



**Atende S.A.**  
**Consolidated quarterly report**  
**for the first quarter of 2014**

Polish Financial Supervision Authority  
 Consolidated quarterly report QSr I/2014

This report has been prepared in accordance with Articles 82(2) and 83(1) of the Regulation of the Minister of Finance dated February 19th, 2009 — Journal of Laws No 33, item 259 for issuers of securities conducting manufacturing, construction, commercial or services activity.

The report for the first quarter of the financial year 2014 covers the period from January 1st, 2014 to March 31st, 2014. It includes condensed consolidated financial statements prepared in accordance with the IFRS in the Polish currency (PLN) and condensed financial statements prepared in accordance with the IFRS in the Polish currency (PLN).

**Full name of the Issuer:** Atende Spółka Akcyjna  
**Registered office:** ul. Ostrobramska 86, 04-163 Warsaw  
**Sector according to the Warsaw Stock Exchange classification:** information technology  
**Core business:** ICT systems integration and integration of technological infrastructure  
**e-mail:** [kontakt@atende.pl](mailto:kontakt@atende.pl)  
**website:** [www.atende.pl](http://www.atende.pl)  
**KRS (National Court Register No):** 0000320991  
**NIP (Tax ID No):** 954-23-57-358  
**REGON (Statistical ID No):** 276930771

Date of report approval and filing: May 15th, 2014

Selected financial data

Selected consolidated financial data	in PLN thousands		in EUR thousands	
	1st quarter of 2014	1st quarter of 2013	1st quarter of 2014	1st quarter of 2013
Net sales revenue	38,031	28,745	9,078	6,887
Operating profit (loss)	458	(940)	109	(225)
EBITDA	1,986	509	474	122
Gross profit (loss)	215	(1,289)	51	(309)
Net profit (loss)	13	(1,378)	3	(330)
Net profit (loss) attributable to shareholders of the parent entity	54	(1,307)	13	(313)
Net cash flows from operating activities	12,333	11,148	2,944	2,671
Net cash flows from investing activities	(928)	(1,195)	(222)	(286)
Net cash flows from financial activities	(618)	(3,701)	(148)	(887)
Total net cash flows	10,787	6,252	2,575	1,498
Profit (loss) per ordinary share (PLN/EUR)	0.00	(0.04)	0.00	(0.01)
Diluted profit (loss) per ordinary share (PLN/EUR)	0.00	(0.04)	0.00	(0.01)
	As at March 31st, 2014	As at December 31st, 2013	As at March 31st, 2014	As at December 31st, 2013
Total assets	125,113	155,476	29,994	37,489
Liabilities and provisions for liabilities	57,000	88,484	13,665	21,336
Long-term liabilities	7,880	7,929	1,889	1,912
Current liabilities	49,120	80,555	11,776	19,424
Equity	68,113	66,992	16,329	16,154
Share capital	7,269	7,269	1,743	1,753
Number of shares (item)	36,343,344	36,343,344	36,343,344	36,343,344
Book value per share (PLN/EUR)	1.87	1.84	0.45	0.44
Diluted book value per share (PLN/EUR)	1.87	1.84	0.45	0.44

Selected individual financial data	in PLN thousands		in EUR thousands	
	1st quarter of 2014	1st quarter of 2013	1st quarter of 2014	1st quarter of 2013
Net sales revenue	30,182	24,448	7,204	5,857
Operating profit (loss)	(890)	(872)	(212)	(209)
EBITDA	44	64	11	15
Gross profit (loss)	(1,141)	(1,255)	(272)	(301)
Net profit (loss)	(1,050)	(1,257)	(251)	(301)
Net cash flows from operating activities	6,801	8,677	1,623	2,079
Net cash flows from investing activities	(1,064)	(945)	(254)	(226)
Net cash flows from financial activities	(811)	(3,572)	(194)	(856)
Total net cash flows	4,926	4,160	1,176	997
Profit (loss) per ordinary share (PLN/EUR)	(0.03)	(0.03)	(0.01)	(0.01)
Diluted profit (loss) per ordinary share (PLN/EUR)	(0.03)	(0.03)	(0.01)	(0.01)
	As at March 31st, 2014	As at December 31st, 2013	As at March 31st, 2014	As at December 31st, 2013
Total assets	102,145	128,979	24,488	31,100
Liabilities and provisions for liabilities	47,907	73,753	11,485	17,784
Long-term liabilities	6,524	6,574	1,564	1,585
Current liabilities	41,383	67,179	9,921	16,199
Equity	54,238	55,226	13,003	13,316
Share capital	7,269	7,269	1,743	1,753
Number of shares (item)	36,343,344	36,343,344	36,343,344	36,343,344
Book value per share (PLN/EUR)	1.49	1.52	0.36	0.37
Diluted book value per share (PLN/EUR)	1.49	1.52	0.36	0.37

EUR EXCHANGE RATES (IN PLN):

average exchange rate in the first quarter of 2014: 4.1894

average exchange rate in the first quarter of 2013: 4.1738

average exchange rate as at March 31st, 2014: 4.1713

average exchange rate as at December 31st, 2013: 4.1472

average exchange rate at March 31st, 2013: 4.1774

## Table of Contents

<b>1. Interim condensed consolidated financial statements prepared in accordance with the International Financial Reporting Standards .....</b>	<b>5</b>
1.1. Consolidated statements of financial position .....	5
1.2. Consolidated statements of comprehensive income.....	7
1.3. Consolidated cash flow statement .....	8
1.4. Statement of changes in consolidated equity .....	9
1.5. Information concerning principles adopted for preparing the statements .....	10
1.6. Segment data .....	12
1.7. Detailed notes.....	14
<b>2. Management Board report on the activities of the Capital Group .....</b>	<b>22</b>
2.1. Core operations.....	22
2.2. Description of the organization of the Capital Group.....	22
2.3. Commentary of the Management Board on the Issuer's achievements in the 1st quarter of 2014.....	24
2.4. Description of atypical factors and events which materially affect the financial results .....	28
2.5. Significant events during the period covered by the statements.....	28
2.6. Material events after the balance sheet date.....	29
2.7. Expected development of the Group .....	29
2.8. Other information .....	29
<b>3. Interim condensed individual financial statements prepared in accordance with the International Financial Reporting Standards .....</b>	<b>32</b>
3.1. Individual financial situation statement .....	32
3.2. Individual total income statement .....	34
3.3. Individual cash flow statement .....	35
3.4. Statement of changes in individual equity .....	36

## 1. Interim condensed consolidated financial statements prepared in accordance with IFRS

### 1.1. Consolidated statement of financial position

ASSETS	Note	as at March 31st, 2014	as at December 31st, 2013	as at March 31st, 2013
<b>Fixed assets</b>		<b>54,743</b>	<b>54,260</b>	<b>51,523</b>
Tangible fixed assets	1.7.1	25,568	25,853	26,476
Intangible assets	1.7.2	16,341	15,290	14,924
Goodwill	1.7.3	10,165	9,305	9,305
Other financial assets		731	2,377	80
Deferred income tax assets	1.7.8	1,867	1,364	679
Other fixed assets		71	71	59
<b>Current assets</b>		<b>70,370</b>	<b>101,216</b>	<b>58,625</b>
Inventories	1.7.5	9,936	8,330	12,552
Trade receivables	1.7.6	32,307	73,665	27,641
Current income tax receivables		-	-	167
Other receivables	1.7.7	693	734	1,178
Other financial assets		-	-	352
Prepayments/Accruals		2,245	4,085	970
Cash and cash equivalents		25,189	14,402	15,765
<b>TOTAL ASSETS</b>		<b>125,113</b>	<b>155,476</b>	<b>110,148</b>

<b>LIABILITIES</b>	Note	as at March 31st, 2014	as at December 31st, 2013	as at March 31st, 2013
<b>Equity</b>		<b>68,113</b>	<b>66,992</b>	<b>56,927</b>
Parent undertaking shareholders' equity		61,367	61,252	51,308
Minority shareholders' capital		6,746	5,740	5,619
Share capital		7,269	7,269	7,269
Supplementary capital from share premium		15,121	15,059	14,807
Other capital		27,632	27,632	24,628
Retained financial result		11,291		5,911
Financial result for the current period		54	11,291	(1,307)
<b>Long-term liabilities</b>		<b>7,880</b>	<b>7,929</b>	<b>8,560</b>
Loans and borrowings		4,683	4,851	5,008
Other financial liabilities		2,972	2,854	2,776
Other long-term liabilities		-	-	45
Deferred income		225	224	731
<b>Current liabilities</b>		<b>49,120</b>	<b>80,555</b>	<b>44,661</b>
Loans and borrowings		2,374	2,047	2,435
Other financial liabilities		1,243	1,845	1,863
Trade liabilities		23,691	43,286	18,993
Income tax liabilities		557	2,857	262
Other liabilities	1.7.9	19,028	27,644	15,418
Deferred income		2,227	2,876	5,690
<b>TOTAL LIABILITIES</b>		<b>125,113</b>	<b>155,476</b>	<b>110,148</b>

**1.2. Consolidated statement of total income**

	1st quarter 2014	1st quarter 2013
<b>Net sales revenue</b>	<b>38,031</b>	<b>28,745</b>
Cost of sales	27,905	21,395
<b>Gross profit (loss) on sales</b>	<b>10,126</b>	<b>7,350</b>
Other operating revenue	1,773	1,954
General and administrative costs	10,149	9,022
Other operating expenses	1,292	1,222
<b>Operating profit (loss)</b>	<b>458</b>	<b>(940)</b>
Financial revenue	323	347
Financial expenses	566	696
<b>Profit (loss) before tax</b>	<b>215</b>	<b>(1,289)</b>
Income tax	202	89
Net profit (loss) on continuing operations	13	(1,378)
Profit (loss) on discontinued operations	-	-
<b>Net profit (loss)</b>	<b>13</b>	<b>(1,378)</b>
Profit (loss) attributed to non-controlling shareholders	(41)	(71)
<b>Net profit (loss) of the parent entity</b>	<b>54</b>	<b>(1,307)</b>
Components of other comprehensive income	-	-
which will be reclassified to profit or loss under certain conditions	-	-
which will not be reclassified to profit or loss in the subsequent periods	-	-
<b>Total revenue</b>	<b>13</b>	<b>(1,378)</b>
Total revenue attributed to non-controlling shareholders	(41)	(71)
<b>Total revenue attributable to the parent entity</b>	<b>54</b>	<b>(1,307)</b>

### 1.3. Consolidated cash flow statement

	1st quarter 2014	1st quarter 2013
<b>OPERATING ACTIVITIES</b>		
Profit / loss before tax	215	(1,289)
Total adjustments:	15,012	13,223
Amortization and depreciation	1,528	1,449
Foreign exchange gains (losses)	(7)	(80)
Interest and share in profits (dividends)	130	131
Profit (loss) on investment activities	190	(534)
Changes in inventory	(1,606)	(2,550)
Changes in receivables	42,181	28,340
Change in liabilities and provisions	(28,670)	(13,980)
Change in other assets	1,880	1,586
Other adjustments	(614)	(1,139)
Cash from operating activities	15,227	11,934
Income tax	(2,894)	(786)
<b>Net cash flows from operating activities</b>	<b>12,333</b>	<b>11,148</b>
<b>INVESTING ACTIVITIES</b>		
Inflows	102	464
Sale of intangible and tangible fixed assets	102	464
Outflows	1,030	1,659
Purchase of intangible and tangible fixed assets	1,713	1,659
Expenditure on financial assets	305	-
Other investment outflows	(988)	-
<b>Net cash flows from investing activities</b>	<b>(928)</b>	<b>(1,195)</b>
<b>FINANCING ACTIVITIES</b>		
Inflows	723	2,862
Loans and borrowings	716	-
Subsidies	-	2,770
Other financial inflows	7	92
Outflows	1,341	6,563
Repayments of credits and loans	557	5,610
Payment of liabilities under finance lease agreements	650	770
Interest	134	183
<b>Net cash flows from financial activities</b>	<b>(618)</b>	<b>(3,701)</b>
<b>TOTAL NET CASH FLOWS</b>	<b>10,787</b>	<b>6,252</b>
Balance-sheet movements in cash, including	10,787	6,252
- change in cash due to changes in exchange rates	-	-
<b>Opening balance of cash</b>	<b>14,402</b>	<b>9,513</b>
<b>Cash and cash equivalents as at the end of the year</b>	<b>25,189</b>	<b>15,765</b>



**1.4. Statement of changes in consolidated equity**

	Share capital	Supplementary capital from share premium	Other capital	Retained financial result	Financial result for the current period	Parent undertaking shareholders' equity	Minority capital	Total equity
<b>1st quarter of 2014</b>								
<b>Equity as at January 1st, 2014 according to IFRS</b>	<b>7,269</b>	<b>15,059</b>	<b>27,632</b>	<b>-</b>	<b>11,291</b>	<b>61,252</b>	<b>5,740</b>	<b>66,992</b>
Changes in accounting principles	-	-	-	-	-	-	-	-
Adjustments due to fundamental errors	-	-	-	-	-	-	-	-
Equity after adjustments	7,269	15,059	27,632	-	11,291	61,252	5,740	66,992
Deferred tax on items recognized in equity	-	62	-	-	-	62	-	62
Consolidation of Phoenix Systems	-	-	-	-	-	-	1,047	1,047
Net profit distribution	-	-	-	11,291	(11,291)	-	-	-
Total revenue	-	-	-	-	54	54	(41)	13
<b>Equity as at March 31st, 2014 according to IFRS</b>	<b>7,269</b>	<b>15,121</b>	<b>27,632</b>	<b>11,291</b>	<b>54</b>	<b>61,367</b>	<b>6,746</b>	<b>68,113</b>
<b>2013</b>								
<b>Equity as at January 1st, 2013 according to IFRS</b>	<b>7,269</b>	<b>14,760</b>	<b>24,628</b>	<b>5,911</b>	<b>-</b>	<b>52,568</b>	<b>5,690</b>	<b>58,258</b>
Changes in accounting principles	-	-	-	-	-	-	-	-
Adjustments due to fundamental errors	-	-	-	-	-	-	-	-
Equity after adjustments	7,269	14,760	24,628	5,911	-	52,568	5,690	58,258
Deferred tax on items recognized in equity	-	299	-	-	-	299	-	299
Net profit distribution	-	-	4,894	(4,894)	-	-	-	-
Dividend payout	-	-	(1,890)	(1,017)	-	(2,907)	(480)	(3,387)
Total revenue	-	-	-	-	11,291	11,291	530	11,821
<b>Equity as at December 31st, 2013 according to IFRS</b>	<b>7,269</b>	<b>15,059</b>	<b>27,632</b>	<b>-</b>	<b>11,291</b>	<b>61,252</b>	<b>5,740</b>	<b>66,992</b>
<b>1st quarter of 2013</b>								
<b>Equity as at January 1st, 2013 according to IFRS</b>	<b>7,269</b>	<b>14,760</b>	<b>24,628</b>	<b>5,911</b>	<b>-</b>	<b>52,568</b>	<b>5,690</b>	<b>58,258</b>
Changes in accounting principles	-	-	-	-	-	-	-	-
Adjustments due to fundamental errors	-	-	-	-	-	-	-	-
Equity after adjustments	7,269	14,760	24,628	5,911	-	52,568	5,690	58,258
Deferred tax on items recognized in equity	-	47	-	-	-	47	-	47
Net profit distribution	-	-	-	-	-	-	-	-
Total revenue	-	-	-	-	(1,307)	(1,307)	(71)	(1,378)
<b>Equity as at March 31st, 2013 according to IFRS</b>	<b>7,269</b>	<b>14,807</b>	<b>24,628</b>	<b>5,911</b>	<b>(1,307)</b>	<b>51,308</b>	<b>5,619</b>	<b>56,927</b>

## **1.5. Information concerning principles adopted to prepare the statements**

### **1.5.1. Declaration of compliance and general principles of preparing the statements**

These interim condensed consolidated financial statements were prepared in accordance with IAS 34 "Interim Financial Reporting" and in compliance with the relevant International Financial Reporting Standards (IFRS) applicable to interim financial reporting, approved by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretation Committee (IFRIC), as approved by the European Union and applicable as at March 31st, 2014. Comparable financial data have been prepared based on principles used in the preparation of the financial statements.

Interim condensed consolidated financial statements do not include all the information and disclosures required in annual consolidated financial statements and they should be read jointly with the annual financial statements for 2013, including notes for the 12 months ended on December 31st, 2013, prepared according to IFRS, as approved by the EU.

Accounting principles used for the preparation of the financial statements are consistent with the principles used at the preparation of the annual financial statements for the year ended December 31st, 2013. The financial statements have been prepared in accordance with the International Accounting Standards.

These condensed interim consolidated financial statements have not been reviewed or audited by an independent statutory auditor. The last financial statements audited by an independent statutory auditor were the financial statements for 2013.

The interim condensed consolidated financial statements have been prepared in accordance with the historical cost convention. The financial statements have been prepared on the assumption that the Group companies will continue as going concerns in the foreseeable future. As at the date of approval of these financial statements, no circumstances were identified which could threaten the continuity of the Group companies' operations.

### **1.5.2. Statements of the Management Board**

Under the Regulation of the Minister of Finance of February 19<sup>th</sup>, 2009 concerning current and periodical information disclosed by issuers of securities, the Company's Management Board represents that to their best knowledge these financial statements and comparative data were drafted in accordance with the accounting standards binding on the Company and reflect truly, fairly and clearly the Company's assets and financing standing as well as its financial result.

These statements were drafted with the use of accounting standards, according to the International Financial Reporting Standards as approved by the European Union and insofar as required by the Regulation of the Minister of Finance of February 19<sup>th</sup>, 2009 concerning current and periodical information disclosed by issuers of securities (Journal of Laws No 33, item 259, as amended). The statements cover the period from January 1st until March 31st, 2014.

### **1.5.3. Functional and presentation currency**

#### a) Functional and presentation currency

The items included in the consolidated financial statements are appraised in the currency of the basic business environment in which the Company carries out its operations ("functional currency"). The consolidated financial statements are presented in Polish zloty (PLN) — the Company's functional and presentation currency.

#### b) Transactions and balances

Transactions expressed in foreign currencies are translated into the functional currency according to the exchange rate applicable on the transaction date. FX profit and loss on settlement of these transactions and balance sheet valuation of monetary assets and liabilities expressed in foreign currencies are recognized in the profit and loss account unless they are deferred as equity, where they are qualified to be recognized as securities of cash flows and shares in net assets.

### **1.5.4. Consolidation principles**

These consolidated financial statements for the period ended March 31st, 2014 cover the parent entity, Atende S.A., and the following subsidiaries which belong to the Group:

- Atende Software sp. z o.o., in which the Issuer holds 100% of shares and votes at the shareholders' meeting,
- Impulsy sp. z o.o., in which the Issuer holds 78.46% of shares and votes at the shareholders' meeting,
- Sputnik Software sp. z o.o., in which the Issuer holds 60% of shares and votes at the shareholders' meeting.
- Phoenix Systems Sp. z o.o. in which the Issuer's subsidiary, Atende Software, holds 51% of shares and votes at the shareholders' meeting.

All subsidiaries are fully consolidated. Results of Atende Software, Impulsy and Sputnik Software are consolidated as of May 1st, 2012, whereas the results of Phoenix Systems are consolidated as of January 1st, 2014.

As at March 31st, 2014, in the Capital Group there were also companies whose results were not consolidated:

- OmniChip Sp. z o.o. in which the Issuer's subsidiary, Atende Software, holds 15% of shares and votes at the shareholders' meeting. The Company was incorporated on November 21<sup>st</sup>, 2013 and the shares were registered in the National Court Register on December 12<sup>th</sup>, 2013.
- TrustIT Sp. z o.o. in which the Issuer holds 100% of shares and votes at the shareholders' meeting. The shares were acquired on March 13th, 2014.
- Textus Virtualis Sp. z o.o. in which the Issuer holds 45% of shares and votes at the shareholders' meeting. The shares were acquired on March 28th, 2014.

Results of OmniChip are not consolidated due to the lack of significance. TrustIT results will be consolidated as of the second quarter of 2014. Acquisition of shares in Textus Virtualis is a step in the process whose aim is to merge the company with the Issuer's subsidiary Impulsy. The merger process should be completed in May 2014.

#### **1.5.5. Important values based on professional judgement and estimates**

In preparing these financial statements, the Management Board of the parent company uses estimates based on certain assumptions and judgements. These estimates affect the applied policies and reported values of assets, liabilities, income and expenses.

The estimates and underlying estimate-related assumptions are based on historical experience and analysis of the various factors that are considered to be reasonable under the circumstances; their results form the basis of professional judgement as to the value of the items concerned. In some important matters the Management Board relies on the opinions of independent experts.

Due to the nature of estimates and adopted assumptions concerning the future, the resulting accounting estimates, by definition, may not coincide with the actual results. The estimates and assumptions adopted are subject to ongoing verification. Any change in accounting estimates will be recognized in the period in which they are changed, if they concern this period only, or in subsequent periods as well.

The estimates and assumptions that carry a significant risk include:

- a) provisions for employee benefits

As regards employee benefits, Atende Capital Group is not a party to any wage bargaining agreements or collective employment agreements. Moreover, the Capital Group does not participate in any pension schemes managed directly by the companies of the Capital Group or by external funds. The costs of employee benefits include salaries payable according to the terms and conditions of employment contracts concluded with individual employees and the costs of pension benefits (retirement severance pay) payable to employees pursuant to the Labour Code provisions at the end of their employment period. Short-term employee benefit liabilities are valued according to general principles. Long-term benefits are estimated using actuarial methods. Due to the intangible nature of these provisions, based on the materiality principle included in the International Financial Reporting Standards Conceptual Framework, the provisions for long-term benefits at the end of the employment period have not been recognized in the financial statements.

- b) long-term contracts

The Capital Group determines the stage of completion of long-term contracts by determining the ratio of costs already incurred in a project to the total estimated project costs. Due to the nature of implemented projects and the possibility that unforeseen difficulties emerge in relation to project implementation, it may turn out that actual total project implementation costs differ from the estimated ones. Changes in total project implementation cost estimates may result in the need to restate the project completion stage determined as at the balance sheet date, and thus restate the revenue recognized.

- c) other

In addition to the abovementioned estimates, the Capital Group companies shall periodically (at least annually, at the reporting date) estimate the correctness of determining the useful lives of individual fixed assets, any residual value of particular items, as well as write-downs on receivables and inventories. These estimates are largely based on historical experience and the analysis of various factors affecting the use of assets and the possibility of taking advantage of the related economic profits.

#### **1.5.6. Description of adjustment or errors from previous periods**

None.

#### **1.5.7. Description of items affecting assets, liabilities, equity, net financial result and cash flows, which are atypical due to their type, size or influence**

None.

### **1.6. Segment data**

#### **1.6.1. Recognized operating segments**

Applying the management approach to reporting concerning segments of activity within Atende Group allows for distinguishing two operating segments:

- ICT systems integration,
- integration of technological infrastructure.

**The ICT systems integration segment** includes consulting, surveying, design, supply, construction, commissioning, implementation, technical support and warranty and post warranty maintenance services for systems used to collect, store, process and transmit digital data, as well as support services for their users and outsourcing own ICT systems. Within this operating segment, the Company develops, inter alia:

- data transmission networks and related systems:
  - networks for telecommunications providers, along with systems to monitor these networks and manage the provided services,
  - corporate networks for other entities,
  - ICT security systems (protection of data confidentiality and integrity, protection of computer systems against malware and hackers, digital identity systems, digital signature, etc.),
  - solutions to manage provider services in IP (Internet Protocol) based telecommunications networks using proprietary utility (application) software integrated with network traffic controls;
- server and mass storage systems:
  - high-performance computing systems used by scientific institutions and companies, including state-of-the-art multiprocessor parallel processing systems,
  - system platforms for utility software based on processing of databases, including business operations support systems (ERP, CRM and others), as well as for trading and providing services via the Internet (e-commerce),
  - data storage systems, including solutions for automatic backup and data archiving;
- dedicated solutions, such as:
  - IP telephone systems, video conferencing and so-called unified communications systems,
  - cloud computing systems, i.e. provision of remote access to computing power and mass storage resources via the Internet, including solutions dedicated to providers and private cloud class solutions,
  - solutions for Business Continuity Management (BCM), based on proprietary software and expert knowledge.

The supplied equipment includes computers (from portable computers to expanded supercomputer installations), peripherals, network (transmission) devices along with software, hardware, accessories, materials and services. The Group also implements projects involving development of complete, integrated high-complexity ICT solutions.

**The technological infrastructure integration segment** includes consulting, surveying, design, supply, construction, commissioning, implementation, warranty and post-warranty support (maintenance services) for systems which are parts of the technological infrastructure. Within this operating segment, the Company offers, among others:

- power supply systems, including mainly guaranteed power supply systems, such as:
  - Uninterruptible Power Supply (UPS),
  - power generators, along with necessary installations and equipment;
- HVAC systems (Heating, Ventilation, Air Conditioning);
- structured fibre optic and copper cabling systems for ICT networks and other systems;
- physical security systems, including:
  - fire alarms,
  - automatic fire extinguishing,
  - intruder detection,
  - access control,
  - CCTV (Closed Circuit Television);
- BMS (Building Management Systems);
- integrated CRE (Connected Real Estate) solutions based on the IP protocol, combining IT, communications and building technologies in a single, consistent access infrastructure.

The supplied equipment includes technical devices along with appropriate software, hardware, accessories and materials. The provided services include design works, audit and expertise, adaptation construction, installation, implementation, fault diagnosis, repair, periodical reviews, user support and other related services, thus forming comprehensive services for end customers. The Company also implements the most complex projects in this segment, such as development of complete data centres.

**1.6.2. Information about individual operating segments**

1st quarter of 2014	Continued operations			Discontinued operations	Consolidation exclusions	Total
	ICT systems integration	Integration of technological infrastructure	Other			
Sales revenue	32,458	6,370	406	-	(1,203)	38,031
- from external customers	32,458	6,370	406	-	(1,203)	38,031
- intersegment sales	-	-	-	-	-	-
Sales margin*	11,241	2,074	453	-	-	13,768
Operating profit (loss)	328	(323)	453	-	-	458
EBITDA	1,661	(128)	453	-	-	1,986
Total segment assets	33,946	7,963	-	-	-	41,909

1st quarter of 2013	Continued operations			Discontinued operations	Consolidation exclusions	Total
	ICT systems integration	Integration of technological infrastructure	Other			
Sales revenue	23,195	6,074	204	-	(728)	28,745
- from external customers	23,195	6,074	204	-	(728)	28,745
- intersegment sales	-	-	-	-	-	-
Sales margin*	9,012	1,503	247	-	-	10,763
Operating profit (loss)	(754)	(434)	247	-	-	(940)
EBITDA	523	(262)	247	-	-	509
Total segment assets	36,164	5,236	-	-	-	41,400

\*Sales margin = Sales revenue - Variable selling costs  
 Segment assets = Tangible fixed assets + Intangible assets

**1.6.3. Geographical segments by sales revenue from external customers**

	1st quarter 2014	1st quarter 2013
Domestic sales	36,957	28,375
Export	1,074	370
<b>TOTAL</b>	<b>38,031</b>	<b>28,745</b>

**1.7. Detailed notes**

**1.7.1. Movements in tangible fixed assets (by type) and impairment write-downs**

1st quarter of 2014	Land	Buildings and structures	Machinery and equipment	Vehicles	Other fixed assets	Fixed assets under construction	<b>Total</b>
Gross carrying amount as at January 1st, 2014	-	15,111	12,539	3,997	648	882	33,177
<b>Gross carrying amount as at March 31st, 2014</b>	-	<b>15,212</b>	<b>12,369</b>	<b>3,995</b>	<b>739</b>	<b>1,154</b>	<b>33,469</b>
Redemption as at January 1st, 2014	-	645	5,294	1,201	184	-	7,324
<b>Redemption as at March 31st, 2014</b>	-	<b>784</b>	<b>5,584</b>	<b>1,306</b>	<b>227</b>	-	<b>7,901</b>
<b>Net carrying amount as at March 31st, 2014</b>	-	<b>14,428</b>	<b>6,785</b>	<b>2,689</b>	<b>512</b>	<b>1,154</b>	<b>25,568</b>

**Impairment write-downs in the 1st quarter of 2014**

No impairment write-downs were made.

**Amounts of liabilities assumed for the purchase of tangible fixed assets in the 1st quarter of 2014**

No material liabilities were assumed for purchase of tangible fixed assets.

1st quarter of 2013	Land	Buildings and structures	Machinery and equipment	Vehicles	Other fixed assets	Fixed assets under construction	<b>Total</b>
Gross carrying amount as at January 1 <sup>st</sup> , 2013	341	16,485	12,519	5,308	232	1,643	36,528
<b>Gross carrying amount as at March 31st, 2013</b>	-	<b>14,498</b>	<b>12,652</b>	<b>5,498</b>	<b>235</b>	<b>1,709</b>	<b>34,592</b>
Redemption as at January 1 <sup>st</sup> , 2013	-	472	5,059	2,363	162	-	8,056
<b>Redemption as at March 31st, 2013</b>	-	<b>283</b>	<b>5,308</b>	<b>2,358</b>	<b>167</b>	-	<b>8,116</b>
<b>Net carrying amount as at March 31st, 2013</b>	-	<b>14,215</b>	<b>7,344</b>	<b>3,140</b>	<b>68</b>	<b>1,709</b>	<b>26,476</b>

**Impairment write-downs in the 1st quarter of 2013**

No impairment write-downs were made.

**Amounts of liabilities assumed for the purchase of tangible fixed assets in the 1st quarter of 2013**

No material liabilities were assumed for purchase of tangible fixed assets.

**1.7.2. Movements in intangible assets (by type) and impairment write-downs**

1st quarter of 2014	Costs of development works	Right of perpetual usufruct of land	Patents and licenses	Computer software	Other	Intangible assets under construction	Total
Gross carrying amount as at January 1st, 2014	6,124	321	180	15,197	2,035	4,137	27,994
<b>Gross carrying amount as at March 31st, 2014</b>	<b>7,384</b>	<b>321</b>	<b>180</b>	<b>15,239</b>	<b>2,035</b>	<b>4,689</b>	<b>29,848</b>
Redemption as at January 1st, 2014	1,691	50	112	9,332	1,519	-	12,704
<b>Redemption as at March 31st, 2014</b>	<b>1,994</b>	<b>52</b>	<b>129</b>	<b>9,731</b>	<b>1,601</b>	<b>-</b>	<b>13,507</b>
<b>Net carrying amount as at March 31st, 2014</b>	<b>5,390</b>	<b>269</b>	<b>51</b>	<b>5,508</b>	<b>434</b>	<b>4,689</b>	<b>16,341</b>

**Impairment write-downs in the 1st quarter of 2014**

No impairment write-downs were made.

**Amounts of liabilities assumed for purchase of intangible assets in the 1st quarter of 2014**

No material liabilities were assumed for purchase of intangible assets.

1st quarter of 2013	Costs of development works	Right of perpetual usufruct of land	Patents and licenses	Computer software	Other	Intangible assets under construction	Total
Gross carrying amount as at January 1st, 2013	4,896	321	176	12,378	2,035	4,795	24,601
<b>Gross carrying amount as at March 31st, 2013</b>	<b>4,896</b>	<b>321</b>	<b>176</b>	<b>15,240</b>	<b>2,035</b>	<b>2,588</b>	<b>25,256</b>
Redemption as at January 1st, 2013	653	43	44	7,579	1,192	-	9,511
<b>Redemption as at March 31st, 2013</b>	<b>898</b>	<b>45</b>	<b>61</b>	<b>8,055</b>	<b>1,273</b>	<b>-</b>	<b>10,332</b>
<b>Net carrying amount as at March 31st, 2013</b>	<b>3,998</b>	<b>276</b>	<b>115</b>	<b>7,185</b>	<b>762</b>	<b>2,588</b>	<b>14,924</b>

**Impairment write-downs in the 1st quarter of 2013**

No impairment write-downs were made.

**Amounts of liabilities assumed for purchase of intangible assets in the 1st quarter of 2013**

No material liabilities were assumed for purchase of intangible assets.

**1.7.3. Estimated changes in goodwill**

	March 31st, 2014	December 31st, 2013	March 31st, 2013
Atende Software sp. z o.o.	3,173	3,173	3,173
Impulsy sp. z o.o.	2,523	2,523	2,523
Sputnik Software sp. z o.o.	3,609	3,609	3,609
Phoenix Systems Sp. z o.o.	860	-	-
<b>Goodwill (net)</b>	<b>10,165</b>	<b>9,305</b>	<b>9,305</b>

On July 24th, 2013 and November 26th, 2013, Atende Software purchased 26% of shares in Phoenix Systems Sp. z o.o. for an amount of PLN 929 thousand. On January 17th, 2014, newly established shares in Phoenix Systems, which Atende Software took up on September 10th, 2013, amounting to PLN 1 million, were registered in the National Court Register. Following the

aforementioned transactions, the Atende Capital Group controls 51% of the share capital and voting rights at the shareholders' meeting of Phoenix Systems.

Acquisition of Phoenix Systems shares is consistent with the development strategy of the Issuer for the period until 2015, providing for dynamic development in the area of software and advanced technologies with an emphasis on innovation. Phoenix Systems writes software for embedded systems, in particular those used in electric power metering. The company was founded in 2011 by a team of professionals with many years of experience in the design and implementation of software for specialized equipment (e.g. software for robots used in the manufacture of integrated circuits, software for heart rate monitors, digital cameras, etc.).

As a subsidiary, Phoenix Systems is subject to full consolidation from the date of taking control over it by the Group. Although the takeover of control occurred on January 17th, 2014, for practical reasons the consolidation was settled starting from January 1st, 2014. As a result of the consolidation of Phoenix Systems, the financial statements of the Group recognized goodwill in the amount of PLN 860 thousand. Consolidation was settled in accordance with IFRS 3, using the acquisition method. Identifiable assets of the subsidiary have been appraised at the fair value, which corresponds to their book value.

**Main classes of acquired assets and assumed liabilities as at the date of takeover**

Fair value of acquired assets as at January 1st, 2014	Phoenix Systems Sp. z o.o.
<b>Fixed assets</b>	<b>899</b>
Tangible fixed assets	46
Intangible assets	807
Deferred income tax assets	46
<b>Current assets</b>	<b>1,808</b>
Trade receivables	774
Other receivables	7
Prepayments/Accruals	39
Cash and cash equivalents	988
<b>Total assets</b>	<b>2,707</b>

**Value of receivables of Phoenix Systems as at the date of takeover by the Atende Group**

	Trade receivables	Other receivables
Receivables (net)	774	7
Revaluation write-downs	-	-
Receivables (gross)	774	7
Fair value of receivables	774	7

Fair value of assumed liabilities as at January 1st, 2014	Phoenix Systems Sp. z o.o.
<b>Current liabilities</b>	<b>571</b>
Trade liabilities	547
Other liabilities	24
<b>Total liabilities</b>	<b>571</b>

Phoenix Systems had no contingent liabilities as at the date of the takeover of control.



**1.7.4. Investments in subordinated entities as at March 31st, 2014**

Company name	Value of shares at acquisition price	Revaluation write-downs	Carrying value of shares	Percentage of shares held	Percentage of votes held	Consolidation method
Atende Software sp. z o.o.	5,977	-	5,977	100.00%	100.00%	full
Impulsy sp. z o.o.	3,665	-	3,665	78.46%	78.47%	full
Sputnik Software sp. z o.o.	6,522	-	6,522	60.00%	60.00%	full
Phoenix Systems Sp. z o.o.	1,949	-	1,949	51.00%	51.00%	full
OmniChip Sp. z o.o.	337	-	337	15.00%	15.00%	none
TrustIT Sp. z o.o. <sup>1</sup>	304	-	304	100.00%	100.00%	none <sup>1</sup>
Textus Virtualis Sp. z o.o. <sup>2</sup>	-	-	-	45.00%	45.00%	none <sup>2</sup>
<b>TOTAL</b>	<b>18,754</b>		<b>18,754</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>1</sup> The shares of TrustIT were acquired on March 13th, 2014. The company's results will be consolidated starting from the 2nd quarter of 2014.

<sup>2</sup> On March 28th, 2014, Atende acquired a 45% stake in Textus Virtualis Sp. z o.o. for PLN 2.4 million. Payment for the shares will take place upon the registration of the merger of Textus Virtualis with Impulsy. As at the date of publication of this report, documents related to the merger were submitted to the National Court Register.

**1.7.5. Movements in estimated inventories**

	March 31st, 2014	December 31st, 2013	March 31st, 2013
Materials for manufacturing purposes	3,453	3,419	3,460
Semi-finished products and work in progress	5,633	1,469	3,196
Goods	3,411	6,881	8,076
<b>Gross inventories</b>	<b>12,497</b>	<b>11,769</b>	<b>14,732</b>
Inventories revaluation write-down	2,561	3,439	2,180
<b>Net inventories</b>	<b>9,936</b>	<b>8,330</b>	<b>12,552</b>

**Movements in inventories revaluation write-downs**

1st quarter of 2014	Revaluation write-downs for materials	Revaluation write-downs for goods	Total inventory revaluation write-downs
<b>As at January 1st, 2014</b>	2,129	1,310	3,439
Increase, including:	126	-	126
- establishment of revaluation write-downs	126	-	126
Decrease, including:	-	1,004	1,004
- use of write-downs	-	1,004	1,004
<b>As at March 31st, 2014</b>	<b>2,255</b>	<b>306</b>	<b>2,561</b>

1st quarter of 2013	Revaluation write-downs for materials	Revaluation write-downs for goods	Total inventory revaluation write-downs
<b>As at January 1<sup>st</sup>, 2013</b>	<b>1,804</b>	<b>267</b>	<b>2,071</b>
Increase, including:	128	-	128
- establishment of revaluation write-downs	128	-	128
- other	-	-	-
Decrease, including:	19	-	19
- reversal of revaluation write-downs	19	-	19
<b>As at March 31<sup>st</sup>, 2013</b>	<b>1,913</b>	<b>267</b>	<b>2,180</b>

#### 1.7.6. Movements in estimated trade receivables

	March 31 <sup>st</sup> , 2014	December 31 <sup>st</sup> , 2013	March 31 <sup>st</sup> , 2013
<b>Short-term receivables, including:</b>	<b>32,307</b>	<b>73,665</b>	<b>27,641</b>
- from related entities	11	570	-
- from other entities	32,296	73,095	27,641
Revaluation write-downs (positive value)	315	328	327
<b>Gross short-term receivables</b>	<b>32,622</b>	<b>73,993</b>	<b>27,968</b>

#### Change in trade receivables revaluation write-downs

	1st quarter of 2014	1st quarter of 2013
<b>Trade receivables revaluation write-downs as at the beginning of the quarter</b>	<b>328</b>	<b>332</b>
Decrease, including:	13	5
- reversal of revaluation write-downs in connection with repayment of receivables	13	5
<b>Trade receivables revaluation write-downs as at the end of the quarter</b>	<b>315</b>	<b>327</b>

#### Current and overdue trade receivables

As at March 31 <sup>st</sup> , 2014	Total	Non-overdue	Overdue for				
			< 60 days	61-90 days	91-180 days	181-360 days	> 360 days
<b>RELATED ENTITIES</b>							
Gross receivables	11	11	-	-	-	-	-
Revaluation write-downs	-	-	-	-	-	-	-
<b>Net receivables</b>	<b>11</b>	<b>11</b>	-	-	-	-	-
<b>OTHER ENTITIES</b>							
Gross receivables	32,611	25,902	3,309	2,567	458	60	315
Revaluation write-downs	315	-	-	-	-	5	310
<b>Net receivables</b>	<b>32,296</b>	<b>25,902</b>	<b>3,309</b>	<b>2,567</b>	<b>458</b>	<b>55</b>	<b>5</b>
<b>TOTAL</b>							
Gross receivables	32,622	25,913	3,309	2,567	458	60	315
Revaluation write-downs	315	-	-	-	-	5	310
<b>Net receivables</b>	<b>32,307</b>	<b>25,913</b>	<b>3,309</b>	<b>2,567</b>	<b>458</b>	<b>55</b>	<b>5</b>

As at March 31st, 2013	Total	Non-overdue	Overdue for				
			< 60 days	61-90 days	91-180 days	181-360 days	> 360 days
OTHER ENTITIES							
Gross receivables	27,968	23,001	2,676	1,912	68	144	167
Revaluation write-downs	327	-	56	-	-	119	152
<b>Net receivables</b>	<b>27,641</b>	<b>23,001</b>	<b>2,620</b>	<b>1,912</b>	<b>68</b>	<b>25</b>	<b>15</b>

There were no receivables from related entities as at March 31st, 2013.

#### 1.7.7. Movements in estimated values of other receivables

	March 31st, 2014	December 31st, 2013	March 31st, 2013
Short-term receivables, including:	693	734	1,178
- from other entities	693	734	1,178
Revaluation write-downs (positive value)	-	-	-
<b>Gross short-term receivables</b>	<b>693</b>	<b>734</b>	<b>1,178</b>

#### 1.7.8. Net deferred tax assets/provision

	March 31st, 2014	December 31st, 2013	March 31st, 2013
Deferred tax asset	4,385	3,994	3,046
Deferred tax provision, including:	2,518	2,630	2,367
- recognized in tax	1,897	1,948	1,433
- recognized in equity	621	682	934
<b>Net deferred tax assets/provision</b>	<b>1,867</b>	<b>1,364</b>	<b>679</b>

#### 1.7.9. Other liabilities resulting from estimates

	March 31st, 2014	December 31st, 2013	March 31st, 2013
Accruals due to:	14,473	16,930	11,562
- employee leaves	917	910	398
- bonuses	2,970	2,567	1,668
- uninvoiced costs	10,567	13,432	9,478
- other	19	21	18
<b>Total, including:</b>	<b>14,473</b>	<b>16,930</b>	<b>11,562</b>
- long-term	19	21	25
- short-term	14,454	16,909	11,537

Other liabilities presented in the table above relate only to those obligations which arise from the estimates. Other liabilities presented in the consolidated statement of financial position include also all other liabilities that are not classified as trading liabilities or financial obligations.

#### 1.7.10. Issue, redemption and repayment of debt securities and equities

Did not occur in the 1st quarter of 2014

**1.7.11. Paid out (or declared) dividend**

Did not occur in the 1st quarter of 2014

**1.7.12. Information concerning seasonality or periodicity of operations**

The Group's activity in the market for ICT systems integration demonstrates seasonal nature of sales, which is typical of the whole industry. In this segment, sales revenue is usually lower in the first three quarters and increases in the fourth quarter. The first quarter, in particular, is usually characterized by the lowest income. Seasonality has also material influence on changes in the amounts of receivables and liabilities which at the end of the annual period are much higher as compared to the first three quarters.

**1.7.13. Unpaid loans or breach of the provisions of a loan agreement regarding which no remedial actions were taken by the balance sheet date**

Did not occur in the 1st quarter of 2014

**1.7.14. Movements in contingent liabilities or contingent assets since the end of the last financial year**

	March 31st, 2014	December 31st, 2013	March 31st, 2013
Loan repayment surety	39,500	39,500	13,345
Bill of exchange repayment surety	4,456	4,456	6,688
Liabilities due to bank guarantees granted largely as a security for performance of trade contracts	7,720	10,498	5,247
Surety for repayment of granted bank guarantees	7,738	8,568	8,567
Bills of exchange — security of concluded agreements	472	606	-
<b>Total contingent liabilities</b>	<b>59,886</b>	<b>63,628</b>	<b>33,847</b>

Contingent liabilities at the end of the reporting period comprise:

- PLN 39,500 thousand — the amount of PLN 31,500 thousand — mortgage securing the debt due to a bank overdraft and an investment loan taken out by Atende S.A. from BRE Bank S.A. and 7,500 thousand — registered pledge on inventories under the bank overdraft extended by BZ WBK, as well as PLN 500 thousand securing a bank overdraft of Sputnik Software;
- PLN 4,928 thousand — bills of exchange liabilities, comprising:
  - PLN 4,456 thousand — bills of exchange securing debt due to lease agreements concluded by Atende S.A.;
  - PLN 472 thousand — bills of exchange securing debt due to lease agreements concluded by Sputnik Software;
- PLN 7,720 thousand — the value of this liability comprises the following amounts:
  - PLN 6,807 thousand — the value of tender guarantees and guarantees of proper contract performance, the guarantee principal is Atende S.A.;
  - PLN 843 thousand — contingent liabilities taken over from Sputnik Software sp. z o.o., concerning primarily the guarantee for removal of faults and defects and the guarantee of deposit payment within the guarantee limit granted by InterRisk Towarzystwo Ubezpieczeń S.A.;
  - PLN 70 thousand — the value of guarantees of proper contract performance, where the guarantee principal is Atende Software Sp. z o.o.;
- PLN 7,738 thousand — bills of exchange liabilities of Atende S.A., securing the debt resulting from guarantees of proper contract performance.

**1.7.15. Settlements arising from court cases**

As at the date of report publication, the Company and its subsidiaries are not a party to any court dispute of material value.

**1.7.16. Events after the balance sheet date**

Presented in item 2.6 of these statements.

**1.7.17. Changes in the structure of the Capital Group and business entities which are its members,  
made in the 1st quarter of 2014**

Presented in item 2.2.2 of these statements.

## **2. Management Board report on the activities of the Capital Group**

### **2.1. Core operations**

The parent entity of Atende Capital Group (the "Group", the "Capital Group", the "Atende Group") is Atende S.A. (the "Company", the "Issuer", "Atende") with its registered office in Warsaw at ul. Ostrobramska 86. As of May 28<sup>th</sup>, 2012, the Company has been listed on the Warsaw Stock Exchange.

The Company has been operating under the name of Atende since April 12<sup>th</sup>, 2013, when the change in the Issuer's name from ATM Systemy Informatyczne S.A. to Atende S.A. was registered in the National Court Register. ATM Systemy Informatyczne S.A. was established as a result of acquisition of all assets of ATM Systemy Informatyczne sp. z o.o. by KLK S.A., with simultaneous change of the company name from KLK S.A. to ATM Systemy Informatyczne S.A. and relocation of its registered office to Warsaw. The aforementioned changes were registered in the National Court Register on January 3<sup>rd</sup>, 2011.

The Issuer's core business includes ICT systems integration and integration of technological infrastructure, including the infrastructure of data centres. In both segments, the Company has over twenty years of experience resulting from the introduction of many implementation projects. The implementations are characterized by high quality, the highest technological level and large scale of complexity. Moreover, Atende is competent in the field of software development and offers IT outsourcing as well as cloud computing services. Atende S.A. is one of the leading IT companies in Poland.

Through its subsidiaries, the Issuer's Capital Group carries out activities in other attractive niches of the IT market. Atende Software Sp. z o.o. specialises in innovative software for multimedia projects, Smart Grid and cyber security. Sputnik Software sp. z o.o. develops software and provides services for the public sector, mainly for the local government administration. Impulsy sp. z o.o. offers IT solutions for the health care sector, in particular hospitals, outpatient clinics and doctors' offices. Phoenix Systems sp. z o.o. offers a proprietary, real-time system used in embedded systems, as well as a protocol for communication in energy distribution networks compliant with PRIME protocol. OmniChip Sp. z o.o. designs electronic circuits, while TrustIT Sp. z o.o., acquired in March 2014, offers modern outsourcing services of remote IT systems maintenance.

The Company is managed by a Management Board comprising four members. Its composition as at the date of submission of this report is as follows:

- Roman Szwed — President of the Management Board,
- Iwona Bakula — Vice-President of the Management Board,
- Andrzej Słodczyk — Vice-President of the Management Board,
- Szymon Stępczak — Vice-President of the Management Board.

No changes in the composition of the Management Board took place in the first quarter of 2014 or after the balance sheet date.

The Company is supervised by a Supervisory Board comprising the following five members:

- Patrycja Buchowicz — Chairperson of the Supervisory Board,
- Mirosław Panek — Vice-Chairperson of the Supervisory Board,
- Marek Dietl — Member of the Supervisory Board,
- Jan Madey — Member of the Supervisory Board,
- Monika Mizelińska-Chmielewska — Member of the Supervisory Board.

No changes in the composition of the Supervisory Board took place in the first quarter of 2014 or after the balance sheet date.

### **2.2. Description of the organization of the Capital Group**

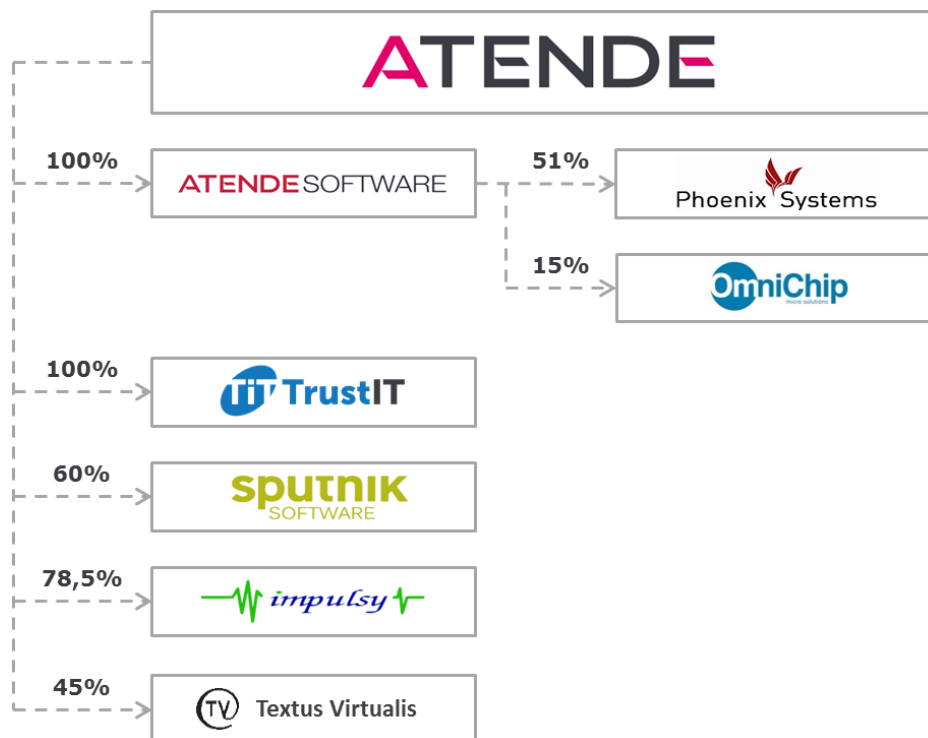
#### **2.2.1. Structure of the Capital Group**

As at March 31st, 2014, the Atende Capital Group comprised 8 entities:

- Atende S.A. — the parent company,
- 7 subsidiaries and affiliates:
  - Atende Software Sp. z o.o. with its registered office in Warsaw, in which the Issuer holds 100% of share capital and votes at the shareholders' meeting,
  - Impulsy Sp. z o.o. with its registered office in Warsaw, in which the Issuer holds 78.46% of share capital and votes at the shareholders' meeting,
  - Sputnik Software Sp. z o.o. with its registered office in Poznań, in which the Issuer holds 60% of share capital and votes at the shareholders' meeting.
  - Phoenix Systems Sp. z o.o. with its registered office in Warsaw, in which the Issuer's wholly-owned subsidiary Atende Software holds 51% of share capital and votes at the shareholders' meeting,
  - OmniChip Sp. z o.o. with its registered office in Warsaw, in which the Issuer's wholly-owned subsidiary Atende Software holds 15% of share capital and votes at the shareholders' meeting,

- TrustIT Sp. z o.o. with its registered office in Łódź in which the Issuer holds 100% of shares and votes at the shareholders' meeting,
- Textus Virtualis Sp. z o.o. with its registered office in Warsaw in which the Issuer holds 45% of shares and votes at the shareholders' meeting.

The structure of the Capital Group as at the end of the reporting period is presented in the figure below:



### 2.2.2. Changes in the structure of the Capital Group and indication of the expected effects of changes

On January 17th, 2014, newly established shares in **Phoenix Systems Sp. z o.o.** taken up by the Issuer's subsidiary Atende Software on September 10th, 2013, amounting to PLN 1 million, were registered in the National Court Register. Following the registration, the Issuer now indirectly controls 51% of the share capital and voting rights at the shareholders' meeting of Phoenix Systems. Phoenix Systems is a company developing innovative software for embedded systems, with the potential for international sales. The Issuer's Management Board expects a significant contribution from Phoenix Systems to the Capital Group's earnings in the mean term.

On March 13th, 2014, Atende S.A. acquired a 100% stake in **TrustIT Sp. z o.o.** for PLN 300 thousand. The acquisition cost may be increased by up to PLN 200 thousand in the case of generating positive net profit in 2014. The domain of TrustIT is the provision of modern remote maintenance outsourcing services within the area of IT systems. According to the Issuer's Management Board, the acquisition of TrustIT will accelerate the development in the area of maintenance and operation of IT systems, and will increase the revenue from subscription services which, in each successive year, play an increasingly important role in the operations of Atende Group.

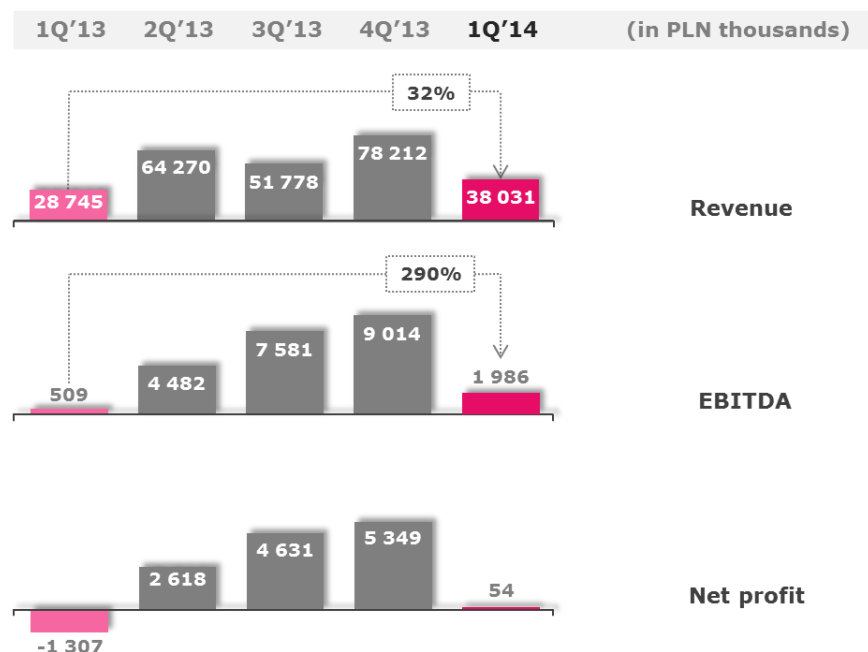
On March 28th, 2014, Atende acquired a 45% stake in **Textus Virtualis Sp. z o.o.** for PLN 2.4 million. Textus Virtualis specializes in the development and implementation of Internet technologies software for health care facilities. It has a comprehensive proprietary system designed to support hospitals and clinics. The Company has been operating on the Polish market since 1998. The acquisition of shares in Textus Virtualis is a step in the process whose aim is to merge the company with the Issuer's subsidiary Impulsy. The aim of the merger is the consolidation of the market and obtaining rights to the modern medical system. The merger process should be completed in May 2014. As a result, Atende will hold a 62.7% stake in the merged entity. According to the Management Board of the Issuer, the Company should record a significant increase in the sales and net profit in comparison to 2013.

The Issuer has undertaken steps which may bring about further changes in the structure of Atende Capital Group.

### 2.3. Commentary of the Management Board on the Issuer's achievements in the 1st quarter of 2014

In the first quarter of 2014, Atende Group generated significantly better results than in the corresponding period of the previous year. At the consolidated level, revenues amounted to PLN 38,031 thousand (increase by 32% y/y), gross profit on sales amounted to PLN 10,126 thousand (increase by 38% y/y), EBITDA amounted to PLN 1,986 thousand (increase by 290% y/y), and net profit amounted to PLN 54 thousand against the loss from the previous year amounting to PLN 1,307 thousand. Results of Atende Group achieved in the 1st quarter of 2014 are consistent with the projections. Due to the seasonal nature of sales, revenues in the first quarter are usually the lowest in a year.

#### Changes in Atende Group key financial data



Consolidated results achieved in the 1st quarter of 2014, higher than those achieved in the previous year, arise from the improvement of results of the parent company Atende S.A. as well as good results of two subsidiaries — Atende Software and Sputnik Software. Results of Impulsy and Phoenix Systems had negative impact on the results of Atende Group.

Selected financial data of the Capital Group	1st quarter of 2014	1st quarter of 2013	Change
Sales revenue, including <sup>1</sup> :	38,031	28,745	32%
– ICT systems integration segment	32,458	23,195	40%
– segment of integration of technological infrastructure	6,370	6,074	5%
– other	406	204	99%
Gross profit on sales	10,126	7,350	38%
Gross profit margin on sales	26.6%	25.6%	1 p.p.
Operating profit	458	(940)	-
EBITDA	1,986	509	290%
Gross profit	215	(1,289)	-
Net result <sup>2</sup>	54	(1,307)	-

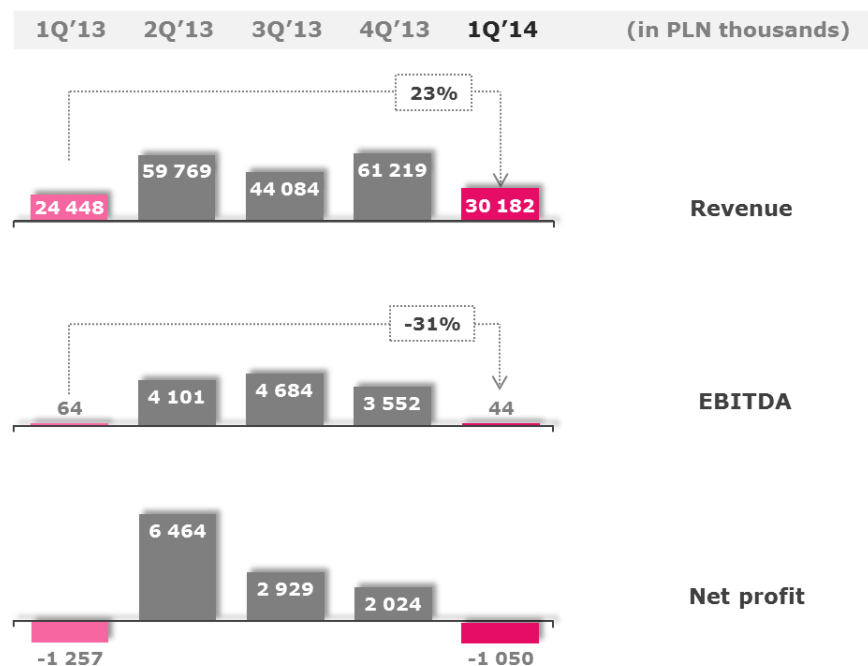
<sup>1</sup> the following division of revenues does not include consolidation exclusions

<sup>2</sup> attributable to shareholders of the parent entity



At the individual level, financial standing of the Company slightly improved when compared to the same period of 2013. Sales increased by 23%, to the level of PLN 30,182 thousand, generating gross profit on sales of PLN 5,792 (increase by 24% y/y). Despite these increases, operating profits and EBITDA in the 1st quarter of 2014 remained at levels similar to those achieved in the previous year, which was caused by the increase in general and administrative expenses of the Management Board. The increase in these costs is largely due to costs of sales departments higher than in the previous year. Net loss amounted to PLN 1,050 thousand and was lower than in the 1st quarter of 2013 by approx. 16%.

**Changes in Atende S.A. key financial data**



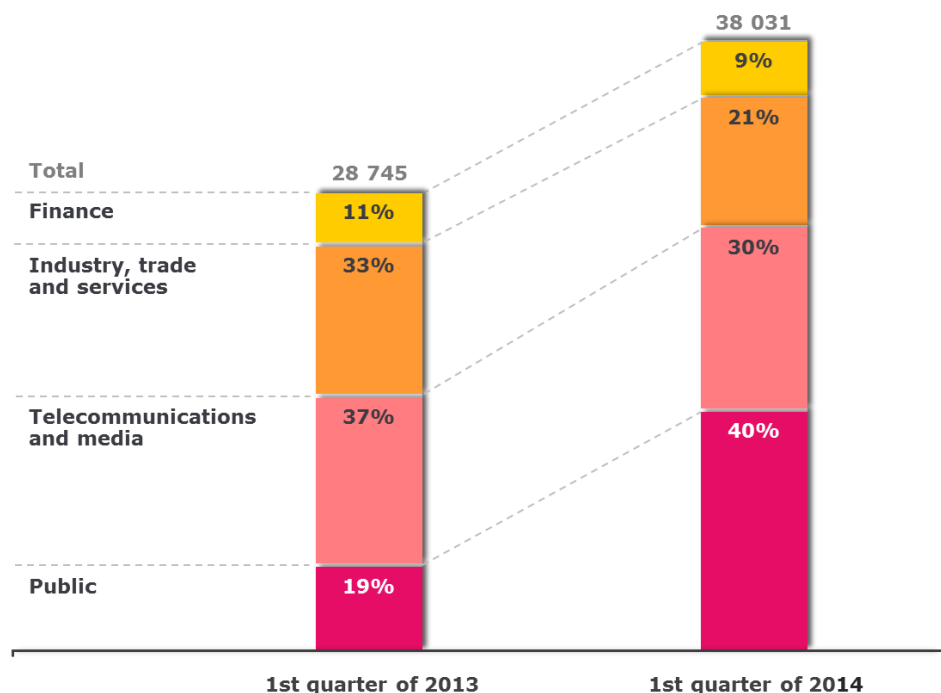
Atende Group increased its sales through the development of the ICT systems integration segment. Sales revenue and sales margin in the segment of technological infrastructure integration are still low, mainly due to the lack of large contracts. Tender proceedings, currently underway, bodes well for 2014 as regards significant contracts in the technological integration segment, in particular as regards construction of data centres.

Consolidated sales by market segment <sup>1</sup>	1st quarter of 2014	1st quarter of 2013	Change
<b>ICT systems integration</b>			
Sales revenue	32,458	23,195	40%
Sales margin <sup>2</sup>	11,241	9,012	25%
EBITDA	1,661	523	218%
<b>Integration of technological infrastructure</b>			
Sales revenue	6,370	6,074	5%
Sales margin <sup>2</sup>	2,074	1,503	38%
EBITDA	(128)	(262)	-

<sup>1</sup> excluding consolidation exclusions and other revenues

<sup>2</sup> Sales margin = Sales revenue - Variable selling costs

**Atende Group's sales structure broken down by market segments**



The public sector was of the greatest importance for the sales of Atende Group, both in the 1st quarter of 2014 and in the entire 2013. Revenues from this sector accounted for 40% of total consolidated revenues in the 1st quarter of 2014 and were significantly higher than in the previous year, when they amounted to 19% of total revenues. Total sales increase to the public sector amounted to as much as 173% y/y and had a significant impact on good results of Atende Capital Group in the 1st quarter. The most significant works completed in the 1st quarter of 2014 comprised the delivery and integration of network devices for the Armament Inspectorate with the value of PLN 4.8 million as well as the delivery of computing servers for the University of Warsaw with the value of PLN 3.8 million.

As regards the market of telecommunications and media operators, which is the key market for the Issuer, in the 1st quarter of 2014, Atende Group recorded an increase in revenues by 5% y/y, despite visible reductions in telecommunications investments. Of key importance within this sector were projects for mobile operators, mainly in the area of Internet infrastructure extension, including the new LTE technology, as well as settlements and IP services billing. In addition, Atende continued works in the field of technical infrastructure for one of the leaders in the market of data centres, with the total value of PLN 3 million.

In the third most significant sector, i.e. the sector of industry, commerce and services, revenues in the 1st quarter of 2014 decreased by 15% y/y. Within this sector, energy companies were companies of the utmost importance. Among other things, Atende Group, in the reporting period in question, completed the second phase of the development of AMI (Advanced Metering Infrastructure) application for the energy provider Energa-Operator.

Capital Group's sales structure by market segments	1st quarter of 2014	1st quarter of 2013	Change
Public	15,201	5,567	173
Telecommunications and media	11,339	10,776	5%
Industry, trade and services	7,965	9,343	(15)%
Finance	3,504	3,033	16%
Other	22	26	(15)%
<b>TOTAL</b>	<b>38,031</b>	<b>28,745</b>	<b>32%</b>

In the financial sector, in the 1st quarter of 2014, sales increased by 16% when compared to the same period of the previous year. The largest completed works were related to the delivery and integration of network infrastructure and matrices for two medium-sized banks. Atende also executed contracts for a number of entities in the financial sector, e.g. the Warsaw Stock

Exchange, Towarowa Giełda Energii S.A., insurance companies and several banks, mainly in the field of outsourcing, network infrastructure, servicing and cloud computing services.

The Issuer is developing the sales of its services for corporate customers in the cloud computing model, introduced to the market under the brand name of CloudiA. These services are gradually winning an increasing number of customers who require the highest level of availability and reliability of IT infrastructure, supplemented with professional technical support and managed services. Based on market forecasts and demand for cloud computing technology, the Company expects this type of services to have a large growth potential and intends to continue investing in them.

In the 1st quarter of 2014, Atende Software, a subsidiary of the Issuer which specializes in the development of innovative software and products based on this software, signed two new agreements: with the Copernicus Science Centre and the Fryderyk Chopin Institute, on the distribution of multimedia content via redCDN platform. Currently, redCDN built by Atende Software is the largest multimedia content distribution system in Poland, used by television broadcasters such as: TVN S.A., Cyfrowy Polsat S.A., TVP S.A., ITI Neovision S.A., CDP.PL Sp. z o.o., Multimedia Polska S.A., Vectra S.A. and EuroZet Sp. z o.o. Also in the first quarter of 2014, Atende Software completed the second phase of the development of AMI application (Advanced Metering Infrastructure) for the energy provider Energa-Operator. Works were focused on the introduction of new functionalities, using the advanced analysis of survey data. In addition, the Company successfully completed the implementation of BZURA II project, commissioned by the National Centre for Research and Development under a project concerning the national defence and security. BZURA II project was implemented as part of a consortium with the Issuer. In the 1st quarter of 2014, the Company additionally implemented a project named "Software environment for creating measurement systems for Smart Grid", co-financed by NCBiR under the DEMONSTRATOR+ programme. The aim of the project is the introduction of new approach to the creation of intelligent measurement systems used within Smart Grid networks, which consists of transferring the burden of implementing the functionality of the system to the appropriate software. The project will be completed upon the production of a prototype series of systems and demonstrating their capabilities under the conditions of the actual energy distribution network.

In the 1st quarter of 2014, Sputnik Software successfully closed the phase of pilot implementation and commenced the phase of production implementation of the system of electronic document circulation and public services platform, under the project "Lower Carpathians System of Public e-Administration", comprising 160 units of local government in the region. The value of portion implemented by Sputnik Software is approx. PLN 18.5 million gross. Another project completed in the 1st quarter was the "Development of e-services — improving the availability of administration in the municipality of Barciany" with the value of PLN 597 thousand gross. In addition, a contract was concluded on IT works within the framework of the project "Implementation of an integrated system for IT support in the town of Kętrzyn — Kętrzyn e-Town Hall", amounting to PLN 747 thousand gross. Simultaneously, works on the extension of the portfolio of services provided to users of products belonging to the "Innovative City Hall" series have been initiated.

In the 1st quarter of 2014, Impulsy, the company offering IT solutions for the medical sector, was executing contracts regarding the introduction of medical information system named Medicus On-Line in 4 district and municipal hospitals and 1 clinical hospital. The Management Board expects the signing of the following contracts in the 2nd half of 2014 as well as positive financial results at the end of 2014.

In the 1st quarter of 2014, Phoenix Systems signed an agreement with Freescale — the leader in the market of solutions for embedded systems. Under this agreement, the company developed a software implementation of PRIME communication protocol for Freescale Kinetis microcontrollers which, upon the completion of the ongoing certification process, will be offered to the largest global manufacturers of smart electricity meters.

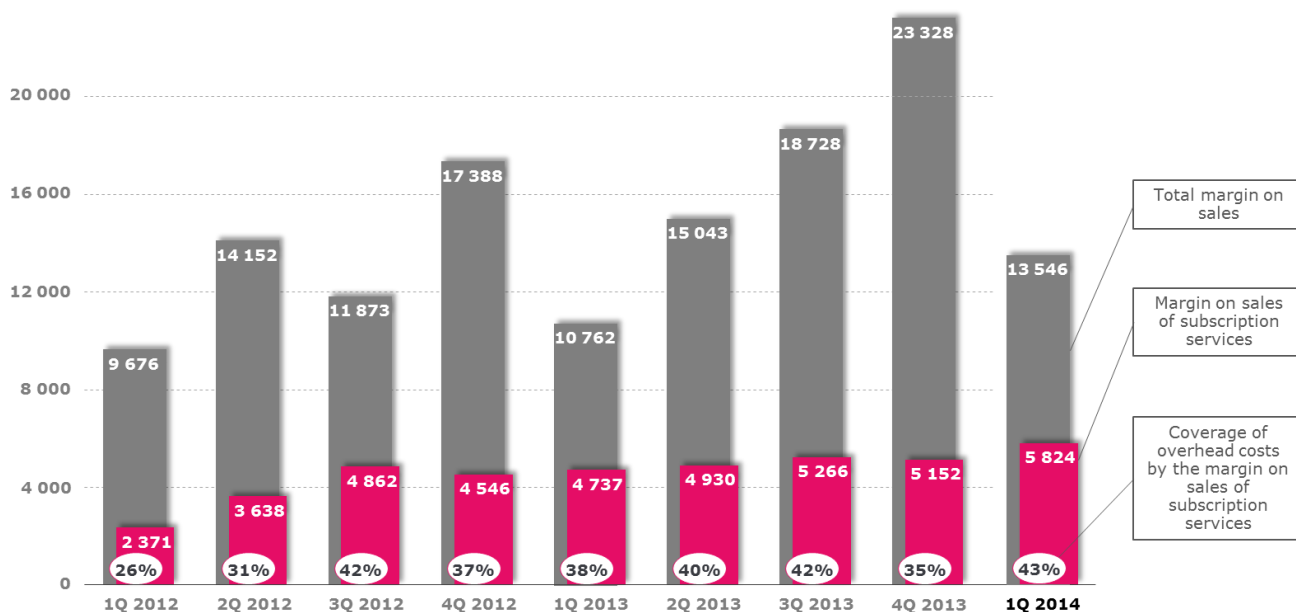
Moreover, in the 1st quarter of 2014, OmniChip completed organizational activities and began research works concerning SmartGrid network devices — particularly over the device used to improve the PLC transmission quality based on PRIME protocol. Simultaneously, works on the project and the business model of IC for Smart Grid network were carried out.

### **2.3.1. Sales of permanent services**

The Company pays special attention to services of a permanent nature, hereinafter referred to as subscription services. These are mainly revenues from the sales of services in the cloud computing model as well as outsourcing and maintenance services. These services are typically billed in cycles (most often on a monthly basis), and the contracts for the provision of such services are usually concluded for many years or provide for long notice periods.

In the 1st quarter of 2014, consolidated sales margin on subscription services grew by 23% y/y and amounted to PLN 5,824 thousand, which means that it covers fixed costs in 43%. The increase in subscription sales is an important element of the Issuer's strategy.

### **Sales of subscription services**



\*Sales margin = Sales revenue – Variable selling costs

## 2.4. Description of atypical factors and events which materially affect financial results achieved

No atypical factors or events occurred in the 4th quarter of 2014.

## 2.5. Significant events during the period covered by the statements

### Taking over a 51% stake in Phoenix Systems

On January 17th, 2014, newly established shares in Phoenix Systems, which Atende Software took up on September 10th, 2013 for PLN 1 million, were registered in the National Court Register. Earlier, Atende Software had purchased a 25% stake (July 24th, 2013) and a 1% stake (November 26th, 2013) from natural persons for a total of approx. PLN 1 million. Following the aforementioned transactions, the Issuer now indirectly controls 51% of the share capital and voting rights at the shareholders' meeting of Phoenix Systems.

### Acquisition of TrustIT

On March 13th, 2014, Atende S.A. acquired a 100% stake in TrustIT Sp. z o.o. for PLN 300 thousand. The acquisition cost may be increased by up to PLN 200 thousand in the case of generating positive net profit in 2014. TrustIT specializes in the remote and direct administration of IT systems of its customers as well as the support of the systems' users. Additionally, it advises its customers in the field of planning, designing and implementing IT activities.

Acquisition of TrustIT shares is consistent with the development strategy of the Issuer for the period until 2015, assuming, among others, active development of sales of ICT outsourcing services.

### Acquisition of shares in Textus Virtualis

On March 28th, 2014, Atende acquired a 45% stake in Textus Virtualis Sp. z o.o. for PLN 2.4 million. Textus Virtualis specializes in the development and implementation of Internet technologies software for health care facilities. It has a comprehensive proprietary system designed to support hospitals and clinics. The company has been operating on the Polish market since 1998.

The acquisition of shares in Textus Virtualis is a step in the process whose aim is to merge the company with the Issuer's subsidiary Impulsy. The aim of the merger is the consolidation of the market and obtaining rights to the modern medical system. On March 31st, 2014, the companies submitted a merger plan in the National Court Register. The merger process should be completed in May 2014. As a result, Atende will hold a 62.7% stake in the merged entity.

## **2.6. Material events after the balance sheet date**

### **Continuation of the process of merger of Impulsy and Textus Virtualis**

On May 5th, 2014, the meetings of shareholders of Impulsy and Textus Virtualis adopted the relevant resolutions in connection with the merger of both companies. The merger will be carried out through the acquisition of Textus Virtualis by Impulsy. The existing shareholders of Textus Virtualis will obtain newly created shares in Impulsy in exchange for contributed shares in Textus Virtualis. As at the date of publication of this report, documents related to the merger were submitted to the National Court Register.

As a result, Atende will hold a 62.7% stake in the merged entity. The remaining shares will be held by the existing President of Textus Virtualis and two existing members of the Management Board of Impulsy.

**No other material events took place after the balance sheet date for the statements covering the 1st quarter of 2014 that could significantly affect the future financial performance of the Issuer.**

## **2.7. Expected development of the Group**

The following external factors may influence operations and financial results of the Issuer and its Capital Group in the upcoming quarters:

- the pace of Poland's economic development,
- the tendency of enterprises to invest in IT infrastructure development,
- changes in the exchange rate of PLN in relation to EUR and USD,
- the level of utilization of EU funds by enterprises and other entities,
- development of new technologies,
- increased awareness of needs in the scope of IT,
- improvement of economic situation abroad,
- availability of bank loans,
- demand of the SME sector for advanced IT tools.

Internal factors important for the Atende Group's development include:

- the maximum use of the synergy effect between Atende and companies constituting the Group: Atende Software, Sputnik Software, Impulsy, Phoenix Systems, OmniChip and TrustIT;
- obtaining the highest partnership status in the largest hardware and software manufacturers;
- expansion and strengthening of the customer base;
- improvement of sales operations;
- the degree of diversification of trading partners.

Apart from the factors listed above, there are no uncertain elements, demands, liabilities or events which may have material impact on the Company's prospects in a short-term perspective.

The Company's Management Board believes that the growth prospects for the Atende Group in the subsequent quarters of 2014 are good, although the macroeconomic environment may not be favorable.

## **2.8. Other information**

### **2.8.1. The opinion of the Management Board regarding the possibility of fulfilling the previously published forecasts of results for a given year**

The Company did not publish forecasts for 2014.

**2.8.2. Information on shareholders having, directly or indirectly through subsidiaries, at least 5% of the total number of votes at the Issuer's general meeting as at the date of submission of the report**

	Number of shares presented in the previous quarterly report <sup>1</sup>	Share in the number of votes at the General Meeting presented in the in the previous quarterly report <sup>1</sup>	Change in the number of votes at the General Meeting between March 3rd, 2014 and May 15th, 2014	Number of shares as at the date of filing the report <sup>2</sup>	Share in the number of votes at the General Meeting as at the date of filing the report <sup>2</sup>
Roman Szwed together with the related entity Spinoza Investments Sp. z o.o. S.K.A.	11,956,958	32.90%	-	11,956,958	32.90%
ING OFE	3,511,955	9.66%	-	3,511,955	9.66%
OFE PKO	2,531,407	6.97%	-	2,531,407	6.97%
Other	18,343,024	50.47%	-	18,343,024	50.47%
<b>Total</b>	<b>36,343,344</b>	<b>100%</b>	<b>N/A</b>	<b>36,343,344</b>	<b>100%</b>

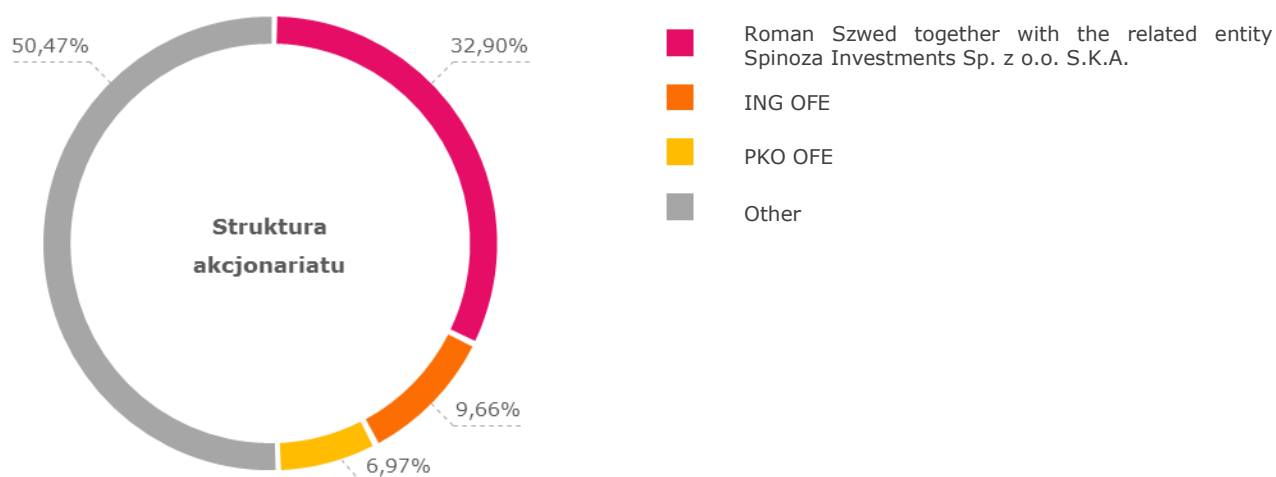
<sup>1</sup> According to confirmations obtained on March 3th, 2014.

<sup>2</sup> According to confirmations obtained on May 15th, 2014.

<sup>3</sup> Spinoza Investments Sp. z o.o. S.K.A. is an entity controlled in 100%, directly and indirectly (through Spinoza Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych) by Roman Szwed.

Percentage share of the shareholders in the Company's share capital corresponds to the percentage share in the number of votes at the general meeting.

The shareholding structure as at the date of submission of this report is presented below (the shareholders having more than 5% of the total number of votes at the General Meeting of the Issuer).



**2.8.3. Statement of changes in the ownership of the company's shares or share options by members of the Management Board and the Supervisory Board**

According to the Management Board's knowledge, the ownership of the Issuer's shares by members of the Management Board and Supervisory Board and the statement of changes have been presented in the table below.

	Number of shares shown in the previous interim report <sup>1</sup>	Increases	Decreases	Number of shares as at the date of filing the report <sup>2</sup>
Roman Szwed — President of the Management Board <sup>3</sup>	11,956,958	-	-	11,956,958
Iwona Bakuła — Vice-President of the Management Board	0	-	-	0
Andrzej Słodczyk — Vice-President of the Management Board	648,716	-	-	648,716
Szymon Stępczak — Vice-President of the Management Board	0	-	-	0
Patrycja Buchowicz — Chairperson of the Supervisory Board	0	-	-	0
Mirosław Panek — Vice-Chairperson of the Supervisory Board	0	-	-	0
Marek Dietl — Member of the Supervisory Board	0	-	-	0
Jan Madey — Member of the Supervisory Board	0	-	-	0
Monika Mizielińska-Chmielewska — Member of the Supervisory Board	0	-	-	0

<sup>1</sup> According to confirmations obtained on March 3th, 2014

<sup>2</sup> According to confirmations obtained on May 15th, 2014.

<sup>3</sup> together with the related entity Spinoza Investments Sp. o.o. S.K.A. which is controlled in 100%, directly and indirectly (through Spinoza Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych) by Roman Szwed.

Members of the Management Board and Supervisory Board hold no Company share options. None of the shareholders has special controlling rights with regard to Atende S.A. The Company has no preferential shares.

#### **2.8.4. Information on significant pending proceedings before the court, arbitration panel or administration body**

As at the date of report publication, the Company and its subsidiaries are not a party to any court dispute whose value would exceed 10% of the Issuer's equity.

#### **2.8.5. Information about material transactions concluded by Group Companies with related entities on conditions other than arm's length conditions**

During the reporting period, neither the Issuer nor any of the Issuer's subsidiaries concluded transactions with related undertakings, neither individually nor jointly, which were not typical or routine transactions concluded in the course of daily operations.

#### **2.8.6. Information on loan or borrowing sureties or guarantees granted by the Issuer or its subsidiary where the value of the surety or guarantee is equal to at least 10% of the Issuer's equity**

During the reporting period, no loan or borrowing sureties or guarantees were extended by the Issuer or any of the Issuer's subsidiaries to any party that would in total exceed 10% of the Issuer's equity.

#### **2.8.7. Other information considered by the Company as important in the assessment of its personnel, asset and financial standing, financial result and changes to such items; information relevant to the assessment of the Issuer's ability to fulfil obligations.**

The Company has a stable personnel, asset and financial position. There are no known factors that could adversely affect the Issuer's ability to meet its obligations.

### 3. Interim condensed individual financial statements prepared in accordance with the International Financial Reporting Standards

#### 3.1. Individual statement of financial position

ASSETS	as at March 31st, 2014	as at December 31st, 2013	as at March 31st, 2013
<b>Fixed assets</b>	<b>48,940</b>	<b>48,870</b>	<b>49,147</b>
Tangible fixed assets	22,813	23,121	24,501
Intangible assets	7,574	7,653	7,678
Investments in subordinated entities	16,468	16,164	16,164
Other long-term financial assets	80	80	80
Deferred income tax assets	1,938	1,785	665
Other fixed assets	67	67	59
<b>Current assets</b>	<b>53,205</b>	<b>80,109</b>	<b>44,569</b>
Inventories	9,245	7,427	10,608
Trade receivables	24,740	57,905	23,402
Current income tax receivables	-	-	167
Other receivables	360	590	1,049
Other financial assets	-	-	341
Prepayments/Accruals	1,851	2,104	790
Cash and cash equivalents	17,009	12,083	8,212
Assets classified as held for sale	-	-	-
<b>TOTAL ASSETS</b>	<b>102,145</b>	<b>128,979</b>	<b>93,716</b>



<b>LIABILITIES</b>	as at March 31st, 2014	as at December 31st, 2013	as at March 31st, 2013
<b>Equity</b>	<b>54,238</b>	<b>55,226</b>	<b>46,464</b>
Share capital	7,269	7,269	7,269
Supplementary capital from share premium	15,121	15,059	14,807
Other capital	22,738	22,738	24,628
Retained financial result	10,160	-	1,017
Financial result for the current period	(1,050)	10,160	(1,257)
<b>Long-term liabilities</b>	<b>6,524</b>	<b>6,574</b>	<b>7,457</b>
Loans and borrowings	4,683	4,851	5,008
Other financial liabilities	1,841	1,723	2,340
Long-term trade liabilities and other long-term liabilities	-	-	45
Deferred income	-	-	64
<b>Current liabilities</b>	<b>41,383</b>	<b>67,179</b>	<b>39,795</b>
Loans and borrowings	1,703	1,749	2,135
Other financial liabilities	939	1,387	1,683
Trade liabilities	22,240	35,281	18,448
Current income tax liabilities	-	1,981	-
Other liabilities	16,020	24,751	13,617
Deferred income	481	2,030	3,912
<b>TOTAL LIABILITIES</b>	<b>102,145</b>	<b>128,979</b>	<b>93,716</b>

### 3.2. Individual total income statement

	1st quarter 2014	1st quarter 2013
<b>Net sales revenue</b>	<b>30,182</b>	<b>24,448</b>
Cost of sales	24,390	19,779
<b>Gross profit (loss) on sales</b>	<b>5,792</b>	<b>4,669</b>
Other operating revenue	1,641	1,827
General and administrative costs	7,262	6,155
Other operating expenses	1,061	1,213
<b>Operating profit (loss)</b>	<b>(890)</b>	<b>(872)</b>
Financial revenue	284	286
Financial expenses	535	669
<b>Profit (loss) before tax</b>	<b>(1,141)</b>	<b>(1,255)</b>
Income tax	(91)	2
Net profit (loss) on continuing operations	(1,050)	(1,257)
Profit (loss) on discontinued operations	-	-
<b>Net profit (loss)</b>	<b>(1,050)</b>	<b>(1,257)</b>
Components of other comprehensive income	-	-
which will be reclassified to profit or loss under certain conditions	-	-
which will not be reclassified to profit or loss in the subsequent periods	-	-
<b>Total revenue</b>	<b>(1,050)</b>	<b>(1,257)</b>

### 3.3. Individual cash flow statement

	1st quarter 2014	1st quarter 2013
<b>OPERATING ACTIVITIES</b>		
Profit / loss before tax	(1,141)	(1,255)
Total adjustments:	9,923	10,285
Amortization and depreciation	934	937
Foreign exchange gains (losses)	(7)	(80)
Interest and share in profits (dividends)	108	116
Profit (loss) on investment activities	190	(534)
Changes in inventory	(1,818)	(2,465)
Changes in receivables	33,394	28,681
Change in liabilities and provisions	(22,479)	(15,889)
Change in other assets	253	534
Other adjustments	(652)	(1,015)
Cash from operating activities	8,782	9,030
Income tax (paid) / reimbursed	(1,981)	(353)
<b>Net cash flows from operating activities</b>	<b>6,801</b>	<b>8,677</b>
<b>INVESTING ACTIVITIES</b>		
Inflows	102	464
Sale of intangible and tangible fixed assets	102	464
Other investment inflows	-	-
Outflows	1,166	1,409
Purchase of intangible and tangible fixed assets	861	1,409
Expenditure on financial assets	305	-
Other investment outflows	-	-
<b>Net cash flows from investing activities</b>	<b>(1,064)</b>	<b>(945)</b>
<b>FINANCING ACTIVITIES</b>		
Inflows	350	2,862
Loans and borrowings	343	-
Subsidies	-	2,770
Other financial inflows	7	92
Outflows	1,161	6,434
Repayments of credits and loans	557	5,560
Payment of liabilities under finance lease agreements	496	703
Dividends paid	-	-
Interest	108	171
Other financial outflows	-	-
<b>Net cash flows from financial activities</b>	<b>(811)</b>	<b>(3,572)</b>
<b>TOTAL NET CASH FLOWS</b>	<b>4,926</b>	<b>4,160</b>
Balance-sheet movements in cash, including	4,926	4,160
- change in cash due to changes in exchange rates	-	-
<b>Opening balance of cash</b>	<b>12,083</b>	<b>4,052</b>
<b>Cash and cash equivalents as at the end of the year</b>	<b>17,009</b>	<b>8,212</b>

### 3.4. Statement of changes in individual equity

	Share capital	Supplementary capital from share premium	Own shares	Other capital	Retained financial result	Financial result for the current period	Total equity
<b>1st quarter of 2014</b>							
<b>Equity as at January 1st, 2014 according to IFRS</b>	<b>7,269</b>	<b>15,059</b>	<b>-</b>	<b>22,738</b>	<b>10,160</b>	<b>-</b>	<b>55,226</b>
Changes in accounting principles	-	-	-	-	-	-	-
Adjustments due to fundamental errors	-	-	-	-	-	-	-
Equity after adjustments	7,269	15,059	-	22,738	10,160	-	55,226
Issue of shares	-	-	-	-	-	-	-
Net profit distribution	-	-	-	-	-	-	-
Dividend payout	-	-	-	-	-	-	-
Total revenue	-	-	-	-	-	(1,050)	(1,050)
Deferred tax on items recognized in equity	-	62	-	-	-	-	62
<b>Equity as at March 31st, 2014 according to IFRS</b>	<b>7,269</b>	<b>15,121</b>	<b>-</b>	<b>22,738</b>	<b>10,160</b>	<b>(1,050)</b>	<b>54,238</b>
<b>2013</b>							
<b>Equity as at January 1st, 2013 according to IFRS</b>	<b>7,269</b>	<b>14,760</b>	<b>-</b>	<b>24,628</b>	<b>1,017</b>	<b>-</b>	<b>47,674</b>
Changes in accounting principles	-	-	-	-	-	-	-
Adjustments due to fundamental errors	-	-	-	-	-	-	-
Equity after adjustments	7,269	14,760	-	24,628	1,017	-	47,674
Issue of shares	-	-	-	-	-	-	-
Net profit distribution	-	-	-	-	-	-	-
Dividend payout	-	-	-	(1,890)	(1,017)	-	(2,907)
Total revenue	-	-	-	-	-	10,160	10,160
Deferred tax on items recognized in equity	-	299	-	-	-	-	299
<b>Equity as at December 31st, 2013 according to IFRS</b>	<b>7,269</b>	<b>15,059</b>	<b>-</b>	<b>22,738</b>	<b>-</b>	<b>10,160</b>	<b>55,226</b>
<b>1st quarter of 2013</b>							
<b>Equity as at January 1st, 2013 according to IFRS</b>	<b>7,269</b>	<b>14,760</b>	<b>-</b>	<b>24,628</b>	<b>1,017</b>	<b>-</b>	<b>47,674</b>
Changes in accounting principles	-	-	-	-	-	-	-
Adjustments due to fundamental errors	-	-	-	-	-	-	-
Equity after adjustments	7,269	14,760	-	24,628	1,017	-	47,674
Net profit distribution	-	-	-	-	-	-	-
Dividend payout	-	-	-	-	-	-	-
Total revenue	-	-	-	-	-	(1,257)	(1,257)
Deferred tax on items recognized in equity	-	47	-	-	-	-	47
<b>Equity as at March 31st, 2013 according to IFRS</b>	<b>7,269</b>	<b>14,807</b>	<b>-</b>	<b>24,628</b>	<b>1,017</b>	<b>(1,257)</b>	<b>46,464</b>