

## 2018 is a year of development for Atende

The year of the relatively good market conditions was used in the Atende Group to invest in the development of new products and services. The Atende Group's financial performance in 2018 was slightly weaker than in the previous year, but the enormous scale of development efforts made at that time by Atende and the Group companies should bring tangible financial benefits already in 2019.

In 2018, consolidated sales revenue amounted to PLN 275,606 thousand, which represents a decrease by 5% as compared with the previous year, primarily due to the lower sale to the telecommunication and media sectors (decline by 20% y/y) and to the public sector (decline by 3% y/y). However, this does not change the fact that these sectors remain key for the Group and account for a total of 71% of its revenue. In 2018, sales to customers of the industry, trade and services sector increased by 15% and to the financial sector by 10% compared to the previous year. Ultimately, the net result of the Group decreased by 16% y/y to PLN 10,672 thousand.

At the individual level, the sales revenue of Atende decreased by 11% as compared to 2017 and amounted to PLN 208,243 thousand. However, due to the significant financial gains in 2018, the net result is much better than in 2017 (an increase of 41% y/y to the level of PLN 10,679 thousand).

*- in 2018 we put emphasis on the development of innovative products based on, inter alia, artificial intelligence, blockchain technology, the IoT solutions and big data, thereby creating a strong basis for increasing revenue in 2019 and subsequent years. 2018 was another year in which we recorded a growing significance of subsidiaries and their products and services in the Atende Group – says Roman Szwed, President of the Management Board in Atende S.A.*

In 2018, subsidiaries generated EBITDA of PLN 13.1 million which accounted for more than half (54%) of EBITDA generated by the entire Atende Group. The largest contributors to this result were two companies: Atende Software and Sputnik Software. Both companies produced a net profit of PLN 3.4 million each. Atende Software, which is the leader in Poland in the field of online distribution of multimedia content, increased its revenue from these services by as much as 21%! Sputnik Software, which develops software and provides services for the public sector, mainly for the local government administration, generated 11% increase in sales revenue.

*- Our biggest achievements in 2018 include an increase in sales of subscription services, giving a comfort of predictability of revenues, which was observed out both in Atende and in the Capital Group companies. In subsequent years, we intend to continue to increase the share of sales of subscription services in the total Group income, mainly based on proprietary products and software – says Roman Szwed.*

In 2018, the total margin on sales of subscription services increased by 9% y/y and amounted to PLN 41.9 million, thus covering 47% of fixed costs of the entire Group. In 2018, the Group both increased its sales of services offered to date and expanded their portfolio. In the past year, the Atende Group extended a range of subscription services by proprietary solutions based on the blockchain technology, offered and implemented by Atende, and services using big data technology, developed by the company Energy Data Lab in collaboration with Kantar Polska S.A. The increase in subscription sales is an important element of the entire Group's strategy for subsequent years.

In 2018, the company of the Atende Group has made a significant financial and organizational effort in the field of development works, which should be the basis for growth in subsequent years. The Group implemented five projects co-financed by the aid funds. In addition, the company from the Atende Group have developed a number of innovative products, ranging from systems based on artificial intelligence, *blockchain* and *big data* technologies, through technologies necessary to implement the 5G technology, to products such as air quality measurement stations, cards blocking unwanted readings of proximity cards or smart gas and electricity meters. Some of the products went through the commercialisation process in 2018, the effect of which in the form of increased revenues should already be apparent in 2019.



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# ATENDE

*- We are planning to continue our current practice of developing new, innovative products and services intended for the Polish market, but also targeted to foreign markets. We are counting on the year 2019 to be a breakthrough year in entering with our innovative products on global markets – announces Roman Szwed.*

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