



**Management Board Report on the operations of  
Quantum software S.A. for the period  
from 1 January to 31 December 2020**

**Kraków, 16 April 2021**

## **Basic principles adopted in the preparation of the Financial Statements**

The Financial Statements of Quantum software S.A. Capital Group for 2020 were prepared in accordance with the IAS and comply with the International Financial Reporting Standards (IFRS) approved by the European Union, including the standards and interpretations published or adopted by the International Accounting Standards Board and by the standing Interpretations Committee of the IASB. These Financial Statements of Quantum software S.A. were prepared pursuant to Article 45 of the Accounting Act.

This Management Board report on the operations of Quantum software S.A. covers the period from 1 January to 31 December 2020.

The Annual Report of Quantum software S.A. for the reporting period from 01/01/2020 to 31/12/2020 comprises:

- the Issuer's Financial Statements for the reporting period from 01/01/2020 to 31/12/2020 and as at 31/12/2020 prepared pursuant to the International Accounting Standards, including: the Consolidated Statement of Financial Position, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and Notes to the Financial Statements;
- Comparative financial data to the Financial Statements for the reporting period from 01/01/2019 to 31/12/2019 and as at 31/12/2019;
- The Management Board's Report on the operations of the Issuer for the period from 01/01/2020 to 31/12/2020 including the Management Board Declaration on the application of the corporate governance rules in Quantum software S.A. in 2020;
- Letters of the President of the Management Board, prepared pursuant to Art. 70(1)(1) of the Regulation of the Minister of Finance of 29 March 2018 regarding current and interim information to be submitted by issuers of securities and conditions for considering as equivalent information required under the law of a non-member state;
- Declaration and Information of the Management Board pursuant to Art. 70(1)(6) and (7) of the Regulation of the Minister of Finance of 29 March 2018 regarding current and interim information to be submitted by issuers of securities and conditions for considering as equivalent information required under the law of a non-member state;

- Declarations and Assessments of the Supervisory Board pursuant to Art. 71(1)(8) and (14) of the Regulation of the Minister of Finance of 29 March 2018 regarding current and interim information to be submitted by issuers of securities and conditions for considering as equivalent information required under the law of a non-member state;
- Report on the audit of the annual financial statements.

**Members of the Management Board:**

Tomasz Hatala

Bogusław Ozóg

Marek Jędra

Tomasz Mnich

**Person responsible for keeping  
accounting books:**

Chief Accountant – Monika Kuś

## 1. Basic information

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. Under its Articles of Association, the Company has indefinite duration.

Statistical id. no.	(REGON) 351243328
Tax id. no. (NIP)	677-17-53-870
National Court Register (KRS):	0000136768
Share capital fully paid up	PLN 657,435.00

### **Management Board:**

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

### **Supervisory Board:**

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

The company is a Parent of the following entities 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: PLN 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: Brasília/DF  
Address: Condomínio Jardim Botânico, Etapa 01, quadra 02. Rua 01 lote 112 – loja 12, Lago Sul - Brasília - 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. 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

## **2. Financial results of the Issuer in 2020**

The alternative performance measures (APM ratios) were applied in order to submit the comprehensive presentation of the Company's financial situation. According to the Company, they provide essential information about the Quantum software S.A. financial situation, operating effectiveness, profitability and cash flows.

The application by the Company of alternative performance measures should be analysed only as additional tool, not replacing financial information presented in the Quantum software S.A. financial statements. These data should be considered together with the Company's financial statements.

The Company presents selected APM ratios as it is of the opinion that they are sources of additional (apart from data presented in financial statements) valuable information about the financial and operating situation as well as facilitate the analysis and assessment of financial results achieved by the Company over individual reporting periods (2019 and 2020). The Company presents these specific alternative measures of results as they constitute standard measures and indicators commonly used in financial analysis. The selection of alternative measures of results was preceded by the analysis of their usefulness for investors that, thanks to them, receive useful information about the Company's financial situation, cash flows and financial effectiveness, and allow - according to the Company - the optimum assessment of its financial results.

Following the guidelines of ESMA "Alternative measures of results" – 05/10/2015 ESMA/2015/1415pl – the indicators presented in the above table were calculated pursuant to the following formulas:

- a) sale profitability – net profit to sales revenue;
- b) asset profitability – net profit to assets at the end of the reporting period;
- c) equity profitability – net profit to equity at the end of the reporting period;
- d) current liquidity ratio – current assets to the balance sheet value of short-term liabilities;
- e) quick liquidity ratio – current assets less stock to the balance sheet value of short-term liabilities.

### Selected financial data of the Issuer's profit and loss account

Item	2020 (in PLN '000)	2019 (in PLN '000)
Net revenue from sales	1,550	1,784
Net revenue from sales of products	1,453	1,781
Net revenue from sales of goods and materials	97	3
Profit on sales	189	267
EBIT profit/loss	186	265
Profit on operations + EBITDA depreciation	186	265
Gross profit/loss	2,906	2,805
Net profit/loss	2,880	2,778
Equity	13,067	11,693
Liabilities and provisions	975	781
Including long-term liabilities	6	5
Return on sales – ROS	185%	156%
Return on assets – ROA	20.5%	22%
Return on equity – ROE	22%	24%
Current liquidity ratio	4	4
Quick liquidity ratio	4	4

### 3. Financial situation of the Issuer

In 2020, Quantum software S.A. achieved sales revenue of PLN 1,550 thousand and net profit of PLN 2,880 thousand, which marks a slight improvement compared to 2019.

### 4. Issuer's operations in 2020

The Issuer's operations in 2020 consisted of its function as the holding company for subsidiaries and the management of contracts for Qguar software made 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.



The Issuer does not hold any shares.

#### **5. Changes in the volume and type of equity**

No such changes occurred.

#### **6. Information on core products**

The Company's core business consists mainly in acting as a holding company in the Quantum Group, although the Company is also the general contractor for two clients that are actually served by Quantum Qguar sp. z o.o., the daughter company acting as a subcontractor. The operations of companies belonging to the Group are described in the consolidated statement.

#### **7. Sales markets and supplies**

Apart from the holding function, the Issuer acts on the sales market as a general contractor for two domestic entities in the case of which Quantum Qguar sp. z o.o., the daughter company, acts as a subcontractor.

#### **8. Information on significant events that occurred after the balance sheet date and were not included in the financial statements**

In the first quarter of 2021, Poland and the majority of global economies are still affected by the SARS-CoV-2 pandemic. The Management Board of the Issuer and the management boards of Quantum Group companies have been following the safety, health and hygiene recommendations of by the Chief Sanitary Inspectorate and other state institutions.

#### **9. Research and development achievements**

Currently, the entity does not carry out research and development activities.

#### **10. Employment structure of Quantum software S.A.**

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

	Year ended 31 December 2020	Year ended 31 December 2019
Management Board	4	4
White-collar employees/Administration	0	0
Blue-collar employees	0	0

### **11. Contingent liabilities**

In 2020, Quantum software S.A. held no contingent liabilities.

### **12. Description of significant factors of risk and threats, with the determination to what extent the Issuer is exposed thereto**

As a holding company, the Issuer is currently exposed to risks resulting from operations of its subsidiaries. Currently, Quantum Qguar Sp. z o.o is the largest subsidiary. However, risks and threats also concern other operations that fall within the IT sector.

#### **Risks related with the COVID-19 epidemic**

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.

### **Macroeconomic risk**

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

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

The value of the entire IT market comprises hardware, software and services. Each of these segments may develop faster or slower. The analyses of the IT hardware and services market show growth trends. The smaller saturation of Polish companies with modern technologies creates the ground for the development of companies performing activities similar to those of the Issuer's subsidiaries. However, this market is very sensitive to economic conjuncture fluctuations. At the time of an economic downturn, companies restrict their investment policies, including IT expenditures. Decreased demand for computer software leads to lower sales, which differ substantially from the forecasts. In such a case, the demand for the Group's products may decrease, leading to decreased sales revenue. Technological changes and frequent launches of new IT services are closely related to this sector. The product lifecycle is short, while the expenditures on product development are high. Consequently, the incurred expenditures may not be covered by the sales revenue. Therefore, there is a risk that the decision to develop a particular product will be based on incorrect assumptions which do not satisfy current market needs and a risk that the product development cycle, i.e. software design, development and the test phase, may be longer than

expected, and the respective market segment will already have been conquered by competitors. The market requirements are monitored by the company's own employees to reduce this risk. In addition, the cooperation between the Issuer's subsidiaries and computer hardware and software suppliers allows the ongoing monitoring of technological changes and innovations on the market.

### **Risk of increased competition**

The IT market is currently in the phase of a dynamic growth. This situation attracts new providers of IT services, who, attracted by high profits, increase the number of entities operating on the market. As a result, new companies offer products diversified in terms of price, functionality or advancement. This directly leads to a more competitive market environment, and for the Issuer's subsidiaries it may mean the need to incur higher expenditure on the development and advertising, and the need to reduce the current margin. Furthermore, the high absorption capacity of the Polish and neighbouring markets and the fact that the progress of computerisation is far from average European levels lead to many global companies that provide similar services becoming interested in doing business in Poland and neighbouring countries. Quantum Group does not have any influence on its competitors' activities and products. However, it has the potential to maintain its market position thanks to its experience.

### **Risk of foreign operations**

The sale of the Issuer's subsidiaries is carried out mainly in Poland. However, the companies also pursue marketing activities and conclude contracts with entities operating in other countries. Approx. 15% of the Group's sales revenue is generated abroad. While the business environment in the European Union is currently relatively stable, the Group also operates in other countries, mainly in Ukraine and Belarus, with a less stable economic and legal environment.

Another important consideration is that a potential continued strengthening of the Polish currency will negatively affect the export volume and profitability.

### **Foreign exchange risk**

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

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

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

Considering the difficult situation in Ukraine and Belarus, counterparties exert considerable pressure to make contracts independent from the rising FX rates. As a result, the FX risk is even higher.

### **Risk of contracts performed**

The core business operations of the Issuer's subsidiaries do not involve selling large numbers of easily installed programmes but carrying out large individual implementation projects with a high level of complexity that usually require several months' work of a team of specialists. For example: the system implemented in a particular company must monitor very complex logistics processes and integrate them with the operations of all company departments in real time. There is a risk that the company's process and information flow may be modelled inaccurately, the risk of extended duration of the planned tasks and the risk of changes in the scope of works over the originally agreed plan. Decrease in the contract value, higher costs of contract performance compared to the expectations, contract termination or potential financial claims from the customer may have an adverse impact on the current financial situation of the Group entities. These risks are mitigated through the experience, proprietary, standard base product and an experienced team of specialists.

### **Implementation risk**

As a supplier of complex IT systems implemented over the course of several months, the group is under the pressure to satisfy customer requirements and stay within the planned budget. Sometimes it is necessary to change the assumptions or reduce the remuneration. Current economic processes are becoming more complex. Therefore, without the required know-how it is easy to implement a system that is not optimal for the customer, which may result in the damage to the Company's

reputation and the necessity to perform modifications. Furthermore, customers often regard IT system suppliers as business consultants and require greater economic efficiency after installing IT solutions. There is a risk that, without proper analyses, such requirements may not be satisfied. The effectiveness of the implementation is one of the objectives of the Issuer's subsidiaries. Implementation departments have multi-level implementation methods, reducing the probability of analytical errors.

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

The leading product in the group of the Issuer's subsidiaries – the Qguar system – as an SCE class system offers comprehensive logistics solutions and satisfies the requirements of the customer and their environment. As a supplier of IT systems, the Issuer and its subsidiaries must constantly expand their offer, introduce new functionalities and ensure data integrity. The competition and clients' requirements are constantly growing. As a result, there is a threat of the introduction of new products meeting current demands of customers later than the competitors and winning the market by other suppliers, which would cause a decrease in sales revenue.

To prevent this, the Quantum Group's companies continue their R&D work which, on the one hand, aims at improving our products and their quality and, on the other hand, introduces new and competitive solutions.

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

Given the scale of innovation and the pace at which new products are introduced in the IT sector, the existing products must be adjusted to changing hardware platforms and new products must be introduced. The absence of sufficient technological base and well-qualified staff may result in delays in updates and in the introduction of new products, making the Group's offer less attractive. This may lead to a decrease of sales revenue, and, in consequence, a decrease of the generated profit. Quantum Group companies take steps to minimise this risk through constant development of our managers, regularly increasing, where possible, the number of highly qualified employees and by funding R&D works.

### **HR risk**

As the IT market grows, so does the interest of our competitors in capable and highly qualified personnel. IT companies, for whom staff is the key production factor, are at risk of losing their key

specialists. Companies constantly monitor the labour market, while the employees themselves are active as well. This situation leads to an increase of salaries and, in consequence, to lower returns on business activity. The Group companies attempt to create attractive working conditions for its employees, and uses incentive-based remuneration methods.

### **Risk associated with seasonality and irregularity of revenue**

The typically seasonal nature of the IT sector, where maximum turnover is recorded in Q4 of the calendar year (which is related to the end of the financial year when system upgrades usually take place) affects the Quantum Group's companies to a smaller extent. Turnover fluctuations between quarters are more connected with customer investment cycles than seasonality.

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

In its operations, Quantum software S.A. and its subsidiaries use equipment and software from external suppliers. Losing one of key suppliers may result in the interruption of supplies. The Issuer's subsidiaries minimise this risk by maintaining good relationships with strategic partners. An additional factor reducing the risk is collaboration with multiple suppliers, wherever possible.

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

This risk affects all companies of Quantum Group. Generally, revenue from individual entities occasionally and rarely exceeds 10% of total revenue of individual companies.

### **Risk associated with changing legal regulations and instability of the tax system**

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

regulations on a regular basis and makes business decisions in consideration of the planned changes.

### **Investment risk**

Major capital expenditures, in accordance with the adopted strategy, are related to introducing new products to new markets. It is an opportunity for development, but also generates additional risks. These are particularly connected with the activity of Quantum's subsidiaries in other countries. This risk is particularly high on the eastern markets (Russia, Ukraine and Belarus) and on the markets of Latin America, and is related to a business culture different from the European one as well as high costs of current supervision.

### **13. Information about organisational or equity relations between the Company and other entities**

Quantum software SA – the parent company of the Group, after setting up Quantum Qguar Sp. z o.o., now carries out mainly holding activities.

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

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

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

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



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

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

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

Qcadoo Limited sp. z o.o. – the Group’s subsidiary, in which Quantum Qguar sp. z o.o. holds 100% of interests – the Company implements and delivers SaaS-type software that supports production management.

#### **14. Information about main national and foreign investments of the Company (securities, financial instruments, intangible assets, real properties)**

In 2020, the Issuer did not invest in real properties or securities.

#### **15. Information about loans taken out and terminated, borrowing contracts and guarantees and warranties granted and received**

In 2020, the Issuer neither took out any loans or borrowings nor granted or received any guarantees and warranties.

#### **16. Information about loans granted in the given financial year, with particular emphasis on loans granted to the issuer's related entities, including at least their amount, type, interest rate, currency and maturities, as well as on warranties and guarantees granted**

In 2020, the Issuer did not grant any loans to affiliates.

#### **17. Description of the use by the Issuer of inflows from security issues**

In 2020, no securities were issued by the Issuer.

#### **18. Assessment of the management of financial resources**

The Management Board assesses the Issuer's financial situation as good. The financial rates do not indicate any threats related to the Company's capacity to fulfil undertaken obligations. The Company is financed mainly from equity and revenue from holding operations.

#### **19. Assessment of the possibilities to perform investment projects, including capital investments, compared to the funds held, taking into account possible changes in the financing structure of such operations**

The funds held will allow the Issuer to implement the investment projects planned for 2021.

#### **20. Information about contracts significant for the Issuer's operations, including contracts known to the Issuer, made between the shareholders: insurance, partnership and cooperation agreements**

In 2020, no such agreements were concluded.

#### **21. Assessment of factors and unusual events affecting the business result for the period**

Not applicable.

#### **22. Description of external and internal factors significant to the Issuer's development**

The factors which will affect the development of the Quantum Group in the next year may be divided into external/independent from and internal/dependent on the Group's entities.

External factors include:

- the impact of SARS-CoV-2 on the situation of the company's and subsidiaries' customers, as well as the duration of the epidemic, administrative constraints, restrictions imposed on entrepreneurs and the volatility of exchange rates;
- economic growth and growth in investments by businesses in Poland;
- the situation in the European Union;

- crisis in Ukraine, Belarus and Russia, and its effect on sales in other countries of the Commonwealth of Independent States;
- economic situation in Latin American countries;
- companies' decisions on budgets for IT expenditures;
- access of Polish companies to structural funds, which, to a certain extent, will be used for the development of IT systems and for financing R&D;
- competitors' operations which in the main business area of the Issuer's subsidiaries are intensified.

Internal factors include:

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

**23. Adopted development strategy and operations undertaken within its implementation in the period covered by the report together with the description of the perspectives of the Issuer's operation development at least in the next financial year**

Quantum Qguar (and its subsidiaries), which is the largest entity in Quantum software S.A.'s holding, concentrates on developing and implementing IT systems for businesses which look for state-of-the-art logistics solutions. With their own software as a starting point, the companies seek to deliver comprehensive solutions to these customers. Plans for the future focus on improving the QGUAR system and on expanding the offer and operations.

The Quantum Group's strategy is based on:

- its competences required to develop and implement SCM (Supply Chain Management) systems, which involves IT as well as logistics, automation, goods identification techniques and enterprise management;
- long-term international experience gained from work for many renowned European companies.

Strategic growth directions:

1. Expanding the proprietary Qguar software package by further SCM modules.
2. Expanding the offer by:
  - the implementation of third party software that requires competences and experience in logistics or is complementary to the Qguar system;
  - the full range of services involving the integration of logistics systems (consulting, computer hardware, peripherals and software for all layers);
3. Further geographic expansion and strengthening of the position of leading software producer for broadly-defined logistics in Central and Eastern Europe.

The Group plans to implement these objectives through organic growth and through probable capital expenditure, acquisitions and mergers. Expanding the Qguar package by further modules is the most natural mechanism for developing the Group's offer. The systematic increase in the demand for this type of software results from the following factors:

- higher requirements of businesses in terms of optimising the supply chain and reducing logistics costs;
- higher demand for logistics services;
- rapid technological development and lower prices of equipment for identifying goods (barcodes and RFID);
- development of mobile data processing technologies.
- Increased labour costs, which increases the pressure on automation of processes in supply chains.

The experience and market position of the Issuer's subsidiaries may be used for the implementation of third party applications, which may be complementary to their own products. For many years, the Group's companies have been developing the integration activities in the scope of comprehensive systems for the logistics industry. In addition to implementing a bare utility application, the following topics are addressed:

- process design;
- ICT infrastructure;
- equipment (including industrial automation);
- operating and database software.

For many businesses in the early growth stage, the computerisation concerns bookkeeping, and at the later stage the computerisation becomes critical for the supply chain management. This creates an opportunity for the Group's development as a supplier of comprehensive SCM class IT systems for businesses in which efficient logistics processes are of key importance.

The QGUAR package has an established position as the leading warehouse and distribution application on the Polish market. With nine language versions used in Western and Eastern Europe, it is a solid base for growing export. Despite the long-term stagnation, Central and Eastern Europe is a promising market due to expected economic growth, resulting from the disproportion in comparison with the related countries of Western Europe. As experience has shown, this market's specific nature allows effective competition with the providers of IT solutions from western countries. It is important that the offered products are established on the international market (multiple languages) and do not create any barriers for multinational businesses. The "cross-border nature" is one of the basic characteristics of logistics processes.

#### **24. Implementation of 2020 forecast**

The Issuer did not publish any forecasts of its financial performance for 2020.

#### **25. Changes in basic management principles of the Issuer**

No changes in basic management of the Company took place in 2020.

#### **26. Description of relevant proceedings pending before the court, a competent arbitration authority or a public administration authority, concerning the liabilities or receivables of the Issuer or the Group's companies**

In 2020, there were no proceedings before the above mentioned authorities.

**27. Information about entering by the Issuer or its subsidiary into transactions with related entities under terms other than arm's length terms**

In 2020, there were no above mentioned transactions.

**28. Value of remuneration, awards, profits, including those arising from motivational bonus programmes based on the company's equity, paid or due to the members of the Management Board and Supervisory Board and information on the remuneration for the members of the Management Board and Supervisory Board of Quantum software S.A. due to served functions in the subsidiaries' authorities**

**Remuneration of the Management Board Members for the period 01/01/2020 – 31/12/2020**

Last and first name	total remuneration for the period 01/01/2020 – 31/12/2020 in PLN
Hatala Tomasz	75,000.00
Ożóg Bogusław	77,500.00
Jędra Marek	77,500.00
Mnich Tomasz	77,500.00

**Remuneration of the Supervisory Board Members for the period 01/01/2020 – 31/12/2020**

Last and first name	total remuneration for the period 01/01/2020 – 31/12/2020 in PLN
Kutyla Leopold	6,000.00
Polończyk Tomasz	6,000.00
Gaertner Henryk	6,000.00
Marcin Buczkowski	6,000.00
Andrzej Ruciński	6,000.00

**29. All contracts made between the issuer and managers, providing for compensation in the case of their resignation or dismissal from the position occupied without a valid reason or if their dismissal or resignation results from a merger of the Issuer by acquisition**

None.

**30. Information about liabilities resulting from pensions and similar benefits for former members of management, supervisory or administration bodies and about liabilities incurred in relation to such pensions**

Not applicable.

**31. In the case of share-holding companies – determination of the total number and nominal value of all shares of the Issuer and shares and stocks in the Issuer's related entities owned by the Issuer's managers and supervisors (for each person separately)**

The Company's share capital amounts to PLN 657,435.00 and is divided into 1,314,870 shares (750,000 A series registered shares and 564,870 B, C and D series ordinary bearer shares) each with a nominal value of PLN 0.50.

The list of managing and supervising persons holding shares in Quantum software S.A. as at 31 December 2020 and as at 16 April 2021, i.e. as at the day of this statement publication, is presented in the following table:

<b>Management Board</b>	<b>Number of shares</b>	<b>Total nominal value of shares</b>
Tomasz Hatała	44,181	PLN 22,090.50
Bogusław Ożóg	32,371	PLN 16,185.50
Marek Jędra	10,327	PLN 5,163.50
Tomasz Mnich	5,342	PLN 2,671.00
<b>Supervisory Board</b>	<b>Number of shares</b>	<b>Total nominal value of shares</b>
Tomasz Polończyk	9,873	PLN 4,936.50
Henryk Gaertner	954	PLN 4,77.00

Moreover, the persons listed above and one Member of the Supervisory Board hold interests in the parent entity towards the Company, i.e. in Quantum Assets sp. z o.o.:

<b>Management Board</b>	<b>Number of interests in the parent entity</b>	<b>Total nominal value of interests</b>
Tomasz Hatała	3,795	PLN 1,897,500.00
Bogusław Ożóg	1,082	PLN 541,000.00
Marek Jędra	639	PLN 319,500.00
Tomasz Mnich	504	PLN 252,000.00
<b>Supervisory Board</b>	<b>Number of interests in the parent entity</b>	<b>Total nominal value of interests</b>
Tomasz Polończyk	726	PLN 363,000.00
Henryk Gaertner	946	PLN 473,000.00

To the knowledge of the Management Board, none of the managing or supervising persons holds shares in the subsidiaries of Quantum software S.A.

**32. Shareholders holding, directly or indirectly through their subsidiaries, at least 5 % of the overall number of votes at the Issuer’s general meeting, including the number of shares held by such entities, their percentage share in the share capital, the number of resulting votes and their percentage share in the overall number of votes at the general meeting**

To the knowledge of the Company, as at 31 December 2020 and as at 16 April 2021, i.e. the publication date of this report, Quantum Assets sp. z o.o., with its registered office in Kraków, holds 675,421 series A registered preference shares, which account for a total of 51.37% of the Company’s share capital and are vested with 1,350,842 votes at the Company’s General Meeting, representing 67.87% of the total number of votes, and holds 277,491 bearer shares, which account for a total of 21.10% of share in the Company’s share capital and are vested with 277,491 votes at the Company’s General Meeting, representing 13.44% of share in the total number of votes.

Since the publication of the Q3 2020 report, there has been a change of the shareholder holding more than 5% of the total number of votes at the Issuer’s General Meeting. On 26.11.2020, the District Court for Kraków - Śródmieście in Kraków, 11th Commercial Division of the National Court Register, issued a decision concerning the combination of companies Quantum Assets sp. z o.o. and Minvesta sp. z o.o. The combination was effected under art. 492 §1(1) of the Commercial



Companies Code (CCC), in conjunction of art. 515 § 1 CCC and art. 516 § 6 CCC, namely through transferring to Quantum Assets sp. z o.o. all of the assets of Minvesta sp. z o.o. as part of universal succession, without increasing the initial capital of Quantum Assets sp. z o.o. As a result, the company under the name “Minvesta sp. z o.o.” ceased to exist and all of its rights and obligations were acquired by Quantum Assets sp. z o.o.

**33. Information about contracts known to the Issuer (including contracts made after the balance sheet date) that may result in future changes in the proportion of shares held by the existing shareholders and bondholders**

As at the date of the submission of this report, the Issuer does not know about such contracts.

**34. Contract with an audit company concerning the performance of audit of financial statements**

By way of a resolution of 17 April 2020, the Supervisory Board of Quantum software S.A. selected an audit company to review the interim separate financial statements and the interim consolidated financial statements, as well as to audit the separate and consolidated financial statements for the period from 1 January 2020 to 31 December 2020.

➤ 2020 Agreements:

On 17 April 2020, the Company signed a contract with PRO AUDYT sp. z o.o. with its registered office in Poznań, for reviewing the interim separate financial statements and auditing the financial statements for 2020.

For the audit of the separate and consolidated financial statements for 2020, the authorised entity will receive a total net fee of PLN 15,500.00.

On 17 April 2020, Quantum software S.A. made with PRO AUDYT sp. z o.o. with its registered office in Poznań a contract for the review of the interim separate and consolidated financial statements of the Quantum software S.A. Capital Group. For the audit of the separate and consolidated financial statements for 2020, the authorised auditing company will receive net remuneration in the total amount of PLN 24,500.00.

➤ 2019 Agreements:

On 15 July 2018, Quantum software S.A. made with PRO AUDYT sp. z o.o. with its registered office in Poznań a contract for the review of the interim separate and consolidated financial statements of the Quantum software S.A. Capital Group. For the review of the interim separate and consolidated financial statements for 2019, the authorised auditing company will receive net remuneration in the total amount of PLN 11,000.00.

On 15 July 2018, the Company made with PRO AUDYT sp. z o.o., with its registered office in Poznań, a contract for the audit of the separate and consolidated financial statements of the Quantum software S.A. Capital Group for 2019.

For the audit of the separate and consolidated financial statements for 2019, the authorised entity will receive a total net fee of PLN 20,000.00.

### **35. Information about the application of the corporate governance rules**

The Management Board of Quantum software S.A. publishes this statement on the Company's application of the corporate governance rules from the following set: "GOOD PRACTICES OF COMPANIES LISTED ON THE WSE 2016" in 2020.

#### ***I. Corporate governance rules adopted by Quantum software S.A.***

The set of the corporate governance rules applied by Quantum software S.A. is the set of the corporate governance rules under the name of "Good Practices of Companies Listed on The WSE 2016" (hereinafter referred to as "Good Practices 2016"), constituting an appendix to Resolution no. 26/1413/2015 of the Supervisory Board of the Warsaw Stock Exchange (Gielda Papierów Wartościowych w Warszawie S.A.) of 13 October 2015 ([https://www.gpw.pl/dobre\\_praktyki\\_spolek\\_regulacje](https://www.gpw.pl/dobre_praktyki_spolek_regulacje)). Good Practices 2016 entered into effect as of 1 January 2016.

On the basis of Art. 29(3) of the Regulations of the Warsaw Stock Exchange S.A. the Company publishes the required reports on lack of the continuing application or incidental violation of the detailed corporate governance rule with the indication which of the rules is not applied and why it is not applied.

***II. Indication of the extent to which Quantum software S.A. abandoned the application of the above-mentioned provisions, specification of such provisions and explanation for not applying them.***

The Company uses every effort to apply the corporate governance rules specified in the above mentioned document, trying at each stage of its functioning to implement all recommendations and rules concerning best practice of listed companies and guidelines for management boards, supervisory boards and shareholders.

The Company complies with the general recommendations of Part I. With respect to the detailed rules

- rule I.R.2 does not apply to the Company because it does not carry out any sponsorship, charity or similar activity;
- rule I.Z.1.10 applies to companies have decided to publish forecasts. The Company has not decided to publish its financial forecasts and any information on their performance and, as a result, such information is not published on the Company's website;
- in the scope of rule I.Z.1.15, the Company would like to explain that the members of its Supervisory Board and Management Board are appointed by the General Meeting and the Supervisory Board respectively, considering the candidates' qualifications, experience and competences. Gender and age are not taken into consideration when appointing the members of the Company's bodies. The Company's bodies believe that this approach ensures that the most suitable candidates are appointed for managerial and supervisory functions.

In principle, the Company complies with all of the remaining rules and recommendations in Parts II, III, IV, V and VI of Good Practices 2016. With respect to the rules included in Part IV of Good Practices for which the comply or explain approach is adopted:

- The Company does not fully apply rule IV.R.2, as – as a matter of fact – the Company broadcasts the General Shareholders' Meetings, but the Company's corporate documents (Articles of Association and Rules of the General Meeting) do not provide for the possibility to participate, take the floor and exercise the voting right at the General Meeting using means of electronic communication. In the Company's opinion, the implementation of this rule involves technical and legal hazards which may affect correct and uninterrupted session of General Meetings as well as the genuine, reliable and secure transmission of information in real time;

- rule IV.R.3 does not apply to the Company because the securities issued by the Company are not traded in different countries (or on different markets) or in different legal systems.

With respect to the rules in Part VI, it should be indicated that:

- rule VI.R.3 does not apply to the Company because there is no remuneration committee in the Company's Supervisory Board;
- the Company does not apply rule VI.Z.4. The Company does not disclose information on the remuneration system in its management report because the management report includes information on the remuneration of the Members of its Management Board and Supervisory Board required under the applicable laws; additionally complete information concerning the remuneration is disclosed in the Report prepared under Art. 90 g(1) of the Public Offering Act by the Company's Supervisory Board. The Reports are published on the Company's website.

### ***III. Main characteristics of the company's internal control and risk management systems applicable to the process of preparing financial statements and consolidated financial statements.***

The Management Board is responsible for the internal audit system in the Company and its effectiveness in the process of compiling financial statements and interim reports, prepared and published in accordance with the principles included in the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information to be submitted by issuers of securities and conditions for considering as equivalent information required under the law of a non-member state.

The process of preparing the financial data for statutory reporting is automated and based on Quantum's consolidated financial and accounting system. The preparation of the data in the source systems is subject to formalised operational and approval procedures, which define the individual responsibilities. The Management Board and senior management supervise the individual areas of activity, processes and products. Key personnel are responsible for the creation, implementation, operation and monitoring of an effective and efficient internal control system as well as for identifying and monitoring any risks borne.

One of the main controls in the process of preparing the Company's financial statements is the verification by independent statutory auditors. The statutory auditor is appointed from among

independent entities which ensure a high standard of services and impartiality. The statutory auditor is appointed by the Company's Supervisory Board. In particular, the statutory auditor's tasks include: reviewing semi-annual separate and consolidated financial statements, and auditing annual separate and consolidated financial statements. The statutory auditor's independence is of fundamental importance for ensuring a correct audit of the accounting books.

The financial statements are also formally reviewed and assessed by the company's supervisory body (Supervisory Board). Pursuant to article 4a of the Accounting Act of 29 September 1994, the Supervisory Board is responsible for ensuring that the financial statements and the management report satisfy the legal requirements. To fulfil this obligation, the Supervisory Board uses the competences provided for by the law and by the Company's Articles of Association. This is another level of control exercised by an independent body, ensuring that the information presented in the separate and consolidated financial statements are true and fair.

The Audit Committee, appointed from among the members of the Company's Supervisory Board, supervises the Company's financial reporting process. The Audit Committee supervises the financial reporting process to ensure the balance, transparency and integrity of the financial disclosures. The Audit Committee is composed of five members of the Supervisory Board, two of whom meet the independence criteria specified in the Good Practices 2016, Chapter II.

In the opinion of the Supervisory Board, the internal control system is suitable for the extent and profile of the risk associated with the Company's business, and material risks to Quantum's operations are managed adequately and effectively.

***IV. Shareholders who, directly or indirectly, hold substantial stakes of shares, the number of shares held by such parties, their percentage share in the share capital, the number of votes resulting from the shares and their percentage share in the overall number of votes at the general meeting.***

To the knowledge of the Company, as at 31 December 2020 and as at 16 April 2021, i.e. the publication date of this report, Quantum Assets sp. z o.o., with its registered office in Kraków, holds 675,421 series A registered preference shares, which account for a total of 51.37% of the Company's share capital and are vested with 1,350,842 votes at the Company's General Meeting, representing 67.87% of the total number of votes, and holds 277,491 bearer shares, which account for a total of 21.10% of share in the Company's share capital and are vested with 277,491 votes at the Company's General Meeting, representing 13.44% of share in the total number of votes.

Since the publication of the Q3 2020 report, there has been a change of the shareholder holding more than 5% of the total number of votes at the Issuer's General Meeting. On 26.11.2020, the District Court for Kraków - Śródmieście in Kraków, 11th Commercial Division of the National Court Register, issued a decision concerning the combination of companies Quantum Assets sp. z o.o. and Minvesta sp. z o.o. The combination was effected under art. 492 §1(1) of the Commercial Companies Code (CCC), in conjunction of art. 515 § 1 CCC and art. 516 § 6 CCC, namely through transferring to Quantum Assets sp. z o.o. all of the assets of Minvesta sp. z o.o. as part of universal succession, without increasing the initial capital of Quantum Assets sp. z o.o. As a result, the company under the name "Minvesta sp. z o.o." ceased to exist and all of its rights and obligations were acquired by Quantum Assets sp. z o.o.

***V. Identification of holders of all securities with special control rights and a description of these rights.***

The Company holds series A registered preference shares that are not admitted to trading on the regulated market. The series A registered shares are preference shares, i.e. one share is vested with two votes at the Company's general meeting. The series B, C and D shares are ordinary bearer shares and are not limited in their selling.

**Holders of the Company's series A registered shares with special control rights in the Company as at the publication date of this report:**

Shareholder	Number of series A shares and their share in the share capital	Number of votes at the GSM from series A shares and their share in the total number of votes
Quantum Assets sp. z o.o.	675,421 (51.36%)	1,350,842 (65.42%)
Tomasz Hatała	28,181 (2.14%)	56,362 (2.73%)
Bogusław Ożóg	19,150 (1.46%)	38,300 (1.85%)
Marek Jędra	6,384 (0.49%)	12,768 (0.62%)
Robert Dykacz	11,832 (0.90%)	23,664 (1.15%)
Tomasz Mnich	2,648 (0.20%)	5,296 (0.26%)
Tomasz Polończyk	6,384 (0.49%)	12,768 (0.62%)

Total number of the company's series A shares and votes vested with them	750,000 (57.03%)	1,500,000 (72.64%)
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*VI. All restrictions regarding the exercise of the right to vote, such as restricted right to vote by holders of a given share or number of votes, temporary restrictions on the right to vote or provisions under which, in consultation with the company, capital rights linked to securities are separated from the holding of securities.*

The Issuer did not issue any shares with the above restrictions.

*VII. Identification of all restrictions on the transfer of ownership title to the issuer's securities.*

The Issuer did not issue any securities with any restrictions on their transfer.

*VIII. Description of rules for amending the Issuer's Articles of Association.*

In order to amend the Issuer's Articles of Association, a resolution of the General Meeting passed with a 3/4 majority of votes and an entry into the register of businesses are required.

*IX Description of principles regulating the appointment and dismissal of managerial staff and their rights, in particular, the right to decide on the issue or purchase of shares.*

The President and other members of the Management Board are appointed and dismissed by the Supervisory Board. The term of office of the Management Board lasts three years. The Management Board is composed of 1–5 members. The number of the members is determined by the Supervisory Board. The members of the Management Board are appointed for a joint term of office. The mandates of the members of the Management Board expire as of the date of the General Meeting. An approval of the financial statements for the last full financial year in which the member of the Management Board held their function is required. The Company's Management Board manages the Company, and represents it before court and in other matters. Declarations of intent on behalf of the Company must be made by two members of the Management Board acting jointly.

The Management Board's responsibilities include all matters which are not restricted to the competence of the General Meeting and the Supervisory Board.

The decisions of the Management Board are made in the form of resolutions passed by an absolute majority of votes. The resolutions of the Management Board are passed by way of an open ballot. The procedures of the Management Board, which define in particular the matters that require resolutions, are specified in the Rules adopted by the Supervisory Board. The Management Board prepares and maintains documentation of the Company's organisational activities. In particular, the Management Board:

- performs all registrations required under the applicable laws;
- publishes information required by the law and the Company's Articles of Association in the manner specified therein;
- convenes the General Shareholders' Meetings and maintains documentation of the convention and the course of the meetings;
- maintains a share register;
- keeps the minutes of the Supervisory Board;
- provides the Supervisory Board and the General Shareholders' Meeting with information regarding the Company;
- prepares the Company's management report for the previous financial year;
- prepares a draft distribution of profit or coverage of loss for the financial year;
- determines and announces the dividend payment date;
- maintains the Rules of the Management Board, and other rules.

The members of the Management Board participate in every General Meeting and answer any questions asked during the meeting. In addition, the members of the Management Board who are invited to a meeting of the Supervisory Board by the Chairman of the Supervisory Board participate in the meeting and have the right to take the floor on matters listed in the agenda.

Any decisions on the issue or buyout of the Company's shares are made by the Company's General Meeting.

According to Art. XIII of the Articles of Association, the share capital of the Company can be raised by issuing new shares. The Articles of Association authorises the Management Board to determine the issue price. Newly issued shares can be registered shares and bearer shares, and can be paid for in cash or by way of a contribution in kind. The shares are indivisible. The Management



Board is authorised to issue the shares in multiple-share certificates. The shares bear the Company's seal and the Management Board's signature. The Management Board's signature can be reproduced mechanically. In the case of joint ownership of shares, the joint owners exercise their rights through either owner or through an authorised joint representative.

***X. Procedures of the General Meeting, its main rights and the description of the shareholders' rights and the exercise of these rights, in particular the principles resulting from the rules of the general meeting (if such rules have been adopted), unless such information is directly required under the law.***

The Company's General Meeting acts according to the applicable law, including the provisions of the Commercial Companies Code, the Act on trading in financial instruments (Journal of Laws of 2009, no.13, item 69), the Company's Articles of Association and the Rules of the General Meeting, as amended on 18 May 2010 by Resolution 25 of the Ordinary General Meeting.

The Ordinary General Meeting is convened by the Management Board, and it is held by 30 June of each calendar year. The Extraordinary General Meeting is convened by the Management Board on its own initiative, at the request of the Supervisory Board or at the request of the shareholders representing at least 1/20 of the share capital. The General Meetings are held in Kraków or in Warsaw. The information about the convention of the GSM is published in a current report and in an announcement on the Company's website. The announcement must be made at least twenty-six days prior to the date of the general meeting. The announcement on the general meeting of a public company must include at least the information referred to in Article 402<sup>2</sup> of the Commercial Companies Code.

The following matters require a resolution of the General Meeting:

1. examining and approving of the Company's financial statements and management report for the previous year;
2. specifying the rules for remunerating members of the Supervisory Board;
3. approving the rules of the General Meeting and the Supervisory Board;
4. appointing liquidators when necessary;
5. deciding on whether to exclude all or a portion of profits from distribution;
6. appointing and dismissing the Supervisory Board.

The GSM passes resolutions on matters which fall within its responsibilities, in particular those specified in the Commercial Companies Code, the GSM rules and the Articles of Association.

Subject to the situations specified in the Commercial Companies Code and in the Articles of Association, the resolutions are passed by an ordinary majority of votes. According to the Articles of Association, the resolution on abandoning an item on the agenda at the shareholders' request, is passed by the GSM by a 75% majority of votes, after obtaining approval from all present shareholders who requested the examination of such item. The GSM's resolutions are included in the minutes prepared by a notary. The GSM's resolutions are subject to claims before court according to the procedures and terms specified in the Commercial Companies Code.

The shareholders have the right to participate in the General Meeting and exercise the right to vote vested with the registered shares in person or through attorneys. The power of attorney to participate in the general meeting and exercise the right to vote must be granted in writing or in electronic form. A power of attorney granted in electronic form does not require a secure electronic signature verified by a valid qualified certificate. The representatives of shareholders who are legal persons must have valid excerpts from the respective commercial register or the National Court Register, listing the persons authorised to represent such entities, or bear a power of attorney signed by the persons listed in the excerpt. The power of attorney authorising to participate in the general meeting and to exercise the right to vote granted in electronic form must be sent to the e-mail address for investor contact on the Company's website, not later than 2 days prior to the respective general meeting. Every series A registered share of the Company is vested with two votes at the General Meeting, while series B, C and D shares are ordinary bearer shares, with each share vested with one vote at the General Meeting. The right to participate in the general meeting of a public company is reserved for persons who are listed as the company's shareholders sixteen days prior to the date of the general meeting (record date). The individuals authorised under registered shares and temporary certificates as well as pledges and users with the right to vote are entitled to participate in the general meeting of a public company if they are entered into the share register as of the record date. The bearer shares in document form are vested with the right to participate in the general meeting of a public company if the share documents are submitted to the company not later than on the record date and are not withdrawn by that date. In place of the shares, a statement issued as the proof of depositing the shares with a civil law notary, a bank or an investment company with registered office or branch in the territory of the European Union or a country that is a party to the EEA Agreement can be submitted, as specified in the announcement of the convocation of the general meeting. The statement must include the number of share documents and confirm that the share documents will not be withdrawn by the record date.

Each shareholder has the right to demand the copies of requests regarding the issues on the agenda of the upcoming General Meeting. Such a demand must be submitted to the Company's Management Board. The copies of the requests must be issued not later than one week prior to the General Meeting.

Immediately after the Chairman of the General Meeting has been appointed, an attendance list of the persons participating in the General Meeting must be prepared, including the number of the Company's shares held by every participant and the number of votes vested with the shares. The Chairman is obliged to sign the list and make it available for peruse during the session of the General Meeting. Pursuant to Article 410 § 2, at the request of shareholders holding 1/10 of the share capital represented at the General Meeting, the attendance list must be checked by a committee appointed for this purpose.

According to the Company's Articles of Association, the shareholders have the right to participate in the annual profit which the General Shareholders' Meeting has earmarked for distribution. The Management Board is authorised to make an advance payment to the shareholders on the expected dividend at the end of the financial year, provided that the Company has sufficient funds available. The interim dividend must be approved by the Supervisory Board.

***XI. Composition and changes therein in the last financial year and description of the operations of the company's management and supervisory bodies, and of their committees.***

***As at 31/12/2020, the Management Board was composed of:***

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

In 2020 there were no changes in the composition of the Company's Management Board.

On 9 April 2019, the members of the Management Board were appointed for a three-year term of office.

The detailed tasks of the Company's Management Board are described in the Rules of the Management Board, which are adopted by the Management Board and approved by the Supervisory Board.

### ***Operating procedures of the Management Board***

Declarations of intent on behalf of the Company must be made by two members of the Management Board acting jointly.

The Management Board's responsibilities include all matters which are not restricted to the competence of the General Meeting and the Supervisory Board.

The decisions of the Management Board are made in the form of resolutions passed by an absolute majority of votes. The resolutions of the Management Board are passed by way of an open ballot. The procedures of the Management Board, which define in particular the matters that require resolutions, are specified in the Rules adopted by the Supervisory Board. The Management Board prepares and maintains documentation of the Company's organisational activities. In particular, the Management Board:

- performs all registrations required under the applicable laws;
- publishes information required by the law and the Company's Articles of Association in the manner specified therein;
- convenes the General Shareholders' Meetings and maintains documentation of the convention and the course of the meetings;
- maintains a share register;
- keeps the minutes of the Supervisory Board;
- provides the Supervisory Board and the General Shareholders' Meeting with information regarding the Company;
- prepares the Company's management report for the previous financial year;
- prepares a draft distribution of profit or coverage of loss for the financial year;
- determines and announces the dividend payment date;
- maintains the Rules of the Management Board, and other rules.

***As at 31/12/2020, the Supervisory Board was composed of:***

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

In 2020, there were no changes in the composition of the Supervisory Board.

***Principles of operation of the Supervisory Board***

The Supervisory Board acts based on the adopted Rules of the Supervisory Board of Quantum software S.A. and the Company's Articles of Association. The Supervisory Board is composed of five to nine members appointed by the General Meeting. The terms of office of the Supervisory Board lasts 3 years. If the mandate of the Chairman or the Member of the Supervisory Board expires before the end of the term of office, a new Chairman or Member is appointed in their place only for the remaining term of office of the other members of the Supervisory Board. At least two members of the Supervisory Board must meet the independence criteria.

The responsibilities of the Supervisory Board include:

- examining the annual financial statements and the Company's management report, and making proposals on the distribution of profit or the coverage of loss;
- submitting a written report to the General Meeting, regarding the results of the activity referred to in item 1 before;
- approving the purchase and sale of real property, perpetual usufruct title or interest in real property;
- approving the purchase of interests or shares in other businesses, acquisitions and incorporation of new businesses;
- allowing Members of the Management Board to become involved in competitive activity or a competitor company as a shareholder or as a member of its corporate bodies;
- examining other issues raised by the General Meeting;

- approving the granting of proxy by the Management Board;
- at the request of the Management Board, appointing a statutory auditor for auditing the Company's annual financial statements.

The meetings of the Supervisory Board are convened by the Chairperson at their own initiative or at the request of another member of the Supervisory Board or at the request of the Management Board. The Supervisory Board adopts its resolutions by an absolute majority of votes. The Supervisory Board may not pass a resolution regarding matters that are not on the agenda, unless all members of the Supervisory Board are present and nobody raises an objection. The Members of the Supervisory Board may participate in passing the Supervisory Board's resolutions through voting in writing via another Member of the Supervisory Board. Written votes may not be cast in respect of matters put on the agenda during the meeting of the Supervisory Board. The Supervisory Board's resolutions may be passed without holding a meeting, by written ballot or using telecommunication equipment. A resolution is valid if all members of the Supervisory Board have been notified about the content of the draft resolution.

***As at 31/12/2020, the Supervisory Board's Audit Committee was composed of:***

Chair of the Committee	Marcin Buczkowski
Member of the Committee	Tomasz Polończyk
Member of the Committee	Andrzej Ruciński

***Rules of procedure of the Supervisory Board's Audit Committee***

The Supervisory Board's Audit Committee, according to the Act of 7 May 2009 on statutory auditors and their professional association, entities authorised to audit financial statements and public oversight, which operates on the basis of Resolution no. 21 of the Ordinary General Meeting of Quantum software S.A. of 17 May 2012.

The members of the Audit Committee, i.e. Marcin Buczkowski and Andrzej Ruciński, meet the independence requirements set out in Art. 129 of the Statutory Auditors Act. Both Mr Marcin Buczkowski and Mr Andrzej Ruciński have the know-how in the scope of accounting and auditing financial statements, gained in the course of their long-term professional activities. In addition, the

Chair of the Audit Committee took part in training on business accounting, taking into account in particular aspects of financial reporting and valuations of companies.

Another Member of the Audit Committee, i.e. Tomasz Polończyk, has knowledge and skills in the scope of the sector in which the Issuer operates. His professional education and many years of professional experience at managerial positions allow the statement that he is an expert in the scope of IT solutions applied in computing.

In particular, the Audit Committee is responsible for:

a) monitoring:

- of financial reporting process,
- the effectiveness of internal control systems, risk management and internal audit systems, including in the scope of financial reporting,
- the performance of financial review services, in particular the performance by the audit firm of the audit, taking into account all conclusions and findings of the Audit Committee resulting from the inspection performed at the audit firm;

b) controlling and monitoring of the independence of the statutory auditor and the audit firm, particularly in the case when the audit firm provides a public-interest entity with services other than audits;

c) submitting the information to the supervisory board or other supervisory or controlling body of the public-interest entity about the audit results and the explanation the way in which this audit contributed to the reliability of the financial reporting in the public-interest entity and the role of the audit committee in the audit process;

d) carrying out the assessment of the independence of the statutory auditor and expressing consent to the provision thereby of permitted non-audit services in the public-interest entity;

e) developing a policy for the selection of an audit firm to carry out the audit;

f) developing a policy for the provision of permitted non-audit services by the audit firm carrying out the audit, by affiliates of the audit firm and by a member of the audit firm's network;

g) setting out a procedure for the selection of an audit firm by a public-interest entity;

h) submitting recommendations aimed at ensuring the reliability of the financial reporting process in the public-interest entity.

The Audit Committee is a standing committee of the Supervisory Board. In an open ballot, the Supervisory Board appoints one of the Members of the Audit Committee as the Chairman. The

Supervisory Board may at any time dismiss the Chairman of the Audit Committee, leave them within the Committee and appoint another Chairman. The Members of the Committee hold their functions for the term of office of the Supervisory Board. The Supervisory Board may, at any time, dismiss the individual Members of the Audit Committee before the expiry of a Supervisory Board member's mandate. Dismissing a member from the Committee is not tantamount to dismissing them from the Supervisory Board. The mandate of each member of the Committee expires as of the expiry of a Supervisory Board member's mandate.

The Audit Committee holds sessions when required, but the sessions are held at least before the Company's publication on WSE of the annual, semi-annual and two quarterly financial statements (for the first and third quarter).

The sessions of the Audit Committee are convened by the Chairman on the Chairman's own initiative or at the request of a member of the Audit Committee. At the request of a member of the Audit Committee or on the Chairman's own initiative, the Chairman of the Audit Committee may invite persons from outside the Audit Committee to participate in the sessions, in particular persons with specialist expertise, as well as members of the Management Board and the Company's employees in order to provide detailed explanations or express opinion on the subject of the session. Such persons must leave the session of the Committee when the issues discussed concern them directly and at the request of a member of the Audit Committee. The Chairman of the Audit Committee directs the Committee's work. The Chairman also supervises the preparation of the agenda, the distribution of documents and the preparation of minutes from the committee's sessions.

In 2020, the Audit Committee held three meetings: on 17 April, 18 September and 3 December. In the course of the meetings, members of the Audit Committee reviewed the Company's methods of preparing financial statements, discussed the accuracy of the financial statements entries with the auditor, assessed the management and control systems, including the systems for managing currency risk and risks associated with the current operations of the Company. Moreover, the Committee controlled the independence of the auditor.

Furthermore, the Company complies with provisions connected with the rotation of the audit firm and the key statutory auditor as well as obligatory grace periods.



PRO AUDYT sp. z o.o. and the members of the team performing the audit fulfilled the requirement to prepare an unbiased and independent report on the audit of the Company's annual statutory reports.

The Company complies with the prohibition to have non-audit services provided by the audit firm carrying out the audit, entities related thereto and a member of the audit firm's network, except for services from the list of permitted services defined in the Statutory Auditors Act. In 2020, PRO AUDYT sp. z o.o. did not provide permitted non-audit services to the Issuer.

**Kraków, 16/04/2021**

**President of the Management Board** Tomasz Hatala

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

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

**Member of the Management Board** Tomasz Mnich

**Management Board's Declaration on the compliance of the annual financial statements  
and the Management Board's Report on the operations of Quantum software S.A.**

We, the undersigned, declare that to the best of our knowledge, the annual financial statements of Quantum software S.A. for the financial year 2020 and the comparative data were presented in compliance with the applicable accounting principles and they reflect in a true, reliable and transparent manner the assets and financial situation of Quantum software S.A. and its financial result.

We also declare that the Management Board's Report on the operations of Quantum software S.A. for the financial year 2020 provides a true reflection of the Company's development, achievements and standing, including the description of basic threats and risks.

**Kraków, 16/04/2021**

**President of the Management Board**                      Tomasz Hatala

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

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

**Member of the Management Board**                      Tomasz Mnich

**Information of the Quantum software S.A. Management Board  
on the selection of an audit firm to carry out the audit of the financial statements for 2020**

On the basis of the Quantum software S.A. Supervisory Board the Management Board informs that:

- a) the audit firm carrying out the audit of the annual separate financial statements for the financial year 2020 was selected pursuant to the provisions, including selection rules and the audit firm selection procedure applicable in the Company;
- b) the audit firm and the members of the team carrying out the audit fulfilled the conditions concerning the preparation of an unbiased and independent report on the audit of the annual separate financial statements, pursuant to applicable provisions, standards of practising the profession and principles of professional ethics;
- c) The Company and the audit firm comply with applicable provisions connected with the rotation of the audit firm and the key statutory auditor as well as obligatory grace periods;
- d) The Company has implemented the policy of the audit firm selection and the policy of the provision to the issuer by the audit firm, entity related thereto or a member of the audit firm's network of additional non-audit services, including services exempted conditionally from the prohibition of being provided by the audit firm.

**Kraków, 16/04/2021**

**President of the Management Board**                      Tomasz Hatala

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

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

**Member of the Management Board**                      Tomasz Mnich

Kraków, 15 April 2021

**Report of the operations of the Supervisory Board of Quantum software S.A.  
for FY 2020, including an assessment of the Supervisory Board's work**

**I. The composition of the Supervisory Board in FY 2020 was as follows:**

1. Leopold Kutyla – Chair of the Supervisory Board
2. Tomasz Polończyk – Vice-Chairman of the Supervisory Board
3. Henryk Gaertner – Member of the Supervisory Board
4. Andrzej Ruciński – Member of the Supervisory Board
5. Marcin Buczkowski – Member of the Supervisory Board

**II. The operating rules and procedures of the Supervisory Board of Quantum software S.A.**  
are regulated by the provisions on public capital companies and the following:

- Articles of Association of Quantum software S.A.
- Rules of the Supervisory Board of Quantum software S.A.
- Corporate governance rules

In 2020, the Supervisory Board of Quantum software S.A., based in Kraków, held three sessions (on 17 April, 18 September and 3 December) - the sessions were held via the Zoom Meeting platform. During the sessions, the Members of the Supervisory Board were present in a number allowing for the adoption of resolutions. The average turnout was 4 (four) out of 5 (five) Supervisory Board members.

The Supervisory Board constantly supervised the Company's operations. In particular, supervision and monitoring included the following:

- monitoring and analysing the Company's financial situation, and assessment;
- analysing interim financial statements;
- reading the Management Board's interim information concerning the Company's current and planned operations;
- formal and legal business related to the Supervisory Board's activity.

As part of the performance of its tasks, the Supervisory Board passed the following resolutions in 2020:

- it assessed the Company's and the Capital Group's management reports and financial statements for FY 2019;
- recommended to allocate a part of the profit in the amount of PLN 1,380,000.00 (PLN one million three hundred eighty thousand, 00/100) for the payment of dividend, and the remaining amount of profit, i.e. PLN 1,398,376.70 (PLN one million three hundred ninety-eight thousand three hundred and seventy-six, 70/100) to the supplementary capital;
- it recommended granting discharge to the members of the Management Board in respect of their performance of duties in 2019;

- it examined and expressed its opinion on the Company's financial results after the first two months of 2020;
- it examined and expressed its opinion on the Company's financial results after the consecutive quarters of 2020.

The Issuer's Supervisory Board is composed of the minimum number of members required by the law. An audit committee was selected within the Supervisory Board. It includes the following members of the Supervisory Board:

1. Marcin Buczkowski (Chairman of the Audit Committee)
2. Tomasz Polończyk
3. Andrzej Ruciński

The Supervisory Board declares that the Company complies with the provisions concerning the appointment, composition and procedures of the Audit Committee, including provisions related to the Committee members' meeting independence criteria as well as expertise and competence requirements with respect to the Issuer's sector and with respect to accounting and auditing of financial statements. In 2020, the Audit Committee fulfilled the tasks defined in the applicable regulations.

The Supervisory Board fulfils the independence criterion because 3 out of 5 of its members are not related to a shareholder holding at least 5% of total votes at the Company's general meeting. With its basic composition, the supervisory Board is able to perform duties related to audit. With its basic composition, the supervisory Board is able to perform duties related to audit.

Pursuant to Article 382(3) of the Commercial Companies Code, the Supervisory Board assessed:

1. the Company's financial statements for 2020;
2. the Management Board's Report on the Company's operations for the period 01/01/2020 – 31/12/2020;
3. the Management Board's Report on the Capital Groups' operations for the period 01/01/2020 – 31/12/2020;
4. the Capital Group's consolidated financial statements for 2020.

Considering the above, the Supervisory Board requests the Ordinary General Meeting of Quantum software S.A. to approve the following:

1. the Management Board's report on the Company's operations for the period 01/01/2020 – 31/12/2020;
2. the Company's financial statements for 2020;
3. the Management Board's Report on the Capital Groups' operations for the period 01/01/2020 – 31/12/2020;
4. the Capital Group's consolidated financial statements for 2020.

### **III. Assessment of the work of the Supervisory Board of Quantum software S.A., the internal control system and the system for managing the Company's material risks**

The Supervisory Board has positively evaluated its activity in terms of correct functioning of the internal control system and the system for managing the Company's material risks, which, in the opinion of the Supervisory Board, served to ensure correct financial information in the interim statements and reports. In the opinion of the Supervisory Board, the internal control system is suitable for the extent and profile of the risk associated with the Company's business, and material risks to Quantum's operations are managed adequately and effectively.

The process of preparing the financial data for statutory reporting is automated and based on Quantum's consolidated financial and accounting system. The preparation of the data in the source systems is subject to formalised

operational and approval procedures, which define the individual responsibilities. The Management Board and senior management supervise the individual areas of activity, processes and products. Key personnel are responsible for the creation, implementation, operation and monitoring of an effective and efficient internal control system as well as for identifying and monitoring any risks borne. The financial statements are also formally reviewed and approved by the company's supervisory body (Supervisory Board).

#### **IV. Assessment of the Company's fulfilment of its disclosure obligations with respect to applying corporate governance**

The Supervisory Board expresses a positive opinion on the Company's fulfilment of its disclosure obligations with respect to applying corporate governance. As a standard, in its annual reports, the Company includes the Management Board's statement of compliance with corporate governance rules, taking account of any changes of those rules and any rules which do not apply to or are not applied by the Company. Irrespective of the above, the Company submitted a statement using the EBI system.

*This Report was accepted by the Supervisory Board in a form of resolution on 15 April 2021.*

*Leopold Kutyla  
Chair of the Supervisory Board*