

FINANCIAL SUPERVISION AUTHORITY

Consolidated Quarterly Report QSr1 / 2019

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

for1... quarter of financial year ...2019 from 2019-01-01 to 2019-03-31
including consolidated financial statement according to International Financial Reporting Standards (IFRS)
in currency PLN
and summary of financial statement according to Act on Accounting (Journal of Laws 2018.395)
in currency PLN
date of publication 2019-05-17

COMARCH SA	
(full name of an issuer)	
COMARCH	Information Technology (IT)
(abbreviated name of issuer)	(sector according to WSE classification)
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SELECTED FINANCIAL DATA	thousands of PLN		thousands of EURO	
	Q1 2019	Q1 2018	Q1 2019	Q1 2018
DATA RELATED TO THE CONSOLIDATED FINANCIAL STATEMENT				
I. Revenues from sales	338,688	271,989	78,805	65,094
II. Operating profit (loss)	20,944	568	4,873	136
III. Profit before income tax	19,354	-3,240	4,503	-775
IV. Net profit attributable to shareholders of parent company	6,955	-6,240	1,618	-1,493
V. Net cash flows from operating activities	104,348	36,484	24,279	8,732
VI. Net cash flows from investing activities	-4,508	-26,706	-1,049	-6,391
VII. Net cash flows from financing activities	-15,978	11,203	-3,718	2,681
VIII. Change in net cash flows	83,862	20,981	19,513	5,021
IX. Number of shares	8,133,349	8,133,349	8,133,349	8,133,349
X. Earnings (losses) per single share (PLN/EURO)	0.86	-0.77	0.20	-0.18
XI. Diluted earnings (losses) per single share (PLN/EURO)	0.86	-0.77	0.20	-0.18
DATA RELATED TO THE FINANCIAL STATEMENT				
XII. Net revenues from sales of products, goods and materials	235,034	182,500	54,687	43,677
XIII. Profit (loss) on operating activities	16,299	402	3,792	96
XIV. Gross profit (loss)	17,391	-1,994	4,046	-477
XV. Net profit (loss)	15,913	-3,041	3,703	-728
XVI. Net cash flows from operating activities	23,164	1,947	5,390	466
XVII. Net cash flows from investing activities	-1,795	-14,341	-418	-3,432
XVIII. Net cash flows from financing activities	-7,835	14,711	-1,823	3,521
XIX. Total net cash flow	13,534	2,317	3,149	555
XX. Number of shares	8,133,349	8,133,349	8,133,349	8,133,349

XXI. Earnings (losses) per single share (PLN/EURO)	8.43	3.03	1.96	0.73
XXII. Diluted earnings (losses) per single share (PLN/EURO)	8.43	3.03	1.96	0.73
EQUITIES	2019-03-31	2018-12-31		
XXIII. Equity attributable to shareholders (consolidated)	866,224	858,146	201,387	199,569
XXIV. Equity (parent company)	848,171	834,190	197,189	193,998

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 01.01.2019 to 31.12.2019: 4.2978;

- arithmetical average of NBP average exchange rates as of the end of each month for the period 01.01.2018 to 31.12.2018: 4.1784;

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

- 31.03.2019: 4.3013;

- 31.12.2018: 4.3000.

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_1_2019.pdf	Qsr 1 2019

SIGNATURES

Date	Name and surname	Position	Signature
2019-05-17	Konrad Tarański	Vice-President of the Management Board	
2019-05-17	Maria Smolińska	Proxy	



**COMARCH CAPITAL GROUP
CONSOLIDATED FINANCIAL STATEMENT
FOR THE PERIOD
FROM 1ST OF JANUARY 2019
TO 31ST OF MARCH 2019**

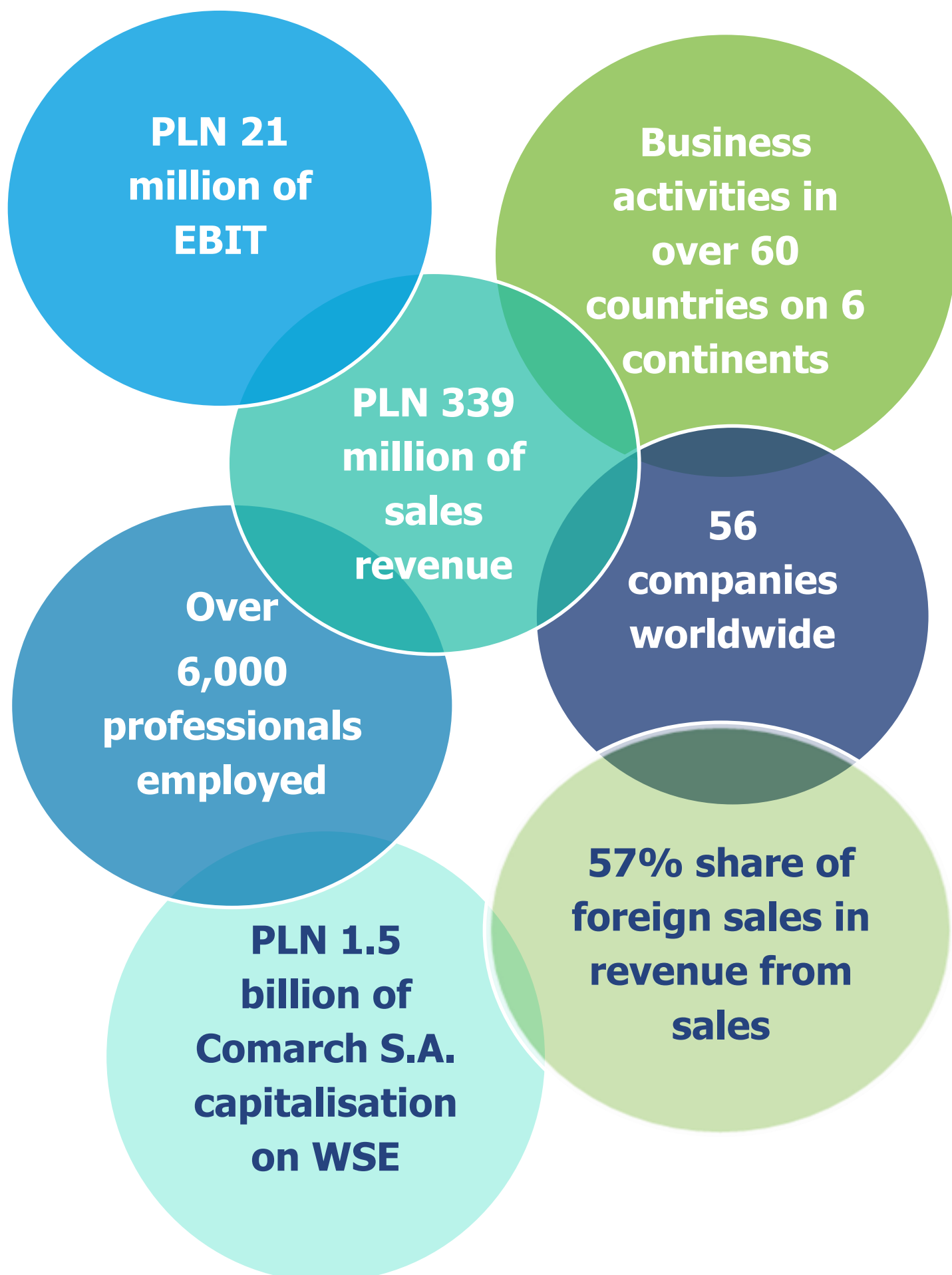
**Statement in accordance with
the International Financial Reporting Standards**

Krakow, 17th of May 2019

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COMARCH GROUP CONSOLIDATED FINANCIAL STATEMENT FOR 3 MONTHS 2019

I. Consolidated Balance Sheet

ASSETS	Note	At 31 March 2019	At 1 January 2019*	At 31 December 2018
NON-CURRENT ASSETS				
Property, plant and equipment	3.2	543,033	551,063	551,063
Asset due to the right of use	3.3	69,947	74,402*	-
Investment real estates	3.4	32,933	32,683	32,683
Goodwill	3.5	42,197	42,197	42,197
Other intangible assets	3.6	58,727	59,447	59,447
Non-current prepayments		2,826	2,834	2,834
Investments in associates	3.7a	1,820	1,520	1,520
Other assets at fair value	3.8a	817	935	935
Other investments		211	211	211
Deferred income tax assets	3.9	32,912	35,045	35,045
Other receivables		21,165	20,906	20,906
		806,588	821,243	746,841
CURRENT ASSETS				
Inventories	3.10	95,259	97,198	97,198
Trade and other receivables	3.11	361,222	435,372	435,372
Current income tax receivables		2,178	2,555	2,555
Long-term contracts receivables		162,411	134,800	134,800
Available-for-sale financial assets	3.12	-	-	-
Other financial assets at fair value – derivative financial instruments	3.8a	2,954	3,264	3,264
Interest and shares		-	-	-
Cash and cash equivalents		331,764	245,915	245,915
		955,788	919,104	919,104
Assets available-for-sale		-	-	-
TOTAL ASSETS		1,762,376	1,740,347	1,665,945

TOAL EQUITY AND LIABILITIES	Note	At 31 March 2019	At 1 January 2019*	At 31 December 2018
EQUITY				
Capital and reserves attributable to the company's equity holders				
Share capital	3.13	8,133	8,133	8,133
Other capitals		143,041	143,041	143,041
Exchange differences		9,960	8,837	8,837
Net profit for the current period		6,955	30,616	30,616
Retained earnings		698,135	667,519	667,519
		866,224	858,146	858,146
Minority interest		19,930	17,962	17,962
TOTAL EQUITY		886,154	876,108	876,108
LIABILITIES				
Non-current liabilities				
Credit and loans	3.14	167,231	175,010	175,010
Other liabilities		6,000	9,801	9,801
Lease liability	3.15	52,455	57,111*	-
Financial liabilities at fair value – derivative financial instruments	3.8b	2,634	1,338	1,338
Other financial liabilities		-	410	410
Provision for deferred income tax	3.9	43,146	43,625	43,625
Provisions for other liabilities and charges	3.16	-	-	-
		271,466	287,295	230,184
Current liabilities				
Trade and other payables	3.17	219,405	182,502	182,502
Current income tax liabilities		12,721	9,007	9,007
Long-term contracts liabilities	3.12	152,619	163,818	163,818
Credit and loans	3.14	38,557	40,267	40,267
Lease liability		17,545	17,291*	-
Financial liabilities at fair value – derivative financial instruments	3.8b	446	479	479
Other financial liabilities		-	328	328
Provisions for other liabilities and charges	3.16	163,463	163,252	163,252
		604,756	576,944	559,653
TOTAL LIABILITIES		876,222	864,239	789,837
TOTAL EQUITY AND LIABILITIES		1,762,376	1,740,347	1,665,945

*) In connection 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. Balance sheet totals in relation to data published as at 31st of December, 2018, increased by PLN 74,402 thousand.

II. Consolidated Income Statement

	Note	Q1 2019	Q1 2018
Revenue		338,688	271,989
Cost of sales		(258,165)	(215,447)
Gross profit		80,523	56,542
Other operating income		9,960	1,409
Sales and marketing costs		(28,454)	(27,393)
Administrative expenses		(26,468)	(22,014)
Other operating expenses		(14,617)	(7,976)
Operating profit		20,944	568
Finance revenue - net		(1,590)	(2,663)
Share of profit / (loss) of associates		-	(1,145)
Profit / (loss) before income tax		19,354	(3,240)
Income tax expense		(10,431)	(3,502)
Net profit / (loss) for the period		8,923	(6,742)
Attributable to:			
Shareholders of the parent company		6,955	(6,240)
<i>Interests not entitled to control</i>		<i>1,968</i>	<i>(502)</i>
		8,923	(6,742)
Earnings / (losses) per share for profit attributable to the shareholders of the parent company during the period (expressed in PLN per share)			
- basic	<u>3.21</u>	0.86	(0.77)
- diluted	<u>3.21</u>	0.86	(0.77)

III. Total Income Consolidated Statement

	Q1 2019	Q1 2018
Net profit / (loss) for the period	8,923	(6,742)
Other total income		
Exchange differences from recalculation of subsidiaries	1,123	1,069
Total other total income	1,123	1,069
Sum of total income for the period	10,046	(5,673)
Attributable to the parent company shareholders	10,046	(5,172)
Attributable to the interests not entitled to control	-	(501)

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	Net profit for the current period	Retained earnings		
Balance at 1 January 2018	8,133	143,041	4,169	42,036	665,525	16,128	879,032
Changes in retained earnings due to IFRS 15*	-	-	-	-	(27,842)	-	(27,842)
Balance at 1 January 2018 after the changes in retained earnings due to IFRS 15	8,133	143,041	4,169	42,036	637,683	16,128	851,190
Transferring result for 2017	-	-	-	(42,036)	42,036	-	-
Dividend paid	-	-	-	-	-	-	-
Currency translation differences ⁽¹⁾	-	-	1,068	-	-	1	1,069
Profit / (loss) for the period ⁽²⁾	-	-	-	(6,240)	-	(502)	(6,742)
Total income recognised in equity ⁽¹⁺²⁾	-	-	1,068	(6,240)	-	(501)	(5,673)
Balance at 31 March 2018	8,133	143,041	5,237	(6,240)	679,719	15,627	845,517
Balance at 1 January 2019	8,133	143,041	8,837	30,616	667,519	17,962	876,108
Transferring result for 2018	-	-	-	(30,616)	30,616	-	-
Dividend paid	-	-	-	-	-	-	-
Currency translation differences ⁽¹⁾	-	-	1,123	-	-	-	1,123
Profit / (loss) for the period ⁽²⁾	-	-	-	6,955	-	1,968	8,923
Total income recognised in equity ⁽¹⁺²⁾	-	-	1,123	6,955	-	1,968	10,046
Balance at 31 March 2019	8,133	143,041	9,960	6,955	698,135	19,930	886,154

As at the 31st of March, 2019, there is no basis for paying dividends to the entities outside Group.

In connection with the application on 1st of January, 2019, for the first time IFRS 16 affected the result of PLN -77 thousand.

V. Consolidated Cash Flow Statement

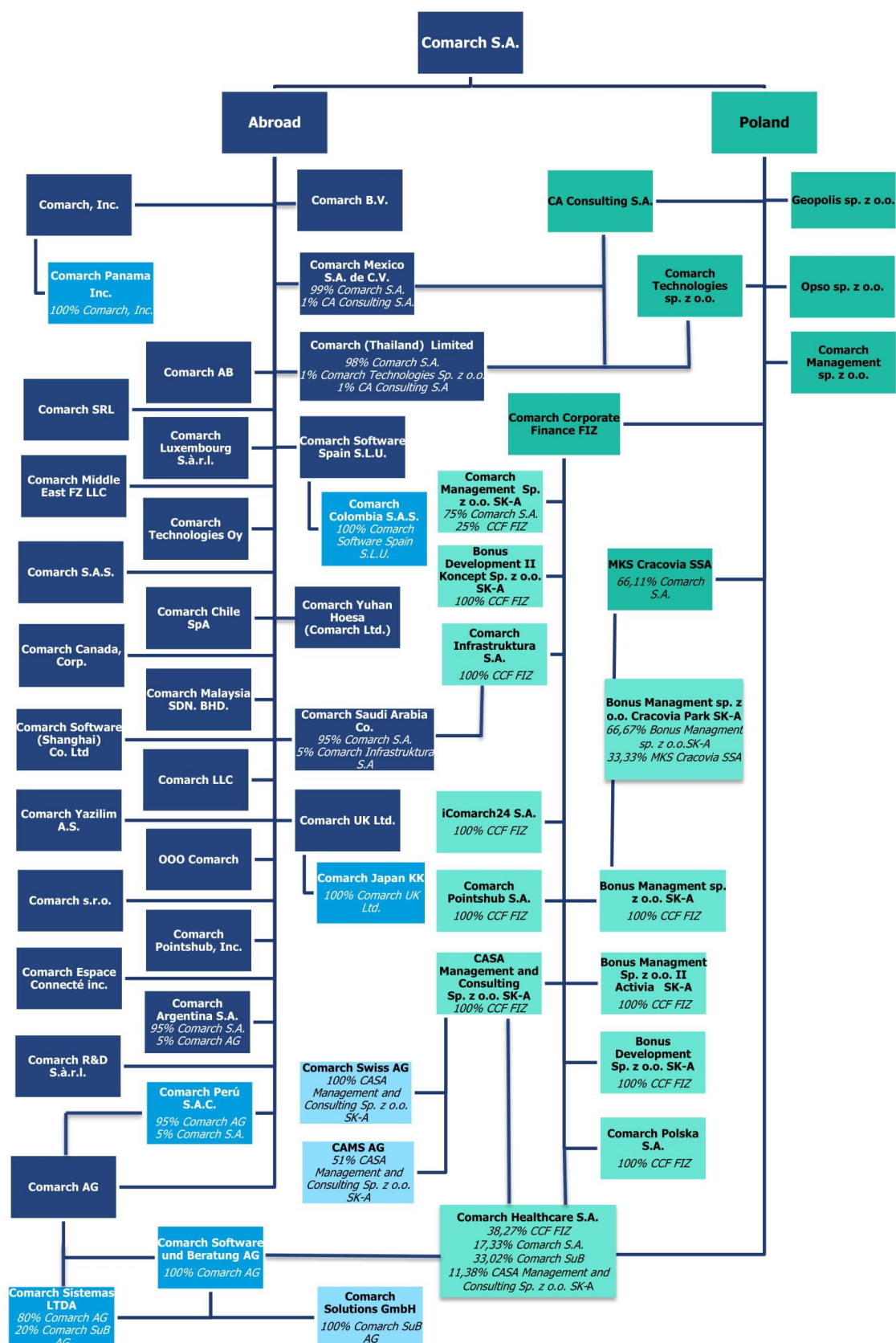
	3 months ended 31 March 2019	3 months ended 31 March 2018
Cash flows from operating activities		
Net profit	8,923	(6,742)
Total adjustments	104,156	48,719
Share in profits (losses) of subsidiaries valued using the equity method	-	1,145
Depreciation	20,298*	16,175
Profit (loss) from foreign exchange differences	3,429	1,088
Interest and profit sharing (dividends)	269	761
Profit (loss) on investing activities	(280)	91
Change in inventories	1,791	(31,111)
Change in receivables	46,424	13,456
Change in liabilities and provisions excluding credits and loans	31,210	47,099
Other adjustments	1,015	15
Net profit less total adjustments	113,079	41,977
Income tax paid	(8,731)	(5,493)
Net cash generated (used) in operating activities	104,348	36,484
Cash flows from investing activities		
Purchases of property, plant and equipment	(4,094)	(21,277)
Proceeds from sale of property, plant and equipment	1,618	1,172
Purchases of intangible assets	(2,798)	(6,081)
Proceeds from disposal of investment in real estate and intangible assets	-	3
Expenses for purchase of financial assets	-	(4,800)
Expenses for investment in real estates	(73)	-
Granted loans	-	(376)
Interest	24	2,005
Other proceeds from financial assets	-	44
Other investment proceeds	815	2,609
Other investment expenses	-	(5)
Net cash generated (used) in investing activities	(4,508)	(26,706)
Cash flows from financing activities		
Proceeds from credits and loans	-	25,192
Repayments of credits and loans	(9,661)	(12,830)
Interest on credit	(653)	(913)
Granted loans	(300)	(1,123)
Proceeds from repaid loans	-	733
Payment of liabilities under finance lease agreements	(5,291)	-
Other financial proceeds	-	356
Other interest and financial expenses	(73)	(212)
Net cash generated (used) in financing activities	(15,978)	11,203
Net change in cash, cash equivalents and bank overdrafts	83,862	20,981
Cash, cash equivalents and bank overdrafts at beginning of the period	245,906	207,925
Positive (negative) exchange differences in cash and bank overdrafts	1,974	(64)
Cash, cash equivalents and bank overdrafts at end of the period	331,742	228,842
- including limited disposal	2,989	2,954

VI. Supplementary information

1. Information about 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 Group regarding realised revenues, 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



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

On the 31st of March, 2019, associates of the parent company were:

- 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),
- Metrum Capital S.A. (15.79% votes held by Comarch S.A., 31.58% votes held by CAMS AG),
- Thanks Again LLC with its registered office in Tyrone, GA, USA (42.5% votes held by Comarch Pointshub, Inc.).

The associated companies are 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 Yuhua Hoesa (Comarch Ltd.), Comarch (Thailand) Limited, Comarch BV and Comarch Software (Shanghai) Co. 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;
- 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. specializes 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;
- 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, Bonus Management sp. z o.o. II Activia SK-A, and 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 sector;
- Comarch Infrastruktura S.A. (formerly Infrastuktura24 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. implements integrated GIS system in public administration entities;
- 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;
- Opso sp. z o.o. provides catering services;
- Comarch s.r.o. and Comarch Pointshub S.A. are currently not operating.

1.3. Changes in Ownership and Organisational Structure in Q1 2019

None present.

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

None present.

2. Description of the Applied Accounting Principles

This unaudited Condensed Interim Consolidated Financial Statement of Group for the three months ended the 31st of March, 2019, 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 three months ended the 31st of March, 2019 does not include all information and disclosures that are obligatory in annual financial statements, therefore should be read in conjunction with the audited Comarch Capital Group IFRS Consolidated Financial Statement for the year ended the 31st of December, 2018 ("the IFRS Consolidated Financial Statement").

The scope of the accounting principles and calculation methods applied in the Interim Consolidated Financial Statement for the three months ended the 31st of March, 2019, does not differ from the accounting principles described in the audited Comarch Capital Group IFRS Consolidated Financial Statement for the year ended the 31st of December, 2018 (notes 2 and 3 of the Consolidated Financial Statement of the Comarch Group for the year ended the 31st of December, 2018).

The Interim Consolidated Financial Statement for the three months ended the 31st of March, 2019, 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 three months ended the 31st of March, 2019, is prepared in thousands of Polish zloty ("PLN") and was authorized for issuance by the Management Board on the 17th of May, 2019.

Interpretations to standards which will be applied in 2019 for the first time

■ IFRS 16 Leasing

The IFRS 16 standard was published on the 13th of January, 2016, and is effective for annual periods beginning on or after 1st of January, 2019, with earlier adoption permitted (if IFRS 15 has also been applied), The Group has not decided to apply these standards and interpretations earlier.

The 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 1st of January, 2019, without restatement of comparative data.

The application of IFRS 16 required the 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 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 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 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. The estimated value of liabilities resulting from agreements concluded for an indefinite period for a period of 12 months amounts to approx. PLN 870 thousand. Contracts of lease for an indefinite period with a notice period longer than 12 months the Group has not identified

In accordance with the IFRS 16 Leasing standard, the 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 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 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 1st 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 Group's balance sheet total as at 1st 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 Group's financial statements, including those that are covenants in loan agreements concluded by the Group. The 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 Group informs that it does not see any risk of exceeding the admissible values of covenants resulting from loan agreements concluded by the Group also in a situation when the data taking into account the application of IFRS 16 were used to calculate the value of covenants.

The main differences between operating lease liabilities disclosed as at 31st of December, 2018 and lease liabilities recognized as at the date of first application of IFRS 16 will be due to.

- recognition of liabilities under lease of perpetual usufruct rights, which were classified as leasing agreements as at 1st of January, 2019

- exclude from the valuation according to IFRS 16 short-term contracts, contracts for an indefinite period with a notice period shorter than one year and agreements regarding low-value assets, i.e. with an initial value below USD 5,000 USD;

As at the balance sheet date, 31st of March, 2019, the value of the right to use assets in the Group amounted to PLN 69,947 thousand and the value of lease liabilities PLN 70,000 thousand. The value of depreciation from the asset due to the right of use in the first quarter of 2019 amounted to PLN 4,559 thousand. The value of interest on leasing liabilities in the first quarter of 2019 amounted to PLN 586 thousand.

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

	At 31 March 2019 - published data	At 31 March 2019- without IFRS 16
Impact on the balance sheet		
Total assets	1,762,376	1,693,149
Fixed assets:	806,588	737,361
Asset due to the right of use	69,947	-
Liabilities Total	1,762,376	1,693,149
Total liabilities, including:	876,222	806,918
<i>Long-term liabilities</i>	271,466	219,342
<i>Current liabilities</i>	604,756	587,576
Lease liabilities, including:	70,000	-
<i>Long-term liabilities</i>	52,455	-
<i>Current liabilities</i>	17,545	-
Equity attributable to the Company's shareholders	866,224	866,301
Impact on the profit and loss account		
Depreciation, including:	20,298	15,826
<i>Depreciation of the right to use</i>	4,559	-
Net profit, including	8,923	9,000
Net profit attributable to the company's shareholders	6,955	7,032
Impact on the profit and loss account		
Cash flow together	83,862	83,862
Net cash flow from operating activities	104,348	99,057
Net cash flow from investing activities	(4,508)	(4,508)
Net cash flow from financing activities	(15,978)	(10,687)

Depreciation of assets under the right of use	3 months ended 31 March 2019
Rent	4,325
Perpetual usufruct	66
Leasing of means of transport and computer equipment	168
Depreciation of assets under the right of use	4,559

The Group uses two simplifications regarding classifying the contract as a lease agreement by IFRS 16. The Group excluded from the valuation by IFRS 16 short-term contracts, i.e. concluded for a period shorter than 12 months 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 first quarter of 2019 amounted to approx. PLN 660,000.

■ IFRS 9 "Financial instruments"

The standard approved in the EU on November 22, 2016 (effective for annual periods beginning on January 1, 2018 or after that date),

The Group applied IFRS 9 for the first time in 2018. As a result of the application of the requirements of IFRS 9, the Comarch Group did not find any significant changes in the measurement of financial liabilities in relation to the valuation performed under IAS 39.

In connection with the application of IFRS 9, the Group performs the following adjustments:

- **in terms of cash**

The Group estimated the write-offs for cash, based on the probability of insolvency of financial institutions in which cash is held. The probability of insolvency was established on the basis of external ratings of banks and available information of rating agencies. On the basis of the analysis carried out, the Group did not create write-offs for cash.

- **in terms of receivable**

The Group performed an analysis of trade receivables in the expected loss model. For all trade receivables, an individual analysis was performed and based on it, the expected loss was determined for each receivable. No portfolio analysis of receivables was carried out, based on historical default rates, due to the inadequacy of this approach to the specificity of the Group's receivables

- **in terms of loans granted to affiliates**

The Group carried out an assessment of the business model for loans granted to affiliates, where it was found that all loans meet the maintenance model for the purpose of obtaining the loans. After analysing the contractual terms of the loans, it was considered that the SPPI classification test was also met. The Group carried out an analysis in the expected loss model, as a result of which the revaluation write-down was waived due to immateriality.

- **In terms of bank loans**

As a result of the application of the requirements of IFRS 9, the Comarch Group did not find any significant changes in the measurement of financial liabilities in relation to the valuation performed under IAS 39.

In connection with the entry into force of amendments to the standard IFRS 9 "Pre-pay with negative remuneration" on 1st of January, 2019, the Group conducted an analysis of historical changes in contractual terms regarding long-term borrowing agreements in the perspective of a one-off recognition of their effects in the profit and loss account in Q1 2019 and losses. The Group calculated the carrying amount of the amended liabilities at amortized cost using the original interest rate. As a result of the conducted analysis, the results from the modification of financial liabilities in the profit and loss account were waived due to their immateriality

Standards and Interpretations adopted by IASB but not yet approved by the EU

The scope of the IFRS approved by the European Union does not differ significantly from the regulations of the International Accounting Standards Board, excluding the below-mentioned standards, changes to standards and the interpretations which were not applied by the EU as at the date of publication of this report:

- **IFRS 14 "Deferred Balances from Regulated Activity"** (effective for annual periods beginning on or after 1st of January, 2016) - European Commission has decided not to initiate the process of approving this provisional standard for use within the EU until the final version of IFRS 14,
- **IFRS 17 "Insurance Contract"** – published on the 18th of May, 2017,
- **Amendments to IFRS 10 and IAS 28: Sale or transfer of assets between an investor and an associate or a joint venture** was published on the 11th of September, 2014 (the adoption of the change has been halted),
- **IFRIC 22 "Transactions in foreign currencies and advanced payments"** – published on the 8th of December, 2016,
- **IFRIC 23 "Uncertainty over Income Tax Treatments"** – published on the 7th of June, 2017,
- **Amendments to IFRS 28: Long-term Interests in Associates and Joint Ventures**, published on the 12th of October, 2017,
- **Amendments to various standards adopted within the frame of annual improvements process to IFRS "Annual Improvements (period 2015-2017)"**, published on the 12th of December, 2017,
- **Amendments to IAS 19: Change, limitation and settlement of the program**, published on the 7th of February, 2018.

At the same time, hedge accounting for the portfolio of financial assets and liabilities, whose principles have not been approved for use in the EU, remains outside the regulations adopted by the EU. According to the estimates of the parent company, the application of hedge accounting for the portfolio of financial assets or liabilities in accordance with **IFRS 9 "Financial Instruments"** would not have a significant impact on the financial statements if they were adopted for use as at the balance sheet date

The consolidated financial statement of the Comarch Group for the 3 months ended the 31st of March, 2019, 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	100%
Comarch BV	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%
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 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
Opso sp. z o.o.	Subsidiary	Full	100%
MKS Cracovia SSA	Subsidiary	Full	66.11%

3. Notes to the Consolidated Financial Statement

3.1. Segment Information

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:

- sales of IT systems and services, 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 to 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 revenues, 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, 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 Group's sales is highly diversified and there is no dependency on a single customer. Within 3 months of 2019 the share of none of the customer exceeded 10% of total sales of the Comarch Group.

Over 2018, Comarch Group revenue structure was as follows: 20% of annual sales were achieved in the first quarter, 24% in the second quarter, 25% in the third quarter and 31% in the fourth quarter. Over 2019, the Group expects the distribution of sales revenue similar to that of 2018.

3 months ended 31 March 2018	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Elimina- tions	Total
	Polish market	DACH market	Other markets					
Revenues per segment- sales to external clients	141,515	66,377	55,206	(94)	5,212	2,519	-	270,735
<i>including:</i>								
Revenues from sales	143,078	66,181	55,040	181	4,769	2,740	-	271,989
<i>To customers in Telecommunication, Media, IT sector</i>	23,548	19,848	21,660	-	-	-	-	65,056
<i>To customers in Finance and Banking sector</i>	32,908	8,093	3,038	-	-	-	-	44,039
<i>To customers in Trade and services sector</i>	13,678	6,619	23,159	-	-	-	-	43,456
<i>To customers in Industry&Utilities</i>	14,421	5,037	6,447	-	-	-	-	25,905
<i>To customers in Public sector</i>	13,624	2,172	729	-	-	-	-	16,525
<i>To customers in small and medium enterprises sector</i>	37,443	24,412	-	-	-	-	-	61,855
<i>To customers in Medicine sector</i>	6,354	-	-	-	-	2,740	-	9,094
<i>To other customers</i>	1,102	-	7	181	4,769	-	-	6,059
<i>Other operating revenue</i>	392	259	281	12	381	84	-	1,409
<i>Finance revenue</i>	(1,955)	(63)	(115)	(287)	62	(305)	-	(2,663)
Revenues per segment - sales to other segments	61,485	8,029	6,494	1,888	2,216	526	(80,638)	-
Revenues per segment - total*	203,000	74,406	61,700	1,794	7,428	3,045	(80,638)	270,735
Costs per segment relating to sales to external clients	130,976	60,657	70,117	(35)	7,258	3,857	-	272,830
Costs per segment relating to sales to other segments	61,485	8,029	6,494	1,888	2,216	526	(80,638)	-
Costs per segment - total*	192,461	68,686	76,611	1,853	9,474	4,383	(80,638)	272,830
Current taxes	(1,689)	(1,382)	(1,039)	(94)	-	-	-	(4,204)
Assets for the tax due to investment allowances and other tax relief	(796)	31	924	(5)	548	-	-	702
Share of segment in the result of parties valued using the equity method of accounting	(283)	-	(862)	-	-	-	-	(1,145)
Net result	7,771	4,369	(15,888)	(158)	(1,498)	(1,338)	-	(6,742)
<i>including:</i>								
<i>Result attributable to shareholders of the parent company</i>	7,771	4,369	(15,888)	(157)	(997)	(1,338)	-	(6,240)
<i>Result attributable to minority interest</i>	-	-	-	(1)	(501)	-	-	(502)

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

Sales between specific segments are calculated based on market conditions.

The following table presents the assets and liabilities of particular segments as at the 31st of March, 2018, as well as investment expenditures and depreciation in during 3 months of 2018:

31 March 2018 / 3 months ended 31 March 2018

	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Total
	Poland	DACH region	Other countries				
Assets	854,657	222,910	243,516,	138,981	58,063	14,456	1,532,583
Liabilities	432,664	97,216	101,001	33,797	19,410	2,978	687,066
Investment expenditures	17,994	4,739	2413	5,206	2,166	21	32,539
Depreciation	9,029	3,992	821	494	1,115	724	16,175

3 months ended 31 March 2019	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Elimina- tions	Total
	Polish market	DACH market	Other markets					
Revenues per segment- sales to external clients	215,332	60,140	53,551	1	14,747	3,287	-	347,058
<i>including:</i>								
Revenues from sales	215,936	59,039	53,639	466	6,337	3,271	-	338,688
<i>To customers in Telecommunication, Media, IT sector</i>	56,218	16,140	10,967	-	-	-	-	83,325
<i>To customers in Finance and Banking sector</i>	32,639	6,796	2,608	-	-	-	-	42,043
<i>To customers in Trade and services sector</i>	21,141	5,311	29,600	-	-	-	-	56,052
<i>To customers in Industry&Utilities</i>	23,115	6,323	10,436	-	-	-	-	39,874
<i>To customers in Public sector</i>	34,010	2,673	-	-	-	-	-	36,683
<i>To customers in small and medium enterprises sector</i>	44,739	21,796	-	-	-	-	-	66,535
<i>To customers in Medicine sector</i>	3,704	-	-	-	-	3,271	-	6,975
<i>To other customers</i>	370	-	28	466	6,337	-	-	7,201
<i>Other operating revenue</i>	317	991	71	8	8,559	14	-	9,960
<i>Finance revenue</i>	(921)	110	(159)	(473)	(149)	2	-	(1,590)
Revenues per segment - sales to other segments	60,281	7,112	7,274	1,934	2,068	850	(79,519)	-
Revenues per segment - total*	275,613	67,252	60,825	1,935	16,815	4,137	(79,519)	347,058
Costs per segment relating to sales to external clients	192,784	58,206	63,954	438	8,743	3,579	-	327,704
Costs per segment relating to sales to other segments	60,281	7,112	7,274	1,934	2,068	850	(79,519)	-
Costs per segment - total*	253,065	65,318	71,228	2,372	10,811	4,429	(79,519)	327,704
Current taxes	(2,032)	(4,393)	(1,937)	(114)	(300)	-	-	(8,776)
Assets for the tax due to investment allowances and other tax relief	(1,657)	291	(345)	(7)	63	-	-	(1,655)
Share of segment in the result of parties valuated using the equity method of accounting	474	-	(474)	-	-	-	-	-
Net result	19,333	(2,168)	(13,159)	(558)	5,767	(292)	-	8,923
<i>including:</i>								
<i>Result attributable to shareholders of the parent company</i>	19,333	(2,168)	(13,159)	(558)	3,799	(292)	-	6,955
<i>Result attributable to minority interest</i>	-	-	-	-	1,968	-	-	1,968

*) Items comprise revenues 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 31st of March, 2019, as well as investment expenditures and depreciation in during 3 months of 2019:

31 March 2019 / 3 months ended 31 March 2019

	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Total
	Poland	DACH region	Other countries				
Assets	972,581	262,999	291,286	148,867	79,529	7,114	1,762,376
Liabilities	556,429	118,547	129,076	44,392	27,201	577	876,222
Investment expenditures	4,522	380	1,666	180	110	107	6,965
Depreciation	14,314	1,419	2,392	809	1,099	265	20,298

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

Revenues from basic sales - activities location

	3 months ended 31 March 2019		%	3 months ended 31 March 2018		%
Poland	226,010		66,7	150,768		55.4
DACH region	59,039		17,4	66,181		24.3
Other countries	53,639		15,9	55,040		20.3
Total	338,688		100,0	271,989		100.0

Assets – activities location

	31 March 2019		%	31 December 2018		%
Poland	1,208,074		68,5	1,148,355		68.9
DACH region	262,999		14,9	216,790		13.0
Other countries	291,303		16,6	300,800		18.1
Total	1,762,376		100,0	1,665,945		100.0

Investment expenditures – activities location

	3 months ended 31 March 2019	%	12 months ended 31 December 2018	%	3 months ended 31 March 2018	%
Poland	4,919	70.6	87,525	83.9	25,387	78.0
DACH region	380	5.5	6,783	6.5	4,739	14.6
Other countries	1,666	23.9	10,009	9.6	2,413	7.4
Total	6,965	100.0	104,317	100.0	32,539	100.0

3.2. Property, Plant and Equipment

	31 March 2019	31 December 2018
Lands and buildings	390,735	392,592
Means of transport and machinery	133,275	138,438
Property, plant and equipment under construction	8,926	9,652
Others	9,657	10,360
Advance money for property, plant and equipment under construction	440	21
Total	543,033	551,063

Property, plant and equipment comprise mostly real estates and machinery owned by Comarch Group. As at the 31st of March, 2019, the 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 meters of the total space and an office building and data centre in Dresden at 2,144 square metres of the total space. The Group owns also lands in the Special Economic Zone in Krakow at approx. 2.01 ha of the total area. As at the 30th of September, 2019, property, plant and equipment under construction comprise mostly expenditures to modernization works of buildings incurred by Bonus Management sp. z o.o. SKA (an amount of PLN 5,690 thousand) and expenditures related to purchased but did put into use hardware in amount PLN 207 thousand.

3.3. Asset due to the Right of Use

	At 31 March 2019	At 1 January 2019	At 31 December 2018
Leasing of means of transport and IT equipment	1,192	1 257	-
Rent	50,189	54 514	-
Perpetual usufruct	18,566	18 631	-
Total	69 947	74,402	-

The creation of an asset due to the right of use is a consequence of the application of IFRS 16 from the 1st of January, 2019. As at the 31st of March, 2019, the value of the asset due to the right of use amounted to PLN 69,947 thousand. The value of the asset due to the right of use as at the 1st of January, 2019 amounted to PLN 74,402 thousand.

3.4. Investment Real Estate

	31 March 2019	31 December 2018
Lands	4,192	3,603
Buildings	28,741	29,080
Total	32,933	32,683

As at the 31st of March, 2019, investment real estate comprise two office buildings, placed in Krakow with a total space 8,629 square meters, used for lease to the entities outside Group and lands located in Krakow, purchased in order to construct buildings dedicated for lease to the entities outside Group, as well as a real estate located in Kostrzyń leased to the entities outside Group.

3.5. Goodwill

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

	31 March 2019	31 December 2018
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 (A-MEA Informatik AG till the 31 st of December, 2012)	8,413	8,413
Geopolis sp. z o.o.	1,462	1,462
Total	42,197	42,197

A test for loss in value regarding goodwill was run as at the 31st of December, 2018, according to the methodology used and described in details in the annual financial statements for 2018.

3.6. Other Intangible Assets

	31 March 2019	31 December 2018
Costs of finished development works	96	143
Perpetual usufruct right	37,629	39,219
Licences and software	16,272	15,368
Other	4,730	4,716
Advance money for intangible assets	-	-
Total	58,727	59,447

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 4,730 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 the 31st of March, 2019, the Group had shares in associates.

At 1 January 2018	11,233
Share in profit of Sointeractive S.A.	(331)
Acquiring shares in and share in profit of Metrum Capital S.A.	(2)
Granting loan to SoInteractive S.A.	1,390
Acquiring shares in and share in profit of Thanks Again LLC	(10,770)
At 31 December 2018	1,520
At 1 January 2019	1,520
Granting loan to SoInteractive SA	300
At 31 March 2019	1,820

As at the 31st of March, 2019, investment in associates includes:

- acquired by CCF FIZ and Bonus Management sp. z o.o. II Activia SK-A shares in SoInteractive S.A. constituting 42.98% of shares in the company (27.37% of votes), 0 value;
- shares of Metrum Capital S.A. in which Comarch S.A. holds 21.43% of share capital (15.79% of votes) and CAMS AG holds 42.86% of share capital (31.58% of votes) with the total value of PLN 0, 0 value;
- shares in Thanks Again LLC (Comarch Pointshub, Inc. acquired 42.50% of shares, i.e. 42.50% of votes at the AGM, with total value of PLN 0 - the nominal value of acquired shares PLN 30,831 thousand was

reduced by shares in the current results from years 2015 - 2018 and about the value of shares being updated),

- loans granted to SoInteractive S.A. by Comarch S.A. in the amount of PLN 1,820 thousand.

3.8. Derivative Financial Instruments

a) Assets

	31 March 2019	31 December 2018
Forward foreign exchange contracts – held-for-trading	3,771	4,199
Transaction on change of IRS	-	-
	3,771	4,199
<i>Current portion</i>	<i>2,954</i>	<i>3,264</i>
<i>Non-current portion</i>	<i>817</i>	<i>935</i>

b) Liabilities

	31 March 2019	31 December 2018
Forward foreign exchange contracts – held-for-trading	433	451
Transaction on change of IRS	2,647	1,366
	3,080	1,817
<i>Current portion</i>	<i>446</i>	<i>479</i>
<i>Non-current portion</i>	<i>2,634</i>	<i>1,338</i>

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, and to secure cash flows on account of an investment credit granted in Euro. As at the 31st of March, 2019, 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 31st of March, 2019, amounted to EUR 29,200 thousand and USD 3,300 thousand.

On the 27th of June, 2014, Comarch S.A. concluded a transaction on change of IRS for no revolving credit taken on the 4th of January, 2013, from Bank Zachodni WBK S.A. with its registered office in Wrocław. 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 5 years, i.e. till the 28th of June, 2019. As at the 31st of March, 2019, valuation of IRS transaction amounted to minus PLN 12 thousand.

On the 9th 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 29th of July, 2024. As at the 31st of March, 2019, valuation of the IRS transaction amounted to minus PLN 434 thousand.

On the 23rd of October, 2015, Comarch S.A. concluded a transaction on change of IRS for investment credit taken on the 4th 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 30th of November, 2023. As at the 31st of March, 2019, valuation of the IRS transaction amounted to minus PLN 377 thousand.

On the 20th of February, 2017, Comarch S.A. concluded a transaction on change of IRS for a long-term 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 30th of September, 2019. As at the 31st of March, 2019, valuation of the IRS transaction amounted to minus PLN 1 thousand.

On the 20th 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 29th of February, 2028. As at the 31st of March, 2019, valuation of the IRS transaction amounted to minus PLN 1,165 thousand.

On the 27th of November, 2017, Bonus Development Sp. z o.o. SKA concluded a transaction on change of IRS for an investment credit taken on the 29th 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 31st of May, 2030. As at the 31st of March, 2019, valuation of the IRS transaction amounted to PLN 658 thousand.

3.9. Deferred Income Tax

	31 March 2019	31 December 2018
Deferred income tax assets		
Temporary differences	18,262	19,166
Asset due to a tax loss	5,343	4,717
Asset due to activities in Special Economic Zone ("SEZ")	9,307	11,162
Total	32,912	35,045
<i>Charged to financial result</i>	<i>32,912</i>	<i>35,045</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 31st of December, 2017, at present, pursuant to the Decision of the 18th 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 23rd 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 31st of March, 2019, 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 31st of December, 2017). Limit of the unused investment tax relief under the permit obtained in 2007 amounted to approx. PLN 6,790 thousand as at the 31st of March, 2019 (after discounting at the permit date). Limit of the unused investment tax relief under the permit obtained in 2013 amounted to approx. PLN 28,929 thousand as at the 31st of March, 2019 (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 22,759 thousand as at the 31st of March, 2019 (after discounting at the permit date).

During the first quarter of 2019, the Group settled in part a deferred tax asset related to temporary differences that was established on the 31st of December, 2018, and worth PLN 1,696 thousand, as well

as an asset due to temporary differences was recognized in the amount of PLN 792 thousand. An asset due to tax loss was recognized and settled in the amount of PLN 626 thousand. The total effect of the above-mentioned operations on the net result of the reporting period was minus PLN 278 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 first quarter of 2019, partial assets created for the zone operations in the amount of PLN 1,855 thousand were created as at 31st of December, 2018. The remaining part of the asset created as at 31st of December, 2018 will be implemented successively (in the form of write-downs decreasing the Group's net profit), in proportion to Comarch S.A. tax income from the activity released in 2019. At the same time, in accordance with IAS 12, the Company will regularly verify the valuation of the Asset recognized for its feasibility and further recognition for subsequent periods. We would like to point out that the recognition of Assets does not affect cash flows in the parent company or in the Group (both the recognition of Assets, as well as its implementation). Therefore, this operation is purely accrual and results from the application by the Group of International Financial Reporting Standards for the preparation of the consolidated financial statements of the Comarch Group.

The total impact of changes in assets on the Group's first quarter results is minus PLN 2,133 thousand.

	31 March 2019	31 December 2018
Provision for deferred income tax		
Temporary differences	15,848	15,872
Provision due to fair value valuation of assets recognised as a result of acquisition of the Comarch SuB, ESAProjekt sp. z o.o. and A-MEA Informatik AG and due to valuation of MKS Cracovia SSA's real estates	5,430	5,430
Provision due to valuation of certificates in CCF FIZ	21,868	22,323
Total	43,146	43,625
<i>Charged to equity</i>	<i>5,430</i>	<i>5,430</i>
<i>Charged to financial result</i>	<i>37,716</i>	<i>38,195</i>

Due to valuation of net assets of CCF FIZ in Q1 2019, the Group dissolved in part a deferred tax provision, which was recognized in the previous years in the amount of PLN 455 thousand. At the same time, a deferred tax provision due to temporary differences was recognized in the amount of PLN 866 thousand and dissolved in the amount of PLN 890 thousand. The total effect of the above-mentioned operations on the net result of Q1 2019 was plus PLN 479 thousand.

Total changes in the deferred income tax resulted in an increase in result of PLN 1,654 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.

3.10. Inventories

	31 March 2019	31 December 2018
Raw materials	2,205	2,009
Work in progress	82,550	85,285
Goods	9,904	9,259
Finished products	2	121
Advance due to finished products	598	524
Total	95,259	97,198

The cost of inventories included in 'Costs of products, goods and materials sold' in the income statement amounted to PLN 157,088 thousand (3 months ended the 31st of March, 2019), PLN 415,034 thousand (12 months of 2018), PLN 116,143 thousand (3 months ended the 31st of March, 2018).

Over the first three months of 2019, Comarch Group has not created and has not resolved write-offs updating the value of goods and materials.

3.11. Trade and Other Receivables

	31 March 2019	31 December 2018
Trade receivables - net	300,968	385,749
<i>Trade receivables</i>	<i>366,228</i>	<i>446,693</i>
<i>Write-off revaluating receivables</i>	<i>(65,260)</i>	<i>(60,944)</i>
Other receivables	36,332	35,948
Short-term prepayments	18,493	12,294
Other prepayments	4,118	132
Loans	167	167
Trade receivables and other receivables from related parties - net	1,144	1,082
<i>Trade receivables and other receivables from related parties</i>	<i>8,257</i>	<i>7,799</i>
<i>Write-off revaluating receivables</i>	<i>(7,113)</i>	<i>(6,717)</i>
Total	361,222	435,372
<i>Current portion</i>	<i>361,222</i>	<i>435,372</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 Group has a large number of customers. Over 3 months of 2019, the Group recognised a write-off due to loss in value of its trade receivables that was worth PLN 11,041 thousand and dissolved previously created write-offs worth PLN 1,717 thousand in relation to payment of debts. These operations were presented in the income statement in other operating costs and revenues, respectively.

3.12. Long-term Contracts

	3 months ended 31 March 2019	3 months ended 31 March 2018
Revenues from completed contracts recognized in the reporting period	6,085	6,334
Revenues from contracts not completed recognized in the reporting period	85,326	50,009
Revenues from contracts not completed recognized in the reporting period- an effect of settlement pursuant to IFRS 11	38,811	23,509
Revenues due to long-term contracts recognized in the reporting period	130,222	79,852

Changes in settlements due to long-term contracts recognized in assets and liabilities between the 31st of March, 2018, and the 31st of March, 2019, are presented below:

	31 March 2019	31 March 2018
Long-term contracts revenues included to the balance sheet date - determined according to the progress of work	1,078,061	705,862
Issued invoices	(1,068,269)	(700,600)
Total	9,792	5,262

	Long-term contracts receivables	Long-term contracts liabilities	Net
Value as at 1 January, 2018 before adjustment for the application of IFRS 15	40,349	(30,754)	9,595
Correction of the value at 1 January 2018 due to IFRS 15	6,537	(34,379)	(27,842)
Value as at 1 January, 2018 as adjusted for IFRS 15	46,886	(65,133)	(18,247)
Correction of the current period (reversal of the adjustment due to the application of IFRS 15)	(826)	3,898	3,072
Correction of the current period	32,237	(11,800)	20,437
Value as at 31 March, 2018	78,297	(73,035)	5,262
Change	31,411	(7,902)	23,509
Value as at 1 January, 2018	134,800	(163,818)	(29,018)
Correction of the current period (reversal of the adjustment due to the application of IFRS 15)	(6,538)	2,106	(4,432)
Correction of the current period	34,149	9,093	43,242

Value as at 31 March, 2019	162,411	(152,619)	9,792
Change	27,611	11,199	38,810

3.13. Share Capital

	Number of shares	Ordinary and preference shares	Own shares	Total
At 1 January 2016	8,133,349	8,133,349	-	8,133,349
At 31 December 2016	8,133,349	8,133,349	-	8,133,349
At 31 December 2017	8,133,349	8,133,349	-	8,133,349

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,
- 2) 75,200 series A ordinary bearer shares,
- 3) 883,600 series B registered preference shares,
- 4) 56,400 series B ordinary bearer shares,
- 5) 3,008,000 series C ordinary bearer shares,
- 6) 1,200,000 series D ordinary bearer shares,
- 7) 638,600 series E ordinary bearer shares,
- 8) 125,787 series G ordinary bearer shares,
- 9) 102,708 series G3 ordinary bearer shares,
- 10) 563,675 series H ordinary bearer shares,
- 11) 441,826 series I2 ordinary bearer shares,
- 12) 91,041 series J2 ordinary bearer shares,
- 13) 73,953 series K3 ordinary bearer shares,
- 14) 7,759 series L1 ordinary bearer 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 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 18th 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 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 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 bearer share entitles its holder to one vote at the AGM. The conversion of bearer shares into registered shares is not permitted.

3.13.1. Changes in Share Capital in Q1 2019

None present, except as noted in point [4.1.2](#) of this report.

3.13.2. Changes in Share Capital after the Balance Sheet Date

None present.

3.14. Credits and Loans

	31 March 2019	31 December 2018
Non-current		
Non-revolving credits	159,088	165,783
Revolving credits	-	-
Loans	8,143	9,227
	167,231	175,010
Current		
Non-revolving credits	32,431	32,893
Revolving credits	-	-
Loans	6,126	7,374
	38,557	40,267
Total credits and loans	205,788	215,277

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.

Over Q1 2019, the value of drawdown credits and loans granted from entities outside the Group amounted to PLN 9,661 thousand. In Q1 2019, the Group did not launch non-revolving bank loans and loans from entities outside the Comarch Group. As at the balance sheet date, the Comarch Group did not use the overdraft facility.

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 Group bank credits to interest rate changes	12 months or less	1-5 years	Over 5 years	Total
At 31 December 2018				
Credits and loans	40,267	126,877	48,133	215,277
At 31 December 2019				
Credits and loans	38,557	122,198	45,033	205,788

The maturity of non-current bank credits, loans and financial liabilities	31 March 2019	31 December 2018
Between 1 and 2 years	39,803	38,755
Between 2 and 5 years	82,395	88,122
Over 5 years	45,033	48,133
	167,231	175,010

Currency structure of the balance sheet values of credits, loans and financial liabilities	31 March 2019	31 December 2018
In Polish currency (PLN)	14,269	16,601
In EUR (equivalence in PLN)	191,519	198,676
	205,788	215,277

Effective interest rates at the balance sheet date	31 March 2019	31 December 2018
Bank credits	1.19%	1.61%
Loans	2.75%	2.56%

3.14.1. Non-Revolving Credits

The companies of the Comarch Group use the following non-revolving credits and loans:

Company of Comarch Group	Financial Institution	Total amount of credit/loan		Amount to be paid				Interest conditions	Repayment date	Securities
		Value	Currency	Value	Currency	Value	PLN			
Comarch S.A. office buildings SSE4 in Krakow	BGŻ BNP Paribas Bank Polska S.A	44,000	PLN	3,376 (3,563 as at the 31 st of December, 2018)	EUR	14,521 (15,320 as at the 31 st of December, 2018)	PLN	EURIBOR1M + bank margin IRS till the 29 th of July, 2024	29 th 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 SA office buildings SSE5 in Krakow - refinancing	Powszechna Kasa Oszczędności Bank Polski S.A.	4,126	EUR	1,331 (1,418 as at the 31 st of December, 2018)	EUR	5,726 (6,099 as at the 31 st of December, 2018)	PLN	EURIBOR1M + bank margin	29 th of September, 2021	mortgage on the SSE5 building, assignment of rights from the building's insurance policy, blank promissory note, declaration on submission to enforcement
Comarch SA nonrevealing operating credit	Santander Bank Polska S.A. (previously Bank Zachodni WBK S.A.)	7,400	EUR	1,744 (1,910 as at the 31 st of December, 2018)	EUR	7,500 (8,212 as at the 31 st of December, 2018)	PLN	EURIBOR1M + bank margin IRS till the 28 th of June, 2019	31 st 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

Comarch SA office buildings SSE6 in Krakow	Bank Polska Kasa Opieki S.A.	13,323	EUR	7,772 (8,188 as at the 31 st of December, 2018)	EUR	33,431 (35,209 as at the 31 st of December, 2018)	PLN	EURIBOR1M + bank margin IRS till the 30 th of November, 2023	30 th 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
Comarch SA office buildings SSE7 in Krakow	Bank Handlowy w Warszawie S.A.	13,333	EUR	13,312 (13,333 as at the 31 st of December, 2018)	EUR	57,261 (57,330 as at the 31 st of December, 2018)	PLN	EURIBOR1M + bank margin IRS till the 29 th of February, 2028	29 th of February, 2028	mortgage on the SSE7 building, assignment of rights from the building insurance policy, declaration on submission to enforcement
Comarch SA Nonrevealing, long-term credit	Bank Handlowy w Warszawie S.A.	2,508	EUR	792 (1,188 as at the 31 st of December, 2018)	EUR	3,405 (5,109 as at the 31 st of December, 2018)	PLN	EURIBOR1M + bank margin IRS till the 30 th of September, 2019	30 th of September, 2019	declaration of submission to enforcement
Comarch SA Non-current assets - equipment of Internet of Things laboratory in Krakow	DNB Bank Polska S.A.	2,531	EUR	1,691 (1,751 as at the 31 st of December, 2018)	EUR	7,275 (7,529 as at the 31 st of December, 2018)	PLN	EURIBOR1M + bank margin	30 th 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
Bonus Development Sp. z o.o. SK-A Office building in Lodz	Bank Polska Kasa Opieki S.A.	9,262	EUR	7,222 (7,346 as at the 31 st of December, 2018)	EUR	31,064 (31,586 as at the 31 st of December, 2018)	PLN	EURIBOR1M + bank margin IRS till the 31 st of May, 2030	31 st 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.

Comarch S.A.S, Comarch S.A. Data centre in Lille in France	BGŻ BNP Paribas Bank Polska S.A	8,000	EUR	5,889 (6,218 as at the 31 st of December, 2018)	EUR	25,329 (26,736 as at the 31 st of December, 2018)	PLN	EURIBOR3M + bank margin	18 th 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 of the SSE4 building
Comarch S.A. Comarch infrastructure modernization program	CaixaBank SA Oddział w Polsce	3,500	EUR	1,397 (1,399 as at the 31 st of December, 2018)	EUR	6,007 (6,016 as at the 31 st of December, 2018)	PLN	EURIBOR1M + bank margin	23 rd of August, 2023	Declaration of submission to enforcement
Comarch SA Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	12,980	PLN			7,034 (7,463 as at the 31 st of December, 2018)	PLN	fixed	1 st of March, 2022	-
Comarch S.A. Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	17,691	PLN			0 (766 as at the 31 st of December, 2018)	PLN	fixed	31 st of January, 2019	-
Comarch Polska S.A. Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	3,475	PLN			2,782 (2,991 as at the 31 st of December, 2018)	PLN	fixed	1 st of May, 2022	Guarantee by Comarch S.A.
Comarch S.A. Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	1,474	PLN			491 (737 as at the 31 st of December, 2018)	PLN	fixed	1 st of July, 2019	-
Comarch S.A. Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	3,139	PLN			2,613 (2,745 as at the 31 st of December, 2018)	PLN	fixed	1 st of May, 2022	-
Comarch Polska S.A. Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	1,200	PLN			600 (900 as at the 31 st of December, 2018)	PLN	fixed	1 st of September, 2019	Guarantee by Comarch S.A.

Comarch S.A. Delivery of IT equipment related to IT project realized by the Comarch Group.	IBM Global Financing Polska Sp. z o.o.	999	PLN			749 (999 as at the 31 st of December, 2018)	PLN	fixed	01.12.2019	-
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3.14.2. Current Credit Lines

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

Company of Comarch Group	Financial Institution	Purpose	Total amount of credit/loan		Amount remained to payment		Interest conditions	Repayment date	Securities
			Value	Currency	Value	Currency			
Comarch S.A.	Powszechna Kasa Oszczędności Bank Polski S.A.	Financing operating activities	20,000	PLN	0 (0 as at the 31 st of December, 2017)	PLN	WIBOR1M + bank margin	20 th of December, 2011	declaration of submission to enforcement
Comarch S.A.	Bank Polska Kasa Opieki S.A.	Financing operating activities	30,000	PLN	0 (0 as at the 31 st of December, 2017)	PLN	WIBOR1M + bank margin	30 th of June, 2019	declaration of submission to enforcement
Comarch S.A.	mBank S.A.	Financing operating activities	10,000	PLN	0	PLN	EURIBOR O/N + bank margin	17 th of March, 2020	declaration of submission to enforcement

	31 March 2019	31 December 2018
Credit lines in the current account and revolving credits, including:	60,000	60,000
Used at the balance sheet date	-	-
Available at the balance sheet date	60,000	60,000

3.15. Liabilities due to Lease

	31 March 2019	31 December 2018
Leasing of means of transport and IT equipment	1,218	1,257
Rent	50,686	54,514
Perpetual usufruct	18,096	18,631
<i>Current portion</i>	<i>17,545</i>	<i>17,291</i>
<i>Non-current portion</i>	<i>52,455</i>	<i>57,111</i>
Total	70,000	74,402

The value of leasing liabilities results from the implementation of IFRS 16 from the 1st of January, 2019. The value of lease liabilities as at the 1st of January, 2019 amounted to PLN 74,402 thousand.

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	673	545	-	1,218
Rent	16,832	25,155	8,699	50,686
Perpetual usufruct	40	187	17,869	18,096
Liabilities due to lease	17,545	25,887	26,568	70,000

3.16. 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	Total
At 1 January 2018	3,927	13,755	19,657	28,973	66,102	132,414
Change:	(184)	(1,749)	20,762	568	11,441	30,838
<i>Provisions created</i>	26,831	22,230	43,490	24,371	91,203	208,125
<i>Provisions used and dissolved</i>	(27,015)	(23,979)	(22,728)	(23,803)	(79,762)	(177,287)
At 31 December 2018	3,743	12,006	40,419	29,541	77,543	163,252
At 1 January 2019	3,743	12,006	40,419	29,541	77,543	163,252
Change:	3,642	(91)	1,274	8,528	(13,142)	211
<i>Provisions created</i>	4,960	4,075	10,250	11,253	11,213	41,751
<i>Provisions used and dissolved</i>	(1,318)	(4,166)	(8,976)	(2,725)	(24,355)	(41,540)
At 31 March 2019	7,385	11,915	41,693	38,069	64,401	163,463

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

3.17. Trade and Other Payables

	31 March 2019	31 December 2018
Trade payables	49,174	59,163
Advance payments received due to services	5,885	1,098
Trade payables and other liabilities to related parties	355	195
Liabilities due to social insurance and other tax charges	47,867	63,993
Investments liabilities	4,339	2,685
Liabilities due to remuneration	40,106	28,201

Revenues from the future periods	62,756	20,321
Other payables	5,728	5,063
Special funds (Social Services Fund and Residential Fund)	3,195	1,783
Total	219,405	182,502

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

3.18. Contingent Liabilities

On the 31st of March, 2019, 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 93,582 thousand, whereas it was PLN 81,163 thousand on the 31st of December, 2018.

On the 31st of March, 2019, the value of bank guarantees issued by banks on order from Geopolis sp. z o.o. was PLN 63 thousand, whereas it was PLN 63 thousand on the 31st of December, 2018.

On the 31st of March, 2019, the value of bank guarantees issued by banks on order from Comarch Software und Beratung Group was EUR 392 thousand, i.e. PLN 1,685 thousand, whereas it was EUR 392 thousand, i.e. PLN 1,673 thousand on the 31st of December, 2018.

On the 31st of March, 2019, the value of bank guarantees issued by banks on order from Comarch AG was EUR 16 thousand, i.e. PLN 69 thousand, whereas it was EUR 16 thousand, i.e. PLN 69 thousand on the 31st of December, 2018.

Comarch S.A. declared a possibility to grant a financial support ("letters of comfort") for its subsidiaries: Comarch Healthcare S.A. (valid till the 30th of June, 2020), Comarch Malaysia SDN. BHD. (valid for an indefinite period), Comarch Argentina S.A. (valid for an indefinite period) and Comarch R&D S.à r.l. (valid for an indefinite period) and Comarch Polska S.A. (valid till the 30th of June, 2020).

	31 March 2019	31 December 2018
Granted credit lines for financing of current activities (guarantees, letters of credit, credit lines in current account)		
Credit lines*	229,294	229,293
	229,294	229,293

* they comprise credit lines at current account that are described in point [3.14.2](#)

The Comarch Group is the defendant in legal proceedings, in which the potential total amount of third party claims is PLN 51,239 thousand. Provisions for part of these claims were presented in the balance sheet as at the 31st of March, 2019, and are worth PLN 7,672 thousand (including the amount of provisions established in 2019 for claims covered by court proceedings is PLN 9 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 58,759 thousand. Provisions for part of these claims presented in the balance sheet as at the 31st of March, 2019, and are worth PLN 27,991 thousand (including the amount of provisions created in 2019 for claims covered by litigious proceedings not covered by court proceedings is PLN 33,000).

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 legal proceedings in the 2019, the Comarch Group created write-offs that revalue receivables in the amount of PLN 283 thousand. Due to the matters in disputes, in 2019 the Comarch Group created write-offs that revalue receivables in the amount of PLN 3,968 thousand.

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

None present.

3.20. Related-Party Transactions

3.20.1. Revenues from Sales of Goods and Services

	3 months ended 31 March 2019	3 months ended 31 March 2018
Revenues from sales of goods		
SoInteractive S.A.	-	-
Thanks Again LLC	-	-
	-	-
Revenues from sales of services		
SoInteractive S.A.	17	192
Thanks Again LLC	276	248
Metrum Capital S.A.	-	-
	293	440
	293	440

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%).

3.20.2. Purchase of Goods and Services

	3 months ended 31 March 2019	3 months ended 31 March 2018
Purchases of goods		
SoInteractive S.A.	-	-
Thanks Again LLC	-	-
	-	-
Purchases of services		
SoInteractive S.A.		
<i>Included in generation costs</i>	413	188
<i>Included in other costs</i>	-	952
	413	1,140
Thanks Again LLC		
<i>Included in generation costs</i>	-	19
<i>Included in other costs</i>	-	-

	-	19
Total	413	1,159

3.20.3. Balance of Settlements as of the Balance Sheet Date Resulting from the Sale/Purchase of Goods /Services

	31 March 2019	31 December 2018
Receivables from related parties		
SoInteractive S.A.	252	213
Thanks Again LLC	2	3
	254	216
Payables from related parties		
SoInteractive S.A.	354	194
Thanks Again LLC	1	1
	355	195

3.20.4. Transactions with Associates and Personally Related Entities

	3 months ended 31 March 2019	3 months ended 31 March 2018
Purchases from personally related entities	766	392
Sales to personally related entities	280	39
Loans and interest on loans repaid by personally related entities	-	2 005
Loans and interest on loans granted to personally related entities	-	5 159*
Purchases from associates	413	1 159
Sales to associates	293	440
Loans and interest on loans repaid by associates	-	453
Loans and interest on loans granted to associates	300	777

* The item contains a loan in the amount of PLN 2,000 thousand granted to the Chairman of the Supervisory Board of Comarch S.A. by Bonus Management sp. z o.o II Activia SK-A. Until the publication of the report, this loan was fully repaid.

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

	31 March 2019	31 December 2018
Trade receivables from personally related parties	3,147	2,846
Loans receivables from personally related parties	12,901	12,780
Trade payables to personally related parties	912	457
Liabilities due to loans from personally related parties	-	-

3.21. Earnings per Share

	3 months ended 31 March 2019	3 months ended 31 March 2018
Net profit for the period attributable to equity holders of the Company	6,955	(6,240)
Weighted average number of shares in issue	8,131,349	8,131,349
Basic earnings per share (PLN)	0.86	(0.77)
Diluted number of shares	8,131,349	8,131,349
Diluted earnings per share (PLN)	0.86	(0.77)

Basic earnings per share in the column "3 months ended 31 March 2019" is calculated by dividing the net consolidated profit attributable to shareholders of Comarch S.A. for the period from the 1st of January, 2019, to the 31st of March, 2019, by the weighted average number of shares in issue between the 1st of January, 2019, to the 31st of March, 2019, where the number of days is the weight. Basic earnings per share in the column "3 months ended 31 March 2018" is calculated by dividing the net consolidated profit attributable to shareholders of Comarch S.A. for the period from the 1st of January, 2018, to the 31st of March, 2018, by the weighted average number of shares in issue between the 1st of January, 2018, to the 31st of March, 2018, where the number of days is the weight.

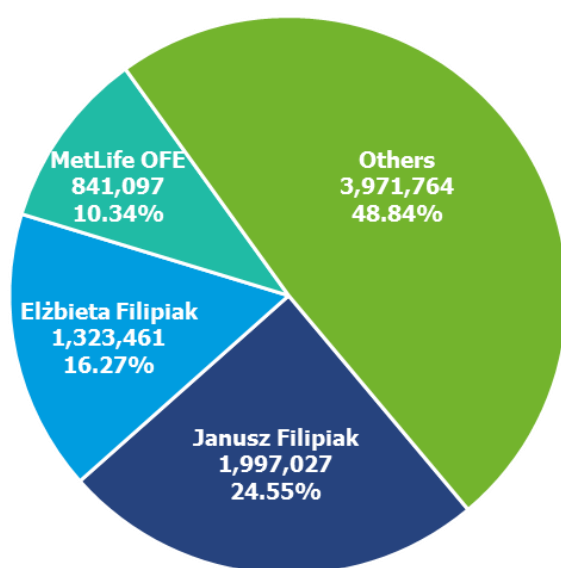
Diluted earnings per share in the column "3 months ended 31 March 2019" is calculated by dividing the net consolidated profit attributable to shareholders of Comarch S.A. for the period from the 1st of January, 2019, to the 31st of March, 2019, by the sum of the weighted average number of shares in issue between the 1st of January, 2019, to the 31st of March, 2019, where the number of days is the weight and diluted number of shares. Diluted earnings per share in the column "3 months ended 31 March 2018" is calculated by dividing the net consolidated profit attributable to shareholders of Comarch S.A. for the period from the 1st of January, 2018, to the 31st of March, 2018, by the sum of the weighted average number of shares in issue between the 1st of January, 2018, to the 31st of March, 2018, where the number of days is the weight.

4. Additional Notes

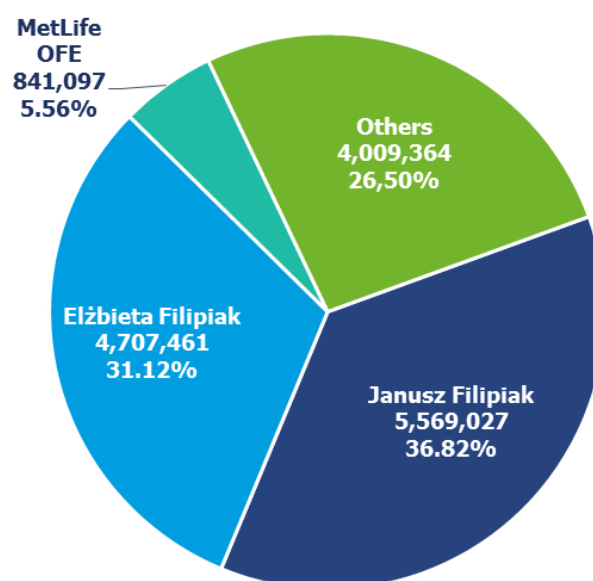
4.1. Information About Shareholders Holding at least 5% of the Total Number of Votes at Comarch S.A. General Meeting and Shares Held by Members of the Management Board and the Board of Supervisors

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 17 May, 2019

Shareholders by number of shares



Shareholders by number of votes



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

On the 4th of March, 2019, the Management Board of Comarch S.A. received from the person discharging managerial responsibilities (Paweł Prokop) 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 16th of April, 2014 on market abuse. The notification concerned the purchase of 70 ordinary bearer shares on the regulated market on the basis of the weighted average price of PLN 157.00 per 1 share, which value amounted to PLN 10,990, on the 4th March, 2019. The company announced details in current reports no. [RB-4-2019](#) (ENG: [RB-4-2019](#)) dated on the 4th March 2019.

On the 4th of March, 2019, 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 16th of April, 2014 on market abuse. The notification concerned the purchase of 308 ordinary bearer shares on the regulated market on the basis of the weighted average price of PLN 156.00 per 1 share, which value amounted to PLN 48,048, on the 4th March, 2019. The company announced details in current reports no. [RB-3-2019](#) (ENG: [RB-3-2019](#)) dated on the 4th March 2019.

4.1.3. Changes in Significant Holdings of Comarch S.A. Shares between 29 April 2019 and 17 May 2019

Entity	At 17 May 2019				At 29 April 2019			
	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	1,323,461	16.27%	4,707,461	31.12	1,323,461	16.27%	4,707,461	31.12
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 29 April 2019 and 17 May 2019

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 2018 was published, i.e. on the 29th of April, 2019, and on the 17th of May, 2019, pursuant to the information possessed by the Company.

Members of the Management Board and the Board of Supervisors	Position	At 17 May 2019		At 29 April 2019	
		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	1,323,461	31.12	1,323,461	31.12
Marcin Dąbrowski	Vice-President of the Management Board	0	0.00	0	0.00
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	33,538	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
Number of issued shares		8,133,349	100.00	8,133,349	100.00

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

In Q1 2019, the Group settled in part deferred tax assets from the 31st of December, 2018 due to temporary differences in the amount of PLN 1,696 thousand and created the deferred tax assets due to temporary differences in the amount of PLN 792 thousand and an asset due to tax loss was created in the amount of PLN 626 thousand. The total effect of all the operations described above on the net result in the reporting period was minus PLN 278 thousand.

In Q1 2019, the Group dissolved in part an asset due to activities in the SEZ that was worth PLN 1,855 thousand and established as at the 31st of December, 2018. The total effect of the above-mentioned operation on the result of Group in Q1 2019 was minus PLN 2,133 thousand.

Due to valuation of net assets of CCF FIZ, in 2019, the Group decreased a deferred tax provision, which was recognised in the previous years and was worth PLN 455 thousand. At the same time, a deferred tax provision due to temporary differences was recognised in the amount of PLN 866 thousand and dissolved in the amount of PLN 890 thousand. The total effect of the all above-mentioned operations on the net result of Q1 2019 was plus PLN 479 thousand. Total changes in deferred tax resulted in an increase in net profit by PLN 1,654 thousand.

Details are described in point [3.9](#).

4.2.2. Valuation of Currency Exchange Rate Differences and Financial Instruments Based on Exchange Rates

Realized foreign exchange rate differences and balance sheet valuation of exchange rates on receivables and liabilities as at the 31st of March, 2019, increased revenue and operating profit of Comarch Group by PLN 656 thousand (while in 3 months of 2018 decreased by PLN 820 thousand). Exchange rate differences from other activities increased the result of Comarch Group by PLN 327 thousand (while in 3 months of 2018 decreased by PLN 2,397 thousand). The valuation of financial instruments and realized transactions (mostly forward contracts), as well as provision for deferred income tax in reference to the valuation of the financial instruments decreased the Group's net result by PLN 500 thousand (while in Q1 2018 increased by PLN 662 thousand). The total effect of exchange rate differences and valuation and realization of derivative financial instruments on the net result of the Comarch Group in 3 months of 2019 amounted to plus PLN 482 thousand (minus PLN 2,555 thousand in Q1 2018).

4.2.3. Creation of write-offs for doubtful debts

In the period of 3 months of 2019, the Group created impairment losses on trade receivables in the amount of PLN 11,041 thousand and terminated previously created write-offs in the amount of PLN 1,717 thousand in connection with the payment of receivables. These operations were recognized in other operating costs and revenues in the profit and loss account, respectively. Details are described in section [3.11](#)

4.3. Other events in Q1 2019

4.3.1. Dates of Periodical Financial Reports in 2019

In the current report no. [RB-1-2019](#), ENG: [RB-1-2019](#), dated the 4th of January, 2019, Comarch S.A.'s Management Board set the following dates of periodical financial reports in 2019:

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

- 1) Q4 2017 - on 1st of March, 2019;
- 2) Q1 2018 - on 17th of May, 2019;
- 3) Q2 2019 - 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 2019;
- 4) Q3 2018 - on 15th of November, 2019.

ANNUAL AND HALF-YEAR REPORTS:

- 1) Annual report for 2018 - on 29th of April, 2019;

- 2) Consolidated annual report for 2018 - on 29th of April, 2019;
- 3) Consolidated half-year report which includes condensed consolidated financial statement and condensed financial statement for the first half of 2019 - on 30st of August, 2019.

4.3.2. ZUS statement on the partial termination of the contractual relationship arising from the contract for the provision of maintenance services of the Comprehensive IT System of the Social Insurance Institution

In reference to the current report no. [RB-4-2018](#), ENG: [RB-4-2018](#) dated the 2nd of March, 2018 on signing the contract by a consortium of Comarch Polska SA with its headquarters in Krakow and Comarch S.A. with headquarters in Krakow (hereinafter: "Consortium") with the Social Insurance Institution based in Warsaw (hereinafter "ZUS") for the support, operation and maintenance of the Comprehensive IT System of the Social Insurance Institution (hereinafter: "the Agreement"), the Management Board of Comarch S.A. informed with the current report no [RB-2-2019](#), ENG: [RB-2-2019](#) about receiving on the 20th of February, 2019 a statement by the ZUS informing about the definitive partial termination of the contractual relationship arising under the Agreement in the field of Not Accepted Metrics and Related Metrics, as well as in the field of Integrator, with immediate effect. In the area of Not Accepted Metrics, the ZUS submitted a statement on withdrawal from the Agreement, in the field of Related Metrics and in the field of Integrator, the ZUS submitted a declaration on partial termination of the Agreement.

According to the statement of the ZUS in the scope not covered by the termination or withdrawal, the Agreement remains in force. As a reason for withdrawing from the Agreement in the area of Not Accepted Metrics and partial termination of the contract, the ZUS indicates failure to verify Comarch's readiness for 7 Not Accepted Metrics, which in the opinion of ZUS also implies the need to terminate the Agreement in the scope of 23 Related Metrics and in the role of the Integrator.

The lump sum of remuneration due to the Consortium for the provision of services covered by the ZUS' declaration amounts to PLN 1,908,542 net monthly.

In connection with the partial termination of the Agreement, ZUS called the Consortium to pay a contractual penalty in the amount of 10% of the gross remuneration, i.e. PLN 24,203,300.40 within 7 days from the date of receipt of the ZUS' statement.

In the opinion of the Management Board of Comarch S.A. there were no reasons to withdraw from any part of the Agreement or its partial termination. In addition, by charging a contractual penalty ZUS refers to the provisions of the contract that are not applicable to partial termination / withdrawal from the contract on the grounds indicated in the statement of the ZUS. Comarch S.A. also informs that the Consortium implements the provisions of the Agreement and confirms its readiness to take over, on the 1st of March, 2019, all ZUS KSI maintenance services in accordance with the schedule. As part of the competence tests performed by the ZUS until the 30th of January, 2019, complete technical preparation of the Consortium in the scope of Integrator's functions and in the scope of 67 metrics of 74 total metrics was confirmed. Partial termination of the Agreement by ZUS took place before the end of the transitional period, as a rule deprived the Consortium of the possibility of proving its competence within the period provided for in the Agreement. In the opinion of the Management Board of Comarch S.A. the actions taken by the ZUS constitute a significant breach of the Agreement and the law, therefore the Consortium will call upon ZUS to respect its rights and is ready to claim its rights, including damages, in court. The Management Board of Comarch S.A. is of the opinion that there is no reason for ZUS to demand from the Consortium the payment of a contractual penalty.

The Management Board of Comarch S.A. considered this information as confidential due to its potentially price-creating nature and at the same time informs that in the opinion of the Management Board, the described situation will not have a negative effect on the financial and economic situation of the Comarch Group.

4.4. Events after the Balance Sheet Date Not Included in the Financial Statement

4.4.1. Demand for Payment of the a Good Performance Guarantee Regarding the ZUS KSI Contract

On the 11th of April, 2019, the Management Board of Comarch S.A. informed in current report no. [RB-5-2019](#) (ENG: [RB-5-2019](#)) about receiving from CaixaBank S.A. branch in Poland, an information on the submission by the Social Insurance Institution (ZUS) of a request for payment of a bank guarantee of due performance of the contract for the provision of maintenance services of the Comprehensive IT System for the Social Insurance Institution ("KSI ZUS Agreement") in the amount of PLN 24,203,300.40. The bank guarantee was established on behalf of a consortium of Comarch S.A. and Comarch Polska S.A. in accordance with the provisions of the KSI ZUS Agreement, about which the Company informed in the current report RB-4-2018 dated March 2, 2018. The term of payment of the guarantee is 14 days from the date of receipt by the bank of the request. In connection with the bank being requested to withdraw from the bank guarantee Comarch S.A. will create a reserve of PLN 24,203,340.40, which will be included in the Comarch Group's financial statements for 2018, which will result in a corresponding reduction in the operating result and net result of the Comarch Group for 2018. Possible payment of the guarantee will not have a material impact on the Group's financial position. Comarch and has no impact on the Group's operations. In the opinion of the Management Board of Comarch S.A. ZUS's request for payment from the guarantee is unfounded. If the guarantee is paid, the Management Board of Comarch S.A. will take legal steps to return it by ZUS.

With reference to current report no. [RB-5-2019](#) (ENG: [RB-5-2019](#)) dated April, 11 2019 on receiving from CaixaBank S.A., a branch in Poland, information about the receipt of the Social Insurance Institution (ZUS) request regarding the payment of PLN 24,033,000.40 from commissioned by a consortium of Comarch SA companies and Comarch Polska S.A. bank guarantee for proper performance of the Agreement for the support service of operation and maintenance of the Comprehensive Information System for the Social Insurance Institution ("KSI ZUS Agreement"), the Management Board of Comarch S.A. informed on 23 April 2019 in current report no. [RB-5-2019](#) (ENG: [RB-5-2019](#)) on receiving from CaixaBank S.A., a branch in Poland, information on the receipt of a statement from ZUS on postponement of the above request until the 31st of May, 2019, for the duration of the settlement talks. The original deadline for payment from the guarantee was 14 days from the date of receipt by the bank of the demand for payment, i.e. on 25th of April 2019.

4.4.2. Submitting the Capital Group's Report on Non-financial Information on the Website

According to art. 69 par. 5 of the Accounting Act and art. 5 para. 11 of the Regulation of the Minister of Finance of March 29, 2018 regarding current and periodic information provided by issuers of securities, the Management Board of Comarch S.A. announced in current report No. [RB-7-2019](#) (ENG: [RB-7-2019](#)) dated on the 29th of April, 2019 on publishing on the 29th of April, 2019 on the issuer's website a capital group report on non-financial information prepared by the parent company

4.4.3. Report on the Activities of the Supervisory Board of Comarch S.A. for the Period from January 1, 2018 to 31 December, 2018 and Assessment of the Company's Standing

According to the detailed rule no. II.Z.10. included in Part II of the Code of Best Practice for WSE Listed Companies 2016 "The Management Board of Comarch S.A. published in current report no. [EBI-1-2019](#) (ENG: [EBI-1-2019](#)) dated on 6th of May 2019 a report on the activities of the Supervisory Board of Comarch S.A. for the period from 1st of January, 2018 to 31st of December, 2018, evaluation of the Company's situation including the internal control system, significant risk management system for the Company, compliance and internal audit function, assessment of compliance with information obligations regarding the application of corporate governance and assessment of the rationality conducted by A policy company in the area of sponsorship and charity

4.4.4. Forward Contracts Concluded after the Balance Sheet Date

Between the 1st of January, 2019, and the 17th of May, 2019, The Group has concluded new forward contracts for the value of EUR 2,500 thousand. The total net value of open forward contracts as of the 1st of March, 2019, amounted to EUR 32,700 thousand, USD 4,100 thousand. The contracts will be settled within 24 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 The Group, in which the remuneration or costs are set in a foreign currency.

4.5. The Management Board's Position on the Execution of Previously-Published Forecasts for the Current Year, in the Bright of Results Presented in the Quarterly Report

The Management Board did not forecast any results neither for first quarter 2019, nor for full year 2019.

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 51,239 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 58,759 thousand. Details are described in point [3.18](#).

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

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 28th 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 11th 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 1st 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 31st 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 granting a subsidy to Comarch AG, a subsidiary of Comarch S.A., for construction of an infrastructure in Dresden from Sachsischse AufbauBank, Comarch S.A. took on a debt in the event of a liability of Comarch AG to return the granted means. Maximum liability of Comarch S.A. in relation to taking the debt shall not exceed EUR 263 thousand increased by interest for the period from the granting of the subsidy to its return.
- Due to conclusion of an investment credit agreement between Comarch AG, a subsidiary of Comarch S.A., with BGŻ BNP Paribas Bank Polska S.A., resulting in granting the financing in the amount of EUR 6,000 thousand, on the 15th of May, 2013 Comarch S.A. granted a surety for obligations of Comarch AG resulting from the agreement. The surety was granted up to the amount of EUR 9,000 thousand and is valid till the 15th of May, 2020.
- 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. The surety has been renewed, the total amount of granted surety is PLN 100 thousand and is valid till the 31st of May, 2018.
- 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 total amount of granted surety is PLN 50 thousand.

- 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 Loyalty Management For Airlines, Comarch Smart Analytics and Comarch Customer Engagement Platform-Gamification, as well as the maintenance and management of the system 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 surety was granted up to the amount of the signed agreement, i.e. USD 5,000 thousand and is valid 5 years.
- 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 EUR 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 28th of June, 2030.
- Due to conclusion of a contract by Comarch Chile SpA, a subsidiary of Comarch S.A., for IT Out-Tasking Services, Comarch S.A. granted a surety for liabilities of Comarch Chile SpA resulting from this contract. The surety was granted up to the amount of EUR 200 thousand and is valid till the termination of the project, i.e. the 31st of October, 2019.
- 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 was granted up to the amount of PLN 10 thousand. The surety has been renewed and is valid until the 14th of September, 2019.
- 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.

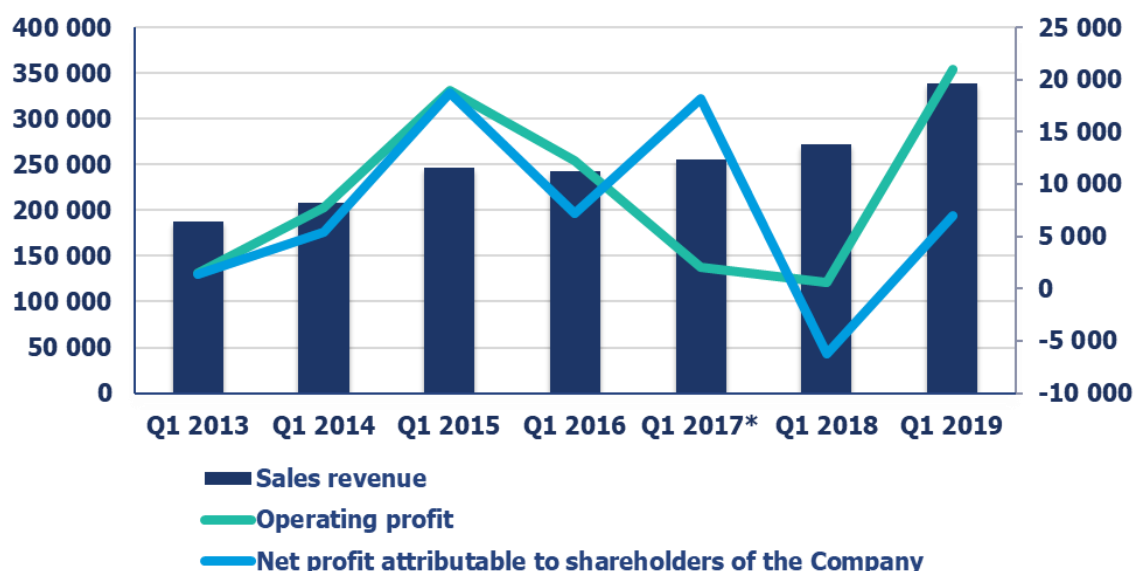
- Due to conclusion of a contract by Comarch UK, a subsidiary of Comarch S.A., the contract for service of payment cards, a surety for Comarch UK was granted to the amount of PLN 330 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch Software und Beratung 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 by Thanks Again LLC, an associate of Comarch S.A., an agreement to rent office with a client, a surety for Thanks Again LLC was granted to the amount of USD 544 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch SAS, 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 SAS 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 and service of Loyalty Management Solutions, a surety for liabilities of Comarch Columbia S.A.S. was granted to the amount USD 10,710 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch Luxemburg S.a.R.L., a subsidiary of Comarch S.A., the contract for implementation, service and providing the necessary licenses for the Billing System project, a surety for liabilities of Comarch Luxemburg S.a.R.L. was granted to the amount USD 7,240 thousand 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 of a contract by Comarch AB, a subsidiary of Comarch S.A., the contract for the implementation, servicing and delivery of necessary licenses for e-Care service, a surety for liabilities of Comarch AB was granted to the amount of EUR 1,151 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

None present.

5. Significant Achievements and Failures as well as Factors and Events with Considerable Impact on the Financial Results of the Comarch Group in the First Quarter of 2019 and Factors Which Will Substantially Impact Results Over the Course of at least the Next Quarter

5.1. Revenues and Financial Results



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

In the first quarter of 2019, sales revenue of the Comarch Group amounted to PLN 338,688 thousand (an increase of PLN 66,699 thousand, i.e. 24.5% compared to the first quarter of 2018). Operating profit amounted to PLN 20,944 thousand and was higher by PLN 20,376 thousand than in Q1 2018. Net result attributable to the shareholders of the parent company was PLN 6,955 thousand and was higher by PLN 13,195 thousand compared to the first 3 months of 2018. The EBIT margin was +6.2% and net margin amounted to +2.1%.

The profitability of the Comarch Group's operations in the first quarter of 2019 was significantly improved in relation to the comparable period of the previous year. The results achieved by the Comarch Group in the first quarter of 2019 were influenced by, among others:

- an increase in revenue from export sales of PLN 36,678 thousand (i.e. 23.5%), which was achieved mainly due to higher sales of IT solutions for telecommunications for European countries and Asia,
- an increase of domestic sales (increase of PLN 30,021 thousand, i.e. by 25.9%), which was the result of new contracts in the public sector and dynamic development of sales of ERP solutions,
- an increase in operating costs, as a consequence of salary pressure in IT sector – in Q1 2018, the fund of basic salaries increased approx. by 16% compared to Q1 2018,
- current income tax, which was the result of high profitability of operations of Group companies in Germany and Russia, its value amounted to PLN 8,776 thousand,
- changes in the value of deferred tax assets and provisions, which increased the net result of the Group by PLN 1,654 thousand,
- profit on disposal of non-financial fixed assets, achieved mainly by MKS Cracovia SSA, which increased other operating revenues and the Group's operating result by PLN 7,329 thousand,

- creation of write-offs for doubtful trade receivables, mainly related to operations in the Middle East and South America. They reduced the Group's operating and net result by PLN 11,041 thousand,
- application of the IFRS 15 accounting standard, as a result of which part of the revenues from the sale of the Comarch software license is settled over time, according to the degree of project completion. The value of this adjustment in the first quarter of 2019 was plus PLN 4,372 thousand,
- application of the IFRS 16 accounting standard for the first time, which caused that the value of depreciation, and thus the value of EBITDA, increased in the first quarter of 2019 by PLN 4,472 thousand.

Effective acquisition of new contracts, the situation on the public procurement market and costs related to the development of new IT solutions, as well as rapidly growing labour costs will have a significant impact on the financial result of the Comarch Group in subsequent periods.

In Q1 2019, employment level in the Comarch Group increased by 1.7%. As at the 31st of March, 2019, the Comarch Group hired 6,141 persons, i.e. 101 persons more than as at the 31st of December, 2018.

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 first quarter of 2019, 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. The 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 strategy assuming:

- significant investment in human capital
- development sales of IT solutions, most of which are developed in-house,
- sales development on international markets, especially in Western Europe, Asia and both Americas,
- stable improvement of operational performance through the ongoing improvement of procedures and cost rationalization,
- development of new technologies and business areas, especially in the Medicine sector and Internet of Things (IoT),
- promoting a service IT sales model,
- investments in own IT technologies.

5.2. Sales Structure

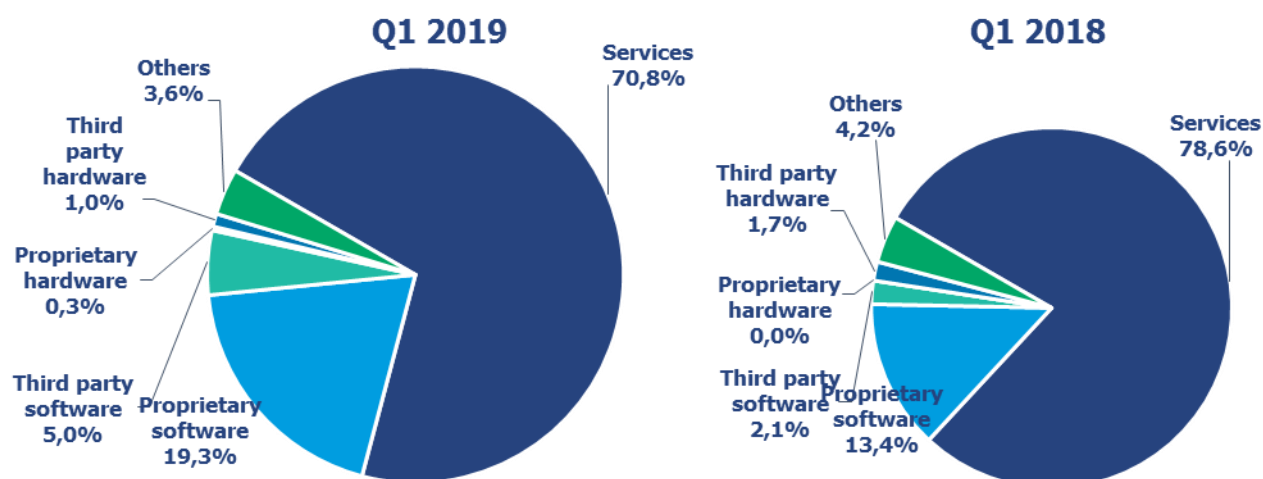
Products Sales Structure (in thousands of PLN)

In the first quarter of 2019, Group's products sales structure was changed significantly compared to this presented in Q1 2018.

Products sales structure	Q1 2019	%	Q1 2018	%	Change in PLN	Change in %
Services	240,105	70.8%	213,681	78.6%	26,424	12.4%
Proprietary software	65,476	19.3%	36,395	13.4%	29,081	79.9%
Third-party software	16,767	5.0%	5,655	2.1%	11,112	196.5%
Proprietary hardware	853	0.3%	18	0.0%	835	4640.0%
Third party hardware	3,257	1.0%	4,716	1.7%	-1,459	-30.9%
Others	12,230	3.6%	11,524	4.2%	706	6.1%
Total	338,688	100.0%	271,989	100.0%	66,699	24.5%

In the first quarter of 2019, the Group recorded a significant increase in revenue from sales of services, it amounted to PLN 26,424 thousand, i.e. by 12.4%. Revenue from sales of proprietary software grew dynamically by PLN 29,081 thousand, i.e. by 79.9%. The increase in the value of revenue from services and proprietary software resulted from the acquisition in 2018 and the implementation in the first

quarter of 2019 of new contracts of significant value, especially in the Telecommunications and Trade and Services areas. The value of revenue from sales of foreign software also increased (by PLN 11,112 thousand, i.e. by 196.5%), which was mainly caused by a one-off supply of third party software to one of the public institutions. The value of sales of foreign hardware was by PLN 1,459 thousand, i.e. 30.9% lower than in the first quarter of 2018. The value of other sales remained at a level similar to the last year.

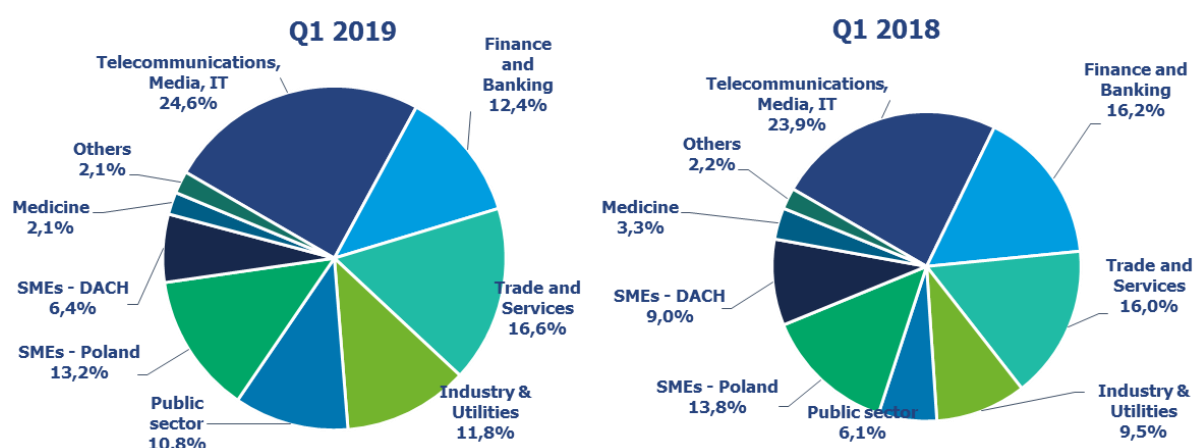


Market Sales Structure (in PLN thousand)

In the first quarter of 2019, the sales revenue of the Comarch Group to customers from the TMT sector amounted to PLN 83,325 thousand, which means an increase of PLN 18,269 thousand (i.e. by 28.1%) compared to the first quarter of 2018. This was mainly the result of the implementation of contracts of significant value acquired last year, with clients from Asian countries and from Western Europe.

Market sales structure	Q1 2019	%	Q1 2018	%	Change in PLN	Change in %
Telecommunications, Media, IT	83,325	24.6%	65,056	23.9%	18,269	28.1%
Finance and Banking	42,043	12.4%	44,039	16.2%	-1,996	-4.5%
Trade and Services	56,052	16.6%	43,456	16.0%	12,596	29.0%
Industry & Utilities	39,874	11.8%	25,905	9.5%	13,969	53.9%
Public sector	36,683	10.8%	16,525	6.1%	20,158	122.0%
Small and Medium-Sized Enterprises - Poland	44,739	13.2%	37,443	13.8%	7,296	19.5%
Small and Medium-Sized Enterprises - DACH	21,796	6.4%	24,412	9.0%	-2,616	-10.7%
Medicine	6,975	2.1%	9,094	3.3%	-2,119	-23.3%
Others	7,201	2.1%	6,059	2.2%	1,142	18.9%
Total	338,688	100.0%	271,989	100.0%	66,699	24.5%

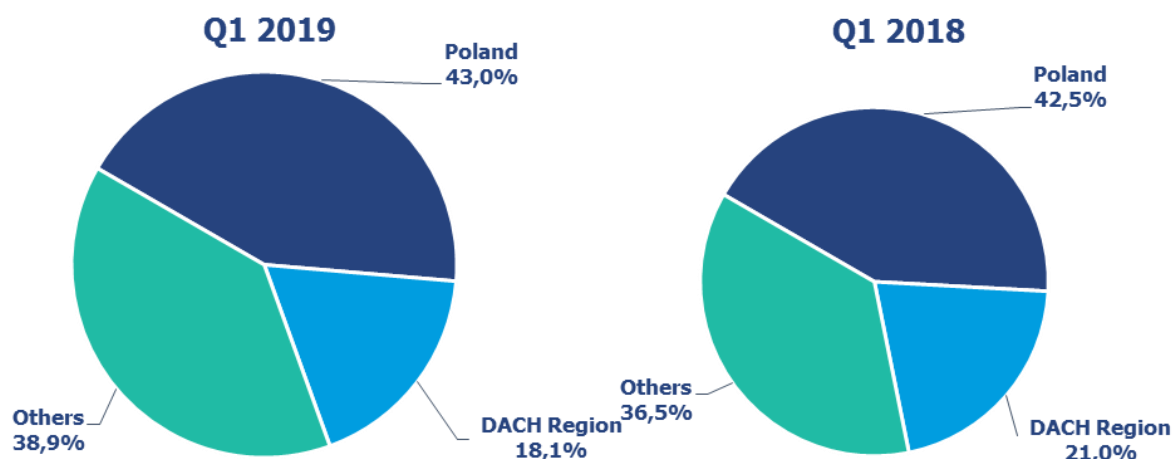
In Q1 2019, customers from the Finance and Banking sector purchased products and services worth PLN 42,043 thousand, lower than in the same period of the previous year by PLN 1,996 thousand, i.e. 4.5%. The upward trend was maintained in the case of the sales of ERP solutions to small and medium enterprises in Poland (increase of PLN 7,296 thousand, i.e. by 19.5%). In the case of sales to customers from the SME sector in the DACH region, there was a decrease of PLN 2,616 thousand, i.e. 10.7%. Revenue from sales of loyalty solutions, EDI and XaaS to clients from the Trade and Services sector increased by PLN 12,596 thousand, i.e. by 29%, while in the case of customers from the industrial sector increased by PLN 13,969 thousand, i.e. by 53.9%. In the first quarter of 2019, the situation on the public procurement market improved, revenues increased by PLN 20,158 thousand, i.e. by 122%. This was mainly due to the one-time delivery of foreign software to one of the public institutions. In Q1 2019, revenue from sales to the customers from the medical sector decreased by PLN 2,119 thousand, i.e. by 23.3%. Revenue from sales to other customers increased by PLN 1,142 thousand, i.e. 18.9%.



The business situation in the first quarter of 2019 confirmed that the diversity of the offer and maintaining the industry and geographical diversification of revenue sources is beneficial for the stable development of the Comarch Group's operations.

Geographical sales structure (customers) (in PLN thousand)

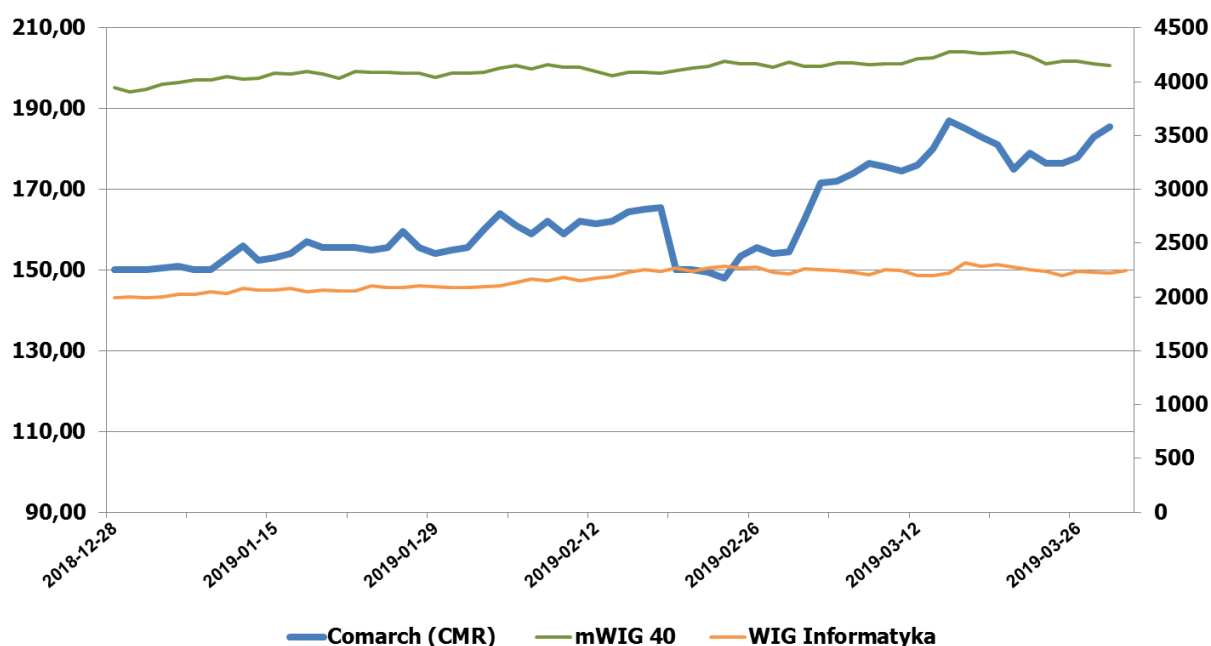
Geographical sales structure	Q1 2019	%	Q1 2018	%	Change in PLN	Change in %
Domestic (Poland)	145,731	43.0%	115,710	42.5%	30,021	25.9%
Export	192,957	57.0%	156,279	57.5%	36,678	23.5%
Total	338,688	100.0%	271,989	100.0%	66,699	24.5%



In the first quarter of 2019, the Group recorded an increase in sales revenue both on the domestic and foreign markets. The group recorded PLN 192,957 thousand of revenue from foreign sales, by PLN 36,678 thousand (i.e. by 23.5%) more than in the first quarter of the previous year. This is mainly related to the increase in sales revenue to recipients from the trade and service sector as well as TMT. In the first quarter of 2019, foreign sales accounted for 57% of the Group's total revenues.

The value of revenue from domestic sales was higher by PLN 30,021 thousand, i.e. by 25.9% compared to the first quarter of 2018. It is the result of good business development in the scope of ERP, as well as the implementation of the delivery of foreign software of significant value to one of the public institutions.

5.3. Comarch S.A. Stock Price Performance



On the 31st of March, 2019, the closing rate of Comarch S.A. shares in the Warsaw Stock Exchange amounted to PLN 185.5 which is a 22% increase compared to PLN 152 on the 31st of December, 2018.

Group's results and Comarch S.A. stock price in the next quarters will depend in large part on the development of sales of Comarch proprietary products and services, shaped by economic and political conditions on the Polish and the European markets and on the financial situation of medium-sized and large enterprises (which constitute the Group's clients base). Currency exchange rates (EUR/PLN, USD/PLN, GBP/PLN and BRL/PLN) and the rate of increase in the remuneration of IT employees will also have significant impact on Group's results and Comarch S.A. stock price.

	3 months ended 31 March 2019 / 31 March 2019	3 months ended 31 March 2018 / 31 March 2018
Closing price at the balance sheet date	185,50	135,50
Average price during the reporting period	162,63	170,02
MIN price during the reporting period	148,00	135,50
MAX price during the reporting period	187,00	197,00
Average volume during the reporting period	2,809	3,247
Capitalization at the balance sheet date	1,508,736,240	1,102,068,790
<i>Ratios for unconsolidated data</i>		
P/E at the balance sheet date	21.99	(362.40)
P/BV at the balance sheet date	1.78	1.39
P/S at the balance sheet date	6.42	6.04
<i>Ratios for consolidated data</i>		
P/E at the balance sheet date	216.93	(176.61)
P/BV at the balance sheet date	1.74	1.30
P/S at the balance sheet date	4.45	4.05

5.4. Events in the First Quarter of 2019 that Greatly Impacted the Current Activities of the Comarch Group

None present.

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

None present.

QUARTERLY SUMMARY OF COMARCH S.A. FINANCIAL STATEMENT FOR THE FIRST QUARTER OF 2019

I. Balance Sheet

ASSETS	31 March 2019	31 December 2018	31 March 2018
I. NON-CURRENT ASSETS	727,884	736,084	751,746
1. Intangible assets	11,446	11,048	13,336
2. Property, plant and equipment	345,813	332,185	346,438
3. Non-current investments	361,517	383,826	383,028
3.1. Non-current financial assets	341,206	343,518	356,497
a) in related parties	340,389	342,583	354,521
b) in other entities in which the Company holds equity interests	-	-	150
c) in other entities	817	935	1,826
3.2 Real estates	20,268	40,265	26,488
3.3 Other non-current investment	43	43	43
4. Non-current prepayments	9,108	9,025	8,944
4.1 Deferred income tax assets	6,297	6,204	5,943
4.2 Other accruals	2,811	2,821	3,001
II. CURRENT ASSETS	614,948	598,817	493,643
1. Inventories	62,231	61,435	107,791
2. Current receivables	348,316	376,939	258,715
2.1 from related parties	218,665	227,173	165,508
2.2 from other entities in which the Company holds equity interests	169	151	629
2.3 from other entities	129,482	149,615	92,578
3. Current investments	84,152	70,762	59,477
3.1 Current financial assets	84,152	70,762	59,477
a) in related parties	666	508	322
b) in other entities in which the Company holds equity interests	-	-	-
c) in other entities	2,953	3,264	8,068
- interest and shares	-	-	-
- granted loans	-	-	359
- other current financial assets	2,953	3,264	7,709
d) cash and cash equivalents	80,533	66,990	51,087
4. Short-term prepayments	120,249	89,681	67,660
TOTAL ASSETS	1,342,832	1,334,901	1,245,389

EQUITY AND LIABILITIES	31 March 2019	31 December 2018	31 March 2018
I. EQUITY	848,171	834,190	792,702
1. Share capital	8,133	8,133	8,133
2. Supplementary capital	680,501	680,501	653,363
3. Revaluation reserve	93,230	95,162	94,164
4. Other reserve capitals	745	745	745
5. Previous years' profit (loss)	49,649	-	39,338
6. Net profit (loss)	15,913	49,649	(3,041)
II. LIABILITIES AND PROVISIONS FOR LIABILITIES	494,661	500,711	452,687
1. Provisions for liabilities	134,728	144,309	123,154
1.1 Provision for deferred income tax	23,082	23,732	24,549
1.2 Other provisions	111,646	120,577	98,605
a) current	111,646	120,577	98,605
2. Non-current liabilities	147,560	152,343	153,896
2.1 to related parties	28,245	28,240	21,547
2.2 to other entities in which the Company holds equity interests	-	-	-
2.3 to other entities	119,315	124,103	132,349
3. Current liabilities	163,554	157,089	148,351
3.1 to related parties	29,075	28,541	30,859
3.2 to other entities in which the Company holds equity interests	133	-	-
3.3 to other entities	131,522	127,135	114,633
3.4 Special funds	2,824	1,413	2,859
4. Accruals	48,819	46,970	27,286
4.1 Other accruals	48,819	46,970	27,286
a) current	48,819	46,970	27,286
TOTAL EQUITY AND LIABILITIES	1,342,832	1,334,901	1,245,389
Book value	848,171	834,190	792,702
Number of shares	8,133,349	8,133,349	8,133,349
Book value per single share (PLN)	104.28	102.56	97.46
Diluted number of shares	8,133,349	8,133,349	8,133,349
Diluted book value per single share (PLN)	104.28	102.56	97.46

II. Income Statement

For period 01.01 – 31.03.2019 and 01.01 – 31.03.2018	Q1 2019	Q1 2018
I. Net revenues from sales of products, goods and materials, including:	235,034	182,500
- revenues from related parties	55,021	55,103
1. Net revenues from sales of products	209,073	174,376
2. Net revenues from sales of goods and materials	25,961	8,124
II. Costs of products, goods and materials sold, including:	191,835	153,137
- to related parties	8,000	7,858
1. Manufacturing cost of products sold	167,881	145,758
2. Value of products, goods and materials sold	23,954	7,379
III. Gross profit (loss) on sales	43,199	29,363
IV. Costs of sales	13,172	15,160
V. Administrative expenses	13,007	10,331
VI. Profit (loss) on sales	17,020	3,872
VII. Other operating revenues	472	244
1. Profit on disposal of non-financial non-current assets	153	74
2. Other operating revenues	319	170
VIII. Other operating costs	1,193	3,714
1. Loss on disposal of non-financial non-current assets	-	-
2. Cost of works financed in part with subsidies	397	546
3. Revaluation of non-financial assets	-	-
4. Other operating costs	796	3,168
IX. Profit (loss) on operating activities	16,299	402
X. Financial revenues	3,217	2,725
1. Interest, including:	349	116
- from related parties	186	42
2. Dividends and share in profits	-	-
- from related parties	-	-
3. Profit (loss) on disposal of investment	815	2,609
4. Revaluation of financial assets	-	(30)
5. Other	2,053	30
XI. Finance costs	2,125	5,121
1. Interest	775	712
- from related parties	302	138
2. Revaluation of investments	-	-
3. Loss from the sale of investments	-	-
4. Other	1,350	4,409
XII. Profit (loss) on business activities	17,391	(1,994)
XIII. Gross profit (loss)	17,391	(1,994)
XIV. Income tax	1,478	1,047
XV. Net profit (loss)	15,913	(3,041)
Net profit (loss) (annualised)	68,603	24,649
Weighted average number of shares	8,133,349	8,133,349
01.04.2018 – 31.03.2019		
Earnings (losses) per single share (PLN)	8.43	3.03
Diluted weighted average number of shares	8,133,349	8,133,349
01.04.2018 – 31.03.2019		
Diluted earnings (losses) per single share (PLN)	8.43	3.03

III. Changes in Equity

	3 months ended 31 March 2019	12 months ended 31 December 2018	3 months ended 31 March 2018
I. Opening balance of equity	834,190	796,984	796,984
a) changes to adopted accounting principles (policies)	-	-	-
I. a. Opening balance of equity after adjustments	834,190	796,984	796,984
1. Opening balance of share capital	8,133	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	8,133
2. Opening balance of supplementary capital	680,501	653,363	653,363
2.1 Changes in supplementary capital	-	27,138	-
a) increases (due to)	-	27,138	-
- profit-sharing for the previous years	-	27,138	-
2.2 Closing balance of supplementary capital	680,501	680,501	653,363
3. Opening balance of revaluation reserve	95,162	95,405	95,405
3.1 Changes in revaluation reserve	(1,932)	(243)	(1,241)
a) increases (due to)	454	58	291,
- provision for deferred income tax due to certificates valuation	454	58	291
- balance sheet valuation of investment certificates	-	-	-
b) decreases (due to)	2,386	301	1,532
- balance sheet valuation of investment certificates	2,386	301	1,532
- provision for deferred income tax due to certificates valuation	-	-	-
3.2 Closing balance of revaluation reserve	93,230	95,162	94,164
4. Opening balance of capital from merger	-	-	-
4.1 Closing balance of capital from merger	-	-	-
5. Opening balance of other reserve capitals	745	745	745
5.1 Closing balance of other reserve capitals	745	745	745
6. Opening balance of previous years' profit	49,649	39,338	39,338
a) changes to adopted accounting principles (policies)	-	-	-
6.1 Opening balance of previous years' profit after adjustments	49,649	39,338	39,338
a) decreases (due to)	-	39,338	-
- transferring the result from the previous years to capital	-	27,138	-
- payment of dividend	-	12,200	-
6.2 Closing balance of previous years' profit	49,649	-	39,338
7. Result for Q1 2019 (opening balance)	-	-	-
7.1 Net result for the period	15,913	49,649	(3,041)

7.2. Net result	15,913	49,649	(3,041)
II. Closing balance of equity	848,171	834,190	792,702
III. Equity including proposed profit-sharing (loss coverage)	848,171	834,190	792,702

IV. Cash Flow Statement

For period 01.01 – 31.03.2019 and 01.01 – 31.03.2018	Q1 2019	Q1 2018
A. Cash flows from operating activities		
I. Net profit (loss)	15,913	(3,041)
II. Total adjustments	7,251	4,988
1. Depreciation	11,151	8,560
2. Exchange gains (losses)	(12)	(242)
3. Interest and profit sharing (dividends)	520	670
4. (Profit) loss on investing activities	(123)	1
5. Change in provisions	(9,128)	(812)
6. Change in inventories	(1,047)	(29,671)
7. Change in receivables	27,413	52,792
8. Change in current liabilities, excluding credits and loans	7,279	(12,857)
9. Change in prepayments and accruals	(28,802)	(13,453)
10. Change in deferred income	-	-
11. Other adjustments	-	-
III. Net cash used in operating activities (I+/-II) – indirect method	23,164	1,947
B. Cash flows from investing activities		
I. Inflows	2,332	3,728
1. Disposal of property, plant and equipment and intangible assets	1,409	1,014
2. From financial assets, including:	923	2,714
a) in related parties	108	105
- repaid loans	85	80
- repaid interest on loans	-	-
- received loans	-	-
- received interest	23	25
- received dividends	-	-
b) in other entities	815	2,609
- other proceeds from financial assets	815	2,609
3. Other investment proceeds	-	-
II. Outflows	(4,127)	(18,069)
1. Purchase of property, plant and equipment and intangible assets	(3,926)	(18,069)
2. Expenses for investment in real estates	(10)	-
3. For financial assets, including:	(191)	-
a) in related parties	(191)	-
- purchase of financial assets	-	-

- granted non-current loans	(191)	
- repayment of loans from related parties	-	-
- repayment of interest on loans	-	-
b) in other entities	-	-
4. Other investment expenses	-	-
III. Net cash used in investing activities (I-II)	(1,795)	(14,341)
C. Cash flows from financing activities		
I. Inflows	-	22,288
1. Credits and loans	-	21,854
3. Repaid loans	-	410
4. Interest received on paid loans	-	24
5. Other financial inflows	-	-
II. Outflows	(7,835)	(7,577)
1. Dividends and other payments to owners	-	-
2. Repayment of loans and credits	(7,292)	(6,506)
3. Interest	(543)	(718)
4. Granted loans	-	(353)
5. Other financial expenses	-	-
III. Net cash (used in)/generated from financing activities (I-II)	(7,835)	14,711
D. TOTAL net cash flow (A.III+/-B.III+/-C.III)	13,534	2,317
E. Balance sheet change in cash and cash equivalents, including:	13,538	2,557
- change in cash and cash equivalents due to exchange differences	4	240
F. Cash and cash equivalents opening balance	66,990	48,529
G. Closing balance of cash and cash equivalents (F+/-E), including:	80,528	51,086
- limited disposal	800	593

V. Additional Information and Commentary

1. Adopted Accounting Policies

This financial statement was prepared according to the Act passed on the 29th of September, 1994, on Accounting (unified text - Journal of Laws, 2016, pos. 1,047 and subsequent changes) and the requirements specified in the Regulation issued by the Minister of Finance on the 29th 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, pos. 757).

A complete description of the adopted accounting principles was presented in the last annual financial statement, i.e. for the period from the 1st of January, 2018, until the 31st of December, 2018. If this financial statement for the 3 months ended the 31st of March, 2019, was prepared according to IFRS, the financial results would amount to minus PLN 23,786 thousand.

Earnings according to Act on Accounting	15,913
Depreciation of perpetual usufruct	(23)

Assets due to activity in the SEZ	(1,855)
Application of IFRS 15	9,984
Application of IFRS 16	(233)
Profit according to IFRS	23,786

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

Over first quarter of 2019, Comarch S.A. hasn't created write-offs that revaluated goods, materials and finished products. The Company hasn't dissolved write-offs, which had been created in the previous years.

No hedges were made on inventories owned by the Company.

As at the 31st of March, 2019 in relation with payments of receivables, Comarch S.A. dissolved revaluating write-offs worth PLN 427 thousand and recognized write-offs worth PLN 466 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 realized 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 realized is established on the basis of the annual settlement of income tax, after the end of the fiscal year. In 2019 an asset due to temporary differences in income tax worth PLN 101 thousand was recognized and was dissolved in the amount PLN 8 thousand. A provision for deferred income tax due to temporary differences worth PLN 44 thousand was recognized, but a provision in the amount of PLN 240 thousand was dissolved. The total effect of these operations on the result of 2019 was plus PLN 289 thousand.

Provision for deferred income tax related to valuation of investment certificates in CCF FIZ was decreased by PLN 454 thousand. This provision as well as valuation of certificates are settled with revaluation reserve.

As at the 31st of March, 2019, Comarch S.A. did not recognize any impairment losses on shares in subsidiaries.

3. Selected Notes to the Summary Financial Statement

3.1. Non-current Financial Assets

	31 March 2019	31 December 2018	31 March 2018
a) in subsidiaries and correlated parties	340,389	342,583	354,521
- interest or shares	205,045	204,977	233,562
- loans granted	18,684	18,560	3,162
- other securities	116,660	119,046	117,815
- other non-current financial assets, including:	-	-	(18)
- interest on granted loans	-	-	(18)
b) in other entities in which the Company holds equity interests	-	-	150
- interest or shares	-	-	150
- loans granted	-	-	-
- other non-current financial asset, including	-	-	-

- interest on granted loans	-	-	-
c) in other entities	817	935	1,826
- other non-current financial assets (types)	817	935	1,826
- Forward contracts	817	935	1,826
Total	341,206	343,518	356,497

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

	Q1 2019	Q1 2018
a) Opening balance	343,518	359,299
- interests or shares	204,977	233,772
- loans granted	18,560	3,372
- other securities	119,046	119,347
- other non-current assets, including interest on granted loans	-	(29)
- others	935	2,837
b) increases (due to)	273	41
- loans granted to related parties	191	-
- interest to non-current loans	-	30
- balance sheet valuation of loans to related parties	14	-
- balance sheet and adjusted valuation of interest on loans	-	11
- valuation of forward contracts	-	-
- balance sheet valuation of investment certificates	-	-
- balance sheet valuation of shares	68	-
c) decreases (due to)	2,585	2,843
- repayment of related entities' loans	81	80
- repayment of other entities' loans in which the Company holds equity interest	-	130
- repayment of related parties' interest on loans	5	25
- valuation of forward contracts	118	1,011
- valuation of participation units in CCF FIZ	2,386	1,532
- revaluation of shares	-	60
- balance sheet valuation of shares	-	-
- redemption of loans in related parties	-	-
- redemption of interest on loans in related parties	-	-
- capitalization of interests	-	-
- balance sheet and adjusted valuation of interest on loans	-	-
- balance sheet valuation of loans and exchange differences realized in relation to repaid loans and from the balance sheet valuation	-	-
- creating revaluation write-offs on loans to related parties	-	-
- creating revaluation write-offs on interest on loans to related parties	(5)	5
d) Closing balance	341,206	356,497

3.3. Current Financial Assets

	31 March 2019	31 December 2018	31 March 2018
a) in related parties	666	508	322
- loans granted	321	322	322
- other financial assets	345	186	-
b) in other entities in which the Company holds equity interests	-	-	-
- loans granted	-	-	-
- other financial assets	-	-	-
c) in other entities	2,953	3,264	8,068
- loans granted	-	-	359
- interest or shares	-	-	-
- other current financial assets, including:	2,953	3,264	7,709
- forward and IRS contracts	2,953	3,264	7,709
d) cash and cash equivalents	80,533	66,990	51,087
- cash in hand and at banks	80,528	66,989	51,086
- other monetary assets	5	1	1
Total	84,152	70,762	59,477

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

During the first quarter of 2019, Comarch S.A. reached revenue from sales in the amount of PLN 182.5 million, what constitutes an increase of 6.2% compared to that achieved in the analogous period in the previous year. Net sales of products constituted 95.5% of total Company's sales and were higher by PLN 17.6 million compared to that in Q1 2017. In the first quarter of 2018, the Company's operating profit amounted to PLN 0.4 million and net profit was minus PLN 3.0 million.

In the first quarter of 2019, Comarch S.A. reached revenue from sales by 28.8% higher than that achieved in Q4 2017 (PLN 235,034 thousand in Q1 2019 vs. PLN 182,500 thousand in Q1 2018). Net sales of products constituted 89.0% of total sales of the Company and were higher by PLN 34,697 thousand than in the similar period of 2018. The Company's operating profit achieved in Q1 2019 amounted to PLN 16,299 thousand, net result was plus PLN 15,913. EBIT margin was 6.9%, 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 the financial statement, foreign exchange rate differences and financial instruments based on exchange rates had an impact on the financial result. Realized foreign exchange rate differences and balance sheet valuation of exchange rates on receivables and liabilities as at the 31st of March, 2019, increased revenue and profit of Comarch S.A. by PLN 1,685 thousand (while during the corresponding period in 2018 decreased by PLN 311 thousand). Exchange rate differences from other activities decreased the result of Comarch S.A. by PLN 1,892 thousand (while during the corresponding period in 2018 increased by PLN 3,287 thousand). The valuation of financial instruments and realised transactions (mostly forward contracts), as well as provision for deferred income tax in reference to the valuation of the financial instruments, increased Comarch S.A.'s net result

by PLN 61 thousand (while in the corresponding period of 2018 they increased it by PLN 908 thousand). The total effect of exchange rate differences and valuation and realization of derivative financial instruments on the net result of Comarch S.A. for Q1 2019 amounted to PLN 1,379 thousand (minus PLN 1,295 thousand in 12 months of 2018).

As at the 31st of March, 2019, Comarch S.A. did not create write-offs due the loss of value of shares in subsidiaries.

6. Discussion of Seasonality of the Issuer's Business in the Period Presented

Over 2018, Comarch S.A.'s revenue structure was as follows: 19% of annual sales were achieved in the first quarter, 25% in the second quarter, 29% in the third quarter and 27% in the fourth quarter.

Over 2019, the Company expects the distribution of sales revenue similar to that of 2018.

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

Over first quarter of 2019, Comarch S.A. has not created write-offs that revaluated goods and materials and finished products. The Company has not dissolved write-offs which had been created in the previous years.

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 of	Financial assets	Property, plant and equipment	Intangible assets	Other assets	Total
At 1 January 2018	90,208	-	-	-	90,208
Change:	-	-	-	-	-
- creation	-	-	-	-	-
- dissolution	-	-	-	-	-
At 31 March 2018	90,208	-	-	-	90,208
At 1 January 2018	90,208	-	-	-	90,208
Change:	30,826	-	-	-	30,826
- creation	30,826	-	-	-	30,826
- dissolution	-	-	-	-	-
At 31 December 2018	121,034	-	-	-	121,034
At 1 January 2019	121,034	-	-	-	121,034
Change:	-	-	-	-	-
- creation	-	-	-	-	-
- dissolution	-	-	-	-	-
At 31 March 2019	121,034	-	-	-	121,034

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

Current	Provisions for contracts costs	Provisions for contractual penalties and other claims	Provisions for leaves	Provisions for cash rewards	Total
At 1 January 2018	9,757,	9,960,	20,826,	56,903,	97,446,
Change:	1,031	(324)	5,448	(4,996)	1,159
- creation	2,586	506	6,558	8,358	18,008
- dissolution	(1,555)	(830)	(1,110)	(13,354)	(16,849)
At 31 March 2018	10,788	9,636	26,274	51,907	98,605
At 1 January 2018	9,757,	9,960,	20,826,	56,903,	97,446,
Change:	2,174	12,030	(172)	9,099	23,131
- creation	10,947	15,503	12,772	76,686	115,908
- dissolution	(8,773)	(3,473)	(12,944)	(67,587)	(92,777)
At 31 December 2018	11,931	21,990	20,654	66,002	120,577
At 1 January 2019	11,931	21,990	20,654	66,002	120,577
Change:	(1,177)	21	6,842	(14,617)	(8,931)
- creation	644	33	8,796	9,085	18,558
- dissolution	(1,821)	(12)	(1,954)	(23,702)	(27,489)
At 31 March 2019	10,754	22,011	27,496	51,385	111,646

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
At 1 January 2018	5,816	25,255
Creation in Q1 2018	140	-
Dissolution in Q1 2018	(13)	(706)
At 31 March 2018	5,943	24,549
At 1 January 2018	5,816	25,255
Creation in Q1-Q4 2018	388	14
Dissolution in Q1-Q4 2018	-	(1,537)
At 31 December 2018	6,204	23,732
At 1 January 2019	6,204	23,732
Creation in Q1 2019	101	44
Dissolution in Q1 2019	(8)	(694)
At 31 March 2019	6,297	23,082

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

During the reporting period, Comarch S.A. purchased computer hardware for the amount of PLN 2,389 thousand, technical devices and equipment related to them for the amount of PLN 5,752 thousand and intangible assets for the amount of PLN 1,842 thousand.

In the reporting period, revenue from sales of property, plant and equipment amounted to PLN 583 thousand.

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

As at the of 31st of March, 2019, Comarch S.A. holds liability due to purchase of computer hardware in the amount of PLN 1,652 thousand, liability due to purchase of cars in the amount of PLN 39 thousand and liability due to purchase of intangible assets in the amount of PLN 2,604 thousand.

Comarch S.A. also has liability due to acquisition of shares in the increased capital in its subsidiary, Comarch Pointshub Inc., in the amount of PLN 3,414 thousand.

13. Information about Significant Settlements in Reference to Court Proceedings

None present.

14. Corrections 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 Recognized 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 are 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

As at the date of publication of the report for Q1 2018, the Management Board of Comarch S.A. didn't decide on the distribution of profit for 2018.

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

On the 31st of March, 2019, 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 93,582 thousand, whereas it was PLN 81,163 thousand on the 31st of December, 2018.

Comarch S.A. is the defendant in legal proceedings in which the potential total amount of third party claims is PLN 40,468 thousand. Provisions for part of these claims were presented in the balance sheet as of the 31st of March, 2019, and are worth PLN 5,893 thousand (while provisions for claims relating to the court proceedings created in 2019 amounted to PLN 0).

Comarch S.A. is the party to the matters in disputes but not legal proceedings, in which the potential total amount of third party claims is PLN 24,203 thousand. Provisions for part of these claims were presented in the balance sheet as of the 31st of March, 2019, and are worth PLN 16,118 thousand (while provisions for claims relating to the court proceedings created in 2019 amounted to PLN 33 thousand).

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

None were present, except for the ones described in [point 2](#) of the financial statement.

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