

Preliminary financial results for the fourth quarter of 2020 – increase in quarterly sales and a significant improvement in annual results

'000 EUR	3Q 2020	4Q 2020	change	FY2019	FY2020	change
Net revenue from sales	209	234	12,1%	1 084	901	-16,9%
Operating expenses excl.amortization & deprec.	-214	-241	12,6%	-1 530	-982	-35,8%
EBITDA (based on "result on sales")	-5	-6	-2			
EBIT (operating result)	-146	-124	+22	-1 023	-623	+400
EBITDA (based on "operatig result")				-411	-90	+321
Net result	-158	-144	+14	-1 065	-674	+390

Quarter-to-quarter approach:

The fourth quarter was a successful period for the Company. Compared to the previous quarter (Q3), sales increased by **12.1%*** (14.3% for Polish currency), reaching the level of EUR **234** thousand - a better result than the one achieved in the two previous quarters. This increase is the result of both a good sales season (resulting from i.a. Black Friday, December holidays), but also the launch of services for new, large customers (e.g. the Sport Vision group operating on nine European markets) and a further decline in the churn rate¹ (below 3%). In addition to new contracts and ongoing implementations, the increase in revenues was also a result of the technological development of the products offered by the Company, which brought their higher efficiency for the customers.

The EBITDA result (based on 'the result on sales') amounted to **EUR -6 thousand**, which means a slight decrease compared to the previous quarter (by EUR 2k). This is mainly the result of higher salary costs and a slight increase in the cost of some services (e.g. related to server hosting or partner commissions). Another factor influencing this negative change was the booking in the fourth quarter 2020 of costs relating to the entire year 2020 (costs of provisions for the preparation and audit of the financial statements or the annual fee to cover the costs of capital market supervision) in the total amount of EUR 7 thousand.

Annual approach:

Initial results on an annual basis (for the entire year 2020) show an improvement in results compared to 2019 - which was achieved despite the ongoing pandemic resulting slight decrease in sales by 17%* (10% for Polish currency). Both the EBITDA (in annual reports presented on the basis of EBIT) improved by **over EUR 321 thousand** y / y, and the net result, which was **about EUR 390 thousand better** than in the previous year. These results were achieved through to the high optimization of processes within the company, which brought a 35% reduction in operating costs (excluding amortization and depreciation) on a year-to-year basis.

** All currency values expressed in PLN were converted into EUR using the Polish Central Bank exchange rates for the end of a given period. Due to exchange rate differences, the QoQ and YoY changes or dynamics of changes differ from those calculated for the Polish currency.*

¹ Churn - indicator showing loss of revenues as a result of customers churn.

The Management Board of the Company emphasizes that the above data are preliminary results and may slightly differ from the final values, which will be presented in the financial report for the Q4 2020 which will be published on 15 February, 2021.

