

- Transaction volume increased by 37.4 percent
- Consolidated revenues increased by 34.8 percent
- EBITDA increase by 40.7 percent
- Earnings after taxes rose by 50.0 percent
- Free cash flow increased by 37.5 percent
- EBITDA 2019 guidance raised

Wirecard Group	Q1 2019	Q1 2018	
Revenues	566.7	420.4	in EUR million
EBITDA	158.0	112.3	in EUR million
EBIT	126.5	88.4	in EUR million
Earnings per share (basic)	0.86	0.57	EUR
Equity	2,047.8	1,670.0	in EUR million
Total assets / total equity and liabilities	6,489.7	4,697.6	in EUR million
Cash flow from operating activities (adjusted)	143.4	87.4	in EUR million
Employees (average)	5,502	4,913	
of which part-time	331	346	

CEO Markus Braun: “The convergence of digital payment with innovative value-added services in the field of financial services and data-driven services on one platform will drive the formation of one of the world’s largest growth markets.”

Quarterly Statement for the first quarter of 2019

Preliminary remark about this Quarterly Statement

Wirecard AG (hereafter also referred to as “Wirecard” or the “Group”) generally publishes its figures in EUR million or EUR billion, respectively. As a result of rounding, it is possible that the individual figures do not add up exactly to form the totals stated and that the figures and percentages do not give an exact representation of the absolute values to which they relate.

The comparability of the figures is limited due to the first time application of IFRS 16 (Leases) as of 1 January 2019 and the absence of retrospective presentation for the fiscal year 2018. Furthermore, the figures for the comparative period 2018 were only partially restated as part of adjustments made in accordance with IAS 8, in particular the figures for the consolidated statement of profit or loss and the consolidated statement of cash flows for the comparative period from 1 January to 31 March 2018 are unchanged from the previous year’s quarterly report. In this context, we also refer to the explanations in the explanatory notes in section 2.6 Amendments to accounting and valuation policies that do not yet require mandatory application as well as 2.7 Corrections in accordance with IAS 8 in the Annual Report 2018.

Information about Wirecard

Wirecard (GER:WDI) is one of the world’s fastest growing digital platforms in the area of financial commerce. We provide both business customers and consumers with a constantly expanding ecosystem of real-time value-added services built around innovative digital payments by using an integrated B2B2C approach. This ecosystem concentrates on the areas payment & risk, retail & transaction banking, loyalty & couponing, data analytics & conversion rate enhancement in all sales channels (online, mobile, ePOS). Wirecard operates regulated financial institutions in several key markets and holds issuing and acquiring licenses from all major payment and card networks. Wirecard AG is listed on the Frankfurt Stock Exchange (DAX and TecDAX, ISIN

DE0007472060). Visit us on www.wirecard.com, follow us on Twitter @wirecard and on Facebook @wirecardgroup.

Business performance in the period under review

From a macroeconomic perspective, there are positive growth opportunities unchanged for the sales markets relevant to Wirecard despite geopolitical and financial policy uncertainties. Due to the global market presence of Wirecard and its numerous international locations, a stable risk diversification in terms of regional political and economic uncertainties on the market has been achieved. From an industry perspective, Wirecard continues to participate in the significant growth of the payment industry. In its “World Payment Report 2018” study, the company Capgemini expects cashless payments to grow by around 14 percent per year up to 2021. Emerging countries in Asia (such as Malaysia, Thailand and Indonesia) will experience the highest growth rates in this sector of around 29 percent per year. The trend towards digitalisation of the entire payment ecosystem is continuing across all sectors and sales channels. Digital payment solutions are emerging along the whole value added chain that are characterised by innovation, efficiency, security and convenience for the customer.

Wirecard achieved its operating targets and increased the number of large and medium-sized customers to around 42 thousand. The number of small customers is around 251 thousand. In the company’s core business, it was possible to expand cooperation with numerous existing customers and partners. New customers were acquired from all industries and sectors. For example, the business relationship with Ctrip, Qixxit, Ringana, Swatch, United Money, P.F.C., Google Pay, BASF, Stockmann, Oney, Sony, Segmüller, Tirol Werbung, Twisto, Beşiktaş JK, Tal-link Grupp, MBILLS, ANA Group, Elush Retail Group, Al Ansari Exchange, O2, RBL Bank, Feinkost Käfer was newly established or expanded during or after the period under review.

After the period under review, Wirecard has announced the planning of the strategic partnership with TON Labs, infrastructure developer for the Telegram Open Network (TON). Telegram is a cloud-based multi-platform messaging application focused on security and performance with more than 200 million active users all over the world. TON is a multi-chain architecture introduced by Telegram instant messaging service developers. Wirecard and TON Labs plan their collaboration to develop joint digital financial services, payments and banking platform.

After the period under report, the Company and SoftBank Group Corp., Japan, have signed a binding term sheet (MoU) under which an affiliate of SoftBank Group shall invest approximately EUR 900 million in Wirecard via a convertible bond mechanism and a strategic partnership for digital payment solutions to enhance business in Japan and South Korea shall be formed.

For means of the financial investment, Wirecard shall issue convertible bonds with a term of five years exclusively to SoftBank, convertible to 6,923,076 ordinary Wirecard shares (currently corresponding to approximately 5.6 percent of common stock) at EUR 130 per Wirecard share. The intended issuance of convertible bonds, under exclusion of subscription rights, is subject to the approval of Wirecard's Annual Shareholders meeting to be held on 18 June 2019.

Within the scope of the strategic partnership for digital payment solution, SoftBank Group will seek to support Wirecard's geographic expansion into Japan and South Korea, as well as providing collaboration opportunities within SoftBank Group's global portfolio in digital payments, data-analytics/ Artificial Intelligence and other innovative digital financial services. Furthermore, the partnership shall also extend to joint exploration of new product and service offers in digital lending in order to leverage from high quality customer portfolios, strong liquidity and other innovative financing solutions.

Wirecard experienced very successful operating growth in the reporting period. Fee income from the core business of Wirecard AG, namely the acceptance and issuing of means of payment along with associated value added services, is generally proportionate to the transaction volumes processed. The transaction volume in the first quarter of 2019 was EUR 36.7 billion (Q1 2018: EUR 26.7 billion), which corresponds to growth of around 37 percent. The transaction volume generated within Europe grew by approximately 27 percent to EUR 16.6 billion (Q1 2018: EUR 13.1 billion), while the volume generated outside Europe grew by approximately 48 percent to EUR 20.1 billion (Q1 2018: EUR 13.6 billion).

Transaction Volume Q1 2019 / Q1 2018

in EUR billion	Q1 2019	Q1 2018	Change in percent
Europa	16.6	13.1	26.6%
Out of Europe	20.1	13.6	47.6%
Total	36.7	26.7	37.4%

Developments in the individual target sectors were thoroughly positive with numerous new customer acquisitions. The area of consumer goods recorded an increase of the transaction volume by approx. 35 percent to EUR 17.5 billion (Q1 2018: EUR 13.0 billion), digital goods increased by approx. 45 percent to EUR 12.8 billion

(Q1 2019: EUR 8.9 billion) and travel and mobility increased by approx. 31 percent to EUR 6.4 billion (Q1 2019: EUR 4.9 billion). The respective shares of the overall transaction volume is as follows: Consumer goods is 47.7 percent, digital goods is 34.9 percent and travel and mobility is 17.4 percent.

Outlook

The Management Board expects the positive business performance to continue in the remaining nine months of 2019 and is not aware of any significant changes to the forecasts for the macroeconomic and sector-specific framework conditions described in detail in the Annual Report. The Management Board raised its forecast to achieve an EBITDA for the 2019 fiscal year of between EUR 760 million and EUR 810 million (from of between EUR 740 million and EUR 800 million).

Results of financial position and financial performance

Notes to the consolidated statement of profit or loss

In the first quarter 2019, Wirecard achieved further significant growth in both revenues and operating profit.

Group gross profit (revenues including other own work capitalised less cost of materials) increased by 38.3 percent to EUR 275.4 million in the first quarter 2019 (Q1 2018: EUR 199.1 million).

Revenue trends

Consolidated revenues increased in the first quarter 2019 by 34.8 percent from EUR 420.4 million to EUR 566.7 million.

Revenues generated in the first quarter 2019 in the core segment of Payment Processing & Risk Management, arising from risk management services and the processing of online payment transactions, increased by 41.7 percent from EUR 298.6 million to EUR 423.1 million.

The share of total consolidated revenues accounted for by the Acquiring & Issuing segment grew by 16.2 percent in the first quarter 2019 due to organic growth within the Group to EUR 158.3 million (Q1 2018: EUR 136.2 million), of which the share accounted for by Issuing amounted to EUR 61.5 million in the first quarter 2019 (Q1 2018: EUR 59.2 million).

The interest income generated by the Acquiring & Issuing segment in the first quarter 2019 totalled EUR 5.5 million (Q1 2018: EUR 4.5 million) and is recognised as revenue in the consolidated statement of profit or loss in accordance with IFRS accounting principles.

Trends in key expense items

The Group's cost of materials increased in the first quarter 2019 to EUR 301.1 million compared to EUR 230.0 million in Q1 2018. The cost of materials mainly comprises of charges from credit card issuing banks (interchange), fees from credit card companies (for example, MasterCard and Visa), transaction costs as well as transaction-related charges from third-party providers (for example, in the area of risk management and acquiring). Expenses for payment guarantees are also included in the area of risk management. The area of acquiring also includes commission costs for external sales.

Group personnel expenses rose to EUR 76.9 million in the first quarter 2019, up by 46.5 percent quarter on quarter (Q1 2018: EUR 52.5 million). The consolidated personnel expense ratio increased by 1.1 percentage points quarter on quarter to 13.6 percent.

Other operating expenses mainly comprises of legal and financial statement costs as well as consulting and consulting-related expenses, equipment and office expenses, expenses for travel, sales and marketing and personnel-

related expenses. These amounted to EUR 43.6 million in the first quarter 2019 (Q1 2018: EUR 33.4 million) with the following breakdown:

Other operating expenses

in EUR million	Q1 2019	Q1 2018
Legal and financial statement costs	7.5	3.7
Consulting expenses and consulting-related expenses	12.0	7.0
Office expenses	2.0	4.4
Equipment	5.5	6.7
Travel, sales and marketing	6.1	5.2
Personnel-related expenses	5.6	4.1
Insurance payments, contributions and levies	1.5	1.1
Other	3.5	1.2
Total	43.6	33.4

As part of the investigations in Asia in the first quarter 2019, there was an increase in legal and financial statement costs and in consulting expenses and consulting related expenses compared to the same period of previous year. In this context, we also refer to our explanations in the combined management report under the section Opportunities and risks in the Annual Report 2018.

Office and equipment expenses reduced due to the initial application of IFRS 16 (Leases) as of 1 January 2019. Corresponding increase in amortization/depreciation on property, plant and equipment held under leases compared to previous reporting period accordingly.

For the purpose of better transparency amortisation/depreciation in a total amount of EUR 31.6 million (Q1 2018: EUR 23.9 million) is stated below the consolidated statement of profit or loss in two items. It is separated so that the amortisation/depreciation of assets which result from business combinations and acquired customer relationships (M&A-related) can be presented separately.

EBITDA trends

The positive growth in earnings overall in the first quarter 2019 was primarily due to the increase in the transaction volume processed by Wirecard, scaling effects from the transaction-oriented business model, the carried out M&A transactions in previous years and from the increased usage of the banking services offered by Wirecard.

Operating earnings before interest, tax, depreciation and amortisation (EBITDA) grew in the first quarter 2019 in the Group by 40.7 percent from EUR 112.3 million in Q1 2018 to EUR 158.0 million. The EBITDA margin stood at 27.9 percent in the first quarter 2019 (Q1 2018: 26.7 percent).

The EBITDA of the Payment Processing & Risk Management segment stood at EUR 126.6 million in the first quarter 2019 and grew by 36.1 percent (Q1 2018: EUR 93.0 million). The share of the EBITDA accounted for by the Acquiring & Issuing segment in the first quarter 2019 reached EUR 31.5 million (Q1 2018: EUR 19.2 million), of which the share of the EBITDA accounted for by Issuing in the first quarter 2019 amounted to EUR 15.3 million (Q1 2018: EUR 8.3 million).

Financial result

The financial result stood at EUR –2.0 million in the first quarter 2019 (Q1 2018: EUR –5.4 million). Group financial expenses stood at EUR 7.9 million in the first quarter 2019 (Q1 2018: EUR 9.2 million). The Group financial income in the first quarter 2019 stood at EUR 5.9 million (Q1 2018: EUR 3.8 million).

Taxes

Due to the international orientation of the Group, the cash tax rate (excluding deferred taxes) amounted to 13.0 percent in the first quarter 2019 (Q1 2018: 16.7 percent). Including deferred taxes, the tax rate was 14.6 percent (Q1 2018: 14.7 percent).

Earnings after tax

Earnings after tax in the first quarter 2019 increased by 50.0 percent compared to Q1 2018, from EUR 70.8 million to EUR 106.3 million.

Earnings per share

The average number of issued shares on an undiluted basis amounted to 123,565,586 shares in the first quarter 2019 (Q1 2018: 123,565,586 shares). Basic (undiluted) earnings per share stood at EUR 0.86 in the first quarter 2019 (Q1 2018: EUR 0.57).

Notes to the consolidated statement of financial position – assets

Intangible assets

Intangible assets comprises of goodwill, customer relationships, internally-generated intangible assets and other intangible assets.

Goodwill and customer relationships

In the first quarter 2019, goodwill changed as a result of currency-related valuations by EUR 13.8 million as at the reporting date. As of 31 March 2019, goodwill totalled EUR 719.7 million (31 December 2018: EUR 705.9 million) and is assigned to the following groups of cash-generating units:

Goodwill

in EUR million	31 Mar 2019	31 Dec 2018
Payment Processing & Risk Management	564.3	552.6
Acquiring & Issuing	155.1	153.0
Call Center & Communication Services	0.3	0.3
Total	719.7	705.9
Less: impairment losses	0.0	0.0
	719.7	705.9

The change in the item customer relationships of EUR 2.8 million in the reporting period is mainly related to amortisation/depreciation and currency-related valuations as of the reporting date.

Amortisation commences together with the flow of benefits and is performed over the useful life of each respective customer relationship.

Internally-generated intangible assets

In the first quarter 2019, internally-generated software was developed and capitalised in the amount of EUR 9.8 million (Q1 2018: EUR 8.7 million).

Property, plant and equipment

The increase in this item is mainly attributable to the initial application of IFRS 16 (Leases) as of 1 January 2019.

The carrying amount of properties, technical equipment, operating and office equipment as well as motor vehicles held as part of leases as of 31 March 2019 totalled EUR 66.6 million (31 December 2018: EUR 36.5 million as part of finance leases according to IAS 17) and is reported accordingly under property, plant and equipment. The leased items partly serve as collateral for the respective obligations from the lease agreements.

Financial and other assets / interest-bearing securities
 Financial and other assets and interest bearing securities
 as of 31 March 2019 totalled EUR 401.9 million (31 December 2018: EUR 413.6 million). The breakdown of the reporting data is as follows:

Financial and other assets / interest-bearing securities

in EUR million	31 Mar 2019	31 Dec 2018
Visa preferred stock	28.4	23.6
Financing agreements (amongst others sales partner)	133.0	132.9
Convertible bonds	13.2	13.2
Securities	2.4	2.3
Securities/collared floaters from bank business	18.9	24.7
Receivables from bank business (mostly from FinTech business)	116.2	123.4
Other M&A related assets	83.7	89.5
Other	6.1	3.9
	401.9	413.6

As part of the purchase price allocations related to the acquisition of Citi's card acceptance business in the Asia-Pacific region in accordance with IFRS 3, various other assets were identified that were recognised accordingly in a separate item. This was due to accounting-specific rules for the accounting of various contractual rights and assets in accordance with IFRS 3.

Receivables of the acquiring business

The items receivables of the acquiring business as well as liabilities of the acquiring business of Wirecard are mainly characterised by the transaction volume of merchants that utilise Wirecard's payment services. Due in particular to the legal guidelines for the licensing agreements depending on the region and sector in which the merchant and acquiring partner operate, as well as to the business relationship between the merchant and Wirecard, different business models are utilised can result in varying accounting methods being applied. The transaction volumes within and via Wirecard are correspondingly reported separately under the item receivables of the acquiring business in the consolidated statement of financial position as trade receivables from credit card organisations, banks and acquiring partners.

Depending on the reporting date and the payment cycle, the statement of financial position items receivables of the acquiring business as well as liabilities of the acquiring business are subject to considerable fluctuations from one reporting date to another. These fluctuations occur in particular due to delayed payouts on account of the public holidays between reporting periods. During the actual processing of the transactions, it is also sometimes possible that the payment of credit card volumes from Wirecard to the merchant already takes place before the funds are received from the credit card companies. Particularly, this product has developed very positively in Brazil and in the Asia-Pacific portfolios. This results in, amongst other things, higher receivables in comparison to the corresponding liabilities.

Trade and other receivables

The statement of financial position item "trade and other receivables" splits as follows:

Trade and other receivables

in EUR million	31 Mar 2019	31 Dec 2018
Receivables from bank business (mostly from FinTech business)	95.8	98.0
Receivables from prepaid card business	37.8	40.3
Other M&A related receivables	37.0	31.4
Other trade receivables	112.4	115.6
Other receivables	74.1	72.2
	357.1	357.4

Other receivables comprises of rent, insurances and other services that due to their contractual terms are accrued over the reporting date. In addition, this sub-item comprises deposits, receivables from employees and other assets.

Interest-bearing securities and fixed-term deposits

Apart from investing in various interest-bearing securities, Wirecard has also invested as in previous years in fixed-term deposits in order to improve its interest income. All investments are only concluded with banks or counterparties that meet the creditworthiness requirements from the Group's own risk evaluation and – to the extent that external ratings are available – are assessed as having a credit risk by renowned ratings agencies. Fixed-term deposits with a term of more than three months are reported under Interest-bearing securities and fixed-term deposits. In contrast, fixed-term deposits with a term of up to three months are reported under Cash and cash equivalents.

Cash and cash equivalents

As of 31 March 2019, the item Cash and cash equivalents totalling EUR 2,829.6 million (31 December 2018: EUR 2,719.8 million) included cash in hand and bank balances (demand deposits, fixed-term deposits with a term of up to three months and overnight deposits). This item also includes cash from current customer deposits of Wirecard Bank AG and Wirecard Card Solutions Ltd. which are not invested in interest-bearing securities (31 March 2019: EUR 1,582.9 million; 31 December 2018: EUR 1,263.0 million) and funds from the acquiring business of Wirecard Bank AG (31 March 2019: EUR 346.9 million; 31 December 2018: EUR 453.4 million). To improve its interest income, Wirecard invests some of the customer deposits in various short, medium and long-term interest bearing securities (collared floaters and interest-bearing securities). These are reported under non-current financial and other assets and current interest-bearing securities. Excluding the purchase of these securities and the fixed-term deposits with a term of more than three months, the item Cash and cash equivalents would have been EUR 527.6 million higher as of the reporting date (31 December 2018: EUR 166.6 million).

Notes to the consolidated statement of financial position – equity and liabilities

Subscribed capital

As of 31 March 2019, the subscribed capital was EUR 123.6 million (31 December 2018: EUR 123.6 million) and comprised 123,565,586 (31 December 2018: 123,565,586) no-par value shares with a notional interest in the common stock of EUR 1.00 per share.

Retained earnings

A dividend of EUR 0.18 per dividend-entitled ordinary share was approved for distribution to shareholders at the Annual General Meeting 2018 on 21 June 2018, which corresponds to a total amount of EUR 22.2 million.

A proposal will be made at the 2019 Annual General Meeting to pay a dividend of EUR 0.20 per share to the shareholders, which corresponds to a total amount of EUR 24.7 million.

Other components of equity

Translation reserve

The foreign currency translation reserve changed in the first quarter 2019 due to foreign currency translations with no effect on profit or loss according to IAS 21 from EUR –71.2 million as of the reporting date of the previous year to EUR –52.4 million as of 31 March 2019. This development was primarily attributable to goodwill and customer relationships accounted for in foreign currencies due to the acquisitions concluded in previous years.

Non-current liabilities

Non-current liabilities are split into non-current interest-bearing liabilities, other non-current liabilities and deferred tax liabilities.

Non-current interest-bearing liabilities

Non-current interest-bearing liabilities are related to the financing of the acquisitions completed in previous years in general. They increased in the first quarter 2019 by EUR 150.0 million from EUR 1,348.7 million as of 31 December 2018 to EUR 1,498.7 million as of 31 March 2019. The increase in the first quarter 2019 is related to the product offering for Merchant Cash Advance or real-time payouts of transactions made, which is available in particular to small and medium-sized merchants.

Other non-current liabilities

This statement of financial position item splits as follows:

Other non-current liabilities

in EUR million	31 Mar 2019	31 Dec 2018
Earnout liabilities	5.9	5.6
Lease liabilities	47.6	27.2
Variable remuneration and pension benefits	2.9	2.0
Other M&A related liabilities	112.2	120.0
Other non-current liabilities	6.1	9.1
	174.6	163.8

The portion of earnout components and current purchase price liabilities that is due within the period of one year is EUR 26.5 million as of 31 March 2019 (31 December 2018: EUR 25.9 million) and is disclosed under current liabilities.

The increase in leasing liabilities is due in particular to the initial application of IFRS 16 (Leases) as of 1 January 2019.

As part of the purchase price allocation related to the acquisition of Citi's card acceptance business in the Asia-Pacific region, further other non-current liabilities were identified that were recognised accordingly in a separate item. This is due to accounting-specific rules for the accounting of various contractual obligations and liabilities in accordance with IFRS 3.

Deferred tax liabilities

Deferred taxes of EUR 80.5 million (31 December 2018: EUR 80.1 million) refer to temporary differences between the carrying amounts of assets and liabilities in the tax statement of financial position and their carrying amounts in the consolidated statement of financial position according to IFRS. These are reported under non-current liabilities and are due, in particular, to the disclosure of intangible assets as part of the acquisitions concluded in previous years.

Current liabilities

Current liabilities consist of liabilities of the acquiring business, trade payables, interest-bearing liabilities, other provisions, other liabilities, customer deposits from banking operations of Wirecard Bank AG and Wirecard Card Solutions Ltd. and tax provisions.

Liabilities of the acquiring business

The items "liabilities of the acquiring business" and "receivables of the acquiring business" of Wirecard are mainly characterised by the transaction volume of merchants that use Wirecard's payment services. If the transactions are processed via licensed acquirers that belong to Wirecard, the amount of the transaction volume remains under trade payables to merchants until the payment is made. Depending on the means of payment and the contractual provisions, this can take place daily, weekly or monthly, whereby a security reserve is generally held for longer periods of time. In individual cases, particularly when dealing with large customers who want to optimise their own cash management, Wirecard agrees to replace these security reserves with bank guarantees, government-backed guarantees or similar collateral, as well as to even completely forego a security reserve if dealing with state-owned merchants. This reduces the item trade payables respectively slows the increase in this item.

Depending on the reporting date and the payment cycle, the statement of financial position items liabilities of the acquiring business as well as receivables of the acquiring business are subject to considerable fluctuations from one reporting date to another. These fluctuations occur, in particular, due to delayed payouts on account of the public holidays between respective reporting periods. During the actual processing of the transactions, it is also sometimes possible that the payment credit card volumes from Wirecard to the merchant already takes place before the funds are received from the credit card companies. This can result in, amongst other things, higher receivables in comparison to the corresponding liabilities.

Trade payables

Trade payables comprises of payables from the operating business that are not allocated to the area of acquiring due to their nature.

Interest-bearing liabilities

Current interest-bearing liabilities of EUR 112.3 million (31 December 2018: EUR 117.4 million) mainly comprises of loans that are due within one year.

Other liabilities

This statement of financial position item details as follows:

Other liabilities

in EUR million	31 Mar 2019	31 Dec 2018
Accruals	75.5	65.2
Other M&A related liabilities	51.6	45.4
Lease liabilities	25.5	16.5
Purchase price liabilities	26.5	25.9
Other	37.1	33.6
	216.2	186.6

The increase in leasing liabilities is due in particular to the initial application of IFRS 16 (Leases) as of 1 January 2019.

Customer deposits from banking operations

As of 31 March 2019, this statement of financial position item includes customer deposits of EUR 1,582.9 million (31 December 2018: EUR 1,263.0 million) with Wirecard Bank AG and Wirecard Card Solutions Ltd.

Notes to the consolidated statement of cash flows

Cash flow from operating activities

The cash flow from operating activities before the changes from banking operations in the first quarter 2019 changed from EUR 82.9 million in Q1 2018 to EUR 30.1 million, mainly due to the special system used in acquiring, which is impacted by cut-off date effects of a transitory nature inherent in the business model. It should be especially noted in this context that because of a very sharp increase in the cash flow from operating activities in the fourth quarter of 2018, which was mainly due to delayed payouts on account of the public holidays, an opposite cash flow trend is expected in the first half-year of 2019.

In the first quarter 2019, cash flow from the banking operations of EUR –31.5 million was generated (Q1 2018: EUR –54.0 million). The main reason for this development was the increase in customer deposits from Wirecard's growing issuing business, which were increasingly invested in short-term assets from the banking sector. The cash flow from operating activities in the first quarter 2019 thus stood at EUR –1.3 million (Q1 2018: EUR 28.9 million).

Substantial cash outflows for investments

in EUR million	Q1 2019	Q1 2018
Strategic transactions/M&A	0.0	19.7
Internally-generated intangible assets	9.8	8.7
Other intangible assets (software)	4.3	3.1
Property, plant and equipment	4.6	4.0

Cash flow from financing activities

Cash flow from financing activities in the first quarter 2019 mainly concerns cash inflows from drawing on financial liabilities of EUR 150.0 million (Q1 2018: EUR 70.0 million), which are related to the product offering for Merchant Cash Advance or real-time payouts of transactions made, which is available in particular to small and me-

Cash flow from investing activities

The cash flow from investing activities is the result of the cash inflows from non-current assets (excluding deferred taxes) and the cash outflows for investments in non-current assets (excluding deferred taxes). The cash flow from investing activities totalled EUR –18.8 million in the reporting period (Q1 2018: EUR –33.4 million).

The cash outflows for investments mainly comprise of the following:

dium-sized merchants. Opposite, there was a cash outflow for the repayment of financial liabilities of EUR –0.4 million (Q1 2018: EUR –0.6 million). In addition, repayments were carried out in context of lease liabilities, which resulted in a net cash flow of EUR –7.2 million (Q1 2018: EUR –3.5 million).

Net cash items

Net Cash Position - Wirecard

in EUR million	31 Mar 2019		31 Dec 2018	
Cash and cash equivalents	2,829.6		2,719.8	
Securities	2.4		2.3	
Receivables of the acquiring business and trade and other receivables	1,164.6		1,042.4	
Interest-bearing liabilities / other liabilities	-328.4		-303.9	
Customer deposits from banking operations	-1,582.9	-1,057.8	-1,263.0	-1,098.7
Non-current interest-bearing securities	18.9		24.7	
Interest-bearing securities and fixed-term deposits	506.3		139.6	
Liabilities of the acquiring business and trade payables	-721.5		-715.3	
Net Cash Position - Wirecard	1,889.0		1,646.6	

The calculation shown in the table also contains liabilities from M&A projects and earnout obligations reported as liabilities.

assets / interest bearing securities, are taken into account. This calculation also shows the solid financial situation of Wirecard as in previous years.

To gain a non-current view of the net cash items, the items non-current interest-bearing liabilities and other non-current liabilities, as well as non-current financial and other

Net Cash Position (long term view) - Wirecard

in EUR million	31 Mar 2019		31 Dec 2018	
Net Cash Position - Wirecard	1,889.0		1,646.6	
Long term interest-bearing financial assets	401.9	380.6	413.6	386.6
(theoief customer deposit related)	21.3		27.0	
Non-current interest-bearing liabilities	-1,498.7		-1,348.7	
Other non-current liabilities	-174.6		-163.8	
Non-current Net Cash position	596.3		520.6	

Alongside the loans recognised in the statement of financial position, additional credit lines from commercial banks amounting to EUR 291.6 million are available (31 December 2018: EUR 278.0 million).

Free cash flow

In addition to the statement of cash flows presented, Wirecard also uses the free cash flow to evaluate its operating performance and to provide an overview of the

cash generated by the operating business. Free cash flow is defined as cash flow from operating activities less investment in property, plant and equipment, internally-generated intangible assets and other intangible assets (software). In particular, the free cash flow is available for strategic transactions/M&A activities and for dividend payments.

Free cash flow

in EUR million	31 Mar 2019	31 Mar 2018
Cash flow from operating activities (adjusted)	143.4	87.4
Operative CAPEX	18.8	15.7
Free cash flow	124.6	71.8

After investments in new and innovative products that will only lead to appreciable cash flows in subsequent years, the cash conversion rate thus stands at 117.3 percent (Q1 2018: 101.3 percent).

Cash conversion

in EUR million	31 Mar 2019	31 Mar 2018
Free cash flow	124.6	71.8
Earnings after tax	106.3	70.8
Cash conversion in percent	117.3	101.3

Other notes

Segment reporting

Revenues and EBITDA fall into the following operating segments: Wirecard distinguishes between the areas of “Payment Processing & Risk Management”, “Acquiring & Issuing” and “Call Center & Communication Services”.

In its segment reporting, Wirecard breaks down revenues and EBITDA according to the geographical regions of “Europe” including Germany, “Asia and Pacific” and “America and Africa” including North and South America. This information is given according to the production location, i.e. the headquarters of the subsidiaries.

Revenues by operating segment

in EUR million	Q1 2019	Q1 2018
Payment Processing & Risk Management (PP&RM)	423.1	298.6
Acquiring & Issuing (A&I)	158.3	136.2
Call Center & Communication Services (CC&CS)	2.3	2.4
	583.8	437.2
Consolidation PP&RM	-13.8	-10.6
Consolidation A&I	-1.6	-4.6
Consolidation CC&CS	-1.7	-1.6
Total	566.7	420.4

EBITDA by operating segment

in EUR million	Q1 2019	Q1 2018
Payment Processing & Risk Management (PP&RM)	126.6	93.0
Acquiring & Issuing (A&I)	31.5	19.2
Call Center & Communication Services (CC&CS)	0.0	0.1
	158.0	112.3
Consolidations	0.0	0.0
Total	158.0	112.3

Revenue by region

in EUR million	Q1 2019	Q1 2018
Europe (incl. Germany)	264.0	207.9
Asia and Pacific	291.4	193.8
America and Africa	45.6	41.8
	600.9	443.5
Consolidation Europe	-31.9	-20.6
Consolidation Asia and Pacific	-1.5	-2.4
Consolidation America and Africa	-0.8	0.0
Total	566.7	420.4

EBITDA by region

in EUR million	Q1 2019	Q1 2018
Europe (incl. Germany)	67.5	53.1
Asia and Pacific	78.7	50.2
America and Africa	11.8	9.0
	158.0	112.3
Consolidations	0.0	0.0
Total	158.0	112.3



Financial information

wirecard

Consolidated statement of financial position

Assets

in EUR million	31 Mar 2019	31 Dec 2018
I. Non-current assets		
1. Intangible assets		
Goodwill	719.7	705.9
Customer relationships	449.2	452.1
Internally-generated intangible assets	143.5	138.2
Other intangible assets	110.2	113.3
	1,422.6	1,409.5
2. Property, plant and equipment	113.2	81.5
3. Investments accounted for using the equity method	14.0	14.0
4. Financial and other assets / interest-bearing securities	401.9	413.6
5. Tax credits		
Deferred tax assets	12.1	10.8
Total non-current assets	1,963.8	1,929.4
II. Current assets		
1. Inventories and work in progress	8.1	10.6
2. Receivables of the acquiring business	807.6	684.9
3. Trade and other receivables	357.1	357.4
4. Tax credits		
Tax refund entitlements	17.3	13.1
5. Interest-bearing securities and fixed-term deposits	506.3	139.6
6. Cash and cash equivalents	2,829.6	2,719.8
Total current assets	4,525.9	3,925.5
Total assets	6,489.7	5,854.9

Equity and liabilities

in EUR million	31 Mar 2019	31 Dec 2018
I. Equity		
1. Subscribed capital	123.6	123.6
2. Capital reserve	494.7	494.7
3. Retained earnings	1,482.0	1,375.7
4. Other components of equity	-52.4	-71.2
Total equity	2,047.8	1,922.7
II. Liabilities		
1. Non-current liabilities		
Non-current interest-bearing liabilities	1,498.7	1,348.7
Other non-current liabilities	174.6	163.8
Deferred tax liabilities	80.5	80.1
Total non-current liabilities	1,753.8	1,592.6
2. Current liabilities		
Liabilities of the acquiring business	652.8	651.9
Trade payables	68.7	63.4
Interest-bearing liabilities	112.3	117.4
Other provisions	19.2	18.5
Other liabilities	216.2	186.6
Customer deposits from banking operations	1,582.9	1,263.0
Tax provisions	36.1	38.9
Total current liabilities	2,688.1	2,339.6
Total liabilities	4,441.9	3,932.2
Total equity and liabilities	6,489.7	5,854.9

Consolidated statement of profit or loss

in EUR million	1 Jan 2019 – 31 Mar 2019	1 Jan 2018 – 31 Mar 2018
Revenues	566.7	420.4
Own work capitalised	9.8	8.7
Cost of materials	301.1	230.0
Gross profit	275.4	199.1
Personnel expenses	76.9	52.5
Other operating expenses	43.6	33.4
impairment losses of financial assets	1.5	3.5
Other operating income	4.6	3.1
Share of profit or loss from associates (at equity)	-0.1	-0.5
EBITDA	158.0	112.3
Amortisation/depreciation	31.6	23.9
EBIT *	126.5	88.4
Financial result	-2.0	-5.4
Other financial income	5.9	3.8
Financial expenses	7.9	9.2
Earnings before tax *	124.5	83.1
Income tax expense	18.2	12.2
Earnings after tax *	106.3	70.8
Earnings per share (basic and diluted) in EUR	0.86	0.57
Average shares outstanding (basic and diluted)	123,565,586	123,565,586
EBITDA	158.0	112.3
Amortisation and depreciation (M&A adjusted)**	23.2	14.5
EBIT adjusted *	134.8	97.8
Amortisation and depreciation (M&A related)*	8.4	9.3
EBIT *	126.5	88.4

* Attributable entirely to the shareholders of the parent company

** Adjusted by amortisation of assets which result from business combinations and acquired customer relationships (M&A related)

Consolidated statement of cash flows

in EUR million	1 Jan 2019 – 31 Mar 2019	1 Jan 2018 – 31 Mar 2018
Earnings after tax	106.3	70.8
Financial result	2.0	5.4
Income tax expense	18.2	12.2
Gain/loss from disposal of non-current assets	0.1	0.0
Amortisation/depreciation	31.6	23.9
Change from currency translation differences	0.1	0.0
Change in inventories	2.5	2.0
Change in receivables	-124.5	-32.9
Change in liabilities of the acquiring business and trade payables	6.3	24.9
Change in other assets and liabilities	9.2	-8.7
Net cash outflow arising from income tax	-21.4	-13.2
Interest paid excluding interest on loans and lease	-0.4	-1.8
Interest received	0.2	0.3
Cash flow from operating business before banking operations	30.1	82.9
Change in non-current assets of banking operations	13.3	-24.4
Change in current assets of banking operations	-364.5	-89.4
Change in customer deposits of banking operations	319.7	59.8
Cash flow from operating business of banking operations	-31.5	-54.0
Cash flow from operating activities	-1.3	28.9
Cash outflows for investments in intangible assets	-14.2	-29.5
Cash outflows for investments in property, plant and equipment	-4.6	-3.9
Cash inflows from investments in financial assets and interest-bearing securities	0.0	2.0
Cash outflows for acquisition of consolidated companies less acquired cash	0.0	-1.9
Cash flow from investing activities	-18.8	-33.4
Repayment of lease liabilities	-7.2	-3.5
Cash inflows from drawing down of financial liabilities	150.0	70.0
Cash outflows for expenses from drawing down of financial liabilities	-1.6	-0.8
Cash outflows for repayment of financial liabilities	-0.4	-0.6
Interest paid on loans and leases	-2.2	-3.5
Cash flow from financing activities	138.6	61.6
Net change in cash and cash equivalents	118.5	57.2
Exchange-rate- and revaluation-related changes to cash and cash equivalents	-3.6	-11.5
Cash and cash equivalents at start of period	2,702.5	1,895.9
Cash and cash equivalents at end of period	2,817.5	1,941.5

Consolidated cash flow from operating activities (adjusted)

in EUR million	1 Jan 2019 – 31 Mar 2019	1 Jan 2018 – 31 Mar 2018
Earnings after tax	106.3	70.8
Financial result	2.0	5.4
Income tax expense	18.2	12.2
Gain/loss from disposal of non-current assets	0.1	0.0
Amortisation/depreciation	31.6	23.9
Change from currency translation differences	0.1	0.0
Change in inventories	2.5	2.0
Change in receivables	-4.5	2.3
Change in trade payables	-0.5	-5.7
Change in other assets and liabilities	9.2	-8.7
Net cash outflow arising from income tax	-21.4	-13.2
Interest paid excluding interest on loans and lease	-0.4	-1.8
Interest received	0.2	0.3
Cash flow from operating activities (adjusted)	143.4	87.4

Receivables and liabilities of acquiring business are transitory in nature and subject to substantial fluctuations from one reporting date to another as, inherent to the business model, these statements of financial position items are significantly influenced by the overall transaction volume and the security reserves. Receivables of acquiring business mainly comprise receivables from credit card organisations, banks and acquiring partners and liabilities to merchants. The customer deposits from the banking business and corresponding securities or receivables

from the banking business likewise constitute items that can be eliminated for the cash flow (adjusted). To simplify the identification and reporting of the cash-relevant portion of the Company's own earnings, Wirecard has decided to present a further statement in addition to the usual statement of cash flow from operating activities with those items eliminated.