

**QUARTERLY SUMMARY OF
COMARCH S.A. FINANCIAL STATEMENT
FOR THE PERIOD
FROM 1ST OF JANUARY 2020
TO 31ST OF MARCH 2020**

Krakow, 15th of May, 2010

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**PLN
21 million of
net profit**

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

**PLN 238
million of
sales
revenue**

**5 000
professionals
employed**

**56
subsidiaries
worldwide**

**PLN 1.5
billion of
Comarch S.A.
capitalization
on WSE**

**11,9% EBIT
margin**

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

I. Balance Sheet

ASSETS	31 March 2020	31 December 2019	31 March 2019
I. NON-CURRENT ASSETS	742,347	735,752	727,884
1. Intangible assets	10,038	10,770	11,446
2. Property, plant and equipment	326,423	331,755	345,813
3. Non-current investments	396,125	384,927	361,517
3.1. Non-current financial assets	375,897	364,443	341,206
a) in related parties	375,809	361,704	340,389
b) in other entities in which the Company holds equity interests	-	-	-
c) in other entities	88	2,739	817
3.2 Real estates	20,185	20,441	20,268
3.3 Other non-current investment	43	43	43
4. Non-current prepayments	9,761	8,300	9,108
4.1 Deferred income tax assets	7,895	6,082	6,297
4.2 Other accruals	1,866	2,218	2,811
II. CURRENT ASSETS	685,092	659,293	614,948
1. Inventories	66,523	62,751	62,231
2. Current receivables	352,242	395,319	348,316
2.1 from related parties	236,033	254,508	218,665
2.2 from other entities in which the Company holds equity interests	-	50	169
2.3 from other entities	116,209	140,761	129,482
3. Current investments	108,490	72,825	84,152
3.1 Current financial assets	108,490	72,825	84,152
a) in related parties	1,051	900	666
b) in other entities in which the Company holds equity interests	-	-	-
c) in other entities	223	4,923	2,953
- interest and shares	-	-	-
- granted loans	-	-	-
- other current financial assets	223	4,923	2,953
d) cash and cash equivalents	107,216	67,002	80,533
4. Short-term prepayments	157,837	128,398	120,249
TOTAL ASSETS	1,427,439	1,395,045	1,342,832

EQUITY AND LIABILITIES	31 March 2020	31 December 2019	31 March 2019
I. EQUITY	906,126	881,540	848,171
1. Share capital	8,133	8,133	8,133
2. Supplementary capital	717,950	717,950	680,501
3. Revaluation reserve	100,656	97,085	93,230
4. Other reserve capitals	745	745	745
5. Previous years' profit (loss)	57,627	-	49,649
6. Net profit (loss)	21,015	57,627	15,913
II. LIABILITIES AND PROVISIONS FOR LIABILITIES	521,313	513,505	494,661
1. Provisions for liabilities	154,984	160,732	134,728
1.1 Provision for deferred income tax	24,599	24,786	23,082
1.2 Other provisions	130,385	135,946	111,646
a) current	130,385	135,946	111,646
2. Non-current liabilities	125,737	120,946	147,560
2.1 to related parties	20,097	19,539	28,245
2.2 to other entities in which the Company holds equity interests	-	-	-
2.3 to other entities	105,640	101,407	119,315
3. Current liabilities	161,473	160,942	163,554
3.1 to related parties	30,538	29,077	29,075
3.2 to other entities in which the Company holds equity interests	865	-	133
3.3 to other entities	127,385	130,657	131,522
3.4 Special funds	2,685	1,208	2,824
4. Accruals	79,119	70,885	48,819
4.1 Other accruals	79,119	70,885	48,819
a) current	79,119	70,885	48,819
TOTAL EQUITY AND LIABILITIES	1,427,439	1,395,045	1,342,832
Book value	906,126	881,540	848,171
Number of shares	8,133,349	8,133,349	8,133,349
Book value per single share (PLN)	111.41	108.39	104.28
Diluted number of shares	8,133,349	8,133,349	8,133,349
Diluted book value per single share (PLN)	111.41	108.39	104.28

II. Income Statement

For period 01.01 – 31.03.2020 and 01.01 – 31.03.2019	Q1 2020	Q1 2019
I. Net revenues from sales of products, goods and materials, including:	238,026	235,034
- revenues from related parties	75,500	55,021
1. Net revenues from sales of products	224,784	209,073
2. Net revenues from sales of goods and materials	13,242	25,961
II. Costs of products, goods and materials sold, including:	184,028	191,835
- to related parties	6,791	8,000
1. Manufacturing cost of products sold	172,375	167,881
2. Value of products, goods and materials sold	11,653	23,954
III. Gross profit (loss) on sales	53,998	43,199
IV. Costs of sales	13,609	13,172
V. Administrative expenses	14,324	13,007
VI. Profit (loss) on sales	26,065	17,020
VII. Other operating revenues	5,515	472
1. Profit on disposal of non-financial non-current assets	101	153
2. Other operating revenues	5,414	319
VIII. Other operating costs	3,236	1,193
1. Loss on disposal of non-financial non-current assets	-	-
2. Cost of works financed in part with subsidies	430	397
3. Revaluation of non-financial assets	-	-
4. Other operating costs	2,806	796
IX. Profit (loss) on operating activities	28,344	16,299
X. Financial revenues	12,200	3,217
1. Interest, including:	461	349
- from related parties	325	186
2. Dividends and share in profits	-	-
- from related parties	-	-
3. Profit (loss) on disposal of investment	199	815
4. Revaluation of financial assets	-	-
5. Other	11,540	2,053
XI. Finance costs	17,774	2,125
1. Interest	651	775
- from related parties	144	302
2. Revaluation of investments	-	-
3. Loss from the sale of investments	-	-
4. Other	17,123	1,350
XII. Profit (loss) on business activities	22,770	17,391
XIII. Gross profit (loss)	22,770	17,391
XIV. Income tax	1,755	1,478
XV. Net profit (loss)	21,015	15,913
Net profit (loss) (annualised)	62,729	68,603
Weighted average number of shares		
01.04.2019 – 31.03.2020	8,133,349	8,133,349
Earnings (losses) per single share (PLN)	7.71	8.43
Diluted weighted average number of shares 01.04.2019 – 31.03.2020	8,133,349	8,133,349
Diluted earnings (losses) per single share (PLN)	7.71	8.43

III. Changes in Equity

	3 months ended 31 March 2020	12 months ended 31 December 2019	3 months ended 31 March 2019
I. Opening balance of equity	881,540	834,190	834,190
a) changes to adopted accounting principles (policies)	-	-	-
I. a. Opening balance of equity after adjustments	881,540	834,190	834,190
1. Opening balance of share capital	8,133	8,133	8,133
1.1 Changes in share capital	-	-	-
a) increases (due to)	-	-	-
- shares issue	-	-	-
1.2 Closing balance of share capital	8,133	8,133	8,133
2. Opening balance of supplementary capital	717,950	680,501	680,501
2.1 Changes in supplementary capital	-	37,449	-
a) increases (due to)	-	37,449	-
- profit-sharing for the previous years	-	37,449	-
2.2 Closing balance of supplementary capital	717,950,	717,950	680,501
3. Opening balance of revaluation reserve	97,085	95,162	95,162
3.1 Changes in revaluation reserve	3,571	1,923	(1,932)
a) increases (due to)	4,409	2,374	454
- provision for deferred income tax due to certificates valuation	-	-	454
- balance sheet valuation of investment certificates	4,409	2,374	-
b) decreases (due to)	838	451	2,386
- balance sheet valuation of investment certificates	-	-	2,386
- provision for deferred income tax due to certificates valuation	838	451	-
3.2 Closing balance of revaluation reserve	100,656	97,085	93,230
4. Opening balance of capital from merger	-	-	-
4.1 Closing balance of capital from merger	-	-	-
5. Opening balance of other reserve capitals	745	745	745
5.1 Closing balance of other reserve capitals	745	745	745
6. Opening balance of previous years' profit	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)	-	49,649	-
- transferring the result from the previous years to capital	-	37,449	-
- payment of dividend	-	12,200	-

6.2 Closing balance of previous years' profit	57,627	-	49,649
7. Result for Q1 2019 (opening balance)	-	-	-
7.1 Net result for the period	21,015	57,627	15,913
7.2. Net result	21,015	57,627	15,913
II. Closing balance of equity	906,126	881,540	848,171
III. Equity including proposed profit-sharing (loss coverage)	906,126	881,540	848,171

IV. Cash Flow Statement

For period 01.01 – 31.03.2020 and 01.01 – 31.03.2019	Q1 2020	Q1 2019
A. Cash flows from operating activities		
I. Net profit (loss)	21,015	15,913
II. Total adjustments	37,720	7,251
1. Depreciation	10,904	11,151
2. Exchange gains (losses)	628	(12)
3. Interest and profit sharing (dividends)	421	520
4. (Profit) loss on investing activities	(255)	(123)
5. Change in provisions	(6,585)	(9,128)
6. Change in inventories	(3,772)	(1,047)
7. Change in receivables	49,276	27,413
8. Change in current liabilities, excluding credits and loans	9,770	7,279
9. Change in prepayments and accruals	(22,667)	(28,802)
10. Change in deferred income	-	-
11. Other adjustments	-	-
III. Net cash used in operating activities (I+/-II) – indirect method	58,735	23,164
B. Cash flows from investing activities		
I. Inflows	3,004	2,332
1. Disposal of property, plant and equipment and intangible assets	374	1,409
2. From financial assets, including:	2,630	923
a) in related parties	2,431	108
- repaid loans	2,339	85
- repaid interest on loans	-	-
- received loans	-	-
- received interest	92	23
- received dividends	-	-
b) in other entities	199	815
- interest	-	-
- Dividends and share in profits	-	-
- other proceeds from financial assets	199	815
3. Other investment proceeds	-	-
II. Outflows	(14,344)	(4,127)
1. Purchase of property, plant and equipment and intangible assets	(3,170)	(3,926)
2. Expenses for investment in real estates	-	(10)

3. For financial assets, including:	(11,174)	(191)
a) in related parties	(11,174)	(191)
- purchase of financial assets	(9,144)	-
- granted non-current loans	(2,030)	(191)
- repayment of loans from related parties	-	-
- repayment of interest on loans	-	-
b) in other entities	-	-
4. Other investment expenses	-	-
III. Net cash used in investing activities (I-II)	(11,340)	(1,795)
C. Cash flows from financing activities		
I. Inflows	2,055	-
1. Credits and loans	1,825	-
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)	230	-
II. Outflows	(8,614)	(7,835)
1. Purchase of own shares (shares) + additional capital contributions	-	-
2. Dividends and other payments to owners	-	-
3. Repayment of loans and credits	(8,100)	(7,292)
4. Interest	(514)	(543)
5. Granted loans	-	-
6. Other financial expenses	-	-
III. Net cash (used in)/generated from financing activities (I-II)	(6,559)	(7,835)
D. TOTAL net cash flow (A.III+/-B.III+/-C.III)	40,836	13,534
E. Balance sheet change in cash and cash equivalents, including:	40,213	13,538
- change in cash and cash equivalents due to exchange differences	(623)	4
F. Cash and cash equivalents opening balance	67,001	66,990
G. Closing balance of cash and cash equivalents (F+/-E), including:	107,214	80,528
- limited disposal	641	800

V. Additional Information and Commentary

1. Adopted Accounting Policies

This financial statement was prepared according to the Act passed on the 29th of September, 1994, on Accounting (unified text - Journal of Laws 2018, pos. 395 and subsequent changes) and the requirements specified in the Regulation issued by the Minister of Finance on the 29th of March, 2018, concerning current and periodical information pertaining to companies listed on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state (unified text - Journal of Laws, 2018, 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 1st of January, 2019, until the 31st of December, 2019. If this financial statement for the 3 months ended the 31st of March, 2020, was prepared according to IFRS, the financial results would amount to PLN 18,758 thousand.

Profit according to the Act on Accounting	21,015
Depreciation of perpetual usufruct	(23)
Asset due to activity in the SEZ	(2,676)
Correction of revenue from the title of IFRS 15	5,410
Correction of revenue from the title of IFRS 16	(4,968)
Profit according to IFRS	18,758

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

Over first quarter of 2020, Comarch S.A. has not created write-offs that revaluated goods, 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 41 thousand.

No hedges were made on inventories owned by the Company.

As at the 31st of March, 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 78 thousand and created write-offs worth PLN 2,494 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 2,303 thousand was created and was resolved in the amount of PLN 490 thousand, a provision for deferred tax due to temporary differences was created in the amount of PLN 58 thousand and was resolved in the amount of PLN 1,083 thousand. The total effect of these operations on the result of 2020 amounted to plus PLN 2,838 thousand

A provision for deferred income tax related to valuation of investment certificates in CCF FIZ was increased by PLN 838 thousand. This provision as well as certificates valuation are settled with revaluation reserve.

As at the 31st of March, 2020, Comarch S.A. has not created write-offs due the loss of value of shares in subsidiaries.

3. Selected Notes to the Summary Financial Statement

3.1. Non-current Financial Assets

	31 March 2020	31 December 2019	31 March 2019
a) in subsidiaries and correlated parties	375,809	361,704	340,389
- interest or shares	212,944	203,490	205,045
- loans granted	37,036	36,794	18,684
- other securities	125,829	121,420	116,660
- 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	88	2,739	817
- other non-current financial assets (types)	88	2,739	817
- Forward contracts	88	2,739	817
Total	375,897	364,443	341,206

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

	Q1 2020	Q1 2019
a) Opening balance	364,443	343,518
- interests or shares	203,490	204,977
- loans granted	36,794	18,560
- other securities	121,420	119,046
- other non-current assets, including interest on granted loans	2,739	-
- others	-	935
b) increases (due to)	16,443	273
- purchases of shares in subsidiaries	9,144	-
- loans granted to subsidiaries	2,030	191
- change of the nature of loans on long-term from entities in which the Company holds equity interests	80	-
- balance sheet valuation of loans in subsidiaries	470	14
- valuation of forward contracts	-	-
- valuation of participation units in CCF FIZ	4,409	-
- balance sheet valuation of shares	310	68
c) decreases (due to)	4,989	2,585
- repayment of subsidiaries' loans	2,338	81
- repayment of interest on subsidiaries' loans	-	5
- valuation of participation units in CCF FIZ	-	2,386
- valuation of forward contracts	2,651	118
- revaluation of shares	-	-
- creating revaluation write-offs on interest on loans to related parties	-	(5)
d) Closing balance	375,897	341,206

3.3. Current Financial Assets

	31 March 2020	31 December 2019	31 March 2019
a) in related parties	1,051	900	666
- loans granted	322	402	321
- other financial assets	729	498	345
b) in other entities in which the Company holds equity interests	-	-	-
- loans granted	-	-	-
- other financial assets	-	-	-
c) in other entities	223	4,923	2,953
- loans granted	-	-	-
- interest or shares	-	-	-
- other current financial assets, including:	223	4,923	2,953
- forward and IRS contracts	223	4,923	2,953
d) cash and cash equivalents	107,216	67,002	80,533
- cash in hand and at banks	107,214	67,001	80,528

- other monetary assets	2	1	5
Total	108,490	72,825	84,152

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 first quarter of 2020, Comarch S.A. reached revenue from sales by 1.3% higher than achieved in previous year (PLN 238,026 thousand in Q1 2020 compared to PLN 235,034 thousand in Q1 2019). Net sales of products constituted 94.4% of total sales of the Company and were higher by PLN 15,711 thousand than in the similar period of 2019. The Company's operating profit achieved in Q1 2020 amounted to PLN 28,344 thousand, net result was plus PLN 21,015. EBIT margin was 11.9%, and net margin was 8.8%

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 31st of March, 2020, increased revenue and operating profit of Comarch S.A. by PLN 16,630 thousand (while in the similar period of 2019 increased by PLN 1,685 thousand). Exchange rate differences from other activities decreased the result of Comarch S.A. by PLN 5,096 thousand (while in the similar period of 2019 decreased by PLN 367 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 14,617 thousand (while in the similar period of 2019 increased it by PLN 61 thousand). The total effect of exchange rate differences and valuation of derivative financial instruments on the net result of the Comarch S.A. in first quarter of 2020 amounted to minus PLN 3,083 thousand (plus PLN 1,379 thousand in the similar period of 2019).

As at the 31st of March, 2020, Comarch S.A. has not created write-offs due the loss of value of shares in subsidiaries.

During the first quarter of 2020, Comarch S.A. did not receive dividends from subsidiaries.

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

Over first quarter of 2020, Comarch S.A. has not created write-offs that revaluated goods, 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 41 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
Balance at 1 January 2019	121,034	-	-	-	121,034
Change:	-	-	-	-	-
- creation	-	-	-	-	-
- dissolution	-	-	-	-	-
Balance at 31 March 2019	121,034	-	-	-	121,034
Balance at 1 January 2019	121,034	-	-	-	121,034
Change:	7,845	-	-	-	7,845
- creation	7,845	-	-	-	7,845
- dissolution	-	-	-	-	-
Balance at 31 December 2019	128,879	-	-	-	128,879
Balance at 1 January 2020	128,879	-	-	-	128,879
Change:	-	-	-	-	-
- creation	-	-	-	-	-
- dissolution	-	-	-	-	-
Balance at 31 March 2020	128,879	-	-	-	128,879

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
Balance at 1 January 2019	11,931	21,990	20,654	66,002	120,577
Change:	(1,177)	21	6,842	(14,617)	(8,931)
- creation	644	33	8,796	9,085	18,558
- dissolution	(1,821)	(12)	(1,954)	(23,702)	(27,489)
Balance at 31 March 2019	10,754	22,011	27,496	51,385	111,646
Balance at 1 January 2019	11,931	21,990	20,654	66,002	120,577
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)
Balance at 31 December 2019	13,885	8,323	24,006	89,732	135,946

Balance at 1 January 2020	13,885	8,323	24,006	89,732	135,946
Change:	(203)	(5,174)	7,330	(7,514)	(5,561)
- creation	765	175	8,380	11,724	21,044
- dissolution	(968)	(5,349)	(1,050)	(19,238)	(26,605)
Balance at 31 March 2020	13,682	3,149	31,336	82,218	130,385

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

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

	Asset due to deferred income tax	Provision due to deferred income tax
At 1 January 2019	6,204	23,732
Creation in Q1 2019	101	44
Dissolution in Q1 2019	(8)	(694)
At 31 March 2019	6,297	23,082
At 1 January 2019	6,204	23,732
Creation in Q1-Q4 2019	228	1,098
Dissolution in Q1-Q4 2019	(350)	(44)
At 31 December 2019	6,082	24,786
At 1 January 2020	6,082	24,786
Creation in Q1 2020	2,303	896
Dissolution in Q1 2020	(490)	(1,083)
At 31 March 2020	7,895	24,599

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 2,464 thousand, technical devices for the amount PLN 8 thousand and intangible assets for the amount of PLN 968 thousand.

In reporting period Comarch S.A., revenue from sales of property, plant and equipment amounted to PLN 92 thousand

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

As at 31st of March, 2020, Comarch S.A. has liabilities due to purchase of computer hardware in the amount of PLN 1,708 thousand, investment liabilities in the amount of PLN 51 thousand as well as liabilities due to purchase of intangible assets in the amount of PLN 871 thousand.

Comarch S.A. has also liabilities due to acquisition of shares in increased share capital of subsidiary, Comarch Pointshub Inc., in the amount of PLN 3,690 thousand.

13. Information about Significant Settlements in Reference to Court Proceedings

None present.

14. Corrections of Mistakes from the Previous Periods

None present.

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

None present.

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

None present.

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

None present.

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

None present.

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

None present.

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

None present.

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

As at the date of publication of the report for Q1 2020, the Management Board of Comarch S.A. did not decide on the distribution of profit for 2019.

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 31st of March, 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 88,862 thousand, whereas it was PLN 90,725 thousand as at the 31st of December, 2019.

Comarch S.A. is the defendant in legal proceedings in which the potential total amount of third party claims is PLN 13,842 thousand of which PLN 1,174 thousand is covered by provisions included in the balance sheet at the 31st of March, 2020. In 2020, Comarch S.A. created provisions for claims covered by 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 3,674 thousand of which PLN 1,975 thousand is covered by provisions included in the balance sheet at the 31st of March, 2020. In 2020, Comarch S.A. created provisions for matters in disputes, but not legal proceedings in the amount of PLN 53 thousand and resolved provisions in this respect for the amount of PLN 48 thousand.

Due to the legal proceedings, in 2020 the Comarch Group 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

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

15th of May, 2020**SIGNATURES OF MANAGEMENT BOARD MEMBERS**

NAME AND SURNAME	POSITION	SIGNATURE
Janusz Filipiak	President of the Management Board	
Marcin Dąbrowski	Vice-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.

Al. Jana Pawła II 39a

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**COMARCH CAPITAL GROUP
CONSOLIDATED FINANCIAL STATEMENT
FOR 01.01.2020 – 31.03.2020**

Selected financial data

Krakow, 15th of May, 2020

COMARCH GROUP CONSOLIDATED FINANCIAL STATEMENT FOR 3 MONTHS 2020

I. Consolidated Balance-Sheet

ASSETS	Note	At 31 March 2020	At 31 December 2019
NON-CURRENT ASSETS			
Property, plant and equipment	3.2	547,133	539,635
Asset due to the right of use	3.3	78,225	73,636
Investment real estates	3.4	37,125	36,631
Goodwill	3.5	40,735	40,735
Other intangible assets	3.6	57,170	56,311
Non-current prepayments		2,104	2,486
Investments in associates	3.7	570	570
Other assets at fair value	3.8a	88	2,739
Other investments		217	211
Deferred income tax assets	3.9	36,719	35,002
Other receivables		9,352	8,782
		809,438	796,738
CURRENT ASSETS			
Inventories	3.10	92,353	90,741
Trade and other receivables	3.11	386,425	430,182
Current income tax receivables		5,558	3,554
Long-term contracts receivables	3.12	228,795	193,865
Available-for-sale financial assets		-	-
Other financial assets at fair value – derivative financial instruments	3.8a	224	4,923
Interest and shares		-	-
Cash and cash equivalents		399,626	322,708
		1,112,981	1,045,973
Assets available-for-sale		-	-
TOTAL ASSETS		1,922,419	1,842,711

TOAL EQUITY AND LIABILITIES	Note	At 31 March 2020	At 31 December 2019
EQUITY			
Capital and reserves attributable to the company's equity holders			
Share capital	3.13	8,133	8,133
Other capitals		143,041	143,041
Exchange differences		26,173	10,168
Net profit for the current period		804,956	790,781
		982,303	952,123
Minority interest		18,205	18,633
TOTAL EQUITY		1,000,508	970,756
LIABILITIES			
Non-current liabilities			
Credit and loans	3.14	142,322	141,718
Other liabilities		4,481	4,998
Lease liability	3.15	64,816	59,001
Financial liabilities at fair value – derivative financial instruments	3.8b	7,243	2,909
Other financial liabilities		-	-
Provision for deferred income tax	3.9	49,806	48,725
Provisions for other liabilities and charges	3.17	-	-
		268,668	257,351
Current liabilities			
Trade and other payables	3.18	227,578	191,770
Current income tax liabilities		6,737	8,765
Long-term contracts liabilities	3.12	170,804	172,831
Credit and loans	3.14	43,473	41,091
Lease liability	3.15	17,313	15,730
Financial liabilities at fair value – derivative financial instruments	3.8b	5,595	-
Other financial liabilities	3.16	5,066	4,009
Provisions for other liabilities and charges	3.17	176,677	180,408
		653,243	614,604
TOTAL LIABILITIES		921,911	871,955
TOTAL EQUITY AND LIABILITIES		1,922,419	1,842,711

II. Consolidated Income Statement

	Note	Q1 2020	Q1 2019
Revenue		377,818	338,688
Cost of sales		(268,880)	(258,165)
Gross profit		108,938	80,523
Other operating income		6,366	9,960
Sales and marketing costs		(29,687)	(28,454)
Administrative expenses		(28,193)	(26,468)
Other operating expenses		(12,560)	(14,617)
Operating profit		44,864	20,944
Finance revenue - net		(23,935)	(1,590)
Share of profit / (loss) of associates		-	-
Profit before income tax		20,929	19,354
Income tax expense		(7,179)	(10,431)
Net profit for the period		13,750	8,923
Attributable to:			
<i>Shareholders of the parent company</i>		<i>14,175</i>	<i>6,955</i>
<i>Interests not entitled to control</i>		<i>(425)</i>	<i>1,968</i>
		13,750	8,923
Earnings / (losses) per share for profit attributable to the shareholders of the parent company during the period (expressed in PLN per share)			
– basic	3.22	1.74	0.86
– diluted	3.22	1.74	0.86

III. Total Income Consolidated Statement

	Q1 2020	Q1 2019
Net profit / (loss) for the period	13,750	8,923
Other total income		
Exchange differences from recalculation of subsidiaries	16,002	1,123
Total other total income	16,002	1,123
Sum of total income for the period	29,752	10,046
Attributable to the parent company shareholders	30,180	10,046
Attributable to the interests not entitled to control	(428)	-

IV. Consolidated Statement of Changes in Shareholders' Equity

	Attributable to the shareholders of the parent company				Capitals attributable to the interests not entitled to control	Total equity
	Share capital	Other capitals	Exchange differences	Net profit for the current period		
Balance at 1 January 2019	8,133	143,041	8,837	698,135,	17,962	876,108
Dividend paid	-	-	-	-	-	-
Currency translation differences ⁽¹⁾	-	-	1,123	-	-	1,123
Profit for the period ⁽²⁾	-	-	-	6,955	1,968	8,923
Total income recognised in equity ⁽¹⁺²⁾	-	-	1,123	6,955	1,968	10,046
Balance at 31 March 2019	8,133	143,041	9,960	705,090	19,930	886,154
Balance at 1 January 2020	8,133	143,041	10,168	790,781	18,633	970,756
Dividend paid	-	-	-	-	-	-
Currency translation differences ⁽¹⁾	-	-	16,005	-	(3)	16,002
Profit for the period ⁽²⁾	-	-	-	14,175	(425)	13,750
Total income recognised in equity ⁽¹⁺²⁾	-	-	16,005	14,175	(428)	29,752
Balance at 31 March 2020	8,133	143,041	26,173	804,956	18,205	1,000,508

V. Consolidated Cash Flow Statement

	3 months ended 31 March 2020	12 months ended 31 March 2019
Cash flows from operating activities		
Net profit	13,750	8,923
Total adjustments	80,785	104,156
<i>Depreciation</i>	<i>21,892</i>	<i>20,298</i>
<i>Profit (loss) from foreign exchange differences</i>	<i>(3,844)</i>	<i>3,429</i>
<i>Interest and profit sharing (dividends)</i>	<i>689</i>	<i>269</i>
<i>Profit (loss) on investing activities</i>	<i>(2,451)</i>	<i>(280)</i>
<i>Change in inventories</i>	<i>109</i>	<i>1,791</i>
<i>Change in receivables</i>	<i>31,446</i>	<i>46,424</i>
<i>Change in liabilities and provisions excluding credits and loans</i>	<i>32,944</i>	<i>31,210</i>
<i>Other adjustments</i>	<i>-</i>	<i>1,015</i>
Net profit less total adjustments	94,535	113,079
Income tax paid	(6,668)	(8,731)
Net cash generated (used) in operating activities	87,867	104,348
Cash flows from investing activities		
Purchases of property, plant and equipment	(7,942)	(4,094)
Proceeds from sale of property, plant and equipment	467	1,618
Purchases of intangible assets	(2,059)	(2,798)
Proceeds from disposal of investment in real estate and intangible assets	97	-
Expenses for purchase of financial assets	-	-
Expenses for investment in real estates	-	(73)
Granted loans	6,434	-
Interest	525	24
Disposal of financial assets	-	-
Other proceeds from financial assets	,200	815
Other investment expenses	-	-
Net cash generated (used) in investing activities	(2,278)	(4,508)
Cash flows from financing activities		
Dividends and other payments to owners	-	-
Proceeds from credits and loans	1,825	-
Repayments of credits and loans	(10,511)	(9,661)
Interest on credit	(633)	(653)
Interest on received loans	-	-
Granted loans	-	(300)
Proceeds from repaid loans	-	-
Proceeds from interest on loans	-	-
Payment of liabilities under finance lease agreements	(6,236)	(5,291)
Other financial proceeds	1,230	-
Other financial expenses	(74)	(73)
Net cash generated (used) in financing activities	(14,399)	(15,978)
Net change in cash, cash equivalents and bank overdrafts	71,190	83,862
Cash, cash equivalents and bank overdrafts at beginning of the period	322,701	245,906
Positive (negative) exchange differences in cash and bank overdrafts	5,721	1,974
Cash, cash equivalents and bank overdrafts at end of the period	399,612	331,742
<i>- including limited disposal</i>	<i>3,080</i>	<i>2,989</i>

VI. Sales Structure

Products Sales Structure

Products sales structure	Q1 2020	%	Q1 2019	%	Change in PLN	Change in %
Services	295,317	78.2%	240,105	70.8%	55,212	23.0%
Proprietary software	64,550	17.1%	65,476	19.3%	-926	-1.4%
Third-party software	3,787	1.0%	16,767	5.0%	-12,980	-77.4%
Proprietary hardware	838	0.2%	853	0.3%	-15	-1.8%
Third party hardware	1,933	0.5%	3,257	1.0%	-1,324	-40.7%
Others	11,393	3.0%	12,230	3.6%	-837	-6.8%
Total	377,818	100.0%	338,688	100.0%	39,130	11.6%

Market Sales Structure

Market sales structure	Q1 2020	%	Q1 2019	%	Change in PLN	Change in %
Telecommunications, Media, IT	97,009	25.7%	83,325	24.6%	13,684	16.4%
Finance and Banking	57,245	15.2%	42,043	12.4%	15,202	36.2%
Trade and Services	56,958	15.1%	56,052	16.6%	906	1.6%
Industry & Utilities	49,025	13.0%	39,874	11.8%	9,151	22.9%
Public sector	30,010	7.9%	36,683	10.8%	-6,673	-18.2%
Small and Medium-Sized Enterprises - Poland	45,463	12.0%	44,739	13.2%	724	1.6%
Small and Medium-Sized Enterprises - DACH	27,947	7.4%	21,796	6.4%	6,151	28.2%
Medicine	7,343	1.9%	6,975	2.1%	368	5.3%
Others	6,818	1.8%	7,201	2.1%	-383	-5.3%
Total	377,818	100.0%	338,688	100.0%	39,130	11.6%

Geographical sales structure (customers)

Geographical sales structure	Q1 2020	%	Q1 2019	%	Change in PLN	Change in %
Domestic (Poland)	138,352	36.6%	145,731	43.0%	-7,379	-5.1%
Export	239,466	63.4%	192,957	57.0%	46,509	24.1%
Total	377,818	100.0%	338,688	100.0%	39,130	11.6%