



**COMARCH CAPITAL GROUP
CONSOLIDATED FINANCIAL STATEMENT
AND COMARCH SA FINANCIAL
STATEMENT
FOR 01.01.2019 – 31.12.2019**

Selected financial data

Krakow, 29th of April, 2020

COMARCH GROUP CONSOLIDATED FINANCIAL STATEMENT FOR 12 MONTHS 2019

I. Consolidated Balance-Sheet

ASSETS	Note	At 31 December 2019	At 1 January 2019*	At 31 December 2018
NON-CURRENT ASSETS				
Property, plant and equipment		539,635	551,063	551,063
Right-of-use assets		73,636	74,402*	-
Investment real estates		36,631	32,683	32,683
Goodwill		40,735	42,197	42,197
Other intangible assets		56,311	59,447	59,447
Non-current prepayments		2,486	2,834	2,834
Investments in associates		570	1,520	1,520
Other assets at fair value		2,739	935	935
Other investments		211	211	211
Deferred income tax assets		35,002	35,045	35,045
Other receivables		8,782	20,906	20,906
		796,738	821,243	746,841
CURRENT ASSETS				
Inventories		90,741	97,198	97,198
Trade and other receivables		430,182	435,372	435,372
Current income tax receivables		3,554	2,555	2,555
Long-term contracts receivables		193,865	134,800	134,800
Available-for-sale financial assets		-	-	-
Other financial assets at fair value – derivative financial instruments		4,923	3,264	3,264
Interest and shares		-	-	-
Cash and cash equivalents		322,708	245,915	245,915
		1,045,973	919,104	919,104
Assets available-for-sale		-	-	-
TOTAL ASSETS		1,842,711	1,740,347	1,665,945

*) In relation with the application on the 1st of January, 2019, for the first time IFRS 16, relevant presentation changes were made to the balance sheet assets and liabilities.

TOTAL EQUITY AND LIABILITIES	Nota	At 31 December 2019	At 1 January 2019*	At 31 December 2018
EQUITY				
Capital and reserves attributable to the company's equity holders				
Share capital		8,133	8,133	8,133
Other capitals		143,041	143,041	143,041
Exchange differences		10,168	8,837	8,837
Retained earnings and net profit for the current period		790,781	698,135	698,135
		952,123	858,146	858,146
Minority interest		18,633	17,962	17,962
TOTAL EQUITY		970,756	876,108	876,108
LIABILITIES				
Non-current liabilities				
Credit and loans		141,718	175,010	175,010
Other liabilities		4,998	9,801	9,801
Lease liability		59,001	57,111*	-
Financial liabilities at fair value – derivative financial instruments		2,909	1,338	1,338
Other financial liabilities		-	410	410
Provision for deferred income tax		48,725	43,625	43,625
Provisions for other liabilities and charges		-	-	-
		257,351	287,295	230,184
Current liabilities				
Trade and other payables		191,770	182,502	182,502
Current income tax liabilities		8,765	9,007	9,007
Long-term contracts liabilities		172,831	163,818	163,818
Credit and loans		41,091	40,267	40,267
Lease liability		15,730	17,291*	-
Financial liabilities at fair value – derivative financial instruments		-	479	479
Other financial liabilities		4,009	328	328
Provisions for other liabilities and charges		180,408	163,252	163,252
		614,604	576,944	559,653
TOTAL LIABILITIES		871,955	864,239	789,837
TOTAL EQUITY AND LIABILITIES		1,842,711	1,740,347	1,665,945

*) In relation with the application on the 1st of January, 2019, for the first time IFRS 16, relevant presentation changes were made to the balance sheet assets and liabilities.

II. Consolidated Income Statement

	Note	12 months ended 31 December 2019	12 months ended 31 December 2018
Revenue		1,437,423	1,369,619
Cost of sales		(1,016,698)	(1,008,042)
Gross profit		420,725	361,577
Other operating income		34,320	20,160
Sales and marketing costs		(145,545)	(139,417)
Administrative expenses		(127,937)	(106,123)
Other operating expenses		(38,180)	(48,654)
Operating profit		143,383	87,543
Finance revenue - net		(1,014)	(13,951)
Share of profit / (loss) of associates		-	(11,112)
Profit / (loss) before income tax		142,369	62,480
Income tax expense		(36,851)	(30,029)
Net profit / (loss) for the period		105,518	32,451
Attributable to:			
<i>Shareholders of the parent company</i>		104,846	30,616
<i>Interests not entitled to control</i>		672	1,835
		105,518	32,451
Earnings / (losses) per share for profit attributable to the shareholders of the parent company during the period (expressed in PLN per share)			
- basic		12.89	3.76
- diluted		12.89	3.76

III. Total Income Consolidated Statement

	12 months ended 31 December 2019	12 months ended 31 December 2018
Net profit / (loss) for the period	105,518	32,451
Other total income		
Exchange differences from recalculation of subsidiaries	1,330	4,667
Total other total income	1,330	4,667
Sum of total income for the period	106,848	37,118
Attributable to the parent company shareholders	106,177	35,284
Attributable to the interests not entitled to control	671	1,834

Other comprehensive income includes components that may be reclassified to profit or loss in later periods.

IV. Consolidated Statement of Changes in Shareholders' Equity

	Attributable to the shareholders of the parent company				Capitals attributable to interests not entitled to control	Total equity
	Share capital	Other capitals	Exchange differences	Retained earnings and net profit for the current period		
Balance at 1 January 2018	8,133	143,041	4,169	679,719	16,128	851,190
Dividend paid	-	-	-	(12,200)	-	(12,200)
<i>Currency translation differences⁽¹⁾</i>	-	-	<i>4,668</i>	-	<i>(1)</i>	<i>4,667</i>
<i>Profit for the period⁽²⁾</i>	-	-	-	<i>30,616</i>	<i>1,835</i>	<i>32,451</i>
Total income recognised in equity ⁽¹⁺²⁾	-	-	4,668	30,616	1,834	37,118
Balance at 31 December 2018	8,133	143,041	8,837	698,135	17,962	876,108
Balance at 1 January 2019	8,133	143,041	8,837	698,135	17,962	876,108
Dividend paid	-	-	-	(12,200)	-	(12,200)
<i>Currency translation differences⁽¹⁾</i>	-	-	<i>1,331</i>	-	<i>(1)</i>	<i>1,330</i>
<i>Profit for the period⁽²⁾</i>	-	-	-	<i>104,846</i>	<i>672</i>	<i>105,518</i>
Total income recognised in equity ⁽¹⁺²⁾	-	-	1,331	104,846	671	106,848
Balance at 31 December 2019	8,133	143,041	10,168	790,781	18,633	970,756

V. Consolidated Cash Flow Statement

	12 months ended 31 December 2019	12 months ended 31 December 2018
Cash flows from operating activities		
Net profit	105,518	32,451
Total adjustments	100,368	136,830
Share in profits (losses) of subsidiaries valued using the equity method	-	11,112
Depreciation	84,929*	65,205
Profit (loss) from foreign exchange differences	2,906	(1,027)
Interest and profit sharing (dividends)	3,632	3,471
Profit (loss) on investing activities	(10,187)	(12,118)
Change in inventories	3,441	22,283
Change in receivables	(6,908)	(86,637)
Change in liabilities and provisions excluding credits and loans	22,555	134,508
Other adjustments	-	33
Net profit less total adjustments	205,886	169,281
Income tax paid	(36,922)	(29,799)
Net cash generated (used) in operating activities	168,964	139,482
Cash flows from investing activities		
Purchases of property, plant and equipment	(44,965)	(74,702)
Proceeds from sale of property, plant and equipment	4,054	5,037
Purchases of intangible assets	-	(11,861)
Proceeds from disposal of investment in real estate and intangible assets	(8,825)	9,934
Expenses for purchase of financial assets	10,396	(100)
Expenses for investment in real estates	(2,554)	(1,304)
Granted loans	-	(16,350)
Repayment of loans granted	1,900	10,870
Interest	338	312
Disposal of financial assets	3,354	6,485
Other expenses for financial assets	1,929	-
Other investment expenses	-	-
Net cash generated (used) in investing activities	(34,373)	(71,679)
Cash flows from financing activities		
Proceeds from credits and loans	10,774	45,942
Repayments of credits and loans	(41,685)	(61,998)
Interest on credit and loans	(3,295)	(3,361)
Proceeds from repaid loans	2,050	1,097
Proceeds from interest on loans	121	47
Granted loans	(323)	(1,891)
Dividends paid out and expenditures other than payments to owners due to distribution of profit	(12,200)	(12,200)
Payment of liabilities under finance lease agreements	(19,559)	(168)
Other financial proceeds	5,732	714
Other financial expenses	-	(1,048)
Net cash generated (used) in financing activities	(58,385)	(32,866)
Net change in cash, cash equivalents and bank overdrafts	76,206	34,937
Cash, cash equivalents and bank overdrafts at beginning of the period	245,906	207,925
Positive (negative) exchange differences in cash and bank overdrafts	590	3,044
Cash, cash equivalents and bank overdrafts at end of the period	322,702	245,906
- including limited disposal	2,986	3,550

*) It comprises depreciation of asset due to right for use resulting from applying IFRS 16

VI. Sales Structure

Products Sales Structure

Products sales structure	2019	%	2018	%	2017	%
Services	1,074,965	74.8%	992,627	72.4%	871,415	77.4%
Proprietary software	249,442	17.3%	207,271	15.1%	175,174	15.6%
Third-party software	30,997	2.2%	24,041	1.8%	13,475	1.2%
Proprietary hardware	11,676	0.8%	42,216	3.1%	804	0.1%
Third party hardware	19,134	1.3%	55,728	4.1%	10,096	0.9%
Others	51,209	3.6%	47,736	3.5%	54,146	4.8%
Total	1,437,423	100.0%	1,369,619	100.0%	1,125,110	100.0%

Market Sales Structure

Market sales structure	2019	%	2018	%	2017	%
Telecommunications, Media, IT	335,846	23.4%	316,416	23.1%	264,866	23.5%
Finance and Banking	191,054	13.3%	204,532	14.9%	187,168	16.6%
Trade and Services	251,743	17.5%	202,406	14.8%	187,367	16.7%
Industry & Utilities	179,336	12.5%	138,344	10.1%	143,105	12.7%
Public sector	130,352	9.1%	193,000	14.1%	64,018	5.7%
Small and Medium-Sized Enterprises - Poland	190,421	13.2%	160,874	11.7%	136,085	12.1%
Small and Medium-Sized Enterprises - DACH	100,411	7.0%	99,568	7.3%	99,771	8.9%
Medicine	25,919	1.8%	27,351	2.0%	16,020	1.4%
Others	32,341	2.2%	27,128	2.0%	26,710	2.4%
Total	1,437,423	100.0%	1,369,619	100.0%	1,125,110	100.0%

Geographical sales structure (customers)

Geographical sales structure	2019	%	2018	%	2017	%
Domestic (Poland)	594,021	41.3%	632,372	46.2%	462,922	41.1%
Export	843,402	58.7%	737,247	53.8%	662,188	58.9%
Total	1,437,423	100.0%	1,369,619	100.0%	1,125,110	100.0%

Geographical sales structure	2019	%	2018	%	2017	%
Domestic (Poland)	594,021	41.3%	632,372	46.2%	462,922	41.1%
DACH	279,899	19.5%	241,637	17.6%	249,361	22.2%
Other countries	563,503	39.2%	495,610	36.2%	412,827	36.7%
Total	1,437,423	100.0%	1,369,619	100.0%	1,125,110	100.0%

SUMMARY OF COMARCH S.A. FINANCIAL STATEMENT FOR THE 2019

I. Balance Sheet

ASSETS	31 December 2019	31 December 2018
I. NON-CURRENT ASSETS	735,752	736,084
1. Intangible assets	10,770	11,048
2. Property, plant and equipment	331,755	332,185
3. Non-current investments	384,927	383,826
3.1. Non-current financial assets	364,443	343,518
a) in related parties	361,704	342,583
b) in other entities in which the Company holds equity interests	-	-
c) in other entities	2,739	935
3.2 Real estates	20,441	40,265
3.3 Other non-current investment	43	43
4. Non-current prepayments	8,300	9,025
4.1 Deferred income tax assets	6,082	6,204
4.2 Other accruals	2,218	2,821
II. CURRENT ASSETS	659,293	598,817
1. Inventories	62,751	61,435
2. Current receivables	395,319	376,939
2.1 from related parties	254,508	227,173
2.2 from other entities in which the Company holds equity interests	50	151
2.3 from other entities	140,761	149,615
3. Current investments	72,825	70,762
3.1 Current financial assets	72,825	70,762
a) in related parties	900	508
b) in other entities in which the Company holds equity interests	-	-
c) in other entities	4,923	3,264
- granted loans	-	-
- interest or shares	-	-
- other current financial assets	4,923	3,264
d) cash and cash equivalents	67,002	66,990
4. Short-term prepayments	128,398	89,681
TOTAL ASSETS	1,395,045	1,334,901

EQUITY AND LIABILITIES	31 December 2019	31 December 2018
I. EQUITY	881,540	834,190
1. Share capital	8,133	8,133
2. Supplementary capital	717,950	680,501
3. Revaluation reserve	97,085	95,162
4. Other reserve capitals	745	745
5. Previous years' profit (loss)	-	-
6. Net profit (loss)	57,627	49,649
II. LIABILITIES AND PROVISIONS FOR LIABILITIES	513,505	500,711
1. Provisions for liabilities	160,732	144,309
1.1 Provision for deferred income tax	24,786	23,732
1.2 Other provisions	135,946	120,577
a) current	135,946	120,577
2. Non-current liabilities	120,946	152,343
2.1 to related parties	19,539	28,240
2.2 to other entities in which the Company holds equity interests	-	-
2.3 to other entities	101,407	124,103
3. Current liabilities	160,942	157,089
3.1 to related parties	29,077	28,541
3.2 to other entities in which the Company holds equity interests	-	-
3.3 to other entities	130,657	127,135
3.4 Special funds	1,208	1,413
4. Accruals	70,885	46,970
4.1 Other accruals	70,885	46,970
a) current	70,885	46,970
TOTAL EQUITY AND LIABILITIES	1,395,045	1,334,901
Book value	881,540	834,190
Number of shares	8,133,349	8,133,349
Book value per single share (PLN)	108.39	102.56
Diluted number of shares	8,133,349	8,133,349
Diluted book value per single share (PLN)	108.39	102.56

II. Income Statement

For period 01.01 – 31.12.2019 and 01.01 – 31.12.2018	12 months 2019	12 months 2018
I. Net revenues from sales of products, goods and materials, including:	951,698	966,100
- revenues from related parties	326,412	419,431
1. Net revenues from sales of products	883,758	874,509
2. Net revenues from sales of goods and materials	67,940	91,591
II. Costs of products, goods and materials sold, including:	761,532	719,140
- to related parties	34,068	36,130
1. Manufacturing cost of products sold	698,907	633,882
2. Value of products, goods and materials sold	62,625	85,258
III. Gross profit on sales	190,166	246,960
IV. Costs of sales	74,033	73,067
V. Administrative expenses	74,952	55,517
VI. Profit on sales	41,181	118,376
VII. Other operating revenues	14,260	1,972
1. Profit on disposal of non-financial non-current assets	607	687
2. Other operating revenues	13,653	1,285
VIII. Other operating costs	21,922	30,959
4. Other operating costs	21,922	30,959
IX. Profit (loss) on operating activities	33,519	89,389
X. Financial revenues	45,416	10,845
1. Dividends and share in profits	37,140	3,070
- from related parties	37,140	3,070
2. Profit (loss) on disposal of investment	3,355	6,485
3. Revaluation of financial assets	-	-
4. Interest, including:	1,401	491
- from related parties	943	334
5. Other	3,520	799
XI. Finance costs	11,538	43,159
1. Interest	3,193	3,631
- from related parties	722	675
2. Loss from the sale of investments	-	-
3. Revaluation of financial assets	7,845	30,826
4. Other	500	8,702
XII. Gross profit (loss)	67,397	57,075
XIII. Income tax	9,770	7,426
a) current tax	9,044	9,280
b) deferred tax	726	(1,854)
XIV. Net profit (loss)	57,627	49,649
Net profit (loss) (annualised)	57,627	49,649
Weighted average number of shares	8,133,349	8,133,349
Earnings (losses) per single share (PLN)	7.09	6.10
Diluted weighted average number of shares	8,133,249	8,133,349
Diluted earnings (losses) per single share (PLN)	7.09	6.10

III. Statement of Changes in Equity

	12 months 2019	12 months 2018
I. Opening balance of equity	834,190	796,984
I.a Opening balance of equity after adjustments	834,190	796,984
1. Opening balance of share capital	8,133	8,133
1.1 Changes in share capital	-	-
a) increases (due to)	-	-
- shares issue	-	-
1.2 Closing balance of share capital	8,133	8,133
2. opening balance of supplementary capital	680,501	653,363
2.1 Changes in supplementary capital	37,449	27,138
a) increases (due to)	37,449	27,138
- profit-sharing for the previous years	37,449	27,138
2.2 Closing balance of supplementary capital	717,950	680,501
3. Opening balance of revaluation reserve	95,162	95,405
- changes in applied accounting principles	-	-
3.1 Changes in revaluation reserve	1,923	(243)
a) increases (due to)	2,374	58
- provision for deferred income tax due to certificates valuation	-	58
- balance sheet valuation of investment certificates	2,374	-
b) decreases (due to)	451	301
- balance sheet valuation of investment certificates	0	301
- A provision for deferred income tax related to valuation of investment certificates	451	-
3.2 Closing balance of revaluation reserve	97,085	95,162
4. Opening balance of capital from merger	0	0
4.1. Closing balance of capital from merger	0	0
5. Opening balance of other reserve capitals	745	745
5.1 Closing balance of other reserve capitals	745	745
6. Opening balance of the previous years' profit(loss)	49,649	39,338
6.1 Opening balance of the previous years' profit	49,649	39,338
a) decreases (due to)	49,649	39,338
- transferring the result from the previous years to supplementary capital	37,449	27,138
- payment of dividend	12,200	12,200
6.2 Closing balance of previous years' profit(loss)	0	0
7. Net result	57,627	-
a) net profit	57,627	49,649,
II. Closing balance of equity	881,540	834,190
III. Equity including proposed profit-sharing (loss coverage)	881,540	834,190

IV. Cash Flow Statement

For od 01.01 – 31.12.2019 and 01.01 – 31.12.2018	12 months 2019	12 months 2018
A. Cash flows from operating activities		
I. Net profit (loss)	57,627	49,649
II. Total adjustments	3,331	33,168
1. Depreciation	44,622	43,436

2. Profit (loss) from foreign exchange differences	83	(227)
3. Interest and profit sharing (dividends)	(34,700)	205
4. Profit (loss) on investing activities	5,710	31,582
5. Change in provisions	15,971	20,110
6. Change in inventories	(1,567)	16,937
7. Change in receivables	(26,065)	(63,367)
8. Change in current liabilities, excluding credits and loans	13,355	363
9. Change in prepayments and accruals	(14,078)	(15,871)
10. Other adjustments	-	-
III. Net cash used in operating activities (I+/-II) – indirect method	60,958	82,817

B. Cash flows from investing activities

I. Inflows	47,354	14,765
1. Proceeds from sale of property, plant, equipment and intangible assets	4,262	4,777
2. Proceeds from financial assets, including:	43,092	9,988
a) in related parties	39,738	3,504
- received loans	-	-
- dividends and shares in profits	37,140	3,070
- repaid loans	1,968	112
- repaid interest on loans	630	322
b) in other entities	3,354	6,484
- other proceeds from financial assets	3,354	6,484
II. Outflows	(55,019)	(72,207)
1. Purchase of property, plant and equipment and intangible assets	(27,503)	(54,780)
2. Expenses for investment in real estates	(908)	(2)
3. Expenses for purchase of financial assets, including:	(26,608)	(17,425)
a) in related parties	(26,608)	(17,425)
- purchase of financial assets	(6,324)	(1,783)
- granted non-current loans	(20,284)	(15,642)
- repayment of loans	-	-
- repayment of interest on loans	-	-
b) in other entities	-	-
- purchase of financial assets	-	-
- loss on forward contract	-	-
4. Other investment expenses	-	-
III. Net cash used in investing activities (I-II)	(7,665)	(57,442)

C. Cash flows from financing activities

I. Inflows	12,302	55,730
1. Proceeds from issuance of the shares and other instruments, as well as additional payment to capital	-	-
2. Credits and loans	10,773	54,928
3. Loans repaid	-	774
4. Loans received	-	-
5. Other financial proceeds (received subsidies)	1,529	-
6. Interest received on paid loans	-	28
7. Other financial inflows	-	-
II. Outflows	(65,501)	(62,935)

1. Expenses due to distribution of profit (other than payments to owners)	(12,200)	(12,200)
2. Repayment of loans and credits	(50,209)	(46,288)
3. Interest	(3,069)	(3,414)
4. Granted loans	(23)	(353)
5. Acquisition of own shares (equity), capital surcharge	-	(680)
III. Net cash (used in)/generated from financing activities (I-II)	(53,199)	(7,205)
D. Total net cash flow (A.III+/-B.III+/-C.III)	94	18,170
E. Balance sheet change in cash and cash equivalents, including:	12	18,469
- change in cash and cash equivalents due to exchange differences	(83)	299
F. Cash and cash equivalents opening balance	66,989	48,520
G. Closing balance of cash and cash equivalents (F+/- E), including:	67,001	66,989
- limited disposal	783	1,341

VII. Sales Structure

Products Sales Structure

Products sales structure	2019	%	2018	%	2017	%
Services	701,583	73.7%	662,341	68.6%	598,795	79.3%
Proprietary software	187,475	19.7%	203,323	21.0%	130,237	17.2%
Third-party software	27,953	2.9%	14,850	1.5%	11,310	1.5%
Proprietary hardware	11,326	1.2%	33,337	3.5%	1,165	0.2%
Third party hardware	15,080	1.6%	44,189	4.6%	6,808	0.9%
Others	8,281	0.9%	8,060	0.8%	7,202	0.9%
Total	951,698	100.0%	966,100	100.0%	755,517	100.0%

Market Sales Structure

Market sales structure	2019	%	2018	%	2017	%
Telecommunications, Media, IT	118,502	12.4%	95,498	9.8%	88,762	11.7%
Finance and Banking	129,363	13.6%	128,770	13.3%	126,518	16.7%
Trade and Services	58,763	6.2%	52,681	5.5%	42,598	5.6%
Industry & Utilities	86,767	9.1%	72,734	7.5%	80,675	10.7%
Public sector	40,636	4.3%	33,505	3.5%	31,522	4.2%
Medicine	405	0.0%	606	0.1%	434	0.1%
Small and Medium-Sized Enterprises	190,348	20.0%	160,419	16.6%	135,843	18.0%
Others	502	0.1%	2,456	0.3%	604	0.1%
Revenues from Subsidiaries	326,412	34.3%	419,431	43.4%	248,561	32.9%
Total	951,698	100.0%	966,100	100.0%	755,517	100.0%

Geographical sales structure (customers)

Geographical sales structure	2019	%	2018	%	2017	%
Domestic (Poland)	531,270	55.8%	537,266	55.6%	404,925	53.60%
Export	420,428	44.2%	428,834	44.4%	350,592	46.40%
Total	951,698	100.0%	966,100	100.0%	755,517	100.0%

Comarch S.A.

Al. Jana Pawła II 39a
31-864 Kraków

 ir@comarch.pl

 +48 (12) 687 78 22

www.comarch.pl/relacje-inwestorskie/

www.comarch.com/investors