



**Consolidated Annual Financial Statements
of the Quantum software S.A. Capital Group
for the period from 01/01/2019 to 31/12/2019**

Kraków, on 20 April 2020

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1. Introduction to the financial statement of the Quantum software S.A. Capital Group for 2019.

1.1. Object of business operations:

Quantum software Spółka Akcyjna; 30-633 Kraków, ul. Walerego Sławka 3A. Quantum software S.A. was entered into the Register of Businesses of the National Court Register Kraków – Śródmieście, 11th Commercial Division, on 30 October 2002 under the number 0000136768; PKD 62.01Z (Polish Classification of Activities) “Software business”. As of 25 July 2014, in connection with the transfer of business operations to the subsidiary Quantum Qguar sp. z o.o., the Issuer’s core business consists mainly in acting as a holding company.

1.2. Duration of the Issuer

The duration of the parent entity and the Capital Group entities is unspecified.

1.3. Composition of the parent company’s Management Board and Supervisory Board:

The composition of the parent company's Management Board and Supervisory Board at 31 December 2019 was as follows:

Management Board:

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

Supervisory Board:

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

1.4. Organisational structure of the Capital Group at 31/12/2019:

1. 1) Company name: Quantum East Sp. z o.o. – subsidiary

Registered Office: Kraków
Address: Walerego Sławka 3a
National Court Register (KRS): 0000294284
Shareholders: 63.74% of interests 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 in Ukraine

Registered Office: Kiev
Address: Prospect Moskovskij
certificate No. 100107724
Shareholders: 100% of interests held by Quantum East
Initial capital fully paid up: USD 76,200

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

Registered Office: Moscow
Address: Letnikovskaja 10, building no. 11
certificate No. 1117746038035
Shareholders: 99% of interests 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

Registered Office: Kraków
Address: Walerego Sławka 3A
National Court Register (KRS): 0000331050
Shareholders: 100% of interests held by Quantum Qguar sp. z o.o.
Registered capital fully paid with a contribution in kind: PLN 1,500,000.00

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

Registered Office: Kraków
Address: Walerego Sławka 3a
National Court Register (KRS): 0000297249
Shareholders: 100% of interests 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

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 interests 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

Registered Office: Kraków

Address: Walerego Sławka 3A

National Court Register (KRS): 0000516717

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

Share capital covered by 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. Qcadoo Limited sp. z o.o. – subsidiary

Registered Office: Kraków

Address: Walerego Sławka 3A

National Court Register (KRS): 0000344950

Shareholders: 100% of interests held by Quantum Qguar sp. z o.o.

Initial capital: PLN 885,000, fully paid up

1.5. Principles of the accounting policy applied in preparing the financial statement of the Quantum software S.A. Capital Group for 2019 and the statement of compliance.

This financial statement was prepared pursuant to the International Financial Reporting Standards (“IFRS”) as adopted by the EU, and in the scope not regulated by the above standards - pursuant to the requirements of the Accounting Act of 29 September 1994 (Journal of Laws of 2013, item 330) and secondary legislation issued on the basis thereof as well as pursuant to the requirements of the Regulation of the Minister of Finance of 19 February 2009 on current and interim information to be submitted by issuers of securities (Journal of Laws of 2009, no. 33, item 259).

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

The Management Board approves the consolidated financial statements for issue as of the date the financial statements are signed by all Members of the Company's Management Board, i.e. 20 April 2020.

The consolidated financial statement should be read in conjunction with the separate financial statement. This provides full perspective of financial condition and results of Quantum software S.A. operations both as the parent entity and the Capital Group. As the parent entity, the Company prepares the consolidated financial statement of its Capital Group at the day and period ended 31 December 2019 in accordance with International Financial Reporting Standards (IFRS) approved by the European Union and in force at the date of the preparation of the statement. The separate and consolidated financial statements are presented in the separate and consolidated report and are available on www.quantum-software.com.

The Capital Group conducts sales both in the Polish and foreign markets. The information on revenue from sales divided by the offered products as well as sales market was disclosed in the Management Board's report on the Capital Group's operations for 2019.

Data included in the report were prepared in line with the principles for valuation of assets and liabilities and valuation of the net financial result specified at the balance sheet date, in line with the materiality principle. The consolidated financial statement for 2019 was prepared on the continuity assumption concerning the operations of the Capital Group.

The consolidated financial statement for 2019 was prepared in PLN with figures rounded to the nearest thousand.

Accounting records are kept at the historical cost. The company did not make any adjustments that would reflect the influence of inflation on the individual items of the balance sheet and the profit and loss account. The company prepares the profit and loss account in the multiple-step variant. The cash flow statement is prepared based on the indirect method.

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except from the following items which are awaiting approval by the European Union.

Application of new standards and amendments to the existing standards and interpretations applied for the first time in the Company's financial statement for 2019

In this financial statement, the following new standards and amendments to the applicable standards effective as of 1 January 2019 are applied for the first time:

a) IFRS 16 “Leases”

The new IFRS 16 “Leases” establishes the principles for treatment, measurement, presentation and disclosures with regard to lease. All lease transactions result in the lessee obtaining the right to use the asset and the obligation to pay. Thus, IFRS 16 abolishes the classification of operating lease and financial lease in accordance with IAS 17 and introduces a single model for the treatment of lease by the lessee. The lessee is obliged to treat: (a) assets and liabilities for all lease transactions concluded for more than 12 months, except when the asset has low value; and (b) depreciation of the leased asset separately from interest on the lease liability in the results report. IFRS 16, in a significant part, reproduces the regulations of IAS 17 concerning the treatment of lease by the lessor. Consequently, the lessor continues the classification by operating lease and finance lease and differentiates the accounting treatment accordingly.

b) Amendments to IFRS 9: Right of prepayment with negative compensation

As a result of the above-mentioned amendments to IFRS 9, entities may measure financial assets with the so-called right of prepayment with negative compensation at amortised cost or at fair value through other comprehensive income if a specific condition is met – instead of making a fair value through profit or loss.

c) Amendments to IAS 28 “Investments in Associates and Joint Ventures”

Amendments to IAS 28 “Investments in Associates and Joint Ventures” explain that in relation to long-term interests in an associate or joint venture that do not apply the equity method, the companies apply IFRS 9. In addition, the Council also published an example illustrating the application of IFRS 9 and IAS 28 requirements to long-term interests in an associate or a joint venture.

d) IFRIC 23: Uncertainty over income tax treatments

IFRIC 23 clarifies the recognition and measurement requirements of IAS 12 in the event of uncertainty related to the treatment of income tax.

e) Annual Improvements to IFRS 2015–2017

“Annual Improvements to IFRS 2015–2017” introduce amendments to 4 standards: IFRS 3 “Business Combinations”, IFRS 11 “Joint Arrangements”, IAS 12 “Income Taxes” and IAS 23 “Borrowing Costs”. The amendments include explanations and specify standard guidance on treatment and measurement.

f) IAS 19 “Employee Benefits”

The amendments to the standard specify the requirements related to the treatment of the modification, curtailment or settlement of the defined benefit plan.

In the scope of IFRS 16, the Group has made use of the practical solution referred to in C3. As a practical solution, the entity is not obliged to reassess whether the agreement is a lease or includes lease on the date of first application. The entity does not apply this standard to contracts that have not previously been identified as contracts which include leases in accordance with IAS 17 and IFRIC 4.

Other amendments to standards had no significant effect on the hitherto applied accounting policy of the Group.

Standards and interpretations published but not yet effective and not previously applied by the Company

In this financial statement, the Company decided not to apply the following published standards, interpretations or amendments to existing standards before their effective date:

a) IFRS 17 “Insurance Contracts”

IFRS 17 was published by the International Accounting Standards Board on 18 May 2017 and it is applicable to annual reporting periods beginning on 1 January 2021 or after that date. The new IFRS 17 “Insurance Contracts” will replace the current IFRS 4, which allows a diverse practice in the settlement of insurance contracts. IFRS 17 will substantially change the accounting of all entities that deal with insurance contracts and investment agreements. The Company will apply IFRS 17 following its approval by the European Union, but it does not expect the amendments to have a significant impact on the preparation of financial statements. As at the date of preparation of the financial statement, the new standard has not been approved by the EU.

b) Changes in the scope of conceptual framework in IFRS

In 2019, the amendments to Conceptual Framework of IFRS which will apply as of 1 January 2020 were published. The revised Conceptual Framework will be used by the Council and the Interpretations Committee in the future when working on new standards. Nevertheless, the entities preparing financial statements may use the Conceptual Framework to develop accounting policies for transactions that are not regulated in current IFRSs.

c) IFRS 3 “Business Combinations”

As a result of the amendment to IFRS 3, the definition of “business” was modified. The current definition is narrowed and it is likely that more acquisitions will be qualified as asset acquisition. The amendments to IFRS 3 are effective for annual periods beginning on or after 1 January 2020. The impact of the amendment on the financial statement is not known. As at the date of preparation of the financial statement, the amendment has not been approved by the EU.

d) IAS 1 “Presentation of Financial Statements” and IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”

The Council published a new definition of the term “materiality”. The amendments to IAS 1 and IAS 8 clarify the definition of “materiality” and increase consistency between the standards, but it is not expected that they will have a significant impact on the preparation of financial statements. The amendment is effective for annual periods beginning on or after 1 January 2020.

e) Amendments to IFRS 9, IAS 39 and IFRS 7 related to the IBOR reform

The amendments to IFRS 9, IAS 39 and IFRS 7 published in 2019 modify some of the specific hedge accounting requirements, mainly so that the expected reform of the reference rates (IBOR reform) does not substantially change hedge accounting. The amendments to the standards are effective for annual periods beginning on or after 1 January 2020. The impact of the amendment on the financial statement is not known. As at the date of preparation of the financial statement, the amendment has not been approved by the EU.

f) IFRS 14 “Regulatory Deferral Accounts”

This standard allows the entities that prepare financial statements in accordance with IFRS for the first time (as of 1 January 2016 or after that date) to treat the amounts resulting from rate-regulated activities in accordance with the accounting principles applied so far. In order to improve comparability with the entities which already apply IFRS and do not show such amounts in accordance with the published IFRS 14, the amounts resulting from the rate-regulated activities should be presented in a separate item both in the statement of financial position and in the statement of profit and loss or in the statement of other comprehensive income. By decision of the European Union, IFRS 14 will not be approved.

g) Amendments to IFRS 10 and IAS 28 concerning the sale or contribution of assets between an investor and its associates or joint ventures. The amendments resolve the current inconsistency between IFRS 10 and IAS 28. The treatment depends on whether non-monetary assets sold or contributed to an associate or joint venture constitute a business.

Where non-monetary assets are a business, the investor shows a full gain or loss on the transaction. If the assets do not meet the definition of a business, the investor recognises the gain or loss only on the part representing the shares of other investors. The amendments were published on 11 September 2014. As at the date of preparation of the financial statement, the approval of this amendment is postponed by the European Union. The Company’s Management Board is in the process of identifying the above-mentioned amendments, but does not foresee a significant impact on the financial statement.

BASIC PRINCIPLES AND RISKS

To the best knowledge of the Management Board based on the Company's documents, the consolidated financial statement for the business year 2019 was prepared in accordance with the applicable accounting policies. This statement provides a true reflection of the Company's development and achievements and the description of basic risks and threats.

Accounting principles

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

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

Intangible assets, tangible fixed assets

Methods for measuring intangible assets and tangible fixed assets: intangible assets and tangible fixed assets are measured according to the continuity principle, as specified in the International Accounting Standards, with the following restrictions:

- 1) Intangible assets are recognised at their acquisition price, including their depreciation. The Company recognises depreciation write-downs using the straight line method, and adopts the following depreciation periods (useful lives):
 - a) computer software – 2 years,
 - b) licences – 2 years
 - c) copyrights – 2 years,
 - d) R&D costs – 5 years,
 - e) the company does not hold any intangible assets with indefinite useful lives.
- 2) Tangible assets are measured at their acquisition price or manufacture cost, less depreciation, proportionally to their periods of use. Tangible assets are depreciated throughout their useful economic lives. 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 assets classified under group 4 (machinery and equipment). Costs of purchase of these assets are recognised on a one-off basis as operating costs in the month of purchasing or in the immediately following month. These assets are not recognised in the balance sheet. Cars are depreciated for 5 years using the straight-line method on their initial value less their final value equal to 20% of the initial value. All equipment classified under group 4, regardless of its initial value, is depreciated using the straight-line method at individual rates determined in accordance with its expected useful life, 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 and tangible fixed assets every year.

Financial instruments

The methods of measuring financial instruments: financial instruments are measured in accordance with the continuity principle, in the manner defined in the International Accounting Standards, with the following restrictions:

Receivables are recognised in the accounting books as they arise, at their nominal value, and at the amount due at the balance sheet date. For making real the values of receivables, they are decreased by write-downs on doubtful receivables. Receivables in foreign currencies are measured as at the balance sheet date according to the average exchange rate of the National Bank of Poland (NBP), and the foreign exchange differences are recognised in financial revenue or costs.

Shares are measured at their acquisition price, less impairment write-downs.

Financial assets are measured at their acquisition price or market value, whichever is lower.

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 valuation 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 at 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 acquisition price (on the basis of Article 29(a) of IFRS 7), taking into account impairment write-downs and unrecoverability (on the basis of Article 58 of IAS 39),
- cash – measured at the acquisition price – on the basis of Article 29 Subsection (a) of IFRS 7,
- borrowings, loans and leases are measured at the depreciated cost; however, in the opinion of the Management Board, the company presents these items at the acquisition price (at the payable amount) because such valuation does not affect the company's financial situation.

Investments

The company classifies its investments into the following categories:

- shares in subsidiaries.

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

Write-downs on fixed assets

Tangible fixed assets, intangible assets and financial assets are verified in terms of impairment in the case of the occurrence of certain events and changes which may cause impairment thereof.

Impairment losses are recognised in other operating expenses in the periods in which such losses are incurred.

Inventory

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

Trade and other receivables

Trade receivables are recognised 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 at 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 costs. 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 and accruals

In order to preserve the matching of revenue and costs, the Company creates prepayments and accruals. They relate both to costs and revenue.

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

The Company maintains prepayments, which are the amount of liabilities attributable to the current period based on services provided to the Company.

Deferred revenue settlements include, in particular, the equivalent of invoiced services which will be performed in the following periods.

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

Net revenue from the sales covers economic benefits from the reporting period resulting from the entity's operations in a reliably determined value, leading to an increase in equity by increasing the value of assets or decreasing the value of liabilities in a way other than the

contribution of shareholders' funds. In particular, this includes revenue from the sale of products, services, goods and materials.

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

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

Other operating revenue

Other operating revenue comprises revenue related to the company's operating activities.

They include:

- 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 costs at the time of creation,
- 5) written-off, time-barred and cancelled liabilities.

Financial revenue

Revenue from interest charged to contractors, recognised at the time it is paid by the contractor.

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

Operating costs

All sale, marketing, administrative and management costs incurred during the reporting period. Value of goods and materials sold during the reporting period at the acquisition price.

Other operating costs

Other operating costs include costs connected with the company's operating activities.

They include:

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

Financial costs

Costs in respect of interest paid are recognised directly in the profit and loss account in the period in which they are incurred.

Income tax

Obligatory tax charges consist of:

- 1) CIT,
- 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 revenue and costs. Tax charges are calculated based on the tax rates applicable in a given financial 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 tax assets are recognised to the extent that it is probable that taxable income will be generated in the future, which would allow using temporary differences. Deferred income tax assets are also disclosed with respect to tax losses which may be deducted in subsequent years, but only when it is probable that taxable income will be generated in the future, which would allow 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 profit per share is 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 differences concerning settlements in foreign currencies which occurred at the date of valuation and at the payment date of receivables and liabilities are recognised in financial costs or revenue.

Lease

Tangible fixed assets used on the basis of finance lease contracts under which all benefits and risks of possessing such tangible fixed assets are 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 costs posted directly in the financial result.

1.6 Significant values based on professional judgement and estimates

When applying the accounting principles (policy) to the issues mentioned below, the most important aspect, in addition to the accounting estimates, is the professional judgement of the management.

The following part of this financial statement presents basic assumptions related to the future and other key sources of uncertainty occurring at the balance sheet date, which are connected with a significant risk of a material adjustment in the next financial year of balance sheet values of assets and liabilities.

Write-downs on receivables and loans granted

The Management Board examines all circumstances relating to unrecoverability of overdue receivables and loans and, in the case of the risk of their unrecoverability, decides to establish write-down on given receivables. Details concerning changes in write-downs on receivables are presented in Note no. 7.

Valuation of provisions for employee benefits

Provisions for employee benefits are estimated using actuarial methods. The relevant assumptions are described in Note no. 17.

Deferred tax assets

The Company recognises deferred tax assets based on the assumption that future taxable income will allow its use. The deterioration of tax results in the future might make this assumption unjustifiable.

Revenue recognition

The Company determines revenue from long-term contracts for the implementation of IT systems in proportion to the progress of the service, measured by the share of costs incurred to total estimated costs (budget of the contract). Budgets of each of the long-term contracts are revised at least at each balance sheet date. Upon occurrence of any circumstances which have an impact on the outcome of the contract performance between the balance sheet dates, revisions are made in advance. The Management Board reviews the possibility of realisation of receivables arising from the valuation of contracts that are not yet performed on a day-to-day basis. Information about the valuation of contracts is contained in Note no. 29.

Depreciation rates

The amount of depreciation rates is determined on the basis of the expected economic useful lives of tangible fixed assets and intangible assets. Every year, the Company verifies the adopted periods of economic useful lives on the basis of current estimates.

2. Consolidated statement of financial position

Consolidated statement of financial position	Note	Balance at 31/12/2019	Balance at 31/12/2018 Restated	Balance at 31/12/2018
ASSETS				
Fixed assets		2,625	2,994	2,695
Tangible fixed assets	1	2,029	1,776	1,776
Investment property		-	-	-
Biological assets		-	-	-
Goodwill of subsidiaries	2	-	530	530
Intangible assets	3	37	48	48
Investments in associates measured with the equity method	4	-	4	4
Financial assets available for sale		-	-	-
Loans granted	5	9	187	187
Other financial assets		-	-	-
Deferred income tax assets		218	150	150
Other long-term receivables as well as prepayments and accruals	6	332	299	-
Current assets		16,080	14,479	14,769
Stocks	7	53	54	54
Trade receivables	8	5,333	5,348	5,648
Other short-term receivables as well as prepayments and accruals	6	938	898	898
Income tax receivables		528	-	-
Financial assets measured at fair value through the financial result		-	-	-
Financial assets available for sale		-	-	-
Loans granted	5	169	94	94
Other financial assets		3,317	3,249	3,248
FX forward contracts		-	-	-
Cash and cash equivalents	10	5,742	4,836	4,827
Fixed assets classified as held for sale		-	-	-
Total Assets		18,705	17,473	17,464
EQUITY AND LIABILITIES				
Equity capital		12,799	12,231	12,502
Equity attributable to the shareholders of the parent company		12,831	12,340	12,611
Basic capital	11	657	657	657
Surplus of share sale above their nominal value	14	8,426	8,158	8,158
Equity shares	13	-	-13	-13

Reserve and supplementary capitals	14	-	74	74
Revaluation reserve capital	14	-	-	-
Amounts recognised directly in equity and related to assets classified as held for sale	14	-	-	-
Foreign exchange differences from translation	15	63	-12	-12
Profit/loss on the sale of subsidiary		-	-	-
Advances paid on dividends		-	-	-
Retained profit (loss)		947	1,834	2,105
Current year profit/loss		2,738	1,642	1,642
Non-controlling shares	16	-32	-109	-109
LIABILITIES		5,906	5,242	4 962
Long-term liabilities		906	809	809
Provisions	17	355	282	282
Deferred income tax provision		202	183	183
Long-term bank loans and borrowings	18	-	-	-
Other long-term financial liabilities	19	349	344	344
Other non-current liabilities and accruals	21	-	-	-
Short-term liabilities		5,000	4,433	4,153
Provisions	17	580	513	512
Short-term bank loans and borrowings	18	-	-	-
Short-term portion of long-term bank loans and borrowings	18	-	-	-
Other short-term financial liabilities	19	330	243	243
Trade liabilities	20	2,600	2,365	2,365
Other short-term liabilities as well as prepayments and accruals	21	1,477	1,255	976
Income tax liabilities		13	57	57
FX forward contracts		-	-	-
Liabilities related to fixed assets classified as available for sale		-	-	-
TOTAL LIABILITIES		18,705	17,473	17,464

As at 31/12/2019, the parent entity adjusted the errors from previous periods, concerning the incorrect presentation of PLN 271 thousand of the unpaid dividend for 2017 to the shareholders, without passing a resolution on the lack of dividend payment.

In the subsidiaries as at the end of 2018, the presentation of two values was adjusted:

- cash in hand and special funds were increased by PLN 10 thousand accumulated on the bank account of the social fund,
- from the receivables from other entities for supplies and services, the amount of PLN 300 thousand, which is a long-term project, was moved to long-term prepayments.

Adjustment value	dr	cr
271	Retained profit (loss)	Other short-term liabilities to entities

3. Consolidated statement of comprehensive income

Consolidated statement of comprehensive income	Note	Balance at 31/12/2019	Balance at 31/12/2018
Continued operations			
Revenue from the sale of products, goods and materials	22	33,149	29,503
Costs of products, goods and materials sold	23	23,411	21,144
Movement in products – subsidy received for intangible assets and fixed assets		-	-
Gross profit (loss) on sales		9,738	8,359
Selling costs	23	2,415	2,614
General administrative expenses	23	3,768	3,433
Profit (loss) on sales		3,555	2,312
Other operating revenue	24	93	386
Other operating costs	24	670	153
Profit (loss) on operating activities		2,978	2,545
Financial revenue	25	227	126
Financial costs	25	196	495
Share in profit/loss of associates		-	-
Profit/loss from the sale of shares in an associate		-	-
Gross profit (loss)		3,009	2,176
Income tax		187	598
Net profit (loss) on continued operations		2,822	1,578
Discontinued operations		-	-
Profit/loss on discontinued operations for the financial year		-	-
Net profit/loss for the reporting period		2,822	1,578
Net profit/loss attributable to:		2,822	1,578
Shareholders of the parent entity		2,738	1,642
Non-controlling shares		84	-64
Other comprehensive income		88	168
Profits (losses) on revaluation of tangible fixed assets		-	-
Profit (loss) on valuation of investments held for sale recognised in equity		-	-

Profits (losses) on cash flow hedges (effective portion)		-	-
Exchange rate differences from valuation of entities that operate abroad		88	168
Income tax with regard to items presented in other comprehensive income		-	-
Acquisition of capital from non-controlling shares		-	-
Total comprehensive income		2,910	1,746
Comprehensive income attributable to:		2,910	1,746
Shareholders of the parent entity		2,813	1,769
Non-controlling shares		97	-23
Profit/loss per share in PLN:			
From continuing operations:			
<i>Basic</i>	26	2.15	1.20
<i>Diluted</i>	26	2.15	1.20
on continued and discontinued operations			
<i>Basic</i>	26	2.15	1.20
<i>Diluted</i>	26	2.15	1.20

4. Consolidated statement of changes in equity

for the period	Equity attributable to the shareholders of the parent company										Non-controlling shares	Total equity
	Basic capital	Surplus of share sale above their nominal value	Equity shares	Reserve and supplementary capitals	Revaluation reserve capital	Amounts recognised directly in equity connected with assets classified as held for sale	Foreign exchange differences from translation	Profit/loss on the sale of subsidiary	Profit/loss from previous years and the current year	Total		
31 December 2019												
Balance at the beginning of the period prior to conversion	657	8,158	-13	74	-	-	-12	-	3,476	12,340	-109	12,231
Changes in the accounting policy	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments of fundamental errors	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the beginning of the period after adjustments (after conversion)	657	8,158	-13	74	-	-	-12	-	3,476	12,340	-109	12,231
Total comprehensive income	-	-	-	-	-	-	75	-	2,738	2,813	96	2,909
Profits (losses) on revaluation of tangible fixed assets	-	-	-	-	-	-	-	-	-	-	-	-
Profits (losses) on revaluation of investments available for sale recognised in equity	-	-	-	-	-	-	-	-	-	-	-	-
Profits (losses) on cash-flow hedges (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-
Exchange rate differences from valuation of entities that operate abroad	-	-	-	-	-	-	75	-	-	75	13	88
Income tax with regard to items presented in	-	-	-	-	-	-	-	-	-	-	-	-

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other comprehensive income													
Total revenue and costs for the financial year recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit/loss for the financial year	-	-	-	-	-	-	-	-	2,738	2,738	83	2,821	
Other changes in equity	-	268	13	-74	-	-	-	-	-2,529	-2,322	-19	-2,341	
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-	
Redemption of equity shares	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends	-	-1,079	-	-	-	-	-	-	-	-1,079	-	-1,079	
Distribution of the financial result	-	1,089	-	-74	-	-	-	-	-2,106	-1,091	-	-1,091	
Acquisition of equity shares	-	-	-	-	-	-	-	-	-	-	-	-	
Sale of equity shares	-	-13	13	-	-	-	-	-	-	-	-	-	
Acquisition of shares in a subsidiary company	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer between supplementary capital and result from previous years	-	271	-	-	-	-	-	-	-271	-	-	-	
Adjustment for the previous years	-	-	-	-	-	-	-	-	-152	-152	-19	-171	
Profit/loss on the sale of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	
Closing balance	657	8,426	-	-	-	-	63	-	3,685	12,831	-32	12,799	

for the period	Equity attributable to the shareholders of the parent company										Non-controlling shares	Total equity
31 December 2018	Basic capital	Surplus of share sale above their nominal value	Equity shares	Reserve and supplementary capitals	Revaluation reserve capital	Amounts recognised directly in equity connected with assets classified as held for sale	Foreign exchange differences from translation	Profit/loss on the sale of subsidiary	Profit/loss from previous years and the current year	Total		
Balance at the beginning of the period prior to conversion	657	8,227	-102	78	-	-	-139	-	5,168	13,889	-160	13 729
Changes in the accounting policy	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments of fundamental errors	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the beginning of the period after adjustments (after conversion)	657	8,227	-102	78	-	-	-139	-	5,168	13,889	-160	13,729
Total comprehensive income							127	-	1,642	1,769	-23	1,746
Profits (losses) on revaluation of tangible fixed assets	-	-	-	-	-	-	-	-	-	-	-	-
Profits (losses) on revaluation of investments available for sale recognised in equity	-	-	-	-	-	-	-	-	-	-	-	-
Profits (losses) on cash-flow hedges (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-
Exchange rate differences from valuation of entities that operate abroad	-	-	-	-	-	-	127	-	-	127	40	167
Income tax related to items presented in or reclassified from capital	-	-	-	-	-	-	-	-	-	-	-	-

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Total revenue and costs for the financial year recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	-
Profit/loss for the financial year	-	-	-	-	-	-	-	-	1,642	1,642	-63	1,579
Other changes in equity	-	-69	89	-4	-	-	-	-	-3,334	-3,318	74	-3,244
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-
Redemption of equity shares	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Distribution of the financial result	-	12	-	18	-	-	-	-	-2,947	-2,917	-	-2,917
Acquisition of equity shares	-	-	-	-	-	-	-	-	-	-	-	-
Sale of equity shares	-	-81	89	-	-	-	-	-	-	8	-	8
Acquisition of shares in a subsidiary company	-	-	-	-22	-	-	-	-	-33	-55	74	19
Provision for leaves brought forward	-	-	-	-	-	-	-	-	-354	-354	-	-354
Profit/loss on the sale of the entity	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	657	8,158	-13	74	-	-	-12	-	3,476	12,340	-109	12,231

5. Consolidated cash flow statement

Consolidated cash flow statement	Note	31/12/2019	31/12/2018
<i>Cash flow from operating activities</i>			
Gross profit/loss		3,009	2,176
Adjustments for items:		663	-632
Share in net profit/loss of associates and joint ventures accounted for using the equity method		-	-
Non-controlling shares		-	-
Depreciation		629	683
Goodwill impairment		530	-
Foreign exchange profits/losses		-28	369
Interest costs and revenue		112	127
Dividend revenue		-	-
Profit/loss on investment operations		-170	-154
Movement in provisions		140	-542
Change in stocks		-2	974
Movement in receivables and prepayments		124	-352
Movement in liabilities and accruals		300	-1,577
Income tax paid/returned		-807	-628
Other adjustments		-165	468
Net cash flows from operating activities		3,672	1,544
<i>Investment cash flows</i>			
Inflows from sale of fixed assets and intangible assets		84	114
Net inflows from the sale of associates and subsidiaries		-	-
Inflows from the sale of financial assets		50	640
Inflows from interest		43	37
Inflows from dividends		-	-
Repayment of loans granted		258	134
Outflows on the acquisition of property, plant and equipment as well as intangible assets		433	227
Net outflows on the acquisition of subsidiaries and associates		-	-
Expenditure on the acquisition of short-term financial assets		-	-
Loans granted		242	31
Other		-	-
Net cash flows from investment operations		-240	667
<i>Cash flows from financing operations</i>			
Inflows from loans and borrowings		-	9
Net inflows from the issue of shares		-	31
Net inflows from the issue of bonds, bills of exchange and bills		-	-
Repayment of loans and borrowings		-	9

Payment of liabilities for financial leasing contracts		366	242
Dividends paid out to the company's shareholders		2,169	2,917
Dividends paid out to the shareholders holding non-controlling shares		-	-
Acquisition of equity shares		-	-
Interest paid		106	216
Other		-	-
Net cash flows from financing operations		-2,641	-3,344
Increase/decrease in cash and cash equivalents		791	-1,133
Opening balance of cash and cash equivalents as well as overdrafts		4,836	5,956
<i>Foreign exchange profits/losses related to valuation of cash and cash equivalents as well as overdrafts</i>		115	13
Closing balance of cash and cash equivalents as well as overdrafts		5,742	4,836

Explanations to the cash flow statement	31/12/2019	31/12/2018
Foreign exchange profits (losses) disclosed in the cash flow statement result from the following items:	-28	369
- foreign exchange differences from valuation of cash	18	10
- unrealised FX differences on loans and borrowings	-57	224
- realised FX differences on loans and borrowings	-	-
- foreign exchange differences on translation of financial statements	11	122
- other	-	13
Interest and share in profits (dividends), including:	112	127
- interest received on loans granted	-9	-
- interest received on cash at bank and deposits	-28	-39
- interest received on lease instalments	-	-
- interest paid on loans	-	-
- interest paid on loans	-	-
- interest paid on debt securities	-	-
- interest paid on lease liabilities	95	80
- commissions paid on debt securities	-	-
- dividends received	-	-
- interest accrued on loans granted	-5	-40
- interest accrued on loans and borrowings raised	-	21
- interest accrued on debt securities	-	-
- other interest	59	105
Profit (loss) on investment operations results from:	-170	-154
- revenue from sales of property, plant and equipment, and investment real property	-83	-114
- revenue from the sale of intangible assets	-	-

- prime cost of the sales of property, plant and equipment, and investment real property	28	28
- cost of the sale of intangible assets	-	-
- costs of liquidation of tangible fixed assets	-	-
- revenue from sales of shares	-	-
- cost of sales of shares	-	-
- valuation of financial assets	-119	-68
- other	4	-
- write-down for shares	-	-
Movements in receivables result from the following items:	124	-352
- change in short-term receivables resulting from the balance sheet	-25	-297
- change in long-term receivables resulting from the balance sheet	-32	10
- adjustment for movement in dividend receivables	-	-
- adjustment for change in receivables from disposal of tangible fixed assets and investment real properties	-	-
- adjustment for change in receivables from disposal of intangible assets	-	-
- adjustment for change in short-term receivables from disposal of financial investments	-	-
- adjustment for change in receivables from bank guarantee deposits	-	-
- other adjustments	181	-65
Movements in liabilities, except for loans and borrowings, result from the following items:	300	-1 577
- change in short-term trade and other liabilities	468	-1,650
- movement in other long-term liabilities	-	-
- adjustment for change in liabilities against unpaid dividend	-	-
- adjustment for change in liabilities against purchase of tangible fixed assets	-	-
- adjustment for change in liabilities against purchase of financial assets	-	-
- adjustment for movement in lease liability	93	315
- adjustment for change in liability against guarantees granted to subsidiaries	-	-
- other adjustments	-261	-242
Income tax paid	-807	-629
- income tax recognised in the profit and loss account	-187	-598
- adjustment for change in deferred tax assets	-68	24
- adjustment for change in income tax receivables	-528	34
- adjustment for change in deferred tax provision	19	11
- adjustment for change in current tax liabilities	-45	-131
- adjustment for deferred tax on changes in equity	-	-
- differences on translation of financial statements	2	-
- income tax paid	-	31

“Other adjustments” include:	-165	468
- revaluation of tangible fixed assets (positive valuation)	-	-
- revaluation of tangible fixed assets (write-down)	-	-
- revaluation of shares (positive valuation)	-	-
- revaluation of shares (write-down)	-	-
- revaluation of loans granted (write-down)	38	-
- revaluation of financial instruments	-	-
- revaluation of sureties	-	-
- conversion of cash deposits to financial assets	-	-
- other	-81	468
- adjustments brought forward	-122	-
Acquisition of tangible fixed assets and intangible assets – investing operations	433	227
- change in tangible fixed assets resulting from the balance sheet	253	362
- change in investment properties resulting from the balance sheet	-	-
- change in intangible assets resulting from the balance sheet	-11	-158
- movement in the above assets in assets for sale	-	-
- depreciation for the reporting period resulting from the profit and loss account	629	683
- cost of sale of fixed assets sold, investment real properties and intangible assets	29	28
- cost of liquidated tangible assets	-	-
- impairment write-downs/reversed impairment write-down on the above assets	-	-
- valuation of the above fixed assets	-	-
- other	-467	-688
- adjustment for advances on the purchase of tangible assets and intangible assets	-	-
- adjustment for investment liabilities (purchase)	-	-
- other adjustments	-	-
- transfer of assets in an organised part of the business to the new entity	-	-

6. Selected financial data including basic items of the consolidated financial statements (also translated into EUR)

SELECTED FINANCIAL DATA including basic items of the annual consolidated financial statements	PLN '000.		in EURO '000	
	period from	period from	period from	period from
	01/01/2019 to 31/12/2019	01/01/2018 to 31/12/2018	01/01/2019 to 31/12/2019	01/01/2018 to 31/12/2018
Net revenue from the sale of products, goods and materials	33,149	29,503	7,706	6,914
Profit (loss) on operating activities	2,978	2,545	692	596
Gross profit (loss)	3,009	2,176	699	510
Net profit (loss)	2,822	1,578	656	370
Net cash flows from operating activities	3,672	1,544	854	362
Net cash flows from investment activities	-240	667	-56	156
Net cash flows from financing operations	-2,641	-3,344	-614	-784
Total net cash flows	791	-1,133	184	-266
Total assets	18,705	17,473	4,392	4,063
Liabilities and provisions for liabilities, including:	5,906	5,242	1,387	1,219
Long-term liabilities	906	809	213	188
Short-term liabilities	5,000	4,433	1,174	1,031
Equity capital	12,799	12,231	3,006	2,844
Share capital	657	657	154	153
Number of shares (pcs.)	1,314,870	1,314,870	1,314,870	1,314,870
Diluted number of shares (pcs.)	1,314,870	1,314,870	1,314,870	1,314,870
Profit (loss) per ordinary share (in PLN/EUR)	2.15	1.20	0.50	0.28
Diluted profit (loss) per ordinary share (in PLN/EUR)	2.15	1.20	0.50	0.28
Book value per share (in PLN/EUR)	9.73	9.30	2.29	2.16
Diluted book value per share (in PLN/EUR)	9.73	9.30	2.29	2.16
Declared or paid dividend per share (in PLN / EUR)	-	-	-	-

The selected financial data included in this report were translated to EUR according to the following rules:

Assets and liabilities in the statement of financial position of the Group – at the average NBP exchange rate prevailing on the last balance sheet date.

Items in the statement of comprehensive income and cash flow statement – at the average rate, calculated as the arithmetic average of exchange rates announced by the National Bank of Poland on the last day of the month in the given year:

Average PLN to EUR exchange rates in the period covered by the statement

Average PLN to EUR exchange rates in the period covered by the statement		
period	average exchange rate in the period	exchange rate on the last day of the period
2019	4.3018	4.2585
2018	4.2669	4.3000

7. Additional information – selected notes

Note no. 1 – Tangible fixed assets

TANGIBLE FIXED ASSETS	FOR THE PERIOD ENDING 31 December 2019					
	Land and perpetual usufruct title to land	Buildings and structures	Machinery and equipment	Means of transport	Other	Total
Gross value at the beginning of the period	-	46	2,606	2,173	90	4,915
Increases	-	-	399	540	23	962
<i>acquisition</i>	-	-	385	461	23	869
<i>acquisition as a result of taking control over an entity</i>	-	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-	-
<i>transfer of the business</i>	-	-	-	-	-	-
<i>other</i>	-	-	14	79	-	93
Decreases	-	-	108	303	1	412
<i>disposal</i>	-	-	52	224	1	277
<i>due to revaluation</i>	-	-	-	-	-	-
<i>due to reclassification to fixed assets held for sale</i>	-	-	-	-	-	-
<i>transfer of the business</i>	-	-	-	-	-	-
<i>other</i>	-	-	56	79	-	135
Allocated to discontinued operations	-	-	-	-	-	-
Internal movements (+/-)	-	-	-	-	-	-
Gross value at the end of the period	-	46	2,897	2 410	112	5,465
Depreciation at the beginning of the period	-	46	1,974	1,048	71	3,139
depreciation for the period	-	-	248	337	6	591
other increases	-	-	14	28	-	42
other increases (acquisition resulting from taking over the control of the entity)	-	-	-	-	-	-
transfer of the business	-	-	-	-	-	-
decreases – sale	-	-	52	198	-	-

Other decreases	-	-	54	28	-	82
Depreciation at the end of the period	-	46	2,130	1 187	77	3,440
Impairment write-down at the beginning of the period	-	-	-	-	-	-
Recognition of impairment write-down in the period	-	-	-	-	-	-
Reversal of impairment write-down in the period	-	-	-	-	-	-
Value taking into account the depreciation and impairment write-down at the end of the period	-	46	2,130	1 187	77	3,440
Adjustment for net foreign exchange differences on translation	-	-	4	-	-	4
Net value at the end of the period	-	-	771	1,223	35	2,029

TANGIBLE FIXED ASSETS	FOR THE PERIOD ENDING 31 December 2018					
	Land and perpetual usufruct title to land	Buildings and structures	Machinery and equipment	Means of transport	Other	Total
Gross value at the beginning of the period	-	2	1,414	1,941	55	3,412
Increases	-	44	1,618	726	35	2,423
<i>acquisition</i>	-	-	347	658	10	1,015
<i>acquisition as a result of the combination of business entities</i>	-	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-	-
<i>transfer of the business</i>	-	-	-	-	-	-
<i>other</i>	-	44	1,271	68	25	1,408
Decreases	-	-	424	494	-	918
<i>disposal</i>	-	-	424	494	-	918
<i>due to revaluation</i>	-	-	-	-	-	-
<i>due to reclassification into fixed assets intended for sale</i>	-	-	-	-	-	-
<i>transfer of the business</i>	-	-	-	-	-	-
<i>other</i>	-	-	-	-	-	-
Allocated to discontinued operations	-	-	-	-	-	-
Internal movements (+/-)	-	-	-	-	-	-

Gross value at the end of the period	-	46	2,608	2,173	90	4,917
Depreciation at the beginning of the period	-	2	908	1,055	34	1,999
depreciation for the period	-	-	211	289	12	512
other increases	-	44	1,271	68	25	1,408
other increases (acquisition resulting from taking over the control of the entity)	-	-	-	-	-	-
<i>transfer of the business</i>	-	-	-	-	-	-
decreases in the sale	-	-	416	364	-	780
Depreciation at the end of the period	-	46	1,974	1,048	71	3,139
Impairment write-down at the beginning of the period	-	-	-	-	-	-
Recognition of impairment write-down in the period	-	-	-	-	-	-
Reversal of impairment write-down in the period	-	-	-	-	-	-
Value taking into account the depreciation and impairment write-down at the end of the period	-	46	1,974	1,048	71	3,139
Adjustment for net foreign exchange differences on translation	-	-	-2	-	-	-2
Net value at the end of the period	-	-	632	1,125	19	1,776

The Group owns cars classified as tangible fixed assets under lease, with a net value of PLN 1,025,741.75 at 31 December 2019 and PLN 810,943.33 at 31 December 2018. Expenditure on tangible fixed assets under construction recognised in the balance sheet value at 31 December 2019 amounts to PLN 0.00 and at 31 December 2018 amounted also PLN 0.00.

Note no. 2 – Goodwill of subsidiaries

GOODWILL OF SUBSIDIARIES	31/12/2019	31/12/2018
Gross value at the beginning of the period	1,447	1,447
Increases	-	-
Decreases	-	-
Gross value at the end of the period	1,447	1,447
Foreign exchange gains/losses	-	-
Other adjustments*	-	-
Gross value at the end of the period after adjustments	1,447	1,447
Impairment write-down at the beginning of the period	917	917
Recognition of impairment write-down in the period	530	-
Impairment write-down at the end of the period	1,447	917
Net value at the end of the period	-	530

Note no. 3 – Intangible assets

INTANGIBLE ASSETS	FOR THE PERIOD ENDING 31 DECEMBER 2019				
	Own development work	Intangible assets purchased			Total
		Patents and trademarks	Licences	Other	
Gross value at the beginning of the period	5,580	-	2,809	-	8,389
Increases	-	-	27	-	27
<i>acquisition</i>	-	-	27	-	27
<i>own development work</i>	-	-	-	-	-
<i>acquisition as a result of taking control over an entity</i>	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-
<i>transfer of the business</i>	-	-	-	-	-
<i>Other</i>	-	-	-	-	-
Decreases	-	-	-	-	-
<i>decommissioning</i>	-	-	-	-	-
<i>liquidation</i>	-	-	-	-	-
<i>disposal</i>	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-

due to reclassification to fixed assets held for sale	-	-	-	-	-
transfer of the business	-	-	-	-	-
other	-	-	-	-	-
Gross value at the end of the period	5,580	-	2,836	-	8,416
Depreciation at the beginning of the period	5,580	-	2,761	-	8,341
depreciation for the period	-	-	38	-	38
other increases (acquisition resulting from taking over the control of the entity)	-	-	-	-	-
transfer of the business	-	-	-	-	-
decreases	-	-	-	-	-
Depreciation at the end of the period	5,580	-	2,799	-	8,379
Impairment write-down at the beginning of the period	-	-	-	-	-
Recognition of impairment write-down in the period	-	-	-	-	-
Reversal of impairment write-down in the period	-	-	-	-	-
Value taking into account the depreciation and impairment write-down at the end of the period	5,580	-	2,799	-	8,379
Adjustment for net foreign exchange differences on translation	-	-	-	-	-
Net value at the end of the period	-	-	37	-	37

INTANGIBLE ASSETS	FOR THE PERIOD ENDING 31 DECEMBER 2018				
	Own development work	Intangible assets purchased			Total
		Patents and trademarks	Licences	Other	
Gross value at the beginning of the period	1,330	-	2,021	-	3,351
Increases	4,250	-	787	-	5,037
acquisition	-	-	12	-	12
own development work	-	-	-	-	-

acquisition as a result of taking control over an entity	-	-	-	-	-
due to revaluation	-	-	-	-	-
transfer of the business	-	-	-	-	-
Other	4,250	-	775	-	5,025
Decreases	-	-	-	-	-
decommissioning	-	-	-	-	-
liquidation	-	-	-	-	-
disposal	-	-	-	-	-
due to revaluation	-	-	-	-	-
due to reclassification to fixed assets held for sale	-	-	-	-	-
transfer of the business	-	-	-	-	-
other	-	-	-	-	-
Gross value at the end of the period	5,580	-	2,809	-	8,389
Depreciation at the beginning of the period	1,300	-	1,845	-	3,145
depreciation for the period	30	-	141	-	171
Other increases acquisition within takeover	-	-	-	-	-
other	4,250	-	775	-	5,025
decreases	-	-	-	-	-
Depreciation at the end of the period	5,580	-	2,761	-	8,341
Impairment write-down at the beginning of the period	-	-	-	-	-
Recognition of impairment write-down in the period	-	-	-	-	-
Reversal of impairment write-down in the period	-	-	-	-	-
Value taking into account the depreciation and impairment write-down at the end of the period	5,580	-	2,761	-	8,341
Adjustment for net foreign exchange differences on translation	-	-	-	-	-
Net value at the end of the period	-	-	48	-	48

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

Note no. 4 – Investments in associates measured with the equity method

Entity name:	31/12/2019	31/12/2018
Share in the associate's balance sheet	10.00%	10.00%
Fixed (long-term) assets	-	-
Current (short-term) assets	-	-
Long-term liabilities	-	-
Short-term liabilities	-	-
Net assets	-	-
Share in the associate's revenue and financial result:	-	-
Revenue	-	-
Profit/loss	-	-
Balance sheet value of investments in the associate	-	4

Note no. 5 – Loans granted

LOANS GRANTED								
Long-term	Amount of the loan capital	Interest rate	Repayment date	Balance as at		Interest accrued from the beginning of the financial year to		Security
				31/12/2019	31/12/2018	31/12/2019	31/12/2018	
Loans granted to affiliates								
Quantum Assets sp. z o.o.	-	-	-	-	46	-	3	No security
Loans granted to other entities								
Other entities	38	Fixed (9%)	-	-	104	3	8	No security
Employees	8	Fixed (7%)	-	9	37	1	4	No security
TOTAL:				9	187	4	15	

LOANS GRANTED								
Short-term	Amount of the loan	Interest rate	Repayment date	Balance as at		Interest accrued from the beginning of the financial year to		Security
				31/12/2019	31/12/2018	31/12/2019	31/12/2018	
Loans granted to other entities								
Other entities	30	Fixed (7%)	-	-	-	-	-	-
Tomasz Hatala – member of the parent company's management board	103	Fixed (7%)	-	118	-	16	-	No security
Employees	50	Fixed (7%)	-	51	94	4	3	No security
TOTAL:				169	94	20	3	

➤ **2019:**

Loans granted to other entities:

- I. Long-term loans granted to other parties – balance as at 31 December 2019: PLN 0.00.
- II. Short-term loans granted to other entities – balance as at 31 December 2019: PLN 0.00.

Loans granted to employees:

- I. Long-term loans granted to employees – balance as at 31 December 2019: PLN 9,015.53.
- II. Short-term loans granted to employees – balance as at 31 December 2019: PLN 50,732.88.

Loan granted to the parent company – Quantum Assets sp. z o.o. by a subsidiary:

Long-term loan – balance as at 31 December 2019: PLN 0.00.

Loan granted to a member of the Management Board of the parent company by a subsidiary:

Short-term loan – balance as at 31 December 2019: PLN 118,311.63.

➤ **2018:**

Loans granted to other entities:

I. Long-term loans granted to other entities – balance as at 31 December 2018: PLN 103,795.63.

II. Short-term loans granted to other entities – balance as at 31 December 2018: PLN 0.00.

Loans granted to employees:

I. Long-term loans granted to employees – balance as at 31 December 2018: PLN 37,610.78.

II. Short-term loans granted to employees – balance as at 31 December 2018: PLN 94,357.68.

Loan granted to the parent company – Quantum Assets by a subsidiary:

Long-term loan – balance as of 31 December 2018: PLN 45,730.39.

Loan granted to a member of the Management Board of the parent company by a subsidiary:

Short-term loan – balance as at 31 December 2018: PLN 0.00.

Note no. 6 – Other receivables as well as prepayments and accruals

OTHER RECEIVABLES AS WELL AS PREPAYMENTS AND ACCRUALS	31/12/2019	31/12/2018
Receivables from subsidiaries:	-	-
- long-term portion	-	-
- short-term portion	-	-
Receivables from related entities:	-	-
- long-term portion	-	-
- short-term portion	-	-
Advances:	363	330
- long-term portion	-	-
- short-term portion	363	330
Other receivables:	456	438
- long-term portion	-	-
- short-term portion	456	438
Prepayments:	451	429
- long-term portion	332	299
- short-term portion	119	130
Impairment write-downs at the beginning of the period	-	-
Recognition of impairment write-downs in the period	-	-
Reversal of impairment write-down in the period	-	-
Impairment write-downs at the end of the period	-	-
TOTAL	1,270	1,197

Other receivables comprise:

- due to taxes, customs duty, insurance and other benefits -		17
- security deposits paid	175	42
- payroll settlements	-	-
- other employee settlements	6	6
- input VAT to be settled in future periods	103	64
- output VAT on corrective invoices to be settled in future periods	30	19
- VAT	19	-
- ZUS (Social Insurance Institution) – overpayment	-	1
- unsettled tax paid by foreign companies	2	135
- settlements with a brokerage house related to the purchase of treasury shares	6	5
- settlements with a brokerage house related to the purchase of shares of Quantum software S.A.	-	-
- other settlements with suppliers	71	68
- other receivables	44	81
TOTAL:	456	438

Prepayments and accruals include:

- settlement of long-term contracts	332	299
- inter-period cost settlement	37	-
- other prepayments	1	-
- property insurance	42	79
- write-down for the Company Social Benefit Fund (ZFSS)	-	-
- prepaid subscriptions, etc.	35	35
- settlement of VAT related to lease contracts to be settled in subsequent periods – within 12 months	4	16
- settlement of VAT related to lease contracts to be settled in subsequent periods – above 12 months	-	-
TOTAL:	451	429

Note no. 7 – Stocks

STOCKS	Balance at 31 December 2019				
	Materials	Work in progress	Finished goods	Goods	Total
Valuation according to the acquisition price/manufacture cost	-	-	-	61	61
Valuation according to the net obtainable value	-	-	-	-	-
Write-downs on stocks at the beginning of the period	-	-	-	8	8
Reversal of write-downs on stocks recognised in the period as decrease in these write-downs	-	-	-	-	-
Write-downs on stocks recognised as cost in the period	-	-	-	-	-
Write-downs on stocks at the end of the period	-	-	-	8	8
Stocks recognised as cost in the period	-	-	-	8	8
Balance sheet value of stocks	-	-	-	53	53
Value of stocks securing liabilities	-	-	-	53	53
Including long-term portion	-	-	-	8	8

STOCKS	Balance at 31 December 2018				
	Materials	Work in progress	Finished goods	Goods	Total
Valuation according to the acquisition price/manufacture cost	-	-	-	62	62
Valuation according to the net obtainable value	-	-	-	-	-
Write-downs on stocks at the beginning of the period	-	-	-	8	8
Reversal of write-downs on stocks recognised in the period as decrease in these write-downs	-	-	-	-	-
Write-downs on stocks recognised as cost in the period	-	-	-	-	-
Write-downs on stocks at the end of the period	-	-	-	8	8
Stocks recognised as cost in the period	-	-	-	8	8
Balance sheet value of stocks	-	-	-	54	54
Value of stocks securing liabilities	-	-	-	54	54
Including long-term portion	-	-	-	8	8

Note no. 8 – Trade receivables

TRADE RECEIVABLES	31/12/2019	31/12/2018
Trade receivables from related entities	1	3
Trade receivables from other entities	5,681	5,594
Total receivables	5,682	5,597
Write-downs on trade receivables	349	249
Net trade receivables	5,333	5,348

MOVEMENTS IN WRITE-DOWNS	31/12/2019	31/12/2018
Balance at the beginning of the period	249	236
Increases	100	13
Decreases	-	-
Balance at the end of the period	349	249

Note no. 9 – Age structure of trade receivables

AGE STRUCTURE OF TRADE RECEIVABLES	Gross value	Write-down	Gross value	Write-down
	31/12/2019		31/12/2018	
Paid on time	3,286	-	3,051	-
Overdue up to 3 months	1,244	-	1,519	-
Overdue between 3 and 6 months	327	-	244	-
Overdue between 6 and 12 months	62	-	47	-
Overdue over 1 year	763	349	736	249
Total	5,682	349	5,597	249

Note no. 10 – Cash and cash equivalents

CASH AND CASH EQUIVALENTS	31/12/2019	31/12/2018
Cash in bank and cash in hand	4,501	3,977
Short-term deposits	1,241	859
Other	-	-
Total, including:	5,742	4,836
- cash in bank and cash in hand allocated to discontinued operations	-	-
- cash in bank and cash in hand not available for use by the Group	-	-

In 2019, cash decreased by PLN 906,420.65.

Term deposits were opened by Quantum software SA and Quantum Qguar sp. z o.o.

Both in 2019 as in 2018 the Company invested cash in the form of short-term deposits (overnight deposits) in PLN and short-term deposits in EUR with annual interest in the range from 0.5% to 0.75%,

Moreover, both companies have units in the open fund of the money market disclosed in the statement of financial condition in other financial assets.

Note no. 11 – Basic capital

BASIC CAPITAL		Balance at 31 December 2019					
Series/issue	Type of shares	Type of preference	Type of limitation of the rights to shares	Number of shares	Value of series/issue at nominal value	Registration date	Right to dividend (as from)
Series A	Registered shares	Available	None	750,000	375,000.00	07/03/1997	1997
Series B	Ordinary bearer shares	None	None	84,113	42,056.50	02/08/2007	2007
Series C	Ordinary bearer shares	None	None	470,000	235,000.00	11/09/2007	2007
Series D	Ordinary bearer shares	None	None	10,757	5,378.50	11/05/2011	2011
Total number of shares				1,314,870			
Total share capital					657,435		
Nominal value per share					0.50		

Shareholders	Number of shares	% of capital
Minvesta sp. z o.o.	952,912	72.47%
Tomasz Hatała	40,414	3.07%
Bogusław Ożóg	32,321	2.46%
Robert Dykacz	16,179	1.23%
Marek Jędra	10,327	0.79%
Tomasz Polończyk	9,873	0.75%
Tomasz Mnich	5,342	0.41%
Tomasz Mołata	1,312	0.10%
Henryk Gaertner	954	0.07%
Other	245,236	18.65%
Total	1,314,870	100%

Note no. 12 – Number of shares in the basic capital

Number of shares in the basic capital	31/12/2019	31/12/2018
Ordinary shares with a nominal value of PLN 0.50	1,314,870	1,314,870
Redemption of equity shares	-	-
Total	1,314,870	1,314,870
Changes in the number of shares	31/12/2019	31/12/2018
Ordinary shares issued and paid up in full		
At the beginning of the period	1,314,870	1,314,870
Redemption of equity shares	-	-
At the end of the period	1,314,870	1,314,870
Ordinary shares issued and not paid up in full		
At the beginning of the period	-	-
At the end of the period	-	-
Equity shares		
At the beginning of the period	954	14,930
Purchase of equity shares for the purposes of an incentive plan	-	-
Purchase of shares by the subsidiary Quantum Qguar	-	-
Redemption of equity shares	-	-
Sale of equity shares to member of the senior management	-954	-13,976
At the end of the period	-	954
Shares		
At the beginning of the period	-	-
At the end of the period	-	-
BASIC CAPITAL	31/12/2019	31/12/2018
Nominal value per share	0.50	0.50
Basic capital value	657	657

Note no. 13 – Equity shares

EQUITY SHARES			
Balance at 31/12/2019	Number of shares	Value at acquisition prices	Purpose of acquisition
Repurchase of equity shares	-	-	Art. 362(1)(8) 1 item 8 of the Commercial Companies Code
TOTAL	-	-	-

Note 14 - Reserve capital, supplementary capital and revaluation reserve

	FOR THE PERIOD ENDING 31 DECEMBER 2019									
	Surplus of share sale above their nominal value	Supplementary capital	Reserve capital	Reserve capital due to foreign exchange differences	Reserve capital due to cash flow hedges	Reserve capital from valuation of tangible fixed assets	Reserve capital from valuation of intangible assets	Reserve capital from valuation of financial assets available for sale	Foreign exchange differences from translation	Total
Balance at the beginning of the period	8,158	74	-	-	-	-	-	-	-12	8,220
Changes in accounting principles (policy)	-	-	-	-	-	-	-	-	-	-
Adjustments of fundamental errors	-	-	-	-	-	-	-	-	-	-
Balance at the beginning of the period after adjustments (after conversion)	8,158	74	-	-	-	-	-	-	-12	8,220
Profits (losses) on revaluation of tangible fixed assets	-	-	-	-	-	-	-	-	-	-
Profits (losses) on revaluation of investments available for sale recognised in equity	-	-	-	-	-	-	-	-	-	-
Profits (losses) on cash-flow hedges (effective portion)	-	-	-	-	-	-	-	-	-	-
Surplus resulting from the issue of basic	-	-	-	-	-	-	-	-	-	-

capital above its nominal value											
Acquisition of equity shares	-	-	-	-	-	-	-	-	-	-	-
Reclassification to basic and supplementary capital	-	-	-	-	-	-	-	-	-	-	-
Exchange rate differences from valuation of entities that operate abroad	-	-	-	-	-	-	-	-	-	75	75
Profit distribution	1,088	-74	-	-	-	-	-	-	-	-	1,014
Redemption of equity shares	-	-	-	-	-	-	-	-	-	-	-
Sale of equity shares	-13	-	-	-	-	-	-	-	-	-	-
Dividend	-1,078	-	-	-	-	-	-	-	-	-	-1,078
Non-controlling shares	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-
Transfer between supplementary capital and result from previous years	271	-	-	-	-	-	-	-	-	-	271
Acquisition of shares in a subsidiary company	-	-	-	-	-	-	-	-	-	-	-
Profit/loss on the sale of subsidiary	-	-	-	-	-	-	-	-	-	-	-
Income tax with regard to items presented in other comprehensive income	-	-	-	-	-	-	-	-	-	-	-

Closing balance	8,426	-	-	-	-	-	-	-	63	8,502
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	FOR THE PERIOD ENDING 31 DECEMBER 2018									
	Surplus of share sale above their nominal value	Supplementary capital	Reserve capital	Reserve capital due to foreign exchange differences	Reserve capital due to cash flow hedges	Reserve capital from valuation of tangible fixed assets	Reserve capital from valuation of intangible assets	Reserve capital from valuation of financial assets available for sale	Foreign exchange differences from translation	Total
Balance at the beginning of the period	8,227	78	-	-	-	-	-	-	-139	8,166
Changes in accounting principles (policy)	-	-	-	-	-	-	-	-	-	-
Adjustments of fundamental errors	-	-	-	-	-	-	-	-	-	-
Balance at the beginning of the period after adjustments (after conversion)	8,227	78	-	-	-	-	-	-	-139	8,166
Profits (losses) on revaluation of tangible fixed assets	-	-	-	-	-	-	-	-	-	-
Profits (losses) on revaluation of investments available for sale recognised in equity	-	-	-	-	-	-	-	-	-	-
Profits (losses) on cash-flow hedges (effective portion)	-	-	-	-	-	-	-	-	-	-

Surplus resulting from the issue of basic capital above its nominal value	-	-	-	-	-	-	-	-	-	-	-
Acquisition of equity shares	-	-	-	-	-	-	-	-	-	-	-
Reclassification to basic and supplementary capital	-	-	-	-	-	-	-	-	-	-	-
Exchange rate differences from valuation of entities that operate abroad	-	-	-	-	-	-	-	-	-	127	127
Profit distribution	12	18	-	-	-	-	-	-	-	-	30
Redemption of equity shares	-	-	-	-	-	-	-	-	-	-	-
Sale of equity shares	-81	-	-	-	-	-	-	-	-	-	-81
Dividend	-	-	-	-	-	-	-	-	-	-	-
Non-controlling shares	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-
Supplementary capital	-	-	-	-	-	-	-	-	-	-	-
Acquisition of shares in a subsidiary company	-	-22	-	-	-	-	-	-	-	-	-22
Profit/loss on the sale of subsidiary	-	-	-	-	-	-	-	-	-	-	-
Income tax with regard to items presented in other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Closing balance	8,158	74	-	-	-	-	-	-	-	-12	8,220

Note no. 15 – Reserve capital due to foreign exchange differences on translation

	for the period ending 31/12/2019	
	Reserve capital due to foreign exchange differences on translation	total
Balance at the beginning of the period	-12	-12
Foreign exchange differences on translation of foreign operations	75	75
Income tax on profits 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	-	-
Profits/losses reclassified to the result in connection with the sale of a foreign operation	-	-
Deferred tax related to profits/losses in connection with the sale of a foreign operation	-	-
Profits/losses on hedging instrument reclassified to the result in connection with the sale of a foreign operation	-	-
Deferred tax related to profit/loss on hedging instrument reclassified to the result in connection with the sale of a foreign operation	-	-
Other	-	-
Closing balance	63	63

	for the period ending 31/12/2018	
	Reserve capital due to foreign exchange differences on translation	total
Balance at the beginning of the period	-139	-139
Foreign exchange differences on translation of foreign operations	127	127
Income tax on profits 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	-	-
Profits/losses reclassified to the result in connection with the sale of a foreign operation	-	-
Deferred tax related to profits/losses in connection with the sale of a foreign operation	-	-
Profits/losses on hedging instrument reclassified to the result in connection with the sale of a foreign operation	-	-
Deferred tax related to profit/loss on hedging instrument reclassified to the result in connection with the sale of a foreign operation	-	-
Other	-	-
Closing balance	-12	-12

Note no. 16 – Non-controlling shares

	for the period ending 31/12/2019	
	Reserve capital due to foreign exchange differences on translation	total
Balance at the beginning of the period	-109	-109
Share of profit during the year	83	83
Foreign exchange differences on translation of financial statements	13	13
Acquisition of shares in a subsidiary company	-	-
Profit/loss on the sale of subsidiary	-	-
Adjustment for the previous years	-19	-19
Sale of equity shares	-	-
Closing balance	-32	-32

	for the period ending 31/12/2018	
	Reserve capital due to foreign exchange differences on translation	total
Balance at the beginning of the period	-160	-160
Share of profit during the year	-64	-64
Other increases	40	40
Other decreases	75	75
Closing balance	-109	-109

Note no. 17 – Provisions

PROVISIONS					
	FOR THE PERIOD ENDING 31 DECEMBER 2019				
	Provisions for repairs under guarantee	Restructuring provisions	Provisions for employee and similar benefits	Other provisions	Total
Value at the beginning of the period, including:	-	-	795	-	795
<i>Short-term at the beginning of the period</i>	-	-	513	-	513
<i>Long-term at the beginning of the period</i>	-	-	282	-	282
Increases	-	-	140	-	140
Created in the period and increase in the existing ones	-	-	140	-	140
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 differences on translation	-	-	-	-	-
Discount rate adjustment	-	-	-	-	-
Value at the end of the period, including:	-	-	935	-	935

Short-term at the end of the period	-	-	580	-	580
Long-term at the end of the period	-	-	355	-	355

PROVISIONS					
	FOR THE PERIOD ENDING 31 DECEMBER 2018				
	Provisions for repairs under guarantee	Restructuring provisions	Provisions for employee and similar benefits	Other provisions	Total
Value at the beginning of the period, including:	-	-	253	-	253
<i>Short-term at the beginning of the period</i>	-	-	8	-	8
<i>Long-term at the beginning of the period</i>	-	-	245	-	245
Increases	-	-	542	-	542
Created in the period and increase in the existing ones	-	-	542	-	542
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 differences on translation	-	-	-	-	-
Discount rate adjustment	-	-	-	-	-

Value at the end of the period, including:	-	-	795	-	795
<i>Short-term at the end of the period</i>	-	-	<i>513</i>	-	<i>513</i>
Long-term at the end of the period	-	-	282	-	282

Note 18 – Bank loans and borrowings

In 2019, there were no material changes in bank loans and borrowings. The Group companies did not raise any new liabilities of this type and the existing liabilities were repaid according to repayment schedules and contracts in force.

Collaterals remained unchanged.

Note no. 19 – Other financial liabilities

LIABILITIES DUE TO FINANCE LEASE CONTRACTS				
FUTURE MINIMUM LEASE FEES AND NET PRESENT VALUE OF MINIMUM LEASE FEES				
	31 DECEMBER 2019		31 DECEMBER 2018	
	Minimum fees	Present value of minimum fees	Minimum fees	Present value of minimum fees
up to 1 year	395	330	330	243
from 1 to 5 years	367	349	408	344
over 5 years	-	-	-	-
Total	762	679	738	587

As at 31 December 2019, Quantum Qguar was bound by thirteen car lease contracts in the total amount of PLN 880,248.40. As at 31 December 2019, the outstanding amount of the liabilities was PLN 591,261.29.

As at 31 December 2019, Quantum I-services was bound by one lease contract for passenger cars of the total value of PLN 145,493.35. As at 31 December 2019, the outstanding amount of the liabilities was PLN 109,724.96.

Note no. 20 – Trade liabilities

TRADE LIABILITIES	31/12/2019	31/12/2018
Trade liabilities due to related entities	-	-
Trade liabilities from other entities	2,600	2,365
Total	2,600	2 365

Note no. 21 – Other liabilities as well as prepayments and accruals

OTHER LIABILITIES AS WELL AS PREPAYMENTS AND ACCRUALS	31/12/2019	31/12/2018
Liabilities to subsidiaries:	-	-
- long-term portion	-	-
- short-term portion	-	-
Liabilities due to related entities:	-	-
- long-term portion	-	-
- short-term portion	-	-
Advances:	5	112
- long-term portion	-	-
- short-term portion	5	112
Other liabilities:	1,397	1,097
- long-term portion	-	-
- short-term portion	1,397	1,097
Accruals:	5	46
- long-term portion	-	-
- short-term portion	5	46
Deferred revenue:	70	-
- long-term portion	-	-
- short-term portion	70	-
Total, including:	1 477	1,255
- long-term portion	-	-
- short-term portion	1,477	1,255

Other liabilities comprise:		
Liabilities due to taxes, customs, insurance and other services	848	785
Payroll liabilities	106	-
Dividends	-	-
Other liabilities	358	284
Settlements of special funds	85	28
Total	1,397	1,097

Prepayments and accruals comprise:		
settlements of subsidy received – within 12 months	-	-
settlement of subsidy received – over 12 months	-	-
settlement of long-term contracts	-	-
Other prepayments and accruals	70	-
turn-of-the-period costs	5	46
Total	75	46

Note 22 – Revenue from the sale of products, goods and materials

REVENUE FROM THE SALE OF PRODUCTS, GOODS AND MATERIALS						
	Continued operations		Discontinued operations		Total	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Revenue from the sale of products	3,792	4,445	-	-	3,792	4,445
Revenue from the sale of services	22,865	18,423	-	-	22,865	18,423
Revenue from the sale of materials	-	-	-	-	-	-
Revenue from the sale of goods	6,492	6,635	-	-	6,492	6,635
TOTAL	33,149	29,503	-	-	33,149	29,503
including: non-cash revenue from exchange of goods or services	-	-	-	-	-	-

In 2019, an increase in sales compared to the same period in 2018 was recorded. Revenue mainly includes the sale of licenses and own services of Qguar, and the sale of goods is the entity's additional operations resulting from specific orders occurring in the course of the implementation of contracts with contractors.

Note no. 23 – Costs by type

COSTS BY TYPE	31/12/2019	31/12/2018
Depreciation of fixed and intangible assets	629	683
Costs of employee benefits	12,683	11,346
Use of raw materials and materials	476	350
Costs of third-party services	9,276	7,911
Costs of taxes and charges	146	108
Other costs	748	764
Change in the balance of products and work-in-progress	-	-
Value of goods sold	5,637	6,029
TOTAL	29,595	27,191
Selling costs	2,415	2,614
General administrative expenses	3,769	3,433
Costs of products, goods and materials sold	23,411	21,144
TOTAL	29,595	27,191
including: minimum lease payments recognised as operating lease costs	-	-

EMPLOYEE BENEFIT COSTS	31/12/2019	31/12/2018
Payroll costs	10,556	9,539
Social security costs	1,817	1,649
Costs of defined contribution plans	-	-
Costs of defined benefit plans, including:	-	-
Costs of other long-term employee benefits	-	-
Costs of benefits due to termination of employment	-	-
Costs of retirement benefits	-	-
Other benefits	310	158
Other post-employment benefits	-	-
Costs of employee benefits in the form of equity shares	-	-
TOTAL	12,683	11,346

RESEARCH AND DEVELOPMENT COSTS	31/12/2019	31/12/2018
Depreciation	-	30
Consumption of raw materials and auxiliary materials	-	-
Costs of third-party services	-	-
Other costs	-	-
TOTAL	-	30

Note no. 24 – Other revenue and costs

OTHER REVENUE	31/12/2019	31/12/2018
State subsidies	-	-
Profit on the sale of tangible fixed assets	55	86
Reversal of impairment write-downs on receivables	-	45
Reversal of impairment write-downs on stocks	-	-
Reversal of impairment write-downs on intangible assets	-	-
Reversal of impairment write-downs on tangible fixed assets	-	-
Reversal of impairment write-downs on investment real properties	-	-
Release of other provisions	-	-
Release of provision for the entity's restructuring costs	-	-
Profit on occasional purchase	-	-
Reimbursement of court costs	-	-
Damages refunded	-	-
Differences from balance sheet measurement	-	-
Donations, penalties and damages received	24	42
Adjustment of contributions to the Labour Fund for previous years	-	-
Refund of insurance policy premiums	-	-
Redemption of a portion of shares	-	-
Transfer of business – goodwill	-	-
Other	14	213
TOTAL	93	386
including: non-cash revenue from exchange of goods or services	-	-

OTHER COSTS	31/12/2019	31/12/2018
Loss on the sale of property, plant and equipment	-	-
Provision for guarantee repairs	-	-
Direct costs (including renovation and maintenance) due to investment real properties rented out	-	-
Accumulated loss on revaluation of investment real properties to fair value	-	-
Impairment write-downs on receivables	105	-
Impairment write-downs on stocks	-	-
Impairment write-downs on intangible assets	-	-
Impairment write-downs on tangible fixed assets	-	-
Impairment write-downs on investment real properties	-	-
Provision for the entity's restructuring costs	-	-
Provision for expected losses	-	-
Provisions for costs	-	-
Costs of court proceedings	-	-
Compensations for dismissed employees	-	-
Costs connected with the acquisition of other entities	-	-
Costs of maintaining property investments	-	-
Losses, damages and penalties	-	-
Donations	11	-
Liquidation of current assets	-	-
Subsidies	-	-
Write-down on goodwill of the acquired unit	530	-
Other	24	153
TOTAL	670	153

Note no. 25 – Financial revenue and costs

FINANCIAL REVENUE	31/12/2019	31/12/2018
Interest revenue	160	126
Dividend revenue	-	-
Investment revenue	-	-
Foreign exchange profits	67	-
Interest charged on receivables	-	-

FX hedges (forwards)	-	-
Settlement of deferred tax upon the transfer of business	-	-
Other	-	-
Reversal of impairment losses on financial assets, including:	-	-
assets available for sale	-	-
financial assets and liabilities measured at the fair value through profit or loss	-	-
hedging instruments	-	-
Profit on change in the fair value of financial instruments	-	-
assets available for sale	-	-
financial assets and liabilities measured at the fair value through profit or loss	-	-
hedging instruments	-	-
TOTAL	227	126

FINANCIAL COSTS	31/12/2019	31/12/2018
Interest costs, including:	59	128
Bank loans	-	-
Loans	-	21
Other	49	86
state budget and other interest	10	21
Financial costs arising from finance lease contracts	96	80
Provision for outstanding interest	-	-
Loss on disposal of investments	-	-
Foreign exchange losses	-	287
Profit/loss on the sale of shares in subsidiary	-	-
Remittance of a loan and interest	-	-
Other	9	-
Impairment write-downs on financial assets, including:	32	-
assets available for sale	-	-
financial assets and liabilities measured at the fair value through profit or loss	32	-
hedging instruments	-	-
Losses on changes in the fair value of financial instruments, including:	-	-
assets available for sale	-	-
financial assets and liabilities measured at the fair value through profit or loss	-	-

hedging instruments	-	-
TOTAL	196	495

Note no. 26 – Consolidated profit per share

CONSOLIDATED PROFIT PER SHARE	31/12/2019	31/12/2018
Consolidated net profit for the reporting period attributable to:	2,822	1,578
Shareholders of the parent entity	2,738	1,642
Non-controlling shares	84	-64

CONSOLIDATED NET PROFIT OF ORDINARY SHAREHOLDERS OF THE PARENT ENTITY (BASIC)						
Detailed list	31 December 2019			31 December 2018		
	Continued operations	Discontinued operations	Total	Continued operations	Discontinued operations	Total
Consolidated profit/loss of the shareholders of the parent entity for the reporting period	2,738	-	2,738	1,642	-	1,642
Dividends on preference shares not subject to redemption (-)	-	-	-	-	-	-
Total	2,738	-	2,738	1,642	-	1,642

WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	31/12/2019	31/12/2018
<i>in thousands of shares</i>		
Weighted average number of shares at the beginning of the period	1,314,870	1,314,870
Weighted average number of ordinary shares at the end of the period	1,314,870	1,314,870

CONSOLIDATED NET PROFIT PER SHARE	31/12/2019	31/12/2018
on continuing and discontinued operations	2.08	1.25
on continuing operations	2.08	1.25

CONSOLIDATED NET PROFIT OF ORDINARY SHAREHOLDERS OF THE PARENT COMPANY (DILUTED)						
Detailed list	31 December 2019			31 December 2018		
	Continued operations	Discontinued operations	Total	Continued operations	Discontinued operations	Total
Consolidated net profit/loss of ordinary shareholders of the parent entity (basic)	2,738	-	2,738	1,642	-	1,642
Interest on convertible bonds, after tax	-	-	-	-	-	-
Consolidated net profit/loss of ordinary shareholders of the parent entity (diluted)	2,738	-	2,738	1,642	-	1,642

WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (DILUTED)	31/12/2019	31/12/2018
<i>in thousands of shares</i>		
Weighted average number of ordinary shares	1,314,870	1,314,870
Effect of conversion of convertible bonds on shares	-	-
Effect of the issue of options on shares	-	-
Weighted average number of ordinary shares at the end of the period (diluted)	1,314,870	1,314,870

CONSOLIDATED DILUTED NET PROFIT PER SHARE	31/12/2019	31/12/2018
on continuing and discontinued operations	2.08	1.25
on continuing operations	2.08	1.25

Note no. 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 the identification of particular operating segments. The Company presents sales broken down by 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.

31/12/2019		
INFORMATION ON GEOGRAPHICAL AREAS	Revenue	Fixed assets
Domestic sales	31,093	*
Total foreign sales	2,056	*
including:		
Germany	1,108	-
Ukraine	-	-
Norway	-	-
Russia	31	-
France	-	-
United Kingdom	36	-
Romania	45	-
Ecuador	119	-
Hungary	-	-
Czech Republic	45	-
United States of America	104	-
Italy	16	-
Luxembourg	-	-
Slovakia	222	-
Lithuania	330	-
Denmark	-	-
Malta	-	-
Brazil	-	-
Other	-	-
TOTAL	33,149	-

31/12/2018		
INFORMATION ON GEOGRAPHICAL AREAS	Revenue	Fixed assets
Domestic sales	25,028	*
Total foreign sales	4,475	*
including:		
Germany	1,043	-
Ukraine	2,583	-
Norway	-	-
Russia	76	-
France	-	-
United Kingdom	59	-
Ecuador	186	-
Romania	284	-
Hungary	70	-
Czech Republic	48	-
United States of America	103	-
Italy	15	-
Luxembourg	-	-
Ireland	-	-
Lithuania	8	-
Denmark	-	-
Malta	-	-
Brazil	-	-
Other	-	-
TOTAL	29,503	-

* Fixed assets are used by the entity for the purpose of manufacturing goods sold in the domestic and foreign markets.

INFORMATION ON TYPES OF PRODUCTS, SERVICES AND GOODS	31/12/2019	31/12/2018
	Revenue	Revenue
Products – licences	3,792	4,445
Services – implementation	12,558	6,680
Services – maintenance	9,879	10,814
Services – individual projects and other services	395	633

Long-term contracts	32	297
Goods	6,493	6,634
TOTAL	33,149	29,503

Note no. 28 – Transactions between related entities

TRANSACTIONS BETWEEN RELATED ENTITIES 2019			
Entity	Transaction Type	Transaction value in PLN	Transaction value in a foreign currency
Quantum Mobile Solutions sp. z o.o.	Sale of services to Quantum Qguar sp. z o.o.	293	-
Quantum I-Services sp. z o.o.	Sale of services to Quantum Qguar sp. z o.o.	701	-
Qcadoo Limited sp. z o.o.	Sale of services to Quantum Qguar sp. z o.o.	52	-
Quantum Qguar sp. z o.o.	Sale of services to Quantum International Ukraine	604	-
Quantum Qguar sp. z o.o.	Sale of goods to Quantum International Ukraine	39	-
Quantum Qguar sp. z o.o.	Sale of services to Quantum International Russia	-	-
Quantum Qguar sp. z o.o.	Sale of services to Quantum Limited sp. z o.o.	1	-
Quantum Qguar sp. z o.o.	Sale of services to Quantum software S.A.	903	-
Quantum Qguar sp. z o.o.	Sale of services to Quantum I-Services sp. z o.o.	1	-
Quantum Qguar sp. z o.o.	Sale of services to Quantum East sp. z o.o.	1	-
Quantum Qguar sp. z o.o.	Sale of services to Quantum Mobile Solutions sp. z o.o.	1	-
Quantum software S.A.	Sale of services to Quantum Qguar sp. z o.o.	540	-
Quantum software S.A.	Sale of services to Quantum Mobile Solutions sp. z o.o.	120	-
Quantum Brasil	Sale of services to Quantum software S.A.	-	-
Quantum Brasil	Sale of services to Quantum Qguar sp. z o.o.	207	-
Quantum Brasil	Sale of services to Quantum Mobile Solutions sp. z o.o.	-	-
Quantum Qguar sp. z o.o.	Interest accrued on a loan granted to Quantum East sp. z o.o.	55	-

Quantum East sp. z o.o.	Interest accrued on a loan granted to Quantum International Russia	40	-
Quantum Qguar sp. z o.o.	Interest accrued on a loan granted to Qcadoo Limited sp. z o.o.	-	-
Quantum Qguar sp. z o.o.	Interest accrued on loans granted to Quantum Brasil	14	-
Quantum Qguar sp. z o.o.	Interest accrued on a loan granted to Quantum I-Services sp. z o.o.	-	-
Quantum Qguar sp. z o.o.	Interest accrued on a loan granted to Quantum software SA	-	-
Quantum software S.A.	Interest accrued on a loan granted to Qcadoo Limited sp. z o.o.	-	-
Quantum software S.A.	Interest accrued on loans granted to Quantum Brasil	10	-
Quantum software S.A.	Granting a loan to Quantum Brasil	-	-
Quantum software S.A.	Repayment of the loan by Qcadoo Limited sp. z o.o.	-	-
Quantum Qguar sp. z o.o.	Granting a loan to Qcadoo Limited sp. z o.o.	15	-
Quantum Qguar sp. z o.o.	Repayment of the loan from Qcadoo Limited sp. z o.o.	1	-
Quantum Qguar sp. z o.o.	Granting a loan to Quantum software SA	-	-
Quantum Qguar sp. z o.o.	Repayment of the loan by Quantum software SA	-	-
Quantum Qguar sp. z o.o.	Repayment of the loan by Quantum I-Services sp. z o.o.	-	-
Quantum Qguar sp. z o.o.	Repayment of the loan by Quantum I-Services sp. z o.o.	10	-
Quantum Qguar sp. z o.o.	Acquisition of Qcadoo Limited sp. z o.o. shares	-	-
Quantum Qguar sp. z o.o.	Write off of shares of Qcadoo Limited sp. z o.o.	302	-
Quantum Qguar sp. z o.o.	Acquisition of Quantum I-Services sp. z o.o. shares	-	-
Quantum software S.A.	Receiving dividend from Quantum Qguar sp. z o.o.	1,659	-
Quantum software S.A.	Receiving advance payment on account of dividend from Quantum Qguar sp. z o.o.	853	-
Quantum Qguar sp. z o.o.	Write-down on goodwill of Qcadoo Limited sp. z o.o.	530	-

RECEIVABLES AS AT 31/12/2019 BETWEEN ASSOCIATES			
Entity	From which entity/For which entity	Receivables in PLN	Liability in PLN
Quantum software S.A.	Quantum International Ukraine	-	-

Quantum software S.A.	Quantum Brasil	-	-
Quantum software S.A.	Quantum I-Services sp. z o.o.	-	-
Quantum software S.A.	Quantum Qguar sp. z o.o.	-	458
Quantum software S.A.	Quantum Mobile Solutions sp. z o.o.	74	-
Quantum Qguar sp. z o.o.	Quantum Mobile Solutions sp. z o.o.	-	62
Quantum Qguar sp. z o.o.	Quantum International Ukraine	184	-
Quantum Qguar sp. z o.o.	Quantum International Russia	-	-
Quantum Qguar sp. z o.o.	Quantum Brasil	-	18
Quantum Qguar sp. z o.o.	Quantum I-Services sp. z o.o.	-	178
Quantum Qguar sp. z o.o.	Quantum East sp. z o.o.	-	2
Quantum Qguar sp. z o.o.	Qcadoo Limited sp. z o.o.	-	20
Quantum I-Services sp. z o.o.	Qcadoo Limited sp. z o.o.	-	-

TRANSACTIONS BETWEEN RELATED ENTITIES 2018			
Entity	Transaction Type	Transaction value in PLN	Transaction value in a foreign currency
Quantum Mobile Solutions sp. z o.o.	Sale of services to Quantum Qguar sp. z o.o.	154	-
Quantum I-Services sp. z o.o.	Sale of services to Quantum Qguar sp. z o.o.	663	-
Qcadoo Limited sp. z o.o.	Sale of services to Quantum Qguar sp. z o.o.	135	-
Quantum Qguar sp. z o.o.	Sale of services to Quantum International Ukraine	466	-
Quantum Qguar sp. z o.o.	Sale of goods to Quantum International Ukraine	32	-
Quantum Qguar sp. z o.o.	Sale of services to Quantum International Russia	-	-
Quantum Qguar sp. z o.o.	Sale of services to Quantum Limited sp. z o.o.	1	-
Quantum Qguar sp. z o.o.	Sale of services to Quantum software S.A.	478	-
Quantum Qguar sp. z o.o.	Sale of services to Quantum I-Services sp. z o.o.	1	-

Quantum Qguar sp. z o.o.	Sale of services to Quantum East sp. z o.o.	1	-
Quantum Qguar sp. z o.o.	Sale of services to Quantum Mobile Solutions sp. z o.o.	1	-
Quantum software S.A.	Sale of services to Quantum Qguar sp. z o.o.	540	-
Quantum software S.A.	Sale of services to Quantum Mobile Solutions sp. z o.o.	120	-
Quantum Brasil	Sale of services to Quantum software S.A.	13	-
Quantum Brasil	Sale of services to Quantum Qguar sp. z o.o.	21	-
Quantum Brasil	Sale of services to Quantum Mobile Solutions sp. z o.o.	138	-
Quantum Qguar sp. z o.o.	Interest accrued on a loan granted to Quantum East sp. z o.o.	55	-
Quantum East sp. z o.o.	Interest accrued on a loan granted to Quantum International Russia	37	-
Quantum Qguar sp. z o.o.	Interest accrued on a loan granted to Qcadoo Limited sp. z o.o.	8	-
Quantum Qguar sp. z o.o.	Interest accrued on loans granted to Quantum Brasil	17	-
Quantum Qguar sp. z o.o.	Interest accrued on a loan granted to Quantum I-Services sp. z o.o.	31	-
Quantum Qguar sp. z o.o.	Interest accrued on a loan granted to Quantum software SA	-	-
Quantum software S.A.	Interest accrued on a loan granted to Qcadoo Limited sp. z o.o.	1	-
Quantum software S.A.	Interest accrued on loans granted to Quantum Brasil	6	-
Quantum software S.A.	Granting a loan to Quantum Brasil	275	-
Quantum software S.A.	Repayment of the loan by Qcadoo Limited sp. z o.o.	30	-
Quantum Qguar sp. z o.o.	Granting a loan to Qcadoo Limited sp. z o.o.	292	-
Quantum Qguar sp. z o.o.	Repayment of the loan from Qcadoo Limited sp. z o.o.	897	-
Quantum Qguar sp. z o.o.	Granting a loan to Quantum software SA	-	-
Quantum Qguar sp. z o.o.	Repayment of the loan by Quantum software SA	10	-
Quantum Qguar sp. z o.o.	Repayment of the loan by Quantum I-Services sp. z o.o.	450	-
Quantum Qguar sp. z o.o.	Acquisition of Qcadoo Limited sp. z o.o. shares	880	-
Quantum Qguar sp. z o.o.	Acquisition of Quantum I-Services sp. z o.o. shares	450	-
Quantum software S.A.	Receiving dividend from Quantum Qguar sp. z o.o.	1,457	-

Quantum software S.A.	Receiving advance payment on account of dividend from Quantum Qguar sp. z o.o.	800	-
Quantum Qguar sp. z o.o.	Write-down on goodwill of Qcadoo Limited sp. z o.o.	-	-

RECEIVABLES AS AT 31/12/2018 BETWEEN ASSOCIATES			
Entity	From which entity/For which entity	Receivables in PLN	Liability in PLN
Quantum software S.A.	Quantum International Ukraine	-	-
Quantum software S.A.	Quantum Brasil	-	-
Quantum software S.A.	Quantum I-Services sp. z o.o.	-	-
Quantum software S.A.	Quantum Qguar sp. z o.o.	-	55
Quantum software S.A.	Quantum Mobile Solutions sp. z o.o.	74	-
Quantum Qguar sp. z o.o.	Quantum Mobile Solutions sp. z o.o.	-	15
Quantum Qguar sp. z o.o.	Quantum International Ukraine	278	-
Quantum Qguar sp. z o.o.	Quantum International Russia	160	-
Quantum Qguar sp. z o.o.	Quantum Brasil	-	22
Quantum Qguar sp. z o.o.	Quantum I-Services sp. z o.o.	1	113
Quantum Qguar sp. z o.o.	Quantum East sp. z o.o.	3	-
Quantum Qguar sp. z o.o.	Qcadoo Limited sp. z o.o.	-	130
Quantum I-Services sp. z o.o.	Qcadoo Limited sp. z o.o.	23	-

Note no. 29 – Construction contracts

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

CONSTRUCTION CONTRACTS IN PROGRESS	31/12/2019	31/12/2018
Total costs incurred	459	373
Total profits and losses recognised	32	297
Advances received	-	-
Deposit amount	-	-
Receivables from clients under contractual works	332	300
Liabilities due to clients under contractual works	-	-

Note no. 30 – Financial instruments

FINANCIAL INSTRUMENTS – INTEREST RATE RISK – SENSITIVITY ANALYSIS			
Balance at 31/12/2019			
	Balance sheet value	Increase/decrease by percentage points	Effect on the gross financial result
Financial assets	9,237	-	-2
Cash	5,742	-	-
Financial assets available for sale	-	-	-
Other financial assets	3,317	-	-
Loans granted	178	-1	-2
Financial liabilities	679	-	7
Bank loans and borrowings	-	1	-
Financial lease liabilities	679	1	7
Other financial liabilities	-	-	-

FINANCIAL INSTRUMENTS – INTEREST RATE RISK – SENSITIVITY ANALYSIS			
Balance at 31/12/2018			
	Balance sheet value	Increase/decrease by percentage points	Effect on the gross financial result
Financial assets	8,366	-	-3
Cash	4,836	-	-
Financial assets available for sale	-	-	-
Other financial assets	3,249	-	-
Loans granted	281	-1	-3

Financial liabilities	587	-	6
Bank loans and borrowings	-	1	-
Financial lease liabilities	587	1	6
Other financial liabilities	-	-	-

FINANCIAL INSTRUMENTS – CURRENCY RISK – SENSITIVITY ANALYSIS

Balance at 31/12/2019

	Balance sheet value	Exchange rate increase/decrease in percentage points	Effect on the gross financial result
Financial assets	-	-	-
Cash in EUR	2,170	-1.00%	-22
Cash in USD	68	6.00%	4
Cash in UAH	1,054	13.00%	137
Cash in RUB	1	4.00%	0
Cash in BRL	12	-1.00%	0
Trade and other receivables in EUR	230	-1.00%	-2
Trade and other receivables in USD	38	6.00%	2
Trade and other receivables in UAH	759	13.00%	99
Trade and other receivables in RUB	-	4.00%	-
Trade and other receivables in BRL	-	-1.00%	-
Financial liabilities	-	-	-
Overdrafts in EUR	-	-	-
Short-term loans in EUR	-	-	-
Trade liabilities in EUR	53	1.00%	1
Trade liabilities in UAH	738	-13.00%	-96
Trade liabilities in RUB	263	-4.00%	-11
Trade liabilities in BRL	-	1.00%	-

FINANCIAL INSTRUMENTS – CURRENCY RISK – SENSITIVITY ANALYSIS

Balance at 31/12/2018

	Balance sheet value (PLN '000)	Exchange rate increase/decrease in percentage points	Effect on the gross financial result
Financial assets	-	-	-
Cash in EUR	2,365	-1%	-24

Cash in USD	-	-3%	-
Cash in UAH	631	-5%	-32
Cash in RUB	3	-11%	0
Cash in BRL	3	-15%	0
Trade and other receivables in EUR	249	-1%	-2
Trade and other receivables in USD	86	-3%	-3
Trade and other receivables in UAH	872	-5%	-44
Trade and other receivables in BRL	22	-15%	-3
Financial liabilities	-	-	-
Overdrafts in EUR	-	-	-
Short-term loans in EUR	-	-	-
Trade liabilities in EUR	48	1%	0
Trade liabilities in UAH	1,034	5%	52
Trade liabilities in RUB	231	11%	25
Trade liabilities in BRL	29	15%	4

FAIR VALUE OF INDIVIDUAL CATEGORIES OF FINANCIAL INSTRUMENTS

	Category in accordance with IAS 39*	Balance sheet value		Fair value	
		31/12/2019	31/12/2018	31/12/2019	31/12/2018
Financial assets	-	12,191	11 367	12,191	11 367
Cash	Measured at the fair value through P&L	5,742	4,836	5,742	4,836
Trade and other receivables	Loans and receivables	6,271	6,246	6,271	6,246
Receivables on account of loans granted	Loans and receivables	178	281	178	281
Financial assets available for sale	Available for sale	-	4	-	4
Financial liabilities	-	4,756	4,207	4,756	4,207
Liabilities due to finance lease	Financial liabilities at depreciated cost	679	587	679	587
Trade and other liabilities	Financial liabilities at depreciated cost	4,077	3,620	4,077	3,620
Bank loans	Financial liabilities at the	-	-	-	-

	depreciated cost				
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ITEMS OF REVENUE, COSTS, PROFITS AND LOSSES RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME BY CATEGORIES OF FINANCIAL INSTRUMENTS

FOR THE PERIOD	31/12/2019				
	Category in accordance with IAS 39*	Interest revenue/costs	Foreign exchange profits/losses	Reversal/establishment of write-downs	Profits/losses on sales
Financial assets		160	80	-31	-
Cash	Measured at the fair value through P&L	26	-37	-	-
Trade and other receivables	Loans and receivables	-	117	-	-
Receivables on account of loans granted	Loans and receivables	15	-	-31	-
Financial assets available for sale	Available for sale	-	-	-	-
Other financial assets		119	-	-	-
Financial liabilities	-	-155	-12	-	-
Liabilities due to finance lease	Financial liabilities at depreciated cost	-96	-	-	-
Trade and other liabilities	Financial liabilities at depreciated cost	-10	-12	-	-
Liabilities on account of loans granted		-49	-	-	-
Short-term bank loans	Financial liabilities at the depreciated cost	-	-	-	-

ITEMS OF REVENUE, COSTS, PROFITS AND LOSSES RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME BY CATEGORIES OF FINANCIAL INSTRUMENTS

FOR THE PERIOD	31.12.2018				
	Category in accordance with IAS 39*	Interest revenue/costs	Foreign exchange profits/losses	Reversal/establishment of write-downs	Profits/losses on sales
Financial assets		126	-288	-	-

Cash	Measured at the fair value through P&L	108	-14	-	-
Trade and other receivables	Loans and receivables	-	-274	-	-
Receivables on account of loans granted	Loans and receivables	18	-	-	-
Financial assets available for sale	Available for sale	-	-	-	-
Financial liabilities	-	-208	-	-	-
Liabilities due to finance lease	Financial liabilities at depreciated cost	-80	-	-	-
Trade and other liabilities	Financial liabilities at depreciated cost	-107	-	-	-
Liabilities on account of loans granted		-21	-	-	-
Short-term bank loans	Financial liabilities at the depreciated cost	-	-	-	-

Note no. 31 – Remuneration of the Group’s senior management

Management Board of the parent company	31/12/2019	31/12/2018
Short-term employee benefits (remuneration and charges)	280	260
Anniversary and retirement benefits	-	-
Post-employment benefits	-	-
Benefits due to termination of employment	-	-
Employee benefits in the form of equity shares	-	-
Total	280	260

Supervisory Board of the parent company	31/12/2019	31/12/2018
Short-term employee benefits (remuneration and charges)	26	28
Anniversary and retirement benefits	-	-
Post-employment benefits	-	-
Benefits due to termination of employment	-	-
Employee benefits in the form of equity shares	-	-

Total	26	30
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Management board of subsidiaries	31/12/2019	31/12/2018
Short-term employee benefits (remuneration and charges)	328	316
Anniversary and retirement benefits	-	-
Post-employment benefits	-	-
Benefits due to termination of employment	-	-
Employee benefits in the form of equity shares	-	-
Total	328	316

Other members of the senior management of subsidiaries	31/12/2019	31/12/2018
Short-term employee benefits (remuneration and charges)	1,148	864
Anniversary and retirement benefits	-	-
Post-employment benefits	-	-
Benefits due to termination of employment	-	-
Employee benefits in the form of equity shares	-	-
Total	1,148	864

	31/12/2019	31/12/2018
Management Board	280	260
Supervisory Board	26	28
Management Board – subsidiaries or associates	328	316
Supervisory Board – subsidiaries or associates	-	-
Total	634	604
Other members of the senior management	1,148	864

Note no. 32 – Capital management

	31/12/2019	31/12/2018
Interest-bearing loans, borrowings and bonds	679	587
Trade and other liabilities	4,090	3,677
Less cash and cash equivalents	-5,742	-4,836
Net debt	-973	-572

Convertible preference shares	-	-
Equity	12,799	12,231
Reserve capitals on unrealised net profits	-	-
Total capital	12,799	12,231
Capital and net debt	11,826	11,659
Leverage ratio	-0.08	- 0.05

Note no. 33 – Employment in the Capital Group

EMPLOYMENT IN THE QS S.A. CAPITAL GROUP	31/12/2019	31/12/2018
Management Board of the parent company	4	4
Management Boards of the Group companies (*)	15	15
White-collar employees/Administration	144	131
Blue-collar employees	0	0

Note no. 34 – Financial risk management principles

The Group's financial situation depends on the macroeconomic situation in Poland and in the countries where the subsidiaries operate. The financial results achieved by the Company directly and indirectly depend on the GDP growth dynamics, inflation, national monetary and tax policy, business investments, household income and consumer demand. All of the aforesaid factors as well as the direction and level of changes influence the fulfilment of tasks planned by the Group companies. The economic growth translates into the revenue of companies operating in particular regions and industries. Consequently, they adjust their capital expenditure, including development expenditure, through the improvement or purchase of computer hardware and appropriate software. The Quantum Group entities, as IT systems provider, may directly experience the consequences of changes in the budgets allocated by companies to computerisation.

As regards the types of risks arising from financial instruments management, the Quantum Software S.A. Group faces the following basic risks:

- currency risk
- interest rate risk
- liquidity risk.

Managements of the Group companies verify and agree upon the policies for managing each of these risks; the policies are briefly discussed below.

1) Risk of fluctuations in foreign currency exchange rates against the currencies of the Group companies

The Group enters into export transactions in foreign currencies (mainly in EUR). Any change in foreign exchange rates against PLN may result in obtaining lower 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 differences occurring between the date of sales or purchase, and the date of payment of receivables or liabilities,
- unrealised foreign exchange differences from the valuation of settlements as at the balance sheet date.

Trade transactions in foreign currencies on account of export are part of the Group's companies' normal course of operations. The Group's exports account for 15% of total revenues. Consequently, future cash flows on this account are exposed to changes in value due to foreign exchange fluctuations. The level of compensation between foreign currency revenue and costs has become difficult to predict.

2) Risks related to changes in market interest rates.

A change in market interest rates may also adversely affect the financial results of the Group. The Quantum Software S.A. Group is exposed to the risk of changes primarily due to changes in the value of interest charged on loans extended to the Group based on variable interest rates and changes in the value of interest charged on leases.

The interest rate risk arises and is recognised at the time of concluding a transaction based on a variable interest rate. In order to reduce the impact of this factor, the Group seeks to avoid raising loans based on a variable interest rate, collects and analyses the current market information about the current exposure to interest rate risk.

3) Liquidity risks

The Group regularly monitors the risk of the absence of funds using a recurring liquidity planning tool. This tool takes into account the maturity dates of investments and financial assets and projected cash flows from operating activities.

Note no. 30 analyses sensitivity of risk factors, such as exchange rate and interest rate changes in the Group.

Note no. 35 – Contingent liabilities

At 31 December 2019, the Group has no contingent liabilities.

Note no. 36 – Events after the balance sheet date

In the first quarter of 2020, Poland and practically the whole world were affected by the COVID-19 pandemic. The Management Board of the Issuer and the Management Boards of Quantum

Group companies implemented recommendations concerning safety, health and hygiene recommended by the Polish Chief Sanitary Inspectorate and other state institutions.

The impact of this on the results of the Issuer and the Group's companies is very difficult to predict at the moment.

The impact will depend on the situation of individual customers, but also on other decisive factors whose effect is difficult to predict currently, e.g. the duration of the epidemic, administrative restrictions, restrictions imposed on entrepreneurs and volatility of exchange rates.

The Issuer's Management Board and Management Boards of the subsidiaries monitor the development of the situation in the respective countries of their operation and work intensively to adapt to dynamic operating conditions.

Note no. 37 – Differences between financial results shown in the report and previously forecast results

The Quantum software S.A. Capital Group did not publish any forecasts for 2019 or for the comparable period of 2018.

Note no. 38 – Information on sureties and guarantees granted and received

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

Note 39 – Seasonality and cyclicity

In the case of the Quantum software S.A., seasonality is not critical. Revenues for the first three quarters of the year are subject to slight fluctuations, while revenues in the fourth quarter are typically at a higher level, because a large part of them is generated through contracts to be performed in the fourth quarter, which is associated with the fact that business entities make more purchases exactly at the end of the year. Entities budgeting the work are often forced to implement budgets before the end of the year. Conversely, the cyclicity is relevant because half of the company's revenue is generated from service contracts (long-term maintenance contracts).

Note no. 40 – Discontinued operations

The Company did not discontinue its operations either in 2019 or in the comparable period.

Note no. 41 – Contracts imposing obligations on managers, supervisors and persons related to them

In 2019, members of the management and supervisory bodies did not make any binding contracts.

Note no. 42 – Other transactions with managers and supervisors

According to the information available to the Management Board of Quantum software S.A, as at the date of the submission of this report, there is one loan agreement concluded on 28/08/2019 with the managing person, Mr Tomasz Hatala, for the total amount of PLN 200,000.00 (in words: PLN two hundred thousand), of which PLN 100,000.00 was repaid in October 2019 and thus, as at 31/12/2019, the outstanding amount was PLN 100,000.00.

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

2019			
ENTITY AUTHORISED TO PERFORM AUDITS	DATE OF THE CONTRACT	OBJECT OF THE AUDIT	REMUNERATION
PRO Audyt Sp. z o.o.	15/07/2018	Review of the separate interim financial statement	PLN 5,000.00
PRO Audyt Sp. z o.o.	15/07/2018	Review of the consolidated interim financial statement	PLN 6 000.00
PRO Audyt Sp. z o.o.	15/07/2018	Audit of the separate financial statement for 2019	PLN 10,000.00
PRO Audyt Sp. z o.o.	15/07/2018	Audit of the consolidated financial statement for 2019	PLN 10,000.00
PRO Audyt Sp. z o.o.	15/07/2018	Audit of the interim financial statement of Quantum Qguar sp. z o.o.	PLN 9,000.00
WBS Audyt Sp. z o.o.	15/07/2018	Audit of the separate financial statements of Quantum Qguar sp. z o.o. for 2019	PLN 16,000.00

2018			
ENTITY AUTHORISED TO PERFORM AUDITS	DATE OF THE CONTRACT	OBJECT OF THE AUDIT	REMUNERATION
PRO Audyt Sp. z o.o.	15/07/2018	Review of the separate interim financial statement	PLN 5,000.00
PRO Audyt Sp. z o.o.	15/07/2018	Review of the consolidated interim financial statement	PLN 6 000.00
PRO Audyt Sp. z o.o.	15/07/2018	Audit of the separate financial statement for 2018	PLN 10,000.00

PRO Audyt Sp. z o.o.	15/07/2018	Audit of the consolidated financial statement for 2018	PLN 10,000.00
WBS Audyt Sp. z o.o.	15/07/2018	Audit of the interim financial statement of Quantum Qguar sp. z o.o.	PLN 9,000.00
WBS Audyt Sp. z o.o.	15/07/2018	Audit of the financial statement of Quantum Qguar sp. z o.o.	PLN 16,000.00

The financial statement was approved by the Management Board and signed by all Members of the Management Board on 20 April 2020.

Signatures of the Management Board Members

Person responsible for keeping accounting books

Tomasz Hatala

Chief Accountant – Monika Kuś

Bogusław Ożóg

Marek Jędra

Tomasz Mnich