

## FINANCIAL SUPERVISION AUTHORITY

## Consolidated Quarterly Report QSr ...3 / 2020

quarter / year

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

for ...3... quarter of financial year ...2020 from 2020-01-01 to 2020-09-30  
including consolidated financial statement according to International Financial Reporting Standards (IFRS)  
in currency PLN  
and summary of financial statement according to Act on Accounting  
in currency PLN  
date of publication 2020-11-17

<b>COMARCH SA</b>	
(full name of an issuer)	
<b>COMARCH</b>	<b>Information Technology (IT)</b>
(abbreviated name of issuer)	(sector according to WSE classification)
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SELECTED FINANCIAL DATA	thousands of PLN		thousands of EURO	
	Q3 2020	Q3 2019	Q3 2020	Q3 2019
DATA RELATED TO THE CONSOLIDATED FINANCIAL STATEMENT				
I. Revenues from sales	1,062,459	1,020,966	239,185	236,960
II. Operating profit (loss)	117,895	112,366	26,541	26,079
III. Profit before income tax	99,955	100,039	22,502	23,218
IV. Net profit attributable to shareholders of parent company	66,975	69,679	15,078	16,172
V. Net cash flows from operating activities	195,751	80,146	44,068	18,601
VI. Net cash flows from investing activities	-53,107	-28,789	-11,956	-6,682
VII. Net cash flows from financing activities	-59,181	-56,232	-13,323	-13,051
VIII. Change in net cash flows	83,463	-4,875	18,790	-1,131
IX. Number of shares	8,133,349	8,133,349	8,133,349	8,133,349
X. Earnings (losses) per single share (PLN/EURO)	8.23	8.57	1.85	1.99
XI. Diluted earnings (losses) per single share (PLN/EURO)	8.23	8.57	1.85	1.99
DATA RELATED TO THE FINANCIAL STATEMENT				
XII. Net revenues from sales of products, goods and materials	677,555	666,140	152,534	154,607
XIII. Profit (loss) on operating activities	48,819	37,627	10,990	8,733
XIV. Gross profit (loss)	84,915	67,896	19,116	15,758
XV. Net profit (loss)	77,620	61,710	17,474	14,323
XVI. Net cash flows from operating activities	84,622	30,788	19,050	7,146
XVII. Net cash flows from investing activities	7,334	9,162	1,651	2,126
XVIII. Net cash flows from financing activities	-45,741	-47,762	-10,297	-11,085
XIX. Total net cash flow	46,215	-7,812	10,404	-1,813

XX. Number of shares	8,133,349	8,133,349	8,133,349	8,133,349
XXI. Earnings (losses) per single share (PLN/EURO)	9.04	4.92	2.04	1.14
XXII. Diluted earnings (losses) per single share (PLN/EURO)	9.04	4.92	2.04	1.14
EQUITIES	30.09.2020	30.09.2020		
XXIII. Equity attributable to shareholders (consolidated)	1,021,597	952,123	225,678	223,582
XXIV. Equity (parent company)	956,083	881,540	211,205	207,007

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

- arithmetical average of NBP average exchange rates as of the end of each month for the period 01.01.2020 to 30.09.2020: 4.4420;

- arithmetical average of NBP average exchange rates as of the end of each month for the period 01.01.2019 to 30.09.2019: 4.3086;

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

- 30.09.2020: 4,5268;

- 31.12.2019: 4.2585.

Equity value (items XXIV and XXV) is presented at the end of 9 months of this year and at the end of the previous financial year.

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_3_2020 Comarch SA.pdf	Qsr_3_2020 Comarch SA
Qsr_3_2020 consolidated.pdf	Qsr_3_2020 consolidated

#### SIGNATURES

Date	Name and surname	Position	Signature
2020-11-17	Konrad Tarański	Vice-President of the Management Board	
2020-11-17	Iwona Kasprzyk	Proxy	



**COMARCH**

# **Comarch Capital Group Consolidated Financial Statement for the period from 1 January 2020 – 30 September 2020**

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

**Kraków, 17<sup>th</sup> of November, 2020**

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**PLN 118  
million of  
operating  
profit**

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

**PLN 1,062  
million of  
revenue**

**57  
companies  
worldwide**

**Over  
6,600  
specialists  
employed**

**PLN 1.8 billion  
of market  
capitalization of  
Comarch S.A. on  
WSE**

**59.4% share of  
export sales**



## COMARCH GROUP CONSOLIDATED FINANCIAL STATEMENT FOR 9 MONTHS 2020

### I. Consolidated Balance Sheet

ASSETS	Note	At 30 September 2020	At 31 December 2019
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	<a href="#">3.2</a>	558,053	539,635
Right-of-use assets	<a href="#">3.3</a>	82,270	73,636
Investment in real estates	<a href="#">3.4</a>	40,314	36,631
Goodwill	<a href="#">3.5</a>	45,774	40,735
Other intangible assets	<a href="#">3.6</a>	55,727	56,311
Non-current prepayments		1,412	2,486
Investments in associates	<a href="#">3.7</a>	-	570
Other assets at fair value	<a href="#">3.8a</a>	1,060	2,739
Other investments		216	211
Deferred income tax assets	<a href="#">3.9</a>	31,443	35,002
Other non-current receivables		7,231	8,782
		<b>823,500</b>	<b>796,738</b>
<b>CURRENT ASSETS</b>			
Inventories	<a href="#">3.10</a>	106,964	90,741
Trade and other receivables	<a href="#">3.11</a>	348,735	430,182
Current income tax receivables		1,660	3,554
Long-term contracts receivables	<a href="#">3.12</a>	221,018	193,865
Available-for-sale financial assets		-	-
Other financial assets at fair value – derivative financial instruments	<a href="#">3.8a</a>	1,240	4,923
Interest and shares		-	-
Cash and cash equivalents		405,902	322,708
		<b>1,085,519</b>	<b>1,045,973</b>
<b>Assets qualified for sale</b>		<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>1,909,019</b>	<b>1,842,711</b>

EQUITY AND LIABILITIES	Note	At 30 September 2020	At 31 December 2019
<b>EQUITY</b>			
<b>Capital and reserves attributable to the company's equity holders</b>			
Share capital	<a href="#">3.13</a>	8,133	8,133
Reserve capital from sales of shares above the nominal value		84,446	84,446
Other capitals		58,595	58,595
Exchange differences		24,867	10,168
Retained earnings and net profit for the current period		845,556	790,781
		<b>1,021,597</b>	<b>952,123</b>
Equities attributable to non-controlling interests		19,824	18,633
<b>TOTAL EQUITY</b>		<b>1,041,421</b>	<b>970,756</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Credit and loans	<a href="#">3.14</a>	121,752	141,718
Other liabilities		5,655	4,998
Lease liabilities	<a href="#">3.15</a>	67,795	59,001
Financial liabilities at fair value – derivative financial instruments	<a href="#">3.8b</a>	4,396	2,909
Other financial liabilities		-	-
Provision for deferred income tax	<a href="#">3.9</a>	50,121	48,725
Provisions for other liabilities and charges	<a href="#">3.17</a>	-	-
		<b>249,719</b>	<b>257,351</b>
<b>Current liabilities</b>			
Trade and other payables	<a href="#">3.18</a>	206,516	191,770
Current income tax liabilities		10,354	8,765
Long-term contracts liabilities	<a href="#">3.12</a>	176,213	172,831
Credit and loans	<a href="#">3.14</a>	41,255	41,091
Lease liabilities	<a href="#">3.15</a>	19,853	15,730
Financial liabilities at fair value – derivative financial instruments	<a href="#">3.8b</a>	1,993	-
Other financial liabilities	<a href="#">3.16</a>	5,191	4,009
Provisions for other liabilities and charges	<a href="#">3.17</a>	156,504	180,408
		<b>617,879</b>	<b>614,604</b>
<b>TOTAL LIABILITIES</b>		<b>867,598</b>	<b>871,955</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,909,019</b>	<b>1,842,711</b>



## II. Consolidated Income Statement

	Note	Q3 2020*	9 months ended 30 September 2020	Q3 2019	9 months ended 30 September 2019
<b>Revenue</b>		<b>353,675</b>	<b>1,062,459</b>	<b>354,478</b>	<b>1,020,966</b>
Cost of sales		(251,094)	(765,810)	(214,206)	(707,973)
<b>Gross profit</b>		<b>102,581</b>	<b>296,649</b>	<b>140,272</b>	<b>312,993</b>
Other operating income		20,674	35,292	4,207	24,122
Sales and marketing costs		(30,048)	(91,550)	(32,661)	(98,051)
Administrative expenses		(29,960)	(87,378)	(33,243)	(90,745)
Other operating expenses		(17,135)	(35,118)	(12,366)	(35,953)
<b>Operating profit</b>		<b>46,112</b>	<b>117,895</b>	<b>66,209</b>	<b>112,366</b>
Finance revenue / (costs) - net		(3,054)	(17,940)	(12,273)	(12,327)
Share of profit / (loss) of associates		-	-	-	-
<b>Profit before income tax</b>		<b>43,058</b>	<b>99,955</b>	<b>53,936</b>	<b>100,039</b>
Income tax expense		(9,026)	(31,802)	(12,012)	(29,348)
<b>Net profit for the period</b>		<b>34,032</b>	<b>68,153</b>	<b>41,924</b>	<b>70,691</b>
Attributable to:					
<i><b>Shareholders of the parent company</b></i>		<i><b>32,456</b></i>	<i><b>66,975</b></i>	<i><b>42,500</b></i>	<i><b>69,679</b></i>
<i>Interests not entitled to control</i>		<i>1,576</i>	<i>1,178</i>	<i>(576)</i>	<i>1,012</i>
		<b>34,032</b>	<b>68,153</b>	<b>41,924</b>	<b>70,691</b>
<b>Earnings per share for profit attributable to the shareholders of the parent company during the period (expressed in PLN per share)</b>					
– basic	<u>3.22</u>		8.23		8.57
– diluted	<u>3.22</u>		8.23		8.57

\*) Data for the third quarter of 2020 were calculated by subtraction of the data presented by the Group in the report for the first half of 2020 from the data for the 9 months of 2020.

### III. Total Income Consolidated Statement

	Q3 2020*	9 months ended 30 September 2020	Q3 2019	9 months ended 30 September 2019
<b>Net profit for the period</b>	<b>34,032</b>	<b>68,153</b>	<b>41,924</b>	<b>70,691</b>
<b>Other total income</b>				
Exchange differences from recalculation of subsidiaries	1,778	14,712	6,763	5,579
<b>Total other total income</b>	<b>1,778</b>	<b>14,712</b>	<b>6,763</b>	<b>5,579</b>
<b>Sum of total income for the period</b>	<b>35,810</b>	<b>82,865</b>	<b>48,687</b>	<b>76,270</b>
Attributable to the parent company shareholders	34,219	81,674	49,265	75,260
Attributable to the interests not entitled to control	1591	1,191	(578)	1,010

\*) Data for the third quarter of 2020 were calculated by subtraction of the data presented by the Group in the report for the first half of 2020 from the data for the 9 months of 2020.

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

	Attributable to the shareholders of the parent company					Capitals attributable to non-controlling interests	Total equity
	Share capital	Reserve capital from sales of shares above the nominal value	Other capitals	Exchange differences	Profit/(loss) from the previous years and net profit for the current period		
<b>Balance at 1 January 2019</b>	<b>8,133</b>	<b>84,446</b>	<b>58,595</b>	<b>8,837</b>	<b>698,135</b>	<b>17,962</b>	<b>876,108</b>
Dividend paid	-	-	-	-	(12,200)	-	(12,200)
Currency translation differences <sup>(1)</sup>	-	-	-	5,581	-	(2)	5,579
Profit for the period <sup>(2)</sup>	-	-	-	-	69,679	1,012	70,691
Total income recognised in equity <sup>(1+2)</sup>	-	-	-	5,581	69,679	1,010	76,270
<b>Balance at 30 September 2019</b>	<b>8,133</b>	<b>84,446</b>	<b>58,595</b>	<b>14,418</b>	<b>755,614</b>	<b>18,972</b>	<b>940,178</b>
<b>Balance at 1 January 2020</b>	<b>8,133</b>	<b>84,446</b>	<b>58,595</b>	<b>10,168</b>	<b>790,781</b>	<b>18,633</b>	<b>970,756</b>
Dividend paid	-	-	-	-	(12,200)	-	(12,200)
Currency translation differences <sup>(1)</sup>	-	-	-	14,699	-	13	14,712
Profit for the period <sup>(2)</sup>	-	-	-	-	66,975	1,178	68,153
Total income recognised in equity <sup>(1+2)</sup>	-	-	-	14,699	66,975	1,191	82,865
<b>Balance at 30 September 2020</b>	<b>8,133</b>	<b>84,446</b>	<b>58,595</b>	<b>24,867</b>	<b>845,556</b>	<b>19,824</b>	<b>1,041,421</b>

## V. Consolidated Cash Flow Statement

	9 months ended 30 September 2020	9 months ended 30 September 2019
<b>Cash flows from operating activities</b>		
Net profit	68,153	70,691
Total adjustments	148,125	35,786
<i>Depreciation</i>	<i>64,881</i>	<i>63,718</i>
<i>Profit (loss) from foreign exchange differences</i>	<i>(9,747)</i>	<i>2,678</i>
<i>Interest and profit sharing (dividends)</i>	<i>1,917</i>	<i>3,143</i>
<i>Profit (loss) on investing activities</i>	<i>(4,270)</i>	<i>(10,963)</i>
<i>Change in inventories</i>	<i>(4,955)</i>	<i>577</i>
<i>Change in receivables</i>	<i>82,607</i>	<i>36,755</i>
<i>Change in liabilities and provisions excluding credits and loans</i>	<i>17,692</i>	<i>(60,114)</i>
<i>Other adjustments</i>	<i>-</i>	<i>(8)</i>
Net profit less total adjustments	216,278	106,477
Income tax paid	(20,527)	(26,331)
<b>Net cash generated (used) in operating activities</b>	<b>195,751</b>	<b>80,146</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(45,177)	(26,170)
Proceeds from sale of property, plant and equipment	895	1,348
Purchases of intangible assets	(5,836)	(10,215)
Proceeds from disposal of investment in intangible assets	3,237	4,150
Expenses for purchase of financial assets	(10,454)	-
Expenses for investment in real estates	(4,046)	(2,162)
Paid loans	-	-
Interest	616	239
Repayment of granted loans	7,214	1,900
Expenses for financial instruments	(207)	-
Proceeds from financial instruments	651	2,121
Other investment expenses	-	-
<b>Net cash generated (used) in investing activities</b>	<b>(53,107)</b>	<b>(28,789)</b>
<b>Cash flows from financing activities</b>		
Dividends and other payments to owners	(12,200)	(12,200)
Proceeds from credits and loans	2,360	1,814
Repayments of credits and loans	(34,002)	(31,430)
Interest on credit	(1,904)	(2,237)
Interest on received loans	(234)	(318)
Granted loans	-	(323)
Proceeds from repaid loans	-	1,290
Proceeds from interest on loans	-	861
Payment of liabilities under finance lease agreements	(15,397)	(14,867)
Other financial proceeds	2,196	1,178
Other financial expenses	-	-
<b>Net cash generated (used) in financing activities</b>	<b>(59,181)</b>	<b>(56,232)</b>
<b>Net change in cash, cash equivalents and bank overdrafts</b>	<b>83,463</b>	<b>(4,875)</b>
Cash, cash equivalents and bank overdrafts at beginning of the period	323,164	245,906
Positive (negative) exchange differences in cash and bank overdrafts	(726)	3,214
<b>Cash, cash equivalents and bank overdrafts at end of the period</b>	<b>405,901</b>	<b>244,245</b>
- including limited disposal	2,633	3,587

## **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.





On the 30<sup>th</sup> of September, 2020, associate of the parent company was:

- 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).

On 18<sup>th</sup> of June, 2020, Metrum Capital S.A. was merged with an entity from outside the Comarch Group and is no longer an associate of the parent company.

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

## 1.2. Activities Structure in the Comarch Group

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

- The parent company Comarch S.A. acquires the majority of contracts and in large part executes them,
- Comarch AG, Comarch S.A.S., Comarch R&D S.à r.l., Comarch Luxembourg S.à r.l., Comarch Inc., Comarch Panama Inc., Comarch Canada, Corp., Comarch Middle East FZ-LLC, Comarch LLC, OOO Comarch, Comarch Technologies Oy, Comarch UK Ltd., Comarch Chile SpA, Comarch Sistemas LTDA, Comarch Software Spain S.L.U., Comarch Yazilim A.S., Comarch SRL, Comarch Espace Connecté Inc., Comarch Malaysia SDN. BHD., Comarch AB, Comarch Argentina S.A., Comarch Colombia S.A.S., Comarch Peru S.A.C., Comarch Japan KK, Comarch Saudi Arabia Co., Comarch Mexico S.A. de C.V., Comarch Pty. LTD 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,
- CABINET CONSEIL EN STRATEGIE INFORMATIQUE S. A. S. provides IT solutions and services for medical entities on the French market,
- Comarch Polska S.A. acquires IT contracts in domestic markets and executes them in their entirety or in part,
- Comarch Technologies sp. z o.o. is responsible for the development of technologies related to the design and production of electronic devices and software,
- CA Consulting S.A. specialises in data communications relating to the provision of IT and consulting services for the own needs of the Comarch S.A. and for Comarch's contractor,
- Purpose of the Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty is investment activity, through its subsidiaries, in the scope of new technologies and services, as well as investment activities on capital market,
- Comarch Management sp. z o.o., Comarch Management sp. z o.o. SK-A, CASA Management and Consulting sp. z o.o. SK-A, CAMS AG, Bonus Management sp. z o.o. SK-A and Bonus Management sp. z o.o. II Activia SK-A, Comarch Pointshub, Inc. conduct investment activities on capital market and activities related to IT,
- The subject matter of activities of Bonus Development sp. z o.o. SK-A and Bonus Development sp. z o.o. II Koncept SK-A are activities related to real estates,
- Comarch Healthcare S.A. produces and sells IT software related to medicine, provides medical and diagnostic services, as well as produces and provides complex IT solutions for medicine
- Comarch Infrastruktura S.A. offers services related to Data Centre and IT services outsourcing,
- iComarch24 S.A. conducts IT projects related to e-accounting and e-trading, as well as provides accounting services for domestic subsidiaries in the Comarch Group,
- Geopolis sp. z o.o. produces and implements integrated GIS systems in public administration units,
- MKS Cracovia SSA conducts sports activities and promotes physical education;
- „Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością” Cracovia Park SK-A conducts investment activities related to sport, wellness and recreation,

- Companies Opso sp. z o.o., Comarch s.r.o., Comarch Cloud S.A., Comarch Espace Connecté Inc. and CAMS AG are currently not operating.

### **1.3. Changes in Ownership and Organisational Structure in Q3 2020**

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 9 months ended the 30<sup>th</sup> of September, 2020, and comparable data (the "Interim Consolidated Financial Statement") are prepared in accordance with International Accounting Standard ("IAS") 34 and with all accounting standards applicable to interim financial reporting adopted by the European Union, issued and effective as at the date of preparing the Condensed Interim Consolidated Financial Statement.

This Interim Consolidated Financial Statement for the 9 months ended the 30<sup>th</sup> of September, 2020 does not include all information and disclosures that are obligatory in annual financial statements, therefore should be read in conjunction with the audited Comarch Capital Group IFRS Consolidated Financial Statement for the year ended the 31<sup>st</sup> of December, 2019 ("the IFRS Consolidated Financial Statement").

The scope of the accounting principles and calculation methods applied in the Interim Consolidated Financial Statement for the 9 months ended the 30<sup>th</sup> of September, 2020, does not differ from the accounting principles described in the audited Comarch Capital Group IFRS Consolidated Financial Statement for the year ended the 31<sup>st</sup> of December, 2019 (notes 2 and 3 of the Consolidated Financial Statement of the Comarch Group for the year ended the 31<sup>st</sup> of December, 2019).

The Interim Consolidated Financial Statement for the 9 months ended the 30<sup>th</sup> of September, 2020, includes the consolidated balance sheet, consolidated income statement, total income consolidated statement, consolidated statement of changes in shareholders' equity, consolidated cash flow statement and selected explanatory notes.

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

This Interim Consolidated Financial Statement for the 9 months ended the 30<sup>th</sup> of September, 2020, is prepared in thousands of Polish zloty ("PLN") and was authorized for issuance by the Management Board on the 17<sup>th</sup> of November, 2020.

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

#### **■ IFRS 16 Leasing**

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

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

The application of IFRS 16 required the 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 (except for the agreement for lease of the stadium in Krakow at street Kałuży 1, which was valued according to IFRS 16 due to the strategic nature of rented property, and for which the Comarch Group accepts a 5 years lease period). The estimated value of liabilities resulting from other agreements concluded for an indefinite period for a period of 12 months amounts to approx. PLN 1,600 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 1<sup>st</sup> of January, 2019 to the end of their validity, is

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

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

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

The implementation of IFRS 16 will have an impact on financial ratios calculated on the basis of the 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.

As at the balance sheet date, the 30<sup>th</sup> of September, 2020, the value of the right to use assets in the Group amounted to PLN 82,270 thousand and the value of lease liabilities PLN 87,648 thousand. The value of depreciation from the asset due to the right of use in first half of 2020 amounted to PLN 15,676 thousand. The value of interest on leasing liabilities during the three quarters of 2020 amounted to PLN 1,786 thousand.

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

	At 30 September 2020	At 30 September 2020
	- published data	- without IFRS 16
<b>Impact on the balance sheet</b>		
<b>Total assets</b>	<b>1,909,019</b>	<b>1,826,970</b>
Fixed assets	823,500	741,451
Asset due to the right of use	82,270	-
<b>Liabilities Total</b>	<b>1,909,019</b>	<b>1,826,970</b>
Total liabilities, including:	867,598	780,143
<i>Long-term liabilities</i>	249,719	181,948
<i>Current liabilities</i>	617,879	598,195
Lease liabilities, including:	87,648	-
<i>Long-term liabilities</i>	67,795	-
<i>Current liabilities</i>	19,853	-
<b>Equity attributable to the Company's shareholders</b>	<b>1,021,597</b>	<b>1,027,003</b>
<b>Impact on the profit and loss account</b>		
<b>Depreciation, including:</b>	<b>64,881</b>	<b>49,440</b>
<i>Depreciation of the right to use</i>	15,676	-
<b>Net profit</b>	<b>68,153</b>	<b>72,435</b>
<b>Net profit attributable to the company's shareholders</b>	<b>66,975</b>	<b>71,257</b>
<b>Impact on the cash flow</b>		
<b>Cash flow together</b>	<b>83,463</b>	<b>83,463</b>
Net cash flow from operating activities	195,751	180,625
Net cash flow from investing activities	(53,107)	(53,107)
Net cash flow from financing activities	(59,181)	(44,055)

Depreciation of assets under the right of use	9 months ended 30 September 2020
Leasing of means of transport and computer equipment	799
Rent	14,680
Perpetual usufruct	197
<b>Depreciation of assets under the right of use</b>	<b>15,676</b>

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 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 three quarters of 2020 amounted to approx. PLN 1,300 thousand.

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

#### ■ Amendment to IFRS 3 Business Combinations

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

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

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

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

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

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

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

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

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

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

- **Amendments to IFRS 3, IAS 16, IAS 37 and annual amendments to the standards 2018-2020** published on the 14<sup>th</sup> of May, 2020. They are effective for annual periods beginning on or after the 1<sup>st</sup> of January, 2022.
- **Amendments to IFRS 4 Insurance contracts – suspension of application IFRS 9** published on the 25<sup>th</sup> of June, 2020. It is effective for annual periods beginning on or after the 1<sup>st</sup> of January, 2023.

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

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

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

If there are circumstances specified in this standard, the Group will apply the amended standard after it is approved for use by the European Commission.

The consolidated financial statement of the Comarch Group for the 9 months ended the 30<sup>th</sup> of September, 2020, comprises the financial statements of the following companies:

Company name	Relationship	Consolidation method	% held by Comarch S.A. in a subsidiary's share capital
Comarch S.A.	Parent company	Full	
Comarch AG	Subsidiary	Full	100%
Comarch Sistemas LTDA	Subsidiary	Full	80% held by Comarch AG, 20% held by Comarch Software und Beratung AG
Comarch Peru S.A.C.	Subsidiary	Full	95% held by Comarch AG, 5% held by Comarch S.A.
Comarch Software und Beratung AG	Subsidiary	Full	100% held by Comarch AG
Comarch Solutions GmbH	Subsidiary	Full	100% held by Comarch Software und Beratung AG
Comarch S.A.S.	Subsidiary	Full	100%
Comarch R&D S.à r.l.	Subsidiary	Full	100%
Comarch Luxembourg S.à r.l.	Subsidiary	Full	100%
Comarch Inc.	Subsidiary	Full	100%
Comarch Panama Inc.	Subsidiary	Full	100% held by Comarch Inc.



Comarch Canada. Corp.	Subsidiary	Full	100%
Comarch Espace Connecté Inc.	Subsidiary	Full	100%
Comarch Middle East FZ-LLC	Subsidiary	Full	100%
Comarch LLC	Subsidiary	Full	100%
OOO Comarch	Subsidiary	Full	100%
Comarch Software (Shanghai) Co. Ltd.	Subsidiary	Full	100%
Comarch Technologies Oy	Subsidiary	Full	100%
Comarch UK Ltd.	Subsidiary	Full	100%
Comarch Japan KK	Subsidiary	Full	100% held by Comarch UK Ltd.
Comarch Chile SpA	Subsidiary	Full	100%
Comarch Software Spain S.L.U.	Subsidiary	Full	100%
Comarch Colombia S.A.S.	Subsidiary	Full	100% held by Comarch Software Spain S.L.U.
Comarch Yazilim A.S.	Subsidiary	Full	100%
Comarch SRL	Subsidiary	Full	100%
Comarch Malaysia SDN. BHD.	Subsidiary	Full	100%
Comarch s.r.o.	Subsidiary	Full	100%
Comarch Pointshub. Inc.	Subsidiary	Full	100%
Comarch AB	Subsidiary	Full	100%
Comarch Argentina S.A.	Subsidiary	Full	95% held by Comarch S.A., 5% held by Comarch AG
Comarch Saudi Arabia Co.	Subsidiary	Full	95% held by Comarch S.A., 5% held by Comarch Infrastruktura S.A.
Comarch Mexico S.A. de C.V.	Subsidiary	Full	99% held by Comarch S.A., 1% held by CA Consulting S.A.
Comarch Yuhan Hoesa (Comarch Ltd.)	Subsidiary	Full	100%
Comarch (Thailand) Limited	Subsidiary	Full	98% held by Comarch S.A., 1% held by CA Consulting S.A., 1% held by Comarch Technologies Sp. z o.o.
Comarch BV	Subsidiary	Full	100%
Comarch Pty. LTD	Subsidiary	Full	100%
CABINET CONSEIL EN STRATEGIE INFORMATIQUE S.A.S.	Subsidiary	Full	100%
Comarch Technologies sp. z o.o.	Subsidiary	Full	100%
CA Consulting S.A.	Subsidiary	Full	100%

Geopolis sp. z o.o.	Subsidiary	Full	100%
Comarch Management sp. z o.o.	Subsidiary	Full	100%
Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty	Subsidiary	Full	100% of total number of investment certificates
Comarch Management sp. z o.o. SK-A	Subsidiary	Full	26.45% held by Comarch S.A., 8.82% held by CCF FIZ, 64.73% purchased by Comarch Management sp. z o.o. SK-A to be redeemed
Bonus Management sp. z o.o. SK-A	Subsidiary	Full	100% held by CCF FIZ
Bonus MANAGEMENT sp. z o.o. Cracovia Park SK-A	Subsidiary	Full	50% held by Bonus Management sp. z o.o. SK-A, 50% held by MKS Cracovia SSA
Bonus Development sp. z o.o. SK-A	Subsidiary	Full	100% held by CCF FIZ
Bonus Management sp. z o.o. II Activia SK-A	Subsidiary	Full	100% held by CCF FIZ
Bonus Development sp. z o.o. II Koncept SK-A	Subsidiary	Full	100% held by CCF FIZ
Comarch Healthcare S.A.	Subsidiary	Full	38.27% held by CCF FIZ, 17.33% held by Comarch S.A., 33.02% held by Comarch Software und Beratung AG, 11.38% held by CASA Management and Consulting sp. z o.o. SKA
Comarch Polska S.A.	Subsidiary	Full	100% held by CCF FIZ
Comarch Cloud S.A. (previously Comarch Pointshub S.A.)	Subsidiary	Full	100% held by CCF FIZ
Comarch Infrastruktura S.A.	Subsidiary	Full	100% held by CCF FIZ
iComarch24 S.A.	Subsidiary	Full	100% held by CCF FIZ
CASA Management and Consulting sp. z o.o. SK-A	Subsidiary	Full	100% held by CCF FIZ
Comarch Swiss AG	Subsidiary	Full	100% held by CASA Management and Consulting sp. z o.o. SK-A
CAMS AG	Subsidiary	Full	51% held by CASA Management and Consulting sp. z o.o. SK-A
Opso sp. z o.o.	Subsidiary	Full	100%
MKS Cracovia SSA	Subsidiary	Full	66.11%

### 3. Notes to the Consolidated Financial Statement

#### 3.1. Reporting by Segments for 9 Months 2020

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

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

IT Segment has a dominant share in sales 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, and Switzerland) and other countries. The Sport Segment, Medicine Segment and Investment Segment operate exclusively on Polish territory. Due to the fact that only the IT Segment operates abroad and, at the same time, costs incurred in the IT segment are largely common for export and domestic sales, it is pointless to define separate results for export and domestic activities.

The Group's sales is highly diversified and there is no dependency on a single customer. Within 6 months of 2020 the share of none of the customer exceeded 10% of total sales of the Comarch Group.

Over 2019, Comarch Group revenue structure was as follows: 23% of annual sales were achieved in the first quarter, 23% in the second quarter, 25% in the third quarter and 29% in the fourth quarter. Over 2019, the Group expects the distribution of sales revenue similar to that of 2019.

9 months ended 30 September 2019	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Eliminations	Total
	Polish market	DACH market	Other markets					
<b>Revenues per segment- sales to external clients</b>	566,859	197,822	229,289	(256)	28,981	10 066	-	1,032,761
<i>including:</i>								
<b>Revenues from sales</b>	572,934	195,896	221,390	1,414	19,880	9452	-	1,020,966
<i>To customers in Telecommunication, Media, IT sector</i>	122,635	53,035	68,589	-	-	-	-	244,259
<i>To customers in Finance and Banking sector</i>	109,901	24,532	7,933	-	-	-	-	142,366
<i>To customers in Trade and services sector</i>	48,642	18,457	108,071	-	-	-	-	175,170
<i>To customers in Industry&amp;Utilities</i>	69,770	21,287	35,608	-	-	-	-	126,665
<i>To customers in Public sector</i>	88,262	7,873	-	-	-	-	-	96,135
<i>To customers in small and medium enterprises sector</i>	123,366	70,712	-	-	-	-	-	194,078
<i>To customers in Medicine sector</i>	9,367	-	1,153	-	-	9,452	-	19,972
<i>To other customers</i>	991	-	36	1,414	19,880	-	-	22,321
<i>Other operating revenue</i>	1,604	1,774	10,835	68	8,848	993	-	24,122
<i>Finance revenue</i>	(7,679)	152	(2,936)	(1,738)	253	(379)	-	(12,327)
Revenues per segment - sales to other segments	221,581	21,267	29,538	5,801	6,317	1,717	(286,221)	-
<b>Revenues per segment - total*</b>	788,440	219,089	258,827	5,545	35,298	11783	(286,221)	1,032,761
Costs per segment relating to sales to external clients	502,621	172,557	218,901	3,061	26,054	9528	-	932,722
Costs per segment relating to sales to other segments	221,581	21,267	29,538	5,801	6,317	1717	(286,221)	-
<b>Costs per segment - total*</b>	724,202	193,824	248,439	8,862	32,371	11245	(286,221)	932,722
Current taxes	(8,482)	(10,270)	(5,466)	(48)	(297)	-	-	(24,563)
Assets for the tax due to investment allowances and other tax relief	(3,102)	255	(2,135)	(66)	263	-	-	(4,785)
Share of segment in the result of parties valued using the equity method of accounting	474	-	(474)	-	-	-	-	-
<b>Net result</b>	53,128	15,250	2,313	(3,431)	2,893	538	-	70,691
<i>including:</i>								
<i>Result attributable to shareholders of the parent company</i>	53,128	15,250	2,313	(3,428)	1,878	538	-	69,679
<i>Result attributable to minority interest</i>	-	-	-	(3)	1,015	-	-	1,012

\*) 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 30<sup>th</sup> of September, 2019, as well as investment expenditures and depreciation in during 9 months of 2019:

**30 September 2019 / 9 months ended 30 September 2019**

	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Total
	Poland	DACH region	Other countries				
Assets	967,945	221,226	301,391	146,016	78,480	7,097	<b>1,722,155</b>
Liabilities	501,345	82,019	124,999	43,665	29,253	696	<b>781,977</b>
Investment expenditures	20,342	2,341	5,922	4,210	5,417	315	<b>38,547</b>
Depreciation	43,294	6,979	7,293	2,458	3,343	351	<b>63,718</b>

9 months ended 30 September 2020	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Eliminations	Total
	Polish market	DACH market	Other markets					
<b>Revenues per segment- sales to external clients</b>	<b>535,912</b>	<b>227,227</b>	<b>276,955</b>	<b>(776)</b>	<b>31,320</b>	<b>9,173</b>	<b>-</b>	<b>1,079,811</b>
<i>including:</i>								
<b>Revenues from sales</b>	550,340	215,967	262,267	1923	23,185	8,777	-	1,062,459
<i>To customers in Telecommunication, Media, IT sector</i>	80,738	47,515	84,269	-	-	-	-	212,522
<i>To customers in Finance and Banking sector</i>	127,426	27,599	24,801	-	-	-	-	179,826
<i>To customers in Trade and services sector</i>	48,559	18,698	104,821	-	-	-	-	172,078
<i>To customers in Industry&amp;Utilities</i>	59,184	24,029	42,156	-	-	-	-	125,369
<i>To customers in Public sector</i>	89,405	8,352	-	-	-	-	-	97,757
<i>To customers in small and medium enterprises sector</i>	130,374	89,774	-	-	-	-	-	220,148
<i>To customers in Medicine sector</i>	14,335	-	6190	-	-	8,777	-	29,302
<i>To other customers</i>	319	-	30	1923	23,185	-	-	25,457
<i>Other operating revenue</i>	6513	11,677	8,640	142	7,934	386	-	35,292
<i>Finance revenue</i>	(20,941)	(417)	6,048	(2,841)	201	10	-	(17,940)
Revenues per segment - sales to other segments	266,063	23,664	24,722	6,033	5,970	-	(326,452)	-
<b>Revenues per segment - total*</b>	<b>801,975</b>	<b>250,891</b>	<b>301,677</b>	<b>5257</b>	<b>37,290</b>	<b>9,173</b>	<b>(326,452)</b>	<b>1,079,811</b>
Costs per segment relating to sales to external clients	477,648	202,943	260,261	1,930	26,882	10,192	-	979,856
Costs per segment relating to sales to other segments	266,063	23,664	24,723	6,033	5,969	-	(326,452)	-
<b>Costs per segment - total*</b>	<b>743,711</b>	<b>226,607</b>	<b>284,984</b>	<b>7,963</b>	<b>32,851</b>	<b>10,192</b>	<b>(326,452)</b>	<b>979,856</b>
Current taxes	(10,214)	(8,381)	(7,748)	(421)	(83)	-	-	(26,847)
Assets for the tax due to investment allowances and other tax relief	(3,932)	34	(756)	92	(393)	-	-	(49,55)
Share of segment in the result of parties valued using the equity method of accounting	-	-	-	-	-	-	-	-
<b>Net result</b>	<b>44,118</b>	<b>15,937</b>	<b>8,189</b>	<b>(3,035)</b>	<b>3,963</b>	<b>(1,019)</b>	<b>-</b>	<b>68,153</b>
<i>including:</i>								
<i>Result attributable to shareholders of the parent company</i>	44,118	15,937	8,189	(2,870)	2,620	(1,019)	-	66,975
<i>Result attributable to minority interest</i>	-	-	-	(165)	1,343	-	-	1,178

\*) 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 30<sup>th</sup> of September, 2020, as well as investment expenditures and depreciation in during 9 months of 2020:

**30 September 2020 / 9 months ended 30 September 2020**

	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Total
	Poland	DACH region	Other countries				
Assets	1,028,704	265,024	359,013	146,264	101,031	8,983	<b>1,909,019</b>
Liabilities	417,066	98,964	274,431	35,306	41,582	249	<b>867,598</b>
Investment expenditures	24,614	3,400	8,539	4,634	18,815	5,718	<b>65,720</b>
Depreciation	42,830	7,872	7,598	2,656	3,533	392	<b>64,881</b>

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

**Revenues from basic sales - activities location**

	9 months ended 30 September 2020	%	9 months ended 30 September 2019	%
Poland	584,225	55.0	603,680	59.1
DACH region	215,967	20.3	195,896	19.2
Other countries	262,267	24.7	221,390	21.7
<b>Total</b>	<b>1,062,459</b>	<b>100.0</b>	<b>1,020,966</b>	<b>100.0</b>

**Assets – activities location**

	30 September 2020	%	31 December 2019	%
Poland	1,284,962	67.3	1,264,693	68.6
DACH region	265,024	13.9	250,384	13.6
Other countries	359,033	18.8	327,634	17.8
<b>Total</b>	<b>1,909,019</b>	<b>100.0</b>	<b>1,842,711</b>	<b>100.0</b>

**Investment expenditures – activities location**

	9 months ended 30 September 2020	%	12 months ended 31 December 2019	%	9 months ended 30 September 2019	%
Poland	53,781	81.8	46,023	81.7	30,284	78.5
DACH region	3,400	5.2	2,672	4.7	2,341	6.1
Other countries	8,539	13.0	7,649	13.6	5,922	15.4
<b>Total</b>	<b>65,720</b>	<b>100.0</b>	<b>56,344</b>	<b>100.0</b>	<b>38,547</b>	<b>100.0</b>

**3.2. Property, Plant and Equipment**

	30 September 2020	31 December 2019
Lands and buildings	386,899	384,075
Means of transport and machinery	114,723	122,443
Property, plant and equipment under construction	41,433	22,316
Others	13,014	8,753
Advance money for property, plant and equipment under construction	1,984	2,048
<b>Total</b>	<b>558,053</b>	<b>539,635</b>

Property, plant and equipment comprise mostly real estates and machinery owned by Comarch Group. As at the 30<sup>th</sup> of September, 2020, 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 metres 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 and 1.21 ha in Mesa, Arizona, USA. As at the 30<sup>th</sup> of September, 2020, property, plant and equipment under construction comprise mostly expenditures related to modernization works of buildings incurred by Bonus Management sp. z o.o. SKA and Bonus Management sp. z o.o. II Activia SKA (an amount of PLN 5,898 thousand) and expenditures related to construction of the Southern Poland Football Training and Research Centre for Cracovia (an amount of PLN 33,117 thousand).

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

	30 September 2020	31 December 2019
Leasing of means of transport and IT equipment	1,522	1,735
Rent	62,577	53,533
Perpetual usufruct	18,171	18,368
<b>Total</b>	<b>82 270</b>	<b>73,636</b>

Value of depreciation of the asset due to the right of use in the three quarters of 2020 amounted to PLN 15,676 thousand.

### 3.4. Investment Real Estate

	30 September 2020	31 December 2019
Lands	7,431	3,557
Buildings	32,883	33,074
<b>Total</b>	<b>40,314</b>	<b>36,631</b>

Investment real estate relates to developed lands used for lease to entities outside the Group and lands located in Krakow, purchased in order to construct buildings dedicated for lease to the entities outside Group. As at the 30<sup>th</sup> of September, 2020, investment real estate comprise two office buildings, placed in Krakow at 8,629 square metres of the total space, 4 residential buildings at 1,057 square metres of the total space, 1 service and production building with an area of 600 square metres (all located in Kraków), 2 services and warehouse buildings with an area of 2,611 square metres, located in Zabierzów, as well as real estate located in Kostrzyn with an area of 1,315 square metres.

### 3.5. Goodwill

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

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

A test for loss in value regarding goodwill was run as at the 31<sup>st</sup> of December, 2019. The test showed loss in value regarding goodwill in the amount of PLN 1,462 thousand related to the acquisition of Geopolis sp. z o.o., which was included in the income statement for 2019. The methodology used to run the test was described in details in the annual financial statements for 2019.

Due to the acquisition in the second quarter of 2020 by Comarch S.A. 100% of the shares of 2CSI CABINET CONSEIL EN STRATEGIE INFORMATIQUE S.A.S., goodwill was established in the amount of PLN 5,039 thousand. The above amount constitutes the remuneration transferred by Comarch S.A. over the fair value of the Comarch Group's share in the identified net assets of the acquired entity. The transferred remuneration included the control premium paid in connection with the acquisition of control over 2CSI, as well as amounts related to the benefits of anticipated synergies, increase of revenue, future market development, increase of product portfolio and the acquisition of highly qualified employees. These benefits have not been recognized separately from goodwill because it was not possible to reliably measure the future economic benefits arising from them. As part of the described transaction, the Comarch Group also took over customers and relationships with 2CSI customers. These assets have not been recognized separately from goodwill because it was not possible to reliably

measure their value. In subsequent reporting periods, the Comarch Group will perform test for loss in value regarding goodwill related to the acquisition of 2CSI by each time determining the recoverable amount of the cash-generating unit using the DCF discounted cash flow method. The projected cash flows related to 2CSI activities will be based on the sales results achieved in the current year, budget assumptions and forecasts for the coming years and on the estimates of the development of the French market in the coming years. The discount rate used to estimate the present value of the projected cash flows will be based on the WACC weighted average cost of capital.

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

### 3.6. Others Intangible Assets

	30 September 2020	31 December 2019
Costs of finished development works	-	-
Perpetual usufruct right	37,489	37,559
Licences and software	11,813	14,523
Other	6,425	4,229
Advance money for intangible assets	-	-
<b>Total</b>	<b>55,727</b>	<b>56,311</b>

Other intangibles include valuation of assets, classified as intangible assets, related to the right to use MKS Cracovia SSA players' cards in the amount of PLN 6,425 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 30<sup>th</sup> of September, 2020, the Group had shares in associates:

<b>At 1 January 2019</b>	<b>1,520</b>
Granting loan by SoInteractive S.A.	300
Repayment of loan by SoInteractive S.A.	(1,250)
<b>At 30 September 2019</b>	<b>570</b>
<b>At 1 January 2019</b>	<b>1,520</b>
Granting loan by SoInteractive S.A.	300
Repayment of loan by SoInteractive S.A.	(1,250)
<b>At 31 December 2019</b>	<b>570</b>

<b>At 1 January 2020</b>	<b>570</b>
Granting loan by SoInteractive S.A.	-
Repayment of loan by SoInteractive S.A.	(570)
<b>At 30 September 2020</b>	<b>0</b>

### 3.8. Derivative Financial Instruments

#### a) Assets

	<b>30 September 2020</b>	<b>31 December 2019</b>
Forward foreign exchange contracts – held-for-trading	2,300	7,662
Transaction on change of IRS	-	-
	<b>2,300</b>	<b>7,662</b>
<i>Current portion</i>	<i>1,240</i>	<i>4,923</i>
<i>Non-current portion</i>	<i>1,060</i>	<i>2,739</i>

#### b) Liabilities

	<b>30 September 2020</b>	<b>31 December 2019</b>
Forward foreign exchange contracts – held-for-trading	2,698	-
Transaction on change of IRS	3,691	2,909
	<b>6,389</b>	<b>2,909</b>
<i>Current portion</i>	<i>1,993</i>	-
<i>Non-current portion</i>	<i>4,396</i>	<i>2,909</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. As at the 30<sup>th</sup> of September, 2020, the above-mentioned instruments were valued at fair value according to market price and changes in valuation were referred into the results from financial operations. Total net value of forward contracts that were open as at the 30<sup>th</sup> of September, 2020, amounted to EUR 64,000 thousand and USD 14,300 thousand.

On the 9<sup>th</sup> of July, 2014, Comarch S.A. concluded a transaction on change of IRS for investment credit taken in June 2006 from BNP Paribas Bank Polska S.A. with its registered office in Warsaw, for financing of the third construction stage of production and office buildings in the Special Economic Zone in Krakow. As a consequence of the concluded transaction, variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded for the period of 10 years, i.e. till the 29<sup>th</sup> of July, 2024. As at the 30<sup>th</sup> of September, 2020, valuation of the IRS transaction amounted to minus PLN 318 thousand.

On the 23<sup>rd</sup> of October, 2015, Comarch S.A. concluded a transaction on change of IRS for investment credit taken on the 4<sup>th</sup> of December, 2013, from Bank Pekao S.A. with its registered office in Warsaw. As a consequence of the concluded transaction, variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded for the period of 8 years, i.e. till the 30<sup>th</sup> of November, 2023. As at the 30<sup>th</sup> of September, 2020, valuation of the IRS transaction amounted to minus PLN 292 thousand.

On the 20<sup>th</sup> of February, 2017, Comarch S.A. concluded a transaction on change of IRS for an investment credit granted in May 2016 by the Bank Handlowy with its registered office in Warsaw. As a consequence of the concluded transaction variable EURIBOR1M rate was changed into a fixed interest rate. The hedging

transaction was concluded till the 29<sup>th</sup> of February, 2028. As at the 30<sup>th</sup> of September, 2020, valuation of the IRS transaction amounted to minus PLN 1,793 thousand.

On the 27<sup>th</sup> of November, 2017, Bonus Development Sp. z o.o. SKA concluded a transaction on change of IRS for an investment credit taken on the 29<sup>th</sup> of June, 2015, from Bank Pekao S.A. with its registered office in Warsaw. As a consequence of the concluded transaction variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded till the 31<sup>st</sup> of May, 2030. As at the 30<sup>th</sup> of September, 2020, valuation of the IRS transaction amounted to minus PLN 1,288 thousand.

### 3.9. Deferred Income Tax

	30 September 2020	31 December 2019
<b>Deferred income tax assets</b>		
Temporary differences	20,157	20,284
Asset due to a tax loss	5,237	4,760
Asset due to activities in Special Economic Zone ("SEZ")	6,049	9,958
<b>Total</b>	<b>31,443</b>	<b>35,002</b>
<i>Charged to financial result</i>	<i>31,443</i>	<i>35,002</i>

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

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

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

Pursuant to IAS 12, unused tax relief as at the 30<sup>th</sup> of September, 2020, constitutes a deferred income tax asset. An investment relief due to the permit obtained in 1999 was fully utilized (its period of validity was the 31<sup>st</sup> of December, 2017). Limit of the unused investment tax relief under the permit obtained in 2007 amounted to approx. PLN 1,750 thousand as at the 30<sup>th</sup> of September, 2020 (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 30<sup>th</sup> of September, 2020 (after discounting at the permit date). Limit of the unused investment tax relief under the permit obtained in March 2016, regarding investment in the office building SSE7 in Cracow, amounted to approx. PLN 22,809 thousand as at the 30<sup>th</sup> of September, 2020 (after discounting at the permit date). The company has no intention to use the permit obtained in February 2016 due to the fact of receiving (after obtaining it), co-financing of investment outlays to be incurred in this permit - to eliminate the risk of using two forms of public aid related to one investment.

During the three quarters of 2020, the Group settled in part a deferred tax asset related to temporary differences that was established on the 31<sup>st</sup> of December, 2019, and worth PLN 4,905 thousand, and created an asset due to temporary differences in the amount of PLN 4,778 thousand, as well as the created an asset due to tax loss in the amount of PLN 477 thousand. The total effect of the above-mentioned operations on the net result of the reporting period was plus PLN 350 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 three quarters of 2020, the Group settled an asset created for the zone operations in the amount of PLN 3,909 thousand which were created as at 31<sup>st</sup> of December, 2019. At the same time, in accordance with IAS 12, the Company, over the year 2020, 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 the three quarters of 2020 results is minus PLN 3,559 thousand.

	30 September 2020	31 December 2019
<b>Deferred income tax assets</b>		
Temporary differences	19,766	20,521
Provision due to valuation of real estate of MKS Cracovia SSA	5,430	5,430
Provision due to valuation of certificates in CCF FIZ	24,925	22,774
<b>Total</b>	<b>50,121</b>	<b>48,725</b>
<i>Charged to equity</i>	<i>5,430</i>	<i>5,430</i>
<i>Charged to financial result</i>	<i>44,691</i>	<i>43,295</i>

Due to valuation of net assets of CCF FIZ during the three quarters of 2020, a deferred tax provision was increased by PLN 2,151 thousand. At the same time, a deferred tax provision due to temporary differences was recognized in the amount of PLN 3,607 thousand and dissolved in the amount of PLN 4,362 thousand. The total effect of the above-mentioned operations on the net result of the three quarters of 2020 was minus PLN 1,396 thousand.

Total changes in the deferred income tax resulted in a decrease in result of PLN 4,955 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

	30 September 2020	31 December 2019
Raw materials	2,084	2,456
Work in progress	93,242	75,944
Goods	10,607	11,702
Finished products	245	65
Advance due to finished products	786	574
<b>Total</b>	<b>106,964</b>	<b>90,741</b>

The cost of inventories included in 'Costs of products, goods and materials sold' in the income statement amounted to PLN 310,713 thousand (9 months ended the 30<sup>th</sup> of September, 2020), PLN 407,538 thousand (12 months of 2019), PLN 313,550 thousand (9 months ended the 30<sup>th</sup> of September, 2019).

Over the first 9 months of 2020, Comarch Group created write-offs that revaluated value of goods in the amount of PLN 80 thousand and has not created write-offs that revaluated value of materials and finished products. The Group resolved write-offs revaluated goods and materials which had been created in the previous years in the amount of PLN 83 thousand.

### 3.11. Trade and Other Receivables

	30 September 2020	31 December 2019
Trade receivables - net	303,605	374,987
<i>Trade receivables</i>	<i>381,301</i>	<i>447,083</i>
<i>Write-off revaluating receivables</i>	<i>(77,696)</i>	<i>(72,096)</i>
Other receivables	22,969	29,196
Short-term prepayments	17,510	14,135
Other prepayments	-	110
Loans	4,650	11,702
Trade receivables and other receivables from related parties - net	1	52
<i>Trade receivables and other receivables from related parties</i>	<i>1</i>	<i>52</i>
<i>Write-off revaluating receivables</i>	<i>-</i>	<i>-</i>
<b>Total</b>	<b>348,735</b>	<b>430,182</b>
<i>Current portion</i>	<i>348,735</i>	<i>430,182</i>

The fair value of trade and other receivables is close to their balance sheet value presented above. There is no concentration of credit risk with respect to trade receivables as Group has a large number of customers. As at the 30<sup>th</sup> of September, 2020, the Group recognised a write-off due to loss in value of its trade receivables that was worth PLN 31,084 thousand and dissolved previously created write-offs worth PLN 23,778 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

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

	9 months ended 30 September 2020	9 months ended 30 September 2019
Revenues from completed contracts recognized in the reporting period	39,953	34,329
Revenues from contracts not completed recognized in the reporting period	348,379	285,986
Revenues from contracts not completed recognized in the reporting period- an effect of settlement pursuant to IFRS 15	23,772	74,807
<b>Total</b>	<b>412,104</b>	<b>395,122</b>

Changes in settlements due to long-term contracts recognized in assets and liabilities between the 30<sup>th</sup> of September, 2019 and the 30<sup>th</sup> of September, 2020, are presented below:

	9 months ended 30 September 2020	9 months ended 30 September 2019
Long-term contracts revenue included to the balance sheet date - determined according to the progress of work	1,848,749	1,341,801
Issued invoices	(1,803,944)	(1,296,012)
<b>Total</b>	<b>44,805</b>	<b>45,789</b>

	Long-term contracts receivables	Long-term contracts liabilities	Net
<b>Value at 1 January 2019</b>	<b>134,800</b>	<b>(163,818)</b>	<b>(29,018)</b>
Correction of the current period (reversal of the correction due to IFRS 15)	(6,537)	25,170	18,633
Correction of the current period	66,350	(10,176)	56,174
<b>Value at 30 September 2019</b>	<b>194,613</b>	<b>(148,824)</b>	<b>45,789</b>
Change	59,813	14,994	74,807
<b>Value at 1 January 2020</b>	<b>193,865</b>	<b>(172,831)</b>	<b>21,034</b>
Correction of the current period (reversal of the correction due to IFRS 15)	(6,537)	(3,326)	(9,863)
Correction of the current period	33,690	(56)	33,634
<b>Value at 30 September 2020</b>	<b>221,018</b>	<b>(176,213)</b>	<b>44,805</b>
Change	27,153	(3,382)	23,771

**3.13. Share Capital**

	Number of shares	Ordinary and preference shares by votes	Own shares	Total
<b>At 1 January 2019</b>	<b>8,133,349</b>	<b>8,133,349</b>	<b>-</b>	<b>8,133,349</b>
<b>At 30 September 2019</b>	<b>8,133,349</b>	<b>8,133,349</b>	<b>-</b>	<b>8,133,349</b>
<b>At 31 December 2019</b>	<b>8,133,349</b>	<b>8,133,349</b>	<b>-</b>	<b>8,133,349</b>
<b>At 30 September 2020</b>	<b>8,133,349</b>	<b>8,133,349</b>	<b>-</b>	<b>8,133,349</b>

The nominal value of one share is PLN 1.

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

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

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

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

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

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

### 3.13.1.Changes in Share Capital in Q3 2020

None present.

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

None present.

## 3.14. Credits and Loans

	30 September 2020	31 December 2019
<b>Non-current</b>		
Non-revolving credits	119,682	136,880
Revolving credits	-	-
Loans	2,070	4,838
	<b>121,752</b>	<b>141,718</b>
<b>Current</b>		
Non-revolving credits	35,464	36,386
Revolving credits	50	-
Loans	5,741	4,705
	<b>41,255</b>	<b>41,091</b>
<b>Total credits and loans</b>	<b>163,007</b>	<b>182,809</b>

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

In the 9 months of 2020, the value of drawdown credits and loans granted to entities outside the Group amounted to PLN 32,712 thousand (it was only non-revolving credits and loans). In the 9 months of 2020, the Comarch Group launched non-revolving bank loans and credits from entities outside the Comarch Group amounted to PLN 1,825 thousand. As at the balance sheet date, CABINET CONSEIL EN STRATEGIE INFORMATIQUE S.A.S., the company of Comarch Group used an overdraft facility in the amount of PLN 50 thousand.

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

The exposure of Group bank credits to interest rate changes	12 months or less	1-5 years	Over 5 years	Total
<b>At 31 December 2019</b>				
Credits and loans	41,091	105,552	36,166	<b>182,809</b>
<b>At 30 September 2020</b>				
Credits and loans	41,255	90,858	30,894	<b>163,007</b>

The maturity of non-current bank credits, loans and financial liabilities	30 September 2020	31 December 2019
Between 1 and 2 years	34,491	35,815
Between 2 and 5 years	56,367	69,737
Over 5 years	30,894	36,166
	<b>121,752</b>	<b>141,718</b>

Currency structure of the balance sheet values of credits, loans and financial liabilities	30 September 2020	31 December 2019
In Polish currency (PLN)	7,317	9,542
In EUR (equivalence in PLN)	155,690	173,267
	<b>163,007</b>	<b>182,809</b>

Effective interest rates at the balance sheet date	30 September 2020	31 December 2019
Bank credits	1.48%	1.53%
Loans	2.52%	2.93%

### 3.14.1. Non-Revolving Credits and Loans

Debtor /  Subject of financing	Financial Institution	Total amount of credit/loan		Amount to be paid				Interest conditions	Repayment date	Securities
		Value	Currency	Value	Currency	Value	PLN			
<b>Comarch S.A.</b>  office buildings SSE4 in Krakow	BGŻ BNP Paribas Bank Polska S.A.	44,000	PLN	2,462  (2,919 as at 31 <sup>st</sup> of December, 2019)	EUR	11,144  (12,432 as at 31 <sup>st</sup> of December, 2019)	PLN	EURIBOR1M + bank margin  IRS till the 29 <sup>th</sup> of July, 2024	29 <sup>th</sup> of July, 2024	mortgage on the SSE4 building, assignment of rights from the building's insurance policy, blank promissory note, declaration on submission to enforcement
<b>Comarch S.A.</b>	Powszechna Kasa Oszczędności Bank Polski S.A.	4,126	EUR	515	EUR	2,333	PLN	EURIBOR1M + bank margin	29 <sup>th</sup> of September, 2021	mortgage on the SSE5 building, assignment of rights from the building's insurance policy, blank

office buildings SSE5 in Krakow - refinancing				(902 as at 31 <sup>st</sup> of December, 2019)		(3,840 as at 31 <sup>st</sup> of December, 2019)				promissory note, declaration on submission to enforcement
<b>Comarch S.A.</b>  nonrevealing operating credit	Santander Bank Polska S.A. (previously Bank Zachodni WBK S.A.)	7,400	EUR	239  (953 as at 31 <sup>st</sup> of December, 2019)	EUR	1,080  (4,057 as at 31 <sup>st</sup> of December, 2019)	PLN	EURIBOR1M + bank margin	31 <sup>st</sup> of December, 2020	mortgage on the SSE3 building, assignment of rights from the building's insurance policy, blank promissory note, declaration on submission to enforcement
<b>Comarch S.A.</b>  office buildings SSE6 in Krakow	Bank Polska Kasa Opieki S.A.	13,323	EUR	5,258  (6,507 as at 31 <sup>st</sup> of December, 2019)	EUR	23,803  (27 711 as at 31 <sup>st</sup> of December, 2019)	PLN	EURIBOR1M + bank margin  IRS till the 30th of November, 2023	30 <sup>th</sup> of November, 2023	mortgage on the SSE6 building, assignment of rights from the building's insurance policy, assignment of rights from the guarantee of due performance and guarantee of the warranty, declaration on submission to enforcement
<b>Comarch S.A.</b>  office buildings SSE7 in Krakow	Bank Handlowy w Warszawie S.A.	13,333	EUR	11,735  (12,920 as at 31 <sup>st</sup> of December, 2019)	EUR	53,121  (55,018 as at 31 <sup>st</sup> of December, 2019)	PLN	EURIBOR1M + bank margin  IRS till the 29 <sup>th</sup> of February, 2028	29 <sup>th</sup> of February, 2028	mortgage on the SSE7 building, assignment of rights from the building insurance policy, declaration on submission to enforcement
<b>Comarch S.A.</b>  Non-current assets - equipment of Internet of Things laboratory in Krakow	DNB Bank Polska S.A.	2,531	EUR	1,138  (1,400 as at 31 <sup>st</sup> of December, 2019)	EUR	5,150  (5,961 as at 31 <sup>st</sup> of December, 2019)	PLN	EURIBOR1M + bank margin	30 <sup>th</sup> of December, 2023	registered pledge on fixed assets being the subject of financing, assignment of rights under the insurance policy for financed fixed assets, declaration on submission to enforcement
<b>Bonus Development Sp. z o.o. SK-A</b>  Office building in Lodz	Bank Polska Kasa Opieki S.A.	9,262	EUR	6,201  (6,680 as at 31 <sup>st</sup> of December, 2019)	EUR	28,070  (28,448 as at 31 <sup>st</sup> of December, 2019)	PLN	EURIBOR1M + bank margin  IRS till the 31 <sup>st</sup> of May, 2030	31 <sup>st</sup> of May, 2030	mortgage on an office building in Łódź, a statement by Bonus Development Sp. z o.o. SK-A on submission to enforcement, assignment of rights from the insurance policy of an office building in Łódź, assignment of rights from the guarantee of due performance and warranty guarantee, assignment of rights under the lease of the financed property concluded with Comarch SA, surety from Comarch SA, declaration on submission to enforcement Comarch SA.
<b>Comarch S.A.S, Comarch S.A.</b>  Data centre in Lille in France	BGŻ BNP Paribas Bank Polska S.A	8,000	EUR	3,926  (4,908 as at 31 <sup>st</sup> of December, 2019)	EUR	17,771  (20,900 as at 31 <sup>st</sup> of December, 2019)	PLN	EURIBOR3M + bank margin	18 <sup>th</sup> of September, 2023	mortgage on the second place on the estate Comarch S.A. (Krakow, Michał Życzkowski Street 23, building SSE4), statement by Comarch S.A. on submission to enforcement, assignment of rights from the insurance policy
<b>Comarch S.A.</b>  CaixaBank S.A. Oddział w Polsce		3,500	EUR	2,800	EUR	12,674	PLN	EURIBOR1M + bank margin	23 <sup>rd</sup> of August, 2023	Declaration of submission to enforcement



Comarch infrastructure modernization program				(3,499 as at 31 <sup>st</sup> of December, 2019)		(14,899 as at 31 <sup>st</sup> of December, 2019)				
<b>Comarch S.A.</b>				0		0				
corporate objectives	CaixaBank S.A. Branch w Poland	2,300	EUR	(0 as at 31 <sup>st</sup> of December, 2019)	EUR	(0 as at 31 <sup>st</sup> of December, 2019)	PLN	EURIBOR1M + bank margin	26 <sup>rd</sup> of June, 2025	Declaration of submission to enforcement
<b>Comarch S.A.</b>						3,056				
Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	12,980	PLN			(4,850 as at 31 <sup>st</sup> of December, 2019)	PLN	fixed	1 <sup>st</sup> of March, 2022	-
<b>Comarch Polska S.A.</b>						1,493				
Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	3,475	PLN			(2,144 as at 31 <sup>st</sup> of December, 2019)	PLN	fixed	1 <sup>st</sup> of May, 2022	Comarch S.A. surety
<b>Comarch S.A.</b>						1,399				
Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	3,139	PLN			(1,944 as at 31 <sup>st</sup> of December, 2019)	PLN	fixed	1 <sup>st</sup> of May, 2022	-
<b>Comarch S.A.</b>						0				
Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	1,814	PLN			(605 as at 31 <sup>st</sup> of December, 2019)	PLN	fixed	1 <sup>st</sup> of May, 2020	-
<b>Comarch S.A.</b>						1,369				
Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	1,825	PLN			(0 as at 31 <sup>st</sup> of December, 2019)	PLN	fixed	1 <sup>st</sup> of March, 2022	-
<b>Comarch S.A.</b>				0		0				
asset	PKO Leasing S.A.	5,000	EUR	(0 as at 31 <sup>st</sup> of December, 2019)		(0 as at 31 <sup>st</sup> of December, 2019)	PLN	EURIBOR1M + bank margin	29 <sup>th</sup> of February, 2028	a blank promissory note, registered pledge on the Subject of Financing, conditional (i.e. until the establishment of a registered pledge) transfer of ownership to secure the Subject of Financing, insurance policy assignment for the Subject of Financing
<b>CABINET CONSEIL EN STRATEGIE INFORMATIQUE S.A.S.</b>										
	CAISSE D'EPARGNE	30	EUR	24	EUR	110	PLN	fixed	5 <sup>th</sup> of February, 2023	-

Financing operating activities						(0 as at 31st of December, 2019)				
<b>CABINET CONSEIL EN STRATEGIE INFORMATIQUE S.A.S.</b>	CAISSE D'EPARGNE	51	EUR	21	EUR	97	PLN	fixed	5 <sup>th</sup> of December, 2021	-
Financing operating activities						(0 as at 31st of December, 2019)				
<b>CABINET CONSEIL EN STRATEGIE INFORMATIQUE S.A.S.</b>	HSBC	200	EUR	63	EUR	287	PLN	fixed	1 <sup>st</sup> of December, 2022	surety
Financing operating activities						(0 as at 31st of December, 2019)				

### 3.14.2. Current Credit Lines

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

Company of Comarch Group / Purpose	Financial Institution	Total amount of credit/loan		Amount remained to payment				Interest conditions	Repayment date	Securities
		Value	Currency	Value	Currency	Value	PLN			
Comarch S.A. Financing operating activities	Powszechna Kasa Oszczędności Bank Polski S.A.	20,000	PLN	0	PLN	0	PLN	WIBOR1M + bank margin	20 <sup>th</sup> of December, 2020	declaration of submission to enforcement
Comarch S.A. Financing operating activities	Bank Polska Kasa Opieki S.A.	30,000	PLN	0	PLN	0	PLN	WIBOR1M + bank margin	30 <sup>th</sup> of June, 2021	declaration of submission to enforcement
Comarch S.A. Financing operating activities	CaixaBank S.A. Oddział w Polsce	30,000	PLN	0	PLN	0	PLN	WIBOR1M + bank margin	23 <sup>th</sup> of August, 2021	declaration of submission to enforcement
<b>CABINET CONSEIL EN STRATEGIE INFORMATIQUE S.A.S.</b> Financing operating activities	BNP Paribas	100	EUR	94	EUR	0	PLN	EURIBOR + bank margin	11 <sup>th</sup> of November, 2020	-
<b>CABINET CONSEIL EN STRATEGIE INFORMATIQUE S.A.S.</b> Financing operating activities	CAISSE D'EPARGNE	100	EUR	65	EUR	50	PLN	EURIBOR + bank margin	valid for an indefinite period	-

	30 September 2020	31 December 2019
<b>Credit lines in the current account and revolving credits, including:</b>	<b>80,905</b>	<b>60,000</b>
Used at the balance sheet date	50	-
Available at the balance sheet date	80,855	60,000

### 3.15. Liabilities due to Lease

	30 September 2020	31 December 2019
Leasing of means of transport and IT equipment	1,630	1,744
Rent	67,570	54,297
Perpetual usufruct	18,448	18,690
<i>Current portion</i>	<i>19,853</i>	<i>15,730</i>
<i>Non-current portion</i>	<i>67,795</i>	<i>59,001</i>
<b>Total</b>	<b>87,648</b>	<b>74,731</b>

#### Ageing of liabilities due to lease

	12 months or less	1-5 years	over 5 years	Total
Lease of means of transport and IT hardware	803	827	0	<b>1,630</b>
Rent	19,005	41,739	6,826	<b>67,570</b>
Perpetual usufruct	45	200	18,203	<b>18,448</b>
<b>Liabilities due to lease</b>	<b>19,853</b>	<b>42,766</b>	<b>25,029</b>	<b>87,648</b>

### 3.16. Other Financial Liabilities

	30 September 2020	31 December 2019
Liabilities due to financial leasing	-	-
<i>Current portion</i>	-	-
<i>Non-current portion</i>	-	-
Liabilities due to dividends	-	-
<i>Current portion</i>	-	-
<i>Non-current portion</i>	-	-
Liabilities due to bills of exchange	5,191	4,009
<i>Current portion</i>	<i>5,191</i>	<i>4,009</i>
<i>Non-current portion</i>	-	-
<b>Total</b>	<b>5,191</b>	<b>4,009</b>

As at 30<sup>th</sup> of September, 2020, other financial liabilities relate to bills of exchange at Bonus Management Sp. z o.o. SK-A, maturing on the second quarter of 2021 and bills of exchange at Bonus Management Sp. z o.o. II ACTIVIA SKA, maturing on the first quarter of 2021.

### 3.17. 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
<b>At 1 January 2019</b>	3,743	12,006	40,419	29,541	77,543	163,252
Change:	975	2,069	(14,526)	3,556	25,082	17,156
<i>Provisions created</i>	18,375	17,488	17,844	22,741	107,087	183,535
<i>Provisions used and dissolved</i>	(17,400)	(15,419)	(32,370)	(19,185)	(82,005)	(166,379)
<b>At 31 December 2019</b>	<b>4,718</b>	<b>14,075</b>	<b>25,893</b>	<b>33,097</b>	<b>102,625</b>	<b>180,408</b>
<b>At 1 January 2020</b>	<b>4,718</b>	<b>14,075</b>	<b>25,893</b>	<b>33,097</b>	<b>102,625</b>	<b>180,408</b>
Change:	2,558	(2,289)	(13,892)	8,424	(18,705)	(23,904)
<i>Provisions created</i>	13,128	9,737	1,717	24,965	45,015	94,562
<i>Provisions used and dissolved</i>	(10,570)	(12,026)	(15,609)	(16,541)	(63,720)	(118,466)
<b>At 30 September 2020</b>	<b>7,276</b>	<b>11,786</b>	<b>12,001</b>	<b>41,521</b>	<b>83,920</b>	<b>156,504</b>

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

### 3.18. Trade and Other Payables

	30 September 2020	31 December 2019
Trade payables	49,209	60,205
Advance payments received due to services	1,107	1,101
Trade payables and other liabilities to related parties	351	-
Liabilities due to social insurance and other tax charges	63,558	61,801
Investments liabilities	1,751	1,177
Liabilities due to remuneration	44,167	29,034
Revenues from the future periods	5,522	6,373
Other payables	2,258	1,689
Special funds (Social Services Fund and Residential Fund)	38,593	30,390
<b>Total</b>	<b>206,516</b>	<b>191,770</b>

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

### 3.19. Contingent Liabilities

On the 30<sup>th</sup> of September, 2020, the value of bank guarantees and letters of credit issued by banks on order from Comarch S.A. in reference to executed agreements and participation in tender proceedings was PLN 87,426 thousand, whereas it was PLN 90,725 thousand on the 31<sup>st</sup> of December, 2019.

On the 30<sup>th</sup> of September, 2020, the value of bank guarantees issued by banks on order from Comarch Software und Beratung was EUR 422 thousand (i.e. PLN 1,912 thousand), whereas it was EUR 392 thousand (i.e. PLN 1,668 thousand) on the 31<sup>st</sup> of December, 2019.

On the 30<sup>th</sup> of September, 2020, the value of bank guarantees issued by banks on order from Comarch AG was EUR 16 thousand (i.e. PLN 73 thousand), whereas it was EUR 16 thousand (i.e. PLN 68 thousand) on the 31<sup>st</sup> of December, 2019.

On the 30<sup>th</sup> of September, 2020, the value of bank guarantees issued by banks on order from Comarch Swiss AG was CHF 32 thousand (i.e. PLN 133 thousand), whereas it was CHF 0 (i.e. PLN 0) on the 31<sup>st</sup> of December, 2019.

Comarch S.A. declared a possibility to grant a financial support ("letters of comfort") for its subsidiaries: Comarch R&D S.à r.l. (valid for an indefinite period), Comarch Argentina S.A. (valid for an indefinite period), Comarch Malaysia SDN. BHD. (valid for an indefinite period) Comarch Healthcare S.A. (valid for an indefinite period and till the 30<sup>th</sup> of June, 2021), Comarch Middle East FZ-LLC (valid for an indefinite period), Comarch Japan KK (valid for an indefinite period), Comarch SAS (valid for an indefinite period), Comarch Cloud S.A (valid till the 31<sup>st</sup> of December, 2020) and Sointeractive S.A. (valid till the 31<sup>st</sup> of December, 2020).

	30 September 2020	31 December 2019
<b>Granted credit lines for financing of current activities</b>		
(guarantees, letters of credit, credit lines in current account)		
Credit lines*	250,442	239,273
	<b>250,442</b>	<b>239,273</b>

\* 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 24,882 thousand. Provisions for part of these claims were presented in the balance sheet as at the 30<sup>th</sup> of September, 2020, and are worth PLN 1,882 thousand. During the three quarters of 2020, Comarch Group created provisions for claims covered by legal proceedings in the amount of PLN 131 thousand and resolved provisions in this respect for the amount of PLN 9,530 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 27,213 thousand. Provisions for part of these claims presented in the balance sheet as at the 30<sup>th</sup> of September, 2020, and are worth PLN 3,434 thousand. During the three quarters of 2020, Comarch Group created provisions for matters in disputes, but not legal proceedings in the amount of PLN 334 thousand and resolved provisions in this respect for the amount of PLN 365 thousand.

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

Due to the matters in disputes, during the three quarters of 2020 the Comarch Group created write-offs that revalue receivables in the amount of PLN 323 thousand.

Due to the matters in disputes, but not legal proceedings during the three quarters of 2020 the Comarch Group created write-offs that revalue receivables in the amount of PLN 9,698 thousand.

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

As at 30<sup>th</sup> of September, 2020, the parent company had a contractual obligation to purchase an asset with a net value of USD 5,506 thousand. The planned date of the transaction is the fourth quarter of the current year.

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

None present.

### 3.22. Related-Party Transactions

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

	9 months ended 30 September 2020	9 months ended 30 September 2019
<b>Revenue from sales of goods</b>		
SoInteractive S.A.	-	-
Thanks Again LLC	-	-
	-	-
<b>Revenue from sales of services</b>		
SoInteractive S.A.	13	35
Thanks Again LLC	-	836
	<b>13</b>	<b>871</b>
	<b>13</b>	<b>871</b>

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

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

#### 3.22.2. Purchases of Goods and Services

	9 months ended 30 September 2020	9 months ended 30 September 2019
<b>Purchases of goods</b>		
SoInteractive S.A.	-	73
	-	<b>73</b>
<b>Purchases of services</b>		
SoInteractive S.A. <i>Included in generation costs</i>	-	434

Included in other costs	-	27
	-	<b>461</b>
<b>Total</b>	-	<b>534</b>

### 3.22.3. Balance of Settlements as of the Balance Sheet Date Resulting from the Sales/Purchase of Goods / Services

	30 September 2020	31 December 2019
<b>Receivables from related parties</b>		
SoInteractive S.A.	1	52
Thanks Again LLC*	-	-
	<b>1</b>	<b>52</b>
<b>Payables from related parties</b>		
SoInteractive S.A.	1	-
Thanks Again LLC*	-	-
	<b>1</b>	<b>-</b>

\*) On the 6<sup>th</sup> of December, 2019, Comarch Pointshub Inc. has concluded a contract for the sale of shares in an associate, Thanks Again LLC. The contract value was USD 500,000 (i.e. PLN 1,898,850 PLN). As a result of the transaction, Thanks Again LLC, in as of the first quarter of 2020, was not an associated company with the parent company.

### 3.22.4. Transactions with Associates and Personally Related Entities

	9 months ended 30 September 2020	9 months ended 30 September 2019
Purchases from personally related entities	2,626	2,750
Sales to personally related entities	1,294	1,056
Loans and interest on loans repaid by personally related entities	6,762	1,987
Loans and interest on loans granted to personally related entities	-	-
Purchases from associates	-	534
Sales to associates	13	871
Loans and interest on loans repaid by associates	577	2,150
Loans and interest on loans granted to associates	-	300
Loans and other payments from personally related entities	1,000*	-

\*) The item contains a payment of PLN 1,000 thousand from the person supervising Comarch S.A. to the company Bonus Management Sp. z o.o. II Activia SK-A in exchange for issued bills of exchange.



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

	30 September 2020	31 December 2019
Trade receivables from personally related parties	1,258	789
Loans receivables from personally related parties	4,657	11,239
Trade payables to personally related parties	876	952
Liabilities due to loans from personally related parties	5,191**	4,009*

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

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

### 3.23. Earnings per Share

	9 months ended 30 September 2020	9 months ended 30 September 2019
Net profit for the period attributable to equity holders of the Company	66,975	69,679
Weighted average number of shares in issue	8,133,349	8,133,349
<b>Basic earnings per share (PLN)</b>	<b>8.23</b>	<b>8.57</b>
Diluted number of shares	8,133,349	8,133,349
<b>Diluted earnings per share (PLN)</b>	<b>8.23</b>	<b>8.57</b>

Basic earnings per share in the column "9 months ended 30 September 2020" is calculated by dividing the net consolidated profit attributable to shareholders of Comarch S.A. for the period from the 1<sup>st</sup> of January, 2020, to the 30<sup>th</sup> of September, 2020, by the weighted average number of shares in issue between the 1<sup>st</sup> of January, 2020, to the 30<sup>th</sup> of September, 2020, where the number of days is the weight. Basic earnings per share in the column "9 months ended 30 September 2019" is calculated by dividing the net consolidated profit attributable to shareholders of Comarch S.A. for the period from the 1<sup>st</sup> of January, 2019, to the 30<sup>th</sup> of September, 2019, by the weighted average number of shares in issue between the 1<sup>st</sup> of January, 2019, to the 30<sup>th</sup> of September, 2019, where the number of days is the weight.

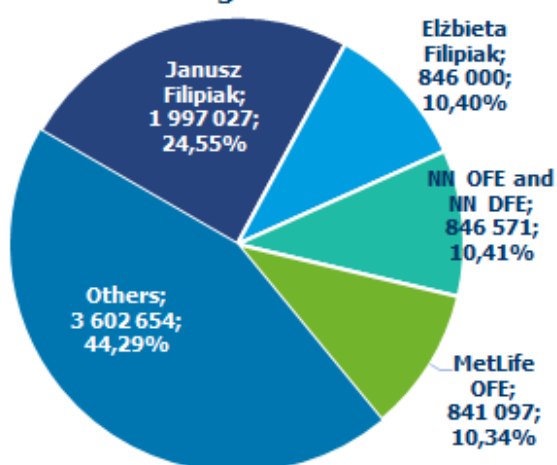
Diluted earnings per share in the column "9 months ended 30 September 2020" is calculated by dividing the net consolidated profit attributable to shareholders of Comarch S.A. for the period from the 1<sup>st</sup> of January, 2020, to the 30<sup>th</sup> of September, 2020, by the sum of the weighted average number of shares in issue between the 1<sup>st</sup> of January, 2020, to the 30<sup>th</sup> of September, 2020, where the number of days is the weight and diluted number of shares. Diluted earnings per share in the column "9 months ended 30 September 2019" is calculated by dividing the net consolidated profit attributable to shareholders of Comarch S.A. for the period from the 1<sup>st</sup> of January, 2019, to the 30<sup>th</sup> of September, 2019, by the sum of the weighted average number of shares in issue between the 1<sup>st</sup> of January, 2019, to the 30<sup>th</sup> of September, 2019, where the number of days is the weight.

#### 4. Additional Notes

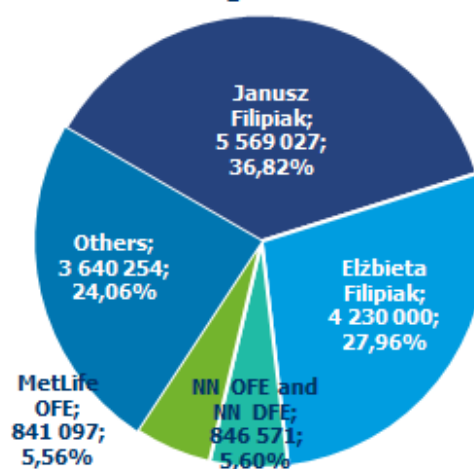
##### 4.1. Information About Shareholders Holding at least 5% of the Total Number of Votes at Comarch S.A. General Meeting and Shares Held by Members of the Management Board and the Board of Supervisors

##### 4.1.1. Shareholders who Directly or Indirectly through Subsidiary Entities Hold at least 5% of the Total Number of Votes at Comarch S.A. General Meeting as at 17<sup>th</sup> of November, 2020.

Shareholding - number of shares



Shareholding - number of votes



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

None present.

##### 4.1.3. Changes in Significant Holdings of Comarch S.A. Shares from the Publication of the Last Periodical report, i.e. from 28<sup>th</sup> of August, 2020

Entity	At 17 November 2020				At 28 August 2020			
	Shares	% in share capital	Number of votes	% in votes	Shares	% in share capital	Number of votes	% in votes
Janusz Filipiak	1,997,027	24.55	5,569,027	36.82	1,997,027	24.55	5,569,027	36.82
Elzbieta Filipiak	846,000	10.40	4,230,000	27.96	846,000	10.40	4,230,000	27.96
Nationale-Nederlanden OFE + DFE	846,571	10.41	846,571	5.60	846,571	10.41	846,571	5.60
MetLife OFE	841,097	10.34	841,097	5.56	841,097	10.34	841,097	5.56

#### 4.1.4. Changes in Holdings of Comarch S.A. Shares by Managing and Supervising Persons between 28<sup>th</sup> of August, 2020 and 17<sup>th</sup> of November, 2020

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 H1 2020 was published, i.e. on the 28<sup>th</sup> of August, 2020, and on the 17<sup>th</sup> of November, 2020, pursuant to the information possessed by the Company.

Members of the Management Board and the Board of Supervisors	Position	At 17 November 2020		At 28 August 2020	
		Shares	% in votes	Shares	% in votes
Janusz Filipiak	President of the Management Board	1,997,027	36.82	1,997,027	36.82
Elżbieta Filipiak	Chairman of the Board of Supervisors	846,000	27.96	846,000	27.96
Paweł Prokop	Vice-President of the Management Board	30,150	0.45	30,150	0.45
Andrzej Przewięźlikowski	Vice-President of the Management Board	0	0.00	0	0.00
Zbigniew Rymarczyk	Vice-President of the Management Board	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

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

##### 4.2.1. Deferred Income Tax Assets and Provisions

During 9 months of 2020, the Group settled in part a deferred tax asset related to temporary differences that was established as at the 31<sup>st</sup> of December, 2019, and worth PLN 4,905 thousand, as well as an asset due to temporary differences was recognised in the amount of PLN 4,778 thousand. An asset due to tax loss was recognized in the amount of PLN 477 thousand. The total effect of changes in the deferred tax on the net result of the Comarch Group in 9 months of 2020 amounted to plus PLN 350 thousand. During the first 9 months of 2020, the Group settled in part an asset created for the zone operations in the amount of PLN 3,909 thousand which were created as at 31<sup>st</sup> of December, 2019. The total impact of changes in assets on the Group's first 9 months of 2020 results is minus PLN 3,559 thousand.

Due to the valuation of the net asset value of CCF FIZ, the provision was increased by PLN 2,151 thousand in the three quarters of 2020 PLN. At the same time, a deferred tax provision due to temporary differences was recognised in the amount of PLN 3,607 thousand and dissolved in the amount of PLN 4,362 thousand. The total effect of the all above-mentioned operations on the net result of 9 months of 2020 amounted to minus PLN 1,396 thousand.

Total changes in deferred tax resulted in a decrease in net profit by PLN 4,955 thousand.

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

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

Positive realized foreign exchange rate differences and balance sheet valuation of exchange rates on receivables as at the 30<sup>th</sup> of September, 2020, increased revenue and operating profit of Comarch Group by PLN 9,978 thousand (while in 9 months of 2019 decreased by PLN 853 thousand).

Exchange rate differences from other activities decreased the result of Comarch Group by PLN 5,418 thousand (while in 9 months of 2019 decreased by PLN 2,166 thousand). The valuation of financial instruments and closed transactions (mostly forward contracts) and provision for deferred income tax in reference to the valuation of the financial instruments decreased the Group's result by PLN 7,880 thousand (while in the corresponding period of 2019 decreased by PLN 5,094 thousand). The total effect of exchange rate differences and valuation of derivative financial instruments on the net result of the Comarch Group in 9 months of 2020 amounted to minus PLN 4,173 thousand (minus PLN 1,519 thousand in 9 months of 2019).

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

In the period of 9 months of 2020, the Group created impairment losses on trade receivables in the amount of PLN 31,084 thousand and dissolved previously created write-offs in the amount of PLN 23,777 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 Q3 2020

#### 4.3.1. Acquisition of Land Property

On the 12<sup>th</sup> August, 2020, Comarch Inc. acquired undeveloped land property in Mesa, Arizona, USA. The acquired land of 12,141 m<sup>2</sup> is located in the Elliot Road Technology Corridor, where the largest high-tech companies operate. A modern Comarch Data Center server room will be built on the acquired land, where the company will provide its services to the most demanding customers from the USA and other countries of North and South America. The company plans to start the investment in 2021.

#### 4.3.2. Registration of Changes in the Statute of Comarch S.A. by the Court

On the 11<sup>th</sup> of September, 2020, the Management Board of Comarch S.A. informed in the current report no. [RB-14-2020](#) (ENG: [RB-14-2020](#)) registration on 1<sup>st</sup> of September, 2020 by the District Court for Kraków-Śródmieście, XI Economic Division of the National Court Register of changes in the Company's Articles of Association adopted by the General Meeting on the 24<sup>th</sup> of June, 2020, by resolution no. 30.

1. In Art. 15 of the Articles of Association point 14) was given the following wording:  
„14) Passing other resolutions referred to in the Code of Commercial Companies and Partnerships reserved for the exclusive competence of the General Meeting,”
2. In Art. 15 of the Articles of Association after point 14) points 15) and 16) has been added as follows:  
„15) adopting the remuneration policy for members of the Management Board and Supervisory Board,  
16) adopting resolutions giving opinions on the remuneration report.”
3. Art. 18 of the Articles of Association was given a new, following wording:  
„1. General Shareholders' Meeting shall appoint from among members of the Supervisory Board the Chairperson, the Vice Chairperson, and also the Secretary of the Supervisory Board, as needed.  
2. Resolutions of the Supervisory Board are passed with majority of present votes and in the case of meetings taking place using means of direct remote communication - by a majority of votes attending the meeting. In case of the equal number of votes, the vote of the Chairperson is decisive.

3. Any resolution of the Supervisory Board is passed valid if all members of the Supervisory Board have been invited to its session and more than half of members of the Supervisory Board participate in the session, including the Chairperson or the Vice Chairperson of the Board.
4. Any session of the Supervisory Board may also be held with means of direct remote communication, in particular in the form of teleconference, video conference, using electronic mail, the Internet or other available means of electronic communication. If this is the case, it is assumed that the place of the session and of preparing the minutes is the office of the Company.
5. Resolutions of the Supervisory Board may also be adopted without holding a meeting by voting in writing or using means of direct remote communication.
6. Resolutions adopted at the meeting which takes place in accordance with section 4 or in the manner and in the mode described in section 5 shall be valid if all members of the Supervisory Board have been notified of the content of the draft resolution and at least half of the members of the Supervisory Board, including the Chairman or Vice-Chairman of the Board, took part in adopting the resolution.
7. Members of the Board execute their duties in person.
8. Members of the Supervisory Board may participate in passing resolutions of the Supervisory Board by casting their votes in writing through another member of the Supervisory Board. Casting the vote in writing may not concern matters placed on the agenda at the meeting of the Supervisory Board.
9. Members of the Board are remunerated for their activities following the principles set forth by the General Meeting.
10. Organisation of the Supervisory Board and the procedure for executing its activities are defined by the regulations set forth by the General Meeting."

4. In art. 19 section 2 of the Articles of Association point 5) was given the following wording:  
„5) selecting an audit firm authorized to audit the Company's financial statements,"

5. In art. 19 section 2 of the Articles of Association point 8) was given the following wording:  
„8) preparing an annual report on the remuneration of the Company's Management Board and Supervisory Board,"

6. In art. 20 of the Articles of Association, after section 4, new sections 5 and 6 has been added as follows:

„5. The Management Board's meeting may also be attended by means of direct remote communication.

6. The Management Board may adopt resolutions in writing or by using means of direct remote communication."

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

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

Between the 1<sup>st</sup> of October, 2020, and the 17<sup>th</sup> of November, 2020, Comarch Group has concluded new forward contracts for the sales of currency in the amount of EUR 3,000 thousand. The total net value of open forward contracts as of the 17<sup>th</sup> of November, 2020, amounted to EUR 65,000 thousand and USD 13,400 thousand. The contracts will be settled within 36 months from the balance sheet date. All forward contracts have been concluded in order to limit the influence of currency exchange rates on the financial results related to the contracts carried out by companies in Comarch Group, in which the remuneration or cost is set in a foreign currency.

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

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

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

The Comarch Group is the defendant in legal proceedings, in which the potential total amount of third party claims is PLN 24,882 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 27,213 thousand.

More information was presented in point [3.19](#).

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

None present.

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

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



- Due to conclusion of a contract for implementation and licence of Comarch Loyalty Management, as well as services related to data centre and Support & Maintenance, signed by Comarch SAS, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for obligations of Comarch SAS resulting from this project. The surety was granted up to the maximum amount of the signed agreements, i.e. EUR 2,807 thousand and is valid till the end of this project.
- Due to conclusion of an agreement signed by branch of Comarch AG in Belgium with a customer, Comarch S.A. granted a surety for liabilities of Comarch AG resulting from this project. The surety was granted up to the amount of the agreement, i.e. EUR 236 thousand and is valid till the termination of the project.
- Due to conclusion of a contract for purchase of licences, maintenance and support, signed by Comarch UK, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for future obligations of Comarch UK resulting from this project. The surety was granted up to the amount of GBP 11,244 thousand and is valid for 12 years after the contract completion.
- Due to conclusion of a contract for fuel cards service signed by Comarch Healthcare S.A., a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of an operator of fuel cards in order to guarantee the fulfilment of any obligations resulting from this contract by Comarch Healthcare S.A. After the entry into force of the amendment to the agreement, the total amount of granted surety is PLN 100 thousand and is valid till the 31<sup>st</sup> of May, 2021.
- Due to conclusion of a contract for implementation of Comarch ECM, maintenance and SaaS, signed by Comarch SAS, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the liabilities of Comarch SAS, resulting from the project. The surety was granted up to the amount of EUR 838 thousand and is valid till the termination of the contract.
- Due to conclusion of a contract for fuel cards service signed by CA Consulting S.A., a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of an operator of fuel cards in order to guarantee the fulfilment of any obligations resulting from this contract by CA Consulting S.A. The surety has been renewed, the total amount of granted surety is PLN 50 thousand and is valid till the 31<sup>st</sup> of May, 2021.
- Due to conclusion of a framework agreement signed by branch of Comarch AG in Belgium with a customer, Comarch S.A. granted a surety for liabilities of Comarch AG. The surety was granted up to the amount of the agreement, i.e. EUR 3,241 thousand and is valid till the termination of the project.
- Due to conclusion of a contract for implementation of Comarch Customer Engagement Platform by Comarch Middle East FZ-LLC, a subsidiary of Comarch S.A., Comarch S.A. granted a surety („Parent Guarantee”) for the liabilities of Comarch Middle East FZ-LLC resulting from this project. The contract was concluded for five years. The surety is valid until fulfilment by Comarch Middle East FZ-LLC of all obligations under the contract and has been granted up to a maximum liability of the contract, i.e. USD 10,000 thousand.
- Due to conclusion of a contract for investment credit by Bonus Development Sp. z o.o. SK-A, a subsidiary of Comarch S.A., with Bank Pekao S.A. under which the bank grants Bonus Development Sp. o.o. SK-A funding in the amount of PLN 38,800 thousand (EUR 9,262 thousand on the date of signing the agreement) and due to the conclusion of the agreement on treasury transactions related to securing exchange rate risk and interest rate of above mentioned credit, Comarch S.A. granted a sureties for the liabilities of Bonus Development Sp. z o.o. SK-A resulting from these contracts. Sureties are valid until repayment of all obligations under the credit agreement, the maturity date is on the 28<sup>th</sup> of June, 2030.
- Due to conclusion of a contract by Comarch 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 30<sup>st</sup> of September, 2020.



- Due to conclusion of a contract by Comarch Polska S.A., a subsidiary of Comarch S.A., for service of fuel cards, Comarch S.A. granted a surety for the benefit of an operator of fuel cards for liabilities of Comarch Polska S.A. resulting from this contract. The surety has been renewed and was granted up to the amount of PLN 10 thousand and is valid till the 14<sup>th</sup> of September, 2021.
- Due to conclusion of a contract by Comarch AB, a subsidiary of Comarch S.A., for implementation and service of Loyalty Management Solutions, Comarch S.A. granted a surety for liabilities of Comarch AB. The surety is valid until fulfilment of all obligations under the contract by Comarch AB and was granted up to the amount of SEK 39,747 thousand.
- Due to conclusion of a contract by Comarch AB, a subsidiary of Comarch S.A., for implementation and service of Master Services Agreement, Comarch S.A. granted a surety for Comarch AB. The surety was granted up to the amount of PLN 3,827 thousand and is valid till the termination of the contract.
- Due to conclusion of a contract by Comarch UK, a subsidiary of Comarch S.A., for implementation and service of Comarch Loyalty Management, Comarch Campaign Management, Comarch Social Mining and Comarch Smart Analytics, Comarch S.A. granted a surety for Comarch UK. The surety was granted up to the amount of GBP 3,318 thousand and is valid till the termination of the contract.
- Due to conclusion of a contract by Comarch Healthcare S.A., a subsidiary of Comarch S.A., the contract for service of payment cards, a surety for Comarch Healthcare S.A. was granted to the amount of PLN 450 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch UK, a subsidiary of Comarch S.A., the contract for service of payment cards, a surety for Comarch UK was granted to the amount of PLN 330 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch Software und Beratung AG, a subsidiary of Comarch S.A., the contract for implementation and service of Telco BSS and Telco OSS, a surety for Comarch Software und Beratung AG was granted to the amount of EUR 11,524 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch S.A.S., a subsidiary of Comarch S.A., the contract for implementation of Comarch Retail, Comarch Mobile Sale and Comarch POS, a surety for liabilities of Comarch S.A.S. was granted to the amount of EUR 1,444 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch S.A.S., a subsidiary of Comarch S.A., the contract for implementation of Comarch Loyalty Management service, a surety for liabilities of Comarch S.A.S. was granted to the amount of USD 10,710 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch Luxembourg S.a.R.L., a subsidiary of Comarch S.A., the contract for the implementation, servicing and delivery of necessary licenses for the implementation of the Billing System project, a surety for liabilities of Comarch Luxembourg S.a.R.L. was granted to the amount of EUR 7,240 thousand by Comarch S.A. and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch Polska S.A., a subsidiary of Comarch S.A., the contract for the purchase of IT equipment to perform a contract with one of the clients, a surety for liabilities of Comarch Polska S.A. was granted to the amount of PLN 3,660 thousand by Comarch S.A. and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch AG, a subsidiary of Comarch S.A., the contract for the implementation, servicing and delivery of necessary licenses for the implementation of the e-invoicing service, a surety for liabilities of Comarch AG was granted to the amount of EUR 2,095 thousand by Comarch S.A. and is valid for the duration of the contract.
- Due to of a contract by Comarch UK Ltd, a subsidiary of Comarch S.A., the contract for the implementation, servicing and delivery of necessary licenses for Comarch NRM service, a surety for

liabilities of Comarch UK Ltd was granted to the amount of GBP 9,966 thousand by Comarch S.A. and is valid for the duration of the contract.

- Due to of a contract by Comarch Yuhan Hoesa, a subsidiary of Comarch S.A., the contract for the implementation, servicing and delivery of necessary licenses for Comarch NW Next Generation service, a surety for liabilities of Comarch Yuhan Hoesa was granted to the amount of EUR 18,467 thousand by Comarch S.A. and is valid for the duration of the contract.
- Due to of a contract by Comarch S.A.S., a subsidiary of Comarch S.A., the contract for the implementation, servicing and delivery of necessary licenses for Comarch ERP, POS and MoS services, a surety for liabilities of Comarch S.A.S. was granted to the amount of EUR 1,254 thousand by Comarch S.A. and is valid for the duration of the contract.
- Due to conclusion of a contract by COMARCH Middle East FZ-LLC, a subsidiary of Comarch S.A., the contract for the implementation, servicing and delivery of necessary licenses CLM, a surety for liabilities of COMARCH Middle East FZ-LLC was granted to the amount of USD 3,155 thousand by Comarch S.A. and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch AG, a subsidiary of Comarch S.A., the contract for the implementation, servicing and providing e-invoicing service, a surety for liabilities of Comarch AG was granted to the amount of EUR 784 thousand by Comarch S.A. and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch Japan KK, a subsidiary of Comarch S.A., the contract for the rent of office space, a surety for liabilities of Comarch Japan KK was granted to the amount of JPY 9,934 thousand by Comarch S.A. and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch S.A.S., a subsidiary of Comarch S.A., the contract for delivery of BSSv7 platform, a surety for liabilities of Comarch S.A.S. was granted to the amount of EUR 11,175 thousand by Comarch S.A. and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch Swiss AG, a subsidiary of Comarch S.A., the contract for implementation of Convergent Billing together with license, a surety for liabilities of Comarch Swiss AG was granted to the amount of CHF 12,144 thousand by Comarch S.A. and is valid for the duration of the contract.

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

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

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

The Group's Management Board monitors on an ongoing basis the development of the situation related to the continuing effects of the spread of SARS-CoV-2 coronavirus and COVID-19 incidence and their impact on the Group's operations. The Comarch Group companies implemented all guidelines recommended by the Chief Sanitary Inspectorate and other state institutions in the countries of the Group's operational activity, with particular regard to employee's safety, health and hygiene recommendations. Business trips to countries identified by the Chief Sanitary Inspectorate as high risk countries were suspended, direct contacts of employees within the organization were limited, and the remote work mode of office workers was launched on a large scale. Remote communication methods

are commonly used in business contacts. The Management Board of the Group notes that the activities of the Comarch Group are very well diversified in terms of industry, products and geography, and the effects of a pandemic do not currently pose a threat to the financial stability of the company. At present, the Management Board of the Comarch Group has not diagnosed significant disruptions in the implementation of existing contracts or significant disruptions in the supply chains of products and materials necessary for the Group's operations.

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

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

### 5.1. Revenues and Financial Results



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

In the third quarter of 2020, the Comarch Group generated sales revenue in the amount of PLN 353,675 thousand. They were lower by PLN 803 thousand, i.e. 0.2% than those achieved in the third quarter of 2019. Operating profit amounted to PLN 46,112 thousand and was lower by PLN 20,097 thousand i.e. 30.4% than in Q3 2019. Net result attributable to the shareholders of the parent company was PLN 32,456 thousand and was lower by PLN 10,044 thousand, i.e. 23.6% compared to the third quarter of 2019. The EBIT margin was +13.0% and net margin amounted to +9.2%. In the third quarter of 2020, the Comarch Group generated an EBITDA profit amounted of PLN 64,536 thousand, lower by PLN 25,236 thousand, i.e. by 28.1% compared to the same period last year.

The profitability of the activities of the Comarch Group in third quarter of 2020 was lower in relation to 2019. The results achieved by the Comarch Group in Q3 2020 were influenced by, among others:

- there were no unusual events of significant value in this period, while in the third quarter of 2019 the effect of the settlement with the Social Insurance Institution (ZUS) on the ZUS KSI contract was included, which increased the Comarch Group's operating result and net result for the three quarters of 2019 by PLN 24,203 thousand,
- decrease in foreign sales revenue, which amounted to minus PLN 26,880 thousand (i.e. 12.0%), resulting from decreased sales to customers from the Telecommunications, Trade and Services and Industry & Utilities sector as well as the weakening of PLN against major foreign currencies in the first quarter of 2020. In the third quarter of 2020, foreign sales constituted 55.7% of the total revenue of the Group,
- increase in domestic sales of PLN 26,077 thousand, i.e. of 19.9%, as a result of increased sales to customers from the Public, Medicine and SMEs sector in Q3 2020,

- occurrence of negative exchange rate differences on the balance sheet valuation of trade receivables in the third quarter of 2020, which decreased sales revenue and operating result in the described period by PLN 1,365 thousand, mainly due to the weakening of the USD against PLN,
- occurrence of negative exchange rate differences on the balance sheet valuation of trade payables related to the weakening of the PLN exchange rate against majority foreign currencies in the third quarter of 2020, which reduced the operating result in the period by PLN 4,031 thousand,
- occurrence of a negative balance sheet valuation of financial instruments, loans and borrowings contracted in foreign currencies, as well as leasing liabilities valued in accordance with IFRS 16, whose value in the described period amounted to minus PLN 5,270 thousand,
- increase in operating expenses, which is a consequence of the wage pressure in the IT sector, as well as the introduction of contributions to PPK (capital plans for employees) - the basic wage fund in the Comarch Group in the reporting period increased by 8% compared to the third quarter of 2019,
- current income tax, which was the result of high profitability of operations of the Group companies in Poland and Germany, its value in the third quarter of 2020 amounted to PLN 9,019 thousand,
- creation and release of write-offs for doubtful trade receivables, which reduced the Group's operating result by PLN 3,539 thousand,
- application of the IFRS 15 accounting standard, as a result of which a portion of the revenues derived from the sales of Comarch software licenses is settled over time, in accordance with the stage of completion of the projects. The value of the correction in this respect amounted to plus PLN 3,062 thousand in the third quarter of 2020,
- the application of the IFRS 16 accounting standard in 2020 caused that the depreciation value, and thus the value of EBITDA profit, was increased in the third quarter of 2020 by PLN 5,368 thousand.

Within three quarters of 2020, the Comarch Group generated sales revenue in the amount of PLN 1,062,459 thousand. They were higher by PLN 41,493 thousand, i.e. 4.1% than those achieved in 2019. Operating result amounted to PLN 117,895 thousand and was higher by PLN 5,529 thousand i.e. by 4.9% than within three quarters of 2019. Net result attributable to the shareholders of the parent company was PLN 66,975 thousand and decreased by PLN 2,704 thousand, i.e. by 3.9% compared to the previous year. The EBIT margin was +11.1% and net margin amounted to +6.3%. During the described period, the Comarch Group generated EBITDA in the amount of PLN 182,776 thousand, higher by PLN 6,692 thousand i.e. by 3.8% than in the similar period of the previous year.

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

- there were no unusual events of significant value in this period, while in the third quarter of 2019 the effect of the settlement with the Social Insurance Institution (ZUS) on the ZUS KSI contract was included, which increased the Comarch Group's operating result and net result for the 9 months of 2019 by PLN 24,203 thousand,
- increase in revenue from export sales of PLN 24,266 thousand (i.e. 4.0%), which resulted, among others, from the development of sales of banking and finance solutions on the European and Asian markets, as well as ERP in the region and DACH. During 9 months of 2020, foreign sales constituted 59.4% of the total revenue of the Group,
- increase in domestic sales of PLN 17,227 thousand, i.e. of 4.2%, as a result of increased sales to customers from SMEs and Medicine sector during 9 months of 2020,
- occurrence of positive exchange rate differences on the balance sheet valuation of trade receivables during 9 months of 2020, which increased sales revenue and operating result in the

described period by PLN 9,978 thousand, mainly due to the weakening of the PLN against foreign currency,

- occurrence of negative exchange rate differences on the balance sheet valuation of trade payables related to the weakening of the PLN, BRL, ARS exchange rate against foreign currencies during 9 months of 2020, which reduced the operating result in the period by PLN 20,265 thousand,
- occurrence of a negative balance sheet valuation of financial instruments, loans and borrowings contracted in foreign currencies, as well as leasing liabilities valued in accordance with IFRS 16, whose value in the described period amounted to minus PLN 14,277 thousand,
- increase in operating expenses, which is a consequence of the wage pressure in the IT sector, as well as the introduction of contributions to PPK (capital plans for employees) - the basic wage fund in the Comarch Group in the reporting period increased by 6.8% compared to the first 9 months of 2019,
- current income tax, which was the result of high profitability of operations of the Group companies in Poland and Germany, its value in the first 9 months of 2020 amounted to PLN 26,847 thousand,
- creation and release of write-offs for doubtful trade receivables, which reduced the Group's operating result by PLN 7,307 thousand,
- application of the IFRS 15 accounting standard, as a result of which a portion of the revenues derived from the sales of Comarch software licenses is settled over time, in accordance with the stage of completion of the projects. The value of the correction in this respect amounted to plus PLN 13,388 thousand in the first 9 months of 2020,
- the application of the IFRS 16 accounting standard in 2020 caused that the depreciation value, and thus the value of EBITDA profit, was increased in the first 9 months of 2020 by PLN 15,676 thousand,
- release of the provision in the amount of PLN 5,294 thousand as a result of concluding a settlement with one of the clients, ending many years of court proceedings,
- reduced level of sales and marketing costs (reduced by PLN 6,501 thousand) and general management costs (reduced by PLN 3,367 thousand), which was a result of restrictions in business activity caused by the Covid-19 pandemic.

The Comarch Group's financial result in subsequent periods will be significantly affected by: the economic consequences of the Covid-19 epidemic, the costs of implementing new contracts, the situation on the public procurement market, the costs associated with the development of new IT solutions, as well as high labour costs and the availability of qualified employees.

In the first 9 months of 2020, the employment in the Comarch Group increased by 4.4%. As at 30<sup>th</sup> of September, 2020, the Comarch Group employed 6,625 people, i.e. by 277 people more than on 31<sup>st</sup> of December, 2019.

The Comarch Group is actively looking for new sales markets (including in Western Europe and Asia), continues to invest in new products and IT services, as well as constantly extends and modernizes its infrastructure. Thanks to the very good financial results achieved in the first 9 months 2020, the financial situation of the Comarch Group is very good and guarantees the safety of operations in the event of a changing macroeconomic situation in Poland and in the world. This is particularly important in view of the development of the Covid-19 pandemic and its economic impact. The 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 Group intends to continue its strategy assuming:

- significant investments in human capital,
- development and sales of IT solutions based mostly on own products,



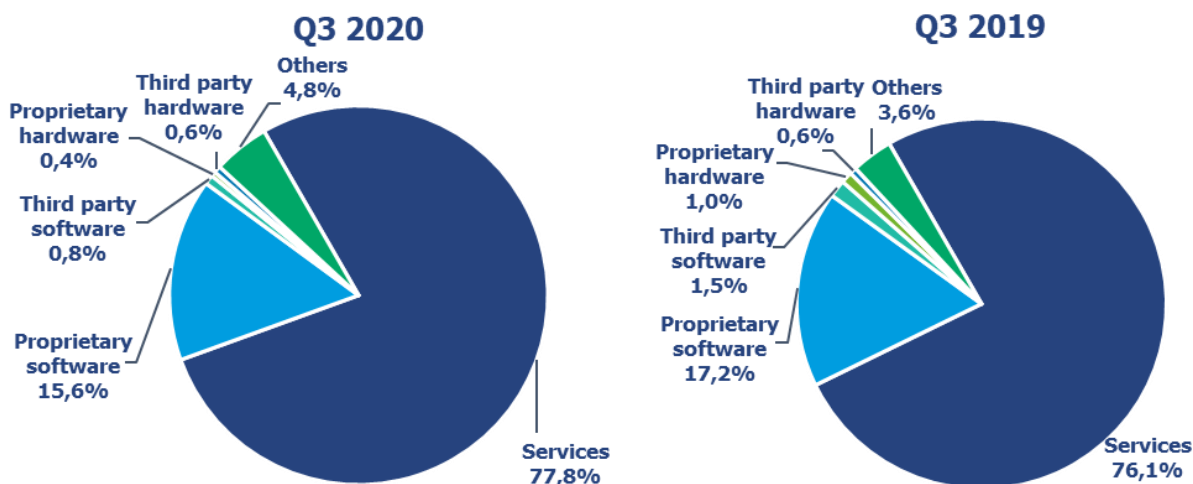
- development of sales on foreign markets, in particular in Western Europe, Asia and Oceania, and North America,
- continuous improvement of operational efficiency by improving procedures and cost rationalization,
- adaptation of the operating method to the restrictions associated with combating the Covid-19 pandemic,
- developing further business areas, especially in the field of medicine, Internet of Things (IoT) and solutions based on Comarch Cloud technology,
- promoting the IT sales service model, investments in own technologies and IT infrastructure.

## 5.2. Sales Structure

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

Products sales structure	Q3 2020	%	Q3 2019	%	Change in PLN	Change in %
Services	275,137	77.8	269,718	76.1	5,419	2.0
Proprietary software	55,238	15.6	60,947	17.2	-5,709	-9.4
Third party software	2,805	0.8	5,196	1.5	-2,391	-46.0
Proprietary hardware	1,181	0.4	3,611	1.0	-2,430	-67.3
Third party hardware	2,226	0.6	2,217	0.6	9	0.4
Others	17,088	4.8	12,789	3.6	4,299	33.6
<b>Total</b>	<b>353,675</b>	<b>100.0</b>	<b>354,478</b>	<b>100.0</b>	<b>-803</b>	<b>-0.2</b>

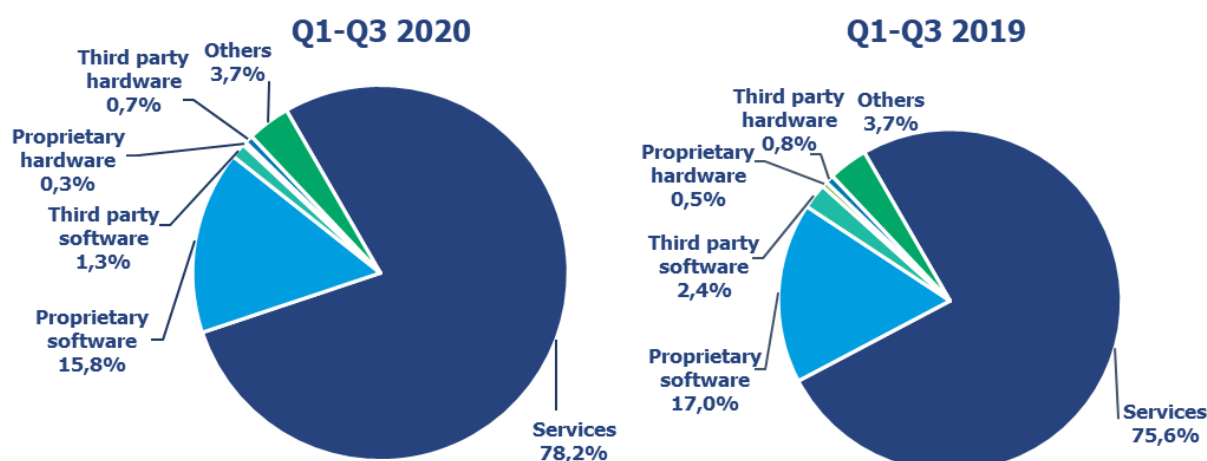
In the Q3 2020, the Group recorded an increase in revenues from the sales of services, it amounted to PLN 5,419 thousand, i.e. 2.0%. Sales of services constituted 77.8% of the Group's total sales revenues. Revenues from the sales of proprietary software decreased by PLN 5,709 thousand, i.e. by 9.4%. The value of revenues from the sales of third party software was lower by PLN 2,391 thousand, i.e. by 46.0% from that recorded in the third quarter of the previous year. The value of sales of finished products was lower by PLN 2,430 thousand, i.e. 67.3% lower than in the Q3 2019. Sales of third party hardware remained at the level of the third quarter of 2019 and amounted to PLN 2,226. The value of other sales increased by PLN 4,299 thousand, i.e. by 33.6%, as a result of higher revenues from sports activities.





Products sales structure	Q1-Q3 2020	%	Q1-Q3 2019	%	Change in PLN	Change in %
Services	830,530	78.2	772,210	75.6	58,320	7.6
Proprietary software	168,113	15.8	174,025	17.0	-5,912	-3.4
Third-party software	13,778	1.3	24,787	2.4	-11,009	-44.4
Proprietary hardware	3,814	0.3	4,977	0.5	-1,163	-23.4
Third party hardware	6,968	0.7	7,671	0.8	-703	-9.2
Others	39,256	3.7	37,296	3.7	1,960	5.3
<b>Total</b>	<b>1,062,459</b>	<b>100.0</b>	<b>1,020,966</b>	<b>100.0</b>	<b>41,493</b>	<b>4.1</b>

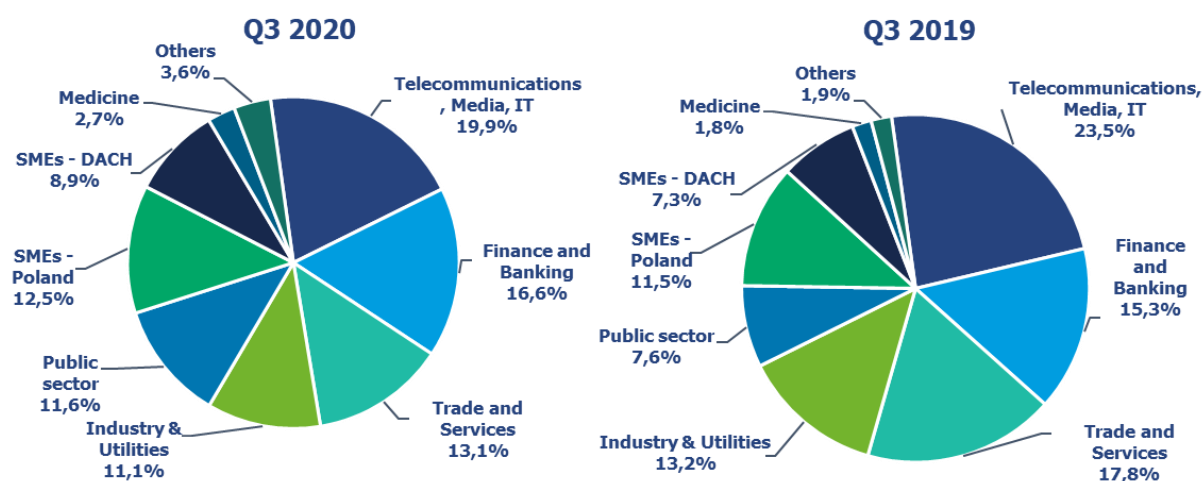
In the period of 9 months of 2020, Group's products sales structure was changed significantly compared to the same period in the previous year. The value of sales of services increased by 58,320 thousand, i.e. by 7.60%. Revenues from sales of proprietary software decreased by PLN 5,912 thousand, i.e. by 3.4%. Sales of own finished products decreased significantly compared to the previous year, by PLN 1,163 thousand, i.e. by 23.4%, similarly sales of third party hardware (decrease in revenues of PLN 703 thousand, i.e. by 9.2%). Revenues from the sales of third party software decreased by PLN 11,009 thousand, i.e. by 44.4%. During the 9 months of 2020, other sales increased by PLN 1,960 thousand, i.e. by 5.3%.



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

Market sales structure	Q3 2020	%	Q3 2019	%	Change in PLN	Change in %
Telecommunications, Media, IT	70,413	19.9	83,431	23.5	-13,018	-15.6
Finance and Banking	58,618	16.6	54,227	15.3	4,391	8.1
Trade and Services	46,371	13.1	63,230	17.8	-16,859	-26.7
Industry & Utilities	39,363	11.1	46,851	13.2	-7,488	-16.0
Public sector	40,902	11.6	26,916	7.6	13,986	52.0
Small and Medium-Sized Enterprises - Poland	44,203	12.5	40,924	11.5	3,279	8.0
Small and Medium-Sized Enterprises - DACH	31,630	8.9	25,923	7.3	5,707	22.0
Medicine	9,568	2.7	6,280	1.8	3,288	52.4
Others	12,607	3.6	6,696	1.9	5,911	88.3
<b>Total</b>	<b>353,675</b>	<b>100.0</b>	<b>354,478</b>	<b>100.0</b>	<b>-803</b>	<b>-0.2</b>

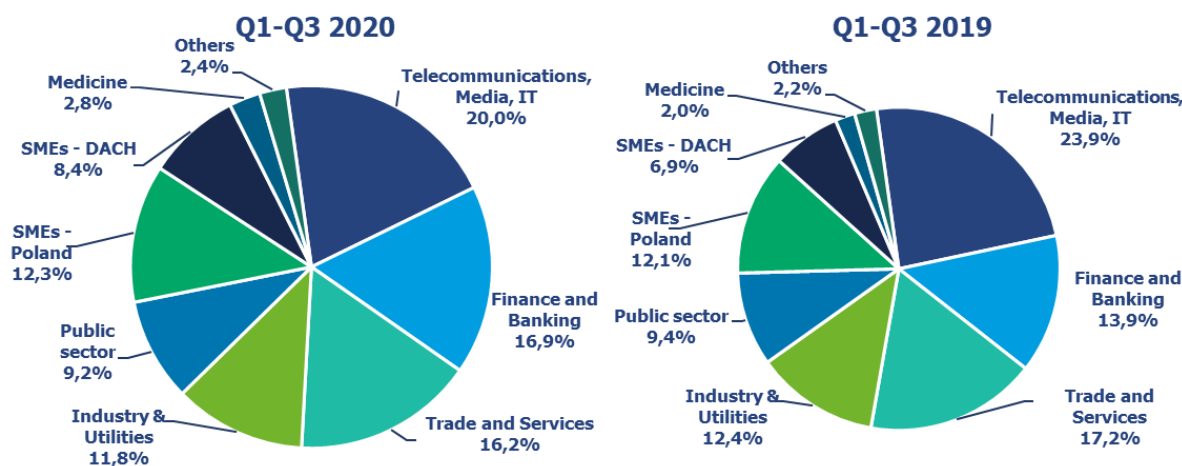
In Q3 2020, clients from the TMT sector purchased products and services worth PLN 70,413 thousand, which means a decrease of PLN 13,018 thousand, i.e. of 15.6% compared to the Q3 2019. This decrease is temporary and was caused by lower sales on the South American market than in the third quarter of 2019. This decrease is temporary and was caused by lower sales on the South American and Western European markets than in the Q3 2019. In the third quarter of 2020, clients from the Finance and Banking sector purchased products and services worth PLN 58,618 thousand, higher by PLN 4,391 thousand, i.e. by 8.1% from that achieved in the corresponding period of the previous year. This increase was mainly the result of the development of sales on the European and Asian markets. Sales of ERP solutions to small and medium-sized enterprises in Poland increased by PLN 3,279 thousand, i.e. by 8.0% and reached the value of PLN 44,203 thousand. In the case of sales to clients from the SME sector in the DACH region, the increase in revenues amounted to PLN 5,707 thousand, i.e. 22.0% and was the result of the development of sales of the Group's solutions, as well as the weakening of PLN against EUR in the third quarter of 2020. Sales revenue to clients from the Trade and Services sector decreased by PLN 16,859 thousand, i.e. by 26.7%, while in the case of customers from the Industry & Utilities sector it decreased by PLN 7,488 thousand, i.e. by 16.0%. In both cases, this was due to reduced demand for IT solutions among customers in industries more severely affected by the Covid-19 epidemic. In the Q3 2020, sales revenue to public entities increased by PLN 13,986 thousand, i.e. by 52.0%. In the discussed period, sales revenue to clients from the Medicine sector increased by PLN 3,288 thousand i.e. by 52.4%. Sales to other customers increased by PLN 5,911 thousand, i.e. by 88.3%.



Market sales structure	Q1-Q3 2020	%	Q1-Q3 2019	%	Change in PLN	Change in %
Telecommunications, Media, IT	212,522	20.0	244,259	23.9	-31,737	-13.0
Finance and Banking	179,826	16.9	142,366	13.9	37,460	26.3
Trade and Services	172,078	16.2	175,170	17.2	-3,092	-1.8
Industry & Utilities	125,369	11.8	126,665	12.4	-1,296	-1.0
Public sector	97,757	9.2	96,135	9.4	1,622	1.7
Small and Medium-Sized Enterprises - Poland	130,374	12.3	123,366	12.1	7,008	5.7
Small and Medium-Sized Enterprises - DACH	89,774	8.4	70,712	6.9	19,062	27.0
Medicine	29,302	2.8	19,972	2.0	9,330	46.7
Others	25,457	2.4	22,321	2.2	3,136	14.0
<b>Total</b>	<b>1,062,459</b>	<b>100.0</b>	<b>1,020,966</b>	<b>100.0</b>	<b>41,493</b>	<b>4.1</b>

Within first 9 months of 2020, the sales to customers from the TMT sector amounted to PLN 212,522 thousand, which means a decrease of PLN 31,737 thousand (i.e. of 13.0%) compared to the same period in 2019. The customers from the Finance and Banking sector purchased products and services worth PLN 179,826 thousand, higher than those achieved in the same period of the previous year by PLN 37,460 thousand, i.e. 26.3%. On the other hand, a decrease was recorded in sales to clients from the Trade and Services sector (of PLN 3,092 thousand, i.e. of 1.8%). Also, sales revenue to recipients from the Industry & Utilities sector decreased by PLN 1,296 thousand, i.e. by 1.0%. Revenues from sales to recipients from the Public sector slightly increased by PLN 1,622 thousand, i.e. by 1.7%. The significant increase was recorded in sales to customers from the Medicine sector (an increase of PLN 9,330 million, i.e. 46.7%). The customers from the SME-Poland sector purchased products and services worth PLN 7,008 thousand, i.e. 5.7% more than in the corresponding period of the previous year. A significant increase occurred in the case of sales to customers from the SME-DACH sector (an increase of PLN 19,062 thousand, i.e. of 27.0%). Sales to other customers increased by PLN 3,136 thousand (i.e. by 14.0%).

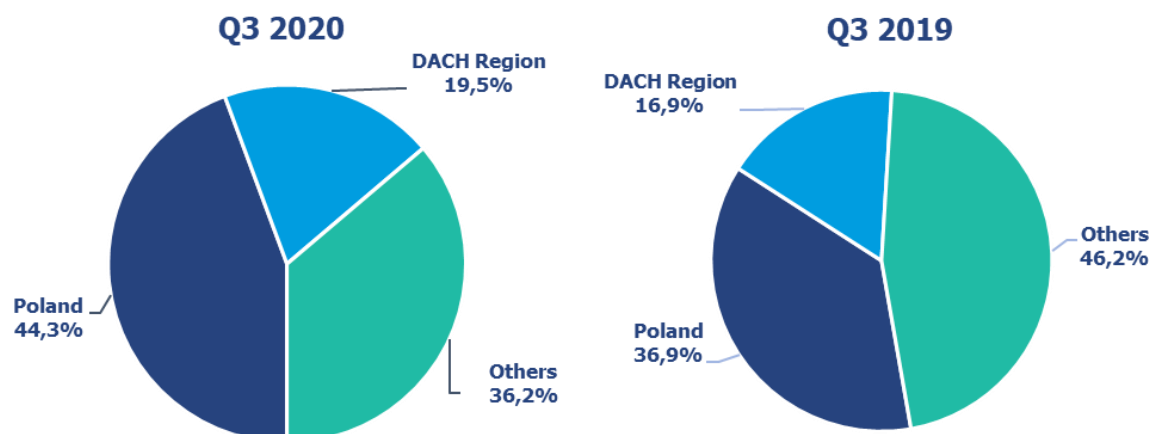
The business situation during the first 9 months of 2020 confirmed, the Comarch Group has secured the opportunity to sustain stable business development, due to maintaining the diversification of revenue sources and offer. Due to the concentration on sales of own solutions, the Comarch Group recorded a significant increase in revenue and improved operating profitability.



#### Geographical sales structure (in thousands of PLN)

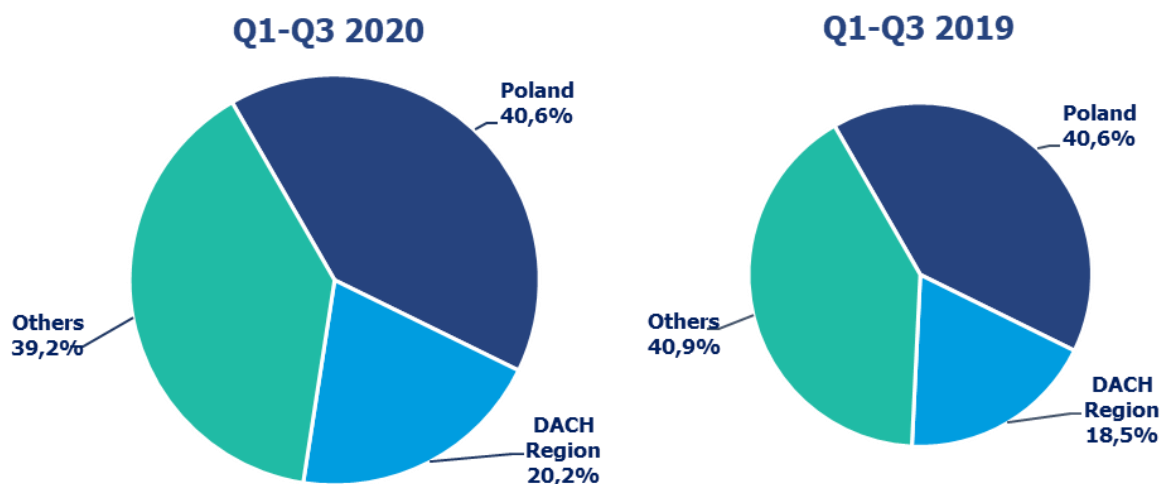
Geographical sales structure	Q3 2020	%	Q3 2019	%	Change in PLN	Change in %
Domestic (Poland)	156,797	44.3	130,720	36.9	26,077	19.9
Export	196,878	55.7	223,758	63.1	-26,880	-12.0
<b>Total</b>	<b>353,675</b>	<b>100.0</b>	<b>354,478</b>	<b>100.0</b>	<b>-803</b>	<b>-0.2</b>

In Q3 2020, the Group recorded an increase in revenues from sales on the domestic market and a decrease in revenues from sales on foreign markets. The value of revenues from domestic sales increased by PLN 26,077 thousand, i.e. by 19.9% compared to the Q3 2019. It was caused, among others, by greater sales to clients from the Public and SME-Poland sectors. In the discussed period, the Group recorded PLN 196,878 thousand of export sales revenue, that is PLN 26,880 thousand (i.e. 12.0%) less than in the third quarter of the previous year. This is the result of lower sales to recipients from the TMT, Trade and Service and Industry & Utilities sectors in other European and Asian countries. In the Q3 2020, export sales constituted 55.7% of the Group's total revenues.

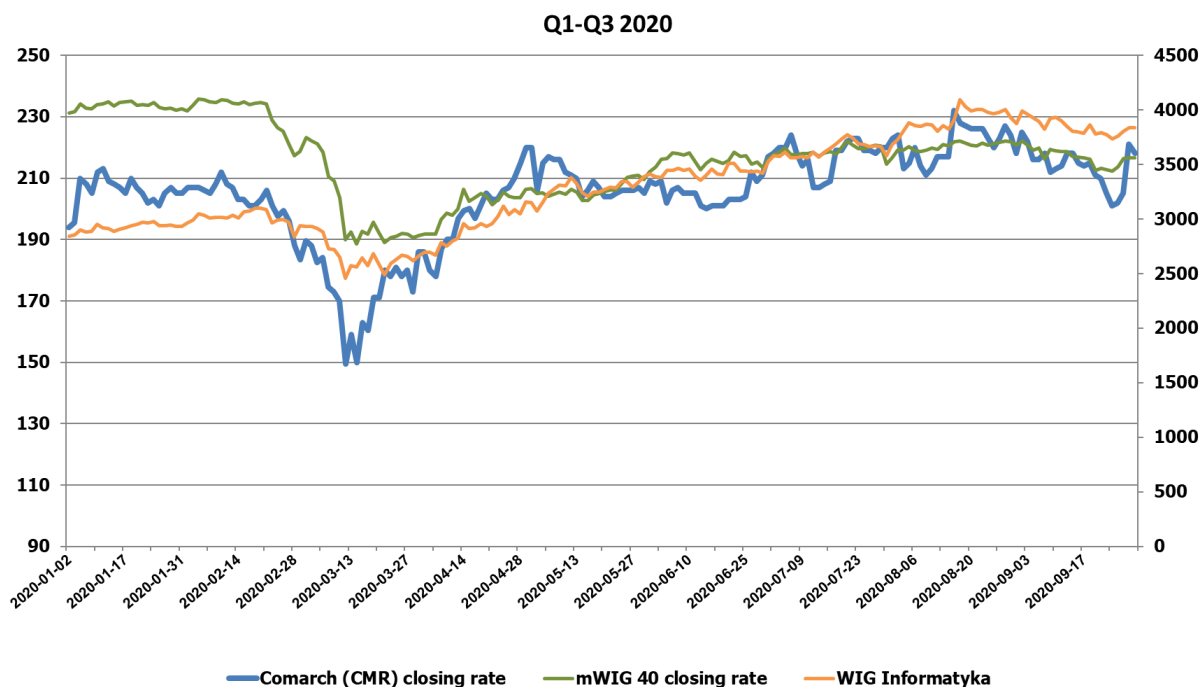


Geographical sales structure	Q1-Q3 2020	%	Q1-Q3 2019	%	Change in PLN	Change in %
Domestic (Poland)	431,477	40.6	414,250	40.6	17,227	4.2
Export	630,982	59.4	606,716	59.4	24,266	4.0
<b>Total</b>	<b>1,062,459</b>	<b>100.0</b>	<b>1,020,966</b>	<b>100.0</b>	<b>41,493</b>	<b>4.1</b>

Within 9 months of 2020, domestic sales of the Comarch Group amounted to PLN 431,477 thousand, and was higher by PLN 17,227 thousand, i.e. by 4.2% that achieved in corresponding period in 2019. That was caused by an increase in sales to the SME - Poland and Medicine sectors. Export sales in three quarters of 2020 amounted PLN 630,982 thousand and was higher by PLN 24,266 thousand (i.e. by 4.0%) that achieved in corresponding period in 2019. It is mainly related to the increase in sales revenue to recipients from the Finance and Banking sector and SME - DACH. In the period of 9 months of 2020, export sales accounted for 59.4% of the Group's total revenues.



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



On the 30<sup>th</sup> of September, 2020, the share price of Comarch S.A. amounted to PLN 218.00, which is an increase of 16.6% compared to the PLN 187.00 as of the 31<sup>st</sup> of December, 2019. In the three quarters of 2020, the maximum exchange rate was PLN 232.00. Comarch S.A. share price between 30<sup>th</sup> of September, 2019 and 30<sup>th</sup> of September, 2020 increased from PLN 174.5 to PLN 218.00, i.e. by 24.9%.

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

	9 months ended 30 September 2020 / 30.09.2020	9 months ended 30 September 2019 / 30.09.2019
Closing price at the balance sheet date	218.00	174.50
Average price during the reporting period	205.43	175.79
MIN price during the reporting period	149.50	148.00
MAX price during the reporting period	232.00	199.00
Average volume during the reporting period	4,287	3,245
Capitalization at the balance sheet date	1,773,070,082	1,419,269,401
<i>Ratios for unconsolidated data</i>		
P/E at the balance sheet date	24.12	35.48
P/BV at the balance sheet date	1.91	1.61
P/S at the balance sheet date	2.62	2.13

	<i>Ratios for consolidated data</i>	
P/E at the balance sheet date	26.49	20.37
P/BV at the balance sheet date	1.74	1.54
P/S at the balance sheet date	1.67	1.39

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

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

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

### 5.4.2. Loan Agreement with PKO Leasing Spółka Akcyjna

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

The loan securities:

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

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

None present.

17<sup>th</sup> of November, 2020

**SIGNATURES OF MANAGEMENT BOARD MEMBERS**

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

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

Name and surname	Position	Signature
Maria Smolińska	Head Accountant	

## Comarch S.A.

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



**QUARTERLY SUMMARY OF  
COMARCH S.A. FINANCIAL STATEMENT  
FOR THE PERIOD  
FROM 1<sup>ST</sup> OF JANUARY 2020  
TO 30<sup>TH</sup> OF SEPTEMBER 2020**

**Kraków, 17<sup>th</sup> of November, 2020**

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**PLN  
78 million of  
net profit**

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

**PLN 678  
million of  
sales  
revenue**

**5 000  
professionals  
employed**

**57  
subsidiaries  
worldwide**

**PLN 1.8  
billion of  
Comarch S.A.  
capitalization  
on WSE**

**7,2% EBIT  
margin**

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

### I. Balance Sheet

ASSETS	30 September 2020	30 June 2020	31 December 2019	30 September 2019
<b>I. NON-CURRENT ASSETS</b>	<b>752,227</b>	<b>752,792</b>	<b>735,752</b>	<b>725,634</b>
1. Intangible assets	7,912	8,612	10,770	12,001
2. Property, plant and equipment	318,141	323,034	331,755	335,506
3. Non-current investments	419,769	414,050	384,927	368,444
3.1. Non-current financial assets	399,910	393,935	364,443	347,704
a) in related parties	398,850	392,536	361,704	347,580
b) in other entities in which the Company holds equity interests	-	-	-	-
c) in other entities	1,060	1,399	2,739	124
3.2 Real estates	19,816	20,072	20,441	20,697
3.3 Other non-current investment	43	43	43	43
4. Non-current prepayments	6,405	7,096	8,300	9,683
4.1 Deferred income tax assets	5,158	5,529	6,082	7,278
4.2 Other prepayments	1,247	1,567	2,218	2,405
<b>II. CURRENT ASSETS</b>	<b>695,378</b>	<b>691,673</b>	<b>659,293</b>	<b>608,384</b>
1. Inventories	73,473	71,326	62,751	67,409
2. Current receivables	364,441	375,198	395,319	347,167
2.1 from related parties	253,236	240,830	254,508	224,416
2.2 from other entities in which the Company holds equity interests	-	-	50	2
2.3 from other entities	111,205	134,368	140,761	122,749
3. Current investments	114,163	104,564	72,825	61,166
3.1 Current financial assets	114,163	104,564	72,825	61,166
a) in related parties	905	655	900	728
b) in other entities in which the Company holds equity interests	-	-	-	-
c) in other entities	1,240	1,225	4,923	1,231
- interest and shares	-	-	-	-
- granted loans	-	-	-	23
- other current financial assets	1,240	1,225	4,923	1,208
d) cash and cash equivalents	112,018	102,684	67,002	59,207
4. Short-term prepayments	143,301	140,585	128,398	132,642
<b>TOTAL ASSETS</b>	<b>1,447,605</b>	<b>1,444,465</b>	<b>1,395,045</b>	<b>1,334,018</b>

EQUITY AND LIABILITIES	30 September 2020	30 June 2020	31 December 2019	30 September 2019
<b>I. EQUITY</b>	<b>956,083</b>	<b>929,406</b>	<b>881,540</b>	<b>883,613</b>
1. Share capital	8,133	8,133	8,133	8,133
2. Supplementary capital	763,377	763,377	717,950	717,950
3. Revaluation reserve	106,208	101,854	97,085	95,075
4. Other reserve capitals	745	745	745	745
5. Previous years' profit (loss)	-	-	-	-
6. Net profit (loss)	77,620	55,297	57,627	61,710
<b>II. LIABILITIES AND PROVISIONS FOR LIABILITIES</b>	<b>491,522</b>	<b>515,059</b>	<b>513,505</b>	<b>450,405</b>
<b>1. Provisions for liabilities</b>	<b>143,129</b>	<b>158,909</b>	<b>160,732</b>	<b>111,451</b>
1.1 Provision for deferred income tax	25,832	24,793	24,786	23,254
1.2 Other provisions	117,297	134,116	135,946	88,197
a) current	117,297	134,116	135,946	88,197
<b>2. Non-current liabilities</b>	<b>97,819</b>	<b>103,716</b>	<b>120,946</b>	<b>132,206</b>
2.1 to related parties	10,750	10,639	19,539	25,400
2.2 to other entities in which the Company holds equity interests	-	-	-	-
2.3 to other entities	87,069	93,077	101,407	106,806
<b>3. Current liabilities</b>	<b>161,109</b>	<b>168,365</b>	<b>160,942</b>	<b>147,140</b>
3.1 to related parties	38,098	35,388	29,077	25,345
3.2 to other entities in which the Company holds equity interests	350	350	-	4
3.3 to other entities	120,567	130,129	130,657	119,901
3.4 Special funds	2,094	2,498	1,208	1,890
<b>4. Accruals</b>	<b>89,465</b>	<b>84,069</b>	<b>70,885</b>	<b>59,608</b>
4.1 Other accruals	89,465	84,069	70,885	59,608
a) current	89,465	84,069	70,885	59,608
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,447,605</b>	<b>1,444,465</b>	<b>1,395,045</b>	<b>1,334,018</b>
Book value	956,083	929,406	881,540	883,613
Number of shares	8,133,349	8,133,349	8,133,349	8,133,349
Book value per single share (PLN)	117.55	114.27	108.39	108.64
Diluted number of shares	8,133,349	8,133,349	8,133,349	8,133,349
Diluted book value per single share (PLN)	117.55	114.27	108.39	108.64



## II. Income Statement

For period 01.01 – 30.09.2020 and 01.01 – 30.09.2019	Q3 2020	9 months 2020	Q3 2019	9 months 2019
<b>I. Net revenues from sales of products, goods and materials, including:</b>	<b>228,518</b>	<b>677,555</b>	<b>218,742</b>	<b>666,140</b>
- revenues from related parties	90,919	243,780	76,868	207,283
1. Net revenues from sales of products	218,136	638,598	206,144	617,014
2. Net revenues from sales of goods and materials	10,382	38,957	12,598	49,126
<b>II. Costs of products, goods and materials sold, including:</b>	<b>169,991</b>	<b>529,061</b>	<b>175,266</b>	<b>534,550</b>
- to related parties	10,141	25,814	8,858	24,219
1. Manufacturing cost of products sold	160,527	493,977	163,958	489,604
2. Value of products, goods and materials sold	9,464	35,084	11,308	44,946
<b>III. Gross profit (loss) on sales</b>	<b>58,527</b>	<b>148,494</b>	<b>43,476</b>	<b>131,590</b>
IV. Costs of sales	15,319	45,317	15,897	45,212
V. Administrative expenses	19,078	49,228	20,090	50,177
<b>VI. Profit (loss) on sales</b>	<b>24,130</b>	<b>53,949</b>	<b>7,489</b>	<b>36,201</b>
<b>VII. Other operating revenues</b>	<b>487</b>	<b>6,279</b>	<b>15,236</b>	<b>16,916</b>
1. Profit on disposal of non-financial non-current assets	131	329	750	1,106
2. Other operating revenues	356	5,950	14,486	15,810
<b>VIII. Other operating costs</b>	<b>408</b>	<b>11,409</b>	<b>2,365</b>	<b>15,490</b>
1. Loss on disposal of non-financial non-current assets	-	-	-	-
2. Cost of works financed in part with subsidies	201	1,068	422	1,742
3. Revaluation of non-financial assets	-	-	-	-
4. Other operating costs	207	10,341	1,943	13,748
<b>IX. Profit (loss) on operating activities</b>	<b>24,209</b>	<b>48,819</b>	<b>20,360</b>	<b>37,627</b>
<b>X. Financial revenues</b>	<b>682</b>	<b>48,751</b>	<b>6,492</b>	<b>46,127</b>
1. Interest, including:	338	1,161	351	1,014
- from related parties	300	935	281	674
2. Dividends and share in profits	4,087	45,098	-	37,140
- from related parties	4,087	45,098	-	37,140
3. Profit (loss) on disposal of investment	651	651	289	2,121
4. Revaluation of financial assets	-	-	-	-
5. Other	(4,394)	1,841	5,852	5,852
<b>XI. Finance costs</b>	<b>2,179</b>	<b>12,655</b>	<b>7,069</b>	<b>15,858</b>
1. Interest	539	1,893	779	2,481
- from related parties	73	355	4	568
2. Loss from the sale of investments	(188)	-	-	5,900
3. Revaluation of investments	-	92	-	-
4. Other	1,828	10,670	6,290	7,477
<b>XII. Profit (loss) on business activities</b>	<b>22,712</b>	<b>84,915</b>	<b>19,783</b>	<b>67,896</b>
<b>XIII. Gross profit (loss)</b>	<b>22,712</b>	<b>84,915</b>	<b>19,783</b>	<b>67,896</b>
XIV. Income tax	389	7,295	2,553	6,186
<b>XV. Net profit (loss)</b>	<b>22,323</b>	<b>77,620</b>	<b>17,230</b>	<b>61,710</b>
Net profit (loss) (annualised)		73,537		39,997



Weighted average number of shares 01.10.2019 – 30.09.2020	8,133,349	8,133,349
Earnings (losses) per single share (PLN)	9.04	4.92
Diluted weighted average number of shares 01.10.2019 – 30.09.2020	8,133,349	8,133,349
Diluted earnings (losses) per single share (PLN)	9.04	4.92

### III. Changes in Equity

	Q3 2020	9 months 2020	Q3 2019	9 months 2019
I. Opening balance of equity	929,406	881,540	834,190	834,190
a) changes to adopted accounting principles (policies)	-	-	-	-
I. a. Opening balance of equity after adjustments	929,406	881,540	834,190	834,190
1. Opening balance of share capital	8,133	8,133	8,133	8,133
1.1 Changes in share capital	-	-	-	-
a) increases (due to)	-	-	-	-
- shares issue	-	-	-	-
<b>1.2 Closing balance of share capital</b>	<b>8,133</b>	<b>8,133</b>	<b>8,133</b>	<b>8,133</b>
2. Opening balance of supplementary capital	763,377	717,950	680,501	680,501
2.1 Changes in supplementary capital	-	45,427	37,449	37,449
a) increases (due to)	-	45,427	37,449	37,449
- profit-sharing for the previous years	-	45,427	37,449	37,449
<b>2.2 Closing balance of supplementary capital</b>	<b>763,377</b>	<b>763,377</b>	<b>717,950</b>	<b>717,950</b>
3. Opening balance of revaluation reserve	101,854	97,085	95,162	95,162
3.1 Changes in revaluation reserve	4,354	9,123	1,923	(87)
a) increases (due to)	5,375	11,263	2,374	20
- provision for deferred income tax due to certificates valuation	-	-	-	20
- balance sheet valuation of investment certificates	5,375	11,263	2,374	-
b) decreases (due to)	1,021	2,140	451	107
- balance sheet valuation of investment certificates	-	-	-	107
- provision for deferred income tax due to certificates valuation	1,021	2,140	451	-
<b>3.2 Closing balance of revaluation reserve</b>	<b>106,208</b>	<b>106,208</b>	<b>97,085</b>	<b>95,075</b>
4. Opening balance of capital from merger	-	-	-	-
<b>4.1 Closing balance of capital from merger</b>	-	-	-	-
5. Opening balance of other reserve capitals	745	745	745	745

<b>5.1 Closing balance of other reserve capitals</b>	<b>745</b>	<b>745</b>	<b>745</b>	<b>745</b>
6. Opening balance of previous years' profit	-	57,627	49,649	49,649
a) changes to adopted accounting principles (policies)	-	-	-	-
6.1 Opening balance of previous years' profit after adjustments	-	57,627	49,649	49,649
a) decreases (due to)	-	57,627	49,649	49,649
- transferring the result from the previous years to capital	-	45,427	37,449	37,449
- payment of dividend	-	12,200	12,200	12,200
<b>6.2 Closing balance of previous years' profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
7. Result for H1 2020 (opening balance)	55,297	-	-	-
7.1 Net result for the period	22,323	77,620	57,627	61,710
<b>7.2. Net result</b>	<b>77,620</b>	<b>77,620</b>	<b>57,627</b>	<b>61,710</b>
<b>II. Closing balance of equity</b>	<b>956,083</b>	<b>956,083</b>	<b>881,540</b>	<b>883,613</b>
III. Equity including proposed profit-sharing (loss coverage)	956,083	956,083	881,540	883,613

#### IV. Cash Flow Statement

For period 01.01 – 30.09.2020 and 01.01 – 30.09.2019	Q3 2020	9 months 2020	Q3 2019	9 months 2019
<b>A. Cash flows from operating activities</b>				
I. Net profit (loss)	22,323	77,620	17,230	61,710
II. Total adjustments	9,960	7,002	630	(30,922)
1. Depreciation	10,736	32,599	11,344	33,564
2. Exchange gains (losses)	997	1,201	(25)	(24)
3. Interest and profit sharing (dividends)	(3,652)	(44,209)	691	(35,519)
4. (Profit) loss on investing activities	(312)	(1,203)	(2,234)	3,615
5. Change in provisions	(16,801)	(19,742)	(16,477)	(32,838)
6. Change in inventories	(2,147)	(10,722)	1,686	(6,225)
7. Change in receivables	9,953	34,865	(5,090)	31,351
8. Change in current liabilities, excluding credits and loans	7,815	8,641	13,602	6,136
9. Change in prepayments and accruals	3,371	5,572	(2,867)	(30,982)
10. Change in deferred income	-	-	-	-
11. Other adjustments	-	-	-	-
<b>III. Net cash used in operating activities (I+/-II) – indirect method</b>	<b>32,283</b>	<b>84,622</b>	<b>17,860</b>	<b>30,788</b>
<b>B. Cash flows from investing activities</b>				
I. Inflows	14,055	59,635	2,080	43,772
1. Disposal of property, plant and equipment and intangible assets	183	665	1,056	3,237

2. From financial assets, including:	13,221	58,319	1,024	40,535
a) in related parties	13,221	58,319	735	38,414
- repaid loans	9,000	12,292	680	846
- repaid interest on loans	(795)	-	-	-
- received loans	-	-	-	-
- received interest	928	928	55	428
- received dividends	4,088	45,099	-	37,140
b) in other entities	-	-	289	2,121
- interest	-	-	-	-
- Dividends and share in profits	-	-	-	-
- other proceeds from financial assets	-	-	289	2,121
3. Other investment proceeds	651	651	-	-
II. Outflows	(15,004)	(52,301)	(10,055)	(34,610)
1. Purchase of property, plant and equipment and intangible assets	(4,304)	(14,326)	(7,233)	(21,067)
2. Expenses for investment in real estates	(2)	(148)	(884)	(894)
3. For financial assets, including:	(10 698)	(37 827)	(1,938)	(12,649)
a) in related parties	(10 000)	(27 375)	(1,938)	(12,649)
- purchase of financial assets	-	(9 145)	(439)	(1,690)
- granted non-current loans	(10 000)	(18 230)	(1,499)	(10,959)
- repayment of loans from related parties	-	-	-	-
- repayment of interest on loans	-	-	-	-
b) in other entities	(698)	(10 452)	-	-
4. Other investment expenses	-	-	-	-
<b>III. Net cash used in investing activities (I-II)</b>	<b>(949)</b>	<b>7,334</b>	<b>(7,975)</b>	<b>9,162</b>
<b>C. Cash flows from financing activities</b>				
I. Inflows	260	3,022	1,178	2,992
1. Credits and loans	-	1,825	-	1,814
2. Proceeds from issuance of the shares and other instruments, as well as additional payment to capital	-	-	-	-
3. Loans repaid	-	-	-	-
4. Interest received on loan repayments	-	-	-	-
5. Other financial proceeds (received subsidies)	260	1,197	1,178	1,178
II. Outflows	(21,264)	(48,763)	(26,571)	(50,754)
1. Purchase of own shares (shares) + additional capital contributions	-	-	-	-
2. Dividends and other payments to owners	(12,200)	(12,200)	(12,200)	(12,200)
3. Repayment of loans and credits	(8,495)	(34,745)	(13,602)	(36,482)
4. Interest	(569)	(1,818)	(746)	(2,049)
5. Granted loans	-	-	(23)	(23)
6. Other financial expenses	-	-	-	-
<b>III. Net cash (used in)/generated from financing activities (I-II)</b>	<b>(21,004)</b>	<b>(45,741)</b>	<b>(25,393)</b>	<b>(47,762)</b>
<b>D. TOTAL net cash flow (A.III+/-B.III+/-C.III)</b>	<b>10,330</b>	<b>46,215</b>	<b>(15,508)</b>	<b>(7,812)</b>

E. Balance sheet change in cash and cash equivalents, including:	9,334	45,017	(15,472)	(7,783)
- <i>change in cash and cash equivalents due to exchange differences</i>	<i>(996)</i>	<i>(1,198)</i>	<i>36</i>	<i>29</i>
F. Cash and cash equivalents opening balance	102,684	67,001	74,678	66,989
<b>G. Closing balance of cash and cash equivalents (F+ /- E), including:</b>	<b>112,018</b>	<b>112,018</b>	<b>59,206</b>	<b>59,206</b>
- <i>limited disposal</i>	<i>493</i>	<i>2,454</i>	<i>(226)</i>	<i>1,299</i>

## V. Additional Information and Commentary

### 1. Adopted Accounting Policies

This financial statement was prepared according to the Act passed on the 29<sup>th</sup> of September, 1994, on Accounting (unified text - Journal of Laws 2019, pos. 351 and subsequent changes) and the requirements specified in the Regulation issued by the Minister of Finance on the 29<sup>th</sup> of March, 2018, concerning current and periodical information pertaining to companies listed on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state (unified text - Journal of Laws, 2018, No. 757).

A complete description of the adopted accounting principles was presented in the last annual financial statement, i.e. for the period from the 1<sup>st</sup> of January, 2019, until the 31<sup>st</sup> of December, 2019. If this financial statement for the 9 months ended the 30<sup>th</sup> of September, 2020, was prepared according to IFRS, the financial results would amount to PLN 76,774 thousand.

Profit according to the Act on Accounting	77,620
Depreciation of perpetual usufruct	(69)
Asset due to activity in the SEZ	(3,909)
Correction of revenue from the title of IFRS 15	8,472
Correction of revenue from the title of IFRS 16	(5,617)
Correction of revenue from the title of IFRS 9	(74)
<b>Profit according to IFRS</b>	<b>76,423</b>

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

As at 30<sup>th</sup> of September, 2020, Comarch S.A. has created write-offs that revaluated goods, materials and finished products in the amount of PLN 66 thousand. The Comarch Group did not create write-offs that revaluated materials and finished products. The company resolved write-offs revaluated goods and materials which had been created in the previous years in the amount of PLN 83 thousand.

No hedges were made on inventories owned by the Company

As at the 30<sup>th</sup> of September, 2020, due to payments of receivables, Comarch S.A. resolved revaluating write-offs, which had been created in the previous years and were worth PLN 1,908 thousand and created write-offs worth PLN 11,562 thousand that revaluated bad debts.

Due to the fact that the Company is taxed according to general principles and enjoys tax-exempt status, temporary differences in the tax yield may be realised within both of these activities. At the same time, the final determination within which of these activities (taxed or tax-exempt) the temporary differences will be realised is established on the basis of the annual settlement of income tax, after the end of the fiscal year. In 2020, an asset due to temporary differences in income tax worth PLN 713 thousand was created and was resolved in the amount of PLN 1,637 thousand, a provision for deferred tax due to temporary differences was created in the amount of PLN 12 thousand and was resolved in the amount of PLN 1,106 thousand. The total effect of these operations on the result as at the 30<sup>th</sup> of September, 2020 amounted to plus PLN 170 thousand.

A provision for deferred income tax related to valuation of investment certificates in CCF FIZ was increased by PLN 2,140 thousand. This provision as well as certificates valuation are settled with revaluation reserve.

As at the 30<sup>th</sup> of September, 2020, Comarch S.A. has created write-offs due the loss of value of shares in subsidiaries in the amount of PLN 92 thousand.

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

#### 3.1. Non-current Financial Assets

	30 September 2020	30 June 2020	31 December 2019	30 September 2019
a) in subsidiaries and correlated parties	398,850	392,536	361,704	347,580
- interest or shares	223,055	223,158	203,490	200,980
- loans granted	43,112	42,070	36,794	27,660
- other securities	132,683	127,308	121,420	118,940
- other non-current financial assets, including:	-	-	-	-
- interest on granted loans	-	-	-	-
b) in other entities in which the Company holds equity interests	-	-	-	-
- interest or shares	-	-	-	-
- loans granted	-	-	-	-
c) in other entities	1,060	1,399	2,739	124
- other non-current financial assets (types)	1,060	1,399	2,739	124
- Forward contracts	1,060	1,399	2,739	124
<b>Total</b>	<b>399,910</b>	<b>393,935</b>	<b>364,443</b>	<b>347,704</b>

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

	Q3 2020	9 months ended 30 September 2020	Q3 2019	9 months ended 30 September 2019
<b>a) Opening balance</b>	<b>393,935</b>	<b>364,443</b>	<b>344,786</b>	<b>343,518</b>
- interests or shares	223,158	203,490	200,305	204,977
- loans granted	42,070	36,794	26,768	18,560
- other securities	127,308	121,420	117,236	119,046
- other non-current assets, including interest on granted loans	-	-	-	-
- others	1,399	2,739	477	935
<b>b) increases (due to)</b>	<b>15,314</b>	<b>49,530</b>	<b>2,228</b>	<b>12,956</b>
- purchases of shares in subsidiaries	-	19,597	438	1,689
- loans granted to subsidiaries	10,000	18,230	1,500	10,960
- change of the nature of loans on long-term from entities in which the Company holds equity interests	(80)	-	-	-
- balance sheet valuation of long-term loans	(258)	-	76	76

- balance sheet valuation of loans in subsidiaries	380	380	-	-
- valuation of forward contracts	-	-	-	-
- valuation of participation units in CCF FIZ	5,375	11,263	-	-
- balance sheet valuation of shares	(103)	60	214	214
- reversal of write-downs on long-term loans	-	-	-	17
<b>c) decreases (due to)</b>	<b>9,339</b>	<b>14,063</b>	<b>(690)</b>	<b>8,770</b>
- repayment of subsidiaries' loans	9,000	12,292	-	-
- repayment of interest on subsidiaries' loans	-	-	-	-
- valuation of participation units in CCF FIZ	-	-	(1,703)	107
- valuation of forward contracts	339	1,679	352	810
- revaluation of shares	-	92	-	5,900
- balance sheet valuation of loans	-	-	(28)	-
- balance sheet valuation of shares	-	-	(23)	-
- creating revaluation write-offs on interest on loans to related parties	-	-	32	32
- redemption of loan capital of related entities	-	-	-	1,075
<b>d) Closing balance</b>	<b>399,910</b>	<b>399,910</b>	<b>347,704</b>	<b>347,704</b>

### 3.3. Current Financial Assets

	Q3 2020	9 months ended 30 September 2020	Q3 2019	9 months ended 30 September 2019
a) in related parties	905	655	900	728
- loans granted	402	322	402	322
- other financial assets	503	333	498	406
b) in other entities in which the Company holds equity interests	-	-	-	-
- loans granted	-	-	-	-
- other financial assets	-	-	-	-
c) in other entities	1,240	1,225	4,923	1,231
- loans granted	-	-	-	-
- interest or shares	-	-	-	23
- other current financial assets, including:	1,240	1,225	4,923	1,208
- forward and IRS contracts	1,240	1,225	4,923	1,208
d) cash and cash equivalents	112,018	102,684	67,002	59,207
- cash in hand and at banks	112,018	102,684	67,001	59,206
- other monetary assets	-	-	1	1
<b>Total</b>	<b>114,163</b>	<b>104,564</b>	<b>72,825</b>	<b>61,166</b>



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

In the 9 months of 2020, Comarch S.A. achieved very good financial results. Revenue from sales were higher by PLN 11,415 thousand than in the previous year (PLN 677,555 thousand compared to PLN 666,140 thousand). Net sales of products constituted 94.3% of the total Company's sales and were higher by PLN 21,584 thousand than those from the previous year. In the three quarters of 2020, the Company generated operating profit in the amount of PLN 48,819 thousand and net profit was PLN 77,620 thousand. EBIT margin reached level of 7.2% and net margin was 11.5%.

In the third quarter of 2020, Comarch S.A. achieved PLN 228,518 thousand revenue from sales (an increase of PLN 9,776 thousand, i.e. 4.5% compared to the third quarter of 2019). Net revenue from sales of products constituted 95.5% of the total Company's sales and recorded an increase of PLN 11,992 thousand (PLN 218,136 thousand compared to PLN 206,144 thousand), while net revenues from sales of goods and materials decreased (by PLN 2,216 thousand, i.e. 17.6%). The Company's operating profit in the third quarter of 2020 amounted PLN 24,209 thousand and net profit was PLN 22,323 thousand. EBIT margin amounted to 10.6% and net margin was 9.8%.

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

Except for the ones described in [point 2](#) of this financial statement, currency exchange rate differences and financial instruments based on exchange rates have influence on the financial results. Realized foreign exchange rate differences and balance sheet valuation of exchange rates on receivables and liabilities as at the 30<sup>th</sup> of September, 2020, increased revenue and operating profit of Comarch S.A. by PLN 8,401 thousand (while in 9 months of 2019 increased by PLN 7,241 thousand). Exchange rate differences from other activities decreased the result of Comarch S.A. by PLN 6,511 thousand (while in 9 months of 2019 decreased by PLN 1,388 thousand).

The valuation of financial instruments and closed transactions (mostly forward contracts) and provision for deferred income tax in reference to the valuation of the financial instruments decreased the Company's net profit by PLN 7,261 thousand (while in the corresponding period of 2019 decreased it by PLN 5,053 thousand). The total effect of exchange rate differences and valuation of derivative financial instruments on the net result of the Comarch S.A. in 9 months of 2020 amounted to minus PLN 5,371 thousand (plus PLN 800 thousand in 9 months of 2019).

As at the 30<sup>th</sup> of September, 2020, Comarch S.A. has created write-offs due the loss of value of shares in subsidiaries in the amount of PLN 92 thousand.

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

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

Over 2019, Comarch S.A. revenue structure was as follows: 25% of annual sales were achieved in the first quarter, 22% in the second quarter, 23% in the third quarter and 30% in the fourth quarter.

Over 2020, the Company expects the distribution of sales revenue similar to that of 2019.

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

As at the 30<sup>th</sup> of September, 2020, Comarch S.A. created write-offs that revaluated goods in the amount PLN 66 thousand. A Write-offs that revaluated materials and finish goods have not been created. The Company resolved write-offs revaluated goods and materials, which had been created in the previous years in the amount of PLN 83 thousand.

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

Revaluating write-offs in relation to impairment	Financial assets	Property, plant and equipment	Intangible assets	Other assets	Total
<b>Balance at 1 January 2019</b>	<b>121,034</b>	-	-	-	<b>121,034</b>
Change:	5,900	-	-	-	5,900
- creation	5,900	-	-	-	5,900
- dissolution	-	-	-	-	-
<b>Balance at 30 September 2019</b>	<b>126,934</b>	-	-	-	<b>126,934</b>
<b>Balance at 1 January 2019</b>	<b>121,034</b>	-	-	-	<b>121,034</b>
Change:	7,845	-	-	-	7,845
- creation	7,845	-	-	-	7,845
- dissolution	-	-	-	-	-
<b>Balance at 31 December 2019</b>	<b>128,879</b>	-	-	-	<b>128,879</b>
<b>Balance at 1 January 2020</b>	<b>128,879</b>	-	-	-	<b>128,879</b>
Change:	92	-	-	-	92
- creation	92	-	-	-	92
- dissolution	-	-	-	-	-
<b>Balance at 30 September 2020</b>	<b>128,971</b>	-	-	-	<b>128,971</b>

## 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
<b>Balance at 1 January 2019</b>	<b>11,931</b>	<b>21,990</b>	<b>20,654</b>	<b>66,002</b>	<b>120,577</b>
Change:	(1,170)	(15,101)	3,677	(19,786)	(32,380)
- creation	3,345	306	14,620	38,822	57,093

- dissolution	(4,515)	(15,407)	(10,943)	(58,608)	(89,473)
<b>Balance at 30 September 2019</b>	<b>10,761</b>	<b>6,889</b>	<b>24,331</b>	<b>46,216</b>	<b>88,197</b>
<b>Balance at 1 January 2019</b>	<b>11,931</b>	<b>21,990</b>	<b>20,654</b>	<b>66,002</b>	<b>120,577</b>
Change:	1,954	(13,667)	3,352	23,730	15,369
- creation	8,899	2,181	17,310	97,012	125,402
- dissolution	(6,945)	(15,848)	(13,958)	(73,282)	(110,033)
<b>Balance at 31 December 2019</b>	<b>13,885</b>	<b>8,323</b>	<b>24,006</b>	<b>89,732</b>	<b>135,946</b>
<b>Balance at 1 January 2020</b>	<b>13,885</b>	<b>8,323</b>	<b>24,006</b>	<b>89,732</b>	<b>135,946</b>
Change:	(1,197)	(5,207)	5,946	(18,191)	(18,649)
- creation	4,806	396	16,733	41,733	63,668
- dissolution	(6,003)	(5,603)	(10,787)	(59,924)	(82,317)
<b>Balance at 30 September 2020</b>	<b>12,688</b>	<b>3,116</b>	<b>29,952</b>	<b>71,541</b>	<b>117,297</b>

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

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

	Asset due to deferred income tax	Provision due to deferred income tax
<b>Balance at 1 January 2019</b>	<b>6,204</b>	<b>23,732</b>
Creation in Q1-Q3 2019	1,076	61
Dissolution in Q1-Q3 2019	(2)	(539)
<b>Balance at 30 September 2019</b>	<b>7,278</b>	<b>23,254</b>
<b>Balance at 1 January 2019</b>	<b>6,204</b>	<b>23,732</b>
Creation in Q1-Q4 2019	228	1,098
Dissolution in Q1-Q4 2019	(350)	(44)
<b>Balance at 31 December 2019</b>	<b>6,082</b>	<b>24,786</b>
<b>Balance at 1 January 2020</b>	<b>6,082</b>	<b>24,786</b>
Creation in Q1-Q3 2020	713	2,152
Dissolution in Q1-Q3 2020	(1,637)	(1,106)
<b>Balance at 30 September 2019</b>	<b>5,158</b>	<b>25,832</b>

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

In reporting period Comarch S.A. purchased computer hardware for amount of PLN 11,517 thousand, technical devices for the amount PLN 539 thousand and intangible assets for the amount of PLN 1,904 thousand.

In reporting period, revenue from sales of property, plant and equipment of office building in the amount of PLN 333 thousand.

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

As at 30<sup>th</sup> of September, 2020, Comarch S.A. has liabilities due to purchase of computer hardware in the amount of PLN 1,947 thousand, investment liabilities in the amount of PLN 124 thousand as well as liabilities due to purchase of intangible assets in the amount of PLN 350 thousand.

As at 30<sup>th</sup> of September, 2020, the Company had a contractual obligation to purchase of a property, plant and equipment with a net value of USD 5,506 thousand. The planned date of the transaction is the fourth quarter of this year.

Comarch S.A. has also liabilities due to acquisition of shares in increased share capital of subsidiary, Comarch Pointshub Inc., in the amount of PLN 3,441 thousand.

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

None present.

**14. Correction of Mistakes from the Previous Periods**

None present.

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

None present.

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

None present.

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

None present.

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

None present.

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

None present.

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

None present.

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

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

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

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

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

None present.

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

As at the 30<sup>th</sup> of September, 2020, the value of bank guarantees and letters of credit issued by banks on order from Comarch S.A. in reference to executed agreements and participation in tender proceedings was PLN 87,426 thousand, whereas it was PLN 90,725 thousand as at the 31<sup>st</sup> of December, 2019.

Comarch S.A. is the defendant in legal proceedings in which the potential total amount of third-party claims is PLN 13,992 thousand of which PLN 1,174 thousand is covered by provisions included in the balance sheet at the 30<sup>th</sup> of September, 2020. In 2020 Comarch S.A. created provisions for claims related to the legal proceedings in the amount of PLN 122 thousand and resolved provisions in this respect for the amount of PLN 5,294 thousand.

The Comarch S.A. is a party to the matters in disputes, but not legal proceedings in which the potential total amount of third-party claims is PLN 3,524 thousand of which PLN 1,942 thousand is covered by provisions included in the balance sheet at the 30<sup>th</sup> of September, 2020. In 2020, Comarch S.A. created provisions for matters in disputes, but not legal proceedings in the amount of PLN 274 thousand and resolved provisions in this respect for the amount of PLN 310 thousand.

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

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

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

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

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

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

### **24.2. 2CSI Shares Purchase Agreement**

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

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

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

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

The credit collaterals:

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

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

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

### 24.5. Loan Agreement with PKO Leasing Spółka Akcyjna

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

The loan securities:

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

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



17<sup>th</sup> of November, 2020**SIGNATURES OF MANAGEMENT BOARD MEMBERS**

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

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

Name and surname	Position	Signature
Maria Smolińska	Head Accountant	

### Comarch S.A.

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