sale of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of the reserve capital to the stated capital	-	-	-	-	-	-	-	-	-	-	-	-
Redemption of shares	-83	-1,114	1,197	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>657</b>	<b>8,498</b>	<b>-102</b>	-	-	-	-	<b>3,034</b>	<b>12,087</b>	-	<b>12,087</b>	-

<b>Cash flow statement (indirect method)</b>	<b>Note</b>	<b>2018-06-30</b>	<b>2017-06-30</b>
<b>Cash flows on operating activity</b>			
<b>Gross profit/loss</b>		<b>95</b>	<b>-35</b>
<b>Adjustments for items:</b>		<b>-96</b>	<b>-116</b>
Share in net profit/loss of associated companies and joint ventures accounted for using the equity method		-	-
Non-controlling interests		-	-
Amortisation and depreciation		-	-
Goodwill impairment		-	-
Foreign exchange gains/losses		-19	-1
Interest expenses and revenues		-3	-6
Dividend revenues		-	-
Profit/loss on investing activities		-12	-
Movement in provisions		-	-
Movement in inventories		-	-
Movement in receivables and prepayments		-51	-517
Movement in liabilities and accruals		-4	407
Income tax paid/returned		-11	-
Other adjustments		4	1
<b>Net cash flows from operating activities</b>		<b>-1</b>	<b>-151</b>
<b>Cash flow from investing activities</b>			
Inflows from sale of tangible assets and intangible assets		-	-
Net inflows from the sale of associates and subsidiaries		-	-
Inflows from the sale of financial assets		-	-
Inflows from interest		4	5
Inflows from dividends		-	-
Repayment of borrowings		8	-
Outflows on the acquisition of property, plant and equipment, as well as intangible assets		-	-
Net outflows on the acquisition of subsidiaries and associates		-	-
Outflows on the acquisition of short-term financial assets		-	-
Borrowings granted		206	87
Other		-	-
<b>Net cash flows from investing activities</b>		<b>-194</b>	<b>-82</b>
<b>Cash flows from financing activities</b>			
Inflows from loans and borrowings		-	-
Net inflows from the issue of shares		-	-
Net inflows from the issue of bonds, bills of exchange and bills		-	-
Repayment of loans and borrowings		10	-

Payment of liabilities under finance lease agreements		-	-
Dividends paid out to the Company's shareholders		-	-
Dividends paid to shareholders holding non-controlling interests		-	-
Purchase of treasury shares		-	1,197
Interest paid		4	-
Other		-	-
<b>Net cash flows from financing activities</b>		<b>-14</b>	<b>-1,197</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>-209</b>	<b>-1,430</b>
<b>Opening balance of cash and cash equivalents as well as overdrafts</b>		<b>1,083</b>	<b>2,026</b>
<i>Foreign exchange gains/losses related to measurement of cash and cash equivalents as well as overdrafts</i>		<i>10</i>	<i>-</i>
<b>Closing balance of cash and cash equivalents as well as overdrafts</b>		<b>884</b>	<b>596</b>

## Selected notes

### Note 1 - Property, plant and equipment

PROPERTY, PLANT AND EQUIPMENT	FOR THE PERIOD 30 JUNE 2018					
	Land and perpetual usufruct title to land	Buildings and structures	Machines and equipment	Means of transportation	Other	Total
<b>Gross value at the beginning of the period</b>	-	-	-	-	-	-
Increases	-	-	-	-	-	-
<i>acquisition</i>	-	-	-	-	-	-
<i>acquisition as part of the combination of business entities</i>	-	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-	-
<i>other</i>	-	-	-	-	-	-
Decreases	-	-	-	-	-	-
<i>disposal</i>	-	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-	-
<i>due reclassification to fixed assets available for sale</i>	-	-	-	-	-	-
<i>due to transfer of the company</i>	-	-	-	-	-	-
<i>other</i>	-	-	-	-	-	-
Allocated to discontinued operations	-	-	-	-	-	-
Internal movements (+/-)	-	-	-	-	-	-
<b>Gross value at the end of the period</b>	-	-	-	-	-	-
<b>Accumulated amortisation/depreciation at the beginning of the period</b>	-	-	-	-	-	-
amortisation/depreciation for the period	-	-	-	-	-	-
other increases	-	-	-	-	-	-
decreases	-	-	-	-	-	-
<b>Accumulated amortisation/depreciation</b>	-	-	-	-	-	-

<b>at the end of the period</b>						
Impairment loss at the beginning of the period	-	-	-	-	-	-
Recognition of impairment loss in the period	-	-	-	-	-	-
Reversal of impairment loss in the period	-	-	-	-	-	-
Value taking account of accumulated amortisation/depreciation and impairment loss at the end of the period	-	-	-	-	-	-
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-	-	-
<b>Net value at the end of the period</b>	-	-	-	-	-	-

PROPERTY, PLANT AND EQUIPMENT	FOR PERIOD 31 December 2017					
	Land and perpetual usufruct title to land	Buildings and structures	Machines and equipment	Means of transportation	Other	Total
<b>Gross value at the beginning of the period</b>	-	-	-	-	-	-
Increases	-	-	-	-	-	-
<i>acquisition</i>	-	-	-	-	-	-
<i>acquisition as part of the combination of business entities</i>	-	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-	-
<i>other</i>	-	-	-	-	-	-
Decreases	-	-	-	-	-	-
<i>disposal</i>	-	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-	-
<i>due reclassification to fixed assets available for sale</i>	-	-	-	-	-	-
<i>transfer of the company</i>	-	-	-	-	-	-
<i>other</i>	-	-	-	-	-	-
Allocated to discontinued operations	-	-	-	-	-	-

Internal movements (+/-)	-	-	-	-	-	-
<b>Gross value at the end of the period</b>	-	-	-	-	-	-
<b>Accumulated amortisation/depreciation at the beginning of the period</b>	-	-	-	-	-	-
amortisation/depreciation for the period	-	-	-	-	-	-
other increases	-	-	-	-	-	-
transfer of the company	-	-	-	-	-	-
decreases	-	-	-	-	-	-
<b>Accumulated amortisation/depreciation at the end of the period</b>	-	-	-	-	-	-
Impairment loss at the beginning of the period	-	-	-	-	-	-
Recognition of impairment loss in the period	-	-	-	-	-	-
Reversal of impairment loss in the period	-	-	-	-	-	-
Value taking account of accumulated amortisation/depreciation and impairment loss at the end of the period	-	-	-	-	-	-
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-	-	-
<b>Net value at the end of the period</b>	-	-	-	-	-	-

The Company does not own cars classified as PP&E under lease as of 31 December 2017 and 30 June 2018, respectively.

As of 31 December 2017 and 30 June 2018, the Company did not incur any expenditures on PP&E under construction.

## Note 2 - Intangible assets

INTANGIBLE ASSETS	FOR THE PERIOD 30 JUNE 2018				
	Own development work	Intangible assets purchased			Total
		Patents and trademarks	Licences	Other	

<b>Gross value at the beginning of the period</b>	-	-	-	-	-
Increases	-	-	-	-	-
<i>acquisition</i>	-	-	-	-	-
<i>own development work</i>	-	-	-	-	-
<i>acquisition as part of the combination of business entities</i>	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-
<i>other</i>	-	-	-	-	-
Decreases	-	-	-	-	-
<i>decommissioning</i>	-	-	-	-	-
<i>liquidation</i>	-	-	-	-	-
<i>disposal</i>	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-
<i>due reclassification to fixed assets available for sale</i>	-	-	-	-	-
<i>transfer of the company</i>	-	-	-	-	-
<i>other</i>	-	-	-	-	-
<b>Gross value at the end of the period</b>	-	-	-	-	-
<b>Accumulated amortisation/depreciation at the beginning of the period</b>	-	-	-	-	-
amortisation/depreciation for the period	-	-	-	-	-
other increases	-	-	-	-	-
transfer of the company	-	-	-	-	-
decreases	-	-	-	-	-
<b>Accumulated amortisation/depreciation at the end of the period</b>	-	-	-	-	-
Impairment loss at the beginning of the period	-	-	-	-	-
Recognition of impairment loss in the period	-	-	-	-	-
Reversal of impairment loss in the period	-	-	-	-	-
Value taking account of accumulated amortisation/depreciation	-	-	-	-	-

and impairment loss at the end of the period					
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-	-
<b>Net value at the end of the period</b>	-	-	-	-	-

INTANGIBLE ASSETS	FOR PERIOD 31 December 2017				
	Own development work	Intangible assets purchased			Total
		Patents and trademarks	Licences	Other	
<b>Gross value at the beginning of the period</b>	-	-	-	-	-
Increases	-	-	-	-	-
<i>acquisition</i>	-	-	-	-	-
<i>own development work</i>	-	-	-	-	-
<i>acquisition as part of the combination of business entities</i>	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-
<i>other</i>	-	-	-	-	-
Decreases	-	-	-	-	-
<i>decommissioning</i>	-	-	-	-	-
<i>liquidation</i>	-	-	-	-	-
<i>disposal</i>	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-
<i>due reclassification to fixed assets available for sale</i>	-	-	-	-	-
<i>transfer of the company</i>	-	-	-	-	-
<i>other</i>	-	-	-	-	-
<b>Gross value at the end of the period</b>	-	-	-	-	-
<b>Accumulated amortisation/depreciation at the beginning of the period</b>	-	-	-	-	-
amortisation/depreciation for the period	-	-	-	-	-
other increases	-	-	-	-	-



transfer of the company	-	-	-	-	-
decreases	-	-	-	-	-
<b>Accumulated amortisation/depreciation at the end of the period</b>	-	-	-	-	-
Impairment loss at the beginning of the period	-	-	-	-	-
Recognition of impairment loss in the period	-	-	-	-	-
Reversal of impairment loss in the period	-	-	-	-	-
Value taking account of accumulated amortisation/depreciation and impairment loss at the end of the period	-	-	-	-	-
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-	-
<b>Net value at the end of the period</b>	-	-	-	-	-

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

### Note 3 - Investments in associates measured with equity method

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

<b>Entity name:</b>	<b>2018-06-30</b>	<b>2017-12-31</b>
Share in the associate's balance sheet	-	-
Fixed (long-term) assets	-	-
Current (short-term) assets	-	-
Long-term liabilities	-	-
Short-term liabilities	-	-
Net assets	-	-
Shares in the associate's revenue and financial result:	-	-
Revenues	-	-
Profit/loss	-	-
<b>Carrying value of investments in the associate</b>	-	-

The Issuer does not have shares in associates that are measured using the equity method.

#### Note 4 - Financial assets available for sale

FINANCIAL ASSETS AVAILABLE FOR SALE	2018-06-30	2017-12-31
<b>Shares of listed companies at the beginning of the period</b>	-	-
<b>In subsidiaries, at the beginning of the period, including:</b>	-	-
at acquisition price	-	-
a) increases	-	-
reclassification from group of entities	-	-
purchase	-	-
measurement	-	-
b) decreases	-	-
reclassification to group of entities	-	-
sale	-	-
measurement	-	-
<b>In subsidiaries, at the end of the period</b>	-	-
<b>In associates, at the beginning of the period, including:</b>	-	-
at acquisition price	-	-
a) increases	-	-
reclassification from group of entities	-	-
purchase	-	-
measurement, including:	-	-
reversal of fair value measurement of shares sold	-	-
balance sheet measurement to fair value	-	-
b) decreases	-	-
reclassification to group of entities	-	-
sale	-	-
measurement, including:	-	-
a) reversal of fair value measurement of shares sold	-	-
b) balance sheet measurement at fair value	-	-
<b>In associates, at the end of the period</b>	-	-
<b>In other companies, at the beginning of the period, including:</b>	-	-
at acquisition price	-	-
a) increases	-	-
reclassification from group of entities	-	-
purchase	-	-
measurement, including	-	-
reversal of fair value measurement of shares sold	-	-
balance sheet measurement to fair value	-	-

b) decreases	-	-
reclassification to group of entities	-	-
sale	-	-
measurement	-	-
<b>In other companies, at the end of the period</b>	-	-
<b>Shares of listed companies at the end of the period</b>	-	-
in subsidiaries, including:	-	-
at acquisition price	-	-
in associates, including:	-	-
at acquisition price	-	-
in other companies, including:	-	-
at acquisition price	-	-

<b>Shares/interests of non-listed companies at the beginning of the period</b>	<b>9,701</b>	<b>9,991</b>
<b>In subsidiaries, at the beginning of the period, including:</b>	<b>9,701</b>	<b>9,991</b>
at acquisition price	9,701	9,991
a) increases	-	-
reclassification from group of entities	-	-
purchase	-	-
transfer of business	-	-
reclassification from borrowing granted	-	-
measurement reversal	-	-
b) decreases	-	290
reclassification to group of entities	-	-
sale	-	290
transfer of business	-	-
measurement	-	-
<b>At the end of the period in subsidiaries</b>	<b>9,701</b>	<b>9,991</b>
<b>In associates, at the beginning of the period, including:</b>	-	-
at acquisition price	-	-
a) increases	-	-
reclassification from group of entities	-	-
purchase	-	-
measurement, including:	-	-
reversal of fair value measurement of shares sold	-	-
balance sheet measurement to fair value	-	-
b) decreases	-	-
reclassification to group of entities	-	-

sale	-	-
measurement, including:	-	-
a) reversal of fair value measurement of shares sold	-	-
b) balance sheet measurement at fair value	-	-
<b>In associates, at the end of the period</b>	-	-
<b>In other companies, at the beginning of the period, including:</b>	-	-
at acquisition price	-	-
a) increases	-	-
reclassification from group of entities	-	-
purchase	-	-
measurement, including	-	-
reversal of fair value measurement of shares sold	-	-
balance sheet measurement to fair value	-	-
b) decreases	-	-
reclassification to group of entities	-	-
sale	-	-
measurement	-	-
<b>In other companies, at the end of the period</b>	-	-
<b>Shares/interests of non-listed companies at the end of the period</b>	<b>9,701</b>	<b>9,701</b>
in subsidiaries, including:	9,701	9,701
at acquisition price	9,701	9,701
in associates, including:	-	-
at acquisition price	-	-
in other companies, including:	-	-
at acquisition price	-	-
<b>Total shares/interests</b>	<b>9,701</b>	<b>9,701</b>
Shares of listed companies	-	-
Shares/interests of non-listed companies	9,701	9,701

#### WRITE-DOWNS ON FINANCIAL ASSETS AVAILABLE FOR SALE AS OF 2018-06-30

Name of the entity	As at the beginning of the period	Increases	Decreases	As at the end of the period
-	-	-	-	-
-	-	-	-	-
<b>Total write-downs</b>	-	-	-	-

#### WRITE-DOWNS ON FINANCIAL ASSETS AVAILABLE FOR SALE AS OF 2017-12-31

Name of the entity	As at the beginning of the period	Increases	Decreases	As at the end of the period
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-	-	-	-	-
-	-	-	-	-
<b>Total write-downs</b>	-	-	-	-

## Note 5 - Borrowings granted

BORROWINGS GRANTED								
Long-term	Borrowing amount	Interest rate	Maturity	Status as of		Interest accrued from the beginning of the financial year to		Security
				2018-06-30	2017-12-31	2018-06-30	2017-06-30	
<i>Borrowings granted to related parties</i>								
Quantum Brasil	423	2%	31.12.2018	206	-	3	15	-
Qcadoo Limited sp. z o.o.	30	2%+6MWIBOR	31.12.2018	-	-	1	1	-
<i>Borrowings granted to other parties</i>								
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<b>TOTAL:</b>				<b>206</b>	<b>-</b>	<b>4</b>	<b>16</b>	

BORROWINGS GRANTED								
Short-term	Borrowing amount	Interest rate	Maturity	Status as of		Interest accrued from the beginning of the financial year to		Security
				2018-06-30	2017-12-31	2018-06-30	2017-06-30	
<i>Borrowings granted to related parties</i>								
-	-	-	-	-	-	-	-	-
<i>Borrowings granted to</i>								

<i>other parties</i>								
other parties	-	-	-	-	-	-	-	-
<b>TOTAL:</b>				-	-			

Currently, the issuer holds receivables from the following borrowings:

1. In H1 2018, Qcadoo Limited sp. z o.o paid part of the borrowing granted by Quantum software S.A. in 2015 in the amount of PLN 30,000.00 As of 30 June 2018, the remaining capital amounts to PLN 21,604.59 and interest amounts to PLN 3,839.99. A write-down was created for the whole principal amount and the interest accrued.
2. As of 30 June 2018, the capital of the borrowings granted to Quantum Brasil in 2017 and 2018 amounts to PLN 423,075.20 and the interest accrued amounts to PLN 4,355.41. A write-down was created for the amount of PLN 221,582.67

## Note 6 - Other receivables and prepayments

OTHER RECEIVABLES AND PREPAYMENTS	2018-06-30	2017-12-31
<b>Receivables from subsidiaries:</b>	-	-
- long-term portion	-	-
- short-term portion	-	-
<b>Receivables from related parties:</b>	-	-
- long-term portion	-	-
- short-term portion	-	-
<b>Advances:</b>	-	-
- long-term portion	-	-
- short-term portion	-	-
<b>Other receivables:</b>	<b>13</b>	<b>16</b>
- long-term portion	-	-
- short-term portion	13	16
<b>Prepayments:</b>	<b>18</b>	<b>16</b>
- long-term portion	-	-
- short-term portion	18	16
<b>Impairment losses at the beginning of the period</b>	-	-
<b>Recognition of impairment losses in the period</b>	-	-
<b>Reversal of impairment loss in the period</b>	-	-
<b>Impairment losses at the end of the period</b>	-	-
<b>TOTAL</b>	<b>31</b>	<b>32</b>

### Other receivables comprise:

- security deposits paid	-	-
- payroll	-	-
- other employee settlements	-	-
- input VAT to be settled in future periods	4	4
- output VAT on corrective invoices to be settled in future periods	3	6
- VAT	-	-
- ZUS (social insurance institution) - overpayment	1	1
- settlements with a brokerage house related to the purchase of treasury shares	5	5
- other settlements with suppliers	-	-
- other receivables	-	-
<b>TOTAL:</b>	<b>13</b>	<b>16</b>



**Prepayments/accruals include**

- settlement of long-term contracts	-	-
- inter-period cost settlement	-	-
- other prepayments	-	-
- property insurance	18	16
- appropriation for the Company Social Benefit Fund (ZFSS)	-	-
- prepaid subscriptions, etc.	-	-
- settlement of VAT related to lease agreements to be settled in subsequent periods – within 12 months	-	-
- settlement of VAT related to lease agreements to be settled in subsequent periods – above 12 months	-	-

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<b>TOTAL:</b>	<b>18</b>	<b>16</b>
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## Note 7 - Inventories

INVENTORIES	As of 2018-06-30				
	Materials	Work in progress	Finished products	Goods	Total
<b>Measurement according to the acquisition price/manufacturing cost</b>	-	-	-	-	-
<i>Measurement according to the net realisable value</i>	-	-	-	-	-
Write-downs on inventory at the beginning of the period	-	-	-	-	-
Reversed write-downs on inventory recognised as a decrease in the write-downs in the period	-	-	-	-	-
Write-downs on inventory recognised as cost in the period	-	-	-	-	-
<b>Write-downs on inventory at the end of the period</b>	-	-	-	-	-
<i>Inventory recognised as cost in the period</i>	-	-	-	-	-
<b>Carrying value of inventories</b>	-	-	-	-	-
<i>Value of inventory securing liabilities</i>	-	-	-	-	-
<i>Including long-term portion</i>	-	-	-	-	-

INVENTORIES	As of 2017-12-31				
	Materials	Work in progress	Finished products	Goods	Total
<b>Measurement according to the acquisition price/manufacturing cost</b>	-	-	-	-	-
<i>Measurement according to the net realisable value</i>	-	-	-	-	-
Write-downs on inventory at the beginning of the period	-	-	-	-	-
Reversed write-downs on inventory recognised as a decrease in the write-downs in the period	-	-	-	-	-
Write-downs on inventory recognised as cost in the period	-	-	-	-	-
<b>Write-downs on inventory at the end of the period</b>	-	-	-	-	-
<i>Inventory recognised as cost in the period</i>	-	-	-	-	-
<b>Carrying value of inventories</b>	-	-	-	-	-
<i>Value of inventory securing liabilities</i>	-	-	-	-	-
<i>Including long-term portion</i>	-	-	-	-	-

As of 31 December 2017 and 30 June 2018, the company did not hold any goods for resale.

## Note 8 - Trade receivables

TRADE RECEIVABLES	2018-06-30	2017-12-31
Trade receivables from related parties	129	70
Trade receivables from other parties	115	123
<b>Total receivables</b>	<b>244</b>	<b>193</b>
<b>Write-downs on trade receivables</b>	-	-
<b>Net trade receivables</b>	<b>244</b>	<b>193</b>

AGE STRUCTURE OF TRADE RECEIVABLES	Gross	Write-down	Gross	Write-down
	2018-06-30		2017-12-31	
performing	243	-	166	-
Overdue up to 3 months	1	-	26	-
Overdue between 3 and 6 months	-	-	1	-
Overdue between 6 and 12 months	-	-	-	-
Overdue over 1 year	-	-	-	-
<b>Total</b>	<b>244</b>	-	<b>193</b>	-

MOVEMENTS IN WRITE-DOWNS	2018-06-30	2017-12-31
As at the beginning of the period	-	43
Increases	-	-
Decreases	-	43
<b>As at the end of the period</b>	-	-

As of 31 December 2017 and 30 June 2018, the Company did not have any write-downs.

## Note 9 - Cash and cash equivalents

CASH AND CASH EQUIVALENTS	2018-06-30	2017-12-31
Cash in hand and cash in bank	329	269
Short-term deposits	556	814
<b>Total, including:</b>	<b>885</b>	<b>1,083</b>
- cash in hand and cash in bank allocated to discontinued operations	-	-
- cash in hand and cash in bank not available for use by the Group	-	-

As of 30 June 2018, cash at Quantum software S.A. decreased by PLN 198.743.47.

In 2017 and 2018, the company put out cash in the form of short-term deposits, the so-called Overnight short-term deposits with annual fixed rate between 1.8% and 1.9%.

## Note 10 - Basic capital

BASIC CAPITAL		As of 2018-06-30					
Series/issue	Type of share	Preference	Type of limitation of the rights to shares	Number of shares	Value of series/issue according to par value	Registration date	Right to dividend (since)
Series A	Registered shares	Yes	No	750.000	375,000	07-03-1997	1997
Series B	Ordinary bearer shares	No	No	84.113	42,057	02-08-2007	2007
Series C	Ordinary bearer shares	No	No	470.000	235,000	11-09-2007	2007
Series D	Ordinary bearer shares	No	No	10,757	5,379	11-05-2011	2011
<b>Total number of shares</b>				<b>1 314 870</b>			
<b>Total share capital</b>					<b>657,435</b>		
<i>Nominal value per share</i>					0.50		

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%
Others	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. As a result, the amount of share capital changed and it currently amounts to PLN 657,435.00. In H1 2018 there were no changes in the shareholding structure.

## Note 11 - Number of shares comprising share capital

NUMBER OF SHARES COMPRISING BASIC CAPITAL	2018-06-30	2017-12-31
Ordinary shares with a nominal value of PLN 0.50	1,314,870	1,314,870
<b>Total</b>	<b>1,314,870</b>	<b>1,314,870</b>

CHANGES IN THE NUMBER OF SHARES	2018-06-30	2017-12-31
<b>Ordinary shares issued and fully paid-up</b>		
At the beginning of the period	1,314,870	1,480,757
Redeemed	-	-165,887
At the end of the period	1,314,870	1,314,870
<b>Ordinary shares issued and not paid up in full</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	14,930
Repurchase from Quantum Qguar	-	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	-	-

BASIC CAPITAL	2018-06-30	2017-12-31
Nominal value per share	0.50	0.50
<b>Basic capital value</b>	<b>657</b>	<b>657</b>

## Note 12 - Treasury shares

TREASURY SHARES			
Status as of 30-06-2018	Number of shares	Value at acquisition prices	Purpose of acquisition
	14,930	102	Article 362 section 1 item 8 of the Commercial Companies Code
<b>TOTAL</b>	<b>14,930</b>	<b>102</b>	<b>0</b>

Between 2009 and 2014, 14,930 treasury shares were repurchased for the purpose of the company's incentive plan (hereinafter referred to as "POM") for its managerial personnel. The Management Board was authorised to purchase treasury shares by way of Resolution No. 17 of 18 May 2009, pursuant to Article 362 section 1 item 8 of the Commercial Companies Code. The authorisation expired on 18 May 2014.

Since the business goals (mentioned in POM) were not achieved, 14,930 treasury shares were not allocated for realisation of POM. As a result, on 15 March 2013 the Supervisory Board adopted a resolution on suspension of POM. The plan introduced by the Company in 2008 was partially realised and expired on 31 December 2013.

On 26 June 2017 the Ordinary General Meeting of Shareholders of Quantum software SA adopted the Resolution no. 17 on the allocation of treasury shares acquired by the Company between 2009 and 2014 in which they agreed to allocate 14,930 treasury shares to persons belonging to the managerial personnel of the Company and Quantum software S.A. Capital Group companies, authorising the Supervisory Board of the Company to determine detailed parameters of shares acquisition. The Supervisory Board of the Company determined detailed parameters of shares acquisition by way of Resolution no. 2 of 6 September 2017 based on the abovementioned authorisation granted by Ordinary General Meeting of Shareholders. In a letter addressed to the Supervisory Board, the Management Board of Quantum software SA listed the most important persons for the Company, including the number of shares allocated to each person.

On 26 June 2018, the Supervisory Board adopted a resolution on the allocation of treasury shares in which they listed all persons, including the number of allocated shares, requiring the Management of the Company to submit offers for purchase of treasury shares within 30 days of the Ordinary General Meeting of Shareholders (referring to the financial year of 2017). Appropriate offers were submitted and accepted by particular members of the managerial personnel.











## Note 14 - Provisions

PROVISIONS					
	As of 30 June 2018				
	Provisions for repairs under guarantee	Restructuring provisions	Provisions for employee and similar benefits	Other provisions	Total
<b>Value at the beginning of the period, including</b>	-	-	-	-	-
<i>Short-term, at the beginning of the period</i>	-	-	-	-	-
<i>Long-term, at the beginning of the period</i>	-	-	-	-	-
Increases	-	-	-	-	-
Created in the period and increase in the existing ones	-	-	-	-	-
Purchased as part of business combinations	-	-	-	-	-
Decreases	-	-	-	-	-
Used during the year	-	-	-	-	-
Released but not used	-	-	-	-	-
Transfer of business	-	-	-	-	-
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-	-
Discount rate adjustment	-	-	-	-	-
<b>At the end of the period, including</b>	-	-	-	-	-
<i>Short-term, at the end of the period</i>	-	-	-	-	-
<i>Long-term, at the end of the period</i>	-	-	-	-	-

PROVISIONS					
	For period 31 December 2017				
	Provisions for repairs under guarantee	Restructuring provisions	Provisions for employee and similar benefits	Other provisions	Total
<b>Value at the beginning of the period, including</b>	-	-	-	-	-
<i>Short-term, at the beginning of the period</i>	-	-	-	-	-
<i>Long-term, at the beginning of the period</i>	-	-	-	-	-
Increases	-	-	-	-	-
Created in the period and increase in the existing	-	-	-	-	-

ones					
Purchased as part of business combinations	-	-	-	-	-
Decreases	-	-	-	-	-
Used during the year	-	-	-	-	-
Released but not used	-	-	-	-	-
Transfer of business	-	-	-	-	-
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-	-
Discount rate adjustment	-	-	-	-	-
<b>At the end of the period, including</b>	-	-	-	-	-
<i>Short-term, at the end of the period</i>	-	-	-	-	-
<i>Long-term, at the end of the period</i>	-	-	-	-	-

As of 31.12.2017 and 30.06.2018, the Company did not create any provisions.

**Note 15 - Bank loans and borrowings**

LONG-TERM BANK LOANS AND BORROWINGS			2018-06-30		2017-12-31	
Details	Effective interest rate	Maturity	Short-term portion	Long-term portion	Short-term portion	Long-term portion
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<b>Total:</b>			-	-	-	-

SHORT-TERM BANK LOANS AND BORROWINGS			2018-06-30	2017-12-31
Details	Effective interest rate	Maturity		
Borrowing from Quantum Qguar	-	-	-	10
-	-	-	-	-
-	-	-	-	-
<b>Total:</b>			-	<b>10</b>

As of 31 December 2017, the parent company made one loan agreement, and as of 30 June 2018 it did not hold any loans and borrowings.

## Note 16 - Other financial liabilities

LIABILITIES DUE TO FINANCE LEASE AGREEMENTS				
FUTURE MINIMUM LEASE FEES AND PRESENT VALUE OF MINIMUM NET LEASE FEES				
	30 JUNE 2018		31 DECEMBER 2017	
	Minimum fees	Present value of minimum fees	Minimum fees	Present value of minimum fees
up to 1 year	-	-	-	-
from 1 to 5 years	-	-	-	-
over 5 years	-	-	-	-
<b>Total</b>	-	-	-	-

As of 31 December 2017 and 30 June 2018, the parent company did not conclude lease agreements.



## Note 17 - Trade liabilities

TRADE LIABILITIES	2018-06-30	2017-12-31
Trade liabilities due to related parties:	152	159
Trade liabilities due to other entities	20	12
<b>Total</b>	<b>172</b>	<b>171</b>

## Note 18 - Other liabilities and accruals

OTHER LIABILITIES AND ACCRUALS	2018-06-30	2017-12-31
<b>Liabilities to subsidiaries:</b>	-	-
- long-term portion	-	-
- short-term portion	-	-
<b>Liabilities from related parties:</b>	-	-
- long-term portion	-	-
- short-term portion	-	-
<b>Advances:</b>	-	-
- long-term portion	-	-
- short-term portion	-	-
<b>Other liabilities:</b>	<b>2,942</b>	<b>31</b>
- long-term portion	-	-
- short-term portion	2,942	31
<b>Accruals:</b>	<b>2</b>	<b>-</b>
- long-term portion	-	-
- short-term portion	2	-
<b>Deferred income:</b>	<b>-</b>	<b>-</b>
- long-term portion	-	-
- short-term portion	-	-
<b>Total, including:</b>	<b>2,944</b>	<b>31</b>
- long-term portion	-	-
- short-term portion	2,944	31

### Other liabilities include:

payroll tax	11	11
income tax	-	-
social security and health insurance	1	1
VAT	11	19
other taxes, customs, insurance and other benefits	-	-
payroll	-	-

dividend	2,919	-
other liabilities	-	-
settlement of special purpose funds	-	-
<b>TOTAL:</b>	<b>2,942</b>	<b>31</b>

**Prepayments/accruals include:**

Settlement of long-term contracts	-	-
Other prepayments/accruals	-	-
Turn-of-period costs	2	-
settlement of subsidy received – within 12 months	-	-
settlement of subsidy received – over 12 months	-	-
<b>TOTAL:</b>	<b>2</b>	<b>-</b>

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

REVENUES FROM SALE OF PRODUCTS, GOODS AND MATERIALS						
	Continuing operations		Discontinued operations		Total	
	2018-06-30	2017-06-30	2018-06-30	2017-06-30	2018-06-30	2017-06-30
Revenues from the sale of products	-	-	-	-	-	-
Revenues from the sale of services	636	576	-	-	636	576
Revenues from the sale of materials	-	-	-	-	-	-
Revenues from the sale of goods	-	12	-	-	-	12
<b>TOTAL</b>	<b>636</b>	<b>588</b>	<b>-</b>	<b>-</b>	<b>636</b>	<b>588</b>
including: non-cash revenue from exchange of goods or services	-	-	-	-	-	-

In 2018, an increase in sales compared to the same period in 2017 was recorded. The sale of goods is the company's auxiliary business related to specific orders as part of the performance of contracts with counterparties.

## Note 20 - Costs by type

<b>COSTS BY TYPE</b>	<b>2018-06-30</b>	<b>2017-06-30</b>
Amortisation of tangible assets	-	-
Amortisation of intangible assets	-	-
Employee benefits' costs	151	123
Consumption of raw materials and materials	-	-
Costs of third-party services	394	480
Costs of taxes and charges	1	1
Other costs	23	13
Change in the balance of products and work-in-progress	-	-
Value of sold goods	-	9
<b>TOTAL</b>	<b>569</b>	<b>626</b>
Cost of sales	-	-
Administrative expenses	324	455
Cost of products, goods and materials sold	245	171
<b>TOTAL</b>	<b>569</b>	<b>626</b>

<b>EMPLOYEE BENEFITS' COSTS</b>	<b>2018-06-30</b>	<b>2017-06-30</b>
Salaries and wages	151	123
Social security costs	-	-
Costs of defined contribution plans	-	-
Costs of defined benefit plans, including:	-	-
Costs of other long-term employee benefits	-	-
Benefits due to termination of employment	-	-
Retirement benefits	-	-
Other benefits	-	-
Other post-employment benefits	-	-
Costs of employee benefits in the form of treasury shares	-	-
<b>TOTAL</b>	<b>151</b>	<b>123</b>

<b>R&amp;D EXPENSES</b>	<b>2018-06-30</b>	<b>2017-06-30</b>
Amortisation and depreciation	-	-
Consumption of raw materials and auxiliary materials	-	-
Costs of third-party services	-	-
Other costs	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

## Note 21 - Other revenues and expenses

<b>OTHER REVENUES</b>	<b>2018-06-30</b>	<b>2017-06-30</b>
State subsidies	-	-
Profit on the sale of property, plant and equipment	-	-
Reversal of impairment losses on receivables	-	2
Reversal of impairment losses on inventories	-	-
Reversal of impairment losses on intangible assets	-	-
Reversal of impairment losses on PP&E	-	-
Reversal of impairment losses on investment property	-	-
Reversal of other provisions	-	-
Reversal of provision for the entity's restructuring costs	-	-
Damages received	-	-
Adjustment of remuneration for previous year(s)	-	-
Refund of insurance policy premiums	-	-
Other operating revenues	-	-
Other	-	-
<b>TOTAL</b>	-	<b>2</b>
including: non-cash revenue from exchange of goods or services	-	-

<b>OTHER COSTS</b>	<b>2018-06-30</b>	<b>2017-06-30</b>
Loss on sale of property, plant and equipment	-	-
Provision for guarantee repairs	-	-
Direct expenses (including renovation and maintenance) due to investment property rented out	-	-
Accumulated loss on revaluation of investment property to fair value	-	-
Impairment losses on receivables	-	-
Impairment losses on inventories	-	-
Impairment losses on intangible assets	-	-
Impairment losses on property, plant and equipment	-	-
Impairment losses on investment properties	-	-
Provision for the entity's restructuring costs	-	-
Other operating costs	-	-
Other	-	-
<b>TOTAL</b>	-	-

## Note 22 - Financial income and costs

<b>FINANCIAL REVENUE</b>	<b>2018-06-30</b>	<b>2017-06-30</b>
Interest revenue	6	5
deposits	4	4
borrowings	2	1
Dividend income	-	-
Investment income	11	-
Foreign exchange gains	18	-
Other	-	-
Reversal of impairment losses on financial assets, including:	-	-
assets available for sale	-	-
financial assets and liabilities measured at fair value through income statement	-	-
hedging instruments	-	-
Profit on change in the fair value of financial instruments	-	-
assets available for sale	-	-
financial assets and liabilities measured at fair value through income statement	-	-
hedging instruments	-	-
<b>TOTAL</b>	<b>35</b>	<b>5</b>

<b>FINANCIAL COSTS</b>	<b>2018-06-30</b>	<b>2017-06-30</b>
Interest costs, including:	3	-
bank loans	-	-
borrowings	-	-
bonds	-	-
other	-	-
state budget interest	3	-
Financial costs arising from finance lease agreements	-	-
Adjustment due to the discount of provisions to ...	-	-
Unrealised loss on a contract on ...	-	-
Remittance of borrowing and interest	-	-
Loss on sale of financial assets	-	-
Foreign exchange losses	-	3
Impairment losses on financial assets, including:	4	1
assets available for sale	-	-
borrowings granted	4	1
hedging instruments	-	-

Losses on change in the fair value of financial instruments, including:	-	-
assets available for sale	-	-
financial assets and liabilities measured at fair value through income statement	-	-
hedging instruments	-	-
<b>TOTAL</b>	<b>7</b>	<b>4</b>

## Note - 23 Income tax

MAIN CHARGES FROM THE RECOGNITION OF TAX IN THE STATEMENT OF COMPREHENSIVE INCOME	2018-06-30	2017-06-30
<b>Current income tax disclosed in income statement</b>	15	-
Current tax burden due to income tax currently payable	15	-
Adjustments regarding current income tax brought forward	-	-
<b>Deferred income tax disclosed in the income statement</b>	<b>5</b>	<b>-1</b>
Deferred tax charge/credit with respect to originating and reversing temporary differences	5	-1
Deferred tax charge/credit with respect to changes in tax rates	-	-
<b>Tax charge/credit disclosed in the income statement, including:</b>	<b>20</b>	<b>-1</b>
- attributed to continuing operations	5	-1
- attributed to discontinued operations	-	-
<b>Income tax related to items presented in other comprehensive income</b>	<b>-</b>	<b>-</b>
Deferred tax charge/credit related to revaluation of cash flow hedges	-	-
Deferred tax burden/recognition related to revaluation of PP&E	-	-
<b>Tax burden/recognition disclosed in the statement of comprehensive income</b>	<b>20</b>	<b>-1</b>

MAIN ITEMS OF TAX CHARGE/CREDIT IN THE STATEMENT OF CHANGES IN EQUITY	2018-06-30	2017-06-30
<b>Current income tax</b>	-	-
Deferred income tax	-	-
<b>Tax charge/credit disclosed in the statement of changes in equity</b>	<b>-</b>	<b>-</b>

RECONCILIATION OF INCOME TAX ON THE GROSS FINANCIAL RESULT BEFORE TAX AND INCOME TAX DISCLOSED IN THE INCOME STATEMENT	2018-06-30	2017-06-30
<b>Gross financial result before tax (continuing and discontinued operations)</b>	<b>95</b>	<b>-35</b>
Tax rate (%)	19.00%	19.00%
Tax charge according to the applied tax rate	18	-7
Adjustments regarding current income tax brought forward	-	-
Tax benefits on investments	-	-

Revaluation	-	-
Non-taxable revenues, including	-	-
Interest accrued as of the balance sheet date	-3	-
Balance sheet measurement	-4	-1
Subsidy settled in the current year	-	-
Reversal of write-down on non-financial assets	-	-
Reversal of write-down on financial assets	-1	-
Taxable revenue (licences) in previous years	-	-
Transfer of business – deferred tax	-	-
Other	-	-
Tax revenues, including:	-	-
Interest accrued in previous years and received in the current year	-	-
Licences transferred – settled over time	-	-
Non-tax deductible costs, including:	-	-
Amortisation/depreciation accounted for the in the balance sheet	-	-
Contributions to the National Disabled Persons' Rehabilitation Fund (PFRON)	-	-
Measurement of employee benefits	-	-
Write-down on non-financial assets	-	-
Write-down on non-financial assets – inventory	-	-
Write-down on financial assets	2	-
Balance sheet measurement	-	1
Interests	<b>1</b>	-
Net value of non-financial non-current assets sold	-	-
Remitted borrowing	-	-
No contribution to the Company Social Benefits Fund	-	-
Outstanding remuneration	-	-
Other	-	-
Tax costs, including:	-	-
Lease instalments	-	-
Tax amortisation	-	-
Offset of the Company Social Benefits Fund for previous years	-	-
Settlement of loss for the previous years	<b>-13</b>	-
Unsettled tax loss	-	-
Tax for the previous years (adjustment)	15	-
Tax paid	-	-
Current tax loss	-	7
Deferred income tax assets due to a write-down on financial assets	-	-
Deferred income tax assets due to foreign exchange losses	2	-

Deferred income tax assets due to losses brought forward	4	-
Deferred income tax assets due to a write-down on non-financial assets	-1	-1
Deferred income tax provision due to interest accrued	-	-
Deferred income tax provision due to temporary differences in the settlement of amortisation	-	-
Deferred income tax provision due to interest accrued	1	-
Deferred income tax provision due to foreign exchange gains	-1	-
<b>Tax charge/credit disclosed in the income statement</b>	<b>20</b>	<b>-1</b>

DEFERRED INCOME TAX	Statement of financial position		Income statement		Other comprehensive income	
	2018-06-30	2017-12-31	2018-06-30	2017-06-30	2018-06-30	2017-06-30
Deferred tax provision						
Differences in the settlement of amortisation	-	-	-	-	-	-
Interest accrued	2	1	1	-	-	-
Foreign exchange gains/losses	-	1	-1	-	-	-
Rounding	-	-	-	-	-	-
<b>Gross deferred income tax provision</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

DEFERRED INCOME TAX	Statement of financial position		Income statement		Other comprehensive income	
	2018-06-30	2017-12-31	2018-06-30	2017-06-30	2018-06-30	2017-06-30
Deferred tax assets						
Foreign exchange gains/losses	-1	1	2	-1	-	-
Loss brought forward	48	52	4	-	-	-
Write-down on non-financial assets	3	2	-1	-	-	-
Write-down on non-financial assets – goods	-	-	-	-	-	-
Interest accrued	-	-	-	-	-	-
Rounding	-	-	-	-	-	-
Deductible tax loss	-	-	-	-	-	-
<b>Gross deferred income tax assets</b>	<b>50</b>	<b>55</b>	<b>5</b>	<b>-1</b>	<b>-</b>	<b>-</b>

Deferred tax liability and deferred tax assets are recognised in connection with temporary differences between the carrying amount of assets, equity and liabilities and the appropriate tax base.



## Note 24 - Earnings per share

EARNINGS PER SHARE	2018-06-30	2017-06-30
Net profit for the reporting period attributable to:	75	-34

WEIGHTED AVERAGE OF ORDINARY SHARES	2018-06-30	2017-06-30
<i>in thousands of shares</i>		
Weighted average number of shares at the beginning of the period	1,314,870	1,480,757
Weighted average number of ordinary shares at the end of the period	1,314,870	1,480,757

BASIC NET EARNINGS PER SHARE	2018-06-30	2017-06-30
on continuing and discontinued operations	0.06	-0.02
on continuing operations	0.06	-0.02

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

WEIGHTED AVERAGE OF ORDINARY SHARES (DILUTED)	2018-06-30	2017-06-30
<i>in thousands of shares</i>		
Weighted average of ordinary shares	1,314,870	1,480,757
Effect of conversion of convertible bonds on shares	-	-
Effect of the issue of options on shares	-	-
<b>Weighted average number 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	2018-06-30	2017-06-30
on continuing and discontinued operations	-	-
on continuing operations	-	-

Diluted net earnings per share is calculated as attributable profit ratio per shareholders and weighted average of the diluted ordinary shares.

## Note 25 - Dividends

DECLARED AND PAID IN THE REPORTING PERIOD	2018-06-30	2017-12-31
Dividend on ordinary shares:	-	-
Dividend paid	-	2,167

Declared dividend to be paid	2,919	-
<b>Total</b>	<b>2,919</b>	<b>2,167</b>

<b>TO BE APPROVED BY THE GSM NOT RECOGNISED AS LIABILITIES AS OF THE BALANCE SHEET DATE)</b>	<b>2018-06-30</b>	<b>2017-12-31</b>
<b>Dividend on ordinary shares:</b>	-	-
<b>Total</b>	-	-

## Note 26 - Information on operating segments

The Company does not divide its product into segments because it is not possible to distinct assets from liabilities for particular types of products. That is why, it does not maintain records that allow for making a distinction between particular operating segments. The Company divides its sales into products, services and goods (note 19) and into geographical areas. The Company does not disclose any information on the customer concentration as such concentration does not exist.

<b>INFORMATION ON GEOGRAPHICAL AREAS</b>	<b>2018-06-30</b>	
	<b>Revenues</b>	<b>Fixed assets</b>
Domestic sales	636	*
Total foreign sales	-	*
including:		
Germany	-	-
Ukraine	-	-
Russia	-	-
Hungary	-	-
Czech Republic	-	-
Spain	-	-
Other	-	-
<b>TOTAL</b>	<b>636</b>	<b>-</b>

<b>INFORMATION ON GEOGRAPHICAL AREAS</b>	<b>2017-06-30</b>	
	<b>Revenues</b>	<b>Fixed assets</b>
Domestic sales	588	*
Total foreign sales	-	*
including:		
Germany	-	-
Ukraine	-	-

Russia	-	-
Hungary	-	-
Czech Republic	-	-
Other	-	-
<b>TOTAL</b>	<b>588</b>	<b>-</b>

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

INFORMATION ON TYPES OF PRODUCTS, SERVICES AND GOODS	2018-06-30	2017-06-30
	Revenues	Revenues
Products – licences	-	-
Services – implementation	115	19
Services – maintenance	191	183
Services – individual projects and other services	330	375
Long-term contracts	-	-
Goods	-	11
<b>TOTAL</b>	<b>636</b>	<b>588</b>

#### Note 27 - Transactions with related parties

TRANSACTIONS WITH RELATED PARTIES				
Parties to transaction	2018-06-30		2018-06-30	
	Sales	Purchases	Receivables	Liabilities
Parent company	330	245	129	153
Capital group companies	-	-	-	-
Non-consolidated subsidiaries	-	-	-	-
Associates	-	-	-	-
Key management personnel	-	-	-	-
Other entities, including key management personnel	-	-	-	-
<b>Total</b>	<b>330</b>	<b>245</b>	<b>129</b>	<b>153</b>

TRANSACTIONS WITH RELATED PARTIES				
Parties to transaction	2017-06-30		2017-06-30	
	Sales	Purchases	Receivables	Liabilities
Parent company	375	360	676	613
Capital group companies	-	-	-	-
Non-consolidated subsidiaries	-	-	-	-

Associates	-	-	-	-
Key management personnel	-	-	-	-
Other entities, including key management personnel	-	-	-	-
<b>Total</b>	<b>375</b>	<b>360</b>	<b>676</b>	<b>613</b>

<b>REMUNERATION OF KEY MANAGERIAL STAFF</b>	<b>2018-06-30</b>	<b>2017-06-30</b>
Short-term employee benefits	-	-
Post-employment benefits	-	-
Other long-term benefits	-	-
Benefits due to termination of employment	-	-
Employee benefits in the form of treasury shares	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

<b>TRANSACTIONS BETWEEN QUANTUM SOFTWARE S.A. AND SUBSIDIARIES</b>			
<b>Entity</b>	<b>Type of transaction</b>	<b>Transaction value in PLN</b>	<b>Transaction value in a foreign currency</b>
Quantum Qguar sp. z o.o.	Sale of services	270	-
Quantum Mobile Solutions sp. z o.o.	Sale of services	60	-
Quantum Qguar sp. z o.o.	Purchase of services	245	-
Quantum Brasil	Borrowing granted	215	EUR 47
Quantum Qguar sp. z o.o.	Repayment of borrowing with interest	10	-
Qcadoo Limited sp. z o.o.	Repayment of portion of the borrowing	8	-

## **Note 28 - Construction contracts**

Some of the contracts concluded by the Company meet the elements of long-term contracts. The Company's Management Board analyses the costs and revenues under such contracts on a regular basis. Since the differences between the progress of a contract and the associated expenses and revenues have a greater impact on the current financial result, they are presented in the table below.

<b>CONSTRUCTION CONTRACTS IN PROGRESS</b>	<b>2018-06-30</b>	<b>2017-12-31</b>
Total costs incurred	-	-
Total profit and loss recognised	-	-
Advance payments received	-	-
Security deposit	-	-
Receivables from clients under contractual works	-	-

Liabilities due to clients under contractual works	-	-
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## Note 29 - Financial instruments

FINANCIAL INSTRUMENTS - ANALYSIS OF EXPOSURE TO INTEREST RATE RISK			
As of 2018-06-30			
	Carrying value	Increase/decrease by percentage points	Effect on the gross financial result
<b>Financial assets</b>	12,007	-	-
Cash	885	-	-
Financial assets available for sale	9,701	-	-
Other financial assets	1,215	-	-
Loans granted	206	-	-
<b>Financial liabilities</b>	-	-	-
Bank loans and borrowings	-	-	-
Financial lease liabilities	-	-	-
Other financial obligations	-	-	-

FINANCIAL INSTRUMENTS - ANALYSIS OF EXPOSURE TO INTEREST RATE RISK			
As of 2017-12-31			
	Carrying value	Increase/decrease by percentage points	Effect on the gross financial result
<b>Financial assets</b>	11,987	-	-
Cash	1,083	-	-
Financial assets available for sale	9,701	-	-
Other financial assets	1,203	-	-
Loans granted	-	-	-
<b>Financial liabilities</b>	10	-	-
Bank loans and borrowings	10	-	-
Financial lease liabilities	-	-	-
Other financial obligations	-	-	-

FINANCIAL INSTRUMENTS - ANALYSIS OF EXPOSURE TO FX RISK			
As of 2018-06-30			
	Carrying value	Exchange rate increase/decrease in percentage points	Effect on the gross financial result
<b>Financial assets</b>	-	-	-
Cash in EUR	226	5%	11

Cash in USD	-	-	-
Trade and other receivables in EUR	-	0%	-
Financial liabilities	-	-	-
Overdrafts in EUR	-	-	-
Short-term loans in EUR	-	-	-
Trade liabilities in EUR	-	-	-

FINANCIAL INSTRUMENTS - ANALYSIS OF EXPOSURE TO FX RISK			
As of 2017-12-31			
	Carrying value (PLN '000)	Exchange rate increase/decrease in percentage points	Effect on the gross financial result
<b>Financial assets</b>	-	-	-
Cash in EUR	216	-6%	-12
Cash in USD	-	-	-
Trade and other receivables in EUR	-	-	-
<b>Financial liabilities</b>	-	-	-
Overdrafts in EUR	-	-	-
Short-term loans in EUR	-	-	-
Trade liabilities in EUR	-	-	-

FAIR VALUE OF THE INDIVIDUAL CATEGORIES OF FINANCIAL INSTRUMENTS					
	Category in accordance with IAS 39*	Carrying value		Fair value	
		2018-06-30	2017-12-31	2018-06-30	2017-12-31
<b>Financial assets</b>		<b>11,067</b>	<b>11,009</b>	<b>11,067</b>	<b>11,009</b>
Cash	measured at fair value through P&L	885	1,083	885	1,083
Trade and other receivables	borrowings and receivables	275	225	275	225
Receivables from borrowings granted	borrowings and receivables	206	-	206	-
Financial assets available for sale	Available for sale	9,701	9,701	9,701	9,701
<b>Financial liabilities</b>		<b>3,116</b>	<b>212</b>	<b>3,116</b>	<b>212</b>
Liabilities due to finance lease	financial liabilities at amortised cost	-	-	-	-
Trade liabilities and other	financial	3,116	202	3,116	202

payables	liabilities at amortised cost				
Short-term bank loans	financial liabilities at amortised cost	-	10	-	10

\* Categories in accordance with IAS 39: Available for sale, Held to maturity, Borrowings and receivables,

ITEMS OF REVENUE, EXPENSES, PROFIT AND LOSS RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME, BROKEN DOWN INTO CATEGORIES OF FINANCIAL INSTRUMENTS					
	for the period 2018-06-30				
	Category in accordance with IAS 39*	Interest revenues/expenses	Foreign exchange gains/losses	Releasing/creation of write-offs	Profit/loss on sales
<b>Financial assets</b>		18	18	-4	-
Cash	measured at fair value through P&L	4	10	-	-
Trade and other receivables	borrowings and receivables	-	-2	-	-
Receivables from borrowings granted	borrowings and receivables	2	10	-4	-
Financial assets available for sale	Available for sale	12	-	-	-
<b>Financial liabilities</b>		3	-	-	-
Liabilities due to finance lease	financial liabilities at amortised cost	-	-	-	-
Trade liabilities and other payables	financial liabilities at amortised cost	3	-	-	-
Short-term bank loans	financial liabilities at amortised cost	-	-	-	-

ITEMS OF REVENUE, EXPENSES, PROFIT AND LOSS RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME, BROKEN DOWN INTO CATEGORIES OF FINANCIAL INSTRUMENTS					
	FOR THE PERIOD 30.06.2017				
	Category in accordance with IAS 39*	Interest revenues/expenses	Foreign exchange gains/losses	Releasing/creation of write-offs	Profit/loss on sales

<b>Financial assets</b>		<b>6</b>	<b>-4</b>	<b>-3</b>	<b>-</b>
Cash	measured at fair value through P&L	5	-	-	-
Trade and other receivables	borrowings and receivables	-	-5	-2	-
Receivables from borrowings granted	borrowings and receivables	1	1	-1	-
Financial assets available for sale	Available for sale	-	-	-	-
<b>Financial liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Liabilities due to finance lease	financial liabilities at amortised cost	-	-	-	-
Trade liabilities and other payables	financial liabilities at amortised cost	-	-	-	-
Short-term bank loans	financial liabilities at amortised cost	-	-	-	-

### Note 30 - Explanations related to the cash flow statement

Explanations related to the cash flow statement	2018-06-30	2017-06-30
<b>Foreign exchange gains (losses) disclosed in the cash flow statement result from the following:</b>		
- foreign exchange gains/losses due to measurement of cash	-10	-
- unrealised foreign exchange gains/losses on loans and borrowings	-9	-1
- realised foreign exchange gains/losses on loans and borrowings	-	-
<b>Interest and profit sharing (dividends), including:</b>	<b>-3</b>	<b>6</b>
- received interest on borrowings granted	-	-
- received interest on cash in bank and deposits	-4	5
- received interest 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	-	-
- interest accrued on borrowings granted	-2	1
- interest accrued on loans and borrowings raised	-	-
- interest accrued on debt securities	-	-
- other interest	3	-
<b>Investment profit (loss) due to:</b>	<b>-12</b>	<b>-</b>
- revenue from sales of property, plant and equipment, and investment properties	-	-
- revenue from sales of intangible assets	-	-
- Prime cost of sale of property, plant and equipment and investment properties	-	-
- prime cost of the sales of intangible assets	-	-
- liquidation costs of property, plant and equipment	-	-
- revenue from sales of shares and interests	-	-
- prime cost of the sale of shares and interests	-	-
- other	-12	-
<b>Movements in receivables results from the following items:</b>	<b>-51</b>	<b>-517</b>
- movement in the balance of short-term receivables resulting from the balance sheet	-51	-517
- movement in the balance of long-term receivables resulting from the balance sheet	-	-
- adjustment to movement in dividend receivables	-	-
- adjustment for movement in receivables due to disposal of fixed assets, investment properties	-	-
- adjustment for movement in receivables due to disposal of intangible assets	-	-
- adjustment for movement in receivables from the disposal of financial investments (including stocks and shares)	-	-
- adjustment for movement in receivables from bank's guarantee deposits	-	-
- other adjustments	-	-
<b>Movements in liabilities, except for loans and borrowings, resulting from the following:</b>	<b>-4</b>	<b>407</b>
- movement in short-term trade and other liabilities	2 915	407
- movement in other long-term liabilities	-	-
- adjustment for movement in liability due to unpaid dividend	-2 919	-
- adjustment for movement in liabilities due to the acquisition of tangible assets	-	-
- adjustment for movement in liabilities due to the acquisition of financial assets	-	-
- adjustment for movement in lease liability	-	-
- adjustment for movement in liability due to guarantees provided to subsidiary companies	-	-
- other adjustments	-	-

<b>Income tax paid</b>	<b>-11</b>	<b>-</b>
- income tax recognised in income statement	-20	-
- adjustment for movement in deferred income tax assets	5	-
- adjustment for movement in receivables from income tax	4	-
- adjustment for movement in deferred income tax provision		-
- adjustment for movement in liabilities due to income tax	-	-
- adjustment for deferred income tax on changes in equities	-	-
- income tax reimbursed	-	-
- income tax paid	-	-
<b>“Other adjustments” include:</b>	<b>4</b>	<b>1</b>
revaluation of property, plant and equipment (positive valuation)	-	-
- revaluation of property, plant and equipment (write-down)	-	-
- revaluation of shares and interests (positive valuation)	-	-
- revaluation of shares and interest (write-down)	-	-
- revaluation of borrowings granted (write-down)	4	1
- revaluation of financial instruments	-	-
- revaluation of guarantees	-	-
- conversion of cash deposits to financial assets	-	-
- other	-	-
<b>Acquisition of PP&amp;E and intangible assets – investing activities</b>	<b>-</b>	<b>-</b>
- movement in PP&E resulting from the balance sheet	-	-
- movement in investment real property resulting from the balance sheet	-	-
- movement in intangible assets resulting from the balance sheet	-	-
- movement in the above assets in assets for sale	-	-
- amortisation/depreciation for the reporting period resulting from the income statement	-	-
- prime cost of sale of tangible assets, investment properties and intangible assets	-	-
- costs of liquidated tangible assets	-	-
- impairment losses/reversed impairment loss on the above assets	-	-
- measurement of the above non-current assets	-	-
- other	-	-
- adjustment for advances on the purchase of tangible assets and intangible assets	-	-
- adjustment for investment liabilities (purchases)	-	-

- other adjustments	-	-
- transfer of assets in the organised part of the company to a new entity	-	-

### Note 31 - Remuneration of the Parent Company's senior management

Management Board of the parent company	2018-06-30	2017-12-31
Short-term employee benefits (remunerations and surcharges)	141	246
Anniversary benefits and retirement benefits	-	-
Post-employment benefits	-	-
Benefits due to termination of employment	-	-
Employee benefits in the form of treasury shares	-	-
<b>Total</b>	<b>141</b>	<b>246</b>

Supervisory Board of the parent company	2018-06-30	2017-12-31
Short-term employee benefits (remunerations and surcharges)	10	30
Anniversary benefits and retirement benefits	-	-
Post-employment benefits	-	-
Benefits due to termination of employment	-	-
Employee benefits in the form of treasury shares	-	-
<b>Total</b>	<b>10</b>	<b>30</b>

Other key management personnel	2018-06-30	2017-12-31
Short-term employee benefits (remunerations and surcharges)	-	-
Anniversary benefits and retirement benefits	-	-
Post-employment benefits	-	-
Benefits due to termination of employment	-	-
Employee benefits in the form of treasury shares	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

	2018-06-30	2017-12-31
Board	141	246
Supervisory Board	10	30
Management Board – subsidiaries or associates	-	-
Supervisory Board – subsidiaries or associates	-	-
<b>Total</b>	<b>151</b>	<b>276</b>
Other key management personnel	-	-

**Note 32 - Disclosures on the fee of the auditor or an entity authorised to review financial statements**

	2018-06-30	2017-12-31
Statutory audit of financial statements	18	22
Other certification services	-	-
Tax consulting services	-	-
Other services	-	-
<b>Total</b>	<b>18</b>	<b>22</b>

**Note 34 - Capital management**

	2018-06-30	2017-12-31
Interest-bearing loans, borrowings and bonds	-	-
Trade liabilities and other payables	3,116	202
Less cash and cash equivalents	-885	-1,083
<b>Net debt</b>	<b>2,231</b>	<b>-881</b>
Convertible preference shares	-	-
Equity	9,244	12,087
Reserve capital on unrealised net earnings	-	-
<b>Total capital</b>	<b>9,244</b>	<b>12,087</b>
<b>Capital and net debt</b>	<b>11,475</b>	<b>11,206</b>
Leverage ratio	0.19	0.08

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

### 1) General information

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

Statistical identification number (REGON)	351243328
Tax identification number (NIP)	677-17-53-870
National Court Register (KRS)	0000136768
Share capital fully paid up	PLN 657 435.00

#### **Management Board:**

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

#### **Supervisory Board:**

Chairman of the Supervisory Board	Leopold Kutyla
Vice-chairman of the Supervisory Board	Tomasz Polończyk
Member of the Supervisory Board	Henryk Gaertner
Member of the Supervisory Board	Ruciński Andrzej
Member of the Supervisory Board	Marcin Buczkowski

The semi-annual financial statements were prepared with the assumption that member companies of the Quantum software S.A. Capital Group would continue as a going concern in foreseeable future.

## **2) Organisational structure of the Group as of 30.06.2018 – details of subsidiaries and related parties:**

Apart from the parent company the Capital Group consists of the following entities:

### **1. Company name: Quantum East Sp. z o.o. – subsidiary company**

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 fully paid up: PLN 282,500.00

### **2. Company name: Quantum International Sp. z .o.o. – subsidiary company in Ukraine**

Registered office: Kiev

Address: Prospect Moskovskij

certificate no. 100107724

Shareholders: 100% of interests are held by Quantum East

Share capital fully paid up: USD 76,200

### **3. Company name: Quantum International Sp. z .o.o. – subsidiary company in Russia**

Registered office: Moscow

Address: Letnikovskaja 10, building no. 11

certificate no. 1117746038035

Shareholders: 99% of shares are held by Quantum East

Share capital: RUB 1,200,000.00, fully paid up

### **4. Company name: Quantum I- Services Sp. z o.o. – subsidiary company**

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.

Initial capital fully paid by a contribution in kind: PLN 1,500,000.00

### **5. Company name: Quantum Mobile Solutions Sp. z o.o. – subsidiary company**

Registered office: Kraków

Address: Walerego Sławka 3a

National Court Register (KRS): 0000297249

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

Share capital fully paid up: PLN 6 000.00

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

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.

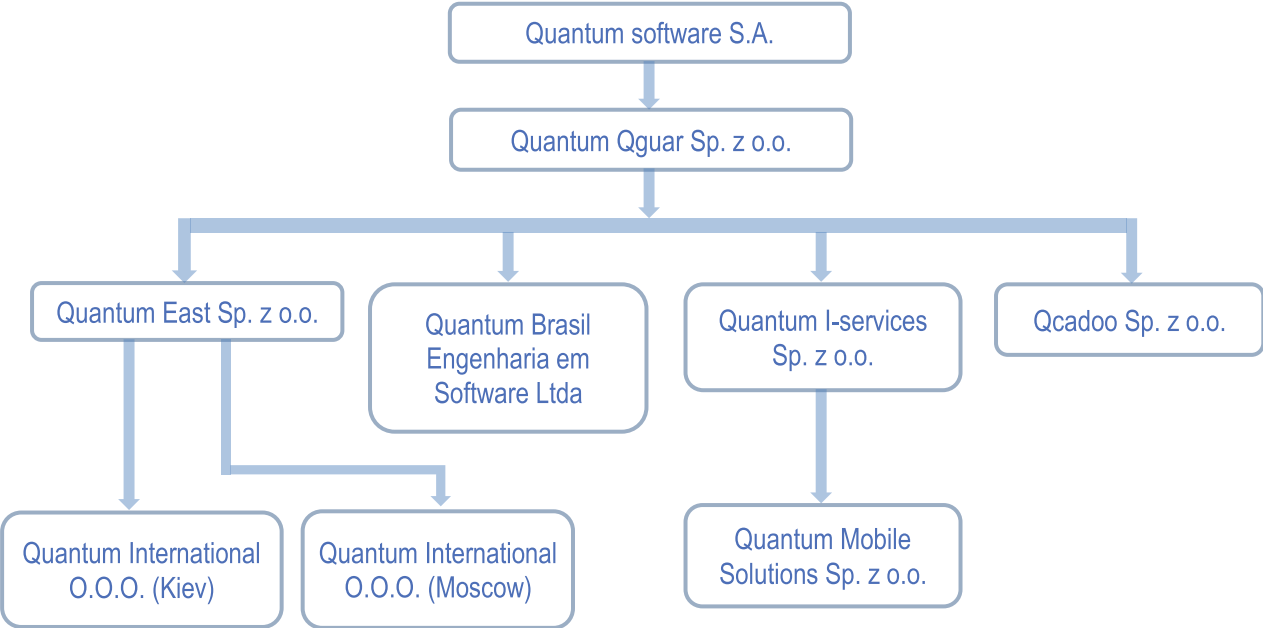
Share capital fully paid up: BRL 340,000.00

**7. Company name: Quantum Qguar sp. z o.o. – subsidiary company**

Registered office: Kraków  
Address: Walerego Sławka 3A  
National Court Register (KRS): 0000516717  
Shareholders: 100% of interests held by Quantum software S.A.  
Share capital paid for with a contribution in kind in the amount of PLN 3,995,000.00, and with a contribution in cash in the amount of PLN 5,000.00.

**8. Firma Qcadoo Limited sp. z o.o. – subsidiary company**

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: PLN 5,000.00, fully paid up



**3) Description of changes in the issuer's capital group organisational structure, including the effects of combining entities, gaining or losing control over subsidiary companies and long-term investments, as well as division, restructuring or discontinuation of business activities and indicating entities that are subject to consolidation, and, in the case of an issuer which is a parent company and, based on the applicable regulations, is not obliged to or cannot draw up consolidated financial statements - including the reason of and the legal basis for lack of consolidation.**

Quantum software S.A. – the Group's parent company - after the incorporation of Quantum Qguar Sp. z o.o., currently it mainly acts as a holding company;

Quantum East Sp. z o.o. – the Group's subsidiary in which Quantum Qguar sp. z o.o. holds 63.74% of shares (holding nature). Full consolidation method.

Quantum International Sp. z o.o. (Ukraine) - the Group's subsidiary in which Quantum East sp. z o.o. holds 100% of shares – the activity consists in selling and implementing IT solutions provided by Quantum software SA in Russian-speaking countries. Full consolidation method.

Quantum International Sp. z o.o. (Russia) – the Group's subsidiary in which Quantum East sp. z o.o. holds 99% of shares - the Company was established to focus on sale and implementation of IT solutions offered by Quantum software S.A. in Russia.

Quantum I- Services Sp. z o.o. - the Group's subsidiary in which Quantum Qguar sp. z o.o. holds 100% of shares - The company sells licences, equipment and IT services that are not directly related to Quantum software SA's own products (i.e. currently Qguar product series). Full consolidation method.

Quantum Mobile Solutions Sp. z o.o. – the Group's subsidiary, in which Quantum I - Services Sp. z o.o. holds 100% of interests - the business focus of the Company consists in the development and sale of IT solutions for mobile devices. Full consolidation method.

Quantum Brasil Engenharia em Software Ltda- ME. – the Group's subsidiary in which Quantum Qguar sp. z o.o. holds 85% of shares. The purpose of the company is to introduce the Quantum's offer to the Federative Republic of Brazil. Full consolidation method.

Quantum Qguar sp. z o.o. – the Group's subsidiary company in which Quantum Software S.A. holds 100% of shares. The company develops and implements IT systems. Full consolidation method.

Qcadoo Limited sp. z o.o. – the Group's subsidiary company in which Quantum Qguar sp. z o.o. holds 94% of shares - the Company implements and delivers SaaS-type software that supports production management. Full consolidation method.



In H1 2018 no changes were introduced to the QS SA Capital Group's organisational structure.

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

In H1 2018, the Capital Group earned revenues from sales of PLN 13 401.00, compared to PLN 14 724.00 in a similar period last year. This means that the decrease by 14.8% which primary results from the last year's sales of shares at Edisonda Sp. z o.o. This company's results are not consolidated any more, as opposed to a similar period in 2017.

The sale of licences and services related to the company's own software (Qguar package) made up for 80.4% of total sales in H1 2018 and increased by 8%, to PLN 10 773.00, compared to half year of 2017.

The Group's net profit was PLN 532,000.00, compared to PLN 939,000.00 in a similar period in the previous year.

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

The current financing structure will not cause any risk of liquidity loss or imbalance.

#### Product structure of the Quantum Group

	01.01 - 30.06.2018	% share	01.01 - 30.06.2017	% share
<b>Qguar licences and services</b>	10,772	80.4%	9,977	63.5%
<b>Goods</b>	2,232	16.6%	3,374	21.4%
<b>Other sales</b>	397	3.0%	2,374	15.1%
<b>Total</b>	<b>13,401</b>	<b>100%</b>	<b>15,724</b>	<b>100%</b>

Data in PLN '000

#### Sales by markets

	01.01 - 30.06.2018	% share	01.01 - 30.06.2017	% share
<b>Domestic</b>	11,546	86.2%	12,872	81.9%
<b>International</b>	1,855	13.8%	2,853	18.1%
<b>Total</b>	<b>13,401</b>	<b>100%</b>	<b>15,724</b>	<b>100%</b>

Data in PLN '000

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

➤ **Acquiring new clients in Poland and abroad in H1 2018:**

- Famos sp. z o.o. (Quantum Qguar)
- Logwin Air+Ocean Poland sp. z o.o. (Quantum Qguar)
- Rubieżanskij Kartonno-Tarnyj Kombinat SA (Quantum International Ukraine)
- Nauchno-proizvodstvennoe-obedinenie "UBC-Promo" O.O.O. (Quantum International Ukraine)
- Roshen sp. z o.o. (Quantum International Ukraine)

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

- Dino Polska S.A. (Quantum Qguar)
- PPUH Autopart Jacek Bąk sp. z o.o.
- Agro Rydzyna sp. z o.o. (Quantum Qguar)
- Żabka Polska Sp. z o.o. (Quantum Qguar)
- Hama Polska sp. z o.o. (Quantum Qguar)
- Grupa Maspex sp.z o.o. sp.k. (Quantum Qguar)
- Eko-Okna SA (Quantum Qguar)
- Neuca SA (Quantum Qguar)

**6) Treasury shares buy-back program**

Between 2009 and 2014 the company repurchased 14 930 treasury shares. The treasury shares were repurchased for the purpose of the company's Incentive Plan for its managerial personnel.

The Management Board's authorisation to acquire treasury shares granted by the Ordinary General Meeting of 18 May 2009 expired on 18 May 2014.

On 25 June 2015, the Ordinary General Meeting of Shareholders of Quantum software S.A. adopted a resolution on authorising the Management Board to repurchase treasury shares under the following conditions:

- the purpose of repurchasing treasury shares is their redemption;
- the amount of funds for repurchasing treasury shares cannot exceed PLN 2,000,000.00;
- the Management Board is authorised to purchase treasury shares by 25 June 2018;
- the Management Board will set the start and end dates of the purchase of shares and make them public in line with Art. 56 of the Public Offering Act;
- once the Company has concluded the repurchase of treasury shares as part of performing this resolution, the Management Board shall convene an Extraordinary General Meeting in order to adopt resolutions on redeeming the Company's treasury shares and on decreasing its share capital;
- the authorisation granted in the said resolution also includes the consent for the purchase of the Company's shares by the Company's subsidiary within the meaning of Art. 362 § 4 of Commercial Companies Code;

- share buy-back may be carried out by way of a public tender offer for shares within the meaning of the Act on Public Offering, conditions governing the introduction of financial instruments to organised trading and public companies

As part of the authorisation under Resolution No. 19 of the Ordinary General Shareholders' Meeting of Quantum software S.A. of 25 June 2015, the subsidiary Quantum Qguar sp. z o.o. announced 2 tender offers for the Issuer's treasury shares. As a result of the first tender offer from 29 December 2015 to 15 January 2016, the subsidiary Quantum Qguar sp. z o.o. acquired 150,386 of the Issuer's treasury shares, and following the second tender offer of 22 July 2016, it acquired 15,501 of the Issuer's treasury shares.

On 9 February 2017, the Issuer and the subsidiary Quantum Qguar sp. z o.o. concluded an agreement for the transfer of the ownership title to shares. As a result of this transaction, the Issuer acquired 165,887 dematerialised shares of Quantum quoted at the regulated market operated by Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange), which the Seller acquired under the above-mentioned authorisation to acquire the treasury shares of Quantum software S.A.

On 16 February 2017, an Extraordinary General Meeting of Shareholders of Quantum software SA during which a resolution was adopted in redemption of the aforementioned 165 887 Issuer's treasury shares which was registered by the District Court for Kraków - Śródmieście in Kraków, 11th Commercial Division of the National Court Register on 6 October 2017.

On 26 June 2017 the Ordinary General Meeting of Shareholders of Quantum software SA adopted the Resolution no. 17 on the allocation of treasury shares acquired by the Company between 2009 and 2014 in which they agreed to allocate 14,930 treasury shares to persons belonging to the managerial personnel of the Company and Quantum software S.A. Capital Group companies, authorising the Supervisory Board of the Company to determine detailed parameters of shares acquisition. The Company's Supervisory Board by way of the Resolution no. 2 of 6 September 2017, based on the above authorisation granted by the Ordinary General Meeting of Shareholders, determined detailed parameters of shares purchase. In a letter addressed to the Supervisory Board, the Management Board of Quantum software SA listed the most important persons for the Company, including the number of shares allocated to each person.

On 26 June 2018, the Supervisory Board adopted a resolution on the allocation of treasury shares in which they listed all persons, including the number of allocated shares, requiring the Management of the Company to submit offers for purchase of treasury shares within 30 days of the Ordinary General Meeting of Shareholders (referring to the financial year of 2017). Appropriate offers were submitted and accepted by particular members of the managerial personnel.

## **7) Description of material risk factors and threats**

### **Macroeconomic risk**

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

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

The value of the entire IT market comprises hardware, software and services. Each of these segments may develop faster or slower. The analyses of the IT hardware and services market show growth trends. The small saturation of Polish companies with modern technologies creates a fertile ground for the development of companies whose activities' focus is similar to that of the Quantum Group. However, this market is very sensitive to economic conjuncture fluctuations. At the time of an economic downturn, companies restrict their investment policies, including IT expenditures. Decreased demand for computer software entails the Company's obtaining lower sales results, substantially different from the Management Board's forecasts. In such a case, the demand for the Company's products may decrease, which may entail decreasing the level of obtained sales revenue. Technological changes and frequent launches of new IT services are closely related to this sector. The product lifecycle is short, while the expenditures on product development are high. Consequently, the incurred expenditures may not be covered by the sales revenue. Therefore, there is a risk that the decision to develop a particular product will be based on incorrect assumptions which do not satisfy current market needs and a risk that the product development cycle, i.e. software design, development and the test phase, may be longer than expected, and the respective market segment will already have been conquered by competitors. The market requirements are monitored by the company's own employees to reduce this risk. In addition, the cooperation of the Group companies with computer hardware and software suppliers allows for ongoing monitoring of technological changes and innovations on the market.

### **Risk of increased competition**

The IT market is currently in the phase of a dynamic growth. This situation attracts new providers of IT services, who, attracted by high profits, increase the number of entities operating on the market. As a result, new companies offer products diversified in terms of price, functionality or advancement. This directly leads to a more competitive market environment, and the companies in the sector may be required to make higher expenditures

on growth and advertising, and to reduce the current margin. Furthermore, large capacity of the Polish market and the fact that the level of informatisation is far from average European levels results in many global companies rendering similar services being interested in conducting business in Poland. The Group companies have no influence on competitors' activities and products but they are able to maintain their market position owing to its experience.

### **Export risk**

The sales of Quantum Group's companies are made mainly in Poland. However, these companies also enter into contracts with entities operating in other countries with different economic situation. The current large share of export to Ukraine in crisis stands at special risk. This year approx. 14% of the Company's sales revenue is obtained abroad. The value of contracts with foreign clients is usually expressed in EUR. Negative tendencies in the exchange rate of PLN to EUR may have negative impact on the financial performance of the Group. A decrease in the value of EUR compared to PLN will trigger lower export revenues and lower profitability on export contracts.

### **Risk of contracts performed**

The Quantum Group companies do not sell large number of easily installed programmes but they carry out large individual implementation projects of high level of complexity which usually require a few months' work of a team of specialists. A system which is implemented in a particular company must overlook very complex logistic processes and integrate them with all departments' operations in real time. Such circumstances result in a risk of faulty reproduction of processes and information flow in a company, a risk of extending the duration of planned tasks, a risk of changes in the scope of works compared to the initially agreed plan. Decrease in the contract value, higher costs of contract performance compared to the expectations, contract termination or potential financial claims from the customer may have an adverse impact on the current financial situation of the Group companies. These risks are mitigated through international experience, proprietary, standard product base and an experienced team of professionals.

### **Implementation risk**

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

### **Risk of delays in the development of new products**

SCE-class original system, offered by majority of the Group companies, supports complex logistics solutions, meeting the client's and their environment's requirements. As an IT systems' supplier, the Group companies must constantly extend their offer, introduce new functionalities and ensure data integrity. The competition's and clients' requirements are constantly growing. As a result, there is a threat that new products that satisfy current requirements of the customers are introduced later than the products of the competitors and that other suppliers may win the market, leading to decreased sales revenue.

To prevent this, the Quantum Group companies constantly carry out broad full-scale research and development works that, on one hand, aim at contributing to improvement our products, their quality, and on the other hand, to introduce new, competitive solutions.

### **Risk of short product life cycle**

Innovativeness and pace of the appearance of new products in IT industry make it necessary to systematically update existing products, adjust them to changing equipment platforms and introduce new products. In the absence of sufficient technological base and well-qualified staff, there may be delays in updates and in the introduction of new products, making our offer less attractive. This may lead to a decrease in sales revenue, and, in consequence, a decrease in the generated profit. Quantum Group companies take steps to minimise this risk through constant development of our managers, by regularly increasing, where possible, the number of highly qualified employees and by funding R&D works.

### **HR risk**

The interest of our competitors in capable and highly qualified personnel is constantly growing in the IT sector. IT companies, for whom staff is the key production factor, are at risk of losing their key specialists. Companies constantly monitor the labour market, while the employees themselves are active as well. Such a situation leads to an increase in salaries and, in consequence, low economic returns. The Group companies seek to provide attractive working conditions for their employees, including attractive incentive schemes.

### **Risk related to the seasonality and irregularity of revenue**

The typical seasonal nature of the IT business, where maximum turnover is recorded in Q4 of a calendar year and is related to the end of the financial year and system upgrades, affects Quantum Group companies only to a small extent. Turnover fluctuations between quarters are more connected with customer investment cycles than seasonality.

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

In their operations, the Quantum Group companies use equipment and software from external suppliers. Losing one of key suppliers may result in the interruption of supplies. The companies mitigate the risk by maintaining good relationships with strategic partners. An additional factor reducing the risk is collaboration with multiple suppliers, wherever possible.

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

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

### **Risk related to changing legal regulations and instability of the tax system**

Frequent changes in Polish law are also a threat to the operations of the Group companies. The changes include tax regulations and interpretations, trade regulations and provisions of the labour law. Frequent changes in the regulations may have a negative impact on the current operation, they may raise the costs and affect the financial performance. Uncertainty about future changes obstructs the assessment of future events and the strategic decision making process. Coming into force of new law regulations may involve interpretation ambiguities, inconsistent decisions of the courts or unfavourable interpretations adopted by public administration (and tax) authorities. The Group companies monitor draft amendments to the regulations on a regular basis and makes business decisions in consideration of the planned changes.

### **Foreign exchange risk**

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

- changes in the value of export sales and costs expressed in PLN,
- realised foreign exchange gains/losses occurring between the date of sales or purchase and the date of payment of receivables or liabilities,
- unrealised foreign exchange gains/losses from the measurement of settlements as of the balance sheet date.

Commercial transactions in foreign currencies on account of export are part of the Group's normal course of operations. Consequently, future cash flows on this account are exposed to changes in value due to foreign exchange fluctuations.

### **Risk connected with strategic investments**

Major capital expenditures, in accordance with the accepted strategy, are related to introducing new products to new markets. It is an opportunity for development, but also additional risks. Most of the Capital Group companies are entering new markets. These are foreign markets with standard products of the Qguar package (Ukraine, Russia and Latin America) or the Polish market and new types of products and/or services. Except for the Ukrainian company (Quantum International z o.o.), the Group companies have been operating for a few years and continue to compete for presence in their market segments. The generated revenue does not mean that these ventures will be successful. In particular, the risks are connected with the activity of subsidiaries in other countries and currently especially in Russia and in Latin America. These markets have enormous potential (definitely larger than the Polish market) but require high capital expenditures as well as long-term and consistent advertising. The risks are related to the instability of legal systems (Russia and Ukraine), varying levels of economic growth (e.g. Brazil saw a significant slowdown of economic situation in the past years) and a communication barrier (costs of communication, travels, legal and administrative expenses). A different type of risk is now connected with the investments incurred for the development of the Russian and Ukrainian company. It is related to the escalating military conflict between these countries, restriction of trade due to economic sanctions against Russia, reduction in investment demand in both countries, their

ratings being lowered and currencies weakened. Unsatisfactory effects of investment activities may result in the need of changes in the Group's development strategy.

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

The most serious factor that significantly affects the Group's financial results is a radical and continuous economic downturn in the Russian and Ukrainian market in view of the ongoing conflict between these countries.

**9) Explanations of the seasonal or cyclic nature of the issuer's business in the period presented:**

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

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

In H1 2018, Quantum software S.A. and its subsidiaries did not perform any issue of shares and did not redeem or repay debt or equity securities.

**11) Information on paid or declared dividend, in total and per share, with division into ordinary and preferred shares:**

On 22 June 2018, the Ordinary General Meeting of Shareholders of Quantum software SA decided to use PLN 2 919 011.40 of the Company's profit from 2017 amounting to PLN 2 930 649.17 to pay dividend and to use the remaining amount of PLN 11 637.77 for supplementary capital. The dividend per share was PLN 2.22. The record day was scheduled for 16 August 2018 and the date of dividend payment - for 30 August 2018.

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

On 5 July 2018, by the decision of the District Court for Kraków - Śródmieście in Kraków, 11th Commercial Division of the National Court Register, the share capital of Qcadoo Limited sp. z o.o., and the share capital currently amounts to PLN 885,000.00.

On 23 August 2018, Quantum Qguar sp. z o.o., a subsidiary company, (in which the Issuer holds 100% of shares) paid dividend for 2017 amounting to PLN 1,965,625.84 decreased by an advanced payment of PLN 500,000 (about which the Issuer informed in the current report no. 24/2017). The payment of dividend significantly influences the Issuer's financial result. The Company informed about the payment of dividend in the current report no. 9/2018.

**13) Information concerning changes in contingent liabilities or contingent assets which occurred after the end of the last financial year**



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

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

The Company did not publish any forecasts of its performance for 2018.

**15) Identification of shareholders holding, directly or indirectly through their subsidiaries, at least 5% of the total number of votes at the issuer's general meeting as of the date of submission of the quarterly report, including the number of shares held by such entities, their percentage share in the share capital, the number of resulting votes and their percentage share in the total number of votes at the general meeting, as well as identification of changes in the structure of ownership of substantial shareholdings of the issuer since the submission of the previous quarterly report:**

Since 30 May 2018, i.e. the day the report for Q1 2018 was released, the volume of shares held by Minvesta sp. z o.o. has not changed.

To the best of the Company's knowledge, as of 21 August 2018, the day of publication of the semi-annual report, the Company's main shareholder is Minvesta Sp. z o.o. with its registered office in Kraków, holding 675 421 A series registered shares entitling them to vote which constitute a total of 51.37% of the Company's share capital and entitle them to 1 350 842 votes at the General Meeting of the Company, which constitutes 67.87% of the total number of votes, and holding 277 491 B series bearer shares which constitute a total of 21.10% of the Company's share capital and entitle them to 277 491 votes as the General Meeting, which constitutes 13.94% of the total number of votes.

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

**Management Board (as of 21 September 2018)**

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

**Members of the Supervisory**

**Board holding the Company's shares  
(as of 21 September 2018)**

<b>Tomasz Polończyk</b>	8,193
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Since 30 May 2018, i.e. the day the previous quarterly report was submitted - the Q1 2018 report - the volume of shares held by the Management Board and the Supervisory Board has not changed.

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

In the period covered by these financial statements the Company and its subsidiaries and associates did not initiate and were not a party to relevant proceedings before the court or a public administration authority.

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

In the period in question, the Company did not conclude any agreements with related entities based on conditions other than market conditions.

**19) Information on the issuer's or its subsidiaries' loan or borrowing guarantees or warranties granted jointly to a single entity or its subsidiary, if the total value of the existing guarantees or warranties:**

In the period in question, neither the Company, nor its subsidiaries granted loan or borrowing guarantees or warranties jointly to a single entity or its subsidiary whose value is significant.

**20) Other information that, in the issuer's opinion, is significant in order to evaluate its human resources, assets, financial position, financial result and changes thereof, as well as any information considered significant for the evaluation of the issuer's capacity to meet their obligations:**

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

**21) Identification of factors which, in the issuer's opinion, will continue to influence the financial results for at least one quarter:**

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

External factors include:

- economic growth and growth in investments by businesses in Poland,
- consequences of the conflict and crisis in Ukraine and in Russia,
- impact of the Euro zone crisis on the economy of Poland and its neighbours;
- the economic growth rate in Latin America;
- extended decision-making process in the companies related to IT expenses;
- risk related to significant fluctuations of the PLN exchange rate against EUR,
- competitors' activities.

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

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

*Kraków, 21 September 2018*

**Signatures of Members  
of the Management Board:**

Tomasz Hatala

Bogusław Ożóg

Marek Jędra

Tomasz Mnich

**Signatures of the person  
responsible for bookkeeping:**

Monika Kuś

Kraków, 21 September 2018

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

The Management Board of Quantum software S.A. declares that, to the best of their knowledge, the semi-annual condensed consolidated financial statements of Quantum software S.A. for the period between 1 January and 30 June 2018 and comparative data were prepared in compliance with the accounting principles in force and that they present a true, accurate and fair view of the Quantum software S.A. and the Capital Group's economic and financial situation and its financial results, and that the semi-annual report on the operations of Management Report presents a true and fair view of development and achievements of the Quantum software S.A. Capital Group and its situation, including basic risks and exposures.

**President of the Management Board** Tomasz Hatala

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

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

**Member of the Management Board** Tomasz Mnich