

ESPI current report No. 4/2019

Date of preparation: 2019-05-08

Abbreviated name of issuer: QUARTICON S.A.

Subject: Initial Company results for the first quarter of 2019

Content of the report:

The Board of QuarticOn S.A. ("Company") informs that, in connection with the completion of the financial data aggregation process implemented for the purpose of the preparation of the interim report for the first quarter of 2019, on 8 May 2019 it was decided to disclose selected financial data of the Company for the first quarter of 2019 to the public.

Preselected financial data of the Company for the first quarter of 2019 [data for the equivalent period of 2018 is shown in brackets]:

- net sales revenues (PLN): 1 243 thousand [1 066 thousand]
- EBITDA (PLN, based on sales results): (-) 779 thousand [38 thousand]
- operating result (PLN): (-) 1 372 thousand [(-) 226 thousand]
- net result (PLN): (-) 1 405 thousand [(-) 230 thousand]

The Company informs that the results for the first quarter of 2019 were particularly influenced by the ongoing development programme of the Company and parallel marketing activities. The overlap of these processes resulted in an increase in operating costs, which (excluding depreciation) increased by 21% in comparison to the previous quarter. In the Company's opinion, this is a one-off effect, and the Company expects positive results of the ongoing activities in the second quarter of this year. The Company also plans to achieve a break even point in the fourth quarter of 2019.

The activity of the Company in the first quarter of 2019 (which due to the seasonality is usually the weakest in revenue) concentrated on building a strong position on the Slovak market, developing applications for the Shopify platform (SaaS model) and implementing the process of expenditure optimization. In the following months, the Company does not exclude the possibility of applying for funding for works on selected projects from EU funds.

The Company reminds that the final financial results for the first quarter of 2019 will be provided in the interim report for the first quarter of 2019, which will be published on 15 May 2019.

Legal basis: Article 17 paragraph 1 MAR - confidential information.

