



**Consolidated financial statements of Quantum software S.A. Capital Group  
for Q3 2020**

Krakow, 20 November 2020

## Contents

1.	Selected financial data from the consolidated and separate financial statements	2
2.	Basic principles of preparing financial statements	6
3.	Notes to the consolidated financial statements for Q3 2020	11
4.	Consolidated financial statements of Quantum Software S.A. for Q3 2020	21
5.	Separate financial statements of Quantum Software S.A. for Q3 2020	33
6.	Statement of the Management Board concerning the preparation of the financial statements	45

**I. Selected financial data from the consolidated and separate financial statements**

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

SELECTED FINANCIAL DATA, including basic items of the consolidated financial statements	PLN '000		EUR '000	
	from	from	from	from
	01/01/2020 to 30/09/2020	01/01/2019 to 30/09/2019	01/01/2020 to 30/09/2020	01/01/2019 to 30/09/2019
Net revenues from sale of products, goods and materials	26,430	24,604	5,950	5,710
Operating profit (loss)	3,984	2,250	897	522
Gross profit (loss)	3,994	2,362	899	548
Net profit (loss)	3,240	1,797	729	417
Net operating cash flow	3,564	2,914	802	676
Net cash flow from investing activities	-104	-210	-23	-49
Net cash flow from financing activities	427	-1,447	96	-336
Total net cash flows	3,887	1,257	875	292
	01/01/2020 to 30/09/2020	01/01/2019 to 31/12/2019	01/01/2020 to 30/09/2020	01/01/2019 to 31/12/2019
Total assets	22,176	18,705	4,899	4,392
Liabilities and provisions for liabilities, including:	5,896	5,906	1,302	1,387
Long-term liabilities	862	906	190	213
Short-term liabilities	5,034	5,000	1,112	1,174
Equity	16,280	12,799	3,596	3,006
Share capital	657	657	145	154
Number of shares	1,314,870	1,314,870	1,314,870	1,314,870
Diluted number of shares	1,314,870	1,314,870	1,314,870	1,314,870
Earnings (loss) per ordinary share (in PLN/EUR)	2.46	1.37	0.55	0.32
Diluted profit (loss) per ordinary share (in PLN/EUR)	2.46	1.37	0.55	0.32
Book value per share (in PLN/EUR)	12.38	9.73	2.74	2.29
Diluted book value per share (in PLN/EUR)	12.38	9.73	2.74	2.29
Declared or paid dividend per share (in PLN/EUR)	-	-	-	-

Principles for translating basic items of the quarterly consolidated financial statements into EUR.

Translations of selected financial data into EUR in items I through VIII use the arithmetic mean calculated based on the average exchange rates of the National Bank of Poland (NBP) applicable on the last day of each month in a given period:

Arithmetic mean in the period from 01/01/2020 to 30/09/2020: PLN 4.4420

Arithmetic mean in the period from 01/01/2019 to 30/09/2019: PLN 4.3086

Translations of selected financials into EUR in items IX through XVIII use the average exchange rate of the National Bank of Poland (NBP) applicable on the statement day.

Q3 2020: PLN 4.5268

Q3 2019: PLN 4.2585

Average PLN to EUR exchange rates in the period covered by the statements		
Period	Average exchange rate in the period	Exchange rate as of the last day of the period
Q3 2018	4.4420	4.5268
Q3 2020	4.3086	4.2585

Selected financial data, including basic items of the quarterly separate financial statements (also translated into EUR)

SELECTED FINANCIAL DATA, including basic items of the separate financial statements	PLN '000		EUR '000	
	from	from	from	from
	01/01/2020 to 30/09/2020	01/01/2019 to 30/09/2019	01/01/2020 to 30/09/2020	01/01/2019 to 30/09/2019
Net revenues from sale of products, goods and materials	1,226	1,175	276	273
Operating profit (loss)	191	167	43	39
Gross profit (loss)	258	1,852	58	430
Net profit (loss)	231	1,812	52	421
Net operating cash flow	269	323	61	75
Net cash flow from investing activities	-278	1,517	-63	352
Net cash flow from financing activities	-	-1,091	-	-253
Total net cash flows	-9	749	-2	174
	01/01/2020 to 30/09/2020	01/01/2019 to 31/12/2019	01/01/2020 to 30/09/2020	01/01/2019 to 31/12/2019
Total assets	12,398	12,474	2,739	2,929
Liabilities and provisions for liabilities, including:	205	781	45	183
Long-term liabilities	7	5	2	1
Short-term liabilities	198	776	44	182
Equity	12,193	11,693	2,694	2,746
Share capital	657	657	145	154
Number of shares	1,314,870	1,314,870	1,314,870	1,314,870
Diluted number of shares	1,314,870	1,314,870	1,314,870	1,314,870
Earnings (loss) per ordinary share (in PLN/EUR)	0.18	1.38	0.04	0.32
Diluted profit (loss) per ordinary share (in PLN/EUR)	0.18	1.38	0.04	0.32
Book value per share (in PLN/EUR)	9.27	8.89	2.05	2.09
Diluted book value per share (in PLN/EUR)	9.27	8.89	2.05	2.09
Declared or paid dividend per share (in PLN/EUR)	-	-	-	-

Principles for translating basic items of the quarterly separate financial statements into EUR.

Translations of selected financial data into EUR in items I through VIII use the arithmetic mean calculated based on the average exchange rates of the National Bank of Poland (NBP) applicable on the last day of each month in a given period:

Arithmetic mean in the period from 01/01/2020 to 30/09/2020: PLN 4.4420

Arithmetic mean in the period from 01/01/2019 to 30/09/2019: PLN 4.3086

Translations of selected financials into EUR in items IX through XVIII use the average exchange rate of the National Bank of Poland (NBP) applicable on the statement day.

Q3 2020: PLN 4.5268

Q3 2019: PLN 4.2585

**Average PLN to EUR exchange rates in the period covered by the statements**

<b>Period</b>	<b>Average exchange rate in the period</b>	<b>Exchange rate as of the last day of the period</b>
Q3 2020	4.4420	4.5268
Q3 2019	4.3086	4.2585

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

These Consolidated Financial Statements of Quantum software S.A.'s Capital Group for Q3 2020 have been prepared in accordance with IAS 34 and comply with the International Financial Reporting Standards (IFRS) approved by the European Union, including the standards and interpretations published or adopted by the International Accounting Standards Board and by the standing Interpretations Committee of the IASB.

Data included in the report was prepared in line with the principles for measurement of assets, equity and liabilities, and measurement of net income specified as of the balance sheet date, in line with the materiality principle. The Consolidated Financial Statements for Q3 2020 have been prepared under the going concern assumption.

The Consolidated Financial Statements for Q3 2020 have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union. The statements' presentation is based on IAS 34 Interim Financial Reporting, using the same principles for the current period and the comparative period.

The Consolidated Financial Statements for Q3 2020 have been prepared in PLN with figures rounded to full thousand.

Postings follow the historical cost principle. The company did not make any adjustments that would reflect the influence of inflation on the individual items of the balance sheet or of the profit and loss account. The company prepares a profit and loss account in the multiple-step variant. The cash flow statement uses the indirect method.

### **Accounting principles adopted for the preparation of the financial statements**

The Company's financial statements have been prepared in thousands of PLN (unless specified otherwise), pursuant to entries made in the Company's accounting books maintained in accordance with the basic accounting principles:

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

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

Methods for measuring intangible assets and PP&E: Intangible assets and PP&E are measured according to the going concern principle, as specified in the International Accounting Standards. However:

- 1) Intangible assets are recognised at their purchase price, including their accumulated amortisation. The Company recognises amortisation/depreciation using the straight-line method, and adopts the following accumulated amortisation/depreciation periods (useful lives):
  - a) computer software: 2 years,

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

The company verifies the adopted useful lives of intangible assets and PP&E every year.

### **Financial instruments**

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

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

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

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

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

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



Main types of financial instruments:

- standard financial instruments – commercial receivables and liabilities – measured at the 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 IAS 39),
- cash is measured at the purchase price, according to par. 29 IFRS 7, section a,
- borrowings, loans and lease: measurement at amortised cost is required but, in the opinion of the Management Board, the company presents these items at the purchase price (at the payable amount) because such measurement does not affect the company's financial situation.

### **Investments**

The Company classifies its investments into the following categories:

- 1) Interests in subsidiaries.

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

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

PP&E, intangible assets and financial assets are tested for impairment if certain events and changes take place which may cause impairment.

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

### **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 in bank.

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

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

**Provisions**

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

**Accruals/prepayments**

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

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

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

Net sales revenue includes economic benefits in the course of the reporting period which occurred as a result of the company's business operations and have a credibly determined value, resulting in an increase in equity through an increase in or a decrease in liabilities in a manner other than contribution of funds by the shareholders. In particular, this includes revenue from the sale of products, services, goods and materials.

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

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

**Other operating revenues**

Other operating revenue is 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 expenses at the time of creation,
- 5) written-off, expired and remitted liabilities.

**Financial revenues**

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

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

**Business costs**

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

**Other operating expenses**

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

They include:

- 1) loss on tangible assets and intangible assets,
- 2) penalties and damages paid,
- 3) created provisions,

- 4) court fees.

**Financial expenses**

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

**Income tax**

Statutory charges on the result include:

- 1) CIT,
- 2) deferred tax.

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

**Deferred income tax**

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

**Earnings per share**

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

**Foreign currency transactions**

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

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

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

**Lease**

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

**III. Notes to the consolidated financial statements for Q3 2020****1) Basic information**

The parent company of the Capital Group is Quantum software S.A., with its registered office in Krakow, in ul. Walerego Sławka 3A. The Company was entered into the Register of Entrepreneurs of the National Court Register (KRS) Krakow – Śródmieście, 11th Commercial Department, on 30 October 2002, under KRS No. 0000136768; PKD 62.01Z (Polish Classification of Activities) “Software business”. The Company’s core business consists in holding activities.

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

**Management Board:**

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

**Supervisory Board:**

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

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

**2) Organisational structure of the Group as of 20/11/2020 – details of subsidiaries and related parties:**

In addition to the parent company, the Capital Group consists of the following:

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

Registered office: Krakow

Address: Walerego Sławka 3a

National Court Register (KRS): 0000294284

Shareholders: 78.30% 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: 99% of interests held by Quantum East

Share 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: 1,200,000.00 roubles, fully paid

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

Registered office: Krakow

Address: Walerego Sławka 3A

National Court Register (KRS): 0000331050

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

Share capital fully covered by a contribution in kind: PLN 1.500.000,00

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

Registered office: Krakow

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: 95.02% of shares are held by Quantum Qguar sp. z o.o.

Share capital fully paid up: BRL 1.505.507,00

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

Registered office: Krakow

Address: Walerego Sławka 3A

National Court Register (KRS): 0000516717

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

Share capital paid for with a contribution in kind in the amount of PLN 3,995,000.00, and with a contribution in cash in the amount of PLN 5,000.00.

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

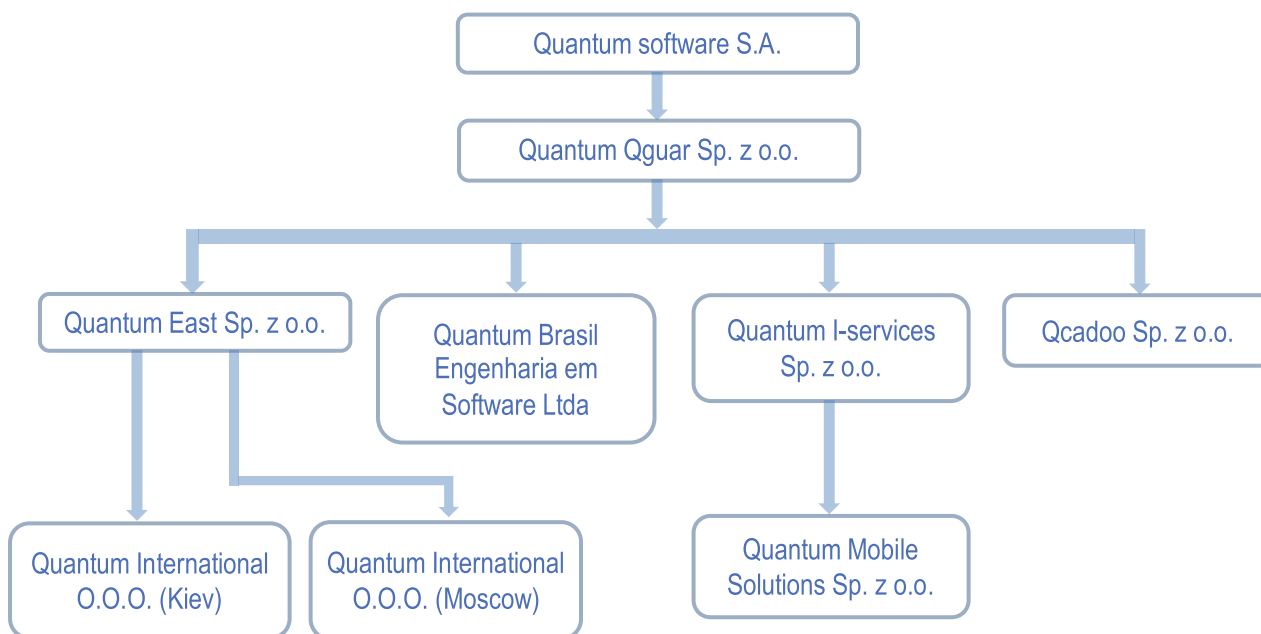
Registered office: Krakow

Address: Walerego Sławka 3A

National Court Register (KRS): 0000344950

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

Share capital: PLN 885.000,00, fully paid



**Product structure of Quantum Group**

	01/01 - 30/09/2020	% share	01/01 - 30/09/2019	% share
<b>Qguar licences and services</b>	20,373	77.1%	19,068	77.5%
<b>Goods</b>	5,736	21.7%	5,125	20.8%
<b>Other sales</b>	321	1.2%	411	1.7%
<b>Total</b>	<b>26,430</b>	<b>100%</b>	<b>24,604</b>	<b>100%</b>

Data in PLN '000

**Sales by markets**

	01/01 - 30/09/2020	% share	01/01 - 30/09/2019	% share
<b>Country</b>	22,627	85.6%	20,472	83.2%
<b>Foreign</b>	3,803	14.4%	4,132	16.8%
<b>Total</b>	<b>26,430</b>	<b>100%</b>	<b>24,604</b>	<b>100%</b>

Data in PLN '000

**3) Organisation of the capital group, indication of consolidated companies and any changes in the group's structure.**
**The Group is composed of the following companies:**

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

Quantum East Sp. z o.o. – the Group's subsidiary, in which Quantum Qguar sp. z o.o. holds 78.30% of interests; a holding company. Full consolidation method.

Quantum International Sp. z o.o. (Ukraine) – a subsidiary of the Group in which Quantum East Sp. z o.o. holds 99% of interests – its activity consists in selling and implementing IT solutions provided by Quantum software SA in Russian-speaking countries. Full consolidation method.

Quantum International Sp. z o.o. (Russia) – a subsidiary of the Group; Quantum East Sp. z o.o. holds 99% of its interests; the Company was established to focus on sales and implementation of IT solutions offered by Quantum software S.A. in Russia.

Quantum I- Services Sp. z o.o. – a subsidiary of the Group, in which Quantum Qguar sp. z o.o. holds 100% of interests – the company's business focus consists in selling licences, hardware and IT services not directly related to Quantum software S.A.'s own products (i.e. currently the entire Qguar product series). Full consolidation method.

Quantum Mobile Solutions Sp. z o.o. – a subsidiary, in which Quantum I - Services Sp. z o.o. holds 100% of interests. The business focus of the company consists in the development and sales of IT solutions for mobile devices. Full consolidation method.

Quantum Brasil Engenharia em Software Ltda- ME. – the Group's subsidiary, in which Quantum Qguar sp. z o.o. holds 95.02% of interests. The purpose of the company is to introduce Quantum offer to the Federative Republic of Brazil. Full consolidation method.

Quantum Qguar sp. z o.o. – a subsidiary of the Group; 100% of its interests are held by Quantum Software S.A. The company develops and implements IT systems. Full consolidation method.

Qcadoo Limited sp. z o.o. – the Group's subsidiary, in which Quantum Qguar sp. z o.o. holds 100% of interests. The Company develops and delivers software in the SaaS system to support production management. Full consolidation method.

In Q3 2020, there were no changes in the organisation of the QS SA Capital Group.

**4) Effects of changes in the business entity's structure, including effects resulting from business combinations, acquisitions or sale of the member companies of the Issuer's Capital Group, long-term investments, demerger, restructuring and discontinuation of operations:**

Not applicable.

**5) Material changes in estimates, including adjustments in provisions, deferred income tax provisions and assets, and any recognised write-downs on assets.**

In Q3 2020, there were no material events affecting the estimates as well as adjustments on account of provisions, deferred income tax provisions and assets, and write-downs on assets.

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

After Q3 2020, the Capital Group generated sales revenue in the amount of PLN 26,430 thousand, up by 7% (PLN 24,604 thousand in the comparable period a year earlier).

The Capital Group closed Q3 2020 with a cumulative operating profit of PLN 3,984 thousand (PLN 2,250 thousand in the same period a year earlier) and a net profit of PLN 3,240 thousand.

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

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

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



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

- Euroline sp. z o.o. (Quantum Qguar)
- BISPOL sp. z o.o. (Quantum Qguar)
- Lvivska Pivna Kompanija sp. z o.o. (Quantum Interantional Ukraina)

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

- Żabka Polska sp. z o.o. (Quantum Qguar)
- Piekarnia Oskroba S.A. (Quantum Qguar)
- Alupol Packaging S.A. (Quantum Qguar)
- WSB University in Poznań (Quantum Qguar)
- Logis sp. z o.o. (Quantum Qguar)
- SMA Magnetics sp. z o.o. (Quantum Qguar)
- Epcentr K sp. z o.o. (Quantum Interantional Ukraina)
- Roshen sp. z o.o. (Quantum Interantional Ukraina)
- Zytomyrskij Maslozavod S.A. (Quantum Interantional Ukraina)

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

From the end of the first quarter of 2020 to the submission date of this report, the state of epidemic is in force in Poland, and the SARS-CoV-2 coronavirus pandemic is ongoing worldwide. This situation caused a significant part of the economy to freeze and slow down. The effect of this situation on the financial results could be seen in the suspension of certain customer investments and many requests to suspend or reduce fixed fees under service contracts. The long-term impact of this on the results of the Issuer and the Group companies is very difficult to predict at the moment. It will depend on the situation of individual customers, but also on other 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 global economic crisis brought about by the pandemic must also be taken into account.

In connection with the effects of the pandemic, the Issuer's subsidiary Quantum Qguar sp. z o.o. received a subsidy in the amount of PLN 1,193,519.00 (one million one hundred ninety-three thousand five hundred and nineteen zloty 00/100) as part of the Financial Shield programme of the Polish Development Fund. The company also received a non-returnable subsidy from the PARP (Polish Agency for Enterprise Development) for the co-financing of working capital as part of the project "Smart Growth" in the amount of PLN 319,314.30 (in words: three hundred nineteen thousand three hundred fourteen zlotys 30/100), and from the Guaranteed Employee Benefits Fund, it received co-financing for the remuneration of employees not covered by downtime or reduced remuneration in the amount of PLN 828,234.69 (in words: eight hundred and twenty-eight thousand two hundred and thirty-four zlotys 69/100), payable in three tranches from September to the end of November 2020.

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

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

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

In Q3 2020, Quantum software S.A. and its subsidiaries did not perform any issue of shares and they did not redeem or repay debt or equity securities.

**11) Information on dividends paid (or declared), in total and per share, broken down into ordinary and preference shares:**

In Q3 2020, Quantum International Ukraina Sp. z o.o. paid Quantum East Sp. z o.o. a dividend for 2018 and 2019 in the amount of PLN 444,818.88 thousand (i.e. UAH 534,600.00 for 2018, and UAH 2,475,000.00 for 2019).

**12) Events after the date of the quarterly condensed financial statements which are not included in the statements and which could materially influence the issuer's future financial performance**

No such events occurred.

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

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

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

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

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

By 20 November 2020 (i.e. the date of submitting the report for Q3 2020), the holding of the Company's shares by Minvesta sp. z o.o. did not change.

To the best of the Company's knowledge, as of 20 November 2020, the day of publication of the quarterly report, the Company's dominant shareholder is Minvesta Sp. z o.o. with its

registered office in Kraków, holding 675,421 A series registered shares, which constitute a total of 51.37% of the company's share capital and carry 1,350,842 votes at the General Meeting, which constitutes 67.87% of the total number of votes and holding 277,491 bearer shares of the company, which constitute a total of 21.10% of the company's share capital and carry 277,491 votes as the General Meeting of the company, which constitutes 13.94% of the total number of votes.

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

**Management Board (as of 20 November 2020)**

<b>Tomasz Hatala</b>	44,181
<b>Bogusław Ożóg</b>	32,321
<b>Marek Jędra</b>	10,327
<b>Tomasz Mnich</b>	5,342

**Supervisory Board Members holding the Company's shares  
(as of 20 November 2020)**

<b>Tomasz Polończyk</b>	9,873
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In the period from 30 September 2020 (i.e. the submission date of the report for H1 2020) to the publication date of this report, the holding of the Company's shares by the Management Board and Supervisory Board did not change.

**17) Identification of proceedings pending before court, competent arbitration authority or public administration authority, including information in that regard:**

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

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

In the period in question, the Company did not conclude any such agreements with related parties.

**19) Information on the issuer's or its subsidiaries' loan or borrowing guarantees or sureties granted jointly to a single entity or its subsidiary if the total value of the existing sureties or guarantees is equivalent to at least 10% of the issuer's equity:**

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

**20) Other information which, in the Issuer's opinion, is material for assessing its human resources, assets, financial position, financial results and changes thereof as well as any information considered material for assessing the Issuer's ability to meet its obligations:**

There were no events that could affect the Issuer's personnel, economic or financial situation.

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

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

External factors include:

- effect of the SARS-CoV-2 coronavirus epidemic on the situation of the company's and its subsidiaries' customers, such as the duration of the epidemic, the lockdown measures, restrictions on businesses and foreign exchange rate fluctuations;
- effects of the economic crisis due to the pandemic, including declining investments by businesses in Poland;
- situation in the European Union (risks posed by e.g. Brexit, the ECB's policy);
- crisis in Ukraine, Belarus and Russia, and its effect on sales in other countries of the Commonwealth of Independent States,
- companies' decisions on budgets for IT expenditures;
- access of Polish companies to structural funds, which, to a certain extent, will be used for the development of IT systems and for financing R&D;
- concentrated competitor activity in the Group's main business area.

Internal factors include:

- effective organisational solutions that adjust the working conditions to the situation concerning COVID-19 epidemic;
- punctual completion of works specified in the contracts whose implementation started in the previous year in accordance with the budgeted expenditure and contractual terms,
- effective HR policy so as to eliminate the risk of turnover of qualified and skilled employees, while maintaining profitability (payroll is the main cost item),

- success of marketing efforts in acquiring new contracts,
- successful investments in product development and improvement of work methodology.

Krakow, 20 November 2020

**Signatures by Management Board Members:**

<b>President of the Management Board</b>	Tomasz Hatala
<b>Vice-President of the Management Board</b>	Bogusław Ożóg
<b>Vice-President of the Management Board</b>	Marek Jędra
<b>Member of the Management Board</b>	Tomasz Mnich

**IV. Consolidated financial statements of Quantum Software S.A. for Q3 2020**

<b>Consolidated statement of financial position</b>	<b>30/09/2020</b>	<b>30/06/2020</b>	<b>31/12/2019</b>	<b>30/09/2019</b>
<b>ASSETS</b>				
<b>Non-current assets</b>	<b>3,614</b>	<b>2,970</b>	<b>2,625</b>	<b>2,247</b>
Property, plant and equipment	2,060	1,993	2,029	2,038
Investment real property	-	-	-	-
Biological assets	-	-	-	-
Goodwill of subordinates	-	-	-	-
Intangible assets	25	29	37	43
Investments in associates measured with equity method	-	-	-	-
Financial assets available for sale	-	-	-	-
Borrowings granted	8	11	9	4
Other financial assets	-	-	-	-
Deferred income tax assets	240	261	218	162
Other long-term receivables and prepayments	1,281	676	332	-
<b>Current assets</b>	<b>18,562</b>	<b>19,209</b>	<b>16,080</b>	<b>16,388</b>
Inventory	84	64	53	45
Trade receivables	3,838	5,991	5,333	5,603
Other short-term receivables and prepayments	1,003	950	938	846
Income tax receivables	-	306	528	2
Financial assets measured at fair value through profit/loss	-	-	-	-
Financial assets available for sale	-	-	-	-
Borrowings granted	155	177	169	291
Other financial assets	3,673	3,334	3,317	3,292
FX futures	-	-	-	-
Cash and cash equivalents	9,809	8,387	5,742	6,309
<b>Non-current assets classified as held for sale</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>22,176</b>	<b>22,179</b>	<b>18,705</b>	<b>18,635</b>
<b>Equity</b>	<b>16,280</b>	<b>14,243</b>	<b>12,799</b>	<b>13,126</b>
<b>Equity attributable to shareholders of the parent</b>	<b>16,113</b>	<b>14,351</b>	<b>12,831</b>	<b>13,162</b>
Share capital	657	657	657	657
Share premium	13,097	8,426	8,426	9,504
Equity shares	-	-	-	-
Reserve and supplementary capital	-	1,624	-	-
Revaluation reserve	-	-	-	-

Amounts recognised directly in equity and related to assets classified as held for sale	-	-	-	-
Foreign exchange gains/losses on translation	49	303	63	4
Profit/loss on sale of subsidiary	-	-	-	-
Profit/loss brought forward	-788	1,366	947	1,276
Profit/loss in current year	3,098	1,975	2,738	1,721
<b>Non-controlling interests</b>	<b>167</b>	<b>-108</b>	<b>-32</b>	<b>-36</b>
<b>LIABILITIES</b>	<b>5,896</b>	<b>7,936</b>	<b>5,906</b>	<b>5,509</b>
<b>Long-term liabilities</b>	<b>862</b>	<b>799</b>	<b>906</b>	<b>907</b>
Provisions	355	355	355	282
Deferred income tax provision	215	207	202	195
Long-term bank loans and borrowings	30	18	-	-
Other long-term financial liabilities	262	212	349	430
Other long-term liabilities and accruals	-	7	-	-
<b>Short-term liabilities</b>	<b>5,034</b>	<b>7,137</b>	<b>5,000</b>	<b>4,602</b>
Provisions	719	719	580	512
Short-term bank loans and borrowings	1,193	1,193	-	-
Short-term portion of long-term bank loans and borrowings	-	-	-	-
Other short-term financial liabilities	387	388	330	342
Trade liabilities	1,686	3,126	2,600	2,817
Other short-term liabilities and accruals	782	1,681	1,477	839
Income tax liabilities	267	30	13	92
FX futures	-	-	-	-
<b>Liabilities related to non-current assets classified as held for sale</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>22,176</b>	<b>22,179</b>	<b>18,705</b>	<b>18,635</b>

<b>Consolidated income statement (by function)</b>	<b>01/07/2020 to 30/09/2020</b>	<b>01/01/2020 to 30/09/2020</b>	<b>01/07/2019 to 30/09/2019</b>	<b>01/01/2019 to 30/09/2019</b>
Revenues from sale of products, goods and materials	8,648	26,430	8,565	24,604
Costs of products, goods and materials sold	6,036	18,513	5,770	17,432
Movement in products – subsidy received for intangible assets and tangible assets	-	-	-	-
<b>Gross profit/loss on sales</b>	<b>2,612</b>	<b>7,917</b>	<b>2,795</b>	<b>7,172</b>
Selling costs	438	1,604	517	1,753
General and administrative expenses	1,056	3,047	964	2,696
<b>Sales profit/loss</b>	<b>1,118</b>	<b>3,266</b>	<b>1,314</b>	<b>2,723</b>
Other operating revenues	604	733	21	84
Other operating expenses	-18	15	538	557
<b>Operating profit/loss</b>	<b>1,740</b>	<b>3,984</b>	<b>797</b>	<b>2,250</b>
Financial revenues	-108	73	198	280
Financial expenses	24	63	30	168
Share in profit/loss of associates	-	-	-	-
Profit/loss on sale of interests in associate	-	-	-	-
<b>Gross profit/loss</b>	<b>1,608</b>	<b>3,994</b>	<b>965</b>	<b>2,362</b>
Income tax	372	754	273	565
<b>Net profit/loss on continued operations</b>	<b>1,236</b>	<b>3,240</b>	<b>692</b>	<b>1,797</b>
Profit/loss on discontinued operations for the financial year	-	-	-	-
<b>Net profit/loss for the reporting period</b>	<b>1,236</b>	<b>3,240</b>	<b>692</b>	<b>1,797</b>
<b>Net profit/loss attributable to:</b>	<b>1,236</b>	<b>3,240</b>	<b>692</b>	<b>1,797</b>
<i>Shareholders of the parent</i>	<i>1,122</i>	<i>3,098</i>	<i>643</i>	<i>1,721</i>
<i>Non-controlling interests</i>	<i>114</i>	<i>142</i>	<i>49</i>	<i>76</i>
<b>Other comprehensive income</b>	<b>-355</b>	<b>-58</b>	<b>44</b>	<b>14</b>
Profit/loss on revaluation of PP&E	-	-	-	-
Profit/loss on measurement of investments available for sale recognised in equity	-	-	-	-
Profit/loss on cash flow hedges (effective portion)	-	-	-	-
FX gains/losses on measurement of foreign operations	-355	-58	44	14
Income tax related to items presented in other comprehensive income	-	-	-	-
Acquisition of capital from non-controlling interests	-	-	-	-
<b>Total comprehensive income</b>	<b>881</b>	<b>3,182</b>	<b>736</b>	<b>1,811</b>
<b>Comprehensive income attributable to:</b>	<b>881</b>	<b>3,182</b>	<b>736</b>	<b>1,811</b>
<i>Shareholders of the parent</i>	<i>869</i>	<i>3,085</i>	<i>681</i>	<i>1,737</i>
<i>Non-controlling interests</i>	<i>12</i>	<i>97</i>	<i>55</i>	<i>74</i>



<b>Earnings/loss per share (in PLN):</b>	-	-	-	-
<b>On continued operations</b>	-	-	-	-
<i>Basic</i>	-	2.46	-	1.37
<i>Diluted</i>	-	2.46	-	1.37
<b>On continued and discontinued operations</b>	-	-	-	-
<i>Basic</i>	-	2.46	-	1.37
<i>Diluted</i>	-	2.46	-	1.37



financial year recognised directly in equity													
Profit/loss for the financial year	-	-	-	-	-	-	-	-	3,098	3,098	142	3,240	
<b>Other movements in equity</b>	-	<b>4,671</b>							<b>-4,473</b>	<b>198</b>	<b>101</b>	<b>299</b>	
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-	
Redemption of equity shares	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution of financial result	-	4,671	-						-4,305	366	-90	276	
Acquisition of equity shares	-								-	-	-	-	
Sale of equity shares	-								-	-	-	-	
Acquisition of interests in a subsidiary	-	-	-						-162	-162	207	45	
Transfer between supplementary capital and previous years' profit/loss	-	-	-						-	-	-	-	
Correction of profit/loss for previous years	-	-	-						-	-	-	-	
Other movements in equity due to consolidation adjustments	-	-	-						-6	-6	-16	-22	
Profit/loss on sale of subsidiary	-	-	-						-	-	-	-	
<b>Closing balance</b>	<b>657</b>	<b>13,097</b>	-	-	-	-	<b>49</b>	-	<b>2,310</b>	<b>16,113</b>	<b>167</b>	<b>16,280</b>	

Consolidated statement of changes in equity												
for the period	Equity attributable to shareholders of the parent										Non-controlling interests	Total equity
30 September 2019	Share capital	Share premium	Equity shares	Reserve and supplementary capital	Revaluation reserve	Amounts recognised directly in equity and related to assets classified as held for sale	Foreign exchange gains/losses on translation	Profit/loss on sale of subsidiary	Profit/loss brought forward and profit/loss for the current year	Total		
<b>Opening balance before restatement</b>	657	8,158	-13	74	-	-	-12	-	3,747	12,611	-109	12,502
Changes in accounting principles (policy)	-	-	-	-	-	-	-	-	-	-	-	-
Corrections of fundamental errors	-	-	-	-	-	-	-	-	-	-	-	-
<b>Opening balance after corrections (restated)</b>	657	8,158	-13	74	-	-	-12	-	3,747	12,611	-109	12,502
<b>Total comprehensive income</b>	-	-	-	-	-	-	16	-	1,721	1,737	73	1,810
Profit/loss on revaluation of PP&E	-	-	-	-	-	-	-	-	-	-	-	-
Profit/loss on measurement of investments available for sale recognised in equity	-	-	-	-	-	-	-	-	-	-	-	-
Profit/loss on cash flow hedges (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-
FX gains/losses on measurement of foreign operations	-	-	-	-	-	-	16	-	-	16	-2	14
Income tax related to items presented in capital or reclassified from capital	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues and expenses for the financial year	-	-	-	-	-	-	-	-	-	-	-	-

recognised directly in equity													
Profit/loss for the financial year	-	-	-	-	-	-	-	-	-	1,721	1,721	75	1,796
<b>Other movements in equity</b>	-	<b>1,346</b>	<b>13</b>	<b>-74</b>	-	-	-	-	-	<b>-2,471</b>	<b>-1,186</b>	-	<b>-1,186</b>
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Redemption of equity shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution of financial result	-	1,089	-	-74	-	-	-	-	-	-2,107	-1,092	-	-1,092
Acquisition of equity shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of equity shares	-	-13	13	-	-	-	-	-	-	-	-	-	-
Acquisition of interests in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of reserve capital to share capital	-	270	-	-	-	-	-	-	-	-270	-	-	-
Correction of profit/loss for previous years	-	-	-	-	-	-	-	-	-	-94	-94	-	-94
Profit/loss on sale of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>657</b>	<b>9,504</b>	-	-	-	-	-	<b>4</b>	-	<b>2,997</b>	<b>13,162</b>	<b>-36</b>	<b>13,126</b>

Consolidated statement of changes in equity												
for the period	Equity attributable to shareholders of the parent										Non-controlling interests	Total equity
31 December 2019	Share capital	Share premium	Equity shares	Reserve and supplementary capital	Revaluation reserve	Amounts recognised directly in equity and related to assets classified as held for sale	Foreign exchange gains/losses on translation	Profit/loss on sale of subsidiary	Profit/loss brought forward and profit/loss for the current year	Total		

<b>Opening balance before restatement</b>	<b>657</b>	<b>8,158</b>	<b>-13</b>	<b>74</b>	-	-	<b>-12</b>	-	<b>3,476</b>	<b>12,340</b>	<b>-109</b>	<b>12,231</b>
Changes in accounting principles (policy)	-	-	-	-	-	-	-	-	-	-	-	-
Corrections of fundamental errors	-	-	-	-	-	-	-	-	-	-	-	-
<b>Opening balance after corrections (restated)</b>	<b>657</b>	<b>8,158</b>	<b>-13</b>	<b>74</b>	-	-	<b>-12</b>	-	<b>3,476</b>	<b>12,340</b>	<b>-109</b>	<b>12,231</b>
<b>Total comprehensive income</b>	-	-	-	-	-	-	<b>75</b>	-	<b>2,738</b>	<b>2,813</b>	<b>96</b>	<b>2,909</b>
Profit/loss on revaluation of PP&E	-	-	-	-	-	-	-	-	-	-	-	-
Profit/loss on measurement of investments available for sale recognised in equity	-	-	-	-	-	-	-	-	-	-	-	-
Profit/loss on cash flow hedges (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-
FX gains/losses on measurement of foreign operations	-	-	-	-	-	-	75	-	-	75	13	88
Income tax related to items presented in capital or reclassified from capital	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues and expenses for the financial year recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	-
Profit/loss for the financial year	-	-	-	-	-	-	-	-	2,738	2,738	83	2,821
<b>Other movements in equity</b>	-	<b>268</b>	<b>13</b>	<b>-74</b>	-	-	-	-	<b>-2,529</b>	<b>-2,322</b>	<b>-19</b>	<b>-2,341</b>
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-
Redemption of equity shares	-	-	-	-	-	-	-	-	-	-	-	-

Dividends	-	-1,079	-	-	-	-	-	-	-	-1,079	-	-1,079
Distribution of financial result	-	1,089	-	-74	-	-	-	-	-2,108	-1,091	-	-1,091
Acquisition of equity shares	-				-	-	-	-	-	-	-	-
Sale of equity shares	-	-13	13	-	-	-	-	-	-	-	-	-
Acquisition of interests in a subsidiary	-	-	-						-	-	-	-
Transfer between supplementary capital and previous years' profit/loss	-	271	-	-	-	-	-	-	-271	-	-	-
Correction of profit/loss for previous years	-	-	-	-	-	-	-	-	-152	-	-19	-
Profit/loss on sale of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>657</b>	<b>8,426</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63</b>	<b>-</b>	<b>3,685</b>	<b>12,831</b>	<b>-32</b>	<b>12,799</b>

<b>Consolidated Cash Flow Statement (indirect method)</b>	<b>01/01/2020 to 30/09/2020</b>	<b>01/01/2019 to 30/09/2019</b>
<b>Gross profit/loss</b>	<b>3,994</b>	<b>2,362</b>
<b>Adjustments for:</b>	<b>-430</b>	<b>552</b>
Share in net profit/loss of associates and joint ventures accounted for using the equity method	-	-
Non-controlling interests	-	-
Amortisation/depreciation	472	468
Goodwill impairment	-	530
Foreign exchange gains/losses	-193	-114
Expenses and revenue due to interest	64	102
Dividends revenue	-	-
Profit/loss on investing activities	-76	-152
Movement in provisions	139	-
Movement in inventory	-40	10
Movement in receivables and prepayments	298	320
Movement in liabilities and accruals	-1,169	-5
Income tax paid/returned	24	-512
Other adjustments	51	-95
<b>Net operating cash flow</b>	<b>3,564</b>	<b>2,914</b>
<b>Cash flow from investing activities</b>		
Inflows from sale of tangible assets and intangible assets	21	83
Net inflows from sale of associates and subsidiaries	-	-
Inflows from the sale of financial assets	-	50
Inflows from interest	24	34
Inflows from dividends	-	-
Repayment of borrowings granted	470	118
Expenditures on acquisition of property, plant and equipment, and intangible assets	258	273
Net expenditures on acquisition of subsidiaries and associates	-	-
Expenditures on acquisition of short-term financial assets	300	-
Borrowings granted	61	222
Other	-	-
<b>Net cash flow from investing activities</b>	<b>-104</b>	<b>-210</b>
<b>Cash flows from financing activities</b>		
Inflows from loans and borrowings	1,194	-
Net inflows from the issue of shares	-	-
Net inflows from the issue of bonds, bills and bills of exchange	-	-
Repayment of loans and borrowings	400	-
Payment of liabilities under finance lease agreements	282	273



Dividends paid to the Company's shareholders	-	1,091
Dividends paid to shareholders holding non-controlling interests	4	-
Acquisition of equity shares	-	-
Interest paid	81	83
Other	-	-
<b>Net cash flow from financing activities</b>	<b>427</b>	<b>-1,447</b>
<b>Increase/decrease in cash and cash equivalents</b>	<b>3,887</b>	<b>1,257</b>
<b>Opening balance of cash and cash equivalents, and overdrafts</b>	<b>5,742</b>	<b>4,827</b>
<i>Foreign exchange gains/losses related to measurement of cash and cash equivalents, and overdrafts</i>	<i>180</i>	<i>225</i>
<b>Closing balance of cash and cash equivalents, and overdrafts</b>	<b>9,809</b>	<b>6,309</b>

**V. Separate financial statements of Quantum Software S.A. for Q3 2020**

<b>Separate statement of financial position</b>	<b>30/09/2020</b>	<b>30/06/2020</b>	<b>31/12/2019</b>	<b>30/09/2019</b>
<b>ASSETS</b>				
<b>Non-current assets</b>	<b>9,703</b>	<b>9,703</b>	<b>9,703</b>	<b>9,709</b>
Property, plant and equipment	-	-	-	-
Intangible assets	-	-	-	-
Investments in associates measured with equity method	-	-	-	-
Financial assets available for sale	9,701	9,701	9,701	9,701
Borrowings granted	-	-	-	-
Deferred income tax assets	2	2	2	8
Other long-term receivables and prepayments	-	-	-	-
<b>Current assets</b>	<b>2,695</b>	<b>2,675</b>	<b>2,771</b>	<b>2,625</b>
Inventory	-	-	-	-
Trade receivables	52	464	475	62
Other short-term receivables and prepayments	49	58	19	82
Income tax receivables	-	-	19	-
Financial assets measured at fair value through the financial result	-	-	-	-
Financial assets available for sale	-	-	-	-
Borrowings granted	88	102	103	201
Other financial assets	902	595	593	588
Cash and cash equivalents	1,604	1,456	1,562	1,692
<b>TOTAL ASSETS</b>	<b>12,398</b>	<b>12,378</b>	<b>12,474</b>	<b>12,334</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>	<b>12,193</b>	<b>11,889</b>	<b>11,693</b>	<b>12,076</b>
<b>Equity attributable to shareholders of the parent</b>	<b>12,193</b>	<b>11,889</b>	<b>11,693</b>	<b>12,076</b>
Share capital	657	657	657	657
Share premium	11,473	8,426	8,426	9,505
Equity shares	-	-	-	-
Reserve and supplementary capital	-	-	-	-
Profit/loss brought forward	-168	2,610	-168	102
Profit/loss in current year	231	196	2,778	1,812
<b>Non-controlling interests</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>	<b>205</b>	<b>489</b>	<b>781</b>	<b>258</b>
<b>Long-term liabilities</b>	<b>7</b>	<b>5</b>	<b>5</b>	<b>4</b>
Provisions	-	-	-	-
Deferred income tax provision	7	5	5	4

Long-term bank loans and borrowings	-	-	-	-
Other long-term financial liabilities	-	-	-	-
Other long-term liabilities and accruals	-	-	-	-
<b>Short-term liabilities</b>	<b>198</b>	<b>484</b>	<b>776</b>	<b>254</b>
Provisions	-	-	-	-
Short-term bank loans and borrowings	-	-	-	-
Short-term portion of long-term bank loans and borrowings	-	-	-	-
Other short-term financial liabilities	-	-	-	-
Trade liabilities	191	210	477	242
Other short-term liabilities and accruals	7	274	299	12
Income tax liabilities	-	-	-	-
Liabilities related to non-current assets classified as held for sale	-	-	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>12,398</b>	<b>12,378</b>	<b>12,474</b>	<b>12,334</b>

<b>Separate statement of comprehensive income (multi-step variant)</b>	<b>01/07/2020 to 30/09/2020</b>	<b>01/01/2020 to 30/09/2020</b>	<b>01/07/2019 to 30/09/2019</b>	<b>01/01/2019 to 30/09/2019</b>
Revenues from sale of products, goods and materials	288	1,226	522	1,175
Costs of products, goods and materials sold	122	609	310	569
Movement in products – subsidy received for intangible assets and tangible assets	-	-	-	-
<b>Gross profit/loss on sales</b>	<b>166</b>	<b>617</b>	<b>212</b>	<b>606</b>
Selling costs	-	-	-	-
General and administrative expenses	146	426	184	436
<b>Sales profit/loss</b>	<b>20</b>	<b>191</b>	<b>28</b>	<b>170</b>
Other operating revenues	-	-	-	-
Other operating expenses	-	-	-	3
<b>Operating profit/loss</b>	<b>20</b>	<b>191</b>	<b>28</b>	<b>167</b>
Financial revenues	29	106	1,679	1,701
Financial expenses	10	39	10	16
Share in profit/loss of associates	-	-	-	-
Profit/loss on sale of interests in associate	-	-	-	-
<b>Gross profit/loss</b>	<b>39</b>	<b>258</b>	<b>1,697</b>	<b>1,852</b>
Income tax	4	27	24	40
<b>Net profit/loss on continued operations</b>	<b>35</b>	<b>231</b>	<b>1,673</b>	<b>1,812</b>
Profit/loss on discontinued operations for the financial year	-	-	-	-
<b>Net profit/loss for the reporting period</b>	<b>35</b>	<b>231</b>	<b>1,673</b>	<b>1,812</b>
<b>Net profit/loss attributable to:</b>	<b>35</b>	<b>231</b>	<b>1,673</b>	<b>1,812</b>
<b>Other comprehensive income</b>	-	-	-	-
Profit/loss on revaluation of PP&E	-	-	-	-
Profit/loss on measurement of investments available for sale recognised in equity	-	-	-	-
Profit/loss on cash flow hedges (effective portion)	-	-	-	-
FX gains/losses on measurement of foreign operations	-	-	-	-
Income tax related to items presented in other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>35</b>	<b>231</b>	<b>1,673</b>	<b>1,812</b>
<b>Comprehensive income attributable to:</b>	<b>35</b>	<b>231</b>	<b>1,673</b>	<b>1,812</b>
<b>Earnings/loss per share (in PLN):</b>	-	-	-	-
<b>On continued operations</b>	-	-	-	-
<i>Basic</i>	-	0.18	-	1.38
<i>Diluted</i>	-	0.18	-	1.38
<b>On continued and discontinued operations</b>	-	-	-	-

<i>Basic</i>	-	0.18	-	1.38
<i>Diluted</i>	-	0.18	-	1.38



Total revenues and expenses for the financial year recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	-
Profit/loss for the period	-	-	-	-	-	-	-	231	231	-	-	231
<b>Other movements in equity</b>	-	<b>3,047</b>	-	-	-	-	-	<b>-2,778</b>	<b>269</b>	-	-	<b>269</b>
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Distribution of financial result	-	3,047	-	-	-	-	-	-2,778	269	-	-	269
Acquisition of equity shares	-	-	-	-	-	-	-	-	-	-	-	-
Sale of equity shares	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of reserve capital to share capital	-	-	-	-	-	-	-	-	-	-	-	-
Correction of profit/loss for previous years	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>657</b>	<b>11,473</b>	-	-	-	-	-	<b>63</b>	<b>12,193</b>	-	-	<b>12,193</b>

Separate statement of changes in equity											
for the period	Equity attributable to shareholders of the parent									Non-controlling interests	Total equity
30 September 2019	Share capital	Share premium	Equity shares	Reserve and supplementary capital	Revaluation reserve	Amounts recognised directly in equity and related to assets classified as held for sale	Foreign exchange gains/losses on translation	Profit/loss brought forward and profit/loss for the current year	Total		
<b>Opening balance before restatement</b>	657	8,429	-13	-	-	-	-	2,285	11,358	-	11,358
Changes in accounting principles (policy)	-	-	-	-	-	-	-	-	-	-	-
Corrections of fundamental errors	-	-	-	-	-	-	-	-	-	-	-
<b>Opening balance after corrections (restated)</b>	657	8,429	-13	-	-	-	-	2,285	11,358	-	11,358
<b>Total comprehensive income</b>	-	-	-	-	-	-	-	1,812	1,812	-	1,812
Profit/loss on revaluation of PP&E	-	-	-	-	-	-	-	-	-	-	-
Profit/loss on measurement of investments available for sale recognised in equity	-	-	-	-	-	-	-	-	-	-	-
Profit/loss on cash flow hedges (effective portion)	-	-	-	-	-	-	-	-	-	-	-
FX gains/losses on measurement of foreign operations	-	-	-	-	-	-	-	-	-	-	-
Income tax related to items presented in other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Total revenues and expenses for the	-	-	-	-	-	-	-	-	-	-	-



financial year recognised directly in equity											
Profit/loss for the period	-	-	-	-	-	-	-	1,812	1,812	-	1,812
<b>Other movements in equity</b>	-	<b>1,076</b>	<b>13</b>	-	-	-	-	<b>-2,183</b>	<b>-1,094</b>	-	<b>-1,094</b>
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-
Distribution of financial result	-	1,089	-	-	-	-	-	-2,180	-1,091	-	-1,091
Acquisition of equity shares	-		-	-	-	-	-				
Sale of equity shares	-	-13	13	-	-	-	-	-	-	-	-
Reclassification of reserve capital to share capital	-	-	-	-	-	-	-	-	-	-	-
Correction of profit/loss for previous years	-	-	-	-	-	-	-	-3	-3	-	-3
<b>Closing balance</b>	<b>657</b>	<b>9,505</b>	-	-	-	-	-	<b>1,914</b>	<b>12,076</b>	-	<b>12,076</b>

Separate statement of changes in equity											
for the period	Equity attributable to shareholders of the parent									Non-controlling interests	Total equity
31 December 2019	Share capital	Share premium	Equity shares	Reserve and supplementary capital	Revaluation reserve	Amounts recognised directly in equity and related to assets classified as held for sale	Foreign exchange gains/losses on translation	Profit/loss brought forward and profit/loss for the current year	Total		
<b>Opening balance before restatement</b>	657	8,429	-13	-	-	-	-	2,014	11,087	-	11,087
Changes in accounting principles (policy)	-	-	-	-	-	-	-	-	-	-	-
Corrections of fundamental errors	-	-	-	-	-	-	-	-	-	-	-
<b>Opening balance after corrections (restated)</b>	657	8,429	-13	-	-	-	-	2,014	11,087	-	11,087
<b>Total comprehensive income</b>	-	-	-	-	-	-	-	2,778	2,778	-	2,778
Profit/loss on revaluation of PP&E	-	-	-	-	-	-	-	-	-	-	-
Profit/loss on measurement of investments available for sale recognised in equity	-	-	-	-	-	-	-	-	-	-	-
Profit/loss on cash flow hedges (effective portion)	-	-	-	-	-	-	-	-	-	-	-
FX gains/losses on measurement of foreign operations	-	-	-	-	-	-	-	-	-	-	-
Income tax related to items presented in other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Total revenues and expenses for the	-	-	-	-	-	-	-	-	-	-	-

financial year recognised directly in equity												
Profit/loss for the financial year	-	-	-	-	-	-	-	2,778	2,778	-	2,778	
Corrections of fundamental errors	-	-	-	-	-	-	-	-	-	-	-	
<b>Other movements in equity</b>	-	<b>-3</b>	<b>13</b>	-	-	-	-	<b>-2,182</b>	<b>-2,172</b>	-	<b>-2,172</b>	
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	
Dividends	-	-1,078	-	-	-	-	-	-	-1,078	-	-1,078	
Distribution of financial result	-	1,088	-	-	-	-	-	-2,180	-1,092	-	-1,092	
Acquisition of equity shares	-	-	-	-	-	-	-	-	-	-	-	
Sale of equity shares	-	-13	13	-	-	-	-	-	-	-	-	
Reclassification of reserve capital to share capital	-	-	-	-	-	-	-	-	-	-	-	
Correction of profit/loss for previous years	-	-	-	-	-	-	-	-2	-2	-	-2	
<b>Closing balance</b>	<b>657</b>	<b>8,426</b>	-	-	-	-	-	<b>2,610</b>	<b>11,693</b>	-	<b>11,693</b>	

Separate Cash Flow Statement (indirect method)	01/01/2020 to 30/09/2020	01/01/2019 to 30/09/2019
<b>Operating cash flows</b>		
<b>Gross profit/loss</b>	<b>258</b>	<b>1,852</b>
<b>Adjustments for:</b>	<b>11</b>	<b>-1,529</b>
Share in net profit/loss of associates and joint ventures accounted for using the equity method	-	-
Non-controlling interests	-	-
Amortisation/depreciation	-	-
Goodwill impairment	-	-
Foreign exchange gains/losses	-82	-9
Expenses and revenue due to interest	-13	-17
Dividends revenue	-	-1,659
Profit/loss on investing activities	-10	-18
Movement in provisions	-	-
Movement in inventory	-	-
Movement in receivables and prepayments	393	43
Movement in liabilities and accruals	-309	159
Income tax paid/returned	-6	-41
Other adjustments	38	13
<b>Net operating cash flow</b>	<b>269</b>	<b>323</b>
<b>Cash flow from investing activities</b>		
Inflows from sale of tangible assets and intangible assets	-	-
Net inflows from sale of associates and subsidiaries	-	-
Inflows from the sale of financial assets	-	50
Inflows from interest	1	8
Inflows from dividends	-	1,659
Repayment of borrowings granted	21	-
Expenditures on acquisition of property, plant and equipment, and intangible assets	-	-
Net expenditures on acquisition of subsidiaries and associates	-	-
Expenditures on acquisition of short-term financial assets	300	-
Borrowings granted	-	200
Other	-	-
<b>Net cash flow from investing activities</b>	<b>-278</b>	<b>1,517</b>
<b>Cash flow from financing activities</b>		
Inflows from loans and borrowings	-	-
Net inflows from the issue of shares	-	-
Net inflows from the issue of bonds, bills and bills of exchange	-	-
Repayment of loans and borrowings	-	-

Payment of liabilities under finance lease agreements	-	-
Dividends paid to the Company's shareholders	-	1,091
Dividends paid to shareholders holding non-controlling interests	-	-
Acquisition of equity shares	-	-
Interest paid	-	-
Other	-	-
<b>Net cash flow from financing activities</b>	-	<b>-1,091</b>
<b>Increase/decrease in cash and cash equivalents</b>	<b>-9</b>	<b>749</b>
<b>Opening balance of cash and cash equivalents, and overdrafts</b>	<b>1,562</b>	<b>943</b>
<i>Foreign exchange gains/losses related to measurement of cash and cash equivalents, and overdrafts</i>	51	-
<b>Closing balance of cash and cash equivalents, and overdrafts</b>	<b>1,604</b>	<b>1,692</b>

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

The Management Board of Quantum software S.A. declares that, to the best of their knowledge, the consolidated financial statements for Q3 2020 and the comparative data were prepared in compliance with the accounting principles in force and that they present a true, accurate and fair view of the Quantum software S.A. Capital Group's economic and financial standing and its financial result, and that the semi-annual management report presents a true overview of development and achievements of the Quantum software S.A. Capital Group and its situation, including basic risks and exposures.

Krakow, 20 November 2020

**President of the Management Board**                      Tomasz Hatala

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

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

**Member of the Management Board**                      Tomasz Mnich