



**Financial Statements of
Quantum software S.A.
for the period from 01/01/2020 to 31/12/2020**

Kraków, 16 April 2021

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1. Introduction to the Financial Statements of Quantum software S.A. for 2020.

1.1. Core activity:

Quantum software Spółka Akcyjna; 30-633 Kraków, ul. Walerego Sławka 3A, a company entered into the Register of Entrepreneurs of the National Court Register Kraków – Śródmieście, 11th Commercial Division on 30 October 2002 under the number 0000136768; PKD 62.01Z – computer programming activities.

Since 25 July 2014, in connection with the transfer of business operations to the subsidiary Quantum Qguar sp. z o.o., the Issuer has been mainly involved in activities of a holding company.

1.2 Duration of the Issuer

The duration of Quantum software S.A. is indefinite.

1.3 Composition of the Company's Management Board and Supervisory Board:

The composition of the Management Board and Supervisory Board at 31 December 2020 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 Group as at 31/12/2020:

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

Registered office: Kraków
Address: Walerego Sławka 3a
National Court Register (KRS): 0000294284
Shareholders: 78.30% of interests held by Quantum Qguar sp. z o.o.
Share capital: 308,950.00, fully paid-up

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

Registered office: Kiev
Address: Jaroslavskij pereulok 7/9, office 40
Certificate No. 100107724
Shareholders: 99% of interests held by Quantum East
Share capital: USD 76,200, fully paid-up

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.
Share capital: PLN 1,500,000.00, fully paid-up using a contribution in kind

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: PLN 6,000.00, fully paid-up

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

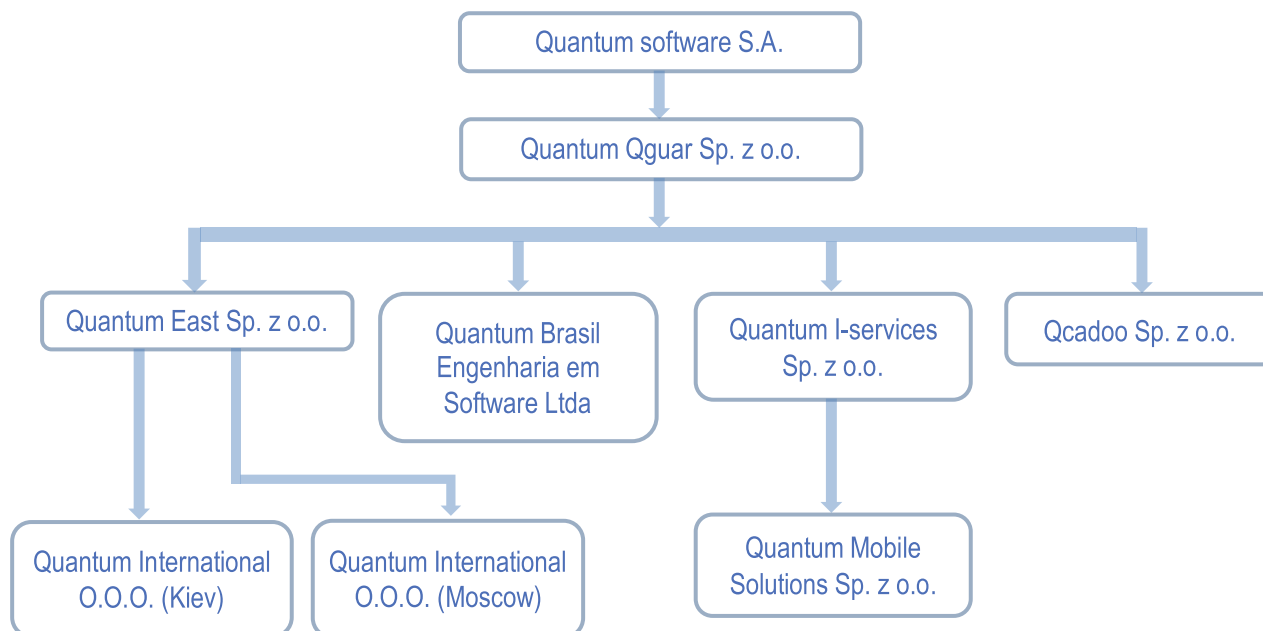
Registered office: Brasilia/DF
Address: Condomínio Jardim Botânico, Etapa 01, quadra 02. Rua 01 lote 112 – loja 12, Lago Sul - Brasilia - DF - CEP 71.680-362
Register: 11.795.637/0001-38 and NIRE No. 53201627870
Shareholders: 95.02% of interests held by Quantum Qguar sp. z o.o.
Share capital: BRL 1,505,705.00 fully paid-up

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: PLN 3,995,000.00, paid-up using a contribution in kind and PLN 5,000.00 paid-up using a contribution in cash

8. Company name: 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.
Share capital: PLN 885.000, fully paid-up



1.5 Accounting policies applied in the preparation of the Financial Statements of Quantum software S.A. for the year 2020 and the Compliance Statement

These Financial Statements were prepared in accordance with the International Financial Reporting Standards („IFRS”), as approved for application by the European Union and, to the extent not regulated by same standards, in accordance with the Accounting Act of 29 September 1994 (Journal of Laws of 1994, no. 121, item 591, as amended) and its implementing provisions, as well as in accordance with the requirements defined in the Regulation of the Minister of Finance of 29 March 2018 regarding current and interim information to be submitted by issuers of securities (Journal of Laws of 2018, item 757).

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

The Management Board approves the Financial Statements for publication on the date the statements are signed by all members of the Management Board, i.e. on 16 April 2021. These Separate Financial Statements should be read jointly with the Consolidated Financial Statements to obtain full information about the financial situation and results of Quantum software S.A. as the dominant company and Group. The Separate and Consolidated Financial Statements are presented in the separate and consolidated report and are available on www.quantum-software.com

Pursuant to the provisions of the Accounting Act of 29 September 1994 (Journal of Laws of 1994, no. 121, item 591, as amended), the Company publishes financial statements for the financial year starting on 1 January 2020 and ending on 31 December 2020. All amounts presented in the Financial Statements are given in the Polish Zloty and rounded to the nearest thousand. The statements were prepared with the assumption that the Company will continue as a going concern in the foreseeable future. There are no known circumstances indicating a threat to the continuation of the Company’s business activities.

Quantum Software has been preparing financial statements since 1 January 2008, starting with interim financial statements covering the period from 01/01/2008 until 31/03/2008. The first annual consolidated financial statements covered the year 2008.

These Financial Statements were prepared in accordance with the historical cost convention. The Company made no adjustments to account for the impact of inflation on the individual items of the Balance Sheet and P&L Account.

The Company prepares its Profit & Loss account in the multi-step variant. The Cash Flow Statement is prepared using 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 first-time application of amendments to standards and interpretations in the Company's Financial Statements for 2020

New and amended standards and interpretations published by the International Accounting Standards Board, as approved for application by the European Union that have become effective:

- Amendments to References to the Conceptual Framework in IFRS (effective for annual periods beginning on or after 1 January 2020);
- Amendments to IAS 1 “Presentation of Financial Statements” and IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” – definition of the term “material” (effective for annual periods beginning on or after 1 January 2020);
- Amendments to IFRS 9 “Financial Instruments”, IAS 39 “Financial Instruments: Recognition and Measurement” and IFRS 7 “Financial Instruments: Disclosures” – IBOR reform (effective for annual periods beginning on or after 1 January 2020);
- Amendments to IFRS 3 “Business Combinations” – definition of a business (effective for combinations for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period);
- Amendments to IFRS 16 “Leases” – Covid-19-Related Rent Concessions (effective for annual periods beginning on or after 1 June 2020);
- Amendments to IFRS 4 “Insurance Contracts” – Deferral of Effective Date of IFRS 9 “Financial Instruments” (effective for annual periods beginning on or after 1 January 2021).

Published standards and interpretations which are not yet effective for periods beginning on 1 January 2020 and their impact on the Company's Financial Statements

As at the date of preparing these Consolidated Financial Statements, new or amended standards were published that are effective for annual periods beginning after 2020. The list also includes amendments, standards and interpretations which have been published but which have not yet been approved by the European Union.

- IFRS 14 “Regulatory Deferred Accounts” (the effective date of the amendments was deferred);
- Amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” – sale or contribution of assets between and investor and its associate or joint venture and further amendments (the effective date of the amendments was deferred until the research project on the equity method has been concluded);
- IFRS 17 “Insurance Contracts” with further amendments to IFRS 17 (effective for annual periods beginning on or after 1 January 2023);
- Amendments to IAS 1 “Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current – Deferral of Effective Date” (effective for annual periods beginning on or after 1 January 2023);
- Amendments to IFRS 3 “Business Combinations”, IAS 16 “Property, Plant and Equipment”, IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”,

- amendments to various standards – “Improvements to IFRSs (cycle 2018-2020)” (effective for annual periods beginning on or after 1 January 2022);
- Amendments to IFRS 9 “Financial Instruments”, IAS 39 “Financial Instruments: Recognition and Measurement”, IFRS 7 “Financial Instruments: Disclosures”, IFRS 4 “Insurance Contracts” and IFRS 16 “Leases” - IBOR reform - Phase 2 (effective for annual periods beginning on or after 1 January 2021);
 - Amendment to IAS 16 “Property, Plant and Equipment” - clarification that the cost of items produced before an item of PP&E is available for use should be accounted for as (1) inventory under IAS 2 and that (2) revenue after they're sold. The amendment is effective for annual periods beginning on or after 1 January 2022;
 - Amendment to IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” - clarification that costs of fulfilling onerous contracts include incremental costs (e.g. labour costs) and an allocation of other costs that relate directly to fulfilling contract, e.g. depreciation. The amendment is effective for annual periods beginning on or after 1 January 2022;
 - Amendments to IAS 8: Definition of Accounting Estimates (published on 12 February 2021). Until the approval date of these Financial Statements, the amendments have not been approved by the EU - effective for annual periods beginning on or after 1 January 2023.

The effective dates are dates resulting from the standards published by the International Accounting Standards Board. The dates of application of these standards in the EU may be different than the dates defined in the standards and are announced at the moment the standards are approved for application by the EU.

The Company did not decide to apply earlier the standards, interpretations or amendments approved by the European Union, which were not binding as at 31 December 2020.

In the Management Board’s opinion, none of the above-mentioned new standards, interpretations and changes which were not binding as at 31 December 2020 will have a material impact on the Financial Statements of Quantum software S.A.

BASIC PRINCIPLES AND RISKS

To the best knowledge of the Management Board, based on the Company’s documents, the Separate Financial Statements for the financial year 2020 have been prepared in accordance with the applicable accounting principles. The Statements present a true and fair view of the Company’s development and achievements, including a description of its risks and threats.

Accounting principles

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) full disclosure,
- 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 items are measured according to the going concern principle, as specified in the International Accounting Standards. However:

- 1) Intangible assets are recognised at cost, taking into account 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 devices, 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 items every year.

FINANCIAL INSTRUMENTS

Financial assets

Financial assets are recognized in the Statement of Financial Position only when the Company becomes a party to the contractual provisions of the instrument.

At initial recognition, financial assets are classified as measured at amortised cost or at fair value through other comprehensive income or at fair value through profit or loss, based on:

- a) the Company's business model used for managing financial assets, and
- b) the character of contractual cash flows for a financial asset.

A financial asset is measured at amortised cost if both of the following conditions are met:

- a) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows;
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- a) the asset is held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial asset; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. However, at initial recognition the Company may irrevocably elect to present fair value changes in other comprehensive income for investments in equity instruments that would otherwise be measured at fair value through profit or loss. The Company may designate, at initial recognition, a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Acquisitions and sales of financial assets are recognised as of the transaction date. At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition.

A financial asset is derecognised by the Company when:

- a) the contractual rights to the asset’s cash flows have expired; or
- b) the asset has been transferred and the transfer meets the conditions for derecognition.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses for a financial asset. At each reporting date, the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition, considering all reasonable and supportable information, including that which is forward-looking. If at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12- month expected credit losses. The Company recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with the above provisions.

Derivative instruments

Derivative financial instruments are measured at fair value without taking into account transaction costs that will be incurred on their acquisition. At initial recognition the fair value of derivative financial instruments is determined based on the transaction price, i.e. the fair value of the payment made or received.

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 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 revenue 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 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 – trade receivables and liabilities – measured at the acquisition price (on the basis of Section 29(a) of IFRS 7, taking into account impairment losses and unrecoverability (IFRS 9);
- cash – measured at acquisition price – on the basis of Section 29(a) of IFRS 7;
- borrowings, loans and leases: measurement at amortised cost is required but, in the opinion of the Management Board, the Company discloses these items at the acquisition 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 acquisition price adjusted for impairment losses. Impairment losses on interests in subsidiaries are disclosed in the Statement of Comprehensive Income as financial expenses.

Impairment losses 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 incurred.

Inventory

Inventory includes goods which are measured, as of the balance sheet date, at the acquisition price in accordance with the prudence principle, less impairment losses.

Trade and other receivables

Trade receivables are recognised at the amount payable, less impairment losses on doubtful receivables. Impairment losses 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

IFRS 15 introduces the so-called "Five-Step Model" for recognising revenue from contracts with customers. According to IFRS 15, the Company recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

If a contract includes a single performance obligation – sale of goods, revenue is recognised at a specific moment, i.e. when the customer obtains control of a promised good (as a

principle, on delivery). As a result, the impact of applying IFRS 15 on the moment of recognising revenue from such contracts is not material.

Some contracts with customers include variable consideration related to discounts, rebates, refunds or credits, price concessions, performance bonuses or penalties.

In accordance with IFRS 15, if a consideration stated in a contract includes a variable amount, the Company estimates the amount of variable consideration to which the Company will be entitled in exchange for transferring the promised goods or services to a customer, and includes in the transaction price some or all of the amount of variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Under IFRS 15, the Company determines if a contract contains a significant financing component. As a practical expedient, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. As a result, the Company has not recognized a significant financing component for short-term advances.

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 revenue

Other operating revenue is revenue related to the Company's operating activities. It includes:

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

Financial revenue

Revenue from interest calculated on counterparties is recognised at the date when a 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 acquisition 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 according to the average exchange rate published for a given currency by the National Bank of Poland.

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

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

Leases

Property, plant and equipment used 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.

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 these Financial Statements 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 7.

Valuation of provisions for employee benefits

Provisions for employee benefits are estimated using actuarial methods. The relevant assumptions are described in Note 14.

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.

Information about the deferred tax is presented in Note 23.

Revenue recognition

The Company determines revenue from long-term contracts for the implementation of IT systems in proportion to the progress of the service, measured by the share of costs incurred to 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 28.

Depreciation/amortisation rates

The amount of depreciation/amortisation rates is determined on the basis of the expected economic useful lives of property, plant and equipment and of intangible assets. Every year, the Company verifies the adopted periods of economic useful lives on the basis of current estimates.

2 Separate Statement of Financial Position

Separate Statement of Financial Position	Note	Balance at 31/12/2020	Balance at 31/12/2019
ASSETS			
Non-current assets		9,701	9,703
Property, plant and equipment	1	-	-
Intangible assets	2	-	-
Investments in associates measured with equity method	3	-	-
Shares	4	9,701	9,701
Borrowings granted	5	-	-
Deferred income tax assets	23	-	2
Other long-term receivables and prepayments	6	-	-
Current assets		4,341	2,771
Inventory	7	-	-
Trade receivables	8	128	475
Other short-term receivables and prepayments	6	22	19
Income tax receivables	23	2	19
Other financial assets		1,413	593
Borrowings granted	5	72	103
FX futures		-	-
Cash and cash equivalents	9	2,704	1,562
Total Assets		14,042	12,474
Equity			
		13,067	11,693
Equity attributable to shareholders of the parent entity			
		13,067	11,693
Share capital	10	657	657
Share premium	13	9,698	8,426
Equity shares	12	-	-
Reserve and supplementary capital	13	-	-
Retained profit (loss)		-168	-168
Current year profit/loss		2,880	2,778
LIABILITIES			
		975	781
Long-term liabilities			
		6	5
Provisions	14	-	-
Deferred income tax provision	23	6	5

Long-term bank loans and borrowings	15	-	-
Other long-term financial liabilities	16	-	-
Other long-term liabilities and accruals	18	-	-
Short-term liabilities		969	776
Provisions	14	-	-
Short-term bank loans and borrowings	15	-	-
Short-term portion of long-term bank loans and borrowings	15	-	-
Other short-term financial liabilities	16	-	-
Trade liabilities	17	34	477
Other short-term liabilities and accruals	18	935	299
Income tax liabilities		-	-
FX futures		-	-
Liabilities related to non-current assets classified as held for sale		-	-
TOTAL EQUITY AND LIABILITIES		14,042	12,474

3. Separate Statement of Comprehensive Income

Statement of Comprehensive Income	Note	Balance at 31/12/2020	Balance at 31/12/2019
Continued operations:			
Revenue from sale of products, goods and materials	19	1,550	1,784
Costs of products, goods and materials sold	20	712	900
Gross profit (loss) on sales		838	884
Selling costs	20	-	-
General and administrative expenses	20	649	617
Profit (loss) on sales		189	267
Other operating revenue	21	-	1
Other operating expenses	21	3	3
Operating profit (loss)		186	265
Financial revenue	22	2,759	2,559
Financial expenses	22	39	19
Gross profit (loss)		2,906	2,805
Income tax	23	26	27
Net profit/loss on continued operations		2,880	2,778
Discontinued operations:			
Profit/loss on discontinued operations for the financial year		-	-
Net profit/loss for the reporting period		2,880	2,778
Other comprehensive income			
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)		-	-
FX gains/losses on measurement of foreign operations		-	-
Income tax related to items presented in other comprehensive income		-	-
Total comprehensive income		2,880	2,778
Earnings/loss per share (in PLN):			
On continued operations			
<i>Basic</i>	24	2.19	2.11
<i>Diluted</i>	24	2.19	2.11
On continued and discontinued operations			
<i>Basic</i>	24	2.19	2.11
<i>Diluted</i>	24	2.19	2.11

4. Separate Statement of Changes in Equity

for the period	Equity attributable to shareholders of the parent									Non-controlling interests	Total equity
31 December 2020	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		
Opening balance before restatement	657	8,426	-	-	-	-	-	2,610	11,693	-	11,693
Changes in accounting principles (policy)	-	-	-	-	-	-	-	-	-	-	-
Corrections of fundamental errors	-	-	-	-	-	-	-	-	-	-	-
Opening balance after corrections (restated)	657	8,426	-	-	-	-	-	2,610	11,693	-	11,693
Total comprehensive income	-	-	-	-	-	-	-	2,880	2,880	-	2,880
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	-	-	-	-	-	-	-	-	-	-	-

capital or reclassified from capital												
Total revenue and expenses for the financial year recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	-
Profit/loss for the financial year	-	-	-	-	-	-	-	2,880	2,880	-	2,880	
Other movements in equity	-	1,272	-	-	-	-	-	-2,778	-1,506	-	-1,506	
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	
Dividends	-	-1,775	-	-	-	-	-	-	-1,775	-	-1,775	
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	-	-	-	-	-	-	-	-	-	-	-	
Closing balance	657	9,698	-	-	-	-	-	2,712	13,067	-	13,067	

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		
Opening balance before restatement	657	8,429	-13	-	-	-	-	2,014	11,087	-	11,087
Changes in accounting principles (policy)	-	-	-	-	-	-	-	-	-	-	-
Corrections of fundamental errors	-	-	-	-	-	-	-	-	-	-	-
Opening balance after corrections (restated)	657	8,429	-13	-	-	-	-	2,014	11,087	-	11,087
Total comprehensive income	-	-	-	-	-	-	-	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 revenue and expenses for the financial year recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	-
Profit/loss for the financial year	-	-	-	-	-	-	-	2,778	2,778	-	-	2,778
Other movements in equity	-	-3	13	-	-	-	-	- 2,182	-2,172	-	-	-2,172
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	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment for the previous years	-	-	-	-	-	-	-	-2	-2	-	-	-2
Closing balance	657	8,426	-	-	-	-	-	2,610	11,693	-	-	11,693

5. Separate Cash Flow Statement.

Cash Flow Statement	Note	31/12/2020	31/12/2019
Operating cash flows			
Gross profit/loss		2,906	2,805
Adjustments for:		-2,748	-2,487
Amortisation/depreciation		-	-
Goodwill impairment		-	-
Foreign exchange gains/losses		-65	5
Expenses and revenue due to interest		-15	-22
Dividends revenue		-2,624	-2,511
Profit/loss on investing activities		-21	-22
Movement in provisions		-	-
Movement in inventory		-	-
Movement in receivables and prepayments		344	-306
Movement in liabilities and accruals		-400	410
Income tax paid/returned		-6	-42
Other adjustments		39	1
Net operating cash flow		158	318
Cash flow from investing activities			
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	15
Inflows from dividends		2,623	2,512
Repayment of borrowings granted		48	100
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		800	-
Borrowings granted		10	200
Other		-	-
Net cash flow from investing activities		1,862	2,477
Cash flows from financing activities			
Inflows from loans and borrowings		-	-
Net inflows from the issue of shares		-	1
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		912	2,170
Dividends paid to shareholders holding non-controlling interests		-	-
Acquisition of equity shares		-	-
Interest paid		-	6
Other		-	-
Net cash flow from financing activities		-912	-2,175
Increase/decrease in cash and cash equivalents		1,108	620
Opening balance of cash and cash equivalents, and overdrafts		1,562	942
<i>Foreign exchange gains/losses related to measurement of cash and cash equivalents, and overdrafts</i>		34	-
Closing balance of cash and cash equivalents, and overdrafts		2,704	1,562

Explanations to the Cash Flow Statement	31/12/2020	31/12/2019
Foreign exchange gains (losses) disclosed in the Cash Flow Statement result from the following:	-65	5
- foreign exchange gains/losses due to measurement of cash	-34	-
- unrealised foreign exchange gains/losses on loans and borrowings	-31	5
- realised foreign exchange gains/losses on loans and borrowings	-	-
Interest and profit sharing (dividends), including:	-2,639	-2,533
- received interest on borrowings granted	-	-
- interest received on cash at bank and deposits	-1	-15
- received interest on lease instalments	-	-
- interest paid on loans	-	-
- interest paid on borrowings	-	-
- interest paid on debt securities	-	-
- interest paid on lease liabilities	-	-
- commissions paid on debt securities	-	-
- dividends received	-2,624	-2,511
- interest accrued on borrowings granted	-14	-13
- accrued interest on loans and borrowings raised	-	-
- interest accrued on debt securities	-	-
- other interest	-	6
Profit (loss) on investing activities due to:	-21	-22
- revenue from sales of property, plant and equipment, and investment real property	-	-
- revenue from sales of intangible assets	-	-
- prime cost of the sales of property, plant and equipment, and investment real property	-	-

- prime cost of the sales of intangible assets	-	-
- liquidation costs of property, plant and equipment	-	-
- revenue from sales of shares and interests	-	-
- prime cost of the sale of shares and interests	-	-
- other	-21	-22
Movement in receivables due to the following items:	344	-306
- change in short-term receivables resulting from the balance sheet	344	-306
- change in long-term receivables resulting from the balance sheet	-	-
- adjustment for movement in dividend receivables	-	-
- adjustment for change in receivables from disposal of PP&E 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	-	-
Movements in liabilities, except for loans and borrowings, resulting from the following:	-400	410
- movement in short-term trade and other liabilities	463	410
- movement in other long-term liabilities	-	-
- adjustment for change in liabilities against unpaid dividend	-	-
- adjustment for movement in liabilities due to acquisition of PP&E	-863	-
- adjustment for change in liabilities against purchase of financial assets	-	-
- adjustment for movement in lease liability	-	-
- adjustment for change in liability against guarantees granted to subsidiaries	-	-
- other adjustments	-	-
Income tax paid	-6	-42
- income tax recognised in profit and loss account	-	-
- adjustment for change in deferred tax assets	-	-
- adjustment for change in income tax receivables	-	-
- adjustment for movement in deferred income tax provision	-	-
- adjustment for change in current tax liabilities	-	-
- adjustment for deferred tax on changes in equity	-	-
- income tax reimbursed	-	-
- income tax paid	-6	-42
“Other adjustments” include:	39	1
- revaluation of PP&E (positive valuation)	-	-

- revaluation of PP&E (write-down)	-	-
- revaluation of shares and interests (positive measurement)	-	-
- revaluation of shares and interests (write-down)	535	-
- revaluation of borrowings granted (write-down)	-496	4
- revaluation of financial instruments	-	-
- revaluation of sureties	-	-
- conversion of cash deposits to financial assets	-	-
- other	-	-3
Acquisition of PP&E and intangible assets – investing activities	-	-
- movement in PP&E resulting from the balance sheet	-	-
- movement in investment properties resulting from the balance sheet	-	-
- movement in intangible assets resulting from the balance sheet	-	-
- movement in the above assets in assets for sale	-	-
- amortisation/depreciation for the reporting period resulting from the profit and loss account	-	-
- prime cost of tangible assets, investment real property and intangible assets sold	-	-
- costs of liquidated tangible assets	-	-
- impairment losses/reversed impairment loss on the above assets	-	-
- measurement of the above non-current assets	-	-
- other	-	-
- adjustment for advances on the purchase of tangible assets and intangible assets	-	-
- adjustment for investment liabilities (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 annual Separate Financial Statements (also translated into EUR).

SELECTED FINANCIAL DATA including basic items of the Annual Financial Statements	PLN '000		EUR '000	
	from	from	from	from
	01/01/2020 to 31/12/2020	01/01/2019 to 31/12/2019	01/01/2020 to 31/12/2020	01/01/2019 to 31/12/2019
Net revenue from sale of products, goods and materials	1,550	1,784	346	415
Operating profit (loss)	186	265	42	62
Gross profit (loss)	2,906	2,805	650	652
Net profit (loss)	2,880	2,778	644	646
Net operating cash flow	158	318	35	74
Net cash flow from investing activities	1,862	2,477	416	576
Net cash flow from financing activities	-912	-2,175	-204	-506
Total net cash flows	1,108	620	248	144
Total assets	14,042	12,474	3,043	2,929
Liabilities and provisions for liabilities, including:	975	781	211	183
Long-term liabilities	6	5	1	1
Short-term liabilities	969	776	210	182
Equity	13,067	11,693	2,832	2,746
Share capital	657	657	142	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)	2.19	2.11	0.49	0.49
Diluted profit (loss) per ordinary share (in PLN/EUR)	2.19	2.11	0.49	0.49
Book value per share (in PLN/EUR)	9.94	8.89	2.15	2.09
Diluted book value per share (in PLN/EUR)	9.94	8.89	2.15	2.09
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 – at the average exchange rate announced by the National Bank of Poland 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 statements

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
2020	4.4742	4.6148
2019	4.3018	4.2585

7. Additional information – selected notes

Note 1 – Property, plant and equipment

PROPERTY, PLANT AND EQUIPMENT	AS OF 31 DECEMBER 2020					
	Land and perpetual usufruct title to land	Buildings and structures	Machines and equipment	Means of transport	Other	Total
Gross value at the beginning of the period	-	-	-	-	-	-
Increases	-	-	-	-	-	-
<i>acquisition</i>	-	-	-	-	-	-
<i>acquisition as part of the combination of business entities</i>	-	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-	-
<i>other</i>	-	-	-	-	-	-
Decreases	-	-	-	-	-	-
<i>disposal</i>	-	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-	-
<i>due reclassification to fixed assets held for sale</i>	-	-	-	-	-	-
<i>other</i>	-	-	-	-	-	-
Allocated to discontinued operations	-	-	-	-	-	-
Internal movements (+/-)	-	-	-	-	-	-
Gross value at the end of the period	-	-	-	-	-	-
Accumulated amortisation/depreciation at the beginning of the period	-	-	-	-	-	-
amortisation/depreciation for the period	-	-	-	-	-	-
other increases	-	-	-	-	-	-
decreases	-	-	-	-	-	-
Accumulated amortisation/depreciation at the end of the period	-	-	-	-	-	-

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

PROPERTY, PLANT AND EQUIPMENT	AS OF 31 DECEMBER 2019					
	Land and perpetual usufruct title to land	Buildings and structures	Machines and equipment	Means of transport	Other	Total
Gross value at the beginning of the period	-	-	-	-	-	-
Increases	-	-	-	-	-	-
<i>acquisition</i>	-	-	-	-	-	-
<i>acquisition as part of the combination of business entities</i>	-	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-	-
<i>other</i>	-	-	-	-	-	-
Decreases	-	-	-	-	-	-
<i>disposal</i>	-	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-	-
<i>due reclassification to fixed assets held for sale</i>	-	-	-	-	-	-
<i>transfer of the business</i>	-	-	-	-	-	-
<i>other</i>	-	-	-	-	-	-
Allocated to discontinued operations	-	-	-	-	-	-

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

As at 31 December 2020 and 31 December 2019, the Company does not own cars classified as tangible fixed assets under lease.

As at 31 December 2020 and 31 December 2019, the Company did not incur any expenditure on tangible fixed assets under construction.

Note 2 – Intangible assets

INTANGIBLE ASSETS	AS OF 31 DECEMBER 2020				
	Own development work	Intangible assets purchased			Total
		Patents and trademarks	Licenses	Other	
Gross value at the beginning of the period	-	-	-	-	-

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

Adjustment for net foreign exchange gains/losses on translation	-	-	-	-	-
Net value at the end of the period	-	-	-	-	-

INTANGIBLE ASSETS	AS OF 31 DECEMBER 2019				
	Own development work	Intangible assets purchased			Total
		Patents and trademarks	Licenses	Other	
Gross value at the beginning of the period	-	-	-	-	-
Increases	-	-	-	-	-
<i>acquisition</i>	-	-	-	-	-
<i>own development work</i>	-	-	-	-	-
<i>acquisition as part of the combination of business entities</i>	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-
<i>other</i>	-	-	-	-	-
Decreases	-	-	-	-	-
<i>decommissioning</i>	-	-	-	-	-
<i>liquidation</i>	-	-	-	-	-
<i>disposal</i>	-	-	-	-	-
<i>due to revaluation</i>	-	-	-	-	-
<i>due reclassification to fixed assets held for sale</i>	-	-	-	-	-
<i>transfer of the business</i>	-	-	-	-	-
<i>other</i>	-	-	-	-	-
Gross value at the end of the period	-	-	-	-	-
Accumulated amortisation/depreciation at the beginning of the period	-	-	-	-	-
amortisation/depreciation for the period	-	-	-	-	-
other increases	-	-	-	-	-
Transfer of the business	-	-	-	-	-

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

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

Note 3 – Investments in associates measured with the equity method

Entity name:	31/12/2020	31/12/2019
Share in the associate's balance sheet	-	-
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	-	-

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

Note 4 – Shares and stock

SHARES AND STOCK	31/12/2020	31/12/2019
Shares of companies listed on the Stock Exchange at the beginning of the period	-	-

In subsidiaries, at the beginning of the period, including:	-	-
At the acquisition price	-	-
a) increases	-	-
Reclassification from a group of entities	-	-
Purchase	-	-
Valuation	-	-
b) decreases	-	-
Reclassification to a group of entities	-	-
Sales	-	-
Valuation	-	-
At the end of the period in subsidiaries	-	-
At the beginning of the period in associates, including:	-	-
At the acquisition price	-	-
a) increases	-	-
Reclassification from a group of entities	-	-
Purchase	-	-
Valuation, including:	-	-
Reversal of fair value valuation of shares sold	-	-
Balance sheet valuation to the fair value	-	-
b) decreases	-	-
Reclassification to a group of entities	-	-
Sales	-	-
Valuation, including:	-	-
a) reversal of fair value valuation of shares sold	-	-
b) balance sheet valuation to the fair value	-	-
At the end of the period in associates	-	-
At the beginning of the period in other entities, including:	-	-
At the acquisition price	-	-
a) increases	-	-
Reclassification from a group of entities	-	-
Purchase	-	-
Valuation, including:	-	-
Reversal of fair value valuation of shares sold	-	-
Balance sheet valuation to the fair value	-	-
b) decreases	-	-
Reclassification to a group of entities	-	-
Sales	-	-
Valuation	-	-

In other companies, at the end of the period	-	-
Shares of listed companies at the end of the period	-	-
In subsidiaries, including:	-	-
At the acquisition price	-	-
In associates, including:	-	-
At the acquisition price	-	-
In other entities, including:	-	-
At the acquisition price	-	-
Shares of companies not listed on the Stock Exchange at the beginning of the period	9,701	9,701
In subsidiaries, at the beginning of the period, including:	9,701	9,701
At the acquisition price	9,701	9,701
a) increases	2,160	-
Reclassification from a group of entities	-	-
Purchase from Quantum Qguar sp. z o.o.	1,626	-
Transfer of business	-	-
Reclassification from the loans granted previously	534	-
Reversal of valuation	-	-
b) decreases	-	-
Reclassification to a group of entities	-	-
Sales	-	-
Transfer of business	-	-
Valuation	-	-
At the end of the period in subsidiaries	11,861	9,701
At the beginning of the period in associates, including:	-	-
At the acquisition price	-	-
a) increases	-	-
Reclassification from a group of entities	-	-
Purchase	-	-
Valuation, including:	-	-
Reversal of fair value valuation of shares sold	-	-
Balance sheet valuation to the fair value	-	-
b) decreases	-	-
Reclassification to a group of entities	-	-
Sales	-	-
Valuation, including:	-	-
a) reversal of fair value valuation of shares sold	-	-
b) balance sheet valuation to the fair value	-	-

At the end of the period in associates	-	-
At the beginning of the period in other entities, including:	-	-
At the acquisition price	-	-
a) increases	-	-
Reclassification from a group of entities	-	-
purchase	-	-
Valuation, including:	-	-
Reversal of fair value valuation of shares sold	-	-
Balance sheet valuation to the fair value	-	-
b) decreases	-	-
Reclassification to a group of entities	-	-
Sales	-	-
Valuation	-	-
In other companies, at the end of the period	-	-
Shares/interests of non-listed companies at the end of the period	9,701	9,701
In subsidiaries, including:	9,701	9,701
At the acquisition price	11,861	9,701
Write-down	2,160	-
In associates, including:	-	-
At the acquisition price	-	-
In other entities, including:	-	-
At the acquisition price	-	-

WRITE-DOWNS ON SHARES AND STOCK AS AT 31 DECEMBER 2020				
Entity name	Opening balance	Increases	Decreases	Closing balance
Quantum Brasil – shares from conversion of a loan; write-down through profit or loss	-	534	-	534
Quantum Brasil – shares acquired from subsidiary Quantum Qguar sp. z o.o. – write-down through accruals/prepayments	-	1,626	-	1,626
Total write-downs	-	2,160	-	2,160

WRITE-DOWNS ON SHARES AND STOCK AS AT 31 DECEMBER 2019				
	Opening balance	Increases	Decreases	Closing balance
	-	-	-	-

-	-	-	-	-
Total write-downs	-	-	-	-

Note 5 – Borrowings granted

BORROWINGS GRANTED								
Long-term	Borrowing amount	Interest rate	Repayment date	As of		Interest accrued from the beginning of the financial year to		Collateral
				31/12/2020	31/12/2019	31/12/2020	31/12/2019	
<i>Borrowings granted to related parties</i>								
Quantum Brasil – equity	177	-	-	-	177	-	-	No security
Quantum Brasil interest accrued as at 31/12/2019	19	-	-	-	19	-	9	No security
Write-down	-196	-	-	-	-196	-	-	-
Quantum Brasil – loan value	-	-	-	-	-	-	-	-
<i>Borrowings granted to other parties</i>								
Other entities	-	-	-	-	-	-	-	-
Total				-	-	-	-	-

BORROWINGS GRANTED								
Short-term	Borrowing amount	Interest rate	Repayment date	As of		Interest accrued from the beginning of the financial year to		Collateral
				31/12/2020	31/12/2019	31/12/2020	31/12/2019	
<i>Borrowings granted to related parties</i>								
	-	-	-	-	-	-	-	-
<i>Borrowings granted to other parties</i>								
Member of the Management Board – Tomasz Hatala	62	Fixed 7%	31-12-2021	72	103	6	3	No security
			Total	72	103	6	3	-

Currently, the Issuer holds receivables on account of the following loans:

- 1) The loan granted to a member of the Management Board – Mr Tomasz Hatala – the principal amount is PLN 62,297.02, interest accrued as at 31/12/2020 is PLN 9,734.30, the interest rate is 7%, the repayment deadline is 31/12/2021.

Note 6 – Other receivables and prepayments

OTHER RECEIVABLES AND PREPAYMENTS	31/12/2020	31/12/2019
Receivables from subsidiaries:	-	-
- long-term	-	-
- short-term	-	-
Receivables from related parties:	-	-
- long-term	-	-
- short-term	-	-
Advance payments:		-
- long-term		-
- short-term		-
Other receivables:	10	14
- long-term	-	-
- short-term	10	14
Prepayments:	12	5
- long-term	-	-
- short-term	12	5
Impairment losses at the beginning of the period	-	-
Recognition of impairment losses in the period	-	-
Reversal of impairment loss in the period	-	-
Impairment losses at the end of the period	-	-
TOTAL	22	19

Other receivables include:

- security deposits paid	-	-
- payroll settlements	-	-
- other employee settlements	-	-
- input VAT to be settled in future periods	3	-
- output VAT on corrective invoices to be settled in future periods	-	4
- VAT	-	4
- ZUS (social insurance institution) - overpayment	-	-
- settlements with a brokerage house related to the purchase of equity shares	6	6
- other settlements with suppliers	1	-
- other receivables	-	-
TOTAL:	10	14

Prepayments/accruals include:

- settlement of long-term contracts	-	-
- inter-period cost settlement	-	-
- other prepayments	-	-
- property insurance	12	5
- write-down for the Company Social Benefit Fund (ZFSS)	-	-
- prepaid subscriptions, etc.	-	-
- settlement of VAT related to lease contracts to be settled in subsequent periods – within 12 months	-	-
- settlement of VAT related to lease contracts to be settled in subsequent periods – above 12 months	-	-
TOTAL:	12	5

Note 7 – Inventories

INVENTORIES	Balance at 31 December 2020				
	Materials	Work in progress	Finished products	Goods	Total
Measurement according to the acquisition price/manufacturing cost	-	-	-	-	-
Measurement according to the net realisable value	-	-	-	-	-
Write-downs on inventory at the beginning of the period	-	-	-	-	-
Reversal of write-downs on stocks recognised in the period as cost	-	-	-	-	-
Reversed write-downs on inventory recognised as a decrease in the write-downs in the period	-	-	-	-	-
Write-downs on inventory at the end of the period	-	-	-	-	-
Inventory recognised as cost in the period	-	-	-	-	-
Carrying value of inventory	-	-	-	-	-
Value of inventory securing liabilities	-	-	-	-	-
Including long-term	-	-	-	-	-

INVENTORIES	Balance at 31 December 2019				
	Materials	Work in progress	Finished products	Goods	Total
Measurement according to the acquisition price/manufacturing cost	-	-	-	-	-
Measurement according to the net realisable value	-	-	-	-	-
Write-downs on inventory at the beginning of the period	-	-	-	-	-
Reversal of write-downs on stocks recognised in the period as cost	-	-	-	-	-
Reversed write-downs on inventory recognised as a decrease in the write-downs in the period	-	-	-	-	-
Write-downs on inventory at the end of the period	-	-	-	-	-
Inventory recognised as cost in the period	-	-	-	-	-
Carrying value of inventory	-	-	-	-	-
Value of inventory securing liabilities	-	-	-	-	-
Including long-term	-	-	-	-	-

As at 31 December 2020 and 31 December 2019, the company did not hold any goods for resale.

Note 8 – Trade receivables

TRADE RECEIVABLES	31/12/2020	31/12/2019
Trade receivables from related parties	74	74
Trade receivables from other parties	54	401
Total receivables	128	475
Write-downs on trade receivables	-	-
Net trade receivables	128	475

AGE STRUCTURE OF TRADE RECEIVABLES	Gross value	Write-down	Gross value	Write-down
	31/12/2020		31/12/2019	
Paid on time	128	-	474	-
Overdue up to 3 months	-	-	1	-
Overdue between 3 and 6 months	-	-	-	-
Overdue between 6 and 12 months	-	-	-	-
Overdue over 1 year	-	-	-	-
Total	128	-	475	-

MOVEMENTS IN WRITE-DOWNS	31/12/2020	31/12/2019
Opening balance	-	-
Increases	-	-
Decreases	-	-
Closing balance	-	-

As at 31 December 2020 and 2019, there were no write-downs.

Note 9 – Cash and cash equivalents

CASH AND CASH EQUIVALENTS	31/12/2020	31/12/2019
Cash in hand and cash in bank	2,704	989
Short-term deposits	-	573
Other	-	-
Total, including:	2,704	1,562
- cash in hand and cash in bank allocated to discontinued operations	-	-
- cash in hand and cash in bank not available for use by the group	-	-

As at 31 December 2020, cash increased by PLN 1,142,111.23.

In addition to cash in bank, in 2020 the Issuer also held units in open money market funds, as disclosed in the Statement of Financial Position under other financial assets.

OTHER FINANCIAL ASSETS	31/12/2020		31/12/2019	
	Number of units	Value of units	Number of units	Value of units
General Investments Funds	2,587.09	610	2,587.09	593

BNP Paribas Funds	7,173.056	803	7,173.056	-
Total, including:		1,413		593

Note 10 Share capital

SHARE CAPITAL		Balance at 31 December 2020					
Series/issue	Type of shares	Preference	Type of limitation of the rights to shares	Number of shares	Value of series/issue at nominal value	Registration date	Right to dividend since
Series A	Registered shares	Yes	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
Quantum Assets sp. z o.o.	970,912	73.84%
Tomasz Hatała	44,181	3.36%
Bogusław Ożóg	32,371	2.46%
Robert Dykacz	23,596	1.79%
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%
Others	216,002	16.43%
Total	1,314,870	100%

Note 11 – Number of shares comprising share capital

Number of shares in the basic capital	31/12/2020	31/12/2019
Ordinary shares with a nominal value of PLN 0.50	1,314,870	1,314,870
At the end of the period	1,314,870	1,314,870
Changes in the number of shares	31/12/2020	31/12/2019
Ordinary shares issued and paid up in full		
At the beginning of the period	1,314,870	1,314,870
Redeemed	-	-
At the end of the period	1,314,870	1,314,870
Ordinary shares issued and not fully paid-up		
At the beginning of the period	-	-
At the end of the period	-	-
Equity shares		
At the beginning of the period	-	954
Repurchase of equity shares for the purposes of an incentive plan	-	-
Repurchase of equity shares from Quantum Qguar	-	-
Redemption of equity shares	-	-
Sale of shares to the senior management	-	-954
At the end of the period	-	-
Shares		
At the beginning of the period	-	-
At the end of the period	-	-
SHARE CAPITAL	31/12/2020	31/12/2019
Nominal value per share	0.50	0.50
Share capital	657	657

Note 12 – Equity shares

EQUITY SHARES			
As of 31/12/2020	Number of shares	Value at acquisition prices	Purpose of acquisition
	-	-	-
TOTAL	-	-	-

Note 13 – Reserve capital, supplementary capital and revaluation reserve

	AS OF 31 DECEMBER 2020										
	Share premium	Condition al capital	Suppleme ntary capital	Reserve capital	Reserve capital due to foreign exchange gains/losse s	Reserve capital due to cash flow hedges	PP&E revaluation reserve	Revaluatio n reserve for intangible assets	Revaluation reserve for financial assets available for sale	Foreign exchange gains/losse s on translation	Total
Opening balance	8,426	-	-	-	-	-	-	-	-	-	8,426
Changes in accounting principles (policy)	-	-	-	-	-	-	-	-	-	-	-
Corrections of fundamental errors	-	-	-	-	-	-	-	-	-	-	-
Opening balance after corrections (restated)	8,426	-	-	-	-	-	-	-	-	-	8,426
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)	-	-	-	-	-	-	-	-	-	-	-
Share premium	-	-	-	-	-	-	-	-	-	-	-
Acquisition of equity shares	-	-	-	-	-	-	-	-	-	-	-
Reclassification to share capital and supplementary capital	-	-	-	-	-	-	-	-	-	-	-

FX gains/losses on measurement of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-
Coverage of loss		-	-	-	-	-	-	-	-	-	-	-
Dividend on equity shares	-1,775	-	-	-	-	-	-	-	-	-	-	-1,775
Distribution of financial result	3,047	-	-	-	-	-	-	-	-	-	-	3,047
Acquisition of equity shares	-	-	-	-	-	-	-	-	-	-	-	-
Sale of equity shares	-	-	-	-	-	-	-	-	-	-	-	-
Income tax related to items presented in other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	9,698	-	-	-	-	-	-	-	-	-	-	9,698

	AS OF 31 DECEMBER 2019										
	Share premium	Condition al capital	Suppleme ntary capital	Reserve capital	Reserve capital due to foreign exchange gains/losse s	Reserve capital due to cash flow hedges	PP&E revaluation reserve	Revaluatio n reserve for intangible assets	Revaluation reserve for financial assets available for sale	Foreign exchange gains/losse s on translation	Total
Opening balance	8,429	-	-	-	-	-	-	-	-	-	8,429
Changes in accounting principles (policy)	-	-	-	-	-	-	-	-	-	-	-
Corrections of fundamental errors	-	-	-	-	-	-	-	-	-	-	-
Opening balance after corrections (restated)	8,429	-	-	-	-	-	-	-	-	-	8,429
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)	-	-	-	-	-	-	-	-	-	-	-
Share premium	-	-	-	-	-	-	-	-	-	-	-
Acquisition of equity shares	-	-	-	-	-	-	-	-	-	-	-
Reclassification to share capital and supplementary capital	-	-	-	-	-	-	-	-	-	-	-

FX gains/losses on measurement of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-
Dividend on equity shares	-1,078	-	-	-	-	-	-	-	-	-	-	-1,078
Distribution of financial result	1,088	-	-	-	-	-	-	-	-	-	-	1,088
Acquisition of equity shares	-	-	-	-	-	-	-	-	-	-	-	-
Sale of equity shares	-13	-	-	-	-	-	-	-	-	-	-	-13
Income tax related to items presented in other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	8,426	-	-	-	-	-	-	-	-	-	-	8,426

Note 14 – Provisions

PROVISIONS					
	AS OF 31 DECEMBER 2020				
	Provisions for repairs under guarantee	Restructuring provisions	Provisions for employee and similar benefits	Other provisions	Total
Value at the beginning of the period, including:	-	-	-	-	-
<i>Short-term, at the beginning of the period</i>	-	-	-	-	-
<i>Long-term, at the beginning of the period</i>	-	-	-	-	-
Increases	-	-	-	-	-
Created in the period and increase in existing ones	-	-	-	-	-
Purchased as part of business combinations	-	-	-	-	-
Decreases	-	-	-	-	-
Used during the year	-	-	-	-	-
Released but not used	-	-	-	-	-
Transfer of business	-	-	-	-	-
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-	-
Discount rate adjustment	-	-	-	-	-
Value at the end of the period, including:	-	-	-	-	-
<i>Short-term, at the end of the period</i>	-	-	-	-	-

<i>Long-term, at the end of the period</i>	-	-	-	-	-
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PROVISIONS					
	AS OF 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:	-	-	-	-	-
<i>Short-term, at the beginning of the period</i>	-	-	-	-	-
<i>Long-term, at the beginning of the period</i>	-	-	-	-	-
Increases	-	-	-	-	-
Created in the period and increase in existing ones	-	-	-	-	-
Purchased as part of business combinations	-	-	-	-	-
Decreases	-	-	-	-	-
Used during the year	-	-	-	-	-
Released but not used	-	-	-	-	-
Adjustment for net foreign exchange gains/losses on translation	-	-	-	-	-
Discount rate adjustment	-	-	-	-	-
Value at the end of the period, including:	-	-	-	-	-
<i>Short-term, at the end of the period</i>	-	-	-	-	-
<i>Long-term, at the end of the period</i>	-	-	-	-	-

As at 31/12/2020 and 31/12/2019, the Company did not create any provisions.

Note 15 – Bank loans and borrowings

LONG-TERM BANK LOANS AND BORROWINGS			31/12/2020		31/12/2019	
Item	Effective interest rate	Repayment date	Short-term portion	Long-term portion	Short-term portion	Long-term portion
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
Total	-	-	-	-	-	-

SHORT-TERM BANK LOANS AND BORROWINGS			31/12/2020	31/12/2019
Item	Effective interest rate	Repayment date		
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
Total	-	-	-	-

As at 31/12/2020 and 31/12/2019, the parent company did not hold any concluded loan and borrowing agreements.

Note 16 Other financial liabilities

LIABILITIES DUE TO FINANCE LEASE AGREEMENTS				
FUTURE MINIMUM LEASE FEES AND NET PRESENT VALUE OF MINIMUM LEASE FEES				
	31 DECEMBER 2020		31 DECEMBER 2019	
	Minimum fees	Present value of minimum fees	Minimum fees	Present value of minimum fees
up to 1 year	-	-	-	-
over 1 to 5 years	-	-	-	-
over 5 years	-	-	-	-
Total	-	-	-	-
short-term portion	-	-	-	-
long-term portion	-	-	-	-

As at 31 December 2020 and 31 December 2019, the parent company did not have any lease contracts.

Note 17 – Trade liabilities

TRADE LIABILITIES	31/12/2020	31/12/2019
Trade liabilities due to related parties	19	458
Trade liabilities due to other parties	15	19
Total	34	477

Note 18 – Other liabilities and accruals

OTHER LIABILITIES AND ACCRUALS	31/12/2020	31/12/2019
Liabilities due to subsidiaries:	-	-
- long-term	-	-
- short-term	-	-
Liabilities due to related parties:	-	-
- long-term	-	-
- short-term	-	-
Advance payments:	-	-
- long-term	-	-

- short-term	-	-
Other liabilities:	926	294
- long-term	-	-
- short-term	926	294
Accruals:	9	5
- long-term	-	-
- short-term	9	5
Deferred revenue:	-	-
- long-term	-	-
- short-term	-	-
Total, including:	935	299
- long-term	-	-
- short-term	935	299

Other liabilities include:

- payroll tax	-	22
- income tax	-	-
- social insurance and tax insurance	-	1
- VAT	-	-
- other taxes, customs duties, insurance and other benefits	21	-
- payroll	40	-
- dividends	863	-
- other liabilities	2	2
- liabilities against unpaid dividend equity shares	-	269
- settlements of special purpose funds	-	-
	926	294

Accruals include:

- settlements of subsidy received – within 12 months	-	-
- settlements of subsidy received – over 12 months	-	-
- settlement of long-term contracts	-	-
- other prepayments and accruals	-	-
- turn-of-the-period costs	9	5
	9	5

Note 19 – Revenue from sale of products, goods and materials

REVENUE FROM SALE OF PRODUCTS, GOODS AND MATERIALS						
	Continued operations		Discontinued operations		Total	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Revenue from sale of products	97	23	-	-	97	23
Revenue from sale of services	1,453	1,758	-	-	1,453	1,758
Revenue from sale of materials	-	-	-	-	-	-
Revenue from sale of goods	-	3	-	-	-	3
TOTAL	1,550	1,784	-	-	1,550	1,784
including: non-cash revenue from exchange of goods or services		-	-	-		-

The Issuer's operations in 2020 consisted of the holding function towards subsidiaries and the management of contracts for Qguar software with clients of Axell Logistics Sp. z o.o. (formerly Ponetex sp. z o.o.) and Neuca S.A., performed in fact by its subsidiary - Quantum Qguar sp. z o.o.

In 2020, a 13% decrease in the Issuer's sales compared to the same period in 2019 was recorded.

Note 20 – Costs by type

COSTS BY TYPE	31/12/2020	31/12/2019
Depreciation of tangible assets	-	-
Amortisation of intangible assets	-	-
Employee benefit costs	391	348
Consumption of raw materials and materials	9	-
Costs of third-party services	936	1,130
Costs of taxes and charges	-	14
Other expenses	25	25
Change in the balance of products and work-in-progress	-	-
Value of goods sold	-	-
TOTAL	1,361	1,517
Selling costs	-	-
General and administrative expenses	649	617
Costs of products, goods and materials sold	712	900

TOTAL	1,361	1,517
including: minimum lease payments recognised as operating lease costs	-	-

EMPLOYEE BENEFIT COSTS	31/12/2020	31/12/2019
Costs of remuneration	386	313
Social security costs	5	35
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	-	-
Other post-employment benefits	-	-
Costs of employee benefits in the form of equity shares	-	-
TOTAL	391	348

R&D COSTS	31/12/2020	31/12/2019
Amortisation/depreciation	-	-
Consumption of raw materials and auxiliary materials	-	-
Costs of third-party services	-	-
Other expenses	-	-
TOTAL	-	-

Note 21 – Other revenue and expenses

OTHER REVENUE	31/12/2020	31/12/2019
State subsidies	-	-
Profit on sale of property, plant and equipment	-	-
Reversal of impairment losses on receivables	-	-
Reversal of impairment losses on inventory	-	-
Reversal of impairment losses on intangible assets	-	-
Reversal of impairment losses on PP&E	-	-
Reversal of impairment losses on investment property	-	-
Release of other provisions	-	-

Release of provision for company restructuring costs	-	-
Damages received	-	-
Adjustment of contributions to Labour Fund for previous years	-	-
Reimbursement of insurance policy premiums	-	-
Other operating revenue	-	1
Other	-	-
TOTAL	-	1
including: non-cash revenue from exchange of goods or services	-	-

OTHER EXPENSES	31/12/2020	31/12/2019
Loss on sale of property, plant and equipment	-	-
Provision for guarantee repairs	-	-
Direct expenses (including renovation and maintenance) due to investment property rented out	-	-
Accumulated loss on revaluation of investment properties to fair value	-	-
Impairment losses on receivables	-	-
Impairment losses on inventory	-	-
Impairment losses on intangible assets	-	-
Impairment losses on property, plant and equipment	-	-
Impairment losses on investment properties	-	-
Provision for company restructuring costs	-	-
Other operating expenses	3	3
Other	-	-
TOTAL	3	3

Note 22 – Financial revenue and expenses

FINANCIAL REVENUE	31/12/2020	31/12/2019
Interest revenue	15	26
Deposits	1	13
Loans	14	13
Dividend revenue	2,623	2,511
Investment revenue	21	22
Foreign exchange gains	100	-
Other	-	-
Reversal of impairment losses on financial assets, including:	-	-

shares and stocks	-	-
financial assets and liabilities at fair value through profit or loss	-	-
hedging instruments	-	-
Profit on change in the fair value of financial instruments	-	-
shares and stocks	-	-
financial assets and liabilities measured at the fair value through profit or loss	-	-
hedging instruments	-	-
TOTAL	2,759	2,559

FINANCIAL EXPENSES	31/12/2020	31/12/2019
Costs of interest, including:	-	6
bank loans	-	-
Loans	-	-
Bonds	-	-
Other	-	-
state budget interest	-	6
Financial expenses under finance lease agreements	-	-
Adjustment due to the discount of provisions to ...	-	-
Unrealised loss on a contract on ...	-	-
Remittance of borrowing and interest	-	-
Loss on sale of financial assets	-	-
Foreign exchange losses	-	8
Impairment losses on financial assets, including:	39	5
shares and stocks	535	-
borrowings granted	-496	5
hedging instruments	-	-
Losses on change in the fair value of financial instruments, including:	-	-
shares and stocks	-	-
financial assets and liabilities measured at the fair value through profit or loss	-	-
hedging instruments	-	-
TOTAL	39	19

Note 23 – Income tax

MAIN COMPONENTS OF TAX BURDEN/RECOGNITION IN THE STATEMENT OF COMPREHENSIVE INCOME	31/12/2020	31/12/2019
Current income tax disclosed in profit and loss account	24	22
- current income tax burden	24	22
- adjustments of the current income tax from previous years	-	-
Deferred income tax disclosed in the profit and loss account	2	5
- deferred tax burden/recognition concerning originating and reversing temporary differences	2	5
- deferred tax burden/recognition concerning changes in tax rates	-	-
Tax burden/recognition recognised in the profit and loss account, including:	26	27
- allocated to continuing operations	26	27
- allocated to discontinued operations	-	-
Income tax related to items presented in other comprehensive income	-	-
- deferred tax burden/recognition concerning revaluation of cash flow hedges	-	-
- deferred tax burden/recognition concerning revaluation of tangible fixed assets	-	-
Tax burden/recognition disclosed in the statement of comprehensive income	26	27

main items of the tax burden/recognition in the statement of changes in equity	31/12/2020	31/12/2019
Income tax currently payable	-	-
Deferred income tax	-	-
Tax burden/recognition disclosed in the statement of changes in equity	-	-

RECONCILIATION OF INCOME TAX ON THE GROSS FINANCIAL RESULT BEFORE TAX AND INCOME TAX DISCLOSED IN THE PROFIT AND LOSS ACCOUNT	31/12/2020	31/12/2019
Gross financial result before tax (continued and discontinued operations)	2,906	2,805
Tax rate (%)	9.00%	9.00%
Tax burden according to the applied tax rate	262	252
Adjustments regarding current income tax brought forward	-	-
Tax benefits on investments	-	-
Revaluation	-	-
Non-taxable income, including:	-	-
Interest accrued as of the balance sheet date	-1	-3
Balance sheet measurement	-26	-1
Dividend	-236	-226

Reversal of write-down on non-financial assets	-49	-1
Reversal of write-down on financial assets	-	-
Taxable revenue (licenses) in previous years	-	-
Transfer of business – deferred tax	-	-
Other	-	-
Tax revenue, including:	-	-
Interest accrued in previous years and received in the current year	-	-
Revenue concerning the current year, added for tax purposes	-	-
Non-tax deductible costs, including:	-	-
Amortisation/depreciation accounted for the in the balance sheet	-	-
Contributions to National Disabled Persons' Rehabilitation Fund (PFRON)	-	-
Measurement of employee benefits	-	-
Write-down on non-financial assets	-	-
Write-down on non-financial assets – stocks	-	-
Write-down on financial assets	52	2
Balance sheet measurement	17	2
Interest	1	1
Net value of non-financial non-current assets sold	-	-
Remitted borrowing	-	-
No contribution to Company Social Benefits Fund	-	-
Outstanding payroll	2	-
Other	-	2
Tax costs, including:	-	-
Tax costs concerning 2017	-	-
Tax amortisation	-	-
Equalisation of the Company Social Benefit Fund (ZFŚS) for previous years	-	-
Settlement of loss for previous years	-	-
Unsettled tax loss	-	-
Tax paid	-	-
Current tax loss	-	-6
Deferred income tax assets due to a write-down on financial assets	2	-1
Deferred income tax assets due to foreign exchange losses	-	-
Deferred income tax assets due to losses brought forward	-	3
Deferred income tax assets due to interest accrued	-	-
Deferred income tax assets due to a write-down on non-financial assets	-	-
Deferred tax liability due to temporary differences in amortisation/depreciation settlement	-	-

Deferred income tax provision due to interest accrued	2	3
Deferred income tax provision due to foreign exchange gains	-	-
Deferred income tax provision due to foreign exchange gains	-	-
Tax burden/recognition disclosed in the profit and loss account	26	27

DEFERRED INCOME TAX	Statement of financial position		Profit and loss account		Other comprehensive income	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Deferred income tax provision						
Differences in the settlement of depreciation	-	-	-	-	-	-
Interest accrued	6	5	1	3	-	-
Foreign exchange gains/losses	-	-	-	-	-	-
Rounding	-	-	-	-	-	-
Gross deferred income tax provision	6	5	1	3	-	-

DEFERRED INCOME TAX	Statement of financial position		Profit and loss account		Other comprehensive income	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Deferred income tax assets						
Foreign exchange gains/losses	-	-	-	-	-	-
Loss brought forward	-	-	-	3	-	-
Write-down on non-financial assets	-	2	2	-1	-	-
Write-down on non-financial assets – goods	-	-	-	-	-	-
Rounding	-	-	-	-	-	-
Tax-deductible loss	-	-	-	-	-	-
Gross deferred income tax assets	-	2	2	2	-	-

Deferred income tax provision and asset are established in connection with temporary differences between the amount of assets and liabilities recognised in accounting books and their tax value.

Note 24 – Earnings per share

EARNINGS PER SHARE	31/12/2020	31/12/2019
Net profit for the reporting period attributable to:	2,880	2,778

WEIGHTED AVERAGE ORDINARY SHARES	31/12/2020	31/12/2019
<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

BASIC NET PROFIT PER SHARE	31/12/2020	31/12/2019
on continued and discontinued operations	2.19	2.11
on continued operations	2.19	2.11

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

WEIGHTED AVERAGE ORDINARY SHARES (DILUTED)	31/12/2020	31/12/2019
<i>in thousands of shares</i>		
Weighted average ordinary shares	1,314,870	1,314,870
Effect of conversion of convertible bonds	-	-
Effect of the issue of share options	-	-
Weighted average number of ordinary shares at the end of the period (diluted)	1,314,870	1,314,870

DILUTED NET PROFIT PER SHARE	31/12/2020	31/12/2019
on continued and discontinued operations	2.19	2.11
on continued operations	2.19	2.11

Diluted net profit per share is calculated by dividing profit attributable to the shareholders by the average weighted number of diluted ordinary shares.

Note 25 – Dividends

DECLARED AND PAID IN THE REPORTING PERIOD		
Dividends on ordinary shares	31/12/2020	31/12/2019
Dividend paid	912	2,170
Declared dividend– not paid out in the current period	863	-
Dividend on equity shares – not settled in the current period	-	269
Total	1,775	2,439

SUBMITTED FOR APPROVAL AT THE GMS (GENERAL MEETING OF SHAREHOLDERS) (NOT RECOGNISED AS LIABILITIES AT THE BALANCE SHEET DATE)		
Dividends on ordinary shares	31/12/2020	31/12/2019
	-	-
Total	-	-

Note 26 – Information on operating segments

The Company does not distinguish product segments, as the Management Board recognises only one operating segment for management purposes (IT services). The Company presents sales broken down by products, services and goods and by geographical areas. The Company does not disclose any information on the customer concentration as such concentration does not exist.

31/12/2020		
INFORMATION ON GEOGRAPHICAL AREAS	Revenue	Non-current assets
Domestic sales	1,550	*
Total foreign sales	-	*
including:	-	-
Germany	-	-
Ukraine	-	-
Russia	-	-
Hungary	-	-
Czech Republic	-	-
Spain	-	-
Other	-	-
TOTAL	1,550	-

31/12/2019		
INFORMATION ON GEOGRAPHICAL AREAS	Revenue	Non-current assets
Domestic sales	1,784	*
Total foreign sales	-	*
including:	-	-
Germany	-	-
Ukraine	-	-
Russia	-	-
Hungary	-	-

Czech Republic	-	-
Spain	-	-
Other	-	-
TOTAL	1,784	-

* 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	31/12/2020	31/12/2019
	Revenue	Revenue
Products – licenses	97	22
Services – implementation	399	720
Services – maintenance	394	378
Services – individual projects and other services	660	660
Long-term contracts	-	4
Goods	-	-
TOTAL	1,550	1,784

Note 27 – Transactions with related parties

TRANSACTIONS WITH RELATED PARTIES				
Parties to transaction	31/12/2020		31/12/2020	
	Sales	Purchases	Receivables	Liabilities
Parent company	660	714	74	19
Capital group companies	-	-	-	-
Non-consolidated subsidiaries	-	-	-	-
Associates	-	-	-	-
Key managerial staff	-	-	-	-
Other parties, including key managerial staff	-	-	-	-
Total	660	714	74	19

TRANSACTIONS WITH RELATED PARTIES				
Parties to transaction	31/12/2019		31/12/2019	
	Sales	Purchases	Receivables	Liabilities
Parent company	660	903	74	458
Capital group companies	-	-	-	-
Non-consolidated subsidiaries	-	-	-	-
Associates	-	-	-	-
Key managerial staff	-	-	-	-
Other parties, including key managerial staff	-	-	-	-
Total	660	903	74	458

REMUNERATION FOR KEY MANAGERS	31/12/2020	31/12/2019
Short-term employee benefits	308	280
Post-employment benefits	-	-
Other long-term benefits	-	-
Benefits due to termination of employment	-	-
Employee benefits in the form of equity shares	-	-
TOTAL	308	280

TRANSACTIONS BETWEEN QUANTUM SOFTWARE S.A. AND SUBSIDIARIES IN 2020			
Entity	Transaction type	Transaction value in PLN	Transaction value in foreign currency
Quantum Qguar sp. z o.o.	Sale of services	540	-
Quantum Mobile Solutions sp. z o.o.	Sale of services	120	-
Quantum Qguar sp. z o.o.	Purchase of services	714	-

TRANSACTIONS BETWEEN QUANTUM SOFTWARE S.A. AND SUBSIDIARIES IN 2019			
Entity	Transaction type	Transaction value in PLN	Transaction value in foreign currency
Quantum Qguar sp. z o.o.	Sale of services	540	-
Quantum Mobile Solutions sp. z o.o.	Sale of services	120	-
Quantum Qguar sp. z o.o.	Purchase of services	903	-

Note 28 – Construction contracts

The Company currently does not have contracts with the traits of long-term agreements.

CONSTRUCTION CONTRACTS IN PROGRESS	31/12/2020	31/12/2019
Total costs incurred	-	-
Total profits and losses recognised	-	-
Advance payments received	-	-
Security deposit	-	-
Receivables from clients under contractual works	-	-
Liabilities due to clients under contractual works	-	-

Note 29 – Financial instruments

FINANCIAL INSTRUMENTS – INTEREST RATE RISK – SENSITIVITY ANALYSIS			
As of 31/12/2020			
	Carrying amount	Increase/decrease by percentage points	Effect on the gross financial result
Financial assets	13,890	-	-
Cash	2,704	-	-
Shares	9,701	-	-
Other financial assets	1,413	-	-
Borrowings granted	72	-	-
Financial liabilities	-	-	-
Bank loans and borrowings	-	-	-
Financial lease liabilities	-	-	-
Other financial liabilities	-	-	-

FINANCIAL INSTRUMENTS – INTEREST RATE RISK – SENSITIVITY ANALYSIS			
As of 31/12/2019			
	Carrying amount	Increase/decrease by percentage points	Effect on the gross financial result
Financial assets	11,959	-	-
Cash	1,562	-	-
Shares	9,701	-	-

Other financial assets	593	-	-
Borrowings granted	103	-	-
Financial liabilities	-	-	-
Bank loans and borrowings	-	-	-
Financial lease liabilities	-	-	-
Other financial liabilities	-	-	-

FINANCIAL INSTRUMENTS – CURRENCY RISK – SENSITIVITY ANALYSIS			
As of 31/12/2020			
	Carrying amount	Exchange rate increase/decrease in percentage points	Effect on the gross financial result
Financial assets	-	-	-
Cash in EUR	830	8.00%	66
Cash in USD	-	-	-
Trade and other receivables in EUR	-	-	-
Financial liabilities	-	-	-
Overdrafts in EUR	-	-	-
Short-term loans in EUR	-	-	-
Trade liabilities in EUR	-	-	-

FINANCIAL INSTRUMENTS – CURRENCY RISK – SENSITIVITY ANALYSIS			
As of 31/12/2019			
	Carrying value (PLN '000)	Exchange rate increase/decrease in percentage points	Effect on the gross financial result
Financial assets	-	-	-
Cash in EUR	852	-1.00%	-9
Cash in USD	-	-	-
Trade and other receivables in EUR	-	-	-
Financial liabilities	-	-	-
Overdrafts in EUR	-	-	-
Short-term loans in EUR	-	-	-
Trade liabilities in EUR	-	-	-

MEASUREMENT OF FINANCIAL INSTRUMENTS					
	Category according to IFRS 9	Carrying amount		Fair value	
		31/12/2020	31/12/2019	31/12/2020	31/12/2019
Financial assets	-	12,627	11,860	12,627	11,860
Cash	at amortised cost	2,704	1,562	2,704	1,562
Trade and other receivables	at amortised cost	150	494	150	494
Interest receivable from borrowings granted	at amortised cost	72	103	72	103
Shares	historical cost – in accordance with IAS 27	9,701	9,701	9,701	9,701
Financial liabilities		969	776	969	776
Liabilities due to finance lease	at amortised cost	-	-	-	-
Trade and other liabilities	at amortised cost	969	776	969	776
Short-term bank loans	at amortised cost	-	-	-	-

ITEMS OF REVENUE, COSTS, PROFITS AND LOSSES RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME BY CATEGORIES OF FINANCIAL INSTRUMENTS					
FOR THE PERIOD	31 December 2020				
	Category according to IFRS 9	Interest revenue/costs	Foreign exchange gains/losses	Reversal/establishment of write-downs	Profits/losses on sales
Financial assets	-	2,659	100	39	-
Cash	at amortised cost	1	69	-	-
Trade and other receivables	at amortised cost	-	-	-	-
Interest receivable from borrowings granted	at amortised cost	14	31	-495	-
Shares	historical cost – in accordance with IAS 27	2,623	-	534	-
Other financial assets		21	-	-	-
Financial liabilities	at amortised cost	-	-	-	-
Liabilities due to finance lease	at amortised cost	-	-	-	-
Trade and other liabilities	at amortised cost	-	-	-	-
Short-term bank loans	-	-	-	-	-

ITEMS OF REVENUE, COSTS, PROFITS AND LOSSES RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME BY CATEGORIES OF FINANCIAL INSTRUMENTS					
FOR THE PERIOD	31 December 2019				
	Category according to IFRS 9	Interest revenue/costs	Foreign exchange gains/losses	Reversal/establishment of write-downs	Profits/losses on sales
Financial assets	-	2,560	-5	-5	-
Cash	at amortised cost	13	-	-	-
Trade and other receivables	at amortised cost	-	-	-	-
Interest receivable from borrowings granted	at amortised cost	13	-5	-5	-
Shares	historical cost – in accordance with IAS 27	2,512	-	-	-
Financial liabilities		-6	-	-3	-
Liabilities due to finance lease	at amortised cost	-	-	-	-
Trade and other liabilities	at amortised cost	-6	-3	-	-
Short-term bank loans	at amortised cost	-	-	-	-

Note 30 – Remuneration of the Company’s senior management

Management Board of the parent company	31/12/2020	31/12/2019
Short-term employee benefits (remunerations and surcharges)	308	280
Anniversary benefits and retirement benefits	-	-
Post-employment benefits	-	-
Benefits due to termination of employment	-	-
Employee benefits in the form of equity shares	-	-
Total	308	280

Supervisory Board of the parent company	31/12/2020	31/12/2019
Short-term employee benefits (remunerations and surcharges)	30	26
Anniversary benefits and retirement benefits	-	-
Post-employment benefits	-	-
Benefits due to termination of employment	-	-
Employee benefits in the form of equity shares	-	-
Total	30	26

Other key management personnel	31/12/2020	31/12/2019
Short-term employee benefits (remunerations and surcharges)	-	-
Anniversary benefits and retirement benefits	-	-
Post-employment benefits	-	-
Benefits due to termination of employment	-	-
Employee benefits in the form of equity shares	-	-
Total	-	-

	31/12/2020	31/12/2019
Management Board	308	280
Supervisory Board	30	26
Total	338	306
Other key management personnel	-	-

Note 31 – Capital management

Capital Management	31/12/2020	31/12/2019
Interest-bearing loans, borrowings and bonds	-	-
Trade and other liabilities	969	776
Less cash and cash equivalents	-2,704	-1,562
Net debt	-1,735	-786
Convertible preference shares	-	-
Equity	13,067	11,693
Reserve capital on unrealised net earnings	-	-
Total capital	13,067	11,693
Capital and net debt	11,332	10,907
Leverage ratio	-0.15	-0.07

Note 32 – Employment

As at 31 December 2020, Quantum software S.A.'s employment was as follows:

EMPLOYMENT	31/12/2020	31/12/2019
Services	0	0
Sales and marketing	0	0
Manufacture	0	0
Administration	4	4

IT Department	0	0
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Note 33 – Contingent liabilities

As at 31 December 2020, the Company has no contingent liabilities due to litigations pending against Quantum software S.A.

Note 34 – Events after the balance sheet date

In the first quarter of 2021, Poland and the majority of global economies are still affected by the SARS-CoV-2 pandemic.

The activity of the Issuer and the companies of the Quantum Group is diversified with regard to industry sectors. The high share of the food and pharmaceutical industries and the related distributors is a stabilising factor for fixed income. However, it is important to take into account the risk of decrease in the income of the entities operating in other industries and, consequently, the risk of suspending or seriously limiting projects and works for such customers. While this situation did not affect significantly the Issuer's and the Group companies' financial result in 2020, it is difficult to estimate its impact in the current year. The impact will depend on the general economic situation and, as a result, 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 Poland and in the respective countries of their operation and work intensively to adapt to dynamic operating conditions.

Note 35 – Information about litigations pending

As at the date of this report, no litigation is pending against the Issuer.

Note 36 – Differences between financial results shown in the report and previously forecast results

The Management Board of Quantum software S.A. did not publish any forecasts for 2020 or for the comparable period of 2019.

Note 37 – Contracts which may result in changes in the shares held by the shareholders

Until the balance sheet date, there were no such contracts.

Note 38 – Information on sureties and guarantees granted and received

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

Note 39 – Seasonality and cyclicity

Due to the holding character of the Issuer's operations, seasonality and cyclicity are not of significant importance.

Note 40 – Discontinued operations

The Company did not discontinue its operations either in 2020 or in the comparable period.

Note 41 – Contracts imposing obligations on managers, supervisors and persons related to them

Pursuant to the information held by Quantum software S.A. as at 31 December 2020, there were no such contracts.

Note 42 – Other transactions with managers and supervisors

As at 31/12/2020, Mr Tomasz Hatala, President of the Management Board of Quantum Software, has an outstanding balance of PLN 72,031.32 under a loan contract concluded on 28/08/2019.

As at the date of these Financial Statements, the Company had another loan contract concluded with Mr Tomasz Hatala for the amount of PLN 150,000.00 (one hundred fifty thousand zlotys).

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

2020			
ENTITY AUTHORISED TO PERFORM AUDITS	DATE OF THE CONTRACT	OBJECT OF THE AUDIT	REMUNERATION
PRO Audyty Sp. z o.o.	17/04/2020	Review of the Separate Interim Financial Statements	PLN 8,000.00
PRO Audyty Sp. z o.o.	17/07/2020	Review of the Consolidated Interim Financial Statements	PLN 7,500.00
PRO Audyty Sp. z o.o.	17/04/2020	Audit of the Separate Financial Statements for 2020	PLN 12,500.00

PRO Audyt Sp. z o.o.	17/04/2020	Audit of the Consolidated Financial Statements for 2020	PLN 12,000.00
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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 Statements	PLN 5,000.00
PRO Audyt Sp. z o.o.	15/07/2018	Review of the Consolidated Interim Financial Statements	PLN 6,000.00
PRO Audyt Sp. z o.o.	15/07/2018	Audit of the Separate Financial Statements for 2019	PLN 10,000.00
PRO Audyt Sp. z o.o.	15/07/2018	Audit of the Consolidated Financial Statements for 2019	PLN 10,000.00

These Financial Statements were approved by the Management Board and signed by all Members of the Management Board on 16 April 2021.

Signatures of the Management Board Members Person responsible for keeping accounting books

Tomasz Hatala

Chief Accountant – Monika Kuś

Bogusław Ożóg

Marek Jędra

Tomasz Mnich