

Financial Results Q1 2019

Konrad Tarański, Vice-President of the Management Board, CFO

20th of May, 2019, Krakow

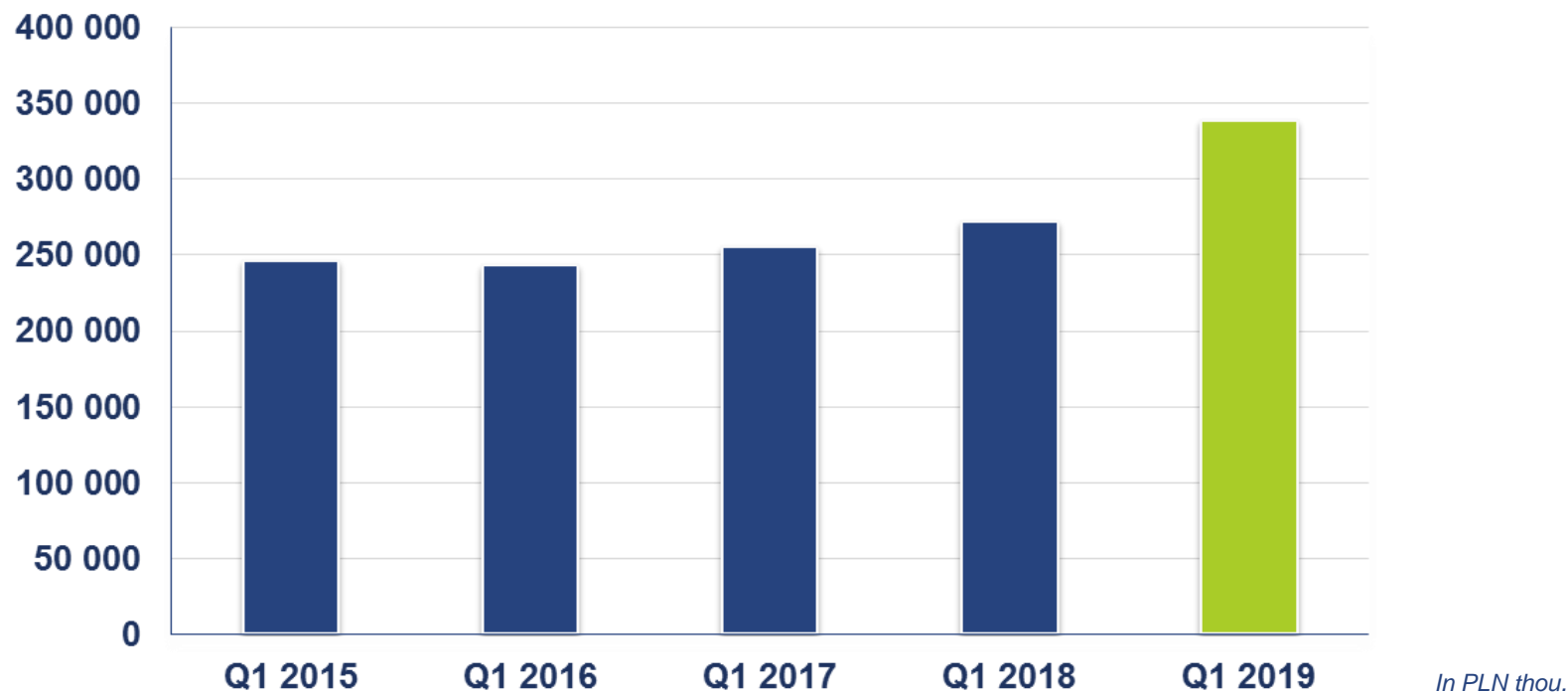
Agenda

- **Financial results Q1 2019**
- **Cash flow**
- **Employment**
- **Investments**
- **Summary**

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Sales Revenue Q1 2019 (Comarch Group)



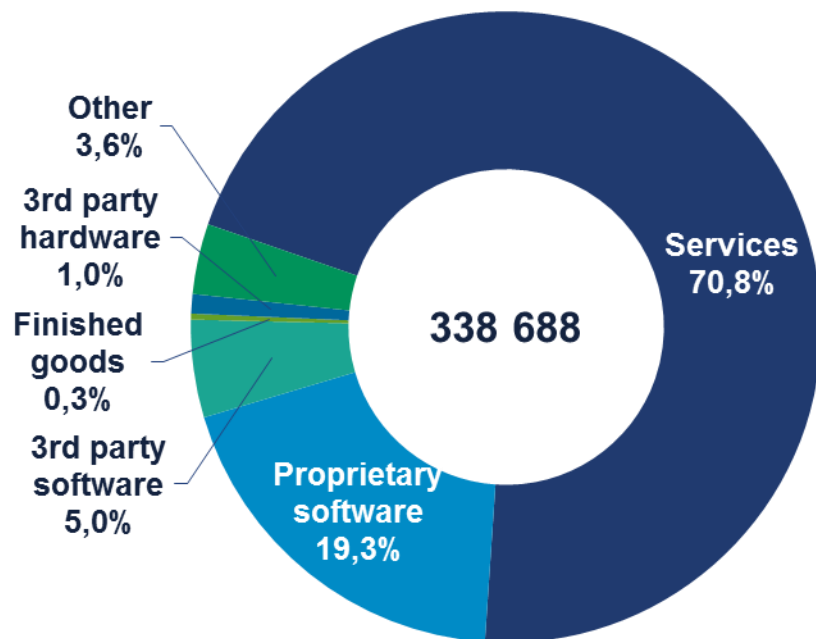
From 1 January 2018, the Group started using the principles resulting from IFRS 15 for sales revenues. For comparative purposes, the transformation was made in accordance with IFRS 15 data for the first, second, third and fourth quarter of 2017.

Market Sales Structure Q1 2019

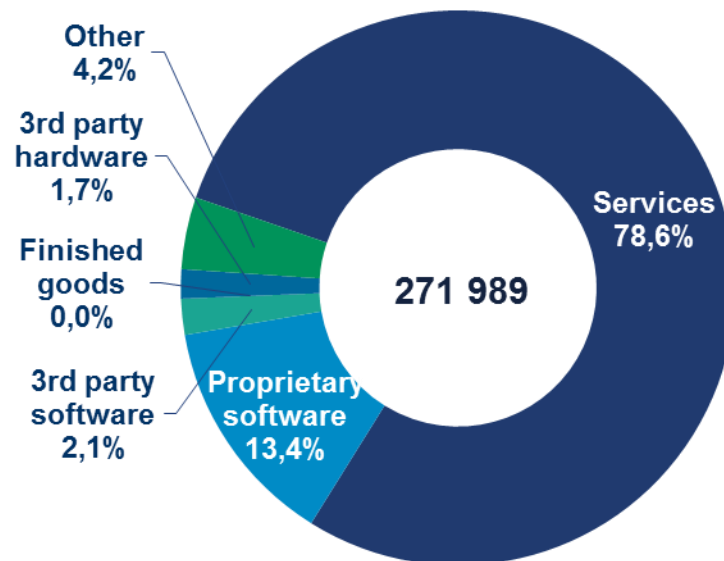


Products Sales Structure Q1 2019

Q1 2019



Q1 2018

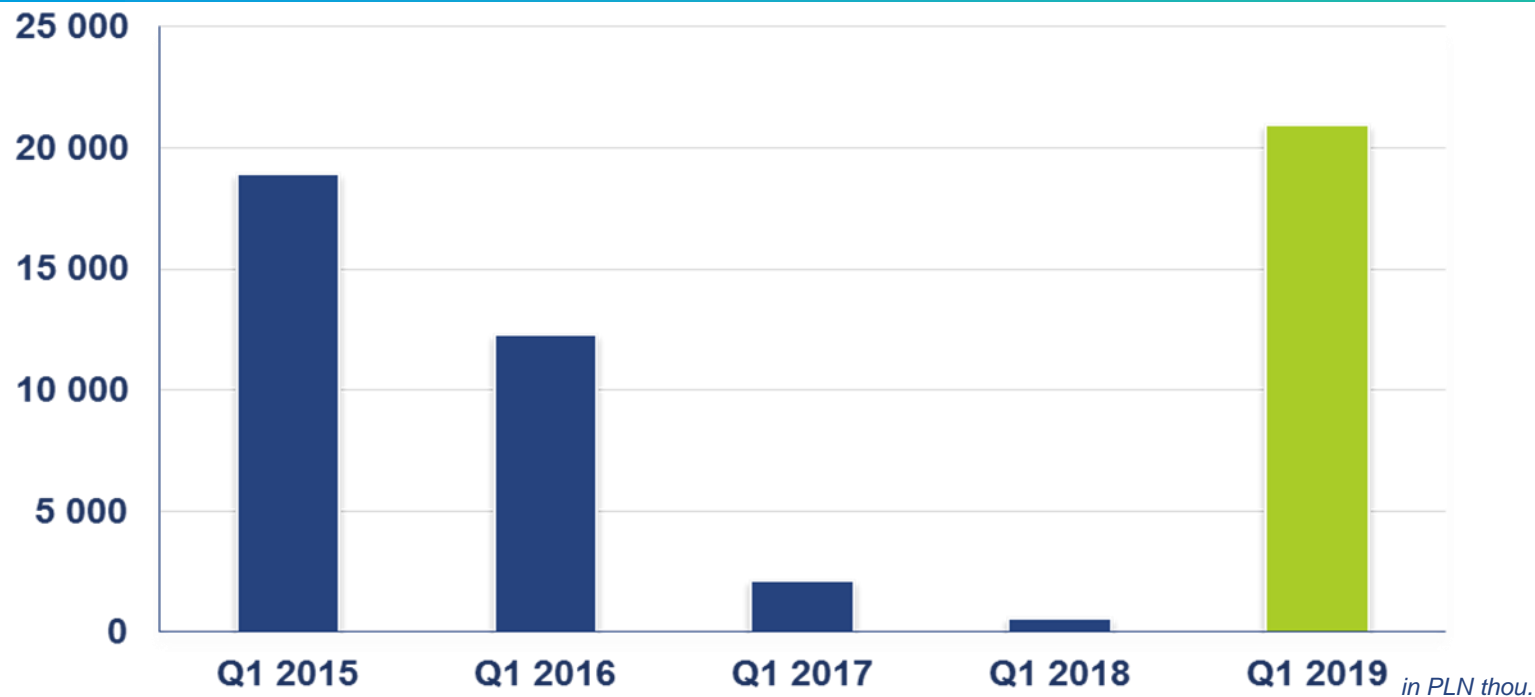


Consolidated Financial Results Q1 2019

Comarch Group	Q1 2019	Q1 2018
Revenue	338 688	271 989
Operating profit	20 944	568
Net profit attributable to the Company's shareholders	6 955	-6 240

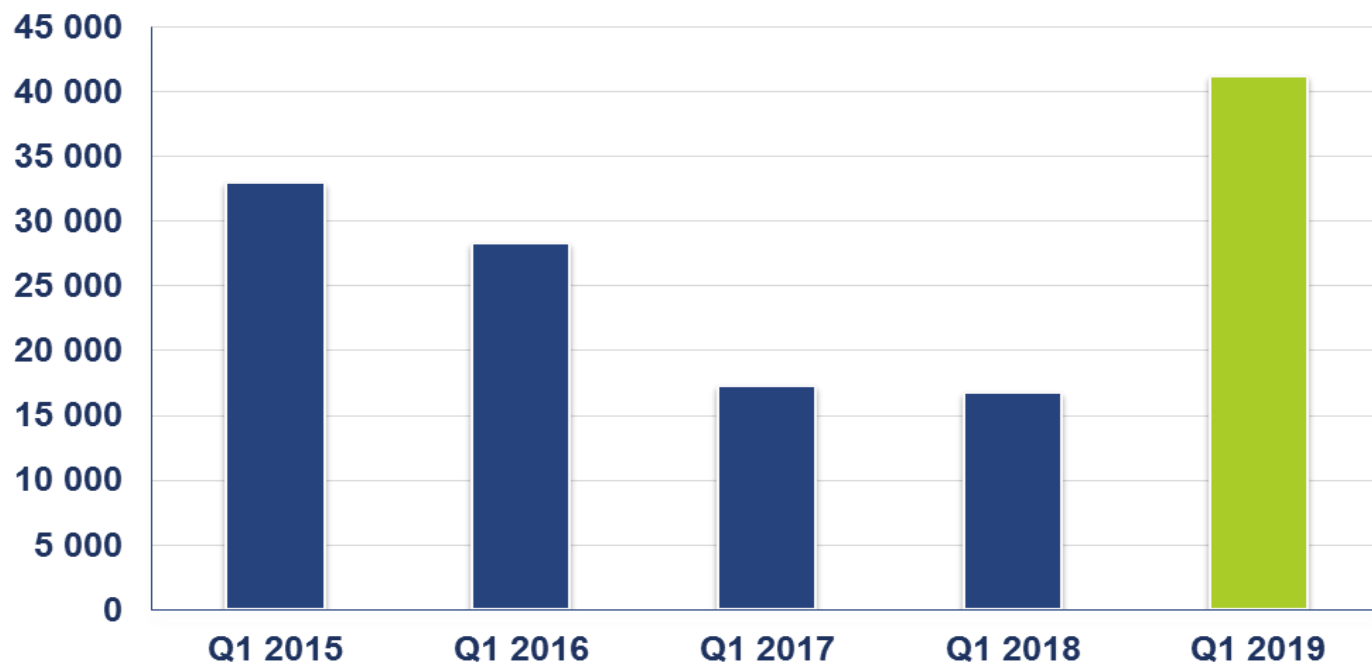
in PLN thou.

Operating Profit Q1 2019 (Comarch Group)



From 1 January 2018, the Group started using the principles resulting from IFRS 15 for sales revenues. For comparative purposes, the transformation was made in accordance with IFRS 15 data for the first, second, third and fourth quarter of 2017. Data for 2015 – 2016 were not adjusted to IFRS 15.

EBITDA Q1 2019 (Comarch Group)

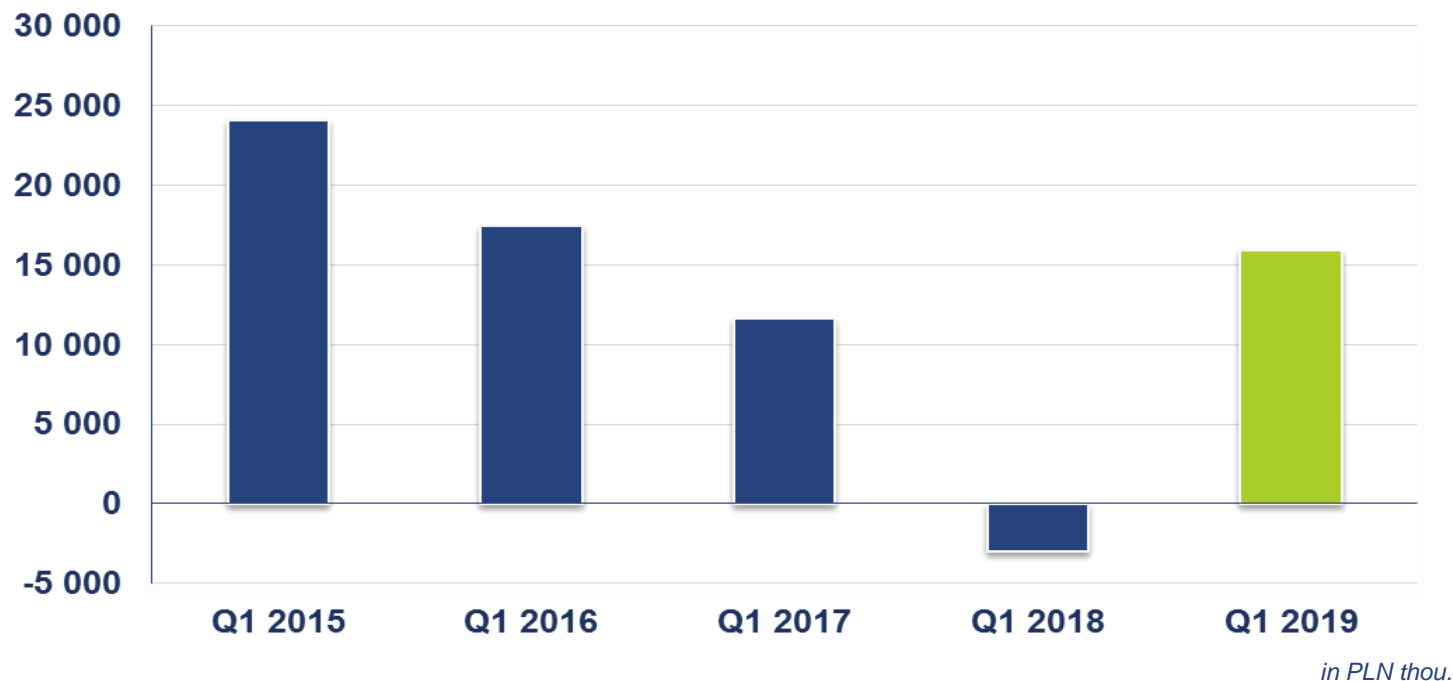


in PLN thou.

From 1 January 2018, the Group started using the principles resulting from IFRS 15 for sales revenues. For comparative purposes, the transformation was made in accordance with IFRS 15 data for the first, second, third and fourth quarter of 2017. Data for 2014 – 2016 were not adjusted to IFRS 15.

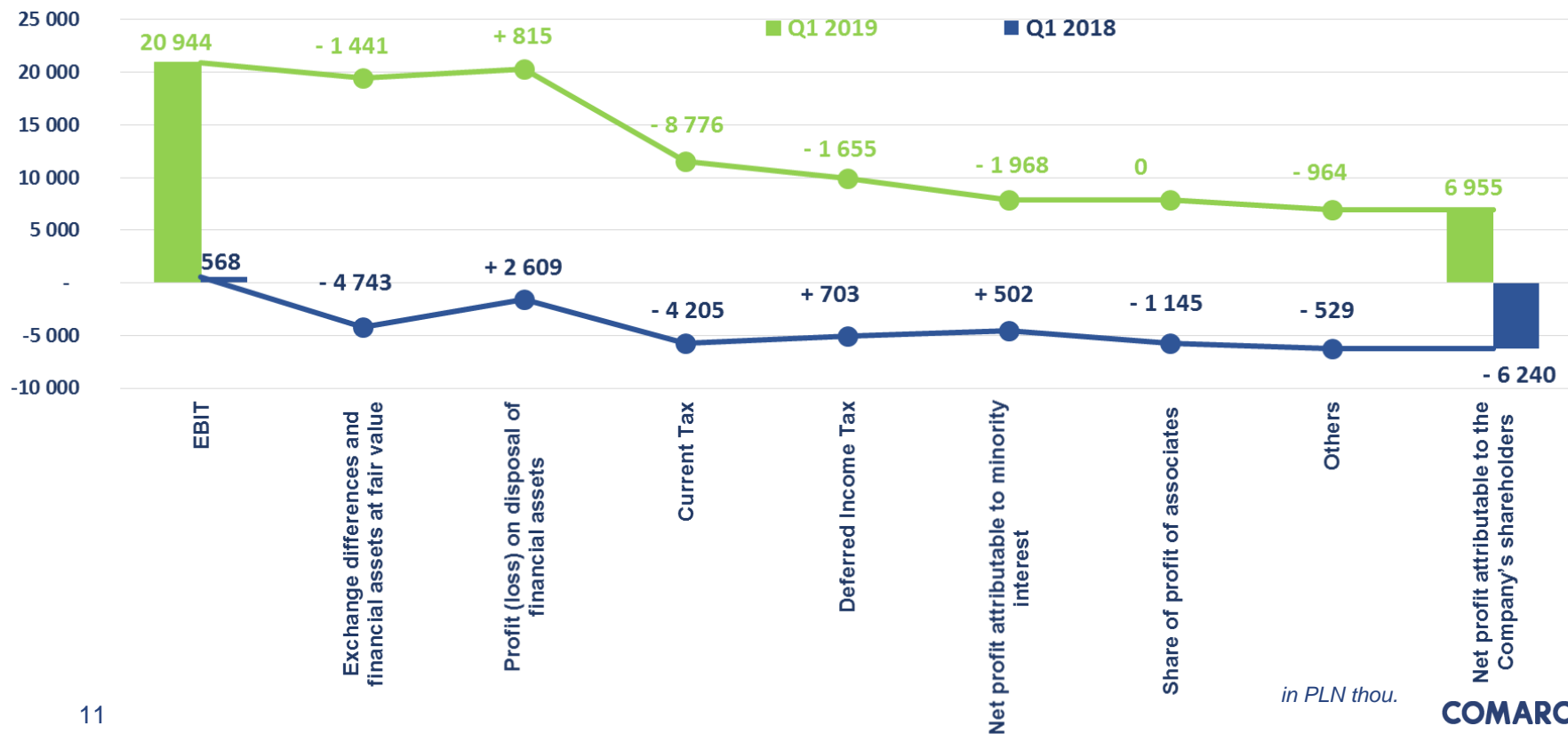
From 1 January 2019, the Group started using the principles resulting from IFRS 16. As a result of applying IFRS 16, the value of depreciation and EBITDA in Q1 2019 increased by PLN 4,472 thousand. Data for 2015 – 2018 were not adjusted to IFRS 16.

Net profit Q1 2019 (Comarch Group)



From 1 January 2018, the Group started using the principles resulting from IFRS 15 for sales revenues. For comparative purposes, the transformation was made in accordance with IFRS 15 data for the first, second, third and fourth quarter of 2017. Data for 2015 – 2016 were not adjusted to IFRS 15.

EBIT vs. Net Profit Q1 2019 (Comarch Group)



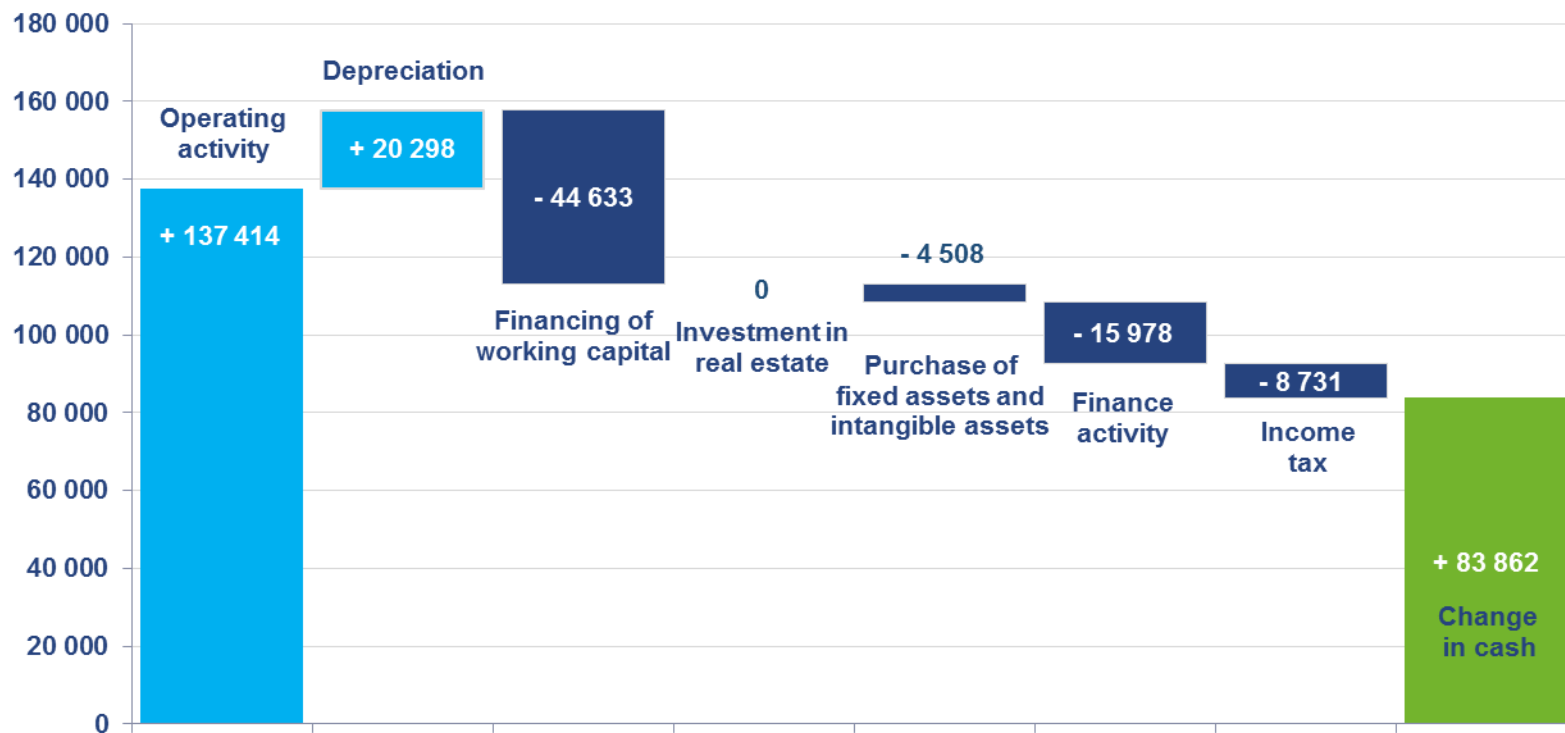
Result of applying IFRS 16

Comarch Group	As of March 31, 2019 - published data	As at March 31, 2019 without IFRS 16	The effect of IFRS 16
Asset due to the right of use	69 947	-	69 947
Liabilities due to leasing	70 000	-	70 000
Depreciation of the right to use	4 559	-	4 559

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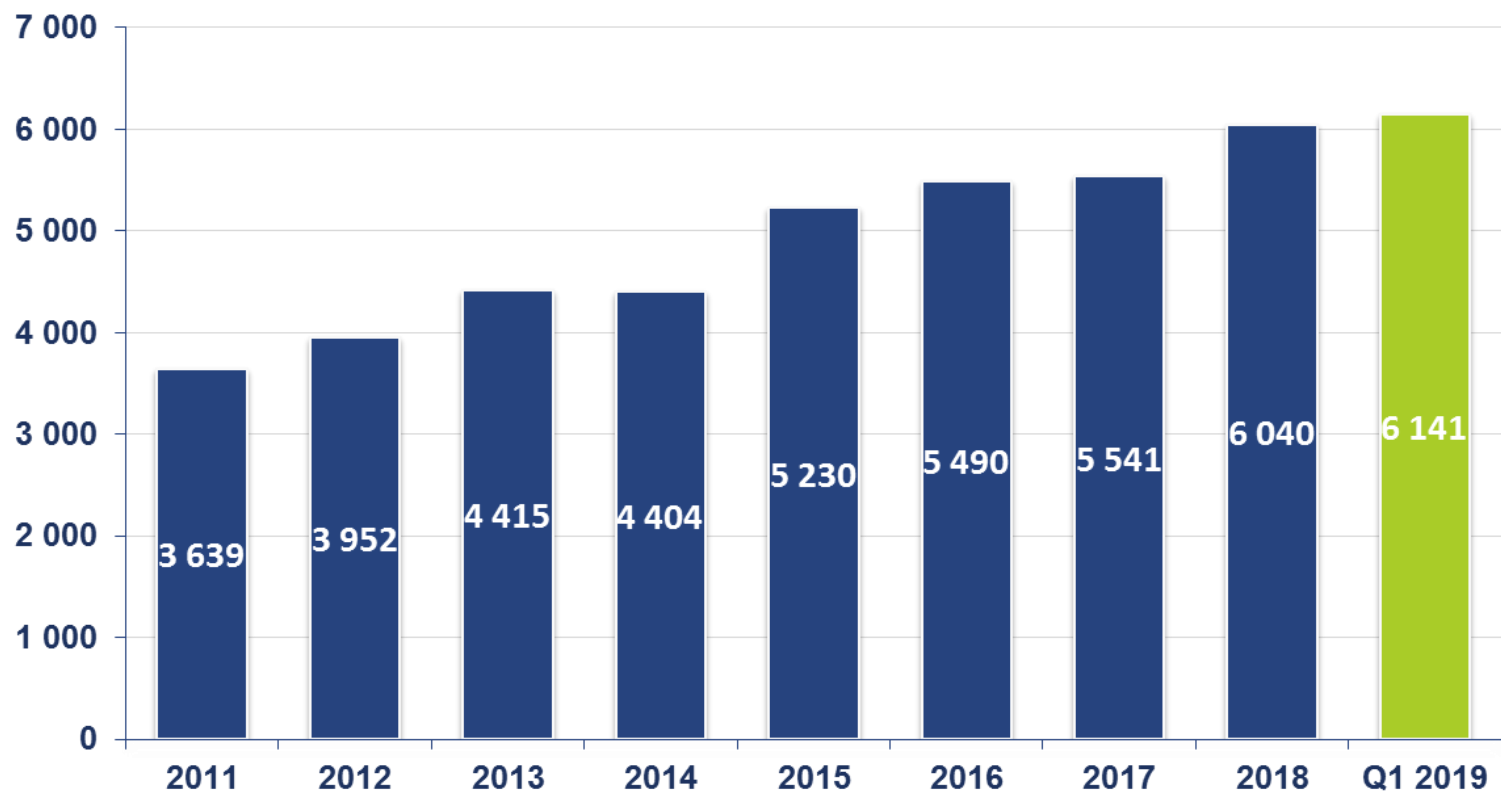
Cash Flow Q1 2019 (Comarch Group)



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Employment in Comarch Group



Employment

- In Q1 2019 number of employees increased by 101 persons (by 1.7%) comparing to 31st December, 2018.
- The fund of basic salaries in the reporting period was 16% higher than in Q1 2018.

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Investments in Q1 2019

- In Q1 2019, the Group continued the development of IT products and also invested in the development of its own IT technologies
- In Q1 2019, the Group did not implement major infrastructure investments after the completion of the investment program 2016-2018
- In 2019, new infrastructural investments are planned to start:
 - Comarch Data Center in the United States
 - Training Center MKS Cracovia in Rączna

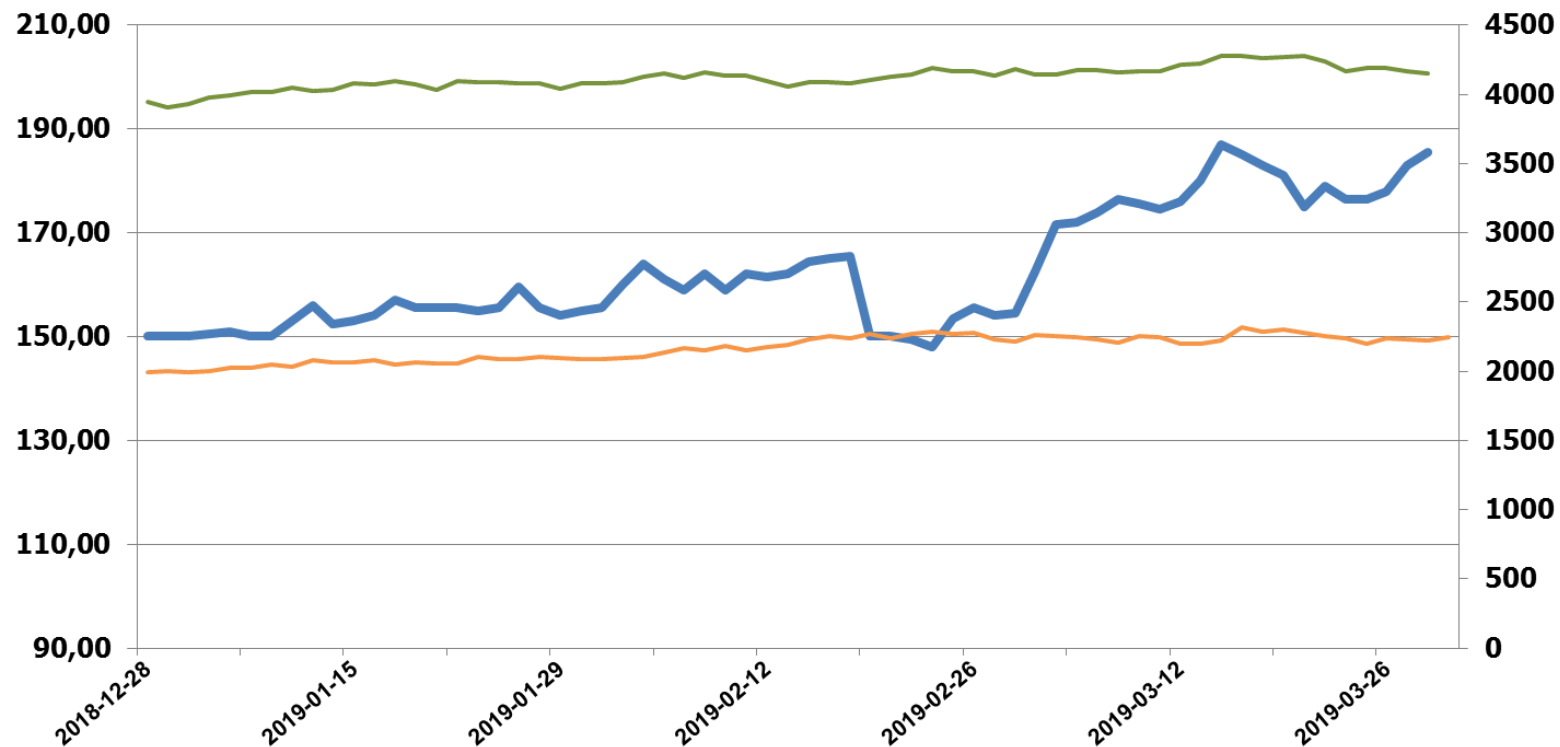
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Summary of Q1 2019

- Revenues from sales increased by PLN 66.7 million, i.e. 24.5%, much faster than operating costs - as a result, operating profitability increased to + 6.2%, and net profitability to + 2.1%;
- Revenues from foreign sales increased by 23.5% thanks to the development of sales of solutions for telecommunications and loyalty in Europe and Asia;
- Revenues from domestic sales increased by 25.9% thanks to dynamically growing ERP business and supplies of third party software to the public sector;
- The application of the IFRS 16 accounting standard for the first time resulted in an increase in the value of depreciation, and thus the value of EBITDA, by PLN 4,472 thousand.

Comarch Stock Price on WSE (1.01.2019 - 31.03.2019)



— Comarch (CMR) kurs zamknięcia — mWIG 40 kurs zamknięcia — WIG Informatyka

Thank you!

