

## FINANCIAL SUPERVISION AUTHORITY

## Consolidated Quarterly Report Qsr .....4 / 2020

quarter / year

(pursuant to §60 sec.2 and §62 sec. 1 of the Regulation regarding current and periodical information)  
for issuers of securities managing production, construction, trade or services activities

for ...4... quarter of financial year ...2020 from 2020-01-01 to 2020-12-31  
including consolidated financial statement according to International Financial Reporting Standards (IFRS)  
in currency PLN  
and summary of financial statement according to Act on Accounting  
in currency PLN  
date of publication 2021-03-01

<b>COMARCH SA</b>	
(full name of an issuer)	
<b>COMARCH</b>	<b>Information Technology (IT)</b>
(abbreviated name of issuer)	(sector according to WSE classification)
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SELECTED FINANCIAL DATA	thousands of PLN		thousands of EURO	
	Q4 2020	Q4 2019	Q4 2020	Q4 2019
DATA RELATED TO THE CONSOLIDATED FINANCIAL STATEMENT				
I. Revenues from sales	1,536,438	1,437,423	343,399	334,145
II. Operating profit (loss)	186,818	143,383	41,755	33,331
III. Profit before income tax	160,320	142,369	35,832	33,095
IV. Net profit attributable to shareholders of parent company	118,744	104,846	26,540	24,373
V. Net cash flows from operating activities	293,299	168,964	65,553	39,278
VI. Net cash flows from investing activities	-96,708	-34,373	-21,615	-7,990
VII. Net cash flows from financing activities	-75,099	-58,385	-16,785	-13,572
VIII. Change in net cash flows	121,492	76,206	27,154	17,715
IX. Number of shares	8,133,349	8,133,349	8,133,349	8,133,349
X. Earnings (losses) per single share (PLN/EURO)	14.60	12.89	3.26	3.00
XI. Diluted earnings (losses) per single share (PLN/EURO)	14.60	12.89	3.26	3.00
DATA RELATED TO THE FINANCIAL STATEMENT				
XII. Net revenues from sales of products, goods and materials	997,911	951,698	223,037	221,233
XIII. Profit (loss) on operating activities	79,736	33,519	17,821	7,792
XIV. Gross profit (loss)	113,689	67,397	25,410	15,667
XV. Net profit (loss)	99,320	57,627	22,198	13,396
XVI. Net cash flows from operating activities	100,972	60,958	22,568	14,170
XVII. Net cash flows from investing activities	-22,119	-7,665	-4,944	-1,782
XVIII. Net cash flows from financing activities	-53,115	-53,199	-11,871	-12,367
XIX. Total net cash flow	25,738	94	5,753	22

XX. Number of shares	8,133,349	8,133,349	8,133,349	8,133,349
XXI. Earnings (losses) per single share (PLN/EURO)	12.21	7.09	2.73	1.65
XXII. Diluted earnings (losses) per single share (PLN/EURO)	12.21	7.09	2.73	1.65
<b>EQUITIES</b>	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
XXIII. Equity attributable to shareholders (consolidated)	1,078,685	952,123	233,745	223,582
XXIV. Equity (parent company)	968,749	881,540	209,922	207,007

Euro exchange rates used for calculation of the selected financial data:

- arithmetical average of NBP average exchange rates as of the end of each month for the period 01.01.2020 to 31.12.2020: 4.4742;

- arithmetical average of NBP average exchange rates as of the end of each month for the period 01.01.2019 to 31.12.2019: 4.3018;

The balance sheet items were presented based on NBP average exchange rates as of the end of the period:

- 31.12.2020: 4,6148;

- 31.12.2019: 4.2585.

When presenting selected financial data from the quarterly financial statement, it should be properly described.

Selected financial data from the consolidated balance sheet (consolidated statement regarding the financial situation) or from the balance sheet respectively (statement regarding the financial situation) is presented as of the end of the current quarter and as of the end of the previous year, and this should be properly described.

This report should be presented to the Financial Supervision Authority, the Warsaw Stock Exchange and press agency pursuant to the law.

#### REPORT INCLUDES:

File	Description
Qsr_4_2020 Comarch SA.pdf	Qsr_4_2020 Comarch SA
Qsr_4_2020 consolidated.pdf	Qsr_4_2020 consolidated

#### SIGNATURES

Date	Name and surname	Position	Signature
2021-03-01	Konrad Tarański	Vice-President of the Management Board	
2021-03-01	Maria Smolińska	Proxy	



# **Comarch Group Consolidated Financial Statement for the period from 1 January 2020 – 31 December 2020**

**Statement in accordance with the International Financial Reporting  
Standards**

**Krakow, 1<sup>st</sup> of March, 2021**

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**PLN 187  
million of  
operating  
profit**

**Projects in  
over 60  
countries on 6  
continents**

**PLN 1.5 billion  
of revenue**

**61  
companies  
worldwide**

**Over  
6,400  
specialists  
employed**

**PLN 1.6 billion  
of market  
capitalization of  
Comarch S.A. on  
WSE**

**58.6% share of  
export sales**



## COMARCH GROUP CONSOLIDATED FINANCIAL STATEMENT FOR 12 MONTHS 2020

### I. Consolidated Balance Sheet

ASSETS	Note	At 31 December 2020	At 31 December 2019
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	<a href="#">3.2</a>	582,561	539,635
Right-of-use assets	<a href="#">3.3</a>	88,093	73,636
Investment in real estates	<a href="#">3.4</a>	39,874	36,631
Goodwill	<a href="#">3.5</a>	45,774	40,735
Other intangible assets	<a href="#">3.6</a>	55,681	56,311
Non-current prepayments		1,298	2,486
Investments in associates	<a href="#">3.7</a>	-	570
Other assets at fair value	<a href="#">3.9a</a>	597	2,739
Other investments		216	211
Deferred income tax assets	<a href="#">3.10</a>	35,967	35,002
Other non-current receivables		7,093	8,782
		<b>857,154</b>	<b>796,738</b>
<b>CURRENT ASSETS</b>			
Inventories	<a href="#">3.11</a>	86,035	90,741
Trade and other receivables	<a href="#">3.12</a>	424,414	430,182
Current income tax receivables		1,696	3,554
Long-term contracts receivables	<a href="#">3.13</a>	155,748	193,865
Available-for-sale financial assets	<a href="#">3.8</a>	20,001	-
Other financial assets at fair value – derivative financial instruments	<a href="#">3.9a</a>	2,119	4,923
Interest and shares		-	-
Cash and cash equivalents		447,832	322,708
		<b>1,137,845</b>	<b>1,045,973</b>
<b>Assets qualified for sale</b>		<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>1,994,999</b>	<b>1,842,711</b>

EQUITY AND LIABILITIES	Note	At 31 December 2020	At 31 December 2019
<b>EQUITY</b>			
<b>Capital and reserves attributable to the company's equity holders</b>			
Share capital	<a href="#">3.14</a>	8,133	8,133
Reserve capital from sales of shares above the nominal value		84,446	84,446
Other capitals		58,595	58,595
Exchange differences		30,186	10,168
Retained earnings and net profit for the current period		897,325	790,781
		<b>1,078,685</b>	<b>952,123</b>
Equities attributable to non-controlling interests		18,562	18,633
<b>TOTAL EQUITY</b>		<b>1,097,247</b>	<b>970,756</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Credit and loans	<a href="#">3.15</a>	116,760	141,718
Other liabilities		6,305	4,998
Liabilities due to lease	<a href="#">3.16</a>	75,059	59,001
Financial liabilities at fair value – derivative financial instruments	<a href="#">3.9b</a>	5,639	2,909
Other financial liabilities		-	-
Provision for deferred income tax	<a href="#">3.10</a>	46,691	48,725
Provision for retirement benefits and similar		1,792	-
Provisions for other liabilities and charges	<a href="#">3.18</a>	-	-
		<b>252,246</b>	<b>257,351</b>
<b>Current liabilities</b>			
Trade and other payables	<a href="#">3.19</a>	209,721	191,770
Current income tax liabilities		23,616	8,765
Long-term contracts liabilities	<a href="#">3.13</a>	148,140	172,831
Credit and loans	<a href="#">3.15</a>	40,183	41,091
Liabilities due to lease	<a href="#">3.16</a>	19,092	15,730
Financial liabilities at fair value – derivative financial instruments	<a href="#">3.9b</a>	3,820	-
Other financial liabilities	<a href="#">3.17</a>	5,249	4,009
Provisions for other liabilities and charges	<a href="#">3.18</a>	195,685	180,408
		<b>645,506</b>	<b>614,604</b>
<b>TOTAL LIABILITIES</b>		<b>897,752</b>	<b>871,955</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,994,999</b>	<b>1,842,711</b>



## II. Consolidated Income Statement

	Nota	Q4 2020*	12 months 2020	Q4 2019	12 months 2019
<b>Revenue</b>		<b>473,979</b>	<b>1,536,438</b>	<b>416,457</b>	<b>1,437,423</b>
Cost of sales		(318,003)	(1,083,813)	(308,725)	(1,016,698)
<b>Gross profit</b>		<b>155,976</b>	<b>452,625</b>	<b>107,732</b>	<b>420,725</b>
Other operating income		16,477	51,769	10,198	34,320
Sales and marketing costs		(51,678)	(143,228)	(47,494)	(145,545)
Administrative expenses		(39,451)	(126,829)	(37,192)	(127,937)
Other operating expenses		(12,401)	(47,519)	(2,227)	(38,180)
<b>Operating profit</b>		<b>68,923</b>	<b>186,818</b>	<b>31,017</b>	<b>143,383</b>
Finance revenue / (costs) - net		(8,558)	(26,498)	11,313	(1,014)
Share of profit / (loss) of associates		-	-	-	-
<b>Profit before income tax</b>		<b>60,365</b>	<b>160,320</b>	<b>42,330</b>	<b>142,369</b>
Income tax expense		(9,857)	(41,659)	(7,503)	(36,851)
<b>Net profit for the period</b>		<b>50,508</b>	<b>118,661</b>	<b>34,827</b>	<b>105,518</b>
Attributable to:					
<b>Shareholders of the parent company</b>		<b>51,769</b>	<b>118,744</b>	<b>35,167</b>	<b>104,846</b>
<i>Interests not entitled to control</i>		<i>(1,261)</i>	<i>(83)</i>	<i>(340)</i>	<i>672</i>
		<b>50,508</b>	<b>118,661</b>	<b>34,827</b>	<b>105,518</b>
<b>Earnings per share for profit attributable to the shareholders of the parent company during the period (expressed in PLN per share)</b>					
– basic	<a href="#">3.24</a>		14.60		12.89
– diluted	<a href="#">3.24</a>		14.60		12.89

\*) Data for the fourth quarter of 2020 were calculated by subtraction of the data presented by the Comarch Group in the report for the 9 months of 2020 from the data for the 12 months of 2020.

### III. Total Income Consolidated Statement

	Q4 2020*	12 months 2020	Q4 2019	12 months 2019
<b>Net profit for the period</b>	<b>50,508</b>	<b>118,661</b>	<b>34,827</b>	<b>105,518</b>
<b>Other total income</b>				
Exchange differences from recalculation of subsidiaries	5,318	20,030	(4,249)	1,330
<b>Total other total income</b>	<b>5,318</b>	<b>20,030</b>	<b>(4,249)</b>	<b>1,330</b>
 <b>Sum of total income for the period</b>	 <b>55,826</b>	 <b>138,691</b>	 <b>30,578</b>	 <b>106,848</b>
Attributable to the parent company shareholders	57,088	138,762	30,917	106,177
Attributable to the interests not entitled to control	(1,262)	(71)	(339)	671

\*) Data for the fourth quarter of 2020 were calculated by subtraction of the data presented by the Comarch Group in the report for the 9 months of 2020 from the data for the 12 months of 2020.

## IV. Consolidated Statement of Changes in Shareholders' Equity

	Attributable to the shareholders of the parent company					Capitals attributable to non-controlling interests	Total equity
	Share capital	Reserve capital from sales of shares above the nominal value	Other capitals	Exchange differences	Profit/(loss) from the previous years and net profit for the current period		
<b>Balance at 1 January 2019</b>	<b>8,133</b>	<b>84,446</b>	<b>58,595</b>	<b>8,837</b>	<b>698,135</b>	<b>17,962</b>	<b>876,108</b>
Dividend paid	-	-	-	-	(12,200)	-	(12,200)
Currency translation differences <sup>(1)</sup>	-	-	-	1,331	-	(1)	1,330
Profit for the period <sup>(2)</sup>	-	-	-	-	104,846	672	105,518
Total income recognised in equity <sup>(1+2)</sup>	-	-	-	1,331	104,846	671	106,848
<b>Balance at 31 December 2019</b>	<b>8,133</b>	<b>84,446</b>	<b>58,595</b>	<b>10,168</b>	<b>790,781</b>	<b>18,633</b>	<b>970,756</b>
<b>Balance at 1 January 2020</b>	<b>8,133</b>	<b>84,446</b>	<b>58,595</b>	<b>10,168</b>	<b>790,781</b>	<b>18,633</b>	<b>970,756</b>
Dividend paid	-	-	-	-	(12,200)	-	(12,200)
Currency translation differences <sup>(1)</sup>	-	-	-	20,018	-	12	20,030
Profit for the period <sup>(2)</sup>	-	-	-	-	118,744	(83)	118,661
Total income recognised in equity <sup>(1+2)</sup>	-	-	-	20,018	118,744	(71)	138,691
<b>Balance at 31 December 2020</b>	<b>8,133</b>	<b>84,446</b>	<b>58,595</b>	<b>30,186</b>	<b>897,325</b>	<b>18,562</b>	<b>1,097,247</b>

## V. Consolidated Cash Flow Statement

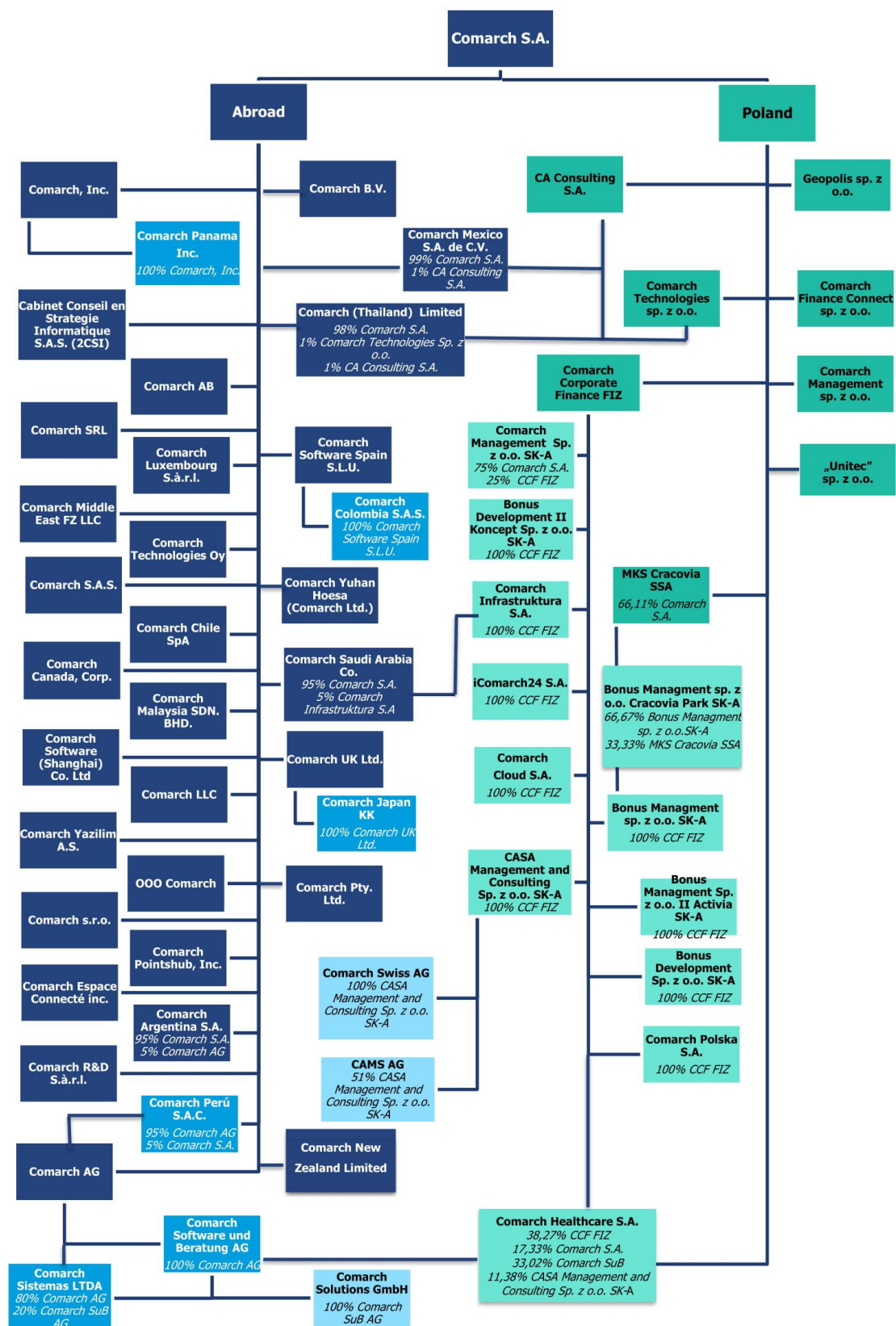
	12 months ended 31 December 2020	12 months ended 31 December 2019
<b>Cash flows from operating activities</b>	118,661	105,518
Net profit	203,263	100,368
Total adjustments	-	-
<i>Depreciation</i>	85,084	84,929
<i>Profit (loss) from foreign exchange differences</i>	8,917	2,906
<i>Interest and profit sharing (dividends)</i>	2,692	3,632
<i>Profit (loss) on investing activities</i>	(4,795)	(10,187)
<i>Change in inventories</i>	15,847	3,441
<i>Change in receivables</i>	63,917	(6,908)
<i>Change in liabilities and provisions excluding credits and loans</i>	31,601	22,555
<i>Other adjustments</i>	-	-
Net profit less total adjustments	321,924	205,886
Income tax paid	(28,625)	(36,922)
<b>Net cash generated (used) in operating activities</b>	<b>293,299</b>	<b>168,964</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(87,368)	(44,965)
Proceeds from sale of property, plant and equipment	912	4,054
Purchases of intangible assets	(7,859)	(8,825)
Proceeds from disposal of investment in intangible assets	3,898	10,396
Expenses for purchase of financial assets	(10,454)	-
Expenses for investment in real estates	(4,046)	(2,554)
Paid loans	-	-
Repayment of granted loans	7,214	1,900
Interest	626	338
Proceeds from financial instruments	647	3,354
Expenses for financial instruments	(278)	-
Proceeds from financial assets	-	1,929
Other investment expenses	-	-
<b>Net cash generated (used) in investing activities</b>	<b>(96,708)</b>	<b>(34,373)</b>
<b>Cash flows from financing activities</b>		
Proceeds from credits and loans	4,316	10,774
Repayments of credits and loans	(45,506)	(41,685)
Interest on credit	(2,464)	(2,863)
Interest on received loans	(301)	(432)
Proceeds from repaid loans	-	2,050
Proceeds from interest on loans	-	121
Other financial liabilities (loans granted)	-	(323)
Dividends and other payments to owner's distribution	(12,200)	(12,200)
Payment of liabilities under finance lease agreements	(21,241)	(19,559)
Other financial proceeds	2,297	5,732
Other financial expenses	-	-
<b>Net cash generated (used) in financing activities</b>	<b>(75,099)</b>	<b>(58,385)</b>
<b>Net change in cash, cash equivalents and bank overdrafts</b>	<b>121,492</b>	<b>76,206</b>
Cash, cash equivalents and bank overdrafts at beginning of the period	322,702	245,906
Positive (negative) exchange differences in cash and bank overdrafts	3,638	590
<b>Cash, cash equivalents and bank overdrafts at end of the period</b>	<b>447,832</b>	<b>322,702</b>
- including limited disposal	3,378	2,986

## **VI. Supplementary information**

### **1. Information about Comarch Group Structure and Activities**

The basic activities of the Comarch Group (the "Group"), in which Comarch S.A. with its registered office in Krakow at Al. Jana Pawła II 39 A is the parent company, include activity related to software, PKD 62.01.Z. The registration court for Comarch S.A. is the District Court for Krakow Śródmieście in Krakow, The Eleventh Economic Division of the National Court Register. The company's KRS number is 0000057567. Comarch S.A. holds the dominant share in the Comarch Group regarding realised revenue, value of assets and number and volume of executed contracts. Comarch S.A. shares are admitted to public trading on the Warsaw Stock Exchange. The duration of the parent company is not limited.

## 1.1. Organizational Structure of Comarch Group



On the 31<sup>st</sup> of December, 2020, associate of the parent company was:

- 100% Comarch S.A., unless otherwise indicated.



- SoInteractive S.A. with its registered office in Krakow in Poland (16.10% votes held by CCF FIZ, 11.27% held by Bonus Management sp. z o.o. Activia SK-A).

The associated company is not consolidated. Shares are valued with equity method.

## 1.2. Activities Structure in the Comarch Group

The structure of activities of the Comarch Group is as follows:

- The parent company Comarch S.A. acquires the majority of contracts and in large part executes them,
- Comarch AG, Comarch S.A.S., Comarch R&D S.à r.l., Comarch Luxembourg S.à r.l., Comarch Inc., Comarch Panama Inc., Comarch Canada, Corp., Comarch Middle East FZ-LLC, Comarch LLC, OOO Comarch, Comarch Technologies Oy, Comarch UK Ltd., Comarch Chile SpA, Comarch Sistemas LTDA, Comarch Software Spain S.L.U., Comarch Yazilim A.S., Comarch SRL, Comarch Espace Connecté Inc., Comarch Malaysia SDN. BHD., Comarch AB, Comarch Argentina S.A., Comarch Colombia S.A.S., Comarch Peru S.A.C., Comarch Japan KK, Comarch Saudi Arabia Co., Comarch Mexico S.A. de C.V., Comarch Pty. LTD, Comarch Software (Shanghai) Co. Ltd, Comarch New Zealand LTD acquire IT contracts in foreign markets and execute them in their entirety or in part,
- Comarch Software und Beratung AG is an important provider of ERP and an integrator of IT solutions in Germany. Activities of Comarch Solutions GmbH are identical as activities of Comarch Software und Beratung AG,
- Comarch Swiss AG sells and implements Comarch IT solutions, especially ERP and ECM on the Swiss market,
- CABINET CONSEIL EN STRATEGIE INFORMATIQUE S. A. S. provides IT solutions and services for medical entities on the French market,
- Comarch Polska S.A. acquires IT contracts in domestic markets and executes them in their entirety or in part,
- Comarch Technologies sp. z o.o. is responsible for the development of technologies related to the design and production of electronic devices and software,
- CA Consulting S.A. specialises in data communications relating to the provision of IT and consulting services for the own needs of the Comarch S.A. and for Comarch's contractor,
- Comarch Cloud S.A., acquire IT contracts in domestic markets and execute them in their entirety or in part,
- Comarch Finance Connect Sp. z o.o. prepares to start an activity in the field of Account Information Service Provider,
- Purpose of the Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty is investment activity, through its subsidiaries, in the scope of new technologies and services, as well as investment activities on capital market,
- Comarch Management sp. z o.o., Comarch Management sp. z o.o. SK-A, CASA Management and Consulting sp. z o.o. SK-A, CAMS AG, Bonus Management sp. z o.o. SK-A and Bonus Management sp. z o.o. II Activia SK-A, Comarch Pointshub, Inc. conduct investment activities on capital market and activities related to IT,
- The subject matter of activities of Bonus Development sp. z o.o. SK-A and Bonus Development sp. z o.o. II Koncept SK-A are activities related to real estates,
- Comarch Healthcare S.A. produces and sells IT software related to medicine, provides medical and diagnostic services, as well as produces and provides complex IT solutions for medicine
- Comarch Infrastruktura S.A. offers services related to Data Centre and IT services outsourcing,
- iComarch24 S.A. conducts IT projects related to e-accounting and e-trading, as well as provides accounting services for domestic subsidiaries in the Comarch Group,
- Geopolis sp. z o.o. – in January, 2021, a petition for bankruptcy has been filed,
- MKS Cracovia SSA conducts sports activities and promotes physical education,
- „Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością” Cracovia Park SK-A conducts investment activities related to sport, wellness and recreation,
- Companies Comarch s.r.o., „Unitec” Sp. z o.o., Comarch Espace Connecté Inc. and CAMS AG are currently not operating.

**1.3. Changes in Ownership and Organisational Structure in Q4 2020**

On the 26<sup>th</sup> of November, 2020, a subsidiary company Comarch New Zealand LTD was registered in Auckland. The share capital of the company amounts to NZD 50,000 (i.e. PLN 135,660) and consists of 50,000 shares with nominal value of NZD 1 (i.e. PLN 2.71) each. Comarch S.A. owns 100% in share capital and votes of New Zealand LTD.

On the 2<sup>nd</sup> of December, 2020, the name of the company was changed from Opso Sp. z o.o. on Comarch Finance Connect Sp. z o.o.

On the 2<sup>nd</sup> of December, 2020, Comarch S.A. acquired 100% of shares in the company "Unitec" Sp. z o.o. The share capital of "Unitec" Sp. z o.o. amounts to PLN 60,000 and is divided into 100 shares with nominal value PLN 600 each. The total value of the transaction was PLN 1,000.

On the 31<sup>st</sup> of December, 2020, the share capital of Comarch SAS was increased by EUR 3,000,000 (i.e. PLN 13,844,400) to EUR 4,000,000 (i.e. PLN 18 459 200).

**1.4. Changes in Ownership and Organisational Structure after the Balance Sheet Date**

On the 21<sup>st</sup> of January, 2021, the Management Board of Geopolis Sp. z o.o. filed an application to the District Court for Toruń, The Fifth Economic Division, for bankruptcy including liquidation of the debtor's assets, i.e. the company.

## 2. Description of the Applied Accounting Principles

This unaudited Condensed Interim Consolidated Financial Statement of Comarch Group for the 12 months ended the 31<sup>st</sup> of December, 2020, and comparable data (the "Interim Consolidated Financial Statement") are prepared in accordance with International Accounting Standard ("IAS") 34 and with all accounting standards applicable to interim financial reporting adopted by the European Union, issued and effective as at the date of preparing the Condensed Interim Consolidated Financial Statement.

This Interim Consolidated Financial Statement for the 12 months ended the 31<sup>st</sup> of December, 2020 does not include all information and disclosures that are obligatory in annual financial statements, therefore should be read in conjunction with the audited Comarch Group IFRS Consolidated Financial Statement for the year ended the 31<sup>st</sup> of December, 2019 ("the IFRS Consolidated Financial Statement").

The scope of the accounting principles and calculation methods applied in the Interim Consolidated Financial Statement for the 12 months ended the 31<sup>st</sup> of December, 2020, does not differ from the accounting principles described in the audited Comarch Group IFRS Consolidated Financial Statement for the year ended the 31<sup>st</sup> of December, 2019 (notes 2 and 3 of the Consolidated Financial Statement of the Comarch Group for the year ended the 31<sup>st</sup> of December, 2019).

The Interim Consolidated Financial Statement for the 12 months ended the 31<sup>st</sup> of December, 2020, includes the consolidated balance sheet, consolidated income statement, total income consolidated statement, consolidated statement of changes in shareholders' equity, consolidated cash flow statement and selected explanatory notes.

Costs that arise unevenly during the year are anticipated or deferred in the interim financial statement, only if it would also be appropriate to anticipate or defer such costs at the end of the year.

This Interim Consolidated Financial Statement for the 12 months ended the 31<sup>st</sup> of December, 2020, is prepared in thousands of Polish zloty ("PLN") and was authorized for issuance by the Management Board on the 1<sup>st</sup> of March, 2021.

### Interpretations to standards applied in 2019 for the first time and continued in 2020

#### ■ IFRS 16 Leasing

The IFRS 16 standard was published on the 13<sup>th</sup> of January, 2016, and is effective for annual periods beginning on or after 1<sup>st</sup> of January, 2019.

The Comarch Group plans to implement the application of the IFRS 16 standard retrospectively, with the combined effect of the first application of IFRS 16 recognized as at 1<sup>st</sup> of January, 2019, without restatement of comparative data.

The application of IFRS 16 required the Comarch Group to analyse data and make certain estimates and calculations that affect the measurement of lease liabilities and the valuation of assets with the right to use. These included identifying contracts subject to the application of IFRS 16, determining the duration of contracts and setting interest rates used to discount future cash flows.

In accordance with IFRS 16, the contract is a lease if the lessee has the right to exercise control, including economic benefits, over the use of the identified asset for a specified period of time in exchange for remuneration.

During the preparatory work, the Comarch Group analysed all contracts concluded in terms of meeting the criteria for considering them as leasing agreements by IFRS 16. For lease agreements subject to IFRS 16, the Comarch Group included rental agreements for buildings and office space, the right to perpetual usufruct of land, leasing of means of transport and leasing of computer equipment.

For contracts concluded for a definite period, the Comarch Group has adopted a lease period consistent with the lease agreement period, unless circumstances indicating the use of the option of extension or termination were known. Contracts concluded for an indefinite period with a notice period shorter than 12 months are not subject to measurement according to IFRS 16 (except for the agreement for lease

of the stadium in Krakow at street Kałuży 1, which was valued according to IFRS 16 due to the strategic nature of rented property, and for which the Comarch Group accepts a 5 years lease period). The estimated value of liabilities resulting from other agreements concluded for an indefinite period for a period of 12 months amounts to approx. PLN 1,400 thousand. Contracts of lease for an indefinite period with a notice period longer than 12 months the Comarch Group has not identified.

In accordance with the IFRS 16 Leasing standard, the Comarch Group has implemented uniform accounting principles that require lessees to recognize assets and liabilities for all lease agreements, taking into account the exceptions listed in the standard. The Comarch Group recognizes the right to use the asset together with an appropriate leasing liability determined in the amount of discounted future payments during the lease term. Instead of the previously included in the costs of the basic activity of fees for the use of leased assets, depreciation calculated on the value of the asset due to the right of use was introduced. Depreciation is allocated according to production costs, overheads or selling costs. Instead of the interest paid on the current leasing instalments included in the financial costs, interest accrued on the leasing liability was introduced. Assets due to the right of use are amortized on a straight-line basis, whereas lease liabilities settled by the effective interest rate (the lesser interest rate of the lessee).

The lessee's marginal interest rate for a given leasing contract was determined as the sum of the risk-free rate depending on the currency and leasing period, the credit margin adjustment and the specific adjustment for the leased asset. The level of marginal interest rates applied by the Comarch Group is between 1.3% and 7.8%.

The total value of nominal remuneration resulting from identified lease agreements, as at the date of publication of this report, that meet the criteria of IFRS 16, falling for the period from the 1<sup>st</sup> of January, 2019 to the end of their validity, is:

- for lease contracts: approx. PLN 60,216 thousand,
- for the right of perpetual usufruct of land (for the period until 2089): approx. PLN 58,914 thousand,
- for leasing of means of transport and computer equipment: approx. PLN 1,290 thousand.

As a result of applying IFRS 16, the value of assets due to the right of use and leasing liabilities, and thus the value of the Comarch Group's balance sheet total as at 1<sup>st</sup> of January, 2019 was PLN 74,402 thousand:

- for lease contracts: approx. PLN 54,514 thousand,
- for the right of perpetual usufruct of land (for the period until 2089): approx. PLN 18,631 thousand,
- for leasing of means of transport and computer equipment: approx. PLN 1,257 thousand.

The implementation of IFRS 16 will have an impact on financial ratios calculated on the basis of the Comarch Group's financial statements, including those that are covenants in loan agreements concluded by the Comarch Group. The Comarch Group has excluded the impact of changes resulting from the implementation of IFRS 16 on the calculation of covenants in all loan agreements. The Management Board of the Comarch Group informs that it does not see any risk of exceeding the admissible values of covenants resulting from loan agreements concluded by the Comarch Group also in a situation when the data taking into account the application of IFRS 16 were used to calculate the value of covenants.

As at the balance sheet date, the 31<sup>st</sup> of December, 2020, the value of the right to use assets in the Comarch Group amounted to PLN 88,093 thousand and the value of lease liabilities PLN 94,151 thousand. The value of depreciation from the asset due to the right of use in the four quarters of 2020 amounted to PLN 21,138 thousand. The value of interest on leasing liabilities during the four quarters of 2020 amounted to PLN 2,494 thousand.

## Impact of the application of IFRS 16 on the Comarch Group's financial statements

	At 31 December 2020	At 31 December 2020
	- published data	- without IFRS 16
<b>Impact on the balance sheet</b>		
<b>Total assets</b>	<b>1,994,999</b>	<b>1,907,083</b>
Fixed assets	857,154	769,238
Asset due to the right of use	88,093	-
<b>Liabilities Total</b>	<b>1,994,999</b>	<b>1,907,083</b>
Total liabilities, including:	897,752	803,756
<i>Long-term liabilities</i>	<i>252,246</i>	<i>177,187</i>
<i>Current liabilities</i>	<i>645,506</i>	<i>626,569</i>
Lease liabilities, including:	94,151	-
<i>Long-term liabilities</i>	<i>75,059</i>	-
<i>Current liabilities</i>	<i>19,092</i>	-
<b>Equity attributable to the Company's shareholders</b>	<b>1,078,685</b>	<b>1,084,765</b>
<b>Impact on the profit and loss account</b>		
<b>Depreciation, including:</b>	<b>85,084</b>	<b>64,211</b>
<i>Depreciation of the right to use</i>	<i>21,138</i>	-
<b>Net profit</b>	<b>118,661</b>	<b>123,617</b>
<b>Net profit attributable to the company's shareholders</b>	<b>118,744</b>	<b>123,700</b>
<b>Impact on the cash flow</b>		
<b>Cash flow together</b>	<b>121,492</b>	<b>121,544</b>
Net cash flow from operating activities	293,299	272,425
Net cash flow from investing activities	(96,708)	(96,708)
Net cash flow from financing activities	(75,099)	(54,173)
<b>Depreciation of assets under the right of use</b>		<b>12 months ended 31 December 2020</b>
Leasing of means of transport and computer equipment		1,075
Rent		19,767
Perpetual usufruct		296
<b>Depreciation of assets under the right of use</b>		<b>21,138</b>

The Comarch Group uses two simplifications regarding classifying the contract as a lease agreement by IFRS 16. The Comarch Group excluded from the valuation by IFRS 16 short-term contracts and agreements on low-value assets, i.e. with an initial value not exceeding 5,000 USD. The use of the

above simplifications by the Company obliges it to apply them throughout the standard's validity period. The applied simplifications are documented with appropriate accounting policy provisions. The cost related to contracts for short-term leasing and leasing of low-value assets in the four quarters of 2020 amounted to approx. PLN 1,385 thousand.

### Interpretations to standards which will be applied in 2020 for the first time

#### ■ Amendment to IFRS 3 Business Combinations

Amendment to IFRS 3 was published on the 22<sup>nd</sup> of October, 2018 and is effective for annual periods beginning on or after the 1<sup>st</sup> of January, 2020.

The purpose of the change was to clarify the definition of a business and to more easily distinguish acquisitions of "ventures" from groups of assets for the purpose of merger settlement.

#### ■ Amendments to IAS 1 and IAS 8: Definition of the Term "Material"

Amendments to IAS 1 and IAS 8 were published on the 31<sup>st</sup> of October, 2018 and are effective for annual periods beginning on or after the 1<sup>st</sup> of January, 2020. The purpose of the changes was to clarify the definition of "materiality" and facilitate its practical application.

#### ■ Reform of Reference Interest Rates (Reference Rates) - Amendments to IFRS 9, IAS 39 and IFRS 7

Amendments to IFRS 9, IAS 39 and IFRS 7 were published on the 26<sup>th</sup> of September, 2019 and are effective for annual periods beginning on or after the 1<sup>st</sup> of January, 2020.

The amendments modify the detailed requirements of hedge accounting to minimize (eliminate) the potential effects of uncertainty related to the reform of reference (inter-bank) interest rates. In addition, entities will be required to add additional disclosures about those hedging relationships that are directly affected by the uncertainty associated with the reform.

The above-mentioned changes to standards did not affect the Comarch Group's financial statements for the four quarters of 2020.

### New standards and amendments to existing standards issued by the IASB, but not yet approved for use in the EU

- **IFRS 14 Regulatory Deferral Accounts** published on the 30<sup>th</sup> of January, 2014 (the process of adoption for use by EU countries suspended).
- **IFRS 17 Insurance contracts**, published on the 18<sup>th</sup> of May, 2017, together with changes of the 25<sup>th</sup> of June, 2020.
- **Amendments to IFRS 10 and IAS 28: Sale or contribution of assets between an investor and its associate or joint venture**, published on the 11<sup>th</sup> of September, 2014 (the adoption process by EU countries suspended).
- **Amendment to IAS 1 Presentation of financial statements: Classification of liabilities as short- and long-term**, published on the 23<sup>rd</sup> of January, 2020. It is effective for annual periods beginning on or after the 1<sup>st</sup> of January, 2022.
- **Amendments to IFRS 3, IAS 16, IAS 37 and annual amendments to the standards 2018-2020** published on the 14<sup>th</sup> of May, 2020. They are effective for annual periods beginning on or after the 1<sup>st</sup> of January, 2022.
- **Amendments to IFRS 4 Insurance contracts – suspension of application IFRS 9** published on the 25<sup>th</sup> of June, 2020. It is effective for annual periods beginning on or after the 1<sup>st</sup> of January, 2023.

The Comarch Group will apply the changed standards on the dates of their entry into force.

According to the assessment as at the date of preparation of this report, these changes should not have a significant impact on the financial statements.



- **Amendment to IFRS 16 Leasing: reliefs related to Covid-19** published on the 28<sup>th</sup> of May, 2020. It is effective for annual periods beginning on or after the 1<sup>st</sup> of June, 2020. Approved for use by the European Commission in October 2020.

The Group did not use the simplifications related to Covid 19 specified in this standard.

The consolidated financial statement of the Comarch Group for the 12 months ended the 31<sup>st</sup> of December, 2020, comprises the financial statements of the following companies:

Company name	Relationship	Consolidation method	% held by Comarch S.A. in a subsidiary's share capital
Comarch S.A.	Parent company	Full	
Comarch AG	Subsidiary	Full	100%
Comarch Sistemas LTDA	Subsidiary	Full	80% held by Comarch AG, 20% held by Comarch Software und Beratung AG
Comarch Peru S.A.C.	Subsidiary	Full	95% held by Comarch AG, 5% held by Comarch S.A.
Comarch Software und Beratung AG	Subsidiary	Full	100% held by Comarch AG
Comarch Solutions GmbH	Subsidiary	Full	100% held by Comarch Software und Beratung AG
Comarch S.A.S.	Subsidiary	Full	100%
Comarch R&D S.à r.l.	Subsidiary	Full	100%
Comarch Luxembourg S.à r.l.	Subsidiary	Full	100%
Comarch Inc.	Subsidiary	Full	100%
Comarch Panama Inc.	Subsidiary	Full	100% held by Comarch Inc.
Comarch Canada. Corp.	Subsidiary	Full	100%
Comarch Espace Connecté Inc.	Subsidiary	Full	100%
Comarch Middle East FZ-LLC	Subsidiary	Full	100%
Comarch LLC	Subsidiary	Full	100%
OOO Comarch	Subsidiary	Full	100%
Comarch Software (Shanghai) Co. Ltd.	Subsidiary	Full	100%
Comarch Technologies Oy	Subsidiary	Full	100%
Comarch UK Ltd.	Subsidiary	Full	100%
Comarch Japan KK	Subsidiary	Full	100% held by Comarch UK Ltd.
Comarch Chile SpA	Subsidiary	Full	100%

Comarch Software Spain S.L.U.	Subsidiary	Full	100%
Comarch Colombia S.A.S.	Subsidiary	Full	100% held by Comarch Software Spain S.L.U.
Comarch Yazilim A.S.	Subsidiary	Full	100%
Comarch SRL	Subsidiary	Full	100%
Comarch Malaysia SDN. BHD.	Subsidiary	Full	100%
Comarch s.r.o.	Subsidiary	Full	100%
Comarch Pointshub. Inc.	Subsidiary	Full	100%
Comarch AB	Subsidiary	Full	100%
Comarch Argentina S.A.	Subsidiary	Full	95% held by Comarch S.A., 5% held by Comarch AG
Comarch Saudi Arabia Co.	Subsidiary	Full	95% held by Comarch S.A., 5% held by Comarch Infrastruktura S.A.
Comarch Mexico S.A. de C.V.	Subsidiary	Full	99% held by Comarch S.A., 1% held by CA Consulting S.A.
Comarch Yuhan Hoesa (Comarch Ltd.)	Subsidiary	Full	100%
Comarch (Thailand) Limited	Subsidiary	Full	98% held by Comarch S.A., 1% held by CA Consulting S.A., 1% held by Comarch Technologies Sp. z o.o.
Comarch BV	Subsidiary	Full	100%
Comarch Pty. LTD	Subsidiary	Full	100%
CABINET CONSEIL EN STRATEGIE INFORMATIQUE S.A.S.	Subsidiary	Full	100%
Comarch Technologies sp. z o.o.	Subsidiary	Full	100%
CA Consulting S.A.	Subsidiary	Full	100%
Geopolis sp. z o.o.	Subsidiary	Full	100%
„Unitec” sp. z o.o.	Subsidiary	Full	100%
Comarch Management sp. z o.o.	Subsidiary	Full	100%
Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty	Subsidiary	Full	100% of total number of investment certificates
Comarch Management sp. z o.o. SK-A	Subsidiary	Full	26.45% held by Comarch S.A., 8.82% held by CCF FIZ, 64.73% purchased by Comarch Management sp. z o.o. SK-A to be redeemed
Bonus Management sp. z o.o. SK-A	Subsidiary	Full	100% held by CCF FIZ

Bonus MANAGEMENT sp. z o.o. Cracovia Park SK-A	Subsidiary	Full	50% held by Bonus Management sp. z o.o. SK-A, 50% held by MKS Cracovia SSA
Bonus Development sp. z o.o. SK-A	Subsidiary	Full	100% held by CCF FIZ
Bonus Management sp. z o.o. II Activia SK-A	Subsidiary	Full	100% held by CCF FIZ
Bonus Development sp. z o.o. II Koncept SK-A	Subsidiary	Full	100% held by CCF FIZ
Comarch Healthcare S.A.	Subsidiary	Full	38.27% held by CCF FIZ, 17.33% held by Comarch S.A., 33.02% held by Comarch Software und Beratung AG, 11.38% held by CASA Management and Consulting sp. z o.o. SKA
Comarch Polska S.A.	Subsidiary	Full	100% held by CCF FIZ
Comarch Cloud S.A. (previously Comarch Pointshub S.A.)	Subsidiary	Full	100% held by CCF FIZ
Comarch Infrastruktura S.A.	Subsidiary	Full	100% held by CCF FIZ
iComarch24 S.A.	Subsidiary	Full	100% held by CCF FIZ
CASA Management and Consulting sp. z o.o. SK-A	Subsidiary	Full	100% held by CCF FIZ
Comarch Swiss AG	Subsidiary	Full	100% held by CASA Management and Consulting sp. z o.o. SK-A
CAMS AG	Subsidiary	Full	51% held by CASA Management and Consulting sp. z o.o. SK-A
Comarch Finance Connect sp. z o.o. (previously Opso Sp. z o.o.)	Subsidiary	Full	100%
MKS Cracovia SSA	Subsidiary	Full	66.11%

### 3. Notes to the Consolidated Financial Statement

#### 3.1. Reporting by Segments for 12 Months of 2020

In the Comarch Group, business segments are basic type of operating segments, and geographical segments are the supplementary type of operating segments. The operations of Comarch's subsidiary units comprise the following types of activities:

- the sale of IT systems and services, including production of software for medicine sector, as well as sales of IT hardware (hereinafter referred to as the "IT segment"),
- professional sports (hereinafter referred to as the "Sport segment"; MKS Cracovia SSA,
- investment activity on capital market and activity in relation with real estate investment, (hereinafter referred to as the "Investment segment"),
- activity in relation to medical services (hereinafter referred to as the "Medicine segment").

IT Segment has a dominant share in sales revenue, profits and assets. IT Segment is divided into the DACH (Germany, Austria and Switzerland) market, Polish market and other markets according to the specific character of the activity in the segment.

Due to the geographical business division, the Comarch Group defines the following market segments: Poland, DACH region (Germany, Austria, and Switzerland) and other countries. The Sport Segment, Medicine Segment and Investment Segment operate exclusively on Polish territory. Due to the fact that only the IT Segment operates abroad and, at the same time, costs incurred in the IT segment are largely common for export and domestic sales, it is pointless to define separate results for export and domestic activities.

The Comarch Group's sales is highly diversified and there is no dependency on a single customer. Within 12 months of 2020 the share of none of the customer exceeded 10% of total sales of the Comarch Group.

Over 2020, Comarch Group revenue structure was as follows: 25% of annual sales were achieved in the first quarter, 21% in the second quarter, 23% in the third quarter and 31% in the fourth quarter. Over 2021, the Comarch Group expects the distribution of sales revenue similar to that of 2020.

12 months ended	IT Segment	Eliminations	Total
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31 December 2019	Polish market	DACH market	Other markets	Investment Segment	Sport Segment	Medicine Segment		
<b>Revenue per segment- sales to external clients</b>	787,721	291,066	339,706	1,721	38,409	12,106	-	1,470,729
<i>including:</i>								
<b>Revenue from sales</b>	781,477	288,527	325,710	1,960	29,404	10,345	-	1,437,423
<i>To customers in Telecommunication, Media, IT sector</i>	147,836	80,601	107,409	-	-	-	-	335,846
<i>To customers in Finance and Banking sector</i>	145,959	35,828	9,267	-	-	-	-	191,054
<i>To customers in Trade and services sector</i>	69,333	26,920	155,490	-	-	-	-	251,743
<i>To customers in Industry&amp;Utilities</i>	93,049	34,245	52,042	-	-	-	-	179,336
<i>To customers in Public sector</i>	119,846	10,506	-	-	-	-	-	130,352
<i>To customers in small and medium enterprises sector</i>	190,421	100,411	-	-	-	-	-	290,832
<i>To customers in Medicine sector</i>	14,111	15	1,448	-	-	10,345	-	25,919
<i>To other customers</i>	922	1	54	1,960	29,404	-	-	32,341
<i>Other operating revenue</i>	3,424	3,725	16,606	188	8,997	1,380	-	34,320
<i>Finance revenue</i>	2,820	(1,186)	(2,610)	(427)	8	381	-	(1,014)
Revenue per segment - sales to other segments	347,023	31,309	40,890	7,735	8,291	2,394	(437,642)	-
<b>Revenue per segment - total*</b>	1,134,744	322,375	380,596	9,456	46,700	14,500	(437,642)	1,470,729
Costs per segment relating to sales to external clients	717,194	254,282	304,257	3,993	36,339	12,295	-	1,328,360
Costs per segment relating to sales to other segments	347,023	31,309	40,890	7,735	8,291	2,394	(437,642)	-
<b>Costs per segment - total*</b>	1,064,217	285,591	345,147	11,728	44,630	14,689	(437,642)	1,328,360
Current taxes	(10,325)	(9,937)	(11,030)	(166)	(249)	-	-	(31,707)
Assets for the tax due to investment allowances and other tax relief	(3,706)	895	(2,256)	(44)	(33)	-	-	(5,144)
Share of segment in the result of parties valued using the equity method of accounting	-	-	-	-	-	-	-	-
<b>Net result</b>	56,496	27,742	22,163	(2,482)	1,788	(189)	-	105,518
<i>including:</i>								
<i>Result attributable to shareholders of the parent company</i>	56,496	27,742	22,163	(2,476)	1,110	(189)	-	104,846
<i>Result attributable to minority interest</i>	-	-	-	(6)	678	-	-	672

\*) Items comprise revenue and costs of all types, which can be directly allocated to particular segments

Sales between specific segments are calculated based on market conditions.

## Share of business segments in Assets and Liabilities and Investment Expenditures

## Share of business segments in Assets and Liabilities and Investment Expenditures

The following table presents the assets and liabilities of particular segments as at the 31<sup>st</sup> of December, 2020, as well as investment expenditures and depreciation in during 12 months of 2019:

**31 December 2019 / 12 months ended 31 December 2019**

	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Total
	Poland	DACH region	Other countries				
Assets	1,025,458	250,384	327,632	149,881	82,839	6,517	<b>1,842,711</b>
Liabilities	585,148	88,111	134,721	33,880	29,399	696	<b>871,955</b>
Investment expenditures	28,278	2,672	7,649	5,008	12,045	692	<b>56,344</b>
Depreciation	57,624	9,457	9,710	3,320	4,421	397	<b>84,929</b>



12 months ended 31 December 2020	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Eliminations	Total
	Polish market	DACH market	Other markets					
<b>Revenue per segment- sales to external clients</b> <i>including:</i>	803,714	312,819	390,973	(741)	40,730	14,214	-	1,561,709
<b>Revenue from sales</b>	816,230	302,627	370,575	2,650	31,904	12,452	-	1,536,438
<i>To customers in Telecommunication, Media, IT sector</i>	107,824	62,059	130,650	-	-	-	-	300,533
<i>To customers in Finance and Banking sector</i>	181,159	41,104	36,486	-	-	-	-	258,749
<i>To customers in Trade and services sector</i>	70,052	31,558	135,265	-	-	-	-	236,875
<i>To customers in Industry&amp;Utilities</i>	85,610	33,301	59,511	-	-	-	-	178,422
<i>To customers in Public sector</i>	145,833	8,288	-	-	-	-	-	154,121
<i>To customers in small and medium enterprises sector</i>	205,835	126,317	-	-	-	-	-	332,152
<i>To customers in Medicine sector</i>	19,394	-	8,615	-	-	12,452	-	40,461
<i>To other customers</i>	523	-	48	2,650	31,904	-	-	35,125
<i>Other operating revenue</i>	14,759	11,575	14,586	143	8,954	1,752	-	51,769
<i>Finance revenue</i>	(27,275)	(1,383)	5,812	(3,534)	(128)	10	-	(26,498)
Revenue per segment - sales to other segments	403,109	32,214	33,998	8,082	8,032	-	(485,435)	-
<b>Revenue per segment - total*</b>	1,206,823	345,033	424,971	7,341	48,762	14,214	(485,435)	1,561,709
Costs per segment relating to sales to external clients	708,906	283,199	351,751	2,861	40,018	14,654	-	1,401,389
Costs per segment relating to sales to other segments	403,109	32,214	33,998	8,082	8,032	-	(485,435)	-
<b>Costs per segment - total*</b>	1,112,015	315,413	385,749	10,943	48,050	14,654	(485,435)	1,401,389
Current taxes	(19,886)	(7,421)	(16,830)	(522)	-	-	-	(44,659)
Assets for the tax due to investment allowances and other tax relief	(526)	1,335	2,238	354	(401)	-	-	3,000
Share of segment in the result of parties valuated using the equity method of accounting	-	-	-	-	-	-	-	-
<b>Net result</b>	74,396	23,534	24,630	(3,770)	311	(440)	-	118,661
<i>including:</i>								
<i>Result attributable to shareholders of the parent company</i>	74,396	23,534	24,630	(3,604)	228	(440)	-	118,744
<i>Result attributable to minority interest</i>	-	-	-	(166)	83	-	-	(83)

\*) Items comprise revenue and costs of all types, which can be directly allocated to particular segments

Sales between specific segments are calculated based on market conditions.

## Share of business segments in Assets and Liabilities and Investment Expenditures

The following table presents the assets and liabilities of particular segments as at the 31<sup>st</sup> of December, 2020, as well as investment expenditures and depreciation in during 12 months of 2020:

**31 December 2020 / 12 months ended 31 December 2020**

	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Total
	Poland	DACH region	Other countries				
Assets	995,206	279,811	459,013	144,384	107,602	8,983	<b>1,994,999</b>
Liabilities	397,106	96,478	334,241	34,888	34,502	537	<b>897,752</b>
Investment expenditures	46,513	4,192	13,427	4,745	35,362	5,766	<b>110,005</b>
Depreciation	56,541	9,187	10,453	3,538	4,934	431	<b>85,084</b>

The following table presents the allocation of revenue from sales, assets and total investment expenditures into geographical segments.

**Revenue from basic sales - activities location**

	12 months ended 31 December 2020		12 months ended 31 December 2019	
		%		%
Poland	863,236	56.2	823,186	57.3
DACH region	302,627	19.7	288,527	20.1
Other countries	370,575	24.1	325,710	22.6
<b>Total</b>	<b>1,536,438</b>	<b>100.0</b>	<b>1,437,423</b>	<b>100.0</b>

**Assets – activities location**

	31 December 2020		31 December 2019	
		%		%
Poland	1,256,155	63.0	1,264,693	68.6
DACH region	279,811	14.0	250,384	13.6
Other countries	459,033	23.0	327,634	17.8
<b>Total</b>	<b>1,994,999</b>	<b>100.0</b>	<b>1,842,711</b>	<b>100.0</b>

**Investment expenditures – activities location**

	12 months ended 31 December 2020	%	12 months ended 31 December 2019	%
Poland	92,386	84.0	46,023	81.7
DACH region	4,192	3.8	2,672	4.7
Other countries	13,427	12.2	7,649	13.6
<b>Total</b>	<b>110,005</b>	<b>100.0</b>	<b>56,344</b>	<b>100.0</b>

### 3.2. Property, Plant and Equipment

	31 December 2020	31 December 2019
Lands and buildings	425,475	384,075
Means of transport and machinery	135,023	122,443
Property, plant and equipment under construction	9,625	22,316
Others	12,385	8,753
Advance money for property, plant and equipment under construction	53	2,048
<b>Total</b>	<b>582,561</b>	<b>539,635</b>

Property, plant and equipment comprise mostly real estates and machinery owned by Comarch Group. As at the 31<sup>st</sup> of December, 2020, the Comarch Group's property are six office buildings in the Special Economic Zone in Krakow ("SEZ") at 74,144 square metres of the total space, two office buildings in Warsaw at 2,542 square metres of the total space and office buildings in Łódź at 12,572 square metres of the total space, one office building and data centre in Lille at 2,526 square metres of the total space, and an office building and data centre in Dresden at 2,144 square metres of the total space. The Comarch Group owns also lands in the Special Economic Zone in Krakow at approx. 2.01 ha of the total area and 1.21 ha in Mesa, Arizona, USA. In the fourth quarter of 2020, the MKS Cracovia SSA Training and Research Centre was commissioned for use, for which investment expenditure of PLN 41,646 thousand was made. In the fourth quarter of 2020, Comarch S.A. purchased a plane worth PLN 21,163 thousand. As at the 31<sup>st</sup> of December, 2020, property, plant and equipment under construction comprise mostly expenditures related to modernization works of buildings incurred by Bonus Management sp. z o.o. SKA and Bonus Management sp. z o.o. II Activia SKA (an amount of PLN 6,075 thousand) and expenditures related to construction of Data Center Comarch Inc. in the USA in the amount of PLN 1,499 thousand.

**3.3. Asset due to the Right of Use**

	31 December 2020	31 December 2019
Leasing of means of transport and IT equipment	1,708	1,735
Rent	59,269	53,533
Perpetual usufruct	27,116	18,368
<b>Total</b>	<b>82 270</b>	<b>88,093</b>

Value of depreciation of the asset due to the right of use in the four quarters of 2020 amounted to PLN 21,138 thousand.

**3.4. Investment Real Estate**

	31 December 2020	31 December 2019
Lands	7,431	3,557
Buildings	32,443	33,074
<b>Total</b>	<b>39,874</b>	<b>36,631</b>

Investment real estate relates to developed lands used for lease to entities outside the Comarch Group and lands located in Krakow, purchased in order to construct buildings dedicated for lease to the entities outside the Comarch Group. As at the 31<sup>st</sup> of December, 2020, investment real estate comprises two office buildings, placed in Krakow at 8,629 square metres of the total space, 4 residential buildings at 1,057 square metres of the total space, 1 service and production building with an area of 600 square metres (all located in Kraków), 2 services and warehouse buildings with an area of 2,611 square metres, located in Zabierzów, as well as real estate located in Kostrzyn with an area of 1,315 square metres.

**3.5. Goodwill**

Goodwill comprises Company's value established at purchases of shares in the following companies:

	31 December 2020	31 December 2019
Comarch Kraków	99	99
CDN Comarch	1,227	1,227
Comarch AG	1,900	1,900
Comarch, Inc.	58	58
Comarch Software und Beratung AG	29,038	29,038
Comarch Swiss AG	8,413	8,413
CABINET CONSEIL EN STRATEGIE INFORMATIQUE S.A.S.	5,039	-
<b>Total</b>	<b>45,774</b>	<b>40,735</b>

A test for loss in value was run as at the 31<sup>st</sup> of December, 2020 and did not show any loss in value regarding goodwill. The methodology used to run the test will be described in details in the annual financial statements for 2020.

Due to the acquisition in the second quarter of 2020 by Comarch S.A. 100% of the shares of 2CSI CABINET CONSEIL EN STRATEGIE INFORMATIQUE S.A.S., goodwill was established in the amount of PLN 5,039 thousand. The above amount constitutes the remuneration transferred by Comarch S.A. over

the fair value of the Comarch Group's share in the identified net assets of the acquired entity. The transferred remuneration included the control premium paid in connection with the acquisition of control over 2CSI, as well as amounts related to the benefits of anticipated synergies, increase of revenue, future market development, increase of product portfolio and the acquisition of highly qualified employees. These benefits have not been recognized separately from goodwill because it was not possible to reliably measure the future economic benefits arising from them. As part of the described transaction, the Comarch Group also took over customers and relationships with 2CSI customers. These assets have not been recognized separately from goodwill because it was not possible to reliably measure their value. In subsequent reporting periods, the Comarch Group will perform test for loss in value regarding goodwill related to the acquisition of 2CSI by each time determining the recoverable amount of the cash-generating unit using the DCF discounted cash flow method. The projected cash flows related to 2CSI activities will be based on the sales results achieved in the current year, budget assumptions and forecasts for the coming years and on the estimates of the development of the French market in the coming years. The discount rate used to estimate the present value of the projected cash flows will be based on the WACC weighted average cost of capital.

As at the acquisition date, the fair value of assets held by 2CSI was estimated, based on the value in use valuation model, using the DCF discounted cash flow method. The estimated fair value of the SANO software owned by 2CSI was PLN 10,336 thousand as at the acquisition date. In accordance with the accounting policy of the Comarch Group, the SANO software was included in inventories under the item work in progress and for the purposes of performing procedures related to the allocation of the purchase price, its value was presented in the consolidated financial statements in accordance with the principles of work in progress valuation established in the accounting policy of the Comarch Group.

### 3.6. Others Intangible Assets

	31 December 2020	31 December 2019
Costs of finished development works	-	-
Perpetual usufruct right	37,466	37,559
Licences and software	11,333	14,523
Other	6,882	4,229
Advance money for intangible assets	-	-
<b>Total</b>	<b>55,681</b>	<b>56,311</b>

Other intangibles include valuation of assets, classified as intangible assets, related to the right to use MKS Cracovia SSA players' cards in the amount of PLN 6,881 thousand. The perpetual usufruct right for land related to MKS Cracovia SSA that is worth PLN 31,650 thousand is considered the intangible asset with unspecified period of use and is not depreciated. The Company expects renewal of perpetual usufruct right which will occur without incurring any major costs, as the Company is not obliged to meet any conditions, which would decide about extension of this right. The Company does not expect incurring any major costs when renewal of perpetual usufruct right, having in mind current activities of the co-owner of the sports club, i.e. Krakow commune.

### 3.7. Investment in Associates

As at 31<sup>st</sup> of December, 2020, the Comarch Group does not have any investments in associates.

<b>At 1 January 2019</b>	<b>1,520</b>
Granting loan by SoInteractive S.A.	300
Repayment of loan by SoInteractive S.A.	(1,250)
<b>At 31 December 2019</b>	<b>570</b>
<b>At 1 January 2020</b>	<b>570</b>
Granting loan by SoInteractive S.A.	-
Repayment of loan by SoInteractive S.A.	(570)
<b>At 31 December 2020</b>	<b>-</b>

### 3.8. Financial Assets Available for Sale

	<b>31 December 2020</b>	<b>31 December 2019</b>
Financial assets available for sale	20,001	-
<b>Total</b>	<b>20,001</b>	<b>-</b>

On the 31<sup>st</sup> of December, 2020, the financial assets available for sale consisted of those owned by Comarch S.A. participation units in debt securities investment funds, purchased as an investment of free cash. As at the 31<sup>st</sup> of December, 2020, the value of units was PLN 20,001 thousand and consisted of the value of acquired units on the date of purchase in the amount of PLN 20,000 thousand and its valuation in the amount of PLN 1 thousand. Comarch S.A. intends to dispose of the held financial assets available for sale within 12 months from the balance sheet date.

### 3.9. Derivative Financial Instruments

#### a) Assets

	<b>31 December 2020</b>	<b>31 December 2019</b>
Forward foreign exchange contracts – held-for-trading	2,716	7,662
Transaction on change of IRS	-	-
	<b>2,716</b>	<b>7,662</b>
<i>Current portion</i>	<i>2,119</i>	<i>4,923</i>
<i>Non-current portion</i>	<i>597</i>	<i>2,739</i>

#### b) Liabilities

	<b>31 December 2020</b>	<b>31 December 2019</b>
Forward foreign exchange contracts – held-for-trading	5,958	-
Transaction on change of IRS	3,501	2,909
	<b>9,459</b>	<b>2,909</b>
<i>Current portion</i>	<i>3,820</i>	<i>-</i>
<i>Non-current portion</i>	<i>5,639</i>	<i>2,909</i>



Comarch Group held forward contracts to reduce the effect of changes in cash flows on financial result, where cash flows are related to the planned transactions and changes are the result of foreign exchange risk. As at the 31<sup>st</sup> of December, 2020, the above-mentioned instruments were valued at fair value according to market price and changes in valuation were referred into the results from financial operations. Total net value of forward contracts that were open as at the 31<sup>st</sup> of December, 2020, amounted to EUR 73,400 thousand and USD 11,100 thousand.

On the 9<sup>th</sup> of July, 2014, Comarch S.A. concluded a transaction on change of IRS for investment credit taken in June 2006 from BNP Paribas Bank Polska S.A. with its registered office in Warsaw, for financing of the third construction stage of production and office buildings in the Special Economic Zone in Krakow. As a consequence of the concluded transaction, variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded for the period of 10 years, i.e. till the 29<sup>th</sup> of July, 2024. As at the 31<sup>st</sup> of December, 2020, valuation of the IRS transaction amounted to minus PLN 288 thousand.

On the 23<sup>rd</sup> of October, 2015, Comarch S.A. concluded a transaction on change of IRS for investment credit taken on the 4<sup>th</sup> of December, 2013, from Bank Pekao S.A. with its registered office in Warsaw. As a consequence of the concluded transaction, variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded for the period of 8 years, i.e. till the 30<sup>th</sup> of November, 2023. As at the 31<sup>st</sup> of December, 2020, valuation of the IRS transaction amounted to minus PLN 254 thousand.

On the 20<sup>th</sup> of February, 2017, Comarch S.A. concluded a transaction on change of IRS for an investment credit granted in May 2016 by the Bank Handlowy with its registered office in Warsaw. As a consequence of the concluded transaction variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded till the 29<sup>th</sup> of February, 2028. As at the 31<sup>st</sup> of December, 2020, valuation of the IRS transaction amounted to minus PLN 1,719 thousand.

On the 27<sup>th</sup> of November, 2017, Bonus Development Sp. z o.o. SKA concluded a transaction on change of IRS for an investment credit taken on the 29<sup>th</sup> of June, 2015, from Bank Pekao S.A. with its registered office in Warsaw. As a consequence of the concluded transaction variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded till the 31<sup>st</sup> of May, 2030. As at the 31<sup>st</sup> of December, 2020, valuation of the IRS transaction amounted to minus PLN 1,240 thousand.

### 3.10. Deferred Income Tax

	31 December 2020	31 December 2019
<b>Deferred income tax assets</b>		
Temporary differences	22,071	20,284
Asset due to a tax loss	5,464	4,760
Asset due to activities in Special Economic Zone ("SEZ")	8,432	9,958
<b>Total</b>	<b>35,967</b>	<b>35,002</b>
<i>Charged to financial result</i>	<i>35,967</i>	<i>35,002</i>

Comarch S.A. has four permits to operate in the Special Economic Zone in Krakow:

- obtained in 2007, at first with a period of validity until the 31<sup>st</sup> of December, 2017, at present, pursuant to the Decision of the 18<sup>th</sup> of October, 2017, of the Ministry of Development and Finance, its validity term has not been specified;
- obtained in 2013, its validity term has not been specified;
- obtained in February 2016, its validity term has not been specified;
- obtained in March 2016, its validity term has not been specified.

The Company also notes that on the 23<sup>rd</sup> of July, 2013, The Council of Ministers adopted a regulation extending the term of functioning of special economic zones in Poland to 2026.

Pursuant to IAS 12, unused tax relief as at the 31<sup>st</sup> of December, 2020, constitutes a deferred income tax asset. An investment relief due to the permit obtained in 1999 was fully utilized (its period of validity

was the 31<sup>st</sup> of December, 2017). The investment tax relief under the permit obtained in 2007 was fully utilized, its value as at the 31<sup>st</sup> of December, 2020 is zero. Limit of the unused investment tax relief under the permit obtained in 2013, regarding investment in the office building SSE6, amounted to approx. PLN 27,219 thousand as at the 31<sup>st</sup> of December, 2020 (after discounting at the permit date). Limit of the unused investment tax relief under the permit obtained in March 2016, regarding investment in the office building SSE7 in Cracow, amounted to approx. PLN 22,809 thousand as at the 31<sup>st</sup> of December, 2020 (after discounting at the permit date). The company has no intention to use the permit obtained in February 2016 due to the fact of receiving (after obtaining it), co-financing of investment outlays to be incurred in this permit - to eliminate the risk of using two forms of public aid related to one investment.

During the four quarters of 2020, the Comarch Group settled in part a deferred tax asset related to temporary differences that was established on the 31<sup>st</sup> of December, 2019, and worth PLN 7,441 thousand, and created an asset due to temporary differences in the amount of PLN 9,228 thousand, as well as created an asset due to tax loss in the amount of PLN 1,043 thousand and released an asset of the same title in the amount of PLN 339 thousand. The total effect of the above-mentioned operations on the net result of the reporting period was plus PLN 2,491 thousand.

Deferred income tax assets are determined in the amount anticipated to be deducted from income tax in the future, due to negative temporary differences and income tax relief in connection with conducting business activity in SEZ, which will cause in the future a reduction in the basis for calculating income tax and a tax loss deductible, determined taking into account the precautionary principle. Due to the above principle, assets from operations in SEZ are set only in the annual time horizon, taking as base to determine the average income from zonal activity from the period of 3 years, selected from the five-year period (including the year for which the report is drawn up), after rejecting two extreme values.

During the four quarters of 2020, the Comarch Group settled an asset created for the zone operations in the amount of PLN 9,958 thousand which were created as at 31<sup>st</sup> of December, 2019 and created a new asset for the zone operations in the amount of PLN 8,432 thousand. At the same time, in accordance with IAS 12, the Company, in the next year, will regularly verify the valuation of the Asset recognized for its feasibility. We would like to point out that the recognition of Assets does not affect cash flows in the parent company or in the Comarch Group (both the recognition of Assets, as well as its implementation). Therefore, this operation is purely accrual and results from the application by the Comarch Group of International Financial Reporting Standards for the preparation of the consolidated financial statements of the Comarch Group.

The total impact of changes in the four quarters of 2020 results is plus PLN 965 thousand.

	31 December 2020	31 December 2019
<b>Deferred income tax assets</b>		
Temporary differences	18,467	20,521
Provision due to valuation of real estate of MKS Cracovia SSA	5,430	5,430
Provision due to valuation of certificates in CCF FIZ	22,794	22,774
<b>Total</b>	<b>46,691</b>	<b>48,725</b>
<i>Charged to equity</i>	<i>5,430</i>	<i>5,430</i>
<i>Charged to financial result</i>	<i>41,261</i>	<i>43,295</i>

Due to valuation of net assets of CCF FIZ during the four quarters of 2020, a deferred tax provision was increased by PLN 20 thousand. At the same time, a deferred tax provision due to temporary differences was recognized in the amount of PLN 4,123 thousand and dissolved in the amount of PLN 6,177 thousand. The total effect of the above-mentioned operations on the net result of the four quarters of 2020 was plus PLN 2,034 thousand.

Total changes in the deferred income tax resulted in an increase in result of PLN 2,999 thousand.

In relation to MKS Cracovia SSA and Comarch Healthcare S.A., despite of the fact that the tax loss existed, a deferred tax asset was not created due to the lack of possibility to make the reliable estimates of the income tax allowing the use of existing tax loss from previous years.

### 3.11. Inventories

	31 December 2020	31 December 2019
Raw materials	2,100	2,456
Work in progress	72,774	75,944
Goods	10,378	11,702
Finished products	191	65
Advance due to finished products	592	574
<b>Total</b>	<b>86,035</b>	<b>90,741</b>

The cost of inventories included in 'Costs of products, goods and materials sold' in the income statement amounted to PLN 424,442 thousand (12 months ended the 31<sup>st</sup> of December, 2020), PLN 407,538 thousand (12 months ended the 31<sup>st</sup> of December, 2019).

During 12 months of 2020, the Comarch Group created write-offs that revaluated value of goods in the amount of PLN 113 thousand and created write-offs that revaluated value of materials and finished products in the amount of PLN 11 thousand. The Comarch Group resolved write-offs revaluated goods and materials which had been created in the previous years in the amount of PLN 204 thousand.

### 3.12. Trade and Other Receivables

	31 December 2020	31 December 2019
Trade receivables - net	387,009	374,987
<i>Trade receivables</i>	<i>456,487</i>	<i>447,083</i>
<i>Write-off revaluating receivables</i>	<i>(69,478)</i>	<i>(72,096)</i>
Other receivables	17,690	29,196
Short-term prepayments	15,170	14,135
Other prepayments	-	110
Loans	4,543	11,702
Trade receivables and other receivables from related parties - net	2	52
<i>Trade receivables and other receivables from related parties</i>	<i>2</i>	<i>52</i>
<i>Write-off revaluating receivables</i>	<i>-</i>	<i>-</i>
<b>Total</b>	<b>424,414</b>	<b>430,182</b>
<i>Current portion</i>	<i>424,414</i>	<i>430,182</i>

The fair value of trade and other receivables is close to their balance sheet value presented above. There is no concentration of credit risk with respect to trade receivables as Comarch Group has a large number of customers. During the four quarters of 2020, the Comarch Group recognised a write-off due to loss in value of its trade receivables that was worth PLN 41,612 thousand and dissolved previously created write-

offs worth PLN 36,930 thousand in relation to payment of debts. These operations were presented in the income statement in other operating costs and revenue, respectively.

### 3.13. Long-term Contracts

Due to the fact that the company applies the rule of determining the degree of work progress in proportion to the share of incurred costs in the entire costs of a contract, the sum of incurred costs and recognized results corresponds to revenue. At the end of the reporting period, long-term contracts were evaluated in accordance with the degree of work progress.

	31 December 2020	31 December 2019
Revenue from completed contracts recognized in the reporting period	106,186	62,583
Revenue from contracts not completed recognized in the reporting period	543,005	436,521
Revenue from contracts not completed recognized in the reporting period- an effect of settlement pursuant to IFRS 15	(13,426)	50,052
<b>Total</b>	<b>635,765</b>	<b>549,156</b>

Changes in settlements due to long-term contracts recognized in assets and liabilities between the 31<sup>st</sup> of the December, 2019 and the 31<sup>st</sup> of December, 2020, are presented below:

	31 December 2020	31 December 2019
Long-term contracts revenue included to the balance sheet date - determined according to the progress of work	2,066,790	1,480,569
Issued invoices	(2,059,182)	(1,459,535)
<b>Total</b>	<b>7,608</b>	<b>21,034</b>

	Long-term contracts receivables	Long-term contracts liabilities	Net
<b>Value at 1 January 2019</b>	<b>134,800</b>	<b>(163,818)</b>	<b>(29,018)</b>
Correction of the current period (reversal of the correction due to IFRS 15)	(6,537)	25,184	18,647
Correction of the current period	65,602	(34,197)	31,405
<b>Value at 31 December 2019</b>	<b>193,865</b>	<b>(172,831)</b>	<b>21,034</b>
Change	59,065	(9,013)	50,052
<b>Value at 1 January 2020</b>	<b>193,865</b>	<b>(172,831)</b>	<b>21,034</b>
Correction of the current period (reversal of the correction due to IFRS 15)	-	(3,493)	(3,493)
Correction of the current period	(38,117)	28,184	(9,933)
<b>Value at 31 December 2020</b>	<b>155,748</b>	<b>(148,140)</b>	<b>7,608</b>
Change	(38,117)	24,691	(13,426)

**3.14. Share Capital**

	Number of shares	Ordinary and preference shares by votes	Own shares	Total
<b>At 1 January 2019</b>	<b>8,133,349</b>	<b>8,133,349</b>	-	<b>8,133,349</b>
<b>At 31 December 2019</b>	<b>8,133,349</b>	<b>8,133,349</b>	-	<b>8,133,349</b>
<b>At 31 December 2020</b>	<b>8,133,349</b>	<b>8,133,349</b>	-	<b>8,133,349</b>

The nominal value of one share is PLN 1.

The share capital of Comarch S.A. consists of:

- 1) 864,800 series A registered preference shares by votes,
- 2) 75,200 series A ordinary shares,
- 3) 883,600 series B registered preference shares by votes,
- 4) 56,400 series B ordinary shares,
- 5) 3,008,000 series C ordinary shares,
- 6) 1,200,000 series D ordinary shares,
- 7) 638,600 series E ordinary shares,
- 8) 125,787 series G ordinary shares,
- 9) 102,708 series G3 ordinary shares,
- 10) 563,675 series H ordinary shares,
- 11) 441,826 series I2 ordinary shares,
- 12) 91,041 series J2 ordinary shares,
- 13) 73,953 series K3 ordinary shares,
- 14) 7,759 series L1 ordinary shares.

Registered shares in series A and B are preferential and each such share corresponds with 5 votes at the General Meeting. The conversion of registered shares into bearer shares is allowed. In case of that registered shares are converted into bearer shares, they lose all preferences. In case that registered preferential shares by votes are disposed their specific voting rights at the General Meeting expire, however their specific voting rights at the General Meeting do not expire in case of:

- a) disposal for the benefit of persons who were shareholders of the company on the 18<sup>th</sup> of March, 1998,
- b) disposal for the benefit of descendants of a disposer,
- c) conveying property of a registered share as a result of succession.
- d) disposal for the benefit of a legal person or non-corporate organizational unit of Polish or foreign law, including in particular, for the benefit of quasi-corporate unit of Polish or foreign law ("Structure") controlled, within the meaning of art. 8 sec 5 of the company's articles of association, only by a shareholder who contributes (disposes) registered preference shares by votes to the Structure ("Contributing Shareholder") or (jointly) controlled only by the Contributing Shareholder's relatives in the ascending and descending line, siblings or spouse, or (jointly) controlled by some or all of the persons mentioned above ("Related Person or Related Persons") and the Contributing Shareholder jointly ("Controlled Structure") and disposal by the one Controlled Structure of the registered preference shares by votes for the benefit of the other Controlled Structure."

The written consent of the Management Board is required to dispose of registered shares. The sale of shares without the permission of the Management Board is possible on the condition that it is stated in Comarch S.A.'s statute.

Every ordinary share entitles its holder to one vote at the AGM. The conversion of bearer shares into registered shares is not permitted.

### 3.14.1.Changes in Share Capital in Q4 2020

On the 19<sup>th</sup> of December, 2020, the Management Board of Comarch S.A. received from the person discharging managerial responsibilities (Zbigniew Rymarczyk) notification of the transaction referred to in art. 19 par. 1 of Regulation No. 596/2014 of the European Parliament and of the Council of the 16<sup>th</sup> of April, 2014 on market abuse. The notification concerned the purchase of 462 ordinary bearer shares on the regulated market on the basis of the weighted average price of PLN 186.00 per 1 share, which value amounted to PLN 85,932, on the 18<sup>th</sup> of December, 2020. The company announced details in current report no. [RB-16-2020](#) (ENG: [RB-16-2020](#)) dated the 20<sup>th</sup> of December, 2020.

### 3.14.2.Changes in Share Capital after the Balance Sheet Date

None present.

## 3.15. Credits and Loans

	31 December 2020	31 December 2019
<b>Non-current</b>		
Non-revolving credits	115,618	136,880
Revolving credits	-	-
Loans	1,142	4,838
	<b>116,760</b>	<b>141,718</b>
<b>Current</b>		
Non-revolving credits	34,723	36,386
Revolving credits	420	-
Loans	5,040	4,705
	<b>40,183</b>	<b>41,091</b>
<b>Total credits and loans</b>	<b>156,943</b>	<b>182,809</b>

The value of liabilities due to bank credits and loans was recognized in the amount of depreciated cost that was determined using the effective interest rate. The fair value of liabilities due to credits and loans does not differ significantly from the balance sheet value.

During the months of 2020, the value of drawdown credits and loans granted to entities outside the Comarch Group amounted to PLN 44,241 thousand (it was only non-revolving credits and loans). During the months of 2020, the Comarch Group launched non-revolving bank loans and credits from entities outside the Comarch Group amounted to PLN 3,780 thousand. As at the balance sheet date, CABINET CONSEIL EN STRATEGIE INFORMATIQUE S.A.S., the company of Comarch Group used an overdraft facility in the amount of PLN 420 thousand.

Within reporting period, there were neither overdue payments nor interest payments on credits and loans. Comarch did not breach of any provisions of the credit or loan agreements that could entitle the creditor to claim earlier repayment of the credit or loan.

The exposure of Comarch Group bank credits to interest rate changes	12 months or less	1-5 years	Over 5 years	Total
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**At 31 December 2019**

Credits and loans	41,091	105,552	36,166	<b>182,809</b>
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**At 31 December 2020**

Credits and loans	40,183	87,831	28,929	<b>156,943</b>
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The maturity of non-current bank credits, loans and financial liabilities	31 December 2020	31 December 2019
Between 1 and 2 years	34,767	35,815
Between 2 and 5 years	53,064	69,737
Over 5 years	28,929	36,166
	<b>116,760</b>	<b>141,718</b>

Currency structure of the balance sheet values of credits, loans and financial liabilities	31 December 2020	31 December 2019
In Polish currency (PLN)	5,749	9,542
In EUR (equivalence in PLN)	151,194	173,267
	<b>156,943</b>	<b>182,809</b>

Effective interest rates at the balance sheet date	31 December 2020	31 December 2019
Bank credits	1.46%	1.53%
Loans	2.44%	2.93%

**3.15.1. Non-Revolving Credits and Loans**

Debtor / Subject of financing	Financial Institution	Total amount of credit/loan		Amount to be paid				Interest conditions	Repayment date	Securities
		Total amount of credit/loan	Amount to be paid	Interest conditions	Total amount of credit/loan	Amount to be paid	Interest conditions			
Comarch S.A.  office buildings SSE4 in Krakow	BNP Paribas Bank Polska S.A.	44,000	PLN	2,309  (2,919 as at 31 <sup>st</sup> of December, 2019)	EUR  (12,432 as at 31 <sup>st</sup> of December, 2019)	10,655	PLN	EURIBOR1M + bank margin  IRS till the 29 <sup>th</sup> of July, 2024	29 <sup>th</sup> of July, 2024	mortgage on the SSE4 building, assignment of rights from the building's insurance policy, blank promissory note, declaration on submission to enforcement
Comarch S.A.	Powszechna Kasa Oszczędności Bank Polski S.A.	4,126	EUR	387	EUR	1,784	PLN	EURIBOR1M + bank margin	29 <sup>th</sup> of September, 2021	mortgage on the SSE5 building, assignment of rights from



office buildings SSE5 in Krakow - refinancing				(902 as at 31 <sup>st</sup> of December, 2019)		(3840 as at 31 <sup>st</sup> of December, 2019)				the building's insurance policy, blank promissory note, declaration on submission to enforcement
<b>Comarch S.A.</b>  nonrevealing operating credit	Santander Bank Polska S.A. (previously Bank Zachodni WBK S.A.)	7,400	EUR	0  (953 as at 31 <sup>st</sup> of December, 2019)	EUR	0  (4,057 as at 31 <sup>st</sup> of December, 2019)	PLN	EURIBOR1M + bank margin	31 <sup>st</sup> of December, 2020	mortgage on the SSE3 building, assignment of rights from the building's insurance policy, blank promissory note, declaration on submission to enforcement
<b>Comarch S.A.</b>  office buildings SSE6 in Krakow	Bank Polska Kasa Opieki S.A.	13,323	EUR	4,848  (6,507 as at 31 <sup>st</sup> of December, 2019)	EUR	22 372  (27,711 as at 31 <sup>st</sup> of December, 2019)	PLN	EURIBOR1M + bank margin  IRS till the 30th of November, 2023	30 <sup>th</sup> of November, 2023	mortgage on the SSE6 building, assignment of rights from the building's insurance policy, assignment of rights from the guarantee of due performance and guarantee of the warranty, declaration on submission to enforcement
<b>Comarch S.A.</b>  office buildings SSE7 in Krakow	Bank Handlowy w Warszawie S.A.	13,333	EUR	11,340  (12,920 as at 31 <sup>st</sup> of December, 2019)	EUR	52 330  (55,018 as at 31 <sup>st</sup> of December, 2019)	PLN	EURIBOR1M + bank margin  IRS till the 29 <sup>th</sup> of February, 2028	29 <sup>th</sup> of February, 2028	mortgage on the SSE7 building, assignment of rights from the building insurance policy, declaration on submission to enforcement
<b>Comarch S.A.</b>  Property, plant and equipment in use - equipment of Internet of Things laboratory in Krakow	DNB Bank Polska S.A.	2,531	EUR	1,050  (1,400 as at 31 <sup>st</sup> of December, 2019)	EUR	4 848  (5 961 as at 31 <sup>st</sup> of December, 2019)	PLN	EURIBOR1M + bank margin	30 <sup>th</sup> of December, 2023	registered pledge on fixed assets being the subject of financing, assignment of rights under the insurance policy for financed fixed assets, declaration on submission to enforcement
<b>Bonus Development Sp. z o.o. SK-A</b>  Office building in Lodz	Bank Polska Kasa Opieki S.A.	9,262	EUR	6,041  (6,680 as at 31 <sup>st</sup> of December, 2019)	EUR	27,878  (28,448 as at 31 <sup>st</sup> of December, 2019)	PLN	EURIBOR1M + bank margin  IRS till the 31 <sup>st</sup> of May, 2030	31 <sup>st</sup> of May, 2030	mortgage on an office building in Łódź, a statement by Bonus Development Sp. z o.o. SK- A on submission to enforcement, assignment of rights from the insurance policy of an office building in Łódź, assignment of rights from the guarantee of

										due performance and warranty guarantee, assignment of rights under the lease of the financed property concluded with Comarch SA, surety from Comarch SA, declaration on submission to enforcement Comarch SA.
<b>Comarch S.A.S, Comarch S.A.</b>	BNP Paribas Bank Polska S.A	8,000	EUR	3,600  (4,908 as at 31 <sup>st</sup> of December, 2019)	EUR	16,613  (20,900 as at 31 <sup>st</sup> of December, 2019)	PLN	EURIBOR3M + bank margin	18 <sup>th</sup> of September, 2023	mortgage on the second place on the estate Comarch S.A. (Krakow, Michał Życzkowski Street 23, building SSE4), statement by Comarch S.A. on submission to enforcement, assignment of rights from the insurance policy
<b>Comarch S.A.</b>	CaixaBank S.A. Branch in Polsce	3,500	EUR	2,566  (3,499 as at 31 <sup>st</sup> of December, 2019)	EUR	11,843  (14,899 as at 31 <sup>st</sup> of December, 2019)	PLN	EURIBOR1M + bank margin	23 <sup>rd</sup> of August, 2023	Declaration of submission to enforcement
<b>Comarch S.A.</b>	CaixaBank S.A. Branch in Polsce	2,300	EUR	437  (0 as at 31 <sup>st</sup> of December, 2019)	EUR	2,018  (0 as at 31 <sup>st</sup> of December, 2019)	PLN	EURIBOR1M + bank margin	29 <sup>th</sup> of June, 2025	Declaration of submission to enforcement
<b>Comarch S.A.</b>	IBM Global Financing Polska Sp. z o.o.	12,980	PLN			2,142  (4,850 as at 31 <sup>st</sup> of December, 2019)	PLN	fixed	1 <sup>st</sup> of March, 2022	-
<b>Comarch Polska S.A.</b>	IBM Global Financing Polska Sp. z o.o.	3,475	PLN			1,273  (2,144 as at 31 <sup>st</sup> of December, 2019)	PLN	fixed	1 <sup>st</sup> of May, 2022	Comarch S.A. surety
<b>Comarch S.A.</b>	IBM Global Financing Polska Sp. z o.o.	3,139	PLN			1,193  (1,944 as at 31 <sup>st</sup> of December, 2019)	PLN	fixed	1 <sup>st</sup> of May, 2022	-

<b>Comarch S.A.</b>						0				
Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	1,814	PLN			(605 as at 31 <sup>st</sup> of December, 2019)	PLN	fixed	1 <sup>st</sup> of May, 2020	-
<b>Comarch S.A.</b>						1,141				
Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	1,825	PLN			(0 as at 31 <sup>st</sup> of December, 2019)	PLN	fixed	1 <sup>st</sup> of March, 2022	-
<b>Comarch S.A.</b>				0		0				a blank promissory note, registered pledge on the Subject of Financing, conditional (i.e. until the establishment of a registered pledge) transfer of ownership to secure the Subject of Financing, insurance policy assignment for the Subject of Financing
Property, plant and equipment in use	PKO Leasing S.A.	5,000	EUR	(0 as at 31 <sup>st</sup> of December, 2019)		(0 as at 31 <sup>st</sup> of December, 2019)	PLN	EURIBOR1M + bank margin	29 <sup>th</sup> of February, 2028	
<b>CABINET CONSEIL EN STRATEGIE INFORMATIQUE S.A.S.</b>						79				
Financing operating activities	CAISSE D'EPARGNE	30	EUR	24	EUR	(0 as at 31 <sup>st</sup> of December, 2019)	PLN	fixed	5 <sup>th</sup> of February, 2023	-
<b>CABINET CONSEIL EN STRATEGIE INFORMATIQUE S.A.S.</b>						100				
Financing operating activities	CAISSE D'EPARGNE	51	EUR	21	EUR	(0 as at 31 <sup>st</sup> of December, 2019)	PLN	fixed	5 <sup>th</sup> of December, 2021	-
<b>CABINET CONSEIL EN STRATEGIE INFORMATIQUE S.A.S.</b>						254				
Financing operating activities	HSBC	200	EUR	63	EUR	(0 as at 31 <sup>st</sup> of December, 2019)	PLN	fixed	1 <sup>st</sup> of December, 2022	surety

## 3.15.2. Current Credit Lines

The companies of the Comarch Group have the following credit limits in current account:

Company of Comarch Group / Purpose	Financial Institution	Total amount of credit/loan		Amount remained to payment				Interest conditions	Repayment date	Securities
		Value	Currency	Value	Currency	Value	PLN			
<b>Comarch S.A.</b> Financing operating activities	BNP Paribas Bank Polska S.A	20,000	PLN	0	PLN	0	PLN	WIBOR1M + bank margin	17 <sup>th</sup> of December, 2021	a blank promissory note
<b>Comarch S.A.</b> Financing operating activities	Bank Polska Kasa Opieki S.A.	30,000	PLN	0	PLN	0	PLN	WIBOR1M + bank margin	30 <sup>th</sup> of June, 2021	declaration of submission to enforcement
<b>Comarch S.A.</b> Financing operating activities	CaixaBank S.A. Branch in Poland	30,000	PLN	0	PLN	0	PLN	WIBOR1M + bank margin	23 <sup>rd</sup> of August, 2021	declaration of submission to enforcement
<b>CABINET CONSEIL EN STRATEGIE INFORMATIQUE S.A.S.</b> Financing operating activities	CAISSE D'EPARGNE	200	EUR	91	EUR	420	PLN	WIBOR1M + bank margin	31 <sup>st</sup> of March, 2021	-

	31 December 2020	31 December 2019
<b>Credit lines in the current account and revolving credits, including:</b>	<b>80,923</b>	<b>60,000</b>
Used at the balance sheet date	420	-
Available at the balance sheet date	80,503	60,000

## 3.16. Liabilities due to Lease

	31 December 2020	31 December 2019
Leasing of means of transport and IT equipment	1,827	1,744
Rent	64,535	54,297
Perpetual usufruct	27,789	18,690
<i>Current portion</i>	<i>19,092</i>	<i>15,730</i>
<i>Non-current portion</i>	<i>75,059</i>	<i>59,001</i>
<b>Total</b>	<b>94,151</b>	<b>74,731</b>

**Ageing of liabilities due to lease**

	12 months or less	1-5 years	over 5 years	Total
Lease of means of transport and IT hardware	1,046	780	0	<b>1,826</b>
Rent	18,149	38,956	7,430	<b>64,535</b>
Perpetual usufruct	(103)	216	27,677	<b>27,790</b>
<b>Liabilities due to lease</b>	<b>19,092</b>	<b>39,952</b>	<b>35,107</b>	<b>94,151</b>

**3.17. Other Financial Liabilities**

	31 December 2020	31 December 2019
Liabilities due to dividends	-	-
<i>Current portion</i>	-	-
<i>Non-current portion</i>	-	-
Liabilities due to bills of exchange	5,249	4,009
<i>Current portion</i>	5,249	4,009
<i>Non-current portion</i>	-	-
<b>Total</b>	<b>5,249</b>	<b>4,009</b>

As at 31<sup>st</sup> of December, 2020, other financial liabilities relate to bills of exchange at Bonus Management Sp. z o.o. SK-A, with maturity on the second quarter of 2021 and bills of exchange at Bonus Management Sp. z o.o. II ACTIVIA SKA, with maturity on the first quarter of 2021.

**3.18. Provisions for Other Liabilities and Charges**

	Costs related to current period that will be incurred in future	Provisions for costs of contracts	Provisions for contractual penalties and other claims	Provisions for leaves	Provisions for premiums	Provisions for retirement benefits and similar	Total
<b>At 1 January 2019</b>	<b>3,743</b>	<b>12,006</b>	<b>40,419</b>	<b>29,541</b>	<b>77,543</b>	<b>-</b>	<b>163,252</b>
Change:	975	2,069	(14,526)	3,556	25,082	-	17,156
<i>Provisions created</i>	18,375	17,488	17,844	22,741	107,087	-	183,535
<i>Provisions used and dissolved</i>	(17,400)	(15,419)	(32,370)	(19,185)	(82,005)	-	(166,379)
<b>At 31 December 2019</b>	<b>4,718</b>	<b>14,075</b>	<b>25,893</b>	<b>33,097</b>	<b>102,625</b>	<b>-</b>	<b>180,408</b>
<i>Current</i>	4,718	14,075	25,893	33,097	102,625	-	180,408
<i>Non-current</i>	-	-	-	-	-	-	-
<b>At 1 January 2020</b>	<b>4,718</b>	<b>14,075</b>	<b>25,893</b>	<b>33,097</b>	<b>102,625</b>	<b>-</b>	<b>180,408</b>
Change:	(767)	(294)	(9,994)	7,499	18,833	1,792	17,069
<i>Provisions created</i>	14,390	16,702	2,705	29,812	114,343	1,792	179,744
<i>Provisions used and dissolved</i>	(15,157)	(16,996)	(12,699)	(22,313)	(95,510)	-	(162,675)
<b>At 31 December 2020</b>	<b>3,951</b>	<b>13,781</b>	<b>15,899</b>	<b>40,596</b>	<b>121,458</b>	<b>1,792</b>	<b>197,477</b>
<i>Current</i>	3,951	13,781	15,899	40,596	121,458	-	195,685
<i>Non-current</i>	-	-	-	-	-	1,792	1,792

All provisions were calculated based on credible estimate as of the balance sheet date.

**3.19. Trade and Other Payables**

	31 December 2020	31 December 2019
Trade payables	49,435	60,205
Advance payments received due to services	2,519	1,101
Trade payables and other liabilities to related parties	350	-
Liabilities due to social insurance and other tax charges	76,825	61,801
Investments liabilities	1,881	1,177
Revenue from the future periods	40,272	29,034
Other payables	4,918	6,373
Special funds (Social Services Fund and Residential Fund)	1,328	1,689
Liabilities due to remuneration	32,193	30,390
<b>Total</b>	<b>209,721</b>	<b>191,770</b>

The fair value of trade and other payables is close to the balance sheet value presented above.

**3.20. Contingent Liabilities**

On the 31<sup>st</sup> of December, 2020, the value of bank guarantees and letters of credit issued by banks on order from Comarch S.A. in reference to executed agreements and participation in tender proceedings was PLN 91,066 thousand, whereas it was PLN 90,725 thousand on the 31<sup>st</sup> of December, 2019.

On the 31<sup>st</sup> of December, 2020, the value of bank guarantees issued by banks on order from Comarch Software und Beratung was EUR 422 thousand (i.e. PLN 1,949 thousand), whereas it was EUR 392 thousand (i.e. PLN 1,668 thousand) on the 31<sup>st</sup> of December, 2019.

On the 31<sup>st</sup> of December, 2020, the value of bank guarantees issued by banks on order from Comarch AG was EUR 16 thousand (i.e. PLN 74 thousand), whereas it was EUR 16 thousand (i.e. PLN 68 thousand) on the 31<sup>st</sup> of December, 2019.

On the 31<sup>st</sup> of December, 2020, the value of bank guarantees issued by banks on order from Comarch Swiss AG was CHF 32 thousand (i.e. PLN 135 thousand), whereas it was CHF 0 (i.e. PLN 0) on the 31<sup>st</sup> of December, 2019.

Comarch S.A. declared a possibility to grant a financial support ("letters of comfort") for its subsidiaries: Comarch R&D S.à r.l. (valid for an indefinite period), Comarch Argentina S.A. (valid for an indefinite period), Comarch Malaysia SDN. BHD. (valid for an indefinite period) Comarch Healthcare S.A. (valid for an indefinite period and till the 30<sup>th</sup> of June, 2021), Comarch Middle East FZ-LLC (valid for an indefinite period), Comarch Japan KK (valid for an indefinite period) and Comarch SAS (valid for an indefinite period).

	31 December 2020	31 December 2019
<b>Granted credit lines for financing of current activities</b> (guarantees, letters of credit, credit lines in current account)		
Credit lines*	245,504	239,273
	<b>245,504</b>	<b>239,273</b>

\* they comprise credit lines at current account that are described in point [3.15.2](#)

The Comarch Group is the defendant in legal proceedings, in which the potential total amount of third party claims is PLN 26,154 thousand. Provisions for part of these claims were presented in the balance sheet as at the 31<sup>st</sup> of December, 2020, and are worth PLN 1,831 thousand. During the four quarters of 2020, Comarch Group created provisions for claims covered by legal proceedings in the amount of PLN 134 thousand and resolved provisions in this respect for the amount of PLN 9, 424 thousand.

The Comarch Group is the party to the matters in disputes, but not legal proceedings in which the potential total amount of third party claims is PLN 20,990 thousand. Provisions for part of these claims presented in the balance sheet as at the 31<sup>st</sup> of December, 2020, and are worth PLN 3,466 thousand. During the four quarters of 2020, Comarch Group created provisions for matters in disputes, but not legal proceedings in the amount of PLN 370 thousand and resolved provisions in this respect for the amount of PLN 570 thousand.

According to the Management Boards of the Comarch Group companies, based on the opinions of legal advisors, there are no circumstances indicating the need to create provisions for other claims currently subject to court proceedings and disputes, not covered by court proceedings.

Due to the matters in disputes, during the four quarters of 2020 the Comarch Group created write-offs that revalue receivables in the amount of PLN 6,774 thousand.

Due to the matters in disputes, but not legal proceedings during the four quarters of 2020 the Comarch Group created write-offs that revalue receivables in the amount of PLN 3,392 thousand.

### 3.21. Information about Liability in Relation to Purchase of Property, Plant and Equipment

None present.

### 3.22. Managerial Option Program for Members of the Management Board and Other Key Employees

None present.

### 3.23. Related-Party Transactions

#### 3.23.1. Revenue from Sales of Goods and Services

	12 months ended 31 December 2020	12 months ended 31 December 2019
<b>Revenue from sales of goods</b>		
SoInteractive S.A.	-	-
	-	-
<b>Revenue from sales of services</b>		
SoInteractive S.A.	16	79
	<b>16</b>	<b>79</b>
	<b>16</b>	<b>79</b>

Price for services is determined depending on the type of transaction, according to one of three methods:

- 1) comparable market price,
- 2) cost - plus basis (margin from 2% to 3% for goods, 5% for services),
- 3) margin on sales of services (from 10% to 40%).



**3.23.2. Purchases of Goods and Services**

	12 months ended 31 December 2020	12 months ended 31 December 2019
<b>Purchases of goods</b>	-	
SoInteractive S.A.	-	73
	-	<b>73</b>
<b>Purchases of services</b>		
SoInteractive S.A.		
<i>Included in generation costs</i>	-	434
<i>Included in other costs</i>	-	27
	-	<b>461</b>
<b>Total</b>	-	<b>534</b>

**3.23.3. Balance of Settlements as of the Balance Sheet Date  
Resulting from the Sales/Purchase of Goods /Services**

	12 months ended 31 December 2020	12 months ended 31 December 2019
<b>Receivables from related parties</b>		
SoInteractive S.A.	2	52
	<b>2</b>	<b>52</b>
<b>Payables from related parties</b>		
SoInteractive S.A.	-	-
	-	-

**3.23.4. Transactions with Associates and Personally Related Entities**

	12 months ended 31 December 2020	12 months ended 31 December 2019
Purchases from personally related entities	3,346	4,380
Sales to personally related entities	1,736	1,578
Loans and interest on loans repaid by personally related entities	6,762	1,987
Loans and interest on loans granted to personally related entities	-	-
Purchases from associates	-	534
Sales to associates	16	79
Loans and interest on loans repaid by associates	577	2,171
Loans and interest on loans granted to associates	-	300

### 3.23.5. Balances of Settlements with Personally Related Entities at Balance Sheet Date

	31 December 2020	31 December 2019
Trade receivables from personally related parties	430	789
Loans receivables from personally related parties	4,677	11,239
Trade payables to personally related parties	353	952
Liabilities due to promissory note obligations from personally related parties	5,249**	4,009*

\*) The item contains a liability of company Bonus Management Sp. z o.o. SK-A to the person supervising Comarch S.A.

\*\*) The item contains a liability of company Bonus Management sp. z o.o. II Activia SK-A and Bonus Management sp. z o.o. SKA to the person supervising Comarch S.A.

### 3.24. Earnings per Share

	12 months ended 31 December 2020	12 months ended 31 December 2019
Net profit for the period attributable to equity holders of the Company	118,744	104,846
Weighted average number of shares in issue	8,133,349	8,133,349
<b>Basic earnings per share (PLN)</b>	<b>14.60</b>	<b>12.89</b>
Diluted number of shares	8,133,349	8,133,349
<b>Diluted earnings per share (PLN)</b>	<b>14.60</b>	<b>12.89</b>

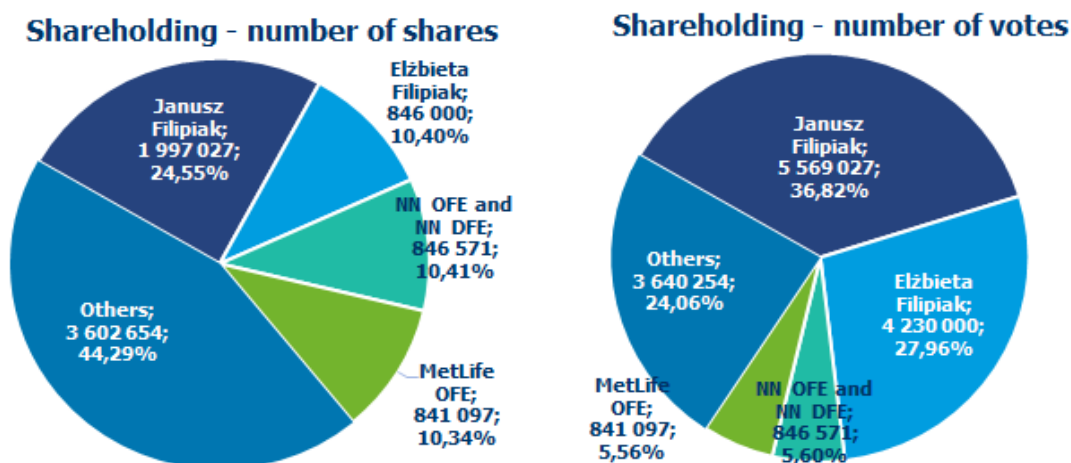
Basic earnings per share in the column "12 months ended 31 December 2020" is calculated by dividing the net consolidated profit attributable to shareholders of Comarch S.A. for the period from the 1<sup>st</sup> of January, 2020, to the 31<sup>st</sup> of December, 2020, by the weighted average number of shares in issue between the 1<sup>st</sup> of January, 2020, to the 31<sup>st</sup> of December, 2020, where the number of days is the weight. Basic earnings per share in the column "12 months ended 31 December 2019" is calculated by dividing the net consolidated profit attributable to shareholders of Comarch S.A. for the period from the 1<sup>st</sup> of January, 2019, to the 31<sup>st</sup> of December, 2019, by the weighted average number of shares in issue between the 1<sup>st</sup> of January, 2019, to the 31<sup>st</sup> of December, 2019, where the number of days is the weight.

Diluted earnings per share in the column "12 months ended 31 December 2020" is calculated by dividing the net consolidated profit attributable to shareholders of Comarch S.A. for the period from the 1<sup>st</sup> of January, 2020, to the 31<sup>st</sup> of December, 2020, by the sum of the weighted average number of shares in issue between the 1<sup>st</sup> of January, 2020, to the 31<sup>st</sup> of December, 2020, where the number of days is the weight and diluted number of shares. Diluted earnings per share in the column "12 months ended 31 December 2019" is calculated by dividing the net consolidated profit attributable to shareholders of Comarch S.A. for the period from the 1<sup>st</sup> of January, 2019, to the 31<sup>st</sup> of December, 2019, by the sum of the weighted average number of shares in issue between the 1<sup>st</sup> of January, 2019, to the 31<sup>st</sup> of December, 2019, where the number of days is the weight.

## 4. Additional Notes

### 4.1. Information About Shareholders Holding at least 5% of the Total Number of Votes at Comarch S.A. General Meeting and Shares Held by Members of the Management Board and the Board of Supervisors

#### 4.1.1. Shareholders who Directly or Indirectly through Subsidiary Entities Hold at least 5% of the Total Number of Votes at Comarch S.A. General Meeting as at 1<sup>st</sup> of March, 2021



#### 4.1.2. Change in the Total Number of Votes at Comarch S.A. in Q4 2020

On the 19<sup>th</sup> of December, 2020, the Management Board of Comarch S.A. received from the person discharging managerial responsibilities (Zbigniew Rymarczyk) notification of the transaction referred to in art. 19 par. 1 of Regulation No. 596/2014 of the European Parliament and of the Council of the 16<sup>th</sup> of April, 2014 on market abuse. The notification concerned the purchase of 462 ordinary bearer shares on the regulated market on the basis of the weighted average price of PLN 186.00 per 1 share, which value amounted to PLN 85,932, on the 18<sup>th</sup> of December, 2020. The company announced details in current report no. [RB-16-2020](#) (ENG: [RB-16-2020](#)) dated the 20<sup>th</sup> of December, 2020.

#### 4.1.3. Changes in Significant Holdings of Comarch S.A. Shares from the Publication of the Last Periodical report, i.e. from 17<sup>th</sup> of November, 2020

Entity	At 1 March 2021				At 17 November 2020			
	Shares	% in share capital	Number of votes	% in votes	Shares	% in share capital	Number of votes	% in votes
Janusz Filipiak	1,997,027	24.55	5,569,027	36.82	1,997,027	24.55	5,569,027	36.82
Elżbieta Filipiak	846,000	10.40	4,230,000	27.96	846,000	10.40	4,230,000	27.96
Nationale-Nederlanden OFE + DFE	846,571	10.41	846,571	5.60	846,571	10.41	846,571	5.60
MetLife OFE	841,097	10.34	841,097	5.56	841,097	10.34	841,097	5.56

#### 4.1.4. Changes in Holdings of Comarch S.A. Shares by Managing and Supervising Persons between 17<sup>th</sup> of November, 2020 and 1<sup>st</sup> of March, 2021

The following table presents the ownership of Comarch S.A. shares by management and supervisors as at the date on which the consolidated report for Q1-Q3 2020 was published, i.e. on the 17<sup>th</sup> of November, 2020, and on the 1<sup>st</sup> of March, 2021, pursuant to the information possessed by the Company.

Members of the Management Board and the Board of Supervisors	Position	At 1 March 2021		At 17 November 2020	
		Shares	% in votes	Shares	% in votes
Janusz Filipiak	President of the Management Board	1,997,027	36.82	1,997,027	36.82
Elżbieta Filipiak	Chairman of the Board of Supervisors	846,000	27.96	846,000	27.96
Paweł Prokop	Vice-President of the Management Board	30,150	0.45	30,150	0.45
Andrzej Przewięźlikowski	Vice-President of the Management Board	0	0.00	0	0.00
Zbigniew Rymarczyk	Vice-President of the Management Board	34,000	0.22	33,538	0.22
Konrad Tarański	Vice-President of the Management Board	10,608	0.07	10,608	0.07
Marcin Warwas	Vice-President of the Management Board	10,608	0.07	10,608	0.07

## 4.2. Factors and Events of Unusual Nature with Significant Effects on the Achieved Financial Results

### 4.2.1. Deferred Income Tax Assets and Provisions

During 12 months of 2020, the Comarch Group settled in part a deferred tax asset related to temporary differences that was established as at the 31<sup>st</sup> of December, 2019, and worth PLN 7,441 thousand, as well as an asset due to temporary differences was recognised in the amount of PLN 9,228 thousand. An asset due to tax loss was recognized in the amount of PLN 1,043 thousand and settled in the same title in the amount of PLN 339 thousand. The total effect of changes in the deferred tax on the net result of the Comarch Group in 12 months of 2020 amounted to plus PLN 2,491 thousand. During the four quarters of 2020, the Group settled an asset created for the zone operations in the amount of PLN 9,958 thousand which were created as at 31<sup>st</sup> of December, 2019 and created an asset in the amount of 8,432. The total impact of changes in the asset on the result of the Comarch Group in the four quarters of 2020 is plus PLN 965 thousand.

Due to the valuation of the net asset value of CCF FIZ, the provision was increased by PLN 20 thousand in the four quarters of 2020 PLN. At the same time, a deferred tax provision due to temporary differences was recognised in the amount of PLN 4,123 thousand and dissolved in the amount of PLN 6,177 thousand. The total effect of the all above-mentioned operations on the net result of 12 months of 2020 amounted to plus PLN 2,034 thousand.

Total changes in deferred tax resulted in an increase in net profit by PLN 2,999 thousand.

Details are described in point [3.10](#).

### 4.2.2. Currency Exchange Rate Differences and Valuation of Financial Instruments

Positive realized foreign exchange rate differences and balance sheet valuation of exchange rates on receivables as at the 31<sup>st</sup> of December, 2020, increased revenue and operating profit of Comarch Group in the four quarters of 2020 by PLN 12,781 thousand. Negative realized foreign exchange rate differences and from the balance sheet valuation of trade liabilities in the four quarters of 2020 decreased the operating result by PLN 20,636 thousand (while the realized foreign exchange rate differences and the balance sheet valuation of exchange differences on receivables and liabilities as at 31<sup>st</sup> of December, 2019 increased the revenue and operating result of the Comarch Group by PLN 814 thousand).

Exchange rate differences from other activities decreased the result of Comarch Group by PLN 9,798 thousand (while in 12 months of 2019 decreased by PLN 2,816 thousand). The valuation of financial instruments and closed transactions (mostly forward contracts) with a deferred tax asset in reference to the valuation of the financial instruments decreased the Comarch Group's result by PLN 10,174 thousand (while in the corresponding period of 2019 increased by PLN 7,697 thousand). The total effect of exchange rate differences and valuation of derivative financial instruments on the net result of the Comarch Group in 12 months of 2020 amounted to minus PLN 27,827 thousand (plus PLN 5,695 thousand in 12 months of 2019).

### 4.2.3. Creation of Write-Offs for Bad Debts

In the period of 12 months of 2020, the Comarch Group created impairment losses on trade receivables in the amount of PLN 41,612 thousand and dissolved previously created write-offs in the amount of PLN 36,930 thousand in connection with the payment of receivables. These operations were recognized in other operating costs and revenue in the profit and loss account, respectively. Details are described in section [3.12](#).

### 4.3. Other events in Q4 2020

#### 4.3.1. Dates of Periodical Financial Reports in 2021

On the 7<sup>th</sup> of January, 2021, in the current report no. [RB-1-2021](#) (ENG: [RB-1-2021](#)) Comarch S.A.'s Management Board set dates of periodical financial reports in 2021:

Consolidated quarterly reports which include condensed consolidated financial statements and condensed financial statements:

- 1) Q4 2020 - on 1<sup>st</sup> of March, 2021
- 2) Q1 2021 - on 21<sup>st</sup> of May, 2021
- 3) Q2 2021 - Pursuant to §79 sec. 2 of the Regulation issued by the Minister of Finance concerning current and periodical information pertaining to companies traded on the stock exchange and on the conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state, Comarch S.A. will not publish quarterly report for the second quarter of 2021
- 4) Q3 2021 - on 17<sup>th</sup> of November, 2021.

ANNUAL AND HALF-YEAR REPORTS:

- 1) Annual report for 2020 - on 30<sup>th</sup> of April, 2021
- 2) Consolidated annual report for 2020 - on 30<sup>th</sup> of April, 2021
- 3) Consolidated half-year report which includes condensed consolidated financial statement and condensed financial statement for the first half of 2021 - on 31<sup>st</sup> of August, 2021.

### 4.4. Events after the Balance Sheet Date not included in the Report

#### 4.4.1. Forward Contracts Concluded after the Balance Sheet Date

Between the 1<sup>st</sup> of January, 2021, and the 1<sup>st</sup> of March, 2021, Comarch Group has concluded new forward contracts for the sales of currency in the amount of EUR 800 thousand, NZD 2,000 thousand and GBP 2,000 thousand. The total net value of open forward contracts as of the 1<sup>st</sup> of March, 2021, amounted to EUR 64,500 thousand, USD 9,100 thousand, NZD 2,000 thousand and GBP 2,000 thousand. The contracts will be settled within 36 months from the balance sheet date. All forward contracts have been concluded in order to limit the influence of currency exchange rates on the financial results related to the contracts carried out by companies in Comarch Group, in which the remuneration or cost is set in a foreign currency.

### 4.5. Commentary on Differences between Financial Results Presented in Annual Report and Results Forecast for the Given Year Published Before

The Company has not published the results forecast for 2020 and for the fourth quarter of 2020.

### 4.6. Significant Legal, Arbitration or Administrative Proceedings

The Comarch Group is the defendant in legal proceedings, in which the potential total amount of third party claims is PLN 26,154 thousand.

The Comarch Group is the party to the matters in disputes, but not legal proceedings in which the potential total amount of third party claims is PLN 20,990 thousand.

More information was presented in point [3.20](#).

#### 4.7. Information about Transactions with Related Parties on Terms Different from Market Condition

None present.

#### 4.8. Information about Suretyships, as well as Guarantees Provided by the Issuer and Its Subsidiaries

- Due to conclusion of a contract for implementation, hosting and maintenance of loyalty system, signed by Comarch Inc., a subsidiary of Comarch S.A., on the 28<sup>th</sup> of April, 2011, Comarch S.A. granted a surety for obligations of Comarch Inc. The value of the surety amounts to USD 3,000 thousand and it is valid for the whole term of the contract.
- Due to conclusion of a contract for sales of licences and implementation of Comarch Network & Service Inventory, Comarch Next Generation Service Assurance and Comarch OSS Mediations, as well as sales of licences for Comarch SLA Management, signed by Comarch AG, a subsidiary of Comarch S.A., on the 11<sup>th</sup> of August, 2011, Comarch S.A. granted a surety for the benefit of a customer in order to guarantee the fulfilment of any obligations resulting from the contract by Comarch AG. The value of the surety equals value of obligations resulting from the contract, i.e. EUR 5,495 thousand.
- Due to Bank Pekao S.A. granting an investment loan in the amount of PLN 15,889 thousand to Comarch Healthcare S.A., a Comarch S.A. subsidiary, on the 1<sup>st</sup> of September, 2011, Comarch S.A. granted a surety in order to guarantee the fulfilment of any obligations resulting from the contract. The value of the surety equals PLN 23,833 thousand and is valid until the 31<sup>st</sup> of December, 2021.
- Due to conclusion of a contract for implementation and maintenance of BSS system by Comarch UK, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for obligations of Comarch UK. The surety was granted up to the amount of liabilities of Comarch UK resulting from the aforementioned agreement, i.e. to the amount of GBP 808 thousand and in addition, GBP 86 thousand annually for SLA, and it is valid for the whole term of the agreement.
- Due to conclusion of a contract for implementation of Next Generation Performance Management Solution, signed by Comarch AG, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of a customer in order to guarantee the fulfilment of any obligations resulting from the contract by Comarch AG. The value of the surety equals value of a maximum of EUR 3,823 thousand and is valid for the whole term of the contract.
- Due to conclusion of a contract for implementation of Planning and Inventory Application (PIA), signed by Comarch AG, a subsidiary of Comarch S.A., Comarch S.A. signed a letter of comfort upon which it ensures proper contract performance by Comarch AG. The letter of comfort is valid for 24 months from contract completion. Contract's value amounts to EUR 3,505 thousand.
- Due to conclusion of a contract for implementation of Comarch Loyalty Management, signed by Comarch UK, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of a customer for obligations of Comarch UK. The surety was granted up to the maximum amount of GBP 2,351 thousand and is valid for the whole term of the contract.
- Due to conclusion of a contract for implementation and licence of Comarch Loyalty Management, as well as services related to data centre and Support & Maintenance, signed by Comarch SAS, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for obligations of Comarch SAS resulting from this project. The surety was granted up to the maximum amount of the signed agreements, i.e. EUR 2,807 thousand and is valid till the end of this project.
- Due to conclusion of an agreement signed by branch of Comarch AG in Belgium with a customer, Comarch S.A. granted a surety for liabilities of Comarch AG resulting from this project. The surety was granted up to the amount of the agreement, i.e. EUR 236 thousand and is valid till the termination of the project.



- Due to conclusion of a contract for purchase of licences, maintenance and support, signed by Comarch UK, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for future obligations of Comarch UK resulting from this project. The surety was granted up to the amount of GBP 11,244 thousand and is valid for 12 years after the contract completion.
- Due to conclusion of a contract for fuel cards service signed by Comarch Healthcare S.A., a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of an operator of fuel cards in order to guarantee the fulfilment of any obligations resulting from this contract by Comarch Healthcare S.A. After the entry into force of the amendment to the agreement, the total amount of granted surety is PLN 100 thousand and is valid till the 31<sup>st</sup> of May, 2021.
- Due to conclusion of a contract for implementation of Comarch ECM, maintenance and SaaS, signed by Comarch SAS, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the liabilities of Comarch SAS, resulting from the project. The surety was granted up to the amount of EUR 838 thousand and is valid till the termination of the contract.
- Due to conclusion of a contract for fuel cards service signed by CA Consulting S.A., a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of an operator of fuel cards in order to guarantee the fulfilment of any obligations resulting from this contract by CA Consulting S.A. The surety has been renewed, the total amount of granted surety is PLN 50 thousand and is valid till the 31<sup>st</sup> of May, 2021.
- Due to conclusion of a framework agreement signed by branch of Comarch AG in Belgium with a customer, Comarch S.A. granted a surety for liabilities of Comarch AG. The surety was granted up to the amount of the agreement, i.e. EUR 3,241 thousand and is valid till the termination of the project.
- Due to conclusion of a contract for implementation of Comarch Customer Engagement Platform by Comarch Middle East FZ-LLC, a subsidiary of Comarch S.A., Comarch S.A. granted a surety („Parent Guarantee”) for the liabilities of Comarch Middle East FZ-LLC resulting from this project. The contract was concluded for five years. The surety is valid until fulfilment by Comarch Middle East FZ-LLC of all obligations under the contract and has been granted up to a maximum liability of the contract, i.e. USD 10,000 thousand.
- Due to conclusion of a contract for investment credit by Bonus Development Sp. z o.o. SK-A, a subsidiary of Comarch S.A., with Bank Pekao S.A. under which the bank grants Bonus Development Sp. o.o. SK-A funding in the amount of PLN 38,800 thousand (EUR 9,262 thousand on the date of signing the agreement) and due to the conclusion of the agreement on treasury transactions related to securing exchange rate risk and interest rate of above mentioned credit, Comarch S.A. granted a sureties for the liabilities of Bonus Development Sp. z o.o. SK-A resulting from these contracts. Sureties are valid until repayment of all obligations under the credit agreement, the maturity date is on the 28<sup>th</sup> of June, 2030.
- Due to conclusion of a contract by Comarch Polska S.A., a subsidiary of Comarch S.A., for service of fuel cards, Comarch S.A. granted a surety for the benefit of an operator of fuel cards for liabilities of Comarch Polska S.A. resulting from this contract. The surety has been renewed and was granted up to the amount of PLN 10 thousand and is valid till the 14<sup>th</sup> of September, 2021.
- Due to conclusion of a contract by Comarch AB, a subsidiary of Comarch S.A., for implementation and service of Loyalty Management Solutions, Comarch S.A. granted a surety for liabilities of Comarch AB. The surety is valid until fulfilment of all obligations under the contract by Comarch AB and was granted up to the amount of SEK 39,747 thousand.
- Due to conclusion of a contract by Comarch AB, a subsidiary of Comarch S.A., for implementation and service of Master Services Agreement, Comarch S.A. granted a surety for Comarch AB. The surety was granted up to the amount of PLN 3,827 thousand and is valid till the termination of the contract.
- Due to conclusion of a contract by Comarch UK, a subsidiary of Comarch S.A., for implementation and service of Comarch Loyalty Management, Comarch Campaign Management, Comarch Social Mining and Comarch Smart Analytics, Comarch S.A. granted a surety for Comarch UK. The surety was granted up to the amount of GBP 3,318 thousand and is valid till the termination of the contract.

- Due to conclusion of a contract by Comarch Healthcare S.A., a subsidiary of Comarch S.A., the contract for service of payment cards, a surety for Comarch Healthcare S.A. was granted to the amount of PLN 450 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch UK, a subsidiary of Comarch S.A., the contract for service of payment cards, a surety for Comarch UK was granted to the amount of PLN 330 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch Software und Beratung AG, a subsidiary of Comarch S.A., the contract for implementation and service of Telco BSS and Telco OSS, a surety for Comarch Software und Beratung AG was granted to the amount of EUR 11,524 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch S.A.S., a subsidiary of Comarch S.A., the contract for implementation of Comarch Retail, Comarch Mobile Sale and Comarch POS, a surety for liabilities of Comarch S.A.S. was granted to the amount of EUR 1,444 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch Colombia S.A.S., a subsidiary of Comarch S.A., the contract for implementation of Comarch Loyalty Management service, a surety for liabilities of Comarch Colombia S.A.S. was granted to the amount of USD 10,710 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch Luxembourg S.a.R.L., a subsidiary of Comarch S.A., the contract for the implementation, servicing and delivery of necessary licenses for the implementation of the Billing System project, a surety for liabilities of Comarch Luxembourg S.a.R.L. was granted to the amount of EUR 7,240 thousand by Comarch S.A. and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch Polska S.A., a subsidiary of Comarch S.A., the contract for the purchase of IT equipment to perform a contract with one of the clients, a surety for liabilities of Comarch Polska S.A. was granted to the amount of PLN 3,660 thousand by Comarch S.A. and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch AG, a subsidiary of Comarch S.A., the contract for the implementation, servicing and delivery of necessary licenses for the implementation of the e-invoicing service, a surety for liabilities of Comarch AG was granted to the amount of EUR 2,095 thousand by Comarch S.A. and is valid for the duration of the contract.
- Due to of a contract by Comarch UK Ltd, a subsidiary of Comarch S.A., the contract for the implementation, servicing and delivery of necessary licenses for Comarch NRM service, a surety for liabilities of Comarch UK Ltd was granted to the amount of GBP 9,966 thousand by Comarch S.A. and is valid for the duration of the contract.
- Due to of a contract by Comarch Yuhan Hoesa, a subsidiary of Comarch S.A., the contract for the implementation, servicing and delivery of necessary licenses for Comarch NW Next Generation service, a surety for liabilities of Comarch Yuhan Hoesa was granted to the amount of EUR 18,467 thousand by Comarch S.A. and is valid for the duration of the contract.
- Due to of a contract by Comarch S.A.S., a subsidiary of Comarch S.A., the contract for the implementation, servicing and delivery of necessary licenses for Comarch ERP, POS and MoS services, a surety for liabilities of Comarch S.A.S. was granted to the amount of EUR 1,254 thousand by Comarch S.A. and is valid for the duration of the contract.
- Due to conclusion of a contract by COMARCH Middle East FZ-LLC, a subsidiary of Comarch S.A., the contract for the implementation, servicing and delivery of necessary licenses CLM, a surety for liabilities of COMARCH Middle East FZ-LLC was granted to the amount of USD 3,155 thousand by Comarch S.A. and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch AG, a subsidiary of Comarch S.A., the contract for the implementation, servicing and providing e-invoicing service, a surety for liabilities of Comarch AG was granted to the amount of EUR 784 thousand by Comarch S.A. and is valid for the duration of the contract.

- Due to conclusion of a contract by Comarch Japan KK, a subsidiary of Comarch S.A., the contract for the rent of office space, a surety for liabilities of Comarch Japan KK was granted to the amount of JPY 9,934 thousand by Comarch S.A. and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch S.A.S., a subsidiary of Comarch S.A., the contract for delivery of BSSv7 platform, a surety for liabilities of Comarch S.A.S. was granted to the amount of EUR 11,175 thousand by Comarch S.A. and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch Swiss AG, a subsidiary of Comarch S.A., the contract for implementation of Convergent Billing together with license, a surety for liabilities of Comarch Swiss AG was granted to the amount of CHF 12,144 thousand by Comarch S.A. and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch UK Ltd, a subsidiary of Comarch S.A., the contract for the implementation of the NRM & SI service together with license, a surety for liabilities of Comarch UK Ltd was granted to the amount of GBP 10,659 thousand by Comarch S.A. and is valid for the duration of the contract.

#### **4.9. Other Information Significant for the Assessment of Means and Employees, Financial Rating, Financial Results and Their Changes and Information Significant for the Assessment of the Possibility of the Execution of Obligations by the Issuer**

##### **4.9.1. Impact of SARS-CoV-2 Coronavirus and COVID-19 Incidents on the Company's Operations and Financial Results**

In reference to the recommendations of the European Securities and Markets Authority and the Polish Financial Supervision Authority of the 12<sup>th</sup> of March, 2020, the Management Board of Comarch S.A. in the current report no. [RB-5-2020](#) (ENG: [RB-5-2020](#)) dated the 19<sup>th</sup> of March, 2020, provided information on the possible impact of the SARS-CoV-2 coronavirus spread and COVID-19 incidence on the Company's operations and financial results.

The Comarch Group's Management Board monitors on an ongoing basis the development of the situation related to the continuing effects of the spread of SARS-CoV-2 coronavirus and COVID-19 incidence and their impact on the Comarch Group's operations. The Comarch Group companies implemented all guidelines recommended by the Chief Sanitary Inspectorate and other state institutions in the countries of the Comarch Group's operational activity, with particular regard to employee's safety, health and hygiene recommendations. Business trips to countries identified by the Chief Sanitary Inspectorate as high-risk countries were suspended, direct contacts of employees within the organization were limited, and the remote work mode of office workers was launched on a large scale. Remote communication methods are commonly used in business contacts. The Management Board of the Comarch Group notes that the activities of the Comarch Group are very well diversified in terms of industry, products and geography, and the effects of a pandemic do not currently pose a threat to the financial stability of the company. At present, the Management Board of the Comarch Group has not diagnosed significant disruptions in the implementation of existing contracts or significant disruptions in the supply chains of products and materials necessary for the Comarch Group's operations.

During the epidemic, i.e. in the second, third and fourth quarter of 2020, there was no decrease in revenue from sales of services and products offered by the Comarch Group. The operating activity of the Comarch Group and the financial results achieved in the coming periods will be influenced by factors such as: the duration and extent of the epidemic, the number of people suffering from COVID-19, further administrative restrictions in the functioning of states and entrepreneurs, restrictions in the movement of workers, the possibility of using aid packages launched by individual countries, as well as, the volatility of exchange rates occurring in connection with the pandemic.

## 5. Significant Achievements and Failures as well as Factors and Events with Considerable Impact on the Financial Results of the Comarch Group in the Fourth Quarter of 2020 and Factors Which Will Substantially Impact Results Over the Course of at least the Next Quarter

### 5.1. Revenue and Financial Results



\*) From the 1<sup>st</sup> of January, 2018, the Comarch Group started to apply the principles resulting from IFRS 15. For comparative purposes, the data for the period I of the quarter of 2017 were also transformed in accordance with IFRS 15.

In the fourth quarter of 2020, the Comarch Group generated sales revenue in the amount of PLN 473,979 thousand. They were higher by PLN 57,522 thousand, i.e. 13.8% than those achieved in the fourth quarter of 2019. Operating profit amounted to PLN 68,923 thousand and was higher by PLN 37,906 thousand i.e. 122.2% than in the fourth quarter of 2019. Net result attributable to the shareholders of the parent company was PLN 51,769 thousand and was higher by PLN 16,602 thousand, i.e. 47.2% compared to the fourth quarter of 2019. The EBIT margin was +14.5% and net margin amounted to +10.9%. In the fourth quarter of 2020, the Comarch Group generated an EBITDA profit amounted of PLN 89,126 thousand, higher by PLN 36,898 thousand, i.e. by 70.6% compared to the same period last year.

The profitability of the activities of the Comarch Group in the fourth quarter of 2020 was higher in relation to 2019. The results achieved by the Comarch Group in the fourth quarter of 2020 were influenced by, among others:

- increase in foreign sales revenue, which amounted to PLN 32,007 thousand (i.e. 13.5%), resulting from increased sales to customers from the Finance and Banking, Medicine and SME DACH sectors. In the fourth quarter of 2020, foreign sales constituted 56.7% of the total revenue of the Comarch Group,
- increase in domestic sales of PLN 25,515 thousand, i.e. of 14.2%, as a result of increased sales to customers from the Public, Medicine and SMEs sector in the fourth quarter of 2020,
- occurrence of positive exchange rate differences on the balance sheet valuation of trade receivables in the fourth quarter of 2020, which increased sales revenue and operating result in the described period by PLN 2,803 thousand, mainly due to the weakening of the EUR against PLN,

- occurrence of negative exchange rate differences on the balance sheet valuation of loans and borrowings contracted in foreign currencies, whose in the described period amounted to minus PLN 4,381 thousand,
- occurrence of negative balance sheet valuation of forward and IRS financial instruments, whose value in the described period amounted to minus PLN 2,734 thousand,
- increase in operating expenses, which is a consequence of the wage pressure in the IT sector, as well as the introduction of contributions to PPK (capital plans for employees) - the basic wage fund in the Comarch Group in the reporting period increased by 5.4% compared to the fourth quarter of 2019,
- current income tax, which was the result of high profitability of operations of the Comarch Group companies in Poland and Germany, its value in the fourth quarter of 2020 amounted to PLN 17,812 thousand,
- creation and release of write-offs for doubtful trade receivables, which increased the Comarch Group's operating result by PLN 2,625 thousand,
- application of the IFRS 15 accounting standard, as a result of which a portion of the revenue derived from the sales of Comarch software licenses is settled over time, in accordance with the stage of completion of the projects. The value of the correction in this respect amounted to minus PLN 1,595 thousand in the fourth quarter of 2020,
- the application of the IFRS 16 accounting standard caused that the depreciation value, and thus the value of EBITDA profit, was increased in the fourth quarter of 2020 by PLN 5,462 thousand.

Within four quarters of 2020, the Comarch Group generated sales revenue in the amount of PLN 1,536,438 thousand. They were higher by PLN 99,015 thousand, i.e. 6.9% than those achieved in 2019. Operating result amounted to PLN 186,818 thousand and was higher by PLN 43,435 thousand i.e. by 30.3% than within four quarters of 2019. Net result attributable to the shareholders of the parent company was PLN 118,744 thousand and increased by PLN 13,898 thousand, i.e. by 13.3% compared to the previous year. The EBIT margin was +12.2% and net margin amounted to +7.7%. During the described period, the Comarch Group generated EBITDA in the amount of PLN 271,902 thousand, higher by PLN 43,590 thousand i.e. by 19.1% than in the similar period of the previous year.

The results achieved by the Comarch Group in within four quarters of 2020 were influenced by, among others:

- there were no unusual events of significant value in this period, while in 2019 the effect of the settlement with the Social Insurance Institution (ZUS) on the ZUS KSI contract was included, which increased the Comarch Group's operating result and net result for the four quarters of 2019 by PLN 24,203 thousand,
- increase in revenue from export sales of PLN 56,273 thousand (i.e. 6.7%), which resulted, among others, from the development of sales of banking and finance solutions on the European and Asian markets, as well as ERP in the DACH region. During 12 months of 2020, foreign sales constituted 58.6% of the total revenue of the Comarch Group,
- increase in domestic sales of PLN 42,742 thousand, i.e. of 7.2%, as a result of increased sales to customers from Public, SMEs and Medicine sector during 12 months of 2020,
- occurrence of positive exchange rate differences on the balance sheet valuation of trade receivables during 12 months of 2020, which increased sales revenue and operating result in the described period by PLN 12,781 thousand, mainly due to the weakening of the PLN against foreign currencies,
- occurrence of negative exchange rate differences on the balance sheet valuation of trade payables related to the weakening of the PLN, BRL, ARS exchange rates against foreign currencies during the four quarters of 2020, which reduced the operating result in the described period by PLN 20,636 thousand,
- occurrence of a negative balance sheet valuation of cash, loans and borrowings contracted in foreign currencies, whose value in the described period amounted to minus PLN 9,798 thousand,



- occurrence of negative balance sheet valuation of forward and IRS financial instruments, whose value in the described period amounted to minus PLN 11,592 thousand,
- increase in operating expenses, which is a consequence of the wage pressure in the IT sector, as well as the introduction of contributions to PPK (capital plans for employees) - the basic wage fund in the Comarch Group in the reporting period increased by 6.4% compared to the 12 months of 2019,
- current income tax, which was the result of high profitability of operations of the Comarch Group companies in Poland and Germany, its value during four quarters of 2020 amounted to PLN 44,659 thousand,
- creation and release of write-offs for doubtful trade receivables, which reduced the Comarch Group's operating result by PLN 4,682 thousand,
- application of the IFRS 15 accounting standard, as a result of which a portion of the revenue derived from the sales of Comarch software licenses is settled over time, in accordance with the stage of completion of the projects. The value of the correction in this respect amounted to plus PLN 11,793 thousand in the 12 months of 2020,
- the application of the IFRS 16 accounting standard caused that the depreciation value, and thus the value of EBITDA profit, was increased in during the four quarters of 2020 by PLN 21,138 thousand,
- release of the provision in the amount of PLN 5,294 thousand as a result of concluding a settlement with one of the clients, ending many years of court proceedings,
- reduced level of sales and marketing costs (reduced by PLN 2,317 thousand) and general management costs (reduced by PLN 1,108 thousand), which was a result of restrictions in business activity caused by the Covid-19 pandemic.

During the epidemic, i.e. in the second, third and fourth quarter of 2020, there was no decrease in revenue from sales of services and products offered by the Comarch Group. The operating activity of the Comarch Group and the financial results achieved in the coming periods will be influenced by factors such as: the duration and extent of the epidemic, the number of people suffering from COVID-19, further administrative restrictions in the functioning of states and entrepreneurs, restrictions in the movement of workers, the possibility of using aid packages launched by individual countries, as well as, the volatility of exchange rates occurring in connection with the pandemic.

During the four quarters of 2020, the employment in the Comarch Group increased by 1.8%. As at 31<sup>st</sup> of December, 2020, the Comarch Group employed 6,462 people, i.e. by 114 people more than on 31<sup>st</sup> of December, 2019.

The Comarch Group is actively looking for new sales markets (including in Western Europe and Asia), continues to invest in new products and IT services, as well as constantly extends and modernizes its infrastructure. Thanks to the very good financial results achieved in the four quarters of 2020, the financial situation of the Comarch Group is very good and guarantees the safety of operations in the event of a changing macroeconomic situation in Poland and in the world. This is particularly important in view of the development of the Covid-19 pandemic and its economic impact. The Comarch Group consciously bears the costs of developing new products and new business segments, as well as developing operations on new foreign markets, thus investing in building a competitive advantage for the future.

In subsequent periods, the Comarch Group intends to continue its strategy assuming:

- significant investments in human capital,
- development and sales of IT solutions based mostly on own products,
- development of sales on foreign markets, in particular in Western Europe, Asia and Oceania, and North America,
- continuous improvement of operational efficiency by improving procedures and cost rationalization,
- adaptation of the operating method to the restrictions associated with combating the Covid-19 pandemic,

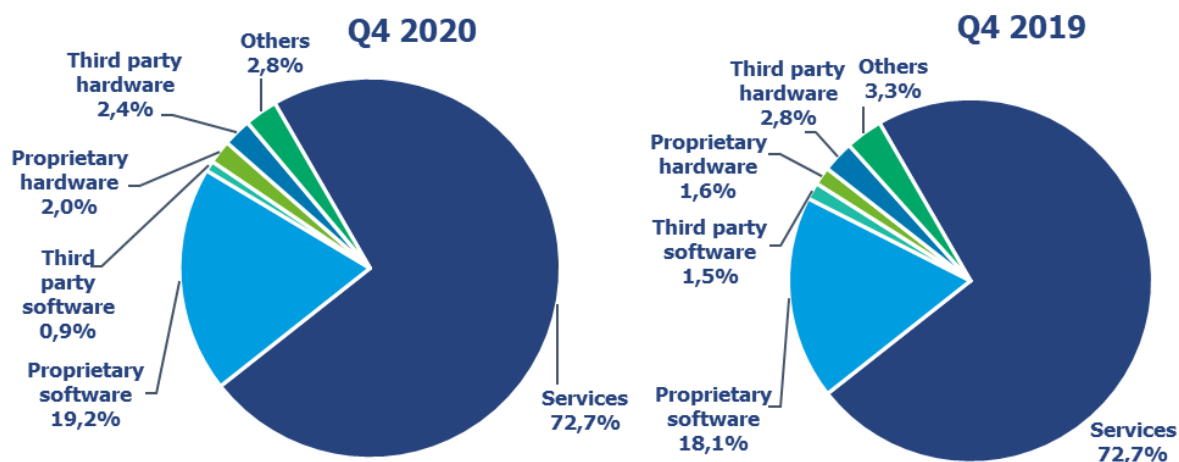
- developing further business areas, especially in the field of medicine, Internet of Things (IoT) and solutions based on Comarch Cloud technology,
- promoting the IT sales service model,
- investments in own technologies and IT infrastructure.

## 5.2. Sales Structure

### Products Sales Structure (in thousands of PLN)

Products sales structure	Q4 2020	%	Q4 2019	%	Change in PLN	Change in %
Services	344,333	72.7%	302,755	72.7%	41,578	13.7%
Proprietary software	91,057	19.2%	75,417	18.1%	15,640	20.7%
Third party software	4,413	0.9%	6,210	1.5%	-1,797	-28.9%
Proprietary hardware	9,270	2.0%	6,699	1.6%	2,571	38.4%
Third party hardware	11,605	2.4%	11,463	2.8%	142	1.2%
Others	13,301	2.8%	13,913	3.3%	-612	-4.4%
<b>Total</b>	<b>473,979</b>	<b>100.0%</b>	<b>416,457</b>	<b>100.0%</b>	<b>57,522</b>	<b>13.8%</b>

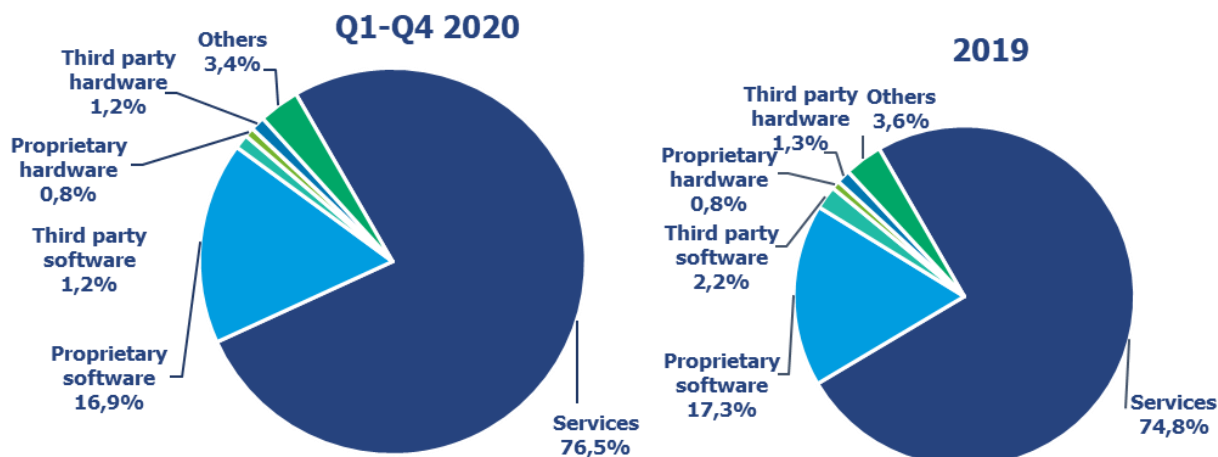
In the fourth quarter of 2020, the Group recorded an increase in revenue from the sales of services, which amounted to PLN 41,578 thousand, i.e. 13.7%. Sales of services constituted 72.7% of the Comarch Group's total sales revenue. Revenue from the sales of proprietary software increased by PLN 15,640 thousand, i.e. by 20.7%. The value of revenue from the sales of third party software was lower by PLN 1,797 thousand, i.e. by 28.9 % from that recorded in the fourth quarter of the previous year. The value of sales of finished goods was higher by PLN 2,571 thousand, i.e. 38.4% than in the fourth quarter of 2019. Sales of third party hardware remained at the level of the fourth quarter of 2019 and amounted to PLN 11,605. The value of other sales decreased by PLN 612 thousand, i.e. by 4.4%.



Products sales structure	Q1-Q4 2020	%	Q1-Q4 2019	%	Change in PLN	Change in %
Services	1,174,863	76.5%	1,074,965	74.8%	99,898	9.3%
Proprietary software	259,170	16.9%	249,442	17.3%	9,728	3.9%
Third-party software	18,191	1.2%	30,997	2.2%	-12,806	-41.3%
Proprietary hardware	13,084	0.8%	11,676	0.8%	1,408	12.1%
Third party hardware	18,573	1.2%	19,134	1.3%	-561	-2.9%
Others	52,557	3.4%	51,209	3.6%	1,348	2.6%
<b>Total</b>	<b>1,536,438</b>	<b>100.0%</b>	<b>1,437,423</b>	<b>100.0%</b>	<b>99,015</b>	<b>6.9%</b>

During 12 months of 2020, the Comarch Group's products sales structure did not change significantly compared to the same period of the previous year. The value of sales of IT services increased by 99,898 thousand, i.e. by 9.3%. Revenue from sales of proprietary software increased by PLN 9,728 thousand, i.e. by 3.9%. Sales of own finished goods increased, compared to the previous year, by PLN 1,408

thousand, i.e. by 12.1%, similarly other sales increased by PLN 1,348 thousand, i.e. by 2.6%. Revenue from the sales of third party software decreased by PLN 12,806 thousand, i.e. by 41.3%. During the 12 months of 2020, third party hardware decreased by PLN 561 thousand, i.e. by 2.9%.



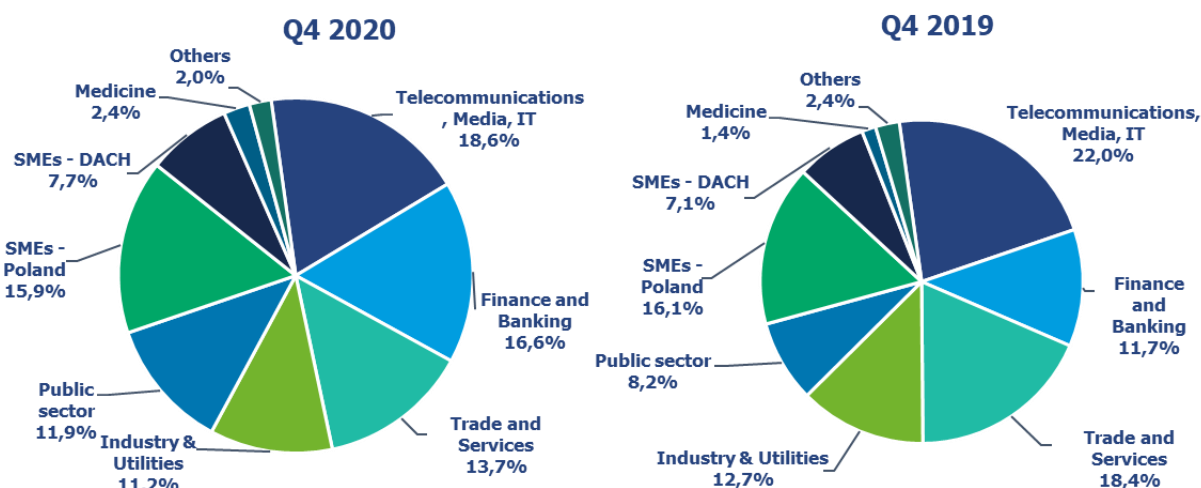
#### Market Sales Structure (in thousands of PLN)

Market sales structure	Q4 2020	%	Q4 2019	%	Change in PLN	Change in %
Telecommunications, Media, IT	88,011	18.6%	91,587	22.0%	-3,576	-3.9%
Finance and Banking	78,923	16.6%	48,688	11.7%	30,235	62.1%
Trade and Services	64,797	13.7%	76,573	18.4%	-11,776	-15.4%
Industry & Utilities	53,053	11.2%	52,671	12.7%	382	0.7%
Public sector	56,364	11.9%	34,217	8.2%	22,147	64.7%
Small and Medium-Sized Enterprises - Poland	75,461	15.9%	67,055	16.1%	8,406	12.5%
Small and Medium-Sized Enterprises - DACH	36,543	7.7%	29,699	7.1%	6,844	23.0%
Medicine	11,159	2.4%	5,947	1.4%	5,212	87.6%
Others	9,668	2.0%	10,020	2.4%	-352	-3.5%
<b>Total</b>	<b>473,979</b>	<b>100.0%</b>	<b>416,457</b>	<b>100.0%</b>	<b>57,522</b>	<b>13.8%</b>

In the fourth quarter of 2020, clients from the TMT sector purchased products and services worth PLN 88,011 thousand, which means a decrease of PLN 3,576 thousand, i.e. of 3.9% compared to the fourth quarter of 2019. This decrease is temporary and was caused by lower sales on the South American and Western European markets than in the fourth quarter of 2019. In the fourth quarter of 2020, clients from the Finance and Banking sector purchased products and services worth PLN 78,923 thousand, higher by PLN 30,235 thousand, i.e. by 62.1% from that achieved in the corresponding period of the previous year. This increase was mainly the result of the development of sales on the European and Asian markets. Sales of ERP solutions to small and medium-sized enterprises in Poland increased by PLN 8,406 thousand, i.e. by 12.5% and reached the value of PLN 75,461 thousand. In the case of sales to clients from the SME sector in the DACH region, the increase in revenue amounted to PLN 6,844 thousand, i.e. 23.0% and was the result of the development of sales of the Comarch Group's solutions, as well as the weakening of PLN against EUR in the fourth quarter of 2020. Sales revenue to clients from the Trade and Services sector decreased by PLN 11,776 thousand, i.e. by 15.4%, which was caused by a reduced demand for IT solutions among customers in industries more affected by the Covid-19 epidemic. In the case of customers from the Industry & Utilities sector revenue remained at the previous year's level and amounted to PLN 53,053 thousand. In the fourth quarter of 2020, sales revenue to public entities increased by PLN 22,147 thousand, i.e. by 64.7%. In the discussed period,



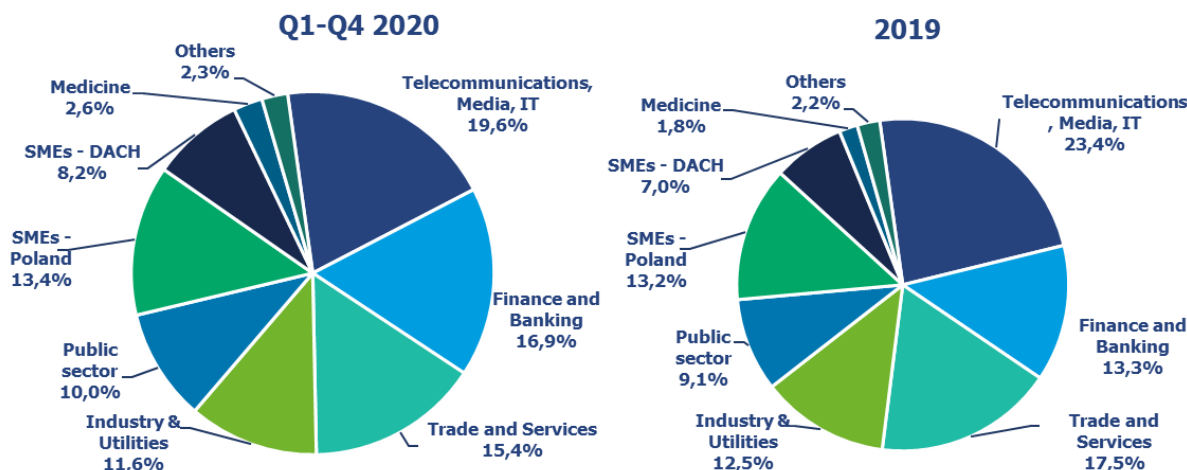
sales revenue to clients from the Medicine sector increased by PLN 5,212 thousand i.e. by 87.6%. Sales to other customers remained at the previous year's level and amounted to PLN 9,668 thousand.



Market sales structure	Q1-Q4 2020	%	Q1-Q4 2019	%	Change in PLN	Change in %
Telecommunications, Media, IT	300,533	19.6%	335,846	23.4%	-35,313	-10.5%
Finance and Banking	258,749	16.9%	191,054	13.3%	67,695	35.4%
Trade and Services	236,875	15.4%	251,743	17.5%	-14,868	-5.9%
Industry & Utilities	178,422	11.6%	179,336	12.5%	-914	-0.5%
Public sector	154,121	10.0%	130,352	9.1%	23,769	18.2%
Small and Medium-Sized Enterprises - Poland	205,835	13.4%	190,421	13.2%	15,414	8.1%
Small and Medium-Sized Enterprises - DACH	126,317	8.2%	100,411	7.0%	25,906	25.8%
Medicine	40,461	2.6%	25,919	1.8%	14,542	56.1%
Others	35,125	2.3%	32,341	2.2%	2,784	8.6%
<b>Total</b>	<b>1,536,438</b>	<b>100.0%</b>	<b>1,437,423</b>	<b>100.0%</b>	<b>99,015</b>	<b>6.9%</b>

Within 12 months of 2020, the sales to customers from the TMT sector amounted to PLN 300,533 thousand, which means a decrease of PLN 35,313 thousand (i.e. of 10.5%) compared to the same period in 2019. The customers from the Finance and Banking sector purchased products and services worth PLN 258,749 thousand, higher than those achieved in the same period of the previous year by PLN 67,695 thousand, i.e. 35.4%. On the other hand, a decrease was recorded in sales to clients from the Trade and Services sector (of PLN 14,868 thousand, i.e. of 5.9%), which was caused by a reduced demand for IT solutions among customers in industries more affected by the Covid-19 epidemic. Also, sales revenue to recipients from the Industry & Utilities sector decreased by PLN 914 thousand, i.e. by 0.5%. Revenue from sales to recipients from the Public sector increased significantly by PLN 23,769 thousand, i.e. by 18.2%. The significant increase was recorded also in sales to customers from the Medicine sector (an increase of PLN 14,542 million, i.e. 56.1%). The customers from the SME-Poland sector purchased products and services worth PLN 15,414 thousand, i.e. 8.1% more than in the corresponding period of the previous year. A significant increase occurred in the case of sales to customers from the SME-DACH sector (an increase of PLN 25,906 thousand, i.e. of 25.8%). Sales to other customers increased by PLN 2,784 thousand (i.e. by 8.6%).

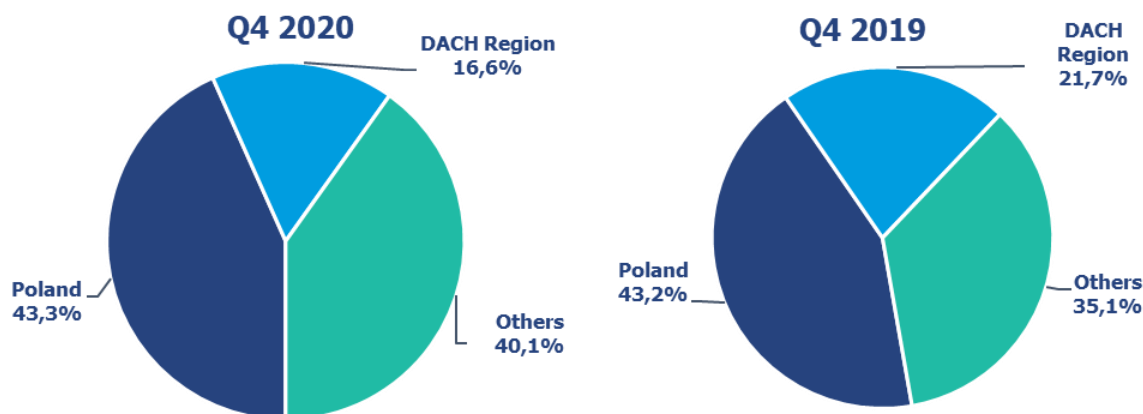
The business situation during the 12 months of 2020 confirmed that the Comarch Group has secured the opportunity to sustain stable business development, due to maintaining the diversification of revenue sources and offer. Due to the concentration on sales of own solutions, the Comarch Group recorded a significant increase in revenue and improved operating profitability.



## Geographical sales structure (in thousands of PLN)

Geographical sales structure	Q4 2020	%	Q4 2019	%	Change in PLN	Change in %
Domestic (Poland)	205,286	43.3%	179,771	43.2%	25,515	14.2%
Export	268,693	56.7%	236,686	56.8%	32,007	13.5%
<b>Total</b>	<b>473,979</b>	<b>100.0%</b>	<b>416,457</b>	<b>100.0%</b>	<b>57,522</b>	<b>13.8%</b>

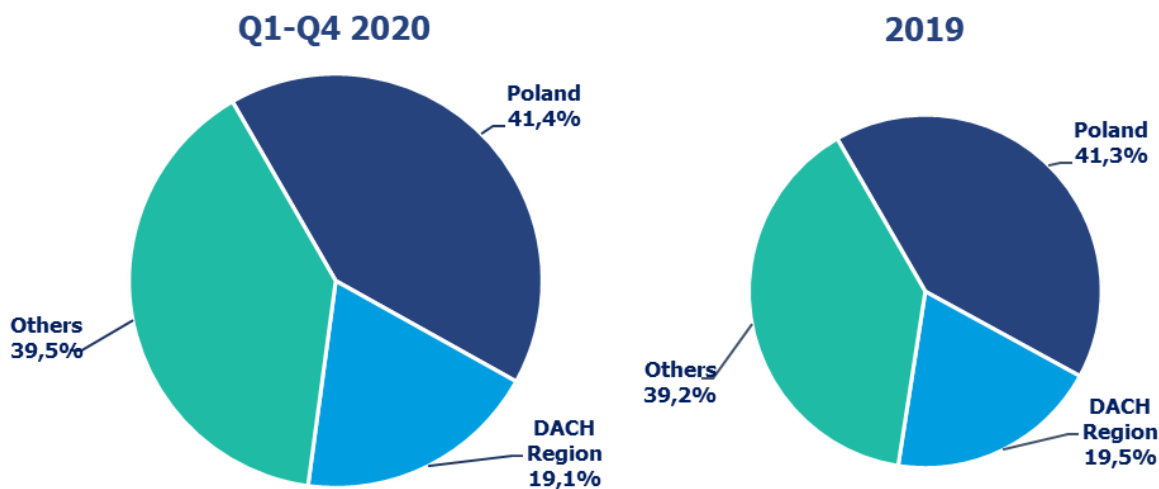
In the fourth quarter of 2020, the Comarch Group recorded an increase in sales revenue both on the domestic and foreign markets. The value of revenue from domestic sales increased by PLN 25,515 thousand, i.e. by 14.2% compared to the fourth quarter of 2019. It was caused, among others, by greater sales to clients from the Public and SME-Poland sectors. In the discussed period, the Comarch Group recorded PLN 268,693 thousand of export sales revenue, that is PLN 32,007 thousand (i.e. 13.5%) more than in the fourth quarter of the previous year. This is the result of higher sales to recipients from the Finance and Banking sector in other European and Asian countries. In the fourth quarter of 2020, export sales constituted 56.7% of the Comarch Group's total revenue.



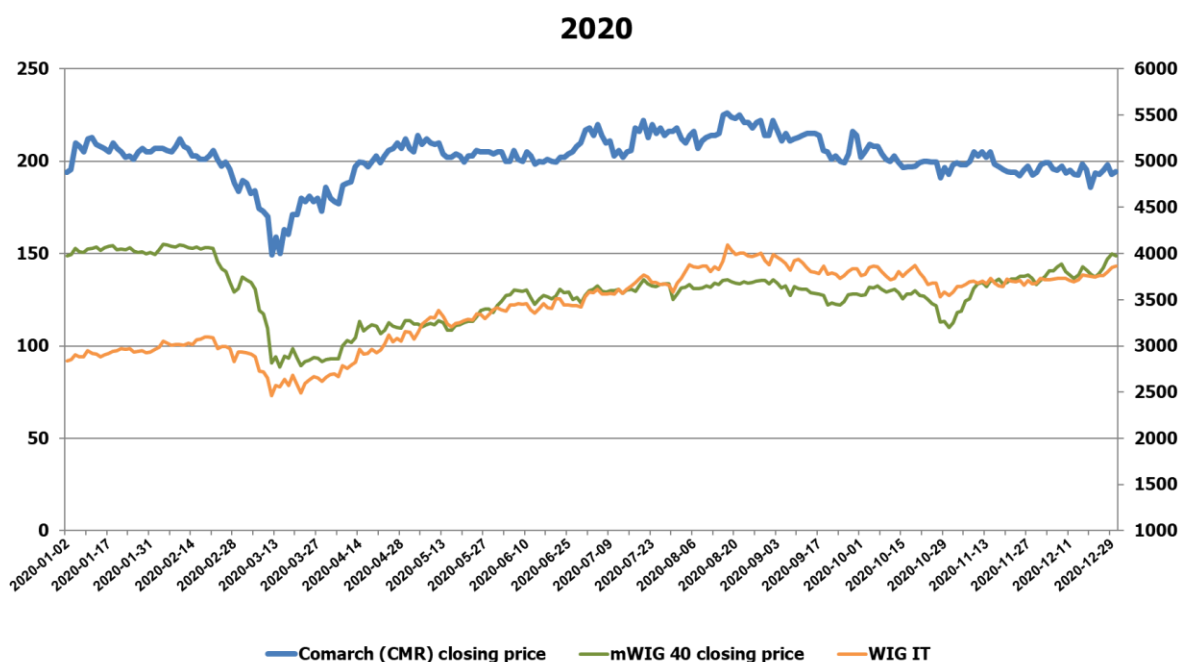
Geographical sales structure	Q1-Q4 2020	%	Q1-Q4 2019	%	Change in PLN	Change in %
Domestic (Poland)	636,763	41.4%	594,021	41.3%	42,742	7.2%
Export	899,675	58.6%	843,402	58.7%	56,273	6.7%
<b>Total</b>	<b>1,536,438</b>	<b>100.0%</b>	<b>1,437,423</b>	<b>100.0%</b>	<b>99,015</b>	<b>6.9%</b>

Within 12 months of 2020, domestic sales of the Comarch Group amounted to PLN 636,763 thousand, and was higher by PLN 42,742 thousand, i.e. by 7.2% that achieved in corresponding period in 2019. That was caused by an increase in sales to the SME - Poland and Medicine sectors. Export sales during

12 months of 2020 amounted PLN 899,675 thousand and was higher by PLN 56,273 thousand (i.e. by 6.7%) that achieved in corresponding period in 2019. It is mainly related to the increase in sales revenue to recipients from the Finance and Banking sector and SME - DACH. In the period of 12 months of 2020, export sales accounted for 58.6% of the Comarch Group's total revenue.



### 5.3. Comarch S.A. Stock Price Performance



On the 31<sup>st</sup> of December, 2020, the share price of Comarch S.A. amounted to PLN 194.5 which is an increase of 4.0% compared to the PLN 187.00 as of the 31<sup>st</sup> of December, 2019. During the year, the maximum exchange rate was PLN 226.00.

In March 2020, the share price of Comarch S.A. significantly decreased as a result of the collapse in the financial markets caused by the outbreak of the Covid-19 pandemic, this change was temporary. The results of the Comarch Group and the price of Comarch shares in the following quarters will depend primarily on the situation related to the Covid-19 pandemic, the methods used to combat it (the so-called lockdown of economies in many countries), the dynamics of sales development of Comarch products and services. They will be shaped by the economic and political situation in Poland and in the world, as well as the financial situation of medium and large enterprises, which constitute the Comarch

Group's basic customer base. The level of exchange rates and the pace of salary growth of employees in the IT sector will also have a significant impact.

	12 months ended 31 December 2020 / 31.12.2020	12 months ended 31 December 2019 / 31.12.2019
Closing price at the balance sheet date	194.50	187.00
Average price during the reporting period	202.00	177.36
MIN price during the reporting period	149.50	148.00
MAX price during the reporting period	226.00	199.00
Average volume during the reporting period	3,837	3,123
Capitalization at the balance sheet date	1,581,936,381	1,520,936,263

*Ratios for unconsolidated data*

P/E at the balance sheet date	15.93	26.39
P/BV at the balance sheet date	1.63	1.73
P/S at the balance sheet date	1.59	1.60

*Ratios for consolidated data*

P/E at the balance sheet date	13.32	14.51
P/BV at the balance sheet date	1.47	1.60
P/S at the balance sheet date	1.03	1.06

#### 5.4. Events in the Fourth Quarter of 2020 that Greatly Impacted the Current Activities of the Comarch Group

##### 5.4.1. Annex to the Contract for the Support, Operation and Maintenance of the Comprehensive IT System KSI ZUS and Statement from ZUS on Partial Withdrawal from the Agreement

The Management Board of Comarch S.A. informed on the 23<sup>rd</sup> of December, 2020, about the signing an annex to the contract for the support, operation and maintenance of the KSI ZUS Comprehensive IT System (hereinafter referred to as the "Agreement") with Zakład Ubezpieczeń Społecznych in Warsaw (the Polish Social Insurance Institution in Warsaw; hereinafter referred to as the "ZUS"). The subject of this amendment is to grant the Consortium a supplementary contract, to update the Agreement, and to establish a uniform text specified in the amendment to the appendixes to the Agreement. The supplementary order includes: entrusting the operation and maintenance support services of KSI ZUS currently covered by the contract with Asseco Poland from the 1<sup>st</sup> of May, 2021 for a period of not less than 3 months and not longer than until the 1<sup>st</sup> of October, 2022, entrusting operation support services and maintenance of KSI ZUS from the 1<sup>st</sup> of January, 2022 to the 1<sup>st</sup> of October, 2022. The value of the supplementary order is not more than PLN 71,733,359.23 net (in words: seventy one million seven hundred thirty three thousand three hundred fifty nine and 23/100), which together with the tax due on goods and services - at the rate of 23% - in the amount of PLN 16,498,672.62 (in words: sixteen million four hundred ninety eight thousand six hundred seventy two and 62/100) is PLN 88,232,031.85 gross (in words: eighty eight million two hundred thirty two thousand thirty one and 85/100).

The Management Board of Comarch S.A. informed on the 20<sup>th</sup> of February, 2021, about the receipt on 19<sup>th</sup> of February, 2021 of a statement from ZUS on partial withdrawal from the Agreement, submitted on the basis of the right under the Agreement, in terms of part of the supplementary order referred to in § 2 sec. 1 point 1 of the Annex of 23<sup>rd</sup> of December, 2020, pursuant to which the Consortium was entrusted with the provision of services supporting the operation and maintenance of KSI ZUS currently

covered by the Agreement with Asseco Poland S.A. According to the statement of ZUS, the decision to exercise the right of partial withdrawal from the Agreement was influenced by the judgment of the National Appeals Chamber of 19<sup>th</sup> of February, 2021 (ref. KIO 18/21). Maximum value of services covered by part of the supplementary order to the extent indicated in § 2 section 1 point 1 of the Annex of 23<sup>rd</sup> of December 2020, to which the ZUS declaration relates, amounts to PLN 37,550,399.67 net (PLN 46,186,991.59 gross). The remaining scope of services covered by the Agreement remains unchanged.

The company announced details in current reports no. [RB-17-2020](#) (ENG: [RB-17-2020](#)) dated the 23<sup>rd</sup> of December, 2020 and no. [RB-3-2020](#) (ENG: [RB-3-2021](#)) dated the 20<sup>th</sup> of February, 2021.

## **5.5. Events after the Balance Sheet Date that Greatly Impacted the Current Activities of the Comarch Group**

### **5.5.1. Selection of the Most Advantageous Offer in the Public Procurement for Providing the Support, Operation and Maintenance of the KSI ZUS**

The Management Board of Comarch S.A. informed in current report no. [RB-2-2021](#) (ENG: [RB-2-2021](#)) dated the 5<sup>th</sup> of February, 2021, about the receipt of the notification dated the 4<sup>th</sup> of February, 2021 about the selection of the most advantageous offer in the public procurement for providing the support, operation and maintenance of the Comprehensive IT System for the Social Insurance Institution (KSI ZUS), tender procedure no. TZ/271/65/19, organized by the Social Insurance Institution in Warsaw (hereinafter referred to as the "ZUS"), which indicate that the offer submitted by the Consortium of Comarch Polska S.A. and Comarch S.A. (hereinafter referred to as the "Consortium") was selected. The total value of the offer submitted by the Consortium under this tender is PLN 203,886,156.11 gross. The term of the contract is a maximum of 77 months from the date of the contract conclusion. The Management Board of Comarch S.A. will inform about the contract conclusion with the separate current report. Comarch S.A.'s Management Board recognized this information as an inside information due to its potential influence for the financial and economic situation of the Company.

1<sup>st</sup> of March, 2021**SIGNATURES OF MANAGEMENT BOARD MEMBERS**

Name and surname	Position	Signature
Janusz Filipiak	President of the Management Board	
Paweł Prokop	Vice-President of the Management Board	
Andrzej Przewięźlikowski	Vice-President of the Management Board	
Zbigniew Rymarczyk	Vice-President of the Management Board	
Konrad Tarański	Vice-President of the Management Board	
Marcin Warwas	Vice-President of the Management Board	

**SIGNATURE OF PERSON CHARGED WITH CARRYING ON ACCOUNT BOOKS**

Name and surname	Position	Signature
Maria Smolińska	Head Accountant	

## Comarch S.A.

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<https://www.comarch.com/investors/>



**QUARTERLY SUMMARY OF  
COMARCH S.A. FINANCIAL STATEMENT  
FOR THE PERIOD  
FROM 1<sup>ST</sup> OF JANUARY 2020  
TO 31<sup>ST</sup> OF DECEMBER 2020**

**Kraków, 1<sup>st</sup> of March, 2021**



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**PLN  
99 million of  
net profit**

**Business  
activities in  
over 60  
countries on 6  
continents**

**PLN 998  
million of  
sales  
revenue**

**5 000  
professionals  
employed**

**60  
subsidiaries  
worldwide**

**PLN 1.6  
billion of  
Comarch S.A.  
capitalization  
on WSE**

**8.0% EBIT  
margin**

## QUARTERLY SUMMARY OF COMARCH S.A. FINANCIAL STATEMENT FOR THE FOURTH QUARTER OF 2020

### I. Balance Sheet

AKTYWA	31 December 2020	30 September 2020	31 December 2019
<b>I. NON-CURRENT ASSETS</b>	<b>760,525</b>	<b>752,227</b>	<b>735,752</b>
1. Intangible assets	7,332	7,912	10,770
2. Property, plant and equipment	330,937	318,141	331,755
3. Non-current investments	415,368	419,769	384,927
3.1. Non-current financial assets	395,776	399,910	364,443
a) in related parties	395,179	398,850	361,704
b) in other entities in which the Company holds equity interests	-	-	-
c) in other entities	597	1,060	2,739
3.2 Real estates	19,549	19,816	20,441
3.3 Other non-current investment	43	43	43
4. Non-current prepayments	6,888	6,405	8,300
4.1 Deferred income tax assets	5,755	5,158	6,082
4.2 Other prepayments	1,133	1,247	2,218
<b>II. CURRENT ASSETS</b>	<b>706,234</b>	<b>695,378</b>	<b>659,293</b>
1. Inventories	52,853	73,473	62,751
2. Current receivables	445,355	364,441	395,319
2.1 from related parties	300,023	253,236	254,508
2.2 from other entities in which the Company holds equity interests	-	-	50
2.3 from other entities	145,332	111,205	140,761
3. Current investments	115,876	114,163	72,825
3.1 Current financial assets	115,876	114,163	72,825
a) in related parties	680	905	900
b) in other entities in which the Company holds equity interests	-	-	-
c) in other entities	22,120	1,240	4,923
- interest and shares	-	-	-
- other securities	20,001	-	-
- other current financial assets	2,119	1,240	4,923
d) cash and cash equivalents	93,076	112,018	67,002
4. Short-term prepayments	92,150	143,301	128,398
<b>TOTAL ASSETS</b>	<b>1,466,759</b>	<b>1,447,605</b>	<b>1,395,045</b>

EQUITY AND LIABILITIES	31 December 2020	30 September 2020	31 December 2019
<b>I. EQUITY</b>	<b>968,749</b>	<b>956,083</b>	<b>881,540</b>
1. Share capital	8,133	8,133	8,133
2. Supplementary capital	763,377	763,377	717,950
3. Revaluation reserve	97,174	106,208	97,085
4. Other reserve capitals	745	745	745
5. Previous years' profit (loss)	-	-	-
6. Net profit (loss)	99,320	77,620	57,627
<b>II. LIABILITIES AND PROVISIONS FOR LIABILITIES</b>	<b>498,010</b>	<b>491,522</b>	<b>513,505</b>
<b>1. Provisions for liabilities</b>	<b>178,302</b>	<b>143,129</b>	<b>160,732</b>
1.1 Provision for deferred income tax	23,661	25,832	24,786
1.2 Other provisions	154,641	117,297	135,946
a) current	153,243	117,297	135,946
b) non-current	1,398	-	-
<b>2. Non-current liabilities</b>	<b>96,103</b>	<b>97,819</b>	<b>120,946</b>
2.1 to related parties	10,897	10,750	19,539
2.2 to other entities in which the Company holds equity interests	-	-	-
2.3 to other entities	85,206	87,069	101,407
<b>3. Current liabilities</b>	<b>164,771</b>	<b>161,109</b>	<b>160,942</b>
3.1 to related parties	33,402	38,098	29,077
3.2 to other entities in which the Company holds equity interests	350	350	-
3.3 to other entities	129,848	120,567	130,657
3.4 Special funds	1,171	2,094	1,208
<b>4. Accruals</b>	<b>58,834</b>	<b>89,465</b>	<b>70,885</b>
4.1 Other accruals	58,834	89,465	70,885
a) current	58,834	89,465	70,885
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,466,759</b>	<b>1,447,605</b>	<b>1,395,045</b>
Book value	968,749	956,083	881,540
Number of shares	8,133,349	8,133,349	8,133,349
Book value per single share (PLN)	119.11	117.55	108.39
Diluted number of shares	8,133,349	8,133,349	8,133,349
Diluted book value per single share (PLN)	119.11	117.55	108.39

## II. Income Statement

For period 01.01 – 31.12.2020 and 01.01 – 31.12.2019	Q4 2020	12 months 2020	Q4 2019	12 months 2019
<b>I. Net revenues from sales of products, goods and materials, including:</b>	<b>320,356</b>	<b>997,911</b>	<b>285,558</b>	<b>951,698</b>
- revenues from related parties	129,739	373,519	119,129	326,412
1. Net revenues from sales of products	301,055	939,653	266,744	883,758
2. Net revenues from sales of goods and materials	19,301	58,258	18,814	67,940
<b>II. Costs of products, goods and materials sold, including:</b>	<b>233,334</b>	<b>762,395</b>	<b>226,982</b>	<b>761,532</b>
- to related parties	9,700	35,514	9,849	34,068
1. Manufacturing cost of products sold	215,565	709,542	209,303	698,907
2. Value of products, goods and materials sold	17,769	52,853	17,679	62,625
<b>III. Gross profit (loss) on sales</b>	<b>87,022</b>	<b>235,516</b>	<b>58,576</b>	<b>190,166</b>
IV. Costs of sales	26,688	72,005	28,821	74,033
V. Administrative expenses	28,187	77,415	24,775	74,952
<b>VI. Profit (loss) on sales</b>	<b>32,147</b>	<b>86,096</b>	<b>4,980</b>	<b>41,181</b>
<b>VII. Other operating revenues</b>	<b>1,241</b>	<b>7,520</b>	<b>(2,656)</b>	<b>14,260</b>
1. Profit on disposal of non-financial non-current assets	162	491	(499)	607
2. Other operating revenues	1,079	7,029	(2,157)	13,653
<b>VIII. Other operating costs</b>	<b>2,471</b>	<b>13,880</b>	<b>6,432</b>	<b>21,922</b>
1. Loss on disposal of non-financial non-current assets	-	-	-	-
2. Cost of works financed in part with subsidies	261	1,329	170	1,912
3. Revaluation of non-financial assets	-	-	-	-
4. Other operating costs	2,210	12,551	6,262	20,010
<b>IX. Profit (loss) on operating activities</b>	<b>30,917</b>	<b>79,736</b>	<b>(4,108)</b>	<b>33,519</b>
<b>X. Financial revenues</b>	<b>1,317</b>	<b>50,068</b>	<b>(711)</b>	<b>45,416</b>
1. Interest, including:	301	1,462	387	1,401
- from related parties	272	1,207	269	943
2. Dividends and share in profits	-	45,098	-	37,140
- from related parties	-	45,098	-	37,140
3. Profit (loss) on disposal of investment	(4)	647	1,234	3,355
4. Revaluation of financial assets	-	-	-	-
5. Other	1,020	2,861	(2,332)	3,520
<b>XI. Finance costs</b>	<b>3,460</b>	<b>16,115</b>	<b>(4,320)</b>	<b>11,538</b>
1. Interest	549	2,442	712	3,193
- from related parties	73	428	154	722
2. Loss from the sale of investments	-	-	(5,900)	-
3. Revaluation of investments	-	92	7,845	7,845
4. Other	2,911	13,581	(6,977)	500
<b>XII. Profit (loss) on business activities</b>	<b>28,774</b>	<b>113,689</b>	<b>(499)</b>	<b>67,397</b>
<b>XIII. Gross profit (loss)</b>	<b>28,774</b>	<b>113,689</b>	<b>(499)</b>	<b>67,397</b>
XIV. Income tax	7,074	14,369	3,584	9,770
<b>XV. Net profit (loss)</b>	<b>21,700</b>	<b>99,320</b>	<b>(4,083)</b>	<b>57,627</b>

Net profit (loss) (annualised)	99,320	57,627
Weighted average number of shares 01.01.2020 – 31.12.2020	8,133,349	8,133,349
Earnings (losses) per single share (PLN)	12.21	7.09
Diluted weighted average number of shares 01.01.2020 – 31.12.2020	8,133,349	8,133,349
Diluted earnings (losses) per single share (PLN)	12.21	7.09

### III. Changes in Equity

	Q4 2020	12 months 2020	Q4 2019	12 months 2019
I. Opening balance of equity	956,083	881,540	883,613	834,190
a) changes to adopted accounting principles (policies)	-	-	-	-
I. a. Opening balance of equity after adjustments	956,083	881,540	883,613	834,190
1. Opening balance of share capital	8,133	8,133	8,133	8,133
1.1 Changes in share capital	-	-	-	-
a) increases (due to)	-	-	-	-
- shares issue	-	-	-	-
<b>1.2 Closing balance of share capital</b>	<b>8,133</b>	<b>8,133</b>	<b>8,133</b>	<b>8,133</b>
2. Opening balance of supplementary capital	763,377	717,950	717,950	680,501
2.1 Changes in supplementary capital	-	45,427	-	37,449
a) increases (due to)	-	45,427	-	37,449
- profit-sharing for the previous years	-	45,427	-	37,449
<b>2.2 Closing balance of supplementary capital</b>	<b>763,377</b>	<b>763,377</b>	<b>717,950</b>	<b>717,950</b>
3. Opening balance of revaluation reserve	106,208	97,085	95,075	95,162
3.1 Changes in revaluation reserve	(9,034)	89	2,010	1,923
a) increases (due to)	(11,154)	109	2,354	2,374
- provision for deferred income tax due to certificates valuation	-	-	(20)	-
- balance sheet valuation of investment certificates	(11,154)	109	2,374	2,374
b) decreases (due to)	(2,120)	20	344	451
- balance sheet valuation of investment certificates	-	-	(107)	-
- provision for deferred income tax due to certificates valuation	(2,120)	20	451	451
<b>3.2 Closing balance of revaluation reserve</b>	<b>97,174</b>	<b>97,174</b>	<b>97,085</b>	<b>97,085</b>
4. Opening balance of capital from merger	-	-	-	-
<b>4.1 Closing balance of capital from merger</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

5. Opening balance of other reserve capitals	745	745	745	745
<b>5.1 Closing balance of other reserve capitals</b>	<b>745</b>	<b>745</b>	<b>745</b>	<b>745</b>
6. Opening balance of previous years' profit	-	57,627	-	49,649
a) changes to adopted accounting principles (policies)	-	-	-	-
6.1 Opening balance of previous years' profit after adjustments	-	57,627	-	49,649
a) decreases (due to)	-	57,627	-	49,649
- transferring the result from the previous years to capital	-	45,427	-	37,449
- payment of dividend	-	12,200	-	12,200
<b>6.2 Closing balance of previous years' profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
7. Result for Q1-Q3 2020 (opening balance)	77,620	-	61,710	-
7.1 Net result for the period	21,700	99,320	(4,083)	57,627
<b>7.2. Net result</b>	<b>99,320</b>	<b>99,320</b>	<b>57,627</b>	<b>57,627</b>
<b>II. Closing balance of equity</b>	<b>968,749</b>	<b>968,749</b>	<b>881,540</b>	<b>881,540</b>
III. Equity including proposed profit-sharing (loss coverage)	<b>968,749</b>	<b>968,749</b>	881,540	881,540

#### IV. Cash Flow Statement

For period 01.01 – 31.12.2020 and 01.01 – 31.12.2019	Q4 2020	12 months 2020	Q4 2019	12 months 2019
<b>A. Cash flows from operating activities</b>				
I. Net profit (loss)	21,700	99,320	(4,083)	57,627
II. Total adjustments	(5,350)	1,652	34,253	3,331
1. Depreciation	10,375	42,974	11,058	44,622
2. Exchange gains (losses)	(1,533)	(332)	107	83
3. Interest and profit sharing (dividends)	83	(44,126)	819	(34,700)
4. (Profit) loss on investing activities	(175)	(1,378)	2095	5,710
5. Change in provisions	37,291	17,549	48,809	15,971
6. Change in inventories	20,620	9,898	4,658	(1,567)
7. Change in receivables	(101,165)	(66,300)	(57,416)	(26,065)
8. Change in current liabilities, excluding credits and loans	9,116	17,757	7,219	13,355
9. Change in prepayments and accruals	20,038	25,610	16,904	(14,078)
10. Change in deferred income	-	-	-	-
11. Other adjustments	-	-	-	-
<b>III. Net cash used in operating activities (I+/-II) – indirect method</b>	<b>16,350</b>	<b>100,972</b>	<b>30,170</b>	<b>60,958</b>



**B. Cash flows from investing activities**

I. Inflows	13,830	73,465	3,582	47,354
1. Disposal of property, plant and equipment and intangible assets	260	925	1,025	4,262
2. From financial assets, including:	14,221	72,540	2,557	43,092
a) in related parties	13,574	71,893	1,324	39,738
- repaid loans	13,081	25,373	1,122	1,968
- repaid interest on loans	-	-	630	630
- received loans	-	-	-	-
- received interest	494	1,422	(428)	-
- received dividends	(1)	45,098	-	37,140
b) in other entities	647	647	1,233	3,354
- interest	-	-	-	-
- Dividends and share in profits	-	-	-	-
- other proceeds from financial assets	647	647	1,233	3,354
3. Other investment proceeds	(651)	-	-	-
II. Outflows	(43,283)	(95,584)	(20,409)	(55,019)
1. Purchase of property, plant and equipment and intangible assets	(22,801)	(37,127)	(6,436)	(27,503)
2. Expenses for investment in real estates	-	(148)	(14)	(908)
3. For financial assets, including:	(20,482)	(58,309)	(13,959)	(26,608)
a) in related parties	(20,482)	(47,857)	(13,959)	(26,608)
- purchase of financial assets	(13,482)	(22,627)	(4,634)	(6,324)
- granted non-current loans	(7,000)	(25,230)	(9,325)	(20,284)
- repayment of loans from related parties	-	-	-	-
- repayment of interest on loans	-	-	-	-
b) in other entities	-	(10,452)	-	-
4. Other investment expenses	-	-	-	-
<b>III. Net cash used in investing activities (I-II)</b>	<b>(29,453)</b>	<b>(22,119)</b>	<b>(16,827)</b>	<b>(7,665)</b>

**C. Cash flows from financing activities**

I. Inflows	2,055	5,077	9,310	12,302
1. Credits and loans	1,955	3,780	8,959	10,773
2. Proceeds from issuance of the shares and other instruments, as well as additional payment to capital	-	-	-	-
3. Loans repaid	-	-	-	-
4. Interest received on loan repayments	-	-	-	-
5. Other financial proceeds (received subsidies)	100	1,297	351	1,529
II. Outflows	(9,429)	(58,192)	(14,747)	(65,501)
1. Purchase of own shares (shares) + additional capital contributions	-	-	-	-
2. Dividends and other payments to owners	-	(12,200)	-	(12,200)
3. Repayment of loans and credits	(8,852)	(43,597)	(13,727)	(50,209)
4. Interest	(577)	(2,395)	(1,020)	(3,069)
5. Granted loans	-	-	-	(23)
6. Other financial expenses	-	-	-	-

<b>III. Net cash (used in)/generated from financing activities (I-II)</b>	<b>(7,374)</b>	<b>(53,115)</b>	<b>(5,437)</b>	<b>(53,199)</b>
<b>D. TOTAL net cash flow (A.III+/- B.III+/-C.III)</b>	<b>(20,477)</b>	<b>25,738</b>	<b>7,906</b>	<b>94</b>
E. Balance sheet change in cash and cash equivalents, including:	(18,942)	26,075	7,795	12
- <i>change in cash and cash equivalents due to exchange differences</i>	<i>1,535</i>	<i>337</i>	<i>(111)</i>	<i>(82)</i>
F. Cash and cash equivalents opening balance	112,018	67,001	59,206	66,989
<b>G. Closing balance of cash and cash equivalents (F+/- E), including:</b>	<b>93,076</b>	<b>93,076</b>	<b>67,001</b>	<b>67,001</b>
- <i>limited disposal</i>	<i>(1,182)</i>	<i>1,272</i>	<i>(516)</i>	<i>783</i>

## V. Additional Information and Commentary

### 1. Adopted Accounting Policies

This financial statement was prepared according to the Act passed on the 29<sup>th</sup> of September, 1994, on Accounting (unified text - Journal of Laws 2021, pos. 217) and the requirements specified in the Regulation issued by the Minister of Finance on the 29<sup>th</sup> of March, 2018, concerning current and periodical information pertaining to companies listed on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state (unified text - Journal of Laws, 2018, No. 757).

A complete description of the adopted accounting principles was presented in the last annual financial statement, i.e., for the period from the 1<sup>st</sup> of January, 2019, until the 31<sup>st</sup> of December, 2019. If this financial statement for the 12 months ended the 31<sup>st</sup> of December, 2020, was prepared according to IFRS, the financial results would amount to PLN 100,945 thousand.

Profit according to the Act on Accounting	99,320
Depreciation of perpetual usufruct	(93)
Asset due to activity in the SEZ	(1,526)
Correction of revenue from the title of IFRS 15	11,600
Correction of revenue from the title of IFRS 16	(8,306)
Correction of revenue from the title of IFRS 9	(50)
<b>Profit according to IFRS</b>	<b>100,945</b>

### 2. Information about Significant Changes in Estimated Values, Including Information about Corrections due to Provisions, Provision and Deferred Income Tax Assets Mentioned in the Act on Accounting and about Write-Offs that Revaluated Asset Items

As at 31<sup>st</sup> of December, 2020, Comarch S.A. has created write-offs that revaluated goods, materials and finished products in the amount of PLN 66 thousand. The Comarch Group did not create write-offs that revaluated materials and finished products. The company resolved write-offs revaluated goods and materials which had been created in the previous years in the amount of PLN 190 thousand.

No hedges were made on inventories owned by the Company.

As at the 31<sup>st</sup> of December, 2020, due to payments of receivables, Comarch S.A. resolved revaluating write-offs, which had been created in the previous years and were worth PLN 2,247 thousand and created write-offs worth PLN 13,876 thousand that revaluated bad debts.

Due to the fact that the Company is taxed according to general principles and enjoys tax-exempt status, temporary differences in the tax yield may be realised within both of these activities. At the same time, the final determination within which of these activities (taxed or tax-exempt) the temporary differences will be realised is established on the basis of the annual settlement of income tax, after the end of the fiscal year. In 2020, an asset due to temporary differences in income tax worth PLN 1,305 thousand was created and was resolved in the amount of PLN 1,632 thousand, a provision for deferred tax due to temporary differences was not created and was resolved in the amount of PLN 1,145 thousand. The total effect of these operations on the result as at the 31<sup>st</sup> of December, 2020 amounted to plus PLN 818 thousand.

A provision for deferred income tax related to valuation of investment certificates in CCF FIZ was increased by PLN 20 thousand. This provision as well as certificates valuation are settled with revaluation reserve.

As at the 31<sup>st</sup> of December, 2020, Comarch S.A. has created write-offs due the loss of value of shares in subsidiaries in the amount of PLN 92 thousand.

### 3. Selected Notes to the Summary Financial Statement

#### 3.1. Non-current Financial Assets

	31 December 2020	30 September 2020	31 December 2019
a) in subsidiaries and correlated parties	395,179	398,850	361,704
- interest or shares	236,442	223,055	203,490
- loans granted	37,208	43,112	36,794
- other securities	121,520	132,683	121,420
- other non-current financial assets, including:	-	-	-
- interest on granted loans	-	-	-
b) in other entities in which the Company holds equity interests	-	-	-
- interest or shares	-	-	-
- loans granted	-	-	-
c) in other entities	597	1,060	2,739
- other non-current financial assets (types)	597	1,060	2,739
- Forward contracts	597	1,060	2,739
<b>Total</b>	<b>395,776</b>	<b>399,910</b>	<b>364,443</b>

#### 3.2. Changes in Non-current Financial Assets (Types)

	Q4 2020	12 months 2020	Q4 2019	12 months 2019
<b>a) Opening balance</b>	<b>399,910</b>	<b>364,443</b>	<b>347,704</b>	<b>343,518</b>
- interests or shares	223,055	203,490	200,980	204,977
- loans granted	43,112	36,794	27,660	18,560
- other securities	132,683	121,420	118,940	119,046
- other non-current assets, including interest on granted loans	-	-	-	-
- others	1,060	2,739	124	935
<b>b) increases (due to)</b>	<b>9,445</b>	<b>58,975</b>	<b>19,000</b>	<b>31,956</b>
- purchases of shares in subsidiaries	13,482	33,079	4,635	6,324
- loans granted to subsidiaries	7,000	25,230	9,324	20,284
- change of the nature of loans on long-term from entities in which the Company holds equity interests	-	-	-	-
- balance sheet valuation of long- term loans	-	-	(76)	-
- balance sheet valuation of loans in subsidiaries	177	557	-	-
- valuation of forward contracts	-	-	1,804	1,804
- valuation of participation units in CCF FIZ	(11,154)	109	2,374	2,374

- balance sheet valuation of shares	(60)		(180)	34
- reversal of write-downs on long-term loans	-	-	1,119	1,136
<b>c) decreases (due to)</b>	<b>13,579</b>	<b>27,642</b>	<b>2,261</b>	<b>11,031</b>
- repayment of subsidiaries' loans	13,081	25,373	1,122	1,968
- repayment of interest on subsidiaries' loans	-	-	-	-
- change of the nature of loans on long-term from entities in which the Company holds equity interests	-	-	80	80
- valuation of participation units in CCF FIZ	-	-	(107)	-
- valuation of forward contracts	463	,2,142	(810)	-
- revaluation of shares	-	92	1,945	7,845
- balance sheet valuation of loans	-	-	63	63
- balance sheet valuation of shares	35	35	-	-
- creating revaluation write-offs on interest on loans to related parties	-	-	(32)	-
- redemption of loan capital of related entities	-	-	-	1,075
<b>d) Closing balance</b>	<b>395,776</b>	<b>395,776</b>	<b>364,443</b>	<b>364,443</b>

### 3.3. Current Financial Assets

	31 December 2020	30 September 2020	31 December 2019
a) in related parties	680	905	900
- loans granted	402	402	402
- other financial assets	278	503	498
b) in other entities in which the Company holds equity interests	-	-	-
- loans granted	-	-	-
- other financial assets	-	-	-
c) in other entities	22,120	1,240	4,923
- interest or shares	-	-	-
- loans granted	-	-	-
- other securities	20,001	-	-
- other current financial assets, including:	2,119	1,240	4,923
- forward and IRS contracts	2,119	1,240	4,923
d) cash and cash equivalents	93,076	112,018	67,002
- cash in hand and at banks	93,076	112,018	67,001
- other monetary assets	-	-	1
<b>Total</b>	<b>115,876</b>	<b>114,163</b>	<b>72,825</b>

#### **4. A Brief Description of Significant Achievements or Failures of the Issuer during the Period Covered by the Report, including a List of the Most Significant Events Related to Such Achievements or Failures**

In the 12 months of 2020, Comarch S.A. achieved very good financial results. Revenue were higher by PLN 46,213 thousand than in the previous year (PLN 997,911 thousand compared to PLN 951,698 thousand). Net sales of products constituted 94.2% of the total Company's sales and were higher by PLN 55,895 thousand than those from the previous year. During the four quarters of 2020, the Company generated operating profit in the amount of PLN 79,736 thousand and net profit was PLN 99,320 thousand. EBIT margin reached level of 8.0% and net margin was 10.0%.

In the fourth quarter of 2020, Comarch S.A. achieved PLN 320,356 thousand of sales revenue (an increase of PLN 34,798 thousand, i.e. 12.2% compared to the fourth quarter of 2019). Net revenue from sales of products constituted 94.0% of the total Company's sales and recorded an increase of PLN 34,311 thousand (PLN 301,055 thousand compared to PLN 266,744 thousand). Net revenue from sales of goods and materials also recorded an increase, which amounted to PLN 487 thousand, i.e. 2.6%. The Company's operating profit in the fourth quarter of 2020 amounted to PLN 30,917 thousand and net profit was PLN 21,700 thousand. EBIT margin amounted to 9.7% and net margin was 6.8%.

#### **5. An Amount and Type of Positions of Unusual Nature due to Type, Value or Frequency with Significant Effects on the Assets, Liabilities, Equity, Net Result and Cash Flows**

Except for the ones described in [point 2](#) of this financial statement, currency exchange rate differences and financial instruments based on exchange rates have influence on the financial results. Realized foreign exchange rate differences and balance sheet valuation of exchange rates on receivables and liabilities as at the 31<sup>st</sup> of December, 2020, increased revenue and operating profit of Comarch S.A. by PLN 11,128 thousand (while in 12 months of 2019 decreased by PLN 858 thousand). Exchange rate differences from other activities decreased the result of Comarch S.A. by PLN 8,269 thousand (while in 12 months of 2019 increased by PLN 1,290 thousand). The valuation of financial instruments and closed transactions (mostly forward contracts) and provision for deferred income tax in reference to the valuation of the financial instruments decreased the Company's net profit by PLN 9,453 thousand (while in the corresponding period of 2019 increased it by PLN 5,856 thousand). The total effect of exchange rate differences and valuation of derivative financial instruments on the net result of the Comarch S.A. in 12 months of 2020 amounted to minus PLN 6,594 thousand (plus PLN 6,288 thousand in 12 months of 2019).

As at the 31<sup>st</sup> of December, 2020, Comarch S.A. has created write-offs due the loss of value of shares in subsidiaries in the amount of PLN 92 thousand.

Significant impact on the result of Comarch S.A. in the period January - December 2020 had dividends in the total amount of PLN 45,098 thousand received in this period from subsidiaries: Comarch UK Ltd. PLN 10,315 thousand, OOO Comarch (Russia) PLN 13,433 thousand, Comarch Canada, Corp. PLN 7,263 thousand, Comarch Technologies sp. z o.o. PLN 5,000 thousand, CA Consulting SA PLN 5,000 thousand and Comarch Luxembourg SARL PLN 4,087 thousand.

#### **6. Discussion of Seasonality (Cyclical Nature) of the Issuer's Business in the Period Presented**

Over 2020, Comarch S.A. revenue structure was as follows: 24% of annual sales were achieved in the first quarter, 21% in the second quarter, 23% in the third quarter and 32% in the fourth quarter.

Over 2021, the Company expects the distribution of sales revenue similar to that of 2020.

## 7. Information about Write-Offs that Revaluated Inventories at the Net Realizable Value and Reversal Referred to Them

As at the 31<sup>st</sup> of December, 2020, Comarch S.A. created write-offs that revaluated goods in the amount PLN 66 thousand. A Write-offs that revaluated materials and finished goods have not been created. The Company resolved write-offs revaluated goods and materials, which had been created in the previous years in the amount of PLN 190 thousand.

## 8. Information about Revaluating Write-Offs in Relation to Impairment of Financial Assets, Property, Plant and Equipment, Intangible Assets or Other Assets and about Reversal Referred to Them

Revaluating write-offs in relation to impairment	Financial assets	Property, plant and equipment	Intangible assets	Other assets	Total
<b>Balance at 1 January 2019</b>	<b>121,034</b>	-	-	-	<b>121,034</b>
Change:	7,845				7,845
- creation	7,845	-	-	-	7,845
- dissolution	-	-	-	-	-
<b>Balance at 31 December 2019</b>	<b>128,879</b>	-	-	-	<b>128,879</b>
<b>Balance at 1 January 2020</b>	<b>128,879</b>	-	-	-	<b>128,879</b>
Change:	92	-	-	-	92
- creation	92	-	-	-	92
- dissolution	-	-	-	-	-
<b>Balance at 31 December 2020</b>	<b>128,971</b>	-	-	-	<b>128,971</b>

## 9. Information about Creation, Increasing, Using and Dissolution of Provisions

	Provisions for contracts costs	Provisions for contractual penalties and other claims	Provisions for leaves	Provisions for cash rewards	Provision for retirement benefits and similar	Total
<b>Balance at 1 January 2019</b>	<b>11,931</b>	<b>21,990</b>	<b>20,654</b>	<b>66,002</b>	-	<b>120,577</b>
Change:	1,954	(13,667)	3,352	23,730	-	15,369
- creation	8,899	2,181	17,310	97,012	-	125,402
- dissolution	(6,945)	(15,848)	(13,958)	(73,282)	-	(110,033)
<b>Balance at 31 December 2019</b>	<b>13,885</b>	<b>8,323</b>	<b>24,006</b>	<b>89,732</b>	-	<b>135,946</b>
Current	13,885	8,323	24,006	89,732	-	135,946
Non-current	-	-	-	-	-	-
<b>Balance at 1 January 2020</b>	<b>13,885</b>	<b>8,323</b>	<b>24,006</b>	<b>89,732</b>	-	<b>135,946</b>
Change:	(28)	(5,176)	4,670	17,831	1,398	18,695
- creation	9,074	432	19,517	105,463	1,398	135,884
- dissolution	(9,102)	(5,608)	(14,847)	(87,632)	-	(117,189)
<b>Balance at 31 December 2020</b>	<b>13,857</b>	<b>3,147</b>	<b>28,676</b>	<b>107,563</b>	<b>1,398</b>	<b>154,641</b>
Current	13,857	3,147	28,676	107,563	-	153,243
Non-current	-	-	-	-	1,398	1,398

All provisions were calculated based on credible estimate as of the balance sheet date.

## 10. Information about Provisions and Assets in Reference to Deferred Income Tax

	Asset due to deferred income tax	Provision due to deferred income tax
<b>Balance at 1 January 2019</b>	<b>6,204</b>	<b>23,732</b>
Creation in Q1-Q4 2019	228	1,098
Dissolution in Q1-Q4 2019	(350)	(44)
<b>Balance at 31 December 2019</b>	<b>6,082</b>	<b>24,786</b>
<b>Balance at 1 January 2020</b>	<b>6,082</b>	<b>24,786</b>
Creation in Q1-Q4 2020	1,305	20
Dissolution in Q1-Q4 2020	(1,632)	(1,145)
<b>Balance at 31 December 2020</b>	<b>5,755</b>	<b>23,661</b>

## 11. Information about Significant Transactions of Purchase and Sale of Property, Plant and Equipment

In reporting period Comarch S.A. purchased computer hardware for amount of PLN 14,172 thousand, technical devices for the amount PLN 668 thousand and a plane for the amount of PLN 21,163 thousand. Intangible assets were also purchased for the amount of PLN 2,491 thousand.

In reporting period, revenue from sales of property, plant and equipment of office building in the amount of PLN 708 thousand.

## 12. Information about Liability in Relation to Purchase of Property, Plant and Equipment or Non-current Financial Assets

As at 31<sup>st</sup> of December, 2020, Comarch S.A. has liabilities due to purchase of computer hardware in the amount of PLN 1,588 thousand, investment liabilities in the amount of PLN 18 thousand as well as liabilities due to purchase of intangible assets in the amount of PLN 638 thousand.

Comarch S.A. has also liabilities due to acquisition of shares in increased share capital of subsidiary, Comarch Pointshub Inc., in the amount of PLN 4,107 thousand.

## 13. Information about Significant Settlements in Reference to Court Proceedings

None present.

## 14. Correction of Mistakes from the Previous Periods

None present.

## 15. Information in Relation to Changes in Economic Situation and Conditions for Operation, which Have a Significant Effect on Fair Value of an Entity's Financial Assets and Financial Liabilities Regardless of whether the Assets and the Liabilities Are Recognised in Fair Value or in Adjusted Purchase Price (Depreciated Cost)

None present.



**16. Information about Unpaid Credits or Loans, as well as Breach of Significant Provisions of the Credit or Loan Agreements which Were Not Subject to Corrective Measures as of the Reporting Period**

None present.

**17. Information about One or More Transactions Concluded by the Issuer or Its Subsidiary with Related Parties, if Individually or in Total are Significant and Concluded on Terms Different from Market Conditions**

None present.

**18. In Case of Financial Instruments Valuated in Fair Value – Information about Changes in Method of Its Establishment**

None present.

**19. Information Related to Changes in Classification of Financial Assets as a Result of Changes in Their Purpose or Using of These Assets**

None present.

**20. Information on any Issue, Repurchase or Repayment of Debt and Equity Securities**

None present.

**21. Information on any Dividend Paid Out or Declared, Including Its Total and per Share Value, Separately for Ordinary and Preference Shares**

On the 26<sup>th</sup> of May, 2020, in current report no. [RB-7-2020](#) (ENG: [RB-7-2020](#)) the Management Board of Comarch S.A. announced, that the Supervisory Board of Comarch S.A., by virtue of Resolution No. 09/05/2020 of the 26<sup>th</sup> of May, 2020, gave a positive opinion on recommendation of the Management Board of Comarch S.A. regarding distribution of the net profit for 2019 in financial year from the 1<sup>st</sup> of January, 2019 to the 31<sup>st</sup> of December, 2019 in the amount of PLN 57,627,263.86 as follows:

- 1) part of the net profit of PLN 12,200,033.50 will be used to pay dividend in the amount of PLN 1.50 per share;
- 2) the remaining part of the net profit in the amount of PLN 45,427,240 will be transferred to supplementary capital.

On the 24<sup>th</sup> of June, 2020, the General Shareholder's Meeting passed the resolution no. 9, related to distribution of the net profit earned in the fiscal year 1 January 2019 - 31 December 2019 (current report no. [RB-10-2020](#), ENG: [RB-10-2020](#), of the 24<sup>th</sup> of June, 2020). Dividend was paid on the 16<sup>th</sup> of July, 2020.

**22. Events that Occurred after the Date of Condensed Quarterly Financial Statement, which Are Not Included in the Financial Statement but May Significantly Affect the Future Performance of the Issuer**

None present.

### **23. Information on any Changes in Contingent Liabilities or Contingent Assets which Have Occurred since the End of the Last Financial Year**

As at the 31<sup>st</sup> of December, 2020, the value of bank guarantees and letters of credit issued by banks on order from Comarch S.A. in reference to executed agreements and participation in tender proceedings was PLN 91,066 thousand, whereas it was PLN 90,725 thousand as at the 31<sup>st</sup> of December, 2019.

Comarch S.A. is the defendant in legal proceedings in which the potential total amount of third-party claims is PLN 14,461 thousand of which PLN 1,174 thousand is covered by provisions included in the balance sheet at the 31<sup>st</sup> of December, 2020. In 2020 Comarch S.A. created provisions for claims related to the legal proceedings in the amount of PLN 122 thousand and resolved provisions in this respect for the amount of PLN 5,294 thousand.

The Comarch S.A. is a party to the matters in disputes, but not legal proceedings in which the potential total amount of third-party claims is PLN 3,524 thousand of which PLN 1,973 thousand is covered by provisions included in the balance sheet at the 31<sup>st</sup> of December, 2020. In 2020, Comarch S.A. created provisions for matters in disputes, but not legal proceedings in the amount of PLN 310 thousand and resolved provisions in this respect for the amount of PLN 314 thousand.

Due to the legal proceedings, in 2020 the Comarch S.A. did not create write-offs that revalue receivables. Due to the matters in disputes, but not legal proceedings, in 2020 the Comarch Group created write-offs that revalue receivables in the amount PLN 915 thousand.

### **24. Other Information with Significant Effects on the Financial Condition Assessment and the Achieved Financial Results of the Issuer**

#### **24.1. Impact of SARS-CoV-2 Coronavirus and COVID-19 Incidents on the Company's Operations and Financial Results**

In reference to the recommendations of the European Securities and Markets Authority and the Polish Financial Supervision Authority of the 12<sup>th</sup> of March, 2020, the Management Board of Comarch S.A. in the current report no. [RB-5-2020](#) (ENG: [RB-5-2020](#)) dated on the 19<sup>th</sup> of March, 2020, provided information on the possible impact of the SARS-CoV-2 coronavirus spread and COVID-19 incidence on the Company's operations and financial results.

The Group's Management Board monitors on an ongoing basis the development of the situation related to the continuing effects of the spread of SARS-CoV-2 coronavirus and COVID-19 incidence and their impact on the Group's operations. The Comarch Group companies implemented all guidelines recommended by the Chief Sanitary Inspectorate and other state institutions in the countries of the Group's operational activity, with particular regard to employee's safety, health and hygiene recommendations. Business trips to countries identified by the Chief Sanitary Inspectorate as high-risk countries were suspended, direct contacts of employees within the organization were limited, and the remote work mode of office workers was launched on a large scale. Remote communication methods are commonly used in business contacts. The Management Board of the Group notes that the activities of the Comarch Group are very well diversified in terms of industry, products and geography, and the effects of a pandemic do not currently pose a threat to the financial stability of the company. At present, the Management Board of the Comarch Group has not diagnosed significant disruptions in the implementation of existing contracts or significant disruptions in the supply chains of products and materials necessary for the Group's operations.

During the epidemic, i.e. in the second, third and fourth quarter of 2020, there was no decrease in revenue from sales of services and products offered by the Comarch Group. The operating activity of the Comarch Group and the financial results achieved in the coming periods will be influenced by factors

such as: the duration and extent of the epidemic, the number of people suffering from COVID-19, further administrative restrictions in the functioning of states and entrepreneurs, restrictions in the movement of workers, the possibility of using aid packages launched by individual countries, as well as, the volatility of exchange rates occurring in connection with the pandemic.

## 24.2. 2CSI Shares Purchase Agreement

The Management Board of Comarch S.A. informed in current report no. [RB-6-2020](#) (ENG: [RB-6-2020](#)) dated on the 23<sup>rd</sup> of April, 2020, about the signing on the 23<sup>rd</sup> of April, 2020 the purchase agreement by Comarch S.A. of 100% shares in the company CABINET CONSEIL EN STRATEGIE INFORMATIQUE S.A.S. with its registered office in Cergy, France (hereinafter referred to as the "2CSI"), providing IT solutions and services for medical entities on the French market. As part of the transaction, Comarch S.A. acquired 500,000 2CSI shares from the company's existing shareholders with a nominal value of EUR 1 each. 2CSI shares were acquired at a unit price of EUR 4.20 (four euros and twenty cents), i.e. PLN 19.09 per share, and the total value of the transaction is EUR 2,100,000 (two million, one hundred thousand euros), i.e. PLN 9,543,240.

The information provided has been recognized by the Management Board of Comarch S.A. as confidential information due to the fact that the transaction of taking over another entity is beyond the scope of typical transactions concluded by the Company, and thanks to it the Comarch Group will gain significant strengthening of its competitive position in the area of IT services in the e-Health sector on the European market.

## 24.3. Non-Revolving Credit Agreement with CaixaBank S.A. Branch in Poland

The Management Board of Comarch S.A. informed in current report no. [RB-12-2020](#) (ENG: [RB-12-2020](#)) dated on the 30<sup>th</sup> of June, 2020, about the signing on the 30<sup>th</sup> of June, 2020 the non-revolving credit agreement with CaixaBank, S.A. branch in Poland with its registered office in Warsaw (hereinafter: "the Bank") to finance general corporate expenditures. The credit amounts to EUR 2,300,000.00, i.e. PLN 10,271,800.00 according to the euro exchange rate as of the date of signing the agreement. The crediting period lasts until the 30<sup>th</sup> of June, 2025, the interest rate on the credit is based on the variable rate. The credit should be used until the 30<sup>th</sup> of June, 2021.

The credit collaterals:

- a) power of attorney granted to the Bank by Comarch S.A. to dispose of funds on settlement accounts operated by the Bank;
- b) statement by Comarch S.A. on submission to enforcement up to 150% of the credit amount.

## 24.4. Signing the Agreement on "Delivery of Software and Maintenance Services of IT Systems" for VFNZ

On the 17<sup>th</sup> of August, 2020, Comarch S.A. signed the framework agreement with Vodafone New Zealand Limited. The subject of the Agreement is delivery of software and maintenance services of IT systems, on the terms specified in the Agreement. Total expected amount of the remuneration due to Comarch S.A. shall not be lower than to NZD 122,013,649.00 (that is PLN 295,382,842.86) for the 10 years run period after the delivery. Expected delivery date is the second quarter of 2022. The company announced about details in the current report no. [RB-13-2020](#) (ENG: [RB-13-2020](#)) dated on the 17<sup>th</sup> of August, 2020.

## 24.5. Loan Agreement with PKO Leasing Spółka Akcyjna

The Management Board of Comarch S.A. informed in current report no. [RB-15-2020](#) (ENG: [RB-15-2020](#)) dated on the 25<sup>th</sup> of September, 2020, about the signing on the 25<sup>th</sup> of September, 2020, a loan agreement with PKO Leasing Spółka Akcyjna with its registered office in Łódź for the purpose of financing the purchase of a property, plant and equipment in use (hereinafter the "Subject of Financing"). The loan amounts to EUR 5,000,000, i.e. PLN 22,738,500 according to the euro exchange rate as of the date of signing the agreement. The financing period is 7 years, the interest on the loan is based on a variable rate, and the loan should be used until the 28<sup>th</sup> of February, 2021.

The loan securities:

- a) a blank promissory note
- b) registered pledge on the Subject of Financing
- c) conditional (i.e. until the establishment of a registered pledge) transfer of ownership to secure the Subject of Financing
- d) insurance policy assignment for the Subject of Financing.

Comarch S.A.'s Management Board recognized this information as an inside information due to its significant impact on the value of Comarch S.A.'s financial liabilities.

## 24.6. Annex to the Contract for the Support, Operation and Maintenance of the Comprehensive IT System KSI ZUS and Statement from ZUS on Partial Withdrawal from the Agreement

The Management Board of Comarch S.A. informed on the 23<sup>rd</sup> of December, 2020, about the signing an annex to the contract for the support, operation and maintenance of the KSI ZUS Comprehensive IT System (hereinafter referred to as the "Agreement") with Zakład Ubezpieczeń Społecznych in Warsaw (the Polish Social Insurance Institution in Warsaw; hereinafter referred to as the "ZUS"). The subject of this amendment is to grant the Consortium a supplementary contract, to update the Agreement, and to establish a uniform text specified in the amendment to the appendixes to the Agreement. The supplementary order includes: entrusting the operation and maintenance support services of KSI ZUS currently covered by the contract with Asseco Poland from the 1<sup>st</sup> of May, 2021 for a period of not less than 3 months and not longer than until the 1<sup>st</sup> of October, 2022, entrusting operation support services and maintenance of KSI ZUS from the 1<sup>st</sup> of January, 2022 to the 1<sup>st</sup> of October, 2022. The value of the supplementary order is not more than PLN 71,733,359.23 net (in words: seventy one million seven hundred thirty three thousand three hundred fifty nine and 23/100), which together with the tax due on goods and services - at the rate of 23% - in the amount of PLN 16,498,672.62 (in words: sixteen million four hundred ninety eight thousand six hundred seventy two and 62/100) is PLN 88,232,031.85 gross (in words: eighty eight million two hundred thirty two thousand thirty one and 85/100).

The Management Board of Comarch S.A. informed on the 20<sup>th</sup> of February, 2021, about the receipt on 19<sup>th</sup> of February, 2021 of a statement from ZUS on partial withdrawal from the Agreement, submitted on the basis of the right under the Agreement, in terms of part of the supplementary order referred to in § 2 sec. 1 point 1 of the Annex of 23<sup>rd</sup> of December, 2020, pursuant to which the Consortium was entrusted with the provision of services supporting the operation and maintenance of KSI ZUS currently covered by the Agreement with Asseco Poland S.A. According to the statement of ZUS, the decision to exercise the right of partial withdrawal from the Agreement was influenced by the judgment of the National Appeals Chamber of 19<sup>th</sup> of February, 2021 (ref. KIO 18/21). Maximum value of services covered by part of the supplementary order to the extent indicated in § 2 section 1 point 1 of the Annex of 23<sup>rd</sup> of December 2020, to which the ZUS declaration relates, amounts to PLN 37,550,399.67 net (PLN 46,186,991.59 gross). The remaining scope of services covered by the Agreement remains unchanged.

The company announced details in current reports no. [RB-17-2020](#) (ENG: [RB-17-2020](#)) dated on the 23<sup>rd</sup> of December, 2020 and no. [RB-3-2020](#) (ENG: [RB-3-2021](#)) dated on the 20<sup>th</sup> of February, 2021.

#### **24.7. Selection of the Most Advantageous Offer in the Public Procurement for Providing the Support, Operation and Maintenance of the KSI ZUS**

The Management Board of Comarch S.A. informed in current report no. [RB-2-2021](#) (ENG: [RB-2-2021](#)) dated on the 5<sup>th</sup> of February, 2021, about the receipt of the notification dated the 4<sup>th</sup> of February, 2021 about the selection of the most advantageous offer in the public procurement for providing the support, operation and maintenance of the Comprehensive IT System for the Social Insurance Institution (KSI ZUS), tender procedure no. TZ/271/65/19, organized by the Social Insurance Institution in Warsaw (hereinafter referred to as the "ZUS"), which indicate that the offer submitted by the Consortium of Comarch Polska S.A. and Comarch S.A. (hereinafter referred to as the "Consortium") was selected. The total value of the offer submitted by the Consortium under this tender is PLN 203,886,156.11 gross. The term of the contract is a maximum of 77 months from the date of the contract conclusion. The Management Board of Comarch S.A. will inform about the contract conclusion with the separate current report. Comarch S.A.'s Management Board recognized this information as an inside information due to its potential influence for the financial and economic situation of the Company.

1<sup>st</sup> of March, 2021

**SIGNATURES OF MANAGEMENT BOARD MEMBERS**

Name and surname	Position	Signature
Janusz Filipiak	President of the Management Board	
Paweł Prokop	Vice-President of the Management Board	
Andrzej Przewięźlikowski	Vice-President of the Management Board	
Zbigniew Rymarczyk	Vice-President of the Management Board	
Konrad Tarański	Vice-President of the Management Board	
Marcin Warwas	Vice-President of the Management Board	

**SIGNATURE OF PERSON CHARGED WITH CARRYING ON ACCOUNT BOOKS**

Name and surname	Position	Signature
Maria Smolińska	Head Accountant	

### Comarch S.A.

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