

FINANCIAL SUPERVISION AUTHORITY

Consolidated Quarterly Report Qsr1 / 2021

quarter / year

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

for1. quarter of financial year ...2021 from 2021-01-01 to 2021-03-31
including consolidated financial statement according to International Financial Reporting Standards (IFRS)
in currency PLN
and summary of financial statement according to Act on Accounting
in currency PLN
date of publication 2021-05-21

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(full name of an issuer)	
COMARCH	Information Technology (IT)
(abbreviated name of issuer)	(sector according to WSE classification)
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SELECTED FINANCIAL DATA	thousands of PLN		thousands of EURO	
	Q1 2021	Q1 2020	Q1 2021	Q1 2020
DATA RELATED TO THE CONSOLIDATED FINANCIAL STATEMENT				
I. Revenues from sales	383,979	377,818	83,983	85,940
II. Operating profit (loss)	46,228	44,864	10,111	10,205
III. Profit before income tax	39,468	20,929	8,632	4,761
IV. Net profit attributable to shareholders of parent company	26,078	14,175	5,704	3,224
V. Net cash flows from operating activities	112,518	87,867	24,610	19,987
VI. Net cash flows from investing activities	-111,751	-2,278	-24,442	-518
VII. Net cash flows from financing activities	7,251	-14,399	1,586	-3,275
VIII. Change in net cash flows	8,018	71,190	1,754	16,193
IX. Number of shares	8,133,349	8,133,349	8,133,349	8,133,349
X. Earnings (losses) per single share (PLN/EURO)	3.21	1.74	0.70	0.40
XI. Diluted earnings (losses) per single share (PLN/EURO)	3.21	1.74	0.70	0.40
DATA RELATED TO THE FINANCIAL STATEMENT				
XII. Net revenues from sales of products, goods and materials	256,796	238,026	56,166	54,142
XIII. Profit (loss) on operating activities	28,310	28,344	6,192	6,447
XIV. Gross profit (loss)	28,699	22,770	6,277	5,179
XV. Net profit (loss)	24,487	21,015	5,356	4,780
XVI. Net cash flows from operating activities	97,151	58,735	21,249	13,360
XVII. Net cash flows from investing activities	-133,761	-11,340	-29,256	-2,579
XVIII. Net cash flows from financing activities	14,977	-6,559	3,276	-1,492
XIX. Total net cash flow	-21,633	40,836	-4,732	9,289

XX. Number of shares	8,133,349	8,133,349	8,133,349	8,133,349
XXI. Earnings (losses) per single share (PLN/EURO)	10.26	7.71	2.24	1.75
XXII. Diluted earnings (losses) per single share (PLN/EURO)	10.26	7.71	2.24	1.75
EQUITIES	31.03.2021	31.12.2020	31.03.2021	31.12.2020
XXIII. Equity attributable to shareholders (consolidated)	1,109,693	1,080,039	238,116	234,038
XXIV. Equity (parent company)	980,390	949,438	210,371	205,738

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 01.01.2021 to 31.03.2021: 4.5721;

- arithmetical average of NBP average exchange rates as of the end of each month for the period 01.01.2020 to 31.03.2020: 4.3963;

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

- 31.03.2021: 4.6603;

- 31.12.2020: 4.6148.

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

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

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

REPORT INCLUDES:

File	Description
QSr_1_2021 Comarch SA.pdf	QSr_1_2021 Comarch SA
QSr_1_2021 consolidated.pdf	QSr_1_2021 consolidated

SIGNATURES

Date	Name and surname	Position	Signature
2021-05-21	Konrad Tarański	Vice-President of the Management Board	
2021-05-21	Iwona Kasprzyk	Proxy	

COMARCH



Comarch Group Consolidated Financial Statement

for the period from 1st of January,
2021 to 31st of March, 2021

Krakow, 21st of May 2021

Statement in accordance with
The International Financial Reporting Standards

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60+ countries on **6** continents
– we implement projects all over the world



PLN 384 million
of sales revenue



PLN 26 million
of net profit



61
companies in the Comarch Group



12%
of EBIT margin



6,300+
professionals employed

Comarch Group Consolidated Financial Statement for 3 Months 2021

I. Consolidated Balance Sheet

ASSETS	Note	At 31 March 2021	At 31 December 2020
I. NON-CURRENT ASSETS		853,859	856,573
Property, plant and equipment	3.2	580,803	582,158
Right of use assets	3.3	87,915	88,222
Investment in real estates	3.4	39,442	39,874
Goodwill	3.5	45,774	45,774
Other intangible assets	3.6	54,975	55,528
Non-current prepayments		1,095	1,298
Investments in associates	3.7	-	-
Other assets at fair value	3.9a	36	597
Other investments		216	216
Deferred income tax assets	3.10	34,382	35,864
Other receivables		9,221	7,042
II. CURRENT ASSETS		1,233,598	1,146,985
Inventories	3.11	92,017	88,115
Trade and other receivables	3.12	386,391	429,858
Current income tax receivables		4,616	1,430
Long-term contracts receivables	3.13	168,381	157,441
Available-for-sale financial assets	3.8	120,221	20,001
Other financial assets at fair value – derivative financial instruments	3.9a	391	2,119
Cash and cash equivalents		461,581	448,021
TOTAL ASSETS		2,087,457	2,003,558

TOTAL EQUITY AND LIABILITIES	Note	At 31 March 2021	At 31 December 2020
I. EQUITY		1,126,335	1,098,547
Capital and reserves attributable to the company's equity holders		1,109,693	1,080,039
Share capital	3.14	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		33,229	29,653
Net profit/(loss) from the previous years and net profit for the current period		925,290	899,212
Equities attributable to non-controlling interests		16,642	18,508
II. LIABILITIES		961,122	905,011
Non-current liabilities		261,302	252,430
Credit and loans	3.15	129,124	116,760
Other liabilities		1,975	6,305
Liabilities due to lease	3.16	73,632	75,145
Financial liabilities at fair value – derivative financial instruments	3.9b	7,232	5,639
Provision due to deferred income tax	3.10	47,536	46,778
Provisions for other liabilities and charges	3.18	1,803	1,803
Current liabilities		699,820	652,581
Trade and other payables	3.19	245,981	216,128
Current income tax liabilities		25,092	24,794
Long-term contracts liabilities	3.13	147,090	147,651
Credit and loans	3.15	43,581	40,176
Liabilities due to lease	3.16	20,240	19,142
Financial liabilities at fair value – derivative financial instruments	3.9b	5,282	3,820
Other financial liabilities	3.17	5,315	5,249
Provisions for other liabilities and charges	3.18	207,239	195,621
TOTAL EQUITY AND LIABILITIES		2,087,457	2,003,558

II. Consolidated Income Statement

	Note	Q1 2021	Q1 2020
Revenue		383,979	377,818
Cost of sales		(273,851)	(268,880)
Gross profit		110,128	108,938
Other operating income		3,750	6,366
Sales and marketing costs		(31,242)	(29,687)
Administrative expenses		(29,525)	(28,193)
Other operating expenses		(6,883)	(12,560)
Operating profit		46,228	44,864
Finance revenue / (costs) - net		(6,760)	(23,935)
Share of profit / (loss) of associates		-	-
Profit before income tax		39,468	20,929
Income tax expense		(15,255)	(7,179)
Net profit for the period		24,213	13,750
Shareholders of the parent company		26,078	14,175
Interests not entitled to control		(1,865)	(425)
Earnings per share for profit attributable to the shareholders of the parent company during the period (expressed in PLN per share)			
– basic	3.24	3.21	1.74
– diluted	3.24	3.21	1.74

III. Total Income Consolidated Statement

	Q1 2021	Q1 2020
Net profit for the period	24,213	13,750
Other total income		
Exchange differences from recalculation of subsidiaries	3,575	16,002
Total other total income	3,575	16,002
Sum of total income for the period	27,788	29,752
Attributable to the parent company shareholders	29,654	30,180
Attributable to the interests not entitled to control	(1,866)	(428)

IV. Consolidated Statement of Changes in Shareholders' Equity

	Attributable to the shareholders of the parent company						Total equity
	Share capital	Reserve capital from sales of shares above the nominal value	Other	Share capital	Reserve capital from sales of shares above the nominal value	Capitals attributable to non-controlling interests	
Balance at 1 January 2020	8,133	84,446	58,595	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	84,446	58,595	26,173	804,956	18,205	1,000,508
Balance at 1 January 2021	8,133	84,446	58,595	29,653	899,212	18,508	1,098,547
Dividend paid	-	-	-	-	-	-	-
Currency translation differences ⁽¹⁾	-	-	-	3,576	-	(1)	3,575
Profit for the period ⁽²⁾	-	-	-	-	26,078	(1,865)	24,213
Total income recognised in equity ⁽¹⁺²⁾	-	-	-	3,576	26,078	(1,866)	27,788
Balance at 31 March 2021	8,133	84,446	58,595	33,229	925,290	16,642	1,126,335

V. Consolidated Cash Flow Statement

	Q1 2021	Q1 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit	24,213	13,750
Total adjustments	103,888	80,785
Depreciation	21,126	21,892
Profit (loss) from foreign exchange differences	1,024	(3,844)
Interest and profit sharing (dividends)	1,029	689
Profit (loss) on investing activities	(2,146)	(2,451)
Change in inventories	(3,684)	109
Change in receivables	33,286	31,446
Change in liabilities and provisions excluding credits and loans	53,253	32,944
Other adjustments	-	-

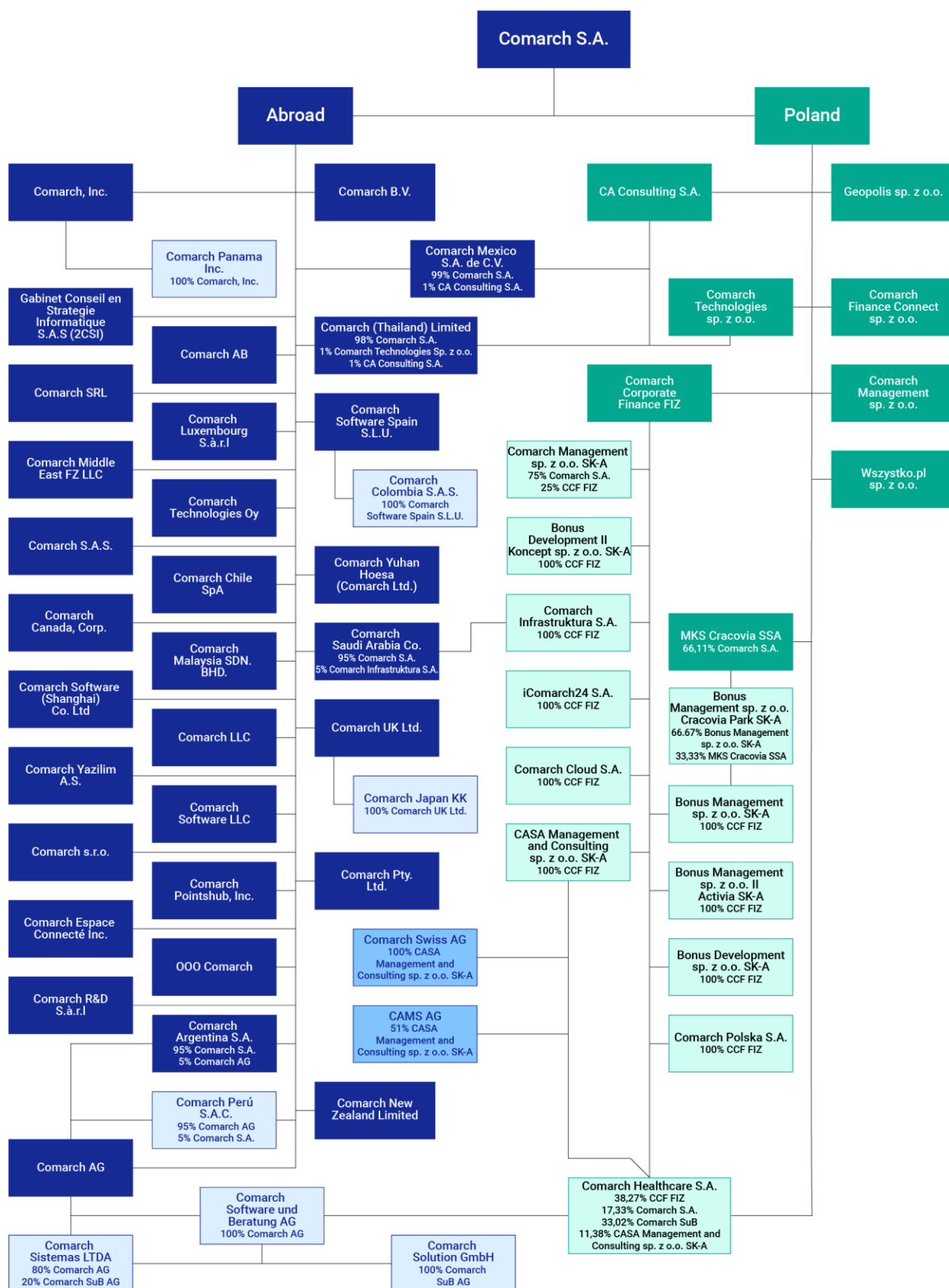
Net profit less total adjustments	128,101	94,535
Income tax paid	(15,583)	(6,668)
Net cash generated (used) in operating activities	112,518	87,867
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(11,449)	(7,942)
Proceeds from sale of property, plant and equipment	141	467
Purchases of intangible assets	(717)	(2,059)
Proceeds from disposal of investment in intangible assets	457	97
Expenses for purchase of financial assets	(100,000)	-
Expenses for investment in real estates	-	-
Repayment of granted loans	-	6,434
Interest	2	525
Proceeds from financial instruments	-	-
Expenses for financial instruments	(185)	-
Proceeds from financial assets	-	200
Other investment expenses	-	-
Net cash generated (used) in investing activities	(111,751)	(2,278)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from credits and loans	24,879	1,825
Repayments of credits and loans	(11,083)	(10,511)
Interest on credit	(555)	(633)
Interest on received loans	-	-
Proceeds from repaid loans	-	-
Proceeds from interest on loans	-	-
Other financial liabilities (loans granted)	-	-
Dividends and other payments to owner's distribution	-	-
Payment of liabilities under finance lease agreements	(6,115)	(6,236)
Other financial proceeds	149	1,230
Other financial expenses	(24)	(74)
Net cash generated (used) in financing activities	7,251	(14,399)
Net change in cash, cash equivalents and bank overdrafts	8,018	71,190
Cash, cash equivalents and bank overdrafts at beginning of the period	448,021	322,701
Positive (negative) exchange differences in cash and bank overdrafts	5,542	5,721
Cash, cash equivalents and bank overdrafts at end of the period	461,581	399,612
including limited disposal	2,370	3,080

VI. Supplementary information

1. Information about Comarch Group Structure and Activities

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

1.1. Organizational Structure of Comarch Group



100% Comarch S.A., unless otherwise indicated

On the 31st of March, 2021, associate of the parent company was:

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

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

1.2. 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 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 Yuhon Hoesa (Comarch Ltd.), Comarch (Thailand) Limited, Comarch BV, Comarch Pty. LTD, Comarch Software (Shanghai) Co. Ltd, Comarch New Zealand LTD and LLC „Comarch Software” acquire IT contracts in foreign markets and execute them in their entirety or in part,
- Comarch Software und Beratung AG is an important provider of ERP and an integrator of IT solutions in Germany. Activities of Comarch Solutions GmbH are identical as activities of Comarch Software und Beratung AG,
- Comarch Swiss AG sells and implements Comarch IT solutions, especially ERP and ECM on the Swiss market,
- Cabinet Conseil en Strategie Informatique S. A. S. provides IT solutions and services for medical entities on the French market,
- Comarch Polska S.A. acquires IT contracts in domestic markets and executes them in their entirety or in part,
- Comarch Technologies sp. z o.o. is responsible for the development of technologies related to the design and production of electronic devices and software,
- CA Consulting S.A. specialises in data communications relating to the provision of IT and consulting services for the own needs of the Comarch S.A. and for Comarch’s contractor,
- Comarch Cloud S.A., acquire IT contracts in domestic markets and execute them in their entirety or in part,
- 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, medical devices, provides medical and diagnostic services, as well as produces and provides complex IT solutions for medicine sector,
- 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,
- 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,
- Comarch Finance Connect sp. z o.o. it is not currently operating, conducts proceedings to obtain an entry in the register of payment service providers and electronic money publishers,
- Wszystko.pl sp. z o.o. it is not currently operating, it is preparing to launch an e-commerce portal under the name Wszystko.pl,
- Geopolis sp. z o.o. it is not currently operating, in January, 2021, a petition for bankruptcy has been filed,
- Companies Comarch s.r.o., Comarch Espace Connecté Inc. and CAMS AG are currently not operating.

1.3. Changes in Ownership and Organisational Structure in Q1 2021

On the 21st of January, 2021, the Management Board of Geopolis Sp. z o.o. filed an application to the District Court for Toruń, The Fifth Economic Division, for bankruptcy including liquidation of the debtor's assets, i.e. the company. On the 16th of March, 2021, the District Court for Toruń, The Fifth Economic Division, after considering the case at the request of Geopolis sp. z o.o. in Toruń for bankruptcy, decided to secure the debtor's assets by appointing a temporary court supervisor.

On the 10th of March, 2021, the name of the company was changed from Unitec sp. z o.o. to Wszystko.pl sp. z o.o. and the change of the company's seat to Kraków.

On the 22nd of March, 2021, a subsidiary company LLC „Comarch Software” was registered in Lvov. The share capital of the company amounts to PLN 14,000. Comarch S.A. owns 100% in share capital and votes of LLC „Comarch Software”.

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

On the 8th of April, 2021, an increase in the share capital of Comarch (Thailand) Co., Ltd. was registered. The share capital was increased from THB 18,500,000 (that is PLN 2,257,000) by THB 32,000,000 (that is PLN 3,904,000) and currently amounts to THB 50,500,000 (that is PLN 6,161,000).

On the 7th of May, 2021, the formal liquidation process of Comarch Software Spain S.L.U. begun.

2. Description of the Applied Accounting Principles

This unaudited Condensed Interim Consolidated Financial Statement of Comarch Group for the 3 months ended the 31st of March, 2021, 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 3 months ended the 31st of March, 2021, does not include all information and disclosures that are obligatory in annual financial statements, therefore should be read in conjunction with the audited Comarch Group IFRS Consolidated Financial Statement for the year ended the 31st of December, 2020 (“the IFRS Consolidated Financial Statement”).

The scope of the accounting principles and calculation methods applied in the Interim Consolidated Financial Statement for the 3 months ended the 31st of March, 2021, does not differ from the accounting principles described in the audited Comarch Group IFRS Consolidated Financial Statement for the year ended the 31st of December, 2020 (notes 2 and 3 of the Consolidated Financial Statement of the Comarch Group for the year ended the 31st of December, 2020).

The Interim Consolidated Financial Statement for the 3 months ended the 31st of March, 2021, 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.

In the Interim Consolidated Financial Statement, 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 3 months ended the 31st of March, 2021, is prepared in thousands of Polish zloty ("PLN") and was authorized for issuance by the Management Board on the 21st of May, 2021.

Interpretations to standards applied in 2019 for the first time and continued in the following years

▪ IFRS 16 Leasing

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

The Comarch Group implemented the application of the IFRS 16 standard retrospectively, with the combined effect of the first application of IFRS 16 recognized as at 1st of January, 2019, without restatement of comparative data.

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

For contracts concluded for a definite period, the Comarch Group has adopted a lease period consistent with the lease agreement period, unless circumstances indicating the use of the option of extension or termination were known. Contracts concluded for an indefinite period with a notice period shorter than 12 months are not subject to measurement according to IFRS 16 (except for the agreement for lease of the stadium in Krakow at street Kałuży 1, which was valued according to IFRS 16 due to the strategic nature of rented property, and for which the Comarch Group accepts a 5 years lease period). The estimated value of liabilities resulting from other agreements concluded for an indefinite period for a period of 12 months amounts to approx. PLN 1,400 thousand. Contracts of lease for an indefinite period with a notice period longer than 12 months the Comarch Group has not identified.

In accordance with the IFRS 16 Leasing standard, the Comarch Group has implemented uniform accounting principles that require lessees to recognize assets and liabilities for all lease agreements, taking into account the exceptions listed in the standard. The Comarch Group recognizes the right to use the asset together with an appropriate leasing liability determined in the amount of discounted future payments during the lease term. Instead of the previously included in the costs of the basic activity of fees for the use of leased assets,

depreciation calculated on the value of the asset due to the right of use was introduced. Depreciation is allocated according to production costs, overheads or selling costs. Instead of the interest paid on the current leasing instalments included in the financial costs, interest accrued on the leasing liability was introduced. Assets due to the right of use are amortized on a straight-line basis, whereas lease liabilities settled by the effective interest rate (the lesser interest rate of the lessee).

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

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

As at the balance sheet date, the 31st of March, 2021, the value of the right to use assets in the Comarch Group amounted to PLN 87,915 thousand and the value of lease liabilities PLN 93,872 thousand. The value of depreciation from the asset due to the right of use in 2021 amounted to PLN 5,430 thousand. The value of interest on leasing liabilities in 2021 amounted to PLN 679 thousand.

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

	At 31 March 2021 – published data	At 31 March 2021 – without IFRS 16
IMPACT ON THE BALANCE SHEET		
Total assets	2,087,457	1,999,675
Fixed assets	853,859	766,077
Asset due to the right of use	87,915	-
Total liabilities	2,087,457	1,999,675
Total liabilities, including:	961,122	867,362
Long-term liabilities	261,302	187,670
Current liabilities	699,820	679,692
Lease liabilities, including:	93,872	-
Long-term liabilities	73,632	-
Current liabilities	20,240	-
Equity attributable to the Company's shareholders	1,109,693	1,115,679

IMPACT ON THE PROFIT AND LOSS ACCOUNT

Depreciation, including:	21,126	15,740
Depreciation of the right to use	5,430	-
Net profit	24,213	24,102
Net profit attributable to the company's shareholders	26,078	25,967

IMPACT ON THE CASH FLOW

Cash flow together	8,018	8,018
Net cash flow from operating activities	112,518	106,447
Net cash flow from investing activities	(111,751)	(111,751)
Net cash flow from financing activities	7,251	13,322

		3 months ended 31 March 2021
Depreciation of assets under the right of use		
Leasing of means of transport and computer equipment		277
Rent		5,055
Perpetual usufruct		98
Depreciation of assets under the right of use		5,430

The Comarch Group uses two simplifications regarding classifying the contract as a lease agreement by IFRS 16. The Comarch Group excluded from the valuation by IFRS 16 short-term contracts and agreements on low-value assets, i.e. with an initial value not exceeding 5,000 USD. The use of the above simplifications by the Company obliges it to apply them throughout the standard's validity period. The applied simplifications are documented with appropriate accounting policy provisions. The cost related to contracts for short-term leasing and leasing of low-value assets in the first quarter of 2021 amounted to approx. PLN 484 thousand.

Standards and interpretations to standards which will be applied in 2020 for the first time

- **Amendments to IFRS 4 Insurance Contracts** - extension of the temporary exemption from the application of IFRS 9, approved in the EU on the 16th of December, 2020 (the expiry date of the temporary exemption was extended from the 1st of January, 2021 to annual periods beginning on or after the 1st of January, 2023).
- **Amendments to IFRS 9 "Financial Instruments", IAS 39 „Financial Instruments: Recognition and Measurement”, IFRS 7 „Financial Instruments – Information Disclosure, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform (reference rates) – Phase 2.** Amendments to these standards were published on the 27th of August, 2020, approved in the EU on the 13th of January, 2021. They apply to annual periods beginning on or after the 1st of January, 2021 or later.

The above-mentioned changes to standards did not affect the Comarch Group's financial statements for the first quarter of 2021.

New standards and amendments to existing standards issued by the IASB that have not yet entered into force at the balance sheet date (have not yet been approved for use by EU countries)

- **IFRS 14 Regulatory Deferral Accounts** published on the 30th of January, 2014 (the process of adoption for use by EU countries suspended).
- **IFRS 17 Insurance contracts**, published on the 18th of May, 2017, together with changes of the 25th of June, 2020. It is effective for annual periods beginning on or after the 1st of January, 2023.
- **Amendments to IFRS 10 and IAS 28: Sale or contribution of assets between an investor and its associate or joint venture**, published on the 11th 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 23rd of January, 2020. It is effective for annual periods beginning on or after the 1st of January, 2022.
- **Amendments to IFRS 3, IAS 16, IAS 37 and annual amendments to the standards 2018-2020** published on the 14th of May, 2020. They are effective for annual periods beginning on or after the 1st of January, 2022.

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

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

The consolidated financial statement of the Comarch Group for the 3 months ended the 31st of March, 2021, 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 New Zealand Limited	Subsidiary	Full	100%
LLC "Comarch Software"	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%
Wszystko.pl sp. z o.o. (previously „Unitec” sp. z o.o.)	Subsidiary	Full	100%
Comarch Management sp. z o.o.	Subsidiary	Full	100%
Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty	Subsidiary	Full	100% of total number of investment certificates
Comarch Management sp. z o.o. SK-A	Subsidiary	Full	26.45% held by Comarch S.A., 8.82% held by CCF FIZ, 64.73% purchased by Comarch Management sp. z o.o. SK-A to be redeemed
Bonus Management sp. z o.o. SK-A	Subsidiary	Full	100% held by CCF FIZ
Bonus MANAGEMENT sp. z o.o. Cracovia Park SK-A	Subsidiary	Full	50% held by Bonus Management sp. z o.o. SK-A, 50% held by MKS Cracovia SSA
Bonus Development sp. z o.o. SK-A	Subsidiary	Full	100% held by CCF FIZ
Bonus Management sp. z o.o. II Activia SK-A	Subsidiary	Full	100% held by CCF FIZ
Bonus Development sp. z o.o. II Koncept SK-A	Subsidiary	Full	100% held by CCF FIZ
Comarch Healthcare S.A.	Subsidiary	Full	38.27% held by CCF FIZ, 17.33% held by Comarch S.A., 33.02% held by Comarch Software und Beratung AG, 11.38% held by CASA Management and Consulting sp. z o.o. SKA
Comarch Polska S.A.	Subsidiary	Full	100% held by CCF FIZ
Comarch Cloud S.A. (previously Comarch Pointshub S.A.)	Subsidiary	Full	100% held by CCF FIZ
Comarch Infrastruktura S.A.	Subsidiary	Full	100% held by CCF FIZ
iComarch24 S.A.	Subsidiary	Full	100% held by CCF FIZ
CASA Management and Consulting sp. z o.o. SK-A	Subsidiary	Full	100% held by CCF FIZ
Comarch Swiss AG	Subsidiary	Full	100% held by CASA Management and Consulting sp. z o.o. SK-A
CAMS AG	Subsidiary	Full	51% held by CASA Management and Consulting sp. z o.o. SK-A
Comarch Finance Connect sp. z o.o. (previously Opso sp. z o.o.)	Subsidiary	Full	100%
MKS Cracovia SSA	Subsidiary	Full	66,11%

3. 3. Notes to the Consolidated Financial Statement

3.1. Reporting by Segments for 3 Months 2021

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

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

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

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

The Comarch Group's sales is highly diversified and there is no dependency on a single customer. Within 3 months of 2021 the share of none of the customer exceeded 10% of total sales of the Comarch Group. Over 2020, Comarch Group revenue structure was as follows: 25% of annual sales were achieved in the first quarter, 21% in the second quarter, 23% in the third quarter and 31% in the fourth quarter. Over 2021, the Comarch Group expects the distribution of sales revenue similar to that of 2020.

3 months ended 31 March 2020	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Eliminations	Total
	Polish market	DACH market	Other markets					
Revenue per segment- sales to external clients, including:	188,546	72,972	89,934	(1,622)	7,340	3,079	-	360,249
Revenue from sales:	212,946	73,016	82,167	562	6,158	2,969	-	377,818
To customers in Telecommunication, Media, IT sector	45,288	20,568	31,153	-	-	-	-	97,009
To customers in Finance and Banking sector	44,633	8,221	4,391	-	-	-	-	57,245
To customers in Trade and services sector	20,020	4,550	32,388	-	-	-	-	56,958
To customers in Industry&Utilities	25,846	8,951	14,228	-	-	-	-	49,025
To customers in Public sector	27,231	2,779	-	-	-	-	-	30,010
To customers in small and medium enterprises sector	45,463	27,947	-	-	-	-	-	73,410
To customers in Medicine sector	4,374	-	-	-	-	2,969	-	7,343
To other customers	91	-	7	562	6,158	-	-	6,818
Other operating revenue	212	1,669	3,163	80	1,147	95	-	6,366

Finance revenue	(24,612)	(1,713)	4,604	(2,264)	35	15	-	(23,935)
Revenue per segment - sales to other segments	81,141	7,919	9,029	1,974	1,464	-	(101,527)	-
Revenue per segment - total *	269,687	80,891	98,963	352	8,804	3,079	(101,527)	360,249
Costs per segment relating to sales to external clients	161,767	74,431	90,550	788	8,455	3,329	-	339,320
Costs per segment relating to sales to other segments	81,141	7,919	9,029	1,974	1,464	-	(101,527)	-
Costs per segment - total *	242,908	82,350	99,579	2,762	9,919	3,329	(101,527)	339,320
Current taxes	(5,069)	(1,570)	(1,046)	(131)	-	-	-	(7,816)
Assets for the tax due to investment allowances and other tax relief	672	793	(770)	79	(137)	-	-	637
Share of segment in the result of parties valued using the equity method of accounting	-	-	-	-	-	-	-	-
Net result, including:	22,382	(2,236)	(2,432)	(2,462)	(1,252)	(250)	-	13,750
Result attributable to shareholders of the parent company	22,382	(2,236)	(2,432)	(2,461)	(828)	(250)	-	14,175
Result attributable to minority interest	-	-	-	(1)	(424)	-	-	(425)

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

Sales between specific segments are calculated based on market conditions.

Share of business segments in Assets and Liabilities and Investment Expenditures

The following table presents the assets and liabilities of particular segments as at the 31st of March, 2020, as well as investment expenditures and depreciation in during 3 months of 2020:

31 March 2020 / 3 months ended 31 March 2020

	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Total
	Poland	DACH region	Other countries				
Assets	1,033,373	300,266	345,566	148,233	84,335	10,646	1,922,419
Liabilities	576,386	132,602	139,735	36,487	31,940	4,761	921,911
Investment expenditures	2,860	2,201	2,175	188	1,961	616	10,001
Depreciation	14,237	2,785	2,770	874	1,178	48	21,892

3 months ended 31 March 2021	Poland	IT Segment DACH region	Other countries	Investment Segment	Sport Segment	Medicine Segment	Eliminations	Total
Revenue per segment- sales to external clients, including:	212,682	63,730	92,693	1,774	5,172	4,918	-	380,969
Revenue from sales:	218,534	62,669	92,228	673	5,006	4,869	-	383,979
To customers in Telecommunication, Media, IT sector	49,129	11,564	30,939	-	-	-	-	91,632
To customers in Finance and Banking sector	41,981	5,394	10,372	-	-	-	-	57,747
To customers in Trade and services sector	14,761	9,010	39,594	-	-	-	-	63,365
To customers in Industry&Utilities	23,564	9,750	9,739	-	-	-	-	43,053
To customers in Public sector	28,725	-	1	-	-	-	-	28,726
To customers in small and medium enterprises sector	54,210	26,951	-	-	-	-	-	81,161
To customers in Medicine sector	5,952	-	1,382	-	-	4,869	-	12,203
To other customers	212	-	201	673	5,006	-	-	6,092
Other operating revenue	1,834	537	732	-	445	202	-	3,750
Finance revenue	(7,686)	524	(267)	1,101	(279)	(153)	-	(6,760)
Revenue per segment - sales to other segments	109,716	6,894	7,550	2,122	1,859	-	(128,141)	-
Revenue per segment - total *	322,398	70,624	100,243	3,896	7,031	4,918	(128,141)	380,969
Costs per segment relating to sales to external clients	175,681	60,187	89,681	615	10,951	4,386	-	341,501
Costs per segment relating to sales to other segments	109,716	6,894	7,550	2,122	1,859	-	(128,141)	-
Costs per segment - total *	285,397	67,081	97,231	2,737	12,810	4,386	(128,141)	341,501
Current taxes	(6,408)	(2,166)	(4,278)	(163)	-	-	-	(13,015)
Assets for the tax due to investment allowances and other tax relief	(4,168)	479	1,135	(69)	383	-	-	(2,240)
Share of segment in the result of parties valued using the equity method of accounting	-	-	-	-	-	-	-	-
Net result, including:	26,425	1,856	(131)	927	(5,396)	532	-	24,213
Result attributable to shareholders of the parent company	26,425	1,856	(131)	928	(3,532)	532	-	26,078
Result attributable to minority interest	-	-	-	(1)	(1,864)	-	-	(1,865)

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

Sales between specific segments are calculated based on market conditions.

Share of business segments in Assets and Liabilities and Investment Expenditures

The following table presents the assets and liabilities of particular segments as at the 31st of March, 2021, as well as investment expenditures and depreciation in during 3 months of 2021:

31 March 2021 / 3 months ended 31 March 2021

	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Total
	Poland	DACH region	Other countries				
Assets	1,078,887	320,400	426,084	145,351	105,879	10,856	2,087,457
Liabilities	445,620	139,734	307,164	34,017	33,938	649	961,122
Investment expenditures	107,180	1,022	2,347	138	1,511	153	112,351
Depreciation	13,828	1,341	3,065	896	1,825	171	21,126

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

Revenue from basic sales - activities location

	3 months ended 31 March 2021	%	3 months ended 31 March 2020	%
Poland	229,082	59.7	222,635	58.9
DACH region	62,669	16.3	73,016	19.3
Other countries	92,228	24.0	82,167	21.8
Total	383,979	100.0	377,818	100.0

Assets – activities location

	3 months ended 31 March 2021	%	3 months ended 31 March 2020	%
Poland	1,340,956	64.2	1,258,575	62.8
DACH region	320,400	15.4	281,439	14.1
Other countries	426,101	20.4	463,544	23.1
Total	2,087,457	100.0	2,003,558	100.0

Investment expenditures – activities location

	3 months ended 31 March 2021	%	12 months ended 31 December 2020	%	3 months ended 31 March 2020	%
Poland	108,982	97.0	112,684	86.3	5,625	56.3
DACH region	1,022	0.9	4,192	3.0	2,201	22.0
Other countries	2,347	2.1	13,949	10.7	2,175	21.7
Total	112,351	100.0	130,825	100.0	10,001	100.0

3.2. Property, Plant and Equipment

	31 March 2021	31 December 2020
Lands and buildings	423,625	425,495
Means of transport and machinery	133,108	134,584
Property, plant and equipment under construction	12,058	9,589
Others	11,924	12,434
Advance money for property, plant and equipment under construction	88	56
Total	580,803	582,158

Property, plant and equipment comprise mostly real estates and machinery owned by Comarch Group. As at the 31st of March, 2021, the Comarch Group's property are six office buildings in the Special Economic Zone in Krakow ("SEZ") at 74,144 square metres of the total space, two office buildings in Warsaw at 2,542 square metres of the total space and office buildings in Łódź at 12,572 square metres of the total space, one office building and data centre in Lille at 2,526 square metres of the total space, and an office building and data centre in Dresden at 2,144 square metres of the total space. The Comarch Group owns also lands in the Special Economic Zone in Krakow at approx. 2.01 ha of the total area and 1.21 ha in Mesa, Arizona, USA. Property, plant and equipment also include the MKS Cracovia SSA Training and Research Centre commissioned for use in the fourth quarter of 2020 with a total investment of PLN 42,586 thousand. The centre consists of 6 pitches, including 3 full-size ones, a sports hall with a football field, a building that serves as a hotel for players and 2 other buildings. As at the 31st of March, 2021, property, plant and equipment under construction comprise mostly expenditures related to modernization works of buildings incurred by Bonus Management sp. z o.o. SKA and Bonus Management sp. z o.o. II Activia SKA (an amount of PLN 6,069 thousand) and expenditures related to construction of Data Center Comarch Inc. in the USA in the amount of PLN 3,155 thousand.

3.3. Asset due to the Right of Use

	31 March 2021	31 December 2020
Leasing of means of transport and IT equipment	1,677	1,837
Rent	59,316	59,269
Perpetual usufruct	26,922	27,116
Total	87,915	88,222

Value of depreciation of the asset due to the right of use in the first quarter of 2021 amounted to PLN 5,430 thousand.

3.4. Investment Real Estate

	31 March 2021	31 December 2020
Lands	7,431	7,431
Buildings	32,011	32,443
Total	39,442	39,874

Investment real estate relates to developed lands used for lease to entities outside the Comarch Group and lands located in Krakow, purchased in order to construct buildings dedicated for lease to the entities outside the Comarch Group. As at the 31st of March, 2021, investment real estate comprises two office buildings, placed in Krakow at 8,629 square metres of the total space, 4 residential buildings at 1,057 square metres of the total space, 1 service and production building with an area of 600 square metres (all located in Kraków), 2 services and warehouse buildings with an area of 2,611 square metres, located in Zabierzów, as well as real estate located in Kostrzyn with an area of 1,315 square metres.

3.5. Goodwill

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

	31 March 2021	31 December 2020
Comarch Kraków	99	99
CDN Comarch	1,227	1,227
Comarch AG	1,900	1,900
Comarch, Inc.	58	58
Comarch Software und Beratung AG	29,038	29,038
Comarch Swiss AG	8,413	8,413
Cabinet Conseil en Strategie Informatique S.A.S.	5,039	5,039
Total	45,774	45,774

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

3.6. Others Intangible Assets

	31 March 2021	31 December 2020
Costs of finished development works	-	-
Perpetual usufruct right	37,443	37,466
Licences and software	11,664	10,859
Other	5,868	7,203
Advance money for intangible assets	-	-
Total	54,975	55,528

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 5,868 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 31st of December, 2020, the Comarch Group does not have any investments in associates

At 1 January 2020	570
Granting loan by SolInteractive S.A.	-
Repayment of loan by SolInteractive S.A.	(570)
At 31 December 2020	-
At 1 January 2021	-
Granting loan by SolInteractive S.A.	-
Repayment of loan by SolInteractive S.A.	-
At 31 March 2021	-

3.8. Financial Assets Available for Sale

	31 March 2021	31 December 2020
Financial assets available for sale	120,221	20,001
Total	120,221	20,001

On the 31st of March, 2021, the financial assets available for sale consisted of those owned by Comarch S.A. participation units in debt securities investment funds, purchased as an investment of free cash. All participation units purchased by the company relate to low-risk sub-funds holding government and corporate debt securities as well as money market instruments. As at the 31st of March, 2021, the above-mentioned participation units were valued at fair value according to market price, and changes in the valuation were referred to the result on financial operations. The total value of the participation units at purchase price was PLN 120,000 thousand. PLN, and the total value of the participation units according to their valuation as at the balance sheet date was PLN 120,221 thousand.

Comarch S.A. intends to sell financial assets available for sale held as at 31st of March, 2021 within 12 months from the balance sheet date.

After the balance sheet date

Comarch S.A. in the period from 1st of April, 2021 to 21st of May, 2021, sold participation units in investment funds for the total amount of PLN 20,107 thousand. The company also acquired new participation units with a

value of PLN 20,000 thousand. All units purchased by the Company during this period relate to low-risk sub-funds holding government and corporate debt securities as well as money market instruments. The last available before the publication of the report valuation of participation units held by Comarch S.A. amounted to PLN 120,017 thousand. This is the valuation of participation units published by individual investment funds, valid as of the 18th of May, 2021.

3.9. Derivative Financial Instruments

a) Assets

	31 March 2021	31 December 2020
Forward foreign exchange contracts – held-for-trading	427	2,716
Transaction on change of IRS	-	-
	427	2,716
Current portion	391	2,119
Non-current portion	36	597

b) Liabilities

	31 March 2021	31 December 2020
Forward foreign exchange contracts – held-for-trading	9,626	5,958
Transaction on change of IRS	2,888	3,501
	12,514	9,459
Current portion	5,282	3,820
Non-current portion	7,232	5,639

Comarch Group held forward contracts to reduce the effect of changes in cash flows on financial result, where cash flows are related to the planned transactions and changes are the result of foreign exchange risk. As at the 31st of March, 2021, the above-mentioned instruments were valued at fair value according to market price and changes in valuation were referred into the results from financial operations. Total net value of forward contracts that were open as at the 31st of March, 2021, amounted to EUR 74,900 thousand, USD 19,500 thousand, NZD 3 thousand and GBP 2 thousand.

On the 9th of July, 2014, Comarch S.A. concluded a transaction on change of IRS for investment credit taken in June 2006 from BNP Paribas Bank Polska S.A. with its registered office in Warsaw, for financing of the third construction stage of production and office buildings in the Special Economic Zone in Krakow. As a consequence of the concluded transaction, variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded for the period of 10 years, i.e. till the 29th of July, 2024. As at the 31st of March, 2021, valuation of the IRS transaction amounted to minus PLN 252 thousand.

On the 23rd of October, 2015, Comarch S.A. concluded a transaction on change of IRS for investment credit taken on the 4th of December, 2013, from Bank Pekao S.A. with its registered office in Warsaw. As a consequence of the concluded transaction, variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction

was concluded for the period of 8 years, i.e. till the 30th of November, 2023. As at the 31st of March, 2021, valuation of the IRS transaction amounted to minus PLN 213 thousand.

On the 20th of February, 2017, Comarch S.A. concluded a transaction on change of IRS for an investment credit granted in May 2016 by the Bank Handlowy with its registered office in Warsaw. As a consequence of the concluded transaction variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded till the 29th of February, 2028. As at the 31st of March, 2021, valuation of the IRS transaction amounted to minus PLN 1,428 thousand.

On the 27th of November, 2017, Bonus Development Sp. z o.o. SKA concluded a transaction on change of IRS for an investment credit taken on the 29th of June, 2015, from Bank Pekao S.A. with its registered office in Warsaw. As a consequence of the concluded transaction variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded till the 31st of May, 2030. As at the 31st of March, 2021, valuation of the IRS transaction amounted to minus PLN 995 thousand.

After the balance sheet date

Between the 1st of April, 2021, and the 21st of May, 2021, Comarch Group has concluded new forward contracts for the sales of currency in the amount of JPY 100,000 thousand and GBP 1,200 thousand. The total net value of open forward contracts as of the 21st of May, 2021, amounted to EUR 74,900 thousand, USD 19,500 thousand, JPY 100,000 thousand, GBP 3,200 thousand and NZD 3,000 thousand. The contracts will be settled within 44 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. Balance sheet valuation of forward contracts as at 31st of March, 2021, was minus PLN 9,200 thousand, while as at 31st of December, 2020 it was minus PLN 3,243 thousand. Such a large change in the value of the balance sheet valuation of forward contracts within the first quarter of 2021 was caused by a significant depreciation of the PLN exchange rate against major foreign currencies.

3.10. Deferred Income Tax

	31 March 2021	31 December 2020
Deferred income tax assets		
Temporary differences	24,089	21,954
Asset due to a tax loss	6,015	5,526
Asset due to activities in Special Economic Zone ("SEZ")	4,278	8,384
Total	34,382	35,864
<i>Charged to financial result</i>	<i>34,382</i>	<i>35,864</i>

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

- obtained in 2013, its validity term has not been specified;
- obtained in February 2016, its validity term has not been specified;
- obtained in March 2016, its validity term has not been specified.

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

Pursuant to IAS 12, unused tax relief as at the 31st of March, 2021, constitutes a deferred income tax asset. The company, while operating in the SEZ, originally had five permits. An investment relief due to the permit obtained in 1999 was fully utilized (its period of validity was the 31st of December, 2017). The investment tax relief under the permit obtained in 2007 was fully utilized, its value as at the 31st of March, 2021, is zero. Limit of the unused investment tax relief under the permit obtained in 2013, regarding investment in the office building SSE6, amounted to approx. PLN 24,268 thousand as at the 31st of March, 2021 (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 31st of March, 2021 (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 first quarter of 2021, the Comarch Group settled in part a deferred tax asset related to temporary differences that was established on the 31st of December, 2020, and worth PLN 1,022 thousand, and created an asset due to temporary differences in the amount of PLN 3,157 thousand, as well as created an asset due to tax loss in the amount of PLN 552 thousand and released an asset of the same title in the amount of PLN 63 thousand. The total effect of the above-mentioned operations on the net result of the reporting period was plus PLN 2,624 thousand.

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

During the first quarter of 2021, the Comarch Group settled an asset created for the zone operations in the amount of PLN 4,106 thousand which were created as at 31st of December, 2020. At the same time, in accordance with IAS 12, the Company, in the next year, will regularly verify the valuation of the Asset recognized for its feasibility. We would like to point out that the recognition of Assets does not affect cash flows in the parent company or in the Comarch Group (both the recognition of Assets, as well as its implementation). Therefore, this operation is purely accrual and results from the application by the Comarch Group of International Financial Reporting Standards for the preparation of the consolidated financial statements of the Comarch Group.

The total impact of changes in the first quarter of 2021 results is minus PLN 1,482 thousand.

	31 March 2021	31 December 2020
Deferred income tax provision		
Temporary differences	17,796	18,554
Provision due to valuation of real estate of MKS Cracovia SSA	5,430	5,430

Provision due to valuation of certificates in CCF FIZ	24,310	22,794
Total	47,536	46,778
<i>Charged to equity</i>	<i>5,430</i>	<i>5,430</i>
<i>Charged to financial result</i>	<i>42,106</i>	<i>41,348</i>

Due to valuation of net assets of CCF FIZ during the first quarter of 2021, a deferred tax provision was increased by PLN 1,516 thousand. At the same time, a deferred tax provision due to temporary differences was recognized in the amount of PLN 617 thousand and dissolved in the amount of PLN 1,375 thousand. The total effect of the above-mentioned operations on the net result of the first quarter of 2021 was minus PLN 758 thousand.

Total changes in the deferred income tax resulted in a decrease in result of PLN 2,240 thousand.

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

3.11. Inventories

	31 March 2021	31 December 2020
Raw materials	2,168	2,101
Work in progress	78,178	74,814
Goods	10,786	10,437
Finished products	221	190
Advance due to finished products	664	573
Total	92,017	88,115

The cost of inventories included in 'Costs of products, goods and materials sold' in the income statement amounted to PLN 107,663 thousand (3 months ended the 31st of March, 2021), PLN 424,442 thousand (12 months ended the 31st of December, 2020), PLN 105,824 thousand (3 months ended the 31st of March, 2020).

Over the first three months of 2021, Comarch Group has not created write-offs that revaluated value of materials and finished products. The Comarch Group resolved write-offs revaluated goods and materials which had been created in the previous years in the amount of PLN 470 thousand.

3.12. Trade and Other Receivables

	31 March 2021	31 December 2020
Trade receivables - net	329,302	388,009
Trade receivables	400,411	457,257
Write-off revaluating receivables	(71,109)	(69,248)
Other receivables	24,666	19,284
Short-term prepayments	27,862	18,020
Other prepayments	-	-

Loans	4,556	4,543
Trade receivables and other receivables from related parties - net	5	2
Trade receivables and other receivables from related parties	5	2
Write-off revaluating receivables	-	-
Total	386,391	429,858
<i>Current portion</i>	<i>386,391</i>	<i>429,858</i>

The fair value of trade and other receivables is close to their balance sheet value presented above. There is no concentration of credit risk with respect to trade receivables as Comarch Group has a large number of customers. During the first quarter of 2021, the Comarch Group recognised a write-off due to loss in value of its trade receivables that was worth PLN 5,768 thousand and dissolved previously created write-offs worth PLN 2,442 thousand in relation to payment of debts. These operations were presented in the income statement in other operating costs and revenue, respectively.

3.13. Long-term Contracts

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

	3 months ended 31 March 2021	3 months ended 31 March 2020
Revenue from completed contracts recognized in the reporting period	10,827	7,227
Revenue from contracts not completed recognized in the reporting period	137,484	109,178
Revenue from contracts not completed recognized in the reporting period- an effect of settlement pursuant to IFRS 15	11,501	36,957
Total	159,812	153,362

Changes in settlements due to long-term contracts recognized in assets and liabilities between the 31st of March 2020, and the 31st of March, 2021, are presented below:

	31 March 2021	31 March 2020
Long-term contracts revenue included to the balance sheet date - determined according to the progress of work	1,810,254	1,590,470
Issued invoices	(1,788,962)	(1,532,479)
Total	21,292	57,991

	Long-term contracts receivables	Long-term contracts liabilities	Net
Value as at 1 January 2020	193,865	(172,831)	21,034
Correction of the current period (reversal of the adjustment due to the application of IFRS 15)	(6,537)	(794,091)	(800,628)
Correction of the current period	41,467	796,118	837,585
Value as at 1 March 2020	228,795	(170,804)	57,991
Change	34,930	2,027	36,957
Value as at 1 January 2021	157,441	(147,651)	9,790
Correction of the current period (reversal of the adjustment due to the application of IFRS 15)	-	(1,329)	(1,329)
Correction of the current period	10,940	1,890	12,830
Value as at 1 March 2021	168,381	(147,090)	21,291
Change	10,940	561	11,501

3.14. Share Capital

	Number of shares	Ordinary and preference shares	Own shares	Number of shares
At 1 January 2020	8,133,349	8,133,349	-	8,133,349
At 31 December 2020	8,133,349	8,133,349	-	8,133,349
At 31 March 2021	8,133,349	8,133,349	-	8,133,349

The nominal value of one share is PLN 1.

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

1. 864,800 series A registered preference shares 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 18th of March, 1998,
- b. disposal for the benefit of descendants of a disposer,
- c. conveying property of a registered share as a result of succession.
- d. disposal for the benefit of a legal person or non-corporate organizational unit of Polish or foreign law, including in particular, for the benefit of quasi-corporate unit of Polish or foreign law ("Structure") controlled, within the meaning of art. 8 sec 5 of the company's articles of association, only by a shareholder who contributes (disposes) registered preference shares by votes to the Structure ("Contributing Shareholder") or (jointly) controlled only by the Contributing Shareholder's relatives in the ascending and descending line, siblings or spouse, or (jointly) controlled by some or all of the persons mentioned above ("Related Person or Related Persons") and the Contributing Shareholder jointly ("Controlled Structure") and disposal by the one Controlled Structure of the registered preference shares by votes for the benefit of the other Controlled Structure."

The written consent of the Management Board is required to dispose of registered shares. The sale of shares without the permission of the Management Board is possible on the condition that it is stated in Comarch S.A.'s statute. Every ordinary share entitles its holder to one vote at the AGM. The conversion of bearer shares into registered shares is not permitted.

3.14.1. Changes in Share Capital in the First Quarter of 2021

None present.

3.14.2. Changes in Share Capital after the Balance Sheet Date

None present.

3.15. Credits and Loans

	31 March 2021	31 December 2020
Non-current	129,124	116,760
Non-revolving credits	127,802	115,617
Revolving credits	-	-
Loans	1,322	1,143
Current	43,581	40,176
Non-revolving credits	37,938	34,723
Revolving credits	-	413
Loans	5,643	5,040
Total credits and loans	172,705	156,936

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 first quarter of 2021, the value of drawdown credits and loans granted to entities outside the Comarch Group amounted to PLN 10,666 thousand. During the first quarter of 2021, the Comarch Group launched non-revolving bank loans and credits from entities outside the Comarch Group amounted to PLN 24,879 thousand. As at the balance sheet date, the Comarch Group did not use the overdraft facility.

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

The exposure of Comarch Group bank credits to interest rate changes	12 months or less	1-5 years	Over 5 years	Total
At 31 December 2020				
Credits and loans	40,176	87,832	28,928	156,936
At 31 March 2021				
Credits and loans	43,581	96,399	32,725	172,705

The maturity of non-current bank credits, loans and financial liabilities	31 March 2021	31 December 2020
Between 1 and 2 years	38,627	34,767
Between 2 and 5 years	57,772	53,065
Over 5 years	32,725	28,928
	129,124	116,760

Currency structure of the balance sheet values of credits, loans and financial liabilities	31 March 2021	31 December 2020
In Polish currency (PLN)	6,597	5,749
In EUR (equivalence in PLN)	166,108	151,187
	172,705	156,936

Effective interest rates at the balance sheet date	Bank credits	Bank credits
Bank credits	1,04%	1,46%
Loans	1,71%	2,44%

3.15.1. Non-Revolving Credits and Loans

Debtor	Financial Institution	Total amount of credit/loan according to the agreement		Amount to be paid as at the balance sheet date				Interest conditions	Repayment date	Securities
		Value	Currency	Value	Currency	Value	Currency			
Comarch S.A.	BNP Paribas Bank Polska S.A.	44,000	PLN	2,156	EUR	10,047	PLN	EURIBOR1M + bank margin	29 th of July, 2024	mortgage on the SSE4 building, assignment of rights from the building's insurance policy, blank promissory note, declaration on submission to enforcement
office buildings SSE4 in Krakow				(2,309 as at 31 st of December, 2020)		(10,655 as at 31 st of December, 2020)		IRS till the 29 th of July, 2024		
Comarch S.A.	Powszechna Kasa Oszczędności Bank Polski S.A.	4,126	EUR	258	EUR	1,201	PLN	EURIBOR1M + bank margin	29 th of September, 2021	mortgage on the SSE5 building, assignment of rights from the building's insurance policy, blank promissory note, declaration on submission to enforcement
office buildings SSE5 in Krakow - refinancing				(387 as at 31 st of December, 2020)		(1,784 as at 31 st of December, 2020)				
Comarch S.A.	Bank Polska Kasa Opieki S.A.	13,323	EUR	4,437	EUR	20,679	PLN	EURIBOR1M + bank margin	30 th of November, 2023	mortgage on the SSE6 building, assignment of rights from the building's insurance policy, assignment of rights from the guarantee of due performance and guarantee of the warranty, declaration on submission to enforcement
office buildings SSE6 in Krakow				(4 848 as at 31 st of December, 2020)		(22,372 as at 31 st of December, 2020)		IRS till the 30 th of November, 2023		

Comarch S.A.	Bank Handlowy w Warszawie S.A.	13,333	EUR	10,945 (11,340 as at 31 st of December, 2020)	EUR	51,006 (52,330 as at 31 st of December, 2020)	PLN	EURIBOR1M + bank margin	29 th of February, 2028	mortgage on the SSE7 building, assignment of rights from the building insurance policy, declaration on submission to enforcement
office buildings SSE7 in Krakow										
Comarch S.A.	DNB Bank Polska S.A.	2,531	EUR	963 (1,050 as at 31 st of December, 2020)	EUR	4,488 (4,848 as at 31 st of December, 2020)	PLN	EURIBOR1M + bank margin	30 th of December, 2023	registered pledge on fixed assets being the subject of financing, assignment of rights under the insurance policy for financed fixed assets, declaration on submission to enforcement
Property, plant and equipment in use - equipment of Internet of Things laboratory in Krakow										
Bonus Development sp. z o.o. SK-A	Bank Polska Kasa Opieki S.A.	9,262	EUR	5,882 (6,041 as at 31 st of December, 2020)	EUR	27,410 (27,878 as at 31 st of December, 2020)	PLN	EURIBOR1M + bank margin	31 st of May, 2030	mortgage on an office building in Łódź, a statement by Bonus Development Sp. z o.o. SK-A on submission to enforcement, assignment of rights from the insurance policy of an office building in Łódź, assignment of rights from the guarantee of due performance and warranty guarantee, assignment of rights under the lease of the financed property concluded with Comarch SA, surety from Comarch SA, declaration on submission to enforcement Comarch SA.
Office building in Lodz										
Comarch S.A.S, Comarch S.A.	BNP Paribas Bank Polska S.A	8,000	EUR	3,272 (3,600 as at 31 st of December, 2020)	EUR	15,250 (16,613 as at 31 st of December, 2020)	PLN	EURIBOR3M + bank margin	18 th of September, 2023	mortgage on the second place on the estate Comarch S.A. (Krakow, Michał Życzkowski Street 23, building SSE4), statement by Comarch S.A. on submission to enforcement, assignment of rights from the insurance policy
Data centre in Lille in France										
Comarch S.A.	CaixaBank S.A. Branch in Poland	3,500	EUR	2,334	EUR	10,875	PLN	EURIBOR1M + bank margin	23 rd of August, 2023	Declaration of submission to enforcement

Comarch infrastructure modernization program				(2,567 as at 31 st of December, 2020)		(11,843 as at 31 st of December, 2020)				
Comarch S.A.				437		2,039		EURIBOR1M + bank margin		
Comarch infrastructure modernization program	CaixaBank S.A. Branch in Poland	2,300	EUR	(437 as at 31 st of December, 2020)	EUR	(2,018 as at 31 st of December, 2020)	PLN		29 th of June, 2025	Declaration of submission to enforcement
Comarch S.A.						1,681				
Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska sp. z o.o.	12,980	PLN			(2,142 as at 31 st of December, 2020)	PLN	fixed	1 st of May, 2022	-
Comarch Polska S.A.						1,053				
Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska sp. z o.o.	3,475	PLN			(1,274 as at 31 st of December, 2020)	PLN	fixed	1 st of May, 2022	Comarch S.A. surety
Comarch S.A.						985				
Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska sp. z o.o.	3,139	PLN			(1,193 as at 31 st of December, 2020)	PLN	fixed	1 st of May, 2022	-
Comarch S.A.						913				
Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska sp. z o.o.	1,825	PLN			(1,140 as at 31 st of December, 2020)	PLN	fixed	1 st of May, 2022	-
Comarch S.A.						1,966				
	IBM Global Financing Polska sp. z o.o.	2,145	PLN				PLN	fixed	1 st of February, 2023	-

Delivery of IT equipment related to IT project realized by the Comarch Group						(0 as at 31 st of December, 2020)				
Comarch S.A.	PKO Leasing S.A.	5,000	EUR	4,881		22,745	PLN	EURIBOR1M + margin	29.02.2028	a blank promissory note, registered pledge on the Subject of Financing, transfer of ownership to secure the Subject of Financing
Property, plant and equipment in use				(0 as at 31 st of December, 2020)		(0 as at 31 st of December, 2020)				
CABINET CONSEIL EN STRATEGIE INFORMATIQUE S.A.S. (2CSI)	CAISSE D'EPARGNE	30	EUR	19	EUR	90	PLN	fixed	5 th of February, 2023	-
Financing operating activities				(24 as at 31 st of December, 2020)		(79 as at 31 st of December, 2020)				
CABINET CONSEIL EN STRATEGIE INFORMATIQUE S.A.S. (2CSI)	CAISSE D'EPARGNE	51	EUR	13	EUR	60	PLN	fixed	5 th of December, 2021	-
Financing operating activities				(21 as at 31 st of December, 2020)		(100 as at 31 st of December, 2020)				
CABINET CONSEIL EN STRATEGIE INFORMATIQUE S.A.S. (2CSI)	HSBC	200	EUR	46	EUR	217	PLN	fixed	1 st of December, 2022	surety
Financing operating activities				(63 as at 31 st of December, 2020)		(254 as at 31 st of December, 2020)				

3.15.2. Current Credit Lines

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

Debtor	Financial Institution	Total amount of credit/loan according to the agreement		Amount to be paid as at the balance sheet date				Interest conditions	Repayment date	Securities
		Value	Currency	Value	Currency	Value	Currency			
Comarch S.A.		20,000	PLN	0	PLN	0	PLN	WIBOR1M + bank margin		

Financing operating activities	BNP Paribas Bank Polska S.A.								17 th of December, 2021	a blank promissory note
Comarch S.A.										
Financing operating activities	Bank Polska Kasa Opieki S.A.	30,000	PLN	0	PLN	0	PLN	WIBOR1M + bank margin	30 th of June, 2021	declaration of submission to enforcement
Comarch S.A.										
Financing operating activities	CaixaBank S.A. Branch in Poland	30,000	PLN	0	PLN	0	PLN	WIBOR1M + bank margin	30 th of June, 2021	declaration of submission to enforcement

	31 March 2021	31 December 2020
Credit lines in the current account and revolving credits, including:	80,000	80,923
Used at the balance sheet date	-	413
Available at the balance sheet date	80,000	80,510

3.16. Liabilities due to Lease

	31 March 2021	31 December 2020
Leasing of means of transport and IT equipment	1,795	1,962
Rent	65,068	64,535
Perpetual usufruct	27,009	27,790
Current portion	20,240	19,142
Non-current portion	73,632	75,145
Total	93,872	94,287

Ageing of liabilities due to lease

	12 months or less	1-5 years	over 5 years	Total
Lease of means of transport and IT hardware	1,010	785	-	1,795
Rent	19,246	38,621	7,201	65,068
Perpetual usufruct	(16)	308	26,717	27,009
Liabilities due to lease	20,240	39,714	33,918	93,872

3.17. Other Financial Liabilities

	31 March 2021	31 December 2020
Liabilities due to dividends	-	-
Current portion	-	-
Non-current portion	-	-
Liabilities due to bills of exchange	5 315	5 249
Current portion	5 315	5 249
Non-current portion	-	-
Total	5 315	5 249

As at 31st of March, 2021, other financial liabilities relate to bills of exchange at Bonus Management Sp. z o.o. SK-A, with maturity on the fourth quarter of 2021 and bills of exchange at Bonus Management Sp. z o.o. II ACTIVIA SKA, with maturity on the first quarter of 2022.

3.18. Provisions for other liabilities and charges

	Costs related to current period that will be incurred in future	Provisions for costs of contracts	Provisions for contractual penalties and other claims	Provisions for leaves	Provisions for premiums	Provisions for retirement benefits and similar	Total
At 1 January 2020	4,718	14,075	25,893	33,097	102,625	-	180,408
Change:	(1,379)	(530)	(13,585)	10,445	20,262	1,803	17,016
- Provisions created	14,662	16,982	2,620	32,159	113,023	1,803	181,249
- Provisions used and dissolved	(16,041)	(17,512)	(16,205)	(21,714)	(92,761)	-	(164,233)
At 31 December 2020	3,339	13,545	12,308	43,542	122,887	1,803	197,424
Current	3,339	13,545	12,308	43,542	122,887	-	195,621
Non-current	-	-	-	-	-	1,803	1,803
At 1 January 2021	3,339	13,545	12,308	43,542	122,887	1,803	197,424
Change:	2,490	75	(70)	13,175	(4,052)	-	11,618
- Provisions created	3,561	5,506	1,251	14,906	17,279	-	42,503
- Provisions used and dissolved	(1,071)	(5,431)	(1,321)	(1,731)	(21,331)	-	(30,885)
At 31 March 2021	5,829	13,620	12,238	56,717	118,835	1,803	209,042
Current	5,829	13,620	12,238	56,717	118,835	-	207,239
Non-current	-	-	-	-	-	1,803	1,803

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

3.19. Trade and Other Payables

	31 March 2021	31 December 2020
Trade payables	45,114	51,094
Advance payments received due to services and supplies	4,853	4,447
Trade payables and other liabilities to related parties	350	350
Liabilities due to social insurance and other tax charges	65,361	77,266
Investments liabilities	1,764	1,878
Revenue from the future periods	76,656	39,934
Other payables	6,649	7,298
Special funds (Social Services Fund and Residential Fund)	3,267	1,327
Liabilities due to remuneration	41,967	32,534
Total	245,981	216,128

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

3.20. Contingent Liabilities

On the 31st of March, 2021, 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 87,177 thousand, whereas it was PLN 91,066 thousand on the 31st of December, 2020.

On the 31st of March, 2021, the value of bank guarantees issued by banks on order from Comarch Software und Beratung was EUR 422 thousand (i.e. PLN 1,969 thousand), whereas it was EUR 422 thousand (i.e. PLN 1,949 thousand) on the 31st of December, 2020.

On the 31st of March, 2021, the value of bank guarantees issued by banks on order from Comarch AG was EUR 16 thousand (i.e. PLN 75 thousand), whereas it was EUR 16 thousand (i.e. PLN 74 thousand) on the 31st of December, 2020.

On the 31st of March, 2021, 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 32 thousand (i.e. PLN 135 thousand) on the 31st of December, 2020.

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 30th of June, 2021), Comarch Middle East FZ-LLC (valid for an indefinite period), Comarch Japan KK (valid for an indefinite period) and Comarch SAS (valid for an indefinite period).

	31 March 2021	31 December 2020
Granted credit lines for financing of current activities (guarantees, letters of credit, credit lines in current account)		
Credit lines *	244,469	245,504
Total	244,469	245,504

* they comprise credit lines at current account that are described in point 3.15.2

The Comarch Group is the defendant in legal proceedings, in which the potential total amount of third party claims is PLN 26,244 thousand. Provisions for part of these claims were presented in the balance sheet as at the 31st of March, 2021, and are worth PLN 1,723 thousand. During the first quarter of 2021, the Comarch Group created provisions for claims covered by legal proceedings in the amount of PLN 13 thousand and resolved provisions in this respect for the amount of PLN 122 thousand.

The Comarch Group is the party to the matters in disputes, but not legal proceedings in which the potential total amount of third party claims is PLN 20,147 thousand. Provisions for part of these claims presented in the balance sheet as at the 31st of March, 2021, and are worth PLN 3,274 thousand. During the first quarter of 2021, the Comarch Group created provisions for matters in disputes, but not legal proceedings in the amount of PLN 77 thousand and resolved provisions in this respect for the amount of PLN 68 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 first quarter of 2021, the Comarch Group created write-offs that revalue receivables in the amount of PLN 91 thousand.

Due to the matters in disputes, but not legal proceedings during the first quarter of 2021, the Comarch Group created write-offs that revalue receivables in the amount of PLN 100 thousand.

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

None present.

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

None present.

3.23. Related-Party Transactions

3.23.1. Revenue from Sales of Goods and Services

	3 months ended 31 March 2021	3 months ended 31 March 2020
Revenue from sales of goods	-	-
SolInteractive S.A.	-	-

Revenue from sales of services	5	6
SolInteractive S.A.	5	6
Total	5	6

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

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

3.23.2. Purchases of Goods and Services

	3 months ended 31 March 2021	3 months ended 31 March 2020
Purchases of goods	-	-
SolInteractive S.A.	-	-
Purchases of services	-	-
SolInteractive S.A.	-	-
Included in generation costs	-	-
Included in other costs	-	-
Total	-	-

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

	3 months ended 31 March 2021	3 months ended 31 March 2020
Receivables from related parties	5	2
SolInteractive S.A.	5	2
Payables from related parties	-	-
SolInteractive S.A.	-	-

3.23.4. Transactions with Associates and Personally Related Entities

	3 months ended 31 March 2021	3 months ended 31 March 2020
Purchases from personally related entities	855	991
Sales to personally related entities	401	420
Loans and interest on loans repaid by personally related entities	-	6,498
Loans and interest on loans granted to personally related entities	-	-
Purchases from associates	-	-
Sales to associates	5	6
Loans and interest on loans repaid by associates	-	-
Loans and interest on loans granted to associates	-	-
Purchases 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.

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

	31 March 2021	31 December 2020
Trade receivables from personally related parties	429	430
Loans receivables from personally related parties	4,740	4,677
Trade payables to personally related parties	394	353
Liabilities due to promissory note obligations from personally related parties	5,315*	5,249*

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

3.24. Earnings per Share

	3 months ended 31 March 2021	3 months ended 31 March 2020
Net profit for the period attributable to equity holders of the Company	26,078	14,175
Weighted average number of shares in issue	8,133,349	8,133,349
Basic earnings per share (PLN)	3.21	1.74
Diluted number of shares	8,133,349	8,133,349
Diluted earnings per share (PLN)	3.21	1.74

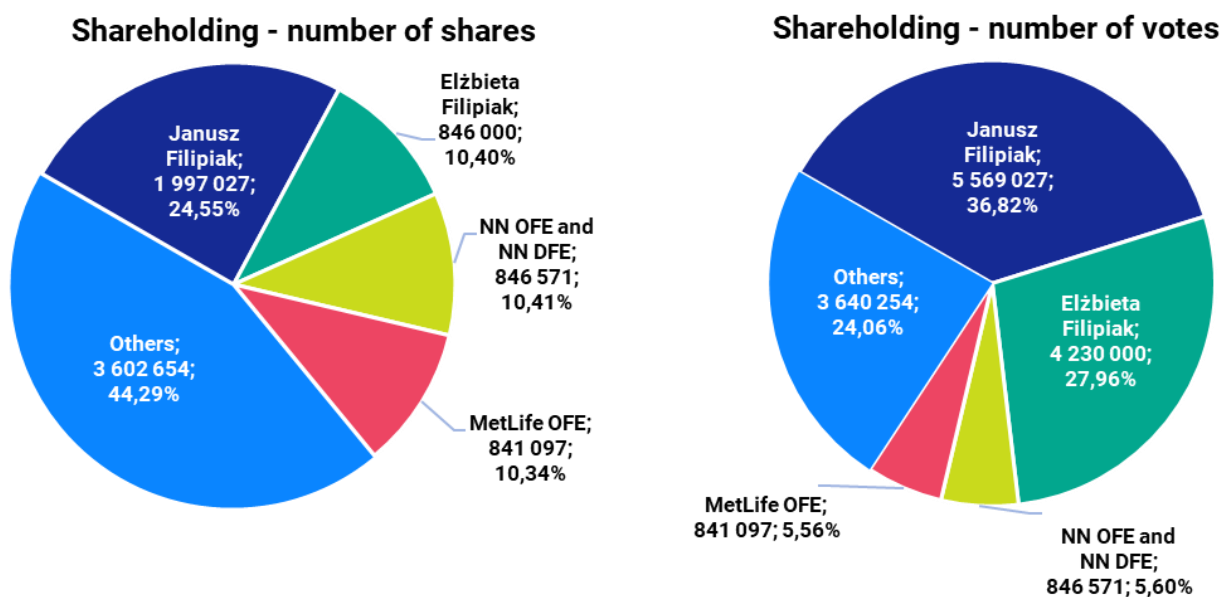
Basic earnings per share in the column "3 months ended 31 March 2021" is calculated by dividing the net consolidated profit attributable to shareholders of Comarch S.A. for the period from the 1st of January, 2021, to the 31st of March 2021, by the weighted average number of shares in issue between the 1st of January, 2021, to the 31st of March 2021, where the number of days is the weight. Basic earnings per share in the column "3 months ended 31 March 2020" is calculated by dividing the net consolidated profit attributable to shareholders of Comarch S.A. for the period from the 1st of January, 2020, to the 31st of March, 2020, by the weighted average number of shares in issue between the 1st of January, 2020, to the 31st of March, 2020, where the number of days is the weight.

Diluted earnings per share in the column "3 months ended 31 December 2021" is calculated by dividing the net consolidated profit attributable to shareholders of Comarch S.A. for the period from the 1st of January, 2021, to the 31st of March, 2021, by the sum of the weighted average number of shares in issue between the 1st of January, 2021, to the 31st of March, 2021, where the number of days is the weight and diluted number of shares. Diluted earnings per share in the column "3 months ended 31 December 2020" is calculated by dividing the net consolidated profit attributable to shareholders of Comarch S.A. for the period from the 1st of January, 2020, to the 31st of March, 2020, by the sum of the weighted average number of shares in issue between the 1st of January, 2020, to the 31st of March, 2020, 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 21st of May, 2021



4.1.2. Changes in the Total Number of Votes at Comarch S.A. in the First Quarter of 2021

None present.

4.1.3. Changes in Significant Holdings of Comarch S.A. Shares from the Publication of the Last Periodical Report, i.e. 30th April 2021

Entity	At 21 May 2021				At 30 April 2021			
	Shares	% in share capital	Number of votes	% in votes	Shares	% in share capital	Number of votes	% in votes
Janusz Filipiak	1,997,027	24.55	5,569,027	36.82	1,997,027	24.55	5,569,027	36.82
Elżbieta Filipiak	846,000	10.40	4,230,000	27.96	846,000	10.40	4,230,000	27.96
Nationale-Nederlanden OFE + DFE	846,571	10.41	846,571	5.60	846,571	10.41	846,571	5.60
MetLife OFE	841,097	10.34	841,097	5.56	841,097	10.34	841,097	5.56

4.1.4. Changes in Holdings of Comarch S.A. Shares by Managing and Supervising Persons between 30th of April, 2021 and 21st of May, 2021

The following table presents the ownership of Comarch S.A. shares by management and supervisors as at the date on which the consolidated report for 2020 was published, i.e. on the 30th of April, 2021, and on the 21st of May, 2021, pursuant to the information possessed by the Company.

Members of the Management Board and the Board of Supervisors	Position	At 21 May 2021		At 30 April 2021	
		Shares	% in votes	Shares	% in votes
Janusz Filipiak	President of the Management Board	1,997,027	36.82	1,997,027	36.82
Elżbieta Filipiak	Chairman of the Board of Supervisors	846,000	27.96	846,000	27.96
Paweł Prokop	Vice-President of the Management Board	30,150	0.45	30,150	0.45
Andrzej Przewięźlikowski	Vice-President of the Management Board	0	0.00	0	0.00
Zbigniew Rymarczyk	Vice-President of the Management Board	34,000	0.22	34,000	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 the first quarter of 2021, the Group settled in part a deferred tax asset related to temporary differences that was established as at the 31st of December, 2020, and worth PLN 1,022 thousand, as well as an asset due to temporary differences was recognised in the amount of PLN 3,157 thousand and asset due to tax loss was created in the amount of PLN 552 thousand and was released in the amount PLN 63 thousand. The total effect of changes in the deferred tax on the net result of the Comarch Group in the first quarter 2021 amounted to plus PLN 2,624 thousand. During the first quarter of 2021, the Comarch Group settled in part an asset released for the zone operations in the amount of PLN 4,106 thousand which was created as at 31st of December, 2020. The

total effect of changes in the deferred tax on the net result of the Comarch Group in the first quarter 2021 amounted to minus PLN 1,482 thousand.

In connection with the valuation of the net asset value of CCF FIZ, the provision was increased by PLN 1,516 thousand in the first quarter of 2021. At the same time, a deferred tax provision due to temporary differences was recognised in the amount of PLN 617 thousand and dissolved in the amount of PLN 1,375 thousand. The total effect of the all above-mentioned operations on the net result of the first quarter of 2021 amounted to minus PLN 758 thousand.

Total changes in deferred tax resulted in a decrease in net profit of PLN 2,240 thousand.

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

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

Positive realized foreign exchange rate differences and balance sheet valuation of exchange rates on receivables and liabilities as at the 31st of March, 2021 increased revenue and operating profit of Comarch Group in the first quarter of 2021 by PLN 5,731 thousand (while in the corresponding period of 2020 increased by PLN 18,655 thousand). Negative exchange rate differences on the balance sheet valuation of trade payables, related to the weakening of the PLN exchange rate against foreign currencies in the first quarter of 2021, decreased the result of Comarch Group by PLN 1,067 thousand (while in the corresponding period of 2020 decreased by PLN 15,711 thousand). Exchange rate differences from other activities decreased the result of Comarch Group by PLN 12 thousand (while in the corresponding period of 2020 increased by PLN 4,215 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 4,189 thousand (while in the corresponding period of 2020 decreased by PLN 14,898 thousand).

The total effect of exchange rate differences and valuation of derivative financial instruments on the net result of the Comarch Group in the first quarter of 2021 amounted to PLN 463 thousand (minus PLN 16,169 thousand in the first quarter of 2020).

4.2.3. Creation of Write-Offs for Bad Debts

During 3 months of 2021, the Group created impairment losses on trade receivables in the amount of PLN 5,768 thousand and dissolved previously created write-offs in the amount of PLN 2,442 thousand in connection with the payment of receivables. These operations were recognized in other operating costs and revenue in the profit and loss account, respectively. Details are described in section [3.12](#).

4.3. Other Events in the First Quarter of 2021

4.3.1. Dates of Periodical Financial Reports in 2021

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

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

1. Q4 2020 - on 1st of March, 2021

2. Q1 2021 - on 21st of May, 2021

3. Q2 2021 - Pursuant to §79 sec. 2 of the Regulation issued by the Minister of Finance concerning current and periodical information pertaining to companies traded on the stock exchange and on the conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state, Comarch S.A. will not publish quarterly report for the second quarter of 2021

4. Q3 2021 - on 17th of November, 2021.

ANNUAL AND HALF-YEAR REPORTS:

1. Annual report for 2020 - on 30th of April, 2021

2. Consolidated annual report for 2019 - on 30th of April, 2021

3. Consolidated half-year report which includes condensed consolidated financial statement and condensed financial statement for the first half of 2021 - on 31st of August, 2021.

4.4. Events after the Balance Sheet Date not Included in the Report

4.4.1. Report on the Activities of the Supervisory Board of Comarch S.A. for the Period from 1 January 2020 to 31 December 2020 and Assessment of the Company's Standing

According to the detailed rule no. II.Z.10. included in Part II of the Code of Best Practice for WSE Listed Companies 2016 "The Management Board of Comarch S.A. published in current report no. [EBI-1-2021](#) (ENG: [EBI-1-2021](#)) dated on 11th of May 2021 a report on the activities of the Supervisory Board of Comarch S.A. for the period from 1st of January, 2020 to 31st of December, 2020, evaluation of the Company's situation including the internal control system, significant risk management system for the Company, compliance and internal audit function, assessment of compliance with information obligations regarding the application of corporate governance and assessment of the rationality conducted by a policy company in the area of sponsorship and charity.

4.4.2. Convening a Ordinary General Meeting of Shareholders, its Agenda and Information on Participation in the General Meeting of Shareholders

On the 18th of May, 2021, the Management Board of Comarch Spółka Akcyjna with its registered office in Krakow, Aleja Jana Pawła II 39A, registered in the National Court Register maintained by the District Court for Kraków - Śródmieście in Kraków, XI Commercial Division of the National Court Register under number KRS 0000057567 (hereinafter the "Company"), acting based on the provisions of art. 395, art. 399 § 1, art. 402 with index 1, art. 402 with index 2 of the Code of Commercial Companies and Partnerships (hereinafter referred to as the "CCCCP") and art. 14 of the Articles of Association of the Company, convenes an Ordinary General Meeting on 24th of June, 2021, at 10.00, in Krakow, at 33 prof. Michał Życzkowski Street. On that day, the Management Board also presented the agenda and draft resolutions for this Ordinary General Meeting of Shareholders with the justifications. In accordance with Article 402 with index 2 of the CCC, the Management Board of the Company also provided information regarding participation in the Ordinary General Meeting, in particular:

- the right of a shareholder to request placing particular matters on the agenda of the General Meeting,
- the shareholder's right to submit draft resolutions,
- the manner of exercising the voting right by a proxy,
- the possibility and manner of participating in the General Meeting by means of electronic communication,

- the method of speaking during the General Meeting using electronic means of communication,
- the method of exercising the right to vote by correspondence or by means of electronic communication,
- shareholder's right to ask questions regarding issues on the agenda of the General Meeting,
- the day of registration of participation in the General Meeting is 8th of June, 2021.,
- information on the right to participate in the General Meeting,
- list of shareholders,
- access to documentation,
- website addresses and e-mail address of the Company,
- other information,
- information clause regarding the processing of personal data in connection with the organization and participation in the General Meeting.

The Company announced details in the current report no. [RB-5-2021](#) (ENG: [RB-5-2021](#)) dated on the 18th of May, 2021.

According to the detailed rule No. II.Z.11. included in Part II of "the Code of Best Practice for WSE Listed Companies 2016" the Management Board of Comarch S.A. informed in the current report no. [EBI-2-2021](#) (ENG: [EBI-2-2021](#)) on the 18th of May, 2021 that by virtue of Resolution No. 10/05/2021 of 18th of May, 2021, the Supervisory Board of Comarch S.A. gave positive opinion on the draft resolutions of the Ordinary General Meeting of Shareholders of the Company, which will be held on the 24th of June, 2021.

4.4.3. Opinion of the Supervisory Board regarding the Distribution of Net Profit for 2020

Comarch S.A.'s Management Board informed in a current report no. [RB-4-2021](#) (ENG: [RB-4-2021](#)) dated the 18th of May, 2021 that the Supervisory Board of Comarch SA, by virtue of Resolution No. 09/05/2021 of 18th of May, 2021, positively expressed the opinion of the Management Board of Comarch S.A. dated the 17th of May, 2021, so that the Company's net profit in the financial year from 1st of January 1, 2020 to 31st of December, 2020 in the amount of PLN 80,008,432.99 (in words: eighty million, eight thousand four hundred thirty two zlotys and 99/100) was divided in such a way that:

1) part of the net profit of PLN 24,400,047 (in words: twenty four million four hundred thousand forty seven zlotys) will be used to pay dividend. The dividend in the amount of PLN 3.00 (in words: three zlotys) per share will be given to persons who are shareholders of the Company on 6th of July, 2021 (dividend day), and the dividend will be paid on 16th of July, 2021.

2) the remaining part of the net profit in the amount of PLN 55,608,385.99 (in words: fifty five million six hundred eight thousand three hundred eighty five zlotys and 99/100) will be transferred to supplementary capital.

4.4.4. Forward Contracts Concluded after the Balance Sheet Date

Between the 1st of April, 2021, and the 21st of May, 2021, Comarch Group concluded new forward contracts. The total net value of open forward contracts as of the 21st of May, 2021, amounted to EUR 74,900 thousand and USD 19,500 thousand, JPY 100,000 thousand, GBP 3,200 thousand and NZD 3,000 thousand. The contracts will be settled within 44 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 is set in a foreign currency. The valuation of balance sheet of forward contracts as of the 31st of March, 2021, amounted to minus PLN 9,200 thousand while on the 31st of December, 2020, amounted to minus PLN 3,243 thousand. Such a large change in the value of balance

sheet valuation of forward contracts within Q1 2021 was caused by a significant weakening of the PLN exchange rate against major foreign currencies.

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

The Management Board did not forecast any results neither for the first quarter 2021, nor for full year 2021.

4.6. Significant Legal, Arbitration or Administrative Proceedings

The Comarch Group is the defendant in legal proceedings, in which the potential total amount of third party claims is PLN 26,244 thousand.

The Comarch Group is the party to the matters in disputes, but not legal proceedings in which the potential total amount of third party claims is PLN 20,147 thousand. More information was presented in point [3.20](#).

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

None present.

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

- Due to conclusion of a contract for the implementation, hosting and maintenance of the loyalty system, signed by Comarch Inc., a subsidiary of Comarch S.A., on the 28th of April, 2011, Comarch S.A. granted a surety for the benefit of a customer in order to guarantee the fulfilment of any obligations resulting from the contract by Comarch Inc. The value of the surety equals value of a maximum of USD 3,000 thousand and is valid for the whole term of the contract.
- Due to conclusion of a contract for sales of licences and implementation of Comarch Network & Service Inventory, Comarch Next Generation Service Assurance and Comarch OSS Mediations, as well as sales of licences for Comarch SLA Management, signed by Comarch AG, a subsidiary of Comarch S.A., on the 11th of August, 2011, Comarch S.A. granted a surety for the benefit of a customer in order to guarantee the fulfilment of any obligations resulting from the contract by Comarch AG. The value of the surety equals value of obligations resulting from the contract, i.e. EUR 5,495 thousand.
- Due to Bank Pekao S.A. granting an investment loan in the amount of PLN 15,889 thousand to Comarch Healthcare S.A., a Comarch S.A. subsidiary, on the 1st of September, 2011, Comarch S.A. granted a surety in order to guarantee the fulfilment of any obligations resulting from the contract. The value of the surety equals PLN 23,833 thousand and is valid until the 31st of December, 2021.
- Due to conclusion of a contract for implementation and maintenance of BSS system by Comarch UK, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for obligations of Comarch UK. The surety was granted up to the amount of liabilities of Comarch UK resulting from the aforementioned agreement, i.e. to the amount of GBP 808 thousand and in addition, GBP 86 thousand annually for SLA, and it is valid for the whole term of the agreement.
- Due to conclusion of a contract for implementation of Next Generation Performance Management Solution, signed by Comarch AG, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the

benefit of a customer in order to guarantee the fulfilment of any obligations resulting from the contract by Comarch AG. The value of the surety equals value of a maximum of EUR 3,823 thousand and is valid for the whole term of the contract.

- Due to conclusion of a contract for implementation of Planning and Inventory Application (PIA), signed by Comarch AG, a subsidiary of Comarch S.A., Comarch S.A. signed a letter of comfort upon which it ensures proper contract performance by Comarch AG. The letter of comfort is valid for 24 months from contract completion. Contract's value amounts to EUR 3,505 thousand.
- Due to 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 31st 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 31st 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 28th of June, 2030.
- Due to conclusion of a contract by Comarch Polska S.A., a subsidiary of Comarch S.A., for service of fuel cards, Comarch S.A. granted a surety for the benefit of an operator of fuel cards for liabilities of Comarch Polska S.A. resulting from this contract. The surety has been renewed and was granted up to the amount of PLN 10 thousand and is valid till the 14th of September, 2021.
- Due to conclusion of a contract by Comarch AB, a subsidiary of Comarch S.A., for implementation and service of Loyalty Management Solutions, Comarch S.A. granted a surety for liabilities of Comarch AB. The surety is valid until fulfilment of all obligations under the contract by Comarch AB and was granted up to the amount of SEK 39,747 thousand.
- Due to conclusion of a contract by Comarch AB, a subsidiary of Comarch S.A., for implementation and service of Master Services Agreement, Comarch S.A. granted a surety for Comarch AB. The surety was granted up to the amount of PLN 3,827 thousand and is valid till the termination of the contract.
- Due to conclusion of a contract by Comarch UK, a subsidiary of Comarch S.A., for implementation and service of Comarch Loyalty Management, Comarch Campaign Management, Comarch Social Mining and Comarch Smart Analytics, Comarch S.A. granted a surety for Comarch UK. The surety was granted up to the amount of GBP 3,318 thousand and is valid till the termination of the contract.
- Due to conclusion of a contract by Comarch Healthcare S.A., a subsidiary of Comarch S.A., the contract for service of payment cards, a surety for Comarch Healthcare S.A. was granted to the amount of PLN 450 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch UK, a subsidiary of Comarch S.A., the contract for service of payment cards, a surety for Comarch UK was granted to the amount of PLN 330 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch Software und Beratung AG, a subsidiary of Comarch S.A., the contract for implementation and service of Telco BSS and Telco OSS, a surety for Comarch Software

und Beratung AG was granted to the amount of EUR 11,524 thousand and is valid for the duration of the contract.

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

- Due to conclusion of a contract by Comarch AG, a subsidiary of Comarch S.A., the contract for the implementation, servicing and providing e-invoicing service, a surety for liabilities of Comarch AG was granted to the amount of EUR 784 thousand by Comarch S.A. and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch Japan KK, a subsidiary of Comarch S.A., the contract for the rent of office space, a surety for liabilities of Comarch Japan KK was granted to the amount of JPY 9,934 thousand by Comarch S.A. and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch S.A.S., a subsidiary of Comarch S.A., the contract for delivery of BSSv7 platform, a surety for liabilities of Comarch S.A.S. was granted to the amount of EUR 11,175 thousand by Comarch S.A. and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch Swiss AG, a subsidiary of Comarch S.A., the contract for implementation of Convergent Billing together with license, a surety for liabilities of Comarch Swiss AG was granted to the amount of CHF 12,144 thousand by Comarch S.A. and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch UK Ltd, a subsidiary of Comarch S.A., the contract for implementation of NRM & SI services with a license, a surety for liabilities of Comarch UK Ltd was granted to the amount of GBP 10,659 thousand by Comarch S.A. and is valid for the duration of the contract.

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

4.9.1. Impact of Sars-Cov-2 Coronavirus and Covid-19 Incidents on the Company's Operations and Financial Results

In reference to the recommendations of the European Securities and Markets Authority and the Polish Financial Supervision Authority of the 12th 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 19th 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 Management Board of Company 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 Company's operations. The Management Board of the Company hereby informs that as at the date of publication of this report the Company's operations were conducted without any interruptions. The Comarch S.A. implemented all guidelines recommended by the Chief Sanitary Inspectorate and other state institutions in the countries of the Company'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. On the 4th of May, 2021 sent an application to the Government Centre for Security to participate in the vaccination programme for workplaces and is preparing to organise it.

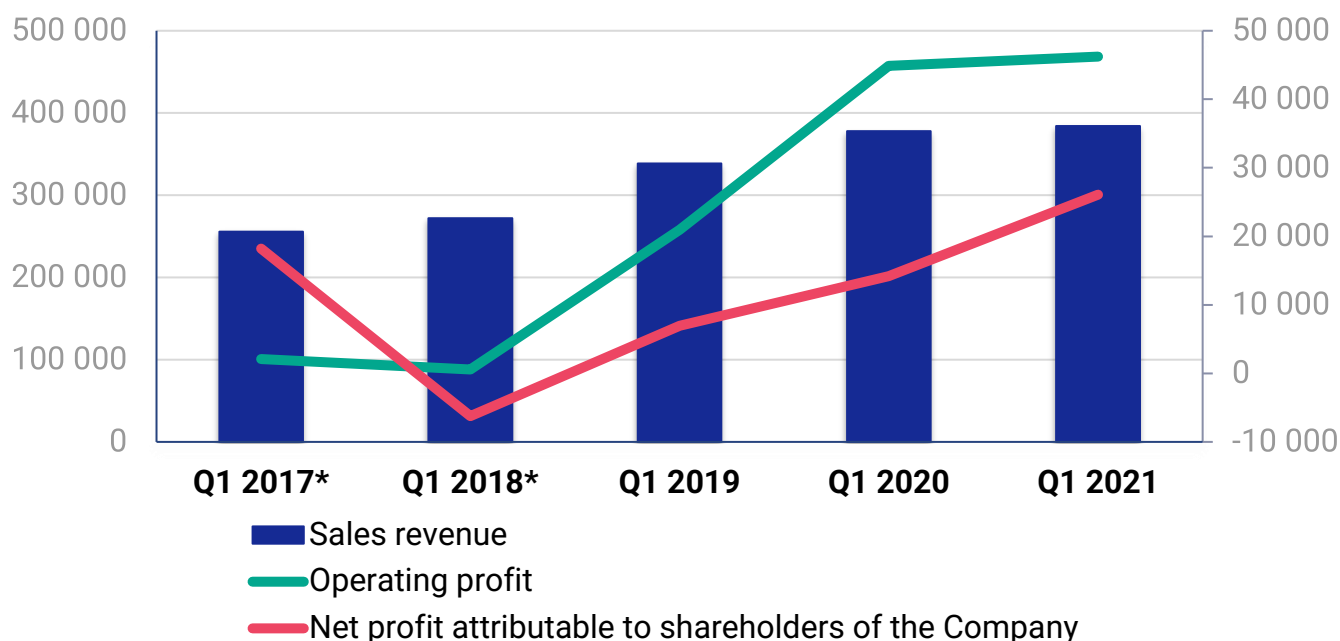
Remote communication methods are commonly used in business contacts. The Management Board of the Company notes that the activities of the Comarch S.A. are very well diversified in terms of industry, products

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 S.A. 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 Company's operations.

During the epidemic period, there was no decrease in revenue from sales of services and products offered by the Company. The Comarch Group's operational activity and the financial results achieved in subsequent periods will be influenced by factors such as the duration and scope of the epidemic, the number of people falling ill with COVID-19, further administrative restrictions on the functioning of states and businesses, restrictions on the movement of employees, the possibility of taking advantage of aid packages launched by individual countries, as well as the pace of implementation of the immunization programme.

5. 5. Significant Achievements and Failures as well as Factors and Events with Considerable Impact on the Financial Results of the Comarch Group in the First Quarter of 2021 and Factors Which Will Substantially Impact Results Over the Course of at least the Next Quarter

5.1. Revenue and Financial Results



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

In the first quarter of 2021, the Comarch Group generated sales revenue of value PLN 383,979 thousand PLN, higher by PLN 6,161 thousand, i.e. by 1.6%, from that achieved in the first quarter of 2020. Operating profit amounted to PLN 46,228 thousand and was higher by PLN 1,364 thousand, i.e. by 3.0% than in the first quarter of 2020. The net result attributable to the shareholders of the parent company in the first quarter of 2021 amounted to PLN 26,078 thousand and was higher by PLN 11,903 thousand PLN, i.e. by 84.0% than in the first quarter of 2020. EBIT margin in the reporting period was + 12.0%, while net margin + 6.8%. In the first quarter of 2021, the Comarch Group generated EBITDA of PLN 67,354 thousand, that is higher by PLN 598 thousand, i.e. by 0.9% compared to the same period of the previous year.

The profitability of the Comarch Group's operations in the first quarter of 2021 was higher compared to the comparable period of the previous year. The results achieved by the Comarch Group in the described period of the year were affected, among others, by:

- significantly lower impact of foreign exchange differences from balance sheet valuation of trade receivables on the value of sales revenue and operating profit than in the first quarter of 2020. Foreign exchange differences due to the above-mentioned titles amounted to PLN 5,731 thousand in the first quarter of this year, whereas in the first quarter of the previous year amounted to PLN 18,655 thousand.

- increase in domestic sales revenue, which amounted to PLN 20,986 thousand (15.2%), resulting from increased sales to customers from the SME Poland, Trade and Services and Medicine. In the first quarter of 2021, domestic sales constituted 41.5% of the total revenue of the Comarch Group,
- decrease in foreign sales of PLN 14,825 thousand, i.e. by 6.2%, which was mainly the result of significantly lower impact of foreign exchange differences from balance sheet valuation of trade receivables on the value of sales revenue,
- occurrence of negative balance sheet valuation of forward and IRS financial instruments, the value of which amounted to minus PLN 5,437 thousand in the reporting period,
- increase in operating expenses, which is a consequence of the wage pressure in the IT sector, the basic wage fund in the Comarch Group in the reporting period increased by 4.4% compared to the first quarter of 2020,
- current income tax, which was the result of high profitability of operations of the Group companies in Poland, Germany and Japan, its value in the first quarter of 2021 amounted to PLN 13,015 thousand,
- creation and release of write-offs for doubtful trade receivables, which reduced the Group's operating result by PLN 3,326 thousand,
- the application of the IFRS 15 accounting standard, as a result of which a portion of the revenue derived from the sales of Comarch software licenses is settled over time, in accordance with the stage of completion of the projects. The value of the correction in this respect amounted to minus PLN 2,046 thousand in the first quarter of 2021,
- the application of the IFRS 16 accounting standard caused that the depreciation value, and thus the value of EBITDA profit, was increased in the first quarter of 2021 by PLN 5,430 thousand.

In the first quarter of 2021, employment in the Comarch Group decreased by 1.2%. As at the 31st of March, 2021, the Comarch Group employed 6,386 people, i.e. 76 less than as at the 31st of December, 2020.

The Comarch Group is actively looking for new markets (including in Western Europe and Asia), continues to invest in new IT products and services, and is constantly expanding and modernizing existing infrastructure. Thanks to very good financial results achieved in the first quarter of 2021 and previous periods, the financial situation of the Comarch Group is stable and guarantees security of operations in the event of changing macroeconomic situation in Poland and in the world. This is particularly important in view of the development of the Covid-19 pandemic and the economic effects it causes. During the epidemic period, there was no decrease in revenue from sales of services and products offered by the Group. The Comarch Group's financial results achieved in subsequent periods will be influenced by factors such as the duration and scope of the epidemic, the number of people falling ill with COVID-19, further administrative restrictions on the functioning of states and businesses, restrictions on the movement of employees, the possibility of taking advantage of aid packages launched by individual countries, as well as the pace of implementation of the immunization programme.

The Group consciously bears the costs of developing new products and new business segments, as well as developing activities 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,

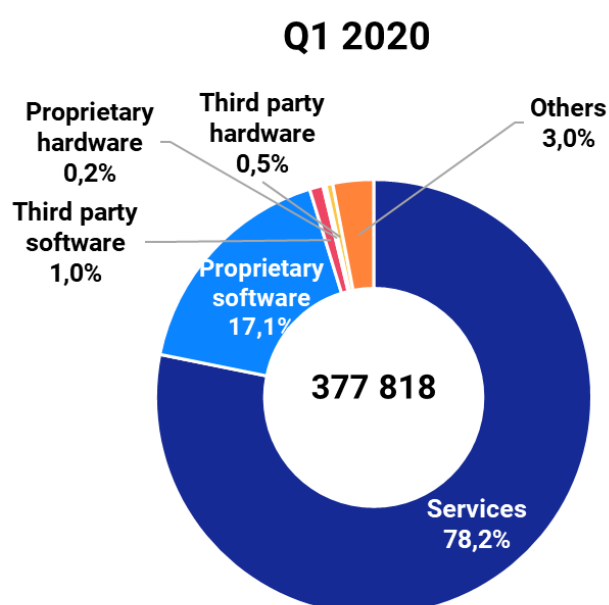
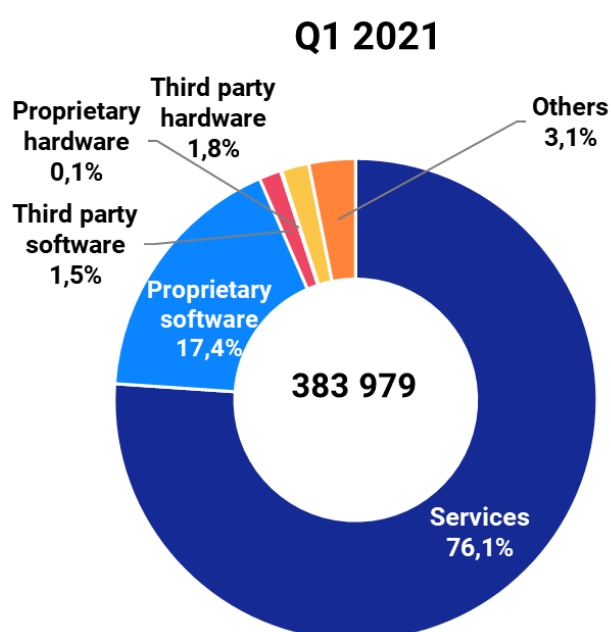
- development of sales on foreign markets, in particular in Western Europe, Asia and Oceania, and North America,
- continuous improvement of operational efficiency by improving procedures and cost rationalization,
- adaptation of the operating method to the restrictions associated with combating the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

5.2. Sales Structure

Products sales structure (in thousands of PLN)

Products sales structure	Q1 2021	%	Q1 2020	%	Change PLN	Change %
Services	292,091	76.1	295,317	78.2	-3,226	-1.1
Proprietary software	66,864	17.4	64,550	17.1	2,314	3.6
Third party software	5,636	1.5	3,787	1.0	1,849	48.8
Proprietary hardware	314	0.1	838	0.2	-524	-62.5
Third party hardware	7,083	1.8	1,933	0.5	5,150	266.4
Others	11,991	3.1	11,393	3.0	598	5.2
Total	383,979	100.0	377,818	100.0	6,161	1.6

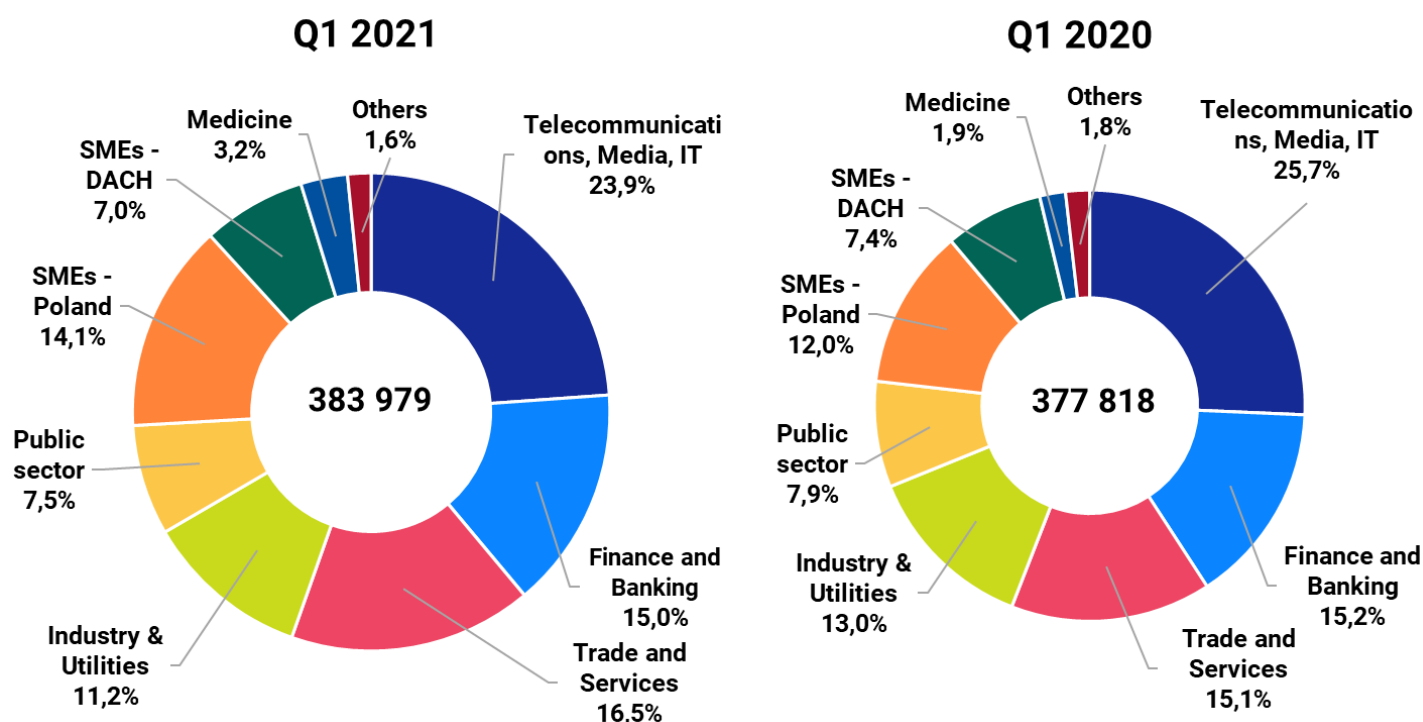
In the first quarter of 2021, products sales structure of revenue did not change significantly. Revenue from the sale of services decreased by 1.1%, i.e. by PLN 3,226 thousand. Sales of services accounted for 76.1% of total sales revenue of the Comarch Group. Revenue from sales of proprietary software increased by PLN 2,314 thousand, i.e. by 3.6%. The value of revenue from the sales of third party software was higher by PLN 1,849 thousand, i.e. by 48.8% from the one recorded in the first quarter of the previous year. The value of sales of proprietary hardware was about PLN 524 thousand, i.e. by 62.5% lower than in the first quarter of 2020. Sales of third party hardware was significantly higher compared to the first quarter of 2020 and amounted to PLN 7,083 thousand while in the first quarter of the previous year it amounted to PLN 1,933 thousand. This increase was due to the supply of computer hardware to one of the public sector customers. The value of other sales was higher by PLN 598 thousand, i.e. by 5.2%.



Market sales structure (in thousands of PLN))

Market sales structure	Q1 2021	%	Q1 2020	%	Change PLN	Change %
Telecommunications, Media, IT	91,632	23.9	97,009	25.7	-5,377	-5.5
Finance and Banking	57,747	15.0	57,245	15.2	502	0.9
Trade and Services	63,365	16.5	56,958	15.1	6,407	11.2
Industry & Utilities	43,053	11.2	49,025	13.0	-5,972	-12.2
Public sector	28,726	7.5	30,010	7.9	-1,284	-4.3
Small and Medium-Sized Enterprises - Poland	54,210	14.1	45,463	12.0	8,747	19.2
Small and Medium-Sized Enterprises - DACH	26,951	7.0	27,947	7.4	-996	-3.6
Medicine	12,203	3.2	7,343	1.9	4,860	66.2
Others	6,092	1.6	6,818	1.8	-726	-10.7
Total	383,979	100.0	377,818	100.0	6,161	1.6

In the first quarter of 2021, the value of sales revenue of the Comarch Group to recipients from the TMT sector amounted to PLN 91,632 thousand, which means a decrease of PLN 5,377 thousand (i.e. of 5.5%) compared to the first quarter of 2020. This decrease is temporary and was caused by significantly higher revenue from exchange differences from the valuation of receivables in the first quarter of 2020 compared to the first quarter of 2021. In the first quarter of 2021, customers from the finance and banking sector purchased products and services worth PLN 57,747 thousand, higher by PLN 502 thousand, i.e. by 0.9% from the one achieved in the same period of the previous year. Sales of ERP solutions to small and medium-sized enterprises in Poland increased by PLN 8,747 thousand, i.e. by 19.2% and reached the value of PLN 54,210 thousand. In the case of sales to customers from the SME sector in the DACH region, the slight decrease in revenue amounted to PLN 996 thousand, i.e. 3.6%. Sales revenue to customers from the trade and services sector increased by PLN 6,407 thousand, i.e. by 11.2%, In the case of customers from the industry & utilities, sales revenue decreased by PLN 5,972 thousand and amounted to 43,053 thousand. In the first quarter of 2021, revenue from sales to public entities fell by PLN 1,284 thousand, i.e. by 4.3%. In the discussed period, revenue from sales to customers in the medical sector increased significantly: by PLN 4,860 thousand, i.e. by 66.2%. Revenue from sales to other customers remained at the level of the first quarter of 2020 and amounted to PLN 6,092 thousand.



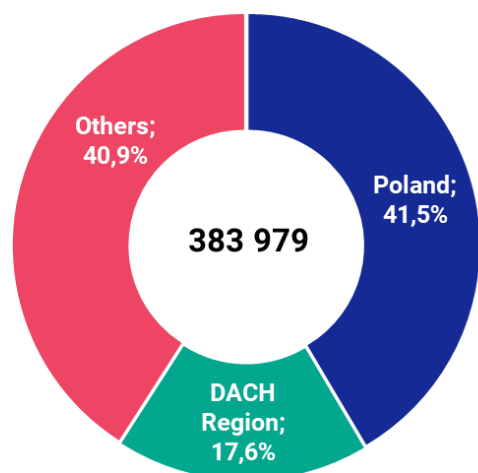
The business situation within 3 months of 2021 confirmed that maintaining the diversity of the offer and diversification of sources of income is beneficial for the stable development of the Comarch Group's operations. Thanks to the focus on selling proprietary solutions, the Comarch Group recorded a further increase in revenue and improvement in operating profitability.

Geographical sales structure (in thousands of PLN)

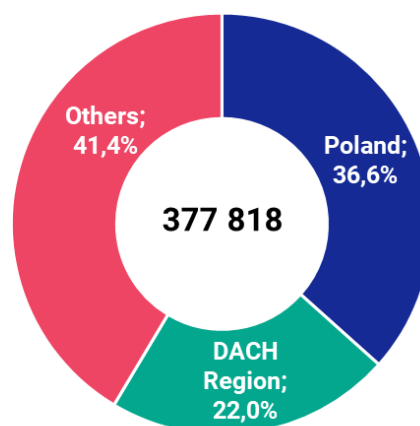
Geographical sales structure	Q1 2021	%	Q1 2020	%	Change PLN	Change %
Domestic (Poland)	159,338	41.5	138,352	36.6	20,986	15.2
Export	224,641	58.5	239,466	63.4	-14,825	-6.2
Total	383,979	100.0	377,818	100.0	6,161	1.6

In the first quarter of 2021, the Group recorded an increase in sales revenue on the domestic market and a decrease in sales revenue on foreign markets. The value of domestic sales revenue increased by PLN 20,986 thousand, i.e. by 15.2% compared to the first quarter of 2020. It was caused, among others, by increased sales to customers in the medical sector and SME-Poland. In the discussed period, the Group recorded PLN 224,641 thousand of export sales, that is PLN 14,825 thousand (i.e. 6.2%) less than in the first quarter of the previous year. This is a result of significantly lower revenue from foreign exchange differences from the valuation of receivables in the first quarter of 2021 compared to the first quarter of 2020. In the first quarter of 2021, foreign sales constituted 58.5% of the total revenue of the Group.

Q1 2021

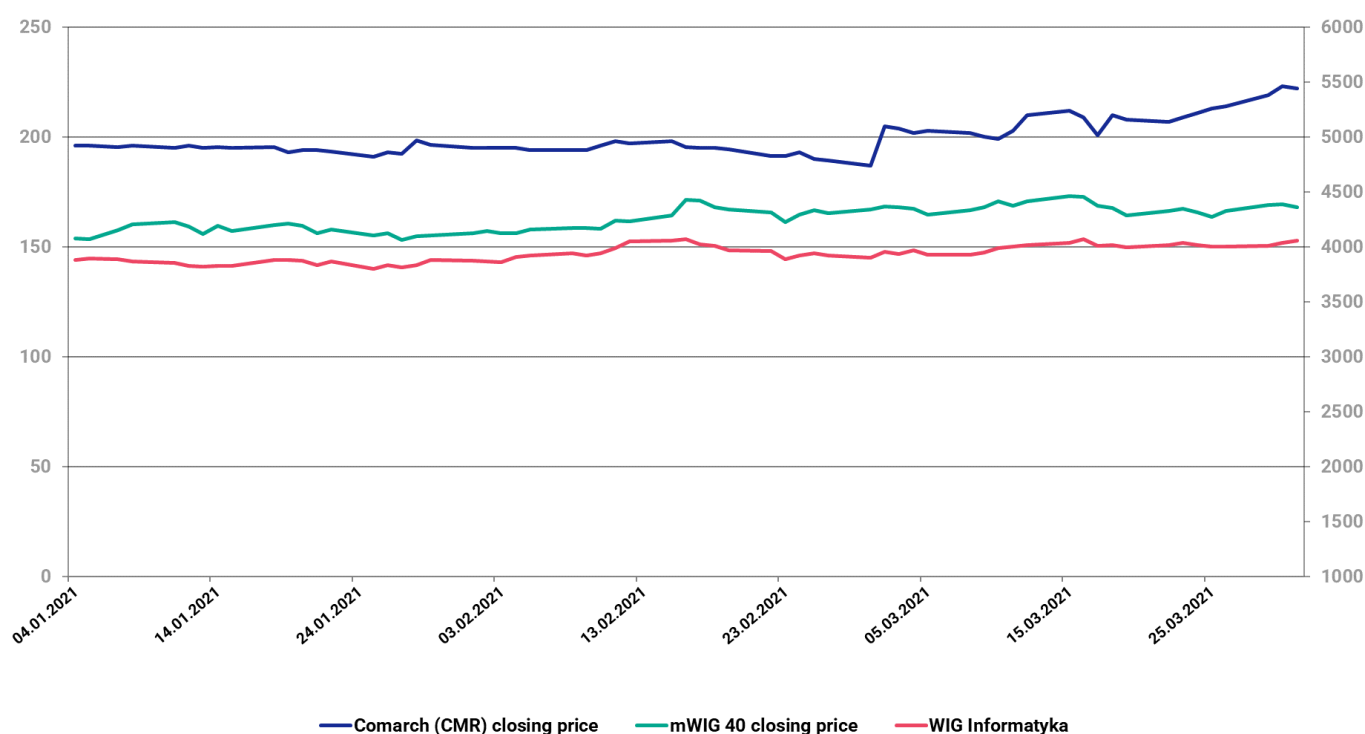


Q1 2020



5.3. Comarch S.A. Stock Price Performance

Q1 2021



On the 31st of March, 2021, the share price of Comarch S.A. amounted to PLN 222.0, which is an increase of 19.4% compared to the PLN 186 as of the 31st of December, 2020. During the first quarter of 2021, the maximum rate was PLN 223.00.

The results of the Group and the price of Comarch shares in the following quarters will depend primarily on the situation related to the economic, political and epidemic situation in Poland and in the world as well as the financial situation of medium and large enterprises, which constitute the basic customer base of the Comarch

Group. The level of exchange rates and the rate of increase of salaries of IT employees will also have a significant impact.

	3 months ended 31 March 2021 / 31.03.2021	3 months ended 31 March 2020 / 31.03.2020
Closing price at the balance sheet date	222.00	186.00
Average price during the reporting period	199.37	193.77
MIN price during the reporting period	187.00	149.50
MAX price during the reporting period	223.00	213.00
Average volume during the reporting period	4,523,03	4,672,00
Capitalization at the balance sheet date	1,805,603,478	1,512,802,914

Ratios for unconsolidated data

P/E at the balance sheet date	21.63	24.12
P/BV at the balance sheet date	1.90	1.67
P/S at the balance sheet date	7.03	6.36

Ratios for consolidated data

P/E at the balance sheet date	69.24	106.72
P/BV at the balance sheet date	1.63	1.54
P/S at the balance sheet date	4.70	4.00

5.4. Events in the First Quarter of 2021 that Greatly Impacted the Current Activities of the Comarch Group

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

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

5.4.2. Statement from ZUS on Partial Withdrawal from the Agreement (KSI ZUS)

On the 20th of February, 2021 the Management Board of Comarch S.A. informed about the receipt on 19th of February, 2021 of a statement from ZUS on partial withdrawal from the Agreement, submitted on the basis of the right under the Agreement, in terms of part of the supplementary order referred to in § 2 sec. 1 point 1 of the Annex of 23rd of December, 2020, pursuant to which the Consortium was entrusted with the provision of services supporting the operation and maintenance of KSI ZUS currently covered by the Agreement with Asseco Poland S.A. According to the statement of ZUS, the decision to exercise the right of partial withdrawal from the Agreement was influenced by the judgment of the National Appeals Chamber of 19th of February, 2021 (ref. KIO

18/21). Maximum value of services covered by part of the supplementary order to the extent indicated in § 2 section 1 point 1 of the Annex of 23rd of December 2020, to which the ZUS declaration relates, amounts to PLN 37,550,399.67 net (PLN 46,186,991.59 gross). The remaining scope of services covered by the Agreement remains unchanged.

Company informed about the details in current report no. [RB-3-2021](#) (ENG: [RB-3-2021](#)) dated the 20th of February, 2021.

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

None present.

21st of May, 2021

SIGNATURES OF MANAGEMENT BOARD MEMBERS

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

SIGNATURE OF PERSON CHARGED WITH CARRYING ON ACCOUNT BOOKS

Name and surname	Position	Signature
Maria Smolińska	Head Accountant	

Comarch S.A.

Al. Jana Pawła II 39a
31-864 Kraków

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comarch.com/investors/

COMARCH



Quarterly summary of Comarch S.A. financial statement for the period 01.01.2021- 31.03.2021

Krakow, 21st of May, 2021

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60+ countries on **6** continents
- we carry out projects all over the world



PLN 257 million
of sales revenue



PLN 24 million
of net profit



60
subsidiaries worldwide



11%
EBIT margin



4 900+
professionals employed

The quarterly financial statements of Comarch S.A. for the first quarter of 2021

I. Balance Sheet

ASSETS	31 March 2021	31 December 2020	31 March 2020
I. NON-CURRENT ASSETS	778,026	746,673	742,347
1. Intangible assets	21,367	7,332	10,038
2. Property, plant and equipment	328,443	330,914	326,423
3. Non-current investments	420,295	401,539	396,125
3.1. Non-current financial assets	400,961	381,947	375,897
a) in related parties	400,925	381,350	375,809
b) in other entities in which the Company holds equity interests	-	-	-
c) in other entities	36	597	88
3.2 Real estates	19,291	19,549	20,185
3.3 Other non-current investment	43	43	43
4. Non-current prepayments	7,921	6,888	9,761
4.1 Deferred income tax assets	6,976	5,755	7,895
4.2 Other accruals	945	1,133	1,866
II. CURRENT ASSETS	710,563	701,304	685,092
1. Inventories	58,860	54,546	66,523
2. Current receivables	350,237	437,982	352,242
2.1 from related parties	231,852	292,387	236,033
2.2 from other entities in which the Company holds equity interests	-	-	-
2.3 from other entities	118,385	145,595	116,209
3. Current investments	193,093	115,876	108,490
3.1 Current financial assets	193,093	115,876	108,490
a) in related parties	818	680	1,051
b) in other entities in which the Company holds equity interests	-	-	-
c) in other entities	120,613	22,120	223
- interest and shares	-	-	-
- other securities	120,221	20,001	-
- other current financial assets	392	2,119	223
d) cash and cash equivalents	71,662	93,076	107,216
4. Short-term prepayments	108,373	92,900	157,837
TOTAL ASSETS	1,488,589	1,447,977	1,427,439

EQUITY AND LIABILITIES	31 March 2021	31 December 2020	31 March 2020
I. EQUITY	980,390	949,438	906,126
1. Share capital	8,133	8,133	8,133
2. Supplementary capital	763,377	763,377	717,950
3. Revaluation reserve	103,640	97,175	100,656
4. Other reserve capitals	745	745	745
5. Previous years' profit (loss)	80,008	-	57,627
6. Net profit (loss)	24,487	80,008	21,015
II. LIABILITIES AND PROVISIONS FOR LIABILITIES	508,199	498,539	521,313
1. Provisions for liabilities	184,165	179,422	154,984
1.1 Provision for deferred income tax	25,210	23,661	24,599
1.2 Other provisions	158,955	155,761	130,385
a) current	157,557	154,363	130,385
b) non-current	1,398	1,398	-
2. Non-current liabilities	111,074	96,103	125,737
2.1 to related parties	9,489	10,897	20,097
2.2 to other entities in which the Company holds equity interests	-	-	-
2.3 to other entities	101,585	85,206	105,640
3. Current liabilities	152,164	165,331	161,473
3.1 to related parties	18,194	33,403	30,538
3.2 to other entities in which the Company holds equity interests	350	350	865
3.3 to other entities	130,508	130,408	127,385
3.4 Special funds	3,112	1,170	2,685
4. Accruals	60,796	57,683	79,119
4.1 Other accruals	60,796	57,683	79,119
a) current	60,796	57,683	79,119
TOTAL EQUITY AND LIABILITIES	1,488,589	1,447,977	1,427,439

Book value	980,390	949,438	906,126
Number of shares	8,133,349	8,133,349	8,133,349
Book value per single share (PLN)	120.54	116.73	111.41
Diluted number of shares	8,133,349	8,133,349	8,133,349
Diluted book value per single share (PLN)	120.54	116.73	111.41

II. Income Statement

For period 01.01 – 31.03.2021 and 01.01 – 31.03.2020	3 months ended 31 March 2021	3 months ended 31 March 2020
I. I. Net revenue from sales of products, goods and materials	256,796	238,026
revenue from related parties	87,498	75,500
1. Net revenue from sales of products	242,736	224,784
2. Net revenue from sales of goods and materials	14,060	13,242
II. Costs of products, goods and materials sold	195,004	184,028
to related parties	7,861	6,791
1. Manufacturing cost of products sold	181,906	172,375
2. Value of products, goods and materials sold	13,098	11,653
III. Gross profit (loss) on sales	61,792	53,998
IV. Costs of sales	14,595	13,609
V. Administrative expenses	16,686	14,324
VI. Profit (loss) on sales	30,511	26,065
VII. Other operating revenue	785	5,515
1. Profit on disposal of non-financial non-current assets	168	101
2. Other operating revenues	617	5,414
VIII. Other operating costs	2,986	3,236
1. Loss on disposal of non-financial non-current assets	-	-
2. Cost of works financed in part with subsidies	174	430
3. Revaluation of non-financial assets	-	-
4. Other operating costs	2,812	2,806
IX. Profit (loss) on operating activities	28,310	28,344
X. Financial revenue	6,463	12,200
1. Interest	239	461
from related parties	213	325
2. Dividends and share in profits	-	-
from related parties	-	-
3. Profit (loss) on disposal of investment	-	199
4. Revaluation of financial assets	-	-
5. Other	6,224	11,540
XI. Finance costs	6,074	17,774
1. Interest	504	651
from related parties	56	144
2. Revaluation of investments	114	-
3. Loss from the sales of investments	-	-
4. Other	5,456	17,123
XII. Profit (loss) on business activities	28,699	22,770
XIII. Gross profit (loss)	28,699	22,770
XIV. Income tax	4,212	1,755
XV. Net profit (loss)	24,487	21,015

Net profit (loss) (annualised)	83,480	62,729
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Weighted average number of shares 01.04.2020 – 31.03.2021	8,133,349	8,133,349
Earnings (losses) per single share (PLN)	10.26	7.71
Diluted weighted average number of shares 01.04.2020 – 31.03.2021	8,133,349	8,133,349
Diluted earnings (losses) per single share (PLN)	10.26	7.71

III. Changes in Equity

	3 months ended 31 March 2021	12 months ended 31 December 2020	3 months ended 31 March 2020
I. OPENING BALANCE OF EQUITY	949,438	881,540	881,540
a) changes to adopted accounting principles (policies)	-	-	-
I. a. Opening balance of equity after adjustments	949,438	881,540	881,540
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	763,377	717,950	717,950
2.1 Changes in supplementary capital	-	45,427	-
a) increases (due to)	-	45,427	-
- profit-sharing for the previous years	-	45,427	-
2.2 Closing balance of supplementary capital	763,377	763,377	717,950
3. Opening balance of revaluation reserve	97,175	97,085	97,085
3.1 Changes in revaluation reserve	6,465	90	3,571
a) increases (due to)	7,981	110	4,409
- provision for deferred income tax due to certificates valuation	-	-	-
- balance sheet valuation of investment certificates	7,981	110	4,409
b) decreases (due to)	1,516	20	838
- balance sheet valuation of investment certificates	-	-	-
- provision for deferred income tax due to certificates valuation	1,516	20	838
3.2 Closing balance of revaluation reserve	103,640	97,175	100,656
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	80,008	57,627	57,627
a) changes to adopted accounting principles (policies)	-	-	-
6.1 Opening balance of previous years' profit after adjustments	80,008	57,627	57,627
a) decreases (due to)	-	57,627	-
- transferring the result from the previous years to supplementary capital	-	45,427	-

- payment of dividend	-	12,200	-
6.2 Closing balance of previous years' profit	80,008	-	57,627
7. Result for Q1 (opening balance)	-	-	-
7.1 Net result for the period	24,487	80,008	21,015
7.2. Net result	24,487	80,008	21,015
II. CLOSING BALANCE OF EQUITY	980,390	949,438	906,126
III. EQUITY INCLUDING PROPOSED PROFIT-SHARING (LOSS COVERAGE)	980,390	949,438	906,126

IV. Cash Flow Statement

For period 01.01 – 31.03.2021
and 01.01 – 31.03.2020

3 months
ended 31
March 2021

3 months
ended 31
March 2020

A. CASH FLOWS FROM OPERATING ACTIVITIES

I. Net profit (loss)	24,487	21,015
II. Total adjustments	72,664	37,720
1. Depreciation	10,844	10,904
2. Exchange gains (losses)	(218)	628
3. Interest and profit sharing (dividends)	431	421
4. (Profit) loss on investing activities	(449)	(255)
5. Change in provisions	3,227	(6,585)
6. Change in inventories	(4,314)	(3,772)
7. Change in receivables	89,978	49,276
8. Change in current liabilities, excluding credits and loans	(13,442)	9,770
9. Change in prepayments and accruals	(13,393)	(22,667)
10. Change in deferred income	-	-
11. Other adjustments	-	-
III. Net cash used in operating activities (I+/-II) – indirect method	97,151	58,735

B. CASH FLOWS FROM INVESTING ACTIVITIES

I. Inflows	232	3,004
1. Disposal of property, plant and equipment and intangible assets	137	374
2. From financial assets, including:	95	2,630
a) in related parties	95	2,431
- repaid loans	80	2,339
- repaid interest on loans	15	-
- received loans	-	-
- received interest	-	92
- received dividends	-	-
b) in other entities	-	199
- interest	-	-
- dividends and share in profits	-	-
- other proceeds from financial assets	-	199

3. Other investment proceeds	-	-
II. Outflows	(133,993)	(14,344)
1. Purchase of property, plant and equipment and intangible assets	(22,615)	(3,170)
2. Expenses for investment in real estates	-	-
3. For financial assets, including:	(111,378)	(11,174)
a) in related parties	(11,264)	(11,174)
- purchase of financial assets	-	(9,144)
- granted non-current loans	(11,264)	(2,030)
- repayment of loans from related parties	-	-
- repayment of interest on loans	-	-
b) in other entities	(100,114)	-
4. Other investment expenses	-	-
III. Net cash used in investing activities (I-II)	(133,761)	(11,340)

C. CASH FLOWS FROM FINANCING ACTIVITIES

I. Inflows	25,017	2,055
1. Credits and loans	24,879	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)	138	230
II. Outflows	(10,040)	(8,614)
1. Purchase of own shares (shares) + additional capital contributions	-	-
2. Dividends and other payments to owners	-	-
3. Repayment of loans and credits	(9,594)	(8,100)
4. Interests	(446)	(514)
5. Granted loans	-	-
6. Other financial expenses	-	-
III. Net cash (used in)/generated from financing activities (I-II)	14,977	(6,559)
D. NET CASH FLOW, TOTAL (A.III+/-B.III+/-C.III)	(21,633)	40,836
E. BALANCE SHEET CHANGE IN CASH AND CASH EQUIVALENTS	(21,414)	40,213
change in cash and cash equivalents due to exchange differences	219	(623)
F. CASH AND CASH EQUIVALENTS OPENING BALANCE	93,076	67,001
G. CLOSING BALANCE OF CASH AND CASH EQUIVALENTS (F+/-E)	71,662	107,214
limited disposal	249	641

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 2021, pos. 217) 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, 2020, until the 31st of December, 2020. If this financial statement for the 3 months ended the 31st of March, 2021, was prepared according to IFRS, the financial results would amount to PLN 23,709 thousand.

Profit according to the Act on Accounting	24,487
Depreciation of perpetual usufruct	(23)
Asset due to activity in the SEZ	(4,106)
Correction of revenue from the title of IFRS 15	(744)
Correction of revenue from the title of IFRS 16	4,145
Correction of revenue from the title of IFRS 9	(50)
Profit according to IFRS	23,709

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 2021, 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 469 thousand.

No hedges were made on inventories owned by the Company.

As at the 31st of March, 2021, due to payments of receivables, Comarch S.A. resolved revaluating write-offs, were worth PLN 1,328 thousand and created write-offs worth PLN 3,769 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 the first quarter 2021, an asset due to temporary differences in income tax worth PLN 1,221 thousand was created, a provision for deferred tax due to temporary differences was created in the amount of PLN 44 thousand and was resolved in the amount of PLN 11 thousand. The total effect of these operations on the result as at the 31st of March, 2021 amounted to plus PLN 1,188 thousand.

A provision for deferred income tax related to valuation of investment certificates in CCF FIZ was increased by PLN 1,516 thousand. This provision as well as certificates valuation are settled with revaluation reserve.

As at the 31st of March, 2021, 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 2021	31 December 2020	31 March 2020
a) in subsidiaries and correlated parties	400,925	381,350	375,89
- interest or shares	232,029	231,842	212,944
- loans granted	39,386	27,979	37,036
- other securities	129,510	121,529	125,829
- 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	36	597	88
- other non-current financial assets (types)	36	597	88
• forwards and IRS	36	597	88
Total Non-current financial assets	400,961	381,947	375,897

3.2. Changes in non-current financial assets (types)

	3 months ended 31 March 2021	3 months ended 31 March 2020
a) Opening balance	381,947	364,443
- interests or shares	231,842	203,490
- loans granted	27,979	36,794
- other securities	121,529	121,420
- other non-current assets (forward contracts)	597	2,739
- others	-	-
b) increases (due to)	19,746	16,443
- purchases of shares in subsidiaries	-	9,144
- loans granted to subsidiaries	11,263	2,030
- change of the nature of loans on long-term from entities in which the Company holds equity interests	-	80
- balance sheet valuation of non-current loans	-	-
- balance sheet valuation of loans in subsidiaries	315	470
- valuation of forward contracts	-	-
- valuation of participation units in CCF FIZ	7,981	4,409
- balance sheet valuation of shares	187	310
- release of revaluating write-offs for non-current loans	-	-

c) decreases (due to)	732	4,989
- repayment of subsidiaries' loans	-	2,338
- repayment of interest on subsidiaries' loans	-	-
- change of the nature of loans to current loans from entities in which the entity has an equity interest	80	-
- valuation of participation units in CCF FIZ	-	-
- valuation of forward contracts	561	2,651
- revaluation of shares	-	-
- creating revaluation write-offs on interest on loans to related parties	-	-
- balance sheet valuation of shares	-	-
- creating revaluation write-offs on loans to related parties	91	-
- redemption of capital of loans of related parties	-	-
d) Closing balance	400,961	375,897

3.3. Current financial assets

	31 March 2021	31 December 2020	31 March 2020
a) in related parties	818	680	1,051
- loans granted	402	402	322
- other financial assets	416	278	729
b) in other entities in which the Company holds equity interests	-	-	-
- loans granted	-	-	-
- other financial assets	-	-	-
c) in other entities	120,613	22,120	223
- interest or shares	-	-	-
- loans granted	-	-	-
- other securities	120,221	20,001	-
- other current financial assets	392	2,119	223
• forward and IRS contracts	392	2,119	223
d) cash and cash equivalents	71,662	93,076	107,216
- cash in hand and at banks	71,662	93,076	107,214
- other cash assets	-	-	2
Total Current financial assets	193,093	115,876	108,490

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 2021, Comarch S.A. reached revenue from sales by 7.9% higher than achieved in previous year (PLN 256,796 thousand in Q1 2021 compared to PLN 238,026 thousand in Q1 2020). Net sales of products

constituted 94.5% of total sales of the Company and were higher by PLN 17,952 thousand. The Company's operating profit achieved in Q1 2021 amounted to PLN 28,310 thousand, net result was PLN 24,487. EBIT margin was 11.0%, and net margin was 9.5%

5. Factors and events of unusual nature with significant effects on the achieved financial results

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, 2021, increased revenue and operating profit of Comarch S.A. by PLN 6,352 thousand (while in the similar period of 2020 increased by PLN 16,630 thousand). Exchange rate differences from other activities decreased the result of Comarch S.A. by PLN 128 thousand (while in the similar period of 2020 decreased by PLN 5,096 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 4,421 thousand (while in the similar period of 2020 decreased it by PLN 14,617 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 2021 amounted to plus PLN 1,803 thousand (minus PLN 3,083 thousand in the similar period of 2020).

As at the 31st of March, 2021, Comarch S.A. has not created write-offs due the loss of value of shares in subsidiaries.

6. Discussion of seasonality (cyclical nature) of the issuer's business in the period presented

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

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

7. Information about write-offs that revaluated inventories at the net realizable value and reversal referred to them

As of March 31, 2021, 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 469 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 2020	128,879	-	-	-	128,879
Change:	-	-	-	-	-
- creation	-	-	-	-	-
- dissolution	-	-	-	-	-
Balance at 31 March 2020	128,879	-	-	-	128,879
Balance at 1 January 2020	128,879	-	-	-	128,879
Change:	4,692				4,692
- creation	4,692	-	-	-	4,692
- dissolution	-				
Balance at 31 December 2020	133,571	-	-	-	133,571
Balance at 1 January 2021	133,571	-	-	-	133,571
Change:	-	-	-	-	-
- creation	-	-	-	-	-
- dissolution	-	-	-	-	-
Balance at 31 March 2021	133,571	-	-	-	133,571

9. Information about creation, increasing, using and dissolution of provisions

	Provisions for contracts costs	Provisions for contractual penalties and other claims	Provisions for leaves	Provisions for remuneration	Provision for pension and related benefits	Total
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
Current	13,682	3,149	31,336	82,218	-	130,385
Non-current	-	-	-	-	-	-
Balance at 1 January 2020	13,885	8,323	24,006	89,732	-	135,946
Change:	(62)	(5,176)	(7,476)	(16,179)	1,398	19,815
- creation	9,020	432	21,310	103,812	1,398	135,972
- dissolution	(9,082)	(5,608)	(13,834)	(87,633)	-	(116,157)
Balance at 31 December 2020	13,823	3,147	31,482	105,911	1,398	155,761
Current	13,823	3,147	31,482	105,911	-	154,363
Non-current	-	-	-	-	1,398	1,398
Balance at 1 January 2021	13,823	3,147	31,482	105,911	1,398	155,761
Change:	(1,043)	(113)	9,642	(5,292)	-	3,194
- creation	342	77	10,687	14,401	-	25,507
- dissolution	(1,385)	(190)	(1,045)	(19,693)	-	(22,313)
Balance at 31 March 2021	12,780	3,034	41,124	100,619	1,398	158,955
Current	12,780	3,034	41,124	100,619	-	157,557
Non-current	-	-	-	-	1,398	1,398

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

10. Information about provisions and assets in reference to deferred income tax

	Asset due to deferred income tax	Provision due to deferred income tax
At 1 January 2020	6,082	24,786
Creation in I-III 2020	2,303	896

Dissolution in I-III 2020	(490)	(1,083)
At 31 March 2020	7,895	24,599
At 1 January 2020	6,082	24,786
Creation in I-XII 2020	1,305	20
Dissolution in I-XII 2020	(1,632)	(1,145)
At 31 December 2020	5,755	23,661
At 1 January 2021	5,755	23,661
Creation in I-III 2021	1,221	1,560
Dissolution in I-III 2021	-	(11)
At 31 March 2021	6,976	25,210

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 5,693 thousand, technical devices for the amount PLN 18 thousand and intangible assets for the amount of PLN 15,905 thousand including copyrights to medical systems acquired from a subsidiary for the total amount of PLN 15,669 thousand.

In reporting period Comarch S.A., revenue from sales of property, plant and equipment amounted to PLN 324 thousand.

12. Information about significant liability in relation to purchase of property, plant and equipment and non-current financial assets

As at 31st of March, 2021, Comarch S.A. has liabilities due to purchase of computer hardware in the amount of PLN 1,492 thousand, investment liabilities in the amount of PLN 52 thousand as well as liabilities due to purchase of intangible assets in the amount of PLN 417 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 3,531 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

Comarch S.A.'s Management Board informed in a current report no. [RB-4-2021](#) (ENG: [RB-4-2021](#)) dated the 18th of May, 2021 that the Supervisory Board of Comarch SA, by virtue of Resolution No. 09/05/2021 of May 18, 2021, positively expressed the opinion of the Management Board of Comarch S.A. dated the 17th of May, 2021, so that the Company's net profit in the financial year from January 1, 2020 to December 31, 2020 in the amount of PLN 80,008,432.99 (in words: eighty million, eight thousand four hundred thirty two zlotys and 99/100) was divided in such a way that:

1) part of the net profit of PLN 24,400,047 (in words: twenty four million four hundred thousand forty seven zlotys) will be used to pay dividend. The dividend in the amount of PLN 3.00 (in words: three zlotys) per share will be given to persons who are shareholders of the Company on 6th of July, 2021 (dividend day), and the dividend will be paid on 16th of July, 2021.

2) the remaining part of the net profit in the amount of PLN 55,608,385.99 (in words: fifty five million six hundred eight thousand three hundred eighty five zlotys and 99/100) will be transferred to supplementary capital.

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, 2021, 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 87,177 thousand, whereas it was PLN 91,066 thousand as at the 31st of December, 2020.

Comarch S.A. is the defendant in legal proceedings in which the potential total amount of third party claims is PLN 14,491 thousand of which PLN 1,051 thousand is covered by provisions included in the balance sheet at the 31st of March, 2021. In the first quarter 2021, Comarch S.A. did not created provisions for claims covered by legal proceedings whereas resolved provisions in this respect for the amount of PLN 122 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 1,982 thousand is covered by provisions included in the balance sheet at the 31st of March, 2021. In the first quarter 2021, Comarch S.A. created provisions for matters in disputes, but not legal proceedings in the amount of PLN 77 thousand and resolved provisions in this respect for the amount of PLN 68 thousand.

Due to the legal proceedings, in the first quarter 2021 the Comarch Group created write-offs that revalue receivables in the amount of PLN 3 thousand. Due to the matters in disputes, but not legal proceedings, in the first quarter 2021 the Comarch Group did not created write-offs that revalue receivables.

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 12th 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 19th 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 Management Board of Comarch S.A. 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 Company's operations. The Management Board of the Company hereby informs that as at the date of publication of this report the Company's operations were conducted without any interruptions. The Comarch S.A. implemented all guidelines recommended by the Chief Sanitary Inspectorate and other state institutions in the countries of the Company'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. On the 4th of May, 2021 sent an application to the Government Centre for Security to participate in the vaccination programme for workplaces and is preparing to organise it.

Remote communication methods are commonly used in business contacts. The Management Board of the Company notes that the activities of the Comarch S.A. 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 S.A. 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 Company's operations.

During the epidemic period, there was no decrease in revenue from sales of services and products offered by the Company. The Comarch Group's operational activity and the financial results achieved in subsequent periods will be influenced by factors such as the duration and scope of the epidemic, the number of people falling ill with COVID-19, further administrative restrictions on the functioning of states and businesses, restrictions on the movement of employees, the possibility of taking advantage of aid packages launched by individual countries, as well as the pace of implementation of the immunization programme.

24.2. Selection of the most advantageous offer in the public procurement for providing the support, operation and maintenance of the KSI ZUS

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

24.3. Statement from ZUS on Partial Withdrawal from the Agreement (KSI ZUS)

On the 20th of February, 2021 the Management Board of Comarch S.A. informed about the receipt on 19th of February, 2021 of a statement from ZUS on partial withdrawal from the Agreement, submitted on the basis of

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

Company informed about the details in current report no. [RB-3-2021](#) (ENG: [RB-3-2021](#)) dated the 20th of February, 2021.

21st of May, 2021**SIGNATURES OF MANAGEMENT BOARD MEMBERS**

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

SIGNATURE OF PERSON CHARGED WITH CARRYING ON ACCOUNT BOOKS

Name and Surname	Position	Signature
Maria Smolińska	Head Accountant	

Comarch S.A.

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